IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) REASONABLY BELIEVED TO BE QIBs (AS DEFINED BELOW) OR (2) OUTSIDE OF THE UNITED STATES (AND, IF INVESTORS ARE RESIDENT IN A MEMBER STATE (AS DEFINED BELOW) OF THE EUROPEAN ECONOMIC AREA (THE "**EEA**") OR THE U.K., A QUALIFIED INVESTOR (AS DEFINED BELOW) AND NOT A RETAIL INVESTOR).

IMPORTANT: You must read the following before continuing. The following applies to the offering memorandum following this page (the "**Offering Memorandum**"), and you are therefore advised to read this carefully before accessing, reading or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION. THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view this Offering Memorandum or make an investment decision with respect to the securities, investors must be either (1) persons reasonably believed to be QIBs or (2) outside the United States. This Offering Memorandum is being sent at your request and by accepting the e-mail and accessing this Offering Memorandum, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs or (b) outside the United States, and that the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States and (2) that you consent to delivery of such Offering Memorandum by electronic transmission.

In any member state of the European Economic Area (the "**EEA**") (each a "**Member State**") other than Sweden, this Offering Memorandum is only addressed to, and is only directed at, investors in that Member State who fulfil the criteria for exemption from the obligation to publish a prospectus, including qualified investors, within the meaning of the Prospectus Regulation as implemented in each such Member State. The Offer Shares (as defined below) have not been, and will not be, offered to the public in any Member State that has implemented the Prospectus Regulation, excluding Sweden. For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the Offering (as defined below) and the Offer Shares so as to enable an investor to decide to purchase Offer Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Regulation in that Member State, the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended).

This Offering Memorandum has been prepared on the basis that any offers of shares in the United Kingdom will be made pursuant to an exemption under the Financial Services and Markets Act 2000, as amended ("**FSMA**") from the requirement to publish a prospectus for offers of securities. Offers of the Offer Shares pursuant to the Offering are only being made to persons in the United Kingdom that (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"); (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**Relevant Persons**"). Persons who are not Relevant Persons should not take any action on the basis of this Offering Memorandum and should not act or rely on it.

The Offer Shares are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "**U.K.**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**U.K. PRIIPs Regulation**") for offering of Offer Shares or otherwise making them available to retail investors in the U.K. has been prepared and, therefore, offering or selling the securities or otherwise making them available to any retail investor in the U.K. may be unlawful under the U.K. PRIIPs Regulation.

The attached Offering Memorandum has been prepared on the basis that any offer of the securities in the U.K. will be made pursuant to an exemption under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**U.K. Prospectus Regulation**") from a requirement to publish a prospectus for offers of securities. The attached Offering Memorandum is not a prospectus for the purpose of the U.K. Prospectus Regulation.

IF ANY PERSON HOLDING AN INTEREST IN THE OFFER SHARES IS NEITHER (1) A QIB AT THE TIME OF ACQUIRING THE OFFER SHARES NOR (2) OUTSIDE THE UNITED STATES, THE ISSUER MAY REGARD THE TRANSACTION WITH SUCH PERSON AS NULL AND VOID AND OF NO EFFECT. IN SUCH CIRCUMSTANCES, SUCH PERSON MAY BE FORCED TO TRANSFER OR SELL SUCH OFFER SHARES TO A PERMITTED TRANSFEREE MEETING THE REQUIREMENTS SET FORTH UNDER THE CAPTION "TRANSFER RESTRICTIONS" IN THIS OFFERING MEMORANDUM.

You are reminded that the Offering Memorandum has been delivered to you on the basis that you are a person into whose possession the Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of the Offering Memorandum to any other person. Nothing in this electronic transmission constitutes an offer of securities for sale in any jurisdiction where it is unlawful to do so. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Managers or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Managers or such affiliate on behalf of the Company in such jurisdiction.

The Offering Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and, consequently, none of the Company, the Managers nor any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any difference between the Offering Memorandum distributed to you in electronic format and the hard copy version available to you on request.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The ability of shareholders in certain countries other than Sweden, in particular in the United States, to bring an action against the Company may be limited under law. The Company is a Swedish public limited liability company founded in Sweden under Swedish law, incorporated on 2 March 2018 in Sweden and operating under Swedish law. The Company's form of association is governed by the Swedish Companies Act (2005:551). The majority of the directors or officers and other executives of the Company named herein are neither citizens nor residents of the United States, and all or a substantial portion of the assets of these individuals are located outside the United States. The Company's assets are located outside of the United States. As a result, it may be difficult for investors to effect service of process within the United States and certain other countries upon such persons or the Company, or to enforce against them judgments of U.S. courts or of courts of certain other countries predicated upon the civil liability provisions of U.S. federal or state securities laws or otherwise.

The United States and Sweden do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial disputes. As a result, a judgment rendered by a court in the United States will not be recognised and enforced by the Swedish courts. However, if a person has obtained a final and conclusive judgment for the payment of money rendered by a court in the United States which is enforceable in the United States and files his or her claim with the competent Swedish court, the Swedish court will generally give binding effect to such foreign judgment insofar as it finds that the jurisdiction of the court in the United States had been based on grounds which are internationally acceptable and that proper legal procedures have been observed and except to the extent that the foreign judgment contravenes Swedish public policy.

The Company has agreed that it will, during any period in which it is neither subject to the reporting requirements of Section 13 or Section 15(d) of U.S. Exchange Act of 1934, as amended, nor exempt from such reporting requirements by complying with the information furnishing requirements of Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of Shares, or to any prospective purchaser designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act. The Company is currently not subject to the periodic reporting and other information requirements of the U.S. Exchange Act.

Storskogen Group AB (publ)

Offering of 348,034,945 B-shares

This Offering Memorandum (the "**Offering Memorandum**") relates to the initial public offering (the "**Offering**") of up to 155,844,155 new shares of series B (the "**B-shares**" and the new B-shares, the "**New Shares**") and up to 192,190,790 existing B-shares (the "**Sale Shares**" and, together with the New Shares, the "**Firm Shares**") of Storskogen Group AB (publ) (the "**Company**" or "**Storskogen**"), each with a quota value of SEK 0.0005, by the selling shareholders, consisting of Länsförsäkringar Skaraborg, Länsförsäkringar Värmland, Peter Ahlgren, Philian Invest AB, Ribbylund Management AB, Scalata Invest AB, Storskogen SellCo AB and Ängsmon AB (together the "**Selling Shareholders**"). For additional information on the Selling Shareholders, see "*Share capital and ownership structure—Selling Shareholders*". The Company will not receive any proceeds from the sale of the Sale Shares.

The Company has granted the Managers (as defined herein) an option (the "**Overallotment Option**"), exercisable in whole or in part for 30 calendar days following the date on which the B-shares commence trading on Nasdaq Stockholm, to purchase up to 52,205,241 additional existing B-shares (the "**Additional Shares**") at the offering price, to cover any potential overallotment in connection with the Offering. The Firm Shares and, if any are sold pursuant to the Overallotment Option, the Additional Shares, shall be referred to as the "**Offer Shares**" and the term "**Shares**" shall refer to all outstanding B-shares of the Company at any given time.

This Offering consists of: (i) a public offer to the general public in Sweden; and (ii) private placements to institutional investors in various jurisdictions, including a private placement in the United States to persons who are qualified institutional buyers (within the meaning of Rule 144A) ("**QIBs**"). All offers and sales outside the United States will be made in compliance with Regulation S ("**Regulation S**") under the U.S. Securities Act.

Prior to the Offering, there has been no public market for the Shares. Application has been made for the Shares to be admitted to trading and listing on Nasdaq Stockholm under the trading symbol "STOR". The first day of trading in, and the listing of, the Shares is expected to be 6 October 2021. The Company has issued two series of shares, A-shares and B-shares. The A-shares entitle the holder to ten votes per share and the B-shares entitle the holder to one vote per share. The A-shares will not be traded on Nasdaq Stockholm.

Investing in the Offer Shares involves risks. See "*Risk factors*" beginning on page 11 for a discussion of certain risks prospective investors should consider before investing in the Offer Shares.

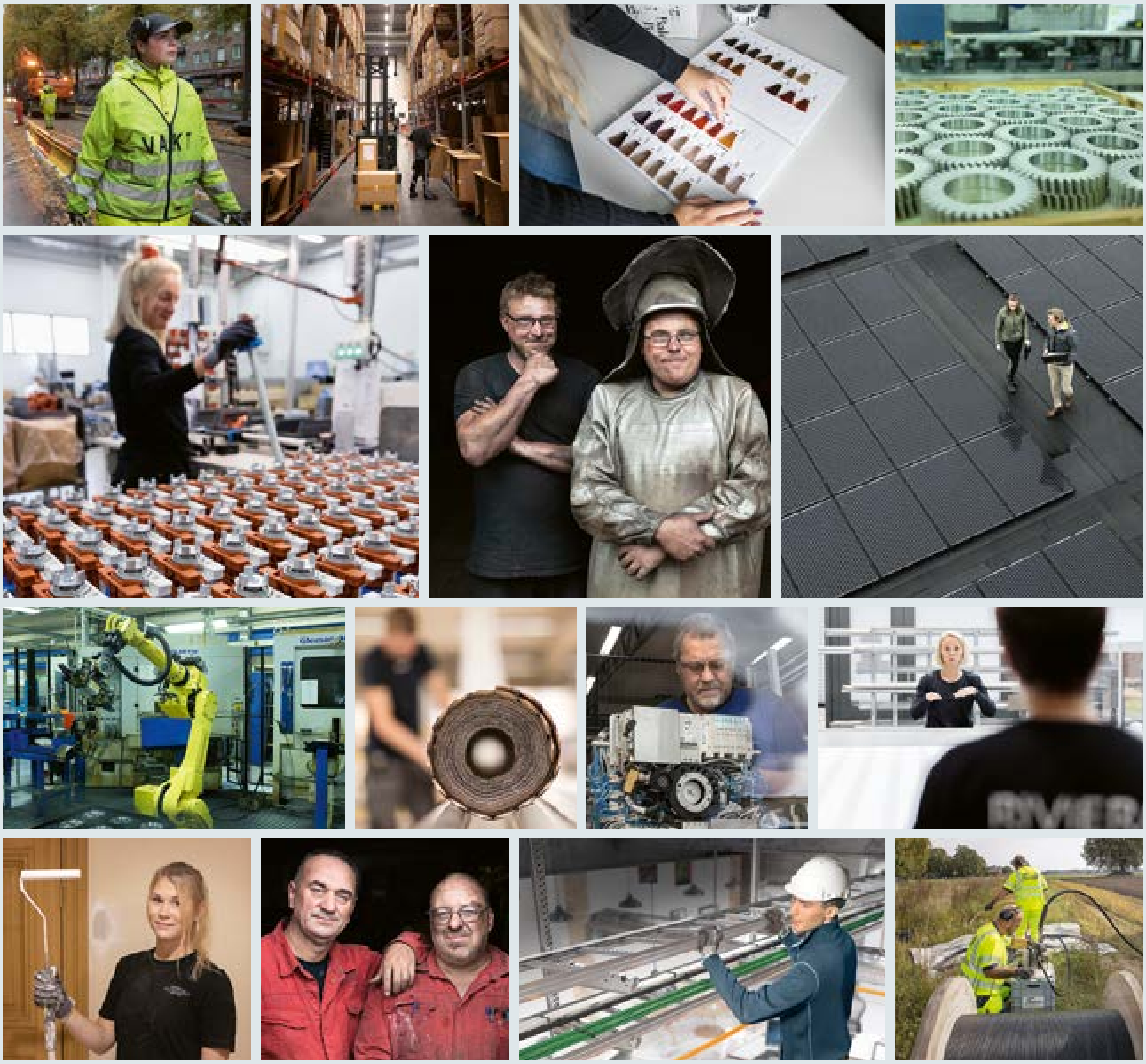
The offering price is SEK 38.50.

This Offering Memorandum does not constitute an offer to sell, or the solicitation of an offer to purchase, any of the Offer Shares in any jurisdiction from any person to whom it would be unlawful to make such an offer in such a jurisdiction.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any securities laws of any state within the United States, and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares are being offered and sold in the United States in reliance on Rule 144A, or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, only to QIBs. The Offer Shares are being offered and sold outside the United States in compliance with Regulation S. Prospective purchasers are hereby notified that sellers of the Offer Shares may be relying on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A. For a description of certain restrictions on offers and sales, and resale or transfer, see "*Transfer restrictions*".

The Managers (as defined herein) expect to deliver the Offer Shares on or about 8 October through the facilities of Euroclear Sweden AB ("**Euroclear Sweden**"), against payment for the Offer Shares in immediately available funds. The Shares will be eligible for clearing through the facilities of Euroclear Sweden.

Joint Global Coordinators and Joint Bookrunners storskogen



Invitation to acquire shares of series B in Storskogen Group AB (publ)

JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS

Carnegie Goldman Sachs J.P.Morgan

JOINT BOOKRUNNERS

BNP PARIBAS Danske Bank DNB Markets Nordea SEB Swedbank

IMPORTANT INFORMATION

This Offering Memorandum (the "**Offering Memorandum**") has been prepared in connection with the admission to trading of the Shares of Storskogen Group AB (publ), reg. no. 559223-8694, on Nasdaq Stockholm and the offering of B-shares to the general public in Sweden as well as to institutional investors in Sweden and abroad in connection therewith (the "**Offering**"). In this Offering Memorandum, the terms "**we**", "**our**", "**us**", the "**Company**", the "**Group**", "**Group Companies**" and "**Storskogen**" all refer to Storskogen Group AB (publ) or the group in which the Company is the parent company or the Company's subsidiaries, depending on the context. In this Offering Memorandum, the term "**segment**" refers to one or several of Storskogen's business areas, depending on the context, and the term "**vertical**" refers to one or several of the segments' verticals, depending on the context.

Carnegie Investment Bank AB (publ) ("**Carnegie**"), J.P. Morgan Securities plc ("**J.P. Morgan**") and Goldman Sachs Bank Europe SE ("**Goldman Sachs**") are joint global coordinators and joint bookrunners (the "**Joint Global Coordinators**") in connection with the Offering and BNP PARIBAS ("**BNP PARIBAS**"), Danske Bank A/S, Danmark, Sverige Filial ("**Danske Bank**"), DNB Markets, a part of DNB Bank ASA, filial i Sverige ("**DNB**"), Nordea Bank Abp, filial i Sverige ("**Nordea**"), Skandinaviska Enskilda Banken AB (publ) ("**SEB**") and Swedbank AB (publ) ("**Swedbank**") are joint bookrunners (the "**Joint Bookrunners**") in connection with the Offering (referred to as the "**Managers**" together with the Joint Global Coordinators). For further definitions of these and other terms in the Offering Memorandum, see "*Definitions and glossary*".

The Offering Memorandum has been prepared in both Swedish and English language versions. The Swedish language version is further referred to as the "**Swedish Prospectus**". The Swedish Prospectus has been approved by the Swedish Financial Supervisory Authority (the "**SFSA**") as competent authority in accordance with the Prospectus Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The SFSA only approves the Swedish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of Storskogen, nor should it be considered as an endorsement of the quality of the securities that are the subject of this Offering Memorandum. Investors should make their own assessment as to the suitability of investing in the securities. The Offering and this Offering Memorandum are governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any conflict or dispute arising out of or in connection with the Offering or this Offering Memorandum.

IMPORTANT INFORMATION TO INVESTORS IN CERTAIN JURISDICTIONS

The Offering consists of: (a) a public offer to the general public in Sweden and (b) private placements to institutional investors in various jurisdictions, including a private placement in the United States to QIBs. The Offering is not and will not be directed to the general public in any country other than Sweden nor directed at such persons whose participation requires additional prospectuses, registrations or measures other than those prescribed by Swedish law. In particular, the Offering is not directed at persons resident in the United States, Australia, Canada, Japan, Hong Kong, New Zealand, South Africa or Switzerland.

Within the European Economic Area ("**EEA**"), no public offering of securities is made in other countries than Sweden. In other member states of the EEA where the Prospectus Regulation is directly applicable or where the member states have implemented the Prospectus Regulation in its national legislation, any offer of securities may only be made in accordance with an applicable exemption in the Prospectus Regulation and/or in accordance with an applicable exemption under a relevant national implementation measure. In other member states of the EEA where the Prospectus Regulation is not directly applicable or where such member states have not implemented the Prospectus Regulation in its national legislation, any offer of securities may only be made in accordance with an applicable exemption under national law. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended).

This Offering Memorandum has been prepared on the basis that any offer of shares in the United Kingdom ("**U.K.**") will be made pursuant to an exemption under the FSMA from the requirement to publish a prospectus for offers of securities. The expression "FSMA" means the Financial Services and Markets Act 2000 (as amended). Offers of the Offer Shares pursuant to the Offering are only being made to persons in the U.K. that (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"); (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Order, (iii) are outside the U.K., or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**Relevant Persons**"). Persons who are not Relevant Persons should not take any action on the basis of this Offering Memorandum and should not act or rely on it.

The shares in Storskogen have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or the securities legislation of any state or other jurisdiction of the United States and may not be offered, subscribed for, exercised, pledged, sold, resold, granted, delivered or otherwise transferred, directly or indirectly, in or into the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable securities legislation in any state or other jurisdiction of the United States. A public offering of the shares in Storskogen will not be made in the United States. In the United States, the shares will be sold only to persons reasonably believed to be "qualified institutional buyers" ("**QIBs**") as defined in Rule 144A under the U.S. Securities Act ("**Rule 144A**") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act. Any offer or sale in the United States will be made solely by affiliates of the Managers who are broker-dealers registered under the U.S. Exchange Act of 1934 (the "**Exchange Act**"). The shares in Storskogen are being offered outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act. Respective purchasers that are QIBs are hereby notified that the sellers of the shares in the Offering may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. In the United States, this Offering Memorandum is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider purchasing the particular securities described herein. The information contained in the Offering Memorandum has been provided by Storskogen and other sources identified herein. Distribution of the Offering Memorandum to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorised, and any disclosure of its contents, without the Company's prior written consent, is prohibited. Any reproduction or distribution of the Offering Memorandum in the United States, in whole or in part, and any disclosure of its content to any other person is prohibited. The Offering Memorandum is personal to each offeree and does not constitute any offer to any other person or to the general public or to any person in any jurisdiction in which it is unlawful for such person to acquire shares in the Offering. For a description of these and certain further restrictions regarding the shares and the distribution of this Offering Memorandum, see "*Transfer restrictions*". The shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state regulatory authority in the United States or any other U.S. regulatory authority. Nor have any of the foregoing authorities passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

In addition, in the United Kingdom, the Offering is addressed to, and directed only at, qualified investors who are (i) persons who have professional experience in matters relating to investments and who fall within the definition of "investment professionals" in Article 19(5) of the Order, (ii) persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) other persons to whom this document may otherwise lawfully be communicated (all such persons referred to in (i), (ii) and (iii) together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons in the United Kingdom and will be engaged in only with such persons.

The Joint Bookrunners will not regard any other person (whether or not a recipient of this Offering Memorandum) as a client in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for the giving of advice in relation to the Offering or any transaction, matter or arrangement referred to in this Offering Memorandum.

STABILISATION

Carnegie may, in connection with the Offering, act as stabilisation manager and thereby engage in transactions that stabilise, maintain or otherwise affect the price of Storskogen's B-shares (including at a level higher than the one that would otherwise prevail in the open market) for up to 30 days from the day on which the price of the Offering is made public. Such stabilising measures may be carried out on Nasdaq Stockholm, in the over-the-counter market or otherwise. Carnegie is not required to engage in any of these activities and therefore there can be no assurances that these activities will be undertaken; if undertaken, Carnegie may end any of these activities at any time and they must be brought to an end at the end of the 30-day period mentioned above.

Stabilisation, if undertaken, may be discontinued at any time without prior notice. In no event will transactions be effected at levels above the price in the Offering. Not later than by the end of the seventh trading day after stabilisation transactions have been undertaken, Carnegie shall disclose that stabilisation transactions have been undertaken in accordance with Article 5(4) in the Market Abuse Regulation (EU) 596/2014. Carnegie will make public whether or not stabilisation was undertaken, the date on which stabilisation commenced, the date on which stabilisation last occurred and the price range within which stabilisation was carried out, for each of the dates during which stabilisation transactions were carried out. For more information on stabilisation, refer to "*Legal considerations and supplementary information–Stabilisation*".

BUSINESS AND MARKET DATA

This Offering Memorandum includes industry and market data pertaining to Storskogen's business and market in which Storskogen operates.

The information concerning market growth and size as well as Storskogen's market position in relation to the competitors specified in this Offering Memorandum are the views of Storskogen, informed by multiple sources, including OECD. To the extent any other sources are used, this is indicated continuously in the information. None of the Company's available information have been verified by independent sources, which may have had estimates or views of industry-related information that differ from those of the Company. Market and business information may include estimates concerning future market trends and other forward-looking statements.

Business and market data are inherently subject to uncertainty and do not necessarily reflect actual market conditions. The value of comparisons of statistics for different markets is limited for various reasons. Among such reasons are that markets may have been defined differently and that information may have been gathered by different methods and on the basis of different assumptions. Information provided from third parties has been accurately reproduced, and, as far as Storskogen is aware and is able to ascertain from such information, no facts have been omitted which would render the information provided inaccurate or misleading.

The Offering Memorandum includes in the section "*Risk factors*" a description of risk factors which are considered to be material for Storskogen's business and future development. Prospective investors should make an independent evaluation, with or without help from advisors, of the risks associated with an investment in the securities.

FORWARD-LOOKING STATEMENTS AND PRESENTATION OF FINANCIAL INFORMATION

This Offering Memorandum contains various forward-looking statements which reflect the Company's current view on future events and anticipated financial and operational performance. Further, except as expressly stated in this Offering Memorandum, no financial information has been audited or reviewed by the Company's auditor. Certain figures in this Offering Memorandum have been subject to rounding adjustments. Accordingly, the sum of the numbers in a column in certain tables may not conform exactly to the total figure given for that column. For more information, refer to "*Presentation of financial and other information*".

IMPORTANT INFORMATION REGARDING THE POTENTIAL SALE OF ALLOTTED B-SHARES

Notifications about allotment to the public in Sweden will be made through distribution of contract notes expected to be distributed on or about 6 October 2021. Institutional investors are expected to receive notification of allotment on or about 6 October 2021 in particular order, whereupon contract notes will be dispatched. After payments for the allocated B-shares have been processed by the Managers, the duly paid B-shares will be transferred to the securities depository account or the securities account specified by the acquirer. The time required to transfer payments and transfer duly paid B-shares to the acquirers of B-shares means that these acquirers will not have B-shares available in the specified securities depository account or the securities account until 8 October 2021, at the earliest. Trading in the Company's B-shares on Nasdaq Stockholm is expected to commence on or about 6 October 2021. Accordingly, if B-shares are not available in an acquirer's securities account or securities depository account until 8 October 2021 at the earliest, the acquirer may not be able to sell these B-shares on the stock exchange as from the time trading in the B-shares commences, but only when the B-shares are available in the securities account or the securities depository account.

TABLE OF CONTENTS

THE OFFERING IN BRIEF

Offering Price per B-share	SEK 38.50
Application period for the general public in Sweden	28 September–5 October 2021
Application period for institutional investors	28 September–5 October 2021
First day of trading on Nasdaq Stockholm	6 October 2021
Settlement date	8 October 2021

OTHER INFORMATION

ISIN code for the B-share	SE0016797732
Trading symbol (ticker) on Nasdaq Stockholm	STOR
LEI code	549300DL3K4HLJ41KD24

FINANCIAL CALENDAR

Interim report for the period January–September 2021	18 November 2021
Year-end report for the period January–December 2021	23 February 2022

A separate prospectus in Swedish (the "**Swedish Prospectus**") has been approved and registered by the SFSA in accordance with Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the "**Prospectus Regulation**") and this offering memorandum (the "**Offering Memorandum**") is the English translation thereof. The SFSA only approves the Swedish Prospectus as meeting the standards of com-pleteness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer or of the quality of the securities that are the subject of this Offer-ing Memorandum. Investors should make their own assessment as to the suitability of investing in the securi-ties. The SFSA's visiting address is Brunnsgatan 3, SE-111 38 Stockholm, Sweden and its postal address is box 7821, SE-103 97 Stockholm, Sweden. The SFSA's telephone number is +46 (0)8-408 980 00 and its website is www.fi.se.

The Swedish Prospectus is valid for up to twelve months after 27 September 2021. The obligation to supplement the Swedish Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply once the shares in the Company have been admitted to trading on Nasdaq Stockholm.

Summary

INTRODUCTION AND WARNINGS

Introduction and warnings	This summary should be read as an introduction to the Offering Memorandum. Any decision to invest in the securities should be based on a consideration of the Offering Memorandum as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in the Offering Memorandum is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Offering Memorandum before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation hereof, but only when the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Offering Memorandum, or where it does not provide, when read together with the other parts of the Offering Memorandum, key information in order to aid investors when considering whether to invest in the securities.
Issuer information	The issuer of the securities is Storskogen Group AB (publ), reg. no. 559223-8694. The Company's address is Hovslagargatan 3, SE-111 48 Stockholm, Sweden, and its LEI code is 549300DL3K4HLJ41KD24. The ISIN code for the B-shares is SE0016797732.
Information on Selling Shareholders	Länsförsäkringar Skaraborg, 566000-6866 ("**Länsförsäkringar Skaraborg**"), Länsförsäkringar Värmland, 573201-8329 ("**Länsförsäkringar Värmland**"), Peter Ahlgren, Philian Invest AB, 556925-0425 ("**Philian Invest**"), Ribbylund Management AB, 556817-1481 ("**Ribbylund Managemen**t"), Scalata Invest AB, 559018-9550 ("**Scalata Invest**"), Storskogen SellCo AB, 559324-0012 ("**Storskogen SellCo**") and Ängsmon AB, 556624-8810 ("**Ängsmon**") are selling shareholders (the "**Selling Shareholders**"). Länsförsäkringar Skaraborg's address is P.O. Box 600, SE-541 29 Skövde, Sweden and its LEI code is 549300TEQL67BBX6IC37. Länsförsäkringar Värmland's address is P.O. Box 367, SE-651 09 Karlstad, Sweden and its LEI code is 549300EDSMKC21M1KZ02. Peter Ahlgren's address is Hovslagargatan 3, SE-111 48 Stockhol m, Sweden. Philian Invest's address is c/o Ramsbury Property, P.O. Box 1421, SE-111 84 Stockholm, Sweden and its LEI code is 549300J9APCPON08WR62. Ribbylund Management's address is Hovslagargatan 3, SE-111 48 Stockholm, Sweden and its LEI code is 894500DFXBZ7M43NG391. Scalata Invest's address is Hovslagargatan 3, SE-111 48 Stockholm, Sweden and its LEI code is 549300N8093K27555N11. Storskogen SellCo's address is Hovslagargatan 3, SE-111 48 Stockholm, Sweden and its LEI code is 5493005PYM5MOE35UW88. Ängsmon's address is Vintervägen 24, SE-132 48 Saltsjö-Boo, Sweden and its LEI code is 549300VBY58WBF72VX47.
Competent authority	The Swedish Prospectus has been approved by the SFSA on 27 September 2021. The SFSA's visiting address is Brunnsgatan 3, SE-111 38 Stockholm, Sweden and its postal address is Box 7821, SE-103 97 Stockholm, Sweden. The SFSA's telephone number is +46 (0)8-408 980 00 and its website is www.fi.se.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Issuer information

Issuer of the securities is Storskogen Group AB (publ), reg. no. 559223-8694. The board of directors has its registered office in Stockholm, Sweden. The Company is a Swedish public limited liability company (Sw. *publikt aktiebolag*) founded in Sweden under Swedish law. The Company's operations are governed by the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). The Company's LEI code is 549300DL3K4HLJ41KD24.

Principal activities

Storskogen is a fast-growing owner of small and medium-sized enterprises ("**SMEs**") and has a track record of successful acquisitions. Storskogen's business idea is to acquire and operate SMEs, which are intended to be owned on a long-term basis without any predefined ownership horizon. Storskogen is currently focused on acquisitions in Sweden, the other Nordic countries, the DACH region (Germany, Switzerland and Austria) and the United Kingdom. Storskogen's vision is to be the best owner of SMEs within a broad field of industries and geographies as well as based on Storskogen's robust investment criteria. The Company has a long-term and sustainable perspective when acquiring and managing its companies. All members of the Group share a common focus on profitability, stable cash flows and obtaining and maintaining a strong market position.

Storskogen's current portfolio companies can be divided into three business areas with verticals for each business area according to the below:

Business area	Description	Vertical
Services	• Focus on stable service companies with a clear niche and strong positions in their markets. • Mainly B2B companies aimed at the public and private sectors.	• Infrastructure • Installation • Digital Services • Engineering Services • Logistics • HR and Competence
Trade	• Focus on trading companies with strong brands within their niches. • Mainly distributors and wholesalers with both their own and external brands.	• Distributors • Brands • Producers
Industry	• Industrial companies (B2B) operating within automation systems, industrial technology and products. • A new Green Solutions vertical is currently under development.	• Automation Systems • Industrial Technology • Products

Major shareholders

The tables below set forth the Company's ownership structure immediately before the Offering as well as immediately after the completion of the Offering if the Overallotment Option is not exercised and immediately after the completion of the Offering if the Overallotment Option is exercised in full. The information in the tables below is based on the assumption that the Offering is fully subscribed.

Ownership structure immediately prior to the Offering

Except as stated in the table below, there are no persons or legal entities owning five per cent or more of all shares and/or votes in the Company immediately before the Offering.

Shareholder	Number of A-shares	Number of B-shares	Total number of shares	Percentage of share capital (%)	Percentage of votes (%)
Daniel Kaplan[1)]	77,057,960	7,335,590	84,393,550	5.6%	18.5%
Ronnie Bergström[2)]	77,058,190	–	77,058,190	5.1%	18.4%
Alexander Murad Bjärgård	75,585,930	1,665,950	77,251,880	5.1%	18.0%
Peter Ahlgren[3)]	68,302,680	–	68,302,680	4.5%	16.3%
AMF	–	90,000,000	90,000,000	5.9%	2.1%
Other shareholders[4)]	–	1,119,043,290	1,119,043,290	73.8%	26.7%
Total	**298,004,760**	**1,218,044,830**	**1,516,049,590**	**100.0%**	**100.0%**

1) Including shares held by Firm Factory AB.
2) Including shares held by Ängsmon AB.
3) Including shares held by Ribbylund Management AB.
4) Shareholders in the Company other than the Selling Shareholders, who will sell B-shares in connection with the Offering, will sell such B-shares to Storskogen SellCo. Storskogen SellCo will in turn immediately sell such B-shares in the Offering. Storskogen SellCo will consequently immediately before the Offering own 151,726,136 B-shares (all of which will be sold by Storskogen SellCo in the Offering). *Inter alia* the chair of the board of directors Elisabeth Thand Ringqvist (through a company) will sell up to 24,300 B-shares through Storskogen SellCo. The owners of Storskogen SellCo are Daniel Kaplan, Ronnie Bergström, Alexander Murad Bjärgård and Peter Ahlgren, however, none of them will sell any B-shares through Storskogen SellCo.

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

Major shareholders, cont.

Ownership structure immediately after the completion of the Offering* (if the Overallotment Option is not exercised)

Shareholder	Number of A-shares	Number of B-shares	Total number of shares	Percentage of share capital (%)	Percentage of votes (%)
Daniel Kaplan[1]	38,270,140	36,745,122	75,015,262	4.6%	14.2%
Ronnie Bergström[2]	38,270,254	18,513,504	56,783,758	3.5%	13.6%
Alexander Murad Bjärgård	37,539,070	26,691,998	64,231,068	4.0%	13.6%
Peter Ahlgren[3]	33,921,910	15,614,607	49,536,517	3.1%	12.0%
AMF[4]	–	128,961,038	128,961,038	8.0%	4.4%
Other current shareholders	–	940,852,500	940,852,500	58.1%	31.9%
Other investors in the Offering	–	305,177,804	305,177,804	18.8%	10.3%
Total	**148,001,374**	**1,472,556,573**	**1,620,557,947**	**100.0%**	**100.0%**

* Taking into account the number of shares and votes in the Company following the completion of the redemption and conversion of A-shares in connection with the Offering.

1) Including shares held by Firm Factory AB and 3,896,103 B-shares that Daniel Kaplan will acquire in connection with the Offering.
2) Including shares held by Ängsmon AB.
3) Including shares held by Ribbylund Management AB.
4) Including 38,961,038 B-shares that AMF has committed to acquire in connection with the Offering.

Ownership structure immediately after the completion of the Offering* (if the Overallotment Option is exercised in full)

Shareholder	Number of A-shares	Number of B-shares	Total number of shares	Percentage of share capital (%)	Percentage of votes (%)
Daniel Kaplan[1]	38,270,140	36,745,122	75,015,262	4.5%	14.0%
Ronnie Bergström[2]	38,270,254	18,513,504	56,783,758	3.4%	13.4%
Alexander Murad Bjärgård	37,539,070	26,691,998	64,231,068	3.8%	13.4%
Peter Ahlgren[3]	33,921,910	15,614,607	49,536,517	3.0%	11.8%
AMF[4]	–	128,961,038	128,961,038	7.7%	4.3%
Other current shareholders	–	940,852,500	940,852,500	56.2%	31.3%
Other investors in the Offering	–	357,383,045	357,383,045	21.4%	11.9%
Total	**148,001,374**	**1,524,761,814**	**1,672,763,188**	**100.0%**	**100.0%**

* Taking into account the number of shares and votes in the Company following the completion of the redemption and conversion of A-shares in connection with the Offering.

1) Including shares held by Firm Factory AB and 3,896,103 B-shares that Daniel Kaplan will acquire in connection with the Offering.
2) Including shares held by Ängsmon AB.
3) Including shares held by Ribbylund Management AB.
4) Including 38,961,038 B-shares that AMF has committed to acquire in connection with the Offering.

Board members and senior executives

The Company's board of directors consists of Elisabeth Thand Ringqvist (chair), Bengt Braun, Louise Hedberg, Johan Thorell and Alexander Murad Bjärgård.

The Company's senior executives are Daniel Kaplan (CEO/Co-founder), Lena Glader (CFO), Alexander Murad Bjärgård (Head of M&A and Corporate Development/Co-founder), Peter Ahlgren (Head of Business Area, Services), Fredrik Bergegård (Head of Business Area, Industry), Christer Hansson (Head of Business Area, Trade) and Mikael Neglén (Head of DACH).

Auditor

Ernst & Young Aktiebolag is the Company's auditor. Åsa Lundvall, authorised public accountant and member of FAR (the professional institute for authorised public accountants in Sweden), is the auditor in charge. The auditor's office address is Hamngatan 26, SE-111 47 Stockholm, Sweden.

KEY INFORMATION ON THE ISSUER

What is the key financial information regarding the issuer?

Key financial information in summary

Selected income statement items

	1 January–31 December			1 January–30 June	
(SEK million)	2020[1) 3)]	2019[1) 3)]	2018[1) 3)]	2021[2)]	2020[2)]
Net sales	8,933	6,163	3,298	6,713	4,177
Operating profit	774	381	272	530	349
Profit for the period attributable to owners of the parent company	542	250	194	355	229

1) Based on the Group's audited combined and consolidated financial statements as stated on pages F-16–F-62. The figures for 2019 consist of aggregated financial information until the Group's legal formation in November 2019 and the figures for 2018 consist of an aggregation of financial information. For more information, see Note 1 in the Group's Audited Combined and Consolidated Financial Statements on page F-23–F-28.
2) Based on the Group's unaudited consolidated interim financial statements as stated on pages F-2–F-14.
3) In the Group's audited combined and consolidated financial statements, certain inter-company eliminations have been reclassified to increase the Group's ability to monitor existing business areas, meaning that amounts have been adjusted in each affected item in the statement of profit or loss for the years ended 31 December 2018, 2019 and 2020. The statements of profit or loss for the year ended 31 December 2018 and the year ended 31 December 2019 were restated to facilitate comparability. The reclassifications had no effect on the profit for the years ended 31 December 2018, 2019 and 2020 or the key financial ratios presented as performance measures in the Group's audited combined and consolidated financial statements.

Selected balance sheet items

	31 December			30 June	
(SEK million)	2020[1)]	2019[1)]	2018[1)]	2021[2)]	2020[2)]
Total assets	12,002	7,923	3,678	27,546	9,650
Total equity	5,262	3,107	1,495	8,771	3,671

1) Based on the Group's audited combined and consolidated financial statements as stated on pages F-16–F-62. The figures for 2019 consist of aggregated financial information until the Group's legal formation in November 2019 and the figures for 2018 consist of an aggregation of financial information. For more information, see Note 1 in the Group's Audited Combined and Consolidated Financial Statements on page F-23–F-28.
2) Based on the Group's unaudited consolidated interim financial statements as stated on pages F-2–F-14.

Selected cash flow statement items

	1 January–31 December			1 January–30 June	
(SEK million)	2020[1)]	2019[1)]	2018[1)]	2021[2)]	2020[2)]
Cash flow from operating activities	814	447	215	1,088	251
Cash flow from investing activities	(2,828)	(1,721)	(947)	(4,905)	(1,147)
Cash flow from financing activities	2,156	2,825	657	8,541	646

1) Based on the Group's audited combined and consolidated financial statements as stated on pages F-16–F-62. The figures for 2019 consist of aggregated financial information until the Group's legal formation in November 2019 and the figures for 2018 consist of an aggregation of financial information. For more information, see Note 1 in the Group's Audited Combined and Consolidated Financial Statements on page F-23–F-28.
2) Based on the Group's unaudited consolidated interim financial statements as stated on pages F-2–F-14.

Selected aggregated pro forma income statement items for the period 1 January–31 December 2020

(SEK million)	Storskogen	Acquisitions from and including 7 Jan 2020 up to and including 10 Oct 2021*	Pro forma adjustments	Pro forma income statement
Net sales	8,933.4	10,070.7	(40.6)	18,963.5
Operating profit	773.8	1,208.6	(120.8)	1,861.7
Profit for the period	573.5	905.8	(172.3)	1,307.0

* Concerns actual and preliminary completion dates.

Selected aggregated pro forma income statement items for the period 1 January–30 June 2021

(SEK million)	Storskogen	Acquisitions from and including 5 Jan 2021 up to and including 10 Oct 2021*	Pro forma adjustments	Pro forma income statement
Net sales	6,713.0	3,426.9	(1.3)	10,138.6
Operating profit	529.6	423.0	(1.5)	951.0
Profit for the period	381.2	323.6	(13.8)	691.0

* Concerns actual and preliminary completion dates.

KEY INFORMATION ON THE ISSUER

What is the key financial information regarding the issuer?

Key financial information in summary, cont.

Selected aggregated pro forma statement of financial position items as of 30 June 2021

(SEK million)	Storskogen	Acquisitions from and including 1 Jul 2020 up to and including 10 Oct 2021	Pro forma adjustments	Pro forma income statement
Total assets	27,546.1	781.1	13.3	28,340.6
Total equity	8,770.7	83.8	(83.5)	8,771.0

What are the key risks that are specific to the issuer?

Material risks that are specific to the issuer

Material risks that are specific to the issuer and its operations include, *inter alia*, the following risks:

- Storskogen is subject to risks relating to decreased market demand and other macroeconomic factors that are beyond Storskogen's control.
- COVID-19 may have an adverse impact on Storskogen's operations and profits.
- Storskogen's acquisition strategy is associated with risks and there are no guarantees that Storskogen will be able to carry out acquisitions as planned, with favourable conditions or at all.
- Storskogen is subject to risks relating to unknown circumstances or inadequate handling of such circumstances in connection with due diligence of acquisition targets.
- Storskogen's growth and geographic expansion may not materialise or fail.
- Storskogen is exposed to deficiencies related to its internal control and decentralised organisation which may have an adverse effect on Storskogen's operations.
- Competition for suitable acquisition targets may lead to Storskogen not being able to carry out acquisitions at a reasonable cost or at all.
- Competition for the Group Companies may have an adverse impact on Storskogen's operations and profit.
- There are no guarantees that Storskogen can meet its financing needs for the day-to-day operations and future investments at a reasonable cost or at all.
- Any impairment of goodwill, other intangible assets or property, plant and equipment could have a material adverse effect on the Group's financial position or operating results.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Securities that are offered and admitted to trading on Nasdaq Stockholm

B-shares in Storskogen Group AB (publ), reg. no. 559223-8694. The ISIN code for the B-shares is SE0016797732. All shares in the Company are denominated in SEK, each with a quotient value of SEK 0.0005.

Total number of shares in the Company

As of the date of this Offering Memorandum there are a total of 1,516,049,590 shares in the Company, divided among 298,004,760 A-shares and 1,218,044,830 B-shares.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

Rights associated with the securities	The A-shares entitle the holder to ten votes at general meetings and the B-shares entitle the holder to one vote at general meetings. Shareholders are entitled to vote for all shares held. In the event of an increase of the Company's share capital through a cash issue or a set-off issue, where new A-shares and B-shares are issued, each series of shares shall have preferential rights to new shares of the same series and in relation to the previous holding (primary preferential rights). The other series of shares shall have a secondary right to subscribe for the part of the issue that is not subscribed for by shareholders who have preferential rights (subsidiary preferential rights). In the event of over-subscription, the distribution shall take place in relation to previous shareholdings and thereafter, if necessary, by drawing lots. In the event of a bonus issue, new shares of the respective series of shares shall be issued in relation to the existing number of shares of each series. Thereby, the old shares shall give preferential rights to new shares of the same series in relation to their respective share of the share capital. If the Company decides to issue shares of only one series of shares through a cash issue or set-off issue, all shareholders, regardless of series of shares, shall have preferential rights to subscribe for new shares in relation to the number of shares previously owned. If the Company decides to issue warrants or convertibles through a cash issue or set-off issue, the shareholders have preferential rights to subscribe for warrants as if the issue concerned the shares that may be subscribed for by exercise of the warrants and the preferential rights to subscribe for convertibles as if the issue concerned the shares that the convertibles may be converted to, respectively. The above shall not entail any limitation in the possibility to resolve upon a cash issue or set-off issue with deviation from the shareholders' preferential rights. After the Offering, all shares will have equal rights to dividends as well as to assets and any surplus in the event of a liquidation of the Company. With the exception of the lock-up undertakings by the Company's existing shareholders as well as by board member and senior executives during a certain period of the time from the first day of trading in the Company's B-shares on Nasdaq Stockholm, the B-shares are freely transferable in accordance with applicable law.
Dividend policy	Storskogen's board of directors has adopted a dividend policy of dividends corresponding to 0–20 per cent of profit for the year.

Where will the securities be traded?

Admission to trading	On 10 September 2021, Nasdaq Stockholm's listing committee resolved that the Company fulfils the applicable listing requirements. Nasdaq Stockholm will approve an application for admission to trading of the Company's B-shares on Nasdaq Stockholm subject to certain conditions, including that the Company submits such application and fulfils the distribution requirement for its B-shares.

What are the key risks that are specific to the securities?

Material risks that are specific to the securities	Material risks that are specific to the securities include, *inter alia*, the following risks: • The B-shares may trade below the Offering Price, the market price of the B-shares may be volatile and investors can lose all of or parts of their investments. • Future expected or actual sales of the Company's shares may affect the market price of the B-shares. • Storskogen's ability to pay dividends in the future may be limited and is dependent on multiple factors. • After the completion of the Offering, the Founders will still maintain a significant influence over Storskogen and may use their influence in ways that are not in the interest of other shareholders. • Currency exchange differences may have an adverse effect on the value of shareholdings or dividends. • Future issues of shares or other instruments may dilute existing shareholders' holdings and have an adverse impact on the market price of the B-shares.

KEY INFORMATION ON THE OFFERING OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON NASDAQ STOCKHOLM

Under which conditions and timetable can I invest in this security?

The Offering's forms and conditions	**The Offering:** The Offering includes up to 348,034,945 B-shares in Storskogen, of which up to 192,190,790 existing B-shares are offered by the Selling Shareholders and up to 155,844,155 newly issued B-shares are offered by the Company. The Offering is divided into two parts: (a) the offer to the general public in Sweden and (b) the offer to institutional investors in Sweden and abroad. **Overallotment Option:** To cover any overallotment or short positions in connection with the Offering, the Company will grant the Joint Global Coordinators an option to acquire up to 52,205,241 additional B-shares at the Offering Price, corresponding to a maximum of approximately 15 per cent of the number of B-shares in the Offering (the "**Overallotment Option**"). If the Joint Global Coordinators exercise the Overallotment Option in full, the Offering will comprise of up to 400,240,186 B-shares, corresponding to approximately 26.2 per cent of the total number of B-shares in the Company after the Offering. **Offering Price:** The price per B-share in the Offering is SEK 38.50 (the "**Offering Price**"). The Offering Price has been set by the Company's board of directors and the Selling Shareholders in consultation with the Joint Global Coordinators, based on a number of factors, *inter alia*, discussions with cornerstone investors and certain other institutional investors.
Expected timetable of the Offering	Application period for the general public in Sweden: 28 September–5 October 2021 Application period for institutional investors: 28 September–5 October 2021 Expected first day of trading in the Company's B-share on Nasdaq Stockholm: 6 October 2021 Settlement date: 8 October 2021
Dilution effect	The Company's offering of up to 155,844,155 newly issued B-shares entails a dilution effect of approximately 9.6 per cent of the share capital and approximately 5.3 per cent of the votes (approximately 12.4 per cent of the share capital and approximately 6.9 per cent of the votes, respectively, if the Overallotment Option is exercised in full).* * Taking into account the number of shares and votes in the Company following the completion of the redemption and conversion of A-shares in connection with the Offering.

Under which conditions and timetable can I invest in this security?

Costs for the Offering	Storskogen's costs for the Offering and the admission to trading of the Company's B-shares on Nasdaq Stockholm, including payment to the Joint Bookrunners and other advisors, as well as other estimated transaction costs, are estimated to amount to approximately SEK 298 million (assuming that the Offering is fully subscribed and that the Overallotment Option is exercised in full), of which approximately SEK 60 million are expected to affect the statement of profit or loss (whereof approximately SEK 30 million are included in the Company's accounts up until 30 June 2021). No commission will be payable in connection with the Offering.
Admission to trading	The B-shares will be traded on Nasdaq Stockholm. The ticker for the B-shares will be STOR. The A-shares will not be admitted to trading on Nasdaq Stockholm.

Who is the offeror and/or the person asking for admission to trading?

Offeror	Issuer of the securities is Storskogen Group AB (publ), reg. no. 559223-8694. The board of directors has its registered office in Stockholm, Sweden. The Company is a Swedish public limited liability company founded in Sweden under Swedish law. The Company's operations are governed by the Swedish Companies Act. The Company's LEI code is 549300DL3K4HLJ41KD24.

KEY INFORMATION ON THE OFFERING OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON NASDAQ STOCKHOLM

Who is the offeror and/or the person asking for admission to trading?

Selling Shareholders	Länsförsäkringar Skaraborg is a Swedish mutual non-life insurance company founded in Sweden under Swedish law. The board of directors has its registered office in Skövde, Sweden. The company's operations are governed by the Swedish Insurance Business Act. Länsförsäkringar Värmland is a Swedish mutual non-life insurance company founded in Sweden under Swedish law. The board of directors has its registered office in Karlstad, Sweden. The company's operations are governed by the Swedish Swedish Insurance Business Act. Peter Ahlgren is a Swedish natural person. Philian Invest is a Swedish limited liability company founded in Sweden under Swedish law. The board of directors has its registered office in Stockholm, Sweden. The company's operations are governed by the Swedish Companies Act. Ribbylund Management is a Swedish limited liability company founded in Sweden under Swedish law. The board of directors has its registered office in Stockholm, Sweden. The company's operations are governed by the Swedish Companies Act. Scalata Invest is a Swedish limited liability company founded in Sweden under Swedish law. The board of directors has its registered office in Stockholm, Sweden. The company's operations are governed by the Swedish Companies Act. Storskogen SellCo is a Swedish limited liability company founded in Sweden under Swedish law. The board of directors has its registered office in Stockholm, Sweden. The company's operations are governed by the Swedish Companies Act. Ängsmon is a Swedish limited liability company founded in Sweden under Swedish law. The board of directors has its registered office in Stockholm, Sweden. The company's operations are governed by the Swedish Companies Act.

Why is this Offering Memorandum being produced?

Background and reasons as well as use of issue proceeds	The purpose of the Offering and the admission to trading of the Company's B-shares on Nasdaq Stockholm is to enable the Company to expand its shareholder base and provide Storskogen further access the Swedish and international capital markets, thereby supporting the Company's continued acquisition and growth strategy and further strengthening the Company's acquisition financing capabilities. It is also expected that the Offering and the admission to trading of the Company's B-shares on Nasdaq Stockholm will increase the awareness of Storskogen and its operations, particularly abroad, among potential target companies as well as among current and potential future partners. The admission of trading of the Company's B-shares on Nasdaq Stockholm is intended to create a liquid market for the B-shares and the Offering allows the Selling Shareholders to sell a portion of their current shareholdings. The share issue is expected to provide Storskogen with proceeds of approximately SEK 6.0 billion (approximately SEK 8.0 billion if the Overallotment Option is exercised in full) before deduction of transaction costs of approximately SEK 298* million. Consequently, Storskogen expects to receive net proceeds of approximately SEK 5.8 billion (approximately SEK 7.8 billion if the Overallotment Option is exercised in full). Storskogen intends to use the net proceeds for the purpose of firstly strengthening the Company's cash position which will provide additional capital for the continued acquisition and growth strategy and secondly for general corporate purposes. The Company will not receive any proceeds from the sale of existing B-shares by the Selling Shareholders. * Assuming that the Offering is fully subscribed and that the Overallotment Option is exercised in full, and of which approximately SEK 60 million are expected to affect the statement of profit or loss (whereof SEK 30 million are included in the Company's accounts up until 30 June 2021).
Interests and conflict of interests	The Managers provide certain services to the Company and the Selling Shareholders in connection with the Offering, for which they will receive customary remuneration. The Managers have in the ordinary course of business, from time to time, provided, and may in the future provide, various banking, financial, investment, commercial and other services to the Company and the Selling Shareholders. In the ordinary course of their various business activities, certain of the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve the Company's securities and instruments.

Risk factors

An investment in the B-shares of the Company is associated with risks. Prior to any investment decision, it is important to carefully analyse the risk factors considered to be of importance in relation to the Company and the future performance of the Company's B-shares, such as risks related to the Company's operations and industry, legal risks, financial risks, risks related to the B-shares and admission of the Company's B-shares to trading on Nasdaq Stockholm. The risk factors which as of the date of this Offering Memorandum are deemed material to the Company and the B-shares are described below. The materiality of the risk factors has been assessed based on the probability of their occurrence and the expected magnitude of their negative outcome. In each sub-section, the risk factors currently deemed the most material are presented first, but otherwise the risk factors are not ranked in any specific order of importance. The description of the risk factors below is based on information available and estimates made on the date of this Offering Memorandum.

RISKS RELATING TO STORSKOGEN'S BUSINESS AND INDUSTRY

Storskogen is subject to risks relating to decreased market demand and other macroeconomic factors that are beyond Storskogen's control

The Group has three business areas, Services, Industry and Trade, and operates primarily in Sweden (82 per cent of Net sales in 2020), but also in various other countries, such as Norway, Denmark, Switzerland and the United Kingdom. The Group depends on the products produced and the services rendered by the Group Companies being in demand by consumers and industrial purchasers, which in turn depends on factors such as functionality, price, design, and general market demand. The market demand is largely affected by macroeconomic factors outside the Group's control, including the macroeconomic conditions in Sweden, Norway, Denmark, Switzerland, the United Kingdom and other countries where the Group operates as well as macroeconomic conditions in countries and regions in which the Group does not have Group Companies. Conditions in the global capital market and the economy in general, such as consumption, business investment, public investment, the volatility and strength of the capital market, inflation or deflation, affect the Group's operations and the performance of each of the Group and the Group Companies. In the Trade business area, for example, the distributors and producers of products for the construction sector (e.g., Skidstahus, a wooden house manufacturer, SGD, a flooring distributor, Riviera, an awnings and blinds producer) have historically demonstrated sensitivity to a deteriorating economic climate because of the often related decrease in construction activity and hence in the demand of related products. In the Services business area, for example, the Engineering Services, Construction and Infrastructure as well as Installation verticals have historically demonstrated sensitivity to a deteriorating economic climate when less infrastructure projects and less housing projects are initiated on a national basis. In the Industry business area, for example, the business unit Berco and the Industrial Technology vertical, which generate significant revenue from the automotive industry, have historically demonstrated a high sensitivity to a deteriorating economic climate because these parts of the Group generate significant revenue from customers that are particularly focused on cost-cutting and continuous improvements. The spread of the Coronavirus 2019-nCov (including variants thereof, together referred to as "**COVID-19**") affected these companies as demand for the products of these verticals disappeared.

In the Trade business area, for example, the haircare businesses within the vertical Distributors as well as Imazo (which sells pet care products) have historically demonstrated a lower sensitivity to a deteriorating economic climate. In the Services business area, for example, the HR and Competence vertical has historically demonstrated a lower sensitivity to a deteriorating economic climate due to the countercyclical nature of its business. In the Industry business area, for example, the business unit ARAT and the Automation vertical have historically demonstrated a lower sensitivity to a deteriorating economic climate because their production is knowledge-based and less dependent on labour cost. ARAT, for example, has not been severely affected by the COVID-19 pandemic given that there has been an even stronger macroeconomic factor affecting ARAT's business, namely price and demand increases for wood.

There is a risk that previous consumer patterns change in the future, and that those business areas that currently have been or presently are subject to less cyclical influences show greater economic fluctuations in the future. For example, if Swedish households' disposable income significantly declined, the organic growth in the Services business area in Sweden would likely decline. Similarly, demand for the products of the Industry business area may decline if the willingness of companies to invest and access to financing are disrupted as may be the case during global or local financial crises. For example, at the outset of the COVID-19 pandemic, when global markets were exposed to particular stress, many projects of industrial purchasers were temporarily put on hold, which led to a decline in the organic Net sales of the Industry business area during the second and third quarter of 2020. In addition, protracted declines in customer demand caused by uncertain economic conditions in one or more of the Group's markets or the deterioration of the financial condition of the Group Companies' customers could have a material adverse effect on the Net sales of the Group Companies which in turn could entail lower dividends to the Company and a decline in the market value of the Company's direct and indirect holdings which could force the Company into write-downs, causing a corresponding cost in the profit and loss account, which could have a material adverse effect on the Group's profits and financial condition.

COVID-19 may have an adverse impact on Storskogen's operations and profits

The spread of COVID-19 has had disruptive effects on the global economy, including increased volatility and disruptions in financial markets. In response to COVID-19, governments have imposed a number of measures designed to contain the outbreak of COVID-19, such as business closures, travel restrictions, quarantines and cancellations of gatherings and events, in all the markets in which the Group operates. If COVID-19 is prolonged, or further diseases emerge that give rise to similar effects, or if the measures to prevent the negative impact of COVID-19 prove to be insufficient, the adverse impact on the global economy could deepen and result in further declines in the real economy and in financial markets which could negatively affect demand for the Group's products and services.

Some of the Group's businesses have been negatively affected by the measures imposed by governments. In the Industry business area, for example, some of the Group Companies within the Industrial Technology and Products verticals (including suppliers to the automobile and furniture industries) were significantly impacted by the initial COVID-19 lockdowns. They experienced a decreased number of orders and lower demand given that the customers of these Group Companies, in many cases, stopped production and relied on government aid. In the Trade business area, Group Companies within the Brands and Producers verticals were negatively affected due to supply chain disruptions and delays of deliveries from suppliers based elsewhere in Europe or in Asia and due to generally lower demand. For example, one of the business units that crafts engagement and wedding rings was severely affected by the postponement of many wedding plans during COVID-19. Other companies were severely affected by the significant drop in footfall due to restrictions and social distancing requirements or strict lockdowns and store closures in European markets that are particularly important to them. The impact of prolonged and/or further restrictions on these and other Group Companies could have a material adverse effect on the Group's results, products and services, businesses and financial condition.

If the COVID-19- pandemic continues, or further diseases emerge that give rise to similar effects, or if the measures to prevent the negative impact of COVID-19 prove to be insufficient, the health risks associated therewith may result in increased unavailability of staff and/or suppliers adversely impacting the quality and continuity of the Group's services and the reputation of the Group. Some of the Group Companies took part in government sponsored furlough schemes during the initial outbreak of COVID-19 and the employees could return to work over the summer of 2020. There is no guarantee that the Group Companies will be able to take part in government sponsored furlough schemes in the future and as a result the Group's operations may be subject to disruptions in case parts of the Group's workforce have to be made redundant due to the effects of COVID-19 or similar outbreaks of other diseases.

COVID-19 may also result in a disruption to the Group's businesses and/or to the suppliers of goods and services to the Group's businesses. As a result, the Group's businesses, the products and services, the results of operations, reputation and financial condition of the Group could be adversely impacted for a substantial period of time. There is also a risk that consumer habits change as a direct or indirect result of the COVID-19 pandemic, and that those verticals and business units that have been or presently are subject to strong or consistent demand will show less demand or be subject to greater fluctuations in demand due to changing habits. As a result, such changes in demand may have an adverse impact on the Group's businesses, products and services, results of operations and financial condition.

Storskogen's acquisition strategy is associated with risks and there are no guarantees that Storskogen will be able to carry out acquisitions as planned, with favourable conditions or at all

An essential part of the Group's business and growth strategy is to expand the Group's existing business through acquisitions of SMEs, which are intended to be owned on a long-term basis without any predefined ownership horizon. The Group works on the basis of an active acquisition strategy and a large part of the Group's growth is also in the future expected to consist of both strategic and other types of acquisitions which appear to be profitable, *inter alia*, to expand the current business and enter new markets in Sweden and other countries. Since 2012, the Group has acquired business units[1] and numerous add-ons to existing business units, resulting in a Group consisting of 99 business units (including the acquisition of companies the Group expects to complete in October 2021), within twelve verticals and in three segments. Since 1 January 2021, 57 business units (including the acquisition of six companies the Group expects to complete in October 2021, where the acquisition of Artum is considered as eight acquisitions and the acquisitions of Ashe Invest and On Target are considered as one acquisition) have been added to the Group through acquisitions, entered into or completed, in Sweden, Norway, Denmark, the United Kingdom, Switzerland and Germany. There is a risk that the Group's acquisition strategy will not have the desired effect or outcome which may have a material adverse effect on the Group's operations, which in turn could negatively affect the Group's financial position and earnings. The Group's exposure to such

1 A business unit is a business, which may consist of several Group Companies, that forms a stand-alone unit within one of the business areas and which is managed by the Group. By contrast, an add-on acquisition is a Company that is acquired by one of the business units and hence will be managed by the management team of the acquiring business unit.

risks is further increased as the Group grows and carries out larger and more costly acquisitions that entail larger financial commitments.

Risks can also include difficulties in finding suitable target companies, including due to difficult market conditions caused by COVID-19, which may lead to fewer companies meeting the Group's investment criteria. Once a target company has been identified, there is a risk that it is not possible to acquire such target company at favourable terms and conditions or at all and the Group may in these cases also incur extensive advisor costs even though the acquisition process does not lead to the identified target company being acquired. In addition, there is also a risk that the Group makes incorrect commercial assessments in connection with acquisition processes and possible expansions in new geographical markets and/or business areas. This in turn may lead to the Group losing out on potentially favourable acquisitions, acquiring companies that do not live up to the Group's expectations and/or the Group expanding its operations in new geographies or business areas that do not lead to the positive effects that the Group intends to achieve with such expansion. Incorrect commercial assessments in connection with acquisitions or expansion may also result in increased costs that the Group cannot compensate for if the expected positive effects of such acquisitions or expansion do not materialise in whole or in part, which may have a material adverse effect on the Group's financial position and profits.

Acquisitions are at times large and complex and involve substantial costs for, *inter alia*, financing as well as financial, legal and other advisors, a large part of which is incurred by the Group as the bidder. There is a risk that the Group may incur costs even if the relevant acquisition, for various reasons, cannot be completed. The Group may also be unable to receive compensation from the sellers for such costs, for example, due to contractual or legal limitations.

In connection with acquisitions, it has been common practice for the Group to either enter into agreements regarding contingent considerations or leave a minority interest with the management of the acquired company. The terms and size of the contingent considerations are dependent on the performance of the relevant acquisition target and in some cases these contingent considerations do not have a set limit. Normally the contingent considerations are based on the average EBITA for the two to three years following the acquisition. The Group may therefore have to pay contingent considerations to the sellers of an acquisition target that are unexpectedly high, may not have been adequately provided for or may not be in line with the financial performance or the valuation of the relevant business, which may lead to an adverse effect on the Group's business, financial position and results. Similarly, the Group regularly grants put options to sellers regarding their remaining ownership in the acquisition target. Such put options give the seller in question the right to call upon the Group to purchase the minority shareholders' remaining shares in the Group Company (these put options are referred to as minority options within the Group). The terms of the minority options are most often dependent on the performance of the relevant acquisition target. Granting minority options, however, implies that the Group may have to buy a seller's (remaining) stake in an acquisition target at an unexpectedly high purchase price that may not have been adequately provided for or may not be in line with the financial performance or the valuation of the relevant business, which may lead to an adverse effect on the Group's business, financial position and results.

Storskogen is subject to risks relating to unknown circumstances or inadequate handling of such circumstances in connection with due diligence of acquisition targets

There is a risk that potential problems with a target company, such as required investments, outstanding commitments or future losses, are not detected in the course of the Group's financial, legal, organisational, ESG and operational review of the target company, for example due to fraud or incorrect information. For an overview of the due diligence conducted during the acquisition process, see "*Business description—Our operations—Corporate Development and Mergers and Acquisitions*". Further, certain purchase agreements may lack sufficient warranties with respect to the identified and unidentified risks in connection with the acquisition. When conducting a due diligence review of a target company, reliance may be placed on public information, which often includes information provided by the target company itself. Public information or third-party sources may, however, be limited and could be inaccurate and/or misleading. Risks identified and considered prior to each acquisition can also be misjudged and have an adverse impact as regards the value and prospects as well as cause unexpected costs. Hence, a target company may suffer from customer losses, regulatory problems, unforeseen costs or other unforeseen issues following the acquisition, such as a low order intake, unprofitable projects or low margins, or may have greater obligations or liabilities than originally estimated, which in turn may lead to the Group being forced to make additional capital contributions, may require that the relevant business unit in one way or another must limit or restructure its operations or management and may cause reputational damage to the Group. For example, at the beginning of 2020, misleading information was provided to the Group in connection with the acquisition of Svenska Tungdykargruppen, which had significant shortcomings in its financial reporting, which led to a negative effect of around SEK 30 million to net financial items regarding the full year 2020.

Further, if due diligence reviews are carried out incorrectly or only with limited scope, the Group could acquire a company that does not meet its sustainability standards, which can cause additional costs in form of administrative penalties or fines, increased costs or harm the Group's reputation, especially given that the ambition of the Group is to acquire companies with a long-term sustainable business model. Deficiencies in acquired companies or failed integration attempts due to, for example, a misleading due diligence review can further lead to the entire Group's reputation being damaged. Any such damage to the Group's reputation could result in decreased revenue for the Group Companies due to customers actively opting to make their purchases from the Group's competitors, which in turn could decrease the amount of dividends distributable to the Company, thereby harming the Company's profits and financial position. Damage to the Group's reputation may also make owners of potential target companies reluctant to sell their company to the Group at all, or only at an extra premium, which could be detrimental to the Group's future prospects and results of operations or lower the Group's return.

Storskogen's growth and geographic expansion may not materialise or fail

Since its inception, the Group has been growing rapidly through acquisitions, having an average annual Net sales growth of 75.3 per cent during the past three financial years. Integrating newly acquired businesses has required and will continue to require continued development of the Group's financial systems and management information control systems as well as internal processes. Information control systems are complex systems that require continuous development reflecting the business needs of the Group and the risks inherent to the Group's business.

When Storskogen acquires new companies, including in connection with so called add-on acquisitions where Storskogen integrates the target companies with one of the existing operations, it is important that Storskogen succeeds in retaining and attracting a qualified management as well as continuing to train and supervise the employees of the acquired company. Group Companies, in particular when newly acquired, may fail in complying with the internal reporting requirements of the Group and the Group may need to invest significant time and resources to ensure the integrity of its control environment, including compliance with its reporting requirements. If the Group is unable to maintain adequate financial and management information control systems, internal processes and/or the integrity of its control environment, the Group's governance, financial position and earnings may be negatively affected.

A target company may also require significant executive management attention and resources and may therefore prevent the management from carrying out other measures required to manage the Group, which may ultimately lead to an inability of the Group to carry out further acquisitions or lead to a deterioration of the Group management's ability to effectively oversee the Group's other businesses. In the case of add-on acquisitions to existing businesses, there is also a risk that expected synergy and efficiency effects do not materialise to the extent that has been anticipated, or at all, which could have negative effects on the Group's financial position and earnings.

There is a risk that the Group's growth strategy does not leave sufficient resources or time to develop the Group's internal control systems and processes in the way that will be necessary for these to handle the Group's further growth and the risks associated with such growth. Failure to manage such growth risks could lead to increased operating costs and to Group Companies not meeting their respective strategic and financial targets, which could entail lower revenues and may require the additional allocation of management resources and may therefore have a material adverse effect on the financial position and results of operation of the Group. The continued growth of the Group may also require the implementation of new internal systems and formal procedures which may change the internal culture of the Group and may include a weakening of the entrepreneurial spirit within the Group.

The Group's short to medium-term growth strategy involves geographic expansion, mainly within the Nordic region, the United Kingdom and the DACH region (Germany, Austria and Switzerland). In addition, Storskogen is evaluating potential future focus areas, for example the United States, Asia and the Netherlands. Acquisitions carried out in new geographies are subject to more extensive due diligence reviews since there are additional risks and uncertainties related thereto, such as lacking knowledge of market conditions, a growing number of legal and regulatory requirements, as well as higher financial, legal and tax advisor costs arising from exposure to additional jurisdictions. Due to a more geographically dispersed portfolio, synergies between the Group Companies may decrease and best practices within the Group may not be fully implemented. Further, the Group's geographical expansion may expose the Group to new risks, such as trade restrictions, tariffs, quotas and other restrictions, as well as increase existing risks that could have material adverse effects on the Group. Any failure with respect to launching new initiatives or geographical expansions may entail that the Group does not reach its financial targets.

Due to the fact that the Group has acquired companies mainly within the Nordic region, it is difficult to predict the outcome of expansion or new initiatives outside the Nordic region. The risk of the Group making incorrect commercial assessments increases in conjunction with geographical expansion and new initiatives in new markets due to it being more difficult for the Group to analyse new markets that the Group has less experience of and knowledge about. It is also not certain that the Group is able to achieve its goals or a similar deal flow outside the Nordic region. For example, during the most recent acquisition processes which the Group carried out outside Sweden, it was more difficult for the Group to achieve exclusivity during the acquisition process, which can lead to fewer and more costly transactions. In addition, in these processes, the Group could not rely on its standardised processes and agreements, which in some cases prolonged the acquisition processes and made them more costly, for example, SGS in the United Kingdom and PerfectHair.ch in Switzerland. It was also more difficult for the Group to integrate the targets, for example, due to that the targets were applying other accounting principles and that the transition from these accounting principles to IFRS took longer than anticipated.

There is also a risk that the United Kingdom's exit from the European Union ("**EU**") will result in uncertainties and/or other consequences that make it more difficult, take longer, or require more resources than expected, to continue to expand and operate within the United Kingdom in accordance with the Group's growth strategy, which may have a material adverse effect on the Group's growth and geographical expansion.

In addition, the Group's geographical expansion may affect the Group's brand and reputation negatively as it will deviate from its past profile as a group with strong ties to local Swedish communities. This could make owners of prospective target companies reluctant to sell their companies to the Group, or may incentivise them to sell such potential targets at a higher price, thus having a material adverse effect on the Group's financial results and future prospects in Sweden.

Storskogen is exposed to deficiencies related to its internal control and decentralised organisation which may have an adverse effect on Storskogen's operations

The Group applies a decentralised organisational model, which means that the Group Companies are largely responsible for and conduct the business independently, and that the number of collaborations within the Group is limited. The Group's management governs, controls and monitors the activities of the Group Companies mainly by appointing the CEOs (or similar position) of the Group Companies and by continually monitoring the development based on, *inter alia*, a few key ratios and procedures for financial reporting. Storskogen is represented on the boards of all business units through the head of each respective business area or through Investment Directors and Investment Managers. The CEO of each business unit reports directly to Investment Directors and/or the head of each respective business area and the board of each business unit can make decisions on its own to a large extent and controls, together with the business unit's senior management, operations and responsibility for customers, sales, personnel and results. The Group is therefore dependent on the CEOs and management at the Group Company level and there is a risk that a decentralised organisation leads to shortcomings in the implementation and/or compliance with policies, guidelines and new initiatives and in reliable and efficient management, risk management and quality control of the production units. For example, production disturbances in the Group's businesses due to mismanagement and non-compliance with policies and guidelines for internal control could have a negative impact on the Group's operations, financial position and profits. There is also a risk that a lack of specific expertise in the various Group Companies, in areas such as law and finance, may lead to incomplete, slow or inaccurate business decisions, which entails a reputational risk for the Group.

Corporate governance in a decentralised organisation such as the Group's sets high requirements for financial reporting and follow-up. The Group Companies use various accounting systems and each Group Company reports its data to the Company separately. There is a risk that data is not provided at all, not provided in a timely manner or is provided incompletely or inaccurately, or any combination of these, which in each case could have significant negative consequences for the Group's operations, financial position and profits.

It may be difficult to establish effective and sufficient internal controls in a decentralised organisation. If the Group fails to maintain, or in newly acquired entities establish, adequate corporate governance and internal control, it may not be able to put its resources to their most efficient use and therefore incur higher cost than necessary. Deficiencies in the Group's internal control may also lead to irregularities in individual Group Companies not being detected which, *inter alia*, could lead to legal proceedings and costly investigations. Such deficiencies may also have a material adverse effect on the Group's ability to comply with financial covenants in its financing agreements. In addition, there is a risk that inadequate internal control will cause investors and lenders to lose confidence in the Group and its reported financial information, which could have a material adverse effect on the Group's ability to raise capital on reasonable terms.

In line with the Group's growth strategy, the Group will become increasingly dependent on effective routines for corporate governance (including management of the execution of power of attorney and authorisation rules), accounting, finance, data processing and internal controls in each Group Company for the Group to deliver correct and reliable information on its operations and also to be able to prevent fraud, embezzlement or other illegal utilisation of the Group operations and resources from employees of the Group Companies. Regardless of these routines, the Group is exposed to the risk that staff act fraudulently or embezzling. For example, breaches of such routines occurred in connection with Storskogen's acquisition of Svenska Tungdykargruppen, when power of attorney and authorisation rules were abused immediately following Storskogen's succession. The Group policy is to report to the police any suspected cases of fraud or embezzlement, but such events and circumstances may result in damages, such as erroneous costs, which could result in financial loss, potential reputational damage and a material adverse effect on Storskogen's operations. There can be no assurance that the Group will be able to maintain its routines or that all acquired companies will implement the routines correctly. Therefore there is a risk that the Group's decentralised organisation model proves unsuitable to meet future market challenges and that the Group's competitiveness and market position thus will be weakened.

Notwithstanding the fact that the Group applies a decentralised organisational model with independent Group Companies, in some cases shortcomings in individual Group Companies may have a material adverse effect on the Group as a whole. This may for example occur if risks materialise in relation to several Group Companies at the same time, or if an individual Group Company acts in a way that has a detrimental effect on the entire Group. For example, an individual Group Company's violation of the GDPR or competition law rules may result in sanctions that are based on and aimed at the entire Group's revenue for a given year. In some cases, the Company has also entered into parent company guarantees for individual Group Companies. If the relevant Group Companies fail to meet their obligations, the Company may have to fulfil the parent company guarantees, which may lead to significant negative effects for the entire Group. In addition, the Company's financing agreements are subject to certain restrictions, prohibiting certain transactions with persons who are connected to certain jurisdictions or are otherwise subject to sanctions. If an individual Group Company does not comply with these restrictions, it may result in the Company's lenders being entitled to terminate the Group's financing agreements, which may result in a material adverse effect on the Group. If any of the above risks materialise, it may have a material adverse effect on the Group's operations, financial position and profits, as well as on the Group's reputation.

Competition for suitable acquisition targets may lead to Storskogen not being able to carry out acquisitions at a reasonable cost or at all

The Group has carried out 144 acquisitions of businesses and groups since its founding (including the acquisition of six companies the Group expects to complete in October 2021, where the acquisition of Artum is considered as eight acquisitions and the acquisitions of Ashe Invest and On Target are considered as one acquisition). Given that a fundamental part of the Group's business and growth strategy is to expand the Group's current operations through additional acquisitions, it is central for the Group to be able to continue to acquire suitable acquisition targets at a reasonable cost. The Group is experiencing an increase in competition for suitable acquisition targets in Sweden from other investment companies, industrial players, private equity and family offices, primarily due to the relatively easy access to funding in Sweden. If such competition was to increase further, there is a risk that the Group will be unable to acquire target companies at acceptable prices in its main market or that the number of potential acquisition targets decreases, which would have a material adverse effect on the Group's continued growth and prospects. Increased competition can also lead to increased costs compared to historical acquisitions and may result in inflated prices of acquisition targets. If the Group is not able to carry out acquisitions at all, to the desired extent or at favourable terms as a result of increased competition, it could have an adverse effect on the Group's profits, future profitability and growth.

Competition for the Group Companies may have an adverse effect on Storskogen's operations and profits

The majority of the Group Companies operate in sectors with significant competition from local, national as well as international operators, such as, for example the Group Companies Berco, Albin and Alfta (which produce for the automotive industry) Ullmax and Delikatesskungen (which sell products through school classes and associations) as well as Skidstahus (which manufacture wooden houses). Moreover, for example, in the Services business area, specifically in the Installation vertical and the Engineering Services vertical, Group Companies may be exposed to high price pressure due to low entrance barriers and the availability of foreign labour in local markets. In some cases, the Group Companies compete with operators who can offer a more complete range of products and services, are larger and have better access to financing, as well as greater financial, technical, marketing and personnel resources. The future competitiveness of each Group Company depends, *inter alia*, on their ability to meet current and future market needs. There is a risk that the Group's competitors will engage in price competition, for example, by merging with other competitors or by implementing new initiatives, or that they will develop more competitive services and products than those of the Group which could result in decreases in the overall sales numbers for the Group's services and products. For example, companies within the Industry business area in the Industrial Technology vertical are currently exposed to increased competitive pressure as the price of steel is increasing worldwide, customers are looking for cheaper alternatives and certain competitors may be able to offer lower prices by hiring cheap labour from other parts of Europe. There is a risk that the Group will not be able to develop or offer new competitive products and services successfully or that adaption to the new competitive situation requires costly investments, restructurings and/or price cuts. If the competition from existing and new operators increases or if the Group Companies are unable to meet demands for their products and services, it could have a negative impact on the respective Group Company's operations, financial position and earnings, which in turn could have an adverse effect on the Group's operations, financial position and earnings.

There is also a risk that the Group Companies' customers undergo structural changes, for example, by way of merging with other customers, and thereby obtaining a better negotiation position towards the Group. Such consolidation may lead to increased price pressure, Group Companies being forced to lower their prices or suffer decreased sales volumes and revenue, lost market shares and lowered margins for the Group.

If competition increases or customers in relation to multiple Group Companies consolidate within a short period of time, this could have a material adverse effect on the Group's future profits and financial position.

There are no guarantees that Storskogen is able to retain and recruit key personnel and other employees to meet current or future needs at all or at a reasonable cost

The Group is dependent on the work, management, knowledge, experience and commitment among key individuals as well as other employees. The Group is sensitive to the loss of key personnel. When hiring new employees, the Group's experience has been that there is a shortage of qualified personnel with, for example, project and management skills or with accounting, IT and quality control management skills. There is a risk that such shortage may result in increased salary demands and therefore increased salary costs. There is also a risk that the Group, including Group Companies, fail to identify or attract the right people or that these cannot be retained in the future. Key employees may start working for competing companies or start their own competing businesses.

The Group is also dependent on senior management at the level of the Company and in many cases also at the level of the Group Companies, in each case including the relevant CEOs. The current management of the Group and of many Group Companies possesses extensive expertise and knowledge about the relevant business sectors as well as the operative businesses of the Group and the Group Companies.

There is a risk that the Group is unable to retain or attract CEOs for Group Companies. When acquiring a target, there is a risk that the Group has to offer high retention bonuses to ensure the current management of the target continues to manage the newly acquired Group Company. There is also a risk that the Group may have to offer other financial incentives, potentially unfavourable to the Group, to ensure that the existing management of a newly acquired Group Company remains in place. When unwinding a seller's involvement in the management of a Group Company, there is a risk that the Group is not able to attract a suitable successor, especially when Group Companies are located outside attractive metropolitan areas. The ability to recruit and retain qualified personnel is crucial for the future success and growth of the Group and its Group Companies. The Group's current projects and other development plans could be disrupted if the Group or certain of its Group Companies were to lose and not be able to replace its key employees.

Moreover, the loss of some key employees, especially in times of rapid expansion, can lead to an unsustainable workload for certain other key individuals, which in turn could lead to underperformance of the Group as a whole and that a need arises for costly short time recruitments, both of which could have a material adverse effect on the Group's operations and profits. If the Group or its Group Companies fail to identify, attract and retain competent personnel, this could have an adverse effect on the Group's or the relevant Group Companies' businesses, financial position and profits. As the Group is in the midst of a rapid expansion, the Group will have an enlarged recruitment need going forward. A large number of new hires in a short period of time to facilitate growth or to replace key employees that leave the Group or the Group Companies may dilute the Group's corporate culture or the values held and endorsed by the Group.

Storskogen is subject to risks relating to workplace accidents and claims for compensation as a consequence of compliance deficiencies

Some of the Group's businesses, such as for example, CS Riv & Håltagning, which provides demolition services ranging from bridges to entire buildings, or Swedstyle, which produces and sells smart office furniture, are subject to extensive laws and regulations regarding work environment and are exposed to the risks that are naturally occurring in industry, trade, technical installation and service. This entails that the employees of such businesses must comply with strict safety regulations. During 2020, a total of seven serious (but non-fatal) workplace incidents were reported by the Group to the Swedish work environment authority (Sw. *Arbetsmiljöverket*). If the Group, its employees, its subcontractors or other third parties, fail to comply with applicable health and environmental standards, this can cause personal injury, death, damage to property and equipment, business interruption, and similar consequences which in turn can lead to claims for damages and, in certain extreme cases, criminal liability. These risks and other labour protection, health and safety risks entail responsibility exposures that may have an adverse effect on the Group's business, financial position and results and its reputation among customers, potential employees and sellers of potential target companies.

Storskogen is subject to risks relating to partly owned Group Companies

Certain Group Companies are not, directly or indirectly, wholly owned by the Group, but one or several other shareholders hold shares to a smaller extent. For example, the Group holds 90.1 per cent of the shares in Arat AB, 91.0 per cent of the shares in Båstad-Gruppen AB and 94.8 per cent of the shares in Måla i Sverige AB. The Group has in such cases entered into shareholders' agreements or similar arrangements with the relevant minority shareholder(s) through which the shareholders' internal relationships are governed. Under exceptional circumstances, such shareholders' agreements may contain provisions that entitle the minority shareholder to a fixed amount dividend. In addition, minority shareholders may exercise various statutory minority rights, for example, the right to dividends and mandatory buy-out. Under certain circumstances, the rights of minority shareholders may mean that the Group cannot exercise the level of control over a Group Company that would be desirable, for example in relation to changes in the operations due to new market conditions, or to raise new capital. There is thus a risk that the relevant Group Company's operations, financial position and earnings are adversely affected which in turn could have an adverse effect on the Group's financial position and earnings. Moreover, shareholders' agreements and similar arrangements may sometimes be difficult to enforce, specifically abroad. Although the Group regularly engages local legal counsel in connection with such agreements and arrangements, there is a risk that one or more provisions therein may be deemed invalid by a local court or authority, which could have an adverse effect on the Group's financial position and earnings if several shareholders' agreements are challenged and local courts and/or authorities do not find in favour of the Group. There is also a risk that the Group cannot control to what extent such Group Companies pay dividends and whether the Group may be obligated to make further contributions into such Group Companies. There is thus a risk that such Group Companies negatively affect the Group's profits and financial position.

Storskogen is subject to risk relating to its information technology ("IT") systems, financial, accounting and other data processing systems

The Group is exposed to certain risks attributable to the Group's IT systems. Any interruptions or errors in internal IT systems that are critical to the Group's operations could cause a significant decrease in the ability of the Group to carry out its operations. Further there is a risk of information security intrusion, such as cyber-attacks or fraud, in the Group's IT systems, including in external IT systems and websites. Such security intrusion could disrupt the Group's business and lead to leakage of confidential or sensitive information, including but not limited to trade secrets, financial and operative data or sensitive customer/supplier information. If information on, *inter alia*, the Group's financial development or trade secrets is unlawfully disclosed or distributed, there is a risk that the Group could be subject to liability, loss of business, litigation, government investigations or other losses. If the Group fails to maintain and develop the functionality and operation of its business-critical IT systems, the Group may not be able to use its financial, accounting or other data processing systems, which could have a material adverse effect on the Group's operations and financial position.

The Group relies on financial, accounting and other data processing IT systems. If any of these systems does not operate properly or is disabled, the Group could be unable to perform its bookkeeping, accounting, reporting and/or consolidation functions or, suffer financial loss. This may also lead to disruptions of the Group businesses, regulatory intervention or reputational damage.

If several of the Group Companies' business systems, such as electronic communications, IT systems or other services are subject to disruptions at the same time, the Group as a whole could be materially affected. The Group's reporting system, the only common Group system into which all Group Companies report, may be particularly vulnerable to any disruptions. The Group does not have a common disaster recovery programme, and may therefore experience difficulties in mitigating the negative effects of any disruption. Insurance and other safeguards might also not be able to reimburse or protect the Group for its losses at all or only to some extent.

In addition, the Group operates in businesses that are highly dependent on information systems and technology. For example, the e-commerce companies SGS, PerfectHair.ch and Vårdväskan as well as IVEO, Bombayworks and Agio within the vertical Digital Services would suffer significant harm in case of a complete shutdown, considering the nature of their businesses.

The Group's information systems and technology may not be able to continue to accommodate the Group's growth, and the cost of maintaining such systems may increase from its current level. Such failure to accommodate growth, or an increase in costs related to information systems, could negatively affect the Group's ability to carry on its operations as well as have a material adverse effect on financial position and results of operations of the Group.

Storskogen is subject to risks relating to suppliers and customers

In order to manufacture, sell and deliver goods and services, the Group Companies depend on external suppliers' availability, production, quality assurance and delivery. Incorrect or delayed deliveries, low quality deliveries that do not meet the Group Companies' expectations or non-deliveries from various suppliers could entail that the Group's deliveries in turn are delayed, incomplete or incorrect or that they have to be discontinued, which could result in reduced sales and an adverse impact on the Group's customer relations, which in turn could negatively affect the Group's financial position and earnings. For example, the products offered within the Trade business area, including in the verticals Distributors, Brands and Producers, such as haircare products, flooring products, mini cranes, pet accessories, decorations, or coffee and ice cream machines, are usually ordered with a particular timeframe in mind and the business area's customers expect to have these products available at the delivery time agreed or are otherwise likely to incur losses or inconveniences. Moreover, there is a risk that defective or delayed deliveries or loss of one or several suppliers of such products can have negative consequences for the Group Companies' operations, financial position and earnings, which in turn could negatively affect the Group's financial position and earnings. There is also a risk that suppliers do not comply with laws or other rules or their contractual obligations towards the Group, which could affect the Group in terms of its reputation and could lead to customers choosing to purchase products and/or services from other suppliers and providers as well as result in decreased sales for the Group. In the same way, certain Group Companies may be, or may in the future become, dependent on individual customer relationships, the loss of which could entail reduced sales volumes and revenues for the Group Companies affected. If losses of such material customers were to occur in relation to multiple Group Companies at once or within a short period of time, it could have a material adverse effect on the Group's profits as the amount distributable to the Company could decrease.

If one or more Group Companies are unable to deliver products or perform services in the condition and within the time agreed, e.g. as a result of delayed deliveries from suppliers, this may result in such Group Companies (and, in cases where there are parent company guarantees, also other Group Companies) having to pay fines and/or damages, which in turn may have an adverse impact on the Group's financial position and profits. Furthermore, several larger companies are customers of multiple Group Companies in relation to different products and services. Such larger customers are often aware that the Group Companies belong to the Group and may view such Group Companies as the same entity for all intents and purposes. There is thus a risk that a delivery of a deficient product or the poor performance of a service by one Group Company will impair other Group Companies' relation with the customer which could lead to the customer ceasing doing business with the Group. Such occurrence could decrease the Group's sales, which could have a material adverse effect the Group's operations, financial position and earnings.

Storskogen's insurance coverage may not cover all potential losses and there are no guarantees that Storskogen is able to retain its current insurance coverage at a reasonable cost or at all

The Company has taken out a liability insurance for the board of directors and senior executives in the Company and the Group Companies. In addition, each Group Company is responsible for insuring its operations and property to the extent deemed necessary by the CEO of each respective Group Company. Given the Group's broad and diversified business, there is a risk that the Group's current insurance coverage scope is insufficient and/or that the Group's current insurance coverage is not sufficient for potential future needs, including but not limited to board of directors' liability insurance, property insurance and consequential loss insurance, and that the Group will not be able to maintain the existing insurance coverage at a reasonable cost, or at all, in the future. The coverage that the Group receives through the insurances can also be limited due to, for instance, amount limitations and requirements for excess payment. It can also be difficult and time-consuming to receive reimbursement from insurance companies concerning losses that are covered by the Group's insurances. Further, it is not certain that the Group can receive the entire lost amount from the insurance company. There is thus a risk that the Group's insurance coverage does not cover all potential losses, regardless the cause, or that relevant insurance coverage is not always available at an acceptable cost, which could have a negative impact on the Group's financial positions and profits.

