



Genexis Group
2022 Financial Report



Highlights Financial Report 2022

Fourth Quarter	Proforma		Actuals¹⁾	
EUR millions	Q4 2022	Q4 2021	Q4 2022	Q4 2021
Revenue	24.9	23.9	24.9	-
Gross Profit	8.0	7.1	8.0	-
Adjusted EBITDA	1.9	2.7	1.9	-
EBITA	-0.6	1.3	-0.6	-
EBIT	-0.9	0.9	-0.9	-
Net Debt ²⁾	55.6	-	55.6	-
Gross Margin (%)	32%	30%	32%	-
Adjusted EBITDA (%)	8%	11%	8%	-

Full year	Proforma		Actuals¹⁾	
EUR millions	FY 2022	FY 2021	FY 2022	FY 2021
Revenue	111.6	74.8	29.6	-
Gross Profit	36.0	25.7	12.0	-
Adjusted EBITDA	18.4	11.0	8.4	-
EBITA	10.0	4.9	6.0	-
EBIT	8.5	3.5	3.8	-
Net Debt ²⁾	55.6	-	55.6	-
Gross Margin (%)	32%	34%	40%	-
Adjusted EBITDA (%)	16%	15%	28%	-

1) Actuals refers to the period between September 22 – December 31, 2022.

2) The Net debt includes provision for Earn-Out of 18.0 EUR million, but excludes Shareholder Loans amounting to 3,9 EUR million

Word from the CEO



Word from the CEO

As noted in the Q3 report, on September 22, 2022, Genexis Group AB acquired Inteno Group AB and its subsidiaries. As of February 1, 2023, Gerlas van den Hoven took over as CEO for Genexis Group AB from Conny Franzén. Both Conny and I have had leading positions in the group for more than 20 years and Conny will take the role as Vice President of Genexis Group as well as CEO for IOPSYS Software Solutions AB to further accelerate growth in the software business area.

The group continued to perform well in Q4 translating to a strong full-year result. The disruptions in the logistic chain are decreasing as the global component shortage is reduced gradually and we predict that it will continue to improve during H1, 2023. Genexis Group proforma revenue growth in FY 2022 was 49% (YoY) and for Q4 a 4% increase compared to Q4 2021. The group is performing in line with expectations in all geographical markets and business lines, apart from the software business IOPSYS which was somewhat behind its full-year revenue, mainly due to component shortage preventing some customers to ship as planned and thus delaying revenue.

Our sustainability initiatives are moving into the next phase, and we are preparing for emission data collection (scope 1-3), setting of the Science Based Target initiative, and preparing the annual sustainability report which is due on April 30, 2023.

Overall, we are very satisfied with the company's growth and performance during 2022 and look forward to continuing serving the market with state-of-the-art products and solutions that provide digital connectivity to European homes also in 2023.

Even though the market for components and logistic services is stabilizing and thus creating more predictability around costs, the overall macro environment with increasing interest rates and energy costs is increasing the uncertainty for 2023. We have already noted a slowdown in order intake in some markets.



Stockholm, February 23, 2023
Gerlas van den Hoven
CEO, Genexis Group

A handwritten signature in blue ink, appearing to read 'Gerlas van den Hoven'. The signature is fluid and stylized, with a long horizontal stroke extending to the right.

Business and market

Business area Genexis:

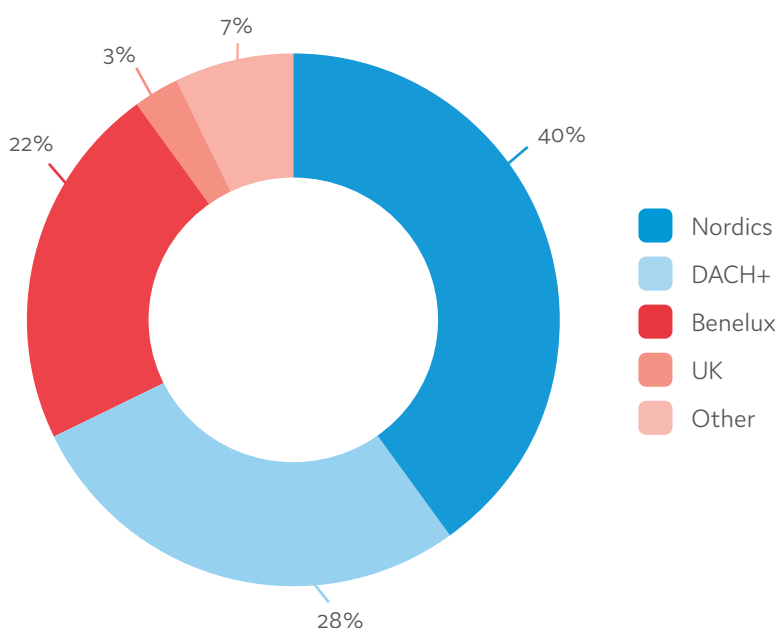
During the year the product business has shown significant revenue growth with sufficient cost control despite the general disruptions in the logistics chain.

In terms of revenue development by geography the group has increased its presence in all targeted growth markets. The Nordic market grew by 38% YoY while the DACH region, with Germany as main driver, grew sales by 69% YoY. The Benelux area grew 78% YoY driven by strong fiber deployment with key customers in the Netherlands. UK and Italy are considered new markets and has grown sales with 110% compared previous year.

Business area IOPSYS:

The semiconductor shortage has during the past years also effected the software business unit causing longer and unpredictable lead times for our customers, resulting in a weaker top line growth due to lower deployments of products compared to expectations. The proforma revenue 2022 has increased by 11% YoY. Key customer projects are tracking on as planned.

Sales split by region (Genexis Group) FY 2022

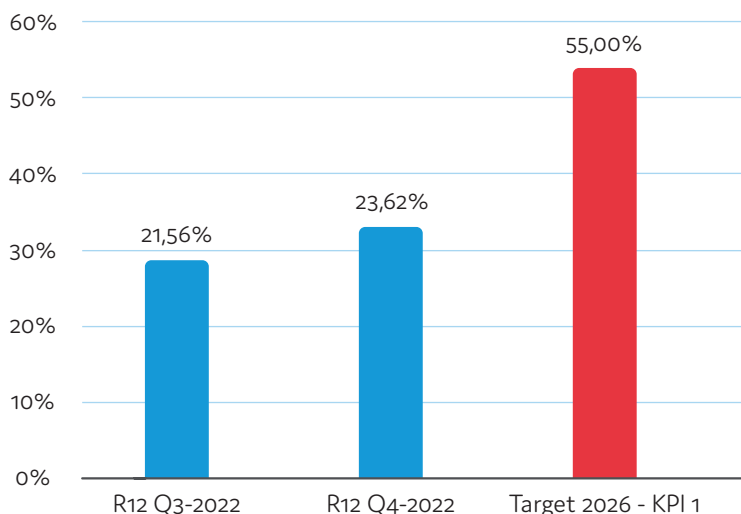


Sustainability update

In accordance with the sustainability-linked bond framework Genexis Group has established two targets (KPIs) to reduce the group's environmental impact. These targets are:

KPI 1: Share of recycled plastics in Genexis' products (measured as share of total plastic in terms of plastic weight). The KPI target is to increase the share of recycled plastics used in Genexis' products to 55% by YE 2026. The Q4 rolling-12-month average indicates a current level of 23.6% recycled plastics of all products shipped.

Level of recycled plastics rolling 12 months



Note: the percentage can vary over quarter driven by product mix, hence levels above are presented on a rolling-12-month average basis.

KPI 2: Setting Science-Based Targets (SBTs) for scope 1-3 emissions approved by the Science-Based Target Initiative for CO₂e emission reduction in line with the 1.5-degree scenario. This SPT will be aligned with the SBTi targets (as sub-targets) and will be announced when the SBTi targets are validated and approved. The 2026 milestone targets are expected to be reached by 2026.

