

INTERIM REPORT JANUARY-SEPTEMBER 2022

THIRD QUARTER (1 JULY – 30 SEPTEMBER 2022)

- Net sales increased by 77 percent to SEK 8,417m (4,744).
- Adjusted EBITA increased by 57 percent to SEK 772m (492), corresponding to an adjusted EBITA margin of 9.2 percent (10.4).
- Operating profit (EBIT) increased by 49 percent to SEK 671m (450), corresponding to an operating margin of 8.0 percent (9.5).
- Profit for the period increased by 47 percent to SEK 463m (314).
- Earnings per share before/after dilution amounted to SEK 0.26 (0.20).
- Cash flow from operating activities came in at SEK 204m (-410).
- Four acquisitions were completed during the quarter, with combined annual sales of SEK 258m based on the companies' most recent financial year.
- An unsecured syndicated term facility agreement of EUR 300m was entered into.

THE PERIOD (1 JANUARY – 30 SEPTEMBER 2022)

- Net sales increased by 113 percent to SEK 24,414m (11,457). Organic sales growth amounted to 12.4 percent.
- Adjusted EBITA increased by 94 percent to SEK 2,216m (1,145), corresponding to an adjusted EBITA margin of 9.1 percent (10.0). Organic EBITA growth amounted to -5.5 percent.
- Operating profit (EBIT) increased by 86 percent to SEK 1,821m (980), corresponding to an operating margin of 7.5 percent (8.6).
- Profit for the period increased by 69 percent to SEK 1,176m (696).
- Earnings per share before/after dilution amounted to SEK 0.64 (0.48).
- Cash flow from operating activities came in at SEK 356m (677).

EVENTS SINCE THE END OF THE PERIOD

- Since the end of the period, Storskogen has completed four acquisitions with combined annual sales of SEK 438m and EBITA of SEK 97m. Storskogen's earning capacity (RTM adjusted EBITA) including these amounts to SEK 3,584m.
- As of the date of this report, Storskogen has signed five non-binding letters of intent (LOI). These potential acquisitions have combined annual sales of SEK 262m and EBITA of SEK 39m based on the companies' most recent financial year.

Amounts in parentheses are for the corresponding periods in 2021.

PERFORMANCE MEASURES

SEK m	2022			2021			12 months until 30 Sep 2022	Full-year 2021
	Jul-Sep	Jul-Sep	Change %	Jan-Sep	Jan-Sep	Change %		
Net sales	8,417	4,744	77	24,414	11,457	113	30,453	17,496
Adjusted EBITA	772	492	57	2,216	1,145	94	2,759	1,688
Adjusted EBITA-margin, %	9.2	10.4		9.1	10.0		9.1	9.6
Operating profit	671	450	49	1,821	980	86	2,247	1,406
Operating margin, %	8.0	9.5		7.5	8.6		7.4	8.0
Profit before tax	575	396	45	1,558	877	78	1,914	1,233
Profit for the period	463	314	47	1,176	696	69	1,427	947
Interest-bearing net debt/adjusted RTM EBITDA (12 months), x					2.3		2.7	0.5
Total assets (balance day)					26,108		47,193	32,223
Basic and diluted earnings per share, SEK	0.26	0.20	30	0.64	0.48	33	0.77	0.60
Return on equity, % (12 months)					12.6		9.0	10.4
Return on capital employed, % (12 months)					8.8		10.1	9.1
Equity/assets ratio, %					35.6		40.1	51.5
Cash flow from operating activities	204	-410		356	677		1,055	1,376

Comments from the CEO

Net sales increased by 113 percent to SEK 24.4 billion (11.5) in the first nine months. Most of the increase is attributable to acquisitions, with organic growth for the period amounting to 12 percent. Since our IPO about a year ago, when we raised SEK 7.2 billion through a share issue, Storskogen's sales have more than doubled. In September, we hosted our first Capital Markets Day, at which we reiterated Storskogen's long-term strategy while emphasising our short- to medium-term focus on cash flow, strengthening the balance sheet and undertaking value-creating initiatives.

As highlighted in the Q2 report, the third quarter is seasonally weak due to the holiday period, and we continue to expect a seasonally stronger fourth quarter. It seems that a more normal seasonal demand pattern has returned after the pandemic years. Underlying demand in the third quarter remained good, especially for Industry and Services. We are pleased to see margins in Services continuing to recover sequentially thanks to cost measures and price adjustments to offset cost inflation. Active measures are being taken to address the challenges in Trade, such as reducing working capital after the planned increase in inventories made to ensure delivery capacity during the recent period of supply chain disruptions. Reducing working capital is high on the agenda for all business areas, but will take some time. We have also redirected certain central resources from M&A to support our portfolio companies operationally. We remain cost-focused with the aim of optimising our operations without compromising on our capacity to execute on the long-term strategy.

Continued supply chain challenges, increased costs and the weak Swedish krona affected margins negatively in the quarter, although this was partially offset by price increases and cost efficiency. The Group EBITA margin continues to fluctuate in the interval of 9-10 percent, but the overall portfolio is weighted towards an EBITA margin above 10 percent.

We have calibrated our short-term priorities to ensure resilience amid volatile market conditions. To maintain an efficient organisation, Storskogen and our business units are reviewing costs and focusing on operational excellence, cash flow and retaining a strong balance sheet.

In the third quarter, we adapted our acquisition pace to ensure sufficient financial headroom, given the unpredictability of market developments. We made four acquisitions during the quarter and have concluded another four since the end of the period. These eight acquisitions have combined annual sales of about SEK 696 million within Automation, Health and Beauty, and Digital Services – verticals that are all doing well. Half of these acquisitions are add-on acquisitions with good conditions for realising synergies. We continue to make acquisitions, albeit at a slower pace than previously, and we currently have a pipeline of five non-binding letters of intent (LOI).

This year, it is ten years since Storskogen was founded. With businesses across Trade, Industry and Services, Storskogen is today an international Group with net sales of SEK 36.5 billion RTM on a pro forma basis and RTM adjusted EBITA of SEK 3.5 billion. I remain convinced that our past, current and future success rests on our long-term approach to ownership and support of our companies.

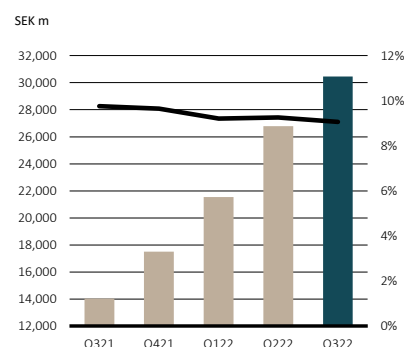
Daniel Kaplan, CEO



“Since our IPO about a year ago, Storskogen's sales have more than doubled.”

Daniel Kaplan, CEO

NET SALES AND ADJUSTED EBITA MARGIN, ROLLING 12 MONTHS



MEDIUM-TERM FINANCIAL TARGETS

ORGANIC EBITA GROWTH

Real GDP growth plus 1-2 percentage points (existing markets)

EBITA GROWTH INCLUDING ACQUISITIONS

Growth in line with historical levels

ADJUSTED EBITA MARGIN

10 percent over time

ADJUSTED CASH CONVERSION

>70 percent (LTM)

INTEREST-BEARING NET DEBT/RTM ADJUSTED EBITA

2.0-3.0x

The Group's performance

SALES

Third quarter 2022

Net sales for the third quarter increased by 77 percent to SEK 8,417 million (4,744). The growth was mainly related to acquisitions, but underlying growth was driven by both volume and price, with generally strong demand and the impact from implemented price increases.

January–September 2022

Net sales for the first nine months increased by 113 percent to SEK 24,414 million (11,457). Organic sales growth for the period, meaning the growth in companies that were owned by Storskogen for both complete comparable periods, was 12.4 percent.

RTM (rolling 12 months pro forma)

Had Storskogen owned all subsidiaries throughout the previous 12-month period (RTM), net sales would have amounted to SEK 36,472 million.

EARNINGS

Third quarter 2022

For the third quarter, adjusted EBITA increased by 57 percent to SEK 772 million (492), corresponding to an adjusted EBITA margin of 9.2 percent (10.4). Operating profit (EBIT) increased by 49 percent to SEK 671 million (450) and the operating margin came in at 8.0 percent (9.5). Net financial items amounted to SEK -96 million (-54), of which SEK 235 million (32) consisted of exchange rate gains and other financial income, SEK -150 million (-85) of interest and other expenses for loans and leasing, and SEK -180 million (-1) of negative exchange rate effects and other financial expenses. Profit before tax increased by 45 percent to SEK 575 million (396). Profit for the period increased by 47 percent to SEK 463 million (314). Earnings per share amounted to SEK 0.26 (0.20).

Items affecting comparability, which are adjusted for in EBITA, amounted to SEK -77 million (-32) for the quarter, consisting of remeasurements of contingent considerations of SEK -100 million (-49), inventory step-up in acquisitions of SEK 4 million (0), acquisition-related stamp duty of SEK 1 million (0), and restructuring costs for savings at the Group level of SEK 18 million (0). Transaction costs, which are not included in items affecting comparability but are distributed per business area, amounted to SEK -11 million (-16). Group functions affected the Group's adjusted EBITA by SEK -75 million (-48) in the quarter. The combined adjusted EBITA margin for the business areas, excluding Group functions and transaction costs, was 10.2 percent (11.7).

As previously communicated, the third quarter is seasonally weaker due to lower sales, particularly in July. Continued supply chain disruptions, high costs of materials, material shortages and a weak Swedish krona affected the EBITA margin negatively. However, these factors could be consciously counterbalanced by price increases, cost efficiency and a generally strong market. The fourth quarter is seasonally stronger than the third from an operational point of view, due to larger sales volumes, and this is expected to be the case this year too. For further information on the business areas, see pages 5-7.

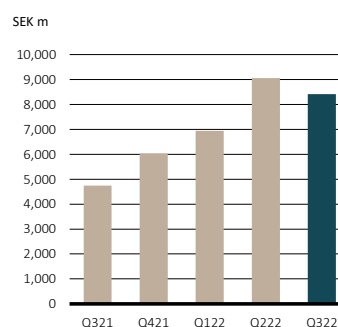
January–September 2022

Adjusted EBITA for the first nine months increased by 94 percent to SEK 2,216 million (1,145), corresponding to an adjusted EBITA margin of 9.1 percent (10.0). Organic EBITA growth, meaning the growth for companies that were owned by Storskogen for both complete comparable periods, was -5.5 percent for the period and was negatively affected by cost inflation and the weak Swedish krona. Operating profit (EBIT) increased by 86 percent to SEK 1,821 million (980) and the operating margin was 7.5 percent (8.6). Net financial items amounted to SEK -263 million (-103). Profit before tax increased by 78 percent to SEK 1,558 million (877). Profit for the period increased by 69 percent to SEK 1,176 million (696). Earnings per share amounted to SEK 0.64 (0.48).