If Storskogen fails in complying with applicable data protection regulations, Storskogen's compliance costs may increase and in the event of compliance deficiencies, Storskogen may become subject to significant fines and liable for damages

The Group handles personal data that primarily involves employees, customers, suppliers, shareholders, investors and job candidates, which means that the Group is required to comply with applicable privacy legislation regarding the collection and processing of such personal data. For example, in connection with share issues, the Company has collected and processed personal data of its investors, such as personal identification numbers and individual account numbers. In connection with due diligence reviews of potential acquisition targets, the Company may take part of the data the seller provides to the Company and the Company may therefore take part of a broad variety of personal data of the target company's employees, including sensitive personal data such as personal identification numbers and health issues. The Company at times uses services of third-party suppliers that may have offices outside of the EU, for example in the United States. There is a risk that suppliers, under the U.S. Cloud Act, are obligated to provide data to US authorities which could include personal data regarding, for example, the Group's employees or shareholders. Since 25 May 2018, the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (the "**GDPR**") has been applicable in all EU member states and has as such replaced previous national personal data legislation. The GDPR entails extensive changes to the EU personal data regulation, with a strengthening of individual rights, stricter requirements on companies handling personal data and stricter sanctions with considerable administrative fines. The adherence to GDPR is of vital importance and deficiencies in compliance may lead to substantial fines. Such fines could amount to 4 per cent of the Group's total turnover. As an illustrative example, 4 per cent of the Group's total turnover equalled approximately SEK 360 million during 2020. In addition to this, Group Companies may also be liable to pay damages to individuals. Since most of the companies acquired by the Group are SMEs within the business to business market segment, compliance with data protection regulations has often not been a matter of priority for the previous owners. This means that required routines, systems and control functions may need to be implemented, which may be time consuming. There is therefore a risk that the Group is unable to efficiently implement such routines, systems and control functions that are needed to comply with legislation regarding privacy and handling of personal data, which could lead to increased compliance costs, fines, obligations to pay damages and reputational damage to the Group which may have an adverse effect on the Group's profits and financial position.

Potential divestments of Group Companies may give rise to Storskogen becoming subject to risks and costs

Despite the Group's intention to hold the Group Companies on a long-term basis, the business units and Group Companies that are not performing as expected or that do not fit into the Group's other operations may be divested. Divestments may give rise to risks for costs and unforeseen events. In connection with divestments of Group Companies, the Group may be required to provide certain warranties to the purchaser in respect of the divested company's legal and financial position and development. Hence, there is a risk that the Group may need to compensate a purchaser for costs and losses incurred in the divested company, which could have a material adverse effect on the Group's financial position and profits. Moreover, the brand and reputation of the Group may be hurt if the Group had to sell one or several Group Companies or businesses despite having publicly announced that the time horizon for the Group's holdings is in general long-term.

If the Group does elect to divest a business or a Group Company and fails to sell all or parts of its holdings at a time desirable from a financial perspective, or that the selling price—if a divestment can be realised—is lower than the estimated maximum value, it may give rise to adverse effects on the Group's financial position and profits.

RISKS RELATING TO THE GROUP'S LEGAL AND REGULATORY ENVIRONMENT

Storskogen is subject to risks relating to compliance with laws, regulations and standards

The Group's operations are subject to various regional, national and local laws and regulations, including competition and trade restriction regulations, environmental laws and standards, employment laws, anti-corruption laws, anti-money laundering, anti-dumping and accounting regulations. These regulations are complex and frequently changed, and they have tended to become more extensive over time. The passing of new or amended laws or regulations, could require the Group to adopt more stringent standards, restrict its operational or strategic flexibility as well as require significant costs and investments.

The Group's operations are subject to various environmental laws and permits, with which the Group must comply and in connection with which the Group may incur capital and operating costs in its efforts to comply. In the Trade business area, for example, Swedfarm requires permits for poultry breeding and environmental permits for the handling of the manure the animals produce and Imazo requires permits for the handling of pets. There can be no assurance that all Group Companies will at all times be able to retain and/or obtain the licenses and permits required to conduct their business activities. Moreover, there can be no assurance that all Group Companies will at all times be compliant with the applicable environmental laws, regulations and standards. In the Industry business area, for example, Berco, a company that produces superstructures on light trucks, is affected by the WLTP rules within the automotive industry. For example, deliveries from manufacturers of WLTP systems (which are systems for measuring fuel consumption) were severely delayed due to the implementation of the adjustment rules, which led to Berco not being able to produce and deliver its own products on time. There are more adjustment rules to be adopted and implemented in the automotive industry, which may affect the Group adversely. Non-compliance with any environmental laws and standards may harm the Group's reputation, in particular given that the Group has built is brand recognition around conducting its business in an environmentally conscious and sustainable manner. There can be no assurance that the requirements of environmental laws and regulations and the associated cost of compliance will not increase in the future. Adapting operations to such changes may require the Group to incur costs that are difficult to anticipate, which, in turn, could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's operations are subject to various employment laws and regulations, including but not limited with respect to anti-discrimination, health and safety and labour laws and regulations. If the Group's employees, distributors or suppliers, violate any of the applicable laws and regulations, the Group could experience increased costs or delays in the delivery of its products, be subject to fines, damages or penalties as well as orders and sanctions imposed by supervisory authorities and courts. The employees of targets within the Industry or Services business areas may typically be unionised. The Group may therefore be subject to disputes with labour unions. The Group may also suffer reputational harm due to violations of labour regulations, which could reduce demand for its products and have a material adverse effect on the Group's operations and revenues.

The Group is also required to comply with the provisions of anti-corruption laws, anti-money laundering and sanctions laws in jurisdictions in which it operates. There can be no assurance that the Group's current and past policies and control systems have been or will be able to detect or prevent all potential instances of illicit conduct, or that such policies have been or will be fully and consistently applied throughout the Group's organisation. While the Group seeks to exercise best practices in compliance with applicable laws, there can be no assurance that the Group's past and current policies and control systems have been, or are, able to detect or prevent all potential instances of illicit conduct. Any non-compliance with the provisions of anti-corruption laws, anti-money laundering and sanctions laws by the Group could have a material adverse effect on the Group's business, financial condition and results of operations and may harm the Group's reputation.

Storskogen is subject to risks relating to intellectual property

The Group's success also depends on its ability and the ability of the Group Companies to protect its and their intellectual property rights. The Group and the Group Companies have taken active measures to obtain protection of its and their respective intellectual property by obtaining patents and trademarks, which are usually held at the Group Company level, and by monitoring activities in its major markets. In addition to its patent and trademark portfolio, the Group relies on, *inter alia*, trade secrets, know-how, development of new products and technological development in combination with non-disclosure and other agreements to protect such intellectual property rights. However, the measures that the Group takes to protect its intellectual property may not effectively deter competitors or others from improper use of the Group's intellectual property. The Group may also need to expend significant resources in order to prevent infringement of its intellectual property or to litigate in order to protect its intellectual property rights. Any failure by the Group to establish its rights to, or manage and protect its intellectual property could have a material adverse effect on the Group's business, financial condition, results of operations and competitiveness.

Storskogen is subject to risks relating to disputes and other legal proceedings that may be time consuming and costly

The Group Companies' operations are associated with a risk for disputes with, *inter alia*, customers, potential partners, suppliers, employees, authorities and potential company sellers that may assert that the Group has not fulfilled its legal, contractual or other obligations and may direct claims against the Group. There is a risk that a dispute or process of material nature may arise in the future which may have significant adverse effects on the Group's financial position and profits. The exposure to disputes, fines and other obligations that may be imposed by relevant authorities can also affect the Group's reputation, although the financial effects may not be substantial. Litigation procedures may also be time-consuming for the Group's management and be associated with costs related to legal advisers.

As an example, the Group has identified a number of serious deficiencies in total estimated amount of approximately SEK 66 million in the historical accounting of Svenska Tungdykargruppen acquired in 2020, which may cause such processes. The deficiencies were not detected during the due diligence review of the acquired company due to misrepresentations made by or on behalf of the seller. In addition thereto, the business area Services, especially in relation to larger tender contracts, is exposed to risk for alleged wrongful performed services and damages in relation thereto. As an example, in September 2021, a Group Company received a claim for damages of SEK 40 million for alleged wrongful clearing of trees in connection with certain construction work. The claim will be contested by the Group Company, but procedures like this are often time consuming, may be costly to defend and may damage the Group and its Group Company's reputation and brand.

Further, some of the Group Companies develop, produce and/or sell products of various kinds. Such Group Companies may be exposed to product liability in the event that the use of the relevant Group Companies' products do not meet the required standards and/or cause or can be feared to cause injuries to persons, animal or property. Such consequences can lead to the Group being subject to legal claims and to significant financial commitments as well as negative publicity, which could lead to higher costs, lower sales volumes and decreased profits.

Storskogen is subject to tax risks and Storskogen's current tax situation may be subject to negative changes

The Group Companies are subject to taxation in Sweden and other jurisdictions, *inter alia*, Switzerland, Germany and the United Kingdom. During the financial years 2020, 2019 and 2018, respectively, Storskogen's reported tax expenses (as it affected the profit for the period) amounted to SEK 100 million, SEK 87 million and SEK 56 million, respectively. Due to Storskogen's international expansion, tax rates going forward might be somewhat higher as, for example German taxes are generally higher than taxes elsewhere in Europe. As of the day of this Offering Memorandum, Storskogen is present in 21 countries with 99 business units (including the acquisition of companies the Group expects to complete in October 2021) and over 200 portfolio companies. Depending on operations and jurisdiction, each portfolio company is subject to different tax regulations, which adds complexity from a tax point of view and this entails a risk that the complexity results in errors in the Group Companies' tax management.

If Group Companies make mistakes in their tax management, it can lead to additional tax expenses for the Group and to tax surcharges, which may have a negative impact on the Group's profits. For example, one of the Group Companies has misjudged its VAT-status which has resulted in the Group Company incorrectly deducting input VAT to an amount of approximately SEK 90 million (the Group Company's suppliers should have invoiced the company without VAT in accordance with the rules regarding reverse charge). The Group Company has initiated a dialogue with the Swedish Tax Agency regarding a suitable solution. If the Swedish Tax Agency demands that the Group Company refunds the incorrectly deducted input VAT, the Group Company will try and recover the corresponding VAT from their suppliers. Similar errors in the tax management of the Group Companies may be attributable to before the Group's acquisition of the relevant Group Company. If the Group makes mistakes in its tax management it could lead to further tax costs for the Group as well as tax surcharges, which could adversely affect the Group's profits.

Further, there is a risk that tax authorities do not agree with the Group's perception and interpretation of laws, tax treaties, regulations and practices. The Group's current tax situation may therefore be subject to negative change. In connection with past, current or future acquisitions, the Group may also be exposed to liability for transfer taxes, including stamp tax, real estate transfer tax and/or levies for the formal registration of a transfer of title. In addition, the Group can be subject to retroactive adjustments that may have a negative impact on the Group's previously estimated tax. This may have an adverse effect on the Group's business, financial position and results. It is not possible to predict whether the Group will be subject to any new or changed tax regulations, or if the Group's perception and interpretation of such new or changed regulations will be correct. In addition, in the event of further geographical expansion, the Group may become exposed to additional tax regulations in additional jurisdictions, which may lead to increased compliance costs and increased tax rates. Any failure in compliance can, *inter alia*, lead to the payment of additional taxes and/or fees, which may have an adverse effect on the Group's business, financial position and results.

RISKS RELATING TO THE GROUP'S FINANCIAL SITUATION

There are no guarantees that Storskogen can meet its financing needs for the day-to-day operations and future investments at a reasonable cost or at all

The Group is dependent on receiving financing from lenders and investors. The Group's financial needs include both the continuing operations as well as readiness for future investments. The access to financing is affected by factors such as the general access to capital and the Group's creditworthiness.

The Group may not at all times be able to obtain the funding necessary to pursue its acquisition and growth strategy; this may have a negative impact on the Group's operations, financial position and earnings. Moreover, if the Group's development departs from the existing strategic direction, this may lead to a situation where the Group needs to obtain more funds than expected. If the Group, under such circumstances, fails to raise enough funds on favourable terms, or at all, this may have a negative impact on future growth of the Group's operations and its ability to fulfil its financial obligations and commitments, which could have a material adverse effect on the Group's earnings and financial position.

The Company is party to a SEK 7.7 billion facility agreement with Danske Bank, Nordea, Swedbank and Skandinaviska Enskilda Banken, originally entered into on 18 December 2019 (as amended and/or amended and restated from time to time) (the "**Existing Facilities Agreement**"), of which approximately SEK 7.3 billion had been utilised as of 30 June 2021. Pursuant to the terms of the Existing Facilities Agreement, there is a general restriction, subject to customary exceptions, on incurring or permitting to subsist financial indebtedness as well as certain other customary covenants. In conjunction with the Offering, the Group intends to terminate the Existing Facilities Agreement and repay it in full, and the Company has instead entered into a facilities agreement of EUR 1,000 million with AB Svensk Exportkredit (publ), BNP Paribas SA, Bankfilial Sverige, Danske Bank A/S, Danmark, Sverige Filial, DNB Sweden AB, Goldman Sachs Bank Europe SE, J.P. Morgan AG, National Westminster Bank Plc, Nordea Bank Abp, filial i Sverige, Skandinaviska Enskilda Banken AB (publ) and Swedbank AB (publ) (the "**New Facility Agreement**"). As the Group is in the midst of an expansion phase, it is imperative for the Group to have ready access to debt financing with access to increasing amounts in order to finance acquisitions of companies and to fund the expanding central organisation of the Group. It is possible that the Group, from time to time, will need to supplement and/or refinance its loan facilities by way of new debt in order to support the growth strategy and achieve a higher overall access to debt financing, the incurrence of which is also restricted under the Existing Facilities Agreement. There is a risk that the Company is unable to obtain adequate debt funding in order to supplement and/or refinance the Existing Facilities Agreement, in which case the Group would be forced to refinance the its loan facilities with equity funding, which may prove impossible to raise at a reasonable price or at all. Both the Existing Facilities Agreement and the New Facility Agreement, as well as the Company's outstanding bond, contain certain restrictive commitments and financial covenants, and if the Company does not fulfil these the lenders can demand payment in full. Payment in full can also be demanded in connection with other grounds for termination for the lenders (for example a sanctions event or a certain type of ownership change in the Company). If the above risk were to materialise, it could hinder the Group's financing of new acquisitions during the time until the Group's loan facilities are terminated, which in turn would have a material negative effect on the Group's financial position and growth prospects during such period.

Any impairment of goodwill, other intangible assets or property, plant and equipment could have a material adverse effect on Storskogen's financial position and operating results

In connection with acquisitions, the Company carries out a purchase price analysis and values the acquired entity's identifiable assets and liabilities at fair value. If there is a discrepancy between the asset value and the purchase price paid by the Company, the Company reports the difference as goodwill. As of 30 June 2021, the Group had SEK 9,750 million of goodwill, SEK 2,705 million of other intangible assets, such as customer relationships, patents, trademarks and technology-related intangible assets, and SEK 2,633 million of property, plant and equipment in its balance sheet. Goodwill is subject to impairment reviews in accordance with IFRS. Any impairment charge on goodwill, other non-tangible assets or property, plant and equipment will be reported as a cost and have a negative impact on operating profit. For the year ended 31 December 2020, the Group incurred SEK 5 million of impairment losses.

Storskogen is subject to risks relating to currency fluctuations and exchange rate differences

Currency risk means the risk of exchange rate fluctuations affecting the Group's financial position negatively. Exchange rate differences decreased the Group's Operating profit for the year ended 31 December 2020 by SEK 6 million and the Group's net financial items by SEK 1 million, as compared to SEK 3 million and SEK 0 million, respectively, for the year ended 31 December 2019. The business area Trade has significant exposure to the U.S. dollar and euro as well as some exposure to Japanese yen when it comes to purchasing. Foreign exchange exposure related to sales are limited and include euro, Norwegian krone and Danish krone. The Group hedges its exposure to currency risk at the Group level and in the Group Companies. Every Group Company has an individual foreign exchange policy, set by the Group Company's board. Larger Group Companies with larger foreign exchange risks, such as Båstad-Gruppen and Kranlyft, hedge approximately 25 per cent of their purchasing volumes to counteract large fluctuations. Several Group Companies do not use any structured products given that they set the selling price based on the purchase price. The total amount of the Group's outstanding hedging arrangements amounted to SEK 273 million at 31 December 2020. The currency risk of the Group may increase as the Group expands internationally. In 2021, the Group will also be exposed to foreign exchange risk related to the Swiss franc. Given the rapid rate of acquisitions, there is a risk that the risks associated with the hedging arrangements of newly acquired companies are not immediately identified and negatively affect the Group.

Currency risk can be divided into transaction exposure and translation exposure. Transaction exposure arises as a result of companies within the Group carrying out transactions in a different currency than the local currency, for instance by importing products for sale on the domestic market and/or by selling products in foreign currency. Translation exposure arises as the Group, through its foreign Group Companies, has net investments in foreign currencies. The Group can be exposed to negative effects when recounting the net result and net assets in such foreign Group Companies to the Group's reporting currency SEK.

Thus, significant reductions in the value of any foreign currency in relation to SEK may have negative effects on the Group's earnings and financial position.

Storskogen is subject to risks relating to increased interest rates

As at 31 August 2021, the Group's net interest bearing debt amounts to approximately SEK 11.9 billion, not including the proceeds of the Group's senior unsecured bond issued on 14 May 2021. The Group's interest rate levels are affected by underlying market rates which have historically fluctuated due to, and are in the future likely to be affected by, a number of different factors such as macroeconomic conditions, inflation expectations and monetary policies. As the Group's loans and bonds mainly accrue interest at floating rates, changes in interest rates can lead to increased interest expenses for the Group, and in turn a material adverse effect on the Group's cash flow, which could have a material adverse effect on the Group's ability to make payments on its debts. By way of an example, if the 3-month STIBOR increased by 100 bps, the Group's interest expenses on interest bearing loans and capital markets instruments as at 31 December 2020 would increase by approximately SEK 34 million annually. In addition, if the Group's creditworthiness were to decrease in the future, potential lenders might demand an additional credit risk premium on the interest rates charged to the Group. As of 30 June 2021, the Group's total interest-bearing liabilities amounted to SEK 11.6 billion with an average interest rate of 1.8 per cent. If the interest rate were to increase by 100 bps to 2.8 per cent, interest costs would increase by SEK 116 million annually.

Storskogen is subject to risks relating to increased prices of raw materials and disrupted supply chains

Certain Group Companies within the Group are dependent on purchases of raw materials such as wood, steel, gold and diamonds. The global market price for different raw materials sometimes fluctuates heavily and it is difficult to foresee the price development. The Group does not use any derivative instruments or similar to secure raw material prices. There is thus a risk that the Group's financial position and profits may be adversely affected if the price of one or more raw materials that are needed in the Group's operations increases. Even if the Group uses derivative instruments to hedge raw material prices, there is a risk that the measures taken fail at mitigating the risks related to the Group's financial position and earnings.

Several of the raw materials and components that the Group Companies use in their operations also need to be transported from other geographical areas to the respective Group Companies. If there are disruptions in the supply chain, e.g. due to logistical difficulties, lack of raw materials and components or general delays, it may result in the Group Companies not being able to produce and deliver their products on time or at all. It can also result in the prices of, and the costs of transporting, such raw materials and components increasing. These factors can in turn have an adverse effect on the Group Companies', and thus the Group's, financial position and profits (see also the risk factor "*Storskogen is subject to risks relating to suppliers and customers*" above).

Storskogen is subject to credit risks

Credit risk or counterparty risk means the risk of a counterparty in a financial transaction not fulfilling its obligations on the relevant day of maturity or at all. The Group's credit risk mainly includes claims on customers and advance payments to suppliers (commercial credit risk), but a certain credit risk also exists concerning the allocation of cash (financial credit risk). Despite the Group's finance policy stipulating that cash is only to be deposited with banks with good credit ratings, the Group faces financial credit risk. If the financial conditions of one or more of the Group's counterparties change negatively and it results in the counterparty not being able to fulfil its obligations towards the Group in time or at all, it may have an adverse effect on the Group's earnings and financial position.

RISKS RELATING TO THE OFFERING AND THE B-SHARES

The B-shares may trade below the Offering Price, the market price of the B-shares may be volatile and investors can lose all of or parts of their investments

The B-shares may trade below the Offering Price, the market price of the B-shares may be volatile and investors can lose all of or parts of their investments. It is uncertain whether an active and liquid market for trading in the B-shares will develop and there is therefore a risk that shareholders will not be able to divest their shares. The market price of the B-shares may become subject to substantial fluctuations due to a changed conception on the stock market regarding the B-shares and following various circumstances and events beyond the Group's control, such as amendments to applicable laws and other rules affecting the Group's business, results and development. From time to time, the stock market may display substantial fluctuations in price and transaction volume, which are not relating to the Group's business or future prospects. In addition, the result and prospects of the Group may from time to time not reach the expectations from the stock market, analysts and investors. One or more of these factors could result in the Company's share price falling to a level below the acquisition price resulting in a loss for the investor when divesting the B-shares. This constitutes a significant risk for individual investors.

Future expected or actual sales of the Company's shares can affect the market price of the B-shares

The market price of the Company's B-shares could decline if there are, or is expected to be, substantial sales of the Company's shares, in particular sales by major shareholders, or by the Group's board members or senior executives.

Shareholders in the Company as well as the Company's board members and senior executives have undertaken, with certain exceptions and during a certain period of time following the Offering, not to sell their shares or in any other way enter into transactions with similar effect without the Joint Global Coordinators' prior written consent (so-called lock-up agreements). However, following expiry of the relevant lock-up periods, such persons will be free to sell their shares in the Company. Sales of large quantities of shares by shareholders after the expiration of the respective lock-up periods, or the expectation that such sales will occur, could cause the price of the Company's B-shares to decline.

Storskogen's ability to pay dividends in the future may be limited and is dependent on multiple factors

Storskogen's board of directors has adopted a dividend policy of dividends corresponding to 0–20 per cent of profit for the year (see "*Dividends and dividend policy*").

Those investors who acquire B-shares in the Company in the Offering will be entitled to any dividends resolved upon after the listing of the Company's B-shares on Nasdaq Stockholm, including any dividends relating to the financial year 2021. The occurrence and amount of any future dividends to the Company's shareholders will, however, depend upon a number of factors, such as future earnings, financial position, cash flows, working capital requirements, investment costs and other factors. The board of directors of the Company may be of the opinion that the Company does not have sufficient distributable funds to resolve on any dividends, or that the entire profit for a certain financial year shall be invested in organic growth initiatives and acquisitions, and may therefore propose that the general meeting does not resolve upon any dividends. In addition, the Existing Facilities Agreement and the New Facility Agreement contain limitations on dividends if Storskogen's leverage ratio[1], calculated as the ratio between net debt and adjusted RTM EBITDA, exceeds 3.0x according to the Existing Facilities Agreement or 3.5x according to the New Facility Agreement. If no dividend is distributed, any return to an investor depends on the future development of the market price of the share.

The Company's main assets consist of shares in underlying Group Companies. The ability to pay dividends to the shareholders is therefore to a large extent dependent on dividends from Group Companies, as this represents the Company's cash flow and Group Companies may lack sufficient funds to pay dividends to the Company. The transfer of funds from Group Companies, even when sufficient funds are available, they may be limited or prevented by both legal and contractual requirements applicable to the Group, which may have an adverse effect on the Company's ability to upstream cash from its Group Companies and in turn its business, financial position and results. Such risk may be increased by the Group's expansion into new jurisdictions.

After the completion of the Offering, the Founders will still maintain a significant influence over Storskogen and may use their influence in ways that are not in the interest of other shareholders

The Company has issued two series of shares, A-shares and B-shares. The A-shares entitle the holder to ten votes per share and the B-shares entitle the holder to one vote per share. All A-shares issued by the Company are held, directly or indirectly, by the Founders. The A-shares will not be traded on Nasdaq Stockholm. Following the completion of the Offering, the Founder's combined shareholdings will amount to approximately 14.7 per cent of the total number of shares and approximately 52.5 per cent of the total number of votes in the Company (assuming that the Offering is fully subscribed and that the Overallotment Option is exercised in full). The Founders will therefore, also following the completion of the Offering, hold a significant portion of the shares and votes in the Company. This means that the Founders will have a significant influence in matters regarding Storskogen that require shareholder approval (such as election of board members) as well as in matters regarding Storskogen's management and operations. The interest of the Founders may differ significantly from or compete with the interests of the Company or other shareholders and the Founders may exercise their influence over the Company in a manner that is not in the interest of other shareholders.

Currency exchange differences may have an adverse effect on the value of shareholdings or dividends

The shares in the Company will be quoted in SEK only, and any future dividends will be paid in SEK. In case SEK depreciates against foreign currencies, shareholders outside Sweden may experience adverse effects on the value of their shareholding in the Company and any distributed dividends. In addition, such investors might face transaction costs when exchanging SEK into another currency.

Future issues of shares or other instruments may dilute existing shareholders' holdings and have an adverse impact on the market price of the B-shares

The Company has historically carried out large capital procurements by way of share issues and may in the future try to raise new capital through the issuance of debt instruments, shares or share related securities. If the Company is not able to meet its financing needs, for example ahead of future acquisitions, through new indebtedness, the Company may instead need to raise capital through issuances of for example shares (see further the risk factor "*There are no guarantees that Storskogen can meet its financing needs for the day-to-day operations and future investments at a reasonable cost or at all*" above). Any issuance of shares or other securities, convertible or exchangeable into shares, would, if carried out with deviation from the shareholders' pre-emptive rights, dilute the economic and voting-related rights for existing shareholders and may also have an adverse effect on the market price of the B-shares in the Company. Since the timing and terms of any future issues will depend on the Company's situation and the general market conditions at that time, the Company cannot predict or estimate the amount, timing or other terms of any such future issues. The Company's shareholders thus bear the risk of any future issues that can negatively affect the price of the Company's B-share and/or dilute their holdings in the Company. There is also a risk that a potential option overhang may incentivise management to generate higher levels of growth and profits to compensate for the overhang's dilutive effects on earnings per share and therefore investor returns. This, in turn, may lead management to take on more risk, pay out less in dividends, and take on more debt. This can result in greater volatility in the Company's stock price.

If the Company henceforth issues new shares or other share-related securities, shareholders have, as a general rule, pre-emptive rights to subscribe for the new securities proportionally to their existing holdings. Shareholders in certain jurisdictions may, however, be subject to restrictions pursuant to the securities legislation in their respective countries, which prevent them from participating in such rights issues or which otherwise make participation in such rights issues difficult or limited. For example, shareholders in the United States may be unable to exercise any such pre-emptive rights unless the securities and subscription rights have been registered under the

1 Calculated according to the definitions in the Existing Facilities Agreement and New Facility Agreement, as applicable, which differ from the Company's definition of the ratio Net Debt to Adjusted RTM EBITDA.

Securities Act or an exemption from the registration requirements under the Securities Act is applicable. Shareholders in other jurisdictions outside of Sweden may be similarly affected if the securities or subscription rights have not been registered with, or approved by, the relevant authorities in such jurisdictions. The Company is under no obligation to file a registration statement under the Securities Act or seek similar approvals under the laws of any other jurisdiction outside of Sweden and doing so may be impractical and costly. To the extent that the Company's shareholders in jurisdictions outside of Sweden are not able to exercise their rights to subscribe for new securities in any future rights issues, their holdings in the Company will be diluted.

The Cornerstone Investor's commitments are subject to certain conditions

AMF, funds managed and advised by Capital World Investors, Cliens Kapitalförvaltning, Danica Pension Livsforsikringsaktieselskab, Nordea Investment Management, Lannebo Fonder, Livförsäkringsbolaget Skandia, Ömsesidigt and Skandia Fonder AB on behalf of investment Funds, ODIN Fonder, Swedbank Robur Fonder, Spiltan Fonder as well as Daniel Kaplan (the "**Cornerstone Investors**") have committed to acquire B-shares in the Offering at the Offering Price. The total number of B-shares that the Cornerstone Investors have committed to acquire corresponds to approximately 71.7 per cent of the B-shares in the Offering (assuming that the Offering is fully subscribed and that the Overallotment Option is exercised in full). The Cornerstone Investors' undertakings are subject to certain conditions, *inter alia*, that each Cornerstone Investor receives full allocation of its commitment. If these conditions are not satisfied, the Cornerstone Investors will not be required to acquire any B-shares in the Offering. The Cornerstone Investors' undertakings are not secured through a bank guarantee, blocked funds, pledge of collateral or any other similar arrangement. Accordingly, there is a risk that payment of the purchase price and settlement of the B-shares in the Offering for the Cornerstone Investors may not occur in connection with the closing of the Offering as anticipated, which could have an adverse effect on the completion of the Offering. In addition, the Cornerstone Investors' undertakings will not be subject to any lock-up undertakings. As a result, it is possible that the Cornerstone Investors divest part or all of their respective shareholdings at any time. Any sales of substantial amounts of the B-shares could cause the market price of the B-shares to decline (see also the risk factor "*Future expected or actual sales of the Company's shares can affect the market price of the B-shares*").

If Storskogen were to be classified as a passive foreign investment company, there could be adverse United States tax consequences to certain U.S. shareholders

Under the Internal Revenue Code of 1986, as amended, the Company will be a "passive foreign investment company" (a "**PFIC**") for United States federal income tax purposes, for any taxable year in which (a) 75 per cent or more of the Company's gross income consists of passive income or (b) 50 per cent or more of the average quarterly value of the Company's assets consists of assets that produce, or are held for the production of, passive income. If the Company is a PFIC for any taxable year during which a U.S. shareholder holds the Company's B-shares, a U.S. shareholder may be subject to adverse tax consequences regardless of whether the Company continues to qualify as a PFIC, including ineligibility for any preferred tax rates on capital gains or on actual or deemed dividends, interest charges on certain taxes treated as deferred and additional reporting requirements.

Storskogen is not, and does not intend to become, registered in the United States as an investment company under the US Investment Company Act and shareholders will not be entitled to the protections of the US Investment Company Act

An entity may generally be deemed to be an investment company, as defined under Sections 3(a)(1)(A) and (C) of the US Investment Company Act, if it is primarily engaged or holds itself out as engaging primarily in the business of investing, reinvesting or trading in securities or if it owns investment securities (as that term is defined in the US Investment Company Act) having a value exceeding 40 per cent of its total assets. The Company does not believe that its proposed activities, or the manner in which it will conduct its business, will require it to register as an investment company under the US Investment Company Act. Accordingly, the Company has not been, and does not intend to be, registered in the United States as an investment company under the US Investment Company Act. The US Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not, and does not intend to be, registered as such, none of these protections or restrictions is or will be applicable to the Company and the shareholders do not have the regulatory protections provided by the US Investment Company Act.

The rights of Storskogen's shareholders may differ from the rights typically offered to shareholders of a United States or an English domestic company

Under Swedish corporate law, shareholders enjoy rights and protections that may differ from the rights and protections typically provided to shareholders of a United States or an English domestic company, and to some extent the protections afforded to shareholders may be lower than the protections typically offered to shareholders of a United States or an English domestic company. For example, under Swedish corporate law, it may be difficult and dependent on the fulfilment of certain narrow requirements for a shareholder to receive access to the Company's corporate records, to enforce a right of the Company or claims on behalf of the Company in case the Company fails to enforce such rights themselves. Additionally, distribution of dividends from Swedish companies to foreign companies and individuals can be subject to non-refundable withholding tax, and not all receiving countries allow for deduction. See "*Certain tax considerations in Sweden—Swedish tax consequences for shareholders with limited tax liability in Sweden*" for a more detailed description of the withholding tax. Also, the rights as a creditor may not be as strong under Swedish insolvency law as under United States law, English law or other insolvency law, and consequently creditors may recover less in the event the Company is subject to insolvency compared to a similar case including a United States or an English debtor.

Claims of United States civil liabilities may not be enforceable against Storskogen

The Company is incorporated under Swedish law. The members of the Company's board of directors and senior management are non-residents of the United States, and a substantial portion of the Company's assets and the assets of such persons are located outside the United States. As a result, it may not be possible to serve process on such persons or the Company in the United States or to enforce judgments obtained in United States courts against them or the Company based on civil liability provisions of the securities laws of the United States.

The United States and Sweden do not currently have a treaty providing for recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment given by a court in the United States, whether or not predicated solely upon United States securities laws, would not automatically be recognised or enforceable in Sweden. In addition, uncertainty exists as to whether the courts in Sweden would entertain original actions brought in Sweden against the Company or the Company's board of directors or senior management predicated upon the securities laws of the United States or any state in the United States. Any final and conclusive monetary judgment for a definite sum obtained against the Company in United States courts would not be automatically recognised. Instead, new proceedings would need to be initiated before the competent court in Sweden. However, a judgment obtained in the United States may still have a strong evidentiary weight in Swedish proceedings, depending on the circumstances and the assessment of the court. If a Swedish court gives judgment for the sum payable under a United States judgment, the Swedish judgment will be enforceable by methods generally available for this purpose. These methods generally permit the Swedish Enforcement Authority (Sw. *Kronofogden*) discretion to prescribe the manner of enforcement. As a result, United States investors may not be able to enforce against the Company or the Company's board of directors or senior management any judgments obtained in United States courts in civil and commercial matters, including judgments under the United States federal securities laws.

Presentation of financial and other information

HISTORICAL FINANCIAL INFORMATION

The historical financial information included in this Offering Memorandum, including combined and/or consolidated income statements, combined and/or consolidated balance sheets and combined and/or consolidated cash flow statements, consists of, or has been extracted from:

- The Group's audited consolidated financial statements of Storskogen Group AB (publ) and its subsidiaries, which comprise the consolidated statement of financial position as of 31 December 2020 and 2019, respectively, and the combined statement of financial position as of 31 December 2018 and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the twelve-month periods ended 31 December 2020 and 2019, respectively, and the combined statement of income, combined statement of comprehensive income, combined statement of changes in equity and combined statement of cash flows for the twelve-month period ended 31 December 2018, and notes to the consolidated financial statements and combined financial statements, in each case, including a summary of significant accounting policies as included on pages F-16–F-62 (the "**The Group's Audited Combined and Consolidated Financial Statements**"). The Group's Audited Combined and Consolidated Financial Statements are presented in SEK.
- The Group's unaudited consolidated interim financial statements of Storskogen Group AB (publ) and its subsidiaries, which comprise the consolidated interim statement of financial position as of 30 June 2021 and 30 June 2020, and the consolidated interim income statement, consolidated interim statement of comprehensive income, consolidated interim statement of changes in shareholders' equity, consolidated interim cash flows statement, and notes for the six-month periods ended 30 June 2021 and 30 June 2020, and as included on pages F-2–F-14 (the "**The Group's Unaudited Consolidated Interim Financial Statements**"). The Group's Unaudited Consolidated Interim Financial Statements are presented in SEK and have been prepared in accordance with International Accounting Standard 34—Interim Financial Reporting ("**IAS 34**").

Storskogen's applied accounting principles are the International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**") and interpretations that have been issued by IFRS Interpretations Committee ("**IFRS IC**") as they have been adopted by the EU. Furthermore, the Group applies the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*) and RFR 1 "Supplementary accounting rules for groups" issued by the Swedish Financial Reporting Board.

On November 15, 2019, the Company acquired Storskogen Industrier AB, Storskogen Utveckling AB and Storskogen 3 Invest AB, all of which had been under common control by four individuals. The Group's financial information for 2019 and 2018 is an aggregation of the financial information for Storskogen Industrier AB, Storskogen Utveckling AB and Storskogen 3 Invest AB and is presented as if the entities had been consolidating entities during the comparison periods. The Group previously applied exceptions to IFRS 16 pursuant to IFRS 1 but in the Group's Audited Combined and Consolidated Financial Statements, IFRS 16 has also been applied to 2018.

In the Group's Audited Combined and Consolidated Financial Statements for the year ended 31 December 2020, certain inter-company eliminations have been reclassified to increase the Group's ability to monitor existing business areas, meaning that amounts have been adjusted in each affected item in the statement of profit or loss for the years ended 31 December 2018, 2019 and 2020. The statements of profit or loss for the year ended 31 December 2018 and the year ended 31 December 2019 were restated to facilitate comparability. The reclassifications had no effect on the profit for the years ended 31 December 2018, 2019 and 2020 or the key financial ratios presented as performance measures in the Group's Audited Combined and Consolidated Financial Statements, see also "*Historical financial information*".

The Company currently does not anticipate any retrospective implementation of changes in accounting policies or other retrospective adjustments. However, any such retrospective implementations of changes in accounting policies and other retrospective adjustments made in accordance with IFRS may affect subsequently published financial information.

Adjusted RTM-figures

In this Offering Memorandum, the Company presents certain financial information for the twelve months ended 30 June 2021. These metrics include and were prepared by the Company as follows:

- "**Adjusted RTM Net sales**," which is calculated as revenue recorded by the Company during the twelve months ended 30 June 2021 adjusted for the contribution of the businesses contractually acquired or acquisitions completed by the Group between 1 July 2020 and 30 June 2021 as if they had been owned on 1 July 2020; and

- "**Adjusted RTM EBITA**," which is calculated as Adjusted EBITA recorded by the Company during the twelve months ended 30 June 2021 adjusted for the contribution of the businesses contractually acquired or acquisitions completed by the Group between 1 July 2020 and 30 June 2021 as if they had been owned on 1 July 2020; and
- "**Adjusted RTM EBITDA**," which is calculated as Adjusted EBITDA recorded by the Company during the twelve months ended 30 June 2021 adjusted for the contribution of the businesses contractually acquired or acquisitions completed by the Group between 1 July 2020 and 30 June 2021 as if they had been owned on 1 July 2020.

Unaudited Pro Forma Financial Information

The unaudited pro forma financial information included in this Offering Memorandum consists of:

- the pro forma consolidated income statement for the financial period from 1 January to 31 December 2020 as if the Acquisitions (as defined below) had been completed and acceded to as of 1 January 2020;
- the pro forma consolidated income statement for the financial period from 1 January to 30 June 2021 as if the Acquisitions had been completed and acceded to as of 1 January 2020; and
- the pro forma consolidated statement of financial position as if the Acquisitions had been completed and acceded to as of 30 June 2021.

(collectively, the "**Unaudited Pro Forma Financial Information**").

The Unaudited Pro Forma Financial Information gives effect to the Acquisitions as if they had been completed on 1 January 2020 and is presented for illustrative purposes only to illustrate the effect of the Acquisitions on the Group's financial information. Each of the Acquisitions is included separately in the pro forma financial statements up to the respective Acquisition Date, after which each of the relevant Acquisitions is included in the Group's consolidated financial statements for the period.

The pro forma income statement for the period from 1 January to 31 December 2020 is based on Storskogen's audited annual report for the corresponding period. The pro forma income statement for the period from 1 January to 30 June 2021 is based on Storskogen's interim report for the period, which has been reviewed, but not audited, by Storskogen's auditor.

Financial information for the pro forma entities for the corresponding periods is based on unaudited internal financial information, except for the pro forma entities acquired in the period from 1 January to 31 December 2020, for which audited annual financial statements are available. For an overview of the financial information on which the pro forma financial information is based, see "*Pro forma financial information—Basis for the pro forma financial information*".

The financial statements of the pro forma entities that form the basis for the pro forma financial information have been prepared in accordance with the respective entity's local accounting principles ("**GAAP**") in accordance with the summary in *Table 1* in "*Pro forma financial information—Basis for the pro forma financial information*". The pro forma financial information has been prepared in accordance with Storskogen's accounting principles as described in Storskogen's historical financial reports, see "*Historical financial information*". The Unaudited Pro Forma Financial Information has been prepared in accordance with Annex 20 to Regulation (EU) 2019/980, as amended, and consistent with the accounting principles applied in the Group's Audited Combined and Consolidated Financial Statements. For more information, see "*Pro forma financial information—Basis for the pro forma financial information*".

The Unaudited Pro Forma Financial Information is based upon available information and certain assumptions described in the accompanying notes to the Unaudited Pro Forma Financial Information and that the Company believes are reasonable under the circumstances. The actual impact of the Acquisitions on the results and financial position of the Group may materially differ from the assumptions used in the Unaudited Pro Forma Financial Information presented in this Offering Memorandum. For more information, see "*Pro forma financial information—Assumptions for the pro forma financial information*".

The Unaudited Pro Forma Financial Information has been prepared by the Company for illustrative purposes only and it addresses a hypothetical situation, and is not necessarily indicative of the actual financial position or results of the Group that would have been realised had the Acquisitions been completed as of 30 June 2021 and 1 January 2020, respectively, nor is it meant to be indicative of any anticipated financial position or future results of operations that the Group will experience going forward. In addition, the pro forma consolidated statement of income does not reflect any expected integration costs, cost savings or synergy benefits that are expected to be generated or incurred and which have not yet been generated or incurred. The Unaudited Pro Forma Financial Information does not include all information required to be included in financial statements prepared in accordance with IFRS and it should be read together with the historical financial information of the Group included elsewhere in this Offering Memorandum.

Alternative performance measures

In this Offering Memorandum, the Company presents certain key performance metrics, including certain key performance metrics and ratios that are not measures of financial performance or financial position defined under IFRS (alternative performance measures). The alternative performance measures presented in this Offering Memorandum are not recognised measures of financial performance under IFRS, but measures used by Storskogen to monitor the performance of Storskogen's underlying business and operations. Alternative performance measures should not be viewed as substitutes for income statement, balance sheet or cash flow items computed in accordance with IFRS. The alternative performance measures do not necessarily indicate whether cash flow will be sufficient or available to meet Storskogen's cash requirements and may not be indicative of Storskogen's historical operating results, nor are such metrics meant to be predictive of Storskogen's future results. For further information on Storskogen's uses of alternative performance measures and reconciliation of the alternative performance measures, see "*Selected historical financial information—Alternative performance measures*".

Rounding off

Certain figures in this Offering Memorandum, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. This is, for example, the case when financial information is presented in thousands, millions or billions, which primarily occurs in "*Selected historical financial information*", "*Operating and financial review*", "*Capitalisation and indebtedness*" and "*Historical financial information*".

Currency

In this Offering Memorandum, all references to: (i) "**SEK**" is to the lawful currency of Sweden, and "**BSEK**" indicates billions of SEK, "**MSEK**" indicates millions of SEK and "**KSEK**" indicates thousands of SEK, (ii) "**EUR**" is to Euro, the single currency of the member states of the EU participating in the European Monetary Union having adopted the Euro as its lawful currency, and "**BEUR**" indicates billions of EUR, "**MEUR**" indicates millions of EUR and "**KEUR**" indicates thousands of EUR, (iii) "**USD**" is to the lawful currency of the United States, "**MUSD**" indicates millions of USD and "**KUSD**" indicates thousands of USD, (iv) "**GBP**" is to the lawful currency of United Kingdom, (v) "**CHF**" is to the lawful currency of Switzerland, (vii) "**DKK**" is to the lawful currency of Denmark and (vi) "**NOK**" is to the lawful currency of Norway.

Intellectual property

The Company owns or has the rights to certain intellectual property used within its business. The Company uses rights associated with such intellectual property rights to the extent permitted by applicable laws in effect.

Each trademark, trade name or service brand mentioned in this Offering Memorandum that does not relate to the Company belongs to the holder of such trademarks, trade names and service brands. The trademarks, trade names and copyrights mentioned in this Offering Memorandum are presented without the symbol ™ solely for the sake of convenience.

Forward-looking statements

This Offering Memorandum contains various forward-looking statements which reflect our current view on future events and anticipated financial and operational performance. Forward-looking statements as a general matter are all statements other than statements as to historical facts or present facts or circumstances. The words "may", "shall", "expect", "believe", "estimates", "anticipates", "plans", "calculates", "prepares", "intends", "predicts", "attempts", "could", or, in each case, their negative or similar expressions or comparable terminology, identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. Forward-looking statements appear in a number of places in this Offering Memorandum, including, without limitation, in the sections entitled "*Summary*", "*Risk factors*", "*Operating and financial review*", "*Market overview*", "*Business description*" and "*Dividends and dividend policy*" and include, *inter alia*, statements relating to:

- our strategy, outlook and growth prospects, including on a geographical segment basis;
- our operational and financial targets and dividend policy;
- our liquidity, capital resources and capital expenditure;
- the expectations as to future growth in demand for our products and services;
- the impact of regulations on us and our operations;
- the impact of changes in regulations that we are subject to; and
- the competitive environment in which we operate.

Although we believe that the expectations reflected in these forward-looking statements are reasonable, we can give no assurances that they will materialise or prove to be correct. Because these statements are based on assumptions or estimates that are subject to risk and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors, including, *inter alia*:

- positive or negative changes in economic conditions in the markets in which we operate, or in other markets that impact our operations.
- inability to manage our growth;
- inability to maintain and develop our IT systems or data storage, including the security of our product offering, or anticipate, manage or adopt technological advances within our industry;
- failure to maintain IT security or protect our data storage;
- reliance on our senior management team and trained employees; and
- failure to comply with applicable laws, regulation and codes of practice or changes to the regulatory environment in which we operate.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk factors*".

These forward-looking statements speak only as of the date of this Offering Memorandum. Accordingly, prospective investors are cautioned not to place undue reliance on any of the forward-looking statements herein. We and the Selling Shareholders expressly undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law or regulation.

Certain terms used in the Offering Memorandum

For definitions of certain terms used in this Offering Memorandum as well as a glossary of other terms used in this Offering Memorandum, see "*Definitions and glossary*".

Invitation to acquire B-shares in Storskogen

Pursuant to the terms and conditions set out in this Offering Memorandum, investors are invited, to acquire up to 348,034,945 B-shares in Storskogen, of which the Selling Shareholders are offering up to 192,190,790 existing B-shares and Storskogen is offering up to 155,844,155 newly issued B-shares (excluding the Overallotment Option as defined below).

The price per B-share in the Offering is SEK 38.50 (the "**Offering Price**"). The Offering Price has been determined by the Company's board of directors and the Selling Shareholders in consultation with the Joint Global Coordinators, based on a number of factors, including discussions with AMF, funds managed and advised by Capital World Investors, Cliens Kapitalförvaltning, Danica Pension Livsforsikringsaktieselskab, Nordea Investment Management, Lannebo Fonder, Livförsäkringsbolaget Skandia, Ömsesidigt and Skandia Fonder AB on behalf of investment funds, ODIN Fonder, Swedbank Robur Fonder and Spiltan Fonder as well as and certain other institutional investors, a comparison with the market price of other comparable listed companies, an analysis of previous transactions for companies within the same industry, the current market situation as well as estimates regarding Storskogen's business opportunities and future profitability.

To cover any overallotments or short positions in connection with the Offering, the Company will grant the Joint Global Coordinators an option to acquire up to 52,205,241 additional newly issued B-shares at the Offering Price, corresponding to a maximum of approximately 15 per cent of the number of B-shares in the Offering (the "**Overallotment Option**"). If the Joint Global Coordinators exercise the Overallotment Option in full, the Offering will comprise of up to 400,240,186 B-shares, corresponding to approximately 26.2 per cent of the total number of B-shares in the Company following the completion of the Offering.

On or around 5 October 2021, the board of directors is expected to resolve on the final terms for Storskogen's new issue of B-shares. The Company's offering of up to 155,844,155 newly issued B-shares will increase the total number of B-shares in the Company from 1,316,712,418 B-shares to 1,472,556,573 B-shares (to 1,524,761,814 B-shares if the Overallotment Option is exercised in full), corresponding to a dilution effect of approximately 9.6 per cent (approximately 12.4 per cent if the Overallotment Option is exercised in full) of the share capital and approximately 5.3 per cent (approximately 6.9 per cent if the Overallotment Option is exercised in full) of the votes (calculated as the highest number of new shares and votes divided with the highest number of shares and votes in the Company following the Offering[1]), and provide Storskogen with proceeds of approximately SEK 6.0 billion (approximately SEK 8.0 billion if the Overallotment Option is exercised in full) before transaction costs. For more information on changes in the capital structure in connection with the Offering, see "*Share capital and ownership structure—Changes in the capital structure in connection with the Offering*".

The Cornerstone Investors have, subject to certain conditions, committed to acquire B-shares in the Offering for a total amount of up to SEK 11,050 million corresponding to approximately 17.2 per cent of the share capital and approximately 9.6 per cent of the votes in the Company following the completion of the Offering (assuming that the Offering is fully subscribed and that the Overallotment Option is exercised in full). For more information, see "*Legal considerations and supplementary information—Commitments by the Cornerstone Investors*". The total value of the Offering amounts to approximately SEK 13.4 billion (approximately SEK 15.4 billion if the Joint Global Coordinators exercise the Overallotment Option in full).

27 September 2021

Storskogen Group AB (publ)
The board of directors

1 Taking into account the number of shares and votes in the Company following the completion of the redemption and conversion of A-shares in connection with the Offering. For more information, see "*Share capital and ownership structure—Changes in the capital structure in connection with the Offering*".


Telarco
Telarco

Background and reasons

Storskogen was founded in 2012[1] by Ronnie Bergström, Alexander Murad Bjärgård and Daniel Kaplan. Today, Storskogen is a fast-growing owner of SMEs and has a track record of successful acquisitions. Since the Group's founding, the Group has carried out 144 acquisitions of businesses and groups (including the acquisition of six companies the Group expects to complete in October 2021, where the acquisition of Artum is considered as eight acquisitions and the acquisitions of Ashe Invest and On Target are considered as one acquisition). The Group has an experienced and entrepreneurial management which has established an efficient M&A process and organisation.

Storskogen's vision is to be the best owner of small and medium-sized enterprises within a broad field of industries and geographies as well as based on Storskogen's robust investment criteria. The Group has a long-term and sustainable perspective when acquiring and managing its companies, which are intended to be owned on a long-term basis without any predefined ownership horizon. All members of the Group share a common focus on profitability, stable cash flows and a strong market position.

Storskogen has a proven business model and portfolio, which, through its diversification, has proven its resilience. For example, 97 per cent of the business units were profitable in 2020 despite a year heavily impacted by COVID-19, resulting in approximately one (1) per cent Organic EBITA growth[2] in 2020. Storskogen has a strong execution track record, with a two-year Net sales CAGR of 65 per cent, a two-year Adjusted EBITA[3] CAGR of 68 per cent and a two-year Operating profit (EBIT)[4] CAGR of 69 per cent from 2018 to 2020, respectively. See "*Selected historical financial information—Alternative performance measures*".

In May 2021, Storskogen issued a senior unsecured bond of SEK 3 billion. The bond issue attracted interest from investors and constituted the Company's first step to access the Swedish and international capital markets. The bond is planned to be listed after the completion of the Offering and the admission to trading of the Company's B-shares on Nasdaq Stockholm.

The Company and the Founders consider the Offering and the admission to trading of the Company's B-shares on Nasdaq Stockholm to be an important step for Storskogen's development. This will enable the Company to expand its shareholder base and enable Storskogen to further access the Swedish and international capital markets, thereby supporting the Company's continued acquisition and growth strategy and further strengthening the Company's acquisition financing capabilities. It is also expected that the Offering and the admission to trading of the Company's B-shares on Nasdaq Stockholm will increase the awareness of Storskogen and its operations, particularly abroad, among potential target companies as well as among current and potential future partners. The admission to trading of the Company's B-shares on Nasdaq Stockholm intends to create a liquid market for the B-shares and the Offering allows the Selling Shareholders to sell a portion of their current shareholdings.

The Company will carry out an issue of new B-shares in connection with the Offering, see also "*Invitation to acquire B-shares in Storskogen*". The share issue is expected to, provide Storskogen with proceeds of approximately SEK 6.0 billion (approximately SEK 8.0 billion if the Overallotment Option is exercised in full) before deduction of transaction costs of approximately SEK 298[5] million. Consequently, Storskogen expects to receive net proceeds of approximately SEK 5.8 billion (approximetly SEK 7.8 billion if the Overallotment Option is exercised in full). Storskogen intends to use the net proceeds for the purpose of firstly, strengthening the Company's cash position which will provide additional capital for the continued acquisition and growth strategy, and secondly, general corporate purposes, see further "*Business description—Vision and strategy*". The Company will not receive any proceeds from the sale of existing B-shares by the Selling Shareholders.

The board of directors of Storskogen is responsible for the contents in this Offering Memorandum. To the best of the board of directors' knowledge, the information contained in the Offering Memorandum is in accordance with the facts and the Offering Memorandum makes no omission likely to affect its import.

27 September 2021

Storskogen Group AB (publ)
The board of directors

1 The Group in its current form was established through the combination of the shareholdings in the three independent investment entities Storskogen Industrier AB, Storskogen Utveckling AB and Storskogen 3 Invest AB in the Company in 2019. For more information on Storskogen's history and development, see "*Business description—History and development*" and "*Share capital and ownership structure—Changes in the capital structure in connection with the Offering*".
2 For further discussion regarding Organic EBITA growth, see "*Selected historical financial information—Alternative performance measures*".
3 For further discussion regarding Adjusted EBITA, see "*Selected historical financial information—Alternative performance measures*".
4 For further discussion regarding Operating profit, see "*Selected historical financial information—Alternative performance measures*".
5 Assuming that the Offering is fully subscribed and that the Overallotment Option is exercised in full, and of which SEK 60 million are expected to affect the statement of profit or loss (whereof SEK 30 million are included in the Company's accounts up until 30 June 2021).

Terms and conditions

THE OFFERING

The Offering comprises up to 348,034,945 B-shares in Storskogen, of which up to 192,190,790 existing B-shares are offered by the Selling Shareholders and up to 155,844,155 newly issued B-shares are offered by the Company. The Offering is directed to:

- The general public in Sweden.[1]
- Institutional investors in Sweden and abroad.[2]

The ISIN code for the Company's B-shares is SE0016797732.

The outcome of the Offering is expected to be announced through a press release, which will be available on the Company's website (www.storskogen.com), on or about 6 October 2021.

OVERALLOTMENT OPTION

In order to cover any overallotment or short positions in connection with the Offering, the Company will grant the Joint Global Coordinators an overallotment option (the "**Overallotment Option**") to, not later than 30 days from the first day of trading in the Company's B-shares on Nasdaq Stockholm, acquire up to 52,205,241 additional newly issued B-shares, corresponding to a maximum of 15 per cent of the total number of B-shares in the Offering, at a price corresponding to the Offering Price.

DISTRIBUTION OF B-SHARES

The distribution of B-shares between the two parts of the Offering will be based on demand. Distribution will be determined by the board of the Company and the Selling Shareholders in consultation with the Joint Global Coordinators.

OFFERING PRICE

The Offering Price is SEK 38.50 per B-share and has been determined by the board of the Company and the Selling Shareholders in consultation with the Joint Global Coordinators based on a number of factors, including discussions with AMF, funds managed and advised by Capital World Investors, Cliens Kapitalförvaltning, Danica Pension Livsforsikringsaktieselskab, Nordea Investment Management, Lannebo Fonder, Livförsäkringsbolaget Skandia, Ömsesidigt and Skandia Fonder AB on behalf of investment funds, ODIN Fonder, Swedbank Robur Fonder and Spiltan Fonder as well as certain other institutional investors, a comparison with the market price of other comparable listed companies, an analysis of previous transactions for companies within the same industry, the current market situation and estimates regarding the Company's business opportunities and future profitability. No commission will be payable.

APPLICATION

Applications from the general public in Sweden for the acquisition of B-shares must be made between 28 September and 5 October 2021 (the "**Retail Application Period**") and pertain to a minimum of 250 B-shares and a maximum of 25,000 B-shares, in even lots of 50 B-shares. Only one application per investor may be made. If more than one application is submitted, the Selling Shareholders and the Joint Global Coordinators reserve the right to consider only the first application received. The application is binding.

From 3 January 2018, all legal entities need a global identification code or Legal Entity Identifier (LEI) in order to perform a securities transaction. To be entitled to participate in the listing and be allotted B-shares, a legal entity must hold and state their LEI number. Registration for a LEI code must take place in ample time prior to application since this code must be stated on the application. More information about LEI requirements is available on the Swedish Financial Supervisory Authority's website (www.fi.se).

A National ID or National Client Identifier ("**NID number**") is a global identification code for private individuals. MiFID II prescribes that, commencing 3 January 2018, all natural persons must have a NID number and that this number must be stated in order to carry out a securities transaction. If such number is not stated, the Joint Global Coordinators may be prohibited from carrying out the transaction on behalf of the natural person in question. If you have only Swedish citizenship, your NID number comprises the designation "SE" followed by your personal ID number. If you have several citizenships or a citizenship other than Swedish, your NID number may comprise another type of number. For more information about how NID numbers are obtained, contact your bank branch.

The Company's board of directors, in consultation with the Joint Global Coordinators, reserves the right to extend the Retail Application Period. Notification of such an extension will be announced in a press release prior to the end of the Retail Application Period. Applications can be submitted to Carnegie, Avanza or Nordnet. The Swedish Prospectus is available on the Company's website (www.storskogen.com/ipo) and Carnegie's website (www.carnegie.se).

1 The term "general public" refers to private individuals and legal entities in Sweden applying to subscribe for a maximum of 25,000 B-shares.
2 The term "institutional investors" refers to private individuals and legal entities applying to subscribe for more than 25,000 B-shares.

Applications via Carnegie

Applicants applying to acquire B-shares through Carnegie must have a securities depository account or investment savings account with Carnegie.

For customers with an investment savings account with Carnegie, Carnegie will, if the application results in allotment, acquire the corresponding number of B-shares in the Offering for further sale to the customer at the price specified in the Offering. Applicants may submit their applications by contacting their advisor at Carnegie. If the applicant does not have an advisor, the applicant should contact Carnegie Private Banking.

Applications via Avanza

Persons applying to acquire B-shares through Avanza must hold a securities depository account or an investment savings account at Avanza. Persons who do not hold an account at Avanza must open such account prior to submission of the application form. Opening a securities depositary account or an investment savings account at Avanza is free of charge and takes approximately three minutes.

Customers of Avanza can apply to acquire B-shares via Avanza's internet service. Applications via Avanza can be submitted from 28 September 2021 up to and including 15:00 (CEST) on 5 October 2021. To ensure that they do not lose their right to any allotment, Avanza customers must have sufficient funds available in their depository account from 15:00 (CEST) on 5 October 2021 until the settlement date, which is expected to be 8 October 2021. Only one application per investor may be made. Full details of the application procedure via Avanza are available on www.avanza.se.

For customers of Avanza applying to acquire shares via an investment savings account, should the application result in allotment, Avanza will acquire the equivalent number of B-shares in the Offering and resell the B-shares to the customer at the Offering Price.

Applications via Nordnet

Nordnet clients in Sweden can apply to acquire B-shares via Nordnet's website. Application to acquire B-shares is made via Nordnet's web service and can be submitted from 28 September 2021 up to and including 15:00 (CEST) on 5 October 2021. To ensure that they do not lose their right to any allotment, Nordnet customers must have sufficient funds available in their account from 15:00 (CEST) on 5 October 2021 until the settlement date, which is expected to be on 8 October 2021. Only one application per investor may be made. If more than one application is submitted, Nordnet reserves the right to consider only the first application received. Full details of how to become a Nordnet customer and the application procedure via Nordnet are available on www.nordnet.se. For Swedish customers that have an investment savings account at Nordnet, should an application result in allotment, Nordnet will purchase the equivalent number of B-shares to the Offering and resell the B-shares to the customer at the price in the Offering.

Offering to institutional investors

The application period for the acquisition of B-shares by institutional investors in Sweden and abroad is between 28 September and 5 October 2021 (the "**Institutional Application Period**"). The Company's board and the Selling Shareholders, in consultation with Joint Global Coordinators, reserve the right to shorten or extend the Institutional Application Period for the Offering to institutional investors. In the event that the Institutional Application Period is shortened or extended, the Company will announce the change through a press release. Expressions of interest from institutional investors in Sweden and abroad are to be submitted to the Managers according to special instructions.

ALLOTMENT

Decisions concerning the allotment of B-shares will be made by the Company and the Selling Shareholders in consultation with the Joint Global Coordinators, whereby the objective will be to achieve a strong institutional ownership base and a wide distribution of B-shares among the public to enable regular and liquid trading of the Company's B-shares on Nasdaq Stockholm. Allotment is not dependent on when during the relevant application period the application was submitted.

In the event of oversubscription, allotment may be withheld or scaled back to a lower number of B-shares than that stated in the application, in which case allotment may be carried out entirely or partly through random selection.

In addition, employees and certain related parties in the Company may be considered separately when allocating. Employees in Storskogen will only be allotted B-shares sold by the Selling Shareholders.

Applications from certain customers of the Joint Global Coordinators, Avanza and Nordnet may be given special consideration. Moreover, employees and certain related parties of the Company as well as customers of the Joint Global Coordinators may be given special consideration. Allotment may also take place to employees of the Managers, without any priority. In such cases, allotment will take place in accordance with the rules of the Swedish Securities Markets Association and the Swedish Financial Supervisory Authority's regulations. However, the Cornerstone Investors are guaranteed full allocation in accordance with their respective commitments.

INFORMATION REGARDING ALLOTMENT AND PAYMENT

Offering to the general public in Sweden

Allotment is expected to take place on or about 6 October 2021. As soon as possible thereafter, contract notes will be sent to those who have been allotted B-shares in the Offering. Those who have not been allotted B-shares will not be notified.

Full payment for allotted B-shares is to be made in cash not later than 8 October 2021 in accordance with the instructions on the contract note.

Applications received by Carnegie

Those who applied via Carnegie can receive information on allotment through their advisor or customer manager from 9:00 (CEST) on 6 October 2021. Funds for payment are to be available in the stated securities depository account or investment savings account on 8 October 2021.

Applications received by Avanza

Those who applied via Avanza's internet service will receive information on allotment by the allotted number of B-shares being booked against payment of funds in the specified account, which is expected to take place on or about 9:00 (CEST) on 6 October 2021.

For Avanza customers, funds for allotted B-shares will be drawn not later than the settlement date of 8 October 2021. Note that funds for the payment of allotted B-shares are to be available from 5 October 2021, 15:00 (CEST) up to and including 8 October 2021.

Applications received by Nordnet

Those who applied via Nordnet's internet service will receive information on allotment by the allotted number of B-shares being booked against payment of funds in the specified account, which is expected to take place on or about 9:00 (CEST) on 6 October 2021.

For securities deposit customers of Nordnet, funds for allotted B-shares will be drawn not later than the settlement date on 8 October 2021. Note that funds for the payment of allotted B-shares are to be available from 5 October 2021, 15:00 (CEST) up to and including 8 October 2021.

Offering to institutional investors

Institutional investors are expected to receive information regarding allotment according to a special procedure on or about 6 October 2021, after which contract notes will be sent. Full payment for allotted B-shares must be made in accordance with the contract note and against the delivery of B-shares not later than 8 October 2021. If full payment is not made within the prescribed time, the allotted B-shares may be transferred to another party. If the selling price for such a sale were to be less than the Offering price, the individual who was originally allotted these B-shares may have to pay the difference. Furthermore, Cornerstone Investors who have undertaken to subscribe for B-shares are guaranteed full allocation in accordance with their respective undertakings.

REGISTRATION AND RECOGNITION OF ALLOTTED AND PAID B-SHARES

Registration of allotted and paid B-shares with Euroclear Sweden, for both institutional investors and the public, is expected to take place on or about 8 October 2021, after which Euroclear Sweden will distribute a notice stating the number of B-shares in the Company that have been registered in the recipient's securities account. Shareholders whose holdings are nominee-registered will be notified in accordance with the procedures of the individual nominee.

LISTING ON NASDAQ STOCKHOLM

On 10 September 2021, Nasdaq Stockholm's listing committee has assessed that the Company fulfils Nasdaq Stockholm's listing requirement, subject to customary conditions, including fulfilment of the distribution requirement not later than the listing date and that the Company applies for its B-shares to start trading on Nasdaq Stockholm. It is expected that trading in the Company's B-shares on Nasdaq Stockholm will commence on 6 October 2021. This means that trading will commence before the B-shares have been transferred to the securities accounts, service accounts, securities depository accounts or investment savings accounts of the investors who have purchased the securities (the "**Acquirers**") and, in certain cases, before a contract note has been received. This also means that the trading on Nasdaq Stockholm will commence before the terms and conditions for completion of the Offering have been met. Trading that occurs in the Company's B-shares before the terms and conditions for completion of the Offering have been met, that is, up to and including 8 October 2021, will thus be conditional on the completion of the Offering. If the Offering is not completed, any trading in the Company's B-shares that occurs before the Offering becomes unconditional will be rescinded, see also "*—Terms and conditions for completion of the Offering*" below.

The ticker for the Company's B-shares on Nasdaq Stockholm will be STOR.

IMPORTANT INFORMATION REGARDING THE POTENTIAL SALE OF ALLOTTED B-SHARES

Information regarding allotment is expected to be provided around 6 October 2021. As soon as payment for the allotted B-shares has been processed by Joint Global Coordinators, paid B-shares will be transferred to the securities depository account, investment savings account or securities account specified by the Acquirer. Due to the time required for transferring payment and transferring paid B-shares to such Acquirers, the Acquirers will be unable to access said B-shares in the specified securities depository account, investment savings account or specified account until about 8 October 2021 at the earliest. Trading in the Company's B-shares on Nasdaq Stockholm is expected to commence on 6 October 2021. Given that the B-shares will not be available in the Acquirer's account or securities depository account until about 8 October 2021 at the earliest, the Acquirer may not be able to sell these B-shares from the first day of trading on Nasdaq Stockholm. Instead, they may only be able to sell the B-shares once they are available in the securities account, investment savings account or securities depository account. Investors will be able to obtain information on allotment from 6 October 2021. See also "*—Information regarding allotment and payment*" above.

STABILISATION

In connection with the Offering, Carnegie (the "**Stabilisation Manager**") may, to the extent permitted in accordance with Swedish law, carry out transactions intended to stabilise, maintain or in other ways support the market price of the Company's B-shares for up to 30 days from the commencement of trading in the Company's B-shares on Nasdaq Stockholm. For more information, see "*Legal considerations and supplementary information—Stabilisation*".

ANNOUNCEMENT OF THE OUTCOME OF THE OFFERING

The final outcome of the Offering is expected to be announced through a press release that will be available on the Company's website (www.storskogen.com) on or about 6 October 2021.

RIGHT TO DIVIDENDS

B-shares offered in the Offering carry a right to dividends for the first time on the record date for dividends occurring immediately after registration of the B-shares and after the completion of the Offering. Payment will be administered by Euroclear Sweden or, for nominee-registered shareholdings, in accordance with the procedures of the individual nominee. Entitlement to receive a dividend is limited to shareholders registered in the shareholder register maintained by Euroclear Sweden on the record date determined by the general meeting. For more information, see "*Share capital and ownership structure—Certain rights attached to the shares—Right to dividends and surplus in the event of liquidation*". For information regarding Swedish preliminary tax, see "*Certain tax considerations in Sweden*".

TERMS AND CONDITIONS FOR COMPLETION OF THE OFFERING

The Offering is, *inter alia*, conditional on the Company, the Selling Shareholders and the Managers signing an underwriting agreement, which is expected to take place on or about 5 October 2021. For more information regarding the conditions governing the completion of the Offering and the underwriting agreement, see "*Legal considerations and supplementary information—Underwriting Agreement*".

OTHER INFORMATION

Although being Managers in connection to the Offering, this does not mean that Carnegie, Goldman Sachs and J.P. Morgan consider applicants for the Offering to be customers of the respective bank for the investment. For the investment, an Acquirer is considered a customer only if the bank has provided advisory services about the investment to the Acquirer or has otherwise contacted the Acquirer about the investment. Since the respective bank does not consider the Acquirer to be a customer for the investment, the investment will not be subject to the rules on investor protection stipulated in the Swedish Securities Market Act (2007:528). This means, *inter alia*, that neither customer categorisation nor a suitability assessment will be applied to the investment. Accordingly, the Acquirers themselves are responsible for ensuring that they have sufficient experience and knowledge to understand the risks associated with the investment.

Nordea will not participate in the solicitation, offer or sale of any shares within or directed into the United States and will not be involved in any activities relating to the shares within or directed into the United States.

INFORMATION ABOUT THE PROCESSING OF PERSONAL DATA

Carnegie

Personal data that is submitted to Carnegie, for example contact information and personal identification number, or which is otherwise registered in connection with the preparation or administration of the Offering, is processed by Carnegie, as controller of the personal data, for the administration and execution of the Offering. Processing of personal data also takes place to enable Carnegie to comply with its statutory duties.

Personal data may for a defined purpose, in observance of bank secrecy regulations, occasionally be disclosed to other companies within the Carnegie group or to undertakings which co-operate with Carnegie, within and outside the EU/EEA in accordance with EU's approved and appropriate protective measures. In certain cases Carnegie is also under a statutory duty to provide information, for example, to the Swedish Financial Supervisory Authority and Swedish Tax Agency.

Similarly to the Swedish Securities Market Act (Sw. *lagen (2007:528) om värdepappersmarknaden*), the Swedish Banking and Financing Business Act (Sw. *lagen (2004:297) om bank- och finansieringsrörelse*) contains confidentiality provisions according to which all of Carnegie's employees are bound by a duty of confidentiality with regard to clients of Carnegie and other parties to whom services are provided. The duty of confidentiality also applies between and within the various companies in the Carnegie group.

Information regarding what personal data is processed by Carnegie, deletion of personal data, limitation on the processing of personal data, data portability or the rectification of personal data can be requested from Carnegie's data protection officer. It is also possible to contact the data protection officer to obtain further information about how Carnegie processes personal data. If the investor wishes to make a complaint regarding Carnegie's processing of personal data, the investor is entitled to turn to the Swedish Authority for Privacy Protection in its capacity as supervisory authority.

Personal data shall be deleted if it is no longer needed for the purposes for which it was originally collected or otherwise processed, provided that Carnegie has no legal obligation to preserve the personal data. The normal storage time for personal data is 10 years. Email address to Carnegie's data protection officer: dpo@carnegie.se.

Avanza

Avanza processes its customers' personal data in accordance with current personal data legislations. Personal data submitted to Avanza will be processed in data systems to the extent required to provide services and manage customer arrangements. Personal data obtained from sources other than the applicant may also be processed. The personal data may also be processed in the data systems of companies or organisations with whom Avanza cooperates. More information can be found on Avanza's website (www.avanza.se).

Nordnet

Personal data may be submitted to Nordnet in connection with acquisitions of B-shares in the Offering via Nordnet's internet service. Personal data submitted to Nordnet will be processed in data systems to the extent required to provide services and administer customer arrangements. Personal data obtained from sources other than the customer may also be processed. The personal data may also be processed in the data systems of companies or organisations with which Nordnet cooperates. After the customer relationship ceases, Nordnet erases all relevant personal data in accordance with applicable law. Information pertaining to the processing of personal data can be obtained from Nordnet, which also accepts requests for the rectification of personal data. For more information about how Nordnet processes personal data, contact Nordnet: info@nordnet.se.

INFORMATION TO DISTRIBUTORS

In consideration of the product governance requirements in: (a) EU Directive 2014/65/EU on markets in financial instruments ("**MiFID II**"), (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, and (c) Chapter 5 of the Swedish Financial Supervisory Authority's regulations regarding investment services and activities (FFFS 2017:2) (jointly referred to below as "**MiFID II's product governance requirements**"), and with no liability to pay damages for claims that may rest with a "manufacturer" (in accordance with MiFID II's product governance requirements) that may otherwise be relevant, Storskogen B-shares have been subject to a product approval process whereby the target market for Storskogen B-shares comprises (i) retail clients in Sweden, and (ii) investors who meet the requirements for non-retail clients and equivalent counterparties in Sweden and each member state of the EEA, each in accordance with MiFID II (a "**target market**"). Notwithstanding the assessment of the target market, distributors are to note the following: the value of the Storskogen B-shares may decline and it is not certain that investors will recover all or portions of the amount invested; Storskogen B-shares offer no guaranteed income and no protection of capital, and an investment in Storskogen B-shares is suitable only for investors who do not require a guaranteed income or protection of capital, who (either themselves or together with an appropriate financial advisor or other type of advisor) are capable of evaluating the benefits and risks of such an investment and who have sufficient funds with which to sustain such losses as may arise from the investment. The assessment of the target market does not impact the requirements in the contractual, statutory, regulatory or sales restrictions in relation to the Offering.

The assessment of the target market is not to be considered to be: (a) an assessment of suitability and appropriateness under MiFID II or (b) a recommendation to any investors or group of investors to invest in, procure or take any other action regarding B-shares in Storskogen.

Each distributor is responsible for performing their own assessment of the target market regarding B-shares in Storskogen and for deciding on suitable channels of distribution.

Market overview

The information in the Offering Memorandum on the market environment, market development, growth rates, market trends and on the competitive situation on the markets and in the regions in which Storskogen operates is based on data, statistical information and reports by third parties and/or prepared by Storskogen based on its own information and information derived from publicly available sources, such as OECD and other third-party sources. Storskogen has compiled the information on the market and the competitive situation based on historical data as well as assumptions, estimates and methods that Storskogen believes to be reasonable. This information has been accurately reproduced and as far as Storskogen is aware and is able to ascertain from information published by those third parties, no facts has been omitted which would render the reproduced information inaccurate or misleading. However, Storskogen has not independently verified the information and therefore, its accuracy and completeness cannot be guaranteed. Additional factors to be considered when assessing the market and industry information are described in other parts of the Offering Memorandum, including in "*Risk factors*".

Storskogen's business idea is to acquire and operate SMEs, which are intended to be owned on a long-term basis without any predefined ownership horizon. Storskogen is currently focused on acquisitions in Sweden, the other Nordic countries, the DACH region and the United Kingdom.

Storskogen has historically conducted platform acquisitions within the current business areas Services, Trade and Industry within Storskogen's focus regions where most have had an annual revenue between SEK 50 million and SEK 1,500 million. Storskogen estimates that, based on this, there are more than 130,000 potential SME targets[1] with a combined annual revenue of approximately SEK 32,000 billion. When dividing the market into SMEs by geography, the United Kingdom accounts for 43 per cent, the DACH region for 26 per cent, Sweden for 13 per cent, Norway for 10 per cent, Finland for 6 per cent and Denmark for 2 per cent. In addition to platform acquisitions, Storskogen also carries out add-on acquisitions to the existing businesses, most of which have had an annual revenue between SEK 10 million and SEK 75 million. Combined, Storskogen estimates that there are significantly more than 130,000 potential acquisition candidates in Storskogen's current focus regions.

If the target geographies were expanded to consist of the whole of Europe, Storskogen estimates that it would result in an increase of the addressable market to approximately 400,000 SMEs.

Storskogen is currently examining potential future focus areas in, *inter alia*, the United States, Asia and the Netherlands, which would lead to a significant increase of its addressable market of SMEs. For this reason, Storskogen will, starting January 2022, have a manager in place in Singapore.

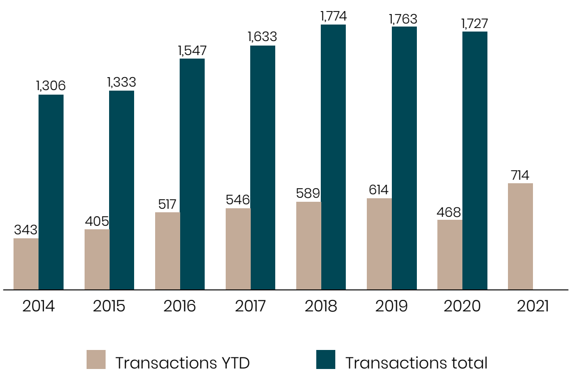
Based on market trends, the outlook for the transaction market shows a trend towards consolidation. There is a general trend of increased company transactions including a Nordic target, acquirer or seller (from 343 during the first six months of 2014 to 714 during the first six months of 2021[2]). Storskogen believes that there are a number of reasons for the trend of entrepreneurs and family companies electing to sell their businesses, including a desire to ensure continued leadership where the business is not being handed on to the next generation of the family, a desire for strategic support and transformation, operational knowledge and support, access to capital and financial security and to become part of something bigger.

1 Based on the number of companies within the Nordic region, the DACH countries and the United Kingdom, with an annual revenue between SEK 50 million and SEK 1,500 million and operating, according to classifications provided by an external information provider, within the following industry categories: Construction, Wood, Furniture & Paper Manufacturing, Metals & Metal Products, Industrial, Electric & Electronic Machinery, Computer Hardware, Transport Manufacturing, Miscellaneous Manufacturing, Wholesale, Retail, Transport, Freight & Storage, Travel, Personal & Leisure, Computer Software, Property Services, Business Services, Information Services, Waste Management & Treatment.

2 Source: Mergermarket, criteria: M&A transaction involving a Nordic target, acquirer or seller (which does not cover all transactions in the Nordic region), 2014-2021 YTD. As of June-2021.

THE NUMBER OF TRANSACTIONS IN THE NORDIC REGION HAS INCREASED SIGNIFICANTLY

Number of Nordic company transactions 2014–2021 YTD[1)]



1) Source: Mergermarket, criteria: M&A transaction involving a Nordic target, acquirer or seller, 2014–2021 YTD and which have been reported to the Mergermarket database, (which does not cover all transactions in the Nordic region) 2014–2021 YTD. As of June 2021.

Based on Storskogen's experience of the transaction market in its current focus geographies and applying its robust investment criteria, Storskogen believes that, compared to the first six months of 2020, the first six months of 2021 have shown trends for significantly increased acquisition activity, slightly increased competition for acquisition targets, somewhat higher acquisition multiples as well as acquisitions of less than 100 per cent of the shares and contingent considerations have become slightly more common in order to balance the upside and risk between seller and buyer.

KEY MACRO TRENDS

Storskogen is subject to a number of different micro and macro factors and trends, cooperating and counteracting, and like that of Storskogen's competitors, Storskogen's operations are influenced by global trends such as digitalisation, sustainability and automation as well as increased population and increased prosperity, etc. In addition to the global trends, each vertical is subject to different specific driving factors, cooperating and counteracting, such as local economic growth and activity, infrastructure and community development, investments in environmental technology and sustainability, increased focus on security at home and in the workplace, energy savings in real estate, increased investments in education and re-education, immigration, demand for sustainable means of transport, time spent at home and leisure, the increasing popularity of pets, to name a few. In 2020, the covid-19 pandemic accentuated many of these trends, and in an increasingly fast-changing world, greater demands are being placed on companies' ability to address the challenges and opportunities that these changes bring. Storskogen seeks to continuously identify and analyse such structural changes and global trends, to enable it to adapt and strengthen its long-term position in the relevant markets in order to create continued long-term growth and balance its exposure to the different global macro trends. These macro trends include, *inter alia*:

Trend	Challenges	Opportunities for Storskogen
Digitalisation	• Rapid acceleration during COVID-19 pandemic. • Increased demand for greater flexibility. • Increased customer expectations.	• Leading to optimisation and efficiency measures. • Shorter lead times. • Ability to reach a larger market.
Sustainability	• Need to be responsible and flexible to act on changes in legislation, regulations and customer preferences. • Increased demand and expectations for innovative technology and sustainable solutions. • COVID-19 pandemic has demonstrated vulnerability of global supply chains.	• Companies with sustainable business models, like the ones Storskogen focuses on, have the potential to strengthen market position, increase profitability and find new business opportunities. • Governmental support available to revive the economy after the COVID-19 pandemic expected to provide extra boost to sectors and businesses that actively contribute to sustainable social development. • Increased demand for locally produced goods and services benefits a number of Storskogen's business units.
Increased population and increased prosperity	• Drives urbanisation and increases demand for sustainable cities. • Increased demand for consumer and capital goods requires increased resource efficiency and a more circular approach.	• Increased demand for sustainable consumer goods, capital goods and services. • Opportunity to contribute to societal development and to continue being involved in infrastructure projects.
Automation	• Constantly higher demand for competitive prices and quality demands more efficient production flows and smoother inventory management. • Stricter laws and regulations surrounding working environment and ergonomics can demand correspondingly modified production methods.	• Together with customers, find new solutions to create more efficient production flows and smoother inventory management. • Improved working environment. • Storskogen's Automation vertical is well positioned to contribute to and benefit from this process.

SEGMENT SPECIFIC TRENDS

Storskogen's business areas and verticals each have their own sensitivities to growth drivers in addition to the selection more general trends set out above.

Services

Each of the Services verticals has its own key growth drivers, which, *inter alia*, includes the following:

Vertical	Key growth drivers	Current main market for Storskogen's current operations
Construction and Infrastructure	• Drive to modernise infrastructure in Sweden. • Increased governmental budgets for infrastructure related works, where a large part of investments come from the public sector. • Fragmented market where many local businesses have a strong influence. • Higher focus on environmental work and eco-friendly investments, with annually increasing requirements for certifications.	• Sweden and other Nordic countries.
Installation	• Increasing use of the Internet of Things. • Increased demand for fire and security surveillance systems. • Increasing urbanisation and changes to social infrastructure. • Increasing demand for building management systems. • Increased demand for housing. • Implementation of sustainable development growth initiatives.	• Sweden and other Nordic countries.
Logistics	• Increasing levels of exports and imports. • Increased demand for industrial products such as steel, wood, paint, etc. • Economic growth. • Increases or decreases in trade.	• Sweden and other Nordic countries.
Engineering Services	• Demand from the construction sector. • Making of commercial property investments. • GDP growth. • Economic growth.	• Sweden and other Nordic countries.
Digital Services	• Increasing levels of digitalisation, both within new and previously not digitalized niches but also increased requirements regarding requirements on the content and quality of the digitalisation. • Willingness of its customers to make accelerated investments in digital solutions and infrastructure.	• Sweden and other Nordic countries.
HR and Competence	• Increased government spend on education. • Growing market of adult education. • Increased interest for career changes or jobs when the availability of education and matching services increases. • Population increase. • Increased integration investments following high immigration.	• Sweden.

Trade

Each of the Trade verticals has its own key growth drivers, which, *inter alia*, includes the following:

Verticals	Key growth drivers	Current main market for Storskogen's current operations
Distributors	• Economic growth. • New construction, renovation and maintenance in the housing market. • Consumers' purchasing power in the relevant markets. • Increased popularity of pets and an increased willingness to spend money on pets as well as on accessories. • Increased sales of electric vehicles which, *inter alia*, drives increased activity for tire workshops. • Increased demand for sustainable modes of transport such as bicycles, electric bicycles, electric mopeds as well as accessories for these. • Increased travel and more restaurant visits.	• Sweden and other Nordic countries. • United Kingdom. • Germany. • Poland.
Brands	• Economic growth. • Consumers' purchasing power in the relevant product segments. • Increased share of online sales for hair care, clothes, tools and other products.	• Sweden and other Nordic countries. • Switzerland. • United Kingdom.
Producers	• Economic growth. • Level of interest in renovations and climate adaption of real estate with the help of, *inter alia*, sun protection. • Market growth in the food industry. • Increasing awareness of the benefits of locally produced products.	• Sweden.

Industry

Each of the Industry verticals has its own key growth drivers, which, *inter alia*, includes the following:

Verticals	Key growth drivers	Current main market for Storskogen's current operations
Automation	• Drive for efficient production, including by lowering production costs, increasing capacity and improving the work environment. • Transition to green production. • Increased digitalisation enables remote control and automated surveillance and signal systems for planned maintenance. • Increased data storage and analysis is facilitated by automated production in order to continually improve production.	• Sweden and other Nordic countries.
Industrial Technology	• Cost effectiveness due to CNC-machines and robotized feeding. • Localized business which shortens lead times and improves service. • Localized business which eases prototype production and continually improving production costs. • Demand for high quality products. • Lowering production costs.	• Sweden and other Nordic countries. • Germany. • Switzerland.
Products	• Urbanisation drives increased demand for certain products, such as cabling, construction materials and furniture. • Electrification increases the use of certain products, such as cabling and construction materials. • Sustainability drives decreased usage of plastics, which is then replaced by different materials such as paper handles in the packing industry and purification filters for oil gases. • Free time/time spent at home/DIY, for example products such as boat trailers, DIY and so on.	• Global.

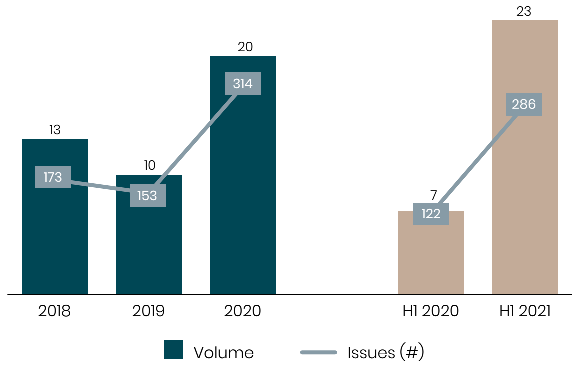
ACCESS TO ACQUISITION FINANCING

In addition to cash flow from operations, access to external acquisition financing is also a key growth driver for Storskogen as it can affect its ability to pursue transactions. Historically, Storskogen has succeeded in attracting investors who have participated in Storskogen's new issues of shares and bonds as well as banks that have lent money, in order to finance Storskogen's continued growth through acquisitions and investments in Storskogen's existing Group Companies.

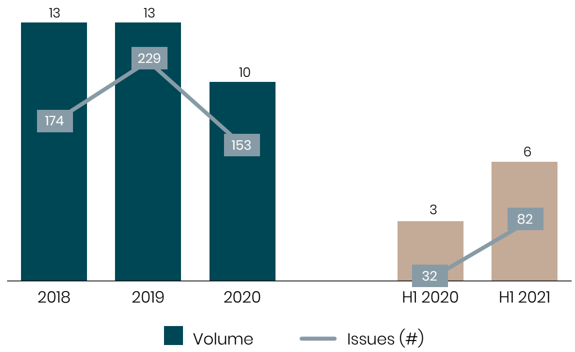
The following chart outline recent trends in the Nordic regions for share issuances and high-yield bonds, indicating attractive access to acquisition financing and growth in invested capital within the Nordic regions.

ATTRACTIVE ACCESS TO ACQUISITION FINANCING AND GROWTH IN INVESTED CAPITAL

Nordic share-issue, issued volume, BEUR and number of issues[1)]



Nordic high-yield bonds, issued volume, BEUR and number of issuesr[2)]



Source: Company information, Stamdata and Bloomberg (FX-conversion Factset).

Note: 1) Nordic IPOs, including both primary and secondary offerings, and directed share issues, between 2018 and H1 2021.
2) Nordic high-yield bond issues, defined as >3 per cent yield, with a minimum issue size of USD 10 million, between 2018 and H1 2021.

COMPETITION LANDSCAPE

Storskogen participates in various types of acquisition processes, both bilateral processes (either through corporate brokers or through its own channels) and in structured and competitive processes (through corporate brokers). During the last year, bilateral processes through brokers and through own channels accounts for about 3/5 of all processes Storskogen has participated in, while competitive structured processes accounted for about 2/5. An important aspect for Storskogen when participating in a competitive process is to only engage in a due diligence after a letter of intent has been entered into with the seller in which it is clarified that Storskogen may exclusively carry out a due diligence and negotiate agreements. Storskogen has historically only on a few occasions agreed to carry out due diligence and negotiate agreements under non-exclusive conditions.

Competition regarding potential acquisition targets of interest to Storskogen primarily comes from the four following groups: (i) industrial groups, (ii) private equity companies, (iii) family offices and (iv) other M&A compounder groups. We believe that the competition for potential acquisition candidates from these four groups differs from time to time, in different geographies and in different verticals, with different sizes of companies etc. In addition, we believe that our value proposition to corporate sellers differs from these four groups.

The strategies of these groups mentioned above, particularly those of other M&A compounder groups, and to a certain extent industrial groups, we believe are in some parts close to Storskogen's strategy, since they also seek to acquire companies with long-term ownership ambitions, although on a slightly different basis to Storskogen's intention of perpetual ownership.

Industrial companies generally include all companies that intend to do some type of add-on acquisitions to their core operations with a focus on achieving synergies, which is often associated with major operational, organisational and brand changes in the target company.

