20230724110841

Årsredovisning

för

Adapteo Holding AB

556987-1089

Räkenskapsåret

2022

Innehållsförteckning

Förvaltningsberättelse	1-2
Resultaträkning	3
Balansräkning	4-5
Noter	6-8
Underskrifter	9

Fastställelseintyg

Undertecknad styrelseledamot i Adapteo Holding AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2023-06-30. Årsstämman *beslutade att godkänna styrelsens förslag till resultatdisposition.*

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

Teemu Saarela

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20230724110842

Årsredovisning

för

Adapteo Holding AB

556987-1089

Räkenskapsåret

2022

Innehållsförteckning

Förvaltningsberättelse	1-2
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Adapteo Holding AB
Org.nr 556987-1089

20230724110843

Styrelsen för Adapteo Holding AB avger följande årsredovisning för räkenskapsåret 2022.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belop i tusentals kronor (Tkr). Uppgifter inom parents avser föregående år.

Förvaltningsberättelse

Information om verksamheten
Verksamheten består av att äga och förvalta dotterbolag.

Företag har sitt säte i Stockholm.

Väsentliga händelser under räkenskapsåret

Inga väsentliga händelser har inträffat under året.

Förväntad framtida utveckling samt väesntliga risker och osäkerhetsfaktorer

Någon av verksamheten kommer inte att ske och det finns inga väsentliga risker och osäkerhetsfaktorer.

Ägerförhållanden

Bolaget är helägt dotterbolag till Adapteo Oy, Finland, (2982221-9) som upprättar koncernredovisning för hela koncernen. Någon koncernredovisning för den svenska verksamheten upprättas inte med hänvisning till Årsredovisningslagen 7 kap 2§.

Flerårsöversikt (Tkr)	**2022**	**2021**	**2020**	**2019**
Nettoomsättning	0	0	0	0
Resultat efter avskrivningar	-86 803	-31 519	-17 567	-794 511
Årets resultat	-22 868	57 111	50 227	-794 511
Balansomslutning	909 656	889 144	815 622	236 461
Soliditet (%)	23,9	27,0	22,4	neg

Förändring av eget kapital

	Aktie-kapital	**Överkurs-fond**	**Balanserat resultat**	**Årets resultat**	**Total**
Belop vid årets ingång	64 790	523 930 810	-341 062 682	57 110 964	**240 043 882**
Vinstdisposition			57 110 964	-57 110 964	**0**
Årets resultat				-22 867 950	**-22 867 950**
Belop vid årets utgång	**64 790**	**523 930 810**	**-283 951 718**	**-22 867 950**	**217 175 932**

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Förlag till vinstdisposition
Styrelsen föreslag att till förfpgande stående vinstmedel (kronor):

ansamlad förlust	-283 951 718
överkursfond	523 930 810
årets resultat	-22 867 950
	217 111 142

disponeras så att	
i ny räkning överfores	217 111 142
	217 111 142

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

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Adapteo Holding AB
Org.nr 556987-1089

20230724110845

Resultaträkning Tkr	**Not**	**1.1.2022 -31.12.2022**	**1.1.2021 -31.12.2021**
Rörelsens kostnader			
Administrationskonstnader	2	-696	-287
		-696	**-287**
Rörelseresultat		**-696**	**-287**
Resultat från finansiella poster			
Ränteintäkter och likande resultatposter	3	21 446	0
Räntekostnader och likande resultatposter	4	-107 552	-31 232
		-86 106	**-31 232**
Resultat efter finansiella poster		**-86 803**	**-31 519**
Bokslutsdispositioner	5	65 751	103 386
Resultat före skatt		**-21 052**	**71 867**
Skatt på årets resultat		-1 816	-14 756
Årets resultat		**-22 868**	**57 111**

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Adapteo Holding AB
Org.nr 556987-1089

Balansräkning Tkr	**Not**	**31.12.2022**	**31.12.2021**
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	6, 7	732 740	732 740
		732 740	**732 740**
Summa anläggningstillgångar		**732 740**	**732 740**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		176 903	156 400
Övriga fordringar		13	3
Summa kortfristiga fordringar		**176 916**	**156 404**
Summa omsättningstillgångar		**176 916**	**156 404**
SUMMA TILLGÅNGAR		**909 656**	**889 144**

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Balansräkning Tkr	**Not**	**31.12.2022**	**31.12.2021**
EGET KAPITAL OCH SKULDER			
Eget kapital	8, 9		
Bundet eget kapital			
Aktiekapital		65	65
		65	**65**
Fritt eget kapital			
Överkursfond		523 931	523 931
Balanserad vinst eller förlust		-283 952	-341 063
Årets resultat		-22 868	57 111
		217 111	**239 979**
Summa eget kapital		**217 176**	**240 044**
Långfristiga skulder	10		
Skulder till koncernföretag		675 640	621 145
Summa långfristiga skulder		**675 640**	**621 145**
Kortfristiga skulder			
Leverantörsskulder		0	174
Skulder till koncernföretag		0	1 320
Aktuella skatteskulder		16 840	26 462
Summa kortfristiga skulder		**16 840**	**27 955**
SUMMA EGET KAPITAL OCH SKULDER		**909 656**	**889 144**

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Noter

Not 1 Redovisnings- 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.

Intäktredovisning
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 tillförlitiligt sätt.

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

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

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

Nyckeltalsdefinitioner
Nettoomsättning
Rörelsens huvudintäkter, fakturerade konstnader, sidointäkter sant intäktskorrigeringar.

Resultat efter avskrivningar
Resultat efter avskrivningar men före finansiella intäkter och kostnader.

Balansomslutning
Företagets samlade tillgångar.

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

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Not 2 Arvode till revisorer

Med revisionsuppdrag avses granskning av årsredovisningen och bokföringen sant styrelsens förvaltning, övriga arbetsuppgifter som det ankommer på bolagets revisor att uttföra sant rådgivning eller annat biträde som föranleds av iakttagelser vid sådan granskning eller genomförandet av sådan övriga arbetsuppgifter.

	2022	2021
KPMG AB		
Revisionsuppdrag	-52	-174
	-52	**-174**

Not 3 Övriga räntintäkter och likande resultatposter

	2022	2021
Ränteintäkter från koncernföretag	717	0
Valutakursdifferenser	20 729	0
	21 446	**0**

Not 4 Räntekostnader och likande resultatposter

	2022	2021
Räntekostnader till koncernföretag	-33 766	-31 232
Räntekostnader	-425	0
Valutakursdifferenser	-73 361	0
	-107 552	**-31 232**

Not 5 Bokslutsdispositioner

	2022	2021
Mottagna koncernbidrag	65 751	103 386
	65 751	**103 386**

Not 6 Andelar i koncernföretag

	31.12.2022	31.12.2021
Ingående anskaffningsvärden	1 519 740	1 519 740
Utgående ackumulerade anskaffningsvärden	**1 519 740**	**1 519 740**
Ingående nedskrivningar	-787 000	-787 000
Utgående ackumulerade nedskrivningar	**-787 000**	**-787 000**
Utgående redovisat värde	**732 740**	**732 740**

Not 7 Specifikation andelar i koncernföretag

	Kapital-andel	Rösträtts-andel	Antal andelar	Bokfört värde
Namn				
Adapteo Services Ab	100	100	20 696 156	232 740
Adapteo Ab	100	100	15 000 000	500 000
				732 740

	Org.nr	Säte
Adapteo Services Ab	556691-3868	Stockholm
Adapteo Ab	556053-2888	Stockholm

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Not 8 Antal aktier och kvotvärde

Namn	Antal aktier	Kvot-värde
Antal A-Aktier	129 581	0,50
	129 581	

Not 9 Disposition av vinst eller förlust

	31.12.2022
Förslag till vinstdisposition	
Styrelsen föreslag att till förfpgande stående vinstmedel:	
ansamlad förlust	-283 952
överkursfond	523 931
årets resultat	-22 868
	217 111
disponeras så att	
i ny räkning överfores	217 111
	217 111

Not 10 Skuld koncernföretag

	31.12.2022	31.12.2021
Skuld koncernföretag	675 640	621 145
	675 640	**621 145**

Not 11 Uppgifter om moderföretag

Moderföretag i den största koncern där företaget ingår och som upprättar koncernredovisning är Adapteo Oy med organisationsnummer 2982221-9 med säte i Vantaa, Finland.

Not 12 Ställda säkerheter

Företaget har inga ställda säkerheter.

Not 13 Eventualförpliktelser

Företaget har inga eventualpliktelser.

Not 14 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser efter räkenskapsårets slut.

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Stockholm den dag som framgår av vår elektroniska underskrift

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Teemu Arvo Sakari Saarela
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Teemu Saarela
Ordförande

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Simon Persson
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Simon Persson
Styrelseledamot

DocuSigned by:
30BABB73161E4FB...
Carol Spendilow
Styrelseledamot

Vår revisionsberättelse har lämnats den dag som framgår av vår eletroniska underskirft

KPMG AB

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F731400B144947E...
Helena Nilsson
Auktoriserad revisor

202307241085 2

DocuSign

Certificate Of Completion

Envelope Id: 95197DD7B5C64119917AA542A18CE25D
Status: Completed
Subject: Complete with DocuSign: Adapteo Holding AB årsredovisning 2022 final.pdf
Source Envelope:
Document Pages: 10
Signatures: 4
Certificate Pages: 6
Initials: 0
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC+01:00) Amsterdam, Berlin, Bern, Rome, Stockholm, Vienna

Envelope Originator:
Markus Thornberg
PO Box 50768
Malmö, SE -202 71
markus.thornberg@kpmg.se
IP Address: 195.84.56.2

Record Tracking

Status: Original
6/20/2023 11:26:35 AM
Holder: Markus Thornberg
markus.thornberg@kpmg.se
Location: DocuSign

Signer Events

Carol Holmström Spendilow
carol.spendilow@adapteo.com
Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:
30BABB73161E4FB...

Signature Adoption: Drawn on Device
Using IP Address: 31.208.184.224
Signed using mobile

Timestamp

Sent: 6/20/2023 11:29:26 AM
Viewed: 6/20/2023 5:50:24 PM
Signed: 6/20/2023 5:50:42 PM

Authentication Details
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Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: f0d5c6f4-024d-5cc7-b9b4-6552c9ba2d23
Country or Region of ID: SE
Result: Passed
Performed: 6/20/2023 5:50:10 PM

Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: f0d5c6f4-024d-5cc7-b9b4-6552c9ba2d23
Country or Region of ID: SE
Result: Passed
Performed: 6/21/2023 5:39:45 PM

Electronic Record and Signature Disclosure:
Accepted: 6/20/2023 5:50:24 PM
ID: f894f24a-37ed-4c1b-b61e-dcbf15193618

Simon Persson
simon.persson@adapteo.com
Security Level: Email, Account Authentication (None)

DocuSigned by:
Simon Persson
A11CE6A046A1453...

Sent: 6/20/2023 11:29:27 AM
Viewed: 6/20/2023 5:19:14 PM
Signed: 6/20/2023 5:19:31 PM

Signature Adoption: Pre-selected Style
Using IP Address: 95.193.130.162
Signed using mobile

Authentication Details

202307241085 3

Signer Events	Signature	Timestamp

Identity Verification Details:
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Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 9e83a507-e113-5799-b6c9-4e9e603f8bed
Country or Region of ID: SE
Result: Passed
Performed: 6/20/2023 5:18:58 PM

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Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 9e83a507-e113-5799-b6c9-4e9e603f8bed
Country or Region of ID: SE
Result: Passed
Performed: 6/20/2023 5:28:04 PM

Electronic Record and Signature Disclosure:
Accepted: 5/23/2023 7:40:51 PM
ID: b2cbbef0-a864-4477-9321-6458fd261988

Teemu Arvo Sakari Saarela
teemu.saarela@adapteo.com
Board member
Security Level: Email, Account Authentication (None)

DocuSigned by:
Teemu Arvo Sakari Saarela
4F983A14C4364D3...

Signature Adoption: Pre-selected Style
Using IP Address: 62.119.102.146

Sent: 6/20/2023 11:29:28 AM
Viewed: 6/20/2023 12:08:11 PM
Signed: 6/20/2023 12:08:21 PM

Authentication Details
Identity Verification Details:
Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: Finnish Bank eIDs (FTN)
Transaction Unique ID: 58aaf1ec-8f27-5b0d-a599-5fc2be0b84b4
Country or Region of ID: FI
Result: Passed
Performed: 6/20/2023 12:07:56 PM

Electronic Record and Signature Disclosure:
Accepted: 6/20/2023 12:08:11 PM
ID: 39e3a667-76ad-4e37-8069-b10594d87280

Helena Nilsson
helena.nilsson@kpmg.se
KPMG AB
Security Level: Email, Account Authentication (None)

DocuSigned by:
F731400B144947E...

Signature Adoption: Drawn on Device
Using IP Address: 195.84.56.2

Sent: 6/20/2023 5:50:46 PM
Viewed: 6/28/2023 3:55:26 PM
Signed: 6/28/2023 3:58:06 PM

Authentication Details
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Workflow ID: facedebc-e28d-4182-adbf-789fbd673b01
Workflow Name: DocuSign ID Verification
Workflow Description: The signer will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: e1498d0e-6ffd-598f-b7ad-200b52d8a6ef
Country or Region of ID: SE
Result: Passed
Performed: 6/28/2023 3:55:12 PM

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In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	6/20/2023 11:29:28 AM
Certified Delivered	Security Checked	6/28/2023 3:55:26 PM
Signing Complete	Security Checked	6/28/2023 3:58:06 PM
Completed	Security Checked	6/28/2023 3:58:06 PM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

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20230724110858

Revisionsberättelse

Till bolagsstämman i Adapteo Holding AB, org. nr 556987-1089

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Adapteo Holding AB för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Adapteo Holding ABs finansiella ställning per den 31 december 2022 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.

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 Adapteo Holding 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 den 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. Den 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.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

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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 Adapteo Holding AB för år 2022 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 Adapteo Holding 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 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.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Stockholm den dag som framgår av vår eletroniska underskrift

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Adapteo.

THE REPORT OF BOARD OF DIRECTORS
CONSOLIDATED FINANCIAL STATEMENTS
PARENT COMPANY'S FINANCIAL STATEMENTS

1 January – 31 December 2022

Adapteo Group Oy

Company ID 3173642-4

202402020805 11

Contents

THE REPORT OF BOARD OF DIRECTORS 1
CONSOLIDATED FINANCIAL STATEMENTS 6
Consolidated income statement 6
Consolidated statement of comprehensive income 6
Consolidated balance sheet 7
Consolidated statement of changes in equity 8
Consolidated statement of cash flows 9
Notes to the Consolidated financial statements 10
BACKGROUND AND BASIS OF PREPARATION 10
1. Background and basis of preparation 10
PERFORMANCE 11
2. Geographical area information 11
3. Sources of revenue 11
4. Other operating income 13
5. Materials and services 14
6. Other operating expenses 14
7. Employee benefit expenses 14
8. Depreciation, amortisation and impairment 15
9. Finance income and costs 16
10. Taxes 16
PROPERTY, PLANT AND EQUIPMENT, ACQUISITIONS, INTANGIBLE ASSETS AND INVESTMENTS IN JOINT VENTURES AND ASSOCIATES 20
11. Property, plant and equipment 20
12. Acquisitions 23
13. Goodwill and other intangible assets 26
14. Investments in joint ventures and associates 29
NET WORKING CAPITAL 31
15. Inventories 31
16. Trade and other receivables 32
17. Trade and other payables 33
18. Provisions 33
FINANCING AND CAPITAL MANAGEMENT 35
19. Borrowings 36
20. Hedge accounting 37
21. Equity 38
22. Cash and cash equivalents 38
23. Finance lease receivables 39
24. Classification of financial assets and liabilities 40
25. Financial risk management 42
OTHER NOTES 47

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26. Collaterals and contingent liabilities 47
27. Adapteo entities and foreign currency translation 48
28. Refated party transactions 50
29. Audit fees 50
30. New and forthcoming accounting standards 51
31. Significant events after the reporting period 51
FINANCIAL STATEMENTS OF THE PARENT COMPANY, FAS 52
Income statement of the parent company 52
Balance sheet of the parent company 53
Statement of cash flows of the parent company 54
Notes to the financial statements of the parent company 55
SIGNATURES FOR THE FINANCIAL STATEMENTS AND THE REPORT OF BOARD OF DIRECTORS 59
AUDITOR'S NOTE 60
AUDITOR'S REPORT 61

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THE REPORT OF BOARD OF DIRECTORS

General

Adapteo Group was established on 17 August 2021. In May 2021, Palace Bidco Oy (currently named as Adapteo Group Oy), a private limited company formed on behalf of, and indirectly wholly owned by West Street Global Infrastructure Partners IV, L.P., (WSIP) announced a voluntary public cash tender offer to acquire all outstanding shares in Adapteo Plc. WSIP is the latest in a series of infrastructure funds managed or advised by Goldman Sachs Asset Management to make direct investments in infrastructure and infrastructure-related assets and companies globally. On 17 August 2021, Palace Bidco Oy acquired 94% of the outstanding shares of Adapteo Plc. On 8 September 2021, Palace Bidco Oy held 97% of the outstanding shares of Adapteo Plc. Adapteo Plc's shares were delisted from Nasdaq Stockholm on 10 September 2021.

