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# Årsredovisning

för

# Barona Human Resources Services AB

556882-5292

Räkenskapsåret

2023

## Fastställelseintyg

Undertecknad verkställande direktör i Barona Human Resources Services AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2024-06-27. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

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

Stockholm 2024-06-28

Johanna Mix

20240926034631

# Årsredovisning

**för**

# Barona Human Resources Services AB

556882-5292

Räkenskapsåret

2023

20240926034464

Styrelsen och verkställande direktören för Barona Human Resources Services AB avger följande årsredovisning för räkenskapsåret 2023.

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

# Förvaltningsberättelse

### *Allmänt om verksamheten*

Barona Human Resource Services AB är ett holdingbolag/administrativt bolag i den svenska Baronakoncernen som äger fyra dotterbolag som bedriver verksamhet inom bemanning, rekrytering, outsourcing, utbildning, entreprenad och konsulttjänster samt därmed förenlig verksamhet. Inom bolaget finns endast VD och supportpersonal inom lön, HR, ekonomi och marknad anställda samt leverantörsavtal som avser hela koncernen.

Bolaget är en del av en koncern med verksamhet i tio olika länder och verkar inom många branscher. Genom att skapa skräddarsydda och innovativa lösningar hjälper vi våra kunder att möta framtiden med sin fulla potential. Baronakoncernen kännetecknas av en attityd, ett sätt att göra saker. Mod, uthållighet och hårt arbete är alla typiska element som delas av alla i vår koncern. Driven av vår uppsättning värderingar försöker vi att orädda möta utmaningar, lösa dem effektivt och skapa tillväxt runtom oss.

Företaget har sitt säte i Stockholm.

### *Väsentliga händelser under räkenskapsåret*

Fortsatt osäkerhet på marknaden, inflation och ett ökat kostnadstryck för Barona och våra kunder har lett till en lägre tillväxttakt än förväntat under 2023.

### *Position och framtida utveckling*

Bolaget verkar sedan 1 oktober 2021 som ett holdingbolag i den svenska koncernen med fokus på att hantera och leverera lednings- och supportfunktioner. Bolaget kommer genom nya system, processer och kompetens att kunna erbjuda än mer effektiv och kvalitativ support till koncernens övriga bolag. Under 2023 har bolaget fortsatt utveckla sin verksamhet till att bli mer digital, nya verktyg och digitala plattformar har implementerats och processer har digitaliserats och effektiviserats.

### *Investeringar*

Under 2023 har Barona investerat i utbildningar inom Mångfald & Inkludering via det externa konsultföretaget Includer.

### *Nyetableringar*

Inga nyetableringar har skett under 2023.

Annual report 2023 Barona Human Resource Services AB // 6721167 // 556882-5292 Barona Human Resources Services AB för 20230101-20231231.pdf

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| **Flerårsöversikt** (Tkr) | **2023** | **2022** | **2021** | **2020** | **2019** |
|---|---|---|---|---|---|
| Nettoomsättning | 10 913 | 9 433 | 23 424 | 44 911 | 59 085 |
| Resultat efter finansiella poster | -22 426 | -10 932 | -5 895 | -2 647 | -4 204 |
| Balansomslutning | 102 747 | 95 031 | 93 766 | 90 378 | 93 984 |
| Soliditet (%) | 15 | 4 | 8 | 7 | 9 |

## Förändringar i eget kapital

| | **Aktie-kapital** | **Balanserat resultat** | **Årets resultat** | **Totalt** |
|---|---|---|---|---|
| Belopp vid årets ingång | 50 000 | 7 703 943 | -3 831 593 | **3 922 350** |
| Disposition enligt beslut av årsstämman: | | | | |
| Balanseras i ny räkning | | -3 831 593 | 3 831 593 | **0** |
| Erhållna aktieägartillskott | | 33 924 000 | | **33 924 000** |
| | | | -22 426 411 | **-22 426 411** |
| **Belopp vid årets utgång** | **50 000** | **37 796 350** | **-22 426 411** | **15 419 939** |

## Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

| | |
|---|---|
| balanserad vinst | 37 796 350 |
| årets förlust | -22 426 411 |
| | **15 369 939** |
| disponeras så att | |
| i ny räkning överföres | 15 369 939 |
| | **15 369 939** |

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

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# Resultaträkning

| | Not | 2023-01-01 -2023-12-31 | 2022-01-01 -2022-12-31 |
|---|---|---|---|
| **Rörelsens intäkter** | | | |
| Nettoomsättning | 3 | 10 913 103 | 9 432 702 |
| Övriga rörelseintäkter | | 121 819 | 2 188 |
| | | **11 034 922** | **9 434 890** |
| **Rörelsens kostnader** | | | |
| Övriga externa kostnader | 4, 5 | -3 303 483 | -3 070 134 |
| Personalkostnader | 6 | -6 888 814 | -6 452 648 |
| Avskrivningar och nedskrivningar av materiella och immateriella anläggningstillgångar | | -320 616 | -352 117 |
| Övriga rörelsekostnader | | -12 433 | -6 910 914 |
| | | **-10 525 346** | **-16 785 813** |
| **Rörelseresultat** | 7 | **509 576** | **-7 350 923** |
| **Resultat från finansiella poster** | | | |
| Resultat från andelar i koncernföretag | 8 | -19 371 545 | 0 |
| Resultat från övriga företag som det finns ett ägarintresse i | 9 | 340 000 | 0 |
| Övriga ränteintäkter och liknande resultatposter | | 12 419 | 0 |
| Räntekostnader och liknande resultatposter | 10 | -3 916 861 | -3 580 670 |
| | | **-22 935 987** | **-3 580 670** |
| **Resultat efter finansiella poster** | | **-22 426 411** | **-10 931 593** |
| Bokslutsdispositioner | 11 | 0 | 7 100 000 |
| **Resultat före skatt** | | **-22 426 411** | **-3 831 593** |
| **Årets resultat** | | **-22 426 411** | **-3 831 593** |

20240926034677

# Balansräkning

| | Not | 2023-12-31 | 2022-12-31 |
|---|---|---|---|
| **TILLGÅNGAR** | | | |
| **Anläggningstillgångar** | | | |
| ***Materiella anläggningstillgångar*** | | | |
| Inventarier, verktyg och installationer | 12 | 589 727 | 910 343 |
| | | **589 727** | **910 343** |
| ***Finansiella anläggningstillgångar*** | | | |
| Andelar i koncernföretag | 13, 14 | 62 293 149 | 81 664 694 |
| Ägarintressen i övriga företag | 15, 16 | 3 013 230 | 3 013 230 |
| Andra långfristiga fordringar | 17 | 60 085 | 60 085 |
| | | **65 366 464** | **84 738 009** |
| **Summa anläggningstillgångar** | | **65 956 191** | **85 648 352** |
| **Omsättningstillgångar** | | | |
| ***Kortfristiga fordringar*** | | | |
| Fordringar hos koncernföretag | | 35 658 404 | 8 281 794 |
| Övriga fordringar | 18 | 990 551 | 888 469 |
| Förutbetalda kostnader och upplupna intäkter | 19 | 141 565 | 212 621 |
| | | **36 790 520** | **9 382 884** |
| **Summa omsättningstillgångar** | | **36 790 520** | **9 382 884** |
| **SUMMA TILLGÅNGAR** | | **102 746 711** | **95 031 236** |

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# Balansräkning

| | Not | 2023-12-31 | 2022-12-31 |
|---|---|---|---|
| **EGET KAPITAL OCH SKULDER** | | | |
| **Eget kapital** | 20, 21 | | |
| ***Bundet eget kapital*** | | | |
| Aktiekapital | | 50 000 | 50 000 |
| | | **50 000** | **50 000** |
| ***Fritt eget kapital*** | | | |
| Balanserad vinst eller förlust | | 37 796 350 | 7 703 943 |
| Årets resultat | | -22 426 411 | -3 831 593 |
| | | **15 369 939** | **3 872 350** |
| **Summa eget kapital** | | **15 419 939** | **3 922 350** |
| **Långfristiga skulder** | | | |
| Skulder till koncernföretag | | 85 448 599 | 0 |
| **Summa långfristiga skulder** | | **85 448 599** | **0** |
| **Kortfristiga skulder** | | | |
| Leverantörsskulder | | 437 201 | 473 088 |
| Skulder till koncernföretag | | 22 018 | 89 561 126 |
| Övriga skulder | | 334 710 | 339 143 |
| Upplupna kostnader och förutbetalda intäkter | 22 | 1 084 244 | 735 529 |
| **Summa kortfristiga skulder** | | **1 878 173** | **91 108 886** |
| **SUMMA EGET KAPITAL OCH SKULDER** | | **102 746 711** | **95 031 236** |

20240926034469

# Kassaflödesanalys

| | Not | 2023-01-01 -2023-12-31 | 2022-01-01 -2022-12-31 |
|---|---|---|---|
| **Den löpande verksamheten** | | | |
| Resultat före finansiella poster | | 509 576 | -7 350 923 |
| Justeringar för poster som inte ingår i kassaflödet | 23 | 320 616 | 352 117 |
| Betald skatt | | -12 471 | -271 676 |
| Erlagd ränta | | -3 904 442 | -3 580 670 |
| **Kassaflöde från den löpande verksamheten före förändring av rörelsekapital** | | **-3 086 721** | **-10 851 152** |
| Kassaflöde från förändring av rörelsekapitalet | | | |
| Förändring av kortfristiga fordringar | | -22 855 715 | 1 799 068 |
| Förändring av leverantörsskulder | | -35 886 | 427 647 |
| Förändring av kortfristiga skulder | | -86 158 401 | 84 780 568 |
| **Kassaflöde från den löpande verksamheten** | | **-112 136 723** | **76 156 131** |
| **Investeringsverksamheten** | | | |
| Investeringar i materiella anläggningstillgångar | | 0 | -9 345 |
| Investeringar i finansiella anläggningstillgångar | | 0 | -3 013 314 |
| **Kassaflöde från investeringsverksamheten** | | **0** | **-3 022 659** |
| **Finansieringsverksamheten** | | | |
| Erhållna utdelningar | | 340 000 | 0 |
| Erhållna (lämnade) koncernbidrag | | 0 | 7 100 000 |
| Erhållna aktieägartillskott | | 33 924 000 | 0 |
| Omklassificering långfristiga lån | | 85 448 599 | -76 344 798 |
| **Kassaflöde från finansieringsverksamheten** | | **119 712 599** | **-69 244 798** |
| **Årets kassaflöde** | | **7 575 876** | **3 888 674** |
| Förändring checkräkningskredit | | | |
| **Likvida medel vid årets början** | 24 | | |
| Likvida medel vid årets början | | -3 036 427 | -6 925 101 |
| **Likvida medel vid årets slut** | | **4 539 449** | **-3 036 427** |

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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). 2021 är första året K3 tillämpas för bolaget. Övergången till K3 har inte föranlett några förändringar i siffrorna för 2020.

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

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

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

### Avskrivning
| | |
|---|---|
| Inventarier, verktyg och installationer | 5 år |

### Leasingavtal
Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella, som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden.

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

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

### Ersättningar till anställda
Ersättningar till anställda avser alla former av ersättningar som företaget lämnar till de anställda. Kortfristiga ersättningar utgörs av bland annat löner, betald semester, betald frånvaro, bonus och ersättning efter avslutad anställning (pension). Kortfristiga ersättningar redovisas som kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning till följd av en tidigare händelse och en tillförlitlig uppskattning av beloppet kan göras.

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## Koncernbidrag
Erhållna och lämnade koncernbidrag redovisas som bokslutsdispositioner.

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

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

Balansomslutning
Företagets samlade tillgångar.

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

## Uppskattningar och bedömningar
Upprättandet av bokslut och tillämpning av redovisningsprinciper, baseras ofta på ledningens bedömningar, uppskattningar och antaganden som anses vara rimliga vid den tidpunkt då bedömningen görs. Uppskattningar och bedömningar är baserade på historiska erfarenheter och ett antal andra faktorer, som under rådande omständigheter anses vara rimliga. Resultatet av dessa används för att bedöma de redovisade värdena på tillgångar och skulder, som inte annars framgår tydligt från andra källor. Det verkliga utfallet kan avvika från dessa uppskattningar och bedömningar. Uppskattningar och antaganden ses över regelbundet.

## Not 2 Uppgifter om moderföretag
Barona Human Resource Services AB ägs till 100% av moderbolaget Barona Henkilöstöpalvelut Oy, org nr 2044055-6 med säte i Helsingfors, Finland. Koncernårsredovisning upprättas ej med hänvisning till ÅRL 7.2. Årsredovisningen för Barona-koncernen finns på Barona Oys kontor Workery East (Mall of Tripla), Pasilan Asema-aukio 1, 00520 Helsingfors, Finland.

## Not 3 Nettoomsättningens fördelning

| | 2023 | 2022 |
|---|---|---|
| **Nettoomsättningen per geografisk marknad** | | |
| Sverige | 10 161 453 | 9 343 302 |
| EU | 751 650 | 89 400 |
| | **10 913 103** | **9 432 702** |

## Not 4 Leasingavtal
Årets leasingkostnader avseende leasingavtal, uppgår till 250 168 kronor varav 248 4398 kronor avser lokalhyra.
Föregående års leasingkostnader avseende leasingavtal, uppgick till 375 193 kronor varav 347 434 kronor avser lokalhyra.

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## Not 5 Arvode till revisorer

| | 2023 | 2022 |
|---|---|---|
| **Grant Thornton Sweden AB** | | |
| Revisionsuppdrag | 147 222 | 71 202 |
| Revisionsverksamhet utöver revisionsuppdraget | 0 | 15 250 |
| Skatterådgivning | 0 | 51 906 |
| Övriga tjänster | 0 | 10 383 |
| | **147 222** | **148 741** |

## Not 6 Anställda och personalkostnader

| | 2023 | 2022 |
|---|---|---|
| **Medelantalet anställda** | | |
| Kvinnor | 7,5 | 7,0 |
| Män | 1,0 | 0,0 |
| | **8,5** | **7,0** |
| **Löner och andra ersättningar** | | |
| Styrelse och verkställande direktör | 1 195 021 | 1 132 124 |
| Övriga anställda | 3 423 259 | 3 218 182 |
| | **4 618 280** | **4 350 306** |
| **Sociala kostnader** | | |
| Pensionskostnader för styrelse och verkställande direktör | 236 568 | 220 640 |
| Pensionskostnader för övriga anställda | 324 674 | 404 481 |
| Övriga sociala avgifter enligt lag och avtal | 1 446 639 | 1 325 015 |
| | **2 007 881** | **1 950 136** |
| **Totala löner, ersättningar, sociala kostnader och pensionskostnader** | **6 626 161** | **6 300 442** |
| **Könsfördelning bland ledande befattningshavare** | | |
| Andel kvinnor i styrelsen | 33 % | 33 % |
| Andel män i styrelsen | 67 % | 67 % |
| Andel kvinnor bland övriga ledande befattningshavare | 100 % | 100 % |
| Andel män bland övriga ledande befattningshavare | 0 % | 0 % |

## Not 7 Inköp och försäljning mellan koncernföretag

| | 2023 | 2022 |
|---|---|---|
| Andel av årets totala inköp som skett från andra företag i koncernen | 13,00 % | 16,00 % |
| Andel av årets totala försäljningar som skett till andra företag i koncernen | 100,00 % | 100,00 % |

## Not 8 Resultat från andelar i koncernföretag

| | 2023 | 2022 |
|---|---|---|
| Nedskrivning av dotterbolag Barona Teknik & Installation AB | 19 371 545 | 0 |
| | **19 371 545** | **0** |

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## Not 9 Resultat från övriga företag som det finns ägarintresse i

| | 2023 | 2022 |
|---|---|---|
| Erhållna utdelningar från Coordea Sweden AB | 340 000 | 0 |
| | **340 000** | **0** |

## Not 10 Räntekostnader och liknande resultatposter

| | 2023 | 2022 |
|---|---|---|
| Räntekostnader till koncernföretag | 3 916 522 | 3 580 801 |
| Övriga räntekostnader | 339 | 40 |
| | **3 916 861** | **3 580 841** |

## Not 11 Bokslutsdispositioner

| | 2023 | 2022 |
|---|---|---|
| Erhållna koncernbidrag | 0 | 7 100 000 |
| | **0** | **7 100 000** |

## Not 12 Inventarier, verktyg och installationer

| | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Ingående anskaffningsvärden | 2 251 683 | 2 242 338 |
| Inköp | 0 | 9 345 |
| Försäljningar/utrangeringar | 0 | 0 |
| **Utgående ackumulerade anskaffningsvärden** | **2 251 683** | **2 251 683** |
| | | |
| Ingående avskrivningar | -1 341 340 | -989 223 |
| Årets avskrivningar | -320 616 | -352 117 |
| Avskrivning på avyttringar | | 0 |
| **Utgående ackumulerade avskrivningar** | **-1 661 956** | **-1 341 340** |
| | | |
| **Utgående redovisat värde** | **589 727** | **910 343** |

## Not 13 Andelar i koncernföretag

| | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Ingående anskaffningsvärden | 81 664 694 | 81 664 694 |
| Inköp | | 0 |
| **Utgående ackumulerade anskaffningsvärden** | **81 664 694** | **81 664 694** |
| | | |
| Årets nedskrivningar | -19 371 545 | |
| **Utgående ackumulerade nedskrivningar** | **-19 371 545** | |
| | | |
| **Utgående redovisat värde** | **62 293 149** | **81 664 694** |

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## Not 14 Specifikation andelar i koncernföretag

| Namn | Kapital-andel | Rösträtts-andel | Antal andelar | Bokfört värde |
|---|---|---|---|---|
| Barona Contact Center AB | 100% | 100% | 1 000 | 31 857 598 |
| Barona Professionals AB | 100% | 100% | 1 000 | 12 097 161 |
| Barona Teknik & Installation AB | 100% | 100% | 1 000 | 18 313 390 |
| Finstallation AB | 100% | 100% | 25 000 | 25 000 |
| | | | | **62 293 149** |

| | Org.nr | Säte |
|---|---|---|
| Barona Contact Center AB | 556776-8626 | Solna |
| Barona Professionals AB | 556998-2167 | Solna |
| Barona Teknik & Installation AB | 556713-7202 | Göteborg |
| Finstallation AB | 559274-5565 | Solna |

## Not 15 Ägarintressen i övriga företag

| | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Ingående anskaffningsvärden | 3 013 230 | |
| Inköp | 0 | 3 013 230 |
| **Utgående ackumulerade anskaffningsvärden** | **3 013 230** | **3 013 230** |
| **Utgående redovisat värde** | **3 013 230** | **3 013 230** |

## Not 16 Specifikation ägarintressen i övriga företag

| Namn | Kapital-andel | Rösträtts-andel | Antal andelar | Bokfört värde |
|---|---|---|---|---|
| Coordea Sweden AB | 20% | 20% | 200 | 3 013 230 |
| | | | | **3 013 230** |

| | Org.nr | Säte |
|---|---|---|
| Coordea Sweden AB | 556776-1324 | Stockholm |

## Not 17 Andra långfristiga fordringar

| | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Ingående anskaffningsvärden | 60 085 | 60 000 |
| Tillkommande fordringar | 0 | 85 |
| Avgående fordringar | 0 | 0 |
| **Utgående ackumulerade anskaffningsvärden** | **60 085** | **60 085** |
| **Utgående redovisat värde** | **60 085** | **60 085** |

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## Not 18 Övriga fordringar

| | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Skattefordran avseende aktuell skatt | 626 065 | 626 065 |
| Övrigt | 364 486 | 262 405 |
| | **990 551** | **888 470** |

## Not 19 Förutbetalda kostnader och upplupna intäkter

| | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Förutbetalda försäkringspremier | 40 851 | 76 374 |
| Förutbetalda hyreskostnader | | 0 |
| Förutbetalda Systemlicenser | 93 053 | 99 981 |
| Övriga förutbetalda kostnader | 7 660 | 36 265 |
| | **141 564** | **212 620** |

## Not 20 Antal aktier och kvotvärde

| Namn | Antal aktier | Kvot-värde |
|---|---|---|
| Antal A-Aktier | 50 000 | 1 |
| | **50 000** | |

## Not 21 Disposition av vinst eller förlust

| | 2023-12-31 |
|---|---|
| **Förslag till vinstdisposition** | |
| Styrelsen föreslår att till förfogande stående vinstmedel: | |
| balanserad vinst | 37 796 350 |
| årets förlust | -22 426 411 |
| | **15 369 939** |
| disponeras så att | |
| i ny räkning överföres | 15 369 939 |
| | **15 369 939** |

## Not 22 Upplupna kostnader och förutbetalda intäkter

| | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Upplupen semesterlön | 672 493 | 446 193 |
| Arbetsgivaravgifter på upplupen semesterlön | 211 297 | 138 405 |
| Upplupen löneskatt | 109 574 | 122 046 |
| Övriga upplupna kostnader | 90 878 | 28 885 |
| | **1 084 242** | **735 529** |

20240926034776

## Not 23 Justering för poster som inte ingår i kassaflödet

| | 2023-12-31 | 2022-12-31 |
|---|---|---|
| Avskrivningar | 320 616 | 352 117 |
| | **320 616** | **352 117** |

## Not 24 Likvida medel

Likvida medel hanteras som ett koncernkonto och ingår i balansräkningen som kortfristig fordran till koncern.

| | 2023-12-31 | 2022-12-31 |
|---|---|---|
| **Likvida medel** | | |
| Banktillgodohavanden | 4 539 449 | -3 036 427 |
| | **4 539 449** | **-3 036 427** |

20240926034777

Solna

Jussi Ropo
Ordförande

Henrik Rantala
Styrelseledamot

Johanna Mix
Verkställande direktör

# Revisorspåteckning

Vår revisionsberättelse har lämnats

Anders Bärzén
Auktoriserad revisor
Grant Thornton Sweden AB

This document has been signed electronically with Signom signing service.

202409260347 8

Date: June 13, 2024 11:49:50

Johanna Mix

Johanna Mix

Date: June 13, 2024 12:22:02

Henrik Rantala

Henrik Rantala

**Identification:**

May 06, 2024 14:10:12

Swedish BankID

**Strong identification:**

April 30, 2024 09:12:37

Netbank identification

Date: June 13, 2024 12:38:06

Jussi Ropo

Jussi Ropo

Date: June 13, 2024 15:49:54

Anders Bärzén

Anders Bärzén

**Strong identification:**

June 13, 2024 12:31:58

Netbank identification

**Identification:**

June 13, 2024 15:49:04

Swedish BankID

20240705133302

# Revisionsberättelse

Till bolagsstämman i Barona Human Resource Services AB

Org.nr. 556882 - 5292

## Rapport om årsredovisningen

### Uttalanden

Vi har utfört en revision av årsredovisningen för Barona Human Resource Services AB för år 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Barona Human Resource Services ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat och kassaflöde 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 Barona Human Resource Services 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 och verkställande direktörens ansvar

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

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören 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 och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören 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.

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Grant Thornton

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.

