

Transition to IFRS

In 2025, the Group Conapto Holding (Conapto) began applying International Financial Reporting Standards (IFRS) instead of the Swedish Accounting Standards Board's general advice BFNAR 2012:1 Annual report and consolidated financial statements (K3), as the basis for preparing the financial statements. These financial statements for the Group are the first to be prepared using IFRS. The accounting principles according to IFRS have been applied in preparing the Group's financial statements for the financial year 2025 and for the comparative year 2024, as well as for the Group's opening balance sheet as of 1 January 2024. When preparing the Group's opening balance sheet, amounts reported according to previously applied accounting principles have been adjusted according to IFRS. Explanations of how the transition from previous accounting principles to IFRS has affected the Group's financial position and results are provided in the following tables and explanations thereof.

Reconciliation of effects at transition to IFRS

	Note	At 1 January 2024			At 31 December 2024		
		K3	Effects at transition to IFRS	IFRS	K3	Effects at transition to IFRS	IFRS
Assets							
Non-current assets							
<i>Intangible assets</i>							
Lease contract	a	19 000	-19 000	-	18 000	-18 000	-
Capitalised expenditures		-	-	-	-	-	-
Software		1 490	-	1 490	1 072	-	1 072
		20 490	-19 000	1 470	19 072	-18 000	1 072
<i>Tangible assets</i>							
Cost of improvements to another's property		298 597	-	298 597	448 443	-	448 443
Machinery and other technical facilities		50 259	-	50 259	62 487	-	62 487
Equipment, tools, fixtures and fittings		3 054	-	3 054	2 925	-	2 925
Right-of-use assets	a	-	+89 151	89 151	-	+237 078	237 078
		351 910	+89 151	441 061	513 855	+237 078	750 933
<i>Financial non-current assets</i>							
Derivative	b	3 209	-	3 209	791	-	791
Other long-term receivables		1 275	-	1 275	1 275	-	1 275
Deferred tax asset	c	-	(+811-811)	-	-	(+1 431-1 431)	-
		4 484	-	4 484	2 066	-	2 066
Total non-current assets		376 884	+70 151	447 035	534 993	+219 079	754 072
Current assets							
Derivatives	b	-	-	-	-	-	-
Trade receivables	d	18 702	-100	18 602	18 273	-75	18 198
Current tax asset		2 814	-	2 814	2 814	-	2 814
Other receivables	a	20 335	-	20 335	1 179	-	1 179
Prepaid expenses and accrued income		12 560	-898	11 662	14 355	-4 019	10 336
		54 411	-998	53 413	36 621	-4 094	32 527
Cash and cash equivalents	e	57 915	-	57 915	28 142	-	28 142
Total current assets		112 326	-998	111 328	64 763	-4 094	60 669
Total assets		489 210	+69 153	558 363	599 756	+214 984	814 740

	At 1 January 2024			At 31 December 2024			
	Note	K3	Effects at transition to IFRS	IFRS	K3	Effects at transition to IFRS	IFRS
Equity and liabilities							
Equity							
Share capital		50	-	50	50	-	50
Other paid-in capital		345 227	-	345 227	345 227	-	345 227
Retained earnings incl profit/loss for the period	f	-96 324	-3 124	-99 448	-112 001	-5 517	-117 518
<i>Total equity attributable to parent company's shareholders</i>		<u>248 953</u>	<u>-3 124</u>	<u>245 829</u>	<u>233 276</u>	<u>-5 517</u>	<u>227 759</u>
Total equity		248 953	-3 124	245 829	233 276	-5 517	227 759
Non-current liabilities							
Bonds		-	-	-	-	-	-
Liabilities to credit institutions		108 894	-	108 894	313 571	-	313 571
Lease liabilities	a	-	+66 037	66 037	-	+209 339	209 339
Deferred tax liability		4 915	-811	4 104	4 915	-1 431	3 484
Total non-current liabilities		113 809	+65 226	179 035	318 486	+207 908	526 394
Current liabilities							
Lease liabilities	a	-	+7 052	7 052	-	+12 593	12 593
Billed, not booked, revenues		7 026	-	7 026	7 001	-	7 001
Accounts payable		111	-	111 152	35 529	-	35 529
Other liabilities		2 427	-	2 427	1 509	-	1 509
Accrued expenses and deferred income		5 843	-	5 843	3 955	-	3 995
Total current liabilities		126 448	+7 052	133 500	47 994	+12 593	60 587
Total equity and liabilities		489 210	+69 153	558 363	559 756	+214 984	816 740