Progress report as of Q4 2022:

Genexis has high ambitions within the sustainability area. By YE 2022 we completed a sustainability strategy review with a first phase including a third-party sustainability due diligence, a materiality analysis and a sustainability strategy per subsidiary. We have started our second phase targeted to be ready at the end of Q2 2023 including a systemized collection of CO₂ data, preparations, and submission of our SBTs as well as development and finalization the 2022 Sustainability Report due on April 30, 2023.

Financial Review



Financial Review

Genexis Group AB was established in conjunction with the issue of the senior secured sustainability-linked bond (the "Bond") in September 2022. Thus, the start date for the Group accounts is September 22, 2022, which forms the basis for the quarterly, year-to-date, and last twelve months figures ("Actuals"). This update includes Actuals and proforma figures (stated in note 3-5), but as the first period for Actuals only concerns the period of September 22 – December 31, 2022, we will in this report comment on the proforma numbers for income statement and cash flow, while balance sheet and equity are commented on as Actuals.

Financials (Proforma)

Genexis Group revenue was EUR 24.9 million in Q4 2022 (Q4 2021: EUR 23.9 million) while the gross margin was 32% (30%). The Adjusted EBITDA was EUR 1.9 million (EUR 2.7 million) which translates to an EBITDA margin of 8% (11%).

The FY2022 revenue for Genexis Group was EUR 111.6 million (EUR 74.8 million) and the gross margin was 32.2% (34.4%). The gross margin remains stable at high levels, despite a revenue growth of 49%. The margin decline compared to last year is driven by the increased share of product sales with lower gross margin as well as higher purchasing prices due to the component shortage. The EBITDA FY2022 was EUR 18.4 million (EUR 11.0 million) and the EBITDA margin was 16.4% (14.7%).

Financial position

Genexis Group had a total equity of EUR 40.0 million at the end of Q4 2022. Total borrowings at the end of the year were EUR 58.9 million. EUR 55.0 million relates to the Bond and EUR 3.9 million is shareholder loan. Total assets per December 31, 2022, were EUR 135.0 million. Cash on hand per December 31, 2022, was EUR 17.4 million. Furthermore the 2022 EBITA level will result in an Earn-out payment of SEK 200 million to be paid during Q2 2023 included in Other short term financial liabilities of EUR 18.8 million.

Genexis Group had a positive proforma cash flow from operating activities of EUR 15.3 million FY2022 (EUR 6.5 million). Cash flow from investing activities was EUR -9.0 million (EUR -12.5 million), excluding the acquisition of Inteno Group. Cash flow from financing activities was EUR 11.7 million which relates to the new Bond, new shareholder loan as well as repayment of bank loans, bank overdrafts, other loans and paid interest. In total Genexis Group had a net increase in cash and cash equivalents of EUR 16.1 million at YE 2022.

Condensed Consolidated Income Statement

Consolidated figures for Genexis Group AB

EUR thousands	YTD 22.09-31.12.2022	Quarter 01.10-31.12.2022
Revenue	29,646	24,922
Cost of Goods	-17,641	-16,953
Personnel expenses	-2,962	-3,624
Other operating expenses	-2,508	-3,097
EBITDA	6,535	1,249
Depreciation & Amortization	-505	-188
EBITA	6,030	1,061
Amortization of Acquisitions	-2,203	-1,969
EBIT	3,827	-908
Financial income	957	502
Financial expenses	-1,961	-1,405
Financial Net	-1,005	-903
Profit before income tax	2,822	-1,811
Income tax expense	-2,430	-152
Profit for the year	392	-1,964
Profit for the year is attributable to:		
Owners of the parent company	392	-1,964

Consolidated statement of financial position

Balance sheet according to IFRS per 31.12.2022

EUR thousands	31.12.2022
ASSETS	
Non-current assets	
Capitalized Expenditure for Software	15,645
Customer Contracts	13,025
Trademarks	1,732
Goodwill	64,108
Buildings	1,422
Machines & Inventory	2,336
Financial Assets	994
Total Fixed Assets	99,262
Current assets	
Stock & Work In Progress	8,398
Accounts Receivable	8,831
Prepayments & Accrued Income	1,122
Cash & Bank Balances	17,368
Total current assets	35,720
TOTAL ASSETS	134,982