On 27 April 2022 the compulsory acquisition procedure in respect of acquiring the remaining minority shares of Adapteo Plc (squeeze-out process) was completed, and Adapteo Group Oy gained the 100% ownership of Adapteo Plc. The name of Adapteo Plc was changed to Adapteo Oy on 25 July 2022. Adapteo Group Oy is the parent company of the Adapteo Group. Adapteo Group Oy is domiciled in Vantaa, and its registered address is Äyritie 12 A, 01510 Vantaa, Finland.

Adapteo is the leading adaptable space partner in Northern Europe. Adapteo develops, builds, rents out and sells adaptable buildings, that can be transformed, repurposed, scaled up and down based on customers' changing needs. By providing space for schools, daycares, care centers, offices and accommodation, Adapteo creates value in society. Adapteo's modular solutions are rented out again and again creating circular flows that minimise the use of material and contribute to a circular economy. With its ambitious sustainability agenda, Adapteo aims to lead the way to a more sustainable future for its industry. Adapteo innovates for sustainability, develops climate smart buildings and takes responsibility through the value chain. That is how Adapteo builds adaptable and sustainable societies. *Adapteo is issuing a separate sustainability report for 2022 in March 2023.*

Adapteo has a building portfolio of 1.4 million square meters and operates in Sweden, Finland, Norway, Denmark, Germany, Belgium, the Netherlands and Lithuania. A majority of revenues are generated by rental contracts from the public sector. Adapteo has over 30 years of experience.

Events during the financial period

During the year Adapteo continued to deliver adaptable building solutions to its customers, further developed its customer offering, and invested in sustainability and operational processes development.

On 27 June 2022, Johanna Persson started as President and CEO for Adapteo Group and as Managing Director for Adapteo Group Oy.

Adapteo's Group Management team as of 31 December 2022 consisted of Johanna Persson, President and CEO; Erik Skånsberg, CFO; Teemu Saarela, COO; Simon Persson, SVP Human Resources; Hanna Wennberg, SVP Marketing Communication & Sustainability; Carol Spendilow, General Counsel; Camilla Hensäter, EVP Sweden; Ola Skogö, EVP Finland, Norway, Denmark; Frederik Illing, EVP DACH; Philippe Pfeiffer, Managing Director DCG.

The Board of Directors as of 31 December 2022 consisted of Chairman Jens Moberg, members José De Almeida Barreto, Marianne Dingstad Cambier, Constantin Dogos-Docovitch, Simon Gold, Kunal Koya, Nicolas Levy-Heidmann and Petra Skog. There were no changes to Board composition compared to 31 December 2021.

On 27 April 2022 the compulsory acquisition procedure in respect of acquiring the remaining minority shares of Adapteo Plc (squeeze-out process) was completed, and Adapteo Group Oy gained the 100% ownership of Adapteo Plc. The name of Adapteo Plc was changed to Adapteo Oy on 25 July 2022.

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Financial position, result and key figures

EUR thousands or as indicated	1 January – 31 December 2022	17 August – 31 December 2021
Rental sales	202,821	63,568
Net sales	349,546	107,850
EBITDA	139,553	18,698
% of net sales	39.9	17.3
Operating result (EBIT)	23,674	-12,178
% of net sales	6.8	-11.3
Result for the period	-28,255	-28,138
Total assets	1,914,889	1,793,438
Total equity attributable to owners of the parent	354,375	389,377
Return on equity, %	-7.6	-14.4
Equity ratio, %	19.5	22.4
Net cash inflow from operating activities[1]	133,442	763
Net cash outflow from investing activities[1]	-276,278	-862,845
Net cash inflow from financing activities[1]	107,298	920,404
New building capex, EUR millions	138.9	42.6
Building upgrade capex, EUR millions	35.6	8.1
Total sqm in building portfolio	1,394,814	1,269,474
Utilisation rate, %	80.2	78.2

[1]Items in consolidated statement of cash flows

Calculation and definitions of key figures

Return on equity, %	Result for the period x 100 / Total equity (average of the beginning and end of the period)
Equity ratio, %	Total equity x 100 / (Balance sheet total - advanced received)
New building capex	Additions to rental buildings – capex relating to building upgrades
Building upgrade capex	Additions to rental building accessories + capex relating to building upgrades
Utilisation rate, %	Average rented building square meters during the period / Total building square meters available

Personnel

The average number of employees in Adapteo Group during the year 2022 was 508 (549 during reporting period 2021). Salaries and fees amounted to EUR 32.1 million (EUR 12.0 million during reporting period 2021).

Research and development

Adapteo continuously designs, builds and develops adaptable buildings to anticipate future needs of customers and changes in legislation, regulations, building permits, and local rules. A key element in design and R&D is circularity, meaning that the company improves and develops its processes continuously in order to maximise value and minimise environmental impact. Adapteo's R&D costs are recognised as operating expenses in the consolidated income statement.

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Loans, collaterals and contingent liabilities and shares

Adapteo Group's loans are described in note 19. From the beginning of year 2022 Adapteo has started to apply hedge accounting for interest rate derivatives measured at fair value (see notes 9, 20, 21, 24 and 25). Adapteo Group's collaterals and contingent liabilities are presented in note 26. Adapteo Group Oy has one class of shares with equal voting rights. Adapteo Group Oy has 1 000 shares which do not have a nominal value.

Risks, uncertainties and estimates for the future development

Global economic and financial conditions related risks

Adapteo's business is exposed to general economic conditions. Economic fluctuations, including slow or negative economic growth, may have a negative impact on Adapteo's business, financial condition, and results of operations in several different ways, including lower demand, increased expenses, as well as suppliers, contractors or Adapteo's customers experiencing difficulties in meeting their contractual obligations.

Adapteo constantly monitors the economic and geopolitical situation and actively adapts its strategy and operations in order to mitigate risks related global economic and financial conditions.

Competition environment related risks

Adapteo operates in a competitive market where new competitors can emerge and existing competitors can expand their presence. Adapteo's market position is dependent on the continuous development of services, products, and production methods and processes, as well as on customer relationships.

Adapteo performs ongoing market and competitor analysis to gain understanding of the competitive environment, pricing factors, and emerging solutions. Through ongoing service, portfolio and process development, Adapteo is able to provide a broad range of different solutions to match customer needs and enable fast delivery and matching demand with supply. Additionally, Adapteo performs customer surveys to ensure optimization between building specifications and customer needs.

Employee related risks

Adapteo's success and the execution of its strategy is dependent on its ability to recruit, retain, and develop highly qualified, motivated, and skilled personnel. The availability and loss of key personnel may have a material adverse effect on Adapteo's business.

Adapteo actively maps its existing competencies with business needs. Recruitments are proactively planned and performed to ensure an optimal mix of personnel resources. Succession plans are maintained for key personnel to mitigate possible risks related to employment termination. Employment terms are actively assessed against market practices to ensure a competitive advantage.

Regulatory change related risks

Adapteo's business is subject to regulatory requirements concerning, for example, building, zoning, tax and tax related, environmental, and safety regulations. Changes in general or local legislation and official regulations may have a material impact on Adapteo's business and result of operations especially in the form of higher costs caused by significant modification costs or even scrapping of modular units.

Adapteo is in active communication with regulators and continuously analyses the regulatory environment including current and upcoming changes in general and local legislation in all countries where the company operates. Based on such analysis, impact assessment is performed, and action plans are prepared and implemented to allow for proactive adaptation of operating methods and possible portfolio specification changes in relation to regulatory requirements.

Building portfolio management risks

Effective management of Adapteo's building portfolio is crucial to the success of Adapteo's business. Failure to properly manage the design, manufacturing, repair, and maintenance of its fleet could adversely affect Adapteo's ability to take advantages of sales and rental opportunities, cause additional upgrade and refurbishment costs, or even impairment losses for units that are beyond economic repair, impair brand value, or lead to liabilities to pay damages.

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Adapteo actively analyses building portfolio composition against market demand in order to ensure a high portfolio utilisation ratio and optimised portfolio specifications. Portfolio inspection, maintenance, and stocktaking processes are under continuous development to ensure the high quality of building portfolio. Slow-moving units are actively tracked and disposed of if necessary. Depreciation schemes are assessed on an ongoing basis to ensure the correctness and reliability of financial reporting.

Health and safety risks

Managing risks related to occupational health and safety play a key role due to the inherent dangers related to modular assembling sites. Failure to do so may result in injuries or serious or even fatal accidents.

Adapteo focuses on preventing accidents through relevant and regular employee safety trainings and safety communication in accordance with guidelines and operating procedures. Adapteo aims to closely monitor the development of occupational safety ratios at all levels of the company and performs root cause analysis to ensure ongoing development of health and safety precautions. The Group has committed to conduct consistent work to strengthen occupational health and safety culture.

Estimates for the future development

Adapteo is exposed to various different strategic, operational, financial, and damage related risks. Adapteo considers being able to identify and mitigate the relevant risks sufficiently in order to secure a positive commercial, operational and financial future development.

Adapteo operates with a strong brand and with long-term customer relationships. There is a strong tie between its adaptable and sustainable solutions towards the fast-changing demands of society which increasingly values sustainability. Adapteo's current solutions are deemed to be a good match to future market needs, though markets are foreseen to continue to be competitive.

Due to a challenging geopolitical situation, war in Ukraine and general global uncertainty, raw material and component prices are foreseen to remain high during 2023, which continues to put additional pressure on future development. In this strong inflation environment, pricing becomes one of the key tools to succeed. In 2023 Adapteo will continue to focus on pricing in order to maintain and increase margins. Operating in a multitude of geographic markets enables Adapteo to grow profitably despite adverse conditions in individual markets. Adapteo foresees the profitable operational growth to continue despite current risks and negative drivers.

Adapteo is not operating in Russia, Belarus or Ukraine as Adapteo neither has direct sourcing from or deliveries to these countries. Adapteo is committed to follow all applicable sanctions regimes and will not engage in business activities or third-party collaborations with sanctioned persons or entities.

Covid-19 pandemic is still ongoing but uncertainty in all markets is lower than before. Adapteo does not foresee its future business conditions to be materially impacted by the covid-19 pandemic.

Regarding the future financing position, Adapteo is able to manage its liquidity position in case of any potential short-term market liquidity failure through temporarily adjusting its rental fleet investments. The market liquidity is foreseen to stay good. Adapteo is using interest rate caps to mitigate the interest rate risk.

Significant events after the reporting period

On 16 January 2023 Adapteo announced changes in Group Management Team. The new Group Management team consists of:

- Johanna Persson, President and CEO of Adapteo Group
- Dan Levine, interim Chief Financial Officer (CFO)
- Teemu Saarela, Chief Operating Officer (COO)
- Simon Persson, Chief Human Resources Officer (CHRO)
- Jeffrey De Clercq, Chief Commercial Officer (CCO)
- Lina K Wiles, Chief Sustainability Officer (CSO)
- Carol Spendilow, General Counsel
- Camilla Hensäter, Executive Vice President, Business Area Sweden
- Ola Skogö, Executive Vice President, Business Area Finland Norway Denmark
- Frederik Illing, Executive Vice President, Business Area DACH
- Philippe Pfeiffer, Managing Director, Dutch Cabin Group

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Board of Director's proposal for distribution of profits

The Board proposes to the Annual General Meeting that no dividend shall be distributed from the financial year 2022 and that the loss for the period will be placed to retained earnings.

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CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

EUR thousands	Note	1 Jan – 31 Dec 2022	17 Aug – 31 Dec 2021
Net sales	2,3	349,546	107,850
Other operating income	4	7,632	6,354
Materials and services	5	-144,177	-42,796
Employee benefit expenses	7	-41,190	-16,281
Other operating expenses	6	-32,914	-36,301
Depreciation, amortisation and impairment	8	-115,879	-30,876
Share of profit of joint ventures and associates	14	656	-127
Operating profit		**23,674**	**-12,178**
Finance income		7,615	11,295
Finance costs		-62,416	-28,732
Finance costs, net	9	**-54,801**	**-17,437**
Result before taxes		**-31,127**	**-29,614**
Income taxes	10	2,872	1,476
Result for the period		**-28,255**	**-28,138**
Attributable to:			
Owners of the parent		-28,233	-28,133
Non-controlling interests		-22	-4
		-28,255	-28,138

Consolidated statement of comprehensive income

EUR thousands	Note	1 Jan – 31 Dec 2022	17 Aug– 31 Dec 2021
Result for the period		**-28,255**	**-28,138**
Other comprehensive income Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges	20, 21, 25	47,434	-
Translation differences	21, 27	-54,232	-375
Other comprehensive income for the year, net of tax		-6,798	-375
Total comprehensive income for the period		**-35,053**	**-28,513**
Attributable to:			
Owners of the parent		-35,001	-28,525
Non-controlling interests		-52	12
		-35,053	-28,513

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Consolidated balance sheet

EUR thousands	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
Property, plant and equipment	11	874,313	719,955
Goodwill	13	577,580	613,130
Other intangible assets	13	250,500	285,861
Investments in joint ventures and associates	14	2,808	2,526
Deferred tax assets	10	6,646	4,975
Finance lease receivables	23, 24	2,280	3,514
Loan receivables	24, 28	470	2,584
Derivative financial instruments	20, 24, 25	63,463	5,705
Other receivables	16	9,167	13,706
Total non-current assets		**1,787,227**	**1,651,956**
Current assets			
Inventories	15	5,868	7,195
Finance lease receivables	23, 24	1,475	3,507
Trade and other receivables	16, 24	89,075	69,815
Income tax receivables		5,579	2,356
Cash and cash equivalents	22, 24	25,665	58,609
Total current assets		**127,662**	**141,483**
TOTAL ASSETS		**1,914,889**	**1,793,438**
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Reserve for invested unrestricted equity	21	417,901	417,901
Fair value reserve	20, 21	47,434	-
Translation differences	21, 27	-54,593	-392
Result for the period		-28,233	-28,133
Retained earnings		-28,133	-
Total equity attributable to owners of the parent		**354,375**	**389,377**
Non-controlling interests		564	616
Total equity		**354,939**	**389,993**
Non-current liabilities			
Borrowings	19, 24, 25	1,187,549	737,825
Deferred tax liabilities	10	104,508	103,189
Provisions	18	21,641	8,359
Other liabilities	17	1,987	2,809
Total non-current liabilities		**1,315,686**	**852,182**
Current liabilities			
Borrowings	19, 24, 25	40,811	370,217
Trade and other payables	17, 24	199,070	173,469
Income tax liabilities		3,991	5,321
Derivative financial instruments	20, 24, 25	-	3
Provisions	18	392	2,253
Total current liabilities		**244,264**	**551,264**
Total liabilities		**1,559,950**	**1,403,445**
TOTAL EQUITY AND LIABILITIES		**1,914,889**	**1,793,438**

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Consolidated statement of changes in equity

EUR thousands	Reserve for invested unrestricted equity	Fair value reserve	Retained earnings	Translation differences	Total	Non-controlling interests	Total equity
	Attributable to the owners of the parent						
On 1 January 2022	**417,901**	**-**	**-28,133**	**-392**	**389,377**	**616**	**389,993**
Result for the period	-	-	-28,233	-	**-28,233**	-22	**-28,255**
Other comprehensive income:							
Translation differences	-	-	-	-54,202	**-54,202**	-30	**-54,232**
Cash flow hedges	-	47,434	-	-	**47,434**	-	**47,434**
Other comprehensive income	-	47,434	-	-54,202	**-6,768**	-30	**-6,798**
Total comprehensive income	-	**47,434**	**-28,233**	**-54,202**	**-35,001**	**-52**	**-35,053**
On 31 December 2022	***417,901***	***47,434***	***-56,366***	***-54,593***	***354,375***	***564***	***354,939***

EUR thousands	Reserve for invested unrestricted equity	Retained earnings	Translation differences	Total	Non-controlling interests	Total equity
	Attributable to the owners of the parent					
On 17 August 2021	-	-	-	-	-	-
Result for the period	-	-28,133	-	**-28,133**	-4	**-28,138**
Other comprehensive income:						
Translation differences	-	-	-392	**-392**	16	**-375**
Other comprehensive income	-	-	-392	**-392**	16	**-375**
Total comprehensive income	-	**-28,133**	**-392**	**-28,525**	**12**	**-28,513**
Invested equity	*417,901*	-	-	***417,901***	-	***417,901***
Acquisition of Adapteo Plc on 17 August 2021	-	-	-	-	604	**604**
On 31 December 2021	**417,901**	**-28,133**	**-392**	**389,377**	**616**	**389,993**

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Consolidated statement of cash flows

EUR thousands	Note	1 Jan – 31 Dec 2022	17 Aug – 31 Dec 2021
Cash flow from operating activities			
Result before taxes		-31,127	-29,614
Adjustments			
Depreciation, amortisation and impairment	8	115,879	30,876
Share of profit of joint ventures and associates	14	-656	127
Other non-cash adjustments		-1,521	4,156
Net gain on sale of property, plant and equipment		-6,461	-4,460
Finance costs, net	9	54,801	17,437
Cash generated from operations before changes in working capital		**130,915**	**18,522**
Change in working capital			
Change in inventories		-2,444	-2,907
Change in trade and other receivables		-17,596	-9,896
Change in trade and other payables		57,537	17,391
Change in working capital		**37,497**	**4,588**
Change in finance lease receivables		2,974	-388
Cash generated from operations before financial items and tax		**171,386**	**22,721**
Interest paid		-27,130	-9,198
Interest received		1,917	6
Other financial items, net		-5,114	-12,261
Income taxes paid		-7,618	-505
Net cash inflow from operating activities		**133,442**	**763**
Cash flow from investing activities			
Payments for property, plant and equipment		-249,550	-119,209
Payments for intangible assets		-695	-573
Proceeds from sale of property, plant and equipment and intangible assets		11,333	12,207
Changes in loan receivables from joint ventures and associates		2,087	-2,155
Acquisition of subsidiaries and business operations, net of cash acquired	12, 17	-39,453[1]	-753,116
Net cash (outflow) from investing activities		**-276,278**	**-862,845**
Cash flow from financing activities			
Proceeds from bank loans		112,400	683,875
Proceeds from shareholder loan		-	342,600
Repayment of bank loans		-5,091	-514,830
Change in other current borrowings		11,615	113,619
Payments of lease liabilities		-11,859	-20,155
Received dividend		232	192
Invested equity		-	315,102
Net cash inflow from financing activities		**107,298**	**920,404**
Change in cash and cash equivalents		**-35,538**	**58,322**
Cash and cash equivalents at the beginning of period		58,609	0
Exchange differences		2,595	287
Cash and cash equivalents at end of period	**22**	**25,665**	**58,609**

[1]Payment for squeeze-out accrual and payment for contingent consideration related to previous acquisitions of subsidiaries.