Notes to reconciliation of effects at transition to IFRS

a – Leases

When applying IFRS, leases are to be reported as right-of-use assets with associated lease liabilities. According to IFRS, costs to previous tenants, which refer to amounts paid to gain access to the premises, are to be reported as part of right-of-use assets, which means that a reclassification has been made in the balance sheet from the item Lease contracts to Right-of-use assets.

The accounting in the income statement is thus depreciation of right-of-use assets and interest expenses on related lease liabilities. This differs from the previous accounting of operating leases, when a lease expense was recognised on a straight-line basis over the lease term.

In other words, this difference in accounting principle for leases affects both the balance sheet and the income statement. In addition, deferred tax linked to temporary differences is reported for leases.

b – Derivative

When applying previous principles, the Group has recognised financial instruments based on cost accounting. When applying IFRS, all derivatives must always be measured at fair value. This is a difference in accounting principle between previous principles and IFRS. However, it has not had any effect on the Group for 2024 as the derivatives held, which are interest rate caps, have been reported at fair value also when applying previous principles, as the fair value has been lower than the acquisition value, i.e. cost.

c – Deferred tax

The Group has also reported deferred tax when applying previous principles. When applying IFRS, the temporary differences increase due to the differences in accounting principles between the Group and the parent company. As of the transition to IFRS, deferred taxes are reported attributable to temporary differences for right-of-use assets, lease liabilities and expected credit losses.

d – Expected credit losses (ECL)

When applying IFRS, expected credit losses are to be reported for accounts receivable, which is a difference from previous principles, when credit losses were only to be recognised when something observable has occurred. Historically, the Group has never had any confirmed credit losses, which means that the Group can only assess expected credit losses based on qualitative assumptions. The expected credit loss recognised in profit or loss affects the recognised amount of accounts receivable in the balance sheet and results in a deferred tax attributable to temporary difference for expected credit losses being recognised.

e – Terminology according to IFRS

When applying IFRS, different terms are used in some cases than according to previous principles. One such difference is that cash and cash equivalents are presented directly in the balance sheet instead of presenting cash and bank in the balance sheet.

However, the Group has chosen to continue using the titles for the financial statements as they have been named according to previous principles, in cases where the financial statements have also been reported previously. For example, the balance sheet is still referred to as the balance sheet instead of using the term statement of financial position. The statement of comprehensive income is a new report that has not been reported when K3 was applied.

f – Equity

The effect of the above adjustments on equity is shown in the table below:

	Note	1 January 2024	31 December 2024
Lease contract	a	-19 000	-18 000
Right-of-use assets	a	+89 151	+237 078
Deferred tax asset*	a,c,d	+811	+1 431
Account receivables	c,d	-100	-75
Prepaid expenses	a	-898	-4 019
Lease liabilities	a	-73 089	-221 932
Total adjustments to equity		-3 124	-5 517