EUR thousands	31.12.2022
EQUITY	
Equity	-39,964
Total Equity	-39,964
Liabilities	
Non-current liabilities	
Provisions For Guarantees	0
Provisions For Deferred Taxes	-1,713
Other Provisions	-132
Other Long-Term Liabilities	-59,529
Total non-current liabilities	-61,374
Current liabilities	
Other Short-Term Financial Liabilities	-18,833
Current Liabilities To Customers & Suppliers	-7,349
Tax Liabilities	-965
Vat & Special Excise Duties	-1,952
Personnel Taxes, Fees & Salary Deductions	-347
Accrued Expenses & Deferred Income	-4,198
Total current liabilities	-33,644
Total liabilities	-95,018
TOTAL EQUITY AND LIABILITIES	-134,982

Consolidated statement of changes in Equity

22 September – 31 December, 2022

EUR thousands	Share Capital	Other paid in capital	Other reserves	Retained earnings	Total Equity
Profit for the period				392	392
Currency Translation Effects	-1	-1,890	-265	1,145	-1,011
Total comprehensive income	-1	1,890	-265	1,537	-619
Contributions by and distributions to owners:					
Incorporation 22 September 2022	109				109
Equity Contributed By Group Owner		42,484	1,528	-3,819	40,193
Equity Sale of own shares from treasury stock				281	281
Total contributions by and distributions to owners	109	42,484	1,528	-3,538	40,583
Balance at 31 December, 2022	108	40,594	1,263	-2,001	39,964

Consolidated statement of Cash Flows

EUR thousands	YTD 22.09 - 31.12.2022	Quarter 01.10 - 31.12.2022
Cash Flows from Operating Activities		
EBITDA adjusted	2,750	1,932
Non-cash Result	-224	-213
Income Taxes Paid	-987	-732
Cashflow Before Change In Net Working Capital	1,540	987
Change in Inventory	1,472	1,416
Change in Accounts receivables	6,433	7,890
Change in Other ST Operating receivables / Accruals	701	-76
Change in Accounts payables	-5,730	-4,760
Change in Other ST Operating payables / Accruals	3,276	-528
Change in Net Working Capital	6,153	3,943
Net cash flow from Operating Activities	7,693	4,929
Cash flows from Investing Activities		
Capex Intangible Assets	-2,142	-1,228
Capex Plant & Equipment	-254	-253
Proceeds From Intangible Assets	-9	-10
Capex Group	-813	-813
Net cash flow from Investing Activities	-3,218	-2,304
Cash flows from Financing Activities		
Acquisitions	-52,941	-1,742
Equity issuance	44,121	0
Net Other Financial Items	2,410	-805
Issuance/Amortisation of SHL	-19,093	-0
Bond & Debentures	55,405	405
Amortization Financial Liabilities	-10,627	0
Change in Overdraft	-4,394	0
Leasing Amortization	205	327
Net Cash Flow from Financing Activities	15,086	-1,816
Non-recurring Items in EBITDA	-1,818	-1,258
Sum Non-recurring Items	-1,818	-1,258
Net Increase/Decrease in Cash	17,744	-448
Cash and Cash Equivalents 31 December	17,368	17,368

Notes to the financial statements



Notes to the financial statements

Basis of preparation

The numbers are prepared in accordance with the International Financial Reporting Standards (IFRS) and local GAAP for the legal entities.

This Financial Update was authorised for issue by the Company's board of directors on 23 February 2023.

Key figure

Definition

Proforma revenue

Total revenue according to income statement adjusted for acquired/divested sites and extraordinary items.

Proforma Adjusted EBITDA

EBITDA according to income statement adjusted for acquired/divested sites, extraordinary items and all leasing being handled as financial leasing.

Note 2 - Disclaimer

The report has not been reviewed by the company's auditors.