Private equity companies, and to some extent family offices, have a predetermined and shorter time horizon in terms of the investment periods for their portfolio companies and often assesses and evaluates companies based on their ability to implement major financial as well as operational improvements through strong growth and cost savings.

Other acquisition companies may have both a longer and shorter investment horizon, but are usually targeted towards a specific niche within which they aim to carry out more acquisitions, so-called consolidation.

Storskogen believes that it has a competitive advantage over these groups due to applying its robust investment criteria in a broader set of industries, verticals and geographies, which leads to a larger target group of potential acquisitions. Because

Storskogen has a larger selection of potential acquisition candidates, Storskogen can theoretically choose better companies in the verticals and niches that are subject to such micro and macro trends that Storskogen believes in for the long-term and acquire these at reasonable valuations.

Storskogen also considers itself to have a competitive advantage over all these groups thanks to a different value proposition towards the sellers. Industrial companies' add-on acquisitions are usually made with a focus on achieving synergies, which is often associated with major operational, organizational and brand changes in the target company, while Storskogen primarily acquires companies with the aim of continuing to operate them under the same business model as before, with the same organization and under its own brand. Other buyers often place great demands on growth and profitability improvements in the target company during a limited investment horizon, which can lead to a large upside for a company's management, but also a great deal of uncertainty.

Storskogen believes that, compared to other competitors, Storskogen's decentralised model with strong support from the Group enables a balanced commitment in each Group Company where each Group Company receives the individual operational, strategic and financial support they consider necessary, and where the Group Companies' management teams may continue to work to contribute with insight and decision-making regarding in the Group Companies.

Storskogen believes that it is presented with more acquisition opportunities than its competitors due to applying its robust investment criteria in a broader set of industries and verticals and that Storskogen's basic value proposition to corporate sellers enables Storskogen to acquire companies at reasonable valuations that are sometimes at a lower level than those its competitors may achieve.

Business description

OVERVIEW

Storskogen is a fast-growing owner of SMEs and has a track record of successful acquisitions, having carried out 144 acquisitions of businesses and groups since its founding (including the acquisition of six companies the Group expects to complete in October 2021, where the acquisition of Artum is considered as eight acquisitions and the acquisitions of Ashe Invest and On Target are considered as one acquisition). The Group has an experienced and entrepreneurial management which has established an efficient M&A process and organisation.

Storskogen's vision is to be the best owner of SMEs within a broad field of industries and geographies as well as based on Storskogen's robust investment criteria. The Company has a long-term and sustainable perspective when acquiring and managing its companies, which are intended to be owned on a long-term basis without any predefined ownership horizon. As of the date of this Offering Memorandum, Storskogen has not divested or closed down operations in any of its Group Companies. All members of the Group share a common focus on profitability, stable cash flows and obtaining and maintaining a strong market position.

The Group Companies are organised into three business areas, and then into verticals in each business area, as follows:

Business Area	Description	Vertical	Share of Net sales[1)]
Services	• Focus on stable service companies with a clear niche and strong positions in their markets. • Mainly B2B companies aimed at the public and private sectors. • 45 business units (including the acquisition of companies the Group expects to complete in October 2021) and approximately 3,300 employees as of 30 June 2021.	• Construction and Infrastructure • Installation • Digital Services • Engineering Services • Logistics • HR and Competence	44%
Trade	• Focus on trading companies with strong brands within their niches. • Mainly distributors and wholesalers with both their own and external brands. • 23 business units as of 31 August 2021 and approximately 1,300 employees as of 30 June 2021.	• Distributors • Brands • Producers	31%
Industry	• Industrial companies (B2B) operating within automation systems, industrial technology and products. • A new Green Solutions vertical is currently under development. • 27 business units (including the acquisition of companies the Group expects to complete in October 2021) and approximately 2,300 employees as of 30 June 2021.	• Automation • Industrial Technology • Products	25%

1) Refers to each business area's share of the Group's Net sales for the period 1 January–30 June 2021.

Storskogen has a proven business model and portfolio which, through its diversification, has proven its resilience. For example, approximately 97 per cent of the Group's business units continued to be profitable in 2020, despite a year heavily impacted by the COVID-19 pandemic, resulting in approximately one (1) per cent Organic EBITA growth in 2020. Storskogen has a strong execution track record, with a two-year Net sales CAGR of 65 per cent, a two-year Adjusted EBITA CAGR of 68 per cent and a two-year Operating profit (EBIT) CAGR of 69 per cent from 2018 to 2020, respectively. See "*Selected historical financial information—Alternative performance measures*".

HISTORY AND DEVELOPMENT

Storskogen Industrier AB was founded in 2012 by Ronnie Bergström, Alexander Murad Bjärgård and Daniel Kaplan with an ambition to acquire profitable and stable small and medium-sized enterprises. Storskogen's business concept arose from the founders' observation that fundamentally profitable and well-managed privately owned companies for various reasons found it difficult to find a buyer for their business. These difficulties could, for example, stem from the fact that the companies were located far from metropolitan areas or industrial hubs or be due to the size of the companies, i.e., a company could be too small for an industrial or private equity buyer or too large for a local buyer.

Alexander Murad Bjärgård suggested the name "Storskogen" because it reflected the original concept of buying Swedish companies from north to south, and evoked something permanent, natural and real.

By 2014, Storskogen had completed six acquisitions and its M&A operations expanded into companies within trade and services. By 2016, Storskogen had completed 14 acquisitions. In 2016, the business areas of Trade, Industry and Services were formed.

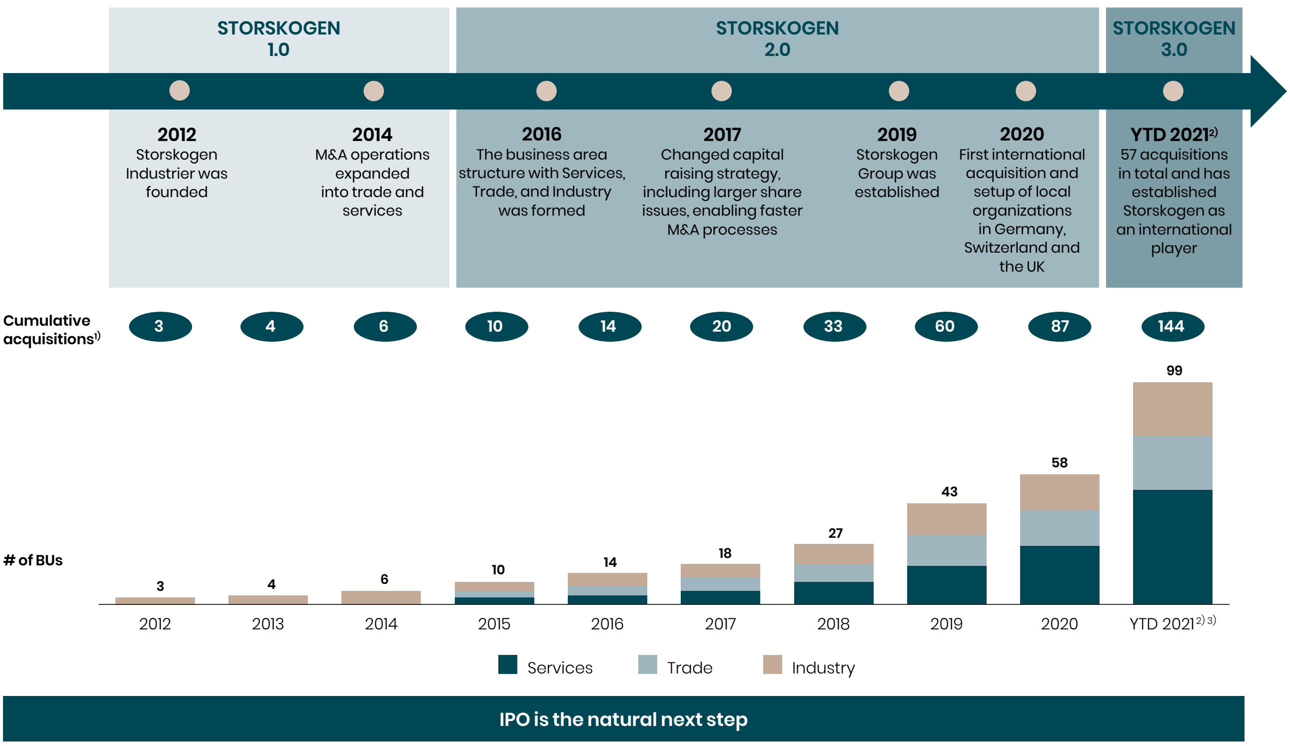
In 2017, Storskogen changed its capital raising strategy, carrying out larger share issues in order to finance several acquisitions and to enable faster M&A processes.

In 2019, the Company was established through the combination of Storskogen Industrier, Storskogen Utveckling and Storskogen 3 Invest to form a unified corporate structure. By this point, Storskogen had completed 60 acquisitions in total since its founding.

In 2020, Storskogen carried out its first international acquisition in Norway (Frends AS) and established local presences in Germany, Switzerland and the United Kingdom to identify and pursue opportunities in those countries.

So far in 2021, Storskogen has completed or entered agreements regarding a total of 57 acquisitions, out of which 41 platform acquisitions and 16 are add-on acquisitions (including the acquisition of six companies the Group expects to complete in October 2021, where the acquisition of Artum is considered as eight acquisitions and the acquisitions of Ashe Invest and On Target are considered as one acquisition). These include, *inter alia*, one acquisition in Denmark, one in Norway and one add-on acquisition in Finland as well as Storskogen's first acquisitions outside the Nordic region in Germany, Switzerland and the United Kingdom. Storskogen has also established local presences in Denmark and Norway to further identify and pursue opportunities in these jurisdictions. In June 2021, Storskogen acquired Artum AG and its subsidiaries in Switzerland and Germany, which comprise eight business units with operations in all three of Storskogen's business area.

As of the date of this Offering Memorandum, Storskogen has carried out 144 acquisitions of businesses and groups in total (including the acquisition of six companies the Group expects to complete in October 2021, where the acquisition of Artum is considered as eight acquisitions and the acquisitions of Ashe Invest and On Target are considered as one acquisition), and is present in 21 countries, with 99 business units (including the acquisition of companies the Group expects to complete in October 2021) and more than 200 portfolio companies. On 30 June 2021 the Group had around 7,000 employees, the majority of whom are outside large cities. As of the date of this Offering Memorandum, we are reviewing opportunities to acquire a number of companies in line with our robust investment criteria. Storskogen has entered into 11 non-binding letters of intent or preferred buyer letters through which Storskogen has obtained exclusivity to carry out due diligence of, and negotiate with, the company and the sellers (the aggregated net sales and profit contribution from these 11 acquisition candidates, based on historical reported accounts and the transactions as currently contemplated, are assessed to be approximately 10 per cent of Storskogen's latest Adjusted RTM Net sales and Adjusted RTM EBITDA). In addition to these, Storskogen continuously evaluates the proposals and possible acquisitions that are presented, of which Storskogen assesses that many are considered to be interesting opportunities for future potential acquisitions. All of these possible acquisitions are in an early stage and no firm commitments have been made as of the date of this Offering Memorandum. If the Group decides to pursue these acquisitions, it is estimated that agreements will be entered before the end of the year.



1) Defined as the total number of business unit acquisitions and add-on acquisitions.
2) As on 31 August 2021.
3) Including the business units acquired from Ceder Capital, which is expected to close in October 2021.

STRENGTHS

Large and resilient platform with diversified SME exposure

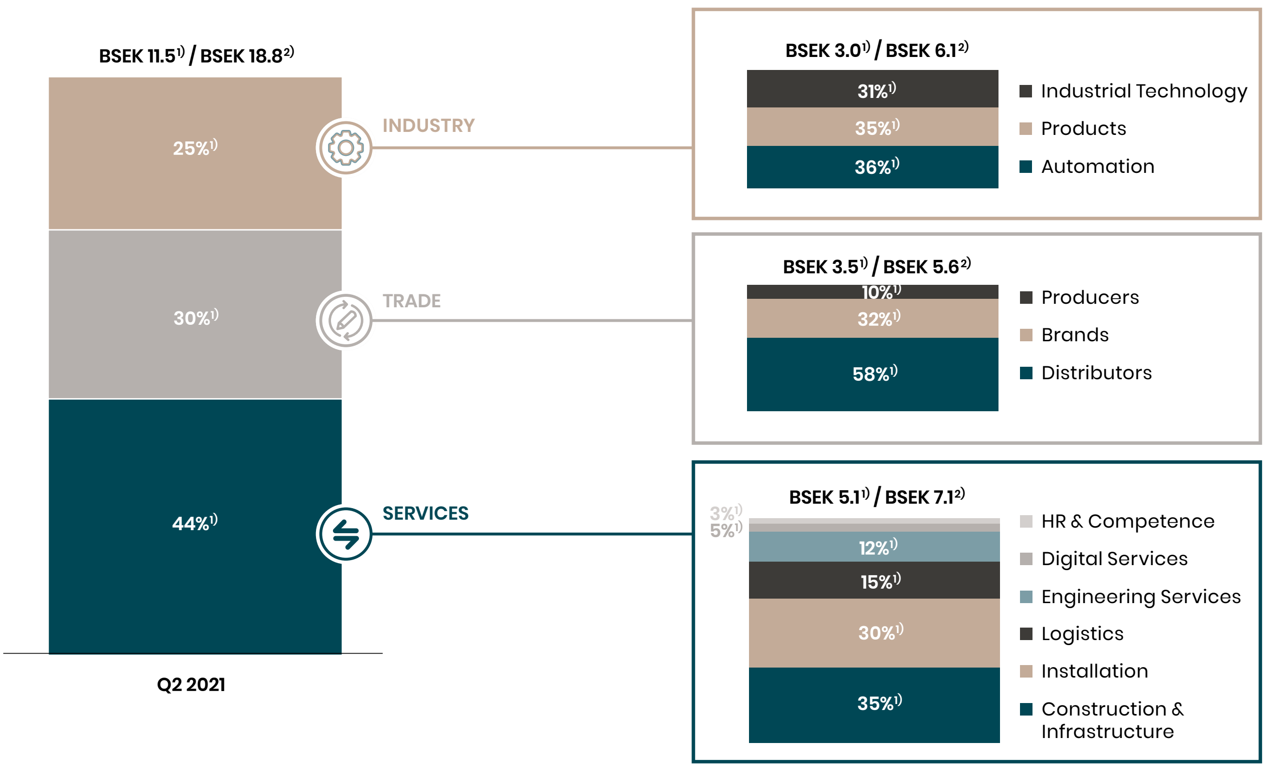
Storskogen has, through acquisitions, built a large portfolio of 99 business units (including the acquisition of companies the Group expects to complete in October 2021), within twelve verticals and three segments, in a diverse range of industries and geographies. At the same time, it has been ensured that such acquisitions were in line with Storskogen's robust investment criteria of stable SMEs with an expected long-term profitability and strong market positions. This is evidenced by the fact that the largest vertical of Storskogen's business comprised only 16 per cent of total Net sales in the year ended 31 December 2020 and 18 per cent of total Net sales in the six months ended 30 June 2021.

Storskogen is subject to a variety of micro and macro factors and global trends, cooperating and counteracting (see further "*Market overview—Key macro trends*"). The diversified nature of Storskogen's business provides resilience for the Group overall, allowing Storskogen to manage risks that would be significant for the individual entrepreneur by spreading such risks across its portfolio and continuously acquiring new businesses across different areas of businesses. This results in independent and different macro drivers across the business areas, coupled with an increasing geographical presence. For example, a strong domestic currency can have a positive effect on imports for the Trade business area, but a weak domestic currency can benefit companies in the Industry business area as it can result in increased exports.

The diversified nature of Storskogen's operations offers resilience to the Group as a whole. This resilience has been demonstrated by the fact that the nature of Storskogen's diversified portfolio enabled 0.8 per cent Organic EBITA growth during 2020, despite the effects of the COVID-19 pandemic and a 35.1 per cent Organic EBITA growth during the period 1 January to 30 June 2021.

Storskogen is a relevant buyer for sellers given that it is focused on acquiring well-run, profitable and stable companies that operate in various industries and verticals. The large selection of potential acquisition candidates is a strength for Storskogen as it provides Storskogen a better opportunity to choose which acquisitions it wants to carry out in order to continue building a diversified and resilient portfolio.

NET SALES SPLIT BY BUSINESS AREA AND SUB-SEGMENT[1]



1) Net sales LTM Q2 2021.
2) Adjusted RTM Net sales Q2 2021.

Decentralised entrepreneurial business model with attractive value proposition

Storskogen has a proven ownership model whereby acquired companies are subject to the Group's principles of financial governance and control, but business decisions remain within the business units, which allows decentralised decision-making, enabling quick reaction to local changes.

Storskogen believes that the decentralised business model, coupled with Storskogen's robust investment criteria, means that Storskogen's business model is scalable. Acquiring stable and companies expected to be profitable with low operational risk forms the bedrock of the scalability. For the long-term, the continued acquisition and growth strategy of Storskogen is enabled through the decentralised business model that ensures that executives in Group Companies remain aligned with longstanding goals and that the businesses are properly managed.

Storskogen has to date acquired a majority of the shares in its acquired businesses, but each business unit maintains responsibility for its own strategy, business competence and earnings. This is because Storskogen believes that removing responsibility from a business' management means removing the entrepreneurial spirit and the drive that forms the core of the Storskogen ownership model.

Storskogen always strives to achieve a common and long-term agenda together with the individual sellers. Since different entrepreneurs may have different goals with the sale of their company, Storskogen always strives to find the structure that suits the selling entrepreneur and Storskogen best. In addition to contingent considerations, Storskogen often enables direct ownership for the sellers, whereby the sellers retain a minority share in their companies (subject to provisions regarding Storskogen's right to acquire such remaining minority shares in due course). This ensures that the sellers and the Group's management, and ultimately Storskogen's shareholders, strive for the same goal. In some cases, selling entrepreneurs have also been given the opportunity to reinvest part of the sales proceeds in B-shares in Storskogen, which has historically led to positive side effects. In some cases, key persons in an acquired company who have not previously been shareholders in that company have also been offered to buy shares and become minority owners to ensure a long-term and aligned interest with Storskogen and other minority owner's interests.

Storskogen has an active role in the Group Companies' boards of directors by appointing a majority of board members and thus ensures that the Group Companies have functional business plans and budgets. The board of directors of each respective Group Company and Storskogen's head office act as a sounding board for the individual businesses' CEOs and management teams through both monthly reconciliation meetings and regular contacts, and contribute with their expertise in various industries and operations. Storskogen also provides its operations with support for strategic initiatives, including add-on acquisitions, as well as financial support for the investments that the operations require. Group Company CEOs also have access to the larger community in Storskogen through participation in the so-called Business Excellence Groups, in-house training and recurring CEO meetings. This enables contacts to be made over a wide network of entrepreneurs, business leaders and employees, as well as the exchange of success stories and insights. This in turn creates and promotes an entrepreneurial environment with healthy competition and a common ambition to develop.

Structured approach to address sustainability

Because Storskogen does not have a predetermined, limited time frame for its ownership of the Group Companies, Storskogen believes that it is important that significant sustainability related risks and opportunities are integrated into Storskogen's acquisition process and business model from early on. The sustainability work of each Group Company shall aim at ensuring that Group Companies stay relevant in their respective markets and to their respective employees, suppliers and local communities in the long term. Each business unit's CEO is responsible for developing and implementing a suitable sustainability initiative in its company. Storskogen also uses its representation on subsidiary boards to ensure continuous dialogue on ongoing and future group-wide and company-specific sustainability efforts.

Storskogen's sustainability work shall focus on three key material aspects:

(a) Minimising negative environmental impact

Storskogen acts to minimise its negative environmental impact and aims to become climate neutral by 2030, to increase the resource efficiency, and to contribute to the transition to a more circular economy.

(b) Being a sustainable employer

Storskogen wants to be a sustainable employer. It therefore continuously works to ensure safe and healthy workplaces, and to contribute to the thriving local communities in which its businesses are located. Storskogen also intends to develop its diversity and inclusion efforts, making it a strategic issue and not only a HR issue.

(c) Ensuring responsible business conduct

Storskogen places great focus on professional conduct and business ethics as well as responsible behaviour through the entire value chain. To support this work, Storskogen has, *inter alia*, adopted a group-wide code of conduct, an anti-corruption policy, with zero tolerance for corruption, and implemented an external whistle-blower function.

For further details, see "—*Sustainability*" below.

Solid pipeline drives continued expansion journey

Storskogen's strategy of buying businesses within a diversified range of industries and geographical regions means that there is a large number of potential targets that have the desired business characteristics within the targeted sectors and sizes. Storskogen estimates, based on public sources and internal analysis, that there are more than 130,000 potential targets in Storskogen's current focus geographies of the Nordic countries, the DACH region and the United Kingdom that are within Storskogen's scope (and approximately 400,000 potential targets across

Europe). Storskogen's relevant value proposition and its numerous channels with inbound information on potential targets, consisting of among others its internal network, brokers and direct inbounds, combined with Storskogen's efficient and selective M&A process this ensures that Storskogen is well equipped for further expansion.

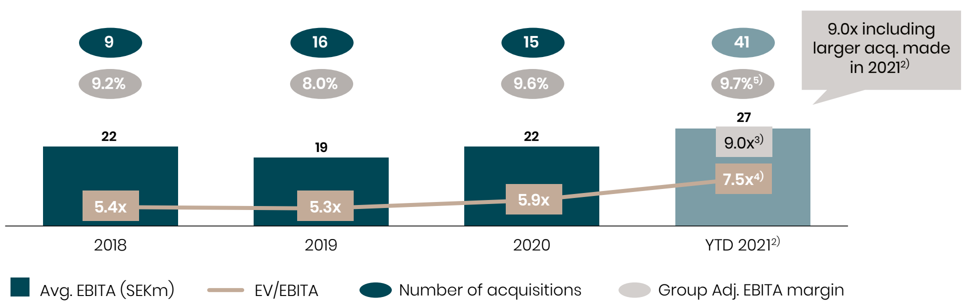
Over the past year, Storskogen has proven to be able to create solid access to acquisition candidates, including outside Sweden and the Nordic countries. During the period 1 July 2019 to 30 June 2020, Storskogen received seven proposals for potential companies to be acquired outside Sweden, which corresponded to approximately 3 per cent of the total number of proposals received during the period. During the period 1 July 2020 to 30 June 2021, Storskogen received 106 acquisition proposals outside Sweden, which corresponded to approximately 32 per cent of the total number of acquisition proposals during the period, and at the date of this Offering Memorandum approximately half of Storskogen's outstanding pipeline is non-Swedish. Storskogen believes that the strongest driving factors for the solid access to potential acquisition candidates is Storskogen's relevant value proposition, strong network of corporate brokers, which are often international, and that Storskogen is perceived as efficient in its acquisition processes, which contributes to high deal certainty. Storskogen's management estimates very high deal certinty post signing of a letter of intent.

The large influx of potential acquisition candidates contributes to Storskogen having the opportunity to continue to focus on acquiring companies that meet Storskogen's investment criteria in a number of different industries and verticals with exposure to various macro trends and market drivers that contribute to an even more diversified company portfolio.

Storskogen's business model leads to positive network effects that enable Storskogen to continue to acquire relevant companies at a high rate. Given Storskogen's robust investment criteria, in which many different types of profitable companies fit, Storskogen is often a relevant potential buyer when a company broker or seller presents a new acquisition opportunity. In addition, Storskogen has proven to be able to run efficient acquisition processes with a team that has experience in running such processes and with expert knowledge in many different sectors and industries. Storskogen believes that this creates an improved, fast and smooth acquisition process that creates certainty for those who want to sell their company and is an important factor when evaluating a potential buyer. The increased number of acquisitions that Storskogen has carried out in recent years has also increased awareness of Storskogen's brand and network, which has resulted in more incoming inquiries from potential sellers and corporate brokers. These factors lead to Storskogen having opportunities to evaluate many companies within the framework of its robust investment criteria, which also brings a diversified portfolio and results in improved opportunities to select the right acquisition candidates at reasonable valuations.

Storskogen has paid an EV/EBITA multiple for the acquisitions completed in 2019 and 2020 (based on a weighted average) of 5.5x. The EV/EBITA multiple for the acquisitions completed so far in 2021 has been higher than the historical average. Storskogen believes that this is primarily due to three factors: (i) Storskogen acquired a number of companies that are significantly larger than previous acquisitions and that had an EBITA margin that exceeds that of the Group, which resulted in higher valuation multiples for these companies; (ii) the majority of the companies acquired had, as a result of covid-19, an EBITA result in 2020 which was judged to be lower than what the companies had performed under more normal circumstances, which has resulted in higher EV/EBITA multiples because they are calculated on audited results from 2020; and (iii) a general increase in asset prices during 2021. Platform and add-on acquisitions during 2018, 2019 and 2020 and the period 1 January to 30 June 2021, respectively, together with an annual weighted average for EV/EBITA multiples, are stated below:

PLATFORM ACQUISITIONS[1)]



Source: Company information.

1) Defined as an acquisition forming a new business unit.
2) As of 31 August 2021.
3) Including larger acquisitions made in 2021 (Wibe, Artum, Brenderup Group and the portfolio acquired from Ceder Capital), some of which are expected to close in October 2021.
4) Not including larger acquisitions in 2021 as defined in footnote 3.
5) As of H1 2021.

Note: Platform acquisitions are onboarded on to the Storskogen portfolio directly while add-on acquisitions are acquisitions done by the existing portfolio companies.

Storskogen's relevant offer to sellers in combination with Storskogen's acquisition and operating methods and in-depth competence have also created the conditions required to carry out international acquisitions, which creates opportunities for a wider and more regular inflow of acquisition candidates, as well as contributing to increased geographical diversion, strategic synergies in the different verticals, and expansion opportunities for its business areas. This has led to Storskogen screening an increasing number of targets outside Sweden, with 106 international targets screened during the period 1 July 2020 to 30 June 2021 (compared to seven international targets screened during the period 1 July 2019 to 30 June 2020)[1].

For further details of Storskogen's acquisition model and process, see ""—*Our operations—Corporate Development and Mergers and Acquisitions*" below.

Strong financial performance and high Adjusted cash conversion

Storskogen's financial performance over the years ended 31 December 2020, 2019 and 2018 and the six months ended 30 June 2021 demonstrates Storskogen's growth and consistent profitability over the period, with the majority of the growth coming from acquisitions. Its Net sales grew by 86.9 per cent between 2018 and 2019 from SEK 3,298 million to SEK 6,163 million and by a further 44.9 per cent between 2019 and 2020, to SEK 8,933 million, with Organic Net sales growth[2] of 5 per cent between 2018 and 2019 and—negative 4 per cent between 2019 and 2020. Storskogen's Net sales have grown by a compound annual growth rate ("**CAGR**") of 65 per cent between 2018 and 2020. Storskogen's Adjusted EBITA has grown from SEK 303 million in 2018 to SEK 494 million in 2019 and to SEK 854 million in 2020, with an Adjusted EBITA margin of 9.2 per cent in 2018, 8.0 per cent in 2019 and 9.6 per cent in 2020, growing by a CAGR of 68 per cent. Storskogen's Operating profit (EBIT) has grown from SEK 272 million in 2018 to SEK 381 million in 2019 and to SEK 774 million in 2020 (profit for the year in 2018 was SEK 199 million, in 2019 was SEK 262 million and in 2020 was SEK 574 million), with an Operating profit (EBIT) margin[3] of 8.2 per cent in 2018, 6.2 per cent in 2019 and 8.7 per cent in 2020, and 8.3 per cent and 7.9 per cent for the six months ended 30 June 2020 and 2021, respectively, growing by a CAGR of 69 per cent. For further detail on the reconciliation of non-IFRS measures, such as Adjusted EBITA and Adjusted EBITA margin, see "*Selected historical financial information—Alternative performance measures*". In the six months ended 30 June 2021, Net sales have increased by SEK 2,536 million to SEK 6,713 million, as compared to SEK 4,177 million for the six months ended 30 June 2020, and organic growth was 13 per cent. In the six months ended 30 June 2021, Storskogen's Adjusted EBITA was SEK 654 million. In 2020, Organic EBITA growth was 0.8 per cent. For the six months period ended 30 June 2021, Organic EBITA growth was 35.1 per cent. See "*Selected historical financial information—Alternative performance measures*".

Storskogen's Operating cash flow[4] has increased from SEK 266 million in 2018, to SEK 494 million in 2019 and to SEK 815 million in 2020, with an Adjusted cash conversion[5] percentage of 66.8 per cent in 2018, 71.1 per cent in 2019 and 69.5 per cent in 2020, growing by a CAGR of 75.1 per cent. For further detail on the reconciliation of non-IFRS measures, such as Operating cash flow, see "*Selected historical financial information—Alternative performance measures*". In the six months to 30 June 2021, Storskogen's Operating cash flow was SEK 1,180 million, with an Adjusted cash conversion percentage of 134.1 per cent. This can be attributed to the acquisition of cash generative businesses with limited capital expenditure requirements. The Adjusted cash conversion entails strong ability to finance acquisitions or deleverage depending on the circumstances. See "*Selected historical financial information—Alternative performance measures*".

Storskogen has an asset-light business model. Storskogen's Net working capital[6] as a percentage of Net sales was 8.8 per cent in 2018, 10.1 per cent in 2019 and 12.2 per cent in 2020. For further detail on the reconciliation of non-IFRS measures, such as Net working capital, see "*Selected historical financial information—Alternative performance measures*".

For further details on Storskogen's results of operations and financing, see "*Operating and Financial Review*". For further detail on the reconciliation of non-IFRS measures, see "*Selected historical financial information—Alternative performance measures*".

Experienced leadership team

Storskogen's founders are long-term entrepreneurs with strong transaction experience, have built multiple successful companies and are still key persons in Storskogen's management. The management has a combined solid experience from growth companies as well as large global companies. Storskogen's governance model of being a supportive owner in a group with organised knowledge sharing and a healthy competitive environment, has proven successful and attractive to potential targets. Storskogen also aims to identify any additional management needs and recruits accordingly, for example, Storskogen added local teams in the United Kingdom, Germany and Switzerland to identify and access opportunities in those geographies.

VISION AND STRATEGY

Vision

Storskogen's vision is to be the best owner of SMEs within a broad field of industries and geographies as well as based on Storskogen's robust investment criteria.

Storskogen's ambition is to grow to be a company generating annual EBITA of more than SEK 15 billion by continuing to acquire stable and profitable companies with a leading position in their market. Storskogen believes that there are several

1 Only refers to such acquisition candidates who have ended up in Storskogen's pipeline. The majority of acquisition candidates have not been included in the list as Storskogen made an early assessment that they did not fit into Storskogen's robust investment criteria.
2 For further discussion regarding Organic Net sales growth, see "*Selected historical financial information—Alternative performance measures*".
3 For further discussion regarding Operating profit (EBIT) margin, see "*Selected historical financial information—Alternative performance measures*".
4 For further discussion regarding Operating cash flow, see "*Selected historical financial information—Alternative performance measures*".
5 For further discussion regarding Adjusted cash conversion, see "*Selected historical financial information—Alternative performance measures*".
6 For further discussion regarding Net working capital, see "*Selected historical financial information—Alternative performance measures*".

advantages related to growing its business further, including the optimization of capital allocation across many sectors and geographies and reaching a "critical mass" in many sectors, which will lead to Storskogen having leading sector knowledge in many geographies. For further detail on the reconciliation of non-IFRS measures, such as EBITA, see "*Selected historical financial information—Alternative performance measures*".

Strategy

Storskogen's strategy to implement its vision is as follows:

(a) Acquisition of stable and profitable SMEs

Storskogen's strategy is to acquire stable SMEs which meet its robust investment criteria with a common focus on long-term profitability, stable cash flows and obtaining and maintaining strong market positions in a diverse range of industries and geographies.

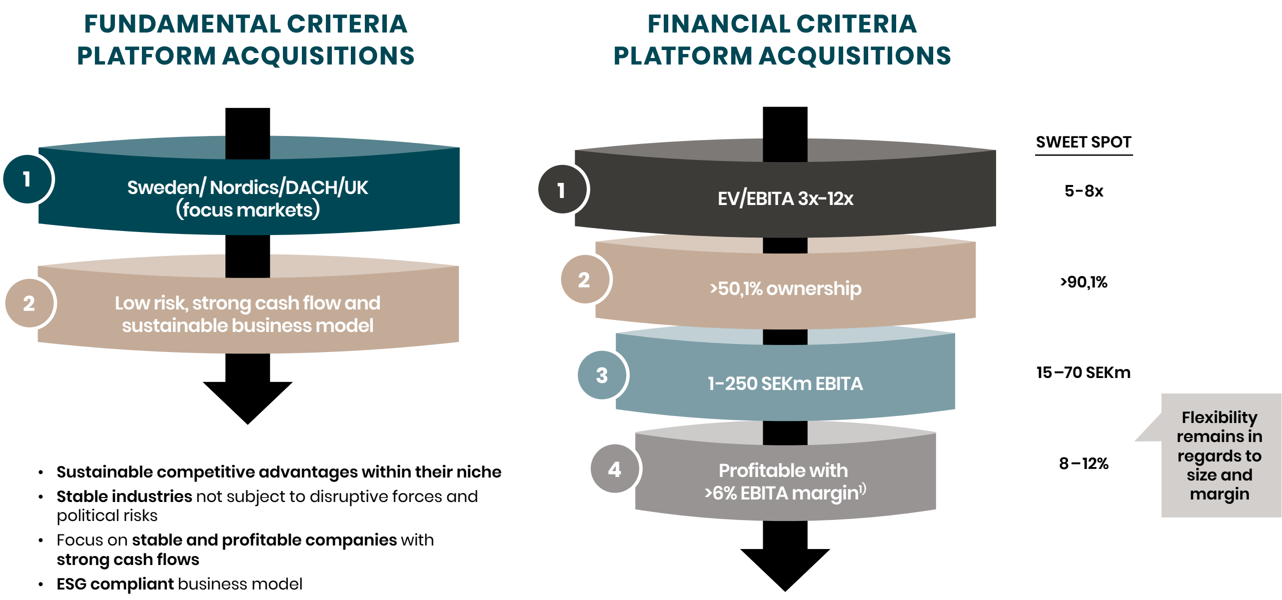
Storskogen's investment criteria aim to secure growth based on sustainable businesses. Storskogen combines rigid criteria around certain fundamental business characteristics, while retaining some flexibility on the size of the targets and the margins.

For so-called platform acquisitions, Storskogen's fundamental criteria are that the businesses are headquartered in one of its focus markets (currently Sweden, the other Nordic countries, the DACH region and the United Kingdom) and that they are low risk, strong cash flow businesses with a sustainable business model. This requires the businesses to have sustainable competitive advantages that they are active within niches with long-term attractive macro trends, and that they are in stable industries which are not subject to disruptive forces and political risks, to be stable and profitable and to have an ESG compliant business model. Storskogen's key financial criteria are that the EV/EBITA of the businesses are between 3.0x and 12.0x (with a focus on businesses with between 5.0x and 8.0x EV/EBITA), that it acquires more than 50 per cent of the shares in the relevant target (with the right to acquire up to 100 per cent of shares over time), that the annual EBITA is between SEK 1 and 250 million (with a focus on businesses with annual EBITA of between SEK 15 and 70 million) and that the businesses have an EBITA margin of more than 6 per cent (with a focus on businesses with a yearly EBITA-margin of more than 10 per cent). For further detail on the reconciliation of non-IFRS measures, such as EBITA margin, see "*Selected historical financial information—Alternative performance measures*". However, Storskogen are flexible around the size and margins of such businesses.

Storskogen applies different fundamental and financial criterial for add-on transactions, which it regards as a key growth driver for its portfolio companies. The fundamental criteria applied are that there is a clear strategic rationale for the transactions, that there is achievable synergy potential and that the relevant target can be managed by the acquiring portfolio company. The financial criteria applied (with flexibility as to size and margin) are that the EV/EBITA of the businesses are between 3.0x and 12.0x (with a focus on businesses with between 3.0x and 7.0x EV/EBITA pre synergies), that it acquires more than 50 per cent of the shares (with the right to acquire 100 per cent of shares over time), that the annual EBITA of each business is between SEK 1 and 50 million (with a focus on businesses with annual EBITA of between SEK 1 and 15 million) and that the businesses are profitable (with a focus on businesses with annual EBITA margins of between 8 and 12 per cent).

To fund future acquisitions and Storskogen's growth strategy (including the central organisation required by such strategy), Storskogen's intention in the medium-term is to raise new capital through the issuance of debt instruments or incurrence of other debt financing and/or the issuance of shares or share related securities.

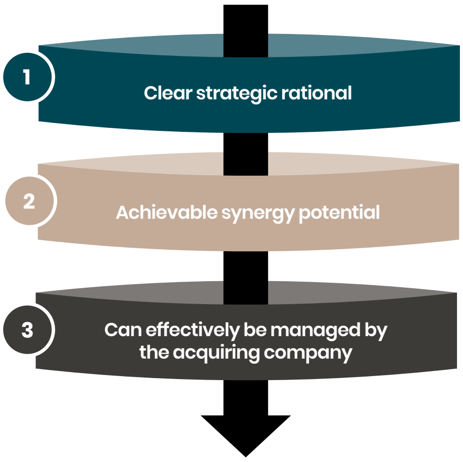
Storskogen's investment criteria



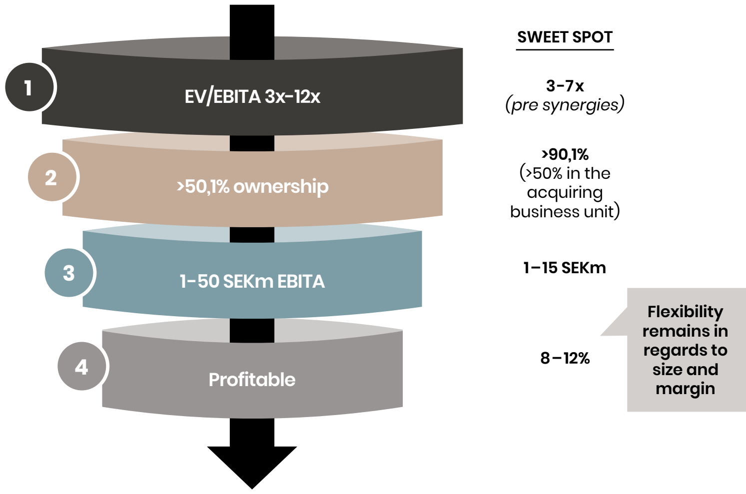
Source: Company information.

1) Denotes desired EBITA margin but flexibility remains.

FUNDAMENTAL CRITERIA ADD-ON ACQUISITIONS



FINANCIAL CRITERIA ADD-ON ACQUISITIONS



Source: Company information.

(b) *Maintain and increase diversification of Storskogen's portfolio*

In connection with the acquisition process, Storskogen seeks to ensure that it maintains sufficient diversification.

Storskogen's primary focus, to date, has been to acquire companies with their main operations in Sweden, but Storskogen has also started to aim at acquiring stable, well-managed companies in the other Nordic countries, the DACH region and the United Kingdom, with the potential to expand to further regions in the coming years.

As Storskogen grows, it is working to ensure it has the necessary resources and personnel to implement its strategy, including the recent establishment of local presences in Switzerland and the United Kingdom in 2020 and in Germany, Denmark and Norway in 2021.

(c) *Bring and create value as an owner*

Storskogen's strategy to create sustainable long-term cash generation, profits and organic growth is based on decentralised decision-making, encouraged entrepreneurship at its business units, a professional approach throughout its business units and taking a long-term perspective.

Once it acquires its businesses, Storskogen focuses on ensuring the right team is in place and the team gets a sounding board in the form of a professional board and an owner who takes responsibility for fulfilling the company's vision. Storskogen also gives companies the opportunity to utilise Storskogen's internal knowledge network, which is found both within Storskogen's central functions but also within all business units included in the company portfolio. Storskogen's organisation and entrepreneurial approach is a competitive advantage that distinguishes Storskogen from many financial buyers. For company sellers, who are often family entrepreneurs, it is often important to get an owner who understands entrepreneurship and with whom they can work together to further develop the company. Storskogen was founded by entrepreneurs, and Storskogen's values and corporate culture form a large part of Storskogen's value creation as owners.

Storskogen also provides financial certainty and provides capital to businesses if required to enable the investments that are required for the company to be competitive in the long-term. In addition, Storskogen puts in place a clear governance and reporting framework, which helps to monitor the progress of each business.

Although Storskogen mainly acquires new independent companies without the requirement to create direct synergies, it is a welcome side effect of Storskogen's broad corporate portfolio is that synergies are still achieved as a result of, *inter alia*, companies within the same vertical, with similar purchasing structure or with similar customer portfolio can reach certain synergies.

All business leaders have different goals and visions with their operations and Storskogen works to be helpful and support the business leaders to reach these goals and visions. Some of Storskogen's portfolio companies form the basis for consolidation acquisitions (i.e., to acquire and merge smaller companies in the same industry to consolidate them into a larger company) where the management team is a driving force to create new and improved opportunities in their own market. At present, Storskogen, in addition to acquisitions of new independent companies, also carries out add-on acquisitions and achieves synergies such as lowered purchasing costs as well as improved logistics and warehousing within around ten business units.

(d) Focus on sustainable business models

Storskogen strives to acquire companies with a sustainable business model, prioritising long-term results over short-term gains, maintaining a strong focus on responsible ownership, professionalism and business ethics, and having the right people in place. For Storskogen sustainability is a natural part of the decision-making process. Storskogen therefore integrates sustainability into its ongoing work with identifying, evaluating, acquiring and developing companies.

For Storskogen a sustainable business model means companies whose products and/or services are believed to remain relevant and attractive to customers, employees and/or society in the future. Storskogen avoids investing in companies that generate a substantial part of their revenues from commercial gambling, pornography and the arms or tobacco industries. Storskogen also avoids acquiring companies whose business models are considered to hinder the transition to a low-carbon society, but willingly acquires companies that are committed to making such transition.

MEDIUM-TERM FINANCIAL TARGETS

The financial targets presented in this section constitute the Group's expectations in the medium-term, including EBITA, EBITA margin, Adjusted cash conversion, leverage and dividend policy. These financial targets are based on a number of assumptions which by their nature are associated with significant commercial, operational, economic and other risks, which fully or in part may fall outside the Group's control. There is a risk that these assumptions change or will not be met at all. In addition, unforeseen events may significantly affect the Group's results whether the assumptions will prove to be correct or not. Thus, the Group's actual results may differ significantly from the medium-term financial targets presented in this Offering Memorandum and investors should not place undue reliance on them.

Storskogen's board of directors has adopted the following medium-term financial targets:

- **EBITA-growth:** 2021 is forecasted to show strong growth, driven by both organic performance and pace of acquisitions. Storskogen intends to continue its M&A strategy and to maintain growth levels in line with historical performance. Acquisitions are the foremost drivers of growth and will be funded through cash generation and future debt issuance in accordance with Storskogen's capital structure policy; in the event of significant M&A activity, driven by the availability of attractive target companies, Storskogen may use potential future equity issuances to accelerate growth to the extent market conditions are favorable. Organic EBITA growth[1] after 2021 is expected to be in line with real GDP growth in the markets in which Storskogen is active, plus 1–2 percentage points, and is expected to be driven by the operational performance of the Group Companies and higher growth contributions from Group Companies outside Sweden.
- **EBITA margin:** Storskogen's target is to maintain an EBITA margin[2] of approximately 10 per cent on average in line with the historical performance of Storskogen's diversified portfolio of profitable and stable businesses.
- **Adjusted cash conversion:** Storskogen's target is to achieve an Adjusted cash conversion[3] of more than 70 per cent, calculated based on the last twelve months, with low average capital requirements within the Group and a strong focus on cash generation.
- **Leverage:** Storskogen aims to invest its cash flow in organic growth initiatives and acquisitions while maintaining a responsible capital structure. Storskogen's target is a Net debt to Adjusted RTM EBITDA[4] ratio of 2.0–3.0x. Depending on timing of acquisitions, leverage may temporarily exceed 3.0x but is not expected to exceed 3.5x.
- **Dividends:** Storskogen's board of directors has adopted a dividend policy of dividends corresponding to 0–20 per cent of profit for the year.

OUR OPERATIONS

Overview

Storskogen's operations from a Group perspective are organised as follows:

1. **Corporate Development and Mergers & Acquisitions**
   This area is dedicated to working to acquire businesses and developing the Group.
2. **Business Areas**
   Once acquired, the businesses are supported and governed by their relevant business area. The three business areas, Services, Trade and Industry, provide industry and business know-how to support the M&A activity but are otherwise fully focused on the Group's existing businesses.
3. **Regional Operations**
   As Storskogen has expanded outside the Nordic region, local teams have been established in the United Kingdom and the DACH region. These regional teams cover both M&A expertise and business area expertise.
4. **Group Functions**
   These functions provide support and oversight to the whole Group.

1 Calculated as change in EBITA, excluding acquisition and divestment related effects, compared to the corresponding period in the previous year. For further discussion regarding Organic EBITA growth, see "*Selected historical financial information—Alternative performance measures*".
2 Calculated as EBITA as a percentage of Net sales. For further discussion regarding EBITA margin, see "*Selected historical financial information—Alternative performance measures*".
3 Calculated as Operating cash flow as percentage of Adjusted EBITDA. For further discussion regarding Adjusted cash conversion, see "*Selected historical financial information—Alternative performance measures*".
4 Calculated as Net debt compared to Adjusted RTM EBITDA.

Corporate Development and Mergers and Acquisitions

Corporate Development and Mergers and Acquisitions is the core of Storskogen's business, with a large number of available targets across Storskogen's current focus regions. Storskogen's M&A team has significant experience in making acquisitions, and is led by an overall Head of M&A. Below the overall Head of M&A there are Heads of M&A for each region to whom the employees who are responsible for the day to day M&A operations report.

Storskogen believes that the following factors provide it with a competitive advantage as an acquirer compared to others in the market:

(a) Investment horizon and criteria

Storskogen acquires its businesses with the intent to retain them for a long period of time. For a number of sellers this is favourable since the long-term ownership contributes to Storskogen's willingness to invest in what is perceived to be the best for the acquired company's long-term survival and well-being, which, among other things, provides security for the company's employees, suppliers and customers.

Storskogen finds that its investment criteria lead to a large pool of potential targets which in turn means that Storskogen has the opportunity to create a diversified and risk-balanced portfolio with exposure to many different underlying markets and macro trends.

(b) Sourcing

Storskogen is looking for acquisition candidates through several channels, including through its own internal networks, various corporate brokers and direct proposals from entrepreneurs. This provides a wide selection of potential acquisition candidates for Storskogen and leads to a strong and even flow of new acquisition opportunities. Storskogen continuously evaluates these opportunities based on its investment criteria and engages in many initial dialogues to create a more thorough understanding of the acquisition candidate, and its market, if the acquisition candidate were to form a good complement to Storskogen's diversified company portfolio and contribute to risk diversification. In addition, Storskogen evaluates whether Storskogen consider themselves to be the best potential owner for the acquisition candidate. In this way, Storskogen can create a credible value offer to the company seller.

(c) Valuation methodology

Storskogen uses valuation methods such as cash flow valuations and valuation multiples for comparable companies and transactions. For platform acquisitions, synergies do not constitute a requirement and the acquisition candidate is valued on its own basis, while synergies can form a basis for the valuation of the company for add-on acquisitions. From the sellers' perspective, this is advantageous compared to other buyers, whose valuation is typically based on the realisation of synergies and that need to achieve specific return requirements, which often places great demands on operational and financial improvements and accelerated growth. Storskogen evaluates acquisition candidates' EBITA result is expected to be over a cycle and uses it as a basis for its valuation.

(d) Financial structure

Storskogen strives for responsivity to each seller's situation and therefore adapts the structure according to which the acquisition is made. Storskogen always acquires a majority of the shares upon acquisition, and often 100 per cent of the shares initially. Sometimes previous shareholders are allowed to remain as minority shareholders in the acquired company, with which Storskogen enters into a shareholders' agreement with the right for the minority owner to sell their shares to Storskogen in the future, sometimes with a possible financial upside as well as a right for Storskogen to acquire the minority shareholder's shares. Storskogen can also offer some sellers contingent considerations based on future financial or operational performance measures. The flexibility of the structure is advantageous because it can contribute to Storskogen and company sellers having the same goals and incentives during the first years of Storskogen's ownership, sometimes for longer periods of time. Storskogen primarily offers cash payment for its acquisitions.

(e) Due diligence and legal documentation

Storskogen's due diligence process is focused and targeted, concentrating on understanding the relevant business from a commercial and operational perspective as well as investigating financial and legal issues and risks. For Storskogen, the due diligence process also fulfils a relationship-building purpose as Storskogen and key people from the acquisition candidate have the opportunity to meet several times. Storskogen always strives to minimize disruptions in operations during the due diligence process. Storskogen typically uses a focused sale and purchase agreement and, when relevant, shareholders' agreement to establish security for both sellers and Storskogen.

(f) Transaction certainty

Storskogen's decentralised and flexible decision-making process, with smaller transaction specific investment committees (whose composition and size are dependent on the nature and size of the transaction), the ability to proceed without board approval for the majority of transactions, flexible meeting dates and focused due diligence with in-house expertise, means that it is able to react quickly and with a high level of certainty when it comes to closing transactions.

(g) Involvement post transaction

Storskogen's decentralised model primarily means; (i) that the entrepreneurship is maintained with the leading executives within the business units who may continue to run their business and make direct decisions concerning daily operational activities while maintaining the flexibility and ability for Storskogen to provide resources and support to the business units if necessary, and (ii) that Storskogen has the opportunity and capacity to scale up the Group by continuing to acquire new business units at a high rate.

Storskogen's acquisition process consists of the following five key stages:

Sourcing

Storskogen's main focus is on companies which match Storskogen's robust investment criteria. However, larger acquisition sizes and higher multiples in new geographies may also be considered, for example where Storskogen is aiming for higher organic growth, decreasing initial operational risks in new geographies, where it wishes to establish a "brand" via high quality acquisitions or where it wishes to establish a platform for additional add-on acquisitions. Storskogen believes that its multiples on future acquisitions will average 7x going forward, which is slightly higher than historical multiples, taking into consideration that we will make a number of larger transactions each year. The Group has already experienced higher multiples during the last twelve months given that the Group paid higher multiples for the acquisition of high quality international businesses that will serve as a platform in its geographic expansion, through the larger size of these acquisitions and through the quality and the margin of these acquired businesses. Storskogen's entry into larger domestic markets may also result in larger companies being acquired, as Storskogen has a preference for strong niche players. These larger acquisitions typically mean increased team sizes (which can lower the risk of dependency on a limited number of key individuals) and an increased number of customers and suppliers (meaning there is less risk to the business if a single customer or supplier is lost). They also tend to be more organised (meaning less management time is required from Storskogen's head office), can lead to faster market entry as they have a larger market share, and can deliver higher organic growth due to their size.

Storskogen identifies potential targets through a number of sources: (i) Storskogen's internal business network where entrepreneurs who are already part of Storskogen actively recommend Storskogen to potential targets; (ii) Storskogen's strong relationship with a large number of brokers who reach out to it with potential targets and (iii) direct inbound enquiries from companies seeking buyers (many of whom have become aware of Storskogen as a result of its prior acquisition activity).

ESG analysis is also a key part of Storskogen's acquisition process. Storskogen will not acquire businesses in sectors that it does not think are based on a long-term sustainable business models, such as weapons, tobacco, gambling and pornography. Storskogen also avoids companies with a business model that is judged to be disadvantaged by, or stand in the way of, a transition to a low-carbon society, e.g. coal, oil and gas as well as certain other types of fossil fuels where the conversion is deemed to be too complex and/or costly.

This stage involves participants from Group functions, the M&A team and the relevant business area.

Screening

At this stage, Storskogen will prepare materials for evaluation, carry out preliminary due diligence and have initial meetings with management. This initial screening is carried out at a senior level, involving both the M&A team and the relevant business area, and is designed to eliminate targets which do not match current investment criteria or are otherwise not deemed to fit into Storskogen's company portfolio. For example, Storskogen excludes companies that have weak cash flows, are start-ups or have untested business models, operate in disruptive sectors, are non-ESG compliant, carry political or technical risks etc.

During the period 1 July 2020 to 30 June 2021, Storskogen submitted indicative bids for about 30 per cent of the targets it evaluated, and approximately 60 per cent of such non-binding indicative bids led to acquisitions. The decision to take bids through to this stage is typically made by at least three members of Storskogen's relevant seniority level (dependent on target size), with at least one person who has met with the target and participated in the preliminary due diligence review, though for small acquisitions below SEK 25 million of enterprise value this is reduced to two people, and for acquisitions above SEK 600 million of enterprise value, the approval of the board of directors is also required to proceed to signing. Decisions are taken on a consensus basis—every decision maker has a veto right to reject the proposed investment.

Evaluation

Storskogen then proceeds to conduct a more thorough evaluation. This includes in-depth legal, financial, operational and commercial due diligence, using a combination of in-house and external advisers, who are selected based on the nature of the target. This is a joint effort between the M&A team and the relevant business area, with the business area being largely focused on the commercial and operational aspects.

As part of this phase, Storskogen follows a three step approach regarding ESG-related matters. First, it assesses whether the target in any way is in conflict with Storskogen's sustainability policy and exclusion criteria. If the target meet these fundamental requirements, Storskogen moves on to step two, identifying material ESG risks and ESG opportunities and assessing the company's ability to manage the value enhancement in the long-term. These factors potentially impact price, with Storskogen putting increased value on companies that already have, or by simple means can make a transition to, a sustainable business model compared to companies that face a more extensive and complex transition process. Depending on the outcome of step two, step three entails filling in an ESG questionnaire providing Storskogen with more in depth information on the company's sustainability status. This information is also a part of the onboarding process in the event of a potential acquisition.

Implementation

The terms and ownership structure of the transaction are then negotiated with the owner(s) of the target. Storskogen's appeal is that Storskogen aims to be a business partner who is easy to collaborate with, acquiring businesses at a reasonable valuation. At this point, materials will be prepared for the relevant decision-making committee (whose membership will depend on the nature and size of the transaction), which often involves both the M&A team and the relevant business area.

Storskogen will always acquire a majority of the relevant target. Historically, Storskogen has tended to acquire 90–100 per cent of each business, but Storskogen may also acquire lower levels of ownership if deemed appropriate. Storskogen may, for example, acquire a smaller ownership stake in high growth companies where the owners see growth potential and want to share the upside, if Storskogen believes there is significant risk in companies as a result of the companies being dependent on individuals or teams or if the seller wishes to retain a portion of ownership.

Storskogen believes that remaining minority owners in companies in suitable industries such as e-commerce companies, original equipment manufacturers or brands with scalable business models where the businesses are add-on acquisitions or service companies, can deliver higher organic growth, reduce team risk (as the sellers remain involved and committed), increase short and medium-term performance and provide access to targets in attractive segments. In cases where the seller of a company is offered to keep a share of their holding in the company, a mandatory put/call option enabling Storskogen to eventually acquire up to 100 per cent of the equity is included in the purchase agreement.

Handover

Once acquired, the internal handover process commences. The acquired business continues to run independently, with Storskogen providing advice on financial management and, through its position on the board of the acquired business, providing ongoing dialogue with the rest of the board and management. The acquired business is also required to comply with Storskogen's internal policies (including financial reporting, internal control routines and KPI reporting) which is facilitated by implementation documents, templates and, in certain cases, internal training provided by Storskogen. This stage is mainly managed by the relevant business area and the Group's finance function, with support from the M&A team. In addition, the acquired business is added to the Group's cash pool (which reduces the financial risk for the parent company).

As a part of the above process, the Head of ESG and an appropriate representative of the relevant business area shall meet to review the ESG questionnaire and assess possible actions the acquired business needs to take in terms of improving its sustainability efforts. There is then a separate introduction with the acquired business' management to present Storskogen's sustainability process and policy, followed by a strategic sustainability discussion at the subsidiary board level with a focus on discussing the business' material sustainability aspects, possible developments in the business' environment and how this will affect the business model, as well as making decisions on strategic prioritisation and the future strategy.

To support continued sustainability work at the subsidiary level, an appropriate action plan shall be prepared for the acquired business, including any relevant goals and performance measures that are relevant in addition to the group-wide performance measures which apply to all companies within the Group. Within six to nine months following completion of the acquisition, the company shall have prepared suitable goals and action plans to reach these goals. The companies are expected to initiate the implementation of the sustainability work not later than twelve months following completion of the acquisition. Thereafter, the action plan is updated when required, based on the outcomes of the annual strategic discussion.

Monitoring of current sustainability issues and projects by the respective company's board are then carried out, paired with annual reporting of Group-wide sustainability data, review of policy compliance and adoption of any new or updated policies.

Business development

In addition to the previously mentioned activities in connection with the acquisition and handover process, Storskogen is actively working on the continued development of, and to improve the results in, the acquired Group Companies. The main responsibility for the continued development of the Group Companies lies with the business areas, which provide commercial expertise and strategic support (see the section "*—Business areas*" below). In addition to the development of the individual Group Companies, there are also examples of activities that promote knowledge sharing and information exchange between the Group Companies both within each business area and across the entire Group.

This can take the form of exchanges of experiences and lessons, leadership conferences and various forms of networking (for example, for leadership, finance and strategy functions). For example, in 2019 Storskogen arranged a conference where all Group Companies were instructed in how to draw up contingency plans for future economic crises, which has been useful during the COVID-19 pandemic. Historically, these exchanges of knowledge have, *inter alia*, strengthened individual Group Companies with increased efficiency, development of project follow-up, increased sales and strengthened profitability. Furthermore, Storskogen has in recent years worked actively with the development of so-called Business Excellence Groups ("**BEGs**"). BEGs are voluntary to participate in and work to improve results, manage and develop talents and facilitate acquisitions. Each BEG consists of specialists from the Group Companies and works to establish effective forums for knowledge sharing, implementation of joint training and the establishment and measurement of key figures to accelerate knowledge synergies. This may, for example, refer to synergies in purchasing and procurement where Group Companies collaborate to obtain more attractive purchase prices or synergies in ERP system implementation.

BUSINESS AREAS

Storskogen is divided into three business areas: Services, Trade, and Industry. Each business area is led by the Head of the relevant business area, who leads the relevant business area on a global basis and has overall responsibility for the business area. The business area managers acts as chairperson of the board of the largest portfolio companies, and who is also involved in the sourcing, screening and selection of potential acquisition targets. Each business area also has:

(i) **Business Area Controller(s)**—these persons make up a newly established function for each Business Area and will be key persons for follow-ups of the business area and its individual business units. The controllers will be responsible for profit and liquidity prognoses and for analysing performance measures as well as is responsible for driving some internal projects. The controllers will also perform investment analyses.

(ii) **Investment Director**—these individuals act as members and/or chairpersons of the boards of portfolio companies. Investment Directors are responsible for day-to-day interaction with portfolio companies in a more leading role, carry out commercial and/or technical screening, work with selecting potential targets and act as heads of the vertical. Their previous experience often includes being CEOs of companies, or positions of similar levels of responsibility. Some Investment Directors are managers for a specific vertical, while some other Investment Directors are responsible for multiple verticals.

(iii) **Senior Investment Manager**—these individuals act as members and/or chairpersons of the boards of directors of portfolio companies. They may also be head of smaller or less complex verticals and are responsible for day-to-day interaction with portfolio companies and carrying out commercial and/or technical screening and selection of potential targets.

(iv) **Investment Manager**—these individuals act as members of the boards of portfolio companies and are responsible for day-to-day interaction with portfolio companies and carrying out commercial and/or technical screening and selection of potential targets. Their previous experience often includes about five years of high performing analytical roles.

Each business area is mainly focused on managing and acquiring new portfolio companies in addition to ensuring the sharing of knowledge and expertise among portfolio companies.

Each business area is responsible for governance of its business units, and for budgets, business plans, quarterly CEO gatherings, monthly reports and meetings and daily and weekly interactions with the individual businesses. Storskogen's subsidiaries' boards, each of which has a member of the business area team sitting on it, are required by Storskogen to consider various topics at certain times of the year, ensuring a structure to board discussions. Each business area is also responsible for ensuring compliance with central policies and functions and sustainability is addressed in accordance with Storskogen's sustainability process.

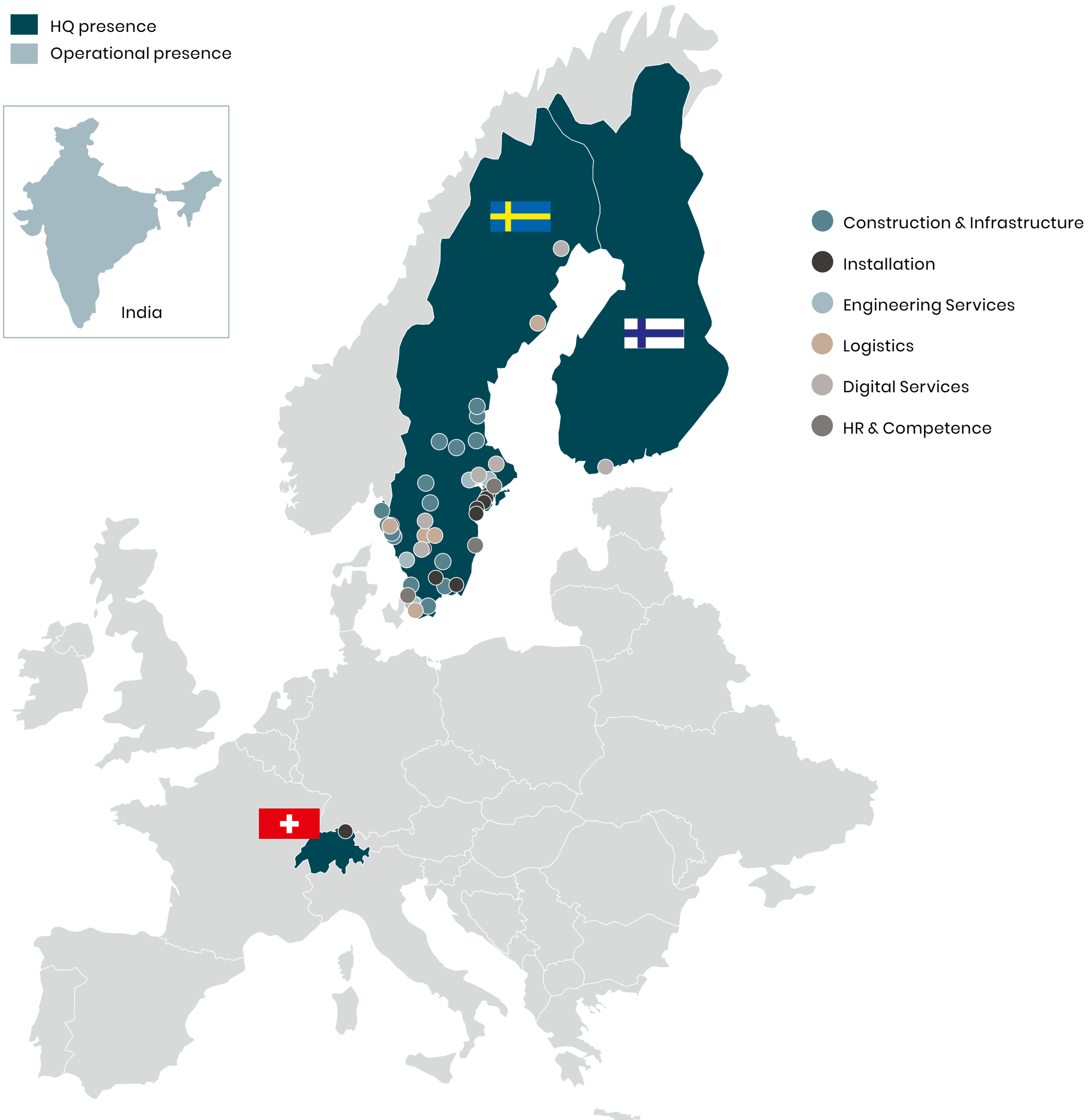
The business areas' management and development of the Group Companies takes place mainly through board representation via both employees at Storskogen and external representatives. Development activities can generally be summarized as individual, strategy and capital-related.

Individual-related development refers, for example, to the replacement of existing, or the recruitment of new, senior executives and other key personnel in Group Companies in order to appoint new leadership with new skills as a result of, for example, generational change, lack of results or strategic change.

Strategy-related development refers to for example, calibration of existing and implementation of new strategies to, for example, strengthen profitability or accelerate existing strategic initiatives.

Capital-related development generally refers to decisions on investments to strengthen the Group Companies' ongoing development and future results. This has historically included, for example, investments in machinery and automation to drive efficiency, investments in new warehouses and general investments to strengthen the financial stability of the Group Companies. Capital-related development to a large extent also refers to financing and support for additional acquisitions.

Services business area
Overview



Map as per 31 August 2021.

The Services business mainly consists of "business to business" companies aimed at both the public and private sectors. The business area's six verticals are Installation, Logistics, Construction and Infrastructure, Engineering Services, Digital Services as well as HR and Competence. The Services business area was formed in 2016 to focus on and achieve synergies from development work with Storskogen's service-related companies and has grown to become Storskogen's largest business area by number of units, sales and employees with approximately 45 business units (including the acquisition of companies the Group expects to complete in October 2021) and approximately 3,300 employees (as of 30 June 2021), and 44 per cent of sales and 45 per cent of Group Adjusted EBITA in the six months ended 30 June 2021. Storskogen supports the Services business units on topics such as IT security and continuity, operational excellence, risk management, succession planning and sustainability.

When making acquisitions, the Services business area focuses on international targets within its current verticals, smaller add-ons, acquisitions that will diversify the portfolio further with the current verticals and potential new verticals.

The portfolio of the Services business area consist of companies with strong market positions in their respective niches. Hence the companies in the Services business area have historically shown an ability to adjust prices based on market conditions. The pricing between the different companies within the diversified business area generally varies, but prices in general tend to follow or stay close to inflation rates and are linked to the economy as whole. Each company has its own pricing model.

Installation vertical

The Installation vertical consists of business units providing services within the plumbing, heating (including air conditioning) and painting sectors, as well as electrical and technical installations across Sweden and Switzerland. Its customers are predominately municipal and private real estate companies and as well as large and small construction companies. According to the Company's estimates, the vertical has a strong position in the local markets in which its business units operate, predominantly across mid/south Sweden. A total number of 8, 9, 1 and 1 acquisitions were completed in the Installation vertical during the six months ended 30 June 2021 and the years ended 31 December 2020, 2019 and 2018, respectively.

Logistics vertical

The Logistics vertical consists of businesses engaged in providing freight services and freight forwarding, both nationally and internationally. Its customers consist of other companies, industrial customers, restaurants, freight, ports and printers. Its primary market is Sweden and the other Nordic countries, and the Company estimates that the vertical has a strong market position where its business units operate. A total number of 1, 0, 1 and 1 acquisitions were completed in the Logistics vertical during the six months ended 30 June 2021 and the years ended 31 December 2020, 2019 and 2018, respectively. The majority of Net sales stems from long-term contracts with Swedish state-owned actors, which leads to a strong visibility of revenues.

Construction and Infrastructure vertical

The Construction and Infrastructure vertical mainly consists of companies involved construction related activities such as demolitions, excavations, foundation work and other modernisation of aging infrastructure and buildings. Its customers are typically business customers within both the private and public sectors (municipalities). Its primary market is Sweden and according to the Company's estimates, the vertical has a strong position in local markets, especially in mid/south Sweden. A total number of 8, 8, 5 and 2 acquisitions were completed in the Construction and Infrastructure vertical during the six months ended 30 June 2021 and the years ended 31 December 2020, 2019 and 2018, respectively.

Engineering Services vertical

The Engineering Services vertical consists of business units that provide design planning and engineering consultation to developers, construction companies and private property owners. Its companies operate within the steel frame assembly, architecture and advanced measurement technology sectors. Its primary markets are Sweden and the other Nordic countries, and the Company estimates that the vertical has a strong market position where its business units operate. A total number of 1, 1, 0 and 1 acquisitions were completed in the Engineering Services vertical during the six months ended 30 June 2021 and the years ended 31 December 2020, 2019 and 2018, respectively.

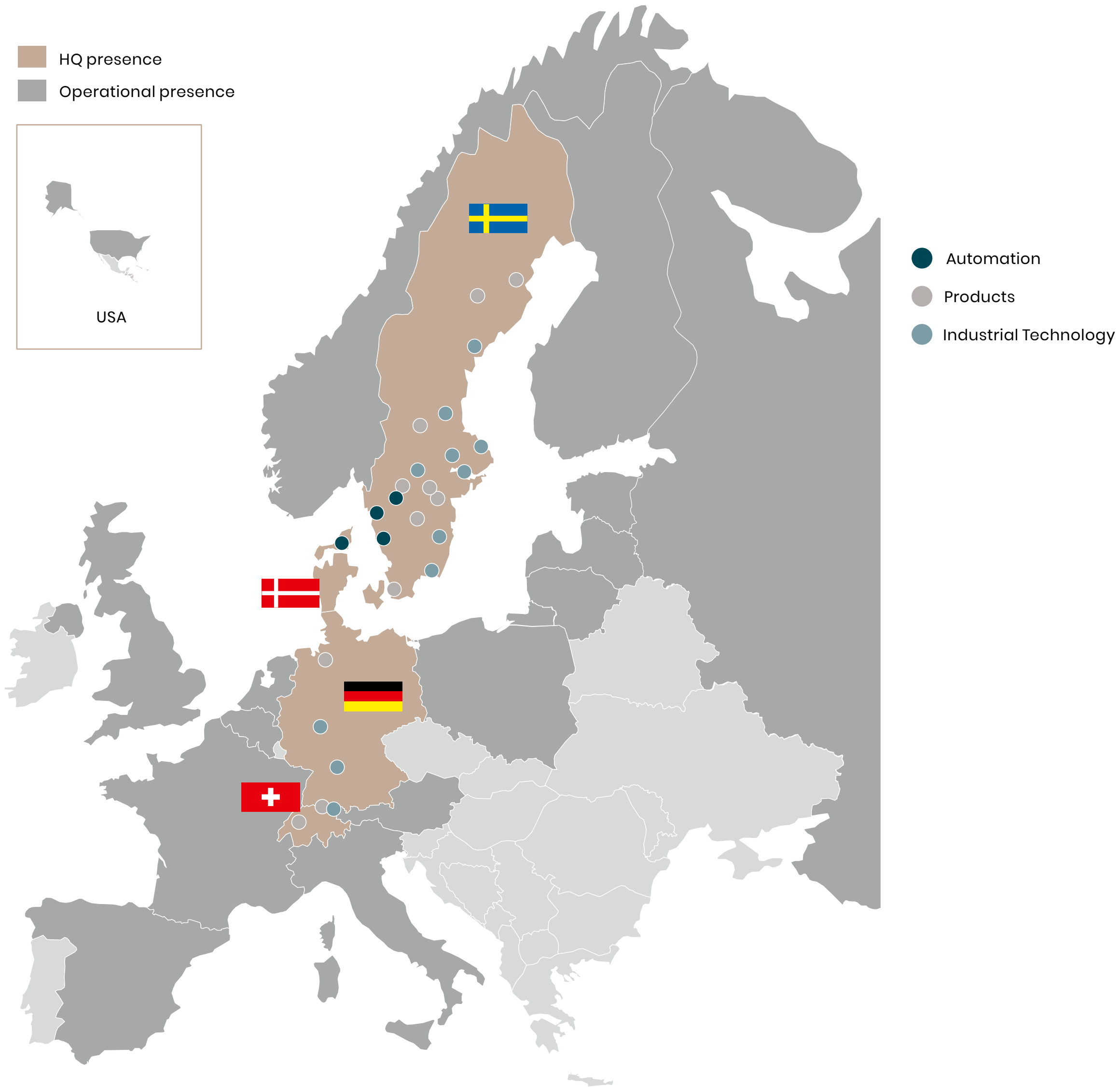
Digital Services vertical

The Digital Services vertical was formed in 2020 and consists of business units providing a wide range of IT and digital related services to business customers within both the private and public sectors. Recent acquisitions have widened the portfolio to include digital products. Its main current geographical markets are Sweden and the other Nordic countries. According to the Company's estimates, the vertical has a strong market position and is the market leader in specific services in Sweden. A total number of 2, 1, 1 and 1 acquisitions were completed in the Digital Services vertical during the six months ended 30 June 2021 and the years ended 31 December 2020, 2019 and 2018, respectively.

HR and Competence vertical

The HR and Competence vertical was formed in 2020 and consists of business units engaged in the provision of adult education, labour market education, company education, staffing, recruitment and support/matching services to private companies and the Swedish government. The majority of its sales are from long-term contracts with Swedish state-owned actors. Its main current geographical market is Sweden and, according to the Company, the vertical has a strong market position within specific educations. A total number of 2, 1, 0 and 0 acquisitions were completed in the HR and Competence vertical during the six months ended 30 June 2021 and the years ended 31 December 2020, 2019 and 2018, respectively. A majority of the revenue comes from long-term contracts with municipalities, the Swedish Public Employment Service and other Swedish state owned actors, meaning that we have a stability in revenues.

Industry business area
Overview



Map as per 31 August 2021.

The Industry business encompasses traditional industrial companies in heavy or medium-heavy industry, serial production and automation. Storskogen supports the Industry business units on topics such as succession planning, strategy development, investments and add-on acquisitions.

The Industry business area was Storskogen's first business area and acquired its first companies in 2012. As at the date of this Offering Memorandum, the business area comprises 26 business units (including the acquisition of companies the Group expects to complete in October 2021), which are divided into the Automation, Industrial Technology and Products verticals (as well as a Green Solutions vertical that is currently under development), and approximately 2,300 employees (as of 30 June 2021). As part of Storskogen's overall diversification strategy, it strives to ensure that the business units are spread across a number of industries. The business area is currently present in Sweden, Denmark, Germany and Switzerland with continued international expansion planned.

When making acquisitions, the business area focuses on companies within the construction products industry, companies within its new vertical of Green Solutions, tech focused companies working with industry, international expansion and stable companies with low structural risks.

The companies in the Automation vertical and approximately half of the companies in the Industrial Technology vertical base their prices on project quotations, which take price changes of raw materials into consideration. The remaining companies in the Industrial Technology vertical each have a specified customer price, which may be adjusted to changes in raw material prices with some delay. Generally, nearly all portfolio companies in the Industry business area have in the past been able to compensate for increases in the prices of raw materials by corresponding price increases towards their respective customers, in some cases, with some delay and, in few cases, only in part.

Industrial Technology vertical

The Industrial Technology vertical consists of business units in Sweden, Germany and Switzerland carrying out heavy engineering operations such as cutting and welding of steel constructions and foundries, and contract manufacturers of machining parts. Storskogen has, according to the Company's estimates, a locally leading market position in this area. A total number of 3, 0, 4 and 1 acquisitions were completed in the Industrial Technology vertical during the six months ended 30 June 2021 and the years ended 31 December 2020, 2019 and 2018, respectively.

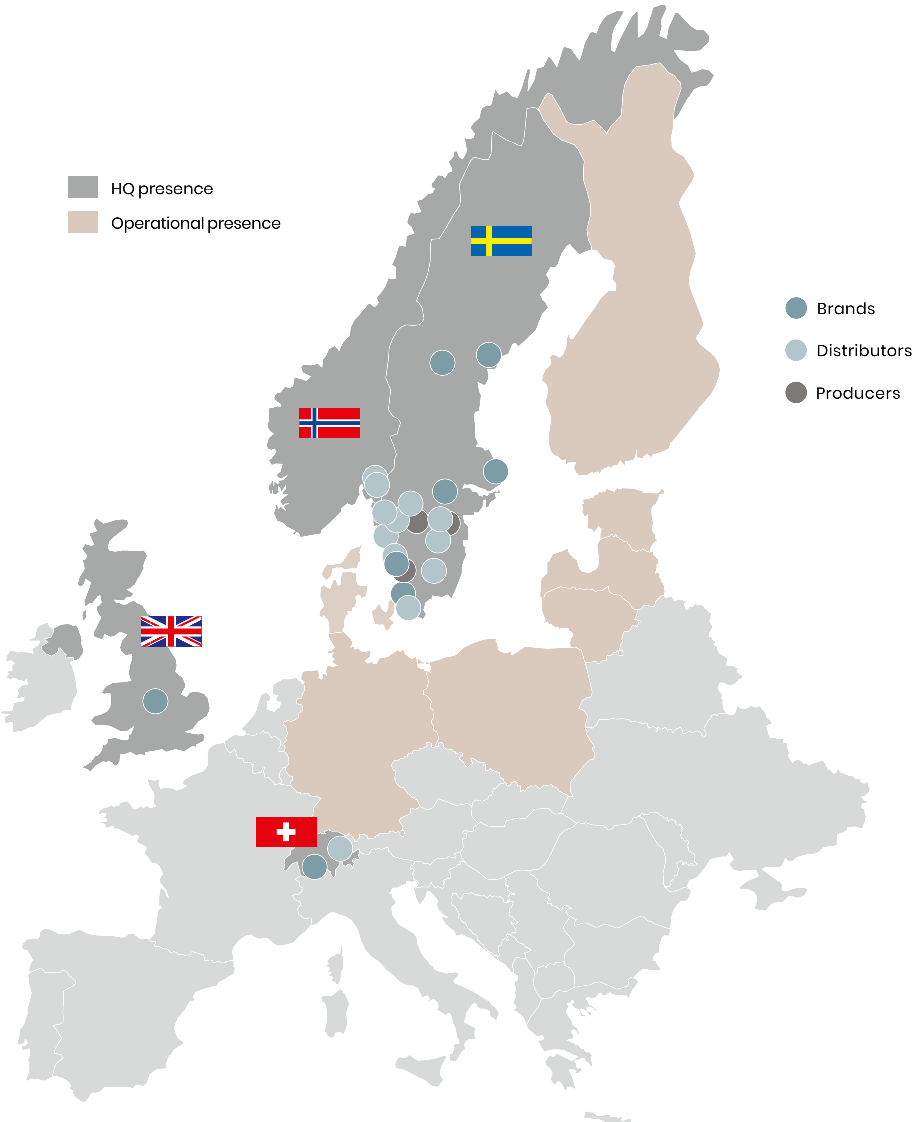
Automation vertical

The Automation vertical consist of business units that deliver high tech automation solutions to industries across geographical markets, including automation for the wood industry and the automotive and bakery sectors. Storskogen believes that this vertical will become increasingly important, particularly in the DACH region, with a large part of the Industry business area moving towards automation and digitalisation. According to the Company, Storskogen has a locally leading market position within this area. A total number of 2, 0, 3 and 1 acquisitions were completed in the Automation vertical during the six months ended 30 June 2021 and the years ended 31 December 2020, 2019 and 2018, respectively. The acquisition of Jernbro Automation was signed after 30 June 2021.

Products vertical

The Products vertical consists of companies who have their own product assortment and control the majority of their value chains. Its main products/services include the production of trailers, automobile cabinets, custom-built interiors for hotels and public spaces, furniture manufacturing and integrated services. According to the Company's estimates, some of the business units have a global leading market position, and others are locally leading. A total number of 7, 2, 1 and 0 acquisitions were completed in the Products vertical during the six months ended 30 June 2021 and the years ended 31 December 2020, 2019 and 2018, respectively.

Trade business area
Overview



Map as per 31 August 2021.

The Trade business area was created at the beginning of 2019, when Storskogen had acquired many companies that were not industrial or service companies. The business area consists mainly of distributors and wholesalers with both their own and external brands and has recently entered the UK and Switzerland.

The business area has 23 business units (as of 31 August 2021) and approximately 1,300 employees (as of 30 June 2021) and is divided into three verticals: Distributors, Brands and Producers. Storskogen supports the Trade business units on topics such as digitalisation, reduction in Net working capital, inventory optimisation and management and corporate governance.

When making acquisitions, the business area focuses on consolidation, e-commerce (mainly outside of Sweden) and international expansion and looks to continue to be opportunistic across different verticals.

Approximately half of the portfolio companies in the Trade business area update their prices twice a year to take into account adjusted purchasing prices, freight costs and other costs. The remaining companies in the Trade business area sets the prices continuously based on the purchase price of goods. Price increases differ depending on the individual portfolio company and average approximately at the GDP development +/-2 per cent per year. Storskogen aims to keep a specific gross margin for each of the portfolio companies.

The majority of companies within the Trade business area sells to business clients. Those companies within the Trade business area that sell to retail clients mostly sell their products through the online channel.

Distributors vertical

The Distributors vertical consists of distributors mainly focusing on distribution of products from external brands, often within niche or/specialised areas with strong margins. The vertical distributes products in categories such as haircare, flooring, and pet products. According to the Company's estimates, the vertical is one of the leading distributors within niche high margin distributors in the Nordics. A total number of 11, 2, 4 and 4 acquisitions were completed in the Distributors vertical during the six months ended 30 June 2021 and the years ended 31 December 2020, 2019 and 2018, respectively.

Brands vertical

The Brands vertical consists of business units with their own brands and product development, including e-commerce, that are directed to resellers or directly to consumers. These products include hair care, work wear and delicacies. According to the Company's estimates, the vertical has a market position with high development potential. A total number of 4, 1, 2 and 0 acquisitions were completed in the Brands vertical during the six months ended 30 June 2021 and the years ended 31 December 2020, 2019 and 2018, respectively.

Producers vertical

The Producers vertical, consist of companies that completely or partially produce or assemble their own products, with a focus on consumer orientated products, which are then sold to resellers or directly to consumers. It includes producers of awnings and blinds and producers of poultry equipment. A total number of 1, 2, 4 and 0 acquisitions were completed in the Producers vertical during the six months ended 30 June 2021 and the years ended 31 December 2020, 2019 and 2018, respectively.

REGIONAL OPERATIONS

In 2020, Storskogen established local presences in Switzerland and the United Kingdom. In 2021, Storskogen has established local presences in Germany, Denmark and Norway. Storskogen intends to use these local presences to identify and source M&A opportunities in those countries, take advantage of experience from those local markets, and enable a smoother M&A process for acquisitions in those jurisdictions.

GROUP FUNCTIONS

These functions are responsible for the establishment and implementation of central policies and functions. This includes:

(i) Group Finance team—this team's responsibilities include financial and internal controlling, group accounting, treasury, tax, financial reporting, managing the Group's financing and cash-pool as well as compilation of profit and liquidity prognoses for the Group. The Group Finance team is also responsible to ensure that subsidiaries (including acquired businesses) report according to the Group's instructions.

(ii) Other group-wide functions—these include Legal, ESG, Communications and Human Resources.

SUSTAINABILITY

Overview

With Storskogen's long-term ownership perspective, sustainability is an integral part of the business model. Storskogen has therefore developed a structured process on how to integrate sustainability aspects prior to and following acquisitions as described further in "*—Our operations—Corporate Development and Mergers and Acquisitions*" above.

By way of a materiality analysis and a dialogue with stakeholders, the Group has identified three key material aspects for the Group's sustainability efforts: minimising negative environmental impact, being a sustainable employer and ensuring responsible business conduct. In addition, depending on the industry, geographic market or type of customer, there might be additional sustainability aspects of material importance to individual business units or segments.

Minimising negative environmental impact

Storskogen acts to avoid having a negative impact and strives to contribute to solutions which may have a positive impact on the environment. Storskogen therefore aims to include an environmental perspective in important decisions and to address material environmental aspects in its subsidiaries' strategies and processes.

Storskogen requires that all its Group Companies must comply in all respects with the laws, regulations and authority requirements that apply to their businesses. The subsidiaries that conduct environmentally hazardous activities in accordance with applicable environmental regulations must ensure that they comply with the reporting requirements or registration and authorisation.

Where it is relevant to the business, Storskogen strives for certification according to an environmental management system, such as ISO 14001 or Svensk Miljöbas, as it involves external verification of the relevant business' structure and work on these issues. In companies with major challenges and significant customer requirements regarding the environment, this type of management system is particularly important. Storskogen therefore requires all companies in the Industry business area to be certified in accordance with both ISO 14001 Environment management systems and ISO 9001 Quality management systems. As of 31 December 2020, 56 per cent of the companies in that business area were certified in accordance with an environmental management system (ISO 14001 or equivalent), while 63 per cent were certified according to ISO 9001.

Storskogen believes that climate change is one of the greatest global challenges, with consequences that impact the environment, individuals and businesses, the world over. Storskogen avoids acquiring companies whose business model is judged to be disadvantaged by or hinder the transition to a low-carbon society.

Storskogen's aim is to achieve climate neutrality by 2030, use science based targets and align with the Paris Agreement. Storskogen has compiled its first climate report to illustrate the climate impact across its subsidiaries and which has established that Storskogen's greatest climate impact comes primarily from vehicles and machinery used in the Logistics, Engineering Services, Construction and Infrastructure and Installation verticals. Storskogen is using the information gained from this work to set targets and plan measures to reduce future climate impact at both group and company level.

All electricity used at Storskogen's headquarters is from renewable sources. For Storskogen's business areas, the Trade business area sources 11 per cent of its electricity from renewable sources, the Industry business area sources 57 per cent of its energy from renewable sources and the Services business area sources 19 per cent of its energy from renewable sources.

Being a sustainable employer

Storskogen seeks to be a sustainable employer, which includes attracting and retaining employees including by offering competence development and exciting career paths, promoting gender equality and diversity, continuously working to ensure safe and healthy workplaces, and contributing to thriving local communities. Storskogen, its subsidiaries and its partners should act in a way that respects and protects people's fundamental rights and freedoms.

Storskogen strives to create a more equal organisation and to promote diversity. Storskogen does not accept discrimination in any form, and employees are recruited, promoted and replaced solely based on their qualifications and merits for the work and entirely without regard to gender, gender identity, ethnicity, disability, sexual orientation, age, religion or other belief. The proportion of women employed in the Group as at 30 June 2021 was 22 per cent. As of the same date, the proportion of women on the Group board was 40 per cent, and the proportion of women on the subsidiaries' boards being female was about one quarter. Storskogen is in the process of developing a plan to achieve a more even gender distribution throughout the Group going forward. This includes adopting additional KPIs in 2021 relating to female representatives in management positions, sick leave and staff revenue and the implementation of a Diversity and Inclusion Policy.

The Group's success depends on good, long-term relationships with stakeholders in and around Storskogen, including authorities, suppliers, municipalities, neighbours, and trade unions. Storskogen often acquires entrepreneurial businesses that conduct a large part of their operations in small towns. This makes each such business an important local employer and partner. Storskogen sees great value in protecting such businesses' history, entrepreneurship and local knowledge, and after they are acquired, the businesses generally continue to operate locally.

Ensuring Responsible Business Conduct

Storskogen believes that, with a long-term perspective, sustainability is an important part of its decision-making processes. More than 80 per cent of Storskogen's subsidiaries' CEOs believe that sustainability efforts will be important or crucial for the future growth of their businesses. Storskogen has a strong focus on professionalism and business ethics, and ensures that sustainability is addressed in the value chain. As part of this, there is a group-wide code of conduct in place, with violations reported and tracked. Storskogen is also in the process of implementing a group-wide supplier code of conduct. Storskogen has an anti-corruption policy with zero tolerance for corruption. Storskogen also maintains an external whistle blowing function, available for both employees as well as external partners and suppliers.