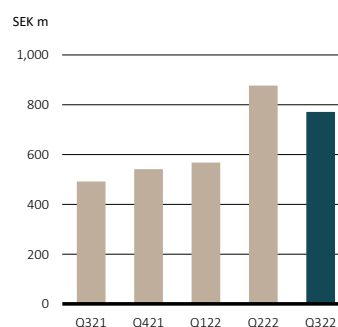
RTM (rolling 12 months pro forma)

Had Storskogen owned all subsidiaries throughout the previous 12-month period (RTM), the Group would have generated adjusted EBITDA of SEK 4,640 million and adjusted EBITA of SEK 3,487 million, corresponding to an adjusted EBITA margin of 9.6 percent.

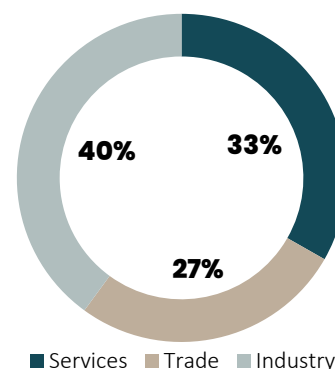
NET SALES BY QUARTER



OPERATING PROFIT (ADJUSTED EBITA) BY QUARTER



BREAKDOWN OF SALES BY BUSINESS AREA, Q3 2022



Net sales by business area and for the Group

SEK m	2022			2021			12 months until 30 Sep 2022	Full-year 2021
	Jul-Sep	Jul-Sep	Change %	Jan-Sep	Jan-Sep	Change %		
Services	2,801	1,634	71	8,093	4,570	77	10,429	6,906
Trade	2,256	1,502	50	6,730	3,615	86	8,524	5,410
Industry	3,366	1,608	109	9,608	3,273	194	11,521	5,186
Operations	8,424	4,743	78	24,431	11,459	113	30,475	17,502
Group operations	-7	0	-	-17	-2	-	-21	-6
Net sales, Group	8,417	4,744	77	24,414	11,457	113	30,453	17,496

Operating profit (EBIT) by business area and for the Group

SEK m	2022			2021			12 months until 30 Sep 2022	Full-year 2021
	Jul-Sep	Jul-Sep	Change %	Jan-Sep	Jan-Sep	Change %		
Services	271	160	70	712	452	58	956	695
Trade	205	177	15	696	429	62	848	582
Industry	371	203	83	1,054	404	161	1,276	626
Group operations	-75	-48	-	-246	-140	-	-321	-215
Adjusted EBITA	772	492	57	2,216	1,145	94	2,759	1,688
Reversal of adjusted items	77	32	-	75	-17	-	59	-33
EBITA	849	524	62	2,291	1,129	103	2,818	1,655
Amortisation of intangible non-current assets	-178	-74	-	-470	-149	-	-570	-249
Operating profit, EBIT	671	450	49	1,821	980	86	2,247	1,406

RETURNS

Return on equity was 9.0 percent (12.6) and return on capital employed was 10.1 percent (8.8). These return metrics are affected by growth and the dilutive effects of share issues during the most recent 12-month period, assuming the proceeds from the issues have not yet been used for acquisitions.

FINANCIAL POSITION

As of 30 September 2022, the Group had equity of SEK 18,975 million (9,287) and an equity/assets ratio of 40.2 percent (35.6).

As of 30 September 2022, cash and cash equivalents amounted to SEK 3,159 million (4,820).

The Group also had unutilised credit facilities of SEK 6,258 million at the end of the period. The Group's interest-bearing net debt increased during the third quarter by SEK 574 million to SEK 12,670 million as of 30 September 2022. Interest-bearing net debt/EBITDA, based on RTM adjusted EBITDA for the last 12-month period, was 2.7x (2.3), which is within the target range of 2-3x.

CASH FLOW AND INVESTMENTS

Cash flow from operating activities amounted to SEK 204 million (-410) in the third quarter. Cash flow improved compared to the previous year due to a higher profit and a lower level of working capital tied up. Adjusted cash conversion (adjusted EBITDA after changes in working capital and net investments in tangible assets as a percentage of adjusted EBITDA) was 48 percent (-38). Cash flow was negatively affected by somewhat higher inventory levels, due to continued supply chain disruptions, currency effects and price increases for purchases, and by decreased operating liabilities. A decline in operating receivables had a positive effect. For the previous 12-month period, adjusted cash conversion amounted to 50 percent.

The Group's net investments in tangible assets, i.e. capex, amounted to SEK 135 million (48), corresponding to 1.6 percent (1.0) of net sales in the quarter. Acquisitions of subsidiaries, including payments of contingent considerations for acquisitions in previous years, amounted to SEK 489 million (136) in the third quarter.

Business area Services

RESULTS

Net sales in business area Services increased by 71 percent to SEK 2,801 million (1,634) in the third quarter and by 77 percent to SEK 8,093 million (4,570) in the first nine months. Organic sales growth in the first nine months was 16 percent.

Adjusted EBITA increased by 70 percent to SEK 271 million (160) in the third quarter and by 58 percent to SEK 712 million (452) in the first nine months. The adjusted EBITA margin was 9.7 percent (9.8) for the quarter and 8.8 percent (9.9) for the first nine months. Organic EBITA growth in the first nine months was -9 percent. The result includes transaction costs of SEK 3 million (1) for the quarter and SEK 21 million (6) for the first nine months. The adjusted EBITA margin excluding transaction costs was 9.8 percent (9.8) for the quarter and 9.1 percent (10.0) for the first nine months.

SEK m	2022			2021			12 months until 30 Sep 2022	Full-year 2021
	Jul-Sep	Jul-Sep	Change %	Jan-Sep	Jan-Sep	Change %		
Net sales	2,801	1,634	71	8,093	4,570	77	10,429	6,906
Adjusted EBITA excl. transaction costs	274	161	71	734	457	60	989	712
Transaction costs	-3	-1		-21	-6		-33	-17
Adjusted EBITA	271	160	70	712	452	58	956	695
Adjusted EBITA-margin, %	9.7	9.8		8.8	9.9		9.2	10.1
Adjusted EBITA-margin excl. transaction costs, %	9.8	9.8		9.1	10.0		9.5	10.3
Number of employees, end of period				5,196	3,331		5,196	4,297
Number of business units, end of period				62	45		62	50

Despite the summer holiday season, which has a negative impact on service companies, the third quarter was characterised by solid demand, which is reflected in the good sales growth. The EBITA margin increased to the highest level this year and was on a par with last year. The uncertain situation, with high material prices and supply chain disruptions that affected the first half of the year, stabilised somewhat and price adjustments started to have an impact, contributing to the positive sequential profitability development.

In the quarter, most of the verticals in the business area showed an EBITA margin in line with, or slightly better than, last year. The companies within verticals Logistics and Digital Services continued to develop strongly in terms of both sales and profitability. The verticals Infrastructure and Engineering Services, which were affected by the uncertain global macroeconomic situation during the first half of the year, benefited from the stabilisation of the market and strengthened their profitability. HR and Competence also had a stronger quarter. Installation showed continued good growth in the quarter and improved its margin after being negatively affected by rising material prices, high levels of sick leave and high fuel prices in the first half of the year.

The fourth quarter is relatively seasonally strong for the companies within Services and this is expected to be the case this year too. However, despite the apparent stabilisation that positively affected the third quarter, the global macroeconomic situation is still uncertain. With high inflation and an impending recession, there are many parameters that could have an impact, and conditions may change quickly.

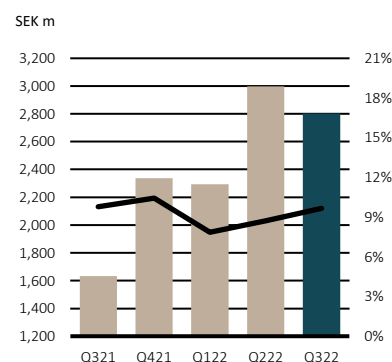
ACQUISITIONS DURING THE QUARTER

During the third quarter, one new business unit was acquired, XodBox, a local content agency offering advertising and media design services for the public sector in Singapore. Xodbox is part of the vertical Digital Services and is Storskogen's first acquisition outside Europe.

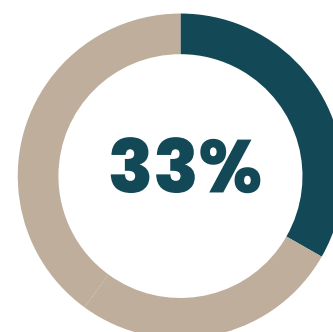


The Services business area comprises service companies with strong positions in specific B2B niche markets. It consists of 62 business units in the following verticals: Contracting Services, Infrastructure, Installation, Logistics, Engineering Services, Digital Services, and HR and Competence.

SALES, SEK M ADJUSTED EBITA MARGIN, %



SHARE OF GROUP SALES, Q3 2022



Business area Trade

RESULTS

Net sales in the Trade business area increased by 50 percent to SEK 2,256 million (1,502) in the third quarter and by 86 percent to SEK 6,730 million (3,615) in the first nine months. Organic sales growth in the first nine months was 5 percent.

Adjusted EBITA increased by 15 percent to SEK 205 million (177) for the quarter and by 62 percent to SEK 696 million (429) for the first nine months. The adjusted EBITA margin was 9.1 percent (11.8) for the quarter and 10.3 percent (11.9) for the first nine months. Organic EBITA growth in the first nine months amounted to -15 percent. The result includes transaction costs of SEK 9 million (2) for the quarter and SEK 25 million (7) for the first nine months. The adjusted EBITA margin excluding transaction costs was 9.5 percent (11.9) for the quarter and 10.7 percent (12.1) for the first nine months.

SEK m	2022			2021			12 months until 30 Sep 2022	Full-year 2021
	Jul-Sep	Jul-Sep	Change %	Jan-Sep	Jan-Sep	Change %		
Net sales	2,256	1,502	50	6,730	3,615	86	8,524	5,410
Adjusted EBITA excl. transaction costs	214	179	19	720	437	65	880	596
Transaction costs	-9	-2		-25	-7		-32	-14
Adjusted EBITA	205	177	15	696	429	62	848	582
Adjusted EBITA-margin, %	9.1	11.8		10.3	11.9		10.0	10.8
Adjusted EBITA-margin excl. transaction costs, %	9.5	11.9		10.7	12.1		10.3	11.0
Number of employees, end of period				2,287	1,430		2,287	1,555
Number of business units, end of period				35	23		35	25

During the quarter, demand remained generally good for verticals Niche Businesses and Health and Beauty. However, demand was somewhat subdued within consumer-related durable goods and for companies with sales to e-commerce customers. This primarily affected verticals Home and Living, and Sports, Clothing and Accessories.