* Offset against deferred tax liability in the balance sheet

Reconciliation of profit/loss for 2024

	Note	K3	Effects at transition to IFRS	IFRS
Net sales		156 600	-	156 600
Capitalised work on own account		-	-	-
		<u>156 600</u>	<u>-</u>	<u>156 600</u>
Operating costs				
Cost of services sold	a	-74 965	+19 441	-55 524
Other external costs	a	-15 361	+749	-14 612
Personnel costs		-32 906	-	-32 906
Depreciation	a	-27 000	-14 197	-41 197
Other operating costs	d		+25	25
Total operating costs		<u>-150 232</u>	<u>+6 017</u>	<u>-144 215</u>
Operating profit/loss		6 368	+6 017	12 385
Financial income		953	-	953
Financial costs	a	-22 997	-9 031	-32 028
Net financial items		<u>-22 044</u>	<u>-9 031</u>	<u>-31 075</u>
Profit/loss before tax		-15 676	-3 013	-18 689
Tax	c	-	+621	621
Net profit/loss for the year		<u>-15 676</u>	<u>-2 393</u>	<u>-18 069</u>
	Note	K3	Effects at transition to IFRS	IFRS
Net profit/loss for the year		-15 676	-2 393	-18 069
Other comprehensive income for the year		-	-	-
Comprehensive income for the year		<u>-15 676</u>	<u>-2 393</u>	<u>-18 069</u>

Accounting principles

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Commission for application within the EU. Furthermore, the Swedish Sustainability and Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied. The parent company applies the same accounting principles as the Group except in the cases stated below under the section "Parent company's accounting principles".

This financial report is the first complete financial report prepared in accordance with IFRS. In connection with the transition from previously applied accounting principles to an accounting according to IFRS, the Group has applied IFRS 1 First-time Adoption of IFRSs, which is the standard that describes how the transition to IFRS should be reported. The Transition to IFRS section contains a summary with explanations of how the transition to IFRS has affected the Group's financial performance and position.

The most significant accounting principles applied when preparing these consolidated financial statements are stated below. These principles have been applied consistently for all years presented unless otherwise stated.

New IFRSs that came into effect in 2025

The new IFRSs that came into effect in 2025 have not had any significant impact on the Group's financial statements.

New IFRSs that have not yet been applied

Several new IFRSs have not come into effect in 2025 and have therefore not been applied in the preparation of these financial statements. The only new IFRS that is expected to have a significant impact on the Group's financial statements is IFRS 18 Presentation and Disclosures in Financial Statements, which enters into force on 1 January 2027. Conapto Holding has not yet performed an analysis of how and to what extent the standard will affect the financial statements.

Functional currency and presentation currency

The functional currency of the parent company is Swedish kronor (SEK), which is also the reporting currency for the parent company and the group. All subsidiaries also have Swedish kronor as their functional currency and reporting currency.

The financial statements are therefore presented in Swedish kronor and all amounts are, unless otherwise stated, rounded to the nearest thousand (kSEK).

Foreign currency transactions

At each balance sheet date, monetary items in foreign currency are translated at closing rate. Exchange differences on operating receivables and operating liabilities are included in operating profit. Exchange differences on financial assets and liabilities are reported under net financial items.

Consolidation principles and business combinations

The consolidated financial statements are prepared in accordance with the Group's accounting principles and include the accounting of the parent company and all subsidiaries. Subsidiaries are companies over which Conapto Holding AB (publ) has a controlling influence. The purchase method is used for the preparation of the consolidated financial statements.

Operating segment reporting

Conapto offers secure, sustainable and flexible colocation in data centers and the connectivity to the cloud needed for companies and service providers to be able to produce digital services in a scalable hybrid IT environment.

The Group has assessed that there is only one operating segment. This assessment is based on the fact that it is the total business activities of the Group that generate revenues and incur expenses. Furthermore, it is the

operating result, which is regularly reviewed by the chief operating decision maker (CEO), the Group's total operating result and the total operations also form the basis for decisions on resource allocation and performance evaluation.

Revenue recognition

Revenue is recognised when the customer obtains control of the services. The amount of revenue reflects the consideration to which the Group expects to be entitled in exchange for the services.