EMPLOYEES AND CULTURE

To fulfil its vision of becoming the best owner of SMEs, Storskogen's main focus from a Human Resources perspective is to attract, retain and motivate competent and engaged employees. This spans across all of Storskogen. At the Group level, the main focus is to have, highly-skilled and experienced professionals in each of the Group functions (e.g., M&A, Investment Management, Finance and Sustainability) supporting the business units and delivering new M&A opportunities. At the individual business unit level, the focus is on having the right CEOs in charge given their integral role in Storskogen's decentralised model with its focus on entrepreneurship.

As of 30 June 2021, the number of employees in Storskogen was 6,974. As of 31 December 2020, the number of employees was 3,565 (average number of employees in 2020: 3,154; average number of employees in 2019: 2,222; average number of employees in 2018: 1,050). Storskogen has significantly increased its headcount over the last years to facilitate the M&A process. Storskogen aims to provide a good work environment from a physical, psychological and social perspective and also to ensure compliance with national health and safety laws and the health and safety regulations that result from any agreements and/or collective bargaining agreements that are entered into. The CEO of each business unit is responsible for ensuring that all employees receive the necessary training and protective equipment as well as know and comply with applicable health and safety rules, policies, and processes within their work area.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Selected historical financial information

The following information should be read in conjunction with "*Operating and financial review*" and "*Capitalisation and indebtedness*" as well as the Group's Audited Combined and Consolidated Financial Statements and the Group's Unaudited Consolidated Interim Financial Statements in "*Historical financial information*".

SELECTED INFORMATION FROM THE GROUP'S STATEMENT OF PROFIT OR LOSS

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021[1]	2020[1]	2020[2)3)]	2019[2)3)]	2018[2)3)]
Net sales	6,713	4,177	8,933	6,163	3,298
Cost of goods sold	(5,258)	(3,329)	(7,128)	(5,040)	(2,684)
Gross profit	**1,455**	**848**	**1,805**	**1,123**	**614**
Selling expenses	(528)	(315)	(664)	(453)	(225)
Administrative expenses	(459)	(247)	(503)	(332)	(158)
Other operating income	224	81	227	68	49
Other operating expenses	(162)	(18)	(91)	(25)	(8)
Operating profit	**530**	**349**	**774**	**381**	**272**
Financial income	5	5	7	2	2
Financial expenses	(53)	(37)	(108)	(35)	(18)
Net financial items	**(48)**	**(32)**	**(101)**	**(32)**	**(16)**
Profit before income tax	**481**	**316**	**673**	**348**	**255**
Income tax expense	(100)	(72)	(100)	(87)	(56)
Profit for the period/year	**381**	**243**	**574**	**262**	**199**
Profit for the period/year attributable to:					
Owners of the parent company	355	229	542	250	194
Non-controlling interest	26	14	32	11	5

1) Based on the Group's Unaudited Consolidated Interim Financial Statements as stated on pages F-2–F-14.
2) Based on the Group's Audited Combined and Consolidated Financial Statements as stated on pages F-16–F-62. The figures for 2019 consist of aggregated financial information until the Group's legal formation in November 2019 and the figures for 2018 consist of an aggregation of financial information. For more information, see Note 1 in the Group's Audited Combined and Consolidated Financial Statements on page F-23–F-28.
3) In the Group's Audited Combined and Consolidated Financial Statements for the year ended 31 December 2020, certain inter-company eliminations have been reclassified to increase the Group's ability to monitor existing business areas, meaning that amounts have been adjusted in each affected item in the statement of profit or loss for the years ended 31 December 2018, 2019 and 2020. The statements of profit or loss for the year ended 31 December 2018 and the year ended 31 December 2019 were restated to facilitate comparability. The reclassifications had no effect on the profit for the years ended 31 December 2018, 2019 and 2020 or the key financial ratios presented as performance measures in the Group's Audited Combined and Consolidated Financial Statements, see also "*Historical financial information*".

SELECTED INFORMATION FROM THE GROUP'S STATEMENT OF FINANCIAL POSITION

	30 June		31 December		
(SEK million)	2021[1]	2020[1]	2020[2]	2019[2]	2018[2]
Assets					
Intangible assets	12,454	4,104	5,154	3,064	1,696
Property, plant and equipment	1,798	806	861	640	421
Right-of-use assets	834	492	610	478	255
Financial investments	7	5	6	1	2
Non-current receivables	120	17	17	12	7
Deferred tax assets	55	3	4	10	6
Total non-current assets	**15,269**	**5,427**	**6,653**	**4,205**	**2,387**
Inventories	2,198	993	935	707	320
Tax assets	190	41	53	25	26
Trade receivables	2,385	1,172	1,227	826	596
Contract assets	340	332	235	268	120
Prepaid expenses and accrued income	360	133	138	124	35
Other receivables	207	75	150	38	15
Current investments	6	0	745	0	0
Cash and cash equivalents	6,593	1,476	1,866	1,730	179
Total current assets	**12,277**	**4,223**	**5,349**	**3,717**	**1,291**
Total assets	**27,546**	**9,650**	**12,002**	**7,923**	**3,678**
Equity					
Share capital	1	1	1	1	–
Other contributed capital	5,400	–	1,929	–	–
Reserves	6	(4)	1	1	(3)
Retained earnings	2,448	3,406	2,977	2,903	1,422
Equity attributable to owners of the parent company	**7,855**	**3,403**	**4,909**	**2,905**	**1,419**
Non-controlling interests	**916**	**268**	**353**	**202**	**76**
Total equity	**8,771**	**3,671**	**5,262**	**3,107**	**1,495**
Liabilities					
Interest-bearing non-current liabilities	10,335	3,035	3,189	2,239	55
Non-current lease liabilities	554	360	440	358	188
Other non-current liabilities	1,151	319	637	321	119
Provisions	179	24	27	22	26
Deferred tax liabilities	770	247	263	203	137
Total non-current liabilities	**12,988**	**3,986**	**4,556**	**3,142**	**525**
Interest-bearing current liabilities	480	160	330	306	823
Current lease liabilities	263	132	154	121	61
Contract liabilities	230	334	114	277	96
Trade payables	1,457	588	652	446	320
Tax liabilities	237	91	142	98	53
Other liabilities	2,018	213	237	128	140
Accrued expenses and deferred income	1,064	469	548	295	165
Provisions	38	5	8	3	–
Total current liabilities	**5,786**	**1,993**	**2,184**	**1,674**	**1,657**
Total liabilities	**18,775**	**5,979**	**6,740**	**4,816**	**2,183**
Total equity and liabilities	**27,546**	**9,650**	**12,002**	**7,923**	**3,678**

1) Based on the Group's Unaudited Consolidated Interim Financial Statements as stated on pages F-2–F-14.
2) Based on the Group's Audited Combined and Consolidated Financial Statements as stated on pages F-16–F-62. The figures for 2019 consist of aggregated financial information until the Group's legal formation in November 2019 and the figures for 2018 consist of an aggregation of financial information. For more information, see Note 1 in the Group's Audited Combined and Consolidated Financial Statements on page F-23–F-28.

SELECTED INFORMATION FROM THE GROUP'S STATEMENT OF CASH FLOWS

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021[1]	2020[1]	2020[2]	2019[2]	2018[2]
Operating activities					
Profit before tax	481	316	673	348	255
Adjustment for non-cash items	334	208	500	325	104
Income tax paid	(216)	(127)	(170)	(100)	(70)
Cash flow from operating activities before change in working capital	**599**	**397**	**1,003**	**573**	**289**
Increase (-)/Decrease (+) in inventories	(201)	45	140	(53)	21
Increase (-)/Decrease (+) in operating receivables	(302)	(233)	(99)	131	(3)
Increase (+)/Decrease (-) in operating liabilities	991	42	(230)	(204)	(93)
Cash flow from operating activities	**1,088**	**251**	**814**	**447**	**215**
Investing activities					
Investments in property, plant and equipment	(197)	(79)	(196)	(89)	(59)
Proceeds from sale of property, plant and equipment	8	1	28	15	2
Investments in intangible assets	(11)	(3)	(22)	(6)	(6)
Acquisition of subsidiary/business, net of cash acquired	(5,474)	(1,082)	(1,894)	(1,653)	(887)
Acquisition of non-controlling interests	–	–	(22)	–	–
Proceeds from sale of subsidiary/business	16	14	19	10	–
Investments in financial assets	(1)	(1)	(748)	0	0
Proceeds from sale of financial assets	753	3	7	3	4
Cash flow from investing activities	**(4,905)**	**(1,147)**	**(2,828)**	**(1,721)**	**(947)**
Financing activities					
Proceeds from issues of shares	2,629	618	2,009	1,653	600
Transaction costs on issue of shares	(19)	(13)	(80)	(57)	(31)
Proceeds from borrowings	6,836	1,033	1,508	3,843	892
Repayment of borrowings	(200)	(591)	(755)	(2,316)	(634)
Payment of lease liabilities	(145)	(81)	(206)	(107)	(45)
Change of revolving credit facility	–	–	–	–	(31)
Dividend paid to owners of the parent company	(536)	(300)	(300)	(185)	(92)
Dividend paid to non-controlling interests	(22)	(19)	(21)	(6)	(3)
Cash flow from financing activities	**8,541**	**646**	**2,156**	**2,825**	**657**
Cash flow for the year	4,724	(249)	142	1,551	(76)
Cash and cash equiva-lents at the beginning of the period	1,866	1,730	1,730	179	254
Exchange rate differences in cash and cash equivalents	2	(4)	(6)	1	0
Cash and cash equivalents at the end of the period	**6,593**	**1,476**	**1,866**	**1,730**	**179**

1) Based on the Group's Unaudited Consolidated Interim Financial Statements as stated on pages F-2–F-14.
2) Based on the Group's Audited Combined and Consolidated Financial Statements as stated on pages F-16–F-62. The figures for 2019 consist of aggregated financial information until the Group's legal formation in November 2019 and the figures for 2018 consist of an aggregation of financial information. For more information, see Note 1 in the Group's Audited Combined and Consolidated Financial Statements on page F-23–F-28.

KEY PERFORMANCE INDICATORS

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019[1) 2)]	2018[1) 2)]
Operating profit (EBIT)[3)]	530	349	774	381	272
Organic Net sales growth, %	13.0	0.2	(4.0)	5.0	–
Organic EBITA growth, %	35.1	15.7	0.8	(7.7)	–
EBITDA	831	537	1,203	678	407
EBITDA margin, %	12.4	12.9	13.5	11.0	12.3
Adjusted EBITDA	880	523	1,172	694	398
Adjusted EBITDA margin, %	13.1	12.5	13.1	11.3	12.1
Operating profit (EBIT) margin, %	7.9	8.3	8.7	6.2	8.2
EBITA	605	396	885	478	312
EBITA margin, %	9.0	9.5	9.9	7.8	9.5
Adjusted EBITA	654	382	854	494	303
Adjusted EBITA margin, %	9.7	9.2	9.6	8.0	9.2
Capital employed	11,449	5,883	7,731	4,332	2,430
Return on Capital employed, %	8.4	9.5	10.1	8.8	11.3
Return on equity, %	12.6	11.4	14.2	10.0	17.2
Net debt	6,693	2,546	2,172	1,598	1,101
Net debt/Adjusted EBITDA	4.4	2.6	1.9	2.3	2.8
Net working capital	1,218	874	1,093	623	290
Operating cash flow	1,180	300	815	494	266
Adjusted cash conversion, %	134.1	57.3	69.5	71.1	66.8

1) In the Group's Audited Combined and Consolidated Financial Statements for the year ended 31 December 2020, certain inter-company eliminations have been reclassified to increase the Group's ability to monitor existing business areas, meaning that amounts have been adjusted in each affected item in the statement of profit or loss for the years ended 31 December 2018, 2019 and 2020. The statements of profit or loss for the year ended 31 December 2018 and the year ended 31 December 2019 were restated to facilitate comparability. The reclassifications had no effect on the profit for the years ended 31 December 2018, 2019 and 2020 or the key financial ratios presented as performance measures in the Group's Audited Combined and Consolidated Financial Statements, see also "*Historical financial information*".
2) The figures for 2019 consist of aggregated financial information until the Group's legal formation in November 2019 and the figures for 2018 consist of an aggregation of financial information. For more information, see Note 1 in the Group's Audited Combined and Consolidated Financial Statements on page F-23–F-28.
3) This item refers to Operating profit in the Group's consolidated and combined statement of profit or loss.

ALTERNATIVE PERFORMANCE MEASURES

When assessing the Group's business, the Group considers a variety of financial and operating metrics, including certain financial measures that are not measures of financial performance under IFRS, as adopted by the EU, and the majority of which constitute alternative performance measures, including as defined in the European Securities and Market Authority's ("**ESMA**") Guidelines on Alternative Performance Measures dated 5 October 2015. Non-IFRS financial measures are used by the Group's management, along with the most directly comparable IFRS financial measures, to monitor the underlying performance of the Group. Such measures may not be indicative of historical operating results, nor are such measures meant to be predictive of future results. The Group presents these alternative performance measures in this Offering Memorandum because it considers them an important supplemental measure of its performance and believes that they are widely used by investors in comparing performance between companies. 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.

As used in this Offering Memorandum, the following terms have the following meaning:

Return on equity

Profit of the period/year (including result attributable to non-controlling interest) as a percentage of equity (including equity attributable to non-controlling interest). Profit is calculated accumulated for the previous twelve month period and equity is calculated as the average for the previous twelve month period. The purpose is to analyse profitability in relation to equity attributable to owners of the parent company.

	12 months until 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Profit for the period/year	711[1)]	360[2)]	574	262	199
Equity[3)]	5,663	3,167	4,051	2,613	1,158
Return on equity, %	**12.6**	**11.4**	**14.2**	**10.0**	**17.2**

1) Of which SEK 381 million is attributable to the period January–June 2021 and SEK 330 million is attributable to the period July–December 2020.
2) Of which SEK 243 million is attributable to the period January–June 2020 and SEK 117 million is attributable to the period July–December 2019.
3) For the year ended 31 December 2018, the components are calculated as the average amount for the 2018 incoming and outgoing balance. For the twelve month periods ended 30 June 2021 and 2020 and for the years ended 31 December 2019 and 2020, the components are calculated as the average amount for the relevant last four quarters.

Capital employed

Total assets less non-interest-bearing liabilities and provisions. Components are calculated as the average for the previous twelve 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.

	12 months until 30 June		For the year ended 31 December		
(SEK million)	2021[2)]	2020[2)]	2020[2)]	2019[2)]	2018[1)]
Total assets, average value	15,020	7,785	9,957	5,828	2,885
Non-interest bearing liabilities	(3,125)	(1,653)	(1,955)	(1,261)	(329)
Provisions, average value	(445)	(250)	(271)	(234)	(125)
Capital employed	**11,449**	**5,883**	**7,731**	**4,332**	**2,430**

1) For the year ended 31 December 2018, the components are calculated as the average amount for the 2018 incoming and outgoing balance.
2) For the twelve month periods ended 30 June 2021 and 2020 and for the years ended 31 December 2020 and 2019, the components are calculated as the average amount for relevant last four quarter.

Return on Capital employed

Operating profit (EBIT) plus financial income as a percentage of Capital employed for the period. Operating profit (EBIT) and financial income is calculated accumulated for the previous twelve month period. The purpose is to analyse profitability in relation to Capital employed.

	12 months until 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Operating profit (EBIT)	955[1)]	552[2)]	774	381	272
Financial income	7[3)]	5[4)]	7	2	2
Operating profit including financial income	**962**	**557**	**781**	**383**	**274**
Capital employed	11,449	5,883	7,731	4,332	2,430
Return on Capital employed, %	**8.4**	**9.5**	**10.1**	**8.8**	**11.3**

1) Of which SEK 530 million is attributable to the period January–June 2021 and SEK 425 million is attributable to the period July–December 2020.
2) Of which SEK 349 million is attributable to the period January–June 2020 and SEK 203 million is attributable to the period July–December 2019.
3) Of which SEK 5 million is attributable to the period January–June 2021 and SEK 2 million is attributable to the period July–December 2020.
4) Of which SEK 5 million is attributable to the period January–June 2020 and SEK 0 million is attributable to the period July–December 2019.

EBIT

Net sales less cost of goods sold, selling expenses, administrative expenses, plus other operating income less other operating expenses. The purpose is to assess the Group's operating activities. EBIT corresponds to Operating profit in the consolidated statement of profit or loss.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Net sales	6,713	4,177	8,933	6,163	3,298
Cost of goods sold	(5,258)	(3,329)	(7,128)	(5,040)	(2,684)
Selling expenses	(528)	(315)	(664)	(453)	(225)
Administrative expenses	(459)	(247)	(503)	(332)	(158)
Other operating income	224	81	227	68	49
Other operating expenses	(162)	(18)	(91)	(25)	(8)
EBIT[1)]	**530**	**349**	**774**	**381**	**272**

1) This item refers to Operating profit in the Group's consolidated statement of profit or loss.

Reconciliation of EBIT per business area

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Services	270	153	333	217	104
Trade	248	108	216	37	127
Industry	103	102	253	130	41
Group operations[1)]	(92)	(13)	(27)	(2)	0
EBIT	**530**	**349**	**774**	**381**	**272**

1) Inter-company transactions, including group internal revenue, including management fees, and external headquarters revenue and costs. We estimate that the run-rate of Group operations costs (including investment organisation) will be approximately 0.5 per cent of sales in the medium-term and higher in the short-term due to significant new employment in 2021.

Operating profit (EBIT) margin

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

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Operating profit (EBIT)	530	349	774	381	272
Net sales	6,713	4,177	8,933	6,163	3,298
Operating profit (EBIT) margin, %	**7.9**	**8.3**	**8.7**	**6.2**	**8.2**

EBITA

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

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Operating profit (EBIT)	530	349	774	381	272
Amortisation of intangible assets	75	47	107	69	31
Impairment of intangible assets	0	0	5	28	10
EBITA	**605**	**396**	**885**	**478**	**312**

Reconciliation of EBITA per business area

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Services	309	175	391	250	119
Trade	267	120	241	85	148
Industry	121	114	280	145	45
Group operations[1)]	(92)	(13)	(27)	(2)	0
EBITA	**605**	**396**	**885**	**478**	**312**

1) Inter-company transactions, including group internal revenue, including management fees, and external headquarters revenue and costs. We estimate that the run-rate of Group operations costs (including investment organisation) will be approximately 0.5 per cent of sales in the medium-term and higher in the short-term due to significant new employment in 2021.

EBITA margin

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

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
EBITA	605	396	885	478	312
Net sales	6,713	4,177	8,933	6,163	3,298
EBITA margin, %	**9.0**	**9.5**	**9.9**	**7.8**	**9.5**

EBITDA

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

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Operating profit (EBIT)	530	349	774	381	272
Amortisation and depreciations	302	188	425	269	126
Impairment	0	0	5	28	10
EBITDA	**831**	**537**	**1,203**	**678**	**407**

EBITDA margin

EBITDA as a percentage of Net sales. The purpose is to provide a guide to profitability in relation to sales.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
EBITDA	831	537	1,203	678	407
Net sales	6,713	4,177	8,933	6,163	3,298
EBITDA margin, %	**12.4**	**12.9**	**13.5**	**11.0**	**12.3**

Adjusted EBITA

Operating profit (EBIT) before amortisation and impairment losses on intangible non-current assets, excluding revaluations of contingent consideration and fair value adjustments of acquired assets. The purpose is to assess the Group's operating activities. Adjusted EBITA facilitates comparison of EBITA between periods.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020[1]	2019[1]	2018
Operating profit (EBIT)	530	349	774	381	272
Items affecting comparability[1]	49	(13)	(32)	16	(9)
Amortisation of intangible assets	75	47	107	69	31
Impairments of intangible assets	0	0	5	28	10
Adjusted EBITA	**654**	**382**	**854**	**494**	**303**

1) Items affecting comparability for 2020 and 2019 include revaluation of contingent considerations and amortisation of step-ups to fair value on acquisitions to facilitate comparisons between periods.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Revaluation of contingent considerations	49	(13)	(40)	(11)	(9)
Fair value adjustments of acquired assets	0	–	8	27	–
Items affecting comparability	**49**	**(13)**	**(32)**	**16**	**(9)**

Reconciliation of Adjusted EBITA per business area

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020[1]	2019[1]	2018
Services	292	171	382	231	124
Trade	252	110	257	119	134
Industry	201	115	242	145	45
Group operations[1]	(92)	(13)	(27)	(2)	0
Adjusted EBITA	**654**	**382**	**854**	**494**	**303**

1) Inter-company transactions, including group internal revenue, including management fees, and external headquarters revenue and costs. We estimate that the run-rate of Group operations costs (including investment organisation) will be approximately 0.5 per cent of sales in the medium-term and higher in the short-term due to significant new employment in 2021.

Adjusted EBITA margin

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

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Adjusted EBITA	654	382	854	494	303
Net sales	6,713	4,177	8,933	6,163	3,298
Adjusted EBITA margin, %	**9.7**	**9.2**	**9.6**	**8.0**	**9.2**

Adjusted EBITDA

Operating profit (EBIT) before depreciation, amortisation and impairment losses, excluding revaluation of contingent considerations and fair value adjustments of acquired assets. The aim is to assess the Group's operating activities. EBITDA serves as a complement to Operating profit. Adjusted EBITDA facilitates comparisons of EBITDA between periods.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020[1]	2019[1]	2018
Operating profit (EBIT)	530	349	774	381	272
Items affecting comparability[1]	49	(13)	(32)	16	(9)
Amortisation and depreciations	302	188	425	269	126
Impairments of intangible assets	0	0	5	28	10
Adjusted EBITDA	**880**	**523**	**1,172**	**694**	**398**

1) Items affecting comparability for 2020 and 2019 include revaluation of contingent considerations and amortisation of step-ups to fair value on acquisitions to facilitate comparisons between periods.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Revaluation of contingent consideration	49	(13)	(40)	(11)	(9)
Fair value adjustments of acquired assets	0	–	8	27	–
Items affecting comparability	**49**	**(13)**	**(32)**	**16**	**(9)**

Adjusted EBITDA margin

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

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Adjusted EBITDA	880	523	1,172	694	398
Net sales	6,713	4,177	8,933	6,163	3,298
Adjusted EBITDA margin, %	**13.1**	**12.5**	**13.1**	**11.3**	**12.1**

Net debt

Interest-bearing liabilities (i.e., interest-bearing non-current liabilities, non-current lease liabilities, interest-bearing current liabilities and current lease liabilities) 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 level of debt.

	As of 30 June		As of 31 December		
(SEK million)	2021	2020	2020	2019	2018
Interest-bearing non-current liabilities	10,335	3,035	3,189	2,239	55
Non-current lease liabilities	554	360	440	358	188
Interest-bearing current liabilities	480	160	330	306	823
Current lease liabilities	263	132	154	121	61
Interest-bearing liabilities	**11,632**	**3,687**	**4,113**	**3,024**	**1,127**
Contingent consideration liabilities	892	56	259	56	70
Minority options	767	279	411	247	83
Current investments	(6)	0	(745)	0	0
Cash and cash equivalents	(6,593)	(1,476)	(1,866)	(1,730)	(179)
Net debt	**6,693**	**2,546**	**2,172**	**1,598**	**1,101**

Net debt/Adjusted EBITDA

Net debt compared with Adjusted EBITDA provides a liquidity measure for Net debt in relation to cash-generating earnings in the operations. Net debt is as at the balance date and Adjusted EBITDA is calculated accumulated for the previous twelve month period. The purpose is to provide an indication of the Group's ability to pay its debt.

	12 months until 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Net debt	6,693	2,546	2,172	1,598	1,101
Adjusted EBITDA	1,529[1)]	962[2)]	1,172	694	398
Net debt/Adjusted EBITDA	**4.4**	**2.6**	**1.9**	**2.3**	**2.8**

1) Of which SEK 880 million is attributable to the period January–June 2021 and SEK 649 million is attributable to the period July–December 2020.
2) Of which SEK 523 million is attributable to the period January–June 2020 and SEK 439 million is attributable to the period July–December 2019.

Organic Net sales growth

Change in Net sales, excluding acquisition and divestment effects 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.

	For the six months ended 30 June		For the year ended 31 December	
(SEK million)	2021	2020	2020	2019
Net sales	6,713	4,177	8,933	6,163
Net sales, prior period	(4,177)	(2,678)	(6,163)	(3,298)
M&A run-rate impact[1)]	(285)	(756)	(917)	(949)
M&A current period[2)]	(1,745)	(737)	(2,070)	(1,815)
Change in Organic Net sales during the period	**506**	**6**	**(217)**	**100**
Net sales for compared entities during the comparison period	3,988	2,353	4,890	2,213
Organic Net sales growth, %	**13.0**	**0.2**	**(4.0)**	**5.0**

1) M&A run-rate impact refers to reported revenue contribution from acquisitions done after the start of the comparison period.
2) M&A current period refers to reported revenue contribution from acquisitions done in the current reporting period.

Organic EBITA growth

Change in EBITA, excluding 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.

	For the six months ended 30 June		For the year ended 31 December	
(SEK million)	2021	2020	2020	2019
EBITA	605	396	885	478
EBITA, prior period	(396)	(203)	(478)	(312)
M&A run-rate impact[1)]	(34)	(108)	(193)	(87)
M&A current period[2)]	(189)	(57)	(187)	(137)
Group operations[3)]	142	1	(24)	40
Change in Organic EBITA during the period	**129**	**27**	**3**	**(18)**
EBITA for compared entities during the comparison period	367	174	411	235
Organic EBITA growth, %	**35.1**	**15.7**	**0.8**	**(7.7)**

1) M&A run-rate impact refers to EBITA contribution from acquisitions done after the start of the comparison period.
2) M&A current period refers to EBITA contribution from acquisitions done in the current reporting period.
3) Inter-company transactions, including group internal revenue, including management fees, and external headquarters revenue and costs. We estimate that the run-rate of Group operations costs (including investment organisation) will be approximately 0.5 per cent of sales in the medium-term and higher in the short-term due to significant new employment in 2021.

Net working capital

Net 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). Components are calculated as the average for the previous twelve month period. The purpose is to analyse the capital tied up in the balance sheet by the Group's operating activities.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021[2)]	2020[2)]	2020[2)]	2019[2)]	2018[1)]
Inventories	1,270	893	963	660	286
Accounts receivable	1,501	952	1,086	763	435
Other current receivables	651	351	495	241	118
Current operating receivables	**3,421**	**2,196**	**2,544**	**1,665**	**839**
Accounts payable	(875)	(550)	(607)	(456)	(231)
Other current liabilities[3)]	(1,328)	(771)	(844)	(586)	(318)
Current operating liabilities	**(2,203)**	**(1,322)**	**(1,451)**	**(1,042)**	**(549)**
Net working capital	**1,218**	**874**	**1,093**	**623**	**290**

1) For the year ended 31 December 2018, the components are calculated as the average for the 2018 incoming and outgoing balance.
2) For the twelve month periods ended 30 June 2021 and 2020 and for the years ended 31 December 2020 and 2019, the components are calculated as the average amount for the relevant last four quarters.
3) Other current liabilities excluding contingent consideration liabilities.

Operating cash flow

Adjusted EBITDA adjusted for change in operating capital and adjusted for cash flow from net investments in tangible assets is Operating cash flow. The purpose is to analyse cash generation.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Adjusted EBITDA	880	523	1,172	695	398
Cash flow from operating activities before change in working capital	599	397	1,003	573	289
Cash flow from operating activities	1,088	251	814	447	215
Change in operating capital	**489**	**(146)**	**(189)**	**(126)**	**(74)**
Investments in property, plant and equipment	(197)	(79)	(196)	(89)	(59)
Proceeds from sale of property, plant and equipment	8	1	28	15	2
Cash flow from net investments in tangible assets	**(189)**	**(78)**	**(168)**	**(74)**	**(57)**
Operating cash flow	**1,180**	**300**	**815**	**494**	**266**

Adjusted cash conversion

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

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Operating cash flow	1,180	300	815	494	266
Adjusted EBITDA	880	523	1,172	695	398
Adjusted cash conversion, %	**134.1**	**57.3**	**69.5**	**71.1**	**66.8**

Pro forma financial information

The pro forma financial information has been included to describe a hypothetical situation and has been prepared solely for illustrative purposes. The pro forma financial information does not necessarily reflect Storskogen's actual results and/or financial position as if the transaction had been undertaken at the earlier date set out below, and such pro forma financial information should not be regarded as an indication of Storskogen's results or financial position for any future period.
The pro forma financial information should be read together with the information in the section "*Selected historical financial information*" as well as "*Operating and financial review*". Consequently, potential investors should not attach undue importance to the pro forma financial information.
The pro forma financial information has been reviewed by the entity's auditor, see the section "*—Auditor's report for the pro forma financial information*" below.

BACKGROUND

As part of its growth strategy, Storskogen has acquired a number of entities during the financial year 2020 and during 2021, which combined are considered to have a significant impact on the Group. The acquired entities are presented in *Table 1* below.

For further information on the Acquisitions, see the sections "*—Basis for the pro forma financial information*", "*—Pro forma adjustments*" and "*—Acquisition-related adjustments*" below. As the Acquisitions are deemed to have a significant impact on Storskogen's future results and financial position, pro forma financial information has been prepared.

The auditor's report from the review of the pro forma financial information can be found in the section "*—Auditor's report for the pro forma financial information*".

THE PURPOSE OF THE PRO FORMA FINANCIAL INFORMATION

The purpose of the pro forma financial information is to present the hypothetical impact that the Acquisitions would have had on Storskogen's:

- consolidated income statement for the period 1 January–31 December 2020 as if the Acquisitions had been closed and included in the Group as of 1 January 2020;
- consolidated income statement for the period 1 January–30 June 2021 as if the Acquisitions had been closed and included in the Group as of 1 January 2020; and
- consolidated statement of financial position as if the Acquisitions had been closed and included in the Group as of 30 June 2021.

Each of the Acquisitions is included separately in the pro forma financial statements up to the respective Acquisition Date, after which the Acquisitions is included in Storskogen's consolidated financial statements for the period.

BASIS FOR THE PRO FORMA FINANCIAL INFORMATION

The pro forma income statement for the period 1 January–31 December 2020 is based on Storskogen's audited annual report for the corresponding period. The pro forma income statement for the period 1 January–30 June 2021 is based on Storskogen's interim report for the period, which has been reviewed, but not audited, by Storskogen's auditors. The presentation format of the financial statements is based on the format applied in Storskogen's interim reports.

Financial information for the pro forma entities for the corresponding periods is based on unaudited internal financial information, except for the pro forma entities acquired in the period 1 January–31 December 2020, when audited annual financial statements are available. For an overview of the financial information on which the pro forma financial information is based, see *Table 1* below.

Storskogen's applied accounting principles are International Financial Reporting Standards issued by the International Accounting Standards Board ("**IASB**") as adopted by the European Union ("**IFRS**"). The financial statements of the pro forma entities that form the basis for the pro forma financial information have been prepared in accordance with the respective entity's local accounting principles ("**GAAP**") in accordance with the Summary in *Table 1* below. The pro forma financial information has been prepared in accordance with Storskogen's accounting principles as described in Storskogen's historical financial reports, see section "*Historical financial information*".

Table 1

Acquisition	Applied accounting principles	Acquisition date	Period that has been adjusted for in the pro forma income statement 2020	Basis for financial information	Period that has been adjusted for in the pro forma income statement Jan–June 2021	Basis for financial information Jan–June 2021
VästMark Entreprenad AB	Swedish GAAP (K3)	2020-01-31	2020-01-01 – 2020-01-30	Unaudited financial reports	N/A	N/A
NP Måleri & Fastighetsservice i Västerort AB	Swedish GAAP (K2)	2020-02-03	2020-01-01 – 2020-02-02	Unaudited financial reports	N/A	N/A
Malmstens Måleri & Färgsättning AB	Swedish GAAP (K2)	2020-04-01	2020-01-01 – 2020-03-31	Unaudited financial reports	N/A	N/A
Björsons Måleri Eftr. Aktiebolag	Swedish GAAP (K2)	2020-05-04	2020-01-01 – 2020-05-03	Unaudited financial reports	N/A	N/A
Tepac Entreprenad AB	Swedish GAAP (K2)	2020-05-04	2020-01-01 – 2020-05-03	Unaudited financial reports	N/A	N/A
L'anza EP Sweden AB	Swedish GAAP (K3)	2020-06-01	2020-01-01 – 2020-05-31	Unaudited financial reports	N/A	N/A
Växjö Elmontage AB	Swedish GAAP (K3)	2020-06-01	2020-01-01 – 2020-05-31	Unaudited financial reports	N/A	N/A
Karlsons Ortogonal AB	Swedish GAAP (K2)	2020-06-01	2020-01-01 – 2020-05-31	Unaudited financial reports	N/A	N/A
Frends AS	Norwegian GAAP	2020-06-10	2020-01-01 – 2020-06-09	Unaudited financial reports	N/A	N/A
Stockholms Internationella Handelsskola AB	Swedish GAAP (K2)	2020-07-01	2020-01-01 – 2020-06-30	Unaudited finacial reports	N/A	N/A
Syd Communication & Security AB	Swedish GAAP (K2)	2020-07-01	2020-01-01 – 2020-06-30	Unaudited financial reports	N/A	N/A
Ullmax AB	Swedish GAAP (K2)	2020-07-01	2020-01-01 – 2020-06-30	Unaudited financial reports	N/A	N/A
Bergendahls El Gruppen AB	Swedish GAAP (K3)	2020-07-15	2020-01-01 – 2020-07-14	Unaudited financial reports	N/A	N/A
P & A Måleri i Norrköping AB	Swedish GAAP (K2)	2020-09-01	2020-01-01 – 2020-08-31	Unaudited financial reports	N/A	N/A
El & Projektering i Vetlanda AB	Swedish GAAP (K2)	2020-09-01	2020-01-01 – 2020-08-31	Unaudited financial reports	N/A	N/A
nds Nordic Drilling System i Gävle AB	Swedish GAAP (K2)	2020-11-02	2020-01-01 – 2020-11-01	Unaudited financial reports	N/A	N/A
Ljus & Comfort i Åhus AB	Swedish GAAP (K3)	2020-11-02	2020-01-01 – 2020-11-01	Unaudited financial reports	N/A	N/A
Sunteam AB	Swedish GAAP (K3)	2020-11-02	2020-01-01– 2020-11-01	Unaudited financial reports	N/A	N/A
Kungälvs Plastteknik AB	Swedish GAAP (K2)	2020-11-03	2020-01-01 – 2020-11-02	Unaudited financial reports	N/A	N/A
Petulo Pipe AB	Swedish GAAP (K2)	2020-11-03	2020-01-01 – 2020-11-02	Unaudited financial reports	N/A	N/A
Rollsbo Modulsvets AB	Swedish GAAP (K2)	2020-11-03	2020-01-01 – 2020-11-02	Unaudited financial reports	N/A	N/A
Svenska Grindmatriser AB	Swedish GAAP (K2)	2020-12-01	2020-01-01– 2020-11-30	Unaudited financial reports	N/A	N/A
M J Contractor AB	Swedish GAAP (K3)	2020-12-01	2020-01-01 – 2020-11-30	Unaudited financial reports	N/A	N/A
IVEO AB	Swedish GAAP (K2)	2020-12-31	2020-01-01 – 2020-12-30	Unaudited financial reports	N/A	N/A
Pierre Entreprenad i Gävle AB	Swedish GAAP (K3)	2021-01-05	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-01-04	Unaudited financial reports
Örnsberg El Tele & Data AB	Swedish GAAP (K2)	2021-01-08	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-01-07	Unaudited financial reports
Continovagruppen AB	Swedish GAAP (K3)	2021-01-11	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-01-10	Unaudited financial reports
Ockelbo Kabelteknik AB	Swedish GAAP (K3)	2021-01-14	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-01-13	Unaudited financial reports
Tjällmo Grävmaskiner AB	Swedish GAAP (K3)	2021-01-14	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-01-13	Unaudited financial reports
Strand i Jönköping AB	Swedish GAAP (K3)	2021-01-14	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-01-13	Unaudited financial reports
Allan Eriksson Mark AB	Swedish GAAP (K3)	2021-01-14	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-01-13	Unaudited financial reports
Såg- och Betongborrning i Uddevalla AB	Swedish GAAP (K3)	2021-01-14	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-01-13	Unaudited financial reports
BEC Trägolvsprodukter AB	Swedish GAAP (K2)	2021-01-14	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-01-13	Unaudited financial reports
Nymålat i Skellefteå AB Delér Måleri AB Stockholm Industrigolv AB	Swedish GAAP (K2/K3)	2021-01-14 and 2021-01-15	2020-01-01 – 2020-12-31	Audited/Unaudited financial reports	2021-01-01 – 2021-01-13 and 2021-01-14	Unaudited financial reports
Strigo AB	Swedish GAAP (K2)	2021-02-01	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-01-31	Unaudited financial reports
PerfectHair AG	Swiss GAAP	2021-02-23	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-02-22	Unaudited financial reports

Acquisition	Applied accounting principles	Acquisition date	Period that has been adjusted for in the pro forma income statement 2020	Basis for financial information	Period that has been adjusted for in the pro forma income statement Jan–June 2021	Basis for financial information Jan–June 2021
Primulator AS	Norwegian GAAP	2021-03-01	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-02-28	Unaudited financial reports
Danmatic A/S	Danish GAAP	2021-03-01	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-02-28	Unaudited financial reports
Top Swede Konfektion AB and AS	Swedish GAAP (K3) and Norwegian GAAP	2021-03-09	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-03-08	Unaudited financial reports
HP Rör AB	Swedish GAAP (K2)	2021-03-11	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-03-10	Unaudited financial reports
AGIO System och Kompetens i Skandinavien AB	Swedish GAAP (K3)	2021-04-01	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-03-31	Unaudited financial reports
Bombayworks AB	Swedish GAAP (K3)	2021-04-06	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-04-05	Unaudited financial reports
SGS Tool Group Limited	UK GAAP	2021-04-13	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-04-12	Unaudited financial reports
Scandia Steel Sweden AB	Swedish GAAP (K3)	2021-05-03	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-05-02	Unaudited financial reports
Mattbolaget i Uddevalla AB	Swedish GAAP (K2)	2021-05-05	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-05-04	Unaudited financial reports
Harrysson Entreprenad Aktiebolag (HEAB)	Swedish GAAP (K3)	2021-05-07	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-05-06	Unaudited financial reports
Lindberg Stenberg Arkitekter AB	Swedish GAAP (K3)	2021-05-12	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-05-11	Unaudited financial reports
AB Lm-Transport	Swedish GAAP (K3)	2021-05-12	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-05-11	Unaudited financial reports
Stockholm Kvadratmeter AB	Swedish GAAP (K2)	2021-05-12	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-05-11	Unaudited financial reports
Persiennkompaniet Norden AB	Swedish GAAP (K3)	2021-05-31	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-05-30	Unaudited financial reports
Vårdväskan AB	Swedish GAAP (K3)	2021-05-31	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-05-30	Unaudited financial reports
Jofrab TWS AB	Swedish GAAP (K3)	2021-06-01	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-05-31	Unaudited financial reports
Silanex AB	Swedish GAAP (K2)	2021-06-03	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01– 2021-06-02	Unaudited financial reports
R. Ardbo Golv AB	Swedish GAAP (K2)	2021-06-03	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-06-02	Unaudited financial reports
Ecochange AB	Swedish GAAP (K2)	2021-06-04	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-06-03	Unaudited financial reports
Roleff GmbH	German GAAP	2021-06-29	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-06-30	Unaudited financial reports
Ashe Invest AB	Swedish GAAP (K2)	2021-06-30	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-06-29	Unaudited financial reports
Tennis Fashion i Göteborg AB	Swedish GAAP (K3)	2021-06-30	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-06-29	Unaudited financial reports
On Target AB	Swedish GAAP (K3)	2021-06-30	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-06-29	Unaudited financial reports
Zymbios Logistics Contractor AB	Swedish GAAP (K2)	2021-06-30	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-06-29	Unaudited financial reports
Newton Kompentens-utveckling AB	Swedish GAAP (K3)	2021-06-30	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-06-29	Unaudited financial reports
EnRival AB	Swedish GAAP (K2)	2021-06-30	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-06-29	Unaudited financial reports
Wibe Kabelstegar	Swedish GAAP (K3)	2021-06-30	2020-01-01 – 2020-12-31	Unaudited financial reports[1]	2021-01-01 – 2021-06-29	Unaudited financial reports
Artum AG	Swiss GAAP	2021-06-30	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-06-30	Unaudited financial reports
Nordisk VVS-Teknik AB	Swedish GAAP (K3)	2021-06-30	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-06-30	Unaudited financial reports
Brenderup	IFRS	2021-06-30	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-06-30	Unaudited financial reports
SoVent Group AB	Swedish GAAP (K3)	2021-10-10	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-06-30	Unaudited financial reports
Viametrics Group AB	IFRS	2021-10-10	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-06-30	Unaudited financial reports
Buildercom Oy	Finska GAAP	2021-10-10	2020-01-01 – 2020-12-31	Audited financial reports	2021-01-01 – 2021-06-30	Unaudited financial reports
DeroA Group AB	Swedish GAAP (K3)	2021-10-10	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-06-30	Unaudited financial reports
Kumla Handtagsfabrik AB	Swedish GAAP (K3)	2021-10-10	2020-01-01 – 2020-12-31	Unaudited financial reports	2021-01-01 – 2021-06-30	Unaudited financial reports

1) Wibe Kabelstegar refers to the acquisition of Wibe's cable ladder business from Schneider Electrics. The transaction was structured as an asset acquisition, whereby the financial information included in the pro forma constitutes segregated financial information for the business unit acquired and historically part of Schneider Electrics.

In preparation of the pro forma financials, an analysis has been made of differences in the accounting principles applied by the Group and the acquired entities. The result of the analysis is presented in the section "—*Pro forma adjustments*" below.

Storskogen and the acquired entities have to some extent different forms of presentation and principles for classifying financial statement items. In preparing the pro forma financial statements, the acquired entities' financial statements have been adjusted to comply with Storskogen's presentation and classification of financial statement items. Furthermore, the Group applies calendar years, while some acquired entities have broken financial years. Adjustments due to the fact that Storskogen and some acquired entities have different accounting periods have been made by adjusting the financial statements of those entities to calendar years based on the entities unaudited internal financial reports.

No pro forma adjustments have been considered regarding synergy effects or integration costs. Storskogen's consolidated income statement includes costs for integration after the acquisition dates.

ASSUMPTIONS FOR THE PRO FORMA FINANCIAL INFORMATION

The following assumptions have been made in connection with the preparation of the pro forma financial information. The pro forma adjustments are described in detail in the notes accompanying the pro forma financial statements.

Preliminary and final purchase price allocations

No material changes in the Group's purchase price allocations have been made during the financial year regarding previous years' acquisitions. Purchase price allocations for acquisitions made during the first and second quarters of 2021 are preliminary as the Group has not received complete information from the acquired entities. All acquisitions have been recognised using the acquisition method. The purchase price allocations are expected to be finalised during 2021. Differences between preliminary and final purchase price allocations may be material.

The impact of the other Acquisitions is presented according to final purchase price allocations. For further information on the preliminary and final purchase price allocations, see the section "—*Pro forma adjustments*" below.

Tax effects

An estimated tax rate of 21.4 per cent has been used for adjustments for the financial year 2020 attributable to the acquisitions of Swedish entities. For 2021, a tax rate of 20.6 per cent has been applied to acquisitions of Swedish entities. For acquisitions of foreign entities, the current corporate tax rate for the country in which each entity has its registered head office has been used.

Table 2

Entity	Head office	Applied tax rate 2020	Applied tax rate 2021
Majority of acquisitions	Sweden	21.40%	20.60%
Danmatic A/S	Denmark	22.00%	22.00%
Buildercom Oy	Finland	20.00%	20.00%
Frends AS, Primulator AS	Norway	22.00%	22.00%
UAB Scandia Steel Baltic	Lithuania	15.00%	15.00%
PerfectHair AG	Switzerland	8.00%	8.00%
Artum AG	Switzerland	20.00%	20.00%
SGS Tool Group Limited	UK	19.00%	19.00%
Roleff GmbH	Germany	13.30%	13.30%

Actual tax rates for the transactions may differ from the estimated tax rate used in the pro forma financial information.

Exchange rate effects

Information in currencies other than Swedish krona (SEK) has been converted based on the Swedish Central Bank's (*Riksbanken*) quoted rates. The exchange rates applied are listed in the table below.

Table 3

Acquisition	Conversion	Source	Period 2020	Rate	Period Q2 2021	Rate
Frends AS	NOK/SEK	Riksbanken	2020-01-01–2020-05-31	0.9985	N/A	N/A
Ullmax AS	NOK/SEK	Riksbanken	2020-01-01–2020-06-30	0.9947	N/A	N/A
PerfectHair AG	CHF/SEK	Riksbanken	2020-01-01–2020-12-31	9.7979	2021-01-01–2021-02-28	9.3207
Primulator AS	NOK/SEK	Riksbanken	2020-01-01–2020-12-31	0.9786	2021-01-01–2021-02-28	0.9775
Danmatic A/S	DKK/SEK	Riksbanken	2020-01-01–2020-12-31	1.4068	2021-01-01–2021-02-28	1.3564
SGS Tool Group Limited	GBP/SEK	Riksbanken	2020-01-01–2020-12-31	11.7981	2021-01-01–2021-03-31	11.5855
UAB Scandia Steel Baltic	EUR/SEK	Riksbanken	2020-01-01–2020-12-31	10.4867	2021-01-01–2021-04-30	10.1278
Roleff GmbH	EUR/SEK	Riksbanken	2020-01-01–2020-12-31	10.4867	2021-01-01–2021-06-30	10.1281
Artum AG	CHF/SEK	Riksbanken	2020-01-01–2020-12-31	9.7979	2021-01-01–2021-06-30	9.2542

PRO FORMA ADJUSTMENTS

The overall nature of the pro forma adjustments is described below and should be read in conjunction with information in the notes to the pro forma income statement and pro forma statement of financial position, respectively.

Adjustments for differences in accounting principles ("GAAP adjustments")

In preparing the pro forma financial information, an analysis has been made of differences in the accounting principles applied by Storskogen and the acquired entities. The differences identified are briefly described below, see also the notes to the pro forma financial statements.

Revenue recognition

Storskogen applies IFRS 15 Revenue from contracts with customers to their revenue recognition. As a result of the adjustment to the Group's principles for percentage of completion, the timing of recognition of revenues has changed for some of the acquired units, which means that net sales for the period have been adjusted. The associated cost of goods sold ("**COGS**") has also been adjusted.

Leases

Storskogen applies IFRS 16 *Leases*. According to IFRS 16, most leases shall be recognised in the statement of financial position as right-of-use assets and lease liabilities. Depreciation of the right-of-use assets and interest expenses on the lease liabilities are recognised in the income statement.

Some of the acquired entities do not account for leases according to IFRS 16. Instead, leases are classified as either operating or finance leases. Operating leases have been expensed linearly over the lease term. In the proforma income statement, "Other operating expenses" are reduced while depreciation charges on the right-of-use assets and interest expenses are added for acquisitions where IFRS has not been applied. For acquired entities reporting according to IFRS, lease liabilities have been measured at the present value of the remaining lease payments as if the acquired lease were a new lease at 1 January 2020 in accordance with IFRS 3. The right-of-use assets have been measured at the same amount as the lease liabilities.

Amortisation of goodwill

Some of the acquired entities have recognised goodwill amortisation. Since no amortisation is made on goodwill under IFRS, these amortisations have been adjusted for in the pro forma income statement.

Defined benefit pension plans

Some of the acquired entities have defined benefit plans that have been recognised according to local GAAP. In the pro forma financial statements, the defined benefit plans have been recognised and measured in accordance with IAS 19 Employee Benefits.

Termination of consultancy contract

In connection with the acquisition of Ecochange, a consultancy contract has been terminated as the consultant has transferred to a permanent position. The cost of the termination has been recognised in the entity in 2021. In the pro forma income statement, the cost, which is partly compensation for sales bonuses, has been distributed between 2020 and 2021.

Acquisition-related adjustments

Surplus values attributable to intangible assets identified in the purchase price allocations

In the preliminary and final purchase price allocations of certain Acquisitions, surplus values of intangible assets in the form of customer relations have been identified. Customer relations have been estimated to have a useful life of 5–10 years. In the pro forma income statement, amortisation on customer relations has been added. The dissolution of the associated deferred tax liability has been recognised as a decrease in the tax expense in the pro forma income statement.

Goodwill arising from the acquisitions has been added to the pro forma statement of financial position.

Surplus values attributable to tangible assets identified in the purchase price allocations

In the acquisition of Kumla Handtagsfabrik, a surplus value of a property used in the operations was identified. The surplus value is estimated to have a useful life of 50 years. Pro forma adjustment has been made in pro forma statement of financial position and pro forma income statement for Kumla Handtagsfabrik. In addition, in the acquisitions of the Continova Group, Primulator, Danmatic and Brenderup, surplus values on properties used in the operations were identified. The surplus values of buildings and land are estimated to have a useful life of 50 years. In the pro forma income statement, depreciation of these surplus values has been added. Deferred tax liability related to the surplus values has been recognised and dissolved over the corresponding period.

Financing

The acquisitions are financed partly through existing cash, partly through credit facilities used in direct connection with the acquisition. Under the agreement with the creditor, credit facilities may finance up to 60 per cent of the consideration. In the pro forma income statement, interest expenses have been added for the period up to the acquisition being carried out as if the acquisitions were carried out and financing was raised on 1 January 2020.

Storskogen has also issued a bond that to some extent has been used in financing acquisitions. Since the bond constitutes general financing without direct connection to specific acquisitions, no adjustment has been made in the pro forma financials regarding the interest expense of the bond.

In the proforma statement of financial position, acquisitions are assumed to be financed with existing cash. Cash and cash equivalents have been adjusted as a proforma adjustment.

Transaction costs

In connection with each Acquisition, Storskogen has incurred costs directly attributable to the transactions relating to fees to financial, legal and other advisors. Transaction costs are not charged to the pro forma income statement as it is prepared on the assumption that transaction costs have been incurred in the period prior to the acquisition date, i.e. during the financial year 2019 for all acquisitions. If transaction costs have been included in Storskogen's consolidated results for the full year 2020 or consolidated income statement for the period 1 January 2021–30 June 2021, these have been eliminated to present transaction costs as if they occurred in the period prior to the acquisition date. The costs directly linked to the acquisitions are of a one-off nature and are not recurring.

Preliminary purchase price allocations aggregated by segment

Table 4

SEK million	Trade	Industry	Services	Total
Purchase consideration				
– *Of which cash*	2,108.8	3,059.6	1,388.7	**6,557.2**
– *Of which shares issued*	100.0	761.2	0.0	**861.2**
– *Of which contingent consideration*	133.9	329.1	157.1	**620.1**
Identifiable net assets				
Surplus value attributable to intangible assets	1,968.0	3,745.8	1,371.2	**7,084.9**
Surplus value attributable to tangible assets	49.9	101.8	0.0	**151.7**
Surplus value attributable to inventory	0.0	0.4	0.0	**0.4**
Deferred tax attributable to surplus values	99.0	245.5	48.4	**392.8**
Goodwill	225.8	56.5	126.3	**408.6**
Total	**2,342.7**	**4,149.9**	**1,545.8**	**8,038.5**

In the purchase price allocations (both preliminary and final, see section "*—Assumptions for the pro forma financial information*" above), according to the table above, surplus values of assets in each acquisition is identified (i.e. the fair value exceeds the book value). The surplus value is depreciated or amortised over the expected useful life of each asset. If the useful life of an intangible asset is indefinite, no amortisation is made. In the pro forma income statements, intangible assets with a finite useful life are amortised. Storskogen's preliminary estimation of the remaining useful lives (presented in the table below) entails additional yearly depreciation and amortisation of SEK 264.7 million (SEK 210.2 million after taxes).

Table 5

(years)	Trade	Industry	Services
Surplus value attributable to intangible assets	5–10	5–10	5–10
Surplus value attributable to tangible assets	50	50	N/A

AGGREGATED PRO FORMA FINANCIAL STATEMENTS

Pro Forma Income Statement for the period 1 January–31 December 2020

Table 6

SEK million	Storskogen Group	Acquisitions from 7 Jan 2020 to 10 Oct 2021*	Pro Forma Adjustments	Note	Pro Forma Income Statement
Net sales	8,933.4	10,070.7	(40.6)	2, 9	18,963.5
Cost of goods sold	(7,128.2)	(7,611.2)	(38.4)	1, 2, 3, 4, 7, 9	(14,777.8)
Gross profit	**1,805.1**	**2,459.6**	**(79.0)**		**4,185.7**
Selling expenses	(664.1)	(809.5)	(15.0)	1, 3, 4, 7	(1,488.5)
Administrative expen-ses	(503.4)	(564.7)	(26.8)	1, 4, 6, 7, 8,9	(1,095.0)
Other operating income	227.9	782.2	0.0		1,010.1
Other operating expen-ses	(91.7)	(658.9)	0.0		(750.7)
Operating profit	**773.8**	**1,208.6**	**(120.8)**		**1,861.7**
Financial income	6.8	19.8	(0.3)	9	26.3
Financial expenses	(107.6)	(91.4)	(83.0)	1, 5,9	(282.0)
Profit before tax	**673.1**	**1,137.1**	**(204.1)**		**1,606.0**
Tax	(99.6)	(231.3)	31.8		(299.0)
Net profit for the year	**573.5**	**905.8**	**(172.3)**		**1,307.0**

* Refers to both actual and preliminary dates of taking possession.

Notes to Pro Forma Financial Statements

1: Leases

In the pro forma income statement, expenses related to reported leasing contracts are reduced and depreciation charges on the right-of-use assets are added as a consequence of the adjustment to the Group's application of IFRS 16. The aggregated net effect by function of expense is as per below:

- **Cost of goods sold:** Reduced by SEK 11.7 million.
- **Selling expenses:** Reduced by SEK 2.8 million.
- **Administrative expenses:** Reduced by SEK 0.9 million.

Interest expenses related to lease liabilities increase financial expenses by SEK 21.0 million.

Aggregated effect on the pro forma net profit is SEK (4.4) million.

2: Revenue recognition

As a consequence of adopting the Group's accounting principles for percentage of completion, aggregated net sales for the period has decreased by SEK 20.0 million. The associated COGS has at an aggregated level been reduced by SEK 19.7 million.

3: Reversal of goodwill amortisation

In the pro forma income statement, amortisation of goodwill in the acquired entities have been reversed. The aggregated effect by function of expense is as per below:

- **Cost of goods sold:** Decreased by SEK 119.1 million.
- **Selling expenses:** Decreased by SEK 27.9 million.

The adjustment is of a one-time nature and not recurring.

4: Depreciation and amortisation of identified surplus values

In the pro forma income statement, amortisation charges are added on customer relations and depreciation is added on properties used in the operations the identified in the purchase price allocations. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Increases by SEK 189.2 million.
- **Selling expenses:** Increases by SEK 44.8 million.
- **Administrative expenses:** Increases by SEK 14.5 million.

Dissolvement of the deferred tax liability related to the surplus values of SEK 52.0 million for 2020 as a reduction of the tax expense.

5: Financing

The acquisitions are financed partly through existing cash, partly through credit facilities used in direct connection with the acquisition. In the pro forma income statement, interest expenses have been added for the period up to the acquisition being carried out as if the acquisitions were carried out and financing was raised on 1 January 2020. An interest expense of SEK 62.3 million has been added for the period 1 January 2020 to 31 December 2020.

6: Transaction costs

In connection with each Acquisition, Storskogen has incurred costs directly attributable to the transactions relating to fees to financial, legal and other advisors. Transaction costs are not charged to the pro forma income statement as it is prepared on the assumption that transaction costs have been incurred in the period prior to the acquisition date, i.e. during the financial year 2019 for all acquisitions. If transaction costs have been included in Storskogen's consolidated results for the full year 2020, these have been eliminated to present transaction costs as if they occurred in the period prior to the acquisition date. Costs amounting to SEK 7.5 million has reduced the Group's costs during 2020.

The costs directly linked to the acquisitions are of a one-off nature and are not recurring.

7: Defined benefit pension plans

Some of the acquired entities have defined benefit plans that have been recognised according to local GAAP. In the pro forma financial statements, the defined benefit plans have been recognised and measured in accordance with IAS 19 Employee Benefits. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Increases by SEK 3.7 million.
- **Selling expenses:** Increases by SEK 0.9 million.
- **Administrative expenses:** Increases by SEK 0.3 million.

8: Termination of consultancy contract

In connection with the acquisition of Ecochange, a consultancy contract has been terminated as the consultant has transferred to a permanent position. The cost of the termination of SEK 51.0 million has been recognised in the entity in 2021. In the pro forma income statement, the cost, which is partly compensation for sales bonuses, has been distributed between 2020 and 2021 by reducing the cost for 2021 by SEK 37.0 million and increased the cost by the same amount for 2020.

The adjustment is of a one-time nature and not recurring.

9: Elimination of transactions between Storskogen and the acquired entities

In the period prior to the acquisition date, certain transactions of a limited nature have occurred between Storskogen and the acquired entities. In the pro forma income statement, these have been eliminated. Aggregated impact per function as follows:

- **Net sales:** Reduced by SEK 20.5 million.
- **Cost of goods sold:** Reduced by SEK 4.0 million.
- **Administrative expenses:** Reduced by SEK 16.5 million.
- **Interest income:** Reduced by SEK 0.3 million.
- **Interest expenses:** Increases by SEK 62.0 million.

Pro Forma Income Statement for the period 1 January–30 June 2021

Table 7

SEK million	Storskogen Group	Acquisitions from 5 Jan 2021 to 10 Oct 2021*	Pro Forma Adjustments	Note	Pro Forma Income Statement
Net sales	6,713.0	3,426.9	(1.3)	2, 9	10,138.6
Cost of goods sold	(5,257.8)	(2,525.3)	(39.5)	1, 2, 3, 4, 7, 9	(7,822.6)
Gross profit	**1,455.2**	**901.6**	**(40.8)**		**2,316.0**
Selling expenses	(528.3)	(267.5)	(8.1)	1, 3, 4, 7	(803.9)
Administrative expenses	(459.4)	(258.7)	47.4	1, 4, 6, 7, 8, 9	(670.7)
Other operating income	223.7	289.8	0.0		513.5
Other operating expenses	(161.7)	(242.2)	0.0		(404.0)
Operating profit	**529.6**	**423.0**	**(1.5)**		**951.0**
Financial income	4.7	14.1	(0.3)	9	18.5
Financial expenses	(53.2)	(23.9)	(24.6)	1, 5, 9	(101.7)
Profit before tax	**481.1**	**413.1**	**(26.4)**		**867.8**
Tax	(99.8)	(89.5)	12.6		(176.7)
Net profit for the period	**381.2**	**323.6**	**(13.8)**		**691.0**

* Refers to both actual and preliminary dates of taking possession.

Notes to Pro Forma Financial Statements

1: Leases

In the pro forma income statement, expenses related to reported leasing contracts are reduced and depreciation charges on the right-of-use assets are added as a consequence of the adjustment to the Group's application of IFRS 16. The aggregated net effect by function of expense is as per below:

- **Cost of goods sold:** Reduced by SEK 3.0 million.
- **Selling expenses:** Reduced by SEK 0.7 million.
- **Administrative expenses:** Reduced by SEK 0.2 million.

Interest expenses related to lease liabilities increase financial expenses by SEK 7.0 million.

Aggregated effect on the pro forma net profit is SEK (2.4) million.

2: Revenue recognition

As a consequence of adopting the Group's accounting principles for percentage of completion, aggregated net sales for the period has increased by SEK 7.3 million. The associated COGS has at an aggregated level been increased by SEK 10.6 million.

3: Reversal of goodwill amortisation

In the pro forma income statement, amortisation of goodwill in the acquired entities have been reversed. The aggregated effect by function of expense is as per below:

- **Cost of goods sold:** Decreased by SEK 35.4 million.
- **Selling expenses:** Decreased by SEK 8.3 million.

The adjustment is of a one-time nature and not recurring.

4: Depreciation and amortisation of identified surplus values

In the pro forma income statement, amortisation charges are added on customer relations and depreciation is added on properties used in the operations that were identified in the purchase price allocations. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Increases by SEK 70.9 million.
- **Selling expenses:** Increases by SEK 16.8 million.
- **Administrative expenses:** Increases by SEK 5.4 million.

Dissolvement of the deferred tax liability related to the surplus values of SEK 19.1 million for 2021 as a reduction of the tax expense.

5: Financing

The acquisitions are financed partly through existing cash, partly through credit facilities used in direct connection with the acquisition. In the pro forma income statement, interest expenses have been added for the period up to the acquisition being carried out as if the acquisitions were carried out and financing was raised on 1 January 2020. An interest expense of SEK 18.0 million has been added for the period 1 January 2021 to 30 June 2021.

6: Transaction costs

In connection with each Acquisition, Storskogen has incurred costs directly attributable to the transactions relating to fees to financial, legal and other advisors. Transaction costs are not charged to the pro forma income statement as it is prepared on the assumption that transaction costs have been incurred in the period prior to the acquisition date, i.e. during the financial year 2019 for all acquisitions. If transaction costs have been included in Storskogen's consolidated results for the financial year 2021, these have been eliminated to present transaction costs as if they occurred in the period prior to the acquisition date. Costs amounting to SEK 10.7 million has reduced the Group's costs during 2021.

The costs directly linked to the acquisitions are of a one-off nature and are not recurring.

7: Defined benefit pension plans

Some of the acquired entities have defined benefit plans that have been recognised according to local GAAP. In the pro forma financial statements, the defined benefit plans have been recognised and measured in accordance with IAS 19 Employee Benefits. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Increases by SEK 1.5 million.
- **Selling expenses:** Increases by SEK 0.3 million.
- **Administrative expenses:** Increases by SEK 0.1 million.

8: Termination of consultancy contract

In connection with the acquisition of Ecochange, a consultancy contract has been terminated as the consultant has transferred to a permanent position. The cost of the termination of SEK 51.0 million has been recognised in the entity in 2021. In the pro forma income statement, the cost, which is partly compensation for sales bonuses, has been distributed between 2020 and 2021 by reducing the cost for 2021 by SEK 37.0 million and increased the cost by the same amount for 2020.

The adjustment is of a one-time nature and not recurring.

9: Elimination of transactions between Storskogen and the acquired entities

In the period prior to the acquisition date, certain transactions of a limited nature have occurred between Storskogen and the acquired entities. In the pro forma income statement, these have been eliminated. Aggregated impact per function as follows:

- **Net sales:** Reduced by SEK 8.6 million.
- **Cost of goods sold:** Reduced by SEK 3.6 million
- **Administrative expenses:** Reduced by SEK 5.0 million.
- **Interest income:** Reduced by SEK 0.3 million.
- **Interest expenses:** Increases by SEK 17.6 million.

AGGREGATED PRO FORMA FINANCIAL STATEMENTS BY OPERATING SEGMENT

Pro forma financials per operating segment is presented down to operating profit as the Group does not present financial items or tax per segment.

Pro Forma Income Statement for the period 1 January–31 December 2020

Table 8

SEK million	Operating Segment Trade	Acquisitions in Trade	Pro Forma Adjustments	Note	Total Trade	Operating Segment Industry	Acquisitions in Industry	Pro Forma Adjustments	Note	Total Industry	Operating Segment Services	Acquisitions in Services	Pro Forma Adjustments	Note	Total Services	Eliminations	Note	Pro Forma Income Statement
Net sales	2,584.0	3,693.5	1.1	2	**6,278.6**	2,518.9	1,754.3	(24.3)	9	**4,248.9**	3,836.9	4,622.9	3.2	15	**8,462.9**	(26.9)	20	**18,963.5**
Cost of goods sold	(2,061.3)	(2,904.4)	(52.1)	1, 3, 4, 6	**(5 017.7)**	(1,985.5)	(1,387.8)	26.8	8, 9, 10, 11, 13	**(3,346.5)**	(3,057.0)	(3,319.0)	(17.2)	16. 17. 19	**(6,393.2)**	(20.5)	20	**(14,777.8)**
Gross profit	**522.7**	**789.2**	**(51.0)**		**1,260.9**	**533.4**	**366.5**	**2.5**		**902.4**	**779.9**	**1,303.9**	**(14.0)**		**2,069.7**	**(47.4)**		**4,185.7**
Selling expenses	(198.0)	(260.6)	(12.4)	1, 3, 4, 6	**(470.9)**	(181.0)	(133.9)	1.6	8, 10, 11, 13	**(313.3)**	(275.9)	(415.0)	(4.2)	16. 17. 19	**(695.1)**	(9.2)		**(1,488.5)**
Administrative expenses	(130.0)	(193.6)	(42.0)	1, 4, 5, 6, 7	**(365.6)**	(189.5)	(61.6)	(2.4)	8, 11, 12, 13	**(253.5)**	(196.4)	(309.5)	(6.4)	17. 18. 19	**(512.3)**	36.5		**(1,095.0)**
Other operating income	75.0	705.9	0.0		**780.9**	100.0	12.9	0.0		**112.9**	51.5	63.5	0.0		**115.0**	1.4	5, 12, 18, 20	**1,010.1**
Other operating expenses	(54.0)	(630.2)	0.0		**(684.2)**	(10.0)	(6.0)	0.0		**(16.0)**	(26.4)	(22.7)	0.0		**(49.1)**	(1.3)		**(750.7)**
Operating profit	**215.7**	**410.7**	**(105.4)**		**521.0**	**252.9**	**177.8**	**1.8**		**432.5**	**332.8**	**620.1**	**(24.7)**		**928.1**	**(20.1)**		**1,861.7**

Notes to Pro Forma Financial Statements

Operating segment Trade, pro forma adjustments by adjustment and income statement item

1: Leases

In the pro forma income statement, expenses related to reported leasing contracts are reduced and depreciation charges on the right-of-use assets are added as a consequence of the adjustment to the Group's application of IFRS 16. The aggregated net effect by function of expense is as per below:

- **Cost of goods sold:** Reduced by SEK 3.8 million.
- **Selling expenses:** Reduced by SEK 0.9 million.
- **Administrative expenses:** Reduced by SEK 0.3 million.

Aggregated effect on the pro forma operating profit is SEK 5.0 million.

2: Revenue recognition

As a consequence of adopting the Group's principles for percentage of completion, aggregated Net sales for the period have increased by SEK 1.1 million.

3: Reversal of goodwill amortisation

In the pro forma income statement, amortisation of goodwill in the acquired entities have been reversed. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Decreased by SEK 11.7 million.
- **Selling expenses:** Decreased by SEK 2.7 million.

The adjustment is of a one-time nature and not recurring.

4: Depreciation and amortisation of identified surplus values

In the pro forma income statement, amortisation charges are added on customer relations and depreciation is added on properties used in the operations that were identified in the purchase price allocations. The aggregated effect by function of expense is as per below:

- **Cost of goods sold:** Increases by SEK 66.8 million.
- **Selling expenses:** Increases by SEK 15.8 million.
- **Administrative expenses:** Increases by SEK 5.3 million.

5: Transaction costs

In connection with each Acquisition, Storskogen has incurred costs directly attributable to the transactions relating to fees to financial, legal and other advisors. Transaction costs are not charged to the pro forma income statement as it is prepared on the assumption that transaction costs have been incurred in the period prior to the acquisition date, i.e. during the financial year 2019 for all acquisitions. If transaction costs have been included in Storskogen's consolidated results for the full year 2020, these have been eliminated to present transaction costs as if they occurred in the period prior to the acquisition date. Costs amounting to SEK 1.7 million has reduced the Group's costs during 2020.

The costs directly linked to the acquisitions are of a one-off nature and are not recurring.

6: Defined benefit pension plans

Some of the acquired entities have defined benefit plans that have been recognised according to local GAAP. In the pro forma financial statements, the defined benefit plans have been recognised and measured in accordance with IAS 19 Employee Benefits. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Increases by SEK 0.7 million.
- **Selling expenses:** Increases by SEK 0.2 million.
- **Administrative expenses:** Increases by SEK 0.1 million.

7: Termination of consultancy contract

In connection with the acquisition of Ecochange, a consultancy contract has been terminated as the consultant has transferred to a permanent position. The cost of the termination of SEK 51.0 million has been recognised in the entity in 2021. In the pro forma income statement, the cost, which is partly compensation for sales bonuses, has been distributed between 2020 and 2021 by reducing the cost for 2021 by SEK 37.0 million and increased the cost by the same amount for 2020.

The adjustment is of a one-time nature and not recurring.

Operating segment Industry, pro forma adjustments by adjustment and income statement item

8: Leases

In the pro forma income statement, expenses related to reported leasing contracts are reduced and depreciation charges on the right-of-use assets are added as a consequence of the adjustment to the Group's application of IFRS 16. The aggregated net effect by function of expense is as per below:

- **Cost of goods sold:** Reduced by SEK 2.5 million.
- **Selling expenses:** Reduced by SEK 0.6 million.
- **Administrative expenses:** Reduced by SEK 0.2 million.

Aggregated effect on the pro forma operating profit is SEK 3.3 million.

9: Revenue recognition

As a consequence of adopting the Group's accounting principles for percentage of completion, aggregated net sales for the period has decreased by SEK 24.3 million. The associated COGS has at an aggregated level been reduced by SEK 19.7 million.

10: Reversal of goodwill amortisation

In the pro forma income statement, amortisation of goodwill in the acquired entities have been reversed. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Decreased by SEK 43.2 million.
- **Selling expenses:** Decreased by SEK 10.1 million.

The adjustment is of a one-time nature and not recurring.

11: Depreciation and amortisation of identified surplus values

In the pro forma income statement, amortisation charges are added on customer relations and depreciation is added on properties used in the operations identified in the purchase price allocations. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Increases by SEK 36.7 million.
- **Selling expenses:** Increases by SEK 8.7 million.
- **Administrative expenses:** Increases by SEK 2.4 million.

12: Transaction costs

In connection with each Acquisition, Storskogen has incurred costs directly attributable to the transactions relating to fees to financial, legal and other advisors. Transaction costs are not charged to the pro forma income statement as it is prepared on the assumption that transaction costs have been incurred in the period prior to the acquisition date, i.e. during the financial year 2019 for all acquisitions. If transaction costs have been included in Storskogen's consolidated results for the full year 2020, these have been eliminated to present transaction costs as if they occurred in the period prior to the acquisition date. Costs amounting to SEK 0.8 million has reduced the Group's costs during 2020.

The costs directly linked to the acquisitions are of a one-off nature and are not recurring.

13: Defined benefit pension plans

Some of the acquired entities have defined benefit plans that have been recognised according to local GAAP. In the pro forma financial statements, the defined benefit plans have been recognised and measured in accordance with IAS 19 Employee Benefits. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Increases by SEK 1.9 million.
- **Selling expenses:** Increases by SEK 0.4 million.
- **Administrative expenses:** Increases by SEK 0.1 million.

Operating segment Services, pro forma adjustments by adjustment and income statement item

14: Leases

In the pro forma income statement, expenses related to reported leasing contracts are reduced and depreciation charges on the right-of-use assets are added as a consequence of the adjustment to the Group's application of IFRS 16. The aggregated net effect by function of expense is as per below:

- **Cost of goods sold:** Reduced by SEK 5.4 million.
- **Selling expenses:** Reduced by SEK 1.3 million.
- **Administrative expenses:** Reduced by SEK 0.4 million.

Aggregated effect on the pro forma operating profit is SEK 7.1 million.

15: Revenue recognition

As a consequence of adopting the Group's accounting principles for percentage of completion, aggregated net sales for the period has increased by SEK 3.2 million.

16: Reversal of goodwill amortisation

In the pro forma income statement, amortisation of goodwill in the acquired entities have been reversed. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Decreased by SEK 64.2 million.
- **Selling expenses:** Decreased by SEK 15.1 million.

The adjustment is of a one-time nature and not recurring.

17: Depreciation and amortisation of identified surplus values

In the pro forma income statement, amortisation charges are added on customer relations that were identified in the purchase price allocations. The aggregate effect by function is as per below:

- **Cost of goods sold:** Increases by SEK 85.7 million.
- **Selling expenses:** Increases by SEK 20.3 million.
- **Administrative expenses:** Increases by SEK 6.8 million.

18: Transaction costs

In connection with each Acquisition, Storskogen has incurred costs directly attributable to the transactions relating to fees to financial, legal and other advisors. Transaction costs are not charged to the pro forma income statement as it is prepared on the assumption that transaction costs have been incurred in the period prior to the acquisition date, i.e. during the financial year 2019 for all acquisitions. If transaction costs have been included in Storskogen's consolidated results for the full year 2020, these have been eliminated to present transaction costs as if they occurred in the period prior to the acquisition date. Costs amounting to SEK 5.1 million has reduced the Group's costs during 2020.

The costs directly linked to the acquisitions are of a one-off nature and are not recurring.

19: Defined benefit pension plans

Some of the acquired entities have defined benefit plans that have been recognised according to local GAAP. In the pro forma financial statements, the defined benefit plans have been recognised and measured in accordance with IAS 19 Employee Benefits. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Increases by SEK 1.2 million.
- **Selling expenses:** Increases by SEK 0.3 million.
- **Administrative expenses:** Increases by SEK 0.1 million.

Group adjustments

20: Elimination of transactions between Storskogen and the acquired entities

In the period prior to the acquisition date, certain transactions of a limited nature have occurred between Storskogen and the acquired entities. In the pro forma income statement, these have been eliminated. Aggregated impact per function as follows:

- **Net sales:** Reduced by SEK 20.5 million.
- **Cost of goods sold:** Reduced by SEK 4.0 million.
- **Administrative expenses:** Reduced by SEK 16.5 million.

Pro Forma Income Statement for the period 1 January–30 June 2021

Table 9

SEK million	Operating Segment Trade	Acquisitions in Trade	Pro Forma Adjustments	Note	Total Trade	Operating Segment Industry	Acquisitions in Industry	Pro Forma Adjustments	Note	Total Industry	Operating Segment Services	Acquisitions in Services	Pro Forma Adjustments	Note	Total Services	Eliminations	Note	Pro Forma Income Statement
Net sales	2,113.8	1,365.5	0.7	2	**3,480.1**	1,665.2	730.0	8.2	9	**2,403.4**	2,936.2	1,331.4	(1.7)	15	**4,265.9**	(10.7)	20	**10,138.6**
Cost of goods sold	(1,644.3)	(1,030.3)	(23.4)	1, 3, 4, 6	**(2,698.0)**	(1,255.2)	(562.1)	(18.0)	8, 9, 10, 11, 13	**(1,835.4)**	(2,312.0)	(932.9)	(1.7)	14, 16, 17, 19	**(3,246.6)**	(42.6)	20	**(7,822.6)**
Gross profit	**469.5**	**335.2**	**(22.7)**		**782.0**	**409.9**	**167.9**	**(9.8)**		**568.1**	**624.2**	**398.5**	**(3.4)**		**1,019.3**	**(53.4)**		**2,316.0**
Selling expenses	(179.4)	(77.2)	(5.6)	1, 3, 4, 6	**(262.2)**	(109.3)	(57.1)	(2.1)	8, 10, 11, 13	**(168.5)**	(227.6)	(133.1)	(0.5)	14, 16, 17, 19	**(361.2)**	(11.9)		**(803.9)**
Administrative expenses	(92.0)	(123.7)	35.1	1, 4, 5, 6, 7	**(180.5)**	(161.6)	(27.4)	1.1	8, 11, 12, 13	**(190.0)**	(178.6)	(107.7)	(2.3)	14, 17, 18, 19	**(288.6)**	(11.5)	5, 12, 18, 20	**(670.7)**
Other operating income	85.9	260.2	0.0		**346.1**	54.8	8.7	0.0		**63.5**	77.9	20.9	0.0		**98.8**	5.1		**513.5**
Other operating expenses	(36.0)	(227.3)	0.0		**(263.4)**	(90.7)	(6.0)	0.0		**(96.7)**	(25.3)	(8.9)	0.0		**(34.2)**	(9.7)		**(404.0)**
Operating profit	**248.0**	**167.1**	**6.9**		**421.9**	**103.1**	**86.1**	**(12.9)**		**176.3**	**270.5**	**169.7**	**(6.2)**		**434.1**	**(81.3)**		**951.0**

Notes to Pro Forma Financial Statements

Operating segment Trade, pro forma adjustments by adjustment and income statement item

1: Leases

In the pro forma income statement, expenses related to reported leasing contracts are reduced and depreciation charges on the right-of-use assets are added as a consequence of the adjustment to the Group's application of IFRS 16. The aggregated net effect by function of expense is as per below:

- **Cost of goods sold:** Reduced by SEK 0.8 million.
- **Selling expenses:** Reduced by SEK 0.2 million.
- **Administrative expenses:** Reduced by SEK 0.1 million.

Aggregated effect on the pro forma operating profit is SEK 1.1 million.

2: Revenue recognition

As a consequence of adopting the Group's accounting principles for percentage of completion, aggregated net sales for the period has increased by SEK 0.7 million.

3: Reversal of goodwill amortisation

In the pro forma income statement, amortisation of goodwill in the acquired entities have been reversed. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Decreased by SEK 0.2 million.
- **Selling expenses:** Decreased by SEK 0.04 million.

The adjustment is of a one-time nature and not recurring.

4: Depreciation and amortisation of identified surplus values

In the pro forma income statement, amortisation charges are added on customer relations and depreciation is added on properties used in the operations that were identified in the purchase price allocations. The aggregated effect by function is as per below:

- **Cost of goods sold:** Increases by SEK 24.1 million.
- **Selling expenses:** Increases by SEK 5.7 million.
- **Administrative expenses:** Increases by SEK 1.9 million.

5: Transaction costs

In connection with each Acquisition, Storskogen has incurred costs directly attributable to the transactions relating to fees to financial, legal and other advisors. Transaction costs are not charged to the pro forma income statement as it is prepared on the assumption that transaction costs have been incurred in the period prior to the acquisition date, i.e. during the financial year 2019 for all acquisitions. If transaction costs have been included in Storskogen's consolidated results for the financial year 2021, these have been eliminated to present transaction costs as if they occurred in the period prior to the acquisition date. Costs amounting to SEK 5.8 million has reduced the Group's costs during 2021.

The costs directly linked to the acquisitions are of a one-off nature and are not recurring.

6: Defined benefit pension plans

Some of the acquired entities have defined benefit plans that have been recognised according to local GAAP. In the pro forma financial statements, the defined benefit plans have been recognised and measured in accordance with IAS 19 Employee Benefits. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Increases by SEK 0.3 million.
- **Selling expenses:** Increases by SEK 0.1 million.
- **Administrative expenses:** Increases by SEK 0.02 million.

7: Termination of consultancy contract

In connection with the acquisition of Ecochange, a consultancy contract has been terminated as the consultant has transferred to a permanent position. The cost of the termination of SEK 51.0 million has been recognised in the entity in 2021. In the pro forma income statement, the cost, which is partly compensation for sales bonuses, has been distributed between 2020 and 2021 by reducing the cost for 2021 by SEK 37.0 million and increased the cost by the same amount for 2020.

The adjustment is of a one-time nature and not recurring.

Operating segment Industry, pro forma adjustments by adjustment and income statement item

8: Leases

In the pro forma income statement, expenses related to reported leasing contracts are reduced and depreciation charges on the right-of-use assets are added as a consequence of the adjustment to the Group's application of IFRS 16. The aggregated net effect by function of expense is as per below:

- **Cost of goods sold:** Reduced by SEK 0.8 million.
- **Selling expenses:** Reduced by SEK 0.2 million.
- **Administrative expenses:** Reduced by SEK 0.1 million.

Aggregated effect on the pro forma operating profit is SEK 1.0 million.

9: Revenue recognition

As a consequence of adopting the Group's principles for percentage of completion, aggregated net sales for the period has increased by SEK 8.2 million. The associated Cost of goods sold have, at an aggregated level, increased by SEK 9.1 million.

10: Reversal of goodwill amortisation

In the pro forma income statement, amortisation of goodwill in the acquired entities have been reversed. The aggregated net effect by function of expense is as per below:

- **Cost of goods sold:** Decreased by SEK 7.7 million.
- **Selling expenses:** Decreased by SEK 1.8 million.

The adjustment is of a one-time nature and not recurring.

11: Depreciation and amortisation of identified surplus values

In the pro forma income statement, amortisation charges are added on customer relations and depreciation is added on properties used in the operations that were identified in the purchase price allocations. The aggregated net effect by function of expense is as per below:

- **Cost of goods sold:** Increases by SEK 16.6 million.
- **Selling expenses:** Increases by SEK 3.9 million.
- **Administrative expenses:** Increases by SEK 1.1 million.

12: Transaction costs

In connection with each Acquisition, Storskogen has incurred costs directly attributable to the transactions relating to fees to financial, legal and other advisors. Transaction costs are not charged to the pro forma income statement as it is prepared on the assumption that transaction costs have been incurred in the period prior to the acquisition date, i.e. during the financial year 2019 for all acquisitions. If transaction costs have been included in Storskogen's consolidated results for the financial year 2021, these have been eliminated to present transaction costs as if they occurred in the period prior to the acquisition date. Costs amounting to SEK 0.9 million has reduced the Group's costs during 2021.

The costs directly linked to the acquisitions are of a one-off nature and are not recurring.

13: Defined benefit pension plans

Some of the acquired entities have defined benefit plans that have been recognised according to local GAAP. In the pro forma financial statements, the defined benefit plans have been recognised and measured in accordance with IAS 19 Employee Benefits. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Increases by SEK 0.7 million.
- **Selling expenses:** Increases by SEK 0.2 million.
- **Administrative expenses:** Increases by SEK 0.1 million.

Operating segment Services, pro forma adjustments by adjustment and income statement item

14: Leases

In the pro forma income statement, expenses related to reported leasing contracts are reduced and depreciation charges on the right-of-use assets are added as a consequence of the adjustment to the Group's application of IFRS 16. The aggregated net effect by function of expense is as per below:

- **Cost of goods sold:** Reduced by SEK 1.4 million.
- **Selling expenses:** Reduced by SEK 0.3 million.
- **Administrative expenses:** Reduced by SEK 0.1 million.

Aggregated effect on the pro forma operating profit is SEK 1.9 million.

15: Revenue recognition

As a consequence of adopting the Group's principles for percentage of completion, aggregated net sales for the period have decreased by SEK 1.7 million.

16: Reversal of goodwill amortisation

In the pro forma income statement, amortisation of goodwill in the acquired entities have been reversed. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Decreased by SEK 27.5 million.
- **Selling expenses:** Decreased by SEK 6.5 million.

The adjustment is of a one-time nature and not recurring.

17: Depreciation and amortisation of identified surplus values

In the pro forma income statement, amortisation charges are added on customer relations that were identified in the purchase price allocations. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Increases by SEK 30.2 million.
- **Selling expenses:** Increases by SEK 7.2 million.
- **Administrative expenses:** Increases by SEK 2.4 million.

18: Transaction costs

In connection with each Acquisition, Storskogen has incurred costs directly attributable to the transactions relating to fees to financial, legal and other advisors. Transaction costs are not charged to the pro forma income statement as it is prepared on the assumption that transaction costs have been incurred in the period prior to the acquisition date, i.e. during the financial year 2019 for all acquisitions. If transaction costs have been included in Storskogen's consolidated results for the financial year 2021, these have been eliminated to present transaction costs as if they occurred in the period prior to the acquisition date. Costs amounting to SEK 4.0 million has reduced the Group's costs during 2021.

The costs directly linked to the acquisitions are of a one-off nature and are not recurring.

19: Defined benefit pension plans

Some of the acquired entities have defined benefit plans that have been recognised according to local GAAP. In the pro forma financial statements, the defined benefit plans have been recognised and measured in accordance with IAS 19 Employee Benefits. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Increases by SEK 0.5 million.
- **Selling expenses:** Increases by SEK 0.1 million.
- **Administrative expenses:** Increases by SEK 0.04 million.

Group adjustments

20: Elimination of transactions between Storskogen and the acquired entities

In the period prior to the acquisition date, certain transactions of a limited nature have occurred between Storskogen and the acquired entities. In the pro forma income statement, these have been eliminated. Aggregated impact per function as follows:

- **Net sales:** Reduced by SEK 8.6 million.
- **Cost of goods sold:** Reduced by SEK 3.6 million.
- **Administrative expenses:** Reduced by SEK 5.0 million.