## Rapport om andra krav enligt lagar och andra författningar

### Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Barona Human Resource Services AB för år 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören 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 Barona Human Resource Services 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 och verkställande direktörens 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. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas 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 eller verkställande direktören 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.

Västerås, enligt datum som framgår av elektronisk signering.
Grant Thornton Sweden AB

Anders Bärzén
Auktoriserad revisor

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Verified
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H1GQXQVDH0

20240613133304

# Document history

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13.06.2024 14:48

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Anders Bärzén • 13.06.2024 14:46

DOCUMENT ID:
H1GqXqvdH0

ENVELOPE ID:
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DOCUMENT NAME:
Revisionsberättelse Barona Human Resource Services AB 2023-01-01–2023-12-31.pdf
2 pages

## Activity log

| RECIPIENT | ACTION* | TIMESTAMP (CET) | METHOD | DETAILS |
|---|---|---|---|---|
| 1. ANDERS BÄRZÉN | Signed | 13.06.2024 14:48 | eID | Swedish BankID (DOB: 1972/08/29) |
| anders.barzen@se.gt.com | Authenticated | 13.06.2024 14:47 | High | Swedish BankID (SSN: 197208296975) |

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# Barona Oy

## Financial Statements and Report of the Board of Directors, 1 January–31 December 2023

Barona Oy, Pasilan asema-aukio 1, FI-00520 HELSINKI, Finland
(Business ID 2808477-9)

www.barona.fi

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## Table of contents


| | |
|---|---|
| Report of the Board of Directors | 4 |
| Key figures describing the Group's financial development | 8 |
| **Consolidated financial statements (IFRS)** | |
| Consolidated comprehensive income statement | 10 |
| Consolidated balance sheet | 11 |
| Consolidated statement of changes in equity | 12 |
| Consolidated statement of cash flows | 13 |
| **Notes to the consolidated financial statements** | |
| **1. Basic Group information and general accounting policies** | |
| 1.1 Basic Group information | 14 |
| 1.2 Basis for preparation | 14 |
| 1.3 New and amended standards and interpretations | 16 |
| 1.4 Key accounting estimates and assumptions | 17 |
| **2. Financial performance** | |
| 2.1 Revenue, sales revenue from customer agreements | 19 |
| 2.2 Other operating income | 22 |
| 2.3 Materials and services | 22 |
| 2.4 Employee benefit expenses | 23 |
| 2.5 Other operating expenses | 25 |
| 2.6 Depreciation and impairment | 26 |
| 2.7 Financial income and expenses | 27 |
| **3. Operating assets and liabilities** | |
| 3.1 Right-of-use assets | 28 |
| 3.2 Trade and other receivables | 28 |
| 3.3 Cash and cash equivalents | 32 |
| 3.4 Trade and other payables | 32 |
| 3.5 Provisions | 32 |
| **4. Acquisitions and investments** | |
| 4.1 Business combinations and divestments | 33 |
| 4.2 Goodwill and intangible assets | 37 |
| 4.3 Property, plant and equipment | 40 |
| 4.4 Impairment testing | 42 |


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## Contents (continued)


| | |
|---|---|
| **5. Financing and capital structure** | |
| 5.1 Capital management | 45 |
| 5.2 Equity | 46 |
| 5.3 Financial risk management | 47 |
| 5.4 Financial assets and liabilities | 50 |
| **6. Group structure** | |
| 6.1 Subsidiaries | 56 |
| 6.2 Non-controlling interests | 58 |
| 6.3 Associates and joint arrangements | 60 |
| **7. Other notes** | |
| 7.1 Income taxes | 61 |
| 7.2 Deferred tax assets and liabilities | 63 |
| 7.3 Related parties and management benefits | 66 |
| 7.4 Contingent liabilities | 68 |
| 7.5 Events after the balance sheet date | 69 |
| **Parent company financial statements (FAS)** | 71 |
| **Signatures and auditor's note** | 82 |


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# Report of the Board of Directors
## Financial period 1 January 2023–31 December 2023

### Material events during the financial period

Barona's revenue developed positively in 2023, despite the challenging situation in the employment services market overall. According to Employment Industry Finland, the revenues of the largest companies in the sector decreased by around 15 per cent in December 2023 and by around 7 per cent in January–December compared to the previous year. During the period under review, the revenue of the Barona Group operations increased by 2.6% compared to 2022.
Barona's year 2023 came in two parts. The COVID-19 restrictions that were lifted the previous year no longer made it difficult for companies to operate, and Finland temporarily returned to a time of labour shortage. The year 2023 therefore started with signs of growth, but during the beginning of the year, the Finnish economy turned to a decline. The economic situation was particularly affected by interest rate hikes due to increased inflation, which had a negative impact on business conditions for companies.

Barona's core business area, HR services, has been strongly linked to companies' human resources needs, which turned to a decrease during 2023. The main objective for Barona's financial year was to improve profitability and implement organisational changes in line with the strategy.

In 2023, Barona continued to implement internal strategy initiatives. Processes relating to recruitment and employee communication were revised and the new bHub unit was established. The development of the personnel client experience continued: with the help of new metrics and data management, the job-seeking process and employment were streamlined and the range of different skills opportunities was increased. The service portfolio for business clients was also developed.

In 2023, Barona continued to invest in international recruitment and expansion. During the year, preparations were initiated to harmonise international recruitment services, which was completed in early 2024.

In 2023, Barona continued to invest in employee well-being and reducing absences due to sickness. Attention was paid in particular to the prevention of mental health and musculoskeletal disorders. A new multidisciplinary well-being team was launched in the spring to provide early stage support for Barona employees.

In 2023, absences due to musculoskeletal diseases decreased significantly, by approximately 20% compared to the previous year. Mental health-related absences, on the other hand, increased by four per cent in 2023. Special attention will be paid to factors related to mental wellbeing.

Barona's foreign business is focused on the Nordic region. The most extensive foreign business is operations in Sweden. In Norway, Barona operates in the construction sector through offices in Drammen, Oslo and Moss. In addition, Barona has nine sales, customer service and back office service centres in Finland, Sweden, Poland and Spain. These units serve as service production centres for clients in the Nordic region. In addition, Barona is a co-owner of a service centre in North Macedonia. During 2023, Barona initiated an expansion of the service centre in Fuengirola, Spain.

In addition to the Nordic countries, the company had operations in Russia, Slovakia, Poland, Estonia, Spain and North Macedonia. The exit process of the Russian company will be completed during 2024.

In May, Barona Oy acquired the entire shareholding of Ensin Infra Oy. In June, the Group increased its holdings in Koutsit Group Oy, Medimanageri Oy and WMRT Rakennus Oy.
In July, the Group company Uggla Engineering Oy acquired a majority holding in the Swedish company Kompetenskonsult AB.
During 2023, Barona Oy's holding in FREE-Laskutus Oy decreased, as a result of which FREE-Laskutus Oy is not a Barona Group company at the end of the financial period.

### Material events after the end of the financial period

The company is undergoing arbitration proceedings that began in mid-2024. The company has no other significant legal proceedings. The arbitration proceedings are expected to have a positive impact on the company's development.

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## Estimate of likely future development

According to the Bank of Finland's interim forecast for March 2024, GDP will contract by 0.5% this year. Last year, the increased economic uncertainty due to the war and energy crisis, sharply accelerated inflation and the resulting rapidly rising interest rates weakened growth. The effects of weakened consumer purchasing power and rising interest rates are reflected in economic growth. The HR services market has historically shown a strong correlation with the economy.

Finland faced exceptionally extensive strikes in early 2024, which had a negative impact on the company's business operations.

## Estimate of the most significant risks and uncertainties and other factors affecting business development

General weak economic development and high inflation in Finland may have a negative impact on Barona's business. In addition, in economic downturns, it is possible that companies will use the services offered by Barona less. Absences may have a negative impact on Barona through absences of its own salaried employees and employees working for customers, as well as due to disruption or interruption of customers' business operations. Material short-term risks also include intensifying competition in the markets in which the company operates, an unstable political situation, changes in legislation or collective agreements and the seasonality of business operations. Acquisitions involve significant risks. If the development of the acquiree after the transaction is not as expected, the integration of the acquiree fails or other objectives set for the acquisition are not achieved, this may have a significant impact on Barona's profit and financial position.

Barona is exposed to various financial market risks, which are managed in accordance with risk management measures approved by the Board of Directors. The main objective of the Group's financial operations is to secure sufficient funding and to identify, measure and manage financial risks while minimising the adverse effects of changes in the financial markets. The main financial risks are interest rate risk, credit risk related to trade receivables and liquidity risk.

The Group's financing is mainly provided by an internal loan received from the Bravedo Group's parent company, Bravedo Oy. Interest rate risk is mainly managed by Bravedo Oy.

The financing loan granted by Bravedo Oy will be renewed in May 2024.

The Group's credit risk consists mainly of the credit risk of business-related trade receivables. The credit risk related to trade receivables is managed through customer-specific credit decisions in accordance with the Group's credit policy. Credit risk has been transferred outside the Group through credit insurance. According to the management's assessment, the credit risk of open receivables at the balance sheet date is very limited considering the customers' historical payment behaviour, the amount of open receivables and age distribution. Loans, other receivables and cash and cash equivalents also involve credit risk, but the Group has analysed it as negligible.

Liquidity risk is reduced by ensuring the availability of long-term financing and maintaining sufficient cash and cash equivalents. Refinancing risk is reduced by the Group structure and the financing and liquidity management opportunities it provides, as well as the possibility of using the overdraft facility.

Liquidity risk in the company is monitored by both short-term cash flow forecasts and 12-month rolling forecasts. This will ensure that sufficient funds are available for business needs. During the year, the Group also raised funding through the sale of receivables arrangement. The credit and delay risk of the receivables has been transferred to the financing company in full. According to the financing agreement between the Group and the financial institution, the Group has the opportunity to further increase the share of sold trade receivables significantly compared to the current level, which improves the turnover rate of trade receivables and thereby reduces the Group's liquidity risk.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide the Group with returns and an increase in invested capital for the Group's shareholders. The Group manages the capital structure and adjusts it, taking into account the economic conditions. The Group continuously monitors the

management of its equity. In order to maintain or develop its capital structure, the Group may change its dividend distribution policy, issue new shares and/or increase/reduce its loans.

**Account of the extent of research and development operations**
During the financial period, the Group invested in development operations. Development projects were implemented to improve the efficiency of processes and to develop new operating methods and tools in nearly all the areas of business operations.

The Group had no capitalisable development expenses during the financial period. Research and development expenses have been expensed during the financial period. Research and development expenses that accumulate income for three or more years are capitalised on the balance sheet and will be depreciated over a period of 3–5 years.

## Corporate responsibility
Barona will prepare a separate responsibility report for 2023. A report on the entire Group's business in Finland will be published in spring 2024.

Barona started preparing for the new CSRD sustainability reporting. In autumn 2023, the parent company Bravedo conducted a dual materiality analysis covering the entire corporate community. Barona will be subject to the new legislation from 1 January 2025.

## Information based on the form of company of the party with an accounting obligation

### Shares in the company
The company has two share classes, series A shares and series B shares. The series A and series B shares provide equal voting rights. Each series A share and series B share produces one vote in all matters discussed at the Annual General Meeting. The shares are subject to a redemption clause as defined in the Articles of Association.

Series A shares have a special right to a notional dividend specified in the Articles of Association in situations where the company distributes a Group contribution to parties other than the company's subsidiaries. At the time of the distribution of the Company's assets, the series B share holders have the right to first receive an amount equal to the investments made by the holder of the series B shares, other than the subscription price of the shares, in the Company's reserve for invested unrestricted equity. Except as described above, series A shares and series B shares provide equal rights in dividend payments or other distribution of assets situations.

The total number of shares on 31 December 2023 and 31 December 2022 was 109,675,572, of which 9,675,572 A shares and 100,000,000 B shares. All shares issued by the parent company are fully paid.

### Directed issues and subscriptions
There were no share issues or subscriptions in the Company in 2023.

### Treasury shares
The company does not hold its own shares.

### Capital loans
The company has no capital loans.

### Money loans, liabilities and contingent liabilities with a related party
The parent company of Barona Oy, Bravedo Oy, has granted financial loans to Barona Oy and its subsidiaries. Barona Oy and its subsidiaries are involved in a group account arrangement, in which the parent company Bravedo Oy acts as the group account holder. For more information, see Note 5.3 Financial risk management and 5.4. Financial assets and liabilities.

Barona Oy and its subsidiaries have provided their parent company Bravedo Oy with company mortgages and pledged their shares and deposits as collateral for loans outside the parent company Bravedo Oy and for other possible liabilities. The collateral is presented in Note 7.4 Contingent liabilities to the consolidated financial statements.

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**Proposal by the Board of Directors for the use of distributable funds**

The distributable funds of the parent company on 31 December 2023 were EUR 53,958,457. Of this amount, the loss for the financial period was EUR -7,497,073.

The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for the financial period 2023 and that the profit for the financial period be transferred to retained earnings.

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## Financial performance key figures (IFRS)

| EUR thousand | 1 January–31 December 2023 | 1 January–31 December 2022 | 1 January–31 December 2021 |
|---|---|---|---|
| Revenue, EUR 1,000 | 442,598 | 431,486 | 378,232 |
| Change in revenue, % | 2.6% | 31.1% | 9.3% |
| Operating profit/loss (EBIT), EUR 1,000 | 1,065 | 7,262 | 13,530 |
| % of revenue | 0.2% | 1.7% | 3.6% |
| Comparable operating profit/loss (EBIT), EUR 1000 | 9,727 | 7,365 | 14,105 |
| % of revenue | 2.2% | 1.7% | 3.7% |
| Return on equity, % | -16.3% | 0.1% | 9.6% |
| Return on investment, % | 0.6% | 3.8% | 0.2% |
| Equity ratio, % | 15.4% | 18.3% | 23.4% |
| Gearing, % | 321.0% | 225.0% | 156.6% |
| Salaries and remuneration of personnel | -299,158 | -291,872 | -254,960 |
| Average number of personnel | 7,885 | 8,274 | 7,098 |

**Reconciliation of alternative performance measures with IFRS financial statements**

| EUR thousand | 1 January–31 December 2023 | 1 January–31 December 2022 | 1 January–31 December 2022 |
|---|---|---|---|
| Items affecting comparability Restructuring expenses | -8,662 | -102 | -575 |
| **Items affecting comparability in operating profit** | **-8,662** | **-102** | **-575** |
| Operating profit (EBIT) | 1,065 | 7,262 | 13,530 |
| Items affecting comparability | 8,662 | 102 | 575 |
| **Comparable operating profit (EBIT)** | **9,727** | **7,365** | **14,105** |

Items that affect comparability include items that are separate from the company's core business, such as costs related to the restructuring of business operations. The Group's management uses discretion when making decisions on the classification of comparable items.

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## Calculation formulas for financial performance indicators and alternative indicators

| Key figure | Calculation formula |
|---|---|
| Operating profit/loss (EBIT) = | Profit before financial items and taxes |
| Operating profit/loss (EBIT), %= | $\frac{\text{Profit before financial items and taxes}}{\text{Revenue}} \times 100\%$ |
| Return on equity (ROE), % = | $\frac{\text{Result for the period}}{\text{Average equity during the period including non-controlling interests}} \times 100\%$ |
| Return on investment (ROI), % = | $\frac{\text{Profit for the period before taxes + financial expenses}}{\text{Average equity + interest-bearing financial liabilities}} \times 100\%$ |
| Equity ratio, % = | $\frac{\text{Equity including non-controlling interests}}{\text{Balance sheet total - advances received}} \times 100\%$ |
| Net gearing, % * | $\frac{\text{Interest-bearing liabilities - interest-bearing receivables and cash and cash equivalents}}{\text{Equity}} \times 100\%$ |
| Comparable operating profit/loss (EBIT)* * | Profit for the financial period before financial items and taxes + adjustments |
| Comparable operating profit/loss (EBIT) -%* * | $\frac{\text{Profit for the financial period before financial items and taxes + adjustments}}{\text{Revenue}} \times 100$ |

* Adjustments are material items that differ from ordinary business operations and relate to business acquisition costs, business restructuring costs, net capital gains and losses on the sale of assets and other items affecting comparability.

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## Consolidated comprehensive income statement (IFRS)

| EUR thousand | Note | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|---|
| **REVENUE** | **2.1** | 442,598 | 431,486 |
| Other operating income | **2.2** | 1,187 | 1,935 |
| Materials and services | **2.3** | -13,363 | -11,794 |
| Employee benefit expenses | **2.4** | -363,429 | -354,997 |
| Other operating expenses | **2.5** | -51,216 | -41,372 |
| Share in the profit of associated companies | **6.3** | 38 | 1 |
| Depreciation and impairment | **2.6** | -14,751 | -17,997 |
| **OPERATING PROFIT/LOSS (EBIT)** | | **1,065** | **7,262** |
| Financial income | **2.7** | 135 | 77 |
| Financial expenses | **2.7** | -10,135 | -5,957 |
| Share in the profit of associated companies | **6.3** | 137 | 96 |
| **RESULT BEFORE TAXES** | | **-8,799** | **1,478** |
| Income taxes | **7.1** | -160 | -1,426 |
| **RESULT FOR THE PERIOD** | | **-8,959** | **52** |
| **Breakdown of profit for the financial period:** | | | |
| Owners of the parent company | | -9,016 | -609 |
| Non-controlling interests | | 57 | 661 |
| **Result for the period** | | **-8,959** | **52** |
| **Other comprehensive income** | | | |
| **Items not subsequently reclassified to profit or loss:** | | | |
| Remeasurement of the net defined benefit liability | | -2 | 1 |
| Taxes on items not subsequently reclassified to profit or loss | | 1 | 0 |
| **Items that may be subsequently reclassified to profit or loss:** | | | |
| Translation differences | | -309 | -424 |
| **TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL** | | **-9,268** | **-371** |
| **Breakdown of comprehensive income for the financial period:** | | | |
| Owners of the parent company | | -9,205 | -990 |
| Non-controlling interests | | -64 | 619 |

The notes are an integral part of the consolidated financial statements.

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## Consolidated balance sheet (IFRS)

| EUR thousand | Note | 31 December 2023 | 31 December 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Intangible assets | **4.2** | 26,279 | 30,628 |
| Goodwill | **4.2** | 171,328 | 179,902 |
| Property, plant and equipment | **4.3** | 11,988 | 8,880 |
| Right-of-use assets | **3.1** | 33,136 | 35,387 |
| Shares in entities consolidated using the equity method | **6.3** | 2,115 | 1,969 |
| Other investments | **5.4** | 830 | 790 |
| Trade and other receivables | **5.4** | 525 | 449 |
| Deferred tax receivables | **7.2** | 1,563 | 831 |
| **Non-current liabilities total** | | **247,764** | **258,836** |
| **Current assets** | | | |
| Trade and other receivables | **3.2** | 72,034 | 65,800 |
| Tax receivables | | 0 | 0 |
| Cash and cash equivalents | **3.3** | 2,722 | 7,175 |
| **Current assets total** | | **74,756** | **72,974** |
| **TOTAL ASSETS** | | **322,520** | **331,810** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity attributable to owners of the parent company** | | | |
| Share capital | **5.2** | 3 | 3 |
| Reserve for invested unrestricted equity | **5.2** | 65,278 | 70,699 |
| Translation differences | | -556 | -368 |
| Retained earnings | | -15,457 | -11,502 |
| **Total equity attributable to owners of the parent company** | | **49,268** | **58,832** |
| Non-controlling interests | | 216 | 1,537 |
| **SHAREHOLDERS' EQUITY TOTAL** | | **49,483** | **60,369** |
| **Long-term liabilities** | | | |
| Interest-bearing liabilities | **5.4** | 17,003 | 81,531 |
| Tenancy agreement liabilities | **5.4** | 30,938 | 32,135 |
| Other liabilities | **5.4** | 3,641 | 11,835 |
| Pension obligations | **2.4** | 296 | 327 |
| Deferred tax liabilities | **7.2** | 4,736 | 5,315 |
| **Long-term liabilities** | | **56,615** | **131,143** |
| **Short-term liabilities** | | | |
| Interest-bearing liabilities | **5.4** | 108,737 | 24,433 |
| Tenancy agreement liabilities | **5.4** | 4,866 | 4,915 |
| Trade and other payables | **3.4** | 102,058 | 109,851 |
| Income tax liabilities | | 761 | 1,100 |
| **Short-term liabilities** | | **216,422** | **140,298** |
| **TOTAL LIABILITIES** | | **273,037** | **271,441** |
| **TOTAL EQUITY AND LIABILITIES** | | **322,520** | **331,810** |

The notes are an integral part of the consolidated financial statements.

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## Consolidated statement of changes in equity (IFRS)

| EUR thousand | Share capital | Reserve for invested unrestricted equity | Translation differences | Retained earnings | Total equity attributable to owners of the parent company | Non-controlling interests | Share-holders' equity total |
|---|---|---|---|---|---|---|---|
| **EQUITY ON 1 JANUARY 2023** | **3** | **70,699** | **-368** | **-11,502** | **58,832** | **1,537** | **60,369** |
| Result for the period | - | - | - | -9,016 | -9,016 | 57 | **-8,959** |
| Other comprehensive income | - | - | -188 | -1 | **-189** | -121 | **-310** |
| **Comprehensive income for the period** | - | - | **-188** | **-9,017** | **-9,205** | **-64** | **-9,269** |
| Dividend distribution, distribution of assets | - | -5,421 | - | - | **-5,421** | -20 | **-5,441** |
| Changes in redemption obligation liabilities | - | - | - | 7,896 | **7,896** | -252 | **7,643** |
| Other changes | - | - | - | -735 | **-735** | - | **-735** |
| Changes in holdings in subsidiaries | - | - | - | - | - | -985 | **-985** |
| Transactions with non-controlling interests | | - | - | -2,098 | **-2,098** | - | **-2,098** |
| **Total transactions with owners** | - | **-5,421** | - | **5,063** | **-359** | **-1,257** | **-1,616** |
| **EQUITY ON 31 DECEMBER 2023** | **3** | **65,278** | **-556** | **-15,457** | **49,268** | **216** | **49,483** |

| EUR thousand | Share capital | Reserve for invested unrestricted equity | Translation differences | Retained earnings | Equity attributable to owners of the parent company total | Non-controlling interests | Equity total |
|---|---|---|---|---|---|---|---|
| **EQUITY ON 1 JANUARY 2022** | **3** | **70,699** | **14** | **-871** | **69,845** | **2,009** | **71,853** |
| Result for the period | - | - | - | -609 | **-609** | 661 | **52** |
| Other comprehensive income | - | - | -382 | 0 | **-381** | -42 | **-423** |
| **Comprehensive income for the period** | - | - | **-382** | **-608** | **-990** | **619** | **-371** |
| Dividend distribution, distribution of | - | - | - | -6,241 | **-6,241** | -64 | **-6,305** |
| Changes in redemption obligation | - | - | - | -2,392 | **-2,392** | - | **-2,392** |
| Other changes | - | - | - | -951 | **-951** | -482 | **-1,433** |
| Changes in holdings in subsidiaries | - | - | - | -19 | **-19** | -544 | **-564** |
| Transactions with non-controlling interests | | - | - | -420 | **-420** | - | **-420** |
| **Transactions with owners** | - | - | - | **-10,023** | **-10,023** | **-1,090** | **-11,113** |
| **EQUITY ON 31 DECEMBER 2022** | **3** | **70,699** | **-368** | **-11,502** | **58,832** | **1,537** | **60,369** |

Notes 5.2 Equity and 6.2 Non-controlling interests disclose changes in equity.