This year, the majority of the companies have been able to compensate for cost increases through price adjustments. However, the recent weakening of the Swedish krona has not yet been fully compensated for, which, together with a slightly lower sales rate, is reflected in the weaker profitability for the quarter, as a significant share of purchases are made in US dollars. In addition to the currency, it should also be noted that when comparing with the same period last year, the third quarter of 2021 was very strong.

Freight costs have decreased significantly and there are signs that the previous delivery delays are beginning to be resolved. During the quarter, however, the inventory value was still higher than normal, partly due to the usual seasonal build-up ahead of the upcoming high season, but also as a result of earlier delivery delays, higher material costs and the weak Swedish krona.

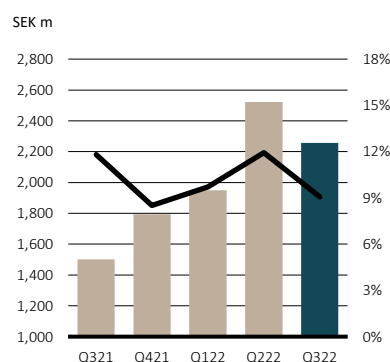
ACQUISITIONS DURING THE QUARTER

During the quarter, Vox Hair Concept was acquired, which through its wholly owned subsidiary Tango is one of the largest hair salon chains in Norway. Vox Hair Concept also offers collaborative purchasing and business support for both independent hair salons and for salons in Tango. Vox Hair Concept is part of the vertical Health and Beauty.

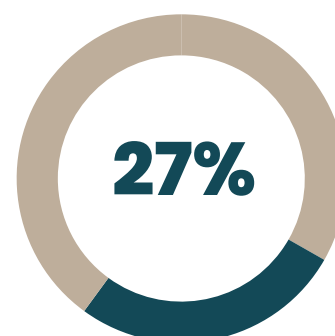


The Trade business area focuses on companies with strong brands in their markets, mostly distributors and wholesalers with both their own and external brands. It consists of 35 business units in the following verticals: Home and Living, Health and Beauty, Sports, Clothing and Accessories, and Niche Businesses.

SALES, SEK M ADJUSTED EBITA MARGIN, %



SHARE OF GROUP SALES, Q3 2022



Business area Industry

RESULTS

Net sales in the Industry business area increased by 109 percent to SEK 3,366 million (1,608) in the third quarter and by 194 percent to SEK 9,608 million (3,273) in the first nine months. Organic sales growth amounted to 15 percent in the first nine months.

Adjusted EBITA increased by 83 percent to SEK 371 million (203) in the third quarter and by 161 percent to SEK 1,054 million (404) in the first nine months. The adjusted EBITA margin was 11.0 percent (12.6) for the quarter and 11.0 percent (12.4) for the first nine months. Organic EBITA growth was 11 percent in the first nine months. The result includes transaction costs of SEK 1 million (12) for the quarter and SEK 20 million (19) for the first nine months. Excluding these, the adjusted EBITA margin amounted to 11.0 percent (13.4) for the quarter and 11.2 percent (12.9) for the first nine months.

SEK m	2022			2021			12 months until 30 Sep 2022	Full-year 2021
	Jul-Sep	Jul-Sep	Change %	Jan-Sep	Jan-Sep	Change %		
Net sales	3,366	1,608	109	9,608	3,273	194	11,521	5,186
Adjusted EBITA excl. transaction costs	372	215	73	1,074	423	154	1,325	674
Transaction costs	-1	-12		-20	-19		-50	-48
Adjusted EBITA	371	203	83	1,054	404	161	1,276	626
Adjusted EBITA-margin, %	11.0	12.6		11.0	12.4		11.1	12.1
Adjusted EBITA-margin excl. transaction costs, %	11.0	13.4		11.2	12.9		11.5	13.0
Number of employees, end of period				4,924	2,190		4,924	2,786
Number of business units, end of period				38	26		38	30

During the quarter, the underlying market remained strong with good demand and high order intake. Price increases largely compensated for increased costs, which combined with continuous productivity improvements meant that the EBITA margin was on a par with the previous quarter. Compared to last year, however, the EBITA margin was lower, as a result of the above-mentioned factors and a strong third quarter in 2021.

The market for vertical Automation remained strong with high demand for automation solutions for the engineering and wood industries. The vertical Industrial Technology also saw generally good demand, particularly for the metal processing and metal application companies, and for the foundries. The vertical Products showed a generally solid development, but companies with customers that deliver to the consumer market experienced weaker demand.

Geopolitical unrest, cost inflation despite prices of certain raw materials declining, and in some cases continued material shortages are continuously being addressed by the businesses. Demand remains good for many of the Industry companies, driven, among other things, by reshoring of production to Sweden and Europe.

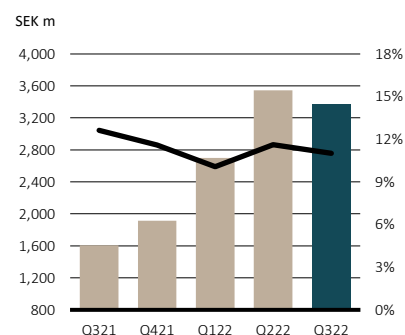
ACQUISITIONS DURING THE QUARTER

During the third quarter, Löfqvist Engineering was acquired, a company which develops and manufactures robot solutions for Swedish industry. The company is part of the vertical Automation. Lucky Harpan was also acquired during the quarter. The company is active in the production and sales of gravel harps and is an add-on acquisition to Gullängets Mekaniska Verkstad within vertical Industrial Technology.

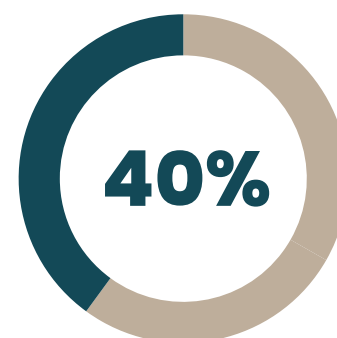


The Industry business area focuses on traditional B2B industrial companies in heavy and medium-heavy industry, manufacturing and automation. It consists of 38 business units in the following verticals: Automation, Industrial Technology, and Products.

SALES, SEK M ADJUSTED EBITA MARGIN, %



SHARE OF GROUP SALES, Q3 2022



Acquisitions

Storskogen completed four acquisitions during the third quarter, with a total of 272 employees, combined annual sales of SEK 258 million and EBITA of SEK 38 million, based on the companies' most recent financial year. Of these four acquisitions, three were platform acquisitions and one was an add-on acquisition. No business divestments took place during the quarter.

For more information on acquisitions completed during the period 1 January 2022 – 30 September 2022, see Note 4 – Business combinations.

ACQUISITIONS DURING THE PERIOD

Breakdown of acquisitions completed in January–September 2022 by Group business area:

Acquisitions (divestment)	Acquisition date	Annual net sales, SEK m	Number of employees	Share of capital/votes, %	Business area
Fremco A/S, incl. subsidiaries	January	68	20	84.0	Industry
Trollskes Maskinservice AB	January	13	10	92.6	Industry
2M2 Group AB, incl. subsidiaries	January	147	10	90.1	Trade
Budettan AB	January	39	49	90.1	Services
L.J. Sot Aktiebolag	January	8	11	95.9	Services
Markbyggarna i Skellefteå AB	January	29	5	90.1	Services
Dansforum i Göteborg AB, incl. subsidiaries	January	21	47	90.1	Services
EVIAB Gruppen AB, incl. subsidiaries	January	119	84	90.1	Services
Tornado Group Ltd, incl. subsidiaries	January	335	98	80.0	Industry
A&K Die Frische Küche GmbH, incl. subsidiaries	January	149	172	100	Industry
LNS Holding SA, incl. subsidiaries	January	1,314	1,080	100	Industry
Nimbus Gruppen AS, incl. subsidiaries	February	271	124	90.1	Services
EI & Nätverksmontage i Stockholm AB (ENAB)	February	18	13	90.1	Services
Hudikhus AB	February	125	24	70.0	Trade
mAnalyze dotterbolag AB	February	N/A	N/A	91.6	Services
Brandprojektering Sverige AB, incl. subsidiaries	February	28	19	70.0	Services
Karriärkonsulten Sverige AB	February	78	66	86.0	Services
Christ & Wirth Haustechnik GmbH	February	251	44	80.0	Services
Hedson Technologies International AB, incl. subsidiaries	March	256	125	100	Industry
Nitro Consult Aktiebolag	March	143	72	100	Services
Extra UK Ltd, incl. subsidiaries	March	329	32	80.0	Trade
Stop Start Transport Ltd	March	76	16	80.0	Services
Vokus Personal AG	March	219	16	90.0	Services
Dimabay GmbH, incl. subsidiaries	March	183	20	74.9	Trade
INGENIØR'NE A/S, incl. subsidiaries	March	224	170	82.0	Services
VSH Holding AB (Swedwise), incl. subsidiaries	April	76	30	82.4	Services
PR Home of Scandinavia AB, incl. subsidiaries	April	123	54	70.0	Trade
Session MAP AB	April	153	46	70.0	Trade
DETAB Ecomat Automation AB	April	14	11	100.0	Industry
Dafra Försäljning Aktiebolag	April	31	8	95.0	Trade
Tysse Mekaniske Verksted AS, incl. fellow subsidiary	April	241	65	98.7	Industry
Matterhorn Sverige AB	April	47	4	91.0	Trade
JO Sport i Hudiksvall AB	April	162	24	80.0	Trade
Racketdoktor AB	May	101	7	67.7	Trade
Danboring A/S, incl. subsidiaries	May	128	35	90.1	Services
Golv o Mattvaruhuset i Göteborg AB	May	28	6	100.0	Trade
Fabco Sanctuary Ltd	May	148	88	80.0	Industry
Scandinavian Cosmetics Group, incl. subsidiaries	May	1,145	235	95.9	Trade
Thermica AS	May	556	13	80.0	Services
Contain Svenska AB (Contilog)	June	27	2	80.0	Services
ElFabriken Sverige AB	June	20	9	81.3	Services
Acreto AB	June	215	22	80.0	Trade
Projektstrateg Sverige AB	June	21	20	70.0	Services
Höganäs Träprofiler AB	June	26	2	100.0	Trade
J & D Pierce Contracts Ltd, incl. subsidiaries	June	1,080	425	80.0	Industry

Acquisitions (divestment)	Acquisition date	Annual net sales, SEK m	Number of employees	Share of capital/votes, %	Business area
Vox Hair Concept AS, incl. subsidiaries	July	150	230	80	Trade
XodBox Pte Ltd, incl. subsidiaries	July	43	26	65	Services
Lucky Harpan AB	July	4	-	100	Industry
Hans Löfqvist Engineering AB	July	60	16	100	Industry
Sum		9,044	3,705		

Since the end of the quarter up until the date of this report, Storskogen has completed four acquisitions with combined annual sales of SEK 438 million. For more information on these acquisitions, see the section “Significant events since the end of the period”.