PRO FORMA FINANCIAL STATEMENTS BY ACQUIRED ENTITY

Pro Forma Income Statement for the period 1 January–31 December 2020

Table 10

SEK million Entity	Note	Period	GAAP	Basis for financial information	Net sales	Cost of Goods Sold	Gross profit	Selling expenses	Administrative expenses	Other operating income	Other operating expenses	Operating profit	Financial income	Financial expenses	Profit before tax	Tax	Profit for the period
Storskogen		**2020-01-01–2020-12-31**	**IFRS**	**Audited**	**8,933.357**	**(7,128.214)**	**1,805.143**	**(664.073)**	**(503.444)**	**227.941**	**(91.743)**	**773.824**	**6.796**	**(107.568)**	**673.052**	**(99.551)**	**573.501**
VästMark Entreprenad AB		2020-01-01–2020-01-30	Swedish GAAP (K3)	Audited	9.116	(7.942)	1.174	(0.181)	(0.178)	0.000	0.000	0.815	0.000	0.000	0.815	(0.176)	0.638
GAAP adjustments	1, 6				0.000	0.001	0.001	0.000	0.000	0.000	0.000	0.001	0.000	(0.003)	(0.001)	0.000	(0.001)
Acquisition-related adjustments	4				0.000	(0.222)	(0.222)	(0.053)	(0.018)	0.000	0.000	(0.292)	0.000	0.000	(0.292)	0.062	(0.229)
Sum VästMark Entreprenad AB					**9.116**	**(8.163)**	**0.953**	**(0.234)**	**(0.195)**	**0.000**	**0.000**	**0.524**	**0.000**	**(0.003)**	**0.521**	**(0.114)**	**0.408**
NP Måleri & Fastighetsservice i Västerort AB		2020-01-01–2020-01-31	Swedish GAAP (K2)	Audited	6.130	(3.798)	2.332	(0.504)	(0.149)	0.010	0.000	1.689	0.000	(0.003)	1.685	(1.220)	0.465
GAAP adjustments	1, 6				0.000	0.002	0.002	0.001	0.000	0.000	0.000	0.003	0.000	(0.006)	(0.003)	0.001	(0.002)
Acquisition-related adjustments	4				0.000	(0.063)	(0.063)	(0.015)	(0.005)	0.000	0.000	(0.083)	0.000	0.000	(0.083)	0.018	(0.065)
Sum NP Måleri & Fastighetsservice i Västerort					**6.130**	**(3.858)**	**2.271**	**(0.519)**	**(0.154)**	**0.010**	**0.000**	**1.609**	**0.000**	**(0.009)**	**1.600**	**(1.202)**	**0.398**
Malmstens Måleri & Färgsättning AB		2020-01-01–2020-03-31	Swedish GAAP (K2)	Audited	10.923	(7.091)	3.832	(0.463)	(0.500)	0.209	0.058	3.136	(0.999)	(0.014)	2.123	(0.204)	1.920
GAAP adjustments	1, 6				0.000	0.034	0.034	0.008	0.003	0.000	0.000	0.044	0.000	(0.011)	0.034	(0.007)	0.026
Acquisition-related adjustments	4				0.000	(0.092)	(0.092)	(0.022)	(0.007)	0.000	0.000	(0.122)	0.000	0.000	(0.122)	0.026	(0.096)
Sum Malmstens Måleri & Färgsättning AB					**10.923**	**(7.150)**	**3.773**	**(0.477)**	**(0.504)**	**0.209**	**0.058**	**3.059**	**(0.999)**	**(0.024)**	**2.035**	**(0.185)**	**1.851**
Björsons Måleri Eftr. Aktiebolag		2020-01-01–2020-05-03	Swedish GAAP (K2)	Audited	19.491	(13.390)	6.101	(2.703)	(1.712)	0.011	0.000	1.697	0.000	(0.001)	1.696	(1.024)	0.672
GAAP adjustments	1, 2, 6				0.502	0.005	0.506	0.001	0.000	0.000	0.000	0.508	0.000	(0.011)	0.497	(0.106)	0.391
Acquisition-related adjustments	4				0.000	(0.170)	(0.170)	(0.040)	(0.013)	0.000	0.000	(0.223)	0.000	0.000	(0.223)	0.048	(0.176)
Sum Björsons Måleri Eftr. Aktiebolag					**19.993**	**(13.555)**	**6.437**	**(2.742)**	**(1.725)**	**0.011**	**0.000**	**1.981**	**0.000**	**(0.012)**	**1.970**	**(1.083)**	**0.887**
Tepac Entreprenad AB		2020-01-01–2020-05-03	Swedish GAAP (K2)	Audited	56.302	(35.661)	20.641	(1.546)	(1.993)	0.110	0.000	17.213	0.000	(0.038)	17.175	(3.690)	13.485
GAAP adjustments	1				0.000	0.018	0.018	0.004	0.001	0.000	0.000	0.023	0.000	(0.025)	(0.002)	0.000	(0.002)
Acquisition-related adjustments	6				0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sum Tepac Entreprenad AB					**56.302**	**(35.643)**	**20.659**	**(1.541)**	**(1.991)**	**0.110**	**0.000**	**17.236**	**0.000**	**(0.063)**	**17.173**	**(3.690)**	**13.483**

SEK million Entity	Note	Period	GAAP	Basis for financial information	Net sales	Cost of Goods Sold	Gross profit	Selling expenses	Administrative expenses	Other operating income	Other operating expenses	Operating profit	Financial income	Financial expenses	Profit before tax	Tax	Profit for the period
L'anza EP Sweden AB		2020-01-01–2020-05-31	Swedish GAAP (K3)	Audited	42.802	(29.552)	13.250	(4.035)	(1.741)	0.418	0.000	7.892	0.426	(0.222)	8.096	(1.733)	6.363
GAAP adjustments	1				0.000	0.016	0.016	0.004	0.001	0.000	0.000	0.021	0.000	(0.037)	(0.016)	0.003	(0.013)
Acquisition-related adjustments	4, 6				0.000	(0.314)	(0.314)	(0.074)	(0.025)	0.000	0.000	(0.413)	0.000	0.000	(0.413)	0.088	(0.325)
Sum L'anza Sweden AB					**42.802**	**(29.850)**	**12.952**	**(4.105)**	**(1.764)**	**0.418**	**0.000**	**7.499**	**0.426**	**(0.259)**	**7.666**	**(1.641)**	**6.026**
Växjö Elmontage AB		2020-01-01–2020-05-31	Swedish GAAP (K3)	Audited	15.114	(7.007)	8.108	(2.266)	(1.473)	0.047	0.000	4.416	0.000	(0.001)	4.415	(3.270)	1.145
GAAP adjustments	1				0.000	0.017	0.017	0.004	0.001	0.000	0.000	0.023	0.000	(0.036)	(0.013)	0.003	(0.010)
Acquisition-related adjustments	4, 6				0.000	(0.393)	(0.393)	(0.093)	(0.031)	0.000	0.000	(0.5170)	0.000	0.000	(0.517)	0.111	(0.406)
Sum Växjö Elmontage AB					**15.114**	**(7.382)**	**7.732**	**(2.355)**	**(1.503)**	**0.047**	**0.000**	**3.922**	**0.000**	**(0.037)**	**3.885**	**(3.157)**	**0.728**
Karlsons Ortogonal AB		2020-01-01–2020-05-31	Swedish GAAP (K2)	Audited	11.875	(6.930)	4.946	(1.419)	(1.898)	0.101	0.000	1.729	0.000	(0.001)	1.728	(0.370)	1.358
GAAP adjustments	1				0.000	0.004	0.004	0.001	0.000	0.000	0.000	0.006	0.000	(0.011)	(0.005)	0.001	(0.004)
Acquisition-related adjustments	4, 6				0.000	(0.230)	(0.230)	(0.055)	(0.018)	0.000	0.000	(0.303)	0.000	0.000	(0.303)	0.065	(0.238)
Sum Karlsons Ortogonal AB					**11.875**	**(7.156)**	**4.720**	**(1.473)**	**(1.916)**	**0.101**	**0.000**	**1.432**	**0.000**	**(0.012)**	**1.420**	**(0.304)**	**1.116**
Frends AS		2020-01-01–2020-06-09	Norwegian GAAP	Audited	56.235	(38.717)	17.519	(4.730)	(2.485)	0.185	0.000	10.488	0.157	(0.984)	9.662	(2.126)	7.536
GAAP adjustments	1				0.000	0.065	0.065	0.015	0.005	0.000	0.000	0.086	0.000	(0.125)	(0.039)	0.009	(0.031)
Acquisition-related adjustments	4, 6				0.000	(0.168)	(0.168)	(0.040)	(0.013)	0.000	0.000	(0.221)	0.000	0.000	(0.221)	0.047	(0.173)
Sum Frends AS					**56.235**	**(38.819)**	**17.416**	**(4.755)**	**(2.493)**	**0.185**	**0.000**	**10.353**	**0.157**	**(1.108)**	**9.402**	**(2.070)**	**7.332**
Stockholms Internationella Handelsskola AB		2020-01-01–2020-06-30	Swedish GAAP (K2)	Audited	20.153	(10.725)	9.429	(1.749)	(1.291)	0.094	0.000	6.483	0.000	(0.030)	6.453	(1.388)	5.065
GAAP adjustments	1				0.000	0.023	0.023	0.006	0.002	0.000	0.000	0.031	0.000	(0.058)	(0.027)	0.006	(0.021)
Acquisition-related adjustments	6				0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sum Stockholms Internationella Handelsskola AB					**20.153**	**(10.701)**	**9.452**	**(1.743)**	**(1.289)**	**0.094**	**0.000**	**6.514**	**0.000**	**(0.088)**	**6.426**	**(1.382)**	**5.044**
Syd Communication & Security AB		2020-01-01–2020-06-30	Swedish GAAP (K2)	Audited	27.166	(19.979)	7.187	(1.917)	(1.424)	0.254	0.000	4.100	0.001	(0.003)	4.098	(1.131)	2.967
GAAP adjustments	1				0.000	(0.015)	(0.015)	(0.004)	(0.001)	0.000	0.000	(0.020)	0.000	(0.020)	(0.040)	0.009	(0.032)
Acquisition-related adjustments	4				0.000	(0.139)	(0.139)	(0.033)	(0.011)	0.000	0.000	(0.183)	0.000	0.000	(0.183)	0.039	(0.144)
Sum Syd Communication & Security AB					**27.166**	**(20.133)**	**7.033**	**(1.954)**	**(1.437)**	**0.254**	**0.000**	**3.897**	**0.001**	**(0.023)**	**3.875**	**(1.083)**	**2.792**
Ullmax AB		2020-01-01–2020-06-30	Swedish GAAP (K2)	Audited	3.609	(5.000)	(1.390)	(2.400)	(1.083)	0.338	(0.088)	(4.624)	0.005	(0.139)	(4.758)	1.020	(3.739)
GAAP adjustments	1				0.000	0.018	0.018	0.004	0.001	0.000	0.000	0.024	0.000	(0.043)	(0.019)	0.004	(0.015)
Acquisition-related adjustments	6				0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sum Ullmax AB					**3.609**	**(4.981)**	**(1.372)**	**(2.395)**	**(1.082)**	**0.338**	**(0.088)**	**(4.599)**	**0.005**	**(0.182)**	**(4.777)**	**1.024**	**(3.753)**
Bergendahls El Gruppen AB		2020-01-01–2020-07-14	Swedish GAAP (K3)	Audited	179.860	(142.193)	37.666	(15.688)	(9.512)	6.999	0.000	19.466	0.018	(0.027)	19.457	(4.110)	15.347
GAAP adjustments	1				0.000	0.082	0.082	0.019	0.006	0.000	0.000	0.107	0.000	(0.196)	(0.089)	0.019	(0.070)
Acquisition-related adjustments	4, 6				0.000	(1.529)	(1.529)	(0.362)	(0.121)	0.000	0.000	(2.012)	0.000	0.000	(2.012)	0.431	(1.582)
Sum Bergendahls El Gruppen AB					**179.860**	**(143.641)**	**36.219**	**(16.030)**	**(9.626)**	**6.999**	**0.000**	**17.561**	**0.018**	**(0.223)**	**17.356**	**(3.661)**	**13.695**
P & A Måleri i Norrköping AB		2020-01-01–2020-08-31	Swedish GAAP (K2)	Audited	20.042	(11.839)	8.203	(2.146)	(1.745)	0.376	0.000	4.688	0.000	(0.007)	4.681	(1.662)	3.019
GAAP adjustments	1, 2				0.409	0.017	0.426	0.004	0.001	0.000	0.000	0.431	0.000	(0.040)	0.391	(0.084)	0.308
Acquisition-related adjustments	4, 6				0.000	(0.290)	(0.290)	(0.069)	(0.023)	0.000	0.000	(0.382)	0.000	0.000	(0.382)	0.082	(0.300)
Sum P & A Måleri i Norrköping AB					**20.451**	**(12.113)**	**8.338**	**(2.211)**	**(1.766)**	**0.376**	**0.000**	**4.737**	**0.000**	**(0.047)**	**4.691**	**(1.664)**	**3.027**
El & Projektering i Vetlanda AB		2020-01-01–2020-08-31	Swedish GAAP (K2)	Audited	52.764	(38.457)	14.306	(3.496)	(2.204)	0.229	0.000	8.834	0.010	(0.113)	8.732	(1.869)	6.863
GAAP adjustments	1, 2				1.460	(0.030)	1.430	(0.007)	(0.002)	0.000	0.000	1.420	0.000	(0.030)	1.390	(0.297)	1.093
Acquisition-related adjustments	4, 6				0.000	(0.351)	(0.351)	(0.083)	(0.028)	0.000	0.000	(0.462)	0.000	0.000	(0.462)	0.099	(0.363)
Sum El & Projektering i Vetlanda AB					**54.223**	**(38.838)**	**15.385**	**(3.586)**	**(2.234)**	**0.229**	**0.000**	**9.793**	**0.010**	**(0.143)**	**9.661**	**(2.067)**	**7.593**
nds Nordic Drilling System i Gävle AB		2020-01-01–2020-11-01	Swedish GAAP (K2)	Audited	43.466	(20.582)	22.884	(3.798)	(3.422)	0.035	(0.568)	15.131	0.000	(0.279)	14.851	(3.192)	11.660
GAAP adjustments	1				0.000	0.024	0.024	0.006	0.002	0.000	0.000	0.032	0.000	(0.039)	(0.007)	0.002	(0.006)
Acquisition-related adjustments	4, 6				0.000	(1.212)	(1.212)	(0.287)	(0.096)	0.000	0.000	(1.595)	0.000	0.000	(1.595)	0.341	(1.254)
Sum nds Nordic Drilling System i Gävle AB					**43.466**	**(21.770)**	**21.696**	**(4.080)**	**(3.515)**	**0.035**	**(0.568)**	**13.568**	**0.000**	**(0.318)**	**13.249**	**(2.849)**	**10.401**
Ljus & Comfort i Åhus AB		2020-01-01–2020-11-01	Swedish GAAP (K3)	Audited	18.214	(14.812)	3.402	(1.781)	(1.267)	0.404	0.000	0.757	0.000	0.000	0.757	(0.162)	0.595
GAAP adjustments	1				0.000	(0.049)	(0.049)	(0.012)	(0.004)	0.000	0.000	(0.064)	0.000	(0.012)	(0.076)	0.016	(0.060)
Acquisition-related adjustments					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sum Ljus & Comfort i Åhus AB					**18.214**	**(14.861)**	**3.353**	**(1.793)**	**(1.271)**	**0.404**	**0.000**	**0.693**	**0.000**	**(0.012)**	**0.681**	**(0.146)**	**0.535**

SEK million Entity	Note	Period	GAAP	Basis for financial information	Net sales	Cost of Goods Sold	Gross profit	Selling expenses	Administrative expenses	Other operating income	Other operating expenses	Operating profit	Financial income	Financial expenses	Profit before tax	Tax	Profit for the period
Sunteam AB		2020-01-01–2020-11-01	Swedish GAAP (K3)	Audited	16.274	(10.984)	5.289	(0.862)	(0.634)	0.170	(0.038)	3.925	(0.115)	0.000	3.811	(0.815)	2.995
GAAP adjustments	1				0.000	(0.011)	(0.011)	(0.003)	(0.001)	0.000	0.000	(0.015)	0.000	(0.008)	(0.022)	0.005	(0.017)
Acquisition-related adjustments	4				0.000	(0.127)	(0.127)	(0.030)	(0.010)	0.000	0.000	(0.166)	0.000	0.000	(0.166)	0.036	(0.131)
Sum Sunteam AB					**16.274**	**(11.122)**	**5.152**	**(0.894)**	**(0.645)**	**0.170**	**(0.038)**	**3.744**	**(0.115)**	**(0.008)**	**3.622**	**(0.775)**	**2.847**
Kungälvs Plastteknik AB		2020-01-01–2020-11-02	Swedish GAAP (K3)	Audited	15.576	(12.954)	2.621	(0.890)	(0.829)	0.088	0.000	0.991	0.058	(0.005)	1.044	(0.487)	0.557
GAAP adjustments	1				0.000	(0.009)	(0.009)	(0.002)	(0.001)	0.000	0.000	(0.012)	0.000	(0.002)	(0.014)	0.003	(0.011)
Acquisition-related adjustments	4				0.000	(0.152)	(0.152)	(0.036)	(0.012)	0.000	0.000	(0.200)	0.000	0.000	(0.200)	0.043	(0.157)
Sum Kungälvs Plastteknik AB					**15.576**	**(13.116)**	**2.460**	**(0.928)**	**(0.842)**	**0.088**	**0.000**	**0.778**	**0.058**	**(0.006)**	**0.830**	**(0.442)**	**0.389**
Petulo Pipe AB		2020-01-01–2020-11-02	Swedish GAAP (K2)	Audited	4.563	(3.171)	1.392	(0.163)	(0.090)	(0.078)	0.000	1.061	0.000	0.000	1.061	(0.339)	0.722
GAAP adjustments	1				0.000	(0.004)	(0.004)	(0.001)	0.000	0.000	0.000	(0.005)	0.000	(0.001)	(0.006)	0.001	(0.005)
Acquisition-related adjustments	4				0.000	(0.025)	(0.025)	(0.006)	(0.002)	0.000	0.000	(0.033)	0.000	0.000	(0.033)	0.007	(0.026)
Sum Petulo Pipe AB					**4.563**	**(3.200)**	**1.362**	**(0.170)**	**(0.092)**	**(0.078)**	**0.000**	**1.022**	**0.000**	**(0.001)**	**1.022**	**(0.331)**	**0.691**
Rollsbo Modulsvets AB		2020-01-01–2020-11-02	Swedish GAAP (K2)	Audited	3.603	(2.605)	0.998	(0.025)	(0.057)	0.000	0.000	0.916	0.000	0.000	0.916	(0.226)	0.689
GAAP adjustments	1				0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Acquisition-related adjustments	4				0.000	(0.075)	(0.075)	(0.018)	(0.006)	0.000	0.000	(0.099)	0.000	0.000	(0.099)	0.021	(0.078)
Sum Rollsbo Modulsvets AB					**3.603**	**(2.680)**	**0.923**	**(0.043)**	**(0.063)**	**0.000**	**0.000**	**0.817**	**0.000**	**0.000**	**0.817**	**(0.205)**	**0.612**
Svenska Grindmatriser AB		2020-01-01–2020-11-30	Swedish GAAP (K2)	Audited	57.316	(33.933)	23.383	(2.749)	(1.954)	1.515	(1.639)	18.556	0.546	(0.954)	18.147	(3.892)	14.255
GAAP adjustments	1				0.000	0.016	0.016	0.004	0.001	0.000	0.000	0.021	0.000	(0.038)	(0.017)	0.004	(0.013)
Acquisition-related adjustments	4, 6				0.000	(2.317)	(2.317)	(0.549)	(0.183)	0.000	0.000	(3.049)	0.000	0.000	(3.049)	0.652	(2.396)
Sum Svenska Grindmatriser AB					**57.316**	**(36.234)**	**21.082**	**(3.294)**	**(2.136)**	**1.515**	**(1.639)**	**15.528**	**0.546**	**(0.992)**	**15.082**	**(3.237)**	**11.846**
M J Contractor AB		2020-01-01–2020-11-30	Swedish GAAP (K3)	Audited	150.724	(133.845)	16.879	(7.581)	(4.047)	0.737	0.000	5.989	0.967	(0.004)	6.952	(1.360)	5.592
GAAP adjustments	1				0.000	0.254	0.254	0.060	0.020	0.000	0.000	0.335	0.000	(0.563)	(0.229)	0.049	(0.180)
Acquisition-related adjustments	4, 6				0.000	(2.308)	(2.308)	(0.547)	(0.182)	0.000	0.000	(3.036)	0.000	0.000	(3.036)	0.650	(2.387)
Sum M J Contractor AB					**150.724**	**(135.898)**	**14.826**	**(8.067)**	**(4.209)**	**0.737**	**0.000**	**3.287**	**0.967**	**(0.567)**	**3.687**	**(0.661)**	**3.025**
IVEO AB		2020-01-01–2020-12-30	Swedish GAAP (K2)	Audited	31.725	(9.673)	22.052	(2.403)	(4.429)	0.000	0.000	15.220	0.022	0.000	15.242	(3.293)	11.949
GAAP adjustments	1				0.000	0.047	0.047	0.011	0.004	0.000	0.000	0.061	0.000	(0.104)	(0.043)	0.009	(0.034)
Acquisition-related adjustments	4, 6				0.000	(0.669)	(0.669)	(0.158)	(0.053)	0.000	0.000	(0.880)	0.000	0.000	(0.880)	0.188	(0.692)
Sum IVEO AB					**31.725**	**(10.295)**	**21.429**	**(2.551)**	**(4.478)**	**0.000**	**0.000**	**14.401**	**0.022**	**(0.104)**	**14.319**	**(3.095)**	**11.224**
Pierre Entreprenad i Gävle AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Audited	177.354	(147.234)	30.121	(9.115)	(5.150)	1.061	(0.015)	16.902	5.792	(0.021)	22.673	(3.784)	18.889
GAAP adjustments	1				0.000	0.224	0.224	0.053	0.018	0.000	0.000	0.295	0.000	(0.517)	(0.222)	0.047	(0.174)
Acquisition-related adjustments	4				0.000	(0.962)	(0.962)	(0.228)	(0.076)	0.000	0.000	(1.266)	0.000	0.000	(1.266)	0.341	(0.925)
Sum Pierre Entreprenad i Gävle AB					**177.354**	**(147.972)**	**29.382**	**(9.290)**	**(5.208)**	**1.061**	**(0.015)**	**15.930**	**5.792**	**(0.538)**	**21.185**	**(3.395)**	**17.790**
Örnsberg El Tele & Data AB		2020-01-01–2020-12-31	Swedish GAAP (K2)	Audited	61.724	(41.166)	20.558	(3.515)	(2.340)	0.092	(0.072)	14.724	0.000	(0.031)	14.693	(5.166)	9.527
GAAP adjustments	1				0.000	0.031	0.031	0.007	0.002	0.000	0.000	0.041	0.000	(0.069)	(0.028)	0.006	(0.022)
Acquisition-related adjustments	4				0.000	(1.524)	(1.524)	(0.361)	(0.120)	0.000	0.000	(2.005)	0.000	0.000	(2.005)	0.429	(1.576)
Sum Örnsberg El Tele & Data AB					**61.724**	**(42.658)**	**19.066**	**(3.868)**	**(2.458)**	**0.092**	**(0.072)**	**12.760**	**0.000**	**(0.099)**	**12.660**	**(4.731)**	**7.929**
Continovagruppen AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Audited	213.768	(176.468)	37.300	(13.289)	(8.582)	10.224	0.066	25.719	2.480	(0.563)	27.635	(8.300)	19.335
GAAP adjustments	1				0.000	0.146	0.146	0.035	0.012	0.000	0.000	0.192	0.000	(0.299)	(0.106)	0.023	(0.084)
Acquisition-related adjustments	4				0.000	(2.204)	(2.204)	(0.522)	(0.174)	0.000	0.000	(2.900)	0.000	0.000	(2.900)	0.621	(2.279)
Sum Continovagruppen AB					**213.768**	**(178.525)**	**35.242**	**(13.776)**	**(8.744)**	**10.224**	**0.066**	**23.011**	**2.480**	**(0.862)**	**24.629**	**(7.657)**	**16.972**
Ockelbo Kabelteknik AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Audited	105.656	(74.692)	30.964	(10.051)	(5.520)	3.267	(0.008)	18.652	0.004	(0.368)	18.287	(4.058)	14.229
GAAP adjustments	1				0.000	0.063	0.063	0.015	0.005	0.000	0.000	0.083	0.000	(0.111)	(0.028)	0.006	(0.022)
Acquisition-related adjustments	4				0.000	(1.422)	(1.422)	(0.337)	(0.112)	0.000	0.000	(1.871)	0.000	0.000	(1.871)	0.400	(1.471)
Sum Ockelbo Kabelteknik AB					**105.656**	**(76.052)**	**29.605**	**(10.373)**	**(5.627)**	**3.267**	**(0.008)**	**16.863**	**0.004**	**(0.479)**	**16.387**	**(3.651)**	**12.736**
Tjällmo Grävmaskiner AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Audited	148.833	(114.848)	33.985	(7.143)	(5.142)	0.614	(0.130)	22.184	0.016	(0.412)	21.788	(4.638)	17.149
GAAP adjustments	1				0.000	0.036	0.036	0.009	0.003	0.000	0.000	0.047	0.000	(0.062)	(0.015)	0.003	(0.012)
Acquisition-related adjustments	4				0.000	(1.432)	(1.432)	(0.339)	(0.113)	0.000	0.000	(1.885)	0.000	0.000	(1.885)	0.403	(1.481)
Sum Tjällmo Grävmaskiner AB					**148.833**	**(116.245)**	**32.588**	**(7.474)**	**(5.252)**	**0.614**	**(0.130)**	**20.346**	**0.016**	**(0.475)**	**19.888**	**(4.232)**	**15.656**

SEK million Entity	Note	Period	GAAP	Basis for financial informa-tion	Net sales	Cost of Goods Sold	Gross profit	Selling expenses	Admin-istrative expenses	Other operating income	Other operating expenses	Operat-ing profit	Finan-cial income	Finan-cial expenses	Profit before tax	Tax	Profit for the period
Strand i Jönköping AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Audited	132.404	(111.095)	21.309	(5.700)	(4.217)	0.872	0.000	12.264	0.003	(0.318)	11.950	(2.611)	9.339
GAAP adjustments	1				0.000	0.075	0.075	0.018	0.006	0.000	0.000	0.099	0.000	(0.124)	(0.026)	0.005	(0.020)
Acquisition-related adjustments	4				0.000	(0.476)	(0.476)	(0.113)	(0.038)	0.000	0.000	(0.627)	0.000	0.000	(0.627)	0.134	(0.492)
Sum Strand i Jönköping AB					**132.404**	**(111.496)**	**20.908**	**(5.795)**	**(4.248)**	**0.872**	**0.000**	**11.736**	**0.003**	**(0.442)**	**11.298**	**(2.471)**	**8.826**
Allan Eriksson Mark AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Audited	73.625	(61.130)	12.494	(4.809)	(1.964)	0.254	(0.067)	5.909	0.001	(0.135)	5.775	(1.240)	4.535
GAAP adjustments	1				0.000	0.014	0.014	0.003	0.001	0.000	0.000	0.018	0.000	(0.030)	(0.012)	0.003	(0.010)
Acquisition-related adjustments	4				0.000	(0.366)	(0.366)	(0.087)	(0.029)	0.000	0.000	(0.481)	0.000	0.000	(0.481)	0.103	(0.378)
Sum Allan Eriksson Mark AB					**73.625**	**(61.482)**	**12.142**	**(4.893)**	**(1.991)**	**0.254**	**(0.067)**	**5.445**	**0.001**	**(0.165)**	**5.281**	**(1.135)**	**4.147**
Såg- och Betongborrning i Uddevalla AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Audited	98.533	(76.605)	21.928	(10.074)	(5.755)	3.654	0.000	9.754	0.063	(0.077)	9.740	(2.109)	7.631
GAAP adjustments	1				0.000	0.675	0.675	0.160	0.053	0.000	0.000	0.888	0.000	(1.192)	(0.304)	0.065	(0.239)
Acquisition-related adjustments	4				0.000	(0.721)	(0.721)	(0.171)	(0.057)	0.000	0.000	(0.949)	0.000	0.000	(0.949)	0.203	(0.746)
Sum Såg- & Betongborrning i Uddevalla AB					**98.533**	**(76.652)**	**21.881**	**(10.085)**	**(5.758)**	**3.654**	**0.000**	**9.693**	**0.063**	**(1.269)**	**8.487**	**(1.841)**	**6.646**
BEC Trägolvs-produkter AB		2020-01-01–2020-12-31	Swedish GAAP (K2)	Audited	10.486	(8.660)	1.825	(0.302)	(0.257)	0.025	0.000	1.291	0.000	(0.004)	1.287	(0.279)	1.007
GAAP adjustments	1				0.000	0.010	0.010	0.002	0.001	0.000	0.000	0.013	0.000	(0.021)	(0.008)	0.002	(0.007)
Acquisition-related adjustments					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sum BEC Trägolvsprodukter AB					**10.486**	**(8.651)**	**1.835**	**(0.300)**	**(0.256)**	**0.025**	**0.000**	**1.303**	**0.000**	**(0.025)**	**1.278**	**(0.278)**	**1.001**
Måla-bolagen*		2020-01-01–2020-12-31	Swedish GAAP (K2/K3)	Audited	141.198	(107.243)	33.955	(12.562)	(6.959)	1.045	(0.051)	15.429	0.015	(0.040)	15.404	(2.662)	12.742
GAAP adjustments	1, 2				2.513	0.069	2.582	0.016	0.005	0.000	0.000	2.604	0.000	(0.138)	2.466	(0.528)	1.938
Acquisition-related adjustments	4				0.000	(0.904)	(0.904)	(0.214)	(0.071)	0.000	0.000	(1.190)	0.000	0.000	(1.190)	0.255	(0.935)
Sum Måla-bolagen					**143.711**	**(108.078)**	**35.633**	**(12.760)**	**(7.024)**	**1.045**	**(0.051)**	**16.843**	**0.015**	**(0.178)**	**16.680**	**(2.935)**	**13.745**
Strigo AB		2020-01-01–2020-12-31	Swedish GAAP (K2)	Audited	178.154	(106.377)	71.777	(28.552)	(27.768)	5.474	0.002	20.933	(7.282)	6.852	20.502	(3.957)	16.545
GAAP adjustments	1				0.000	0.377	0.377	0.089	0.030	0.000	0.000	0.496	0.000	(0.827)	(0.331)	0.071	(0.260)
Acquisition-related adjustments	4				0.000	(1.423)	(1.423)	(0.337)	(0.112)	0.000	0.000	(1.872)	0.000	0.000	(1.872)	0.401	(1.471)
Sum Strigo AB					**178.154**	**(107.422)**	**70.732**	**(28.800)**	**(27.851)**	**5.474**	**0.002**	**19.557**	**(7.282)**	**6.024**	**18.299**	**(3.485)**	**14.814**
PerfectHair AG		2020-01-01–2020-12-31	Swiss GAAP	Unaudited	314.800	(223.743)	91.057	(49.167)	(11.770)	0.000	(1.356)	28.765	0.000	(1.168)	27.597	(4.969)	22.629
GAAP adjustments	1, 3				0.000	1.337	1.337	0.314	0.022	0.000	0.000	1.637	0.000	(0.657)	1.016	0.064	1.080
Acquisition-related adjustments	4				0.000	(6.467)	(6.467)	(1.532)	(0.511)	0.000	0.000	(8.510)	0.000	0.000	(8.510)	0.681	(7.829)
Sum PerfectHair AG					**314.800**	**(228.873)**	**85.927**	**(50.384)**	**(12.258)**	**0.000**	**(1.356)**	**21.929**	**0.000**	**(1.825)**	**20.104**	**(4.224)**	**15.880**
Primulator AS		2020-01-01–2020-12-31	Norwe-gian GAAP	Audited	375.313	(307.246)	68.067	(27.854)	(14.266)	11.241	(7.275)	29.913	5.251	(3.139)	32.025	(3.951)	28.074
GAAP adjustments	1				0.000	0.277	0.277	0.066	0.022	0.000	0.000	0.364	0.000	(0.408)	(0.044)	0.010	(0.034)
Acquisition-related adjustments	4				0.000	(4.498)	(4.498)	(1.065)	(0.355)	0.000	0.000	(5.918)	0.000	0.000	(5.918)	1.302	(4.616)
Sum Primulator AS					**375.313**	**(311.467)**	**63.846**	**(28.853)**	**(14.599)**	**11.241**	**(7.275)**	**24.359**	**5.251**	**(3.548)**	**26.063**	**(2.640)**	**23.424**
Danmatic A/S		2020-01-01–2020-12-31	Danish	Audited	142.408	(109.867)	32.541	(5.774)	(4.683)	1.531	(0.197)	23.418	0.000	(0.440)	22.978	(5.057)	17.921
GAAP adjustments	1		GAAP		0.000	(0.002)	(0.002)	0.000	0.000	0.000	0.000	(0.002)	0.000	(0.009)	(0.011)	0.002	(0.008)
Acquisition-related adjustments	4				0.000	(2.515)	(2.515)	(0.596)	(0.199)	0.000	0.000	(3.309)	0.000	0.000	(3.309)	0.728	(2.581)
Sum Danmatic A/S					**142.408**	**(112.383)**	**30.025**	**(6.370)**	**(4.882)**	**1.531**	**(0.197)**	**20.107**	**0.000**	**(0.448)**	**19.659**	**(4.327)**	**15.332**
Top Swede Konfektion		2020-01-01–2020-12-31	Swedish GAAP (K3) and Norwe-gian GAAP, respec-tively	Audited	145.572	(106.410)	39.162	(9.427)	(6.733)	0.533	0.000	23.534	0.055	(0.540)	23.049	(4.985)	18.064
GAAP adjustments	1				0.000	0.195	0.195	0.046	0.015	0.000	0.000	0.257	0.000	(0.436)	(0.180)	0.038	(0.141)
Acquisition-related adjustments	4				0.000	(0.878)	(0.878)	(0.208)	(0.069)	0.000	0.000	(1.155)	0.000	0.000	(1.155)	0.247	(0.908)
Sum Top Swede Konfektion					**145.572**	**(107.093)**	**38.479**	**(9.589)**	**(6.787)**	**0.533**	**0.000**	**22.636**	**0.055**	**(0.976)**	**21.714**	**(4.699)**	**17.015**
HP Rör AB		2020-01-01–2020-12-31	Swedish GAAP (K2)	Unaudited	93.437	(83.163)	10.274	(5.186)	(4.046)	1.497	(0.060)	2.479	2.503	(0.006)	4.976	(2.249)	2.727
GAAP adjustments	1, 2				0.000	0.015	0.015	0.004	0.001	0.000	0.000	0.020	0.000	(0.034)	(0.015)	0.003	(0.012)
Acquisition-related adjustments	4				0.000	(0.513)	(0.513)	(0.122)	(0.041)	0.000	0.000	(0.675)	0.000	0.000	(0.675)	0.144	(0.531)
Sum HP Rör AB					**93.437**	**(83.661)**	**9.776**	**(5.304)**	**(4.085)**	**1.497**	**(0.060)**	**1.824**	**2.503**	**(0.041)**	**4.286**	**(2.101)**	**2.185**

SEK million Entity	Note	Period	GAAP	Basis for financial information	Net sales	Cost of Goods Sold	Gross profit	Selling expenses	Administrative expenses	Other operating income	Other operating expenses	Operating profit	Financial income	Financial expenses	Profit before tax	Tax	Profit for the period
AGIO System och Kompetens i Skandinavien AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Audited	106.656	(61.731)	44.925	(13.800)	(9.452)	0.359	0.000	22.031	(0.088)	(0.006)	21.938	(4.733)	17.205
GAAP adjustments	1				0.000	0.124	0.124	0.029	0.010	0.000	0.000	0.163	0.000	(0.274)	(0.110)	0.024	(0.087)
Acquisition-related adjustments	4				0.000	(1.471)	(1.471)	(0.349)	(0.116)	0.000	0.000	(1.936)	0.000	0.000	(1.936)	0.414	(1.522)
Sum AGIO System och Kompetens i Skandinavien AB					**106.656**	**(63.078)**	**43.578**	**(14.119)**	**(9.559)**	**0.359**	**0.000**	**20.259**	**(0.088)**	**(0.280)**	**19.892**	**(4.295)**	**15.596**
Bombayworks AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Audited	65.185	(33.932)	31.252	(8.396)	(10.782)	2.055	(0.012)	14.117	0.029	(1.271)	12.876	(2.927)	9.949
GAAP adjustments	1				0.000	0.133	0.133	0.031	0.010	0.000	0.000	0.175	0.000	(0.280)	(0.105)	0.023	(0.083)
Acquisition-related adjustments	4				0.000	(2.973)	(2.973)	(0.704)	(0.235)	0.000	0.000	(3.912)	0.000	0.000	(3.912)	0.837	(3.075)
Sum Bombayworks AB					**65.185**	**(36.773)**	**28.412**	**(9.069)**	**(11.006)**	**2.055**	**(0.012)**	**10.380**	**0.029**	**(1.551)**	**8.858**	**(2.067)**	**6.791**
SGS Tool Group Limited		2020-01-01–2020-12-31	UK GAAP	Audited	309.808	(219.737)	90.071	(39.608)	(3.775)	0.012	(0.166)	46.534	0.000	0.000	46.534	(8.841)	37.692
GAAP adjustments					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Acquisition-related adjustments	4				0.000	(6.468)	(6.468)	(1.532)	(0.511)	0.000	0.000	(8.511)	0.000	0.000	(8.511)	1.617	(6.894)
Sum SGS Tool Group Limited					**309.808**	**(226.206)**	**83.603**	**(41.140)**	**(4.286)**	**0.012**	**(0.166)**	**38.023**	**0.000**	**0.000**	**38.023**	**(7.224)**	**30.799**
Scandia Steel Sweden AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Unaudited	435.426	(351.324)	84.102	(35.681)	(5.204)	0.124	0.000	43.340	0.000	(0.632)	42.708	(5.001)	37.707
GAAP adjustments	1				0.000	0.086	0.086	0.020	0.007	0.000	0.000	0.114	0.000	(0.198)	(0.085)	0.013	(0.072)
Acquisition-related adjustments	4				0.000	(4.362)	(4.362)	(1.033)	(0.344)	0.000	0.000	(5.740)	0.000	0.000	(5.740)	0.861	(4.879)
Sum Scandia Steel Sweden AB					**435.426**	**(355.600)**	**79.826**	**(36.694)**	**(5.542)**	**0.124**	**0.000**	**37.714**	**0.000**	**(0.831)**	**36.884**	**(4.127)**	**32.757**
Mattbolaget i Uddevalla AB		2020-01-01–2020-12-31	Swedish GAAP (K2)	Audited	22.841	(18.881)	3.960	(1.273)	(0.446)	0.237	0.000	2.478	0.005	(0.020)	2.462	(0.533)	1.929
GAAP adjustments	1				0.000	0.019	0.019	0.005	0.002	0.000	0.000	0.025	0.000	0.044	0.019	0.004	0.015
Acquisition-related adjustments					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sum Mattbolaget i Uddevalla AB					**22.841**	**(18.862)**	**3.979**	**(1.268)**	**(0.445)**	**0.237**	**0.000**	**2.503**	**0.005**	**(0.064)**	**2.443**	**(0.529)**	**1.914**
Harrysson Entreprenad Aktiebolag (HEAB)		2020-01-01–2020-12-31	Swedish GAAP (K3)	Audited	133.589	(112.518)	21.071	(5.411)	(3.682)	0.000	0.000	11.977	0.035	(0.049)	11.963	(2.635)	9.328
GAAP adjustments	1				0.000	0.065	0.065	0.015	0.005	0.000	0.000	0.085	0.000	(0.075)	0.010	(0.002)	0.007
Acquisition-related adjustments	4				0.000	(1.268)	(1.268)	(0.300)	(0.100)	0.000	0.000	(1.668)	0.000	0.000	(1.668)	0.357	(1.311)
Sum Harrysson Entreprenad Aktiebolag (HEAB)					**133.589**	**(113.722)**	**19.867**	**(5.696)**	**(3.777)**	**0.000**	**0.000**	**10.393**	**0.035**	**(0.125)**	**10.304**	**(2.280)**	**8.024**
Lindberg Stenberg Arkitekter AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Audited	59.799	(29.697)	30.102	(6.945)	(7.237)	0.276	(3.578)	12.618	(0.010)	(0.001)	12.606	(2.709)	9.898
GAAP adjustments	1				0.000	0.175	0.175	0.042	0.014	0.000	0.000	0.231	0.000	(0.322)	(0.091)	0.019	(0.071)
Acquisition-related adjustments	4				0.000	(1.116)	(1.116)	(0.264)	(0.088)	0.000	0.000	(1.468)	0.000	0.000	(1.468)	0.314	(1.154)
Sum Lindberg Stenberg Arkitekter AB					**59.799**	**(30.638)**	**29.161**	**(7.168)**	**(7.312)**	**0.276**	**(3.578)**	**11.380**	**(0.010)**	**(0.323)**	**11.047**	**(2.375)**	**8.672**
AB Lm-Transport		2020-01-01–2020-12-31	Swedish GAAP (K3)	Audited	81.235	(56.172)	25.063	(8.834)	(4.627)	0.731	(0.216)	12.116	0.020	(0.225)	11.911	(1.258)	10.652
GAAP adjustments	1, 2				(0.012)	0.476	(0.462)	0.113	0.038	0.000	0.000	0.612	0.000	(0.656)	(0.043)	0.009	(0.034)
Acquisition-related adjustments	4				0.000	(0.355)	(0.355)	(0.084)	(0.028)	0.000	0.000	(0.467)	0.000	0.000	(0.467)	0.100	(0.367)
Sum AB Lm-Transport					**81.222**	**(56.051)**	**25.170**	**(8.806)**	**(4.618)**	**0.731**	**(0.216)**	**12.262**	**0.020**	**(0.881)**	**11.401**	**(1.149)**	**10.251**
Stockholm Kvadratmeter AB		2020-01-01–2020-12-31	Swedish GAAP (K2)	Audited	58.332	(48.943)	9.389	(3.521)	(1.706)	1.216	(0.224)	5.154	0.170	(0.090)	5.233	(0.941)	4.292
GAAP adjustments	1				0.000	0.047	0.047	0.011	0.004	0.000	0.000	0.062	0.000	(0.104)	(0.042)	0.009	(0.033)
Acquisition-related adjustments	4				0.000	(0.304)	(0.304)	(0.072)	(0.024)	0.000	0.000	(0.400)	0.000	0.000	(0.400)	0.086	(0.315)
Sum Stockholm Kvadratmeter AB					**58.332**	**(49.201)**	**9.131**	**(3.582)**	**(1.726)**	**1.216**	**(0.224)**	**4.815**	**0.170**	**(0.194)**	**4.791**	**(0.847)**	**3.945**
Persiennkompaniet Norden AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Audited	44.296	(34.987)	9.309	(2.476)	(2.096)	0.160	(0.184)	4.713	0.000	(0.013)	4.700	(1.020)	3.679
GAAP adjustments	1, 2				1.080	0.044	1.123	0.010	0.003	0.000	0.000	1.137	0.000	(0.082)	1.055	(0.226)	0.829
Acquisition-related adjustments	4				0.000	(0.351)	(0.351)	(0.083)	(0.028)	0.000	0.000	(0.461)	0.000	0.000	(0.461)	0.099	(0.363)
Sum Persiennkompaniet Norden AB					**45.375**	**(35.294)**	**10.081**	**(2.549)**	**(2.120)**	**0.160**	**(0.184)**	**5.389**	**0.000**	**(0.095)**	**5.293**	**(1.147)**	**4.146**
Vårdväskan AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Audited	68.590	(49.989)	18.601	(15.857)	(2.120)	5.012	(0.563)	5.073	(1.002)	(0.433)	3.638	(1.035)	2.603
GAAP adjustments	1, 2				0.000	0.040	0.040	0.009	0.003	0.000	0.000	0.052	0.000	(0.053)	(0.001)	0.000	(0.001)
Acquisition-related adjustments	4				0.000	(4.322)	(4.322)	(1.024)	(0.341)	0.000	0.000	(5.687)	0.000	0.000	(5.687)	1.217	(4.470)
Sum Vårdväskan AB					**68.590**	**(54.271)**	**14.319**	**(16.871)**	**(2.459)**	**5.012**	**(0.563)**	**(0.562)**	**(1.002)**	**(0.486)**	**(2.050)**	**0.182**	**(1.867)**
Jofrab TWS AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Unaudited	207.319	(155.032)	52.287	(5.529)	(31.943)	5.736	(0.174)	20.377	0.065	(0.576)	19.866	(2.988)	16.877
GAAP adjustments	1				0.000	0.017	0.017	0.004	0.001	0.000	0.000	0.022	0.000	(0.037)	(0.015)	0.003	(0.012)
Acquisition-related adjustments	4				0.000	(0.558)	(0.558)	(0.132)	(0.044)	0.000	0.000	(0.734)	0.000	0.000	(0.734)	0.157	(0.577)
Sum Jofrab TWS AB					**207.319**	**(155.573)**	**51.746**	**(5.657)**	**(31.986)**	**5.736**	**(0.174)**	**19.665**	**0.065**	**(0.613)**	**19.117**	**(2.828)**	**16.289**

SEK million Entity	Note	Period	GAAP	Basis for financial informa-tion	Net sales	Cost of Goods Sold	Gross profit	Selling expenses	Admin-istrative expenses	Other operating income	Other operating expenses	Operat-ing profit	Finan-cial income	Finan-cial expenses	Profit before tax	Tax	Profit for the period
Silanex AB		2020-01-01–2020-12-31	Swedish GAAP (K2)	Unaudited	7.264	(4.310)	2.953	(0.5460)	(0.314)	0.206	(0.004)	2.296	0.035	(0.003)	2.327	(0.603)	1.724
GAAP adjustments	1				0.000	0.003	0.003	0.001	0.000	0.000	0.000	0.004	0.000	(0.006)	(0.003)	0.001	(0.002)
Acquisition-related adjustments					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sum Silanex AB					**7.264**	**(4.307)**	**2.956**	**(0.546)**	**(0.314)**	**0.206**	**(0.004)**	**2.299**	**0.035**	**(0.010)**	**2.325**	**(0.603)**	**1.722**
R. Ardbo Golv AB		2020-01-01–2020-12-31	Swedish GAAP (K2)	Unaudited	51.611	(47.636)	3.975	0.000	0.000	0.000	0.000	3.975	0.000	0.000	3.975	0.000	3.975
GAAP adjustments	1				0.000	0.003	0.003	0.000	0.000	0.000	0.000	0.003	0.000	0.000	0.003	0.000	0.003
Acquisition-related adjustments					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sum R. Ardbo Golv AB					**51.611**	**(47.633)**	**3.978**	**0.000**	**0.000**	**0.000**	**0.000**	**3.978**	**0.000**	**0.000**	**3.978**	**0.000**	**3.978**
Ecochange AB		2020-01-01–2020-12-31	Swedish GAAP (K2)	Unaudited	226.641	(185.242)	41.399	(2.642)	(1.717)	0.000	(0.130)	36.910	0.024	(0.018)	36.916	(7.148)	26.255
GAAP adjustments	1				0.000	0.086	0.086	0.020	(36.993)	0.000	0.000	(36.887)	0.000	(0.154)	(37.042)	7.175	(26.354)
Acquisition-related adjustments	4, 6, 8				0.000	(9.336)	(9.336)	(2.211)	(0.737)	0.000	0.000	(12.285)	0.000	0.000	(12.285)	2.629	(9.656)
Sum Ecochange AB					**226.641**	**(194.493)**	**32.148**	**(4.833)**	**(39.447)**	**0.000**	**(0.130)**	**(12.262)**	**0.025**	**(0.172)**	**(12.410)**	**2.656**	**(9.754)**
Ashe Invest AB		2020-01-01–2020-12-31	Swedish GAAP (K2)	Unaudited	0.000	0.000	0.000	0.000	(0.027)	0.000	0.000	(0.027)	0.167	0.000	0.140	(0.030)	0.110
GAAP adjustments					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Acquisition-related adjustments	4				0.000	(0.730)	(0.730)	(0.173)	(0.058)	0.000	0.000	(0.961)	0.000	0.000	(0.961)	0.206	(0.755)
Sum Ashe Invest AB					**0.000**	**(0.730)**	**(0.730)**	**(0.173)**	**(0.084)**	**0.000**	**0.000**	**(0.988)**	**0.167**	**0.000**	**(0.821)**	**0.176**	**(0.645)**
Tennis Fashion i Göteborg AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Unaudited	128.672	(117.501)	11.171	(3.177)	(2.918)	3.727	0.010	8.813	0.007	(0.519)	8.301	(2.357)	5.944
GAAP adjustments	1				0.000	0.015	0.015	0.004	0.001	0.000	0.000	0.020	0.000	(0.035)	(0.015)	0.003	(0.012)
Acquisition-related adjustments					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sum Tennis Fashion i Göteborg AB					**128.672**	**(117.486)**	**11.186**	**(3.174)**	**(2.916)**	**3.727**	**0.010**	**8.833**	**0.007**	**(0.554)**	**8.286**	**(2.353)**	**5.933**
On Target AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Unaudited	89.016	(69.898)	19.119	(4.215)	(4.544)	(0.503)	(0.006)	9.850	(3.283)	(0.134)	6.433	(0.825)	5.607
GAAP adjustments	1				0.000	0.645	0.645	0.153	0.051	0.000	0.000	0.849	0.000	(0.009)	0.840	(0.180)	0.660
Acquisition-related adjustments	4				0.000	(0.609)	(0.609)	(0.144)	(0.048)	0.000	0.000	(0.801)	0.000	0.000	(0.801)	0.171	(0.629)
Sum On Target AB					**89.016**	**(69.861)**	**19.155**	**(4.207)**	**(4.542)**	**(0.503)**	**(0.006)**	**9.898**	**(3.283)**	**(0.143)**	**6.472**	**(0.834)**	**5.638**
Zymbios Logistics Contractor AB		2020-01-01–2020-12-31	Swedish GAAP (K2)	Audited	42.500	(23.131)	19.369	(3.591)	(9.932)	0.687	(0.077)	6.456	0.000	0.000	6.456	(1.393)	5.063
GAAP adjustments	1				0.000	0.230	0.230	0.054	0.018	0.000	0.000	0.303	0.000	(0.548)	(0.246)	0.053	(0.193)
Acquisition-related adjustments	4				0.000	(0.690)	(0.690)	(0.163)	(0.054)	0.000	0.000	(0.908)	0.000	0.000	(0.908)	0.194	(0.713)
Sum Zymbios Logistics Contractor AB					**42.500**	**(23.591)**	**18.909**	**(3.700)**	**(9.968)**	**0.687**	**(0.077)**	**5.851**	**0.000**	**(0.548)**	**5.302**	**(1.146)**	**4.156**
Newton Kompetens-utveckling AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Audited	58.179	(37.457)	20.722	(8.828)	(4.838)	0.325	(0.039)	7.342	0.007	(0.114)	7.235	(1.609)	5.626
GAAP adjustments	1				0.000	0.641	0.641	0.152	0.051	0.000	0.000	0.844	0.000	(1.027)	(0.183)	0.039	(0.144)
Acquisition-related adjustments	4				0.000	(0.924)	(0.924)	(0.219)	(0.073)	0.000	0.000	(1.216)	0.000	0.000	(1.216)	0.260	(0.955)
Sum Newton Kompetens-utveckling AB					**58.179**	**(37.739)**	**20.440**	**(8.895)**	**(4.860)**	**0.325**	**(0.039)**	**6.970**	**0.007**	**(1.140)**	**5.836**	**(1.309)**	**4.527**
EnRival AB		2020-01-01–2020-12-31	Swedish GAAP (K2)	Audited	63.341	(39.815)	23.526	(10.297)	(5.910)	1.999	(0.072)	9.246	0.002	(0.036)	9.212	(1.985)	7.227
GAAP adjustments	1				0.000	0.234	0.234	0.055	0.018	0.000	0.000	0.308	0.000	(0.335)	(0.027)	0.006	(0.021)
Acquisition-related adjustments	4				0.000	(2.719)	(2.719)	(0.644)	(0.215)	0.000	0.000	(3.577)	0.000	0.000	(3.577)	0.766	(2.812)
Sum EnRival AB					**63.341**	**(42.299)**	**21.041**	**(10.886)**	**(6.107)**	**1.999**	**(0.072)**	**5.976**	**0.002**	**(0.371)**	**5.607**	**(1.213)**	**4.394**
Wibe Kabelstegar		2020-01-01–2020-12-31	Swedish GAAP (K3)	Unaudited	734.325	(455.546)	278.779	(76.675)	(58.204)	13.552	(5.291)	152.161	0.000	(21.350)	130.811	(26.363)	104.448
GAAP adjustments	1				0.000	0.157	0.157	0.037	0.012	0.000	0.000	0.207	0.000	(0.462)	(0.255)	0.055	(0.201)
Acquisition-related adjustments	4				0.000	(16.617)	(16.617)	(3.936)	(1.312)	0.000	0.000	(21.864)	0.000	0.000	(21.864)	4.679	(17.185)
Sum Wibe Kabelstegar					**734.325**	**(472.006)**	**262.319**	**(80.573)**	**(59.503)**	**13.552**	**(5.291)**	**130.504**	**0.000**	**(21.812)**	**108.692**	**(21.629)**	**87.062**
Nordisk VVS-Teknik AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Audited	128.117	(103.829)	24.288	(6.523)	(9.891)	0.379	0.000	8.253	0.045	(0.031)	8.267	(1.494)	6.772
GAAP adjustments	1, 2				(1.675)	0.044	(1.630)	0.011	0.004	0.000	0.000	(1.616)	0.000	(0.043)	(1.660)	0.355	(1.304)
Acquisition-related adjustments	4				0.000	(1.075)	(1.075)	(0.255)	(0.085)	0.000	0.000	(1.415)	0.000	0.000	(1.415)	0.303	(1.112)
Sum Nordisk VVS-Teknik AB					**126.442**	**(104.860)**	**21.583**	**(6.767)**	**(9.973)**	**0.379**	**0.000**	**5.222**	**0.045**	**(0.075)**	**5.192**	**(0.836)**	**4.356**
Brenderup		2020-01-01–2020-12-31	IFRS	Audited	817.354	(649.330)	168.023	(40.123)	(75.705)	664.664	(617.902)	98.957	3.853	(5.698)	97.112	(12.537)	84.575
GAAP adjustments	1				0.000	1.542	1.542	0.365	0.122	0.000	0.000	2.029	0.000	(3.364)	(1.335)	0.286	(1.049)
Acquisition-related adjustments	4				0.000	(19.729)	(19.729)	(4.673)	(1.558)	0.000	0.000	(25.960)	0.000	0.000	(25.960)	5.555	(20.404)
Sum Brenderup					**817.354**	**(667.518)**	**149.836**	**(44.430)**	**(77.141)**	**664.664**	**(617.902)**	**75.027**	**3.853**	**(9.062)**	**69.818**	**(6.696)**	**63.122**
SoVent Group AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Audited	420.433	(302.290)	118.142	(64.328)	(45.076)	7.742	(0.032)	16.448	0.065	(10.414)	6.100	(9.824)	(4.372)
GAAP adjustments	1				0.000	34.437	34.437	8.079	0.034	0.000	0.000	42.550	0.000	(0.861)	41.690	0.077	42.260
Acquisition-related adjustments	4				0.000	(10.939)	(10.939)	(2.591)	(0.864)	0.000	0.000	(14.393)	0.000	0.000	(14.393)	3.080	(11.313)
Sum SoVent Group AB					**420.433**	**(278.792)**	**141.641**	**(58.840)**	**(45.906)**	**7.742**	**(0.032)**	**44.605**	**0.065**	**(11.274)**	**33.396**	**(6.821)**	**26.575**

SEK million Entity	Note	Period	GAAP	Basis for financial information	Net sales	Cost of Goods Sold	Gross profit	Selling expenses	Administrative expenses	Other operating income	Other operating expenses	Operating profit	Financial income	Financial expenses	Profit before tax	Tax	Profit for the period
Viametrics Group AB		2020-01-01–2020-12-31	IFRS	Audited	48.120	(23.440)	24.681	(4.180)	(5.054)	0.943	(3.818)	12.571	3.812	(8.366)	8.017	(3.263)	4.754
GAAP adjustments	1				0.000	0.024	0.024	0.006	0.002	0.000	0.000	0.031	0.000	(0.049)	(0.018)	0.004	(0.014)
Acquisition-related adjustments	4				0.000	(3.666)	(3.666)	(0.868)	(0.289)	0.000	0.000	(4.824)	0.000	0.000	(4.824)	1.032	(3.791)
Sum Viametrics Group AB					**48.120**	**(27.082)**	**21.038**	**(5.042)**	**(5.342)**	**0.943**	**(3.818)**	**7.779**	**3.812**	**(8.415)**	**3.176**	**(2.227)**	**0.949**
Buildercom Oy		2020-01-01–2020-12-31	Finska GAAP	Audited	61.346	(31.387)	29.959	(7.460)	(3.542)	2.436	(3.571)	17.821	0.001	(1.878)	15.944	(3.359)	12.585
GAAP adjustments	1				0.000	0.091	0.091	0.022	0.007	0.000	0.000	0.120	0.000	(0.204)	(0.084)	0.018	(0.066)
Acquisition-related adjustments	4				0.000	(5.378)	(5.378)	(1.274)	(0.425)	0.000	0.000	(7.076)	0.000	0.000	(7.076)	1.514	(5.562)
Sum Buildercom Oy					**61.346**	**(36.673)**	**24.672**	**(8.712)**	**(3.960)**	**2.436**	**(3.571)**	**10.865**	**0.001**	**(2.082)**	**8.784**	**(1.827)**	**6.957**
DeroA Group AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Audited	265.276	(235.702)	29.575	(10.234)	(4.614)	0.381	(0.015)	15.094	0.000	(9.190)	5.904	(0.925)	(0.883)
GAAP adjustments	1, 3				0.000	12.858	12.858	3.016	0.002	0.000	0.000	15.876	0.000	(0.085)	15.791	(1.242)	20.410
Acquisition-related adjustments	4				0.000	(3.878)	(3.878)	(0.919)	(0.306)	0.000	0.000	(5.103)	0.000	0.000	(5.103)	1.092	(4.011)
Sum DeroA Group AB					**265.276**	**(226.722)**	**38.554**	**(8.136)**	**(4.919)**	**0.381**	**(0.015)**	**25.867**	**0.000**	**(9.275)**	**16.591**	**(1.075)**	**15.516**
Kumla Handtagsfabrik AB		2020-01-01–2020-12-31	Swedish GAAP (K3)	Audited	107.119	(73.034)	34.085	(14.884)	(6.142)	3.787	(0.089)	16.758	1.088	(7.639)	10.207	(4.308)	4.870
GAAP adjustments	1, 3				0.000	15.376	15.376	3.607	0.000	0.000	0.000	18.894	0.000	(0.007)	18.977	0.221	20.227
Acquisition-related adjustments	4, 9				0.000	(5.981)	(5.981)	(1.403)	0.000	0.000	0.000	(7.383)	0.000	0.000	(7.383)	1.580	(5.803)
Sum Kumla Handtagsfabrik AB					**107.119**	**(63.638)**	**43.481**	**(12.680)**	**(6.141)**	**3.787**	**(0.089)**	**28.358**	**1.088**	**(7.646)**	**21.800**	**(2.507)**	**19.293**
Roleff GmbH		2020-01-01–2020-12-31	German GAAP	Unaudited	200.185	(148.093)	52.092	(18.960)	(9.399)	2.594	(0.154)	26.173	0.155	(1.041)	25.287	(2.932)	22.355
GAAP adjustments	1, 2				(24.323)	21.186	(3.137)	0.363	0.121	0.000	0.000	(2.653)	0.000	(2.237)	(4.890)	0.650	(4.240)
Acquisition-related adjustments	4				0.000	(1.543)	(1.543)	(0.366)	(0.122)	0.000	0.000	(2.031)	0.000	0.000	(2.031)	0.508	(1.523)
Sum Roleff GmbH					**175.862**	**(128.450)**	**47.412**	**(18.963)**	**(9.400)**	**2.594**	**(0.154)**	**21.489**	**0.155**	**(3.278)**	**18.366**	**(1.774)**	**16.592**
Artum AG		2020-01-01–2020-12-31	Swiss GAAP	Audited	1 741.829	(1,413.781)	328.048	(117.457)	(72.571)	9.732	(11.171)	136.582	4.622	(18.400)	122.805	(60.236)	62.569
GAAP adjustments	1, 3, 7				0.000	53.897	53.897	12.638	(0.154)	0.000	0.000	66.381	0.000	(3.099)	63.282	1.000	64.283
Acquisition-related adjustments	4				0.000	(44.698)	(44.698)	(10.586)	(3.529)	0.000	0.000	(58.814)	0.000	0.000	(58.814)	12.939	(45.875)
Sum Artum AG					**1,741.829**	**(1,404.582)**	**337.247**	**(115.406)**	**(76.253)**	**9.732**	**(11.171)**	**144.150**	**4.622**	**(21.499)**	**127.273**	**(46.296)**	**80.977**
Group adjustments	5, 6, 9				(20.556)	4.043	(16.513)	0.000	24.047	0.000	0.000	7.533	(0.324)	(62.020)	54.811	13.342	(41.469)
Pro forma income statement 1 January–31 December 2020				**Unaudited**	**18,963.462**	**(14,777.771)**	**4,185.691**	**(1,488.507)**	**(1,094.972)**	**1,010.145**	**(750.658)**	**1,861.698**	**26.296**	**(281.973)**	**1,606.021**	**(299.032)**	**1,306.989**

* Måla-bolagen are additional acquisitions to Måla i Sverige AB and refer to; Nymålat i Skellefteå AB, Delér Måleri AB and Stockholm Industrigolv AB.

Notes to Pro Forma Financial Statements

1: Leases

In the pro forma income statement, expenses related to reported leasing contracts are reduced and depreciation charges on the right-of-use assets are added as a consequence of the adjustment to the Group's application of IFRS 16. The aggregated net effect by function of expense is as per below:

- **Cost of goods sold:** Reduced by SEK 11.7 million.
- **Selling expenses:** Reduced by SEK 2.8 million.
- **Administrative expenses:** Reduced by SEK 0.9 million.

Interest expenses related to lease liabilities increase financial expenses by SEK 21.0 million.

Aggregated effect on the pro forma net profit is SEK (4.4) million.

2: Revenue recognition

As a consequence of adopting the Group's accounting principles for percentage of completion, aggregated net sales for the period has decreased by SEK 20.0 million. The associated COGS has, at an aggregated level, been reduced by SEK 19.7 million.

3: Reversal of goodwill amortisation

In the pro forma income statement, amortisation of goodwill in the acquired entities have been reversed. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Decreased by SEK 119.1 million.
- **Selling expenses:** Decreased by SEK 27.9 million.

The adjustment is of a one-time nature and not recurring.

4: Depreciation and amortisation of identified surplus values

In the pro forma income statement, amortisation charges are added on customer relations and depreciation is added on properties used in the operations that were identified in the purchase price allocations. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Increases by SEK 189.2 million.
- **Selling expenses:** Increases by SEK 44.8 million.
- **Administrative expenses:** Increases by SEK 14.5 million.

Dissolvement of the deferred tax liability related to the surplus values of SEK 52.0 million for 2020 as a reduction of the tax expense.

5: Financing

The acquisitions are financed partly through existing cash, partly through credit facilities used in direct connection with the acquisition. In the pro forma income statement, interest expenses have been added for the period up to the acquisition being carried out as if the acquisitions were carried out and financing was raised on 1 January 2020. An interest expense of SEK 62.3 million has been added for the period 1 January 2020 to 31 December 2020. The adjustment is made as a Group adjustment as the loans are raised at group level.

6: Transaction costs

In connection with each Acquisition, Storskogen has incurred costs directly attributable to the transactions relating to fees to financial, legal and other advisors. Transaction costs are not charged to the pro forma income statement as it is prepared on the assumption that transaction costs have been incurred in the period prior to the acquisition date, i.e. during the financial year 2019 for all acquisitions. If transaction costs have been included in Storskogen's consolidated results for the full year 2020, these have been eliminated to present transaction costs as if they occurred in the period prior to the acquisition date. Costs amounting to SEK 7.5 million has reduced the Group's costs during 2020.

The costs directly linked to the acquisitions are of a one-off nature and are not recurring.

7: Defined benefit pension plans

Some of the acquired entities have defined benefit plans that have been recognised according to local GAAP. In the pro forma financial statements, the defined benefit plans have been recognised and measured in accordance with IAS 19 Employee Benefits. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Increases by SEK 3.7 million.
- **Selling expenses:** Increases by SEK 0.9 million.
- **Administrative expenses:** Increases by SEK 0.3 million.

8: Termination of consultancy contract

In connection with the acquisition of Ecochange, a consultancy contract has been terminated as the consultant has transferred to a permanent position. The cost of the termination of SEK 51.0 million has been recognised in the entity in 2021. In the pro forma income statement, the cost, which is partly compensation for sales bonuses, has been distributed between 2020 and 2021 by reducing the cost for 2021 by SEK 37.0 million and increased the cost by the same amount for 2020.

The adjustment is of a one-time nature and not recurring.

9: Elimination of transactions between Storskogen and the acquired entities

In the period prior to the acquisition date, certain transactions of a limited nature have occurred between Storskogen and the acquired entities. In the pro forma income statement, these have been eliminated. Aggregated impact per function as follows:

- **Net sales:** Reduced by SEK 20.5 million.
- **Cost of goods sold:** Reduced by SEK 4.0 million.
- **Administrative expenses:** Reduced by SEK 16.5 million.
- **Interest income:** Reduced by SEK 0.3 million.
- **Interest expenses:** Reduced by SEK 62.0 million.

Pro Forma Income Statement for the period 1 January–30 June 2021

Table 11

SEK million Entity	Note	Period	GAAP	Basis for financial information	Net sales	Cost of Goods Sold	Gross profit	Selling expenses	Administrative expenses	Other operating income	Other operating expenses	Operating profit	Financial income	Financial expenses	Profit before tax	Tax	Profit for the period
Storskogen Group		**2021-01-01–2021-06-30**	**IFRS**	**Audited**	**6,713.005**	**(5,257.789)**	**1,455.216**	**(528.285)**	**(459.369)**	**223.708**	**(161.715)**	**529.553**	**4.708**	**(53.178)**	**481.083**	**(99.843)**	**381.240**
Strigo AB		2021-01-01–2021-01-31	Swedish GAAP (K2)	Unaudited	17.237	(10.254)	6.982	(2.655)	(2.895)	1.046	0.000	2.479	0.000	(0.036)	2.442	(0.648)	1.794
GAAP adjustments	1				0.000	0.040	0.040	0.010	0.003	0.000	0.000	0.053	0.000	(0.073)	(0.020)	0.004	(0.016)
Acquisition-related adjustments	4, 6				0.000	(0.121)	(0.121)	(0.029)	(0.010)	0.000	0.000	(0.159)	0.000	0.000	(0.159)	0.033	(0.126)
Sum Strigo AB					**17.237**	**(10.335)**	**6.902**	**(2.674)**	**(2.902)**	**1.046**	**0.000**	**2.373**	**0.000**	**(0.109)**	**2.263**	**(0.611)**	**1.652**
PerfectHair AG		2021-01-01–2021-02-22	Swiss GAAP	Unaudited	44.338	(19.787)	24.551	(9.272)	(1.492)	0.000	(0.132)	13.655	0.000	(0.129)	13.525	(0.037)	13.488
GAAP adjustments	1				0.000	0.197	0.197	0.046	0.003	0.000	0.000	0.246	0.000	(0.086)	0.160	0.008	0.168
Acquisition-related adjustments	6				0.000	(0.530)	(0.530)	(0.126)	(0.042)	0.000	0.000	(0.698)	0.000	0.000	(0.698)	0.103	(0.594)
Sum PerfectHair AG					**44.338**	**(20.120)**	**24.218**	**(9.351)**	**(1.532)**	**0.000**	**(0.132)**	**13.203**	**0.000**	**(0.216)**	**12.987**	**0.074**	**13.062**
Primulator AS		2021-01-01–2021-02-28	Norwegian GAAP	Unaudited	59.778	(48.279)	11.499	(5.359)	(1.974)	2.623	(4.399)	2.390	0.102	(0.349)	2.144	(0.506)	1.638
GAAP adjustments	1				0.000	(0.115)	(0.115)	(0.027)	(0.009)	0.000	0.000	(0.152)	0.000	(0.075)	(0.227)	0.049	(0.178)
Acquisition-related adjustments	4, 6				0.000	(0.725)	(0.725)	(0.172)	(0.057)	0.000	0.000	(0.954)	0.000	0.000	(0.954)	0.210	(0.744)
Sum Primulator AS					**59.778**	**(49.119)**	**10.659**	**(5.558)**	**(2.041)**	**2.623**	**(4.399)**	**1.285**	**0.102**	**(0.424)**	**0.963**	**(0.247)**	**0.716**
Danmatic AS		2021-01-01–2021-03-28	Danish GAAP	Unaudited	32.534	(24.519)	8.015	(0.937)	(0.957)	1.284	(0.041)	7.363	0.000	(0.041)	7.323	(1.611)	5.712
GAAP adjustments	1				0.000	0.010	0.010	0.002	0.001	0.000	0.000	0.013	0.000	(0.003)	0.010	(0.002)	0.008
Acquisition-related adjustments	6				0.000	(0.406)	(0.406)	(0.096)	(0.032)	0.000	0.000	(0.534)	0.000	0.000	(0.534)	0.117	(0.416)
Sum Danmatic AS					**32.534**	**(24.915)**	**7.619**	**(1.031)**	**(0.988)**	**1.284**	**(0.041)**	**6.843**	**0.000**	**(0.044)**	**6.799**	**(1.496)**	**5.303**

SEK million Entity	Note	Period	GAAP	Basis for financial information	Net sales	Cost of Goods Sold	Gross profit	Selling expenses	Administrative expenses	Other operating income	Other operating expenses	Operating profit	Financial income	Financial expenses	Profit before tax	Tax	Profit for the period
Top Swede Konfektion		2021-01-01–2021-03-08	Swedish GAAP (K3)/ Norwegian GAAP	Unaudited	21.842	(16.057)	5.785	(1.276)	(1.282)	(0.011)	0.014	3.229	0.001	(0.081)	3.149	(0.650)	2.499
GAAP adjustments	1				0.000	0.024	0.024	0.006	0.002	0.000	0.000	0.032	0.000	(0.061)	(0.030)	0.006	(0.024)
Acquisition-related adjustments	4, 6				0.000	(0.190)	(0.190)	(0.045)	(0.015)	0.000	0.000	(0.250)	0.000	0.000	(0.250)	0.052	(0.199)
Sum Top Swede Konfektion					**21.842**	**(16.223)**	**5.619**	**(1.315)**	**(1.296)**	**(0.011)**	**0.014**	**3.011**	**0.001**	**(0.142)**	**2.869**	**(0.593)**	**2.277**
HP Rör AB		2021-01-01–2021-03-10	Swedish GAAP (K2)	Unaudited	11.181	(8.508)	2.673	(0.802)	(0.843)	1.871	0.000	2.899	0.000	0.000	2.899	(0.632)	2.267
GAAP adjustments	1, 2				0.000	0.003	0.003	0.001	0.000	0.000	0.000	0.004	0.000	(0.008)	(0.004)	0.001	(0.003)
Acquisition-related adjustments	4, 6				0.000	(0.083)	(0.083)	(0.020)	(0.007)	0.000	0.000	(0.109)	0.000	0.000	(0.109)	0.022	(0.086)
Sum HP Rör AB					**8.917**	**(8.588)**	**2.593**	**(0.820)**	**(0.849)**	**1.871**	**0.000**	**2.795**	**0.000**	**(0.008)**	**2.786**	**(0.609)**	**2.178**
AGIO System och Kompetens i Skandinavien AB		2021-01-01–2021-03-31	Swedish GAAP (K3)	Unaudited	27.050	(16.718)	10.332	(3.560)	(1.559)	0.045	0.000	5.257	0.000	0.000	5.258	(1.081)	4.177
GAAP adjustments	1				0.000	0.029	0.029	0.007	0.002	0.000	0.000	0.038	0.000	(0.056)	(0.019)	0.004	(0.015)
Acquisition-related adjustments	4, 6				0.000	(0.362)	(0.362)	(0.086)	(0.029)	0.000	0.000	(0.476)	0.000	0.000	(0.476)	0.098	(0.378)
Sum AGIO System och Kompetens i Skandinavien AB					**27.050**	**(17.051)**	**9.999**	**(3.639)**	**(1.585)**	**0.045**	**0.000**	**4.819**	**0.000**	**(0.056)**	**4.763**	**(0.979)**	**3.784**
Bombayworks AB		2021-01-01–2021-04-05	Swedish GAAP (K3)	Unaudited	18.852	(8.910)	9.942	(2.175)	(2.473)	0.685	(0.001)	5.979	0.359	0.246	6.584	(1.353)	5.231
GAAP adjustments	1				0.000	0.024	0.024	0.006	0.002	0.000	0.000	0.031	0.000	(0.060)	(0.029)	0.006	(0.023)
Acquisition-related adjustments	4, 6				0.000	(0.731)	(0.731)	(0.173)	(0.058)	0.000	0.000	(0.962)	0.000	0.000	(0.962)	0.198	(0.764)
Sum Bombayworks AB					**18.852**	**(9.617)**	**9.235**	**(2.343)**	**(2.529)**	**0.685**	**(0.001)**	**5.048**	**0.359**	**0.186**	**5.593**	**(1.148)**	**4.445**
SGS Tool Group Limited		2021-01-01–2021-04-12	Swedish GAAP (K2)	Unaudited	92.737	(63.139)	29.598	(10.877)	(0.682)	0.000	(0.104)	17.935	0.000	0.000	17.935	(3.408)	14.527
GAAP adjustments					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Acquisition-related adjustments	4				0.000	(1.591)	(1.591)	(0.377)	(0.126)	0.000	0.000	(2.093)	0.000	0.000	(2.093)	0.398	(1.695)
Sum SGS Tool Group Limited					**92.737**	**(64.730)**	**28.007**	**(11.253)**	**(0.808)**	**0.000**	**(0.104)**	**15.842**	**0.000**	**0.000**	**15.842**	**(3.010)**	**12.832**
Scandia Steel Sweden AB		2021-01-01–2021-05-02	Swedish GAAP (K3)	Unaudited	159.994	(118.102)	41.891	(12.368)	(2.758)	(0.029)	(0.006)	26.731	0.000	(0.008)	26.723	(4.084)	22.638
GAAP adjustments	1				0.000	0.023	0.023	0.006	0.002	0.000	0.000	0.031	0.000	(0.059)	(0.028)	0.004	(0.024)
Acquisition-related adjustments	4, 6				0.000	(1.430)	(1.430)	(0.339)	(0.113)	0.000	0.000	(1.882)	0.000	0.000	(1.882)	0.282	(1.600)
Sum Scandia Steel Sweden AB					**159.994**	**(119.509)**	**40.484**	**(12.701)**	**(2.869)**	**(0.029)**	**(0.006)**	**24.879**	**0.000**	**(0.067)**	**24.813**	**(3.798)**	**21.015**
Mattbolaget i Uddevalla AB		2021-01-01–2021-05-04	Swedish GAAP (K2)	Unaudited	8.357	(6.692)	1.665	(0.423)	(0.140)	0.088	0.000	1.190	0.004	(0.003)	1.192	(0.251)	0.941
GAAP adjustments	1				0.000	0.005	0.005	0.001	0.000	0.000	0.000	0.006	0.000	(0.012)	(0.006)	0.001	(0.004)
Acquisition-related adjustments					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sum Mattbolaget i Uddevalla AB					**8.357**	**(6.687)**	**1.670**	**(0.422)**	**(0.140)**	**0.088**	**0.000**	**1.197**	**0.004**	**(0.015)**	**1.186**	**(0.250)**	**0.936**
Harrysson Entreprenad Aktiebolag (HEAB)		2021-01-01–2021-05-06	Swedish GAAP (K3)	Unaudited	18.263	(18.450)	(0.186)	(1.172)	(0.819)	0.000	0.000	(2.177)	0.005	(0.009)	(2.181)	0.449	(1.732)
GAAP adjustments	1				0.000	0.009	0.009	0.002	0.001	0.000	0.000	0.012	0.000	(0.022)	(0.010)	0.001	(0.009)
Acquisition-related adjustments	4, 6				0.000	(0.375)	(0.375)	(0.089)	(0.030)	0.000	0.000	(0.493)	0.000	0.000	(0.493)	0.022	(0.471)
Sum Harrysson Entreprenad Aktiebolag (HEAB)					**18.263**	**(18.815)**	**(0.552)**	**(1.258)**	**(0.848)**	**0.000**	**0.000**	**(2.658)**	**0.005**	**(0.031)**	**(2.684)**	**0.473**	**(2.212)**
Lindberg Stenberg Arkitekter AB		2021-01-01–2021-05-11	Swedish GAAP (K3)	Unaudited	21.819	(11.235)	10.584	(2.444)	(2.796)	0.095	(1.172)	4.267	0.000	(0.005)	4.263	(0.878)	3.385
GAAP adjustments	1				0.000	0.052	0.052	0.012	0.004	0.000	0.000	0.068	0.000	(0.109)	(0.041)	0.001	(0.040)
Acquisition-related adjustments	4, 6				0.000	(0.300)	(0.300)	(0.071)	(0.024)	0.000	0.000	(0.395)	0.000	0.000	(0.395)	0.022	(0.372)
Sum Lindberg Stenberg Arkitekter AB					**21.819**	**(11.483)**	**10.335**	**(2.503)**	**(2.815)**	**0.095**	**(1.172)**	**3.941**	**0.000**	**(0.114)**	**3.827**	**(0.855)**	**2.972**
AB Lm-Transport		2021-01-01–2021-05-11	Swedish GAAP (K3)	Unaudited	31.335	(17.710)	13.625	(3.029)	(1.549)	0.337	(0.175)	9.209	0.070	(0.052)	9.227	(1.901)	7.326
GAAP adjustments	1, 2				0.000	0.083	0.083	0.020	0.007	0.000	0.000	0.109	0.000	(0.205)	(0.096)	0.020	(0.077)
Acquisition-related adjustments	4, 6				0.000	(0.095)	(0.095)	(0.023)	(0.008)	0.000	0.000	(0.126)	0.000	0.000	(0.126)	0.026	(0.100)
Sum AB Lm-Transport					**31.335**	**(17.722)**	**13.612**	**(3.032)**	**(1.550)**	**0.337**	**(0.175)**	**9.192**	**0.070**	**(0.257)**	**9.005**	**(1.855)**	**7.150**
Stockholm Kvadratmeter AB		2021-01-01–2021-05-11	Swedish GAAP (K2)	Unaudited	23.896	(19.872)	4.024	(1.359)	(0.566)	0.467	(0.057)	2.510	0.110	0.000	2.620	(0.540)	2.080
GAAP adjustments	1				0.000	0.027	0.027	0.006	0.002	0.000	0.000	0.035	0.000	(0.054)	(0.019)	0.004	(0.015)
Acquisition-related adjustments	4, 6				0.000	(0.082)	(0.082)	(0.0190)	(0.006)	0.000	0.000	(0.108)	0.000	0.000	(0.108)	0.022	(0.085)
Sum Stockholm Kvadratmeter AB					**23.896**	**(19.928)**	**3.969**	**(1.372)**	**(0.570)**	**0.467**	**(0.057)**	**2.437**	**0.110**	**(0.054)**	**2.493**	**(0.514)**	**1.979**

SEK million Entity	Note	Period	GAAP	Basis for financial information	Net sales	Cost of Goods Sold	Gross profit	Selling expenses	Administrative expenses	Other operating income	Other operating expenses	Operating profit	Financial income	Financial expenses	Profit before tax	Tax	Profit for the period
Persiennkompaniet Norden AB		2021-01-01–2021-05-30	Swedish GAAP (K3)	Unaudited	17.666	(13.663)	4.003	(1.139)	(1.001)	0.110	(0.037)	1.935	0.025	(0.034)	1.926	(0.397)	1.530
GAAP adjustments	1, 2				(0.749)	0.023	0.771	0.005	0.002	0.000	0.000	0.779	0.000	(0.031)	0.748	(0.154)	0.594
Acquisition-related adjustments	6				0.000	(0.146)	(0.146)	(0.035)	(0.012)	0.000	0.000	(0.192)	0.000	0.000	(0.192)	0.040	(0.153)
Sum Persiennkompaniet Norden AB					**18.414**	**(13.786)**	**4.628**	**(1.169)**	**(1.011)**	**0.110**	**(0.037)**	**2.522**	**0.025**	**(0.065)**	**2.482**	**(0.511)**	**1.971**
Vårdväskan AB		2021-01-01–2021-05-30	Swedish GAAP (K3)	Unaudited	37.468	(25.049)	12.419	(8.780)	(1.111)	2.608	(0.242)	4.894	0.034	(0.072)	4.857	(1.028)	3.828
GAAP adjustments	1				0.000	0.006	0.006	0.002	0.001	0.000	0.000	0.008	0.000	(0.015)	(0.007)	0.001	(0.005)
Acquisition-related adjustments	4, 6				0.000	(1.801)	(1.801)	(0.426)	(0.142)	0.000	0.000	(2.369)	0.000	0.000	(2.369)	0.488	(1.881)
Sum Vårdväskan AB					**37.468**	**(26.843)**	**10.625**	**(9.205)**	**(1.253)**	**2.608**	**(0.242)**	**2.533**	**0.034**	**(0.087)**	**2.481**	**(0.539)**	**1.942**
Jofrab TWS AB		2021-01-01–2021-05-31	Swedish GAAP (K3)	Unaudited	101.600	(77.182)	24.419	(3.382)	(11.698)	2.669	(0.849)	11.158	0.005	(0.290)	10.873	(2.512)	8.362
GAAP adjustments	1				0.000	0.010	0.010	0.002	0.001	0.000	0.000	0.013	0.000	(0.014)	(0.001)	0.000	(0.001)
Acquisition-related adjustments	4, 6				0.000	(0.230)	(0.230)	(0.055)	(0.018)	0.000	0.000	(0.303)	0.000	0.000	(0.303)	0.062	(0.241)
Sum Jofrab TWS AB					**101.600**	**(77.402)**	**24.199**	**(3.434)**	**(11.715)**	**2.669**	**(0.849)**	**10.869**	**0.005**	**(0.304)**	**10.569**	**(2.449)**	**8.120**
Silanex AB		2021-01-01–2021-06-02	Swedish GAAP (K2)	Unaudited	1.604	(1.210)	0.394	(0.201)	(0.239)	0.055	(0.002)	0.007	0.594	(0.005)	0.596	(0.450)	0.146
GAAP adjustments	1				0.000	0.002	0.002	0.000	0.000	0.000	0.000	0.002	0.000	(0.004)	(0.002)	0.000	(0.001)
Acquisition-related adjustments	6				0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sum Silanex AB					**1.604**	**(1.208)**	**0.395**	**(0.200)**	**(0.238)**	**0.055**	**(0.002)**	**0.009**	**0.594**	**(0.009)**	**0.594**	**(0.449)**	**0.145**
R. Ardbo Golv AB		2021-01-01–2021-06-02	Swedish GAAP (K2)	Unaudited	24.619	(21.163)	3.456	(1.280)	(0.550)	0.013	0.181	1.820	0.003	(0.074)	1.749	(0.393)	1.356
GAAP adjustments	1				0.000	0.002	0.002	0.000	0.000	0.000	0.000	0.003	0.000	(0.005)	(0.002)	0.000	(0.002)
Acquisition-related adjustments	6				0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sum R. Ardbo Golv AB					**24.619**	**(21.161)**	**3.458**	**(1.280)**	**(0.550)**	**0.013**	**0.181**	**1.822**	**0.003**	**(0.079)**	**1.746**	**(0.392)**	**1.354**
Ecochange AB		2021-01-01–2021-06-03	Swedish GAAP (K2)	Unaudited	88.518	(60.982)	27.537	(1.047)	(52.048)	0.000	(0.043)	(25.602)	0.078	0.000	(25.524)	8.426	(32.478)
GAAP adjustments	1				0.000	0.021	0.021	0.005	37.002	0.000	0.000	37.028	0.000	(0.052)	36.976	(10.785)	41.571
Acquisition-related adjustments	4, 6, 8				0.000	(3.928)	(3.928)	(0.930)	(0.310)	0.000	0.000	(5.169)	0.000	0.000	(5.169)	1.065	(4.104)
Sum Ecochange AB					**88.518**	**(64.889)**	**23.629**	**(1.973)**	**(15.356)**	**0.000**	**(0.043)**	**6.257**	**0.078**	**(0.052)**	**6.283**	**(1.294)**	**4.989**
Ashe Invest AB		2021-01-01–2021-06-29	Swedish GAAP (K2)	Unaudited	0.000	0.000	0.000	0.000	(0.001)	0.000	0.000	(0.001)	0.000	0.000	(0.001)	0.000	0.000
GAAP adjustments					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Acquisition-related adjustments	4				0.000	(0.359)	(0.359)	(0.085)	(0.028)	0.000	0.000	(0.473)	0.000	0.000	(0.473)	0.097	(0.375)
Sum Ashe Invest AB					**0.000**	**(0.359)**	**(0.359)**	**(0.085)**	**(0.029)**	**0.000**	**0.000**	**(0.473)**	**0.000**	**0.000**	**(0.473)**	**0.097**	**(0.376)**
Tennis Fashion AB		2021-01-01–2021-06-29	Swedish GAAP (K3)	Unaudited	69.629	(52.868)	16.761	(2.627)	(1.427)	0.058	(0.034)	12.731	(0.004)	(0.159)	12.568	(2.589)	9.979
GAAP adjustments	1				0.000	0.008	0.008	0.002	0.001	0.000	0.000	0.010	0.000	(0.019)	(0.009)	0.002	(0.007)
Acquisition-related adjustments					0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Sum Tennis Fashion AB					**69.629**	**(52.861)**	**16.769**	**(2.625)**	**(1.427)**	**0.058**	**(0.034)**	**12.741**	**(0.004)**	**(0.178)**	**12.559**	**(2.587)**	**9.972**
On Target AB		2021-01-01–2021-06-29	Swedish GAAP (K3)	Unaudited	40.506	(26.999)	13.507	(2.892)	(2.404)	0.014	(0.006)	8.219	(0.485)	(0.074)	7.660	(1.687)	5.973
GAAP adjustments	1				0.000	0.007	0.007	0.002	0.001	0.000	0.000	0.010	0.000	(0.018)	(0.009)	0.002	(0.007)
Acquisition-related adjustments	4				0.000	(0.299)	(0.299)	(0.071)	(0.024)	0.000	0.000	(0.394)	0.000	0.000	(0.394)	0.081	(0.313)
Sum On Target AB					**40.506**	**(27.291)**	**13.215**	**(2.961)**	**(2.427)**	**0.014**	**(0.006)**	**7.835**	**(0.485)**	**(0.092)**	**7.257**	**(1.604)**	**5.653**
Zymbios Logistics Contractor AB		2021-01-01–2021-06-29	Swedish GAAP (K2)	Unaudited	21.010	(9.431)	11.579	(1.999)	(7.176)	0.350	(0.068)	2.686	(0.011)	0.000	2.675	(0.551)	2.124
GAAP adjustments	1				0.000	0.106	0.106	0.025	0.008	0.000	0.000	0.140	0.000	(0.250)	(0.110)	0.023	(0.088)
Acquisition-related adjustments	4, 6				0.000	(0.339)	(0.339)	(0.080)	(0.027)	0.000	0.000	(0.446)	0.000	0.000	(0.446)	0.092	(0.354)
Sum Zymbios Logistics Contractor AB					**21.010**	**(9.664)**	**11.346**	**(2.054)**	**(7.195)**	**0.350**	**(0.068)**	**2.379**	**(0.011)**	**(0.250)**	**2.118**	**(0.436)**	**1.682**
Newton Kompetensutveckling AB		2021-01-01–2021-06-29	Swedish GAAP (K3)	Unaudited	22.983	(17.187)	5.796	(4.840)	(2.729)	0.134	(0.009)	(1.648)	0.002	(0.017)	(1.664)	0.323	(1.341)
GAAP adjustments	1				0.000	0.248	0.248	0.059	0.020	0.000	0.000	0.326	0.000	(0.610)	(0.284)	0.058	(0.225)
Acquisition-related adjustments	4, 6				0.000	(0.424)	(0.424)	(0.100)	(0.033)	0.000	0.000	(0.558)	0.000	0.000	(0.558)	0.115	(0.443)
Sum Newton Kompetensutveckling AB					**22.983**	**(17.363)**	**5.620**	**(4.881)**	**(2.743)**	**0.134**	**(0.009)**	**(1.880)**	**0.002**	**(0.627)**	**(2.506)**	**0.496**	**(2.010)**
EnRival AB		2021-01-01–2021-06-29	Swedish GAAP (K2)	Unaudited	74.195	(40.967)	33.228	(10.200)	(6.032)	1.366	(0.060)	18.302	0.355	0.000	18.657	(3.843)	14.814
GAAP adjustments	1, 2				0.000	0.139	0.139	0.033	0.011	0.000	0.000	0.182	0.000	(0.208)	(0.025)	0.005	(0.020)
Acquisition-related adjustments	4				0.000	(1.337)	(1.337)	(0.317)	(0.106)	0.000	0.000	(1.759)	0.000	0.000	(1.759)	0.362	(1.397)
Sum EnRival AB					**74.195**	**(42.165)**	**32.030**	**(10.484)**	**(6.127)**	**1.366**	**(0.060)**	**16.725**	**0.355**	**(0.208)**	**16.872**	**(3.476)**	**13.397**

SEK million Entity	Note	Period	GAAP	Basis for financial information	Net sales	Cost of Goods Sold	Gross profit	Selling expenses	Administrative expenses	Other operating income	Other operating expenses	Operating profit	Financial income	Financial expenses	Profit before tax	Tax	Profit for the period
Wibe Kabelstegar AB		2021-01-01–2021-06-29	Swedish GAAP (K3)	Unaudited	370.342	(238.959)	131.383	(34.635)	(33.244)	7.760	(0.381)	70.884	0.000	(1.002)	69.881	(13.476)	56.406
GAAP adjustments	1				0.000	0.057	0.057	0.014	0.005	0.000	0.000	0.075	0.000	(0.189)	(0.114)	0.024	(0.091)
Acquisition-related adjustments	4				0.000	(8.172)	(8.172)	(1.935)	(0.645)	0.000	0.000	(10.753)	0.000	0.000	(10.753)	2.215	(8.538)
Sum Wibe Kabelstegar AB					**370.342**	**(247.074)**	**123.268**	**(36.557)**	**(33.885)**	**7.760**	**(0.381)**	**60.206**	**0.000**	**(1.191)**	**59.014**	**(11.237)**	**47.777**
Nordisk VVS-Teknik AB		2021-01-01–2021-06-30	Swedish GAAP (K3)	Unaudited	63.717	(44.774)	18.943	(3.598)	(6.542)	0.258	0.000	9.062	0.001	(0.030)	9.033	(2.432)	6.601
GAAP adjustments	1, 2				(1.675)	0.274	(1.401)	0.065	0.022	0.000	0.000	(1.314)	0.000	(0.023)	(1.338)	0.276	(1.062)
Acquisition-related adjustments	4				0.000	0.529	0.529	0.125	0.042	0.000	0.000	0.696	0.000	0.000	0.696	(0.143)	0.552
Sum Nordisk VVS-Teknik AB					**62.042**	**(43.971)**	**18.071**	**(3.407)**	**(6.478)**	**0.258**	**0.000**	**8.443**	**0.001**	**(0.053)**	**8.391**	**(2.299)**	**6.091**
Brenderup		2021-01-01–2021-06-30	IFRS	Unaudited	559.208	(433.166)	126.041	(16.080)	(40.066)	249.633	(219.667)	99.861	4.085	(7.577)	96.369	(16.441)	79.928
GAAP adjustments	1				0.000	0.672	0.672	0.159	0.053	0.000	0.000	0.884	0.000	(1.644)	(0.760)	0.157	(0.603)
Acquisition-related adjustments	4				0.000	(9.703)	(9.703)	(2.298)	(0.766)	0.000	0.000	(12.767)	0.000	0.000	(12.767)	2.630	(10.137)
Sum Brenderup					**559.208**	**(442.198)**	**117.010**	**(18.219)**	**(40.779)**	**249.633**	**(219.667)**	**87.978**	**4.085**	**(9.221)**	**82.842**	**(13.654)**	**69.188**
SoVent Group AB		2021-01-01–2021-06-30	Swedish GAAP (K3)	Unaudited	221.660	(165.288)	56.372	(36.307)	(23.584)	3.128	(0.015)	(0.406)	0.087	(1.463)	(1.781)	(5.026)	(6.807)
GAAP adjustments	1				0.000	21.275	21.275	4.991	0.014	0.000	0.000	26.280	0.000	(0.485)	25.795	0.053	25.848
Acquisition-related adjustments	4				0.000	(5.470)	(5.470)	(1.295)	(0.432)	0.000	0.000	(7.197)	0.000	0.000	(7.197)	1.483	(5.714)
Sum SoVent AB					**221.660**	**(149.482)**	**72.178**	**(32.612)**	**(24.002)**	**3.128**	**(0.015)**	**18.677**	**0.087**	**(1.948)**	**16.817**	**(3.490)**	**13.327**
Viametrics Group AB		2021-01-01–2021-06-30	IFRS	Unaudited	32.579	(16.969)	15.609	(2.245)	(1.996)	(0.014)	(1.817)	9.538	0.062	(1.976)	7.624	(1.381)	6.242
GAAP adjustments	1				0.000	0.006	0.006	0.002	0.001	0.000	0.000	0.008	0.000	(0.014)	(0.005)	0.001	(0.004)
Acquisition-related adjustments	4				0.000	(1.833)	(1.833)	(0.434)	(0.145)	0.000	0.000	(2.412)	0.000	0.000	(2.412)	0.497	(1.915)
Sum Viametrics Group AB					**32.579**	**(18.796)**	**13.783**	**(2.678)**	**(2.140)**	**(0.014)**	**(1.817)**	**7.135**	**0.062**	**(1.990)**	**5.207**	**(0.883)**	**4.323**
Buildercom Oy		2021-01-01–2021-06-30	Finska GAAP	Unaudited	28.002	(13.746)	14.256	(3.116)	(1.566)	0.352	(1.956)	7.970	0.000	(0.216)	7.754	(1.561)	6.193
GAAP adjustments	1				0.000	0.017	0.017	0.004	0.001	0.000	0.000	0.022	0.000	(0.073)	(0.051)	0.011	(0.040)
Acquisition-related adjustments	4				0.000	(2.689)	(2.689)	(0.637)	(0.212)	0.000	0.000	(3.538)	0.000	0.000	(3.538)	0.778	(2.760)
Sum Buildercom Oy					**28.002**	**(16.418)**	**11.585**	**(3.749)**	**(1.777)**	**0.352**	**(1.956)**	**4.455**	**0.000**	**(0.290)**	**4.165**	**(0.771)**	**3.394**
DeroA Group AB		2021-01-01–2021-06-30	Swedish GAAP (K3)	Unaudited	115.183	(106.559)	8.624	(5.088)	(2.532)	0.479	0.000	1.482	0.000	(0.563)	0.919	(0.537)	(1.230)
GAAP adjustments	1, 3				0.000	6.424	6.424	1.507	0.000	0.000	0.000	7.031	0.000	(0.039)	7.892	(0.324)	9.178
Acquisition-related adjustments	4				0.000	(1.939)	(1.939)	(0.459)	(0.153)	0.000	0.000	(2.551)	0.000	0.000	(2.551)	0.526	(2.026)
Sum DeroA Group AB					**115.183**	**(102.075)**	**13.108**	**(4.041)**	**(2.685)**	**0.479**	**0.000**	**6.861**	**0.000**	**(0.603)**	**6.259**	**(0.336)**	**5.923**
Kumla Handtagsfabrik AB		2021-01-01–2021-06-30	Swedish GAAP (K3)	Unaudited	52.698	(35.897)	16.801	(7.686)	(2.641)	2.214	0.000	8.687	0.000	(3.845)	4.842	(0.998)	3.845
GAAP adjustments	1, 3				0.000	7.689	7.689	1.804	0.000	0.000	0.000	9.493	0.000	(0.006)	9.487	0.001	9.488
Acquisition-related adjustments	4, 9				0.000	(2.990)	(2.990)	(0.701)	0.000	0.000	0.000	(3.692)	0.000	0.000	(3.692)	0.760	(2.931)
Sum Kumla Handtagsfabrik AB					**52.698**	**(31.198)**	**21.500**	**(6.584)**	**(2.641)**	**2.214**	**0.000**	**14.488**	**0.000**	**(3.851)**	**10.638**	**(0.236)**	**10.401**
Roleff GmbH		2021-01-01–2021-06-30	German GAAP	Unaudited	76.776	(53.499)	23.277	(9.704)	(4.712)	0.360	(0.821)	8.400	0.040	(0.262)	8.178	(7.300)	0.878
GAAP adjustments	1, 2				8.182	(8.674)	(0.492)	0.104	0.035	0.000	0.000	(0.353)	0.000	(1.001)	(1.354)	0.180	(1.174)
Acquisition-related adjustments	4				0.000	(0.759)	(0.759)	(0.180)	(0.060)	0.000	0.000	(0.999)	0.000	0.000	(0.999)	0.133	(0.866)
Sum Roleff GmbH					**84.958**	**(62.932)**	**22.026**	**(9.780)**	**(4.737)**	**0.360**	**(0.821)**	**7.048**	**0.040**	**(1.263)**	**5.825**	**(6.987)**	**(1.162)**
Artum AG		2021-01-01–2021-06-30	Swiss GAAP	Unaudited	817.729	(661.525)	156.205	(52.911)	(32.649)	9.767	(10.351)	70.060	8.568	(5.806)	72.822	(18.768)	54.054
GAAP adjustments	1, 7				0.000	(0.898)	(0.898)	(0.213)	(0.071)	0.000	0.000	(1.182)	0.000	(1.394)	(2.576)	0.471	(2.105)
Acquisition-related adjustments	4				0.000	(21.983)	(21.983)	(5.207)	(1.736)	0.000	0.000	(28.925)	0.000	0.000	(28.925)	6.169	(22.757)
Sum Artum AG					**817.729**	**(684.406)**	**133.323**	**(58.331)**	**(34.455)**	**9.767**	**(10.351)**	**39.953**	**8.568**	**(7.200)**	**41.321**	**(12.129)**	**29.192**
Group adjustments	5, 6, 9				(8.590)	3.593	(4.998)	0.000	15.689	0.000	0.000	10.693	(0.322)	(17.646)	(7.275)	3.702	(3.573)
Pro forma income statement 1 January–30 June 2021				**Unaudited**	**10,138.573**	**(7,822.581)**	**2,315.992**	**(803.866)**	**(670.650)**	**513.525**	**(403.964)**	**951.036**	**18.478**	**101.738**	**867.777**	**(176.727)**	**691.049**

Notes to Pro Forma Financial Statements

1: Lease

In the pro forma income statement, expenses related to reported leasing contracts are reduced and depreciation charges on the right-of-use assets are added as a consequence of the adjustment to the Group's application of IFRS 16. The aggregated net effect by function of expense is as per below:

- **Cost of goods sold:** Reduced by SEK 3.0 million.
- **Selling expenses:** Reduced by SEK 0.7 million.
- **Administrative expenses:** Reduced by SEK 0.2 million.