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## Consolidated statement of cash flows (IFRS)

| EUR thousand | Note | 31 December 2023 | 31 December 2022 |
|---|---|---|---|
| **Cash flow from operations** | | | |
| Result for the period | | -8,959 | 52 |
| **Adjustments:** | | | |
| Depreciation and impairment | **2.6** | 14,751 | 17,997 |
| Gains and losses from the sale of fixed assets | | -13 | 0 |
| Disposals of business | **4.1** | 8,398 | 0 |
| Financial income and expenses | **2.7** | 10,001 | 5,880 |
| Income taxes | **7.1** | 160 | 1,426 |
| Profit of associated companies | **6.3** | -175 | -98 |
| Other non-cash adjustments | | 1,970 | -278 |
| **Adjustments total** | | **35,092** | **24,928** |
| **Change in working capital:** | | | |
| Increase (-)/decrease (+) in trade and other receivables | | -1,622 | -6,027 |
| Increase (+)/decrease (-) in accounts payable and other liabilities | | -5,072 | 11,880 |
| Dividends received from business operations | | 46 | 35 |
| Interest received and other financial income | | 56 | 34 |
| Interest paid | | -9,633 | -6,762 |
| Other financial items from business operations | | -75 | -199 |
| Taxes paid | | -1,682 | -1,557 |
| **Cash flow from operations total** | | **8,151** | **22,383** |
| **Cash flow from investment operations** | | | |
| Acquisitions of subsidiaries and business operations less cash and | **4.1** | -452 | 0 |
| Sales of subsidiaries and business operations less cash and cash | **4.1** | -1,498 | 0 |
| Acquisition of shares in associates | | 0 | -359 |
| Investments in tangible and intangible assets | **4.2,4.3** | -10,143 | -11,391 |
| Investments in other investments | **5.4.** | -40 | 0 |
| Disposals of tangible and intangible assets | **4.2,4.3** | 17 | 1 |
| Loans granted | | -348 | -89 |
| Repayments of loan receivables | | 257 | 85 |
| Increase (-)/decrease (+) in short-term investments | | -5,504 | 4,513 |
| **Cash flow from investment operations total** | | **-17,711** | **-7,241** |
| **Cash flow from financing operations** | | | |
| Repayments of loans | **5.4** | -6,501 | -25,913 |
| Increase/decrease in short-term loans | **5.4** | 22,237 | 12,880 |
| Drawdown of loans | **5.4** | 4,034 | 13,000 |
| Amortisation of lease liabilities | **5.4** | -5,023 | -4,729 |
| Acquisition (-)/sale (+) of non-controlling interests | **6.2** | -4,044 | -3,029 |
| Dividends paid/distribution of funds | | -5,441 | -6,305 |
| **Cash flow from financing activities total** | | **5,262** | **-14,096** |
| **Total cash flows** | | **-4,298** | **1,046** |
| | | | |
| Cash and cash equivalents at beginning of period | | **7,175** | **6,183** |
| Impact of changes in exchange rates | | -154 | -55 |
| **Cash and cash equivalents at end of period** | | **2,722** | **7,175** |

The notes are an integral part of the consolidated financial statements.

# Notes to the consolidated financial statements (IFRS)

## 1.1 Group basic information

Barona Oy is a Finnish limited liability company and the parent company of the Barona Group. Barona Oy's registered address is Pasilan Asema-Aukio 1, FI-00520 Helsinki, Finland.

The Group provides professional working life services consisting of services related to the recruitment, outsourcing and development of personnel and the promotion of well-being. The Group operates in ten countries.

Barona Oy is a subsidiary of Bravedo Oy. A copy of Barona Oy's consolidated financial statements is available at the parent company's headquarters at Pasilan Asema-Aukio 1, FI-00520 Helsinki, Finland. A copy of the parent company's consolidated financial statements is available at the parent companies' headquarters at Pasilan Asema- Aukio 1, FI-00520 Helsinki, Finland.

At its meeting of 24 April 2024, the Board of Directors of Barona Oy approved these financial statements for publication. According to the Limited Liability Companies Act, shareholders have the possibility to approve or reject the financial statements at the Annual General Meeting held after its publication. The Annual General Meeting also has the opportunity to decide on the amendment of the financial statements.

## 1.2 Basis for preparation

The notes to the consolidated financial statements are grouped into thematic sections. The general accounting policy is disclosed as part of the general bases for preparation, whereas accounting policies that are closely related to a particular note are disclosed as part of that note. The notes for each area include material financial information, accounting policies and key estimates and judgements.

Barona's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), while following IAS and IFRS in force on 31 December 2023 as well as the SIC and IFRIC interpretations. In the Finnish Accounting Act and the regulations adopted pursuant to it, international accounting standards refer to the standards and interpretations which are accepted to be applied in the EU in accordance with EU Regulation (EC) No 1606/2002. The notes to the consolidated financial statements also comply with the requirements of the Finnish accounting legislation and corporate law supplementing IFRS. The Group has not applied new, revised or amended standards, before their entry into force, or interpretations that are not yet in force.

The main measurement basis for the financial statements is the initial cost, unless indicated otherwise. The preparation of financial statements in accordance with IFRS requires the use of certain key accounting estimates. In addition, it requires management to exercise judgement in applying the accounting principles. The section "Key accounting estimates and judgements" describes the areas that require significant consideration or complex areas as well as the areas where significant assumptions and estimates have been made for the purposes of the consolidated financial statements.

The figures in the financial statements are presented in thousands of euros. Rounding differences may occur. The notes form an integral part of the consolidated financial statements.

The consolidated financial statements are presented in euros, which is the company's operational and reporting currency. The figures concerning the profit and loss and financial position of the Group's units are measured in the currency which is the currency in the principal operating environment of each unit (functional currency). Transactions denominated in foreign currencies are translated into the functional currency using the exchange

rates on the date of the transaction. Monetary receivables and payables denominated in foreign currencies are translated into the functional currency using the exchange rates at the end of the reporting period. Non-monetary items denominated in foreign currencies that are measured at fair value have been translated into the functional currency using the exchange rates on the valuation date. Other non-monetary items have been translated into the functional currency using the exchange rate on the date of the transaction. Exchange rate differences on transactions are recognised in the item to which they relate. Exchange differences arising from the conversion of interest-bearing receivables and liabilities denominated in foreign currencies are recognised in financial income and expenses. Exchange differences on monetary items that are part of the net investment in a foreign entity are recognised in other comprehensive income and recognised in the income statement when the entity is disposed of.

Intra-Group transactions, receivables and liabilities, income and expenses, internal profit distribution and unrealised gains and losses have been eliminated in the consolidated financial statements. Where necessary, the financial statements of the subsidiaries have been amended to reflect the Group's accounting principles.

The income and expenses of the separate income statements of the foreign Group companies are translated into euros at the exchange rates at the dates of the transactions and the balance sheets at the end of the reporting period. The translation of the result and comprehensive income for the period at different rates, on the one hand, in the income statement and statement of comprehensive income and, on the other hand, in the balance sheet, results in a translation difference in the balance sheet recognised in equity, the change in which is recognised in other comprehensive income items. Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries and from the translation of equity items accumulated after the acquisition are recognised in other comprehensive income items. When a subsidiary is sold in full or in part, the cumulative translation differences are reclassified through profit or loss as part of the gain or loss on disposal.

The Group presents assets and liabilities in the financial statements broken down into current and non-current assets and liabilities. The Group classifies an asset as current when it expects to realise the asset within twelve months of the end of the reporting period. Other assets are classified as non-current. The Group classifies a liability as current when the liability falls due within twelve months of the end of the reporting period or when it has no absolute right to defer the payment of the liability to at least twelve months after the end of the reporting period. The Group classifies other liabilities as non-current. The Company's secured loans do not directly include covenant terms - Additional information is available in Note 5.3 Financial risk management.

IAS 1 Presentation of Financial Statements does not define the concept of profit. The Group has determined operating profit as follows: operating profit is the net sum generated by adding other operating income to revenue, deducting the use of materials and equipment, adjusted by the change in inventories of finished goods and work in progress and capitalised production, and deducting expenses arising from employee benefits, depreciation and any impairment losses and other operating expenses. All items in the income statement other than those mentioned above are presented under operating profit. Exchange differences and changes in the fair values of derivatives are included in operating profit if they arise from operating items; otherwise, they are recognised in financial items.

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## 1.3 New and amended standards and interpretations

### New and amended standards applied in the financial period

Since the beginning of 2023, the Group has complied with the following new and amended standards that entered into force (applicable for financial periods beginning on or after 1 January 2023). The adoption of the amendments had no material impact on the consolidated financial statements.

**IFRS 17 Insurance Contracts, Including Comparative Information - Amendments to IFRS 17**

The new standard applies to insurance contracts and helps investors and other parties to better understand the exposure of insurers to risks and their profitability and financial position. This standard supersedes IFRS 4. The amendments reduce the conflicts in comparative information arising from the different transition requirements of IFRS 9 and IFRS 17. The amendments also make it possible to present comparative information on financial assets in a manner that is more consistent with the requirements of IFRS 9 Financial Instruments.

**Definition of accounting estimates – 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 and focus on the definition of accounting estimate and its clarifications.

**Deferred tax on assets and liabilities arising from a transaction – Amendments to IAS 12 Income Taxes**

The amendments narrow down the scope of the exemption concerning initial recognition and clarify that the exemption does not apply to transactions such as leases and decommissioning obligations that result in equal and opposite temporary differences.

**International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 Income Taxes** (the temporary mandatory exemption applies immediately after its publication on 28 May 2023; disclosure requirements in financial statements apply for financial periods beginning on or after 1 January 2023)

The amendments provide a relief from the accounting for deferred taxes arising from the international tax reform of the OECD (Organization for Economic Cooperation and Development) and require the disclosure of new notes to compensate for any loss of information resulting from the relief.

### New and amended standards applicable for future financial periods

The following new or amended IFRSs are not yet in force and will be adopted in the financial period beginning on or after 1 January 2024. The management does not expect the amendments to have a material impact on the consolidated financial statements for future reporting periods:

**Lease liabilities in sale and leaseback – Amendments to IFRS 16 Leases**

The amendments add a new accounting model for variable payments and require the seller-lessee to reassess and possibly adjust the sale and leaseback transactions made after the adoption of IFRS 16 in 2019.

**Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current Date; Classification of Liabilities as Current or Non-current - Deferral of Effective Date; Non-current Liabilities with Covenants**

The aim of the amendments is to harmonise the application practice and clarify the requirements for classifying liabilities as current or non-current. The amendments specify that covenant conditions that must be met after the end of the reporting period do not affect the classification of a liability as current or non-current at the end of the reporting period. Such covenants must be disclosed in the notes to the financial statements. The amendments also clarify that the transfer of the company's equity instruments is

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considered to be settlement of the liability. If the liability is associated with a conversion option, this may affect the classification of the liability as current or non-current, unless these conversion options are recognised in equity in accordance with IAS 32

**Supplier Finance Arrangements - Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures** (the standard has not been approved for application in the EU by 31 December 2023)

The aim of the amendments is to improve the transparency of supplier financing arrangements and clarify their effects on financial liabilities, cash flows and the total amount of liquidity risk. The amendments require the disclosure of qualitative and quantitative information on supplier financing arrangements.

**Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates** (the standard has not been approved for application in the EU by 31 December 2023)

The amendments require a consistent approach to assess when a currency can be exchanged to another currency and, if it is not exchangeable, to determine which exchange rate can be used and what disclosures must be made.

**Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures** (the standard has not been approved for application in the EU by 31 December 2023)
The amendments remove the conflict between the current consolidation and equity method guidelines and require the recognition of profit in full when the transferred assets meet the definition of business operations of IFRS 3 Business Combinations.

## 1.4 Key accounting estimates and assumptions

Preparing the financial statements in accordance with IFRS requires forward-looking estimates and assumptions based on management's best view of the circumstances at the time of the financial statements, past experience and assumptions about future events. In addition, discretion must be exercised in the application of the accounting policies, especially when the current IFRS standard provides for alternative accounting, measurement and presentation methods. These affect the amounts of assets and liabilities on the balance sheet, the disclosure of contingent assets and liabilities in the financial statements and the income and expenses for the financial period.

Management bases its estimates and assumptions on previous experience and various other assumptions that are considered reasonable under the prevailing circumstances. The final realisations may deviate from these estimates and assumptions.

Further information on the management's discretion in applying the Group's accounting policies that have the greatest impact on the figures presented in the financial statements is described in the following sections:

| | Note |
|---|---|
| Alternative key figures, items affecting comparability | |
| Discretion relating to revenue recognition in determining performance obligations | 2.1 |
| Determination of the lease term and exercise of extension options | 3.1 |
| Determining the fair value of assets and liabilities acquired in a business combination | 4.1 |
| Assumptions used in impairment testing | 4.4 |
| Impact of credit insurance on expected credit losses | 5.3 |
| Measurement of redemption obligation liabilities | 5.4 |
| Deferred tax assets on confirmed losses | 7.2 |

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**Application of IFRS 3 to arrangements under the common control**
The company has chosen to follow and consistently apply IFRS 3 for business combinations under the common control.

The Group's key forward-looking assumptions and key uncertainties related to the estimates at the balance sheet date that present a risk of material changes in the book values of assets and liabilities during the next financial period are as follows:

**Fair value measurement of acquisitions**

Both the company and, where applicable, the external adviser have assessed the fair values of the acquired companies' working capital and tangible assets. The fair value measurement of intellectual property rights (trademarks, brands, patents and technology) and customer relationships and information is based on the discounted cash flows of the assets.

**Impairment testing**

At each balance sheet date, the Group assesses whether there are any indications that an asset, whether tangible or intangible, has been impaired. Goodwill and intangible assets with indefinite useful lives and intangible assets in progress are tested annually. For impairment testing, the Group's assets are allocated to cash-generating units at the lowest level that is largely independent of other units and whose cash flows are separable. Impairment is recognised if the book value exceeds the recoverable amount. The recoverable amount is mainly based on the future discounted net cash flows that can be obtained from the corresponding asset. In order to compile these calculations, it is necessary to use estimates.

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# 2. Financial performance

## 2.1 Revenue, Sales revenue from customer agreements

The Group's sales revenue consists of income from the working life services. The Group offers, for example, HR, outsourcing and headhunting services.

The Group recognises revenue in such a way that it reflects the delivery of promised goods or services to a customer as an amount of money that reflects the consideration to which the Group expects to be entitled in return for the goods or services in question. A five-stage model is applied in the recognition of revenue, based on which it is determined when and at what amount the revenue is recognised. The model identifies the customer contract, the performance obligations of the contract, determines the transaction prices, allocates the transaction price to the performance obligations and recognises the sales revenue. Revenue less indirect taxes is recognised. The company has framework agreements with some of its customers, which together with the purchase order or a separate agreement create enforceable agreements.

Sales revenue is recognised when control of the services and products has been transferred to the customer. In the case of services, control is generally deemed to pass over time because the customer both receives and consumes the benefit received from the Group's performance or the performance transferred at the same time is not deemed to create an asset with an alternative use for the Group. If the services provided by the Group are combined with other services promised in the contract as a service package or a series of services that are essentially the same and that are delivered to the customer in accordance with the same delivery model, they are treated as a single performance obligation. In this case, sales revenue is recognised over time.

If a contract includes a variable consideration, it is recognised as revenue up to the amount that is highly probable that the amount of the accrued recognised revenue will not have to be significantly cancelled when the associated uncertainty is resolved later. Variable consideration may be based on service volumes or the content of the service to be transferred, for example. The typical term of payment is 7–14 days.

The Group applies the practical aids of IFRS 15. The Group recognises sales revenue in respect of services provided at the reporting date to the amount that it is entitled to invoice and uses the possibility of not presenting the amount of the transaction price allocated to outstanding performance obligations for contracts with an initial expected term of not more than one year or for which the recognised sales revenue corresponds to the value of the performance provided by the Group to the customer at the reporting date. In addition, the Group uses the possibility of not adjusting considerations for the effects of financial components.

The Group's revenue consists mainly of staffing, headhunting and outsourcing services. The customer contract specifies the resources required by the customer, the invoicing basis and the term of the agreement. As a rule, customer contracts contain a single performance obligation, in which the services offered by the Group are combined into a single service package, i.e. a series of separable services which are essentially the same and are handed over to the customer in accordance with the same handover model. Revenue is recognised over time, as the customer is deemed to gain control of the services when the services are transferred. Services are invoiced in 2-week or 1-month periods based on the fixed hourly, daily or monthly rates or other unit-based rates specified for separate services in the contract.

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**Significant management judgements**

In recognising revenue, the Company has exercised discretion to determine when the services promised in the contracts have been considered to constitute one performance obligation to be treated as a series. Judgement has also been used when recognising considerations of minor value received from start-up activities in the initial phase of the agreement, even though the measures still lead to the transfer of the promised product or service from the customer.

The following tables present sales revenues by market and service area and present information on trade receivables, assets and liabilities recognised for sales contracts:

**Revenue by service**

| EUR thousand | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|
| Resourcing | 293,628 | 285,163 |
| Outsourcing | 85,923 | 87,021 |
| Recruitment | 20,539 | 24,138 |
| Consultative services | 42,508 | 35,164 |
| **Total** | **442,598** | **431,486** |

| **Revenue by market area**<br>**EUR thousand** | **1 January–31 December 2023** | **1 January–31 December 2022** |
|---|---|---|
| Finnish | 409,417 | 394,830 |
| Other countries | 33,181 | 36,656 |
| **Total** | **442,598** | **431,486** |

The Group's customer base consists of a large number of customers in different business areas, and revenue from no single customer constitutes a significant part of the Group's revenue.

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**Contractual amounts recognised on the balance sheet**

| EUR thousand | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|
| Receivables from customer contracts (sales receivables) | 48,186 | 46,958 |
| Assets based on customer contracts | 428 | 629 |
| Liabilities based on customer contracts (advance payments) | -1,486 | -1,255 |
| **Total** | **47,128** | **46,332** |

If the Group delivers services to a customer before the customer pays the consideration or the payment is due, the contract is presented as a receivable (a contract asset) except for amounts presented as sales receivables. If the customer pays the consideration or the Group has an unconditional right to the consideration amount before the Group delivers the service to the customer, the contract is presented in the financial statements as a contractual liability when the payment has been made or is due (whichever is earlier). Contractual liabilities include advances received. No impairments of customer contract assets were recognised in the financial periods 2023 and 2022. A provision was recognised for receivables (sales receivables) arising from customer contracts based on expected credit losses in the financial period 2023. For more information, see Note 5.3 Financial risk management.

**Changes in assets based on customer contracts**

| EUR thousand 1 January–31 December 2023 | 1 January–31 December 2022 | |
|---|---|---|
| At the beginning of the financial period 1 January | 629 | 556 |
| Payments received during the financial period | -629 | -556 |
| Fulfilled but not invoiced obligations | 428 | 629 |
| **At the end of the financial period 31 December** | **428** | **629** |

| Changes in liabilities based on customer contracts<br>EUR thousand | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|
| At the beginning of the financial period 1 January | -1,255 | -1,219 |
| Amount recognised during the financial period | 1,255 | 1,219 |
| Payments received for outstanding obligations | -1,486 | -1,255 |
| **At the end of the financial period 31 December** | **-1,486** | **-1,255** |

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## 2.2 Other operating income

Other operating income includes income outside the core business.

Government grants are recognised as income advances in prepaid expenses and accrued income on the balance sheet when the grant is likely to be received and the Group meets the conditions for receiving the grant. Grants are recognised in the income statement as income for the period in which the costs covered by the grant are incurred.

Government grants received as compensation for expenses already incurred are recognised through profit or loss in the period during which the right to the grant arises.

| EUR thousand | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|
| Gains on the sale of property, plant and equipment | 15 | - |
| Grants | 120 | 278 |
| Other operating income and non-recurring items | 1,052 | 1,656 |
| **Total** | **1,187** | **1,935** |

The companies of the Barona Group have received subsidies related to the COVID-19 pandemic from Business Finland (business disruption financing) and the State Treasury (time-limited cost support for companies). Subsidies received by foreign companies come from the public sector and are comparable to those received from the State Treasury.

## 2.3 Materials and services

The item Materials and services includes expenses directly related to the core business.

| EUR thousand | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|
| Purchases during the financial period | -3,606 | -2,505 |
| External services | -9,757 | -9,290 |
| **Total** | **-13,363** | **-11,794** |

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## 2.4 Employee benefit expenses

The Group's pension plans are classified as defined contribution plans in the Group, with the exception of the group pension plan for employees and the annual years of service fee. In defined contribution plans, the Group makes fixed payments to separate units and the Group has no other payment obligations in addition to these payments. Contributions to defined contribution plans are recognised through profit or loss in the period to which the charge relates.

The liabilities of the Group's defined benefit plan have been calculated by using the Projected Unit Credit Method. Pension expenditure is recognised as an expense on the basis of the calculations carried out by authorised actuaries for the length of service of persons. The present value of the pension obligation is reduced by the fair value of the plan assets at the end of the reporting period. A net defined benefit pension liability (or asset) is recognised in the balance sheet. Current service cost (pension cost) and net interest on the net defined benefit liability are recognised through profit or loss. Items arising from the remeasurement of the net defined benefit liability (or asset) (including actuarial gains and losses) are recognised in other comprehensive income in the period in which they are incurred. The Group has a remuneration plan for employees based on the accumulation of years of service.

The obligations related to remuneration are calculated and the expense is allocated to years of service based on the actuarial calculation. The calculation takes into account the expected turnover of the personnel.

| EUR thousand | 1 January–<br>31 December 2023 | 1 January–<br>31 December 2022 |
|---|---|---|
| Salaries and fees | -299,158 | -291,872 |
| Pension expenses (defined contribution pension plans) | -50,442 | -49,707 |
| Pension expenses (defined contribution pension plans) | 232 | 226 |
| Other indirect employee expenses | -14,060 | -13,643 |
| **Total** | **-363,429** | **-354,997** |

| Average personnel | 1 January–<br>31 December 2023 | 1 January–<br>31 December 2022 |
|---|---|---|
| Employees | 6,894 | 7,077 |
| Salaried employees | 991 | 1,197 |

Information on management remuneration is provided in Note 7.3 Related parties and management's employment benefits.

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The Group has a defined benefit group pension plan and a years of service plan. The assets of the group pension plan are invested in insurance contracts managed by an insurance company, and it is not possible to obtain a more detailed breakdown of the assets. The group pension plan has been closed and no new members have been accepted. The plan's assets are invested in insurance agreements.