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1. Background and basis of preparation

1.1 Background

Adapteo Group Oy (company ID 3173642-4), "Parent company", together its subsidiaries ("Adapteo or Adapteo Group") is a Finnish limited company.

These Consolidated financial statements 2022 cover the reporting period 1 January – 31 December 2022 with the comparison information for the period 17 August – 31 December 2021 ("reporting period 2021"). Adapteo Group was established on 17 August 2021.

The Consolidated financial statements and the Financial statements of the parent company were authorised for issue by the Board of Directors of Adapteo on 16 March 2023. Under the Finnish Limited Liability Companies Act, shareholders can approve or disapprove the Consolidated financial statements and the Financial statements of the parent company in the Annual General Meeting. The Annual General Meeting is also entitled to amend the Financial Statements.

1.2 Basis of preparation

The Consolidated financial statements of Adapteo have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, including International Accounting Standards (IAS) and the SIC and IFRIC Interpretations effective on 31 December 2022. The notes of the Consolidated financial statements also conform to the requirements of the Finnish accounting and corporate legislation which supplement the IFRS. The notes are an integral part of these Consolidated financial statements.

The Consolidated financial statements have been prepared on a going concern basis. Also they have been prepared based on historical cost, except for the items measured at fair value through other comprehensive income including derivative financial instruments. These Consolidated financial statements are presented in thousands of euros, except when otherwise indicated. All figures presented have been rounded which may cause, for example, the sum of individual figures to deviate from the presented total sum.

1.3 Critical accounting estimates and judgements

The preparation of the financial information has required management to make estimates and judgements affecting the amounts presented in the financial statements and notes. These estimates and judgements, based on historical evidence and plausible future scenarios, have been evaluated at each balance sheet date. Actual results may differ from these estimates and judgements.

The following areas include a high degree of management estimates and assumptions:

Area	Note
Estimation of disassembly cost amount recognised initially as a provision	3
Recoverability of deferred taxes	10
Useful lives and valuation of property, plant and equipment	11
Fair values of contingent consideration and net assets acquired in business combinations	12
Key assumptions used in impairment testing	13
Probability and amount of provisions	18
Determining the lease term	19, 23

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PERFORMANCE

This section includes disclosures that explain different components of Adapteo's performance, employee benefits, operating expenses, finance items as well as information about taxes.

2. Geographical area information

Net sales[1] by geographical area

EUR thousands	1 Jan – 31 Dec 2022	17 Aug – 31 Dec 2021
Finland	35,729	16,430
Sweden	154,450	44,046
Norway	36,072	8,214
Denmark	36,448	6,847
Germany	43,037	12,871
The Netherlands	42,422	18,911
Other	1,389	530
Total	**349,546**	**107,850**

[1]Net sales are presented based on the location of clients.

Assets[1] by geographical area

EUR thousands	1 Jan – 31 Dec 2022	17 Aug – 31 Dec 2021
Finland	189,099	183,636
Sweden	719,375	780,296
Norway	297,618	280,401
Denmark	235,150	197,580
Germany	144,960	93,711
The Netherlands	125,731	102,865
Other	4,716	2
Total	**1,716,648**	**1,638,691**

[1]Non-current assets other than deferred tax assets, derivate financial instruments and loan receivables are presented based on the location of assets.

3. Sources of revenue

Adapteo provides adaptable building solutions that are either rented or sold to public sector customers (such as municipalities) and private sector customers (such as industrial companies and private enterprises). Revenue consists of rental sales, sales of new building units and other services.

EUR thousands	1 Jan – 31 Dec 2022	17 Aug – 31 Dec 2021
Rental sales	202,821	63,568
Operating leases	202,210	62,822
Finance leases	611	746
Other services	41,696	11,681
Sales of new building units	105,030	32,601
Total net sales	**349,546**	**107,850**

Revenue is recognised according to IFRS 15 Revenue from Contracts with Customers except for rental sales for which sales is recognised in accordance with IFRS 16 Leases. The main revenue streams are described below. In the following text, the references (a), (b), (c) refer to the table "Timing of revenue recognition" which is the last table in this note.

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Operating leases

The majority of Adapteo's net sales derives from rental sales generated from operating leases of adaptable building solutions with contract lengths varying from short-term business rentals to longer-term, several year contracts to both public and private customers. The average contract duration is 3 years, and the contracts also typically contain extension options. The primary customer segments include schools, day cares, offices, health and social care and exhibitions and fairs.

Adapteo has adopted a new service model for its rental business. Adapteo has applied the new service model for rental agreements entered with its customers after the new service model transition date (1 January 2021). In legacy agreements (agreements that are entered prior to 1 January 2021), the components of assembly, rental and disassembly have been considered as separate performance obligations of Adapteo towards its customers. According to the applied new service model, all these components together are considered as one service that Adapteo provides to its customers. In addition, all assembly and disassembly related revenues and costs for the rental services are recognised during the lease term (a). Assembly and disassembly costs are capitalised as part of building units and depreciated according to IAS 16 (notes 11 and 8). Disassembly costs are considered as restoration costs. An associated provision for the disassembly costs is recognised according to IAS 37 (note 18). For legacy agreements, assembly and disassembly components are considered as separate performance obligations.

Finance leases and sales of new building units

Sales of new building units consist of sale of new adaptable building units. Adapteo provides tailor-made turnkey adaptable building solutions to both public and private customers. Customers can either buy or enter a long-term finance lease contract with an option to buy the adaptable building solution after the lease period.

Other services

Other services include short-term services and other smaller service components such as seasonal services during the rental period, when these services are not already included in the initial leasing agreements. Other revenue-generating services also include repair and maintenance services. Other services also include revenue from assembly and disassembly services according to legacy agreements.

Accounting policy

Operating leases

New service model agreements with customers

For rental activities, which are identified as operating leases, the revenue from rental sales of building units is recognised on a straight-line basis during the rental period according to Adapteo's new service model. On lease commencement, Adapteo does not derecognise the leased building units from property, plant and equipment and continues to depreciate the assets based on the useful life of the building unit. Adapteo's deliverable to customer in these agreements consists of the rented adaptable building, assembly and disassembly service under the lease agreement so that the building unit is in accessible condition for the customer. The revenue recognised over the duration of the agreements includes both lease and non-lease components as they are not distinct in this service model.

Legacy agreements (agreements entered prior to 1 January 2021) with customers

In legacy customer agreements, assembly and disassembly services are considered as separate service components in addition to the operating lease component. Revenues from assembly and disassembly services are recognised over time according to IFRS 15 (b).

Finance leases

Adapteo also engages in manufacturer lessor finance lease arrangements with its customers. Lease agreements that transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases. A finance lease of an asset by a manufacturer lessor gives rise to two types of income: finance income over the lease term (note 23) and a profit or loss equivalent to that derived from a sale of the leased asset. The sale is recognised when the risks and rewards of ownership of the asset have transferred to the customer (c). The revenue recognised is the lower of the asset's fair value or the present value of the minimum lease payments calculated at a market rate of interest. The cost of sale is the cost of the leased asset (or carrying amount of the asset, if different) less the present value of any unguaranteed residual value. The finance income derived from finance lease agreements is

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allocated to each period during the lease term reflecting a constant periodic rate of interest on the asset and it is presented as other operating income.

Sales of new building units

Revenue from sales of new building units to customers is typically recognised at a point in time when the control over the building unit is transferred to the customer (c). The sales of building units constitute a single performance obligation including assembly services. In a limited number of contracts in which Adapteo's assembly and customisation of the building units to customers has a longer duration and Adapteo has an enforceable right to payment for performance completed to date, revenue is recognised over time according to the input method which is measured based on costs incurred (b).

Other services

Adapteo's repair and maintenance services are identified as separate performance obligations, and revenue is recognised over time as Adapteo satisfies the performance obligation by providing the service to the customer (b).

Timing of revenue recognition

The table below reflects the timing of recognition of revenue for Adapteo according to IFRS 15 and IFRS 16.

EUR thousands	1 Jan – 31 Dec 2022	17 Aug – 31 Dec 2021
(a) Rental sales from operating leases, revenue recognised during the lease term	202,210	62,822
(b) Products and services transferred over time	111,248	36,356
(c) Products and services transferred at point in time (including revenue from finance leases but excluding interest income)	36,088	8,672
Total	**349,546**	**107,850**

Variable consideration

The transaction prices in Adapteo's contracts may include variable considerations e.g., annual discounts that are decreasing the amount recognised as revenue.

4. Other operating income

EUR thousands	1 Jan – 31 Dec 2022	17 Aug – 31 Dec 2021
Net gains on sale of used adaptable buildings	6,461	4,460
Interest income from finance lease receivables	384	236
Insurance compensation	*8*	*553*
Other income	779	1,105
Total	**7,632**	**6,354**

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5. Materials and services

Materials and services include costs incurred related to rental of fleet such as leased furniture and accessories, maintenance and repair costs as well as also assembly and disassembly cost. In addition, materials and services include costs of goods sold related to manufacturing of new adaptable buildings.

EUR thousands	1 Jan – 31 Dec 2022	17 Aug – 31 Dec 2021
Cost of sub-rental	-4,259	-494
Production related costs[1]	-90,948	-22,347
Repair and maintenance cost	-13,709	-4,203
Cost of external services[2]	-35,262	-15,752
Total	**-144,177**	**-42,796**

[1]Employee benefit expenses not included.
[2]Include mainly assembly and disassembly costs.

6. Other operating expenses

EUR thousands	1 Jan – 31 Dec 2022	17 Aug – 31 Dec 2021
Premises expenses	-3,602	-1,534
Sales and marketing costs	-2,304	-650
Administrative costs	-23,843	-30,393
Other costs	-3,165	-3,724
Total	**-32,914**	**-36,301**

During reporting period 2021 administrative costs included EUR 17.8 million costs related to acquisition of Adapteo Plc (currently Adapteo Oy). Audit fees included in other operating expenses are specified in note 29.

7. Employee benefit expenses

EUR thousands	1 Jan – 31 Dec 2022	17 Aug – 31 Dec 2021
Salaries and fees	-32,090	-12,047
Social security costs	-5,499	-2,877
Pension costs – defined contribution plans	-3,601	-1,357
Total	**-41,190**	**-16,281**

Employee benefit expenses comprise mainly of salaries, social costs and other fees, pension costs and fringe benefits. Fringe benefits consist of employee health care services, car benefits, phone benefits and other fringe benefits.

Average number of personnel during the reporting period 1 January – 31 December 2022 was 508 (549 during reporting period 2021). Information on key management compensation is presented in note 28.

Accounting policy

Short-term benefits

Short-term employee benefits include wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date. Short-term benefits are recognised in other payables based on the accrued employee benefit expenses up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Post-employment benefits

Adapteo has retirement benefit plans in accordance with local conditions and practices in the countries in which it operates.

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Pension plans are classified as defined benefit or defined contribution plans. In defined contribution plans, a company makes fixed payments to separate entities and the company has no legal or constructive obligation to make additional payments. All arrangements that do not fulfil these conditions are considered defined benefit pension plans. All Adapteo's pension benefit plans are considered as defined contribution plans.

8. Depreciation, amortisation and impairment

Intangible assets and property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation, amortisation and impairment losses.

EUR thousands	1 Jan – 31 Dec 2022	17 Aug – 31 Dec 2021
Depreciation on buildings	-5,307	-1,432
Depreciation on rental equipment	-47,829	-13,886
Depreciation on rental accessories	-10,139	-2,821
Depreciation on activated assembly and disassembly costs	-28,679	-4,107
Depreciation on other machinery and equipment	-2,480	-805
Depreciation of property, plant and equipment	**-94,433**	**-23,051**
Amortisation on software and other intangible assets	-602	-215
Amortisation of intangible assets resulting from acquisitions	-18,933	-6,514
Amortisation of intangible assets	**-19,535**	**-6,728**
Total depreciation and amortisation	**-113,968**	**-29,780**
Impairment on property, plant and equipment	-1,911	-1,096
Total depreciation, amortisation and impairment losses	**-115,879**	**-30,876**

Impairment losses mainly relate to the write-down of old rental equipment. Depreciation and amortisation periods are presented in notes 11 and 13.

Depreciation of right-of-use property, plant and equipment is included in the depreciation of property, plant and equipment as follows:

EUR thousands	1 Jan – 31 Dec 2022	17 Aug – 31 Dec 2021
Land and buildings	-4,506	-1,172
Rental equipment	-3,541	-1,172
Other machinery and equipment	-1,105	-327
Total	**-9,152**	**-2,671**

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9. Finance income and costs

EUR thousands	1 Jan – 31 Dec 2022	17 Aug – 31 Dec 2021
Interest income	1,920	13
Exchange rate gains	5,685	1,831
Fair value change of derivatives	-	7,708
Other finance income	10	1,744
Finance income	**7,615**	**11,295**
Interest expenses	-39,858	-11,983
Interest expenses on lease liabilities	-1,138	-385
Exchange rate losses	-16,582	-5,242
Other finance costs	-4,838	-11,122
Finance costs	**-62,416**	**-28,732**
Finance costs, net	**-54,801**	**-17,437**

Accounting policy

Transaction costs related to loans are expensed in profit or loss using effective interest rate method. The effective interest rate is the rate that discounts the estimated future payments during the expected maturity of a loan to the net carrying amount of the financial liability. The calculation includes transaction costs and all fees directly attributable to the transaction paid by the contracting parties.

Foreign exchange gains and losses on financing activities are recognised within finance income or costs.

Group internal loans are denominated in euros.

The Group has as of 1 January 2022 applied hedge accounting for interest rate derivatives hedging the variability in interest rate cash flows arising from the variable interest rate payments relating to the Senior Facility Loans. The effective portion of changes in the fair value of derivatives that are designated and classified as cash flow hedges are now recognised in the fair value reserve within equity instead of finance items in income statement. More information in notes 20, 21, 24, 25.