Interest expenses related to lease liabilities increase financial expenses by SEK 7.0 million.

Aggregated effect on the pro forma net profit is SEK (2.4) million.

2: Revenue recognition

As a consequence of adopting the Group's accounting principles for percentage of completion, aggregated net sales for the period has increased by SEK 7.3 million. The associated COGS has at an aggregated level been increased by SEK 10.6 million.

3: Reversal of goodwill amortisation

In the pro forma income statement, amortisation of goodwill in the acquired entities have been reversed. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Decreased by SEK 35.4 million.
- **Selling expenses:** Decreased by SEK 8.3 million.

The adjustment is of a one-time nature and not recurring.

4: Depreciation and amortisation of identified surplus values

In the pro forma income statement, amortisation charges are added on customer relations and depreciation is added on properties used in the operations that were identified in the purchase price allocations. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Increases by SEK 70.9 million.
- **Selling expenses:** Increases by SEK 16.8 million.
- **Administrative expenses:** Increases by SEK 5.4 million.

Dissolvement of the deferred tax liability related to the surplus values of SEK 19.1 million as a reduction of the tax expense.

5: Financing

The acquisitions are financed partly through existing cash, partly through credit facilities used in direct connection with the acquisition. In the pro forma income statement, interest expenses have been added for the period up to the acquisition being carried out as if the acquisitions were carried out and financing was raised on 1 January 2020. An interest expense of SEK 18.0 million has been added for the period 1 January 2021 to 30 June 2021. The adjustment is made as a Group adjustment as the loans are raised at group level.

6: Transaction costs

In connection with each Acquisition, Storskogen has incurred costs directly attributable to the transactions relating to fees to financial, legal and other advisors. Transaction costs are not charged to the pro forma income statement as it is prepared on the assumption that transaction costs have been incurred in the period prior to the acquisition date, i.e. during the financial year 2019 for all acquisitions. If transaction costs have been included in Storskogen's consolidated results for the financial year 2021, these have been eliminated to present transaction costs as if they occurred in the period prior to the acquisition date. Costs amounting to SEK 10.7 million has reduced the Group's costs during 2021.

The costs directly linked to the acquisitions are of a one-off nature and are not recurring.

7: Defined benefit pension plans

Some of the acquired entities have defined benefit plans that have been recognised according to local GAAP. In the pro forma financial statements, the defined benefit plans have been recognised and measured in accordance with IAS 19 Employee Benefits. Aggregated effect by function of expense as per below:

- **Cost of goods sold:** Increases by SEK 1.5 million.
- **Selling expenses:** Increases by SEK 0.3 million.
- **Administrative expenses:** Increases by SEK 0.1 million.

8: Termination of consultancy contract

In connection with the acquisition of Ecochange, a consultancy contract has been terminated as the consultant has transferred to a permanent position. The cost of the termination of SEK 51.0 million has been recognised in the entity in 2021. In the pro forma income statement, the cost, which is partly compensation for sales bonuses, has been distributed between 2020 and 2021 by reducing the cost for 2021 by SEK 37.0 million and increased the cost by the same amount for 2020.

The adjustment is of a one-time nature and not recurring.

9: Elimination of transactions between Storskogen and the acquired entities

In the period prior to the acquisition date, certain transactions of a limited nature have occurred between Storskogen and the acquired entities. In the pro forma income statement, these have been eliminated. Aggregated impact per function as follows:

- **Net sales:** Reduced by SEK 8.6 million.
- **Cost of goods sold:** Reduced by SEK 3.6 million.
- **Administrative expenses:** Reduced by SEK 5.0 million.
- **Interest income:** Reduced by SEK 0.3 million.
- **Interest expenses:** Increases by SEK 17.6 million.

Pro Forma Statement of Financial Position as of 30 June 2021

Table 12

SEK million	Storskogen Group	SoVent	Buildercom	DeroA	Kumla Handtags-fabrik	Viametrics	Pro forma adjust-ments	Note	Pro forma balance sheet
GAAP	IFRS	Swedish GAAP (K3)	Finska GAAP	Swedish GAAP (K3)	Swedish GAAP (K3)	IFRS			
Audited/Unaudited	Unaudited (reviewed)	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited			Unaudited (reviewed)
Assets									
Intangible assets	12,454.5	157.6	19.0	93.1	84.6	2.5	1,321.7	1. 4	14,133.0
Tangible assets	1,798.1	0.0	0.0	0.1	26.2	0.0	9.5	3	1,833.9
Right-of-use assets	834.5	10.7	0.0	0.0	0.0	8.7	41.2	2	895.0
Financial non-current assets	7.3	0.1	0.0	0.0	0.0	78.6	0.0		86.1
Non-current receiva-bles	119.7	0.0	0.1	0.2	0.0	0.0	0.0		119.9
Deferred tax assets	54.5	0.0	0.0	0.0	1.7	(2.2)	0.0		54.1
Total non-current assets	**15,268.6**	**168.4**	**19.1**	**93.4**	**112.5**	**87.7**	**1,372.4**		**17,122.1**
Inventories	2,197.7	0.9	0.0	0.0	14.0	7.2	0.0		2,219.7
Tax assets	189.7	1.0	0.0	8.7	0.0	0.0	0.0		199.5
Trade receivables	2,385.5	47.9	9.0	26.5	20.7	18.3	0.0		2,507.8
Contract assets	**340.2**	**0.1**	**0.2**	**7.8**	**0.0**	**0.0**	**0.0**		**348.2**
Prepaid expenses and accrued income	359.6	8.4	0.8	4.2	1.8	1.0	(1.8)	2	374.0
Current receivables	**206.5**	**2.2**	**0.0**	**9.7**	**0.5**	**(1.9)**	**0.0**		**217.1**
Current investments	5.6	0.0	0.0	0.0	0.0	0.0	0.0		5.6
Cash and cash equivalents	6,592.7	45.2	21.5	40.2	0.6	3.7	(1,357.3)	1	5,346.6
Total current assets	**12,277.5**	**105.6**	**31.5**	**97.1**	**37.5**	**28.3**	**(1,359.1)**		**11,218.5**
Total assets	**27,546.1**	**274.0**	**50.6**	**190.5**	**150.1**	**116.0**	**13.3**		**28,340.6**
Equity and liabilities									
Issued capital	0.7	0.3	0.0	0.3	0.4	0.0	-1.0		0.7
Share premium	5,400.0	0.0	0.0	0.0	18.9	10.4	0.0		5,429.3
Reserves	5.8	0.0	17.7	0.0	(1.9)	0.1	0.0		21.6
Retained earnings	2,448.5	(19.1)	4.2	26.9	(2.8)	28.4	(82.5)		2,403.5
Equity attributable to equity holders of the parent	7,854.9	(18.7)	22.0	27.1	14.5	38.9	(83.5)		7,855.1
Non-controlling interests	915.8	0.0	0.0	0.0	0.0	0.0	0.0		915.8
Total equity	**8,770.7**	**(18.7)**	**22.0**	**27.1**	**14.5**	**38.9**	**(83.5)**	**1**	**8,771.0**
Liabilities									
Non-current interest-bearing liabilities	10,334.7	71.5	6.0	28.1	92.7	53.1	0.0		10,586.0
Non-current lease liabilities	554.2	0.0	0.0	0.0	0.0	0.0	24.9	2	579.1
Other non-current liabilities	1,151.0	0.0	0.0	8.6	0.0	0.0	0.0		1,159.6
Provisions	178.6	0.0	0.0	1.4	0.2	1.0	0.0		181.1
Deferred tax liabilities	769.9	9.1	0.0	1.4	8.6	0.0	57.5	3. 4	846.4
Total non-current liabilities	**12,988.4**	**80.6**	**6.0**	**39.5**	**101.5**	**54.1**	**82.3**		**13,352.3**
Non-interest-bearing provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0
Current interest-bearing liabilities	479.9	34.0	3.3	17.3	26.6	(0.1)	0.0		561.0
Current lease liabilities	263.2	0.0	0.0	0.0	0.0	0.0	14.5	2	277.8
Contract liabilities	229.8	1.2	9.8	65.7	0.0	0.0	0.0		306.5
Trade payables	1,456.9	14.4	1.3	30.0	3.0	4.5	0.0		1,510.2
Income tax payable	236.6	9.4	0.0	5.0	(3.3)	2.8	0.0		250.5
Other liabilities	2,018.1	127.8	3.5	1.8	0.8	3.6	0.0		2,155.8
Accrued expenses and deferred income	1,064.0	25.4	4.6	4.1	7.0	12.1	0.0		1,117.2
Provisions	38.4	0.0	0.0	0.0	0.0	0.0	0.0		38.4
Total current liabilities	**5,787.0**	**212.2**	**22.7**	**123.9**	**34.1**	**22.9**	**14.5**		**6,217.3**
Total liabilities	**18,775.4**	**292.8**	**28.6**	**163.3**	**135.6**	**77.1**	**96.9**		**19,569.6**
Total equity and liabilities	**27,546.1**	**274.0**	**50.6**	**190.5**	**150.1**	**116.0**	**13.3**		**28,340.6**

Notes to Pro Forma Financial Statement of Financial Position

1: Acquisition related items

The total consideration amounts to SEK 1,357.3 million and has been assumed to be financed with existing cash. Hence, cash and cash equivalents has been reduced with the corresponding amount.

Surplus values in properties (note 3) and customer relations (note 4) have been identified in the preliminary purchase price allocations. Goodwill arising from the acquisitions amounts to SEK 1058.2 million.

Acquired equity amounting to SEK 83.5 million has been eliminated in the pro forma statement of financial position.

2: Leases

In the pro forma statement of financial position, most leases are recognised as right-of-use assets and lease liabilities as a consequence of adhering to the Group's application of IFRS 16. The following items are impacted:

- **Tangible assets:** Increased by SEK 41.2 million.
- **Prepaid expenses and accrued income:** Reduced by SEK 1.8 million.
- **Non-current interest-bearing liabilities:** Increased by SEK 24.9 million.
- **Current interest-bearing liabilities:** Increased by SEK 14.5 million.

3: Valuation of property

In the preliminary purchase price allocation, a property used in the operations with a carrying amount of SEK 6.9 million in Kumla Handtagsfabrik has been valued to SEK 16.4 million. An associated deferred tax liability of SEK 1.5 million has been recognised.

4: Surplus values of intangible assets

In the preliminary purchase price allocations of the acquisitions of SoVent, Buildercom, DeroA, Kumla Handtagsfabrik and Viametrics, surplus values of intangible assets in the form of customer relations amounting to SEK 271.5 million have been identified. An associated deferred tax liability of SEK 55.9 million has been recognised.

Supplemental information about EBITA

EBITA is calculated as operating profit before amortisation and impairment of intangible non-current assets. The purpose is to assess the Group's operating activities. EBITA serves as a complement to operating profit, as it provides an indication of the cash results of operations.

Since EBITA is an important performance measure for the Group, EBITA is also calculated on pro forma information to illustrate EBITA based on the general pro forma assumptions.

The period 1 January–31 December 2020

Table 13

1 January–31 December 2020	Storskogen Group	Acquired entities[1]	Total
Operating profit	773.8	1,087.9	**1,861.7**
Amortisation and impairment of intangible assets	111.0	272.1	**383.1**
EBITA	**884.8**	**1,360.0**	**2,244.8**

1) The results for the acquired entities for the stub period included in the pro forma, including GAAP adjustments and acquisition related adjustments.

Breakdown of Pro forma information by operating segment

Table 14

1 January–31 December 2020	Operating segment Trade	Operating segment Industry	Operating segment Services	Eliminations	Total
EBITA	643.9	513.7	1,107.3	(20.0)	**2,244.8**

The period 1 January–30 June 2021

Table 15

1 January–30 June 2021	Storskogen Group	Acquired entities[1]	Total
Operating profit	529.6	421.5	**951.0**
Amortisation and impairment of intangible assets	75.2	103.7	**178.9**
EBITA	**604.8**	**525.2**	**1,130.0**

1) Acquired entities for the stub period included in the proforma, including GAAP-adjustments and acquisition related adjustments.

Breakdown of Pro forma information by operating segment

Table 16

1 January–30 June 2021	Operating segment Trade	Operating segment Industry	Operating segment Services	Eliminations	Total
EBITA	478.1	217.5	515.3	(81.0)	**1,130.0**

AUDITOR'S REPORT ON PRO FORMA FINANCIAL INFORMATION

Independent auditor's assurance report on the compilation of pro forma financial information included in a prospectus

To the Board of Directors of Storskogen Group AB (publ), corporate identity number 559223-8694

Report on the compilation of pro forma financial information included in a prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of Storskogen Group AB (publ) ("the company") by the Board of Directors. The pro forma financial information consists of the pro forma balance sheet as at 30 June 2021, the pro forma income statement for the financial year ended 31 December 2020 and for the six-month period ended 30 June 2021 and related notes as set out on pages 84–105 of the prospectus issued by the company. The applicable criteria on the basis of which the Board of Directors has compiled the pro forma financial information are specified in the Delegated Regulation (EU) 2019/980 and described on pages 79–84.

The pro forma financial information has been compiled by the Board of Directors to illustrate the impact of the acquisitions described on pages 80–81 of the prospectus on the company's financial position as at 30 June 2021 and the company's financial performance for the financial year ended 31 December 2020 and for the six-month period ended 30 June 2021 as if the acquisitions had taken place at 1 January 2020 and 30 June 2021 respectively. As part of this process, information about the company's financial position and financial performance has been extracted by the Board of Directors from the company's financial statements for the financial year ended 31 December 2020 on which an auditor's report has been published and for the six-month period ended 30 June 2021, on which a review report has been published.

Responsibilities of the Board of Directors for the pro forma financial information

The Board of Directors is responsible for compiling the pro forma financial information in accordance with the requirements of the Delegated Regulation (EU) 2019/980.

Our independence and quality control

We have complied with the independence and other ethical requirements in Sweden, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express an opinion about whether the pro forma information, in all material respects, has been compiled correctly by the Board of Directors in accordance with the Delegated Regulation (EU) 2019/980, on the bases given and that these bases are consistent with the company's accounting policies.

We have conducted the engagement in accordance with International Standard on Assurance Engagements ISAE 3420 Assurance engagements to report on the compilation of pro forma financial information included in a prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the auditor plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma financial information in accordance with the delegated regulation.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on the company's unadjusted financial information as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the acquisitions at 1 January 2020 and 30 June 2021 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma financial information provide a reasonable basis for

AUDITOR'S REPORT ON PRO FORMA FINANCIAL INFORMATION, *cont.*

presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient and appropriate audit evidence about whether:

- The pro forma adjustments have been compiled correctly on the specified basis.
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information
- The stated basis comply with the company's accounting policies.

The procedures selected depend on the auditor's judgment, having regard to his or hers understanding of nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the pro forma financial information has been compiled, in all material respects, on the bases stated on pages 79–84 and these bases are consistent with the accounting policies applied by the company.

Stockholm, 27 September 2021

Ernst & Young AB

Åsa Lundvall

Authorized Public Accountant

Operating and financial review

The information in this section should be read together with "*Selected historical financial information*" and "*Pro forma financial information*" as well as the Group's Audited Combined and Consolidated Financial Statements and the Group's Unaudited Consolidated Interim Financial Statements in "*Historical financial information*".

The selected historical financial information below has been derived from the Group's Audited Combined and Consolidated Financial Statements and the Group's Unaudited Consolidated Interim Financial Statements. For more information on the Company's independent auditors, see "*Board of directors, senior executives and auditor—Independent auditor*". The Group's Audited Combined and Consolidated Financial Statements and the Group's Unaudited Consolidated Interim Financial Statements have been prepared in accordance with IFRS, as adopted by the EU. Except as expressly stated in this Offering Memorandum, no financial information has been audited or reviewed by the Company's auditors.

This section may contain forward-looking statements. Such statements are subject to risks, uncertainties and other factors, including those set forth in "*Risk factors*", which could cause our future results of operations, financial position or cash flows to differ materially from the results of operations, the financial position or the cash flows expressed or implied in such forward-looking statements. See "*Presentation of financial and other information—Forward-looking statements*" for a discussion of risks associated with reliance on forward-looking statements.

OVERVIEW

Storskogen is a fast-growing owner of SMEs and has a track record of successful acquisitions, having carried out 144 acquisitions of businesses and groups (including the acquisition of six companies the Group expects to complete in October 2021, where the acquisition of Artum is considered as eight acquisitions and the acquisitions of Ashe Invest and On Target are considered as one acquisition) since its founding. The Company has an experienced and entrepreneurial management which has established an efficient M&A process and organisation.

Storskogen's vision is to be the best owner of SMEs within a broad field of industries and geographies as well as based on Storskogen's robust investment criteria. The Company has a long-term and sustainable perspective when acquiring and managing its Group Companies, which are intended to be owned on a long-term basis without any predefined ownership horizon. All members of the Group share a common focus on profitability, stable cash flows and obtaining and maintaining a strong market position.

NON-IFRS FINANCIAL MEASURES AND OTHER KEY PERFORMANCE INDICATORS

For more information, see "*Selected historical financial information—Alternative performance measures*".

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

The Group's business, financial condition and results of operations have been affected in the years under review, and are expected to continue to be affected, by certain principal factors and developments relating to the Group's business, in particular acquisitions, general macro-economic conditions and developments, the COVID-19 pandemic, trends within the industries of the Group's businesses and the industries of the Group's customers.

Prospective investors should also read "*Risk factors*", "*Market overview*" and "*Business description*" for further information relating to factors that could materially affect, directly or indirectly, the Group's business, financial condition and results of operations in the future.

Acquisitions

During the six months ended 30 June 2021 and during 2020, the Group completed 43 and 27 acquisitions, respectively, with aggregated annual sales of SEK 8.3 billion and SEK 3.3 billion, respectively. Of the acquisitions in the six months ended 30 June 2021, 29 were platform acquisitions, which have formed new business units in the Group, and 14 were add-on acquisitions for the Group's existing business units (where the acquisition of Artum is considered to be one acquisition as well as the acquisitions of Ashe Invest and On Target are considered to be two acquisition). Of the acquisitions in 2020, 15 were platform acquisitions that have formed new business units in the Group and 12 were add-on acquisitions for the Group's existing business units. Acquisitions of subsidiaries, including payments of contingent considerations for acquisitions in previous years, increased by SEK 255 million, or 16 per cent, to SEK 1,894 million for the year ended 31 December 2020, from SEK 1,653 million for the year ended 31 December 2019. Acquisitions of subsidiaries, including payments of contingent considerations for acquisitions in previous years, increased by SEK 756 million, or 85 per cent, to SEK 1,653 million for the year ended 31 December 2019, from SEK 887 million for the year ended 31 December 2018.

Acquisitions form an integral part of the strategy of the Group and are the primary driver of the Group's growth. The Group will continue to make acquisitions on an ongoing basis and may also consider expanding its current investment criteria for suitable acquisition targets and geographies in which the Group charts potential acquisition targets. The Group makes add-on acquisitions to its existing business units and acquires targets that include several legal entities and businesses and after the completion of the acquisition form new business units in the Group. The Group has a clear growth strategy. The goal of the Group's investment criteria and preferred transaction structure is to enable the Group to acquire more and better companies. For further detail on the acquisition strategy of the Group, see "*Business description—Vision and strategy*". For risks related to the acquisition strategy of the Group, see "*Risk factors—Risks relating to Storskogen's business and industry—Storskogen's acquisition strategy is associated with risks and there are no guarantees that Storskogen will be able to carry out acquisitions as planned, with favourable conditions or at all*".

The rapid increase in the number of business units in the Group over a relatively short time has significantly altered the profile of the Group a number of times. When business units and legal entities are added to the Group, the financial metrics of the Group expand, which makes it more difficult to assess the underlying development and financial condition of the Group businesses. Due to the large number of acquisitions that the Group completes each year and carries out on an ongoing basis, the historical financials of the Group are not comparable to one another.

For the years ended 31 December 2019 and 2020, businesses acquired during 2019 and 2020, respectively, generated SEK 1,815 million and 2,070 million, respectively, in Net sales and SEK 137 million and SEK 187 million, respectively, in EBITA, and SEK 86 million and SEK 193 million, respectively, in Operating profit (EBIT). Due to the large number of acquisitions completed in 2020, the Company recorded SEK 4,653 million in goodwill as at 31 December 2020 compared to SEK 2,740 million in goodwill as at 31 December 2019. As at 30 June 2021, our Adjusted RTM Net sales was SEK 18,825 million, our Adjusted RTM EBITA was SEK 2,137 million, our Adjusted RTM EBITA margin was 11.4 per cent and our Adjusted RTM EBITDA was SEK 2,601 million.

Based on historical market trends, the transaction market is experiencing a trend towards consolidation. There is a general trend of increased company transactions in the Nordic market (from 343 in 2014 to 714 in the first six months of 2021, with technology, media and telecommunications, industrial products and professional services being the sectors leading the company transaction market). The Group believes that the reasons for the increased activity levels in the company transaction market are, among other things, a continued drive of entrepreneurs and family companies to sell their businesses, generational succession planning, a desire for strategic support and transformation, financial control, professionalism, access to capital and financial security and the desire to become part of a larger group. The Group expects this trend to continue.

As our ability to pursue acquisitions is partially premised on our ability to finance these transactions, access to acquisition financing at terms favourable to the Group is a key component for the successful pursuit of the Group's acquisition strategy. An increase in interest rates would affect the Group's cost of debt financing and Return on equity[1]. For further detail on the reconciliation of non-IFRS measures, such as Return on equity see "*Selected historical financial information—Alternative performance measures*". For more detail on the Group's sensitivity to interest rate changes with respect to its existing debt, see "*—Quantitative and qualitative disclosures about financial risk management—Market risk—Interest rate risk*". Moreover, the Group's ability to raise equity financing may be affected by volatile market conditions, which could lead to higher cost of equity financing and decrease the Group's Return on equity.

Since 1 January 2021, the Group has carried out 41 platform acquisitions and 16 add-on acquisitions. The Group intends to continue its growth in all business areas. Acquisitions will remain the primary growth driver of the Group. At the same time, the Group expects higher organic growth rates given that the Group will remain committed to investing in the companies it acquires. Since 30 June 2021, the Company has signed eight acquisitions, some of which are expected to complete during the fourth quarter of 2021: Marwell AG (an add-on acquisition to PerfectHair within Trade with a reported revenue of SEK 58 million and EBITA of SEK 2 million for 2020), Jernbro Automation (an add-on acquisition to Elektroautomatik within Industry, with a reported revenue of SEK 58 million and EBITA of SEK 7 million for 2020), five separate business units acquired from Ceder Capital (Viametrics Group, Buildercom Group, DeroA (Adero), SoVent within Services and Kumla Handtagsfabrik (Persson Innovation) within Industry with reported revenue of SEK 900 million and EBITA of SEK 160 million for 2020) and Frigo AG (an add-on to Frigel AG within Services with a reported revenue of SEK 19 million and EBITA of SEK 3 million for 2020). The acquisition of Marwell AG was completed in July 2021 and the acquisition of Frigo AG was completed in August 2021. The acquisitions of Jernbro Automation and the five business units acquired from Ceder Capital are expected to be completed in October 2021. For more information regarding Viametrics Group, Buildercom Group, DeroA (Adero), SoVent and Kumla Handtagsfabrik (Persson Innovation), see "*Pro forma financial information*". The total purchase price for above mentioned acquisitions from Ceder Capital amounts to approximately SEK 1.4 billion. As of the date of this Offering Memorandum, we are reviewing several opportunities for acquisitions in line with our robust investment criteria.

1 For further discussion regarding Return on equity, see "*Selected historical financial information—Alternative performance measures*".

Storskogen has entered into 11 non-binding letters of intent or preferred buyer letters through which Storskogen has obtained exclusivity to carry out due diligence of, and negotiate with, the company and the sellers (the aggregated net sales and profit contribution from these 11 acquisition candidates, based on historical reported accounts and the transactions as currently contemplated, are assessed to be approximately 10 per cent of Storskogen's latest Adjusted RTM Net sales and Adjusted RTM EBITDA). In addition, Storskogen continuously evaluates the acquisition proposals presented to Storskogen. All of these possible acquisitions are in an early stage and no firm commitments have been made as of the date of this Offering Memorandum. If the Group decides to pursue these acquisitions, it is estimated that agreements will be entered before the end of the year.

Diversification of the Group's portfolio

The Group currently consists of 99 business units (including the acquisitions of companies that the Group expects to complete in October 2021) in three business areas with a total of twelve verticals in 21 countries. As the Group continues to pursue its acquisition strategy, the Group will continue to increase the diversification of its portfolio in terms of, including but not limited to, business areas, verticals, products, geographic reach, currency exposure and exposure to trends in particular markets, industries, customer behaviour or product groups. The increasing diversification of the Group's portfolio will improve the Group's resilience to shocks in particular markets and will lead to the Group's results reflecting macroeconomic trends rather than specific microeconomic trends.

Key macroeconomic trends

As a consequence of the Group's strategy to acquire companies in a wide range of industries and geographies, the Group's business is highly diversified and has operations in most sectors of the economy. As such the performance of the Group generally tracks the conditions and developments in the wider economy.

Economic cycles and macroeconomic factors, such as economic growth rates, interest rates, unemployment, international trade, inflation and currency fluctuations affect the Group Companies to varying degrees. For example, in the Trade segment, a strong domestic currency can have a positive effect on imports into the currency area of the relevant Group Company. Conversely, by way of another example, companies in the Industry segment can benefit from a weaker domestic currency, resulting in increased exports. As the ongoing geographic expansion and diversification of the Group progresses, the effect of currency fluctuations on the results of operations of the Group may become smaller. The service companies are generally less affected by the economic situation and thus contribute to a more even development of the total operations of the Group.

Sweden

The OECD finds that the Swedish economy has been gradually recovering from the COVID-19 crisis and projects GDP to expand by 4 per cent in 2021 and 3.5 per cent in 2022, on the back of rising exports, which boost manufacturing production and investment, and strong fiscal and monetary support. During the first half of 2021, pandemic-related restrictions and voluntary distancing have held back the recovery in services requiring face-to-face interaction, but growth will broaden during the second half of the year. Unemployment is expected to decline gradually.

Nordic countries

Economists find that the Nordic economies have shown resilience during the COVID-19 pandemic. Pursuant to the OECD, in Norway, mainland real GDP is projected to increase by 3.4 per cent in 2021 and 3.7 per cent in 2022, with the gradual lifting of restrictions as the vaccine rollout progresses unleashing demand. Mainland activity connected with the petroleum sector is expected to rise in light of the revival in oil prices. Labour market recovery will continue. Pursuant to the OECD, in Denmark, GDP is projected to grow by 2.8 per cent in 2021 and by 2.9 per cent in 2022. With a severe wave of infections at the turn of the year, containment measures were reintroduced, hampering economic performance in the first half of 2021. The gradual reopening of the economy from March 2021 will allow an acceleration of demand and GDP. However, unemployment will only reach pre-pandemic levels in 2022. Pursuant to the OECD, in Finland, with the third COVID-19 wave and the associated containment measures receding, economic growth is projected to increase to 2.6 per cent in 2021 and 2.7 per cent in 2022, led by consumption and exports. Business investments are expected to strengthen in 2022 as uncertainty abates. Production output is expected regain the pre-pandemic level by late 2021 and employment by mid-2022. The main risk to the outlook is that further virus waves could delay the recovery.

Germany, Austria and Switzerland

Pursuant to the OECD, in Germany, GDP growth is expected to be 3.3 per cent in 2021 and 4.4 per cent in 2022. Virus outbreaks and associated containment measures have delayed the recovery in services, while the export-focused manufacturing industry is growing strongly despite some supply-chain disruptions. Vaccination will enable a progressive reopening of the domestic economy. Pursuant to the OECD, in Austria, GDP is projected to expand by 3.4 per cent in 2021 and 4.2 per cent in 2022. A rebound in global trade and generous government support underpin strong investment growth. Consumption will improve as households reduce their saving. Worldwide progress with the deployment of vaccines will allow the easing of travel restrictions and thus foster activity in hospitality sectors and employment in the second half of 2021. The increase in commodity prices will result in a moderate and temporary uptick in consumer price inflation. The fiscal deficit is planned to decline in 2021 and 2022.

Pursuant to the OECD, in Switzerland, GDP is projected to increase by 3.2 per cent in 2021 and 2.9 per cent in 2022, supported by the easing of containment measures and stronger sentiment amid the subsiding pandemic. Improving labour market prospects and the progressive reduction of currently high saving will underpin consumption growth. Investment should rebound on the back of reduced uncertainty.

United Kingdom

Pursuant to the OECD, GDP growth of 7.2 per cent in 2021 and 5.5 per cent in 2022 is projected to be driven by a rebound of consumption, notably of services, as a large share of the population is vaccinated and restrictions to economic activity are progressively eased. GDP is expected to return to its pre-pandemic level in early 2022. However, increased border costs following the exit from the EU Single Market will continue to weigh on foreign trade. Unemployment is expected to peak at the end of 2021 as the Coronavirus Job Retention Scheme is withdrawn.

Raw material prices

Volatility in the prices for raw materials, such as steel and wood, can significantly affect the results of operations of many of the Group Companies, which in turn will affect our consolidated results. In 2020, the international raw material prices, as well as transport costs, have increased, which has resulted in a material increase in the operating expenses of a number of Group Companies. However, the price increase on input goods has to a large extent been compensated by price increases. The Group expects that these elevated prices and expenses will persist in the near to medium-term and that they will continue to be compensated by our own price increases and economies of scale, given the high demand. Due to the Group's diversification no single raw material or component is critical at Group level. Steel is a critical component for the Industry business area. Plastic is a critical component for the Construction and Infrastructure vertical. Freight costs are a critical component for the Trade business area. Alloys and metals, like for example copper, are a critical component for the Installation vertical. Generally, the effects of fluctuations in raw material prices are limited within the Services business area. However, in some cases, material shortages can affect project delivery and causes delays.

Effects of digitalisation, sustainability and automation, as well as increased population and increased prosperity

The Group's activities are influenced by global trends such as digitalisation, sustainability and automation, urbanisation and sustainability as well as increased population and increased prosperity. In 2020, the COVID-19 pandemic accentuated many of these trends, and in an increasingly fast-changing world, greater demands are being placed on the Group's ability to address the challenges and opportunities that these changes bring. For more information, see "*Market overview—Key macro trends*".

COVID-19 pandemic

The COVID-19 pandemic and related counter-measures and restrictions imposed by governments including, without limitation, business closures, restrictions on non-essential business activities, travel restrictions, quarantines and cancellations of people gatherings and events have materially impacted how the Group conducts its business and have affected its results of operations and financial condition. In some cases, projects have been delayed or postponed, resulting in a decrease in sales for a number of the companies. Due to the COVID-19 pandemic the Group experienced a decline in organic growth during the second and the third quarter of 2020.

In particular, the COVID-19 pandemic is deemed to predominantly have impacted the Group in the following ways:

In the Services business area, the Group Companies have had to reorganise and adapt their operations to comply with the infection control recommendations that were issued. In some cases, projects have been delayed or postponed, resulting in a decrease in sales for a number of the Group Companies. At the same time, the Group Companies have successfully reduced their costs and focused their operations in order to maintain profitability. These efforts were successful and overall the segment had sales of SEK 3,837 million in 2020, compared to SEK 2,555 million in 2019, with an Adjusted EBITA margin of 10.0 per cent, compared to 9.0 per cent in 2019.

The majority of the Group Companies in the Trade segment have managed the COVID-19 pandemic well and the segment as a whole experienced an improved organic growth compared with the preceding year. Some business units saw a decrease in demand as a result of the pandemic, but have worked hard to reduce costs, thereby offsetting the drop in sales and minimising the negative impact on earnings.

The Industry segment was impacted heavily by the COVID-19 pandemic, with delivery problems from partners elsewhere in the world, such as China, as early as January 2020 and the cessation of production at customers. Demand has, however, resumed since then and during the first six months of 2021, the Industry business area experienced strong pent-up demand.

The market conditions in several of the Group's segments are difficult to assess and are to some extent dependent on how restrictions and the COVID-19 pandemic develop. In general, the Group expect relatively unchanged demand in the majority of its segments.

DESCRIPTION OF PRINCIPAL INCOME STATEMENT LINE ITEMS

Net sales

Net sales comprise the revenue from the sale of products and services. Revenue from these sales is recognised based on the price specified in the contract, net of estimated discounts and refunds. For the year ended 31 December 2020 Group operations (inter-company transactions, including group internal revenue, including management fees, and external headquarters revenue and costs) had a negative impact of SEK 6 million on Net sales. We estimate that the run-rate of Group operations costs (including investment organisation) will be approximately 0.5 per cent of sales in the medium-term and higher in the short-term due to significant new employment in 2021.

Cost of goods sold

Cost of goods sold includes personnel costs as well as costs of producing inventories that have been sold to third parties, delivery expenses, impairment of inventories, amortisations and depreciations, repair and maintenance, impact of foreign exchange derivatives and general overhead expenses of our production and supply function which are expensed as incurred. Approximately half of the cost of goods sold of the Group stem from the costs of materials, followed by salaries and personnel costs and finally costs for subcontractors.

Gross profit

Gross profit represents Net sales minus cost of goods sold.

Selling expenses

Sales expenses include costs of selling products, customer service, marketing and promotional expenses, amortisations and depreciations.

Administrative expenses

Administrative expenses include expenses of the general management, finance, corporate strategy and development, legal, communications and investor relations, human resources and information systems functions, and amortisations and depreciations.

Other operating income

Other operating income includes gains from divestment of businesses and disposal of non-current assets, foreign exchange gains, remeasurement of contingent considerations, government grants received recognised expenses and miscellaneous items.

Other operating expenses

Other operating expenses include foreign exchange losses, loss from divestment of businesses and disposal of non-current assets, remeasurement of contingent considerations and miscellaneous items.

Operating profit (EBIT)

Operating income less operating expenses. The purpose is to describe the Group's earnings before interest and taxes. For the years ended 31 December 2020 and 2019 Group operations (inter-company transactions, including group internal revenue, including management fees, and external headquarters revenue and costs) had a negative impact of SEK 27 million and SEK 2 million, respectively, on Operating profit (EBIT).

Financial income

Financial income is mainly comprised of exchange rate gains on financing items.

Financial expenses

Financial expenses mainly consist of interest expense on bank loans and bonds.

Profit before tax

Operating profit (EBIT) after net financial items.

Income tax expense

Income taxes include current income tax and deferred tax. Income taxes are recognised in statement of profit or loss, except when the underlying transaction has been recognised in other comprehensive income or in equity, in which case the associated tax effect is also recognised in other comprehensive income or in equity.

Profit for the period

Operating profit (EBIT) after net financial items and taxes.

RESULTS OF OPERATIONS

The following table summarises the Group's results of operations for the period presented.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021[1]	2020[1]	2020[2) 3)]	2019[2) 3)]	2018[2) 3)]
Net sales	6,713	4,177	8,933	6,163	3,298
Cost of goods sold	(5,258)	(3,329)	(7,128)	(5,040)	(2,684)
Gross profit	**1,455**	**848**	**1,805**	**1,123**	**614**
Selling expenses	(528)	(315)	(664)	(453)	(225)
Administrative expenses	(459)	(247)	(503)	(332)	(158)
Other operating income	224	81	227	68	49
Other operating expenses	(162)	(18)	(91)	(25)	(8)
Operating profit	**530**	**349**	**774**	**381**	**272**
Financial income	5	5	7	2	2
Financial expenses	(53)	(37)	(108)	(35)	(18)
Net financial items	**(48)**	**(32)**	**(101)**	**(32)**	**(16)**
Profit before tax	**481**	**316**	**673**	**348**	**255**
Income tax	(100)	(72)	(100)	(87)	(56)
Profit for the year	**381**	**243**	**574**	**262**	**199**
Profit for the year attributable to:					
Owners of the parent company	355	229	542	250	194
Non-controlling interest	26	14	32	11	5

1) Based on the Group's Unaudited Interim Financial Statements as stated on pages F-2–F-14.
2) Based on the Group's Audited Combined and Consolidated Financial Statements as stated on pages F-16–F-62. The figures for 2019 consist of aggregated financial information until the Group's legal formation in November 2019 and the figures for 2018 consist of an aggregation of financial information. For more information, see Note 1 in the Group's Audited Combined and Consolidated Financial Statements on page F-23–F-28.
3) In the Group's Audited Combined and Consolidated Financial Statements for the year ended 31 December 2020, certain inter-company eliminations have been reclassified to increase the Group's ability to monitor existing business areas, meaning that amounts have been adjusted in each affected item in the statement of profit or loss for the years ended 31 December 2018, 2019 and 2020. The statements of profit or loss for the year ended 31 December 2018 and the year ended 31 December 2019 were restated to facilitate comparability. The reclassifications had no effect on the profit for the years ended 31 December 2018, 2019 and 2020 or the key financial ratios presented as performance measures in the Group's Audited Combined and Consolidated Financial Statements, see also "*Historical financial information*".

Comparison 1 January to 30 June 2021 and 1 January to 30 June 2020

Net Sales

Net sales increased by SEK 2,536 million, or 60 per cent, to SEK 6,713 million for the six months ended 30 June 2021, from SEK 4,177 million for the corresponding period in 2020. Of the total increase in Net sales SEK 1,745 million was attributable to the contributions made by businesses acquired by the Group during the six months ended 30 June 2021. SEK 285 million of the increase in Net sales was attributable to the contributions made by businesses acquired by the Group during the six months ended 30 June 2020 (acquisition related effects). SEK 506 million of the increase in Net sales was mainly attributable to organic growth.

Cost of goods sold

Cost of goods sold increased by SEK 1,929 million, or 58 per cent, to SEK 5,258 million for the six months ended 30 June 2021, from SEK 3,329 million for the corresponding period in 2020. The increase was due to the rate of Net sales growth for the period, which was largely driven by an intensified rate of acquisitions. In relative figures, the share of Cost of goods sold has decreased in relation to Net sales.

Gross profit

Gross profit increased by SEK 607 million, or 72 per cent, to SEK 1,455 million for the six months ended 30 June 2021, from SEK 848 million for the corresponding period in 2020. This increase was primarily due to a significant growth in Net sales and an increased gross margin compared to the previous period.

Selling expenses

Selling expenses increased by SEK 213 million, or 68 per cent, to SEK 528 million for the six months ended 30 June 2021, from SEK 315 million for the corresponding period in 2020. The Selling expenses for the period amount to 8 per cent of Net sales, a slight increase from previous periods. The increase in absolute numbers is therefore primarily due to the increased rate of acquisitions.

Administrative expenses

Administrative expenses increased by SEK 212 million, or 86 per cent, to SEK 459 million for the six months ended 30 June 2021, from SEK 247 million for the corresponding period in 2020. Relative to Net sales, the increase in Administrative expenses is limited, which means that the absolute increase can be explained by the growth in Net sales and increased costs associated with the Group's growing administration.

Other operating income

Other operating income increased by SEK 143 million, or 177 per cent, to SEK 224 million for the six months ended 30 June 2021, from SEK 81 million for the corresponding period in 2020. This increase was primarily due to the revaluation of contingent considerations and realised gains on financial contracts.

Other operating expenses

Other operating expenses increased by SEK 144 million, or 800 per cent, to SEK 162 million for the six months ended 30 June 2021, from SEK 18 million for the corresponding period in 2020. This increase was primarily due to the revaluation of contingent considerations and realised losses on financial contracts.

Operating profit (EBIT)

Operating profit (EBIT) increased by SEK 181 million, or 52 per cent, to SEK 530 million for the six months ended 30 June 2021, from SEK 349 million for the corresponding period in 2020. Of the total increase in Operating profit (EBIT), SEK 34 million was attributable to the contributions made by businesses acquired by the Group during the six months ended 30 June 2021. SEK 189 million of the increase in Operating profit (EBIT) was attributable to the full year contributions of the businesses acquired by the Group during the six months ended 30 June 2020. Approximately 7 per cent of the operating profit for the six months ended 30 June 2020 is attributable to non-controlling interest and 93 per cent to the parent company.

Financial income

Financial income remained stable at SEK 5 million for the six months ended 30 June 2021 and the six months ended 30 June 2020, respectively.

Financial expenses

Financial expenses increased by SEK 16 million, or 43 per cent, to SEK 53 million for the six months ended 30 June 2021, from SEK 37 million for the corresponding period in 2020. This increase was primarily due to increased borrowings from financial institutions.

Profit before tax

Profit before tax increased by SEK 165 million, or 52 per cent, to SEK 481 million for the six months ended 30 June 2021, from SEK 316 million for the corresponding period in 2020.

Income tax expense

Tax increased by SEK 28 million, or 39 per cent, to SEK 100 million for the six months ended 30 June 2021, from SEK 72 million for the corresponding period in 2020. This increase was primarily due to increased business activity and due to acquisitions.

Profit for the period

Profit for the period increased by SEK 138 million, or 57 per cent, to SEK 381 million for the six months ended 30 June 2021, from SEK 243 million for the corresponding period in 2020. Of the total increase SEK 118 million was attributable to the contributions made by businesses acquired by the Group during the six months ended 30 June 2021 (specifically Primulator and Scandia Steel). SEK 25 million of the increase in profit for the period was attributable to the contributions made by businesses acquired by the Group during the period 1 January to 30 June 2020 (acquisition related effects). SEK 103 million of the increase in profit for the period was due to organic growth. Costs for group operations related to the Group's growth hampered the increase in EBITA by SEK 158 million.

Comparison between the financial years ended 31 December 2020 and 31 December 2019

Net sales

Net sales for the period increased by SEK 2,770 million, or 45 per cent, to SEK 8,933 million for the year ended 31 December 2020, from SEK 6,163 million for the year ended 31 December 2019. Of the total increase in Net sales SEK 2,070 million was attributable to the contributions made by businesses acquired by the Group during 2020. SEK 917 million of the increase in Net sales was attributable to the full year contributions of the businesses acquired by the Group during 2019.

Cost of goods sold

Cost of goods sold increased by SEK 2,088 million, or 41 per cent, to SEK 7,128 million for the year ended 31 December 2020, from SEK 5,040 million for the year ended 31 December 2019. This increase is related to an escalation of acquisitions and continues to correspond to a stable relative level related to Net sales.

Gross profit

Gross profit increased by SEK 683 million, or 61 per cent, to SEK 1,805 million for the year ended 31 December 2020, from SEK 1,123 million for the year ended 31 December 2019. This increase was primarily due to Net sales growth and a somewhat higher gross margin than the previous period.

Selling expenses

Selling expenses increased by SEK 211 million, or 47 per cent, to SEK 664 million for the year ended 31 December 2020, from SEK 453 million for the year ended 31 December 2019. The Selling expenses for the period are stable, relative to Net sales. The increase was therefore primarily due to the intensified rate of acquisitions.

Administrative expenses

Administrative expenses increased by SEK 171 million, or 52 per cent, to SEK 503 million for the year ended 31 December 2020, from SEK 332 million for the year ended 31 December 2019. The increase of Administrative expenses in absolute numbers was due to increased costs for administrative staff in line with the expansion of the Group. The share of Administrative expenses relative to Net sales is stable.

Other operating income
Other operating income increased by SEK 160 million, or 235 per cent, to SEK 227 million for the year ended 31 December 2020, from SEK 68 million for the year ended 31 December 2019. This increase was primarily due to the revaluation of contingent considerations, realised gains on financial contracts and governmental aid related to the COVID-19 pandemic.

Other operating expenses
Other operating expenses increased by SEK 66 million, or 267 per cent, to SEK 91 million for the year ended 31 December 2020, from SEK 25 million for the year ended 31 December 2019. This increase was primarily due to the revaluation of contingent considerations and realised losses on financial contracts.

Operating profit (EBIT)
Operating profit (EBIT) increased by SEK 393 million, or 103 per cent, to SEK 774 million for the year ended 31 December 2020, from SEK 381 million for the year ended 31 December 2019. Of the total increase in Operating profit (EBIT), SEK 179 million was attributable to the contributions made by businesses acquired by the Group during 2020. SEK 193 million of the increase in Operating profit (EBIT) was attributable to the full year contributions of the businesses acquired by the Group during 2019.

Financial income
Financial income increased by SEK 5 million, or 220 per cent, to SEK 7 million for the year ended 31 December 2020, from SEK 2 million for the year ended 31 December 2019. This increase was primarily due to interest income on customer receivables and interest income on short-term financial investments.

Financial expenses
Financial expenses increased by SEK 73 million, or 208 per cent, to SEK 108 million for the year ended 31 December 2020, from SEK 35 million for the year ended 31 December 2019. This increase was primarily due to increased borrowings from financial institutions.

Profit before tax
Profits after financial items increased by SEK 325 million, or 93 per cent, to SEK 673 million for the year ended 31 December 2020, from SEK 348 million for the year ended 31 December 2019. Of the total increase in profit before tax SEK 204 million was attributable to the contributions made by businesses acquired by the Group during 2020. SEK 181 million of the increase in profit before tax was attributable to the contributions made by businesses acquired by the Group during 2019.

Income tax expense
Tax increased by SEK 13 million, or 15 per cent, to SEK 100 million for the year ended 31 December 2020, from SEK 87 million for the year ended 31 December 2019. This increase was primarily due to increased business activity and due to acquisitions.

Profit for the period
Profit for the period increased by SEK 312 million, or 119 per cent, to SEK 574 million for the year ended 31 December 2020, from SEK 262 million for the year ended 31 December 2019. Of the profit for the period SEK 156 million was attributable to the contributions made by businesses acquired by the Group during 2020 (especially Swedstyle and Måla). SEK 155 million of the increase in profit for the period was attributable to the contributions made by businesses acquired by the Group during 2019.

Comparison between the financial years ended 31 December 2019 and 31 December 2018

Net sales
Net sales increased by SEK 2,865 million, or 87 per cent, to SEK 6,163 million for the year ended 31 December 2019, from SEK 3,298 million for the year ended 31 December 2018. Of the total increase in Net sales SEK 1,815 million was attributable to the contributions made by businesses acquired by the Group during 2019. SEK 949 million of the increase in Net sales was attributable to the contributions made by businesses acquired by the Group during 2018. SEK 100 million of the increase in Net sales was due to organic growth.

Cost of goods sold
Cost of goods sold increased by SEK 2,357 million, or 88 per cent, to SEK 5,040 million for the year ended 31 December 2019, from SEK 2,684 million for the year ended 31 December 2018. This increase was primarily due to Net sales growth.

Gross profit
Gross profit increased by SEK 508 million, or 83 per cent, to SEK 1,123 million for the year ended 31 December 2019, from SEK 614 million for the year ended 31 December 2018. This increase was primarily due to Net sales growth.

Selling expenses
Selling expenses increased by SEK 228 million, or 101 per cent, to SEK 453 million for the year ended 31 December 2019, from SEK 225 million for the year ended 31 December 2018. This increase was primarily due to increased sales personnel cost and other external cost relating to sales management.

Administrative expenses

Administrative expenses increased by SEK 174 million, or 110 per cent, to SEK 332 million for the year ended 31 December 2019, from SEK 158 million for the year ended 31 December 2018. This increase was primarily due to increased administrative personnel cost and other external cost relating to the administration of the Group.

Other operating income

Other operating income increased by SEK 19 million, or 39 per cent, to SEK 68 million for the year ended 31 December 2019, from SEK 49 million for the year ended 31 December 2018. This increase was primarily due to the revaluation of contingent considerations and realised gains on financial contracts.

Other operating expenses

Other operating expenses increased by SEK 17 million, or 212 per cent, to SEK 25 million for the year ended 31 December 2019, from SEK 8 million for the year ended 31 December 2018. This increase was primarily due to the revaluation of contingent considerations and realised losses on financial contracts.

Operating profit (EBIT)

Operating profit (EBIT) for the period increased by SEK 109 million, or 40 per cent, to SEK 381 million for the year ended 31 December 2019, from SEK 272 million for the year ended 31 December 2018. Of the total increase in Operating profit (EBIT) SEK 141 million was attributable to the contributions made by businesses acquired by the Group during 2019. SEK 86 million of the increase in Operating profit (EBIT) was attributable to the contributions made by businesses acquired by the Group during 2018.

Financial income

Financial income remained stable at SEK 2 million for the year ended 31 December 2019 and the year ended 31 December 2018.

Financial expenses

Financial expenses increased by SEK 17 million, or 94 per cent, to SEK 35 million for the year ended 31 December 2019, from SEK 18 million for the year ended 31 December 2018. This increase was primarily due to increased borrowings from financial institutions as well as increased leasing debt.

Profit before tax

Profit before tax increased by SEK 93 million, or 36 per cent, to SEK 348 million for the year ended 31 December 2019, from SEK 255 million for the year ended 31 December 2018. Of the total increase in profit before tax, SEK 128 million was attributable to the contributions made by businesses acquired by the Group during 2019. SEK 73 million of the increase in profit before tax was attributable to the contributions made by businesses acquired by the Group during 2018.

Income tax expense

Tax increased by SEK 31 million, or 55 per cent, to SEK 87 million for the year ended 31 December 2019, from SEK 56 million for the year ended 31 December 2018. This increase was primarily due to increased business activity and due to acquisitions.

Profit for the period

Profit increased by SEK 63 million, or 32 per cent, to SEK 262 million for the year ended 31 December 2019, from SEK 199 million for the year ended 31 December 2018. Of the total increase in profit for the period, SEK 94 million was attributable to the contributions made by businesses acquired by the Group during 2019 (especially Båstad-Gruppen and Agnesberg). SEK 57 million of the increase in profit for the period was attributable to the contributions made by businesses acquired by the Group during 2018.

EBITA

Management considers EBITA to be a key metric in the assessment of the Group's operating activities. EBITA is calculated as Operating profit (EBIT) before amortisation of intangible assets. See also "*Selected historical financial information—Alternative performance measures—EBITA*".

EBITA for the six months ended 30 June 2021 increased by SEK 209 million, or 53 per cent, to SEK 605 million, from SEK 396 million for the corresponding period in 2020. SEK 189 million of the increase in EBITA was due to the acquisitions completed during the six months ended 30 June 2021. SEK 34 million of the increase in EBITA was due to the full year effect of the acquisitions completed during the six months ended 30 June 2020 (acquisition related effects). SEK 129 million of the increase in EBITA was due to organic growth. Costs for group operations related to the Group's growth hampered the increase in EBITA by SEK 142 million.

EBITA increased by SEK 407 million, or 85 per cent, to SEK 885 million for the year ended 31 December 2020, from SEK 478 million for the year ended 31 December 2019. SEK 187 million of the increase in EBITA was due to the acquisitions completed during 2020. SEK 193 million of the increase in EBITA was due to the full year effect of the acquisitions completed during 2019. SEK 3 million of the increase was due to organic growth and SEK 24 million was due to Group costs and adjustments.

EBITA increased by SEK 166 million, or 53 per cent, to SEK 478 million for the year ended 31 December 2019, from SEK 312 million for the year ended 31 December 2018. SEK 137 million of the increase in EBITA was due to the acquisitions completed during 2019 (especially Båstad-Gruppen and Agnesberg). SEK 87 million of the increase in EBITA was due to the full year effect of the acquisitions completed during 2018. The increase in EBITA was partially offset by an organic decrease in EBITA of SEK 18 million and by Group costs and adjustments of SEK 40 million.

SEGMENTAL ANALYSIS[1]

The Group's operations can be split in three business areas: Services, Trade and Industry. Each business area has several verticals.

Services business area

The following table summarises the Services business area's results of operations for the periods presented.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019[1)]	2018[1)]
Net sales[2)]	2,936	1,702	3,837	2,555	1,387
Total Net sales growth, %	72.5	61.2	50.2	84.2	182.5
EBITA	309	175	391	250	119
EBITA margin, %	10.5	10.3	10.2	9.8	8.6
Adjusted EBITA	292	171	382	231	124
Adjusted EBITA margin, %	10.0	10.0	10.0	9.0	8.9

1) In the Group's Audited Combined and Consolidated Financial Statements for the year ended 31 December 2020, certain inter-company eliminations have been reclassified to increase the Group's ability to monitor existing business areas, meaning that amounts have been adjusted in each affected item in the statement of profit or loss for the years ended 31 December 2018, 2019 and 2020. The statements of profit or loss for the year ended 31 December 2018 and the year ended 31 December 2019 were restated to facilitate comparability. The reclassifications had no effect on the profit for the years ended 31 December 2018, 2019 and 2020 or the key financial ratios presented as performance measures in the Group's Audited Combined and Consolidated Financial Statements, see also "*Historical financial information*".
2) "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".

	As of 30 June		As of 31 December		
	2021	2020	2020	2019	2018
Number of business units	45	23	28	18	13

For the Services business area, Net sales[2] increased by SEK 1,234 million, or 73 per cent, to SEK 2,936 million for the six months ended 30 June 2021, from SEK 1,702 million for the six months ended 30 June 2020. Operating profit (EBIT) increased by SEK 117 million, or 76 per cent, to SEK 270 million for the six months ended 30 June 2021, from SEK 153 million for the six months ended 30 June 2020. EBITA increased by SEK 134 million, or 76 per cent, to SEK 309 million for the six months ended 30 June 2021, from SEK 175 million for the six months ended 30 June 2020. The EBITA margin was 10.5 per cent for the six months ended 30 June 2021 as compared to 10.3 per cent for the six months ended 30 June 2020. Adjusted EBITA increased by SEK 121 million, or 70 per cent, to SEK 292 million for the six months ended 30 June 2021, from SEK 171 million for the six months ended 30 June 2020. The Adjusted EBITA margin was 10.0 per cent for the six months ended 30 June 2021 as compared to 10.0 per cent for the six months ended 30 June 2020. As at 30 June 2021, our Adjusted RTM Net sales Services was SEK 7,099 million, our Adjusted RTM EBITA Services was SEK 790 million, our Adjusted RTM EBITA Services margin was 11.1 per cent.

For the Services business area, Net sales[3] increased by SEK 1,282 million, or 50 per cent, to SEK 3,837 million for the year ended 31 December 2020, from SEK 2,555 million for the year ended 31 December 2019. Operating profit (EBIT) increased by SEK 116 million, or 53 per cent, to SEK 333 million for the year ended 31 December 2020, from SEK 217 million for the year ended 31 December 2019. EBITA increased by SEK 141 million, or 56 per cent, to SEK 391 million for the year ended 31 December 2020, from SEK 250 million for the year ended 31 December 2019. The EBITA margin was 10.2 per cent for the year ended 31 December 2020 as compared to 9.8 per cent for the year ended 31 December 2019. Adjusted EBITA increased by SEK 151 million, or 65 per cent, to SEK 382 million for the year ended 31 December 2020, from SEK 231 million for the year ended 31 December 2019. The Adjusted EBITA margin was 10.0 per cent for the year ended 31 December 2020 as compared to 9.0 per cent for the year ended 31 December 2019. The increase in Adjusted EBITA was partially offset by the negative earnings effect of approximately SEK 37 million for the year attributable to Svenska Tungdykargruppen, which was acquired during 2020. Excluding Svenska Tungdykargruppen, the Services business area's Adjusted EBITA margin was 11.2 per cent for the year ended 31 December 2020.

For the Services business area, Net sales[4] increased by SEK 1,168 million, or 84 per cent, to SEK 2,555 million for the year ended 31 December 2019, from SEK 1,387 million for the twelve months 31 December 2018. Operating profit (EBIT) increased by SEK 113 million, or 109 per cent, to SEK 217 million for the year ended 31 December 2019, from SEK 104 million for the year ended 31 December 2018. EBITA increased by SEK 131 million, or 110 per cent, to SEK 250 million for the year ended 31 December 2019, from SEK 119 million for the year ended 31 December 2018. The EBITA margin was 9.8 per cent for the year ended 31 December 2019 as compared to 8.6 per cent for the year ended 31 December 2018. Adjusted EBITA increased by SEK 107 million, or 86 per cent, to SEK 231 million for the year ended 31 December 2019, from SEK 124 million for the year ended 31 December 2018. The Adjusted EBITA margin was 9.0 per cent for the year ended 31 December 2019 as compared to 8.9 per cent for the year ended 31 December 2018.

1 "Net sales" in this section "—*Segmental analysis*" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".
2 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".
3 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".
4 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".

Financial development of the verticals in the Services business area

The following table sets forth Net sales[1] by vertical in the Services business area for the years ended 31 December 2020, 2019 and 2018 and the six months ended 30 June 2021 and 2020.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Construction and Infrastructure	1,078	592	1,268	857	420
Installation	821	403	1,125	259	106
Logistics	417	339	692	621	293
Engineering Services	341	279	556	656	563
Digital Services	158	88	175	162	5
HR and Competence	125	–	22	–	–
Eliminations[1)]	(2)	0	(1)	–	–
Total operating segment Services	**2,936**	**1,702**	**3,837**	**2,555**	**1,387**

1) For more information regarding group operations, see Note 4 in the Group's Audited Combined and Consolidated Financial Statements on page F-33.

The following table sets forth the contribution of each vertical in the Services business area to the total business area Net sales during the six months ended 30 June 2021.

	% of business area Net sales[1)] during the six months ended 30 June 2021
Construction and Infrastructure	37
Installation	28
Engineering Services	12
Logistics	14
Digital Services	5
HR and Competence	4

1) "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".

Reconciliation tables for the Services business area

EBIT of the Services business area

Net sales[2] less cost of goods sold, selling expenses, administrative expenses, plus other operating income less other operating expenses. The purpose is to assess the Group's operating activities. EBIT is an alternative performance measure in accordance with ESMA's guidelines. EBIT corresponds to Operating profit in the consolidated statement of profit or loss.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Net sales[1)]	2,936	1,702	3,837	2,555	1,387
Cost of goods sold	(2,312)	(1,349)	(3,057)	(2,085)	(1,142)
Selling expenses	(228)	(127)	(276)	(162)	(93)
Administrative expenses	(179)	(90)	(196)	(122)	(61)
Other operating income	78	20	51	32	16
Other operating expenses	(25)	(3)	(26)	(2)	(2)
EBIT[2)]	**270**	**153**	**333**	**217**	**104**

1) "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".
2) This item refers to Operating profit in the Group's consolidated statement of profit or loss.

1 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".
2 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".

EBITA of the Services business area

Operating profit (EBIT) before amortisation of intangible assets. The purpose is to assess the Group's operating activities. EBITA is an alternative performance measure in accordance with ESMA's guidelines.

(SEK million)	For the six months ended 30 June		For the year ended 31 December		
	2021	2020	2020	2019	2018
Operating profit (EBIT)	270	153	333	217	104
Amortisation of intangible assets	38	23	53	33	15
Impairment of intangible assets	0	0	5	0	0
EBITA	**309**	**175**	**391**	**250**	**119**

EBITA margin of the Services business area

EBITA as a percentage of Net sales[1]. The purpose is to provide a guide to profitability in relation to sales. EBITA margin is an alternative performance measure in accordance with ESMA's guidelines.

(SEK million)	For the six months ended 30 June		For the year ended 31 December		
	2021	2020	2020	2019	2018
EBITA	309	175	391	250	119
Net sales[1)]	2,936	1,702	3,837	2,555	1,387
EBITA margin, %	**10.5**	**10.3**	**10.2**	**9.8**	**8.6**

1) "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".

Adjusted EBITA of the Services business area

Operating profit (EBIT) before amortisation and impairment losses on intangible non-current assets, excluding revaluation of contingent considerations and fair value adjustments of acquired assets. The purpose is to assess the Group's operating activities. Adjusted EBITA facilitates comparison of EBITA between periods. Adjusted EBITA is an alternative performance measure in accordance with ESMA's guidelines.

(SEK million)	For the six months ended 30 June		For the year ended 31 December		
	2021	2020	2020[1)]	2019[1)]	2018
Operating profit (EBIT)	270	153	333	217	104
Items affecting comparability[1)]	(16)	(5)	(9)	(19)	5
Amortisation of intangible assets	38	23	53	33	15
Impairment of intangible assets	0	0	5	0	0
Adjusted EBITA	**292**	**171**	**382**	**231**	**124**

1) Items affecting comparability for 2020 and 2019 include revaluation of contingent considerations and amortisation of step-ups to fair value on acquisitions to facilitate comparisons between periods.

(SEK million)	For the six months ended 30 June		For the year ended 31 December		
	2021	2020	2020	2019	2018
Revaluation of contingent consideration	(16)	(5)	(9)	(21)	5
Fair value adjustments of acquired assets	0	0	0	2	0
Items affecting comparability	**(16)**	**(5)**	**(9)**	**(19)**	**5**

1 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".

Adjusted EBITA margin of the Services business area

Adjusted EBITA as a percentage of Net sales[1]. The purpose is to provide a guide to profitability in relation to sales. Adjusted EBITA margin is an alternative performance measure in accordance with ESMA's guidelines.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Adjusted EBITA	292	171	382	231	124
Net sales[1)]	2,936	1,702	3,837	2,555	1,387
Adjusted EBITA margin, %	**10.0**	**10.0**	**10.0**	**9.0**	**8.9**

1) "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".

Trade business area

The following table summarises the Trade business area's results of operations for the period presented.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019[1)]	2018[1)]
Net sales[2)]	2,114	1,211	2,584	1,879	1,349
Total Net sales growth, %	74.5	41.4	37.5	39.3	49.7
EBITA	267	120	241	85	148
EBITA margin, %	12.6	9.9	9.3	4.5	11.0
Adjusted EBITA	252	110	257	120	134
Adjusted EBITA margin, %	11.9	9.1	9.9	6.4	9.9

1) In the Group's Audited Combined and Consolidated Financial Statements for the year ended 31 December 2020, certain inter-company eliminations have been reclassified to increase the Group's ability to monitor existing business areas, meaning that amounts have been adjusted in each affected item in the statement of profit or loss for the years ended 31 December 2018, 2019 and 2020. The statements of profit or loss for the year ended 31 December 2018 and the year ended 31 December 2019 were restated to facilitate comparability. The reclassifications had no effect on the profit for the years ended 31 December 2018, 2019 and 2020 or the key financial ratios presented as performance measures in the Group's Audited Combined and Consolidated Financial Statements, see also "*Historical financial information*".
2) "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".

	As of 30 June		As of 31 December		
	2021	2020	2020	2019	2018
Number of business units	23	13	14	12	7

For the Trade business area, Net sales[2] increased by SEK 903 million, or 75 per cent, to SEK 2,114 million for the six months ended 30 June 2021, from SEK 1,211 million for the six months ended 30 June 2020. Operating profit (EBIT) increased by SEK 140 million, or 129 per cent, to SEK 248 million for the six months ended 30 June 2021, from SEK 108 million for the six months ended 30 June 2020. EBITA increased by SEK 147 million, or 122 per cent, to SEK 267 million for the six months ended 30 June 2021, from SEK 120 million for the six months ended 30 June 2020. The EBITA margin was 12.6 per cent for the six months ended 30 June 2021 as compared to 9.9 per cent for the six months ended 30 June 2020. Adjusted EBITA increased by SEK 142 million, or 129 per cent, to SEK 252 million for the six months ended 30 June 2021, from SEK 110 million for the six months ended 30 June 2020. The Adjusted EBITA margin was 11.9 per cent for the six months ended 30 June 2021 as compared to 9.1 per cent for the six months ended 30 June 2020. As at 30 June 2021, our Adjusted RTM Net sales Trade was SEK 5,590 million, our Adjusted RTM EBITA Trade was SEK 671 million, and our Adjusted RTM EBITA Trade margin was 12.0 per cent.

For the Trade business area, Net sales[3] increased by SEK 705 million, or 37 per cent, to SEK 2,584 million for the year ended 31 December 2020, from SEK 1,879 million for the year ended 31 December 2019. Operating profit (EBIT) increased by SEK 179 million, or 484 per cent, to SEK 216 million for the year ended 31 December 2020, from SEK 37 million for the year ended 31 December 2019. EBITA increased by SEK 156 million, or 184 per cent, to SEK 241 million for the year ended 31 December 2020, from SEK 85 million for the year ended 31 December 2019. The EBITA margin was 9.3 per cent for the year ended 31 December 2020 as compared to 4.5 per cent for the year ended 31 December 2019. Adjusted EBITA increased by SEK 138 million, or 116 per cent, to SEK 257 million for the year ended 31 December 2020, from SEK 120 million for the year ended 31 December 2019. The Adjusted EBITA margin was 9.9 per cent for the year ended 31 December 2020 as compared to 6.4 per cent for the year ended 31 December 2019. The increase in EBITA was partially offset by revaluations of contingent consideration liabilities of SEK 15 million. Government subsidies received as part of furlough schemes amounted to approximately the equivalent of 0.2 per cent

1 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".
2 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".
3 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".

of the business area's Net sales for the year ended 31 December 2020.

For the Trade business area, Net sales[1] increased by SEK 530 million, or 39 per cent, to SEK 1,879 million for the year ended 31 December 2019, from SEK 1,349 million for the year ended 31 December 2018. Operating profit (EBIT) decreased by SEK 90 million, or 70 per cent, to SEK 37 million for the year ended 31 December 2019, from SEK 127 million for the year ended 31 December 2018. EBITA decreased by SEK 63 million, or 43 per cent, to SEK 85 million for the year ended 31 December 2019, from SEK 148 million for the year ended 31 December 2018. The EBITA margin was 4.5 per cent for the year ended 31 December 2019 as compared to 11.0 per cent for the year ended 31 December 2018. Adjusted EBITA decreased by SEK 14 million, or 10 per cent, to SEK 120 million for the year ended 31 December 2019, from SEK 134 million for the year ended 31 December 2018. The Adjusted EBITA margin was 6.4 per cent for the year ended 31 December 2019 as compared to 9.9 per cent for the year ended 31 December 2018.

Financial development of the verticals in the Trade business area

The following table sets forth Net sales[2] by vertical in the Trade business area for the years ended 31 December 2020, 2019 and 2018 and the six months ended 30 June 2021 and 2020.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Brands	706	389	799	584	440
Distributors	1,228	661	1,470	1,078	680
Producers	184	161	319	216	228
Eliminations[1)]	(4)	0	(3)	–	–
Total operating segment Trade	**2,114**	**1,211**	**2,584**	**1,879**	**1,349**

1) For more information regarding group operations, see Note 4 in the Group's Audited Combined and Consolidated Financial Statements on page F-33.

The following table sets forth the contribution of each vertical in the Trade business area to the total business area Net sales[3] during the six months ended 30 June 2021.

	% of business area Net sales[1)] during the six months ended 30 June 2021
Brands	33
Distributors	58
Producers	9

1) "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".

Reconciliation tables for the Trade business area

EBIT of the Trade business area

Net sales[4] less cost of goods sold, selling expenses, administrative expenses, plus other operating income less other operating expenses. The purpose is to assess the Group's operating activities. EBIT is an alternative performance measure in accordance with ESMA's guidelines. EBIT corresponds to Operating profit in the consolidated statement of profit or loss.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Net sales[1)]	2,114	1,211	2,584	1,879	1,349
Cost of goods sold	(1,644)	(981)	(2,061)	(1,611)	(1,109)
Selling expenses	(179)	(90)	(198)	(142)	(89)
Administrative expenses	(92)	(56)	(130)	(82)	(46)
Other operating income	86	34	75	14	28
Other operating expenses	(36)	(9)	(54)	(22)	(5)
EBIT[2)]	**248**	**108**	**216**	**37**	**127**

1) "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".
2) This item refers to Operating profit in the Group's consolidated statement of profit or loss.

1 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".
2 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".
3 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".
4 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".

EBITA of the Trade business area

Operating profit (EBIT) before amortisation of intangible assets. The purpose is to assess the Group's operating activities. EBITA is an alternative performance measure in accordance with ESMA's guidelines.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Operating profit (EBIT)	248	108	216	37	127
Amortisation of intangible assets	19	12	26	21	14
Impairment of intangible assets	0	0	0	28	8
EBITA	**267**	**120**	**241**	**85**	**148**

EBITA margin of the Trade business area

EBITA as a percentage of Net sales[1]. The purpose is to provide a guide to profitability in relation to sales. EBITA margin is an alternative performance measure in accordance with ESMA's guidelines.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
EBITA	267	120	241	85	148
Net sales[1)]	2,114	1,211	2,584	1,879	1,349
EBITA margin, %	**12.6**	**9.9**	**9.3**	**4.5**	**11.0**

1) "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".

Adjusted EBITA of the Trade business area

Operating profit (EBIT) before amortisation and impairment losses on intangible assets, excluding revaluation of contingent considerations and fair value adjustments of acquired assets. The purpose is to assess the Group's operating activities. Adjusted EBITA facilitates comparison of EBITA between periods. Adjusted EBITA is an alternative performance measure in accordance with ESMA's guidelines.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020[1)]	2019[1)]	2018
Operating profit (EBIT)	248	108	216	37	127
Items affecting comparability[1)]	(15)	(10)	15	35	(14)
Amortisation of intangible assets	19	12	26	21	14
Impairments of intangible assets	0	0	0	28	8
Adjusted EBITA	**252**	**110**	**257**	**120**	**134**

1) Items affecting comparability for 2020 and 2019 include revaluation of contingent considerations and amortisation of step-ups to fair value on acquisitions to facilitate comparisons between periods.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Revaluation of contingent consideration	(15)	(10)	15	10	(14)
Fair value adjustments of acquired assets	0	0	0	25	0
Items affecting comparability	**(15)**	**(10)**	**15**	**35**	**(14)**

1 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".

Adjusted EBITA margin of the Trade business area

Adjusted EBITA as a percentage of Net sales[1]. The purpose is to provide a guide to profitability in relation to sales. Adjusted EBITA margin is an alternative performance measure in accordance with ESMA's guidelines.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Adjusted EBITA	252	110	257	120	134
Net sales[1)]	2,114	1,211	2,584	1,879	1,349
Adjusted EBITA margin, %	**11.9**	**9.1**	**9.9**	**6.4**	**9.9**

1) "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".

Industry business area

The following table summarises the Industry business area's results of operations for the period presented.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019[1)]	2018[1)]
Net sales[2)]	1,665	1,264	2,519	1,729	563
Total Net sales growth, %	31.8	65.3	45.7	207.4	82.9
EBITA	121	114	280	145	45
EBITA margin, %	7.2	9.0	11.1	8.4	8.0
Adjusted EBITA	201	115	242	145	45
Adjusted EBITA margin, %	12.1	9.1	9.6	8.4	8.0

1) In the Group's Audited Combined and Consolidated Financial Statements for the year ended 31 December 2020, certain inter-company eliminations have been reclassified to increase the Group's ability to monitor existing business areas, meaning that amounts have been adjusted in each affected item in the statement of profit or loss for the years ended 31 December 2018, 2019 and 2020. The statements of profit or loss for the year ended 31 December 2018 and the year ended 31 December 2019 were restated to facilitate comparability. The reclassifications had no effect on the profit for the years ended 31 December 2018, 2019 and 2020 or the key financial ratios presented as performance measures in the Group's Audited Combined and Consolidated Financial Statements, see also "Historical financial information".
2) "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".

	As of 30 June		As of 31 December		
	2021	2020	2020	2019	2018
Number of business units	26	15	16	15	8

For the Industry business area, Net sales[2] increased by SEK 401 million, or 32 per cent, to SEK 1,665 million for the six months ended 30 June 2021, from SEK 1,264 million for the six months ended 30 June 2020. Operating profit (EBIT) increased by SEK 1 million, or 1 per cent, to SEK 103 million for the six months ended 30 June 2021, from SEK 102 million for the six months ended 30 June 2020. EBITA increased by SEK 7 million, or 6 per cent, to SEK 121 million for the six months ended 30 June 2021, from SEK 114 million for the six months ended 30 June 2020. The EBITA margin was 7.2 per cent for the six months ended 30 June 2021 as compared to 9.0 per cent for the six months ended 30 June 2020. Adjusted EBITA increased by SEK 86 million, or 75 per cent, to SEK 201 million for the six months ended 30 June 2021, from SEK 115 million for the six months ended 30 June 2020. The Adjusted EBITA margin was 12.1 per cent for the six months ended 30 June 2021 as compared to 9.1 per cent for the six months ended 30 June 2020. As at 30 June 2021, our Adjusted RTM Net sales Industry was SEK 6,144 million, our Adjusted RTM EBITA Industry was SEK 782 million, and our Adjusted RTM EBITA Industry margin was 12.7 per cent.

For the Industry business area, Net sales[3] increased by SEK 790 million, or 46 per cent, to SEK 2,519 million for the year ended 31 December 2020, from SEK 1,729 million for the year ended 31 December 2019. Operating profit (EBIT) increased by SEK 123 million, or 95 per cent, to SEK 253 million for the year ended 31 December 2020, from SEK 130 million for the year ended 31 December 2019. EBITA increased by SEK 135 million, or 93 per cent, to SEK 280 million for the year ended 31 December 2020, from SEK 145 million for the year ended 31 December 2019. The EBITA margin was 11.1 per cent for the year ended 31 December 2020 as compared to 8.4 per cent for the year ended 31 December 2019. Adjusted EBITA increased by SEK 97 million, or 67 per cent, to SEK 242 million for the year ended 31 December 2020, from SEK 145 million for the year ended 31 December 2019. The Adjusted EBITA margin was 9.6 per cent for the year ended 31 December 2020 as compared to 8.4 per cent for the year ended 31 December 2019. Government subsidies received as part of furlough schemes amounted to approximately the equivalent of 0.6 per cent of the business area's Net sales for the year ended 31 December 2020.

1 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".
2 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".
3 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".

For the Industry business area, Net sales[1] increased by SEK 1,166 million, or 207 per cent, to SEK 1,729 million for the year ended 31 December 2019, from SEK 563 million for the year ended 31 December 2018. Operating profit (EBIT) increased by SEK 89 million, or 217 per cent, to SEK 130 million for the year ended 31 December 2019, from SEK 41 million for the year ended 31 December 2018. EBITA increased by SEK 100 million, or 222 per cent, to SEK 145 million for the year ended 31 December 2019, from SEK 45 million for the year ended 31 December 2018.

The EBITA margin was 8.4 per cent for the year ended 31 December 2019 as compared to 8.0 per cent for the year ended 31 December 2018. Adjusted EBITA increased by SEK 91 million, or 169 per cent, to SEK 145 million for the year ended 31 December 2019, from SEK 45 million for the year ended 31 December 2018. The Adjusted EBITA margin was 8.4 per cent for the year ended 31 December 2019 as compared to 8.0 per cent for the year ended 31 December 2018.

Financial development of the verticals in the Industry business area

The following table sets forth Net sales[2] by vertical in the Industry business area for the years ended 31 December 2020, 2019 and 2018 and the six months ended 30 June 2021 and 2020.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Automation	589	425	893	692	95
Industrial Technology	490	453	859	847	322
Products	613	385	789	190	146
Eliminations[1)]	(27)	–	(23)	–	–
Total operating segment Industry	**1,665**	**1,264**	**2,519**	**1,729**	**563**

1) For more information regarding group operations, see Note 4 in the Group's Audited Combined and Consolidated Financial Statements on page F-33.

The following table sets forth the contribution of each vertical in the Industry business area to the total business area Net sales[3] during the six months ended 30 June 2021.

	% of business area Net sales[1)] during the six months ended 30 June 2021
Automation	35
Industrial Technology	29
Products	36

1) "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".

Reconciliation tables for the Industry business area

EBIT of the Industry business area

Net sales[4] less cost of goods sold, selling expenses, administrative expenses, plus other operating income less other operating expenses. The purpose is to assess the Group's operating activities. EBIT is an alternative performance measure in accordance with ESMA's guidelines. EBIT corresponds to Operating profit in the consolidated statement of profit or loss.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Net sales[1)]	1,665	1,264	2,519	1,729	563
Cost of goods sold	(1,255)	(990)	(1,986)	(1,337)	(433)
Selling expenses	(109)	(94)	(181)	(144)	(44)
Administrative expenses	(162)	(101)	(190)	(139)	(50)
Other operating income	55	27	100	22	5
Other operating expenses	(91)	(5)	(10)	(1)	0
EBIT[2)]	**103**	**102**	**253**	**130**	**41**

1) "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".
2) This item refers to Operating profit in the Group's consolidated statement of profit or loss.

1 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".
2 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".
3 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".
4 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".

EBITA of the Industry business area

Operating profit (EBIT) before amortisation of intangible assets. The purpose is to assess the Group's operating activities. EBITA is an alternative performance measure in accordance with ESMA's guidelines.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Operating profit (EBIT)	103	102	253	130	41
Amortisation of intangible assets	17	12	28	16	3
Impairment of intangible assets	0	0	0	0	2
EBITA	**121**	**114**	**280**	**145**	**45**

EBITA margin of the Industry business area

EBITA as a percentage of Net sales[1]. The purpose is to provide a guide to profitability in relation to sales. EBITA margin is an alternative performance measure in accordance with ESMA's guidelines.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
EBITA	121	114	280	145	45
Net sales[1)]	1,665	1,264	2,519	1,729	563
EBITA margin, %	**7.2**	**9.0**	**11.1**	**8.4**	**8.0**

1) "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".