The net liability in accordance with the balance sheet is determined as follows:

| EUR thousand | Present value of obligations 2023 | 2022 | Fair value of assets 2023 | | Net defined benefit liability 2023 | 2022 |
|---|---|---|---|---|---|---|
| **At the beginning of the financial period** | **358** | **599** | **31** | **46** | **327** | **553** |
| **Income statement items** | | | | | | |
| Service costs | -51 | -232 | | | -52 | -232 |
| Interest expense (+)/income (-) | 12 | 1 | 1 | 0 | 11 | 1 |
| **Other comprehensive income:** | | | | | | |
| Restructuring gain(-)/loss(+) | 6 | -11 | 4 | -10 | 2 | -1 |
| Payments | | | -7 | -5 | 7 | 5 |
| **At the end of the financial period** | **325** | **358** | **28** | **31** | **296** | **327** |

| | | | |
|---|---|---|---|
| **Discount rate used in the calculation** | **3%** | | |
| +0.5 percentage point change effect: | | | |
| On defined benefit obligation | -7 | -2.3% | |
| On assets included in the plan | - | - | |
| | | | |
| **Wage increase used in the calculation** | **3%** | | |
| +0.5 percentage point change effect: | | | |
| On defined benefit obligation | 9 | 2.9% | |
| On assets included in the plan | - | - | |

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## 2.5 Other operating expenses

Other operating expenses include expenses other than the acquisition costs of performances sold, such as premises costs, information management and telephone costs, administration costs, maintenance and operating costs for machines and equipment, as well as marketing and communication costs and consultancy and expert fees. In addition, other operating expenses include rents recognised in the income statement for leases classified as short-term or leased assets classified as low-value, as well as rents recognised as expenses that are not index-based variable rents. Losses arising from the disposal of tangible and intangible assets are also presented in other operating expenses.

| EUR thousand | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|
| Travel expenses | -5,161 | -5,190 |
| Rents subject to IFRS 16 relief and variable rents | -3,203 | -2,826 |
| Other personnel-related expenses | -7,500 | -8,338 |
| Entertainment and marketing expenses | -2,705 | -3,605 |
| IT expenses | -9,039 | -5,987 |
| Office expenses | -1,294 | -1,270 |
| External services | -5,236 | -6,250 |
| Credit losses | -714 | -96 |
| Acquisition-related expenses [1] | -8,662 | -102 |
| Group services | -4,851 | -5,384 |
| Other expenses | -2,850 | -2,323 |
| **Total** | **-51,216** | **-41,372** |

[1] Further information in Note 4.1 Combination of businesses.

The increase in other operating expenses is mainly due to restructuring during the financial period.

IT expenses have increased due to the deployment of information systems. Research and development expenses are recognised as expenses.

**Auditors' fees**

| EUR thousand | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|
| Ordinary audit, PwC | -371 | -227 |
| Ordinary audit, KPMG | -30 | - |
| Other expert services | -12 | -15 |
| Tax advice | 0 | -5 |
| Other services | 0 | -2 |
| **Total** | **-414** | **-248** |

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## 2.6 Depreciation and impairment

Intangible and tangible assets with a limited useful life are recognised through profit or loss and amortised on a straight-line basis over their useful lives. The residual values, depreciation periods and depreciation methods of assets are reviewed at least at the end of each reporting period and, if necessary, adjusted to reflect the changes in expected economic benefits. Depreciation on intangible assets begins when the asset is ready for its intended use.

The economic useful lives used for intangible assets are:

| | |
|---|---|
| Capitalised software development costs | 3–5 years |
| Firmware and other assets | 3–10 years |
| Customer relationships and brands | 3–20 years |

The economic useful lives used for tangible assets are:

Machinery, equipment and other assets 3–5 years
Capitalised renovation of premises 1–15 years

The useful life of capitalised tenant renovations is the duration of a fixed-term lease or the estimated duration of the lease.

Depreciation of a right-of-use asset is recognised as a straight-line depreciation from the commencement date of the agreement, either over the useful life of the right-of-use asset or over the lease term, whichever is shorter.

With regard to right-of-use assets, the depreciation periods are:

| | |
|---|---|
| Buildings and constructions | 2–10 years (usually) |
| Machinery and equipment | 3–5 years |

The depreciation period and method of assets is estimated at the end of the reporting period. If the expected useful life of an asset differs from previous estimates, the depreciation period is adjusted accordingly. If there is a significant change in the expected chronological distribution of the economic benefit from the asset in question, the depreciation method is adjusted to reflect the changed situation.

**Depreciation and amortisation**

| EUR thousand | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|
| Intangible assets | -7,317 | -10,758 |
| Tangible assets | -1,404 | -1,012 |
| Right-of-use assets | -6,029 | -6,227 |
| **Total** | **-14,751** | **-17,997** |

Assets subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that their book values may not be recoverable. The amount by which the asset's book value exceeds its recoverable amount is recognised as an impairment loss. The recoverable amount corresponds to the fair value of the asset less costs of disposal or its use value, whichever is the greater. An impairment loss recognised is reversed if there is a change in the estimates used to determine the recoverable amount of the asset since the last impairment loss was recognised. However, an impairment loss is not reversed more than the book value of the asset without a recognition of impairment losses.

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## 2.7 Financial income and expenses

**Financial income**

| EUR thousand | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|
| Interest income | 58 | 43 |
| Exchange rate gains | 60 | 5 |
| Other financial income | 16 | 29 |
| **Financial income total** | **135** | **77** |

**Financial expenses**

| EUR thousand | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|
| Interest expenses on liabilities measured at amortised cost | -8,438 | -4,266 |
| Interest expenses on lease liabilities | -1,407 | -850 |
| Exchange rate losses | -169 | -674 |
| Other financial and fee and commission expenses | -122 | -167 |
| **Financial expenses total** | **-10,135** | **-5,957** |
| **Financial income and expenses total** | **-10,000** | **-5,880** |

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# 3. Operating assets and liabilities

## 3.1 Right-of-use assets

### Group as lessee

The leases of the Group can be divided into leases for premises, vehicles, IT and other small equipment. When concluding a contract, the Group assesses whether the contract is a lease or whether it includes a lease. Agreements in which the Group company does not rent a unique and separable premises or equipment, but purchases, as a service, the right to use the premises or equipment, are treated as service agreements. In these agreements, the service provider has a contractual de facto right to replace workstations or equipment and to decide on changes to them.

The lessee recognises in the balance sheet a right-of-use asset on the basis of the right to use that asset and a lease liability on the basis of the obligation to pay lease payments. The right-of-use item is amortised during the lease and the interest expense on the lease liability is presented as a financing expense.

At the start of the contract, the Group recognises the right-of-use asset and lease liability on the balance sheet. The Group applies the low-value and short-term lease relief and does not recognise the right-of-use asset or lease liability concerning them in the balance sheet. For these agreements, the rental expense is presented in straight-line amounts recorded in other operating expenses over the rental period.

The right-of-use asset is measured at the present value of future lease payments using the incremental borrowing rate as the discount rate (if the internal interest rate implicit in the lease cannot be easily determined), in which case the value of the right-of-use asset corresponds to the amount of the lease liability at the time the lease is concluded. In this case, the components of the incremental borrowing rate consist of the reference interest rate based on the lease term and the interest margin on the incremental borrowing. The share of service is separated and any extension options and sanctions for terminating the lease agreement are included in the lease term only when their use is reasonably certain. Index-based variable rents are included in the lease liability. Restoration costs are included in the initial value of the right-of-use asset.

The right-of-use asset is remeasured if the cash flow under the original terms of the lease changes. The lease liability is remeasured on the effective date of the change in the lease and the resulting change is recognised as an adjustment to the right-of-use asset. If the decrease in the lease liability exceeds the amount of the right-of-use asset, the difference is recognised through profit or loss.

### Significant management judgements: Determination of the lease term and exercise of extension options

The lease term is defined as the period during which the lease cannot be terminated, taking into account the extension options and the termination options, if it is reasonably certain that the Group intends to exercise the extension option or not to exercise the termination option. When determining the lease term of contracts in force until further notice, the Group also assesses the significance of the premises for the business, the renovations made to the premises, the availability of alternative premises and the costs arising from termination. Based on the estimate, the lease period of the contracts found to be significant has been internally determined to be 3–7 years. Other contracts in force until further notice, in which both parties (lessee and lessor) can terminate the agreement and its contractual obligations only with minor sanctions within less than 12 months, are treated as short-term leases.

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The Group management regularly assesses the significance of leased premises. This affects the interpretation of IFRS 16 as to how long the Group is likely to continue, for example, an indefinite lease or whether it will exercise its purchase, extension or termination option specified in the lease.

The part of the lease liability that relates to the lease capital is presented in the cash flows of the financing. The part relating to interest is presented in the cash flows of the business. Rents payable in respect of short-term or low-value agreements and variable leases that are not included in the determination of the lease liability are presented in the cash flows of the business.

### The Group as a lessor

The Group does not act as a lessor.

### Right-of-use asset

The Group recognises a right-of-use asset and a lease liability at the beginning of a lease. After the commencement date of the agreement, the right-of-use assets are measured at the acquisition cost less the accumulated amortisation and impairment losses, which is adjusted for certain items arising from the remeasurement of the lease liability. Depreciation of the right-of-use asset is recognised as straight-line depreciation from the commencement date of the lease, either over the useful life of the right-of-use asset or over the lease term, whichever is shorter. The right-of-use asset is tested for impairment, if applicable, and any impairment loss is recognised through profit or loss.

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| | 31 December 2023 | | |
|---|---|---|---|
| EUR thousand | Business premises and other premises | Other machinery and equipment | Total |
| **Acquisition cost on 1 Jan 2023** | **48,330** | **1,815** | **50,145** |
| Exchange rate differences | 2 | 0 | 1 |
| Increases | 5,959 | 572 | 6,531 |
| Decreases | -12,171 | -418 | -12,588 |
| **Acquisition cost on 31 Dec 2023** | **42,119** | **1,970** | **44,089** |
| **Accumulated depreciation 1 January 2023** | **-13,985** | **-773** | **-14,758** |
| Exchange rate differences | -4 | 0 | -4 |
| Accumulated depreciation on decreases and transfers | 9,438 | 400 | 9,839 |
| Depreciation and impairment for the financial period | -5,414 | -615 | -6,029 |
| **Accumulated depreciation 31 Dec 2023** | **-9,966** | **-245** | **-10,953** |
| **Book value 31 Dec 2023** | **32,154** | **1,725** | **33,136** |

| | 31 December 2022 | | |
|---|---|---|---|
| EUR thousand | Business premises and other premises | Other machinery and equipment | Total |
| **Acquisition cost 1 Jan 2022** | **21,782** | **1,338** | **23,121** |
| Exchange rate differences | -140 | -1 | -141 |
| Increases | 28,073 | 1,054 | 29,127 |
| Decreases | -1,385 | -577 | -1,962 |
| **Acquisition cost 31 Dec 2022** | **48,330** | **1,815** | **50,145** |
| **Accumulated depreciation, 1 Jan 2022** | **-9,770** | **-759** | **-10,530** |
| Exchange rate differences | 64 | 1 | 65 |
| Accumulated depreciation on decreases and transfers | 1,385 | 548 | 1,933 |
| Depreciation and impairment for the financial period | -5,664 | -562 | -6,227 |
| **Accumulated depreciation 31 Dec 2022** | **-13,985** | **-773** | **-14,758** |
| **Book value 31 Dec 2022** | **34,345** | **1,042** | **35,387** |

Depreciation and impairment of right-of-use assets is presented in Note 2.6 Depreciation and impairment. Further information on lease liabilities related to right-of-use assets is provided in Notes 5.3 Financial risk management and 5.4 Financial assets and liabilities. Rents recognised as expenses are presented in Note 2.5 Other operating expenses.

| Expenses related to leases | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|
| Interest expenses related to leases | -1,407 | -850 |
| Expenses related to short-term and low-value leases | -3,203 | -2,826 |
| Total cash flow from leases during the financial period | -8,226 | -7,554 |

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## 3.2 Trade and other receivables

Trade receivables are recognised on the balance sheet at their original invoicing value less any impairment. According to IFRS 9, impairment of trade receivables and customer contract assets must be recognised on a proactive basis on the basis of expected credit losses over the entire term. The Group applies the standard's simplified model to the recognition of impairment of trade receivables using a provision matrix based on historical review, and the model also takes into account information on future economic conditions available at the time of review. The Group hedges trade receivables through credit insurance and factoring, where the credit risk is transferred to the financier. As a result of these measures, the Group's realised credit losses are low.

When the Group produces performance by delivering products or services to a customer before the customer pays the consideration or the payment falls due and the right to the consideration depends on something other than the passage of time, the contract is presented in the financial statements in assets based on customer contracts.

Expected credit losses on loan receivables are determined on the basis of a general model. On this basis, the credit loss on loan receivables is determined on the basis of expected losses over a 12-month period when their credit risk has not increased significantly since initial recognition or when their credit risk is low. Otherwise, the loan receivables are moved to stage 2 or 3, in which case the credit losses are determined based on the expected credit losses over the entire term.

In addition, an impairment of a trade or other receivable is recognised if there is otherwise evidence of the debtor's insolvency, bankruptcy or liquidation. Impairment is recognised as an expense in other operating expenses. If payment is made later on an item previously recognised as an expense, it is recognised to reduce other operating expenses.

| EUR thousand | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Trade receivables | 48,186 | 46,958 |
| Prepaid expenses and accrued income | 3,760 | 4,273 |
| Other receivables | 20,089 | 14,568 |
| **Total** | **72,034** | **65,800** |

Credit risks related to trade receivables are described in more detail in Note 5.3 Financial risk management.

The largest item of other receivables is the group account receivable of EUR 17.4 million (gross value). The group account holder is Barona Oy's parent company Bravedo Oy. The management of the Barona Group has assessed Bravedo's credit loss risk as low. The receivable is allocated to the group account managed by Bravedo and the amount of expected credit losses is not significant

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## 3.3 Cash and cash equivalents

Cash and cash equivalents consist of cash, bank deposits that can be withdrawn on demand and any other highly liquid short-term investments that can be easily exchanged for a known amount of cash and have a low risk of changes in value. Cash and cash equivalents are measured at amortised cost.

| EUR thousand | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Cash and bank accounts | 2,722 | 7,175 |
| **Total** | **2,722** | **7,175** |

## 3.4 Trade and other payables

| EUR thousand | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Advance payments | 1,477 | 2,641 |
| Trade payables | 24,385 | 27,952 |
| Accrued liabilities and deferred income | 49,418 | 52,489 |
| Other liabilities | 26,778 | 26,768 |
| **Total** | **102,058** | **109,851** |

The largest item in accrued liabilities and deferred income are accruals related to personnel expenses, EUR 49.4 million (EUR 52.3 million), with holiday pay liabilities and ancillary expenses accounting for the largest part of them. The largest item of other current liabilities is value added tax liability of EUR 20.9 million (EUR 23.1 million).

## 3.5 Provisions

A provision is recognised when the Group has a legal or constructive obligation as a result of a previous event, it is probable that the payment obligation will be met and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenses required to cover the obligation. If it is possible to receive remuneration from a third party for part of the obligation, the remuneration is recognised as a separate asset, but only when it is practically certain that remuneration will be received. In situations where the time value of money is material, provisions are discounted in accordance with estimated future cash flows.

A provision is recognised for contracts when the fulfilment of obligations under the contract inevitably results in expenses that exceed the expected economic benefit of the contract. A restructuring provision is recognised when the Group has a detailed plan for the restructuring and its implementation has started or the key items of the plan have been communicated to those affected by the restructuring. A restoration provision is recognised when the Group has a contractual obligation to restore the land area or business premises to their original state.

The Group has no provisions on its balance sheet for the financial periods ended 31 December 2023 and 31 December 2022.

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# 4. Acquisitions and investments

## 4.1 Business combinations and divestments

### Business combinations 1 January–31 December 2023

When the Group acquires assets either through business combinations or other arrangements, management assesses the actual nature of the asset and its business operations in determining whether it is a business combination.

When an asset or group of assets does not form a business, the acquisition is not treated as a business combination. In this case, the Group recognises the acquisition of individual identifiable assets and liabilities assumed. The acquisition cost is allocated to the individual assets and liabilities in relation to their fair values at the time of acquisition. This type of transaction does not generate goodwill.

When acquired assets meet the definition of business, acquisitions are treated as business combinations. The Group recognises business combinations using the acquisition method. The accounting policy is the same regardless of whether the Group acquires the share capital or the business or part thereof of a legal company. The identifiable assets and liabilities of the object of acquisition are measured at their fair values at the acquisition date. Acquisition expenses, excluding expenses arising from the issue of debt or equity securities, are recognised as expenses. The consideration transferred does not include transactions that are recognised separately from the acquisition through profit or loss. Any contingent additional purchase price is measured at fair value at the time of acquisition and is classified as either a liability or equity. The additional purchase price classified as a liability is measured at fair value at the end of each financial period and the resulting gain or loss is recognised through profit or loss. An additional purchase price classified as equity is not remeasured.

Goodwill arising from the acquisition of foreign units and fair value adjustments made in connection with the acquisition of such foreign units are treated as assets and liabilities of such foreign units and are translated into euros at the exchange rate on the balance sheet date.

### Measurement of the fair value of acquired assets and liabilities and contingent consideration

In significant business combinations, the Group may use an external advisor to determine the fair values of acquired assets and liabilities. The fair values of acquired assets and liabilities are determined to the extent possible in accordance with available market values. If market values are not available, the measurement is based on the estimated revenue-generating capacity of the asset and its future use in the Group's business operations. In particular, the measurement of intangible assets is based on the present values of future cash flows and requires management estimates of future cash flows, discount rates and the use of assets.

The fair value of the contingent consideration at the acquisition date is recognised as part of the consideration for disposal. When a contingent consideration is classified as a financial liability, it is measured at fair value at the end of the reporting period and the change in fair value is recognised through profit or loss.

| Object of the procurement | Buyer | Acquisition date |
|---|---|---|
| Ensin Infra Oy (Barona Infra Oy) | Barona Oy | 5/2023 |
| Kompetenskonsult AB | Uggla Engineering Oy | 7/2023 |
| SensCare business | Barona Professionals Ab | 7/2023 |

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In May 2023, Barona Oy, the parent company of the Barona Group, acquired a 100% holding of the share capital of Ensin Infra Oy. The purchase price was EUR 0.1 million. No new previously unidentified intangible or tangible assets were identified at the time of the acquisition.

In July 2023, the Barona Group's subsidiary Uggla Engineering Oy acquired a majority holding in the Swedish company Kompetenskonsult Ab. The purchase price was EUR 0.9 million. No new previously unidentified intangible or tangible assets were identified at the time of the acquisition. Non-controlling interests are calculated on a pro rata basis from net assets. The majority shareholder is obligated to redeem the shares of the minority shareholders. For further information, see Note 6.2 Non-controlling interests.

In July 2023, the Barona Group's Swedish subsidiary Barona Professionals Ab acquired the business of Sens Care/MixMedicare Ab. The purchase price was EUR 0.1 million. No new previously unidentified intangible or tangible assets were identified at the time of the acquisition. The impact of the acquired business on the Group's revenue or profit for the period is negligible.

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The table below summarises the consideration paid and the fair value at the date of acquisition of the assets acquired and liabilities assumed:

| EUR thousand | |
|---|---|
| **Assets** | |
| Trade and other receivables | 995 |
| Cash and cash equivalents | 319 |
| **Total assets** | **1,314** |
| | |
| **Liabilities** | |
| Deferred tax liabilities | 7 |
| Trade payables and other current liabilities | 1,132 |
| Non-controlling interests | 94 |
| **Total liabilities** | **1,233** |
| | |
| **Total identifiable net assets** | **81** |
| | |
| **Consideration given** | |
| Purchase price paid in cash | 708 |
| Purchase price liability related to acquisitions | - |
| **Total consideration given** | **708** |
| | |
| **Goodwill arising from acquisitions** | **628** |
| | |
| **Cash flow impact** | |
| Purchase price paid in cash | 708 |
| Acquired cash and cash equivalents | -319 |
| Acquisition-related costs | 62 |
| **Total cash flow effect** | **452** |

Goodwill arising from the acquisition consists mainly of synergy benefits achievable from the combination of business operations,
such as international growth. In connection with the acquisitions, approximately 40 people joined the Group.
The completed business combinations only have a minor impact on the Group's revenue and profit for the financial period.

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## Disposals of business operations 1 January–31 December 2023

Control over Free-laskutus Oy and its subsidiaries was lost as a result of a business combination during the financial period. The transaction was carried out through a share issue. Following the arrangement, the Barona Group's parent company Barona Oy's holding in Free-laskutus Oy is 32.85%. The loss of control has been treated in the Group as a sale of a subsidiary and the loss on disposal of EUR 8.4 million is included in other operating expenses. The companies have been merged as subsidiaries until 30 November 2023 and as associated companies from 1 February 2023.

The table below summarises the net assets of the divested business at carrying amounts:

| EUR thousand | |
|---|---|
| **Assets** | |
| Other intangible assets | 1,030 |
| Tangible assets | 6 |
| Trade and other receivables | 1,829 |
| Cash and cash equivalents | 1,498 |
| **Total assets** | **4,364** |
| **Liabilities** | |
| Trade payables and other current liabilities | 4,858 |
| **Total liabilities** | **4,858** |
| **Total identifiable net assets** | **-494** |
| **Cash flow impact** | |
| Cash and cash equivalents of the divested business | -1,498 |
| **Total cash flow effect** | **-1,498** |
| **The effect of the sale on the income statement and balance sheet** | |
| Sales price - | |
| Net assets of the divested company | 494 |
| Previous transactions and cancellations of group eliminations | -8,892 |
| **Loss on disposal** | **-8,398** |

The sale of the business resulted in a loss on disposal as the value of the company's share capital decreased significantly and net assets turned negative.

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## 4.2 Goodwill and intangible assets

Intangible assets consist mainly of capitalised R&D costs related to new products and services, software, brands and customer relationships based on agreements.

Goodwill corresponds to the portion of the acquisition cost that exceeds the Group's share of the fair value of the net assets of the acquired company or business at the time of acquisition. Goodwill is not amortised, but it is tested annually for any impairment. For impairment testing purposes, goodwill is allocated to the cash-generating units of the Group. Goodwill is measured at original acquisition cost less impairment, which is described in more detail in Note 4.4 Annual impairment test. Goodwill arising from the acquisition of associated companies is presented on the consolidated balance sheet as part of the acquisition cost of the associated company.

Intangible assets with an unlimited useful life are not amortised. They are tested for impairment annually and whenever there are indications of any impairment. The Group does not have intangible assets with an unlimited useful life.

Intangible assets include trademarks and customer relationships acquired in connection with acquisitions, as well as other intangible assets. Intangible assets acquired in a business combination are measured at fair value at the time of acquisition.

An intangible asset is recognised on the balance sheet only if the acquisition cost of the asset can be reliably determined and if it is probable that the expected economic benefit from the asset will benefit the Group. After initial recognition, intangible assets are measured at cost less accumulated amortisation and impairment losses.