10. Taxes

Income taxes in the consolidated income statement comprise of current income tax expense and change in deferred taxes and are recognised as follows:

EUR thousands	1 Jan – 31 Dec 2022	17 Aug – 31 Dec 2021
Current year tax	-3,506	-1,765
Adjustment for prior years	-112	181
Change in deferred taxes	6,489	3,061
Total	**2,872**	**1,476**

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The difference between income taxes at the Finnish domestic tax rate 20% and income taxes recognised in the consolidated income statement is reconciled as follows:

EUR thousands	1 Jan – 31 Dec 2022	17 Aug – 31 Dec 2021
Result before tax	**-31,127**	**-29,614**
Tax calculated with domestic corporate tax rate	6,225	5,923
Foreign subsidiaries divergent tax rate	-843	-360
Tax from the previous financial periods	-113	181
Change in tax rates	25	46
Non-taxable income	393	2,298
Non-deductible expenses	-5,236	-751
Utilisation of previously unrecognised tax losses	3,119	186
Recognition of previously unrecognised tax losses	2,127	259
Current year losses for which no deferred tax assets was recognised	-1,377	-5,662
Other items	-1,447	-643
Taxes in income statement	**2,872**	**1,476**
Group's effective tax rate, %	**9.2**	**5.0**

Deferred tax assets and liabilities as presented in the consolidated balance sheet:

EUR thousands	31 Dec 2022	31 Dec 2021
Deferred tax assets	6,646	4,975
Deferred tax liabilities	104,508	103,189
Deferred tax liabilities, net	**97,862**	**98,214**

Movements in deferred tax assets and liabilities during reporting periods:

EUR thousands	1 Jan 2022	Recognised in income statement	Recognised in equity	Exchange differences	31 Dec 2022
Deferred tax assets					
Tax losses carried forward	3,199	1,185	-	-560	**3,824**
Property, plant and equipment	1,413	980	-	-225	**2,168**
Leases	102	-107	-	243	**238**
Other temporary differences	262	111	-	44	**416**
Total	**4,975**	**2,168**		**-498**	**6,646**
Deferred tax liabilities					
Depreciation difference	29,774	684	-	-2,482	**27,977**
Leases	1,449	263	-	-57	**1,655**
Valuation of assets to fair value in acquisitions	71,894	-5,207	-	-3,374	**63,313**
Valuation of derivative financial instruments to fair value	-	-	11,552	-	**11,552**
Other temporary differences	72	-61	-	-	**10**
Total	**103,189**	**-4,321**	**11,552**	**-5,913**	**104,508**
Deferred tax liabilities, net	**98,214**	**-6,489**	**11,552**	**-5,415**	**97,862**

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EUR thousands	17 Aug 2021	Acquisitions	Recognised in income statement	Exchange differences	31 Dec 2021
Deferred tax assets					
Tax losses carried forward	-	2,944	259	-4	**3,199**
Property, plant and equipment	-	1,172	163	78	**1,413**
Leases	-	174	-74	2	**102**
Other temporary differences	-	150	87	25	**262**
Total	-	**4,440**	**434**	**101**	**4,975**
Deferred tax liabilities					
Depreciation difference	-	30,854	-832	-248	**29,774**
Leases	-	1,508	-55	-4	**1,449**
Valuation of assets to fair value in acquisitions	-	73,668	-1,739	-35	**71,894**
Other temporary differences	-	72	-	-	**72**
Total	-	**106,103**	**-2,627**	**-287**	**103,189**
Deferred tax liabilities, net	-	**101,662**	**-3,061**	**-388**	**98,214**

Deferred tax assets are recognised for tax loss carry forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. Deferred tax assets of EUR 4.4 million in respect of tax losses have not been recognised in for the financial period ending 31 December 2022. Of the tax losses for which Adapteo has not recognised deferred tax assets, EUR 4.4 million will expire during the next ten years. Unrecognised tax losses relate to Finland and to the portion of the tax losses incurred in 2019-2022 for which the realisation of the tax benefit is not probable.

When acquiring the Adapteo Plc in 2021, the assets acquired and liabilities assumed were measured at fair value. Deferred tax liability has been recognised for the fair value adjustments of the acquired assets. The deferred tax liability has been calculated by using the enacted tax rates in the countries where the assets are located. The temporary difference will be unwound during the depreciation and amortisation period.

Deferred tax liability recognised for the depreciation difference is due to the timing difference between the planned and tax depreciation and amortisation. Deferred tax liability related to the depreciation difference is recognised for the assets located in Sweden and Norway based on the enacted tax rate.

The deferred tax liability of EUR 11.6 million recognised in equity relates to the change in fair value of the hedging instrument (note 20). The other temporary deferred tax assets and liabilities are mainly related to provisions in Finland and deferral of sale of modules in Norway.

The Finnish tax administration has completed a tax audit in parent company Adapteo Group Oy during financial period ending 31 December 2022, focused only to value added taxation. In the tax audit report received from the Finnish tax authorities on 13 January 2023, the Finnish tax authorities deem that the transaction costs paid by Adapteo Group Oy in connection with the acquisition of shares of Adapteo Plc are not deductible for purposes of VAT. The main argument is that the costs are considered to be costs of the private equity investor. Adapteo Group Oy will prepare an appeal to the tax decision expected to be received during spring 2023. No provision for the presented tax and tax increase payable of EUR 4.1 million has been recognised in the Group. According to the company's view, the interpretation of the Finnish tax administration is not based on valid legal practice and therefore, it should not success in the court.

Accounting policy

Income tax expense consists of the current tax and change in deferred taxes for the period, together with tax adjustments for previous periods. Taxes are recognised through profit and loss, except when they relate directly to equity, or the items recognised in the other comprehensive income items. In such cases, tax is also charged to these items. Current taxes are calculated based on the tax rate of each country. Tax assets and liabilities reflect uncertainty related to income taxes, if any.

Deferred taxes are calculated for temporary differences between the book values of assets and liabilities and the tax basis of assets and liabilities. Deferred tax liabilities are not recognised, however, if they are attributable to the

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Initial recognition of an asset or liability in a transaction other than business combination and the transaction, at the time it occurs, does not affect the accounting profit or taxable profit. The deferred tax for investments in subsidiaries and joint ventures is recognised, except when the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred taxes are calculated using the tax rates enacted, or substantially enacted by the last day of the reporting *period. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available* against which the temporary differences can be utilised.

Key judgement and estimates – Recognition of deferred tax assets and liabilities

Adapteo is subject to tax in several countries and Adapteo is exposed to various tax and tax related risks in its operations.

Determining Adapteo's income tax requires significant assessment and judgement. Adapteo estimates tax positions in accordance with tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If necessary, the amounts recorded are adjusted to amounts expected to be paid to the tax authorities.

Deferred tax assets are recognised only where it is considered probable that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. Estimates of these future cash flows are dependent on the management's estimates that relate among others to the amount of future net sales, operating costs, finance costs and taxes. In addition, Adapteo's ability to generate taxable income depends on factors related to general economy, finance, competitiveness and regulations that Adapteo is unable to control. These estimates and assumptions are subject to risk and uncertainty, hence it is possible that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of temporary differences.

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PROPERTY, PLANT AND EQUIPMENT, ACQUISITIONS, INTANGIBLE ASSETS AND INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

This section presents the information on Adapteo's property, plant and equipment, acquisitions, intangible assets and investments in joint ventures and associates.

11. Property, plant and equipment

Adapteo's property, plant and equipment mainly consists of rental equipment including building units used in adaptable building leases and rental accessories. Other property, plant and equipment assets comprise buildings including offices and production facilities, capitalised costs of leasehold improvements, other machinery and equipment including mainly production machinery, office equipment, activated assembly costs and disassembly related restoration costs as well as assets under construction. Leases are recognised as a right-of-use (RoU) assets and a corresponding liability at the date at which the leased asset is available for use by the Group. RoU assets are included in the asset classes in the following tables.

2022:

EUR thousands	Land	Buildings	Rental equipment	Rental accessories	Other machinery and equipment	Activated assembly and disassembly costs (restoration)	Assets under construction	**Total property, plant and equipment**
Acquisition cost								
On 1 Jan 2022	**10,684**	**17,542**	**602,332**	**47,553**	**7,922**	**34,304**	**13,321**	**733,658**
Exchange differences	-207	-680	-27,594	-5,763	-796	-1,602	-1,504	**-38,145**
Additions	3,776	5,324	158,318	18,676	4,601	14,654	77,916	**283,265**
Disposals	-447	-820	-20,359	-927	-1,982	-3,496	-	**-28,031**
RoU adjustments	25	3	-58	-	8	-	-	**-21**
Reclassification between asset categories	-	-1,933	349	139	-749	67,315	-67,457	**-2,336**
On 31 Dec 2022	**13,831**	**19,436**	**712,989**	**59,678**	**9,004**	**111,175**	**22,276**	**948,389**
Accumulated depreciation and impairment								
On 1 Jan 2022	**-435**	**-703**	**-4,912**	**-2,449**	**-1,128**	**-4,076**	**-**	**-13,703**
Exchange differences	84	394	8,376	4,266	590	664	-	**14,374**
Disposals	421	639	12,533	869	1,304	3,496	-	**19,261**
Depreciation	-1,931	-3,376	-47,829	-10,139	-2,480	-28,679	-	**-94,433**
Impairment	-	-	-1,911	-	-	-	-	**-1,911**
Reclassification between asset categories	-	1,933	-47	-250	700	-	-	**2,336**
On 31 Dec 2022	**-1,861**	**-1,113**	**-33,790**	**-7,704**	**-1,013**	**-28,595**	**-**	**-74,076**
Net book value on 31 Dec 2022	**11,970**	**18,322**	**679,199**	**51,974**	**7,991**	**82,580**	**22,276**	**874,313**

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2021:

EUR thousands	Land	Buildings	Rental equipment	Rental accessories	Other machinery and equipment	Activated assembly and disassembly costs (restoration)	Assets under construction	**Total property, plant and equipment**
Acquisition cost								
On 17 Aug 2021	-	-	-	-	-	-	-	-
Acquisitions	9,554	16,493	526,024	37,307	6,339	11,431	11,521	**618,669**
Exchange differences	8	-22	-1,806	-565	-27	-100	-9	**-2,521**
Additions	1,655	1,272	88,205	10,064	2,566	22,973	5,487	**132,224**
Disposals	-374	-312	-12,806	-311	-1,119	-	-	**-14,921**
RoU adjustments	-159	112	94	-	162	-	-	**208**
Reclassification between asset categories	-	-	2,621	1,058	-	-	-3,678	**0**
On 31 Dec 2021	**10,684**	**17,542**	**602,332**	**47,553**	**7,922**	**34,304**	**13,321**	**733,658**
Accumulated depreciation and impairment								
On 17 Aug 2021	-	-	-	-	-	-	-	-
Exchange differences	1	-2	-10	8	-15	32	-	**13**
Disposals	44	252	9,273	327	535	-	-	**10,431**
Depreciation	-479	-953	-13,886	-2,821	-805	-4,107	-	**-23,051**
Impairment	-	-	-290	38	-843	-	-	**-1,096**
On 31 Dec 2021	**-435**	**-703**	**-4,912**	**-2,449**	**-1,128**	**-4,076**	**-**	**-13,703**
Net book value on 31 Dec 2021	**10,249**	**16,839**	**597,420**	**45,104**	**6,793**	**30,228**	**13,321**	**719,955**

Net book value of right-of-use assets included in the property, plant and equipment:

EUR thousands	31 Dec 2022	31 Dec 2021
Land	6,763	5,017
Buildings	9,207	7,258
Rental equipment	30,054	33,284
Other machinery and equipment	2,266	2,156
Total	**48,289**	**47,715**

Additions to the right-of-use assets during the reporting period 2022 were EUR 12.9 million (EUR 3.7 million during reporting period 2021). Depreciation of right-of-use assets recognised in the income statement, see note 8.

Accounting policy

Property, plant and equipment is measured at cost less accumulated depreciation and any impairment losses. This cost includes expenditure that is directly attributable to the acquisition. Property, plant and equipment acquired in the business combinations is measured at fair value at the date of acquisition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset when it is probable that it will generate future

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economic benefits, and the cost can be measured reliably. The expenditure on repairs and maintenance of property, plant and equipment are recognised as expense when incurred.

Depreciation of an asset is started when the asset is available for use or rental, i.e. in the location and condition necessary to operate in a manner intended by the management. Residual values, depreciation methods and useful lives of the assets are reviewed at the end of each reporting period and, if necessary, adjusted to reflect any changes in expectations of economic value.

Buildings, rental equipment, rental accessories and other machinery and equipment are depreciated on a straight-line basis over the estimated economic useful lives as follows:

	Years
Buildings	4–23
Rental equipment	20
Rental accessories	5–10
Other machinery and equipment	3–10

RoU assets are depreciated over the rental period as follows:

	Years
RoU buildings	1–10
RoU rental equipment	1–5
RoU other machinery and equipment	1–5

An item of property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing disposal proceeds with the carrying amount of the disposed asset. Gains and losses and are recognised within other operating income or other operating expenses in the consolidated income statement.

Adapteo's leasing activities and how these are accounted for

Adapteo leases rental machinery, vehicles and premises. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants but leased assets may not be used as security for borrowing purposes.

Under IFRS 16, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by Adapteo. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the lease period on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used.

Right-of-use assets are measured at cost comprising the following: the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases have a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Lease liabilities are presented in note 19.

Impairment of assets

Property, plant and equipment and other intangible assets (note 13) are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the asset's fair value less costs of disposal or its value in use, whichever is higher.

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For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets, excluding goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Key judgement and estimates – Useful lives and valuation of property, plant and equipment

Depreciation is based on management's estimates of the residual value of the assets, depreciation methods and the useful life of assets. The estimates may change due to technological development, the competitive situation, changes in market conditions and other factors, and this may lead to changes in the estimated useful lives and the amount of depreciation recognised in the consolidated income statement.

The useful lives of property, plant and equipment are reviewed periodically considering the factors mentioned above and all other relevant factors.

Optimal rental fleet's utilisation levels are managed centrally at Adapteo's group level. Testing of the value of the rental fleet is based on calculations of value in use, taking into account the possibility of transferring it to another entity of the group. The preparation of these calculations requires management estimate.

12. Acquisitions

In 2022 Adapteo had no acquisitions.

2021:

On 17 May 2021, Palace Bidco Oy (currently named as Adapteo Group Oy), a private limited company formed on behalf of, and indirectly wholly owned by West Street Global Infrastructure Partners IV, L.P., announced a voluntary public cash tender offer to acquire all outstanding shares in Adapteo Plc. The Board of Directors of Adapteo resolved on recommending the shareholders to accept the offer. The acceptance period under the tender offer expired on 16 August 2021.

Palace Bidco Oy offered SEK 165 in cash per one share of Adapteo Plc. The offer valued Adapteo Plc's entire issued and to be issued share capital at approximately SEK 8.1 billion and represented a premium of approximately 53% compared to the closing price of SEK 108 of an Adapteo Plc's share on Nasdaq Stockholm on 14 May 2021, which was the last trading day prior to the announcement of the offer.

On 8 September, Palace Bidco Oy held a total of 47,671,093 shares, corresponding to approximately 97.11% of the total number of shares and votes in Adapteo, excluding Adapteo's treasury shares. After the extended acceptance period Palace Bidco Oy initiated a compulsory acquisition procedure in respect of the remaining minority shares in Adapteo under the Finnish Companies Act.

Adapteo was delisted from Nasdaq Stockholm with the last day of trading being 10 September 2021.

In accordance with IFRS 3, the acquisition date is defined as the date on which the acquirer obtains control of the acquiree. On 17 August the tender offer had been accepted by shareholders holding approximately 93.7% of the shares and the tender offer became unconditional. After the announcement, the change in ownership of the shares was binding and irrevocable, thus the acquisition date was concluded to be 17 August 2021.

IFRS does not have detailed guidance on accounting of sequence of transactions where acquirer gets control of an entity followed by acquiring additional ownership shortly thereafter and exercise legal right to purchase remaining shareholdings ("squeeze-out"). Public tender offer, extended tender offer, and right to redeem shares originated from the same transaction. Purchase price for the shares is expected to be same as in initial tender offer, extended tender offer and in the squeeze-out. In addition, as Palace Bidco Oy held more than 97% of the shares when initiating the squeeze-out, Palace Bidco Oy considered that rights relating to ownership for remaining shares has passed from the minority shareholders to Palace Bidco Oy as the squeeze-out is considered as a formality and certain to occur. Therefore, management applied a policy to account all steps of the tender offer process as a linked transaction where 100% of the shares has been acquired when the tender offer became unconditional, and a financial liability is recorded for shares subject to extended tender offer and the squeeze-out.

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Based on the above, the purchase price consideration (100% ownership of Adapteo Plc) was SEK 8.1 billion or EUR 794.5 million of which EUR 771.1 million was paid in 2021, and remaining EUR 23.4 million squeeze-out recognised as current liability (considering exchange rate of 10.1948).

Purchase consideration:

EUR thousands	
Purchase price	771,129
Squeeze-out accrual	23,402
Purchase consideration	**794,530**

Assets and liabilities acquired:

EUR thousands	
ASSETS	
Non-current assets	
Property, plant and equipment	618,669
Other intangible assets	292,445
Investments in joint ventures and associated companies	2,783
Deferred tax assets	4,440
Finance lease receivables and loan receivables	4,298
Other receivables	12,869
Total non-current assets	**935,503**
Current assets	
Inventories	7,189
Finance lease receivables and loan receivables	2,047
Trade and other receivables	61,868
Income tax receivables	1,032
Derivative financial instruments	171
Cash and cash equivalents	18,013
Total current assets	**90,319**
TOTAL ASSETS	**1,025,823**
LIABILITIES	
Non-current liabilities	
Borrowings	572,742
Deferred tax liabilities	106,103
Provisions	3,675
Other liabilities	6,817
Total non-current liabilities	**689,337**
Current liabilities	
Borrowings	26,453
Trade and other payables	124,124
Income tax liabilities	2,830
Derivative financial instruments	1,237
Total current liabilities	**154,644**
TOTAL LIABILITIES	**843,981**
Net assets	181,841
Purchase consideration	794,530
Non-controlling interest	604
Goodwill	**613,291**

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The table below represents details of the outflow of cash to acquire Adapteo Plc:

EUR thousands	
Purchase price paid	771,129
Acquired cash and cash equivalents	-18,013
Total	**753,116**

The fair value of acquired identifiable intangible assets at the date of acquisition was EUR 292.4 million comprising of customer relationships (EUR 276.8 million) and brand (EUR 15.2 million). Residual goodwill amounted to EUR 613.3 million. Goodwill is not tax-deductible. The goodwill consists of workforce, market position, geographical coverage and expected future profits.

The calculation of purchase price allocation presented above was preliminary on 31 December 2021 and it was not changed during 2022.