As of the date of this report, Storskogen has signed five non-binding letters of intent regarding potential acquisitions. These potential acquisitions have combined annual sales of around SEK 262 million.

Other financial information

EMPLOYEES

At the end of the third quarter, the Group had 12,532 (7,014) employees. Acquisitions carried out during the quarter increased the number of employees by 272.

SHARE CAPITAL

On 30 September 2022, the number of shares amounted to 1,664 million, divided into 1,516 million Series B shares and 148 million Series A shares.

Share structure on 30 September 2022

Class of share	Number of shares	Number of votes	Percentage of capital	Percentage of votes
Series A share, 10 votes per share	148,001,374	1,480,013,740	8.9	49.4
Series B share, 1 vote per share	1,515,762,394	1,515,762,394	91.1	50.6
Total number of shares	1,663,763,768	2,995,776,134	100.0	100.0

Ten largest shareholders on 30 September 2022¹

	Series A	Series B	Percentage of capital	Percentage of votes
Daniel Kaplan ²	38,270,140	36,745,122	4.5	14.0
Alexander Murad Bjärgård	37,539,070	27,691,998	3.9	13.5
Ronnie Bergström ³	38,270,254	18,513,504	3.4	13.4
Peter Ahlgren	33,921,910	15,714,607	3.0	11.8
AMF Pension & Fonder	-	140,532,324	8.4	4.7
Futur Pension	-	91,458,428	5.5	3.1
Swedbank Robur Fonder	-	73,204,287	4.4	2.4
Movestic Pension	-	51,428,116	3.1	1.7
Vanguard	-	46,461,543	2.8	1.6
Capital Group	-	36,200,760	2.2	1.2
Total largest shareholders	148,001,374	537,950,689	41.2	67.4
Other	-	977,811,705	58.8	32.6
Total	148,001,374	1,515,762,394	100.0	100.0

¹ Source: Monitor by Modular Finance AB.

² Includes shares owned by Firm Factory AB

³ Includes shares owned by Ångsmon AB

PARENT COMPANY

The Parent Company generated net sales of SEK 32 million (27) in the third quarter and SEK 94 million (72) during the first nine months of the year. Profit amounted to SEK 227 million (-21) for the quarter and SEK 379 million (-154) for the first nine months of the year. Net sales consist of management services within the Group. Parent Company profit after financial items was positively affected by exchange rate effects and intra-Group interest income.

RELATED-PARTY TRANSACTIONS

No significant changes have taken place for the Group or the Parent Company in terms of transactions or relationships with related parties, compared with what appears in the Annual Report 2021. All related-party transactions have taken place at market terms.

SIGNIFICANT EVENTS SINCE THE END OF THE PERIOD

Since the end of the period, the Group has completed four acquisitions, of which one is a platform acquisition and three are add-on acquisitions.

The business area Services has completed two add-on acquisitions: Växjö Elmontage has acquired EnergiStyret as part of its ambition to strengthen and broaden the company's offering within electricity, and Buildercom has acquired Eneron in Finland, to expand its range of energy management services.

The business area Trade has completed an add-on acquisition in Norway, Cutrin Norge. Cutrin Norge is a distributor of hair care products and with its wide range of brands, the company is an addition to the vertical Health and Beauty.

The business area Industry has acquired CMTi in Singapore, which specialises in interconnect solutions and provides total solutions in assembly of wire harnesses, cables and electro-mechanics. CMTi is part of the vertical Automation.

Acquisitions completed since the end of the period had combined annual sales of SEK 438 million and EBITA of SEK 97 million.

In addition, as of the date of the report, the Group has entered into five non-binding letters of intent through which Storskogen has received exclusivity to conduct due diligence on each target and negotiate with the company and sellers. These potential acquisitions have combined annual sales of SEK 262 million, and EBITA of approximately SEK 39 million.

The Chief Executive Officer hereby provides assurance that this interim report presents a true and fair view of developments in the Group's and the Parent Company's operations, financial position and results, and describes material risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, 15 November 2022

Storskogen Group AB

Daniel Kaplan
CEO

REVIEW REPORT

Storskogen Group AB (publ), corporate identity number 559223-8694

INTRODUCTION

We have reviewed the condensed interim report for Storskogen Group AB (publ) as of 30 September 2022 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 15 November 2022

Ernst & Young AB

Åsa Lundvall
Authorized Public Accountant

The procedures performed in a review do not enable us to obtain assurance that we

Financial statements

CONSOLIDATED INCOME STATEMENT, CONDENSED

SEK m	2022	2021	2022	2021	12 months until	Full-year
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	30 Sep 2022	2021
Net sales	8,417	4,744	24,414	11,457	30,453	17,496
Cost of goods sold	-6,783	-3,738	-19,573	-8,996	-24,369	-13,792
Gross profit	1,634	1,006	4,841	2,461	6,084	3,704
Selling expenses	-719	-376	-2,038	-905	-2,542	-1,408
Administrative expenses	-516	-243	-1,519	-702	-1,989	-1,171
Other operating income	387	118	896	342	1,092	539
Other operating expenses	-115	-55	-357	-217	-398	-257
Operating profit	671	450	1,821	980	2,247	1,406
Financial income	239	30	458	35	574	152
Financial expenses	-334	-84	-721	-138	-908	-325
Profit before tax	575	396	1,558	877	1,914	1,233
Tax	-112	-81	-382	-181	-487	-286
Profit for the period	463	314	1,176	696	1,427	947
Profit for the year attributable to:						
Owners of the parent company	437	290	1,068	645	1,279	856
Non-controlling interests	26	25	107	51	148	91
Basic and diluted earnings per share, SEK	0.26	0.20	0.64	0.48	0.77	0.60

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, CONDENSED

SEK m	2022	2021	2022	2021	12 months until	Full-year
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	30 Sep 2022	2021
Profit for the period	463	314	1,176	696	1,427	947
Other comprehensive income						
Items that will not be reclassified to the income statement						
Remeasurements of defined benefit pension plans	55	1	76	1	56	-19
Total items that will not be transferred to the income statement	55	1	76	1	56	-19
Items that have or may be transferred to the income statement						
Exchange differences, foreign operations	261	20	523	29	593	99
Gains/losses on holding of derivatives for cash flow hedging	-2	-1	-16	-8	-15	-7
Total items that have or may be transferred to the income statement	259	19	507	21	578	92
Other comprehensive income for the period, net of tax	314	20	582	22	634	74
Comprehensive income for the period	777	335	1,758	718	2,061	1,020
Comprehensive income for the period attributable to:						
Owners of the parent company	729	307	1,604	667	1,855	918
Non-controlling interests	49	27	154	50	206	102

CONSOLIDATED BALANCE SHEET, CONDENSED

SEK m	30 Sep 2022	30 Sep 2021	31 Dec 2021
Assets			
Intangible assets	25,089	12,164	15,344
Property, plant and equipment	5,094	2,932	3,332
Financial non-current assets	82	31	33
Deferred tax assets	105	57	62
Total non-current assets	30,369	15,184	18,771
Inventories	5,253	2,417	2,924
Trade receivable	5,097	2,564	2,925
Current receivables	3,315	1,118	1,435
Current investments	1	5	1
Cash and cash equivalents	3,159	4,820	6,167
Total current assets	16,824	10,924	13,452
Total assets	47,193	26,108	32,223
Equity and liabilities			
Total equity	18,975	9,287	16,588
Interest-bearing non-current liabilities	14,948	10,052	6,929
Provisions for pensions	303	272	280
Non-interest-bearing non-current liabilities	2,461	1,257	1,801
Provisions	99	72	87
Deferred tax liabilities	1,659	723	917
Total non-current liabilities	19,470	12,376	10,013
Interest-bearing current liabilities	579	673	625
Trade payables	2,747	1,542	1,730
Non-interest-bearing current liabilities	5,423	2,230	3,266
Total current liabilities	8,749	4,445	5,621
Total equity and liabilities	47,193	26,108	32,223

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

SEK m	30 Sep 2022	30 Sep 2021	31 Dec 2021
Opening equity attributable to owners of the parent company ¹	16,564	4,909	4,909
Adjustment of opening equity attributable to owners of the parent company due to correction of errors ¹	-	344	344
Opening equity attributable to owners of the parent company after correction of errors ¹	16,564	5,253	5,253
Comprehensive income			
Profit for the period	1,068	645	856
Remeasurements of defined benefit pension plans	75	1	-19
Other comprehensive income for the period	461	21	81
Comprehensive income for the period	1,604	667	918
Transactions with the Group's owners			
Contributions from and value transfers to owners			
Dividends paid	-116	-536	-536
Share issue, cash	-	2,957	10,319
Share issue, non-cash	168	861	861
Transaction costs on issue of shares, after tax	0	-21	-181
Share capital paid but not registered, cash	-	0	-
Contributed capital from issued share options	-	-	10
Share-based payment transactions	20	-	5
Put options attributable to non-controlling interests ¹	859	76	-65
Total contributions from and value transfers to owners	930	3,338	10,413
Changes in ownership of subsidiaries			
Acquisition/divestment of non-controlling interests	-151	-1	-20
Total changes in ownership of subsidiaries	-151	-1	-20
Total transactions with the Group's owners	779	3,336	10,393
Closing equity attributable to owners of the parent company	18,947	9,257	16,564
Opening equity in non-controlling interests ¹	24	353	353
Adjustment of opening equity in non-controlling interests due to correction of errors ¹	-	-344	-344
Opening equity in non-controlling interests after correction of errors ¹	24	9	9
Profit for the period	107	51	91
Other comprehensive income for the period	47	0	11
Comprehensive income for the period	154	50	102
Dividends to non-controlling interests	-97	-32	-32
Acquisition/divestment of non-controlling interests	-30	4	12
Non-controlling interests arising on business combinations from before	1,495	496	740
Shareholders contribution from non-controlling interest	-	-	17
Put options attributable to non-controlling interests ¹	-1,518	-498	-825
Closing equity in non-controlling interests	28	30	24
Total equity	18,975	9,287	16,588

¹ The allocation of opening equity as of 1 January 2021 has been adjusted due to correction of error from the previous year. In several of Storskogen's subsidiaries, there are put options regarding purchase of non-controlling interests which is reported as other liabilities in the consolidated balance sheet. Since the minority's share of the Group's total equity is reflected in the liability, the liability should not simultaneously be included in the equity item of non-controlling interests.