No amortisation is recognised on advance payments and incomplete acquisitions, but they are tested for impairment, if necessary.

Research expenses are recognised as expenses. Development expenses are capitalised when it is probable that the development project will generate future financial benefits for the Group and the criteria related to commercial and technical feasibility are met. Development projects may relate to the development of new or significantly improved products or processes.

Expenses related to the maintenance of current products and services are recognised as an expense when incurred. The costs of developing new products and services directly attributable to the design and testing of the software products controlled by the Group are recognised as intangible assets in the balance sheet when the following criteria are met:

- The completion of a new software product is technically feasible so that it can be deployed
- The management has the intention to complete, use and sell the new software product and service
- The new software product and service can be used or sold
- Ability to demonstrate how the new software product and service will generate probable economic benefits
- Sufficient technical, financial and other resources are available to complete the development work and to use or sell the software product and service
- Expenditure on the new software product and service during the development phase can be reliably determined

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Direct costs capitalised as part of a software product include the personnel costs for the software development. The expenses of information systems acquired as a service are recognised through profit or loss. Expenses arising from the implementation and customisation of information systems are recognised as expenses at once or are accrued over the term of the service agreement, depending on the implementer of the deployment project (i.e. whether the service can be differentiated). The integration portion of systems under the Group's control is capitalised on the balance sheet and recognised as depreciation over the useful life. In this respect, the accounting policy corresponds to the agenda decision of the IFRS Interpretation Committee for 2021.

Other development costs are recognised as expenses when incurred. Development costs previously recognised as expenses are not capitalised in later periods. Capitalised, new software development costs are recognised as depreciation over their estimated useful lives, which do not exceed five years. Depreciation begins when the asset is ready for its intended use.

Assets related to customer contracts are capitalised when the criteria are met and recorded as depreciation over the expected term of the customer contract. Other intangible assets are recognised on the balance sheet at their original cost.
A gain or loss arising from the derecognition of an intangible asset is determined as the difference between the disposal price and the carrying amount of the asset and recognised in other operating income or expenses in the income statement.

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| | 31 December 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| EUR thousand | Goodwill | Systems | Development expenses | Others Customer relationships and brands | Others intangible assets | Advance payments | Total |
| **Acquisition cost on 1 Jan 2023** | **180,330** | **23,834** | **12** | **58,720** | **724** | **520** | **264,139** |
| Exchange rate differences | -286 | 0 | - | -92 | 0 | 0 | -378 |
| Increases | - | 1,996 | - | - | 1,088 | 981 | 4,065 |
| Combination of businesses | 629 | - | - | - | - | - | 629 |
| Decreases | -9,221 | -1,193 | -19 | 0 | -75 | -571 | -11,079 |
| **Acquisition cost on 31 Dec 2023** | **171,453** | **24,637** | **-7** | **58,627** | **1,736** | **930** | **257,376** |
| **Accumulated depreciation 1 January 2023** | **-427** | **-13,395** | **-11** | **-39,272** | **-504** | | **-53,609** |
| Exchange rate differences | - | -1 | - | 18 | 0 | | 17 |
| Accumulated depreciation on decreases and transfers | 303 | 753 | 19 | - | 63 | | -1,138 |
| Depreciation and impairment for the financial period | | -3,717 | -2 | -3,231 | -367 | | -7,317 |
| **Accumulated depreciation 31 Dec 2023** | **-125** | **-16,360** | **7** | **-42,485** | **-807** | | **-59,770** |
| **Book value 31 Dec 2023** | **171,328** | **8,277** | **0** | **16,142** | **929** | | **930,197,606** |

| | 31 December 2022 | | | | | | |
|---|---|---|---|---|---|---|---|
| EUR thousand | Goodwill | Systems | Development expenses | Others Customer relationships and brands | Others intangible assets | Advance payments | Total |
| **Acquisition cost 1 Jan 2022** | **181,362** | **18,926** | **116** | **58,961** | **169** | **827** | **260,361** |
| Exchange rate differences | -639 | -2 | - | -241 | -388 | -13 | -896 |
| Increases | - | 4,420 | - | - | 199 | 107 | 4,725 |
| Combination of businesses | 943 | - | - | - | - | | 943 |
| Decreases | -1,337 | -68 | - | - | - | - | -1,405 |
| Transfers between items | - | - | -104 | - | - | -477 | -581 |
| Other adjustments | - | 559 | - | - | 356 | 77 | 992 |
| **Acquisition cost 31 Dec 2022** | **180,330** | **23,834** | **12** | **58,720** | **724** | **520** | **264,139** |
| **Accumulated depreciation, 1 Jan 2022** | **-427** | **-9,808** | **-7** | **-32,288** | **-112** | | **-42,643** |
| Exchange rate differences | - | 7 | | 127 | 0 | | 134 |
| Accumulated depreciation on decreases and transfers | | 68 | | | 0 | | 68 |
| Depreciation and impairment for the financial period | | -3,662 | -4 | -7,009 | -83 | | -10,758 |
| Other adjustments | - | - | - | -102 | -308 | | -410 |
| **Accumulated depreciation 31 Dec 2022** | **-427** | **-13,395** | **-11** | **-39,272** | **-504** | | **-53,609** |
| **Book value 31 Dec 2022** | **179,902** | **10,440** | **2** | **19,447** | **220** | | **520,210,530** |

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## 4.3 Property, plant and equipment

The Group defines assets that are expected to be used in more than one financial period and that are used to manufacture goods or services or are used for administrative purposes as property, plant and equipment. The Group's property, plant and equipment includes machinery and equipment.

Tangible assets are measured at cost less accumulated depreciation and Impairment. The acquisition cost comprises the purchase price and all other expenses that are directly attributable to bringing the asset to a location and condition that enables it to function as intended by the management. The acquisition cost of tangible assets acquired in business combinations is the fair value at the time of acquisition.

The acquisition cost of a tangible asset includes the purchase price and all expenses that are directly attributable to bringing the asset to a location and condition that enables it to function as intended by management. In addition, the costs of dismantling and transferring the asset and restoring the asset's location to its original condition are included in the acquisition cost.

Subsequently incurred expenses are included in the acquisition cost of a tangible asset if it is probable that the future economic benefit related to the asset will benefit the Group and the acquisition cost of the asset can be reliably determined. Ordinary repair and maintenance costs are recognised as expenses as they are incurred. The residual value and useful life of assets are regularly assessed and, if necessary, adjusted to reflect changes in expectations of economic benefits.

The renovation costs of leased premises arise from the repair and conversion of the premises to make them suitable for the Group's business operations, and they are depreciated within the remaining lease term of the leased premises as specified in the lease agreement. If the lease agreement is valid until further notice, management will assess the useful life separately.

No depreciation is recognised on advance payments and incomplete purchases included in property, plant and equipment. Depreciation starts when the asset is completed.

A tangible asset is derecognised when it is disposed of or when no future economic benefit is expected from its use or disposal. A gain or loss arising from the derecognition of a tangible asset is included in other operating income or other operating expenses in the income statement.

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| EUR thousand | Machinery and equipment | Others tangible assets | Advance payments | Total |
|---|---|---|---|---|
| **31 December 2023** | | | | |
| **Acquisition cost on 1 Jan 2023** | **8,437** | **2,710** | **2,711** | **13,857** |
| Exchange rate differences | 6 | 0 | - | 6 |
| Increases | 7,000 | 269 | - | 7,269 |
| Decreases | -889 | -416 | -2,711 | -4,016 |
| Transfers between items | -5 | - | - | -5 |
| **Acquisition cost on 31 Dec 2023** | **14,548** | **2,563** | **-** | **17,111** |
| **Accumulated depreciation and impairment 1 Jan 2023** | **-3,751** | **-1,226** | | **- -4,978** |
| Exchange rate differences | -4 | -3 | | - -7 |
| Accumulated depreciation on decreases and transfers | 852 | 416 | | - 1,268 |
| Depreciation and impairment for the financial period | -1,214 | -192 | | - -1,406 |
| **Accumulated depreciation and impairments 31 Dec 2023** | **-4,117** | **-1,005** | | **- -5,122** |

**Book value 31 December 2023 10,431,158 - 11,988**

**31 December 2022**

| EUR thousand | Machinery and equipment | Other property, tangible | Advance payments | Total |
|---|---|---|---|---|
| **Acquisition cost 1 Jan 2022** | **4,583** | **1,799** | **871** | **7,253** |
| Exchange rate differences | -93 | 0 | - | -94 |
| Increases | 3,947 | 872 | 2,222 | 7,041 |
| Decreases | -13 | - | -382 | -395 |
| Transfers between items | 13 | 40 | - | 53 |
| **Acquisition cost 31 Dec 2022** | **8,437** | **2,710** | **2,711** | **13,857** |
| **Accumulated depreciation and impairment 1 Jan 2022** | **-2,984** | **-1,011** | **-** | **-3,995** |
| Exchange rate differences | 71 | 0 | - | 71 |
| Accumulated depreciation on decreases and transfers | -2 | -40 | - | -42 |
| Depreciation and impairment for the financial period | -836 | -176 | - | -1,012 |
| **Accumulated depreciation and impairments 31 Dec 2022** | **-3,751** | **-1,226** | **-** | **-4,978** |
| **Book value 31 Dec 2022** | **4,685** | **1,484** | **2,711** | **8,880** |

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## 4.4 Impairment testing

The carrying amounts of assets are assessed for any impairment at least at the end of each financial period. An impairment loss is recognised immediately through profit or loss when the carrying amount of an asset exceeds the amount recoverable from it. The recoverable amount of intangible assets with goodwill and an unlimited useful life is assessed annually, or more frequently if there are any indications of impairment. The need to recognise an impairment is examined at the level of the cash-generating units, i.e. at the lowest unit level that is mainly independent of other units. Impairment losses recognised on goodwill are not reversed.

If an impairment loss is allocated to a cash-generating unit, it is allocated first to reduce goodwill allocated to the cash-generating unit and then to reduce the unit's other assets pro rata. However, an impairment loss is not reversed more than the carrying amount of the asset without the recognition of the impairment loss.

### Cash-generating units

The recoverable amounts of the cash-generating units have been determined using calculations based on value in use. The forecast cash flows in these calculations are based on financial plans approved by management covering a 5-year period. The calculations require the making of forward-looking estimates, in which management assesses the development of supply and demand for products, the cost level, productivity and other uncertainties affecting revenue and profitability. The discount rate is based on the current risk-free interest rate as well as risk increments based on market information.

Cash flow projections are based on management-approved projections covering a five-year period. The key factors influencing the forecasts are the development of long-term growth, EBITDA and discount rate. The projections take into account the Group's market position, general economic development and the Group's actual development in key factors affecting the projections. After the five-year projection period approved by the Group's top management, the cash flows have been extrapolated by using the projected growth rate below, which does not exceed the average long-term growth rate of the Finnish economy.

Relative profitability at the EBITDA level for the forecast period and revenue are expected to continue to grow again after 2024 in accordance with the Group's strategy. Any acquisitions or expansion investments have not been taken into account in the growth assumptions. Maintenance investments are expected to grow at the same rate as revenue. Growth and profitability have been compared to the company's history and the growth and profitability forecasts of benchmark companies operating in the same sector.

### Changes in goodwill

| EUR thousand | 31 December 2023 | 31 December 2022 |
|---|---|---|
| At the beginning of the financial period 1 January | 179,902 | 180,935 |
| Exchange rate differences | -286 | -639 |
| Combination of businesses | 629 | 943 |
| Divestments of business operations | -8,918 | -1,337 |
| **At the end of the financial period 31 December** | **171,328** | **179,902** |

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## Goodwill allocation

In annual impairment testing, goodwill and brands with an unlimited useful life are allocated to cash-generating units. The business operations within the cash-generating units mainly use the same procurement, sales and administrative resources. The Group's top management, i.e. the Board of Directors, the CEO and the Management Group, monitors the performance and goodwill of business operations by business areas, which is considered to be cash-generating units.

Goodwill is allocated to cash-generating units in accordance with the tables below:

**31 December 2023**

| EUR thousand | Goodwill |
|---|---|
| Working life services | 171,328 |
| **Total** | **171,328** |

**31 December 2022**

| EUR thousand | Goodwill |
|---|---|
| Working life services | 179,902 |
| **Total** | **179,902** |

In the Group's impairment testing, the cash-generating units' recoverable amounts have been determined based on value in use. The annual impairment testing was carried out at the end of December. Cash flow forecasts are based on forecasts approved by management.

With regard to annual impairment testing, the most important assumptions are terminal revenue growth, terminal profitability (EBITDA %) and the discount rate. The forecast EBITDA % and revenue growth are based on the latest forecasts approved by management and the view of market growth. In the management's view, these growth estimates reflect the long-term development of the business in line with the forecasts.

**Main assumptions used in goodwill testing as at 31 December 2023:**

| | |
|---|---|
| Forecast period 5 years Terminal growth rate | 1.0% |
| Terminal profitability (EBITDA %) | 6.8% |
| Discount rate (Pre-tax WACC) | 11.2% |
| Discount rate (Post-tax WACC) | 9.3% |

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**Main assumptions used in goodwill testing as at 31 December 2022:**

| | |
|---|---|
| Forecast period | 5 years |
| Terminal growth factor | 1.0% |
| Terminal profitability (EBITDA %) Discount rate (Pre-tax WACC) Discount rate (Post-tax WACC) | 6.4% |
| | 10.8% |
| The discount rate used in the annual impairment testing of goodwill is the weighted | 9.6% |

average cost of capital (WACC) before tax. The estimate of the discount rate is based on the return on the 10-year Finnish sovereign bond, the risk (beta) assessed with the help of benchmark companies and the optimum capital structure, market risk premium, small company premium and the interest margin on external capital.

Based on the test calculations prepared, the recoverable amount of the cash-generating unit exceeded the carrying amount by EUR 50.6 million on 31 December 2023 (31 December 2022: EUR 31.8 million). Based on the annual impairment testing of the Group's cash-generating units, no impairment has been recognised for the ending or preceding financial periods.

**Sensitivity analysis**

The Group has assessed the sensitivity of goodwill impairment with regard to the impact of changes in the most critical assumptions used in the calculation. The table below shows the required change in an individual assumption with which the recoverable amount would be less than the carrying amount.

| Variable | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| **Terminal growth rate** | | |
| Business Services | -3.1 percentage points | -2.6 percentage points |
| **Terminal decrease in profitability (EBITDA %)** | | |
| Business Services | -1.1 percentage points | -0.6 percentage points |
| **Increase in discount rate (Pre-tax WACC)** | | |
| Business Services | 4.5 percentage points | 3.2 percentage points |

When assessing the recoverable amount of cash-generating units, management assesses that any change in any of the key variables used would not lead to a situation where the recoverable amounts of the cash-generating units would be less than their carrying amount.

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# 5. Financing and capital structure

## 5.1 Capital management

Equity shown on the consolidated balance sheet is managed as capital. The aim of the Group's capital management is to use an optimum capital structure to support the business by ensuring competitive operational preconditions and enabling the implementation of the strategy.

In addition to operating cash flow, the capital structure is influenced through, for example, any share issues and repurchases of shares, increases or repayments of debt financing, any conversions between capital items and operational decisions on investments, growth and possible sales of assets. The resolutions of the Annual General Meeting and the authorisations granted to the Board of Directors are presented in the Report of the Board of Directors.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide the Group with returns and an increase in invested capital for the Group's shareholders. The Group manages the capital structure and adjusts it to take account of economic conditions. The Group continuously monitors the management of its equity. In order to maintain or develop its capital structure, the Group may change its dividend distribution policy, issue new shares and/or increase/reduce its loans.

The most important capital management indicator monitored by the Group is the development of net debt in relation to EBITDA.

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## 5.2 Equity

The Group's equity consists of share capital, the reserve for invested unrestricted equity, translation differences, retained earnings and non-controlling interests. The share subscription price has been entered in the reserve for invested unrestricted equity to the extent that it has not been designated as a subscription to share capital. Investments in the reserve can also be made without a share issue.

The dividend proposed by the Board of Directors has not been deducted from distributable equity before the approval of the AGM.

The Group classifies the instruments it issues as either equity or financial liabilities, depending on their nature. An equity instrument is any agreement that represents a right to a share of the company's assets after deducting all its liabilities.

Translation differences include foreign units' equity at the time of acquisition and translation differences arising from the translation of the consolidated figures. The change in translation differences is presented in comprehensive income.

| Number of shares | Class A (qty) | Class B (qty) | Total number of shares (qty) | Share capital, EUR | Reserve for invested unrestricted equity, EUR |
|---|---|---|---|---|---|
| **31 December 2023** | 9,675,572 | 100,000,000 | **109,675,572** | 2,500 | 65,278,049 |
| Distribution of funds | | | | | -5,421,264 |
| **31 December 2022** | 9,675,572 | 100,000,000 | **109,675,572** | 2,500 | 70,699,313 |

**Share classes**

The company has two share classes, series A shares and series B shares. The series A and series B shares provide equal voting rights. Each series A share and series B share produces one vote in all matters discussed at the Annual General Meeting. The shares are subject to a redemption clause as defined in the Articles of Association. The shares have no nominal value.

Series A shares have a special right to a notional dividend specified in the Articles of Association in situations where the company distributes a Group contribution to parties other than the company's subsidiaries. At the time of the distribution of the Company's assets, the series B share holders have the right to first receive an amount equal to the investments made by the holder of the series B shares, other than the subscription price of the shares, in the Company's reserve for invested unrestricted equity. Except as described above, series A shares and series B shares provide equal rights in dividend payments or other distribution of assets situations.

The total number of shares on 31 December 2023 and 31 December 2022 was 109,675,572, of which 9,675,572 A shares and 100,000,000 B shares. All shares issued by the parent company are fully paid. The company does not hold its own shares.

There were no share issues or subscriptions in the Company in 2023.

**Distributable funds and dividends**

The distributable funds of the parent company on 31 December 2023 were EUR 53,958,457. Of this amount, the loss for the financial period was EUR -7,497,073.

The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for the financial period 2023 and that the profit for the financial period be transferred to retained earnings.

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## 5.3 Financial risk management

Barona is exposed to various financial market risks, which are managed in accordance with risk management measures approved by the Board of Directors. The main objective of the Group's financial operations is to secure sufficient funding and to identify, measure and manage financial risks while minimising the adverse effects of changes in the financial markets. The main financial risks are interest rate risk, credit risk related to trade receivables and liquidity risk.

The Board of Directors of Barona approves the Group's general principles of risk management and their practical implementation is the responsibility of Barona's management. Barona's management identifies and assesses risks and acquires the necessary instruments to protect itself against the risks. Possible hedging transactions are carried out in accordance with the risk management principles approved by the Board of Directors. The company can use interest rate swaps or other hedging principles in risk management. Derivative instruments have not been used during the period.

### Interest rate risk

The aim of risk management with regard to interest rate risk is to reduce the impact of changes in interest rates on the company's result. Changes in market interest rates have effects on the interest rates of the Group's loan portfolio and interest-bearing receivables and liabilities.
The Group's financing is mainly provided by an internal loan received from the Bravedo Group's parent company, Bravedo Oy. Interest rate risk is mainly managed by Bravedo Oy.

Through its loan portfolio, the Group is exposed to interest rate risk arising from floating-rate loans. The Group's loan from financial institutions on the closing date 2023 was floating-rate. The loans are not directly subject to financial covenants. Interest-bearing liabilities also expose the fair value to interest rate risk due to the long duration of interest-bearing liabilities. The duration of the Group's interest-bearing liabilities is mainly less than 2 years.

On 31 January 2023, the Group had a total of EUR 125.7 million of interest-bearing financial liabilities (EUR 105.9 million on 31 December 2022), of which EUR 13.0 million is a financial institution loan and EUR 112.7 million is a financial loan granted by Barona Oy's parent company Bravedo Oy. The loans are floating-rate and Euribor-linked, so their book values can be deemed to correspond to fair values to a material extent. On the closing date, the loans were denominated in euros.

The interest on the financial institution loan is tied to the 3-month Euribor rate. The interest rate on the loan was 6.08% on 31 December 2023 (4.65% on 31 December 2022). The loan matures in December 2025 and includes an option to extend the loan for 1+1 years.

The interest rate of the financial loan granted by the parent company Bravedo Oy is determined by the average interest rate of the parent company's external financing tied to the 3 month Euribor rate plus 1 percentage point. The interest rate on the loan was 7.58% on the closing date (4.0% on 31 December 2022). The loan matures on 1 June 2024. The loan is classified as current in the financial statements, but loan negotiations are ongoing and the loan will be renewed in May 2024.

Current interest-bearing financial liabilities are comprised of EUR 40.1 million of gross debt (EUR 18.0 million on 31 December 2022) in the consolidated accounts and amortisation of the financial loan granted by Bravedo Oy for the following year (EUR 68.6 million). The loan is classified as current in the financial statements, but loan negotiations are ongoing and the loan will be renewed in May 2024.

Had interest rates been one percentage point higher/lower, interest expenses on financial loans would have been EUR 0.9 million higher/lower for the financial period ended 31 December 2023 (2022: EUR 0.1 million).

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## Currency risk

The figures concerning the profit and loss and financial position of the Group's units are measured in the currency which is the currency in the principal operating environment of each unit (functional currency). Currency risk may arise from recognised assets and liabilities denominated in a currency other than the operating currency of the Group company concerned. The Group's operations are mainly domestic, so it is not significantly exposed to currency risks.

The Group's primary operating areas are in Finland and the other Nordic countries. In respect of currencies, the Group is exposed to:

a) Transaction risk relating to commercial transactions and payments of Group companies that are denominated in currencies other than the companies' operating currencies. However, they are relatively insignificant for the Group. At the time of the financial statements, the Group has not hedged against transaction risk. Net foreign exchange losses for the financial period ended 31 December 2023 were EUR 0.2 million (2022: EUR 0.7 million).

b) Translation risk arising when the goodwill, fair value adjustments or equity of a subsidiary is denominated in a currency other than the parent company's operating currency. At the end of the financial period, the combined translation risk formed by the Group's non-euro-denominated goodwill and fair value adjustments and the equity of subsidiaries was EUR 0.6 million (2022: EUR 0.4 million). On the closing date, the Group did not hedge against the exchange rate risk associated with the translation risk.

## Credit risks

The Group's credit risk consists mainly of the credit risk of business-related trade receivables. The credit risk related to trade receivables is managed through customer-specific credit decisions in accordance with the Group's credit policy. Credit risk has been transferred outside the Group through credit insurance. Loans, other receivables and cash and cash equivalents also involve credit risk, but the Group has analysed it as negligible.

Barona actively manages the credit risk. More than 90% of trade receivables are covered by credit insurance. The deductible for credit risks of insurance receivables is 5% and the maximum compensation per insurance period is EUR 6.0 million. In addition to comprehensive insurance, the domestic sale of receivables is carried out under an arrangement whereby the credit risk is transferred to the sponsor. Especially large customer relationships are involved in the arrangement. Factoring accounts for 47% of domestic sales invoicing and for 40% of the entire Group's sales invoicing. According to the management's assessment, the credit risk of open receivables at the balance sheet date is limited considering the customers' historical payment behaviour, the amount of open receivables and age distribution.