Acquisition related costs of EUR 17.8 million are included in other operating expenses in the consolidated income statement and in net cash flow from operating activities in the statement of cash flows. The acquired businesses contributed net sales of EUR 107.9 million and operating profit of EUR 5.7 million to Adapteo for the reporting period from 17 August to 31 December 2021. Adapteo's pro forma net sales would have been EUR 284.1 million and operating profit EUR -9.2 million if the acquisition had been completed on 1 January 2021.

Accounting policy

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is the fair value of the assets transferred, the liabilities incurred, and the equity instruments issued at the acquisition date. Any contingent consideration is recognised at fair value at the acquisition date and classified as a liability or equity. Contingent considerations classified as a liability are measured at fair value on each reporting date with changes recognised in the consolidated income statement. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets of the subsidiary acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

Key judgement and estimates – Fair values of contingent consideration and net assets acquired in a business combination

The purchase consideration transferred, and net assets acquired in business combinations are measured at fair value. The fair value of the contingent consideration included in the purchase consideration for an acquisition has been estimated based on the present value of the expected cash flows. The measurement of fair value of acquired net assets is based on fair values of similar assets (property, plant and equipment), estimated future cash flow (intangible assets, such as customer relationships and brands) or an estimate of the payments required for fulfilling an obligation. Related to property, plant and equipment, the management makes comparisons to the market prices of corresponding assets, as well as estimates of the decrease in value attributable to the age, wear and tear and other similar factors of acquired assets. The determination of the fair value of intangible assets is based on assessments concerning the cash flows of assets, because information on the sales of similar assets has not been available. Therefore, the valuation exercise, which is based on repurchase values, expected cash flows or estimated payments requires management's judgments and assumptions. Management believes that the estimates and assumptions used are sufficiently reliable for determining fair values.

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13. Goodwill and other intangible assets

Intangible assets comprise of goodwill and other intangible assets consisting of brand, customer relationships and software.

2022:

EUR thousands	Goodwill	Brand	Customer relationships	Software	Other intangible assets total
Acquisition cost					
On 1 Jan 2022	**613,130**	**15,165**	**276,302**	**1,078**	**292,546**
Exchange differences	**-35,551**	-	-17,730	-107	**-17,837**
Additions	-	-	-	864	**864**
On 31 Dec 2022	**577,580**	**15,165**	**258,572**	**1,835**	**275,572**
Accumulated amortisation and impairment					
On 1 Jan 2022	-	**-336**	**-6,142**	**-206**	**-6,685**
Exchange differences	-	-	1,073	75	**1,148**
Amortisation	-	-1,008	-17,925	-602	**-19,535**
On 31 Dec 2022	-	**-1,344**	**-22,994**	**-733**	**-25,072**
Net book value on 31 Dec 2022	**577,580**	**13,821**	**235,578**	**-1,101**	**250,500**

2021:

EUR thousands	Goodwill	Brand	Customer relationships	Software	Other intangible assets total
Acquisition cost					
On 17 Aug 2021	-	-	-	-	-
Acquisitions	**613,291**	15,165	276,762	518	**292,445**
Exchange differences	**-161**	-	-460	-12	**-472**
Additions	-	-	-	573	**573**
On 31 Dec 2021	**613,130**	**15,165**	**276,302**	**1,078**	**292,546**
Accumulated amortisation and impairment					
On 17 Aug 2021	-	-	-	-	-
Exchange differences	-	-	35	8	**43**
Amortisation	-	-336	-6 178	-214	**-6,728**
On 31 Dec 2021	-	**-336**	**-6,142**	**-206**	**-6,685**
Net book value on 31 Dec 2021	**613,130**	**14,829**	**270,160**	**872**	**285,861**

Accounting policy - Goodwill

Goodwill represents the consideration that has been paid when acquiring a business in excess of the fair value of the assets and liabilities acquired. Goodwill is not amortised, but it is tested annually for impairment, or more frequently if events or changes in circumstances indicate that goodwill might be impaired. Goodwill is carried at cost less any accumulated impairment losses. Previously recognised impairment loss of goodwill is not reversed. Goodwill is allocated to cash-generating units (CGUs) for the purpose of monitoring and impairment testing.

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Basis for impairment testing

Adapteo has identified seven cash-generating units and goodwill is allocated to four of them as follows:

EUR thousands	31 Dec 2022	31 Dec 2021
The Netherlands	50,711	50,711
Norway	111,952	117,836
Sweden	348,928	378,593
Denmark	65,989	65,990
Total	**577,580**	**613,130**

The impairment test is done annually based on the balance sheet as of 31 December. In the impairment testing the assets of the CGUs are compared to their recoverable amount. The recoverable amount is the higher of CGU's fair value less costs of disposal and value in use. The recoverable amount of the CGU has been determined based on assessing the fair value less cost of disposal (FVLCOD) which is calculated by using the discounted cash flow method (Level 3).

The cash flow projections used in the calculations are based on the next year's financial budget and the forecasts for the subsequent 29 years in 2022. The forecast period in 2021 testing was 15 years. The change in forecasting period is based on modelling the long-term the market development and expected implementation of the business plan of Adapteo. The cash flow projections are based on actual results and management's estimates on future sales, cost development, investments and applicable tax regulations. These management's estimates include significant uncertainty and judgement by the management, especially amount of investments projected has a direct material impact on the future cash flows.

The projection period determined by the management considers the expected development of the market, infrastructure nature of rental equipment and the strategic choices made by Adapteo. Adapteo's Board and Group Management have approved cash flow forecasts upon which the impairment tests are based.

Key assumptions used in impairment testing

The key assumptions related to impairment test:

2022	EBITDA margin	Compound annual growth rate on revenue for the	Growth rate beyond the forecasting period	Discount rate after tax, %
The Netherlands	45.3% - 51.1%	2.60%	2.0%	7.75%
Norway	72.5% - 82.0%	5.25%	1.9%	7.73%
Sweden	50.3% - 67.6%	3.53%	1.7%	7.59%
Denmark	68.0% - 79.9%	6.23%	1.9%	7.73%

2021	EBITDA margin	Compound annual growth rate for the	Growth rate beyond the	Discount rate after tax, %
The Netherlands	27.9% - 38.4%	2.90%	2.0%	9.25%
Norway	62.6% - 76.7%	11.00%	2.0%	9.25%
Sweden	47.8% - 71.8%	5.30%	2.0%	9.25%
Denmark	65.2% - 79.2%	5.50%	2.0%	9.25%

Management has determined the values assigned to each of the above key assumptions as follows:

EBITDA margin: EBITDA is defined as operating profit (EBIT) plus depreciation, amortisation and impairment. Corresponding margin has been calculated by dividing the measure with net sales.

EBITDA margin is expected to improve from the current level via the application of new service model (note 3) and number of corrective actions. The corrective actions for profitable growth and cash flow further development, aim to ensure that the operations from sales to delivery is optimised to have profitable offering and more efficient operations. The terminal value profitability level reflects the forecast period EBITDA levels used.

Compound annual growth rate on revenue for the forecasting period: Future growth estimates are mainly based on forecasted capital expenditure, utilisation rates and development in the CGUs.

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Growth rate beyond the forecasting period: The growth rates beyond forecasting period are predicted to reflect the forecasted growth and long-term inflation forecast.

Discount rate after tax: Forecasted cash flows are discounted with a specific discount rate. Adapteo's weighted average cost of capital (WACC) constitutes the basis for the determination of the discount rate. Cost of capital includes assumptions for capital structure, risk-free interest rate, risk premium, cost of debt and equity and equity beta. The changes in discount rates compared to the comparison period are mainly due to changes in the risk fee interest rates and in the assigned risk premiums. The risk premiums previously assigned to discount rates are reflected in the forecasted cash flows in 2022, thus resulting in lower discounted rates when compared to comparison period.

Sensitivity analysis of the main assumptions

The figures below represent the changes of the main assumptions, for each assumption separately, after which the carrying amount of the CGU equals its recoverable amount. In the sensitivity analysis, each parameter is adjusted independently whilst holding the other parameters constant.

2022	The amount by which the recoverable amount exceeds the carrying amount – EUR thousands	The amount by which the recoverable amount exceeds the carrying amount –%	Annual change in profitability – Max decrease in EBITDA margin in %-units	Growth rate beyond forecasting period – Max. decrease in %-units	Discount rate – Max. increase in %-units
The Netherlands	58,083	48.7%	-6.1%	N/A	2.0%
Norway	17,910	6.6%	-1.2%	-1.1%	0.2%
Sweden	31,008	4.9%	-0.9%	-1.3%	0.2%
Denmark	61,382	27.4%	-4.2%	-6.9%	1.0%

2021	The amount by which the recoverable amount exceeds the carrying amount – EUR thousands	The amount by which the recoverable amount exceeds the carrying amount –%	Annual change in profitability – Max decrease in EBITDA margin in %-units	Growth rate beyond forecasting period – Max. decrease in %-units	Discount rate – Max. increase in %-units
The Netherlands	14,570	14.9%	-2.0%	-2.8%	0.8%
Norway	22,208	8.5%	-2.7%	-0.9%	0.4%
Sweden	12,645	1.8%	-0.6%	-0.2%	0.1%
Denmark	3,703	2.0%	-0.7%	-0.3%	0.1%

Based on the impairment test results, no impairment was recognised in 2022 and 2021. Management estimates that the most sensitive main assumption of the above sensitivity analysis is the forecasted profitability.

Key judgement and estimates – Key assumptions used in goodwill impairment testing

The management makes significant estimates and judgements in determining the level at which the goodwill is tested and whether there are any indications of impairment.

The recoverable amount of cash generating unit is determined based on fair value calculations which require the use of estimates. Cash flow forecasts are based on Adapteo's actual results and the management's best estimates on future sales, cost development, general market conditions and applicable tax rates. Cash flow forecasts include budgets and forecasts approved by the Board of Directors for a period of 30 years. Cash flows for the periods after the forecasting period are extrapolated using the estimated growth rates mentioned in this note under key assumptions used in impairment testing. The growth rates are based on the management's estimates on future growth in the CGUs.

Management tests the impacts of changes in significant estimates used in forecasts by sensitivity analyses as described above in this note.

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Accounting policy – Other intangible assets

Other intangible assets are recognised in the balance sheet initially at cost, when it is probable that the assets will generate future economic benefits and the cost can be measured reliably. Other intangible assets include brands, customer relationships and software.

Adapteo's brands and customer relationships are recognised in connection with the business acquisitions. Brands and customer relationships acquired in the business combinations are measured at fair value on the date of the acquisition and subsequently amortised on a straight-line basis over the estimated useful lives.

Intangible assets that are separately identifiable or arising from contractual or other legal rights relate to IT systems. The capitalised cost related to IT systems consist of external service expenses and fees paid for licenses.

Amortisation periods for other intangible assets are for brands and software 3 years and for customer relationships 10 years.

Research costs are expensed as incurred. Development costs are capitalised when it is probable that a development project will generate future economic benefits, and the cost can be measured reliably. Other development costs are expensed. Currently the development projects of Adapteo do not fulfil the criteria of capitalisation and thus the development costs are expensed as incurred.

14. Investments in joint ventures and associates

Carrying amounts of investments in joint ventures and associates are recognised as follows:

EUR thousands	2022	2021
Balance at the beginning of period	**2,526**	**-**
Acquisitions	-	2,783
Result for the period	656	-127
Dividends received	-224	-191
Exchange differences	-150	62
On 31 December	**2,808**	**2,526**

Adapteo's joint ventures and associates are disclosed in note 27 and related party transaction are described in note 28.

The following table summarises the specific balance sheet line items. The table reflects the amounts presented in the local financial statements of those companies, not Adapteo's share of the those amounts.

EUR thousands	31 Dec 2022	31 Dec 2021
Property, plant and equipment	4,245	5,418
Total non-current assets	**5,081**	**6,291**
Cash and cash equivalents	2,865	3,462
Total current assets	**8,787**	**6,707**
Borrowings	3,410	3,728
Total non-current liabilities	**3,455**	**3,765**
Total current liabilities	**9,047**	**9,488**
Net assets	**1,366**	**-255**

Accounting policy

Adapteo has joint ventures and associates. Joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights.

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Investments in joint ventures and associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in the income statement. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Adapteo's share of the profit or the loss from joint ventures and associates is presented as a separate line item in the consolidated income statement, and Adapteo's investments in these companies are presented as a separate line item in the consolidated balance sheet.

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NET WORKING CAPITAL

This section describes components of net working capital of Adapteo. Net working capital consist of the following:

EUR thousands	Note	31 Dec 2022	31 Dec 2021
Non-current			
Other receivables	16	9,167	13,706
Other liabilities	17	-1,987	-2,809
Provisions	18	-21,641	-8,359
Current			
Inventories	15	5,868	7,195
Trade and other receivables	16	89,075	69,815
Trade and other payables	17	-199,070	-173,469
Provisions	18	-392	-2,253
Total net working capital		**-118,980**	**-96,175**

15. Inventories

Adapteo has in-house production of adaptable buildings. Inventories mainly consist of materials and supplies, which include raw materials and spare parts.

EUR thousands	31 Dec 2022	31 Dec 2021
Materials and supplies	5,868	7,195
Inventories	**5,868**	**7,195**

Write-downs of inventories recognised during the financial period 2022 were immaterial.

Accounting policy

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) principle. The cost of inventories shall comprise all costs of purchase including transportation, handling and other costs directly attributable to the acquisition. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of selling.

If the net realisable value of inventory is deemed lower than the cost, then allowance is established for inventory obsolescence. The amount to be allocated to inventory obsolescence is based on an estimation of the net realisable value of inventory.

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16. Trade and other receivables

EUR thousands	31 Dec 2022	31 Dec 2021
Non-current		
Accrued income on assembly	7,432	9,941
Other receivables	1,735	3,764
Non-current other receivables	**9,167**	**13,706**
Current		
Trade receivables	61,530	45,782
Accrued interests	9	6
Accrued income on assembly	4,847	6,710
Accrued income on self-manufactured projects	10,247	9,921
Other accrued income	-	106
Other prepaid expenses	5,004	4,243
VAT receivables	3,150	694
Other receivables	4,289	2,354
Current trade and other receivables	**89,075**	**69,815**
Total trade and other receivables	**98,242**	**83,521**

Trade receivables include the following provision for impairment:

EUR thousands	31 Dec 2022	31 Dec 2021
Trade receivables	64,970	46,980
Provision for impairment	-3,440	-1,198
Total trade receivables	**61,530**	**45,782**

A total amount of EUR 137 thousand trade receivables has been recognised in the income statement as impairment losses in 2022 (EUR 15 thousand during reporting period 2021).

For credit risk disclosures including ageing of trade receivables and description of the expected credit loss model, see note 25.

Accounting policy

Trade and other receivables represent amounts that Adapteo expects to collect from other parties. Trade receivables are non-interest-bearing and are generally on 14–60 days payment terms.

The classification of trade receivables is based on the business model's objective and on the contractual cash flow characteristics. Cash flows of trade receivables consist solely of payments of principal and interest. Adapteo holds the trade receivables with the objective to collect the contractual cash flows. Trade receivables are initially recognised at their transaction price as they do not have significant financing component. Subsequently, they are measured at amortised cost. Credit loss allowance is deducted from the receivables. The credit loss allowance is recognised using the simplified approach, under which allowance equal to lifetime expected credit losses is recognised. Trade receivables are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Trade receivables are derecognised when the rights to receive cash flows from the investment have expired or have been transferred, and Adapteo has substantially transferred all risks and rewards of ownership.

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17. Trade and other payables

EUR thousands	31 Dec 2022	31 Dec 2021
Non-current		
Contingent consideration	-	459
Advances received	929	1,316
Other liabilities	1,058	1,034
Non-current other liabilities	**1,987**	**2,809**
Current		
Trade payables	50,910	37,074
Advances received	91,739	52,089
Accrued interests	18,923	5,092
Accrued expenses	29,644	30,762
VAT liability	3,526	3,104
Contingent consideration	436	18,112
Squeeze-out accrual	-	23,402
Other payables	3,892	3,834
Current trade and other payables	**199,070**	**173,469**
Total trade and other payables	**201,058**	**176,278**

Squeeze-out accrual is derecognised upon the payment during accounting period 2022 (note 12). Contingent consideration relates to previous acquisitions of subsidiaries.

Accounting policy

Trade and other payables mainly consist of amounts owed to suppliers, employees and customers. Trade and other payables represent liabilities for goods and services provided to Adapteo prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities.

18. Provisions

Movements in provisions are presented below.

2022:

EUR thousands	Guarantee provisions	Disassembly cost provisions	Other provisions	Total provisions
On 1 Jan 2022	**610**	**7,097**	**2,906**	**10,612**
Additions	-	14,241	533	**14,774**
Used provisions	-610	-658	-1,619	**-2,887**
Unused provisions reversed	-	-	-140	**-140**
Exchange differences	-	-303	-25	**-328**
On 31 Dec 2022	**-**	**20,377**	**1,656**	**22,033**
of which				
non-current	-	19,985	1,656	**21,641**
current	-	392	-	**392**
Total provisions	**-**	**20,377**	**1,656**	**22,033**

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2021:

EUR thousands	Guarantee provisions	Disassembly cost provisions	Other provisions	Total provisions
On 17 Aug 2021	-	-	-	-
Acquisitions	221	3,086	367	3,675
Additions	388	4,011	2,538	6,938
On 31 Dec 2021	**610**	**7,097**	**2,906**	**10,612**
of which				
non-current	-	7,097	1,262	8,359
current	610	-	1,644	2,253
Total provisions	**610**	**7,097**	**2,906**	**10,612**

Accounting policy

Provisions are recognised when Adapteo has a present legal or constructive obligation as a result of past events, it is probable that a cash outflow will be required to settle the obligation and the amount can be estimated reliably. Provisions are split between amounts expected to be settled within 12 months of the balance sheet date (current) and amounts expected to be settled later (non-current).