The correction has been made retroactively, which has entailed a transfer from non-controlling interests to equity attributable to owners of the parent company. Equity attributable to owners of the parent company as of 1 January 2021 has increased by SEK 344 million, from SEK 4,909 million to SEK 5,253 million and equity attributable to non-controlling interests has decreased by the equivalent amount from SEK 353 million to SEK 9 million. Closing equity attributable to owners of the parent company as of 31 December 2021 has increased by SEK 1,169 million, from SEK 15,395 million to SEK 16,564 million and non-controlling interests as of 31 December 2021 has decreased by the equivalent amount, from SEK 1,193 million to SEK 24 million. Closing equity attributable to owners of the parent company as of 30 September 2021 has increased by SEK 842 million, from SEK 8,415 million to SEK 9,257 million and non-controlling interests as of 30 September 2021 has decreased by the equivalent amount, from SEK 872 million to SEK 30 million. The correction has no impact on the total equity of the Group or other financial reports.

CONSOLIDATED CASH FLOW STATEMENT, CONDENSED

SEK m	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	12 months until 30 Sep 2022	Full-year 2021
Profit before tax	575	396	1,558	877	1,914	1,233
Adjustment for non-cash items	259	167	932	501	1,188	757
Income tax paid	-242	-122	-684	-338	-695	-348
Change in working capital	-387	-851	-1,449	-362	-1,352	-265
Cash flow from operating activities	204	-410	356	677	1,055	1,376
Net investments in non-current assets	-169	-54	-400	498	-515	383
Subsidiary/business acquisitions and divestments	-489	-136	-8,822	-5,594	-11,077	-7,849
Cash flow from investing activities	-658	-190	-9,222	-5,095	-11,592	-7,465
Dividend to owners of the parent company	-	-	-116	-536	-116	-536
Dividends to minority owners	-27	-10	-97	-32	-97	-32
Proceeds from issues of shares	0	327	0	2,936	7,165	10,102
Change in loans	-50	-1,417	6,345	5,218	2,314	1,187
Other financing activities	-133	-85	-382	-230	-498	-346
Cash flow from financing activities	-210	-1,185	5,749	7,356	8,767	10,374
Cash flow for the period	-664	-1,786	-3,116	2,938	-1,770	4,285
Cash and cash equivalents at beginning of period	3,758	6,593	6,167	1,866	4,820	1,866
Exchange rate differences in cash and cash equivalents	65	13	108	15	109	16
Cash and cash equivalents at end of period	3,159	4,820	3,159	4,820	3,159	6,167

Notes

NOTE 1 – ACCOUNTING POLICIES, ESTIMATES AND ASSUMPTIONS

Accounting policies

Storskogen applies International Financial Reporting Standards (IFRS), as admitted by EU. The Group's interim report has been prepared in accordance with the relevant sections of the Annual Accounts Act and IAS 34 Interim Financial Reporting. The Parent Company's interim report has been prepared in accordance with the Annual Accounts Act, Chapter 9: Interim Reporting. The Parent Company applies RFR 2. The same accounting policies and assumptions have been applied for the Group and the Parent Company as in the most recent Annual Report. No new or amended standards have had or are expected to have any material effect on the Group. All amounts in this report are expressed in millions of Swedish kronor (SEK m) unless otherwise indicated. Rounding differences may occur.

Risk and uncertainties

Storskogen Group's diversified business model, with 135 business units that are active in a variety of industries and have a large number of customers and suppliers, limits the Group's business and financial risks. In addition to the risks described in Storskogen's Annual Report 2021, the Group assesses that the ongoing conflict in Ukraine and associated sanctions against Russia and Belarus may have a certain impact on business units, disruptions in operations and an impaired financial position. Macroeconomic factors such as inflation, interest rate increases and rising commodity prices as well as disruptions in distribution chains can also have an impact on the Group's profits. The risks are deemed to be limited due to the Group's diversified operations and are managed through the Group's finance function and operational activities.

Estimates and judgements

The preparation of the interim report has required management to make assessments, estimates and assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, revenue and expenses. Actual outcomes may differ from these estimates and assessments. The critical assessments and sources of uncertainty in estimates are the same as in the most recent Annual Report.

NOTE 2 – ITEMS BY SEGMENT AND BREAKDOWN OF REVENUE

2022

Jan-Sep, SEK m	Services	Trade	Industry	Group operations	Total
Net sales	8,093	6,730	9,608	-17	24,414
Cost of goods sold	-6,426	-5,425	-7,545	-177	-19,573
Gross profit	1,668	1,305	2,063	-194	4,841
Selling expenses	-666	-611	-709	-53	-2,038
Administrative expenses	-532	-299	-665	-24	-1,519
Other operating income	179	325	387	5	896
Other operating expenses	-47	-153	-158	1	-357
Operating profit	602	566	918	-265	1,821
Financial income	2	10	109	337	458
Financial expenses	-47	-50	-148	-476	-721
Profit before tax	557	527	879	-405	1,558
Reversal of financial income/expenses	45	40	39	140	263
Reversal of amortisation and impairments of intangible assets	163	128	178	1	470
EBITA	765	695	1,096	-264	2,291
Items affecting comparability	-52	1	-42	19	-75
Adjusted EBITA	712	696	1,054	-246	2,216

Net sales, geographical distribution

2022

Jan-Sep, SEK m	Services	Trade	Industry	Group operations	Total
Sweden	6,582	3,729	2,856	-17	13,150
Within the EU, excluding Sweden	468	1,216	3,151	-	4,834
Outside the EU	1,044	1,785	3,601	-	6,429
Total net sales	8,093	6,730	9,608	-17	24,414

ITEMS BY SEGMENT AND BREAKDOWN OF REVENUE

2021

Jan-Sep, SEK m	Services	Trade	Industry	Group operations	Total
Net sales	4,570	3,615	3,273	-2	11,457
Cost of goods sold	-3,589	-2,826	-2,496	-85	-8,996
Gross profit	980	790	778	-87	2,461
Selling expenses	-357	-302	-224	-22	-905
Administrative expenses	-277	-146	-239	-40	-702
Other operating income	139	131	64	8	342
Other operating expenses	-30	-60	-109	-17	-217
Operating profit	456	413	269	-158	980
Financial income	2	4	1	27	35
Financial expenses	-18	-16	-23	-80	-138
Profit before tax	440	401	247	-211	877
Reversal of financial income/expenses	16	12	22	53	103
Reversal of amortisation and impairments of intangible assets	58	41	49	1	149
EBITA	514	454	318	-157	1,129
Items affecting comparability	-62	-24	86	17	17
Adjusted EBITA	452	429	404	-140	1,145

Net sales, geographical distribution

2021

Jan-Sep, SEK m	Services	Trade	Industry	Group operations	Total
Sweden	4,321	2,162	1,880	-4	8,359
Within the EU, excluding Sweden	118	533	979	-	1,630
Outside the EU	131	921	414	2	1,468
Total net sales	4,570	3,615	3,273	-2	11,457

NOTE 3 – REVENUE FROM CUSTOMER CONTRACTS

SEK m	2022	2021	2022	2021	12 months until	Full-year
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	30 Sep 2022	2021
Contracting Services	225	163	644	457	828	640
Infrastructure	548	385	1,625	1,170	2,156	1,701
Installation	848	499	2,561	1,319	3,404	2,162
Logistics	328	228	933	644	1,190	901
Engineering Services	472	174	1,255	526	1,507	778
Digital Services	146	83	454	240	592	379
HR and Competence	239	103	632	216	767	351
Intragroup sales within the business area	-4	-1	-12	-3	-14	-6
Total, Services segment	2,801	1,634	8,093	4,570	10,429	6,906
Home and Living	740	517	2,474	1,379	3,162	2,067
Niche Businesses	640	589	2,114	1,380	2,749	2,015
Health and Beauty	549	194	1,145	548	1,401	803
Sports, Clothing and Accessories	336	204	1,013	316	1,231	534
Intragroup sales within the business area	-8	-3	-16	-7	-18	-10
Total, Trade segment	2,256	1,502	6,730	3,615	8,524	5,410
Automation	1,013	360	2,884	982	3,313	1,412
Industrial Technology	1,318	470	3,393	1,071	3,992	1,670
Products	1,046	785	3,366	1,254	4,265	2,152
Intragroup sales within the business area	-11	-7	-36	-33	-49	-47
Total, Industry segment	3,366	1,608	9,608	3,273	11,521	5,186
Intragroup sales eliminations	-7	0	-17	-2	-21	-6
Total	8,417	4,744	24,414	11,457	30,453	17,496

New verticals

On 1 January 2022, an adjustment of the Group's verticals was implemented to clarify and more uniformly classify the business units based on how they are interconnected and followed up. The new verticals constitute the Group's cash-generating units. The table above presents the comparative figures according to the new division of the verticals.

For segment Services, the adjustment means that the previous vertical Construction & Infrastructure has been divided into two separate verticals. Trade has replaced its previous verticals with four new ones that clarify the segment's different business orientations and operational niches. Segment Industry has reallocated some business units between the different verticals. All changes have taken place within each segment.

NOTE 4 – BUSINESS COMBINATIONS

Preliminary acquisition analysis for the period

Refers to acquisitions completed during the period January to September 2022:

SEK m	Services	Trade	Industry	Total
Intangible assets	743	881	1,346	2,970
Other non-current assets	143	65	999	1,207
Inventories	17	698	685	1,400
Other current assets	765	587	1,412	2,764
Cash and cash equivalents	301	314	360	975
Deferred tax liabilities/tax assets	-222	-183	-326	-732
Liabilities to credit institutions	-36	-523	-427	-986
Other liabilities	-808	-797	-1,003	-2,609
Acquired net assets	902	1,043	3,045	4,989
Goodwill	2,082	2,235	2,272	6,588
Non-controlling interests	-438	-524	-502	-1,464
Purchase price including contingent consideration	2,545	2,754	4,814	10,114
Less cash and cash equivalents in acquired operations	-301	-314	-360	-975
Less unpaid purchase consideration	-73	-387	-189	-648
Less Share issue, non cash	-168	-	-	-168
Less paid through convertible loan	-	-80	-	-80
Effect on consolidated cash and cash equivalents	2,003	1,974	4,266	8,243

Significant acquisitions during the period

SEK m	LNS Holding SA - included in Industry	Scandinavian Cosmetics Group - included in Trade	J & D Pierce - included in Industry	Total significant acquisitions
Intangible assets	530	303	132	966
Other non-current assets	422	32	366	821
Inventories	519	163	26	708
Other current assets	391	210	607	1,208
Cash and cash equivalents	182	149	71	402
Deferred tax liabilities/tax assets	-121	-62	-57	-240
Liabilities to credit institutions	-256	-419	-51	-726
Other liabilities	-407	-256	-324	-987
Acquired net assets	1,261	119	770	2,151
Goodwill	666	790	551	2,007
Non-controlling interests	-	-38	-264	-302
Purchase price including contingent consideration	1,927	872	1,057	3,856
Less cash and cash equivalents in acquired operations	-182	-149	-71	-402
Less unpaid purchase consideration	-135	-	-	-135
Effect on consolidated cash and cash equivalents	1,610	723	986	3,319

Purchase considerations and estimates

Purchase considerations for acquisitions for the period totalled SEK 10,114 million, of which SEK 6,588 million has been recognised as goodwill. The impact of business acquisitions on the Group's cash and cash equivalents is SEK 8,243 million. Cash and cash equivalents are also affected by acquisitions of minority shares during the period with payments of purchase considerations amounting to SEK 180 million, divestment of minority shares contributes with a received purchase consideration of SEK 13 million, payments of contingent considerations for acquisitions from previous years amounts to SEK 412 million. Had the period's acquisitions been made with effect from 1 January 2022, it is estimated that they would have contributed approximately SEK 9,423 million to the Group's net sales and the impact on the Group's profit after tax would have been around SEK 693 million. No material changes were made during the quarter to the Group's acquisition analyses for previous years' acquisitions. The acquisition analyses for acquisitions from the fourth quarter 2021 to the third quarter 2022 are preliminary, as the Group has not received final audited information from the acquired companies. All acquisitions have been reported using the acquisition method.