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| EUR thousand | 31 December 2023 | 31 December 2022 |
|---|---|---|
| **Not due** | **30,932** | **45,364** |
| **Overdue** | **17,596** | **1,595** |
| Less than 30 days | 15,164 | 1,003 |
| 31–60 days | 1,449 | 260 |
| 61–90 days | 815 | 226 |
| 91–120 days | 17 | 77 |
| More than 120 days | 150 | 29 |
| **Total** | **48,528** | **46,958** |

**Credit loss provisions based on expected credit loss analysis:**

| EUR thousand | 31 December 2023 | 31 December 2022 |
|---|---|---|
| **Not due** | **84** | - |
| **Overdue** | **342** | |
| Less than 30 days | 16 | - |
| 31–60 days | 224 | - |
| 61–90 days | 16 | - |
| 91–120 days | 1 | - |
| More than 120 days | 84 | - |
| **Total** | **426** | - |

The balance sheet value of trade receivables includes an estimated credit loss provision recognised for both outstanding and overdue receivables, which was EUR 0.4 million (2022: not recognised) at the balance sheet date on 31 December 2023. The parameters used to assess credit risk have remained unchanged.

The Group insures more than 90% of its trade receivables through credit loss insurance and manages credit risk through factoring. The Group has an effective credit management process. Based on these factors and historical information about credit losses, management regularly assesses the need to recognise a separate provision for expected credit losses. EUR 0.3 million was derecognised as final credit losses for the 2023 financial period (2022: EUR 0.1 million).

## Liquidity risk

Liquidity risk indicates the risk that the company's short-term cash and loan arrangements would be insufficient in a way that would affect the implementation of the company's long-term strategy. The aim is to reduce liquidity risk by ensuring the availability of long-term financing and maintaining sufficient cash and cash equivalents. Refinancing risk is reduced by the Group structure and the financing and liquidity management opportunities it provides, as well as the possibility of using the overdraft facility.
Liquidity risk in the company is monitored by both short-term cash flow forecasts and 12-month rolling forecasts. The short forecast is updated daily and the rolling forecast is updated monthly. This will ensure that sufficient funds are available for business needs. During the year, the Group also raised funding through the sale of receivables arrangement. The credit and delay risk of the receivables has been transferred to the financing company in full and the items have been derecognised. According to the financing agreement between the Group and the financial institution, the Group has the opportunity to further increase the share of sold trade receivables significantly compared to the current level, which improves the turnover rate of trade receivables and thereby reduces the Group's liquidity risk.

The following table shows the Group's future repayments, interest payments and payments of interest to be added to the capital, broken down by residual contractual maturity at the balance sheet date. The figures in the table are contractual undiscounted cash flows.

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**Maturity distribution of financial liabilities as at 31 December 2023**

| EUR thousand | Total | less than 1 | 1–2 years | 2–5 years | over 5 years |
|---|---|---|---|---|---|
| Loans from financial institutions | 14,612 | 814 | 13,798 | - | - |
| Other interest-bearing liabilities | 115,593 | 111,257 | 4,336 | - | - |
| Tenancy agreement liabilities | 41,098 | 6,216 | 5,512 | 10,497 | 18,874 |
| Trade and other payables | 36,644 | 36,644 | - | - | - |
| **Total** | **207,947** | **154,930** | **23,646** | **10,497** | **18,874** |

Other interest-bearing liabilities due after less than one year include a group account liability and a financial loan granted by the parent company Bravedo Oy. The loan is classified as current in the financial statements, but loan negotiations are ongoing and the loan will be renewed in May 2024.

**Maturity distribution of financial liabilities as at 31 December 2022**

| EUR thousand | Total | less than 1 | 1–2 years | 2–5 years | over 5 years |
|---|---|---|---|---|---|
| Loans from financial institutions | 14,608 | 538 | 539 | 13,532 | - |
| Other interest-bearing liabilities | 98,105 | 28,051 | 70,054 | - | - |
| Tenancy agreement liabilities | 42,669 | 6,271 | 5,530 | 11,472 | 19,396 |
| Trade and other payables | 44,467 | 44,467 | - | - | - |
| **Total** | **199,849** | **79,327** | **76,122** | **25,004** | **19,396** |

## 5.4 Financial assets and liabilities

Financial assets are classified according to IFRS 9 based on the Group's financial asset management business model and their contractual cash flow characteristics into the following categories: financial assets at fair value through profit or loss and financial assets measured at amortised cost. Financial liabilities are classified as financial liabilities at fair value through profit or loss and financial liabilities measured at amortised cost.

At initial recognition, the Group measures a financial asset at fair value and, in the case of a financial asset that is not recognised at fair value through profit or loss, the transaction costs directly attributable to the item are added to or subtracted from it. At initial recognition, financial assets measured at fair value through profit or loss are recognised at fair value in the balance sheet and transaction costs are recognised through profit or loss. At initial recognition, the Group measures a financial liability at fair value and the transaction costs directly attributable to the item are added to or subtracted from it.

Financial assets are derecognised from the balance sheet when the Group's contractual right to cash flows has expired or has been transferred to another party or when the Group has transferred substantially all of its risks and rewards of ownership outside the Group. A financial liability is derecognised from the balance sheet when the Group either pays the lender the liability or is legally relieved of the principal liability as a result of a legal process or by the lender.

### Financial assets measured at amortised cost

A financial asset recognised at amortised cost is a financial asset whose objective of the business model is to hold financial assets and to collect contractual cash flows that consist solely of payments of principal and interest. This item consists of trade, credit and other receivables which are non-derivative assets. Assets classified in the group are measured on an amortised cost basis using the effective interest method. The book value of short-term trade receivables and other receivables is deemed to correspond to their realisable value. The expected realisable value of trade receivables and other receivables corresponds to the original value (invoicing value) less provisions for credit losses. Assets are presented in the balance sheet as current assets if they are expected to be realised within 12 months of the end of the reporting period.

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Non-current interest-bearing receivables consist of a convertible bond loan granted to an associated company.

### Financial assets at fair value through profit or loss

Non-current financial assets measured at fair value through profit or loss consist of listed shares and a call option.

Financial assets at fair value through profit or loss are those financial assets that have been acquired and held for trading or that are designated as assets recognised at fair value through profit or loss at the time of initial recognition. The Group's financial assets recognised at fair value through profit or loss consist of unquoted shares. Realised and unrealised gains and losses arising from changes in fair value are recognised through profit or loss.

Impairment of financial assets and risk management are described in Note 5.3 Financial risk management.

### Classification and measurement of financial liabilities

The Group's financial liabilities are classified as financial liabilities at fair value through profit or loss and financial liabilities measured at amortised cost. The Group has no financial liabilities at fair value through comprehensive income.

Financial liabilities are included in non-current and current liabilities and may be interest-bearing and non-interest-bearing. Financial liabilities are classified as current unless the Group has the unconditional right to postpone payment of the debt for at least 12 months from the end of the reporting period.

The maturity distribution of financial liabilities is presented in Note 5.3 Financial risk management.

### Financial liabilities measured at amortised cost

Loans, lease liabilities, trade payables and other liabilities that meet the criteria for financial liabilities are included in liabilities measured at amortised cost. At initial recognition, the Group measures a financial liability at fair value and the transaction costs directly attributable to the item are added to or subtracted from it. Financial liabilities recognised at amortised cost are measured at amortised cost using the effective interest method. The difference between the amount received and the amount to be repaid is recognised in the income statement by using the effective interest method over the life of the loan.

Non-current financial liabilities measured at amortised cost consist of loans from financial institutions, other financial loans and lease liabilities. Financial liabilities are included in long-term and short-term liabilities and may be interest-bearing and non-interest-bearing. Supplementary consideration on the basis of future events in acquisitions is classified as non-interest-bearing financial liabilities.

Other interest-bearing cash loans include a financial loan granted by the Group's immediate parent company. The lender is Bravedo Oy.

Current financial liabilities measured at amortised cost consist of loans from financial institutions, other financial loans, lease liabilities, trade payables and other liabilities. Other current interest-bearing liabilities include the gross debt in the consolidated account and the amortisation of the financial loan granted by the Group's immediate parent company for the following year. The group account holder and lender is Bravedo Oy.

Further information on interest-bearing liabilities and interest rate risks is presented in Note 5.3 Financial risk management.

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### Lease liabilities

A lease liability is initially measured at the present value of the lease payments that have not been paid at the date of commencement of the lease. The discount rate is the incremental borrowing rate if the internal rate of return on the lease cannot be easily determined. The lease liability is subsequently measured at amortised cost using the effective interest method.

Lease payments include:
- fixed fees, including the actual fixed fees
- variable rents, which depend on the index or price level and are initially determined on the basis of the index or price level at the start of the agreement
- the amounts expected to be paid by the Group on the basis of residual value guarantees
- the exercise price of the call option if it is reasonably certain that the Group will exercise that option and
- payments for penalties for termination of the lease if it is taken into account during the lease term that the Group exercises the option to terminate the lease.

A lease liability is remeasured when there has been a change in future lease payments due to a change in the index or in the price level, if management estimates that the amounts expected to be paid based on the residual value guarantee will change or if the Group changes its estimate of whether it intends to exercise the option to purchase, extend or terminate. When a lease liability is remeasured in this way, a corresponding adjustment is made to the book value of the right-of-use asset or it is recognised through profit or loss if the book value of the right-of-use asset has already fallen to zero.

### Fair value calculation and hierarchy levels

The Group measures financial instruments at fair value on each balance sheet date. Fair value is the price that would be obtained from the sale of the asset or paid for the transfer of the liability between market participants in an ordinary transaction on the valuation date.

Due to the short maturity, the fair value of the current financial assets and liabilities is considered to correspond to their book value.

All assets and liabilities that are measured or disclosed at fair value in the financial statements are classified in the fair value hierarchy as follows, based on the lowest level input that is relevant for the overall measurement:

Level 1: The fair values of financial instruments are based on prices quoted for identical assets or liabilities in a functioning market.

Level 2: Financial instruments are not traded in active and liquid markets.
The fair values of financial instruments can be determined on the basis of quoted market rates and prices and by means of derivative valuation.

Level 3: The valuation of a financial instrument is not based on verifiable market information and no other factors affecting the fair value of the instrument are available or verifiable.
The Group has no financial assets or liabilities at fair value through other comprehensive income.

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Financial assets at fair value through profit or loss consist of unquoted investments. The hierarchy level of these financial assets is 3 and the valuation is based on management's estimate of the fair value of the shares.
The fair value hierarchy level of financial assets and liabilities at amortised cost is level 3.

No transfers have been made between the levels.

**Financial assets and liabilities as at 31 December 2023 and 31 December 2022**

| EUR thousand | Fair value hierarchy | Fair value through profit or loss | Amortised cost | 31 December 2023 Book value | Financial assets and liabilities [1] |
|---|---|---|---|---|---|
| **Non-current financial assets** | | | | | |
| Other investments | **Level 3** | 830 | | 830 | 830 |
| Interest-bearing receivables | | | 200 | 200 | 200 |
| Non-interest-bearing receivables | | | 325 | 325 | 325 |
| **Current financial assets** | | | | | |
| Interest-bearing receivables | | | 6 | 6 | 6 |
| Trade and other non-interest-bearing receivables | | | 72,028 | 72,028 | 72,028 |
| Cash and cash equivalents | | | 2,722 | 2,722 | 2,722 |
| **Total financial assets** | | **830** | **75,281** | **76,112** | **76,112** |
| **Non-current financial liabilities** | | | | | |
| Interest-bearing liabilities from financial institutions | | | 12,969 | 12,969 | 12,969 |
| Other interest-bearing liabilities | | | 4,034 | 4,034 | 4,034 |
| Tenancy agreement liabilities | | | 30,938 | 30,938 | 30,938 |
| Redemption liabilities [2] | **Level 3** | 3,641 | | 3,641 | 3,641 |
| **Current financial liabilities** | | | | | |
| Other interest-bearing liabilities | | | 108,737 | 108,737 | 108,737 |
| Tenancy agreement liabilities | | | 4,866 | 4,866 | 4,866 |
| Trade and other non-interest-bearing liabilities | | | 102,058 | 102,058 | 36,674 |
| **Total financial liabilities** | | **3,641** | **263,602** | **267,243** | **201,859** |

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| EUR thousand | Fair value hierarchy | Fair value through profit or loss | Amortised cost | 31 December 2022 Book value | Financial assets and liabilities [1] |
|---|---|---|---|---|---|
| **Non-current financial assets** | | | | | |
| Other investments | **Level 3** | 790 | | 790 | 790 |
| Interest-bearing receivables | | | 100 | 100 | 100 |
| Non-interest-bearing receivables | | | 348 | 348 | 348 |
| **Current financial assets** | | | | | |
| Interest-bearing receivables | | | 96 | 96 | 96 |
| Trade and other non-interest-bearing receivables | | | 65,704 | 65,704 | 65,704 |
| Cash and cash equivalents | | | 7,175 | 7,175 | 7,175 |
| **Total financial assets** | | **790** | **73,422** | **74,212** | **74,212** |
| **Non-current financial liabilities** | | | | | |
| Interest-bearing liabilities from financial institutions | | | 12,955 | 12,955 | 12,955 |
| Other interest-bearing liabilities | | | 68,576 | 68,576 | 68,576 |
| Tenancy agreement liabilities | | | 32,135 | 32,135 | 32,135 |
| Redemption liabilities [2] | **Level 3** | 11,835 | | 11,835 | 11,835 |
| **Current financial liabilities** | | | | | |
| Other interest-bearing liabilities | | | 24,433 | 24,433 | 24,433 |
| Tenancy agreement liabilities | | | 4,915 | 4,915 | 4,915 |
| Trade and other non-interest-bearing liabilities | | | 109,851 | 109,851 | 44,467 |
| **Total financial liabilities** | | **11,835** | **252,864** | **264,699** | **199,315** |

[1] The amount of the carrying amount classified as financial assets and liabilities under IFRS 9.

[2] Redemption obligation liabilities are measured at the present value of the redemption amount on the closing date and they are considered to correspond to the fair value of the obligations. If the terms of redemption are deemed to give the Group's parent company effective control over non-controlling interests, the change in the fair value of the redemption obligation is recognised in financial expenses through profit or loss and the non-controlling interests are not presented in the Group's equity. If the terms of redemption are not deemed to give the Group's parent company effective control over non-controlling interests, changes in fair value are recognised in equity attributable to parent company shareholders and non-controlling interests are presented as a separate item in the Group's equity.
More detailed information on the redemption obligations concerning non-controlling interests is presented in Note 6.2 Non-controlling interests.

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**Reconciliation of items classified at level 3 of the fair value hierarchy, financial assets**

| EUR thousand | 31 De 2023 | 31 Dec 2022 |
|---|---|---|
| At the beginning of the financial period 1 January | 790 | 791 |
| Increases | 40 | - |
| Impairment testing | - | 0 |
| **At the end of the financial period 31 December** | **830** | **790** |

**Reconciliation of items classified at level 3 of the fair value hierarchy, financial liabilities**

| EUR thousand | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| At the beginning of the financial period 1 January | 11,835 | 9,057 |
| Increases | 219 | 630 |
| Decreases | -8,692 | -934 |
| Changes in value through profit or loss | 1,107 | 1,519 |
| Changes in equity | -827 | 1,564 |
| **At the end of the financial period 31 December** | **3,641** | **11,835** |

**Interest-bearing liabilities and net debt**

| EUR thousand | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Long-term interest-bearing liabilities | 17,003 | 81,531 |
| Non-current lease liabilities | 30,938 | 32,135 |
| Current interest-bearing liabilities | 108,737 | 24,433 |
| Current lease liabilities | 4,866 | 4,915 |
| Liquid assets | -20,091 | -19,066 |
| **Total net debt** | **141,453** | **123,947** |

**Changes in interest-bearing liabilities, cash flow and non-cash flow-based changes**

**31 December 2023**

| EUR thousand | Balance sheet value 1. Jan | Cash flows | Increases | Exchange rate differences | Others | Balance sheet value 31 Dec |
|---|---|---|---|---|---|---|
| Interest-bearing financial liabilities | 105,963 | -2,467 | - | 6 | - | 125,740 |
| Tenancy agreement liabilities | 37,050 | -5,023 | 3,781 | -3 | - | 35,805 |
| **Total** | **143,013** | **-7,490** | **3,781** | **4** | - | **161,544** |

**31 December 2022**

| EUR thousand | Balance sheet value 1. Jan | Cash flows | Increases | Exchange rate differences | Others | Balance sheet value 31 Dec |
|---|---|---|---|---|---|---|
| Interest-bearing financial liabilities | 105,994 | -33 | - | - | 3 | 105,963 |
| Tenancy agreement liabilities | 12,728 | -4,729 | 29,099 | -77 | 29 | 37,050 |
| **Total** | **118,722** | **-4,762** | **29,099** | **-77** | **32** | **143,013** |

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# 6. Group structure

## 6.1 Subsidiaries

The consolidated financial statements include the parent company Barona Oy and all of its subsidiaries. Subsidiaries are entities in which the Group holds more than 50% of the voting rights or otherwise controls. Controlling interest is deemed to arise when the Group, through involvement in the entity, is exposed to the entity's variable returns or is entitled to them, and can influence these returns by exercising its power on the entity.

A subsidiary is consolidated in the consolidated financial statements from the moment the Group acquires control, and disposed subsidiaries are consolidated until control ceases.

Subsidiaries are consolidated using the acquisition method. The consideration paid for the acquisition of a subsidiary is determined as the fair value of the assets transferred, liabilities assumed and equity interests issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combinations are measured at fair values at the acquisition date. The consideration paid for the acquisition of the subsidiary and the identifiable assets and liabilities of the acquired company have been measured at fair value at the time of acquisition. The portion of the acquisition cost that exceeds net assets is presented in goodwill. Goodwill is not depreciated, but is subject to the annual impairment test. If the acquisition cost is lower than the fair value, the difference is immediately entered as income. The non-controlling interest in the acquiree is recognised on an acquisition-by-acquisition basis at either fair value or at an amount corresponding to the non-controlling interest's relative share of the identifiable net assets of the acquisree recognised on the balance sheet. If the business combination takes place in stages, the acquirer's previous holding in the acquiree is measured at fair value at the acquisition date through profit or loss.

The consolidated financial statements are presented in euros, which is the company's operational and reporting currency. Subsidiaries whose functional and reporting currencies are other than the euro are translated into the Group's reporting currency at the average exchange rate for the financial period in the income statements. The balance sheets of these subsidiaries are translated at the exchange rate on the balance sheet date. Translation differences are recognised in other comprehensive income and presented in accumulated translation differences in equity. Translation differences arising from the elimination of the acquisition cost of foreign subsidiaries and from the translation of equity items accumulated after the acquisition are recognised in other comprehensive income. When a subsidiary with an operating and reporting currency other than the euro is sold, any foreign exchange differences are recognised in the income statement as part of the total gain or loss arising from the sale.

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At the end of the financial period on 31 December 2023, the consolidated financial statements include the Group's parent company Barona Oy and the following subsidiaries (percentage of shares):

| Subsidiary | Registered office | holding % | Subsidiary | Registered office | holding % |
|---|---|---|---|---|---|
| Arffman Finland Oy | Finnish | 100.00% | Barona Sales Oy | Finnish | 100.00% |
| Barona AS | Norway | 81.50% | Barona Sales Retail Oy | Finnish | 100.00% |
| Barona Autonrakentajat Oy | Finnish | 100.00% | Barona Sales Services Oy | Finnish | 100.00% |
| Barona Contact Center AB | Sweden | 100.00% | Barona Sales South Oy | Finnish | 100.00% |
| Barona Customer Care Ltd | Finnish | 100.00% | Barona Sales South West Oy | Finnish | 100.00% |
| Barona Customer Service Oy | Finnish | 100.00% | Barona Sales Trading Oy | Finnish | 100.00% |
| Barona Eesti OU | Estonia | 100.00% | Barona Sales West Oy | Finnish | 100.00% |
| Barona Finance Oy | Finnish | 100.00% | Barona SCC East Oy | Finnish | 100.00% |
| Barona Finland s.r.o | Slovakia | 100.00% | Barona SCC North Oy | Finnish | 100.00% |
| Barona Flexible Industries Oy | Finnish | 100.00% | Barona SCC North West Oy | Finnish | 100.00% |
| Barona Global Human Resources Oy | Finnish | 100.00% | Barona SCC West Oy | Finnish | 100.00% |
| Barona Human Resource Services Ltd | Finnish | 100.00% | Barona Services Spain S.L. | Spain | 100.00% |
| Barona HoReCa Oy | Finnish | 100.00% | Barona Sisä-Suomi Oy | Finnish | 100.00% |
| Barona HR Oy | Finnish | 100.00% | Barona Solutions Ltd | Finnish | 100.00% |
| Barona Human Resource As | Sweden | 81.50% | Barona Sote Oy | Finnish | 100.00% |
| Barona Human Resource Services AB | Norway | 100.00% | Barona Teknilkka & Asennus Oy | Finnish | 100.00% |
| Barona Human Resource Services Sp. Z o.o. | Poland | 100.00% | Barona Teknik & Installation AB | Sweden | 100.00% |
| Barona ICT Services Oy | Finnish | 100.00% | Barona Teknisk Installasjon AS | Norway | 81.50% |
| Barona ICT Services Poland Sp z o.o. | Poland | 100.00% | Barona Industries Ltd | Finnish | 100.00% |
| Barona IT Aps | Denmark | 100.00% | Barona Työkykypalvelut Oy | Finnish | 100.00% |
| Barona IT Ltd | Finnish | 100.00% | Barona Varastopalvelut Oy | Finnish | 100.00% |
| Barona Itä-Suomi Oy | Finnish | 100.00% | Barona VVS AS | Norway | 81.50% |
| Barona Kauppa Oy | Finnish | 100.00% | Creators Oy | Finnish | 100.00% |
| Barona Lapland Oy | Finnish | 100.00% | Ensin Infra Oy (Barona Infra Oy) | Finnish | 100.00% |
| Barona Logistiikan Henkilöstöpalvelut Oy | Finnish | 100.00% | Entry Education Oy | Finnish | 100.00% |
| Barona Logistiikan Koulutuspalvelut Oy | Finnish | 100.00% | Finaflow Oy | Finnish | 100.00% |
| Barona Logistiikan Ulkoistuspalvelut Oy | Finnish | 100.00% | Finland Relocation Services Oy | Finnish | 100.00% |
| Barona Logistics Ltd | Finnish | 100.00% | Finstallation AB | Sweden | 100.00% |
| Barona Logistiikkapalvelut Oy | Finnish | 100.00% | Frontliners Oy | Finnish | 100.00% |
| Barona Logistiikkaratkaisut Oy | Finnish | 100.00% | Kompetenskonsult Sverige AB | Sweden | 60.00% |
| Barona Lounais-Suomi Oy | Finnish | 100.00% | Koutsit Group Oy | Finnish | 84.93% |
| Barona Luova Oy | Finnish | 100.00% | Medimanageri Oy | Finnish | 82.50% |
| Barona Pohjanmaa Oy | Finnish | 100.00% | Portiton Oy | Finnish | 100.00% |
| Barona Production Oy | Finnish | 100.00% | Saranen Consulting Oy | Finnish | 100.00% |
| Barona Professionals AB | Sweden | 100.00% | Skillcode Oy | Finnish | 100.00% |
| Barona Projects Ltd | Finnish | 100.00% | Suomen Rakennuslogistiikka Oy | Finnish | 100.00% |
| Barona Construction Ltd | Finnish | 100.00% | TG Talent Gate Oy | Finnish | 100.00% |
| Barona Relocation Oy | Finnish | 100.00% | Uggla Engineering Oy | Finnish | 100.00% |
| Barona RU Ltd | Russia | 100.00% | WMRT Rakennus Oy | Finnish | 92.50% |
| Barona Sales East Oy | Finnish | 100.00% | | | |
| Barona Sales Fashion Oy | Finnish | 100.00% | | | |
| Barona Sales North Oy | Finnish | 100.00% | | | |

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## 6.2 Non-controlling interests

The distribution of the profit or loss for the financial period between the parent company's shareholders and non-controlling interests is presented in the income statement. Profit or loss and comprehensive income for the period are attributed to the owners and non-controlling interests of the parent company, even if this results in the non-controlling interests becoming negative. The share of equity attributable to non-controlling interests is presented in equity separately from equity attributable to the owners of the parent company. Changes in subsidiary investments that do not result in loss of control are treated as equity transactions. When the Group loses its controlling interest in a subsidiary, the remaining investment is measured at fair value on the date of the loss of control, and the difference is recorded through profit or loss. The difference between the consideration for the shares purchased from non-controlling interests and the book value of the acquired share of a subsidiary's net assets is recognised in equity. Similarly, the gain or loss on the disposal of a share sold to non-controlling interests is recognised directly in equity.