Adjusted EBITA of the Industry business area

Operating profit (EBIT) before amortisation and impairment losses on intangible non-current assets, excluding revaluation of contingent considerations and fair value adjustments of acquired assets. The purpose is to assess the Group's operating activities. Adjusted EBITA facilitates comparison of EBITA between periods. Adjusted EBITA is an alternative performance measure in accordance with ESMA's guidelines.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020[1)]	2019[1)]	2018
Operating profit (EBIT)	103	102	253	130	41
Items affecting comparability[1)]	81	1	(38)	0	0
Amortisation of intangible assets	17	12	28	16	3
Impairments of intangible assets	0	0	0	0	2
Adjusted EBITA	**201**	**115**	**242**	**145**	**45**

1) Items affecting comparability for 2020 include revaluation of contingent considerations and amortisation of step-ups to fair value on acquisitions to facilitate comparisons between periods.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Revaluation of contingent consideration	80	1	(46)	0	0
Fair value adjustments of acquired assets	0	0	8	0	0
Items affecting comparability	**81**	**1**	**(38)**	**0**	**0**

1 "Net sales" correspond to the item "Net Sales" as stated on page F-30–F-32 in section "*Historical financial information*".

Adjusted EBITA margin of the Industry business area

Adjusted EBITA as a percentage of Net sales. The purpose is to provide a guide to profitability in relation to sales. Adjusted EBITA margin is an alternative performance measure in accordance with ESMA's guidelines.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Adjusted EBITA	201	115	242	145	45
Net sales	1,665	1,264	2,519	1,729	563
Adjusted EBITA margin, %	**12.1**	**9.1**	**9.6**	**8.4**	**8.0**

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our principal cash requirements consist of acquisitions, capital expenditure, working capital and overhead costs, which include Other operating expenses, Administrative expenses and Financial expenses.

Our principal sources of liquidity have been and are expected to be cash flows from operating activities and short-term and long-term bank loans and financing through the bond and equity markets. The Company intends to continue to issue new shares or share-related instruments from time to time to help finance acquisitions and the growth of the Group.

Our ability to generate Operating cash flows depends on operating performance, which in turn depends to some extent on general economic, financial, industry, regulatory and other factors, many of which are beyond our control, as well as other factors discussed in "*Risk factors*".

The ability of our subsidiaries to pay dividends and make other payments to us may be restricted by, *inter alia*, the available distributable funds, legal prohibitions on such payments or otherwise distributing funds to us, including for the purpose of servicing debt. Losses or other events could further reduce the equity and distributable funds of our subsidiaries.

Net Working Capital

Net 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). Net Working Capital differs significantly between business areas and even more so across individual Group Companies. Group Companies in the Services business area have significantly lower Net Working Capital as compared to Group Companies in the Industry or the Trade business areas. The Group tracks Net Working Capital on a monthly basis, primarily based on days and not as a percentage of sales. The Group's liquidity planning is based on expected days. The Group tracks deviations from the expectation of Net Working Capital needs. Components are calculated as the average amount for the past twelve months. The purpose is to analyse the capital tied up in the balance sheet by the Group's operating activities.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021[2)]	2020[2)]	2020[2)]	2019[2)]	2018[1)]
Inventories	1,270	893	963	660	286
Accounts receivable	1,501	952	1,086	763	435
Other current receivables	651	351	495	241	118
Accounts payable	(875)	(550)	(607)	(456)	(231)
Other current liabilities[3)]	(1,328)	(771)	(844)	(586)	(318)
Net working capital	**1,218**	**874**	**1,093**	**623**	**290**

1) For the year ended 31 December 2018, the components are calculated as the average for the 2018 incoming and outgoing balance.
2) For the twelve month periods ended 30 June 2021 and 2020 and for the years ended 31 December 2020 and 2019, the components are calculated as the average amount for the relevant last four quarters.
3) Other current liabilities excluding contingent consideration liabilities.

The Group's Net working capital has increased over the past three years due to the acquisitions completed by the Group.

The negative cash effect from changes in Net working capital was SEK 189 million, SEK 126 million and SEK 75 million for the years ended 31 December 2020, 2019 and 2018, respectively. The cash effect from changes in Net working capital was SEK 489 million for the six months ended 30 June 2021, which is higher than the historical levels.

Working Capital Statement

In the opinion of the Group, the working capital available to the Group is at the time of the completion of the Offering sufficient for its present requirements and for the twelve months following the date of this Offering Memorandum.

Cash Flow Analysis

The following table presents the primary components of the Group's cash flow for the years ended 31 December 2020, 2019 and 2018, respectively, as well as for the six months ended 30 June 2021 and 2020, respectively.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Operating activities					
Profit before tax	481	316	673	348	255
Adjustment for non-cash items	334	208	500	325	104
Income tax paid	(216)	(127)	(170)	(100)	(70)
Cash flow from operating activities before change in working capital	**599**	**397**	**1,003**	**573**	**289**
Cash flow from operating activities	1,088	251	814	447	215
Cash flow from investing activities	(4,905)	(1,147)	(2,828)	(1,721)	(947)
Cash flow from financing activities	8,541	646	2,156	2,825	657
Cash flow for the year	**4,724**	**(249)**	**142**	**1,551**	**(76)**
Cash and cash equivalents at the beginning of the period	1,866	1,730	1,730	179	254
Exchange rate difference in cash and cash equivalents	2	(4)	(6)	1	0
Cash and cash equivalents at the end of the period	**6,593**	**1,476**	**1,866**	**1,730**	**179**

Cash flow from operating activities

Profit before tax increased by SEK 165 million, or 52 per cent, to SEK 481 million for the six months ended 30 June 2021 from SEK 316 million for the six months ended 30 June 2020. Adjustments for non-cash items increased by SEK 126 million, or 61 per cent, to SEK 334 million for the six months ended 30 June 2021 from SEK 208 million for the six months ended 30 June 2020. Income tax paid increased by SEK 89 million, or 70 per cent, to SEK 216 million for the six months ended 30 June 2021 from SEK 127 million for the six months ended 30 June 2020. Cash flow from operating activities increased SEK 837 million, or 333 per cent, to SEK 1,088 million for the six months ended 30 June 2021 from SEK 251 million for the six months ended 30 June 2021. Adjusted cash conversion was 134.1 per cent for the six months ended 30 June 2021 as compared to 57.3 per cent for the corresponding period in 2020. This increase, which primarily refers to a positive effect from operating liabilities, should not be viewed as a representative level for future cash conversion. Storskogen's medium-term target is to achieve an Adjusted Cash Conversion of more than 70 per cent calculated based on the last twelve months, see "*Business description—Medium-Term Financial Targets*".

Profit before tax increased by SEK 325 million, or 93 per cent, to SEK 673 million in 2020 from SEK 348 million in 2019. Adjustments for non-cash items increased by SEK 175 million, or 54 per cent, to SEK 500 million in 2020, SEK 425 million, or 85 per cent, of which were for depreciation, from SEK 325 million in 2019, SEK 270 million, or 83 per cent, of which were for depreciation. Income tax paid increased by SEK 70 million, or 70 per cent, to SEK 170 million in 2020 from SEK 100 million in 2019. Increases/decreases in inventories, operating receivables and operating liabilities increased by SEK 63 million, or 50 per cent, to a SEK 189 million decrease in 2020 from a SEK 126 million decrease in 2019. Cash flow from operating activities increased by SEK 367 million, or 82 per cent, to SEK 814 million in 2020 from SEK 447 million in 2019. Adjusted cash conversion was 69.5 per cent in 2020 as compared to 71.1 per cent in 2019. This increase was primarily due to increased business activity and due to acquisitions.

Profit before tax increased by SEK 93 million, or 36 per cent, to SEK 348 million in 2019 from SEK 255 million in 2018. Adjustments for non-cash items increased by SEK 221 million, or 212 per cent, to SEK 325 million in 2019, SEK 270 million, or 83 per cent, of which were for depreciation, from SEK 104 million in 2018, SEK 100 million, or 96 per cent, of which were for depreciation. Income tax paid increased by SEK 30 million, or 43 per cent, to SEK 100 million in 2019 from SEK 70 million in 2018. Increases/decreases in inventories, operating receivables and operating liabilities increased by SEK 52 million, or 69.1 per cent, to a SEK 126 million decrease in 2019 from a SEK 75 million decrease in 2018. Cash flow from operating activities increased by SEK 232 million, or 108 per cent, to SEK 447 million in 2019 from SEK 215 million in 2018. Adjusted cash conversion was 71.1 per cent in 2019 as compared to 66.8 per cent in 2018. This increase was primarily due to increased business activity and to some extent to lower inventory levels.

Cash flow from investing activities

The negative cash outflow from investing activities increased by SEK 3,758 million, or 328 per cent, to SEK 4,905 million for the six months ended 30 June 2021 from SEK 1,147 million for the six months ended 30 June 2020. This increase was primarily due to the acquisition of subsidiaries.

The negative cash outflow from investing activities increased by SEK 1,107 million, or 64 per cent, to SEK 2,828 million in 2020 from SEK 1,721 million in 2019. This increase was primarily due to acquisitions, capital expenditure and investment in short-term financial assets. In 2020, the Group invested SEK 748 million in short-term bonds and certificates as part of its liquidity management. These positions were sold during the first quarter of 2021.

The negative cash outflow from investing activities increased by SEK 774 million, or 82 per cent, to SEK 1,721 million in 2019 from SEK 947 million in 2018. This increase was primarily due to acquisitions.

Cash flow from financing activities

Cash flow from financing activities increased by SEK 7,895 million, or 1,222 per cent, to SEK 8,541 million for the six months ended 30 June 2021 from SEK 646 million for the six months ended 30 June 2020. This increase was primarily due to the issue of shares and the proceeds from borrowing.

Cash flow from financing activities decreased by SEK 669 million, or 24 per cent, to SEK 2,156 million in 2020 from SEK 2,825 million in 2019. This decrease was primarily due to a decrease in net borrowings from banks.

Cash flow from financing activities increased by SEK 2,168 million, or 330 per cent, to SEK 2,825 million in 2019 from SEK 657 million in 2018. This increase was primarily due to share issues and new bank loans.

Net capital expenditure

The Group's net capital expenditures in property, plant and equipment increased by SEK 111 million, or 142 per cent, to SEK 189 million, for the six months ended 30 June 2021, from SEK 78 million for the six months ended 30 June 2020. The investments were related to maintenance and efficiency improvements, as well as growth initiatives and improved environmental performance and safety.

The Group's net capital expenditures in property, plant and equipment increased by SEK 94 million, or 127 per cent, to SEK 168 million, for the year ended 31 December 2020, from SEK 74 million for the year ended 31 December 2019. The investments were related to maintenance and efficiency improvements, as well as growth initiatives and improved environmental performance and safety.

The Group's net capital expenditures in property, plant and equipment increased by SEK 17 million, or 29 per cent, to SEK 74 million for the year ended 31 December 2019, from SEK 57 million for the year ended 31 December 2018. The investments were related to maintenance and efficiency improvements, as well as growth initiatives and improved environmental performance and safety.

Capital expenditures are within the competence of the board of directors of each Group Company as long as the total capital expenditure per year for the relevant Group Company remains within the total amount approved for that Group Company by the board of directors of the Group. Approval of material new investments is granted based on the business case and expected return. We currently aim to keep capital expenditures at a level of 2–3 per cent of sales. The level of capital expenditures is re-assessed on an annual basis and remains at the discretion of the board of directors of the Group.

Total net capital expenditure

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Building and land	9	1	11	11	6
Machinery, vehicles and equipment	151	60	137	75	38
Construction in progress	37	18	49	3	6
Net capital expenditure	**197**	**79**	**197**	**89**	**50**

Net capital expenditure by business area

The following table sets forth Net capital expenditure by business area for the years ended 31 December 2020, 2019 and 2018 and the six months ended 30 June 2021 and 2020.

	For the six months ended 30 June		For the year ended 31 December		
(SEK million)	2021	2020	2020	2019	2018
Service business area	111	54	107	37	23
Trade business area	37	4	26	22	15
Industry business area	49	20	63	29	11
Group items and eliminations	0	0	1	1	0
Net capital expenditure	**197**	**79**	**197**	**89**	**50**

Indebtedness

Group's Net debt, including lease liabilities in accordance with IFRS 16, increased by SEK 574 million, or 36 per cent, to SEK 2,172 million for the year ended 31 December 2020, from SEK 1,598 million for the year ended 31 December 2019. For further detail on the reconciliation of non-IFRS measures, such as Net debt, see "*Selected historical financial information—Alternative performance measures*".

Net debt/Adjusted EBITDA, based on Adjusted EBITDA for the year ended 31 December 2020, amounted to 1.9 for the year ended 31 December 2020 compared to 2.3 for the year ended 31 December 2019 and 2.8 for the year ending 31 December 2018. For further detail on the reconciliation of non-IFRS measures, such as Net debt/Adjusted EBITDA, see "*Selected historical financial information—Alternative performance measures*".

In addition to interest-bearing non-current and current liabilities, Net debt includes non-interest-bearing liabilities such as contingent consideration liabilities and liabilities for outstanding minority options of SEK 671 million for the year ended 31 December 2020 compared to SEK 304 million for the year ended 31 December 2019 and SEK 153 million for the year ended 31 December 2018. Acquisitions of subsidiaries, including payments of contingent considerations for acquisitions in previous years, increased by SEK 255 million, or 16 per cent, to SEK 1,894 million for the year ended 31 December 2020, from SEK 1,653 million for the year ended 31 December 2019. Acquisitions of subsidiaries, including payments of contingent considerations for acquisitions in previous years, increased by SEK 756 million, or 85 per cent, to SEK 1,653 million for the year ended 31 December 2019, from SEK 887 million for the year ended 31 December 2018.

Pursuant to several of the share purchase agreements regarding acquired subsidiaries, Storskogen may be required to pay contingent considerations during the financial years of 2021 to 2024. At the time of the transaction, the contingent consideration is measured at fair value by calculating the present value of the estimated payment using a discount rate (which as of 30 June 2021 corresponded to 9.6 per cent). The estimated payment is based on the Group's projections for the respective Group Company and is dependent on future earnings generated by such Group Company. The contingent considerations sometimes have a set limit. The discounted value of unpaid contingent considerations for acquisitions in 2021 was SEK 622 million as of 30 June 2021 and the total liability recognised for discounted contingent considerations as of 30 June 2021 was SEK 892 million.

In connection with acquisitions it is common that the Group agrees that the relevant seller will retain a minority shareholding in the acquired company. In this context, the Group regularly grants put options to sellers permitting the relevant seller to request the Group to purchase such minority shareholdings if certain requirements are met (these put options are referred to as minority options within the Group). As of 30 June 2021, the total current value of the Group's outstanding liabilities under such minority options was SEK 767 million.

The Company takes the outstanding contingent considerations and minority options into account in its working capital planning and intends to finance the contingent considerations and minority options mainly through cash flows from the operating activities.

The table below specifies the terms and repayment dates for the Group's interest-bearing debt with the reported values as of 31 December 2020, 31 December 2019 and 31 December 2018.

				Carrying amount		
(SEK million)	Maturity	Rate	%	31 December 2020	31 December 2019	31 December 2018
Interest-bearing liabilities	2019–2026	Variable	0.9–3.9	3,419	2,503	775
Property loans	2018–2043	Variable/Fixed	1–1.3	–	0	69
Hire-purchase agreements	2019–2026	Variable/Fixed	1.3–5.1	100	42	34
Lease liabilities	[1]	Variable/Fixed	[1]	594	478	249
Total				**4,113**	**3,024**	**1,127**

1) The Group leases production equipment under a number of different lease contracts with varying interest rates and maturities.

On 14 May 2021, the Company issued senior unsecured callable floating rate bonds due 2021/2024 of SEK 3 billion within a framework of SEK 4 billion with a floating interest rate of 3-month STIBOR plus three hundred (300) basis points per annum. The final maturity date of the bonds is 14 May 2024.

PLEDGED COLLATERAL AND CONTINGENT LIABILITIES

As of 31 December 2020, the Group has pledged assets (shares in subsidiaries, real estate etc.) as security for bank loans in the amount of SEK 8,840 million. The Group benefits from bank guarantees amounting to SEK 214 million as of 30 June 2021. As of 30 June 2021, no surety was given.

The following table presents the Group's pledged collateral and contingent liabilities as of 31 December 2020, 2019 and 2018.

	For the year ended 31 December		
(SEK million)	2020	2019	2018
Pledged assets			
Pledged assets for own liabilities and provisions			
Property mortgages	4	–	96
Company mortgages	46	137	220
Assets with ownership retention	105	39	31
Shares in group companies	8,677	5,586	1,738
Other	9	9	14
Total	**8,840**	**5,772**	**2,099**
Other collateral provided			
Bank guarantees with customers as beneficiary[1)]	131	58	83
Total pledged assets	**8,971**	**5,830**	**2,182**
Contingent liabilities			
Guarantees, other	0	65	0
Total contingent liabilities	**0**	**65**	**0**

1) Bank guarantees with customers as beneficiaries consist mostly of collateral for subsidiaries with construction contracts that requires commitments to be fulfilled within agreed project timeframes. The risk of guarantees being exercised is considered low based on historic outcomes.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT FINANCIAL RISK MANAGEMENT

Through its operations, the Group is exposed to various types of financial risks: credit risk and market risk (interest rate risk and other price risks) as well as liquidity risk, currency risk and refinancing risk. The Group's finance function has the overall responsibility for managing the Group's financial risks. This includes identifying, assessing and evaluating the risks faced by the Group, and making an overall assessment relating to possible impact, probability and consequence, in order to assess which risks would have the greatest negative effect for the Group.

Credit risk

Credit risk is the risk that the Group's counterparty in a financial instrument is unable to fulfil its obligations, thereby causing the Group a financial loss. The Group's credit risk arises primarily through receivables from customers, advance payments to suppliers and when investing cash and cash equivalents. The Group evaluates at each reporting occasion of the credit risk of existing exposures, taking into account forward-looking factors. An assessment is performed when the Group is exposed to credit risk.

The Group has reserved expected credit losses for accounts receivable. In addition to accounts receivable, the Group monitors reservation needs also for other financial instruments such as cash and cash equivalents. In those cases where the amounts are deemed to be significant, a provision is made for expected credit losses under such financial instruments.

For the Group, credit risk occurs mainly in accounts receivable. The Group's goal is to have a continuous follow-up of this credit risk. Credit risks arise both in the day-to-day operational business and through financial transactions. Accounts receivable are spread over a large number of customers, which reduces credit risk. Credit risk related to the operational business is handled locally at subsidiary level. Financial transactions are also associated with credit risk. This exposure arises through investment of liquidity, specifically via borrowings and derivative instruments. The Group has established guidelines to ensure that products and services are sold to customers with appropriate credit background and that the credit risk is reduced through, e.g., advance payments, guarantees or other credit enhancement when required. The payment terms are normally between 30 and 90 days depending on the counterparty. The historical credit losses amount to an insignificant amount in relation to the Group's sales: 0 per cent (2019: 0 per cent, 2018: 0 per cent).

The Group's credit risk also arises from the investment of cash and cash equivalents. The Group's finance policy stipulates that cash and cash equivalents are only to be deposited with banks with a good credit rating.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. According to IFRS, market risks consist of three types of risks: interest rate risk, currency risk and other price risk. The market risks that affect the Group are primarily interest rate risk and currency risk.

Interest rate risk

Interest rate risk is the risk that fair value or future cash flows from a financial instrument varies due to changes in market interest rates. The Group is primarily exposed to interest rate risk under the Group's borrowing at variable interest rates. As of 31 December 2020, interest risk for the Group resulted exclusively from loans from credit institutions raised at variable interest rates. Given the loan structure that existed on 31 December 2020, an interest rate increase of 1 percentage point would decrease profits before tax by SEK 41 million on an annual basis whereas given the loan structure as of 31 December 2019, an interest rate increase of 1 percentage point would have decreased profits before tax by SEK 30 million on an annual basis and given the loan structure as of 31 December 2018, an interest rate increase of 1 percentage point would have decreased profits before tax by SEK 0 million on an annual basis.

Currency risk

Currency risk is the risk that the fair values and cash flows regarding financial instruments fluctuate when the value of foreign currencies changes. The Group is exposed to various types of currency risks. The main exposure derives from the Group's sales and purchases in foreign currencies. The Group's currency risk consists partly of risk of fluctuation in the value of financial instruments, customer or accounts payables. The Group's currency risk also consists of fluctuations in the expected and contracted payment flows. Currency risks are also found in the translation of foreign subsidiaries' assets and liabilities into the parent company's functional currency. Exchange rate differences decreased the Group's Operating profit (EBIT) for the year ended 31 December 2020 by SEK 6 million and the Group's net financial items by SEK 1 million, as compared to a decrease of SEK 3 million and SEK 0 million for the year ended 31 December 2019. For the year ended 31 December 2018, exchange rate differences increased the Group's net Operating profit (EBIT) by SEK 3 million and the Group's net financial items by SEK 0 million. The Group hedges its exposure to currency risk. The total amount of the Group's outstanding foreign exchange contracts amounted to SEK 272 million as of 31 December 2020.

Liquidity risk and refinancing risk

Liquidity risk is the risk that a company will have difficulties fulfilling obligations that are related to financial liabilities that are settled with cash or other financial assets. The company manages liquidity risk through continuous follow-up of operations and by maintaining a group account structure that ensures the companies' credit needs. The Group continuously forecasts future cash flows based on various scenarios to ensure that financing takes place on time.

The Group's liquidity risk is mitigated by immediately available liquidity reserves. In addition to equity, the Group's operations are financed via new loans and credit facilities. In addition to equity, the Group's operations are financed through acquired loans and credit facilities for a total of SEK 5,700 million, SEK 4,200 million and SEK 841 million as of 31 December 2020, 2019 and 2018, respectively. Out of the total credit facility recorded at 31 December 2020, 2019 and 2018, an amount of SEK 1,300 million, SEK 1,200 million and SEK 0 million, respectively, corresponds to an acquisition facility of which SEK 1,266 million, SEK 1,200 and SEK 0 million, respectively, were unused. An amount of SEK 1,000 million, SEK 500 million and SEK 0 million, respectively, consisted of a revolving credit facility, of which SEK 693 million, SEK 376 million and SEK 0 million, respectively, were unused. The total liquidity reserve consisting of cash and cash equivalents, short-term investments and credit facilities amounted to SEK 3,304 million, SEK 2, 106 million and SEK 179 million, respectively, on the balance sheet date for 2020, 2019 and 2018, respectively.

Refinancing risk refers to the risk that financing for acquisitions or development cannot be maintained, prolonged, extended, refinanced or that such financing can only take place on terms that are unfavourable. The need for refinancing is continuously monitored by the Group and the board of directors in order to ensure financing of the Company's expansion and investments. The objective is to ensure that the Group continuously has access to external lending without significantly increasing the cost of lending. The refinancing risk is reduced by maintaining a structured and timely refinancing process. For larger loans the process is initiated no later than 3–9 months before the payment due date. The refinancing risk is also reduced by continuously diversifying the maturity dates of the loan portfolio. The finance policy states that the average duration shall be at least two years and the average duration is currently 3.3 year.

SIGNIFICANT CHANGES IN OUR FINANCIAL POSITION OR RESULTS AFTER 30 JUNE 2021

The Group has completed two acquisitions since the end of the quarter: Marwell AG, an add-on to PerfectHair in the Trade business area, and Frigo AG an add-on to Frigel AG in the Services business area (part of Artum AG). The Group has signed agreements to acquire Jernbro Automation, an add-on to Elektroautomatik in the Industry business area, and to acquire a portfolio from Ceder Capital consisting of Viametrics Group, Buildercom Group, DeroA and SoVent in the Services business area and Kumla Handtagsfabrik in the Industry business area. These transactions are expected to be completed in October. Since the end of the period, Storskogen has issued 2.7 million A-shares and 1.3 million B-shares generating gross proceeds of about SEK 329 million.

SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions concerning present conditions and future events that cannot be directly derived from existing sources, and that may affect the reported carrying amounts of assets, liabilities, income and expenses. Such judgments, estimates and assumptions are based on historical experience and other relevant factors.

Estimates made, and the assumptions underlying such estimates, are reviewed and reassessed on an ongoing basis, taking into account market conditions. In connection with such estimates and assumptions, the Company seeks to ensure that one-off effects that are not expected to persist over the long-term do not affect the application of the Group's accounting policies. Any changes in the accounting estimates made are recognized in the accounting period in which the change was made as well as in future accounting periods if the change affects the period in which it was made as well as subsequent accounting periods.

For a detailed description of the Group's significant accounting policies, also see notes 1 and 1 i in F-7, and F-23–F-28 in "*Historical financial information*".

In the Group's Audited Combined and Consolidated Financial Statements, it is particularly important to note the following assumptions and uncertainties:

Consolidation Principles and Business Combinations

Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. With the assessment of whether a control exists, the Group's voting rights, and potential voting rights are considered.

Subsidiaries are recognised in accordance with the cost method. The method entails that acquisition of a subsidiary is considered a transaction through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis determines the fair value of the identifiable assets and assumed liabilities and any non-controlling interest on the date of acquisition. Acquisition-related costs, with exception of costs that are attributable to issuance of equity instruments or debt instruments, which will be reported in the result, are expensed as incurred. In a business combination where the compensation transferred, any non-controlling interest and fair value of any previously held interest (an acquisition achieved in stages) exceeds the fair value of acquired assets and assumed liabilities, the difference is reported as goodwill. When the difference is negative, known as bargain purchase, a gain is recognised in profit or loss.

Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as liability that is a financial instrument, is measured at fair value with the changes in fair value recognised in the statement of profit or loss. When less than 100 per cent of the subsidiary is acquired, the assessment can be that a non-controlling interest exists. For every acquisition it is decided whether any equity in non-controlling interest is assessed at fair value or at the holding's proportional share in the carrying amount of the acquired entity's identifiable net assets.

For each business combination, the Group elects whether to measure any non-controlling interests in the acquisition at fair value or at the proportionate share of the acquirer's identifiable net assets. With acquisitions achieved in stages, goodwill is recognised as of the date when control arises. Previous held interest is remeasured at fair value and the difference is recognised in profit or loss. If additional interest is acquired after control has been achieved, it is reported as a transaction between owners within equity.

When disposal leads to loss of control, remaining holdings are remeasured at fair value in profit or loss.

Changed approach with elimination of internal transactions in the statement of income

The elimination of the internal transactions has been redistributed during 2020 in order to enable increased follow-up in existing segments, which means that the comparison numbers for 2019 and 2018 have been adjusted between the line items in the statement of profit or loss. Reclassification is made of items that were previously included in the line item Cost of sales to the cost categories Selling expenses and Administrative expenses.

Transactions that are eliminated with consolidation

Intra-group receivables and liabilities, revenue or expenses and unrealised gains or losses that arise from intra-group transactions between Group Companies are eliminated in their entirety with the preparation of the consolidated financial statements.

Leases

Right-of-use assets

The Group recognises right-of-use assets in the statement of financial position at the commencement date of the lease (i.e., the date on which the underlying asset is made available for use). Right-of-use assets are measured at cost less accumulated depreciation and any impairments and adjusted for remeasurements of lease liabilities. The cost of right-of-use assets includes the initial value recognised for the attributable lease liability, initial direct costs, and any prepaid lease payments on or before the commencement date of the lease less any incentives received. Provided that the Group is not reasonably certain that the ownership of the underlying asset will be assumed upon expiration of the lease, the right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the useful life.

Lease liabilities

At the commencement date of a lease, the Group recognises a lease liability corresponding to the present value of the lease payments to be made over the lease term. The lease term is defined as the non-cancellable period together with periods covered by an option to extend or terminate the lease if the Group is reasonably certain of exercising such options. The lease payments include fixed payments (less any incentives receivable), variable lease payments that depend on an index or a rate (e.g., a reference interest rate) and amounts that are expected to be paid under residual value guarantees. Additionally, the lease payments include the exercise price for an option to purchase the underlying asset, or penalties to be paid for termination in accordance with a termination option, if it is reasonably certain that such options will be exercised by the Group. Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period they are incurred.

To calculate the present value of lease payments, the Group uses the implicit rate in the contract if it can be readily determined, otherwise is the incremental borrowing rate as of the commencement date of the lease used. After the commencement date of a lease, the lease liability is increased to reflect the interest on the lease liability and decreased with lease payments. Additionally, the value of the lease liability is remeasured as a result of modifications, changes to the lease term, changes in lease payments or changes in an assessment of whether to purchase the underlying asset.

Application of practical exceptions

The Group applies the practical expedients for short-term leases, which are defined as leases that, at the commencement date, has a lease term of twelve months or less after consideration of any options to extend the lease, and for leases of low value. Lease payments for short-term and leases of low value are expensed on a straight-line basis over the lease term. An example of leases where the underlying asset is of low value is office supplies.

Property, Plant and Equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and any impairment. Cost includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Borrowing costs that are directly attributable to the purchase, design or production of assets that take considerable time to complete for intended use or sale are included in the cost.

The cost of a self-constructed asset is determined using the same principles as for an acquired asset. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately based on the part's useful life. For the Group, this mainly applies to properties where different significant parts exist, for example, foundation, pipes, posts, facade, roof, elevators, ventilation equipment and so on.

The carrying amount of an asset is derecognised from the statement of financial position when it is disposed or divested or when no future economic benefits are expected from the use or disposal of the asset. Gains or losses arising from the sale or disposal of an asset consist of the difference between the sales price and the asset's carrying amount less direct selling expenses. Gains and losses are recognised as other operating income/expenses.

Subsequent costs

Subsequent costs are added to the cost of the asset only to the extent that it is probable that the future economic benefits associated with the asset will flow to the Group and the cost can be reliably measured. Unless these recognition criteria are met, subsequent costs are recognised as an expense in the period in which they arise.

The cost of replacing parts of an item is recognised in the carrying amount of that item if the recognition criteria are met. Also, in case a new part of an item is created, the expense is recognised as part of the carrying amount. The carrying amount of those parts that are replaced is derecognised. Repairs are expensed continuously.

Depreciation methods

Depreciation is recognised on a straight-line basis over the estimated useful life of the asset. Land is not depreciated. Every part of property, plant and equipment with a carrying amount that is significant in relation to the asset's combined carrying amount is depreciated separately. The estimated useful lives are:

- **Buildings:** 20–50 years
- **Machinery, fixtures and vehicles:** 3–10 years
- **Other fixtures:** 3–10 years

Depreciation methods used, residual value and useful lives are reviewed at the end of every year.

Intangible Assets

Goodwill

Goodwill is measured at cost less any accumulated impairments. Goodwill is allocated to cash generating units and impairment tested at least annually. The Group's cash generating units are based on verticals; see note 13 on page F-43–F-44 for more information.

Research and development

Expenditure for research with the purpose of obtaining new knowledge is recognised as an expense when it is incurred. Expenditure for development, where the research or other knowledge is used to create new or improved products or processes, are capitalised as assets in the report of financial position, if the product or process is technically and commercially feasible and the company has adequate resources to complete the development and thereafter can use or sell the intangible asset as intended. The cost of and internally generated asset includes all directly attributable costs, e.g., for material and services, employee benefits, registration of legal rights, amortisation of patents and licenses, or borrowing costs in accordance with IAS 23. Other expenditure is recognised as an expense in profit or loss when it is incurred. Internally generated intangible assets are measured at cost less accumulated amortisation and any impairment.

Other intangible assets

Other intangible assets that have been acquired by the Group consist of customer relations, Trademarks and rights and are recognised at cost less accumulated amortisation and any accumulated impairments.

Amortisation methods

Amortisation is recognised in profit and loss linearly over the intangible asset's 'estimated useful life unless the useful life is not considered to be infinite. The useful life is reviewed at least annually. Goodwill and other intangible assets with an indefinite useful life or internally generated assets not yet in use are tested for impairment annually and also whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are amortised from the time when they are available for use.

Estimated useful lives:

- **Goodwill and trademarks:** indefinite
- **Rights:** 5 years
- **Customer relations:** 5–10 years
- **Internally generated assets:** 5–7 years

Impairment

The Group's recognised assets are assessed at the end of each reporting period to determine whether there is an indication of that an asset may be impaired. Impairment of assets are tested in accordance with IAS 36 with the exception of financial assets that are tested for impairment in accordance with IFRS 9, and non-current assets held for sale and discontinued operations that are impairment tested according to IFRS 5, and inventories and deferred tax assets.

Impairment of tangible and intangible assets

If there is an indication that an asset may be impaired, the asset's recoverable amount is estimated (see below). For goodwill, other intangible assets with indefinite useful lives and intangible assets that are not yet in use, the recoverable amount is estimated annually and whenever there is an indication that the asset may be impaired. If the intangible asset does not generate cash inflows from continuing use that are largely independent of those from other assets or groups of assets, the asset is grouped when testing for impairment testing to the lowest level where it is possible to generate independent cash inflows—i.e., a cash-generating unit.

An impairment loss is recognised when an asset's or cash-generating unit's carrying amount exceeds the recoverable amount. An impairment loss is recognised as an expense in profit and loss. When a need for impairment has been identified for a cash-generating unit the impaired amount is first allocated to goodwill. After that a proportional impairment is done of other assets included in the unit.

The recoverable amount of an asset or cash-generating unit is the highest of its fair value less costs of disposal and its value in use. When calculating the value in use, an estimate of future cash flows is discounted to reflect the time value of money represented by current market risk-free rate of interest and the uncertainty risk inherent in the asset.

Reversal of impairment losses

An impairment of assets according to IAS 36 is reversed if there is both an indication that the need for impairment no longer exists and a change has occurred in the assumptions which were the basis for the calculation of the recoverable amount. Impairment of goodwill is, however, never reversed. A reversal is done only to the extent that the asset's carrying amount after reversal does not exceed the carrying amount that would have been recognised, with deduction for depreciation or amortisation if relevant if no impairment was made.

Impairment of financial assets

Financial assets, except assets classified at fair value through profit or loss and equity instruments that are measured at fair value through other comprehensive income, are subject to impairment for expected credit losses. This is also applicable for contract assets. The IFRS 9 expected credit loss model is forward-looking and a loss allowance is recognised when there is an exposure to credit risk, normally at initial recognition of an asset or receivable. Expected credit losses reflect the present value of all deficits in the cash flow related to default events either for the following twelve months or for the expected remaining term for the financial instrument, depending on the type of asset and on its credit risk deterioration since initial recognition.

The simplified approach is applied for accounts receivables, lease receivables and contract assets. A loss allowance is recognised, in the simplified approach, at an amount equal to lifetime expected credit losses.

For other items that are subject to expected credit losses the general approach with three different stages is applied. Initially, and at each reporting date, a loss allowance is recognised at an amount equal to 12-month expected credit losses, or a shorter period depending on the remaining term (stage 1). If a significant increase of credit risk has occurred since initial recognition, entailing a credit rating below investment grade rating, a loss allowance is recognised at an amount equal to the lifetime expected credit losses (stage 2). For assets that are considered to be credit impaired, allowance for expected credit losses will continue to capture the lifetime expected credit losses (stage 3). For credit-impaired assets and receivables, the calculation of interest revenue is based on the asset's carrying amount, net of loss allowance, rather than its gross carrying amount as in previous stages. The Group's assets have been assessed to be in stage 1 during 2020, that is, there has been no significant increase of credit risk.

The measurement of expected credit losses is based on different methods; see the note 25 on page F-51–F-54. For credit-impaired assets and receivables, an individual assessment is made considering historic, current and forward-looking information. The measurement of expected credit losses considers potential collaterals and other credit enhancements in the form of guarantees.

The financial assets that are measured at amortised cost are recognised net of gross value and loss allowance. Changes of the loss allowance are recognised in the profit or loss.

Capitalisation and indebtedness

The tables in this section describe the Company's capitalisation and indebtedness at group level as of 30 June 2021. See "*Share capital and ownership structure*" for further information about the Company's share capital and shares. The tables in this section should be read together with the information set out in "*Selected historical financial information*" and "*Operating and financial review*".

CAPITALISATION

(SEK million)	Actual	Adjustments*	Adjusted
	As of 30 June 2021		
Current debt			
Guaranteed	–	–	–
Secured[1]	380	–	380
Unguaranteed/unsecured[2]	363	–	363
Total current debt[5]	**743**	**–**	**743**
Non-current debt			
Guaranteed	–	–	–
Secured[1]	7,108	(7,012)	96
Unguaranteed/unsecured[3]	3,781	5,000	8,781
Total non-current debt[5]	**10,889**	**(2,012)**	**8,877**
Shareholder equity			
Share capital	1	0	1
Legal reserves	–	–	–
Other reserves[4]	8,389	8,100	16,489
Total	**20,022**	**6,088**	**26,110**

1) Secured current debt and secured non-current debt as of 30 June 2021 mainly refers to current and non-current liabilities to credit institutions secured by pledged shares in subsidiaries as well as debts related to instalment contracts and real property where the debt is backed by a security in the underlying asset (vehicles, machines and real property), that are included in the item "Interest-bearing non-current liabilities" as of 30 June 2021 in the Group's Unaudited Consolidated Interim Financial Statements.
2) Unsecured current debt mainly refers to the current share of the Group's leasing liabilities included in the item "Current interest-bearing debt" as of 30 June 2021 in the Group's Unaudited Consolidated Interim Financial Statements.
3) Unsecured non-current debt mainly refers to non-secured bond financing and the non-current part of the Group's lease liabilities included in the item "Interest-bearing non-current liabilities" and "Non-current lease liabilities" as of 30 June 2021 in the Group's Unaudited Consolidated Interim Financial Statements.
4) Other reserves include "Other contributed capital", "Reserves" and "Retained earnings" (excluding profit for the period 1 January–30 June 2021 amounting to SEK 381 million) and "Non-controlling interest" included in the item "Equity" as of 30 June 2021 in the Group's Unaudited Consolidated Interim Financial Statements.
5) Only interest-bearing liabilities as specified in the net indebtedness table below are included in the capitalisation table.

* The adjustment items consists of the following transactions: (i) new issue of B-shares in connection with the Offering considering costs related to the new share issue, (ii) redemption of A-shares in connection with the Offering (see "*Share capital and ownership structure—Changes in the capital structure in connection with the Offering*"), (iii) new share issue where proceeds were received in July 2021 (see "*Share capital and ownership structure—Share capital development*") and (iv) entering into of the New Facility Agreement, and draw-down of SEK 5,000 million, where parts of the loans are used to repay the Existing Facilities Agreement (both as defined and described in more detail in "*Legal considerations and supplementary information—Material agreements*") where estimated expenses for raising of loans have been considered. Both (i) and (ii) are based on the assumptions that the Offering is fully subscribed and that the Overallotment Option is exercised in full.

NET INDEBTEDNESS

The Company's net indebtedness as of 30 June 2021 is presented in the table below. As of the date of this Offering Memorandum, the Company has no indirect indebtedness.

(SEK million)		Actual As of 30 June 2021	Adjustments*	Adjusted
(A)	Cash[1)]	6,593	6,088	12,681
(B)	Cash equivalents	–	–	–
(C)	Other current financial assets	6	–	6
(D)	**Liquidity (A) + (B) + (C)**	**6,598**	**6,088**	**12,686**
(E)	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)[2)]	743	–	743
(F)	Current portion of non-current financial debt	–	–	–
(G)	**Current financial indebtedness (E) + (F)**	**743**	**–**	**743**
(H)	**Net current financial indebtedness (G) - (D)**	**(5,855)**	**(6,088)**	**(11,943)**
(I)	Non-current financial debt (excluding current portion and debt instruments)[3)]	7,699	(2,012)	5,687
(J)	Debt instruments[4)]	3,190	–	3,190
(K)	Non-current trade and other payables	–	–	–
(L)	**Non-current financial indebtedness (I) + (J) + (K)**	**10,889**	**(2,012)**	**8,877**
(M)	**Total financial indebtedness (H) + (L)[5)]**	**5,034**	**(8,100)**	**(3,066)**

1) Represents cash at bank included in the item "Cash and cash equivalents" as of 30 June 2021 in the Group's Unaudited Consolidated Interim Financial Statements.
2) Reflects the item "Interest-bearing current liabilities" and "Current lease liabilities" as of 30 June 2021 in the Group's Unaudited Consolidated Interim Financial Statements.
3) Reflects the item "Interest-bearing non-current liabilities" and "Non-current lease liabilities" as of 30 June 2021 in the Group's Unaudited Consolidated Interim Financial Statements less the items specified as "Debt instruments" below.
4) Reflects issued bonds which are included in the item "Interest-bearing non-current liabilities" as of 30 June 2021 in the Group's Unaudited Consolidated Interim Financial Statements.
5) The Group uses, for other purposes than the net indebtedness table, an alternative performance measure for "Net debt" as of 30 June 2021 which also includes liabilities related to future contingent considerations of SEK 892 million and liabilities related to minority options of SEK 767 million. By including these items in Net debt, the Group presents a Net debt of SEK 6,693 million. For more information see "*Selected historical financial information*".

* The adjustment items consists of the following transactions: (i) new issue of B-shares in connection with the Offering considering costs related to the new share issue, (ii) redemption of A-shares in connection with the Offering (see "*Share capital and ownership structure—Changes in the capital structure in connection with the Offering*"), (iii) new share issue where proceeds were received in July 2021 (see "*Share capital and ownership structure—Share capital development*") and (iv) entering into of the New Facility Agreement, and draw-down of SEK 5,000 million, where parts of the loans are used to repay the Existing Facilities Agreement (both as defined and described in more detail in "*Legal considerations and supplementary information—Material agreements*") where estimated expenses for raising of loans have been considered. Both (i) and (ii) are based on the assumptions that the Offering is fully subscribed and that the Overallotment Option is exercised in full.

DIVIDEND HISTORY

For information regarding Storskogen's dividend history for the years ended 31 December 2020, 2019 and 2018, respectively, see "*Dividends and dividend policy—Dividend history*".

REFINANCING IN CONNECTION WITH THE OFFERING

The Company's main financing arrangement is, as of the date of the Offering Memorandum, the Bonds and the Existing Facilities Agreement (both of which are defined and described in more detail in "*Legal considerations and supplementary information—Material agreements*"). The Existing Facilities Agreement is intended to be terminated and repaid in full, and all current guarantees and securities under the Existing Facilities Agreement are intended to be released, in connection with the Offering. Thereafter, the Company's main financing arrangement, in addition to the Bonds, will consist of the New Facility Agreement (as defined and described in more detail in "*Legal considerations and supplementary information—Material agreements*").

Board of directors, senior executives and auditor

BOARD OF DIRECTORS

According to Storskogen's articles of association, the board of directors shall consist of not less than three and not more than ten members, without deputy members. The board of directors currently consists of five members, without deputy members, appointed for the period until the close of the annual general meeting 2022.

The table below presents the members of the board of directors, their position, the year of their initial election as well as whether they are considered to be independent in relation to the Company, the executive management and the Company's major shareholders.

			Independent in relation to	
Board member	Position	Board member in Storskogen since	Storskogen and the executive management	Storskogen's major shareholders[1]
Elisabeth Thand Ringqvist	Chair	2019	Yes	Yes
Bengt Braun	Board member	2019	Yes	Yes
Louise Hedberg	Board member	2019	Yes	Yes
Johan Thorell	Board member	2019	Yes	Yes
Alexander Murad Bjärgård	Board member	2019	No	No

1) Major shareholders are defined as shareholders controlling, directly or indirectly, ten per cent or more of the shares or votes in the Company.

Elisabeth Thand Ringqvist

Chair of the board of directors since 2019.

Born: 1972

Principal education: M.Sc. Business and Economics, Stockholm School of Economics, and Stanford Executive Leadership Program, Stanford University.

Other current positions outside Storskogen: Chair of the board of directors of Nortical AB, Aktiebolaget Utö Havsbad, E14 Invest AB and E14 Invest II AB. Board member of Peak Region AB, Marsnen AB, Åre Corporate Finance AB and Åre Corporate Finance II AB. Deputy board member of Aquity Nordic AB. Chair of Vaccine Forward and Skärgårdsstiftelsen. Deputy chair of Centerpartiet Stockholm.

Previous positions outside Storskogen (during the last five years): Chair of the board of directors of Simplex AB, TicWorks AB and Marsnen AB. Board member of Finsk-Svenska handelskammarens Service Aktiebolag, IP-Only Holding AB, DOCU Nordic Holding AB, Docu Nordic Group Holding AB, TicWorks AB, Handicare Group AB, Aquity Nordic AB, Digital Prime Mortgages 1 AB and Royal Institute of Technology. Member of senior management of NFT Ventures. Limited partner of Glädjekalkylen Kommanditbolag. Chair of Swedish Fintech Association, Swedish Private Equity and Venture Capital Association as well as Regelrådet.

Shareholding in Storskogen: 243,000 B-shares (through a company).

Independence pursuant to the Swedish Corporate Governance Code: Independent in relation to the Company, the executive management and the Company's major shareholders.

Bengt Braun

Board member since 2019.

Born: 1946

Principal education: LL.M., Stockholm University, M.Sc. Business and Economics, Stockholm School of Economics, and Officer Training, Royal Swedish Naval Academy.

Other current positions outside Storskogen: Board member of Birben AB, Mertzig Asset Management AB and Bengt Braun Förvaltnings AB. Deputy board member of Clover Förvaltnings AB and Stavbron AB. Chair of Baltic Children Foundation, Irstads Foundation and Ledarön Foundation.

Previous positions outside Storskogen (during the last five years): Chair of the board of directors of BONNIER AB, Bonnier Group Aktiebolag, Bonnier Media Holding AB, Albert Bonnier AB and Bomans i Trosa Aktiebolag. Board member of C More Entertainment AB, TV4 Aktiebolag, TV4 Media Sweden AB, Nyhetsbolaget Sverige AB, Bonnier Capital AB, Albert Bonnier AB, Hånö Förvaltnings AB, Bonnier Group Aktiebolag, TV4 Media AB, Scandinavian Talents AB, TV4 Media Holding AB, Bostadsrättsföreningen Asken nr 14 and Bonnier Corporation. Deputy board member of Birben AB. Proprietor of Hornudden Förvaltning and Hornudden Skog. Supervisory Board member of World Association of Newspapers.

Shareholding in Storskogen: 7,088,530 B-shares (through a company).

Independence pursuant to the Swedish Corporate Governance Code: Independent in relation to the Company, the executive management and the Company's major shareholders.

Louise Hedberg

Board member since 2019.

Born: 1974

Principal education: M.Sc. Business and Economics, Stockholm School of Economics, as well as studies in sustainability, Stockholm University and Stockholm Resilience Centre.

Other current positions outside Storskogen: Chair of the board of directors of Penny to Pound Aktiebolag. Board member of East Capital SICAV (Lux), East Capital (Lux) General Partner S.à r.l. and Espiria SICAV (Lux). Deputy board member of Hayman AB.

Previous positions outside Storskogen (during the last five years): Board member of Svensk-Ryska Handelskammaren Service Aktiebolag, Penny to Pound Aktiebolag and Association of Institutional Investors API. Head of Corporate Governance and Sustainability of East Capital.

Shareholding in Storskogen: 88,000 B-shares.

Independence pursuant to the Swedish Corporate Governance Code: Independent in relation to the Company, the executive management and the Company's major shareholders.

Johan Thorell

Board member since 2019.

Born: 1970

Principal education: MSc Business and Economics, Stockholm School of Economics.

Other current positions outside Storskogen: CEO and board member of Gryningskust Holding AB and subsidiaries. Chair of the board of directors of gamefederation svenska AB, Näringsfastigheter Kallebäck AB, K2A Knaust & Andersson Fastigheter AB (publ) and Kallebäck Property Invest AB. Board member of AB Sagax, Data Center Invest Vandenbergh 9 AB, Hemsö Fastighets AB, Tagehus Holding AB, Nicoccino Holding AB (publ), Data Center Invest Holding Sweden AB (publ) and Edsviken Holding AB. Deputy board member of Gamefederation Development AB, NATHO Capital AB and Valtare AB. Limited partner of WASA Fastighetsförvaltning i Nässjö Kommanditbolag.

Previous positions outside Storskogen (during the last five years): CEO, chair of the board of directors and board member of subsidiaries of Gryningskust Holding AB. Chair of the board of directors of Hållsta Park Fastighets AB and Fastighetsaktiebolaget Apicius. Board member of Hållsta Park Fastighets AB, Oscar Properties Holding AB, Delarka Holding AB (publ) and Fastighets AB Terminalvägen 24. Deputy board member of PH Bromma Invest AB.

Shareholding in Storskogen: 13,000,000 B-shares (through a company).

Independence pursuant to the Swedish Corporate Governance Code: Independent in relation to the Company, the executive management and the Company's major shareholders.

Alexander Murad Bjärgård

Board member since 2019.

Born: 1974

Principal education: LL.M., Uppsala University, studies in business and other subjects, Boise State University, IFALPES and IFL.

Other current positions outside Storskogen: Board member of Firm Factory Network AB. Deputy board member of Kullengubben Advokat AB.

Previous positions outside Storskogen (during the last five years): CEO of Termino C 1542 AB. Chair of the board of directors of Mopper AB. Board member of Termino C 1542 AB, Termino C 1543 AB, FFN International Retail Holding AB and Termino C 1544 AB.

Shareholding in Storskogen[1]: 75,585,930 A-shares and 1,665,950 B-shares.

Independence pursuant to the Swedish Corporate Governance Code: Not independent in relation to the Company, the executive management or the Company's major shareholders.

1 For information on Alexander Murad Bjärgård's holding of warrants, see "—*Senior executives*".

SENIOR EXECUTIVES[1]

The executive management currently consists of seven individuals. The table below presents the senior executives, their position and the year each person became a senior executive.

Name	Position	Senior executive in Storskogen since
Daniel Kaplan	Chief Executive Officer (co-founder)	2012
Lena Glader	Chief Financial Officer	2019
Alexander Murad Bjärgård	Head of M&A and Corporate Development (co-founder)	2012
Peter Ahlgren	Head of Business Area, Services	2014
Fredrik Bergegård	Head of Business Area, Industry	2021
Christer Hansson	Head of Business Area, Trade	2016
Mikael Neglén	Head of DACH	2020

Daniel Kaplan

Chief Executive Officer since 2012 (co-founder of Storskogen).

Born: 1971

Principal education: M.Sc. Business and Economics, Stockholm School of Economics.

Other current positions outside Storskogen: CEO of Firm Factory Network AB. Chair of the board of directors of Dorunner AB and Firm Factory Network AB. Board member of Kaplans Auktioner Aktiebolag, Kaplans Safir AB, Firm Factory AB, Blade Power AB, Midato Holding AB, Kontorsgiganten AB, Loanland AB, WorkInShop AB, FFN Internet Retail Holding AB, Sailfish Technology and Sport AB as well as Gula Katten AB. Deputy board member of Mopper AB.

Previous positions outside Storskogen (during the last five years): Chair of the board of directors of Termino C 1542 AB, Termino C 1543 AB, FFN Internet Retail Holding AB and Termino C 1544 AB. Board member of Zylber Aktiebolag, Diamantia Aktiebolag, Kontorsgiganten Sverige AB, IRH Stores AB, Svenska Innovationsinstitutet AB and Kaplans Försäkringsservice AB. Deputy board member of Blade Power AB.

Shareholding in Storskogen: 77,057,960 A-shares and 7,335,590 B-shares (including through a company).

Warrants and share-savings in Storskogen: Up to 238,230 warrants and participate with SEK 840,000 in the share-savings programme.

Lena Glader

Chief Financial Officer since 2019.

Born: 1976

Principal education: M.Sc. Business and Economics, Hanken School of Economics.

Other current positions outside Storskogen: –

Previous positions outside Storskogen (during the last five years): CFO of Eastnine AB. Chair of the board of directors of Eastnine Investments AB. Board member of Eastnine Investments AB, UAB Portarera, UAB Solverta and UAB Verslina.

Shareholding in Storskogen: 696,870 B-shares.

Warrants and share-savings in Storskogen: Up to 122,518 warrants and participate with SEK 432,000 in the share-savings programme.

1 The senior executives' holdings of warrants and participating amount in share-savings programme presented in this section is future-looking and refer to the maximum holdings pursuant to the warrant programme and share savings programme that Storskogen will implement in connection with the admission to trading of the Company's B-shares on Nasdaq Stockholm.

Alexander Murad Bjärgård

Head of M&A and Corporate Development, since 2017 (co-founder of Storskogen).

Born: 1974

Principal education: LL.M., Uppsala University, studies in business and other subjects, Boise State University, IFALPES and IFL.

Other current positions outside Storskogen: Board member of Firm Factory Network AB. Deputy board member of Kullengubben Advokat AB.

Previous positions outside Storskogen (during the last five years): CEO of Termino C 1542 AB. Chair of the board of directors of Mopper AB. Board member of Termino C 1542 AB, Termino C 1543 AB, FFN International Retail Holding AB and Termino C 1544 AB.

Shareholding in Storskogen: 75,585,930 A-shares and 1,665,950 B-shares.

Warrants and share-savings in Storskogen: Up to 122,518 warrants and participate with SEK 432,000 in the share-savings programme.

Peter Ahlgren

Head of Business Area, Services since 2014.

Born: 1972

Principal education: M.Sc. Business and Economics, Stockholm School of Economics.

Other current positions outside Storskogen: CEO of Ribbylund Management AB. Deputy CEO of Firm Factory Network AB. Board member of Firm Factory Network AB and Ribbylund Management AB.

Previous positions outside Storskogen (during the last five years): Board member of Cupole Consulting Group AB. Deputy board member of Malin & Malhotra AB.

Shareholding in Storskogen: 68,302,680 A-shares (including through a company).

Warrants and share-savings in Storskogen: Up to 122,518 warrants and participate with SEK 432,000 in the share-savings programme.

Fredrik Bergegård

Head of Business Area, Industry since 2021.

Born: 1971

Principal education: M.B.A., IMD, and M.Sc. Engineering and Management, Chalmers University of Technology.

Other current positions outside Storskogen: Deputy board member of Mountainfarm AB and Priti Intressenter AB.

Previous positions outside Storskogen (during the last five years): Chair of the board of directors of Mekana Maskin AB, G-Ess Yrkeskläder Aktiebolag, Skandinaviska Byggprodukter Väst Aktiebolag, C.J. Järn & Maskin Aktiebolag, Svensk Industri & Kommunservice Aktiebolag, Haucon Sverige Aktiebolag, Almén Special Fastener AB and LOPPIgruppen AB. Board member of Knut Sjöman Yrkeskläder Aktiebolag, Arbetsklädshuset (AKH) AB, Elgross'n i Göteborg AB, Brands at Work AB, Bahab vent & plåt AB, HMK i Västerås AB, Enexia AB, Bahab vent & plåt i Lunda AB and Bostadsrättsföreningen Mjölnaren. Deputy board member of Sveriges elgrossisters ServiceAktiebolag and LOPPIgruppen AB.

Shareholding in Storskogen: 820,000 B-shares.

Warrants and share-savings in Storskogen: Up to 122,518 warrants and participate with SEK 432,000 in the share-savings programme.

Christer Hansson

Head of Business Area, Trade (previously as consultant) since 2016.

Born: 1972

Principal education: M.B.A. Finance, Stockholm University.

Other current positions outside Storskogen: Chair of the board of directors of Apohem AB, Board member of Dorunner AB, Scalata AB and Scalata Invest AB. Consultant at Novax AB.

Previous positions outside Storskogen (during the last five years): –

Shareholding in Storskogen: 42,885,110 B-shares (including through a company).

Warrants and share-savings in Storskogen: Up to 122,518 warrants and participate with SEK 432,000 in the share-savings programme.

Mikael Neglén

Head of Storskogen DACH since 2020.

Born: 1972

Principal education: M.Sc. Business and Economics, Stockholm School of Economics.

Other current positions outside Storskogen: Board member of AH Holding AG (Artzhaus).

Previous positions outside Storskogen (during the last five years): Managing director of Porterhouse Group AG. Chair of the board of directors of VetTrust AG and The Visuality Corporation. Beirat of Bewatec. President Chocolate Asia Pacific of Barry Callebaut AG.

Shareholding in Storskogen: 1,700,000 B-shares.

Warrants and share-savings in Storskogen: Up to 122,518 warrants and participate with SEK 432,000 in the share-savings programme.

ADDITIONAL INFORMATION REGARDING THE BOARD MEMBERS AND SENIOR EXECUTIVES

All board members and senior executives can be reached at Storskogen's address: Hovslagargatan 3, SE-111 48 Stockholm, Sweden.

There are no family relationship between any of the board members or the senior executives. There are no arrangements or understandings between Storskogen and any major shareholders, customers, suppliers or others, pursuant to which any board member or senior executive was elected as a board member or appointed as a senior executive.

No board members or senior executives have during the past five years (i) been convicted in relation to fraudulent offences, (ii) represented a company which has been declared bankrupt or filed for liquidation or been subject to administration under bankruptcy, (iii) been bound by and/or been subject to sanctions by any regulatory or statutory authority (including designated professional bodies), or (iv) been disqualified by a court from acting as a member of any company's administrative, management or supervisory body or from acting in the management or conduct of the affairs of any company.

No board member or senior executive has any private interests which might conflict with their duties to the Company, other than as stated below. A number of the board members and senior executives have a financial interest in the Company through shareholdings. The board members and senior executives in the Company have agreed to, under a certain lock-up period, not sell shares in the Company or in other ways make transactions with similar effects during a certain period after the first day of trading of the B-shares on Nasdaq Stockholm, see "*Legal considerations and supplementary information—Lock-up agreements*". No board member or senior executive has entered into an agreement with the Company providing benefits upon termination of employment.

INDEPENDENT AUDITOR

Ernst & Young Aktiebolag ("**EY**") was re-elected as the Company's auditor at the annual general meeting on 12 May 2021 until the end of the annual general meeting 2022. Åsa Lundvall, authorised public accountant and member of FAR (the professional institute for authorised public accountants in Sweden) is the auditor in charge since 2021 (Daniel Öberg, authorised public accountant and member of FAR, was the auditor in charge from 2019 to the beginning of 2021). EY has been the Company's auditor since 2019. EY's office address is Hamngatan 26, SE-111 47 Stockholm, Sweden. The Group's historical financial information for the years ended 31 December 2020 and 2019, that is included in this Offering Memorandum, has been audited by EY as stated in EY's auditor's report in "*Historical financial information*".

The combined financial statements of the Group as of 31 December 2018, and for the year then ended, included in this Offering Memorandum, have been audited by KPMG AB ("KPMG"), independent auditor, as stated in their report appearing herein. KPMG was Storskogen's auditor during the financial year 2018 and Dan Beitner, authorised public accountant and member of FAR, was the auditor in charge. KPMG's office address is Vasagatan 16, SE-101 27 Stockholm, Sweden.

Corporate governance

CORPORATE GOVERNANCE WITHIN STORSKOGEN

The Company is a Swedish public limited liability company. Prior to the admission to trading of the Company's B-shares on Nasdaq Stockholm, the corporate governance was based on Swedish law as well as internal rules and instructions. Once the Company's B-shares have been admitted to trading on Nasdaq Stockholm, the Company will also comply with, *inter alia*, Nasdaq's Nordic Main Market Rulebook for Issuers of Shares and apply the Swedish Corporate Governance Code (the "**Code**"). The Code applies to all Swedish companies with shares admitted to trading on a regulated market in Sweden and shall be fully applied in connection with the admission to trading of the Company's B-shares on Nasdaq Stockholm. The Company is not obliged to comply with every rule in the Code as the Code itself provides for the possibility to deviate from the rules provided that any such deviations and the chosen alternative solutions are described and the reasons therefore are explained in the corporate governance report (according to the so-called "comply or explain principle").

The Company will apply the Code from the time of the admission to trading of the Company's B-shares on Nasdaq Stockholm. Any deviation from the Code will be reported in the Company's corporate governance report. However, in the first corporate governance report, the Company is not required to explain non-compliance with such rules that have not been relevant during the period covered by the corporate governance report. Currently, the Company does not expect to report any deviations from the Code in the corporate governance report, however, see ""—*Nomination committee*" below.

GENERAL MEETINGS OF SHAREHOLDERS

General

According to the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*), the general meeting is the ultimate decision-making body of the Company. At the general meeting, the shareholders exercise their voting rights on key issues, such as adoption of income statements and balance sheets, appropriation of the Company's results, discharge from liability for members of the board of directors and the CEO, election of members of the board of directors and auditor(s) as well as remuneration to the board of directors and the auditor(s).

The annual general meeting must be held within six months from the end of each financial year. In addition to the annual general meeting, extraordinary general meetings may be convened. According to the articles of association, general meetings are convened by publication of the notice in the Official Swedish Gazette (Sw. *Post- och Inrikes Tidningar*) and on the Company's website. When the notice convening the general meeting has been issued, information regarding that the notice has been issued shall be published in Dagens Industri.

Right to attend general meetings

Shareholders who wish to participate in a general meeting must be listed as a shareholder in a printout or other presentation of the share register relating to the circumstances on six banking days prior to the general meeting and notify the Company of their participation not later than on the date set out in the notice to attend the general meeting. In addition to notifying the Company, shareholders whose shares are nominee registered through a bank or other nominee must request that their shares are temporarily registered in their own names in the share register four banking days prior to the general meeting in order to be entitled to participate in the general meeting. Shareholders should inform their nominees well in advance of the record date. Shareholders may attend general meetings in person or by proxy and may be accompanied by not more than two advisors.

Shareholder initiatives

Shareholders who wish to have a matter brought before the general meeting must submit a written request to the board of directors. The matter shall be addressed at the general meeting provided that the request was received by the board of directors not later than one week prior to the earliest date on which notice to attend the general meeting may be issued pursuant to the Swedish Companies Act or after that date but in due time for the matter to be included in the notice to attend the general meeting.

NOMINATION COMMITTEE

As of the date of this Offering Memorandum, the Company does not have a nomination committee. Pursuant to the Code, Swedish companies whose shares are admitted to trading on a regulated market in Sweden shall have a nomination committee. The extraordinary general meeting that was held on 24 September 2021 resolved to adopt the following instruction for the nomination committee, which shall apply until further notice.

Principles for appointment of the nomination committee

The nomination committee shall prior to the annual general meeting be composed of (i) two representatives of the shareholders of A-shares and (ii) one representative of each of the two largest shareholders of B-shares[1], in terms of votes, in the Company who are registered in the share register maintained by Euroclear Sweden as of the last banking day in October 2021 for the annual general meeting 2022 (and thereafter as of the last

1 Shareholders of B-shares refer to shareholders of the company who only hold B-shares. Accordingly, shareholders of A-shares who also hold B-shares are not included in this category and are not entitled to appoint an additional representative in the nomination committee in addition to the representatives that are appointed jointly by the shareholders of A-shares.

banking day in August each year). In addition to these four members of the nomination committee, the chair of the board of directors shall be a co-opted member of the nomination committee. The nomination committee shall meet the requirements of composition set out in the Code. Larger shareholders shall have precedence to appoint a member over smaller shareholders if the larger shareholder (or the larger shareholders) who have the right to appoint a member of the nomination committee wish to appoint an individual with the consequence that the requirements of composition of the nomination committee provided in the Code are not met. When appointing a new member, the shareholder who appoints the new member shall consider the composition of the current nomination committee.

If the shareholders of A-shares abstain from their right to jointly appoint members of the nomination committee, the right shall pass to the shareholders of B-shares. If any of the two largest shareholders of B-shares abstain from their right to appoint a member of the nomination committee, the right shall pass to other larger shareholders of B-shares in line (that is, first to the largest shareholder of B-shares, in terms of votes, that has not already appointed a member of the nomination committee and thereafter to the second largest shareholder of B-shares, in terms of votes, that has not already appointed a member of the nomination committee etc.). The procedure shall continue until the earlier of (i) ten additional shareholders have been asked or (ii) the nomination committee is complete.

The name of the members and the shareholders they represent shall be made public on the Company's website as soon as the nomination committee is complete for the annual general meeting 2022 (and thereafter not later than six months prior to each annual general meeting). The chair of the Company's board of directors shall convene the nomination committee to its first meeting. At this meeting, the nomination committee shall appoint a chair amongst the representatives appointed by the shareholders of A-shares (the chair of the board of directors or any other board member shall not be the chair of the nomination committee). In the event of tie votes in the nomination committee, the chair of the nomination committee shall have the casting vote. The mandate period of the nomination committee shall extend until the next nomination committee is appointed. Changes in the composition of the nomination committee shall be made public on the Company's website as soon as they have occurred.

If a change to the Company's ownership structure occurs after the last day of trading in August but before the date which occurs three months ahead of the forthcoming annual general meeting, and if a shareholder that after this change has become one of the two largest shareholders of B-shares, in terms of votes, who are registered in the share register maintained by Euroclear Sweden, makes a request to the chair of the nomination committee to be part of the nomination committee, the shareholder shall have the right, in the discretion of the nomination committee, either to appoint an additional member to the nomination committee or to appoint a member who shall replace the member appointed by the, after the changes in the ownership structure, smallest shareholder, in terms of votes.

A shareholder who has appointed a member of the nomination committee has the right to dismiss the member and appoint a new member. If such an exchange takes place, the shareholder shall without delay give notice of this to the chair of the nomination committee (or, if it is the chair of the nomination committee who shall be replaced, to the chair of the board of directors). The notification shall contain the name of the dismissed member and the person who shall replace the dismissed member as a member of the nomination committee.

A member who prematurely resigns from his or her task shall give notice of this to the chair of the nomination committee (or, if it is the chair of the nomination committee who resigns, to the chair of the board of directors). In such case, the nomination committee shall without delay call upon the shareholder who has appointed the resigned member to appoint a new member. If a new member is not appointed by the shareholder, the nomination committee shall offer other larger shareholders, in terms of votes, to appoint a member of the nomination committee in line (that is, first to the largest shareholder, in terms of votes, who has not already appointed a member of the nomination committee, or previously abstained from the right to do so, and thereafter to the second largest shareholder, in terms of votes, who has not already appointed a member of the nomination committee or previously abstained from the right to do so etc.). The procedure shall continue until the earlier of (i) ten additional shareholders have been asked or (ii) the nomination committee is complete.

No remuneration is to be paid to members of the nomination committee. The Company shall, however, defray all reasonable expenses that are required for the work of the nomination committee.

Instruction of the nomination committee

The members of the nomination committee are to promote the common interests of all shareholders and are not to reveal the content or details of nomination discussions unduly. Each member of the nomination committee is to consider carefully whether there is a conflict of interest or any other circumstances that make membership of the nomination committee inappropriate before accepting the assignment.

Tasks of the nomination committee

The nomination committee shall fulfil the tasks set out in the Code and shall, when applicable, present proposals to an upcoming general meeting as regards:

a) Election of the chair of the general meeting.
b) The number of members of the board of directors to be elected by the general meeting.
c) Election of the chair and the members of the board of directors.
d) Fees and other remuneration to each of the elected board members and to the members of the board of directors' committees.
e) Election of the auditor(s).
f) Remuneration to the auditor(s).
g) Principles for composition of the nomination committee.
h) Any changes regarding the instructions for the nomination committee.

The nomination committee has the right, at the Company's expense, to engage external consultants whom the nomination committee considers necessary to fulfil its task.

THE BOARD OF DIRECTORS

Composition and independence

Members of the board of directors are normally appointed by the annual general meeting for the period until the end of the next annual general meeting. According to the Company's articles of association, the board of directors shall consist of not less than three and not more than ten board members, without deputy members. Pursuant to the Code, the chair of the board of directors shall be appointed by the general meeting. Not more than one board member elected by the general meeting may be a member of the executive management of the Company or a subsidiary of the Company. The majority of the board members elected by the general meeting are to be independent of the Company and its executive management. At least two of the board members who are independent of the Company and its executive management are also to be independent in relation to the Company's major shareholders. See "*Board of directors, senior executives and auditor—Board of directors*" for an account of the board members' independence in relation to the Company, its executive management and its major shareholders.

Responsibilities and work

The board of directors is the Company's second-highest decision making body after the general meeting. The duties of the board of directors are primarily set forth in the Swedish Companies Act, the Company's articles of association and the Code. In addition, the work of the board of directors is guided by instructions from the general meeting and the rules of procedure of the board of directors. The rules of procedure of the board of directors govern the division of work within the board of directors. The board of directors also adopts, *inter alia*, instructions for the committees of the board of directors, an instruction for the CEO and an instruction for the financial reporting to the board of directors.

The board of directors is responsible for the organisation and the management of the Company's matters, which, *inter alia*, entails a responsibility for outlining overall, long-term strategies and objectives, budgets and business plans, establishing guidelines to ensure that the operations create value in the long-term, reviewing and establishing the accounts, making decisions on issues regarding investments and sales, capital structure and distribution policy, developing and adopting material policies, ensuring that control systems exist for monitoring that policies and guidelines are followed, ensuring that there are systems for monitoring and controlling the operations and risks, significant changes in the organisation and operations, appointing the CEO and, in accordance with the guidelines adopted by the general meeting, setting remuneration and other terms of employment benefits for the CEO and other senior executives.

The chair of the board of directors is responsible for ensuring that the board of directors' work is carried out efficiently and that the board of directors fulfils its obligations.

The board of directors meets according to an annual predetermined schedule. In addition to ordinary board meetings, board meetings may be convened where the chair of the board of directors considers it to be necessary and/or where a board member or the CEO so requests.

Audit committee

The board of directors has established an audit committee. Pursuant to the Swedish Companies Act, the members of the audit committee may not be employees of the Company and at least one member must have accounting or auditing qualification. The majority of the members of the audit committee are to be independent of the Company and its executive management. At least one of the audit committee members who are independent of the Company and its executive management is also to be independent in relation to the Company's major shareholders. The audit committee currently consists of two members: Elisabeth Thand Ringqvist (chair) and Johan Thorell.

The audit committee's main tasks are to:

a) Monitor the Company's financial reporting and provide recommendations and proposals to ensure the reliability of reporting;
b) In respect of financial reporting, monitor the efficiency of the Company's internal controls, internal audits and risk management;
c) Keep itself informed about the audit of the annual report for the Company and the Group as well as regarding conclusions of the Swedish Inspectorate of Auditors' quality controls;
d) Inform the board of directors of the result of the audit and the way in which the audit contributed to the reliability of the financial reporting as well as the function filled by the audit committee;
e) Review and monitor the impartiality and independence of the auditor and, in conjunction therewith, pay special attention to whether the auditor provides the Company with services other than auditing services; and
f) Assist the nomination committee in conjunction with its preparation of proposals to the general meeting's resolution regarding election of auditor(s).

Remuneration committee

The board of directors has established a remuneration committee. Pursuant to the Code, the chair of the board of directors may be the chair of the remuneration committee, but the other members of the remuneration committee are to be independent of the Company and its executive management. The remuneration committee currently consists of two members: Elisabeth Thand Ringqvist (chair) and Louise Hedberg. All members of the remuneration committee are independent in relation to the Company and its executive management.

The remuneration committee's main tasks are to:

a) Prepare the board of directors' decisions on issues concerning principles for remuneration, remunerations and other terms of employment for the executive management;

b) When applicable, monitor and evaluate programmes for variable remuneration, both ongoing and those that have ended during the year, for the executive management;

c) Monitor and evaluate the application of guidelines for remuneration of the executive management that the annual general meeting is legally obliged to establish as well as the current remuneration structures and levels in the Company;

d) Prepare and submit to the board of directors a report on the monitoring and evaluation to be carried out under the items (b) and (c) above;

e) Prepare, for the board of directors' decision, the report detailing paid and outstanding compensation that is covered under the guidelines for remuneration that the annual general meeting pursuant to law shall resolve on; and

f) Fulfil and conduct any other tasks that are to be fulfilled by the remuneration committee pursuant to the Code.

Remuneration to the board of directors

The following table presents expenses for fees to the members of the board of directors in 2020.

(KSEK) Board member	Base salary	Board fees	Pension benefits	Social costs	Total
Elisabeth Thand Ringqvist	–	850[2)]	–	267	1,117
Bengt Braun	–	350	–	36	386
Louise Hedberg	–	400[3)]	–	126	526
Johan Thorell	–	450[4)]	–	126	576
Peter Ahlgren[1)]	1,886	–	330	672	2,888
Alexander Murad Bjärgård	1,881	–	329	671	2,881
Total	**3,767**	**2,050**	**659**	**1,898**	**8,374**

1) Peter Ahlgren was a member of the board of directors until the close of the annual general meeting 2021.
2) Of which SEK 100,000 consisted of fees for work in the audit committee and SEK 50,000 consisted of fees for work in the remuneration committee.
3) Of which SEK 50,000 consisted of fees for work in the remuneration committee.
4) Of which SEK 100,000 consisted of fees for work in the audit committee.

The annual general meeting on 12 May 2021 resolved on fees for the board members, for the period until the end of the annual general meeting 2022, in the total amount of SEK 2.7 million to be paid in accordance with the following:

- SEK 800,000 to the chair of the board of directors Elisabeth Thand Ringqvist and SEK 400,000 to each of the other board members; and
- SEK 50,000 to each of the two members of the remuneration committee and SEK 100,000 to each of the two members of the audit committee.

The board members are not entitled to any benefits following termination of their assignment as members of the board of directors.

THE CEO AND OTHER SENIOR EXECUTIVES

Responsibilities and work of the CEO and other senior executives

The CEO is subordinated to the board of directors and is responsible for the day-to-day management and operations of the Company in accordance with the instructions from the board of directors. The division of work between the board of directors and the CEO is set out in the rules of procedure for the board of directors and the instructions for the CEO.

The CEO is responsible for providing the board of directors with information and the necessary documentation for decision making. The CEO leads the work of the executive management and makes decisions after consulting its members. Further, the CEO reports at meetings of the board of directors and assures that members of the board of directors regularly receive the information required to follow the Company's and the Group's financial position, results, liquidity and development.

The CEO and the other senior executives are presented in "*Board of directors, senior executives and auditor—Senior executives*".

Remuneration to senior executives

The following table presents the remuneration paid to senior executives in 2020.

(KSEK) Executive	Base salary	Pension benefits	Social costs	Total
CEO	2,282[1)]	283	786	3,351
Other senior executives (two persons)	5,523[2)]	828	1,937	8,289
Total	**7,805**	**1,111**	**2,723**	**11,640**

1) The current salary terms of the CEO are set out in the section "*—Current employment terms for the CEO and the other senior executives—Terms for the CEO*" below.
2) In 2021, the management team has been expanded by four persons to include a total of six persons in addition to the CEO. In connection to the expansion, the employment terms have been adjusted and as of the date of this Offering Memorandum, the total annual base salary of these six executives amounts to a total of approximately SEK 21,000 thousand.

Long-term share-based incentive programmes to senior executives and other employees
In connection with the admission to trading of the Company's B-shares on Nasdaq Stockholm, Storskogen will implement two share-based incentive programmes: a warrant programme and a share savings programme. The purposes of the incentive programmes are, *inter alia*, to encourage a broad ownership amongst the Company's employees, facilitate recruitment, maintain competent employees, increase the alignment of interest between the employees and the Company's shareholders, encourage the Company's long-term growth as well as to increase motivation to reach or exceed the Company's financial targets.

The maximum number of B-shares that may be allotted to the participants of the warrant programme and the share savings programme is not more than 12,303,560, corresponding to approximately 0.7 per cent of the share capital and 0.4 of the votes in the Company after the completion of the Offering (assuming that the Offering is fully subscribed and that the Overallotment Option is exercised in full). The maximum number of B-shares that may be issued under the warrant programme and the share savings programme when including hedge for social security contributions is 13,963,798 B-shares, corresponding to approximately 0.8 per cent of the share capital and 0.5 per cent of the votes in the Company after the completion of the Offering (assuming that the Offering is fully subscribed and that the Overallotment Option is exercised in full).

Warrant programme
An extraordinary general meeting of the Company held on 24 September 2021 resolved to implement a long-term incentive programme in the form of a warrant programme for certain senior executives and other key employees of the Group.

In total, the warrant programme will comprise a maximum of 141 individuals and not more than 6,872,046 warrants of series 2021/2024. The maximum number of B-shares that may be subscribed for by the participants by exercise of the warrants corresponds to approximately 0.4 per cent of the share capital and 0.2 per cent of the votes in the Company following the completion of the Offering (assuming that the Offering is fully subscribed and that the Overallotment Option is exercised in full).

The warrants shall be issued to the participants at fair market value, which shall be determined pursuant to Black & Scholes after the final Offering Price has been determined. The number of warrants offered to each participant depends on the participant's position and responsibilities within Storskogen. The maximum investment allowed in the warrants is an amount corresponding not more than ten per cent of each participant's annual base salary.

The maximum number of warrants that the senior executives have committed to subscribe for is presented in "*Board of directors, senior executives and auditor—Senior executives*".

Subscription for B-shares by the exercise of the warrants can be made during a subscription period from and including the day following the publication of the interim report for the period 1 January–30 September 2024 and during a period of thirty days thereafter, however not earlier than the day that falls three years after the final Offering Price has been determined and not later than the day that falls four months thereafter. If a participant is prohibited from exercising warrants due to applicable insider rules, the Company may extend the subscription period. Each warrant may be exercised to subscribe for one B-share in the Company during the subscription period.

The subscription price for subscription of B-shares by exercise of the warrants shall correspond to 150 per cent of the Offering Price, but may not be lower than the quotient value of the share. The complete terms and conditions of the warrants also include customary re-calculation provisions.

The Company will reserve the right to repurchase warrants, for example, if the participant's employment with the Company is terminated.

Assuming an increase of the market price of the B-shares of 100 per cent, the Company's total costs for the warrant programme during the vesting period is not expected to exceed approximately SEK 0.5 million (mainly relating to social security contributions for participants in jurisdictions where participation in the warrant programme is taxed as earned income).

Share savings programme
The extraordinary general meeting of the Company held on 24 September 2021 also resolved to implement a long-term incentive programme in the form of a share savings programme for certain senior executives and other key employees of the Group.

In total, the share savings programme will comprise a maximum of 341 individuals. Key employees in the Group are expected to be offered to participate in the share savings programme. Participation will require the employees to make own investments in the Company's B-shares at market price on Nasdaq Stockholm or allocate B-shares already held to the share savings programme ("**Savings Shares**"). The maximum investment permitted in Savings Shares is based on an amount corresponding to not more than 12 per cent of each participant's annual fixed salary.

Participants who retain the Savings Shares during the share savings programme's term of three years and also remain employed by Storskogen throughout the whole period may at the end of the period be eligible for free additional B-shares if the two pre-determined performance criteria (total shareholder return "**TSR**" and EBITA development) have been met ("**Performance Shares**"). The performance criteria will have equal weight in determining the number of Performance Shares to be allotted. The TSR performance criteria is that the TSR needs to be more than 15 per cent during the vesting period (45 per cent for full allotment). The EBITA performance criteria is that the EBITA increase needs to be more than 15 per cent during the vesting period (45 per cent for full allotment).

For each Savings Share held, 2–6 Performance Shares may be awarded depending on which category the employee belongs to. The share saving programme will be subject to customary re-calculation provisions.

Full allotment of Performance Shares would mean that the total number of B-shares under the share savings programme will amount to not more than 5,431,514 B-shares, corresponding to approximately 0.3 per cent of the share capital and 0.2 per cent of the votes in the Company following the completion of the Offering (assuming that the Offering is fully subscribed and that the Overallotment Option is exercised in full). The maximum number of B-shares that may be issued under the share savings programme when including hedge for social security contributions is 7,091,752 B-shares, corresponding to approximately 0.4 per cent of the share capital and 0.2 per cent of the votes in the Company after the completion of the Offering (assuming that the Offering is fully subscribed and that the Overallotment Option is exercised in full).

The cost for the share savings programme will be accounted for in accordance with IFRS 2—Share-Based Payments. Storskogen's total IFRS 2 cost for the share savings programme is not expected to exceed approximately SEK 206.1 million (assuming that the maximum number of Performance Shares are allotted to the participants and that the market price of the B-shares increases with a maximum of 50 per cent). Of the total costs, outgoing social security charges are estimated to amount to approximately SEK 80.9 million, assuming an increase of 50 per cent of the market price of the B-shares during the vesting period and 30.57 per cent estimated average social security costs.

For the purpose of ensuring delivery of Performance Shares and hedging social security costs under the share savings programme, the extraordinary general meeting also resolved on the issuance of not more than 7,091,752 warrants of series 2021/2024 II without consideration to Company itself. At the end of the vesting period, the warrants will be transferred, exercised for subscription of B-shares and/or transferred to participants that have been granted allocation.

Current employment terms for the CEO and the other senior executives

Terms for the CEO

The CEO is entitled to an annual fixed salary of SEK 7 million (to be paid in monthly instalments of equal size) and pension benefits corresponding to 20 per cent of the fixed salary. The notice period under the employment agreement with the CEO is twelve months for both the CEO and the Company if the employment agreement is terminated by either the CEO or the Company. There is no agreement regarding severance pay in addition to payment of salary during the notice period. The CEO's employment agreement also includes a non-competition clause applicable for twelve months after the CEO's employment (including notice period). If the non-competition clause is enforced by the Company, the CEO is entitled to additional compensation corresponding to the deficit between the CEO's remuneration at the time of the termination of the employment and the lower income which the CEO earns or could have earned from another employment or business activity (however, not more than 60 per cent of the CEO's previous monthly salary at the termination of the employment, calculated as an average of the fixed salary and any commission, bonus, etc. to the CEO during the preceding employment year). In addition, the CEO is only entitled to compensation if the lower income is related to the application of the non-competition clause and the CEO is obliged, to a reasonable extent, to limit the loss of income that may follow due to the application of the non-competition clause.

Pursuant to the employment agreement for the CEO, the CEO is entitled to participate in long-term incentive programmes introduced by the Company. For more information regarding the incentive programmes that are intended to be implemented in connection with the Offering, see "*—Long-term share-based incentive programmes to senior executives and other employees*" above.

Terms for the other senior executives

For the other senior executives, a notice period of six to nine months applies in case of termination of employment by the Company or by the respective senior executive. The other senior executives' employment terms also include non-competition clauses which, if enforced by the Company, entitle the senior executives to additional compensation during the applicable non-compete period.

The other senior executives are entitled to participate in long-term incentive programmes introduced by the Company. For more information regarding the incentive programmes that are intended to be implemented in connection with the Offering, see "*—Long-term share-based incentive programmes to senior executives and other employees*" above.

Guidelines for remuneration to the senior executives

Pursuant to the Swedish Companies Act, the general meeting of the Company shall adopt guidelines for remuneration to the senior executives. An extraordinary general meeting held on 6 September 2021 resolved to adopt the below guidelines senior executives.

Introduction

The following guidelines encompass the Company's CEO and the other members of the Company's executive management[1]. After the guidelines have been adopted by the general meeting, the guidelines shall be applied to remunerations agreed upon as well as to amendments of remunerations already agreed upon. The guidelines do not apply to any remuneration resolved upon by the general meeting.

The guidelines' promoting of the company's business strategy, long-term interests and sustainability

Storskogen strives towards being the best owner for small and medium-sized enterprises. Focus lies on long-term ownership, good profitability, stable cash flows and supporting the companies in maintaining and developing a strong position within their niches.

A prerequisite for a successful implementation of the company's strategy is that the company is able to recruit and retain qualified senior executives, which is enabled by these guidelines.

1 Executive management refers to, in addition to the Company's CEO, Heads of Business Areas, CFO and Head of M&A and Head of DACH.

Remunerations that are subject to these guidelines shall aim to promote the company's business strategy, sustainability and long-term interests.

Remuneration components as well as other terms and conditions

The total remuneration shall be in line with market conditions and may consist of the following components: fixed cash remuneration, short-term variable cash remuneration, long-term variable cash remuneration and other benefits as well as pension benefits. In addition to what is determined in the guidelines, the general meeting may resolve on, *inter alia*, share or share price related remunerations.

The performance criteria measurement period for payment of variable cash remuneration shall be measurable during a period of one or several years. The total variable cash remuneration may not amount to more than 50 per cent of the fixed cash remuneration during the measurement period of the objectives for variable cash remuneration.

The executive management's pension benefits shall be in line with market conditions in relation to the common practice for comparable executives on the market on which the respective senior executive operates and should be based on defined contribution pension plans or be in line with general pension plans (in Sweden, the ITP plan). Subject to applicable law or mandatory collective agreement provisions, pension benefits may not amount to more than 30 per cent of the fixed cash remuneration and variable cash remuneration shall not be pensionable.

Other benefits may consist of, *inter alia*, company health care and company car benefits. Premiums and other expenses relating to these benefits may not exceed ten per cent of the fixed cash remuneration.

Termination of employment

The notice period for a member of the executive management shall be not more than twelve months. Fixed cash remuneration and potential severance pay, including compensation for any competition restrictions, combined during the notice period may not exceed an amount corresponding to the fixed cash remuneration for two years for a member of the executive management.

Objectives for awarding variable cash remuneration

The variable component shall award the fulfilment of clear objectives and key figures that promotes the Company's business strategy and long-term interests, including the sustainability agenda.

When the performance criteria measurement period for payment of variable cash remuneration has ended, an evaluation of the outcome shall be made. The remuneration committee is responsible for such evaluation of the CEO's outcome, while the CEO is responsible for the evaluation of the other senior executives' outcomes.

Any possibility to reclaim variable cash remuneration is determined by the terms and conditions of the at each time applicable programme.

Salary and terms of employment for employees

In connection with the preparation of the board of directors' proposal on these remuneration guidelines, salaries and employment terms for the company's employees have been considered by way of assessing information on the total remuneration to employees, the remuneration's components as well as the remuneration's growth and growth rate over time. The information has formed a part of the board of directors' basis for decision-making when evaluating the reasonableness of the guidelines and the limitations set out in the guidelines.

The decision-making process to determine, review and implement the guidelines

The remuneration committee of the board of directors shall prepare the board of directors' resolution to propose guidelines for remunerations to senior executives. The board of directors shall prepare a proposal for new guidelines at least every four years and submit the proposal to the annual general meeting. The guidelines shall apply until new guidelines are adopted by the general meeting.

The remuneration committee shall also monitor and evaluate programmes for variable remunerations to the company's executive management and the application of the guidelines in relation to current remuneration levels and structures. Members of the executive management do not participate in the board of directors' preparations of and decisions regarding remuneration-related matters if they are affected by such matters.

Deviations from the guidelines

The board of directors may temporarily resolve to deviate from the guidelines, in whole or in part, if there in an individual case are special reasons for a deviation and it is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the remuneration committee's assignments include preparing the board of directors' resolutions in remuneration-related matters, which includes any resolution to deviate from the guidelines.

INVESTMENT COMMITTEE

Storskogen's investment committee consists of the Head of M&A and Corporate Development, CEO and head of the relevant business area (Trade, Industry and Services, respectively). The Investment Committee has a delegation of authority from Storskogen's board of directors to evaluate and decide on acquisitions of new subsidiaries or supplementary acquisitions, and delegates authority for minor acquisitions. This entails that the board of directors approve on acquisitions (acquisitions above SEK 600 million of enterprise value), while other investments are approved by a investment committee consisting of persons of Storskogen's relevant seniority level. The Investment Committee meets when necessary and continuously reports on completed acquisitions to the board of directors.