Goodwill

At the time of acquisition, where transferred compensation exceeds the fair value of acquired assets and gained liabilities reported separately, the difference is recognised as goodwill. The goodwill is justified by the companies' future earnings potential. On 30 September 2022, the Group recognised total goodwill of SEK 19,185 million (9,785). The Group's goodwill is tested for impairment as required, and at least annually, by cash-generating unit.

Other identified surplus values

The amounts recognised for intangible non-current assets, such as customer relationships and brands, have been measured at the discounted value of future cash flows. Customer relationships are generally written down over a period between three to ten years. The amortisation period is based on historical customer attrition, competition in the market, degree of integration with the customer's business, and importance of the aftermarket (such as servicing and warranties). Brands are not amortised but are tested annually for impairment in accordance with IAS 36. Other step-ups identified in acquisitions during the period relate to buildings, inventories and technology. Buildings are generally depreciated over 25 years, technology is generally depreciated over three to ten years, while inventories are depreciated on the basis of turnover.

Acquisition-related expenses

Acquisition-related expenses consist of fees to advisers in connection with due diligence. These expenses are recognised as administrative expenses in the income statement and the statement of comprehensive income. Acquisition-related expenses for acquisitions during the period totalled SEK 66 million (43).

Contingent considerations

A contingent consideration, or earn-out, is a conditional additional purchase payment that is normally based on the acquired company's results during the first few years, either as a binary outcome if a certain level of earnings is achieved, or on a scale where the amount rises with the earnings of the acquired company in a predetermined future accounting period. This liability generally crystallises, if the criteria are met, one to three years from the date of acquisition. At the time of the transaction, a contingent consideration is measured at fair value by calculating the present value of the likely outcome using a discount rate of 9.6 percent (9.6). The likely outcome is based on the Group's projections for the respective entity and dependent on future earnings generated by the entity, with a set maximum. The discounted value of unpaid contingent considerations for the period's acquisitions is SEK 648 million (396), while the total liability recognised for discounted contingent considerations on 30 September 2022 was SEK 1,036 million (701).

Non-controlling interests

The Group measures holdings where it does not have a controlling interest at fair value based on full goodwill using the latest known market value, which is defined as the purchase price in respective acquisition.

Acquisition-related disclosures

All acquisitions during the period have been carried out through purchase of shares.

EFFECT OF ACQUISITIONS ON THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR JANUARY-SEPTEMBER 2022

SEK m	Services	Trade	Industry	Total
Effect after the acquisition date included in consolidated profit				
Sales	1,414	1,287	3,761	6,462
Profit for the period	166	106	282	554
Effect if the acquisitions had been completed on January 1				
Sales	2,113	2,290	5,021	9,423
Profit for the period	187	167	339	693

Acquisitions completed during the period January to September 2022 increased the Group's net sales by SEK 6,462 million, EBITA by SEK 730 million and profit for the period by SEK 554 million. Transaction costs for these acquisitions came to SEK 66 million and are included in administrative expenses in the consolidated income statement.

NOTE 5 – THE GROUP'S MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

	30 Sep 2022				30 Sep 2021			
	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through OCI	Total carrying amount	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through OCI	Total carrying amount
Financial assets, SEK m								
Financial non-current assets	37	8	37	82	24	6	1	31
Trade receivable	5,097	-	-	5,097	2,564	-	-	2,564
Current receivables	1,001	-	15	1,016	508	-	6	513
Current investments	-	1	-	1	-	5	-	5
Cash and cash equivalents	3,159	-	-	3,159	4,820	-	-	4,820
Total	9,293	9	52	9,354	7,915	12	7	7,933

	30 Sep 2022				30 Sep 2021			
	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at fair value through OCI	Total carrying amount	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at fair value through OCI	Total carrying amount
Financial liabilities, SEK m								
Interest-bearing non-current liabilities	13,755	-	3	13,758	9,265	-	-	9,265
Non-interest-bearing non-current liabilities	33	527	-	560	8	423	-	431
Interest-bearing current liabilities	106	-	65	171	367	-	0	367
Trade payable	2,747	-	-	2,747	1,542	-	-	1,542
Non-interest-bearing current liabilities	2,890	561	-	3,451	1,440	278	-	1,718
Total	19,532	1,088	68	20,688	12,622	701	0	13,323

	31 Dec 2021			
	Financial assets measured at amortised cost	Financial assets measured at fair value through profit or loss	Financial assets measured at fair value through OCI	Total carrying amount
Financial assets, SEK m				
Financial non-current assets	26	8	0	33
Trade receivable	2,925	-	-	2,925
Current receivables	746	-	11	757
Current investments	-	1	-	1
Cash and cash equivalents	6,167	-	-	6,167
Total	9,864	8	11	9,884

	31 Dec 2021			
	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Financial liabilities measured at fair value through OCI	Total carrying amount
Financial liabilities, SEK m				
Interest-bearing non-current liabilities	6,071	-	0	6,071
Non-interest-bearing non-current liabilities	11	495	-	506
Interest-bearing current liabilities	316	-	1	317
Trade payable	1,730	-	-	1,730
Non-interest-bearing current liabilities	1,878	441	-	2,320
Total	10,006	936	2	10,943

Fair value measurement

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The table below shows how financial instruments are measured at fair value in accordance with the fair value hierarchy. The various levels in the hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Input data other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as price quotations) or indirectly (i.e. originating from price quotations)

Level 3 – Input data for the asset or liability that are not based on observable market data (i.e. unobservable input data)

Fair value for informational purposes

The carrying amounts of assets and liabilities measured at amortised cost are considered to be an accurate approximation of their fair values. Given the prevailing interest-rate economic environment and the maturity of the items, calculations indicate that the difference between amortised cost and fair value is not significant.

Financial assets, SEK m	30 Sep 2022					Total carrying amount	30 Sep 2021					Total carrying amount
	Level 1	Level 2	Level 3	Other ¹	Difference in fair value and book value, related to market quoted bonds		Level 1	Level 2	Level 3	Other ¹	Difference in fair value and book value, related to market quoted bonds	
Financial non-current assets	-	37	-	45	-	82	-	1	-	30	-	31
Trade receivable	-	-	-	5,097	-	5,097	-	-	-	2,564	-	2,564
Current receivables	-	15	-	1,001	-	1,016	-	6	-	508	-	513
Current investments	1	-	-	-	-	1	5	-	-	-	-	5
Cash and cash equivalents	3,159	-	-	-	-	3,159	4,820	-	-	-	-	4,820
Total	3,160	52	-	6,142	-	9,354	4,825	7	-	3,102	-	7,933

Financial liabilities, SEK m	30 Sep 2022					Total carrying amount	30 Sep 2021					Total carrying amount
	Level 1	Level 2	Level 3	Other ¹	Difference in fair value and book value, related to market quoted bonds		Level 1	Level 2	Level 3	Other ¹	Difference in fair value and book value, related to market quoted bonds	
Interest-bearing non-current liabilities	-	5,309	-	7,800	650	13,758	-	3,103	-	6,067	95	9,265
Non-interest-bearing non-current liabilities	-	-	527	33	-	560	-	-	423	8	-	431
Interest-bearing current liabilities	-	65	-	106	-	171	-	0	-	367	-	367
Trade payable	-	-	-	2,747	-	2,747	-	-	-	1,542	-	1,542
Non-interest-bearing current liabilities	-	52	509	2,890	-	3,451	-	-	278	1,440	-	1,718
Total	-	5,426	1,036	13,576	650	20,688	-	3,104	701	9,424	95	13,323

Financial assets, SEK m	31 Dec 2021				Total carrying amount
	Level 1	Level 2	Level 3	Other ¹	
Financial non-current assets	-	0	-	33	33
Trade receivable	-	-	-	2,925	2,925
Current receivables	-	11	-	746	757
Current investments	1	-	-	-	1
Cash and cash equivalents	6,167	-	-	-	6,167
Total	6,168	11	-	3,705	9,884

Financial liabilities, SEK m	31 Dec 2021				Total carrying amount
	Level 1	Level 2	Level 3	Other ¹	
Interest-bearing non-current liabilities	-	5,027	-	1,071	6,071
Non-interest-bearing non-current liabilities	-	-	495	11	506
Interest-bearing current liabilities	-	1	-	316	317
Trade payable	-	-	-	1,730	1,730
Non-interest-bearing current liabilities	-	-	441	1,878	2,320
Total	-	5,029	936	5,055	10,943

¹ To be able to reconcile the financial instruments with the balance sheet items, financial instruments not measured at fair value together with other assets and liabilities are presented in the Other column.

Level 2 derivatives have been measured at fair value based on data from counterparty.

Bonds and convertibles in level 2 have been valued at fair value via derivation from price quotations.

Change in financial liabilities Level 3, SEK m	OB	Aquisition	Paid	Remeasured / present value	Exchange difference	CB
Contingent considerations	936	648	-412	-162	26	1,036

The fair value of contingent considerations has been calculated on the basis of expected outcome against the targets set out in the contracts, using a discount rate of 9.6 percent (9.6).

NOTE 6 – EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the period attributable to the owners of the Parent Company by the weighted average number of shares outstanding during the period.

When calculating earnings per share after dilution, the dilution effect of potential shares and the weighted average of the additional shares that would have been outstanding in a conversion of all potential shares are taken into account.

In accordance with the Company's Articles of Association, previous preferential rights to dividends ceased with the admission of the Company's shares to the stock exchange through an initial public offering, and all Series A and Series B shares now carry the same rights to the Company's assets and profits. Earnings per share for comparative periods is presented as though all shares has the same rights to the Company's assets and profit.

In October 2021, 51,335,798 Series A shares were redeemed without payment so that the remaining Series A shares had a value corresponding to 20 percent of the Company's value immediately before the initial public offering. The redemption of these shares has been allowed for retroactively when calculating the number of ordinary shares outstanding, in current period as well as comparison periods.