Guarantee provisions are made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. Management estimates the provisions based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

Disassembly cost provisions are recognised for estimated costs of dismantling, removing the asset and restoring the site after lease period.

Other provisions include provisions related to onerous contracts and restructuring costs. Provisions are booked for onerous contracts when the obligatory expenditure required to meet obligations exceeds the benefits yielded by the contract. Provisions are not recognised for any estimated future operating losses. Restructuring costs related to intention to close production operations of Flexator AB in Sweden during 2022.

Key judgement and estimates

The recognition of provisions involves probability and amount-related estimates. The estimate of the probability and amount of realised costs is based on previous similar events and experience-based knowledge.

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FINANCING AND CAPITAL MANAGEMENT

This section summarises Adapteo's net debt and how Adapteo manages its capital including liquidity management. Adapteo's capital consists of equity and borrowings as shown on the balance sheet.

Adapteo's net debt items are:

EUR thousands	Note	31 Dec 2022	31 Dec 2021
Borrowings	19	1,228,360	1,108,042
Loan receivables	24	-470	-2,584
Finance lease receivables	23	-3,754	-7,021
Cash and cash equivalents	22	-25,665	-58,609
Net debt		**1,198,471**	**1,039,828**

Net debt specification is presented in the following tables.

2022:

				Borrowings				
EUR thousands	Cash and cash equivalents	Finance lease receivables	Loan receivables	Bank loans	Share-holder loans	Bank overdraft facility	Lease liabilities	Total
Net debt on 1 Jan 2022	**-58,609**	**-7,021**	**-2,584**	**715,749**	**342,600**	**2,606**	**47,088**	**1,039,828**
Cash flows	35,538	2,974	2,087	121,530	-	-2,606	-11,859	147,666
Exchange differences	-2,595	292	-48	-494	-	-	-1,833	-4,677
Other changes	-	-	75	3,531	-	-	12,047	15,654
Net debt on 31 Dec 2022	**-25,665**	**-3,754**	**-470**	**840,317**	**342,600**	**-**	**45,443**	**1,198,471**

2021:

				Borrowings				
EUR thousands	Cash and cash equivalents	Finance lease receivables	Loan receivables	Bank loans	Share-holder loan	Bank overdraft facility	Lease liabilities	Total
Net debt on 17 Aug 2021	-	-	-	-	-	-	-	-
Acquisitions	-18,013	-5,931	-414	534,963	-	1,778	62,455	574,837
Cash flows	-40,309	-388	-2,155	179,043	445,398	828	-20,155	562,261
Conversion to equity	-	-	-	-	-102,798	-	-	-102,798
Exchange differences	-286	11	-27	59	-	-	1,201	958
Other changes	-	-712	12	1,684	-	-	3,586	4,570
Net debt on 31 Dec 2021	**-58,609**	**-7,021**	**-2,584**	**715,749**	**342,600**	**2,606**	**47,088**	**1,039,828**

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19. Borrowings

The carrying values of Adapteo's borrowings are presented in the following table:

EUR thousands	31 Dec 2022	31 Dec 2021
Non-current		
Bank loans	810,461	701,460
Shareholder loans	342,600	-
Lease liabilities	34,488	36,364
Total non-current borrowings	**1,187,549**	**737,825**
Current		
Bank loans	29,855	14,288
Shareholder loans	-	342,600
Bank overdraft facility	-	2,606
Lease liabilities	10,955	10,723
Total current borrowings	**40,811**	**370,217**
Total borrowings	**1,228,360**	**1,108,042**

Bank loans

Adapteo has EUR 698.1 million Term loan under the Senior Facility loans, EUR 232.0 million Capex Facility and a EUR 50.0 million Revolving Credit Facility. The loan agreement contains biannually monitored financial covenants, which the company was fully compliant with as per 31 December 2022.

At the end of 2022 the Term loan was fully drawn, EUR 27.0 million was drawn from the Revolving Credit Facility and EUR 110.0 million was drawn from the Capex Facility. The Term loan and Capex loans will mature in August 2026. The Revolving Facility loans will mature in January 2023. The Senior Facility loans have floating base interest rates and the current margin is 2,75%. The floating base rate is Euribor 3 months for the Term loan and Capex loans. The floating rate of Revolving Credit Facility loans depends on the maturity of the loans. Adapteo Oy has a total of EUR 4.0 million overdraft facility which was unused 31 December 2022.

Shareholder loans

Adapteo Group Oy has two shareholder loans: tranche A (EUR 249.0 million) and tranche B (EUR 93.6 million) amounting to EUR 342.6 million. The loans will mature in 2031. The loans have a clause that entitles the lender to require prepayment of all or part of the loan, which was annulled with a waiver signed on 14 December 2022. The waiver states that the lender waives its right to require repayment until and including 30 June 2024. The shareholder loans have interest rates of 3,00% (tranche A) and 4,00% (tranche B).

Accounting policy

Financial liabilities

Borrowings are measured initially at fair value. Transaction costs are included in the initial measurement of the borrowings. Subsequently, borrowings are measured at amortised cost using the effective interest method. In the effective interest method, transaction costs related to borrowings are amortised over the term of the borrowings and recognised as finance costs as part of interest expense. Borrowings are derecognised when loan has been repaid or liability has been extinguished for example in connection with refinancing.

Adapteo classifies a liability as current if the liability is due to be settled within twelve months after the reporting period; or it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Fees related to loan commitments are recognised as transaction costs to the extent that it is probable that the total loan commitment or a part of it will be raised. This means that the fee is recognised in the balance sheet until the loan is raised. In connection with the drawdown, the fee related to loan is recognised as part of the transaction costs against the loan balance. To the extent there is no evidence that it is probable that the loan will be raised, the fee

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is recognised as prepaid expense in respect of the liquidity related services and is accrued over the term of the commitment.

For the measurement policies of the fair values of all financial assets and liabilities, see note 24.

Lease liabilities

Adapteo leases rental machinery, vehicles, and premises. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

There are no significant variable lease payments or options included in the Adapteo's lease arrangements. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Key judgement and estimates – lease term

Accounting for leases require the use of judgement from different aspects of which determining the discount rate and determining the lease term have been assessed as the most critical ones. Discount rates used are centrally established as the Group's calculated incremental borrowing rate for each entity. The lease term is determined based on the information available in the lease agreement and other relevant facts and circumstances. For example, for leases valid until further notice, the lease term is often estimated based on the experience and estimation about how long the contract is expected to be valid.

20. Hedge accounting

The Group has as of 1 January 2022 applied hedge accounting for interest rate derivatives hedging the variability in interest rate cash flows arising from the variable interest rate payments relating to the Senior Facility Loans. The hedged loan amount is EUR 600.0 million and the hedged Euribor 3-month reference interest rate is capped at 0% p.a. until the final loan payment on 24 August 2026. Fair value of the hedging instruments, recognised as non-current derivative asset, was on 31 December 2022 EUR 63.5 million and the change in fair value during the period from 1 January to 31 December 2022 was EUR 57.8 million. There was no hedge ineffectiveness during the period. The effective proportion is as of 31 December 2022 recognised in the fair value reserve in other comprehensive income, less deferred taxes of 20%.

Accounting policy – Derivatives and hedging activities

Derivatives are initially recognised at fair value, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument. The Group has designated derivatives as hedges of interest rate risk associated with the cash flows of recognised liabilities and highly probable forecasted transactions as cash flow hedges.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 24. Movements in the fair value reserve in shareholders' equity are shown in note 21. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

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Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and classified as cash flow hedges are recognised in the fair value reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance items at the same time as the interest expense on the hedged loans.

21. Equity

The equity of Adapteo Group Oy consists of reserve for invested unrestricted equity, fair value reserve, result for the period, retained earnings and translation differences.

Reserve for invested unrestricted equity was formed partly in connection with the acquisition of Adapteo Plc on 17 August 2021. *The movements in the reserve for invested unrestricted equity:*

EUR thousands	2022	2021
Balance at the beginning of period	**417,901**	**-**
Investment to reserve for invested unrestricted equity	-	315,102
Shareholder loan conversion	-	102,799
On 31 December	**417,901**	**417,901**

The movements in the fair value reserve and other comprehensive income:

EUR thousands	2022	2021
Balance at the beginning of period	**-**	**-**
Change in fair value of derivatives	57,758	-
Deferred tax liability on change in fair value of derivatives	-11,552	-
Amount reclassified to income statement	1,228	-
On 31 December	**47,434**	**-**

Translation differences were EUR -54.6 million on 31 December 2022 (EUR -0.4 million on 31 December 2021). The annual change was mainly due to the currency fluctuation in SEK against EUR for the assets recognised in the connection with the acquisition 2021 and measured to fair value. More information on translation differences, see note 27.

Adapteo has 1,000 shares with zero nominal value.

22. Cash and cash equivalents

Cash and cash equivalents amounted to EUR 25.7 million on 31 December 2022 (EUR 58.6 million on 31 December 2021).

Accounting policy

Cash and cash equivalents include cash in hand and demand deposits available at call. Cash and cash equivalents have original maturities of three months or less. Cash at banks earns either negative or positive interest at floating rates based on daily bank deposit rates. Cash and cash equivalents are measured at amortised cost.

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23. Finance lease receivables

Adapteo offers long-term leasing as an alternative to buying. These leases are classified as finance leases where Adapteo is a lessor. The following table shows how the amount of the net investment in a finance lease (finance lease receivable) is determined.

EUR thousands	31 Dec 2022	31 Dec 2021
Minimum lease payments	4,133	6,210
Unguaranteed residual value	808	2,439
Gross investment	**4,942**	**8,649**
Unearned finance income	-1,187	-1,628
Net investment (finance lease receivable)	**3,754**	**7,021**

The following table presents the maturity of the gross investment amounts and the present value of minimum lease payments.

	31 Dec 2022		31 Dec 2021	
EUR thousands	Gross payments	Present value of lease (finance lease receivable)	Gross payments	Present value of lease (Finance lease receivables)
Within 1 year	1,367	1,451	2,081	3,477
1-5 years	2,152	1,680	4,748	2,637
After 5 years	1,422	624	1,820	906
Total	**4,942**	**3,754**	**8,649**	**7,021**

Other information about finance leases where Adapteo is a lessor:

EUR thousands	1 Jan – 31 Dec 2022	17 Aug – 31 Dec 2021
Rental sales – finance leases (note 3)	611	746
Interest income – finance leases (note 4)	384	236
Gain on sale of assets – finance leases	190	37

Accounting policy

For those lease agreements of property, plant and equipment where Adapteo acts as lessor and transfer substantially all the risks and rewards of ownership to the lessee, are classified as finance leases and recognised as receivable in the balance sheet. The receivable is measured initially at an amount equal to the present value of the minimum lease payments. The rental income derived from these finance lease agreements is recognised on a straight-line basis for each period during the lease term to produce a constant periodic rate of interest on the asset. The interest income is presented as other operating income in the income statement.

Key judgement and estimates – Determining the lease term for finance leases where Adapteo is a lessor

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

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24. Classification of financial assets and liabilities

EUR thousands	Fair value level	Carrying value 31 Dec 2022	Fair value 31 Dec 2022	Carrying value 31 Dec 2021	Fair value 31 Dec 2021
Non-current financial assets at amortised cost					
Finance lease receivables	2	2,280	2,280	3,514	3,514
Loan receivables	2	470	470	2,584	2,584
Total		**2,749**	**2,749**	**6,098**	**6,098**
Current financial assets at amortised cost					
Finance lease receivables	2	1,475	1,475	3,507	3,507
Trade receivables	2	61,530	61,530	45,782	45,782
Cash and cash equivalents	2	25,665	25,665	58,609	58,609
Total		**88,670**	**88,670**	**107,898**	**107,898**
Non-current financial assets at fair value through other comprehensive income					
Derivatives qualifying for hedge accounting	2	63,463	63,463	-	-
Non-current financial assets at fair value through profit and loss					
Derivatives not qualifying for hedge accounting	2	-	-	5,705	5,705
Total		**63,463**	**63,463**	**5,705**	**5,705**
Total financial assets		**154,882**	**154,882**	**119,700**	**119,700**
Non-current financial liabilities at amortised cost					
Borrowings	2	1,187,549	1,113,713	737,825	642,092
Total		**1,187,549**	**1,113,713**	**737,825**	**642,092**
Current financial liabilities at amortised cost					
Borrowings	2	40,811	40,811	370,217	370,217
Trade payables	2	50,910	50,910	37,074	37,074
Total		**91,721**	**91,721**	**407,291**	**407,291**
Non-current financial liabilities at fair value					
Contingent consideration	3	-	-	459	459
Total		**-**	**-**	**459**	**459**
Current financial liabilities at fair value					
Contingent consideration	3	436	436	18,112	18,112
Squeeze-out accrual	3	-	-	23,402	23,402
Derivatives not qualifying for hedge accounting	2	-	-	3	3
Total		**436**	**436**	**41,517**	**41,517**
Total financial liabilities		**1,279,706**	**1,205,870**	**1,187,092**	**1,091,359**

There were no transfers between levels 1–3 during the reporting period.

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Reconciliation of Level 3 fair values (financial liabilities):

2022:

EUR thousands	Contingent consideration	Squeeze-out accrual
On 1 Jan 2022	**18,571**	**23,402**
Payment of liability	-16,459	-22,994
Impact of discounting and change in measurement of liability		
Recognised as finance income in income statement	-1,754	-408
Recognised as finance costs in income statement	78	-
On 31 Dec 2022	**436**	**-**

2021:

EUR thousands	Contingent consideration	Squeeze-out accrual
On 17 Aug 2021	**19,800**	**-**
Acquisitions	-	23,402
Impact of discounting and change in measurement of liability		
Recognised as finance income in income statement	-1,940	-
Recognised as finance costs in income statement	711	-
On 31 Dec 2021	**18,571**	**23,402**

Accounting policy

Determination of fair values

For borrowings, the fair value is based on discounted cash flows. The rate used for measurement is the rate which would apply for the Adapteo's external financing and investments. The overall rate consists of a risk-free rate and the risk premium for the company. The fair value of lease contracts is computed by discounting the cash flows with a rate corresponding to similar contracts at the measurement date.

The fair value of trade receivables and trade payables corresponds to the cost. The effect of discounting is immaterial due to short maturity of these items. For borrowings, the fair values are not materially different to their carrying amounts since the contractual interest on borrowings is close to current market rates. For other financial assets and liabilities, carrying values correspond to fair values.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into. Subsequently derivatives are remeasured at their fair value. Cash flow hedge accounting, specified in IFRS 9, is applied by the Group to selected hedging items only. Changes in the fair value of derivative instruments associated with cash flow hedge are recognised in other comprehensive income (including the tax effect) and presented under equity, providing that they fulfill the criteria set for hedge accounting and are based on effective hedging.

In the fair value hierarchy, cash flow hedges are classified on level 2. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Contingent consideration and squeeze-out accrual are classified on level 3. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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25. Financial risk management

The objective of the financial risk management is to minimise the negative effects on Adapteo's financial performance caused by changes in financial markets and thus help to secure profitability. The Group's financial risks consist of credit and counterparty risk, funding risk, liquidity risk and market risk (including currency risk and interest rate risk). The general operating principles to manage financial risks are defined in the Group Treasury policy which is approved by the Board of Adapteo. The policy is reviewed and if needed updated at least annually. Operational management of financial risks is carried out centrally by the Group Treasury in co-operation with operating units. The Treasury Policy defines objectives and limits for financing activities. The division of responsibilities between the Group Treasury and operating units regarding financial activities and financial risk management are also defined in the Group's Treasury Policy.

Interest rate risk

Fluctuations in market interest rates influence interest outflows and the fair value of interest-bearing receivables and loans payable. The objective of interest rate risk management is to mitigate the impact of interest rate changes in the consolidated income statement, balance sheet and cash flow, while also considering the market value of net debt.

The Group can have both variable rate and fixed-rate non-current borrowings and interest rate derivatives can be used to manage interest rate risk. The borrowings mainly have variable interest rates. The Group has used interest rate caps for managing interest rate risk. The nominal value of interest rate caps is EUR 600.0 million. Interest rate caps mature in August 2026. The Group has as of 1 January 2022 applied hedge accounting for interest rate derivatives hedging the variability in interest rate cash flows arising from the variable interest rate payments relating to the Senior Facility Loans. Hedge accounting was presented in note 20.

Lease liabilities and receivables are at fixed rates and expose Adapteo to fair value interest rate risk.

If interest rates had been 1 percentage point higher/lower with all other variables held constant, the impact to the result for the period would have been EUR 1.8 million negative/positive on 31 December 2022 considering also the effect of interest rate derivatives.

If fair value of the interest derivative instruments had been 5 percentage point higher/lower with all other variables held constant, the impact to the total comprehensive income for the period would have been EUR 2.5 million positive/negative on 31 December 2022.