The non-controlling interests have been separated from the profit and loss and presented as a separate item in the Group's equity in accordance with the non-controlling interests. The effects of transactions with non-controlling interests are recognised in equity if the parent company retains control following the transaction. If non-controlling interests are subject to redemption obligations, a redemption obligation liability measured at fair value is recognised in accordance with IFRS 3. If the terms of redemption are deemed to give the Group's parent company effective control over non-controlling interests, the change in the fair value of the redemption obligation is recognised in financial expenses through profit or loss and the non-controlling interests are not presented in the Group's equity. If the terms of redemption are not deemed to give the Group's parent company effective control over non-controlling interests, changes in fair value are recognised in equity attributable to the owners of the parent company and the non-controlling interests are presented as a separate item in the Group's equity (IFRS 10). The terms and conditions of redemption are deemed to confer effective control on the Group's parent company if the risks and benefits associated with the shareholding are transferred to the Group's parent company at the time of review. If a non-controlling interest has a significant obligation to work, the non-controlling interest is treated as a share-based transaction paid in cash in accordance with IFRS 2. A significant obligation to work is considered to be one that gives the Group the right to redeem the non-controlling interest below the fair value when employment ceases. In this case, the non-controlling interest is treated as a liability and measured at fair value on each reporting date. Changes in the fair value of the liability are recognised as an expense in the income statement under personnel expenses and the non-controlling interest is not presented in the Group's equity.

**Non-controlling interests' share of votes**

| Company | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Creators Oy | - | 6.00% |
| Koutsit Group Oy | 15.07% | 20.00% |
| Kompetenskonsult AB | 40.00% | - |
| Barona Human Resource AS | 18.50% | 18.50% |
| Finland Relocation Services Oy | - | 30.00% |
| FREE-Laskutus Oy | - | 49.50% |
| Medimanageri Oy | 17.50% | 30.00% |
| WMRT Rakennus Oy | 7.50% | 17.00% |

During the financial period, the Barona Group increased its holdings in Creators Oy and Koutsit Group Oy. The aforementioned non-controlling interests were not subject to redemption obligations.

Control over Free-laskutus Oy and its subsidiaries was lost as a result of a business combination during the financial period. The transaction was carried out through a share issue. Following the arrangement, the

Barona Group's parent company Barona Oy's holding in Free-laskutus Oy is 32.85%. The loss of control has been treated in the Group as a sale of a subsidiary and the loss on disposal of EUR 8.4 million is included in other operating expenses. The companies have been merged as subsidiaries until 30 November 2023 and as associated companies from 1 February 2023.

As a result of a business combination during the financial period, the Barona Group company Uggla Engineering Oy holds 60% in Kompetenskonsult AB's shares and voting rights. The company is obligated to redeem the remaining shares from minority shareholders. The value of the redemption liability on the closing date is EUR 0.2 million, which is deemed to correspond to the fair value of the future redemptions at the balance sheet date. For additional information, see Note 4.1. Business combinations.

The Barona Group's parent company Barona Oy has increased its holding of Finland Relocation Services Oy's shares and voting rights to 100% (31 December 2022: 70%). The company has fulfilled its obligated to redeem the remaining shares from minority shareholders. The value of the redemption obligation liability on 31 December 2022 was EUR 4.5 million. The redemption was carried out at the amount of EUR 2.9 million and the measurement difference was recognised in equity.

Barona Group company Barona Henkilöstöpalvelu Oy owns 81.5% of the shares and voting rights in Barona Human Resource Services AS (31 December 2022: 81.5%). The company is obligated to redeem the remaining shares from minority shareholders. The value of the redemption obligation at the balance sheet date is EUR 1.3 million (31 December 2022: EUR 0.6 million), which is considered to correspond to the fair value of future redemptions at the balance sheet date. The change in the fair value of the redemption obligation liability in the financial period 2023 was EUR 0.7 million.

During the financial period, Barona Group company Barona Sote Oy increased its holding and holds 82.5% of Medimanageri Oy's shares and control (31 December 2022: 70%). The company is obligated to redeem the remaining shares from minority shareholders. The value of the redemption obligation at the balance sheet date is EUR 2.1 million (31 December 2022: EUR 2.3 million), which is considered to correspond to the fair value of future redemptions at the balance sheet date. The change in the fair value of the redemption obligation liability, including the actual redemption, was EUR 0.2 million in the financial period 2023.

During the financial period, Barona Group company Barona Rakennus Oy increased its holding and holds 92.5% of WMRT Rakennus Oy's shares and control (31 December 2022: 82%). The company is obligated to redeem 2.5 of the remaining shares from the minority shareholders. The value of the redemption obligation at the balance sheet date is EUR 20 thousand (31 December 2022: EUR 0.2 million), which is considered to correspond to the fair value of future redemptions at the balance sheet date. The change in the fair value of the redemption obligation liability, including the actual redemption, was EUR 0.2 million in the financial period 2023.

If a non-controlling shareholder has a significant contractual obligation to work, the non-controlling shareholder's holding is treated as a share-based transaction paid in cash during the period of validity of the obligation to work in accordance with IFRS 2. Such liabilities measured at fair value totalled EUR 2.6 million on 31 December 2023 (EUR 4.6 million on 31 December 2022). Changes in the fair value of liabilities are recognised in personnel expenses in the income statement.

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## 6.3 Associates and joint arrangements

### Holdings in associated companies

The Group's associated companies are companies in which the Group has significant influence (usually 20–50 per cent of votes), but no control. Significant influence is defined as the right to participate in decision-making concerning the financial and operating principles of the investee. Associated companies have been consolidated in the consolidated financial statements using the equity method. If the Group's share of the losses of the associated company exceeds the book value of the investment, the losses exceeding the book value are not consolidated unless the Group is committed to meeting the obligations of the associated companies.

Shareholder companies have been consolidated in the consolidated financial statements using the equity method. If the Group's share of the losses of the shareholder company exceeds the book value of the investment, the investment is recognised at zero in the balance sheet and no excess losses are consolidated unless the Group is committed to meeting the obligations of the shareholder companies. A shareholder company investment includes the goodwill arising from its acquisition. Goodwill is not amortised, but its valuation is tested in accordance with IAS 36 as part of the value of the investment if there are indications of impairment. The Group's share of the shareholder companies' profit for the period, pursuant to the ownership interest, is presented after operating profit or as part of the business, if the purpose and nature of the investment are in accordance with it.

Where necessary, the financial statements of associated companies have been amended to reflect the Group's accounting policies.

The Group includes the following associated companies (holding %):

| Associated company | Industry | Registered office | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|---|---|
| Coordea Outsourcing D.O.O | Working life services | North Macedonia | 20.00% | 20.00% |
| Coordea Sweden AB | Working life services | Sweden | 20.00% | 20.00% |
| Zeroni Oy | Working life services | Finnish | 20.00% | 20.00% |
| Qreform Oy | Working life services | Finnish | 19.83% | 19.83% |
| Free-laskutus Oy | Working life services | Finnish | 32.85% | - |

| EUR thousand | 31 Dec 2023 | 31 Dec 2022 |
|---|---|---|
| Book value at the beginning of the | 1,969 | 1,530 |
| Exchange rate differences | 1 | -12 |
| Combination of businesses, increases | - | 359 |
| Share in the profit of associated companies | 175 | 98 |
| Dividends received | -30 | -6 |
| **Book value at the end of the** | **2,115** | **1,969** |

The Group does not have joint arrangements in accordance with IFRS 11.

Associates are not relevant to the Group, so no summary of financial information is presented.

As a result of the business combination during the financial period, control of Free-laskutus Oy was lost and the company was consolidated as an associated company. Barona Group's parent company Barona Oy holds 32.85% of Free-laskutus Oy. As a result of the loss of control, a non-recurring expense of EUR 8.4 million was recognised in the consolidated financial statements.

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# 7. Other notes

## 7.1 Income taxes

The Group's income taxes include taxes based on the Group companies' taxable profit for the financial period, adjustments to taxes for previous financial periods and changes in deferred taxes. The taxes of Group companies have been calculated on the basis of the taxable income determined by each company's local tax laws using the tax rates and tax laws that have been enacted or in practice adopted by the end of the reporting period. If taxes relate to other comprehensive income or transactions recognised directly in equity, income taxes are recognised in those items.

Deferred taxes are calculated on the temporary differences between the taxable values and book values of assets and liabilities and on unused tax losses and unused tax depreciation. Deferred tax is calculated at the tax rates in force on the balance sheet date and, if the tax rates change, at the tax rate enacted or approved in practice by the end of the reporting period.

**Income taxes in the income statement**

| EUR thousand | 1 Jan–31 Dec 2023 | 1 Jan–31 Dec 2022 |
|---|---|---|
| Taxes based on taxable income for the period | -1,192 | -1,428 |
| Taxes for previous financial periods | -208 | 3 |
| Change in deferred taxes | 1,240 | -1 |
| **Total** | **-160** | **-1,426** |

**Taxes recognised in other comprehensive income**

| | 1 Jan–31 Dec 2023 | | |
|---|---|---|---|
| **EUR thousand** | **Before tax** | **Tax effect** | **After tax** |
| Translation differences | -309 | - | -309 |
| Restructuring of defined benefit plans | -2 | 1 | -1 |
| **Total** | **-310** | **1** | **-310** |
| | **1 Jan–31 Dec 2022** | | |
| **EUR thousand** | **Before tax** | **Tax effect** | **After tax** |
| Translation differences | -424 | - | -424 |
| Restructuring of defined benefit plans | 1 | 0 | 0 |
| **Total** | **-423** | **0** | **-423** |

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**Reconciliation between tax expense and taxes calculated at the Group's domestic tax rate of 20%:**

| EUR thousand | 1 Jan–31 Dec 2023 | 1 Jan–31 Dec 2022 |
|---|---|---|
| **Result before taxes** | -8,799 | 1,478 |
| Tax according to parent company tax rate 20% | 1,760 | -296 |
| Effect of foreign tax rate difference | -19 | 7 |
| Tax entries for previous years | -208 | 3 |
| Share in the profit of associated companies | 35 | 20 |
| Non-deductible expenses | -2,838 | -469 |
| Tax-exempt income | 844 | 63 |
| Off-balance sheet tax-exempt income or non-deductible expenses | 6 | - |
| Confirmed losses for which no deferred tax asset has been recognised | -424 | -916 |
| Use of previous tax losses | 698 | 228 |
| Other items | -13 | -67 |
| **Income taxes in the income statement** | **-160** | **-1,426** |
| Effective tax rate, % | -2% | 96% |

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## 7.2 Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill, an asset or a liability when the transaction in question is not a business combination and does not affect the accounting result or taxable income at the realisation date.

A deferred tax asset is recognised for all tax-deductible temporary differences up to the amount that is likely to be available as taxable income against which the deductible temporary difference can be utilised. However, a deferred tax asset is not recognised if the deferred tax asset arises from the initial recognition of an asset or liability when the transaction in question is not a business combination and does not affect the accounting result or taxable income at the realisation date.

The most significant temporary differences arise from depreciation and carryforward of unused tax losses of property, plant and equipment and from fair value adjustments made in connection with acquisitions of operations. A deferred tax asset is recognised at the amount that is likely to be available for use against future taxable income. Deferred taxes are calculated by using the tax rates provided by the end of the reporting period or rates that have been approved in practice by that date.

The Group reassesses unrecognised deferred tax assets at each reporting date. It recognises a previously unrecognised deferred tax asset up to the amount at which a future taxable result enabling the utilisation of the deferred tax asset has become probable. Correspondingly, a deduction is made from the carrying amount of the deferred tax asset if the related tax benefit is no longer considered to be probable.

The Group offsets tax assets and tax liabilities based on taxable income when the Group has a legally enforceable right to offset recognised items against each other and it intends to either realise the performance on a net basis or to realise the asset and settle the liability simultaneously.

A deferred tax liability has not been calculated for goodwill to the extent that goodwill is not deductible for tax purposes. Deferred tax on undistributed profits of subsidiaries is not recognised, unless the distribution of profits is probable and therefore entails tax consequences.

Management uses discretion in determining the deferred tax asset recognised in the Group for confirmed losses and unused tax depreciation. The amount of deferred tax assets recognised is based on management's estimates and assumptions of the amount of future taxable income against which the confirmed losses and unused tax depreciation can be utilised.

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| | 1 January–31 December 2023 | | | | | |
|---|---|---|---|---|---|---|
| EUR thousand | 1. Jan | Recognised in the income statement | Exchange rate differences | Recognised in comprehensive income | Recognised in equity | 31 Dec |
| **Deferred tax receivables** | | | | | | |
| Leases | 7,293 | -93 | 0 | - | - | 7,201 |
| Confirmed losses | - | 541 | - | - | - | 541 |
| Other items | 496 | -53 | 0 | | 43 | 486 |
| **Total** | **7,789** | **396** | **0** | **-** | **43** | **8,227** |
| Net of deferred tax liability | -6,958 | 294 | - | - | - | -6,664 |
| **Deferred tax assets total** | **831** | **690** | **0** | **-** | **43** | **1,563** |
| **Deferred tax liabilities** | | | | | | |
| Leases | 6,958 | -294 | - | - | - | 6,664 |
| Combination of businesses | 3,707 | -451 | - | - | -12 | 3,245 |
| Depreciation difference | 939 | 48 | -16 | - | - | 972 |
| Other items | 668 | -148 | - | 0 | - | 520 |
| **Total** | **12,273** | **-844** | **-16** | **0** | **-12** | **11,400** |
| Net of deferred tax asset | -6,958 | 294 | - | - | - | -6,664 |
| **Deferred tax liabilities total** | **5,315** | **-550** | **-16** | **0** | **-12** | **4,736** |

| | 1 January–31 December 2022 | | | | | |
|---|---|---|---|---|---|---|
| EUR thousand | 1. Jan | Recognised in the income statement | Exchange rate differences | Recognised in comprehensive income | Recognised in equity | 31 Dec |
| **Deferred tax receivables** | | | | | | |
| Leases | 2,754 | 4,539 | - | - | - | 7,293 |
| Confirmed losses | 431 | -431 | - | - | - | - |
| Other temporary differences | 587 | -86 | -18 | - | 12 | 496 |
| **Total** | **3,773** | **4,022** | **-18** | **-** | **12** | **7,789** |
| Net of deferred tax liability | -2,739 | -4,219 | - | - | - | -6,958 |
| **Deferred tax assets total** | **1,033** | **-196** | **-18** | **-** | **12** | **831** |
| **Deferred tax liabilities** | | | | | | |
| Leases | 2,739 | 4,219 | - | - | - | 6,958 |
| Combination of businesses | 4,310 | -578 | -24 | - | - | 3,707 |
| Depreciation difference | 766 | 177 | -4 | - | - | 939 |
| Other temporary differences | 462 | 206 | - | 0 | - | 668 |
| **Total** | **8,278** | **4,023** | **-28** | **0** | **-** | **12,273** |
| Net of deferred tax asset | -2,721 | -4,237 | - | - | - | -6,958 |
| **Deferred tax liabilities total** | **5,558** | **-214** | **-28** | **0** | **0** | **5,315** |

As a result of the amendments to IAS 12 Income Taxes, deferred tax assets and liabilities on right-of-use assets and lease liabilities are presented separately and are not offset against each other.

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As at 31 December 2023, the Group had a total of EUR 4.1 million in confirmed losses from domestic operations (31 December 2022: EUR 189 thousand). Due to the mergers and acquisitions, some of the losses are not available or have not yet been exempted. Of the losses, a total of EUR 4.0 million was available on 31 December 2023 (31 December 2022: EUR 126 thousand). The Group has recognised deferred tax assets of EUR 0.5 million from the losses (not recognised on 31 December 2022).

For foreign operations, the amount of potential recoverable loss was EUR 2.3 million (31 December 2022: EUR 2.1 million) for which no deferred tax asset has been recognised.
31.12.2023 unused confirmed tax losses expire between 2026 and 2032.

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## 7.3 Related parties and management benefits

The most significant shareholder of Barona Oy, the parent company of the Barona Group, is the immediate parent company Bravedo Oy, which holds 91.34% of the company's shares. Bravedo Oy's most significant shareholder is Brava Invest Oy, which holds 40.4% of Bravedo Oy's shares and is the Group's ultimate parent company. The Group's related parties include the Group companies and associated companies mentioned in Notes 6.2 and 6.3, as well as Barona Oy's immediate parent company Bravedo Oy and Bravedo Oy's parent company Brava Invest Oy and all of the companies belonging to the same group as these parent companies. Related parties also include the boards of directors, managing directors and management groups of Barona Oy and its parent companies as well as their family members and entities in which these persons have either control or joint control and such entities in which the person exercising ultimate control of Barona Oy has significant influence.

The parent company of Barona Oy, Bravedo Oy, has granted financial loans to Barona Oy and its subsidiaries. Barona Oy and its subsidiaries are involved in a group account arrangement, in which the parent company Bravedo Oy acts as the group account holder. For more information, see Note 5.3 Financial risk management and 5.4. Financial assets and liabilities.

Barona Oy and its subsidiaries have provided their parent company Bravedo Oy with company mortgages and pledged their shares and deposits as collateral for loans outside the parent company Bravedo Oy and for other possible liabilities. The collateral is presented in Note 7.4 Contingent liabilities to the consolidated financial statements.

Transactions with related parties that are not eliminated in the consolidated financial statements are presented as related party transactions. Financial income and expenses include dividends received/paid.

**Related party transactions 1 January–31 December 2023**

| EUR thousand | Income | Expenses | Financial income | Financial expenses | Receivables | Liabilities |
|---|---|---|---|---|---|---|
| Parent company: | 362 | 3,690 | - | 10,923 | 17,544 | 115,803 |
| Associated companies | - | 25 | 30 | - | 2 | 34 |
| Key persons belonging to | 29 | 49 | - | 89 | - | - |
| Other related companies | 9,597 | 2,123 | 15 | - | 3,018 | 286 |
| **Total** | **9,988** | **5,888** | **45** | **11,012** | **20,564** | **116,123** |

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## Related party transactions 1 January–31 December 2022

| EUR thousand | Income | Expenses | Financial income | Financial expenses | Receivables | Liabilities |
|---|---|---|---|---|---|---|
| Parent company: | 435 | 3,258 | - | 9,148 | 11,936 | 95,240 |
| Associated companies | 74 | 237 | 6 | - | 110 | 34 |
| Key persons belonging to management | 1 | 186 | - | 122 | - | 0 |
| Other related companies | 6,519 | 3,203 | 15 | - | 1,614 | 984 |
| **Total** | **7,029** | **6,884** | **20** | **9,270** | **13,659** | **96,259** |

## Employee benefits for key persons in senior management

**1 January–31 December 2023**

| EUR thousand | Board of Directors | Management team |
|---|---|---|
| Salaries, remuneration and benefits | 110 | 1,121 |
| Pension expenses - defined contribution plans | 21 | 213 |
| **Total** | **130** | **1,334** |

**1 January–31 December 2022**

| EUR thousand | Board of Directors | Management |
|---|---|---|
| Salaries, remuneration and benefits | 133 | 1,102 |
| Pension expenses - defined contribution plans | 25 | 209 |
| **Total** | **158** | **1,312** |

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## 7.4 Contingent liabilities

According to IFRS 16, short-term and low-value leases are presented as lease liabilities in accordance with the relief provided by the standard. In addition, the premises leased by the Group are subject to variable considerations that are not included in IFRS 16. Lease liabilities also include lease agreements that have already been signed and will only commence in future years.

A contingent liability is a potential obligation that arises as a result of past events and the existence of which will only be confirmed when an uncertain event outside the Group's control is realised. A contingent liability is also an existing obligation that is unlikely to require the payment obligation to be met or the amount of which cannot be reliably determined. Contingent liabilities are presented in the notes to the consolidated financial statements.

The Group had no contingent liabilities in the ended and preceding financial period.

### Minimum rents payable on the basis of non-cancellable leases

**Group as lessee, leasing liabilities**

| EUR thousand | 31 December 2023 | 31 December |
|---|---|---|
| Within one year | 216 | 100 |
| Within 2–5 years | 217 | 107 |
| **Total** | **433** | **207** |

| Group as lessee, lease liabilities for premises | | 31 December |
|---|---|---|
| **EUR thousand** | **31 December 2023** | **2022** |
| Within one year | 711 | 1,450 |
| Within 2–5 years | 243 | 20 |
| **Total** | **955** | **1,470** |

**Other contingent liabilities**

| EUR thousand | 31 December 2023 | 31 December |
|---|---|---|
| Within one year | 234 | 234 |
| **Total** | **234** | **234** |

Other liabilities consist of the liability for payment according to the period of notice of the service agreement of Barona Oy and the liability for refunding the development grant of the subsidiary Arffman Finland Oy.

Lease liabilities include liability for signed leases that will only commence in future years, amounting to EUR 0.1 million at the closing date.