	2022	2021	2022	2021	12 months until	Full-year
SEK	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	30 Sep 2022	2021
Earnings per share						
Basic earnings per share, SEK	0.26	0.20	0.64	0.48	0.77	0.60
Diluted earnings per share, SEK	0.26	0.20	0.64	0.48	0.77	0.60
SEK k						
Net profit for the period attributable to owners of the parent						
Net profit for the year attributable to owners of the parent	437,322	289,648	1,068,315	645,103	1,278,952	855,740
Number						
Weighted average number of shares used in calculating earnings per share						
Weighted average number of shares, Series A shares	148,001,374	239,868,063	148,001,374	220,398,822	149,645,834	203,595,793
Weighted average number of shares, Series B shares	1,522,763,994	1,212,666,885	1,515,813,409	1,125,957,515	1,509,265,119	1,219,379,413
Total weighted average number of shares	1,670,765,368	1,452,534,948	1,663,814,783	1,346,356,338	1,658,910,953	1,422,975,206

PERFORMANCE MEASURES

	2022	2021	2022	2021	12 months until	Full-year
SEK m	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	30 Sep 2022	2021
Net sales	8,417	4,744	24,414	11,457	30,453	17,496
Adjusted EBITDA	1,012	653	2,888	1,533	3,604	2,249
Adjusted EBITA	772	492	2,216	1,145	2,759	1,688
Adjusted EBITA margin, %	9.2	10.4	9.1	10.0	9.1	9.6
Operating profit	671	450	1,821	980	2,247	1,406
Operating margin, %	8.0	9.5	7.5	8.6	7.4	8.0
Profit before tax	575	396	1,558	877	1,914	1,233
Profit for the period	463	314	1,176	696	1,427	947
Working capital				1,515	4,405	1,857
Return on working capital, % (12 months)				90.5	62.6	90.9
Return on equity, % (12 months)				12.6	9.0	10.4
Return on capital employed, % (12 months)				8.8	10.1	9.1
Equity/assets ratio, %				35.6	40.2	51.5
Interest-bearing net debt				6,172	12,670	1,666
Net debt				7,706	15,668	3,904
Debt/equity ratio, x				0.8	0.8	0.2
Interest-bearing net debt/adjusted RTM EBITDA (12 months), x				2.3	2.7	0.5
Interest coverage ratio, x	5.0	5.2	5.9	7.3	5.4	5.7
Average number of employees			10,927	5,185		5,760
Number of employees at end of period			12,532	7,014		8,719
Cash flow from operating activities	204	-410	356	677	1,055	1,376
Adjusted cash conversion, %	48.4	-37.7	37.9	60.9	49.8	72.6
Basic and diluted earnings per share, SEK	0.26	0.20	0.64	0.48	0.77	0.60

PARENT COMPANY STATEMENT OF PROFIT OR LOSS, CONDENSED

SEK m	2022	2021	2022	2021	12 months until	Full-year
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	30 Sep 2022	2021
Net sales	32	27	94	72	126	104
Administrative expenses	-69	-68	-217	-164	-311	-258
Other operating income	0	2	0	3	0	3
Other operating cost	0	-7	0	-16	-1	-16
Operating profit	-37	-46	-123	-105	-186	-168
Financial income	556	88	1,098	143	1,635	680
Financial expenses	-232	-67	-501	-207	-533	-239
Profit after financial items	287	-24	474	-169	916	273
Appropriations	-	-	-	-	392	392
Tax	-60	3	-96	15	-167	-56
Profit for the period	227	-21	379	-154	1,141	608

PARENT COMPANY BALANCE SHEET, CONDENSED

SEK m	30 Sep 2022	30 Sep 2021	31 Dec 2021
Assets			
Intangible non-current assets	0	0	0
Property, plant and equipment	1	0	1
Financial non-current assets	27,249	13,660	17,005
Total non-current assets	27,251	13,660	17,006
Current receivables	2,567	1,307	3,591
Cash and cash equivalents	1,161	3,724	4,976
Total current assets	3,729	5,031	8,567
Total assets	30,980	18,692	25,573
Equity and liabilities			
Restricted equity	1	1	1
Unrestricted equity	17,102	8,710	16,685
Total equity	17,103	8,711	16,686
Non-current liabilities	13,556	8,678	5,896
Current liabilities	321	1,303	2,991
Total equity and liabilities	30,980	18,692	25,573

Definitions and calculations

PERFORMANCE MEASURES

Storskogen presents a number of performance measures that are not defined in accordance with IFRS. The Company considers these measures to provide valuable supplementary information for investors and the Company's management, as they allow an evaluation of trends and the Company's performance. As not all companies calculate these measures in the same way, they are not always comparable with those used by other companies. These measures should therefore not be regarded as replacing measures that are defined in accordance with IFRS. Definitions of the measures used, most of which are alternative performance measures, are presented below.

RETURN ON EQUITY¹

Profit for the period/year (including profit attributable to non-controlling interests) as a percentage of total equity (including equity attributable to non-controlling interests). Profit is calculated accumulated for the previous 12-month period, and equity as the average for the previous 12-month period. The purpose is to analyse profitability in relation to equity attributable to the owners of the Parent Company.

SEK m	12 months until 30 Sep 2022	12 months until 30 Sep 2021	Full-year 2021
Profit for the period	1,427	858	947
Equity	15,930	6,786	9,112
Return on equity, %	9.0	12.6	10.4

RETURN ON WORKING CAPITAL¹

Adjusted EBITA as a percentage of working capital. Working capital is calculated as the average for the previous 12-month period. The purpose is to analyse profitability in relation to working capital.

SEK m	12 months until 30 Sep 2022	12 months until 30 Sep 2021	Full-year 2021
Adjusted EBITA	2,759	1,371	1,688
Working capital	4,405	1,515	1,857
Return on working capital, %	62.6	90.5	90.9

RETURN ON CAPITAL EMPLOYED¹

Operating profit (EBIT) plus financial income as a percentage of capital employed. EBIT and financial income are calculated accumulated for the previous 12-month period, and capital employed as the average for the previous 12-month period. The purpose is to analyse profitability in relation to capital employed.

SEK m	12 months until 30 Sep 2022	12 months until 30 Sep 2021	Full-year 2021
Operating profit	2,247	1,199	1,406
Financial income	574	35	152
Operating profit including financial income	2,822	1,233	1,558
Capital employed	27,814	13,981	17,024
Return on capital employed, %	10.1	8.8	9.1

EBITA¹

Operating profit (EBIT) before amortisation and impairment of intangible assets. The purpose is to assess the Group's operating activities.

SEK m	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	12 months until 30 Sep 2022	Full-year 2021
Operating profit	671	450	1,821	980	2,247	1,406
Amortisation of intangible assets	178	74	470	149	570	249
Impairment of intangible assets	0	-	0	0	0	0
EBITA	849	524	2,291	1,129	2,818	1,655

EBITDA¹

Operating profit (EBIT) before depreciation, amortisation and impairment. The purpose is to assess the Group's operating activities. EBITDA serves as a complement to operating profit (EBIT).

SEK m	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	12 months until 30 Sep 2022	Full-year 2021
Operating profit	671	450	1,821	980	2,247	1,406
Amortisations and depreciations	419	235	1,142	537	1,415	810
Impairment	0	0	0	0	0	0
EBITDA	1,089	685	2,963	1,517	3,663	2,216

FINANCIAL ITEMS¹

Financial income less financial expenses. The purpose is to present developments in the Group's financing activities.

SEK m	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	12 months until 30 Sep 2022	Full-year 2021
Financial income	239	30	458	35	574	152
Financial expenses	-334	-84	-721	-138	-908	-325
Net financial items	-96	-54	-263	-103	-334	-173

ADJUSTED EBITA¹

Operating profit (EBIT) before amortisation and impairment of intangible assets, excluding remeasurement of contingent considerations, non-recurring costs related to the IPO and central restructuring costs, fair value adjustments of acquired assets (such as inventory step-ups), and stamp duties at some foreign acquisitions. The purpose is to assess the Group's operating activities. Adjusted EBITA facilitates comparison of EBITA between periods.

SEK m	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	12 months until 30 Sep 2022	Full-year 2021
Operating profit	671	450	1,821	980	2,247	1,406
Items affecting comparability	-77	-32	-75	17	-59	33
Amortisations of intangible assets	178	74	470	149	570	249
Impairment of intangible assets	0	-	0	0	0	0
Adjusted EBITA	772	492	2,216	1,145	2,759	1,688

ADJUSTED EBITA MARGIN¹

Adjusted EBITA as a percentage of net sales. The purpose is to provide a guide to profitability in relation to sales.

SEK m	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	12 months until 30 Sep 2022	Full-year 2021
Adjusted EBITA	772	492	2,216	1,145	2,759	1,688
Net sales	8,417	4,744	24,414	11,457	30,453	17,496
Adjusted EBITA-margin, %	9.2	10.4	9.1	10.0	9.1	9.6

ADJUSTED EBITDA¹

Operating profit (EBIT) before depreciation, amortisation and impairment, excluding remeasurement of contingent considerations, non-recurring costs related to the IPO and central restructuring costs, fair value adjustments of acquired assets (such as inventory step-ups), and stamp duties at some foreign acquisitions. The purpose is to assess the Group's operating activities. EBITDA serves as a complement to operating profit. Adjusted EBITDA facilitates comparison of EBITDA between periods.

SEK m	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	12 months until 30 Sep 2022	Full-year 2021
Operating profit	671	450	1,821	980	2,247	1,406
Items affecting comparability	-77	-32	-75	17	-59	33
Amortisations and depreciations	419	235	1,142	537	1,415	810
Impairment	0	0	0	0	0	0
Adjusted EBITDA	1,012	653	2,888	1,533	3,604	2,249

ADJUSTED CASH CONVERSION¹

Operating cash flow as a percentage of adjusted EBITDA. The purpose is to analyse cash generation.

SEK m	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	12 months until 30 Sep 2022	Full-year 2021
Adjusted EBITDA	1,012	653	2,888	1,533	3,604	2,249
Change in operating capital	-388	-851	-1,449	-362	-1,352	-265
Cash flow from net investments in tangible assets defined as CapEx	-135	-48	-345	-237	-458	-350
Operating Cash Flow	490	-246	1,094	934	1,794	1,634
Adjusted EBITDA	1,012	653	2,888	1,533	3,604	2,249
Adjusted cash conversion, %	48.4	-37.7	37.9	60.9	49.8	72.6

ITEMS AFFECTING COMPARABILITY¹

Items affecting comparability such as remeasurement of contingent considerations, non-recurring costs related to the IPO, central restructuring costs, fair value adjustments of acquired assets, and stamp duties at some foreign acquisitions. Items affecting comparability are excluded to facilitate comparisons between periods.