Revenue is allocated to performance obligations and recognised at a point in time or over the period that the performance obligations are satisfied, which is determined based on the manner in which control is transferred to the customer. Performance obligations that have been identified in contracts with customers, the type of revenue and its revenue recognition are summarised as follows:

Performance obligation	Type of revenue	Timing of revenue recognition
<i>Colocation services</i>		
Data center functionality	Services	Over time
Customisations	Services	At a point in time when it is delivered
Services smart hands	Services	At a point in time after services are rendered
Other data center functionality*	Services	Over time
<i>Ancillary services</i>		
Workplace restoration services	Services	Over time
<i>Other services</i>		
Frequency balancing services	Services	Over time
Other (non-recurring)	Services	Over time/at a point in time

* Other data center functionality includes electricity consumption, network services, and other related services.

Incremental costs for obtaining a contract

The Group pays sales commissions to its employees and success fees to brokers under certain conditions. These costs meet the criteria to be incremental costs of obtaining a contract and are therefore capitalised and depreciated over the term of the customer contract. The Group applies the exemption not to capitalise incremental costs attributable to contracts with a term of one year or less or contracts of low value.

Cost of services sold

Cost of services sold includes operating costs including electricity consumption for the data centers.

Electricity consumption costs are hedged by the Group pre-purchasing a certain portion of consumption. This electricity pre-purchasing agreement is held for the purpose of obtaining a non-financial item (electricity) in accordance with the Group's expected consumption and is therefore subject to the own use exemption. Recognition is therefore made in connection with the consumption of the electricity.

Employee benefits

Salaries and benefits

Employee benefits, such as salary, bonuses and commissions, are recognised as an expense in operating profit as the employees perform services in exchange for the compensation.

Defined contribution plans

The Group only has defined contribution plans, where the contributions are recognised as an expense in operating profit when they arise.

Leases

The Group is a lessee and therefore recognises a right-of-use asset that represents a right to use the underlying asset and a lease liability that represents an obligation to pay lease payments.

Lease liabilities

The lease liability is initially recognised at the present value of future lease payments and subsequent measurement of the lease liability is made by increasing the value to reflect interest and decreasing the value upon amortisation. Any remeasurements are also taken into account in the subsequent measurement. These lease liabilities are recognised under current and non-current lease liabilities in the balance sheet.

Right-of-use assets

The cost of the right-of-use asset is the initial value of the lease liability plus any advance payments and other initial direct expenses. Subsequent valuation of the right-of-use asset is made at cost less accumulated depreciation, any accumulated impairment losses and taking into account any remeasurements. Depreciation is recognised on a straight-line basis over the lease term. The right-of-use assets are recognised separately from other assets in the balance sheet.

Application of recognition exemptions

The Group applies the recognition exemption for leases where the underlying asset is of low value. The expense arising from these agreements is recognised as operating expenses in profit or loss on a straight-line basis over the lease term.

Financial income and expenses

Financial income consists of interest income and gains due to fair value changes on financial assets measured at fair value through profit or loss.

Financial expenses consist of interest expenses on loans and bonds, interest expenses on lease liabilities and losses due to fair value changes on financial assets measured at fair value through profit or loss.

Taxes

Income taxes consist of current tax and deferred tax. Income taxes are recognised in profit or loss except when the underlying transaction is recognised directly in other comprehensive income or directly against equity, in which case the associated tax effect is recognised in other comprehensive income or equity, respectively.

Intangible assets

Capitalised expenditures

Capitalised expenditures consist of the capitalisation of the incremental costs of obtaining a customer contract and are reported at cost less accumulated depreciation and any impairment losses. Depreciation is recognised on a straight-line basis over the contract period of the related customer contract.

Other intangible assets

Other intangible assets acquired by the Group are reported at cost less accumulated depreciation and any impairment losses. Depreciation is recognised on a straight-line basis over the asset's estimated useful life, which for software is 5 years.

Tangible assets

Tangible assets are measured at cost less accumulated depreciation and accumulated impairment losses. The cost includes the costs of replacing parts of the tangible asset (so-called components), if the criteria for recognition are met. The Group has not identified any separate components, but the asset class is depreciated in its entirety. All other repair and maintenance costs are recognised in profit or loss.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset.