Adapteo's borrowings are presented in note 19.

Currency risk

Adapteo operates internationally and is exposed to risks arising from foreign exchange rate fluctuations, primarily from exposures with respect to the Swedish krona. Foreign exchange risk arises from recognised assets and liabilities in other than functional currency of the group entity, and from net investments in foreign operations.

The objective of the foreign exchange risk management is to limit the uncertainties associated with foreign exchange rate fluctuations and their effect on Adapteo's consolidated profit, cash flows and balance sheet.

Main funding currency for the Group is euro. The subsidiaries are funded through intra-Group loans which are denominated in euros. In the sensitivity analysis internal and external loans and receivables and payables are considered. If EUR had strengthened/weakened by 10% against other currencies (SEK, NOK, DKK, PLN) with all other variables held constant, the recalculated post-tax result for the reporting period would have been EUR 3.8 million lower/higher.

Although the Group has a large international presence, sales of local entities are mainly carried out in the functional currency of those entities. Purchases are also carried out mainly in local currencies but also some in foreign currencies. However, currency risk arising from sales and purchases is considered insignificant. Hence, according to the Treasury Policy, future sales and purchases are not hedged.

Translation risk is caused by the parent company's foreign currency denominated net investments in foreign subsidiaries. Translation differences are recognised in equity on consolidation. The most significant foreign currency net investments are denominated in Swedish krona. Other currencies do not create significant translation risk. During the reporting period translation risk has not been hedged.

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The Group has not applied hedge accounting in currency hedging.

Credit and counterparty risk

Adapteo's credit and counterparty risk arises mainly from credit exposures to customers, including outstanding trade receivables, finance lease receivables as well as cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. The Group Treasury is monitoring closely the outstanding receivable balances and local entities are responsible for managing the credit risk related to operating items, such as trade receivables. Adapteo constantly monitors the credit status of its clients and when necessary, guarantees are required, and client's paying behaviour is monitored actively. Most of Adapteo's clients are municipalities and other public sector, low credit risk entities in stable economies.

The Group Treasury is responsible for managing the Group's financial credit risk through counterparty limits. Adapteo's Treasury policy defines the permitted external counterparties with corresponding limits.

The balance sheet values of receivables and cash and cash equivalents best correspond to the amount which is the maximum credit risk exposure without considering the value of any collateral. Trade receivables or finance lease receivables do not contain any significant concentration of credit risk.

Impairment of trade receivables

The maturity structure of trade receivables, credit losses and change of provision for bad debt is presented below. Trade receivables are arising from large number of customers and are mainly denominated in EUR and SEK and therefore considered mitigating the concentration of risk.

Movements in the impairment loss allowance (provision of bad debt) of trade receivables:

EUR thousands	2022	2021
Balance at the beginning of period	**1,198**	**-**
Acquisitions	-	1,260
Increase in impairment loss allowance recognised in profit or loss during the period	2,302	22
Trade receivables written off as uncollectible during the period	-137	-15
Exchange differences	77	-69
On 31 December	**3,440**	**1,198**

Adapteo applies the simplified approach to providing for expected credit losses, which requires the use of the lifetime expected credit loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on common credit risk characteristics and on the days past due.

The impairment loss allowance is determined based on expected credit losses ("ECL") as a combination of statistical model (collective assessment) and specific review (case-by-case analysis). The collective assessment applied uses external Probability of Default factors taking into consideration statistical data and forward-looking macroeconomic factors. Allowances in past due trade receivables relatively reflect the age of the receivable and applied Probability of Default factors. Allowances in ageing categories are followed-up on a statistical basis where indications of material changes exist. Secondly, Adapteo conducts a specific review, and takes local and client specific consideration of collectability of the receivable into account. The specific review focuses on the expected credit losses on material trade receivables taking into consideration all relevant indications known.

Credit losses are recognised as other operating expenses in the income statement.

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Ageing analysis of trade receivables on 31 December 2022:

EUR thousands	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Total
Trade receivables, not due at reporting date	0.5%	40,559	-207	40,353
Due 1–30 days	1.0%	9,777	-96	9,680
Due 31–60 days	2.8%	2,650	-75	2,575
Due 61–90 days	3.8%	2,883	-111	2,773
Due 91–120 days	14.9%	1,320	-197	1,123
Due 121–180 days	27.3%	3,704	-1,011	2,693
Due 181–365 days	31.4%	2,600	-816	1,784
Due over 365 days	62.9%	1,477	-928	549
Total		**64,970**	**-3,440**	**61,530**

Ageing analysis of trade receivables on 31 December 2021:

EUR thousands	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Total
Trade receivables, not due at reporting date	0.4%	33,521	-141	33,379
Due 1–30 days	1.0%	9,402	-98	9,304
Due 31–60 days	2.6%	683	-17	665
Due 61–90 days	5.0%	677	-34	643
Due 91–120 days	18.8%	588	-111	477
Due 121–180 days	27.6%	914	-253	662
Due 181–365 days	35.7%	610	-218	392
Due over 365 days	55.8%	586	-327	259
Total		**46,980**	**-1,198**	**45,782**

Trade receivables are written off as uncollectible when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the debtor's insolvency, bankruptcy, liquidation or a failure to make contractual payments. If there are such indicators, Adapteo analyses the collectability of trade receivables case by case. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Impairment of loan receivables, finance lease receivables and cash and cash equivalents

Adapteo uses general model to assess impairment loss for loan receivables, finance lease receivables and cash and cash equivalents.

Adapteo recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, Adapteo measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Despite the foregoing, Adapteo assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. Adapteo has assessed that loan receivables, finance lease receivables and cash and cash equivalents have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management considers instruments to be 'low credit risk' when they have a low risk of default, and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. To be concluded to be 'low credit risk' the counterparty should have a strong financial position and there should not be past due amounts. Based on the management assessment, credit loss allowance for loan receivables, finance lease receivables and cash and cash equivalents is insignificant. For that reason, no credit loss allowance for them is recognised. The credit loss allowance need is followed-up on a regular basis.

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Adapteo regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria can identify significant increase in credit risk before the amount becomes past due. Adapteo considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess that Adapteo compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

Regardless of the above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due. Financial assets are written off when there is no reasonable expectation of recovery.

Adapteo has not historically had loan receivables, finance lease receivables or cash and cash equivalents with increased credit risk or which would have been written off due to events of default.

Funding risk and liquidity risk

Adapteo's management evaluates and monitors continuously the amount of funding required in the Group´s business activities to ensure it has adequate liquidity to fund its operations, repay its loans at maturity and meet other financial obligations. Adapteo's Group Treasury is responsible for maintaining sufficient funding and control maturity profile of external loans. In order to optimise the use of liquid funds within Adapteo, cash management and funding is centralised to Adapteo's Group Treasury.

Adapteo's Group Treasury manages the liquidity risk by using cash and cash equivalents, Group accounts with overdraft facility and credit facilities. Adapteo's cash and cash equivalents amounted to EUR 25.7 million at the end of December 2022. Adapteo Oy has an overdraft facility of EUR 4.0 million, which was unused on 31 December 2022.

In order to decrease the funding risk, the Group and the owners aim to negotiate new committed credit facilities well in advance of need. Adapteo has EUR 698.1 million Term loan under the Senior Facility loans, EUR 232.0 million Capex Facility and a EUR 50.0 million Revolving Credit Facility. At the end of 2022 the Term loan was fully drawn, EUR 27.0 million was drawn from the Revolving Credit Facility and EUR 110.0 million was drawn from the Capex Facility. EUR 122.0 million was available in the Capex facility and EUR 23.0 million in the Revolving Credit Facility on 31 December 2022. The Term and Capex loans will mature in August 2026. The drawn Revolving Facility loans will mature in January 2023. The undrawn Senior Facilities are available until August 2026.

The Senior Facility loans have floating base interest rates and the current margin is 2,75%. The floating base rate is Euribor 3 months for the Term and Capex loans. The floating rate of Revolving Credit Facility loans depends on the maturity of the loans. Adapteo has used interest rate caps for managing interest rate risk. The nominal value of interest rate caps is EUR 600.0 million. Interest rate caps mature in August 2026. Adapteo receives floating interest cash flow quarterly from the interest rate caps. The floating rate is Euribor 3 months. With the current interest rate level, the positive net cash flow from the interest rate hedges would be around EUR 15.4 million per year. The cash flows of the hedges are not presented in the following maturity table.

The Senior Facilities loan agreement contains biannually monitored financial covenants based on the ratio of the Group's net debt to EBITDA and interest coverage ratio. During the reporting period the Group was in full compliance with the covenants of its financing agreements.

Adapteo Group Oy has two shareholder loans: tranche A (EUR 249.0 million) and tranche B (EUR 93.6 million) amounting to EUR 342.6 million. The loans mature in 2031. The loans have a clause that entitles the lender to require prepayment of all or part of the loan, which was annulled with a waiver signed on 14 December 2022. The waiver states that the lender waives its right to require prepayment until and including 30 June 2024. The shareholder loans have interest rates of 3,00% (tranche A) and 4,00% (tranche B).

The table below analyses Adapteo's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

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Maturities of financial liabilities on 31 December 2022:

EUR thousands	Less than 1 year	1-2 years	2-5 years	Later than 5 years	Total	Carrying value
Bank loans	70,876	41,816	880,483	5,596	**998,770**	**840,317**
Shareholder loans	-	373,846	-	-	**373,846**	**342,600**
Lease liabilities	11,781	9,853	19,196	6,392	**47,222**	**45,443**
Contingent consideration	436	-	-	-	**436**	**436**
Trade payables	50,910	-	-	-	**50,910**	**50,910**
Total	**134,003**	**425,514**	**899,679**	**11,988**	**1,471,185**	**1,279,706**

Maturities of financial liabilities on 31 December 2021:

EUR thousands	Less than 1 year	1-2 years	2-5 years	Later than 5 years	Total	Carrying value
Bank loans	33,709	23,646	759,683	3,909	**820,946**	**715,749**
Shareholder loans	342,600	-	-	-	**342,600**	**342,600**
Bank overdraft facilities	2,606	-	-	-	**2,606**	**2,606**
Lease liabilities	11,330	9,610	19,395	8,516	**48,851**	**47,088**
Contingent consideration	18,515	501	-	-	**19,015**	**18,571**
Squeeze-out accrual	23,402	-	-	-	**23,402**	**23,402**
Derivative financial instruments	3	-	-	-	**3**	**3**
Trade payables	37,074	-	-	-	**37,074**	**37,074**
Total	**469,238**	**33,757**	**779,077**	**12,425**	**1,294,497**	**1,187,092**

Capital management

Adapteo's objective for managing capital is to enable the ability to operate effectively, gain growth and market expansion, as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, or sell assets to reduce debt. Borrowing activities are centralised to the parent to the extent possible and cash resources are distributed within the group by the treasury department.

Adapteo monitors capital structure based on the ratio of net interest-bearing liability to EBITDA (Net Debt / Comparable EBITDA).

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OTHER NOTES

This section includes other information that must be disclosed to comply with accounting standards and pronouncements.

26. Collaterals and contingent liabilities

Adapteo has the following off-balance sheet commitments:

EUR thousands	31 Dec 2022	31 Dec 2021
Guarantees and commitments given on behalf of Group companies	12,393	13,756
Investment commitments	26,053	11,880
Buy-back obligations	6,787	7,870
Collateral given		
Pledges	47,557	50,055
Debts, secured by collateral		
Loans	888,037	710,855
Floating charges over corporate assets (Enterprise mortgage)	1,323,234	5,766

The company has pledged the subsidiary shares for the loans from financial institutions. The following subsidiaries' shares have been pledged in favour of lenders represented by Kroll Agency Services Limited as security agent: Adapteo A/S, Adapteo AB, Adapteo AS, Adapteo Finland Oy, Adapteo GmbH, Adapteo Holding AB, Adapteo Oy, Adapteo Services AB, Stord Innkvartering AS and Dutch Cabin Group B.V. These subsidiaries act as additional guarantors for the parent company's external loan agreement.

Accounting policy

A contingent liability is a possible obligation, incurred as a result of earlier events, whose existence is confirmed only when an uncertain event outside the control of Adapteo is realised. An existing liability that is not likely to require the fulfilment of the payment obligation or whose amount cannot be reliably measured is also considered a contingent liability.

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27. Adapteo entities and foreign currency translation

Adapteo Group Oy's subsidiaries on 31 December 2022 were:

Name	Domicile	Ownership of the Group
Parent company: Adapteo Group Oy	**Finland**	
Adapteo Oy (earlier Adapteo Plc)	Finland	100%
Adapteo Finland Oy	Finland	100%
Adapteo AB	Sweden	100%
Adapteo Holding AB	Sweden	100%
Adapteo Services AB	Sweden	100%
Flexator AB	Sweden	100%
Adapteo Leasing AB (earlier Flexator Leasing AB)	Sweden	100%
Adapteo AS	Norway	100%
Stord Innkvartering AS	Norway	100%
Ørin Overnatting AS	Norway	50,77%
Adapteo A/S	Denmark	100%
Temporent A/S	Denmark	100%
Adapteo GmbH	Germany	100%
Van Hamburg Verhuur België N.V.	Belgium	100%
Dutch Cabin Group B.V.	The Netherlands	100%
Dutch Cabin Group Holding B.V.	The Netherlands	100%
Primakabin B.V.	The Netherlands	100%
De Cabin Concurrent B.V.	The Netherlands	100%
Smart-Cabins B.V.	The Netherlands	100%
Directbouw B.V.	The Netherlands	100%
Directbouw Productie B.V.	The Netherlands	100%
Van Hamburg Holding B.V.	The Netherlands	100%
Van Hamburg Verhuur Materieel B.V.	The Netherlands	100%
Wagenbouw Holding B.V.	The Netherlands	100%
Wagenbouw Bouwsystemen Verhuur B.V.	The Netherlands	100%
Wagenbouw Bouwsystemen B.V.	The Netherlands	100%
UAB Adapteo	Lithuania	100%

Group's joint ventures and associates on 31 December 2022 were:

	Domicile	Ownership of the Group
Joint ventures:		
Ungabostäder Haninge AB	Sweden	50%
Modulselskapet AS	Norway	50%
Viken Innkvartering AS	Norway	50%
Associates:		
Flesland Innkvartering AS	Norway	33,33%
Lahaugmoen Innkvartering AS	Norway	30%
Forpleininstjenester AS	Norway	22%

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Accounting policy

Subsidiaries

Adapteo has control of an entity when it is exposed, or has rights to, variable returns from its involvement with the investee, and when it has ability to affect those returns through its power over the investee. All the facts and circumstances shall be considered when assessing the control. The investor shall reassess whether it controls an investee, if facts and circumstances indicate that there are changes of the elements of control. Control means that the investor has existing rights that give it the current ability to direct the relevant activities, i.e., the activities that significantly affect the investee's return. Acquired subsidiaries are consolidated from the date on which control is transferred to the group and are no longer consolidated from the date that control ceases.

Non-controlling interests

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively. Adapteo has a non-controlling interest in Ørin Overnatting AS.

Intercompany items

All Adapteo's intercompany transactions, receivables, liabilities and unrealised gains, as well as its internal profit distribution are eliminated. Unrealised losses are also eliminated unless the costs cannot be recovered.

Foreign currency translation

Items concerning the performance and financial position of Adapteo entities are measured using the currency of the primary economic environment in which the entities operate (functional currency). The financial information is presented in euros, which is the functional and presentation currency of the parent company.

Foreign currency transactions are recorded in the functional currency using the rate of exchange prevailing at the transaction date. In practice, it is often necessary to use a rate that is close to the rate of the transaction date. Foreign currency monetary items are translated into the functional currency using the rates of the last trading day of the reporting period. Foreign currency non-monetary items, which have been recognised at fair value, are translated into the functional currency using the rate of fair value measurement date. Otherwise, non-monetary items are translated using the rate of the transaction date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities, are recognised in the consolidated statement of comprehensive income. The foreign exchange gains and losses from operating activities are included in the respective items above operating profit. The foreign exchange gains and losses related to financing items are included in the finance income and finance costs.

Translating the financial statements of foreign entities

Income statements of foreign entities are translated into euros at the weighted average exchange rates for the year. Balance sheet items are translated using the exchange rates of the last day of the reporting period. The translation of the profit (loss) for the period using different rates in the consolidated income statement and the balance sheet causes a translation difference, which is recognised in equity, and whose adjustment is recognised in other comprehensive income items. Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries, and the translation of the accumulated equity items after the acquisition, are recognised in other comprehensive income items. When the control over subsidiary changes, the accumulated translation differences are recognised as part of gain or loss. Fair value adjustments and goodwill arising from acquisitions of foreign entities are treated as assets, and liabilities of the foreign entities in their functional currency. They are translated into euros at the rate of the last trading day of the reporting period.

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28. Related party transactions

Adapteo Group Oy's related parties include its shareholder Palace Holdco S.à r.l., subsidiaries, joint ventures and associates. Related parties also include key management personnel and their close family members as well as entities controlled by these persons. Key management personnel include Adapteo's Group Management Team and the members of the Board of Directors.