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**Corporate mortgages and collateral**

| EUR thousand | 31 December 2023 | 31 |
|---|---|---|
| **Collateral lodged on own behalf** | | |
| Floating charges* | 13,000 | 13,000 |
| **Collateral lodged on behalf of others** | | |
| Floating charges* | 56,500 | 57,000 |
| **Pledged receivables** | | |
| Deposit as security for lease | 325 | 348 |
| Other guarantees | 450 | - |
| **Total** | **70,275** | **70,348** |

* The Group companies and Barona Oy have provided a company mortgage and pledged their shares and deposits as collateral for the Group's parent company Barona Oy's own external loan, totalling EUR 13.0 million, and for its parent company Bravedo Oy's external loans, totalling EUR 53.5 million, as well as for any other liabilities. The amount of the reported liability corresponds to the maximum amount of the liability.

The Group has a joint commercial guarantee limit of EUR 1.75 million for Barona Oy and Bravedo Oy, of which EUR 0.8 million was available to Barona Oy at the closing date. EUR 0.6 million remained of the total limit.

## 7.5 Events after the balance sheet date

A Group company is undergoing arbitration proceedings, which began in 2024 and are expected to have a positive impact on the company's and the Group's development.

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## Parent company income statement (FAS)

| EUR | Note | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|---|
| **REVENUE** | | **17,683,737** | **13,419,155** |
| Other operating income | 1 | 722,167 | 1,104,527 |
| Materials and services | 2 | -755,443 | -608,313 |
| Personnel expenses | 3 | -7,420,904 | -6,752,748 |
| Depreciation and impairment | 4 | -4,291,117 | -7,283,670 |
| Other operating expenses | 5 | -12,083,776 | -11,903,482 |
| **OPERATING PROFIT** | | **-6,145,337** | **-12,024,532** |
| Financial income and expenses | 6 | -12,416,818 | -2,999,354 |
| **PROFIT BEFORE APPROPRIATIONS AND TAXES** | | **-18,562,154** | **-15,023,886** |
| Appropriations | 7 | 11,065,082 | 10,076,180 |
| **RESULT FOR THE PERIOD** | | **-7,497,073** | **-4,947,706** |

## Parent company balance sheet (FAS)

| EUR | Note | 31 December 2023 | 31 December 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **NON-CURRENT ASSETS** | | | |
| Intangible assets total | 8 | 7,437,155 | 9,712,216 |
| Tangible assets total | 9 | 207,938 | 301,895 |
| Investments total | 10 | 189,195,874 | 193,552,528 |
| **NON-CURRENT ASSETS TOTAL** | | **196,840,966** | **203,566,639** |
| **CURRENT ASSETS** | | | |
| Non-current receivables total | 11 | 21,980,809 | 8,103,251 |
| Current receivables total | 12 | 60,441,972 | 59,559,526 |
| **CURRENT ASSETS TOTAL** | | **82,422,782** | **67,662,778** |
| **ASSETS TOTAL** | | **279,263,748** | **271,229,417** |
| | | | |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Share capital | 13 | 2,500 | 2,500 |
| Reserve for invested unrestricted equity | 13 | 65,278,049 | 70,699,313 |
| Retained earnings | 13 | -3,822,519 | 1,125,187 |
| Result for the period | 13 | -7,497,073 | -4,947,706 |
| **SHAREHOLDERS' EQUITY TOTAL** | | **53,960,957** | **66,879,294** |
| **APPROPRIATIONS** | | | |
| Depreciation difference | | 2,386,153 | 3,683,235 |
| **APPROPRIATIONS TOTAL** | | **2,386,153** | **3,683,235** |
| | | | |
| **LIABILITIES** | | | |
| Long-term liabilities | 14 | 17,033,574 | 81,576,204 |
| Short-term liabilities | | 15,205,883,064 | 119,090,684 |
| **TOTAL** | | **222,916,637** | **200,666,888** |
| | | | |
| **LIABILITIES TOTAL** | | **279,263,748** | **271,229,417** |

# Notes to the parent company financial statement (FAS)

## Accounting principles

Barona Oy's financial statements have been prepared in accordance with the laws and regulations in force in Finland. Figures are given in euros without decimals.

## The depreciation periods are:

| | |
|---|---|
| **Goodwill** | 5 years |
| Other long-term expenditure Systems | 3–5 years |
| Other intangible assets Machinery and equipment | 4–5 years 5 years |
| | 3–5 years |

Planned depreciation has been deducted from the acquisition cost of the tangible and intangible assets on the balance sheet. Planned depreciation has been calculated on a straight-line basis based on the useful lives of tangible and intangible assets. Depreciation is calculated starting from the month in which the use of the asset begins.

Receivables are measured at the lower of their nominal or likely value. Liabilities are measured at nominal value.

## Pension commitments

The pension cover for the company's personnel is arranged with TyEL insurance in a pension insurance company. The pension liabilities are fully covered.

## Items denominated in foreign currency

The Company's receivables and liabilities denominated in foreign currencies have been translated into euros at the exchange rates confirmed by the European Central Bank on the balance sheet date.

## Revenue recognition

The company's revenue consists mainly of intra-Group service charges (e.g. the provision of financial and administrative services to Group companies). Recognition of revenue corresponds to the performance principle. The revenue is derived from Finland.

## Leasing

Lease payments are treated as rental expenses. The amount of future commitments is presented as an off-balance sheet liability.

## Taxes

Income taxes include income taxes calculated on the basis of the result for the financial period and taxes paid or refunded from previous financial periods. Deferred taxes are not recognised in the parent company's income statement and balance sheet.

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## 1. Other operating income

| EUR | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|
| Pass-through invoicing of personnel expenses | 697,888 | 1,104,527 |
| Other operating income | 22,284 | - |
| Other operating income internal | 1,995 | - |
| **Total** | **722,167** | **1,104,527** |

## 2. Materials and services

| EUR | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|
| Materials and supplies | | |
| Purchases during the financial period | -845 | -125 |
| External services | -754,598 | -608,188 |
| **Total** | **-755,443** | **-608,313** |

## 3. Personnel expenses

| EUR | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|
| Salaries and fees | -6,130,957 | -5,576,377 |
| Pension expenses | -1,064,453 | -1,008,086 |
| Other indirect employee expenses | -225,495 | -168,286 |
| **Total** | **-7,420,904** | **-6,752,748** |

### Average number of personnel during the accounting period

| | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|
| Salaried employees | 114 | 101 |
| **Total** | **114** | **101** |

### Salaries, remuneration and pensions of the CEO and Board of Directors

Management's salaries, remuneration and pension commitments are presented in the notes to the consolidated financial statements.

## 4. Depreciation and impairment

| EUR | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|
| Amortisation intangible assets | -4,197,159 | -7,187,064 |
| Depreciation tangible assets | -93,958 | -96,607 |
| **Total** | **-4,291,117** | **-7,283,670** |

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## 5. Other operating expenses

| EUR | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|
| Administrative expenses | -1,095,000 | -1,095,000 |
| Telephone, telecommunications and office expenses | -4,546,719 | -3,874,649 |
| Marketing expenses | -1,014,084 | -1,708,869 |
| Other personnel-related expenses | -382,362 | -493,770 |
| Travel expenses | -79,013 | -105,415 |
| External services | -3,869,166 | -3,550,562 |
| Group internal services | -436,934 | -399,584 |
| Rental expenses | -374,460 | -409,737 |
| Other expenses | -286,038 | -265,896 |
| **Total** | **-12,083,776** | **-11,903,482** |

| **Auditors' fees** | **1 January–31 December 2023** | **1 January–31 December 2022** |
|---|---|---|
| Audit fees, PwC | -172,792 | -37,840 |
| Audit fees, KPMG | -30,000 | - |
| Other services, PwC | -5,662 | -9,683 |
| **Total** | **-208,453** | **-47,523** |

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## 6. Financial income and expenses

| EUR | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|
| **Other interest income** | | |
| From Group companies | 2,658,353 | 1,614,693 |
| From others | 59 | 156 |
| **Total** | **2,658,412** | **1,614,849** |
| **Other financial income** | | |
| From Group companies | 14,877 | 139,177 |
| Associated companies | - | 5,567 |
| From others | -677 | 1,443 |
| **Total** | **14,199** | **146,187** |
| **Interest expenses** | | |
| To Group companies | -5,962,683 | -3,442,645 |
| To others | -769,394 | -255,201 |
| **Total** | **-6,732,078** | **-3,697,846** |
| **Other financial expenses** | | |
| Impairment of investments in non-current assets | -8,344,928 | -1,025,297 |
| To others | -12,422 | -37,248 |
| **Total** | **-8,357,351** | **-1,062,545** |
| **Financial income and expenses total** | **-12,416,818** | **-2,999,354** |

## 7. Appropriations

| EUR | 1 January–31 December 2023 | 1 January–31 December 2022 |
|---|---|---|
| Difference between planned depreciation and depreciation in taxation | 1,297,082 | -572,170 |
| Group contributions | 9,768,000 | 10,648,350 |
| **Total** | **11,065,082** | **10,076,180** |

## 8. Intangible assets

| EUR | Goodwill | Long-term renovation costs | Systems | Other intangible assets | Advance payments | Total |
|---|---|---|---|---|---|---|
| **Acquisition cost on 1 Jan 2023** | **1,930,437** | **57,290** | **16,889,695** | **20,335,926** | **56,838** | **39,270,186** |
| Increases | - | 12,592 | 1,958,490 | - | | 1,971,082 |
| Decreases | - | - | -300,095 | - | -48,984 | -349,079 |
| Transfers between items | - | - | - | - | - | - |
| **Acquisition cost on 31 Dec 2023** | **1,930,437** | **69,882** | **18,548,089** | **20,335,926** | **7,854** | **40,892,188** |
| | | | | | | |
| **Accumulated depreciation 1 January 2023** | **-1,833,915** | **-32,580** | **-8,372,345** | **-19,319,130** | - | **-29,557,970** |
| Accumulated depreciation on decreases and transfers | - | - | 300,095 | - | - | 300,095 |
| Deprecation for the period | -96,522 | -7,926 | -3,075,915 | -1,016,796 | - | -4,197,159 |
| Impairment testing | - | - | - | - | - | - |
| **Accumulated depreciation 31 Dec 2023** | **-1,930,437** | **-40,506** | **-11,148,165** | **-20,335,926** | - | **-33,455,034** |
| **Book value 31 Dec 2023** | - | **29,376** | **7,399,924** | - | **7,854** | **7,437,155** |

| EUR | Goodwill | Long-term renovation costs | Systems | Other intangible assets | Advance payments | Total |
|---|---|---|---|---|---|---|
| **Acquisition cost 1 Jan 2022** | **1,930,437** | **57,290** | **13,545,437** | **20,335,926** | **239,677** | **36,108,767** |
| Increases | - | - | 3,412,609 | - | -182,839 | 3,229,771 |
| Decreases | - | - | -68,352 | - | - | -68,352 |
| **Acquisition cost 31 Dec 2022** | **1,930,437** | **57,290** | **16,889,695** | **20,335,926** | **56,838** | **39,270,186** |
| | | | | | | |
| **Accumulated depreciation, 1 Jan 2022** | **-1,447,828** | **-24,977** | **-5,714,509** | **-15,251,945** | - | **-22,439,258** |
| Accumulated depreciation on decreases and transfers | - | - | 68,352 | - | - | 68,352 |
| Deprecation for the period | -386,087 | -7,603 | -2,726,188 | -4,067,185 | - | -7,187,064 |
| **Accumulated depreciation 31 Dec 2022** | **-1,833,915** | **-32,580** | **-8,372,345** | **-19,319,130** | - | **-29,557,970** |
| **Book value 31 Dec 2022** | **96,522** | **24,710** | **8,517,349** | **1,016,796** | **56,838** | **9,712,216** |

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## 9. Tangible assets

| EUR | Machinery and equipment | Office equipment | Total |
|---|---|---|---|
| **Acquisition cost on 1 Jan 2023** | **455,681** | **41,275** | **496,956** |
| **Acquisition cost on 31 Dec 2023** | **455,681** | 41,275 | **496,956** |
| | | | |
| **Accumulated depreciation 1 January 2023** | **-156,695** | **-38,365** | **-195,060** |
| Deprecation for the period | -91,083 | -2,875 | -93,958 |
| **Accumulated depreciation 31 Dec 2023** | **-247,778** | **-41,240** | **-289,018** |
| **Book value 31 Dec 2023** | **207,903** | **35** | **207,938** |

| EUR | Machinery and equipment | Office equipment | Total |
|---|---|---|---|
| **Acquisition cost 1 Jan 2022** | **449,718** | **44,314** | **494,032** |
| Increases | 5,963 | - | 5,963 |
| **Acquisition cost 31 Dec 2022** | **455,681** | **44,314** | **499,995** |
| | | | |
| **Accumulated depreciation, 1 Jan 2022** | | | |
| Accumulated depreciation on decreases and transfers | **-65,911** | **-35,582** | **-101,493** |
| Deprecation for the period | -90,785 | -5,822 | -96,607 |
| **Accumulated depreciation 31 Dec 2022** | **-156,695** | **-41,404** | **-198,099** |
| **Book value 31 Dec 2022** | **298,985** | **2,910** | **301,895** |

## 10. Investments

### Holdings in Group companies

| EUR | 31 December 2023 | 31 December 2022 |
|---|---|---|
| **Acquisition cost 1 January** | 191,419,770 | 191,080,494 |
| Increases | 3,948,275 | 1,241,720 |
| Decreases | -8,683,278 | -902,443 |
| **Acquisition cost 31 December** | **186,684,767** | **191,419,770** |

### Holdings in associated companies

| EUR | 31 December 2023 | 31 December 2022 |
|---|---|---|
| **Acquisition cost 1 January** | 1,374,438 | 1,298,505 |
| Increases | 338,350 | 75,933 |
| **Acquisition cost 31 December** | **1,712,788** | **1,374,438** |

### Other shares and holdings

| EUR | 31 December 2023 | 31 December 2022 |
|---|---|---|
| **Acquisition cost 1 January** | 758,320 | 758,320 |
| Increases | 40,000 | - |
| **Acquisition cost 31 December** | **798,320** | **758,320** |
| **Investments total** | **189,195,874** | **193,552,528** |

## 11. Long-term receivables

| EUR | 31 December 2023 | 31 December 2022 |
|---|---|---|
| **Long-term receivables from Group companies** | | |
| Loan receivables | 21,778,283 | 8,000,000 |
| **Total** | **21,778,283** | **8,000,000** |
| **Long-term receivables from others** | | |
| Loan receivables | 200,000 | 100,000 |
| Other receivables | 2,526 | 3,251 |
| **Total** | **202,526** | **103,251** |
| **Non-current receivables total** | **21,980,809** | **8,103,251** |

## 12. Short-term receivables

| EUR | 31 December 2023 | 31 December 2022 |
|---|---|---|
| **Short-term receivables from Group companies** | | |
| Trade receivables | 18,088,199 | 12,085,112 |
| Consolidated accounts receivable | 19,769,837 | 25,032,163 |
| Loan receivables | 9,731,902 | 9,200,000 |
| Other receivables | 9,768,801 | 10,648,350 |
| Prepaid expenses and accrued income | 2,050,581 | 1,269,649 |
| **Total** | **59,409,320** | **58,235,273** |
| **Short-term receivables from others** | | |
| Trade receivables | 486,762 | 933,199 |
| Other receivables | 22 | 55 |
| Prepaid expenses and accrued income | 545,869 | 390,998 |
| **Total** | **1,032,652** | **1,324,253** |
| | | |
| **Short-term receivables, total** | **60,441,972** | **59,559,526** |
| **Prepaid expenses and accrued income** | | |
| Other accruals of expenses | 545,869 | 390,998 |
| **Total** | **545,869** | **390,998** |

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## 13. Changes in equity

### Restricted shareholders' equity

| Share capital | 31 December 2023 | 31 December 2022 |
|---|---|---|
| **Share capital 1 Jan** | **2,500** | **2,500** |
| **Share capital 31 Dec** | **2,500** | **2,500** |
| **Restricted shareholders' equity total 31 Dec** | **2,500** | **2,500** |
| **Reserve for invested unrestricted equity** | **31 December 2023** | **31 December 2022** |
| **Reserve for invested unrestricted equity 1 Jan** | **70,699,313** | **70,699,313** |
| Return of funds to shareholders | -5,421,264 | - |
| **Reserve for invested unrestricted equity 31 Dec** | **65,278,049** | **70,699,313** |
| **Retained earnings** | **31 December 2023** | **31 December 2022** |
| **Retained profit/loss** | | |
| Retained profit/loss 1 Jan | 1,125,187 | 7,365,727 |
| Transfer of profit/loss for the financial period | -4,947,706 | - |
| Distribution of dividends | - | -6,240,540 |
| **Retained profit/loss 31 Dec** | **-3,822,519** | **1,125,187** |
| **Profit/loss for the financial period** | **-7,497,073** | **-4,947,706** |
| **Unrestricted shareholders' equity total 31 Dec** | **53,958,457** | **66,876,794** |
| **Shareholders' equity total 31 Dec** | **53,960,957** | **66,879,294** |

### Calculation of distributable unrestricted shareholders' equity

| EUR | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Reserve for invested unrestricted equity | 65,278,049 | 70,699,313 |
| Retained profit/loss | -3,822,519 | 7,365,727 |
| Dividend distribution, distribution of funds | - | -6,240,540 |
| Profit/loss for the financial period | -7,497,073 | -4,947,706 |
| **Distributable funds total** | **53,958,457** | **66,876,794** |

### Board's proposal for the use of distributable unrestricted shareholders' equity

The distributable funds of the parent company on 31 December 2023 were EUR 53,958,457. Of this amount, the loss for the financial period was EUR -7,497,073.

The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for the financial period ended 31 December 2023 and that the profit for the financial period be reclassified to retained earnings.

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## 14. Long-term liabilities

### Long-term liabilities

| EUR | 31 December 2023 | 31 December |
|---|---|---|
| Loans from financial institutions | 13,000,000 | 13,000,000 |
| Long-term liabilities to Group companies | 4,033,574 | 68,576,204 |
| **Total** | **17,033,574** | **81,576,204** |

### Liabilities maturing later than five years

The company has no long-term liabilities that mature later than five years.

## 15. Short-term liabilities

| EUR | 31 December 2023 | 31 December |
|---|---|---|
| **Short-term liabilities to Group companies** | | |
| Trade payables | 2,097,836 | 2,935,603 |
| Group account liability | 126,927,474 | 101,835,860 |
| Other liabilities | 68,576,204 | 6,500,000 |
| Accrued liabilities and deferred income | 1,253,110 | 328,007 |
| **Total** | **198,854,625** | **111,599,470** |
| **Short-term liabilities to others** | | |
| Advances received | 230,000 | 316,926 |
| Trade payables | 1,764,981 | 2,051,600 |
| Other liabilities | 3,774,035 | 2,482,783 |
| Accrued liabilities and deferred income | 1,259,422 | 2,639,905 |
| **Total** | **7,028,438** | **7,491,214** |
| **Short-term liabilities total** | **205,883,064** | **119,090,684** |

| **Accrued liabilities and deferred income** | | |
|---|---|---|
| Accrued personnel expenses | 1,083,900 | 1,311,123 |
| Other accrued liabilities and deferred income | 175,522 | 1,328,782 |
| **Total** | **1,259,422** | **2,639,905** |

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## 16. Group companies

The company is the parent company of the Barona Oy Group. Group companies are listed in Note 6.1 Subsidiaries to the consolidated financial statements.

## 18. Transactions with related parties

The parent company of Barona Oy, Bravedo Oy, has granted financial loans to Barona Oy and its subsidiaries. Barona Oy and its subsidiaries are involved in a group account arrangement, in which the parent company Bravedo Oy acts as the group account holder.

Barona Oy and its subsidiaries have provided their parent company Bravedo Oy with company mortgages and pledged their shares and deposits as collateral for loans outside the parent company Bravedo Oy and for other possible liabilities.

Additional information on transactions with related parties is provided in Note 7.3 Related parties and management's employment benefits.

## 19. Guarantees, contingent liabilities and other liabilities

| EUR | 31 December 2023 | 31 December 2022 |
|---|---|---|
| **Guarantees given for own account and on behalf of subsidiaries** | | |
| Corporate mortgages, on own behalf | 13,000,000 | 13,000,000 |
| Corporate mortgages, on behalf of others* | 56,500,000 | 57,000,000 |
| Other liabilities | 450,000 | 450,000 |
| Rent payment guarantees | 2,526 | 3,780 |
| Rent guarantees, on behalf of subsidiaries | 658,558 | 697,006 |
| **Total** | **70,611,084** | **71,150,786** |

* The company has given a floating charge and pledged its shares and deposits to be used as a collateral for the parent company Bravedo Oy's external loans, MEUR 53.5 total, and any other liabilities. The amount of the reported liability corresponds to the maximum amount of the liability.

**Other own liabilities**

| Leasing liabilities | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Maturing in less than one year | 72,954 | 56,968 |
| Maturing later | 61,577 | 49,691 |
| **Total** | **134,531** | **106,659** |

| Rental liabilities for business premises | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Rental liabilities maturing within less than one year | 920,471 | 363,226 |
| Maturing later | 1,546,369 | 372,435 |
| **Total** | **2,466,840** | **735,661** |

| Other contingent liabilities | 31 December 2023 | 31 December 2022 |
|---|---|---|
| Rental liabilities maturing within less than one year | 234,000 | 234,000 |
| **Total** | **234,000** | **234,000** |

Commercial guarantee limit of EUR 1.75 million with joint and several liability of Barona Oy and Bravedo Oy, of which Barona Oy used EUR 0.8 million at the closing date. EUR 0.6 million was remaining in the limit.

**Notes on derivatives**
The company has no derivative contracts.

## Signatures to the report of the Board of Directors and the financial statements

Helsinki, 24 April 2024

Taru Tujunen
Chairman of the Board

Juko-Juho Hakala
Board member

Tommi Kajasoja
Board member

Markus Oksa
Board member

Lassi Määttä
CEO

## Auditor's note

A report on the audit conducted has been issued today.

Helsinki, 24 April 2024

KPMG Oy Ab
Audit firm

Tero Hämäläinen, APA

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Place and date Helsinki 24 April 2024

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Taru Tujunen

Allekirjoitettu 2024-04-26 16:39 UTC
Juko Hakala

Allekirjoitettu 2024-04-26 16:26 UTC
Tommi Kajasoja

Allekirjoitettu 2024-04-27 11:49 UTC
Markus Oksa

Allekirjoitettu 2024-04-24 10:24 UTC
Lassi Määttä

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## Barona Oy financial statements 2023

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**Barona Oy's auditor's report 2023**

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# Auditor's Report

To the Annual General Meeting of Barona Oy

## *Report on the Audit of the Financial Statements*

### Opinion

We have audited the financial statements of Barona Oy (business identity code 2808477-9) for the year ended 31 December, 2023. The financial statements comprise the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including material accounting policy information, as well as the parent company's balance sheet, income statement 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 IFRS Accounting Standards 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 IFRS Accounting Standards 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, 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 skepticism 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.

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, 6 May 2024

KPMG OY AB

TERO HÄMÄLÄINEN
*Authorised Public Accountant, KHT*