Note 3 - Proforma Cash Flow

EUR thousands	FY 2022	FY 2021	Quarter 01.10- 31.12.2022	Quarter 01.10- 31.12.2021
Cash flows from operating activities				
EBITDA adjusted	18,363	10,954	1,932	2,683
Non-cash Result	-73	227	-213	158
Income Taxes Paid	-2,590	-1,530	-732	-398
Cashflow Before Change In Net Working Capital	15,700	9,651	987	2,443
Change in Inventory	1,530	-4,234	1,416	-2,173
Change in Accounts receivables	2,366	-3,573	7,890	-1,485
Change in Other ST Operating receivables / Accruals	-77	-353	-76	-264
Change in Accounts payables	-5,992	4,248	-4,760	2,178
Change in Other ST Operating payables / Accruals	1,732	712	-528	619
Change in Net Working Capital	-441	-3,200	3,943	-1,123
Net cash flow from operating activities	15,259	6,451	4,929	1,319
Cash flows from investing activities				
Capex Intangible Assets	-7,071	-11,306	-1,228	799
Capex Plant & Equipment	-1,044	-1,167	-253	-290
Proceeds From Intangible Assets	-10	7	-10	1,075
Proceeds From Disinvestments	-36	0	0	0
Capex Group	-813	-4	-813	-4
Net cash flow from Investing activities	-8,974	-12,471	-2,304	1,580

EUR thousands	FY 2022	FY 2021	Quarter 01.10- 31.12.2022	Quarter 01.10- 31.12.2021
Acquisitions	-51,319	-4,105	-1,742	-8,506
Equity issuance	44,121	0	0	1,732
Net other financial items	-27	-507	-805	-140
Issuance/amortisation of SHL	-23,203	0	0	2,389
Change in bank debt	46,604	6,532	405	-409
Change in overdraft	-4,235	4,212	0	1,142
Leasing Amortization	-266	-739	327	-209
Net cash flow from financing activities	11,675	5,394	-1,816	-4,001
Non Recurring Items in EBITDA	-1,895	0	-1,258	0
Sum Non Recurring Items	-1,895	0	-1,258	0
Net increase/decrease in cash	16,065	-626	-448	-1,102
Cash and cash equivalents Ending Balance	17,368	-2,752	17,368	-2,752

Note 4 - Proforma adjusted EBITDA and reported EBITDA

EUR millions	Q4 2022	Q4 2021
Revenue	24,9	23,9
Cost of Goods	-17,0	-16,8
Gross profit	8,0	7,1
Gross Margin (%)	32,0%	29,6%
Personnel costs	-3,6	-3,1
Other operating expenses	-2,4	-1,3
EBITDA Adjusted	1,9	2,7
Non-recurring items	-1,3	0,0
EBITDA Reported	0,7	2,7

EUR millions	FY 2022	FY 2021
Revenue	111,6	74,8
Cost of Goods	-75,7	-49,0
Gross profit	36,0	25,7
Gross Margin (%)	32,2%	34,4%
Personnel costs	-11,9	-10,6
Other operating expenses	-5,8	-4,2
EBITDA Adjusted	18,4	11,0
Non-recurring items	-1,9	0,0
EBITDA Reported	16,5	11,0

Glossary

CPE	Customer Premises Equipment
RGW	Residential Gateway
IoT	Internet of Things
IOWRT	IOPSYS Operating System Software
SBTi	Science-Based Target Initiative
SPT	Sustainability Performance Targets
CO ₂ e	Carbon Dioxide Emission equivalents
CAGR	Compound Average Growth Rate

Board of Director's Assurance



Board of Director's Assurance

The Board and the CEO assures that this Financial Update is prepared in accordance with the accounting standards applied by the group and in accordance with the past practices and provides to the best of our knowledge a true and fair view of the group's operations, financial position, and performance, and describes the material and uncertainties faced by the parent company and other group companies.

Stockholm, February 23, 2023

Genexis Group AB

Gerlas van den Hoven
CEO

Daniel Winberg
Chairman of the Board

Eric van Schagen
Board member

Victoria Scheer
Board member



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