Related party transactions with joint ventures and associates

EUR thousands	1 Jan – 31 Dec 2022	17 Aug – 31 Dec 2021
Net sales	2,990	835
Purchases	17	19
Interest income	63	35
Other operating income	19	17

EUR thousands	31 Dec 2022	31 Dec 2021
Loan receivables	470	2,584
Other receivables	6	1,395

Remuneration for Group Management Team and the Board of Directors

President and CEO

EUR thousands	1 Jan – 31 Dec 2022	17 Aug – 31 Dec 2021
Salaries, bonuses and fringe benefits	1,344	107
Post-employment benefits	135	435
Total	**1,479**	**542**

Other Group Management Team

EUR thousands	1 Jan – 31 Dec 2022	17 Aug – 31 Dec 2021
Salaries, bonuses and fringe benefits	1,520	305
Post-employment benefits	302	94
Total	**1,823**	**399**
Total compensation to President and CEO and other Group Management Team	**3,301**	**941**

On 31 December 2022 the composition of Board of Adapteo was: The Chairman of the Board Jens Moberg, members José De Almeida Barreto, Marianne Dingstad Cambier, Constantin Dogos-Docovitch, Simon Gold, Kunal Koya, Nicolas Levy-Heidmann and Petra Skog. The Chairman of the Board Jens Moberg was compensated EUR 210 thousand as Board compensation, there was no other Board compensation during the reporting period.

29. Audit fees

EUR thousands	1 Jan – 31 Dec 2022	17 Aug – 31 Dec 2021
Authorised Public Accountants KPMG		
Audit fees	590	347
Tax consultation	61	50
Other services	105	10
Total	**756**	**407**

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30. New and forthcoming accounting standards

New, amended IFRS standards and IFRIC Interpretations into effect in 2022

The Group has applied the following standards and amendments for the first time to its financial reporting period commencing on 1 January 2022:

Onerous Contracts – Costs of Fulfilling a Contract **– Amendments to IAS 37** ***Provisions, Contingent Liabilities and Contingent Assets***

- When an onerous contract is accounted for based on the costs of fulfilling the contract, the amendments clarify that these costs comprise both the incremental costs and an allocation of other direct costs.

Property, Plant and Equipment — Proceeds before Intended Use **– Amendments to IAS 16** ***Property, Plant and Equipment***

- Proceeds from selling items before the related item of property, plant and equipment is available for use should be recognised in profit or loss, together with the costs of producing those items.

The amendments listed above also did not have any impact on the amounts recognised in financial period from 1 January to 31 December 2022 and are not expected to significantly affect the next financial period from 1 January to 31 December 2023.

New, amended IFRS standards and IFRIC Interpretations not yet adopted

New IFRS standards, amendments to standards and IFRIC interpretations effective on or after 1 January 2023 are not expected to have a material impact on the Group. The amendments to the standards that will be effective in 2023 include:

Amendments to IAS 1 Presentation of Financial Statements

- The amendments clarify the application of materiality to disclosure of accounting policies.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

- The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates.

Amendments to IAS 12 Income Taxes

- The amendments narrow the initial recognition exemption (IRE) and clarify that the exemption does not apply to transactions such as leases and decommissioning obligations which give rise to equal and offsetting temporary differences.

31. Significant events after the reporting period

On 16 January 2023 Adapteo announced changes in Group Management Team. The new Group Management team consists of:

- Johanna Persson, President and CEO of Adapteo Group
- Dan Levine, Interim Chief Financial Officer (CFO)
- Teemu Saarela, Chief Operating Officer (COO)
- Simon Persson, Chief Human Resources Officer (CHRO)
- Jeffrey De Clercq, Chief Commercial Officer (CCO)
- Lina K Wiles, Chief Sustainability Officer (CSO)
- Carol Spendilow, General Counsel
- Camilla Hensäter, Executive Vice President, Business Area Sweden
- Ola Skogö, Executive Vice President, Business Area Finland Norway Denmark
- Frederik Illing, Executive Vice President, Business Area DACH
- Philippe Pfeiffer, Managing Director, Dutch Cabin Group

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FINANCIAL STATEMENTS OF THE PARENT COMPANY, FAS

Income statement of the parent company

EUR	1 January – 31 December 2022	24 November 2020 – 31 December 2021
Other operating income	1 125 940,79	103 294,30
Employee benefit expenses	-714 051,78	-71 474,32
Other operating expenses	-881 248,08	-229 656,74
Operating profit	**-469 359,07**	**-197 836,76**
Finance income	24 552 484,37	11 617 196,29
Finance costs	-45 400 891,64	-21 043 777,93
Finance costs, net	**-20 848 407,27**	**-9 426 581,64**
Result before taxes	**-21 317 766,34**	**-9 624 418,40**
Income taxes	-512 022,60	-
Result for the period	**-21 829 788,94**	**-9 624 418,40**

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Balance sheet of the parent company

EUR	31 December 2022	31 December 2021
ASSETS		
Non-current assets		
Shares in Group companies	812 584 512,65	812 215 374,21
Loan receivables from Group companies	720 577 632,70	600 577 632,70
Derivative financial instruments	63 462 539,81	5 704 907,69
Total non-current assets	**1 596 624 685,16**	**1 418 497 914,60**
Current assets		
Cash pool receivables	33 986 856,07	10 094 905,13
Interest receivables from Group companies	3 660 814,60	1 767 947,29
Tax receivables	-	152 466,89
Prepaid expenses	-	-16 859,95
Cash and cash equivalents	43,54	45 588 806,00
Total current assets	**37 647 714,21**	**57 587 265,36**
TOTAL ASSETS	**1 634 272 399,37**	**1 476 085 149,96**
EQUITY AND LIABILITIES		
Equity		
Reserve for invested unrestricted equity	417 900 800,27	417 900 800,27
Fair value reserve	47 433 876,11	-
Retained earnings	-9 624 418,34	-
Result for the period	-21 829 788,94	-9 624 418,34
Total equity	**433 880 469,10**	**408 276 381,93**
Non-current liabilities		
Shareholder loans	342 600 000,00	-
Loans from financial institutions	800 203 866,04	685 544 084,13
Deferred tax liabilities	11 551 526,42	-
Total non-current liabilities	**1 154 355 392,46**	**685 544 084,13**
Current liabilities		
Shareholder loans	-	342 600 000,00
Loans from financial institutions	27 000 000,00	10 000 000,00
Trade payables	55 150,75	85 667,10
Other current liabilities	18 981 387,06	29 579 016,80
Total current liabilities	**46 036 537,81**	**382 264 683,90**
Total liabilities	**1 200 391 930,27**	**1 067 808 768,03**
TOTAL INVESTED EQUITY AND LIABILITIES	**1 634 272 399,37**	**1 476 085 149,96**

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Statement of cash flows of the parent company

EUR	1 January – 31 December 2022	24 November 2020 – 31 December 2021
Cash flow from operating activities		
Result before taxes	-21 317 766,30	-9 624 418,40
Adjustments		
Finance costs, net	20 848 407,30	9 427 418,40
Cash generated from operations before change in working capital	**-469 359,00**	**-197 000,00**
Change in working capital		
Change in trade and other receivables	135 649,30	-135 649,30
Change in trade and other payables	-1 292 331,10	280 144,40
Change in working capital	**-1 156 681,80**	**144 495,10**
Cash generated from operations before financial items and tax	**-1 626 040,80**	**-52 504,90**
Interest paid	-25 423 767,80	-5 334 678,40
Interest received	22 252 039,80	4 126 580,40
Other financial items, net	-23 829,70	-8 745 101,30
Income taxes paid	-512 022,60	-
Net cash inflow from operating activities (A)	**-5 333 621,10**	**-10 005 704,20**
Cash flow from investing activities		
Change in loan receivables	-120 000 000,00	-600 578 462,20
Acquisition of group companies	-23 363 138,44	-788 013 000,00
Net cash (outflow) from investing activities (B)	**-143 363 138,44**	**-1 388 591 462**
Cash flow from financing activities		
Proceeds from bank loans	110 000 000,00	683 879 000,00
Proceeds from shareholder loans	-	342 600 000,00
Change in cash pool receivables	-23 892 000,00	-10 095 000,00
Change in other current borrowings	17 000 000,00	112 700 000,00
Restricted invested equity investments	-	315 102 000,00
Net cash inflow from financing activities (C)	**103 108 134,00**	**1 444 186 000,00**
Change in cash and cash equivalents (A + B + C)	**-45 588 625,54**	**45 588 669,08**
Cash and cash equivalents at the beginning of period	45 588 669,08	0,00
Cash and cash equivalents at end of period	**43,54**	**45 588 669,08**

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Notes to the financial statements of the parent company

Adapteo Group Oy is domiciled in Vantaa, and its registered address is Äyritie 12 A, 01510 Vantaa, Finland. The company was founded on 24 November 2020. The Consolidated financial statements and the Financial statements of the parent company are available at the Adapteo Group Oy's office in Vantaa, Finland. The Consolidated financial statements and the Financial statements of the parent company were authorised for issue by the Board of Directors on 16 March 2023.

The financial statements of the parent company have been prepared in accordance with the Finnish accounting standards (FAS).

Parent company's accounting policies

Comparative figures
Comparative period for the 2022 is the accounting period from 24 November 2020 to 31 December 2021 which was the company's first financial reporting period.

Foreign currency transactions
Assets and liabilities denominated in currencies other than those of the euro zone are translated into euros at the exchange rates prevailing at the date of the transactions. Exchange gains and losses are recognised through profit and loss.

Revenues
Parent company provides subsidiaries with group functions and administrative services. Invoiced service charges are recognised in other operating income when the transaction has been completed.

Pension costs
The pension cover of the parent company is handled by external pension insurance companies. Pension costs are recognised in the income statement in the year to which these contributions relate.

Taxes
Deferred tax liability has been recognised on derivative fair value change. Income tax recognised in income statement is related to the taxes paid for the previous year.

Valuation of assets
Investments in Group companies as well as other investments are recognised at original acquisition cost or at fair value if fair value is lower than acquisition cost. The valuation of investments in subsidiaries is dependent of the future business development (note 13 in the Consolidated financial statements). Intercompany loan receivables from subsidiaries are valued at nominal value.

Cash and cash equivalents and cash pool accounts
Cash and cash equivalents include cash in hand and bank deposits withdrawable on demand with original maturities of three months or less. The parent company's cash and cash equivalents on 31 December 2022 have been transferred to cash pool receivables in accordance with the Group's accounting policy of the cash pool arrangement.

Loan agreements
Effective interest rate method is applied to the Term loan drawn in 2021.

Derivatives
Derivatives are measured to fair value according to Bookkeeping Act 5.2a. The Group has as of 1 January 2022 applied hedge accounting for interest rate derivatives hedging the variability in interest rate cash flows arising from the variable interest rate payments relating to the Senior Facility Loans. The effective portion of changes in the fair value of derivatives that are designated and classified as cash flow hedges are now recognised in the fair value reserve within equity instead of finance items in income statement. More information in notes 20, 21, 24, 25 in the Consolidated financial statements.

Related party transactions
Related party transactions are described in note 28 in the Consolidated financial statements.

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Other operating income

EUR	1 Jan – 31 Dec 2022	24 Nov 2020 – 31 Dec 2021
Administrative service charged from Group companies	1 125 940,79	103 294,30
Total	**1 125 940,79**	**103 294,30**

Personnel expenses

EUR	1 Jan – 31 Dec 2022	24 Nov 2020 – 31 Dec 2021
Salaries	-613 772,35	-58 989,60
Pension costs	-91 585,99	-11 006,13
Other employee benefit expenses	-8 693,44	-1 478,59
Total	**-714 051,78**	**-71 474,32**

Average number of personnel	2	0,46

Key management remuneration, see Consolidated financial statements, note 28.

Other operating expenses

EUR	1 Jan – 31 Dec 2022	24 Nov 2020 – 31 Dec 2021
Auditing	-184 400,00	-20 000,00
Other operating expenses	-696 848,08	-209 656,74
Total	**-881 248,08**	**-229 656,74**

Finance income and finance costs

EUR	1 Jan – 31 Dec 2022	24 Nov 2020 – 31 Dec 2021
Finance income from Group companies		
Interest income	22 409 596,22	5 912 288,60
Finance income from others		
Fair value change of derivatives	-	5 704 907,69
Interest income from derivatives	720 155,56	-
Exchange rate gains	407 577,29	-
Other finance income	1 015 155,30	-
Finance income	**24 552 484,37**	**11 617 196,29**
Finance costs from Group companies		
Interest expenses	-68 822,54	-9 251,28
Finance costs from others		
Interest expenses	-38 033 459,35	-10 606 664,48
Interest expenses from derivatives	-971 001,40	-
Other finance costs	-6 327 608,35	-10 427 862,17
Finance costs	**-45 400 891,64**	**-21 043 777,93**
Finance costs, net	**-20 848 407,27**	**-9 426 581,64**

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Shares in Group companies

EUR	31 Dec 2022	31 Dec 2021
Shares in Group companies (Adapteo Oy shares)	812 215 374,21	794 530 028,06
Capitalised costs	369 138,44	17 685 346,15
Total	**812 584 512,65**	**812 215 374,21**

The capitalised costs consist of the costs that are attributable to the acquisition of the shares of Adapteo Oy (*earlier Adapteo Plc*).

Loans

EUR	31 Dec 2022	31 Dec 2021
Loans from financial institutions	827 203 866,04	695 544 084,13
Shareholder loans	342 600 000,00	342 600 000,00
Total	**1 169 803 866,04**	**1 018 144 084,13**

The company has pledged the subsidiary shares for the loans from financial institutions. Pledged shares counts for 100% of shares in Adapteo Oy and counts for 100% of the voting rights. Adapteo Group Oy has Floating Charge amounting to 1 314 284 400,00 euros.

Interest rate risk is defined as the uncertainty of the market value of Adapteo's cash flows, assets and/or liabilities caused by fluctuations in interest rates. Interest rate derivatives are used to hedge against changes affecting the result, balance sheet and cash flows due to interest rate fluctuations. The company is using interest rate caps for hedging purposes. The company has applied hedge accounting as of 1 January 2022.

See notes 19, 25 and 26 in the Consolidated financial statements for the more detailed information regarding the loans, financial risk management, collaterals and contingent liabilities.

Derivative financial instruments

EUR	31 Dec 2022	31 Dec 2021
Interest rate caps		
Positive fair value	63 462 539,81	5 704 907,69
Value of underlying instruments	600 000 000,00	600 000 000,00

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Equity

EUR	31 Dec 2022	31 Dec 2021
Restricted equity:		
Fair value reserve at the beginning of period	-	-
Change in fair value of derivatives	57 757 632,12	-
Deferred tax liability on change in fair value of derivatives	-11 551 526,42	-
Amount recognised to income statement	1 227 770,40	-
Fair value reserve on 31 December	**47 433 876,11**	**-**
Non-restricted equity:		
Reserve for invested unrestricted equity at the beginning of period	417 900 800,27	-
Investment to reserve for invested unrestricted equity	-	315 101 907,20
Shareholder loan conversion	-	102 798 893,07
Reserve for invested unrestricted equity on 31 December	**417 900 800,27**	**417 900 800,27**
Retained earnings	-9 624 418,34	-
Result for the period	-21 829 788,94	-9 624 418,34
Non-restricted equity total	**386 446 592,99**	**408 276 381,93**
Equity total	**433 880 469,10**	**408 276 381,93**

Distributable funds

EUR	31 Dec 2022	31 Dec 2021
Reserve for invested unrestricted equity	417 900 800,27	417 900 800,27
Retained earnings	-9 624 418,34	-
Result for the period	-21 829 788,94	-9 624 418,34
Total	**386 446 592,99**	**408 276 381,93**

Adapteo Group Oy has one class of shares with equal voting rights. Adapteo Group Oy has 1 000 shares which do not have a nominal value.

Board of Director's proposal for distribution of profits

The Board proposes to the Annual General Meeting that no dividend shall be distributed from the financial year 2022 and the loss for the period will be placed to retained earnings.

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SIGNATURES FOR THE FINANCIAL STATEMENTS AND THE REPORT OF BOARD OF DIRECTORS

The Board of Directors and Managing Director of Adapteo Group Oy

Vantaa, 16 March 2023

Jens Moberg
Chairman of the Board

Jose De Almeida Barreto
Member of the Board

Marianne Dingstad Cambier
Member of the Board

Constantin Dogos-Docovitch
Member of the Board

Simon Gold
Member of the Board

Kunal Koya
Member of the Board

Nicolas Levy-Heidmann
Member of the Board

Petra Skog
Member of the Board

Johanna Persson
Managing Director

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AUDITOR'S NOTE

The Auditor's Note

Auditor's Report has been issued today.

Helsinki, 16 March 2023

KPMG Oy Ab

Authorised Public Accountants

Toni Aaltonen

Authorised Public Accountant

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This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

Auditor's Report

To the Annual General Meeting of Adapteo Group Oy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Adapteo Group Oy (business identity code 3173642-4) for the period ended 31 December 2022. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 good auditing practice 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,

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they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

— Identify and assess the risks of material misstatement of the 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 parent company's or 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 the Board of Directors' and the Managing Director'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 parent company's or 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 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 parent company or the group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

— 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.

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.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

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In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

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

Helsinki, 16 March 2023

KPMG OY AB

TONI AALTONEN
Authorised Public Accountant, KHT