Asset class	Estimated useful life
Cost of improvements to another's property	20 years
Machinery and other technical facilities	3-10 years
Equipment, tools, fixtures and fittings	3-5 years

Impairment of non-financial assets

The carrying amounts of the Group's assets are tested at each reporting date to assess whether there is any indication of impairment. If there is any indication of impairment, the asset's recoverable amount is calculated, which is the higher of its fair value less costs to sell and its value in use.

An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount.

Financial assets

The Group's financial assets consist of derivatives, accounts receivable and cash and cash equivalents.

Financial assets measured at amortised cost

Financial assets in this category consist of accounts receivable and cash and cash equivalents. Accounts receivables are reported at the amount expected to be received, i.e. after deduction of expected credit losses.

Impairment of financial assets measured at amortized cost is based on a model for future expected credit losses. For accounts receivable, a simplified method is applied, where the calculation of the loss allowance is based on expected credit losses for the remaining term. The Group uses both a collective model and an individual model. The collective model means that receivables are grouped based on the number of days past due and a credit loss percentage is calculated for each interval based on historical loss levels taking into account forward-looking information. The individual model is used in cases where there is an indication of higher credit risk and an individual analysis of expected credit losses is possible.

The Group generally defines credit-impaired assets as receivables with payments past due for more than 90 days or receivables where there is other observable evidence that indicates a measurable decrease in estimated future cash flows.

Financial assets measured at fair value through profit or loss

The Group has derivative instruments that are used for economic hedging purposes and are therefore classified as financial assets measured at fair value through profit or loss. Changes in fair value of the derivatives are recognised in profit or loss either within operating profit or net financial items, depending on what is being economically hedged.

Financial liabilities

The Group's financial liabilities consist of derivatives, borrowings and accounts payable.

Financial liabilities measured at amortised cost

The Group's financial liabilities are reported in this category. Accounts payable have a short expected maturity and are therefore valued at nominal amount without discounting.

Cash flow statement

The indirect method has been used for the operating activities in the cash flow statement. In addition to cash and bank balances, short-term liquid investments with an original maturity of less than three months are classified as cash and cash equivalents.

Parent company's accounting principles

The parent company applies the Annual Accounts Act (ÅRL) and the Swedish Sustainability and Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The differences between the Group's and the parent company's accounting principles are described in this section. Apart from what is stated here, the Group and the parent company apply the same accounting principles.

The accounting principles stated below have been applied consistently to all periods presented in the parent company's financial statements.

Amended accounting principles

The parent company has in 2025 started to apply the Annual Accounts Act and RFR 2 instead of the Annual Accounts Act and the Swedish Accounting Standards Board's general advice BFNAR 2012:1 Annual report and consolidated financial statements (K3), as the basis for preparing the annual report. This change has not resulted in any change in the accounting principles applied, except for a change in the presentation of the financial statements presented, where the statement of comprehensive income is a new report for the parent company, and to some extent the presentation in the financial statements.

Format in the financial statements

The parent company's income statement and balance sheet follow the format of the Annual Accounts Act, which results in differences primarily regarding financial income and expenses, provisions and equity.

Leases

All lease payments are recognised as an expense on a straight-line basis over the lease term in the parent company.

Shares in group companies

Shares in subsidiaries are reported at cost less any impairment losses. Cost includes the purchase price paid for the shares and acquisition costs. Any capital contributions are reported as shares in subsidiaries when they are transferred.

Financial instruments

Financial instruments are in the parent company measured according to the cost principle, which means that financial non-current assets are measured at acquisition cost less any impairment and financial current assets are measured according to the lowest value principle.

Taxes

In the parent company, untaxed reserves are reported without a breakdown into equity and deferred tax liability. Changes in untaxed reserves are reported in the income statement as appropriations.

Group contributions and shareholder contributions

The parent company recognises received and paid group contributions according to the alternative rule as appropriations. Shareholder contributions are recorded directly against equity at the recipient and are capitalised in shares at the provider, to the extent that impairment is not applicable.