SEK m	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	12 months until 30 Sep 2022	Full-year 2021
Revaluation of additional purchase price	100	49	162	1	231	69
Costs related to the IPO	-	-17	-	-17	-36	-53
Fair value adjustments of acquired assets	-4	0	-55	0	-104	-50
Stamp tax on foreign business combinations	-1	-	-14	-	-14	-
Central restructuring costs	-18	-	-18	-	-18	-
Items affecting comparability	77	32	75	-17	59	-33

INTEREST-BEARING NET DEBT¹

Interest-bearing liabilities (i.e. non-current interest-bearing liabilities, non-current lease liabilities, current interest-bearing liabilities, current lease liabilities and interest-bearing provisions for pensions) less short-term investments and cash and cash equivalents. The purpose is to provide an alternative measure of the Group's debt/equity ratio. The performance measure gives an indication of the Group's financial target with regard to net debt in relation to RTM adjusted EBITDA.

SEK m	30 Sep 2022	30 Sep 2021	31 Dec 2021
Interest-bearing liabilities	15,527	10,725	7,554
Provisions for pensions, interest-bearing	303	272	280
Current investments	-1	-5	-1
Cash and cash equivalents	-3,159	-4,820	-6,167
Interest-bearing net debt	12,670	6,172	1,666

INTEREST-BEARING NET DEBT/RTM ADJUSTED EBITDA (12 MONTH)¹

Interest-bearing net debt in relation to RTM adjusted EBITDA provides a liquidity measure for net debt in relation to cash-generating operating results. Net debt is at the balance sheet date, and RTM adjusted EBITDA is calculated as adjusted EBITDA recorded for the previous 12-month period adjusted for the contribution of the businesses contractually acquired by the Group during that 12-month period. The purpose is to provide an indication of the Group's ability to pay its debts. The performance measure gives an indication of the Group's financial target with regard to net debt in relation to RTM adjusted EBITDA.

SEK m	30 Sep 2022	30 Sep 2021	31 Dec 2021
Interest-bearing net debt	12,670	6,172	1,666
RTM adjusted EBITDA	4,640	2,693	3,115
Interest-bearing net debt/RTM adjusted EBITDA	2.7	2.3	0.5

NET DEBT¹

Interest-bearing liabilities (i.e. non-current interest-bearing liabilities, non-current lease liabilities, current interest-bearing liabilities, current lease liabilities and interest-bearing provisions for pensions) including minority options and contingent consideration liabilities, less current investments, cash and cash equivalents. The purpose is to provide an alternative measure of the Group's debt/equity ratio.

SEK m	30 Sep 2022	30 Sep 2021	31 Dec 2021
Interest-bearing liabilities	15,527	10,725	7,554
Provisions for pensions, interest-bearing	303	272	280
Contingent consideration liabilities	1,036	701	936
Minority options	1,961	833	1,302
Current investments	-1	-5	-1
Cash and cash equivalents	-3,159	-4,820	-6,167
Net debt	15,668	7,706	3,904

ORGANIC EBITA GROWTH¹

Change in EBITA, excluding exchange rate, acquisition and divestment effects from acquisitions and adjusted for Group functions, relative to EBITA for the same companies for the same period the previous year. Acquired entities are included in organic EBITA growth once they have been part of the Group for the full comparison period. The purpose is to analyse underlying growth in operating profit.

ORGANIC NET SALES GROWTH (ORGANIC GROWTH)¹

Change in net sales, excluding exchange rate, acquisition and divestment effects from acquisitions, relative to the same period the previous year. Acquired entities are included in organic growth once they have been part of the Group for the full comparison period. The purpose is to analyse underlying growth in net sales.

INTEREST COVERAGE RATIO¹

Operating profit plus interest income divided by interest expenses. The purpose is to present earnings in relation to interest expenses, which is a measure of the Group's capacity to cover its interest expenses. Previously the definition has included all financial income and expenses from net financial items (i.e. including currency effects, among other things), but in order for the key figure to more clearly reflect the Group's capacity to cover interest expenses, only interest income is now added. The result is then divided by the interest expenses. According to the previous definition, the interest coverage ratio for the year had been 3.2x (7.4).

SEK m	2022	2021	2022	2021	12 months until	Full-year
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	30 Sep 2022	2021
Operating profit	671	450	1,821	980	2,247	1,406
Interest income	4	-1	12	2	17	7
Operating profit including interest income	675	449	1,833	981	2,265	1,413
Interest expenses	-134	-86	-310	-135	-423	-248
Interest coverage ratio	5.0	5.2	5.9	7.3	5.4	5.7

WORKING CAPITAL¹

Working capital is calculated as current operating receivables (inventories, accounts receivable and other non-interest-bearing current receivables) less current operating liabilities (accounts payable and other non-interest-bearing current liabilities excluding contingent consideration liabilities). The components are calculated as the average for the previous 12-month period. The purpose is to analyse the capital tied up in the balance sheet by the Group's operating activities.

SEK m	12 months until	12 months until	Full-year
	30 Sep 2022	30 Sep 2021	2021
Inventories	3,919	1,555	1,947
Accounts receivable	3,986	1,779	2,141
Other current receivables	1,926	711	808
Accounts payable	-2,335	-1,065	-1,290
Other current liabilities	-3,091	-1,464	-1,749
Working capital	4,405	1,515	1,857

OPERATING MARGIN¹

Operating profit (EBIT) as a percentage of net sales. The purpose is to provide a guide to profitability in relation to sales.

SEK m	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	12 months until 30 Sep 2022	Full-year 2021
Operating profit	671	450	1,821	980	2,247	1,406
Net sales	8,417	4,744	24,414	11,457	30,453	17,496
Operating margin, %	8.0	9.5	7.5	8.6	7.4	8.0

OPERATING PROFIT (EBIT)

Net sales less cost of goods sold, selling expenses and administrative expenses, plus other operating income less other operating expenses. The purpose is to assess the Group's operating activities.

DEBT/EQUITY RATIO¹

Net debt divided by total equity including equity attributable to non-controlling interests. The purpose is to show the size of debt in relation to equity, i.e. a measure of capital strength and financial risk. A high debt/equity ratio will correspond to a low equity/assets ratio, while a low debt/equity ratio will correspond to a high equity/assets ratio.

SEK m	30 Sep 2022	30 Sep 2021	31 Dec 2021
Net debt	15,668	7,706	3,904
Equity	18,975	9,287	16,588
Debt/equity ratio	0.8	0.8	0.2

EQUITY/ASSETS RATIO¹

Total equity including equity attributable to non-controlling interests as a percentage of total assets. The purpose is to show the proportion of assets that are financed with equity.

SEK m	30 Sep 2022	30 Sep 2021	31 Dec 2021
Equity	18,975	9,287	16,588
Total assets	47,193	26,108	32,223
Equity/assets ratio, %	40.2	35.6	51.5

CAPITAL EMPLOYED¹

Total assets less non-interest-bearing liabilities and provisions. The components are calculated as the average for the previous 12-month period. The purpose of this measure is to track the amount of capital that is employed in operations and financed by shareholders and lenders.

SEK m	12 months until 30 Sep 2022	12 months until 30 Sep 2021	Full-year 2021
Total assets	38,125	18,311	22,496
Non-interest-bearing liabilities	-8,654	-3,727	-4,670
Provisions	-1,658	-603	-803
Capital employed	27,814	13,981	17,024

NUMBER OF SHARES OUTSTANDING¹

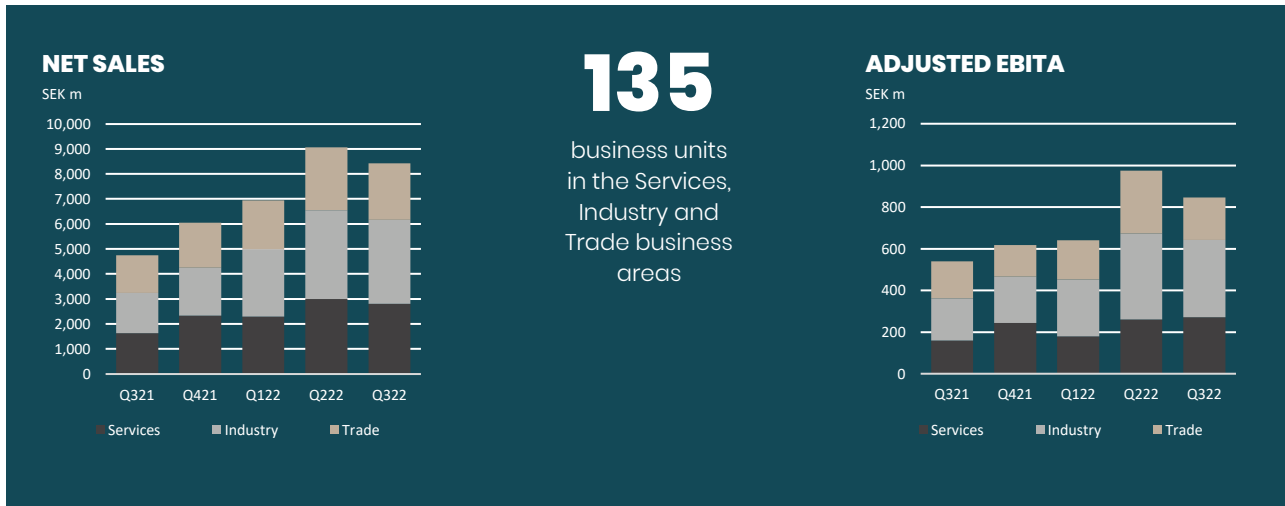
Total number of shares outstanding. Defined as total number of shares outstanding less Storskogen's own shares. This number is used primarily to calculate performance measures.

	30 Sep 2022	30 Sep 2021	31 Dec 2021
Serie A shares	148,001,374	246,668,962	148,001,374
Serie B shares	1,515,762,394	1,218,044,830	1,507,913,753
Number of outstanding shares	1,663,763,768	1,464,713,792	1,655,915,127

¹ Classified as an alternative performance measure under ESMA's guidelines.

About Storskogen

Storskogen is an international group of businesses across Trade, Industry, and Services. We are uniquely positioned to identify, acquire, and develop market leaders with sustainable business models over an infinite ownership horizon. Storskogen creates value by providing access to capital and strategic direction with active governance and a decentralised operational model. Storskogen has over 12,500 employees, generates SEK 36.5 billion RTM net sales on a proforma basis across a diversified group of businesses and is listed on Nasdaq Stockholm.



MISSION

Our mission is to empower businesses to realise their full potential.

VISION

Our vision is to be the leading international owner of small to medium sized businesses.



FINANCIAL CALENDAR

Year-End Report 2022 – 16 February 2023
 Interim Report Q1 2023 – 12 May 2023
 Annual General Meeting – 12 May 2023, Stockholm
 Interim Report Q2 2023 – 16 August 2023
 Interim Report Q3 2023 – 7 November 2023

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