INTERNAL CONTROL

General

Storskogen has established a framework for internal control that aims to achieve an efficient organisation that achieves the goals set by the board of directors. This framework includes measures to ensure that Storskogen's operations are conducted correctly and efficiently, that laws and regulations are complied with and that the financial reporting is correct, reliable and in accordance with applicable laws and regulations. Within the Group, the structure for internal control shall be based on the so-called COSO framework (Committee of Sponsoring Organizations of the Treadway Commission). Based on COSO, Storskogen applies the following building blocks to achieve good internal control.

Control environment

The internal control is based on divisions of responsibilities and work tasks through, for example, the board of director's rules of procedure, instructions for the board of director's committees, the CEO and the financial reporting as well as the code of conduct and policies of the Group. Compliance with these is monitored and evaluated continuously by the person responsible. The overall control environment also includes that a group-wide risk assessment shall be performed where risks are identified, evaluated and managed.

Risk assessment

Storskogen's risk assessment aims to identify and evaluate risks of material errors in the Group's financial reporting and other group-wide risks. The risk assessment is, *inter alia*, carried out as a basis for the work of ensuring that the financial reporting is reliable and how the risks in the reporting are to be managed through various control structures.

Control activities

Each identified risk at group level and regarding the Group's financial reporting shall be linked to controls until the risk is considered to be eliminated or reduced to an acceptable level. Measures taken, documented process maps and risk/control matrices are examples of how control activities are managed within the Group.

Storskogen has also introduced routines for mapping and implementing important internal controls in connection with acquisitions.

Information and insider policy

Relevant information must be communicated properly, to the right recipient and at the right time. Communicating important information, both upwards and downwards in an organisation and to external parties, is an important part of good internal control. Management meetings shall be used as a forum for communication and information dissemination linked to risk management in the Group. It is also the Group's management's responsibility to ensure that the process managers linked to the financial reporting possess sufficient knowledge of the significant risks and related control activities in the specific process.

Governance and follow-up

The management shall evaluate that the group-wide risk assessment and management as well as the specific control activities performed in each significant process linked to the financial reporting are still relevant for managing the significant risks Storskogen faces. Control activities must be documented so that there is traceability of the performance.

Follow-up to ensure the effectiveness of internal control is performed by the board of directors, the audit committee, the CEO, the management, the accounting department and by the Company's subsidiaries.

The system for group-wide risk management and financial reporting shall be followed up continuously and aims to ensure that the system is maintained, that changes take place when necessary and that evaluation of changes in working methods takes place. The audit committee shall also review internal control and report to the board of directors at least once a year.

INFORMATION AND COMMUNICATION

The board of directors of Storskogen has adopted an information and insider policy governing Storskogen's management and communication of inside information and other information. The policy is intended to ensure a high quality of both internal and external information as well as compliance with laws, regulations and agreements. In addition, Storskogen has established procedures for the handling of information and restriction of the dissemination of information, *inter alia*, by establishing an insider committee that is responsible for the Company's handling of inside information and other matters related to insider information. The insider committee consist of the CEO, the CFO, the Head of IR and the General Counsel.

Storskogen's communication shall be proactive, correct, open and holistic. The communication shall also be accurate, relevant and comprehensive in accordance with Nasdaq's Nordic Main Market Rulebook for Issuers of Shares.

EXTERNAL AUDIT

The auditor shall review Storskogen's annual report and accounting, as well as the management of the board of directors and the CEO. Since the Company is the parent company of the Group, the auditor shall also review the consolidated accounts and the Group Companies' relations to each other. The audit of Storskogen's financial reports and accounts as well as the management by the board of directors and the CEO is conducted in accordance with generally accepted auditing standards (Sw. *god redovisningssed*) in Sweden. Following each financial year, the auditor shall submit an auditor report and a consolidated auditor report to the annual general meeting.

Storskogen's auditor is EY. Åsa Lundvall is the auditor in charge. For more information about the auditor, see "*Board of directors, senior executives and auditor—Independent auditor*".

For the financial year ended 31 December 2020, the total remuneration to EY was SEK 20 million, of which SEK 10 million related to the Company. Of the total remuneration, SEK 12 million related to audit services.

Share capital and ownership structure

SHARE INFORMATION

In accordance with the Company's articles of association, the share capital shall amount to not less than SEK 500,000 and not more than SEK 2,000,000 divided among not less than 1,000,000,000 shares and not more than 4,000,000,000 shares. As of 31 December 2020, the Company's registered share capital amounted to SEK 659,964.32 divided among 26,200,000 A-shares and 105,792,864 B-shares, each with a quotient value of SEK 0.005. As of the date of this Offering Memorandum, the Company's registered share capital amounts to SEK 758,024.795 divided among 298,004,760 A-shares and 1,218,044,830 B-shares, each with a quotient value of SEK 0.0005. All shares are paid for in full. The shares have been issued in accordance with Swedish law and are denominated in SEK.

CHANGES IN THE CAPITAL STRUCTURE IN CONNECTION WITH THE OFFERING

The Group in its current form was established through the combination of the shareholdings in the three independent investment entities Storskogen Industrier AB, Storskogen Utveckling AB and Storskogen 3 Invest AB (the "**Investment Entities**") in the Company in 2019. Storskogen Industrier AB was founded in 2012 by Ronnie Bergström, Alexander Murad Bjärgård and Daniel Kaplan. Subsequently, Ronnie Bergström, Alexander Murad Bjärgård, Daniel Kaplan and Peter Ahlgren (the "**Founders**") founded Storskogen Utveckling AB and Storskogen 3 Invest AB in 2014 and 2016, respectively. In connection with the founding of the Investment Entities, the Founders received super-voting A-shares in the respective Investment Entity while B-shares mainly were issued to external investors of the Investment Entities.

Prior to the combination of the Investment Entities, a relative valuation was made in respect of the three Investment Entities and the combination was carried out by all shareholders in the Investment Entities jointly acquiring the Company (formed in connection with this acquisition) and contributed their shares in the Investment Entities to the Company as unconditional shareholder contributions. The shareholders then received A-shares and B-shares, respectively, in the Company corresponding to the value of their A-shares and B-shares, respectively, in the different Investment Entities. Following the combination of the shareholdings, the Founders remained the sole owners of A-shares.

In connection with the combination, a shareholders' agreement was entered into by and among all of the Company's shareholders. In this agreement, the shareholders agreed, *inter alia*, that in the event of a future initial public offering of the Company, such number of A-shares shall be redeemed by the Company so that the Founders' remaining holdings of A-shares (following the redemption) correspond to the A-shares' value portion of the total value of all shares in the Company immediately prior to such an initial public offering (calculated as if the Company had been liquidated and the funds had been distributed in accordance with the principles set out in the Company's articles of association).

Prior to the Offering, the Founders have owned 20 per cent of the total number of shares in the Company and have been entitled to 20 per cent of the value generated by the Company. In accordance with the existing shareholders' agreement (which will expire in connection with the completion of the Offering, see further "—*Shareholders' agreements*" below), the Founders will surrender 51,335,798 A-shares through a redemption without consideration in order for the remaining A-shares to have a value which is equal to 20 per cent of the excess value (as outlined in the shareholders' agreement). The excess value is calculated as the implied equity value of the Company immediately prior to the Offering reduced by the capital invested by the holders of B-shares, SEK 8.9 billion, together with a certain preference amount (corresponding to SEK 0.3 billion at the time of the Offering). Accordingly, the number of A-shares that the Founders will surrender, and the value of the remaining A-shares, are ultimately a function of the Offering Price.

In light of the above, 51,335,798 A-shares will be redeemed by the Company without consideration (the "**A-share Redemption**") in connection with the Offering. In addition, 98,667,588 A-shares will be converted to a corresponding number of B-shares in accordance with the share conversion clause included in the Company's articles of association (the "**A-share Conversion**").

In connection with the A-share Redemption and the A-share Conversion, the articles of association in "*Articles of association*" will be registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) (the "**SCRO**") and replace the previous articles of association, after which the A-shares and the B-shares, respectively, will carry equal economic rights and, consequently, entitle the shareholders to equal rights to dividends and the Company's assets in the event of a dissolution of the Company (for more information on the rights that are attached to the A-shares and the B-shares, see "—*Certain rights attached to the shares*" below).

Following the A-share Redemption, the A-share Conversion and the Offering, the Company's share capital will amount to not more than SEK 836,381.594, divided among not more than 148,001,374 A-shares and not more than 1,524,761,814 B-shares (assuming that the Offering is fully subscribed and that the Overallotment Option is exercised in full) with a quotient value of SEK 0.0005 per share.

DILUTION AND NET ASSET VALUE

Following completion of the Offering, the Company's share capital will increase with a maximum of SEK 77,922.0775 as well as a maximum of 155,844,155 B-shares and votes (a maximum of SEK 104,024.6980 as well as a maximum of 208,049,396 B-shares and votes if the Overallotment Option is exercised in full). If the current shareholders of the Company do not participate in the Offering, their shareholding will be diluted by 9.6 per cent and their voting power will be diluted by a maximum of 5.3 per cent after the Offering (a maximum of 12.4 per cent of the shareholding and a maximum of 6.9 per cent of the voting power, respectively, if the Overallotment Option is exercised in full).

As of 30 June 2021, but accounting for the share split which was conducted in September 2021, the Company's net asset value per share amounted to approximately SEK 5.79 (based on a shareholders' equity of SEK 8,771 million and 1,516,049,590 shares). The price per B-share in the Offering is SEK 38.50.

CERTAIN RIGHTS ATTACHED TO THE SHARES

Voting rights at general meetings of shareholders

The A-shares entitle the holder to ten votes at general meetings and the B-shares entitle the holders to one vote at general meetings. Shareholders are entitled to vote for the full number of shares that they hold. Shares in the Company held by the Company itself may not be represented at general meetings.

Preferential rights to new shares

In the event of an increase of the Company's share capital through a cash issue or a set-off issue, where new A-shares and B-shares are issued, each series of shares shall have preferential rights to new shares of the same series and in relation to the previous holding (primary preferential rights). The other series of shares shall have a secondary right to subscribe for the part of the issue that is not subscribed for by shareholders who have preferential rights (subsidiary preferential rights). In the event of over-subscription, the distribution shall take place in relation to previous shareholdings and thereafter, if necessary, by drawing lots.

In the event of a bonus issue, new shares of the respective series of shares shall be issued in relation to the existing number of shares of each series. Thereby, the old shares shall give preferential rights to new shares of the same series in relation to their respective share of the share capital.

If the Company decides to issue shares of only one series of shares through a cash issue or set-off issue, all shareholders, regardless of series of shares, shall have preferential rights to subscribe for new shares in relation to the number of shares previously owned.

If the Company decides to issue warrants or convertibles through a cash issue or set-off issue, the shareholders have preferential rights to subscribe for warrants as if the issue concerned the shares that may be subscribed for by exercise of the warrants and the preferential rights to subscribe for convertibles as if the issue concerned the shares that the convertibles may be converted to, respectively.

The above shall not entail any limitation in the possibility to resolve upon a cash issue or set-off issue with deviation from the shareholders' preferential rights.

Right to dividends and surplus in the event of liquidation

After the Offering and the registration of the new articles of association, all shares in the Company will carry equal rights to dividends as well as to the assets and any surplus in the event of a dissolution of the Company, see "*Dividends and dividend policy*" and "*Articles of association*".

Transferability of the shares

After the Offering and the registration of the new articles of association, the B-shares will be freely transferable. The new articles of association do not contain any provisions restricting the transferability of the B-shares.

CENTRAL SECURITIES DEPOSITARY REGISTER

The Company's shares are registered in a central securities depositary ("CSD") register in accordance with the Swedish Central Securities Depositaries and Financial Instruments Accounts Act (Sw. *lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*). The CSD register is operated by Euroclear Sweden (Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden). The ISIN code for the B-shares is SE0016797732.

SHARE CAPITAL DEVELOPMENT

The table below summarises the historic development of the Company's share capital since the Company was incorporated in 2019 (up to and including the date of this Offering Memorandum) as well as the changes in the number of shares and the share capital that the Company intends to carry out in connection with the Offering.

Year	Event	Change in number of shares	Total number of shares	Change in share capital (SEK)	Share capital (SEK)	Quotient value (SEK)
2019	Incorporation	–	20,000,000 A-shares 80,000,000 B-shares	–	500,000.000	0.005
2020	Share issue[1)]	5,000,000 A-shares	25,000,000 A-shares 80,000,000 B-shares	25,000.000	525,000.000	0.005
2020	Share issue[2)]	20,249,067 B-shares	25,000,000 A-shares 100 249 067 B-shares	101,245.335	626,245.335	0.005
2020	Share issue[3)]	3,187,056 B-shares	25,000,000 A-shares 103,436,123 B-shares	15,935.280	642,180.615	0.005
2020	Share issue[4)]	1,200,000 A-shares	26,200,000 A-shares 103,436,123 B-shares	6,000.000	648,180.615	0.005
2020	Share issue[5)]	591,386 B-shares	26,200,000 A-shares 104,027,509 B-shares	2,956.930	651,137.545	0.005
2020	Share issue[6)]	318,000 B-shares	26,200,000 A-shares 104,345,509 B-shares	1,590.000	652,727.545	0.005
2020	Share issue[7)]	100,670 B-shares	26,200,000 A-shares 104,446,179 B-shares	503.350	653,230.895	0.005
2020	Share issue[8)]	1,346,685 B-shares	26,200,000 A-shares 105,792,864 B-shares	6,733.425	659,964.320	0.005
2021	Share issue[9)]	600,000 B-shares	26,200,000 A-shares 106,392,864 B-shares	3,000.000	662,964.320	0.005
2021	Share issue[10)]	809,040 B-shares	26,200,000 A-shares 107,201,904 B-shares	4,045.200	667,009.520	0.005
2021	Share issue[11)]	202,400 B-shares	26,200,000 A-shares 107,404,304 B-shares	1,012.000	668,021.520	0.005
2021	Share issue[12)]	7,448,430 B-shares	26,200,000 A-shares 114,852,734 B-shares	37,242.150	705,263.670	0.005
2021	Share issue[13)]	400,000 B-shares	26,200,000 A-shares 115,252,734 B-shares	2,000.000	707,263.670	0.005
2021	Share issue[14)]	740,800 B-shares	26,200,000 A-shares 115,993,534 B-shares	3,704.000	710,967.670	0.005
2021	Share issue[15)]	323,400 B-shares	26,200,000 A-shares 116,316,934 B-shares	1,617.000	712,584.670	0.005
2021	Share issue[16)]	400,000 B-shares	26,200,000 A-shares 116,716,934 B-shares	2,000,000	714,584.670	0.005
2021	Share issue[17)]	165,800 B-shares	26,200,000 A-shares 116,882,734 B-shares	829,000	715,413.670	0.005
2021	Share issue[18)]	3,044,919 B-shares	26,200,000 A-shares 119,927,653 B-shares	15,224.595	730,638.265	0.005
2021	Share issue[19)]	3,600,476 A-shares	29,800,476 A-shares 119,927,653 B-shares	18,002.380	748,640.645	0.005
2021	Share issue[20)]	639,130 B-shares	29,800,476 A-shares 120,566,783 B-shares	3,195.650	751,836.295	0.005
2021	Share issue[21)]	920,000 B-shares	29,800,476 A-shares 121,486,783 B-shares	4,600.000	756,436.295	0.005
2021	Share issue[22)]	17,700 B-shares	29,800,476 A-shares 121,504,483 B-shares	88.500	756,524.795	0.005
2021	Share issue[23)]	300,000 B-shares	29,800,476 A-shares 121,804,483 B-shares	1,500.000	758,024.795	0.005
2021	Split (10:1)	268,204,284 A-shares 1,096,240,347 B-shares	298,004,760 A-shares 1,218,044,830 B-shares	–	758,024.795	0.0005

The table continues on the next page

Year	Event	Change in number of shares	Total number of shares	Change in share capital (SEK)	Share capital (SEK)	Quotient value (SEK)
2021	*Redemption of A-shares[24)]*	*(51,335,798) A-shares*	*246,668,962 A-shares* *1,218,044,830 B-shares*	*(25,667.899)*	*732,356.896*	*0.0005*
2021	*Conversion of A-shares[25)]*	*(98,667,588) A-shares* *98,667,588 B-shares*	*148,001,374 A-shares* *1,316,712,418 B-shares*	*–*	*732,356.896*	*0.0005*
2021	*Share issue (the Offering)[26)]*	*155,844,155 B-shares*	*148,001,374 A-shares* *1,472,556,573 B-shares*	*77,922.078*	*810,278.974*	*0.0005*
2021	*Share issue (the Overallotment Option)[26)]*	*52,205,241 B-shares*	*148,001,374 A-shares* *1,524,761,814 B-shares*	*26,102.6205*	*836,381.5945*	*0.0005*

1) Cash issue of 5,000,000 A-shares. The subscription price was SEK 0.005 per A-share.
2) Cash issue of 20,249,067 B-shares. The subscription price was SEK 75 per B-share.
3) Cash issue of 3,187,056 B-shares. The subscription price was SEK 75 per B-share.
4) Cash issue of 1,200,000 A-shares. The subscription price was SEK 0.005 per A-share.
5) Cash issue of 591,386 B-shares. The subscription price was SEK 75 per B-share.
6) Cash issue of 318,000 B-shares. The subscription price was SEK 75 per B-share.
7) Cash issue of 100,670 B-shares. The subscription price was SEK 75 per B-share.
8) Cash issue of 1,346,685 B-shares. The subscription price was SEK 125 per B-share.
9) Cash issue of 600,000 B-shares. The subscription price was SEK 125 per B-share.
10) Cash issue of 809,040 B-shares. The subscription price was SEK 125 per B-share.
11) Cash issue of 202,400 B-shares. The subscription price was SEK 250 per B-share.
12) Cash issue of 7,448,430 B-shares. The subscription price was SEK 250 per B-share.
13) Issue in-kind of 400,000 B-shares. The subscription price was SEK 250 per B-share.
14) Cash issue of 740,800 B-shares. The subscription price was SEK 250 per B-share.
15) Cash issue of 323,400 B-shares. The subscription price was SEK 250 per B-share.
16) Cash issue of 400,000 B-shares. The subscription price was SEK 250 per B-share.
17) Cash issue of 165,800 B-shares. The subscription price was SEK 250 per B-share.
18) Cash issue of 3,044,919 B-shares. The subscription price was SEK 250 per B-share.
19) Cash issue of 3,600,476 A-shares. The subscription price was SEK 0.005 per A-share.
20) Cash issue of 639,130 B-shares. The subscription price was SEK 250 per B-share.
21) Cash issue of 920,000 B-shares. The subscription price was SEK 250 per B-share.
22) Cash issue of 17,700 B-shares. The subscription price was SEK 250 per B-share.
23) Cash issue of 300,000 B-shares. The subscription price was SEK 250 per B-share.
24) Redemption of 51,335,798 A-shares in connection with the Offering (see "—*Changes in the capital structure in connection with the Offering*" above).
25) Conversion of 98,667,588 A-shares to 98,667,588 B-shares in connection with the Offering (see "—*Changes in the capital structure in connection with the Offering*" above).
26) Cash issue of up to 155,844,155 B-shares in connection with the Offering if the Overallotment Option is not exercised and up to 208,049,396 B-shares if the Overallotment Option is exercised in full (see "—*Changes in the capital structure in connection with the Offering*" above). Because of technical reasons pertaining to the issues and in order to facilitate delivery of B-shares to investors in connection with the Offering, the share issues will, with deviation from the shareholders' preferential rights, be subscribed for by Carnegie at a subscription price corresponding to the quotient value of the B-shares of SEK 0.0005. Following payment by, and delivery of B-shares to, investors that have been allotted B-shares in the Offering, Carnegie will be obliged to, as an additional consideration for the issues, pay the Company an amount per B-share corresponding to the difference between the subscription price of SEK 0.0005 and the Offering Price. The new B-shares will, subject to the completion of the Offering, be registered with the SCRO on or around 6 October 2021. If the Overallotment Option is not exercised, B-shares issued for the overallotment will be transferred from Carnegie back to the Company without consideration.

AUTHORISATION FOR THE BOARD OF DIRECTORS TO DECIDE ON ISSUES OF B-SHARES, CONVERTIBLES AND WARRANTS

An extraordinary general meeting held on 6 September 2021 resolved to authorise the board of directors to resolve upon issuances of the B-shares offered by the Company in connection with the Offering.

An extraordinary general meeting held on 24 September 2021 authorised the board of directors to, at one or several occasions during the period up until the next annual general meeting, resolve upon the issuance of B-shares, convertibles that can be converted to B-shares and/or warrants that can be exercised for subscription of B-shares. Subscribed shares, convertibles or warrants shall be paid for in cash, by set-off or in-kind. The total number of B-shares, convertibles and/or warrants that are issued under the authorisation and/or warrants that are issued under the authorisation shall not exceed 20 per cent of the total number of B-shares in the Company at the time the board of directors exercises the authorisation for the first time. If the board of directors resolves on the issuance of shares, convertibles and/or warrants with deviation from the shareholders' preferential rights, the reason for the deviation shall be to use shares as payment for, or financing of, acquisitions of companies and businesses as well as for the Company's operations.

WARRANTS AND CONVERTIBLES

There are no outstanding warrants or convertibles as of the date of this Offering Memorandum. However, new warrants are expected to be issued in connection with the Offering, see "*Corporate governance—The CEO and other senior executives—Long-term share-based incentive programmes to senior executives and other employees*".

SHARE-RELATED INCENTIVE PROGRAMMES

In connection with the admission to trading of the Company's B-shares on Nasdaq Stockholm, Storskogen will implement two share-related incentive programmes for senior executives and certain other employees: a warrant programme and a share savings programme, see "*Corporate governance—The CEO and other senior executives—Long-term share-based incentive programmes to senior executives and other employees*".

OWNERSHIP STRUCTURE

The tables below set forth the Company's ownership structure immediately prior to the Offering as well as immediately after the completion of the Offering if the Overallotment Option is not exercised and immediately after the completion of the Offering if the Overallotment Option is exercised in full. The information in the tables below is based on the assumption that the Offering is fully subscribed.

Ownership structure immediately prior to the Offering

Except as stated in the table below, there are no persons or legal entities owning five per cent or more of all shares and/or votes in the Company immediately before the Offering.

Shareholder	Number of A-shares	Number of B-shares	Total number of shares	Percentage of share capital (%)	Percentage of votes (%)
Daniel Kaplan[1)]	77,057,960	7,335,590	84,393,550	5.6%	18.5%
Ronnie Bergström[2)]	77,058,190	–	77,058,190	5.1%	18.4%
Alexander Murad Bjärgård	75,585,930	1,665,950	77,251,880	5.1%	18.0%
Peter Ahlgren[3)]	68,302,680	–	68,302,680	4.5%	16.3%
AMF	–	90,000,000	90,000,000	5.9%	2.1%
Other shareholders[4)]	–	1,119,043,290	1,119,043,290	73.8%	26.7%
Total	**298,004,760**	**1,218,044,830**	**1,516,049,590**	**100.0%**	**100.0%**

1) Including shares held by Firm Factory AB.
2) Including shares held by Ängsmon AB.
3) Including shares held by Ribbylund Management AB.
4) Shareholders in the Company other than the Selling Shareholders, who will sell B-shares in connection with the Offering, will sell such B-shares to Storskogen SellCo. Storskogen SellCo will in turn immediately sell such B-shares in the Offering. Storskogen SellCo will consequently immediately before the Offering own 151,726,136 B-shares (all of which will be sold by Storskogen SellCo in the Offering). *Inter alia* the chair of the board of directors Elisabeth Thand Ringqvist (through a company) will sell up to 24,300 B-shares through Storskogen SellCo. The owners of Storskogen SellCo are Daniel Kaplan, Ronnie Bergström, Alexander Murad Bjärgård and Peter Ahlgren, however, none of them will sell any B-shares through Storskogen SellCo.

Ownership structure immediately after the completion of the Offering* (if the Overallotment Option is not exercised)

Shareholder	Number of A-shares	Number of B-shares	Total number of shares	Percentage of share capital (%)	Percentage of votes (%)
Daniel Kaplan[1)]	38,270,140	36,745,122	75,015,262	4.6%	14.2%
Ronnie Bergström[2)]	38,270,254	18,513,504	56,783,758	3.5%	13.6%
Alexander Murad Bjärgård	37,539,070	26,691,998	64,231,068	4.0%	13.6%
Peter Ahlgren[3)]	33,921,910	15,614,607	49,536,517	3.1%	12.0%
AMF[4)]	–	128,961,038	128,961,038	8.0%	4.4%
Other current shareholders	–	940,852,500	940,852,500	58.1%	31.9%
Other investors in the Offering	–	305,177,804	305,177,804	18.8%	10.3%
Totalt	**148,001,374**	**1,472,556,573**	**1,620,557,947**	**100.0%**	**100.0%**

* Taking into account the number of shares and votes in the Company following the completion of the redemption and conversion of A-shares in connection with the Offering. For more information, see section "*—Changes in the capital structure in connection with the Offering*" above.

1) Including shares held by Firm Factory AB and 3,896,103 B-shares that Daniel Kaplan will acquire in connection with the Offering.
2) Including shares held by Ängsmon AB.
3) Including shares held by Ribbylund Management AB.
4) Including 38,961,038 B-shares that AMF has committed to acquire in connection with the Offering.

Ownership structure immediately after the completion of the Offering*
(if the Overallotment Option is exercised in full)

Shareholder	Number of A-shares	Number of B-shares	Total number of shares	Percentage of share capital (%)	Percentage of votes (%)
Daniel Kaplan[1)]	38,270,140	36,745,122	75,015,262	4.5%	14.0%
Ronnie Bergström[2)]	38,270,254	18,513,504	56,783,758	3.4%	13.4%
Alexander Murad Bjärgård	37,539,070	26,691,998	64,231,068	3.8%	13.4%
Peter Ahlgren[3)]	33,921,910	15,614,607	49,536,517	3.0%	11.8%
AMF[4)]	–	128,961,038	128,961,038	7.7%	4.3%
Other current shareholders	–	940,852,500	940,852,500	56.2%	31.3%
Other investors in the Offering	–	357,383,045	357,383,045	21.4%	11.9%
Total	**148,001,374**	**1,524,761,814**	**1,672,763,188**	**100.0%**	**100.0%**

Taking into account the number of shares and votes in the Company following the completion of the redemption and conversion of A-shares in connection with the Offering. For more information, see section "—Changes in the capital structure in connection with the Offering*" above.

1) Including shares held by Firm Factory AB and 3,896,103 B-shares that Daniel Kaplan will acquire in connection with the Offering.
2) Including shares held by Ängsmon AB.
3) Including shares held by Ribbylund Management AB.
4) Including 38,961,038 B-shares that AMF has committed to acquire in connection with the Offering.

SELLING SHAREHOLDERS

The Company offers 155,844,155 newly issued B-shares in connection with the Offering (up to 208,049,396 B-shares if the Overallotment Option is exercised in full), corresponding to approximately 44.8 per cent of the total number of B-shares in the Offering if the Overallotment Option is not exercised and approximately 52.0 per cent of the total number of B-shares in the Offering if the Overallotment Option is exercised in full (see "*Invitation to acquire B-shares in Storskogen*", "*Terms and conditions—Overallotment option*" and "*—Changes in the capital structure in connection with the Offering*").

The table below presents the Selling Shareholders who will sell existing B-shares in connection with the Offering and the number of existing B-shares that is offered for sale.

Selling Shareholder	Number of B-shares offered for sale	Percentage (%) of the total number of B-shares in the Offering if the Overallotment Option is not exercised	Percentage (%) of the total number of B-shares in the Offering if the Overallotment Option is exercised in full
Länsförsäkringar Skaraborg[1)]	6,725,091	1.9%	1.7%
Länsförsäkringar Värmland[2)]	2,164,401	0.6%	0.5%
Peter Ahlgren[3)]	5,717,325	1.6%	1.4%
Philian Invest[4)]	9,027,540	2.6%	2.3%
Ribbylund Management[5)]	1,282,675	0.4%	0.3%
Scalata Invest[6)]	8,547,622	2.5%	2.1%
Storskogen SellCo[7)]	151,726,136	43.6%	37.9%
Ängsmon[8)]	7,000,000	2.0%	1.7%
Total	**192,190,790**	**55.2%**	**48.0%**

1) Länsförsäkringar Skaraborg, 566000-6866, P.O. Box 600, SE-541 29 Skövde, Sweden. Länsförsäkringar Skaraborg is a Swedish mutual non-life insurance company founded in Sweden under Swedish law. The board of directors has its registered office in Skövde, Sweden. The company's operations are governed by the Swedish Insurance Business Act and its LEI code is 549300TEQL67BBX6IC37.
2) Länsförsäkringar Värmland, 573201-8329, P.O. Box 367, SE-651 09 Karlstad, Sweden. Länsförsäkringar Värmland is a Swedish mutual non-life insurance company founded in Sweden under Swedish law. The board of directors has its registered office in Karlstad, Sweden. The company's operations are governed by the Swedish Swedish Insurance Business Act and its LEI code is 549300EDSMKC21M1KZ02.
3) Peter Ahlgren, Hovslagargatan 3, SE-111 48 Stockholm, Sweden.
4) Philian Invest AB, 556925-0425, c/o Ramsbury Property, P.O. Box 1421, SE-111 84 Stockholm, Sweden. Philian Invest is a Swedish limited liability company founded in Sweden under Swedish law. The board of directors has its registered office in Stockholm, Sweden. The company's operations are governed by the Swedish Companies Act and its LEI code is 549300J9APCPON08WR62.
5) Ribbylund Management AB, 556817-1481, Hovslagargatan 3, SE-111 48 Stockholm, Sweden. Ribbylund Management is a Swedish limited liability company founded in Sweden under Swedish law. The board of directors has its registered office in Stockholm, Sweden. The company's operations are governed by the Swedish Companies Act and its LEI code is 894500DFXBZ7M43NG391. Ribbylund Management AB is owned by Peter Ahlgren.
6) Scalata Invest AB, 559018-9550, Hovslagargatan 3, SE-111 48 Stockholm, Sweden. Scalata Invest is a Swedish limited liability company founded in Sweden under Swedish law. The board of directors has its registered office in Stockholm, Sweden. The company's operations are governed by the Swedish Companies Act and its LEI code is 549300N8093K27555N11. Scalata Invest AB is owned by Christer Hansson.
7) Storskogen SellCo, 559324-0012, Hovslagargatan 3, SE-111 48 Stockholm, Sweden. Storskogen SellCo AB is a Swedish limited liability company founded in Sweden under Swedish law. The board of directors has its registered office in Stockholm, Sweden. The company's operations are governed by the Swedish Companies Act and its LEI code is 5493005PYM5MOE35UW88.
8) Ängsmon AB, 556624-8810, Vintervägen 24, SE-132 48 Saltsjö-Boo, Sweden. Ängsmon is a Swedish limited liability company founded in Sweden under Swedish law. The board of directors has its registered office in Stockholm, Sweden. The company's operations are governed by the Swedish Companies Act and its LEI code is 549300VBY58WBF72VX47. Ängsmon AB is owned by Ronnie Bergström.

LOCK UP

Shareholders, members of the board of directors and senior executives of the Company have undertaken to not sell their respective holdings for a certain period after the first day of trading in the Company's B-shares on Nasdaq Stockholm, see "*Legal considerations and supplementary information—Lock-up agreements*".

SHAREHOLDERS' AGREEMENTS

The existing shareholders' agreement between the shareholders will be terminated in connection with the Offering. The board of directors is not aware of any other shareholders' agreements or other agreements aimed at joint influence over the Company after the Offering or that may lead to a change of control over the Company.

INFORMATION REGARDING PUBLIC OFFERS, MANDATORY PUBLIC OFFERS AND COMPULSORY BUY-OUTS

After the admission to trading of the Company's B-shares on Nasdaq Stockholm, the Swedish Act on Public Takeovers on the Stock Market (Sw. *lagen (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*) (the "**Swedish Takeover Act**"), Nasdaq Stockholm's Takeover Rules and the Swedish Securities Council's rulings regarding interpretation and application of Nasdaq Stockholm's Takeover Rules and, where applicable, the Swedish Industry and Commerce Stock Exchange Committee's former rules on public offers, will be applicable on public offers regarding the shares in the Company.

In accordance with the Swedish Takeover Act, a party who holds no shares or holds shares representing less than three-tenths of the voting rights for all shares in the Company and who, through acquisition of shares in the Company, alone or together with another closely related party pursuant to the Swedish Takeover Act, achieves a shareholding representing at least three-tenths of the voting rights of all shares in the Company shall (i) immediately announce the size of his or her shareholding in the Company and (ii) within four weeks from the announcement, submit a public offer in respect of the remaining shares in the Company (a so-called mandatory public offer).

Pursuant to the Swedish Companies Act, a shareholder who holds more than nine-tenths of the shares in a Swedish limited liability company is entitled to buy-out the remaining shares of the other shareholders in that company. Any person whose shares may be bought out is entitled to compel the majority shareholder to purchase its shares.

The shares in the Company are not subject to any mandatory public offer nor any offers due to buy-out rights or sell-out obligations. No public offer has occurred in respect of the Company's shares during the current or last financial year.

Dividends and dividend policy

GENERAL

All holders of shares in the Company that are registered as shareholders in the share register maintained by Euroclear Sweden on the record date determined by the general meeting are entitled to receive dividends, including any future dividends declared in respect of the financial year ended 31 December 2021 and in respect of any subsequent period. Dividends are normally distributed to shareholders as a cash payment per share through Euroclear Sweden, but may also be paid on a manner other than cash (a so-called dividend in kind). If a shareholder cannot be reached through Euroclear Sweden, such shareholder still retains its claim on the Company to the dividend amount, subject to a statutory limitation of ten years. Upon the expiry of the limitation period, the dividend shall pass to the Company. Neither the Swedish Companies Act nor the Company's articles of association contain any restrictions as regards the right to dividends for shareholders domiciled outside Sweden. For information on potential dividend taxation, see "*Certain tax considerations in Sweden*" and "*Certain tax considerations in the United States*".

Storskogen's board of directors has adopted a dividend policy of dividends corresponding to 0–20 per cent of profit for the year.

Resolutions regarding dividends are passed by the general meeting. Dividends may only be distributed to the extent that there will be full coverage for the Company's restricted equity after the dividend distribution and only to the extent that such distribution is prudent, taking into consideration the demands with respect to the size of the equity which are imposed by the nature, scope and risks associated with the operations of the Company and the Group as well as the need to strengthen the statement of the financial position and liquidity of the Company and the Group. The general meeting may, as a general rule, not resolve upon dividends in an amount higher than what has been proposed or approved by the board of directors.

Pursuant to the Swedish Companies Act, minority shareholders that together represent at least ten per cent of all outstanding shares in the Company have the right to request payment of dividends (to all shareholders) from the Company's profits. Following such a request, the annual general meeting is required to resolve to distribute 50 per cent of the remaining profits for the relevant year as reported in the statement of financial position adopted at the annual general meeting, after deductions made for (i) losses carried forward that exceed unrestricted reserves (Sw. *fria fonder*), (ii) amounts which, by law or the articles of association, must be transferred to restricted equity, and (iii) amounts which, pursuant to the articles of association, are used for any purpose other than distribution to the shareholders. However, the general meeting is not obliged to declare dividends in excess of five per cent of the Company's shareholders' equity. Moreover, the dividends must comply with the rules set out in Chapter 17, Section 3 of the Swedish Companies Act.

The information regarding Storskogen's dividend policy constitutes forward-looking information. These forward-looking statements are based upon a number of estimates and assumptions relating to, *inter alia*, the development of Storskogen's industry, business, result of operations and financial position as well as are subject to risks and uncertainties. For more information, see "*Risk factors*" and "*Presentation of financial and other information—Forward-looking statements*".

DIVIDEND HISTORY

The Company's dividend history for the financial years 2020–2018 is set out in the table below. During this period, A-shares and B-shares had different rights to dividends from the Company. However, following the completion of the Offering and the admission to trading of the Company's B-shares on Nasdaq Stockholm, the A-shares and the B-shares will have equal rights to dividends.

(SEK million)	2020	2019	2018
Total dividend	**536**	**300**	**185**
Total dividend divided among A-shares	107[1)]	60[3)]	37[5)]
Total dividend divided among B-shares	429[2)]	240[4)]	148[6)]

1) The total dividend for A-shares corresponds to a dividend per A-share of SEK 4.09 at the time of the dividend. This corresponds to a dividend per A-share of SEK 0.36 adjusted for the number of A-shares in the Company as of the date of the Offering Memorandum.
2) The total dividend for B-shares corresponds to a dividend per B-share of SEK 4.00 at the time of the dividend. This corresponds to a dividend per B-share of SEK 0.35 adjusted for the number of B-shares in the Company as of the date of the Offering Memorandum.
3) The total dividend for A-shares corresponds to a dividend per A-share of SEK 3.02 at the time of the dividend. This corresponds to a dividend per A-share of SEK 0.2 adjusted for the number of A-shares in the Company as of the date of the Offering Memorandum.
4) The total dividend for B-shares corresponds to a dividend per B-share of SEK 3.00 at the time of the dividend. This corresponds to a dividend per B-share of SEK 0.2 adjusted for the number of B-shares in the Company as of the date of the Offering Memorandum.
5) The total dividend for A-shares corresponds to a dividend per A-share of SEK 17.66 at the time of the dividend. This corresponds to a dividend per A-share of SEK 0.12 adjusted for the number of A-shares in the Company as of the date of the Offering Memorandum.
6) The total dividend for B-shares corresponds to a dividend per B-share of SEK 19.74 at the time of the dividend. This corresponds to a dividend per B-share of SEK 0.12 adjusted for the number of B-shares in the Company as of the date of the Offering Memorandum.

Articles of association

The following articles of association were adopted at an extraordinary general meeting of the Company on 6 September 2021. The Company estimates that the articles of association will be registered with the SCRO on or around 6 October 2021.

Corporate registration number: 559223-8694

§ 1 BUSINESS NAME

The business name of the company is Storskogen Group AB (publ).

§ 2 REGISTERED OFFICE

The company shall have its registered office in Stockholm municipality.

§ 3 OBJECTS OF THE COMPANY

The company shall conduct business development and organisational consultation as well as own and manage real and movable property, such as shares, participation rights and other securities, as well as conduct other activities compatible therewith.

§ 4 SHARE CAPITAL

The share capital shall be not less than SEK 500,000 and not more than SEK 2,000,000.

§ 5 NUMBER OF SHARES

The number or shares shall be not less than 1,000,000,000 and not more than 4,000,000,000.

§ 6 THE SHARES

The company may issue shares of series A and shares of series B. Each series of shares may be issued to the total amount of the share capital.

§ 7 VOTES

Each share of series B shall entitle to one vote. Each share of series A shall entitle to ten votes.

§ 8 THE BOARD OF DIRECTORS

The board of directors of the company shall consist of not less than three and not more than ten directors, without deputy directors.

§ 9 AUDITORS

An auditor or a registered public accounting firm shall be appointed to review the company's annual report together with the accounts as well as the board of directors' and the CEO's management of the company.

§ 10 DIVIDENDS

Each share of series A and share of series B shall carry equal rights to the company's assets and profits.

§ 11 CONVERSION OF SHARES OF SERIES A TO SHARES OF SERIES B

Owners of shares of series A shall, upon written request to the company, be entitled have one or several shares of series A converted to the equal number of shares of series B. The conversion referred to above shall thereafter, without any delays, be reported for registration with the Swedish Companies Registration Office and is executed when registration has taken place and been entered in the CSD register.

§ 12 PREFERENTIAL RIGHTS IN CONJUNCTION WITH NEW ISSUES ETC.

In the event of an increase of the company's share capital through a cash issue or a set-off issue, where new shares of series A and series B are issued, each series of shares shall have preferential rights to new shares of the same series and in relation to the previous holding. The other series of shares shall have a secondary right to subscribe for the part of the issue that is not subscribed for by shareholders who have preferential rights. In the event of over-subscription, the distribution shall take place in relation to previous shareholdings and thereafter, if necessary, by drawing lots.

In the event of a bonus issue, new shares of the respective series of shares shall be issued in relation to the existing number of shares of each series. Thereby, the old shares shall give preferential rights to new shares of the same series in relation to their respective share of the share capital.

If the company decides to issue shares of only one series of shares through a cash issue or set-off issue, all shareholders, regardless of series of shares, shall have preferential rights to subscribe for new shares in relation to the number of shares previously owned.

If the company decides to issue warrants or convertibles through a cash issue or set-off issue, the shareholders have preferential rights to subscribe for warrants as if the issue concerned the shares that may be subscribed for by exercise of the warrants and the preferential rights to subscribe for convertibles as if the issue concerned the shares that the convertibles may be converted to, respectively.

The above shall not entail any limitation in the possibility to resolve upon a cash issue or set-off issue with deviation from the shareholders' preferential rights.

§ 13 NOTICE

Notices to attend general meetings shall be made by publication in the Swedish Official Gazette and by making the notice available on the company's website. The company shall advertise in Dagens Industri that notice has been made.

§ 14 RIGHT TO ATTEND THE GENERAL MEETING

In order to participate at a general meeting, shareholders must give notice of attendance to the company not later than the date specified in the notice convening the general meeting.

The board of directors may resolve that persons not being shareholders of the company shall be entitled to, on the conditions stipulated by the board of directors, attend or in any other manner follow the discussions at a general meeting.

The board of directors may collect powers of attorney in accordance with the procedure described in Chapter 7, Section 4 of the Swedish Companies Act.

The board of directors may, before a general meeting, decide that shareholders shall have the right to exercise their voting rights by post in accordance with Chapter 7, Section 4a of the Swedish Companies Act.

§ 15 MATTERS AT THE ANNUAL GENERAL MEETING

At the annual general meeting, the following matters shall be addressed:

(i) (i) election of a chairman of the general meeting;
(ii) preparation and approval of the voting list;
(iii) election of one or two persons to verify the minutes;
(iv) determination whether the general meeting has been duly convened;
(v) approval of the agenda;
(vi) submission of the annual report and the auditor's report and, where applicable, the consolidated financial statements and the auditor's report for the group;
(vii) resolutions on
   a. adoption of the income statement and the balance sheet and, where applicable, the consolidated income statement and the consolidated balance sheet;
   b. allocation of the company's profit or loss according to the adopted balance sheet; and
   c. discharge of liability for the members of the board of directors and the CEO;
(viii) determination of the number of members of the board of directors;
(ix) determination of the fees to be paid to the board of directors and the auditor; and
(x) election of the board of directors and the auditor.

§ 16 CSD CLAUSE

The company's shares shall be registered in a central securities depository register pursuant to the Swedish Financial Instruments Accounts Act (1998:1479).

§ 17 FINANCIAL YEAR

The company's financial year shall be the calendar year.

Legal considerations and supplementary information

INFORMATION ABOUT THIS OFFERING MEMORANDUM

A separate prospectus in Swedish (the "**Swedish Prospectus**") has on 27 September 2021 been approved and registered by the SFSA as the competent authority in accordance with Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and this Offering Memorandum is the English translation thereof. The SFSA only approves the Swedish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company or of the quality of the securities that are the subject of this Offering Memorandum. Investors should make their own assessment as to the suitability of investing in these securities.

The Swedish Prospectus is valid for up to twelve months after the date of the SFSA's approval of the Swedish Prospectus. The obligation to supplement the Swedish Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply once the Swedish Prospectus is no longer valid. The SFSA's visiting address is Brunnsgatan 3, 111 38 Stockholm, Sweden and its postal address is box 7821, SE-103 97 Stockholm, Sweden. The SFSA's telephone number is +46 (0)8-408 980 00 and its website is www.fi.se.

The Offering and the Offering Memorandum are governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any conflict or dispute arising out of or in connection with the Offering or the Offering Memorandum.

GENERAL CORPORATE INFORMATION

Storskogen Group AB (publ), reg. no. 559223-8694, is a Swedish public limited liability company (Sw. *publikt aktiebolag*) which was incorporated on 20 August 2019 and registered with the SCRO on 24 October 2019. The Company's LEI code is 549300DL3K4HLJ41KD24. The address to the Company's website is www.storskogen.com. The information on the website does not form part of the Offering Memorandum unless that information is explicitly incorporated by reference into the Offering Memorandum. The Company's address is Hovslagargatan 3, SE-111 48 Stockholm, Sweden. The Company's current legal and commercial name, Storskogen Group AB (publ), was registered with the SCRO on 29 November 2019. The Company has its registered office in Stockholm, Sweden. The Company's activities are carried out in accordance with the Swedish Companies Act and the Company's articles of association. The Company's principal activities are set out in §3 of the articles of association, see "*Articles of association*".

Group structure

The Company is the ultimate parent company of the Group. The table below presents the Company's significant subsidiaries, their corporate registration number and registered office as well as the percentage of the shares and votes in each subsidiary held directly or indirectly by the Company.

Company	Corporate registration number	Registered office	Shares and votes (%)
Storskogen Group AB (publ)	**559223-8694**	**Stockholm**	**Parent company**
Storskogen Group International AB	***559248-2144***	***Stockholm***	***100.0***
Storskogen Schweiz AG	CHE-348.450.254	Zürich	100.0
PerfectHair AG	CH-020.3.032.319-8	Wallisellen ZH	75.0
Artum AG	CHE-252.503.539	Zürich	100.0
Novus Partners AG	CHE-114.494.471	Zürich	100.0
Storskogen UK ltd	13142215	London	100.0
SGS Tools Group Ltd	12071237	Derby	80.0
Storskogen Danmark ApS	42150290	Herlev	100.0
Danmatic Automated Bakery Systems A/S	12509707	Viborg	75.0
Storskogen Deutschland GmbH	HRB 167355	Hamburg	100.0
Roleff GmbH & Co. KG	HRA 212148	Altbach	95.1
Stahlbau Verwaltungs GmbH	HRB 213936	Altbach	100.0
Storskogen Norge AS	927075113	Sarpsborg	100.0

The table continues on the next page

Company	Corporate registration number	Registered office	Shares and votes (%)
Storskogen Industrier AB	***556803-3012***	***Stockholm***	***100.0***
TK Logistik AB	556707-8356	Göteborg	100.0
Innovative Logistics Umeå AB	556582-9420	Holmsund	100.0
IMS Maskinteknik AB	556244-8349	Enköping	100.0
Berco Produktion i Skellefteå AB	556393-7969	Skellefteå	100.0
ÅMV Production AB	556627-2927	Åsele	100.0
Gullängets Mekaniska Verkstad AB	556474-2764	Örnsköldsvik	100.0
PV System AB	556671-1437	Tidaholm	100.0
Storskogen 3 Invest AB	***559080-4273***	***Stockholm***	***100.0***
Storskogen Holding AB	559090-6763	Stockholm	100.0
Imazo AB	556196-2951	Vara	100.0
Södra Infragruppen Sverige AB	556815-0667	Kristianstad	100.0
Skidsta Hus AB	556630-0587	Ullånger	100.0
Stål och Rörmontage i Sölvesborg AB	556292-0453	Sölvesborg	100.0
RS Fastigheter i Sölvesborg AB	556265-9143	Sölvesborg	100.0
Stockholms Rörexpress AB	556676-2711	Skarpnäck	94.0
SGD Sveriges Golvdistributörer AB	556445-3529	Växjö	100.0
Golvgrossisten F och B i Skövde AB	556850-8138	Skövde	100.0
Golvgrossisten G och B i Norrköping AB	556238-8255	Norrköping	100.0
Plåthuset i Mälardalen AB	556311-2050	Enköping	90.1
Plåthuset Syd AB[1)]	559059-4304	Enköping	30.0
Smederna Sverige AB	556415-2568	Tumba	90.1
SAMUS Holding AB	559030-3094	Skara	100.0
BR Solutions AB	556251-0817	Hisings Kärra	90.1
INBEGO AB	556294-1558	Älmhult	90.1
IDATA AB	556618-8396	Värnamo	100.0
ARAT AB	556922-2697	Kungsbacka	90.1
Tolarp Kyckling AB	559183-5672	Linghem	100.0
Svenska Kläckerier AB	559182-1334	Linghem	100.0
Elektroautomatik i Sverige AB	556100-1008	Göteborg	92.6
Noa:s Snickeri i Tibro AB	556389-5290	Tibro	100.0
Båstad-Gruppen AB	556519-6135	Ängelholm	91.0
Albin Components AB	556312-5656	Kristinehamn	100.0
NetRed AB	556596-8640	Tidaholm	91.0
Roslagsgjuteriet AB	559052-2032	Herräng	100.0
Storebrogjuteriet AB	556525-0049	Storebro	100.0
Elcommunication Sweden AB	556582-3753	Karlshamn	90.1
C.S Riv och Håltagning AB	556529-8766	Hisings Backa	90.1
JJH i Sverige AB	559135-9913	Kungälv	90.1
Jata Cargo AB	556542-2895	Malmö	90.1
Alfta Kvalitetslego Aktiebolag	556424-2765	Alfta	90.1
Baldacci AB	556703-8624	Västra Frölunda	95.1
Umeå Golvcenter AB	556599-2004	Umeå	100.0
Riviera Markiser & Persienner AB	556432-5685	Partille	90.1
TRELLEGRÄV AB	556454-9391	Trelleborg	90.1
A Lot Decoration Sweden AB	556698-0131	Falköping	95.0
Swedstyle AB	556272-5134	Vaggeryd	100.0

The table continues on the next page

Company	Corporate registration number	Registered office	Shares and votes (%)
Måla i Sverige AB	559051-8345	Hägersten	94.8
Svenska Tungdykargruppen AB	556739-5529	Mora	100.0
VästMark Entreprenad AB	556816-5350	Göteborg	90.1
Tepac Entreprenad AB	556646-7980	Stockholm	92.0
L'anza EP Sweden AB	556497-8764	Malmö	90.1
Växjö Elmontage AB	556522-5983	Växjö	90.1
Frends AS	983 978 576	Grålum	90.1
Ullmax AB	556647-0307	Örebro	100.0
Stockholms Internationella Handelsskola AB	556578-6497	Stockholm	100.0
Bergendahls El Gruppen AB	556529-8493	Göteborg	90.1
El & Projektering Vetlanda AB	556594-0813	Vetlanda	100.0
Svenska Grindmatriser AB	556258-8839	Linköping	95.0
M J Contractor AB	556492-6904	Upplands Väsby	95.0
IVEO AB	556791-6811	Stockholm	70.0
Pierre Entreprenad i Gävle AB	556582-9784	Gävle	90.1
Örnsbergs El, Tele & Data Aktiebolag	556347-0037	Stockholm	90.1
Continovagruppen AB	556624-1807	Kungsbacka	90.1
Ockelbo Kabelteknik AB	556675-2019	Ockelbo	100.0
Tjällmo Grävmaskiner Aktiebolag	556337-3652	Motala	100.0
Strand i Jönköping AB	556385-9197	Jönköping	95.0
Allan Eriksson Mark Aktiebolag	556437-3669	Sala	100.0
Såg- & Betongborrning i Uddevalla Aktiebolag	556226-4043	Uddevalla	100.0
Strigo AB	556921-5360	Västervik	90.1
Primulator AS	918375643	Oslo	100.0
AGIO System och Kompetens i Skandinavien AB	556650-2968	Luleå	90.1
Bombayworks AB	556720-9357	Stockholm	90.1
Scandia Steel Sweden AB	559272-9320	Stockholm	95.0
Harrysson Entreprenad Aktiebolag	556273-9762	Hallsberg	90.1
Lindberg Stenberg Arkitekter AB	556250-6609	Stockholm	90.1
Vårdväskan AB	556880-1939	Falkenberg	90.1
Jofrab TWS AB	556231-0713	Tranås	100.0
Lan Assistans Sweden AB	556239-4618	Norrköping	90.1
Newton Kompetensutveckling AB	556464-7989	Stockholm	100.0
EnRival AB	556689-0207	Lund	92.0
Aktiebolaget Wibe	556034-6495	Mora	100.0
Zymbios Logistics Contractor AB	556681-8653	Kumla	90.1
Ashe Invest AB	559059-3868	Göteborg	75.0
AE5 2012 Holding AB	556951-8011	Jönköping	98.75
DeroA AB[2)]	559088-9639	Stockholm	84.1
Buildercom Group AB[2)]	559064-1410	Stockholm	97.43
Buildercom Oy[2)]	2463542-2	Jyväskylä	97.43
Kumla Handtagsfabrik AB[2)]	559156-8331	Stockholm	93.6
SoVent Group AB[2)]	559138-8789	Stockholm	95.88
Viametrics Group AB[2)]	559018-4155	Partille	91.59

The table continues on the next page

Company	Corporate registration number	Registered office	Shares and votes (%)
Storskogen Utveckling AB	***556970-1229***	***Stockholm***	***100.0***
Schalins Ringar AB	556161-6110	Östersund	100.0
Tunga Lyft i Sverige AB	556713-3243	Arlöv	100.0
Tunga Lyft Engineering i Sverige AB	556801-7726	Arlöv	100.0
Jacob Lindh AB	556689-6576	Lund	97.3
Delikatesskungen AB	556656-1360	Stockholm	100.0
AB Kranlyft	556628-4534	Mölnlycke	100.0
Swedfarm AB	556498-9688	Linghem	100.0

1) Storskogen 3 Invest AB owns 30 per cent of Plåthuset Syd AB. Outstanding 70 per cent is owned by Plåthuset i Mälardalen AB, which, in turn, Storskogen 3 Invest AB owns 90.1 per cent of.
2) Purchase agreement has been entered into but acquisition is not completed as of the date of this Offering Memorandum.

MATERIAL AGREEMENTS

The Existing Facilities Agreement

The Company entered into a term loan and multicurrency revolving facilities agreement with Danske Bank A/S, Danmark, Sverige Filial, Nordea Bank Abp, filial i Sverige and Swedbank AB (publ) (the "**Original Lenders**") on 18 December 2019 (as amended and/or amended and restated from time to time) (i.e., the Existing Facilities Agreement). Skandinaviska Enskilda Banken AB (publ) (together with the Original Lenders, the "**Lenders**") acceded to the Existing Facilities Agreement as a lender pursuant to an accession and amendment agreement dated 11 June 2021. The Existing Facilities Agreement is intended to be replaced with the New Facility Agreement (as defined and further described below).

Pursuant to the Existing Facilities Agreement, the Lenders have provided term loans of SEK 5,700 million and multicurrency revolving facilities of up to SEK 2,000 million, in aggregate being SEK 7,700 million as of the date of the most recent accession and amendment agreement.

The amounts borrowed under the Existing Facilities Agreement are mainly intended for acquisitions and related transaction costs, working capital and general corporate purposes.

The Company and its subsidiaries are subject to certain customary restrictive covenants under the Existing Facilities Agreement, relating to, among other things, restrictions on dividends to shareholders of the Company, disposal of assets, acquisitions, the ability to incur financial indebtedness, loans out and guarantees, and restrictions regarding change of business and compliance with applicable laws and regulations. The Company must also ensure that the Company's leverage ratio[1], calculated as the ratio of net debt and adjusted RTM EBITDA, does not exceed a certain level and that the Company's equity ratio, calculated as the ratio of equity to total assets, exceeds a certain level.

The Existing Facilities Agreement includes certain customary rights for the Lenders to terminate the Existing Facilities Agreement and request payment of their commitments, including for defaults such as non-payment, misrepresentation, insolvency and cross default, as well as customary prepayment rights for individual Lenders, including in the event of a change of control, illegality or sanctions event.

The Company and certain subsidiaries have under the Existing Facilities Agreement provided security consisting of shares in certain material Group Companies. In addition, the Company's direct subsidiaries have entered into guarantee commitments for the obligations under the Existing Facilities Agreement. However, the Company's expectation is that certain security will be released in connection with the completion of the Offering, provided that certain circumstances and conditions are satisfied. All security and guarantees will be released in connection with the refinancing of the Existing Facilities Agreement.

The New Facility Agreement

On 24 September 2021, the Company entered into a new, unsecured EUR 1,000,000,000 multicurrency revolving credit facility agreement (i.e., the New Facility Agreement) with AB Svensk Exportkredit (publ), BNP Paribas SA, Bankfilial Sverige, Danske Bank A/S, Danmark, Sverige Filial, DNB Sweden AB, Goldman Sachs Bank Europe SE, J.P. Morgan AG, National Westminster Bank Plc, Nordea Bank Abp, filial i Sverige, Skandinaviska Enskilda Banken AB (publ) and Swedbank AB (publ) as original lenders (the "**New Lenders**"). The New Facility Agreement will, subject to the satisfaction of customary conditions precedent for utilisation (including, *inter alia*, the listing of the Company's B-shares on Nasdaq Stockholm pursuant to the Offering), refinance and replace the Existing Facilities Agreement.

The credit facility may be used for the refinancing of the facilities made available under the Existing Facilities Agreement, acquisitions and acquisition-related costs, working capital and general corporate purposes.

The New Facility Agreement contains certain customary restrictive covenants for the Company and its subsidiaries, e.g. restrictions on dividends to shareholders, disposal of assets, mergers, acquisitions, the ability for subsidiaries to incur financial indebtedness, loans out, the ability to provide security and guarantees, insurance, changes in operations and commitments to comply with applicable laws and regulations. The Company must also ensure that the Company's leverage ratio[2], calculated as the ratio between net debt and adjusted RTM EBITDA, does not exceed 3.5x.

1 Calculated according to the definition in the Existing Facilities Agreement, which differs from the Company's definition of the ratio Net Debt to Adjusted RTM EBITDA.
2 Calculated according to the definition in the New Facility Agreement, which differs from the Company's definition of the ratio Net Debt to Adjusted RTM EBITDA.

Moreover, the New Facility Agreement includes certain customary rights for the New Lenders to terminate the New Facility Agreement and request payment of their commitments, including for defaults such as non-payment, misrepresentation, insolvency and cross default, as well as customary prepayment rights for individual New Lenders, including in the event of a delisting or change of control (whereby anyone other than the Founders acquire shares representing more than fifty (50) per cent of the share capital or votes in the Company (on a fully diluted basis)), illegality or sanction event.

Bonds

Storskogen has issued a senior unsecured callable bond loan in an amount of SEK 3 billion, within a total framework amount of SEK 4 billion (the "Bonds"). Additional Bonds of SEK 1 billion can thus be issued on the same terms. The Bonds carry an interest rate of 3-month STIBOR plus three hundred (300) basis points and have a final maturity date on 14 May 2024. The terms and conditions of the Bonds (the "**Terms and Conditions**") contain, *inter alia*, restrictions on how the Company may incur financial indebtedness and provide security as well as an undertaking for the Company to procure that the Bonds are admitted to trading on, in the first place, Nasdaq Stockholm, within twelve months from 14 May 2021. The Terms and Conditions also include certain financial covenants which, *inter alia*, stipulate that the ratio of net interest bearing debt to EBITDA is less than 3.50:1 and that the interest coverage ratio exceeds 3.00:1 in connection with the incurrence of certain financial indebtedness or making of certain distributions. Further, the Terms and Conditions include distribution restrictions, entailing that the Company may only pay annual dividends of a maximum of 50 per cent of the Group's consolidated profits for the previous financial year and only provided that the Company fulfils certain financial covenants, which limits the Company's ability to pay dividends to its shareholders.

Furthermore, Artum AG has an outstanding bond loan in an amount of CHF 25 million at an interest rate of 3.25 per cent, which following Storskogen's acquisition of Artum in June 2021 is part of the Group's financing agreements. The final maturity date of the Artum bond loan is 30 June 2022, and it may be prematurely redeemed at a redemption fee of 5.0 per cent.

LEGAL PROCEEDINGS AND ARBITRATION PROCEEDINGS

Storskogen has not been party to any regulatory proceedings, legal proceedings or arbitration proceeding (including proceedings which have not yet been settled or which, to Storskogen's knowledge, are in danger of being initiated) which may or has recently had a material effect on the Group's financial position or profitability during the previous twelve months. However, see "*Risk factors—Risks relating to the Group's legal and regulatory environment—Storskogen is subject to risks relating to disputes and other legal proceedings that may be time consuming and costly*" for more information regarding legal proceedings in connection with acquisitions carried out by Storskogen.

PROPERTY

As of the date of this Offering Memorandum, the Group owns no material real property.

INSURANCE POLICIES

Storskogen's insurance policies includes insurances that cover risks related to Storskogen's operations, including, *inter alia*, liability insurance for board members and senior executives. Storskogen considers its insurance coverage to be satisfactory and in line with market practice.

RELATED PARTY TRANSACTIONS

See note 28 in "*Historical financial information*" for a description of Storskogen's related party transactions for the financial years ended 31 December 2020, 31 December 2019 and 31 December 2018.

On 15 July 2019, the Founders lent SEK 1.25 million each, and the senior executive Christer Hansson (through Scalata Invest AB) lent SEK 5 million to Storskogen Utveckling AB through a short term liquidity loan during the summer of 2019. The loans were given at market terms with an interest rate of 4 per cent and were repaid on 23 August 2019.

During 2019–2021, the board member Louise Hedberg provided certain sustainability-related advisory services (beside the scope of the board assignment) and received remuneration of approximately SEK 0.6 million excluding VAT. Louise Hedberg's consulting assignment for Storskogen ended at the end of April 2021 in connection with the recruitment and onboarding of a new Head of Sustainability.

Aside from reported related party transactions, Storskogen has not been party to any related party transactions for the financial years ended 31 December 2020, 31 December 2019 and 31 December 2018 or during the financial year 2021 up to and including the date of this Offering Memorandum.

For information on remuneration to the board of directors and senior executives, see "*Corporate governance—The board of directors—Remuneration to the board of directors*" and "*Corporate governance—The CEO and other senior executives—Remuneration to senior executives*".

UNDERWRITING AGREEMENT

The Offering is conditional upon the Company, the Selling Shareholders and the Managers entering into an underwriting agreement (the "**Underwriting Agreement**"), which is expected to take place on or around 5 October 2021. The Offering is conditional on the Company, the Selling Shareholders and the Managers believing there to be sufficient interest in the Offering to enable trading in the B-share, the Underwriting Agreement being signed, certain terms and conditions in the Underwriting Agreement being fulfilled and the Underwriting Agreement not being terminated. The Underwriting Agreement stipulates that the Managers' undertakings to serve as intermediaries for buyers of B-shares in the Offering are conditional upon, *inter alia*, the Company's representations and warranties being correct and no events occurring that have such a material adverse effect on the

Company that it would be inappropriate to carry out the Offering. If any material adverse events occur, if the warranties and representations that the Company has issued to the Managers should fall short or if any of the other conditions pursuant to the Underwriting Agreement are not fulfilled, the Managers will be entitled to terminate the Underwriting Agreement up to and including the settlement date on 8 October 2021. If these conditions are not fulfilled and if the Managers terminate the Underwriting Agreement, the Offering may be terminated. In such cases, neither delivery nor payment of B-shares will be carried out under the Offering. Under the Underwriting Agreement, the Company will undertake to indemnify the Managers against certain claims subject to certain conditions.

STABILISATION

Carnegie, as stabilisation manager on behalf of the Joint Global Coordinators (the "**Stabilisation Manager**"), may, in connection with the Offering and the admission to trading of the Company's B-shares on Nasdaq Stockholm, perform transactions which will result in the share price being sustained at a higher level than would otherwise be the case. Stabilisation measures are aimed at underpinning the share price on Nasdaq Stockholm during a period of up to 30 calendar days after the first day of trading in the B-shares on Nasdaq Stockholm. Such stabilisation transactions may be effected on Nasdaq Stockholm, in the over-the-counter market or otherwise. These stabilisation transactions may be performed by the Stabilisation Manager at a price no higher than the Offering Price. The stabilisation measures may result in the market price of the B-shares reaching a level not sustainable in the long-term and exceeding the price that would have otherwise prevailed in the market. The fact that the Stabilisation Manager may carry out stabilisation measures does not necessarily imply that such measures will be taken. Furthermore, performed stabilisation measures may be discontinued at any time. Once the stabilisation period (30 calendar days) has expired, an announcement will be made as to whether stabilisation measures have been taken and, if so, what dates the measures were taken, including the last date for such measures, and the price range within which the stabilisation transactions were performed.

COMMITMENTS BY THE CORNERSTONE INVESTORS

The Cornerstone Investors have committed to acquire B-shares in the Offering at the Offering Price. The Cornerstone Investors' respective commitments are conditional upon, *inter alia*, (i) the first day of trading in the B-shares occurring not later than 31 December 2021 (not later than 31 October 2021 according to the commitments of ODIN Fonder, Spiltan Fonder and Swedbank Robur Fonder) and (ii) each Cornerstone Investor receiving full allocation of its commitment. If these conditions are not satisfied, the Cornerstone Investors will not be required to acquire any B-shares in the Offering.

The Cornerstone Investors will not receive any compensation for their respective commitments. The Cornerstone Investors' commitments are not secured through a bank guarantee, blocked funds, pledge of collateral or any other similar arrangement. Accordingly, there is a risk that payment of the purchase price and settlement of the B-shares in the Offering for the Cornerstone Investors may not occur in connection with the closing of the Offering.

The Cornerstone Investors will not make any lock-up undertakings in respect of the B-shares they acquire in the Offering (except from Daniel Kaplan for which all B-shares in the Company held by him are subject to a lock-up commitment as presented in "*Legal considerations and supplementary information—Lock-up agreements*").

Cornerstone Investor	Commitment (SEK million)	Number of B-shares	Percentage (%) of the number of B-shares in the Offering[1]	Percentage (%) of the number of B-shares in the Company following the Offering[1]
AMF	1,500	38,961,038	9.7%	2.3%
Funds managed and advised by Capital World Investors	1,200	31,168,831	7.8%	1.9%
Cliens Kapitalförvaltning	650	16,883,116	4.2%	1.0%
Danica Pension Livsforsikringsaktieselskab	500	12,987,012	3.2%	0.8%
Daniel Kaplan	150	3,896,103	1.0%	0.3%
Nordea Investment Management	900	23,376,623	5.8%	1.4%
Lannebo Fonder	1,050	27,272,727	6.8%	1.6%
Livförsäkringsbolaget Skandia, Ömsesidigt and Skandia Fonder AB on behalf of investment funds	500	12,987,012	3.2%	0.8%
ODIN Fonder	750	19,480,519	4.9%	1.2%
Swedbank Robur Fonder[2]	3,300	85,714,285	21.4%	5.1%
Spiltan Fonder	550	14,285,714	3.6%	0.9%
Total	**11,050**	**287,012,980**	**71.7%**	**18.8%**

1) Assuming that the Offering is fully subscribed and that the Overallotment Option is exercised in full.
2) Swedbank Robur Fonder has entered into the commitment on behalf of the following underlying funds: Swedbank Robur Sverigefond, Swedbank Robur Sverigefond MEGA, Folksam LO Västfonden, Folksam LO Sverige and Förbundsfond Sverige Plus.

LOCK-UP AGREEMENTS

All shareholders in the Company as of the date of the Offering Memorandum as well as the board members of Storskogen will undertake to not sell, or otherwise carry out transactions with similar effects, their respective shareholdings in the Company's B-shares which are owned before the Offering during a period of 180 days after the first day of trading in the Company's B-shares on Nasdaq Stockholm. Holders of A-shares as well as the senior executives of Storskogen will undertake to not sell, or otherwise carry out transactions with similar effects, their respective shareholdings in the Company's B-shares which are owned before or after the Offering during a period of 360 days after the first day of trading in the Company's B-shares on Nasdaq Stockholm. The lock-up undertakings will be subject to certain customary exemptions, such as acceptances of public offerings, acceptances of repurchase offers from the Company or situations where a transfer is necessary due to legal requirements. In addition, the Managers may jointly, at their own discretion and at any time, decide to grant exemptions for restrictions during the lock-up period for other reasons than the exemptions already agreed upon.

The Company will undertake towards the Managers not to, without prior written consent, resolve upon or propose to the general meeting to resolve upon issuances or transfers of shares or other financial instruments during a period of 180 days from the first day of trading in the Company's B-shares on Nasdaq Stockholm. The undertaking will be subject to certain customary exemptions, such as the possibility to issue and transfer shares or other financial instruments as a part of an incentive programme for employees as well as new issuances of shares as a part of the purchase price for acquiring companies or businesses.

MANAGERS' INTEREST

The Managers provide certain services to the Company and the Selling Shareholders in connection with the Offering, for which they will receive customary remuneration. The Managers have in the ordinary course of business, from time to time, provided, and may in the future provide, various banking, financial, investment, commercial and other services to the Company and the Selling Shareholders. In the ordinary course of their various business activities, certain of the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve the Company's securities and instruments. Furthermore, certain Managers (and their affiliates) are lenders of loans granted to the Company.

COSTS RELATED TO THE OFFERING

Storskogen's costs attributable to the Offering and the admission to trading of its B-shares on Nasdaq Stockholm, including payment to the Managers and other advisors, and other estimated transaction costs are estimated to amount to approximately SEK 298 million (assuming that the Offering is fully subscribed and that the Overallotment Option is exercised in full), of which approximately SEK 60 million are expected to affect the statement of profit or loss (of which approximately SEK 30 million are included in the Company's accounts up until 30 June 2021). This amount includes costs attributable to non-recurring remuneration to certain employees (however, not Founders) for extraordinary efforts during 2021 of a total of up to SEK 23 million (of which SEK 13 million are included in the Company's accounts up until 30 June 2021).

DOCUMENTS AVAILABLE FOR INSPECTION

For the life of this Offering Memorandum, the following documents are available in electronic form on the Company's website, www.storskogen.com[1]:

(a) the Company's articles of association and certificate of registration; and

(b) all reports, letters and other documents, historical financial information and statements prepared by the Company's auditors which are included or referred to in this Offering Memorandum.

1 The website is not incorporated by reference and does not form part of the Offering Memorandum

Plan of distribution

THE OFFERING

The Offering comprises up to 348,034,945 B-shares in Storskogen, of which up to 192,190,790 existing B-shares are offered by the Selling Shareholders and up to 155,844,155 newly issued B-shares are offered by the Company. The Offering is directed to:

- The general public in Sweden[1]
- Institutional investors in Sweden and abroad[2]

The offer to institutional investors in Sweden and abroad includes a private placement in the United States to persons who are QIBs as defined in, and in reliance on, Rule 144A or pursuant to another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in compliance with Regulation S under the U.S. Securities Act.

The Company, the Selling Shareholders and the Managers intend to enter into an agreement regarding the placing of B-shares in the Company on or about 5 October 2021 (the "**Placing Agreement**"). Subject to certain conditions set forth in the Placing Agreement, the Managers will agree, severally but not jointly, to procure purchasers for or, if the Managers fail to do so, purchase themselves, and the Company and the Selling Shareholders will agree to sell to the Managers a total of up to 348,034,945 B-shares at the Offering Price.

For information on the terms and conditions of the Offering, see "*Terms and Conditions*".

The Managers, through their respective selling agents, propose to sell B-shares in the United States to QIBs in reliance on Rule 144A or pursuant to another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Any offer or sale of shares in the United States in reliance on Rule 144A will solely be made by one or more broker-dealers who are registered as such under the U.S. Exchange Act.

Until the expiration of 40 days after the commencement of the Offering, an offer or sale of B-shares within the United States by a dealer that is not participating in the Offering may violate the registration requirements of the U.S. Securities Act if the offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

STABILISATION

In connection with the Offering, Carnegie (the "**Stabilisation Manager**") or any of its agents, may effect transactions aimed at supporting the market price of B-shares at levels above those which might otherwise prevail in the open market. Such stabilisation transactions may be effected on Nasdaq Stockholm, in the over-the-counter market or otherwise, at any time during the period starting on the date of commencement of trading in the shares on Nasdaq Stockholm and ending no later than 30 calendar days thereafter. The Stabilisation Manager is, however, not required to undertake any stabilisation and there is no assurance that stabilisation will be undertaken.

Stabilisation, if undertaken, may be discontinued at any time without prior notice. Not later than by the end of the seventh trading day after stabilisation transactions have been undertaken, the Stabilisation Manager shall disclose that stabilisation transactions have been undertaken in accordance with Article 5(4) of the Market Abuse Regulation (EU) 596/2014. Once the stabilisation period (30 calendar days) has expired, the Stabilisation Manager will make public whether or not stabilisation was undertaken, the date at which stabilisation started, the date at which stabilisation last occurred and the price range within which stabilisation was carried out, for each of the dates during which stabilisation transactions were carried out.

In the Placing Agreement, the Company and the Selling Shareholders will make certain representations and warranties. The Company and the Selling Shareholders will also agree to indemnify the several Managers against certain liabilities.

The Placing Agreement will provide that, upon the occurrence of certain events, such as the suspension of trading on Nasdaq Stockholm or a material adverse change in international monetary, political, financial or economic conditions or an outbreak of escalation of hostilities or act of terrorism, and on certain other conditions, the Joint Global Coordinators, on behalf of the Managers will have the right, collectively but not individually, to withdraw from the Offering before delivery of B-shares. In this event, the Offering will be cancelled as a result thereof and neither delivery nor payment of B-shares will be carried out under the Offering.

1 The offer to the general public in Sweden entails an offer to acquire a maximum of 25,000 B-shares.
2 "Institutional investors" include private individuals and legal entities that apply to acquire more than 25,000 B-shares.

INFORMATION ABOUT THE SELLING SHAREHOLDERS

The table below presents the Selling Shareholders who will sell existing B-shares in connection with the Offering and the number of existing B-shares that is offered for sale.

Selling Shareholder	Number of B-shares offered for sale	Percentage (%) of the total number of B-shares in the Offering if the Overallotment Option is not exercised	Percentage (%) of the total number of B-shares in the Offering if the Overallotment Option is exercised in full
Länsförsäkringar Skaraborg[1)]	6,725,091	1.9%	1.7%
Länsförsäkringar Värmland[2)]	2,164,401	0.6%	0.5%
Peter Ahlgren[3)]	5,717,325	1.6%	1.4%
Philian Invest[4)]	9,027,540	2.6%	2.3%
Ribbylund Management[5)]	1,282,675	0.4%	0.3%
Scalata Invest[6)]	8,547,622	2.5%	2.1%
Storskogen SellCo[7)]	151,726,136	43.6%	37.9%
Ängsmon[8)]	7,000,000	2.0%	1.7%
Total	**192,190,790**	**55.2%**	**48.0%**

1) Länsförsäkringar Skaraborg, 566000-6866, P.O. Box 600, SE-541 29 Skövde, Sweden. Länsförsäkringar Skaraborg is a Swedish mutual non-life insurance company founded in Sweden under Swedish law. The board of directors has its registered office in Skövde, Sweden. The company's operations are governed by the Swedish Insurance Business Act and its LEI code is 549300TEQL67BBX6IC37.
2) Länsförsäkringar Värmland, 573201-8329, P.O. Box 367, SE-651 09 Karlstad, Sweden. Länsförsäkringar Värmland is a Swedish mutual non-life insurance company founded in Sweden under Swedish law. The board of directors has its registered office in Karlstad, Sweden. The company's operations are governed by the Swedish Swedish Insurance Business Act and its LEI code is 549300EDSMKC21M1KZ02.
3) Peter Ahlgren, Hovslagargatan 3, SE-111 48 Stockholm, Sweden.
4) Philian Invest AB, 556925-0425, c/o Ramsbury Property, P.O. Box 1421, SE-111 84 Stockholm, Sweden. Philian Invest is a Swedish limited liability company founded in Sweden under Swedish law. The board of directors has its registered office in Stockholm, Sweden. The company's operations are governed by the Swedish Companies Act and its LEI code is 549300J9APCPON08WR62.
5) Ribbylund Management AB, 556817-1481, Hovslagargatan 3, SE-111 48 Stockholm, Sweden. Ribbylund Management is a Swedish limited liability company founded in Sweden under Swedish law. The board of directors has its registered office in Stockholm, Sweden. The company's operations are governed by the Swedish Companies Act and its LEI code is 894500DFXBZ7M43NG391. Ribbylund Management AB is owned by Peter Ahlgren.
6) Scalata Invest AB, 559018-9550, Hovslagargatan 3, SE-111 48 Stockholm, Sweden. Scalata Invest is a Swedish limited liability company founded in Sweden under Swedish law. The board of directors has its registered office in Stockholm, Sweden. The company's operations are governed by the Swedish Companies Act and its LEI code is 549300N8093K27555N11. Scalata Invest AB is owned by Christer Hansson.
7) Storskogen SellCo, 559324-0012, Hovslagargatan 3, SE-111 48 Stockholm, Sweden. Storskogen SellCo AB is a Swedish limited liability company founded in Sweden under Swedish law. The board of directors has its registered office in Stockholm, Sweden. The company's operations are governed by the Swedish Companies Act and its LEI code is 5493005PYM5MOE35UW88.
8) Ängsmon AB, 556624-8810, Vintervägen 24, SE-132 48 Saltsjö-Boo, Sweden. Ängsmon is a Swedish limited liability company founded in Sweden under Swedish law. The board of directors has its registered office in Stockholm, Sweden. The company's operations are governed by the Swedish Companies Act and its LEI code is 549300VBY58WBF72VX47.

ADVISORS, ETC.

The Managers provide certain services to the Company in connection with the Offering, for which they will receive customary remuneration.

The Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the Managers and their respective affiliates have from time to time engaged in, and may in the future engage in, commercial banking, investment banking and financial advisory transactions and services in the ordinary course of their business with the Company or the Selling Shareholders or any of the Company's or the Selling Shareholders' respective related parties. With respect to certain of these transactions and services, the sharing of information is generally restricted for reasons of confidentiality, internal procedures or applicable rules and regulations. The Managers have received and will receive customary fees and commissions for these transactions and services and may come to have interests that may not be aligned or could potentially conflict with potential investors' and Storskogen's interests. Furthermore, certain Managers (and their affiliates) are lenders of loans granted to Storskogen.

In addition, in the ordinary course of business, the Managers and their respective affiliates may make or hold a broad array of investments including serving as counterparties to certain derivative and hedging arrangements and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Company. The Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Gernandt & Danielsson Advokatbyrå KB is Storskogen's legal advisor as to Swedish law, and Milbank LLP is Storskogen's legal advisor as to U.S. law in relation to the Offering and the listing of the Company's B-shares on Nasdaq Stockholm. White & Case Advokataktiebolag and White & Case LLP are legal advisors to the Managers as to Swedish and U.S. law, respectively.

NO PUBLIC OFFERING OUTSIDE SWEDEN

No action has been or will be taken in any jurisdiction other than Sweden that would permit a public offering of B-shares, or the possession, circulation or distribution of this Offering Memorandum or any other material relating to Storskogen or the shares in any jurisdiction where action for that purpose is required. Accordingly, the shares may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Offering may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of any such country or jurisdiction.

LOCK-UP AGREEMENTS, ETC.

All shareholders in the Company as of the date of the Offering Memorandum as well as the board members of Storskogen will undertake to not sell, or otherwise carry out transactions with similar effects, their respective shareholdings in the Company's B-shares which are owned before the Offering during a period of 180 days after the first day of trading in the Company's B-shares on Nasdaq Stockholm. Holders of A-shares as well as the senior executives of Storskogen will undertake to not sell, or otherwise carry out transactions with similar effects, their respective shareholdings in the Company's B-shares which are owned before or after the Offering during a period of 360 days after the first day of trading in the Company's B-shares on Nasdaq Stockholm.

The lock-up undertakings will be subject to certain customary exemptions, such as acceptances of public offerings, acceptances of repurchase offers from the Company or situations where a transfer is necessary due to legal requirements. In addition, the Managers may jointly, at their own discretion and at any time, decide to grant exemptions for restrictions during the lock-up period for other reasons than the exemptions already agreed upon.

The Company will undertake towards the Managers not to, without prior written consent, resolve upon or propose to the general meeting to resolve upon issuances or transfers of shares or other financial instruments during a period of 180 days from the first day of trading in the Company's B-shares on Nasdaq Stockholm. The undertaking will be subject to certain customary exemptions, such as the possibility to issue and transfer shares or other financial instruments as a part of an incentive programme for employees as well as new issuances of shares as a part of the purchase price for acquiring companies or businesses.

CORNERSTONE INVESTOR COMMITMENTS

For information on Cornerstone Investor commitments, see "*Legal considerations and supplementary information—Commitments from the Cornerstone Investors*".

Transfer restrictions

The offer shares have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the offer shares are only being offered and sold (i) to persons in the United States or to, or for the account or benefit of, U.S. persons, in each case that are both "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Offering Memorandum as "**QIBs**") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act; or (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Each purchaser acquiring the offer shares outside the United States in compliance with Regulation S will be deemed to have represented and agreed that it has received a copy of this Offering Memorandum and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorised to consummate the purchase of the offer shares in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the offer shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state of the United States, and, subject to certain exceptions, may not be offered or sold within the United States;

(3) the purchaser is purchasing the offer shares issued pursuant to this Offering in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

(4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the offer shares issued pursuant to this Offering, was located outside the United States at each time (i) the offer was made to it and (ii) when the buy order for such offer shares was originated, and continues to be located outside the United States and has not purchased such offer shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the offer shares or any economic interest therein to any person in the United States;

(5) the purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate;

(6) the offer shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S;

(7) the purchaser is aware of the restrictions on the offer, sale and transfer of the Offer Shares pursuant to Regulation S and acknowledges that the Company and the Selling Shareholders shall not recognise any offer, sale, pledge or other transfer of the offer shares made other than in compliance with the above-stated restrictions;

(8) if it is acquiring any of the offer shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

(9) the purchaser acknowledges that the Company and the Selling Shareholders, the Managers and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the offer shares within the United States purchasing pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have represented and agreed that it has received a copy of this Offering Memorandum and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorised to consummate the purchase of the offer shares in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the offer shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;

(3) the purchaser (i) is a QIB, (ii) is aware that the sale to it is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, (iii) was not formed for the purpose of investing in the offer shares, (iv) is acquiring such offer shares for its own account or for the account of one or more persons, each of which is a QIB, with respect to which it exercises sole investment discretion;

(4) the purchaser is aware that the offer shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act;

(5) if in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such offer shares, or any economic interest therein, such offer shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only: (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB, (ii) in compliance with Regulation S, or (iii) in accordance with Rule 144 (if available), in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

(6) the purchaser acknowledges that the offer shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any offer shares;

(7) the purchaser will not deposit or cause to be deposited such offer shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such offer shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

(8) the purchaser understands and acknowledges that the Company will not recognise any offer, sale, pledge or other transfer of such offer shares made other than in compliance with the above-stated restrictions;

(9) if it is acquiring any of the offer shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

(10) the purchaser acknowledges that the Company and the Selling Shareholders, the Managers and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Certain tax considerations in Sweden

The tax legislation of the investor's member state and Storskogen's country of incorporation may have an impact on the income received from Storskogen's B-shares. Below is a summary of certain Swedish tax issues related to the Offering and the admission for trading of the Company's B-shares on Nasdaq Stockholm for private individuals and limited liability companies that are residents of Sweden for tax purposes, unless otherwise stated. The summary is based on current legislation and is intended to provide general information only regarding the B-shares in the Company as from the admission for trading on Nasdaq Stockholm.

The summary is not intended to be comprehensive and does, for example, not cover:

- situations where shares are held as current assets in business operations;
- situations where shares are held by a limited partnership or a partnership;
- situations where shares are held in an investment savings account (Sw. *investeringssparkonto*) or in an endowment insurance (Sw. *kapitalförsäkring*);
- the special rules regarding tax-free capital gains (including non-deductible capital losses) and dividends that may be applicable when the investor holds shares in the Company that are deemed to be held for business purposes (for tax purposes);
- the special rules which in certain cases may be applicable to shares in companies which are or have been so-called close companies or to shares acquired by means of such shares;
- the special rules that may be applicable to private individuals who make or reverse a so-called investor deduction (Sw. *investeraravdrag*);
- foreign companies conducting business through a permanent establishment in Sweden; or
- foreign companies that have been Swedish companies

Further, special tax rules apply to certain categories of companies. The tax consequences for each individual shareholder depend to some extent on the holder's particular circumstances, and the tax legislation in an investor's and the issuer's respective states of residence may affect the taxation of the income of securities. Each shareholder is advised to consult an independent tax advisor as to the tax consequences that could arise from the Offering and the admission for trading of the Company's B-shares on Nasdaq Stockholm in each individual case, including the applicability and effect of foreign tax legislation (including other regulations) and provisions in tax treaties for the avoidance of double taxation.

PRIVATE INDIVIDUALS

For private individuals resident in Sweden for tax purposes, capital income such as interest income, dividends and capital gains are taxed in the capital income category. The tax rate in the capital income category is 30 per cent.

Capital gains and capital losses, respectively, are normally calculated as the difference between sales compensation, after deduction of selling expenses, and the cost amount. The cost amount for all shares of the same class and type is calculated jointly using the average cost basis method. For listed shares, the cost amount may alternatively be determined by the average acquisition method. The cost amount is then calculated as 20 per cent of the sales proceeds after deduction of selling expenses.

Capital losses on listed shares may be fully offset against taxable capital gains the same year on shares and shares in foreign legal entities, as well as on listed securities taxed as shares (however not mutual funds (Sw. *värdepappersfonder*), or hedge funds (Sw. *specialfonder*) containing Swedish receivables only (Sw. *räntefonder*)). Set-off shall take place in a certain order. Capital losses not absorbed by these set-off rules are deductible at 70 per cent against other income in the capital income category.

Should a net loss arise in the capital income category, a reduction is granted of the tax on income from employment and business operations, as well as national and municipal property tax. This tax reduction is 30 per cent of the net loss that does not exceed SEK 100,000 and 21 per cent of any remaining net loss. A net loss cannot be carried forward to future tax years.

For private individuals resident in Sweden for tax purposes, a preliminary tax of 30 per cent is withheld on dividends. The preliminary tax is normally withheld by Euroclear Sweden or, in respect of nominee-registered shares, by the nominee.

LIMITED LIABILITY COMPANIES

For limited liability companies (Sw. *aktiebolag*) all income, including taxable capital gains and taxable dividends, is taxed as income from business operations at a rate of 20.6 per cent.

Deductible capital losses on shares may only offset taxable capital gains on shares and other securities taxed as shares. A net capital loss on shares that cannot be utilised during the year of the loss, may be carried forward (by the limited liability company that has suffered the loss) and offset taxable capital gains on shares and other securities taxed as shares in future years, without any limitation in time. If a capital loss cannot be deducted by the company that has suffered the loss, it may be deducted from another legal entity's taxable capital gains on shares and other securities taxed as shares, provided that the companies are entitled to tax consolidation without restrictions (through so-called group contributions) and both companies request this for a tax year having the same filing date for each company (or, if one of the companies' accounting liability ceases, would have had the same filing date). Special tax rules may apply to certain categories of companies or certain legal persons, for example investment companies.

SWEDISH TAX CONSEQUENCES FOR SHAREHOLDERS WITH LIMITED TAX LIABILITY IN SWEDEN

For shareholders not resident in Sweden for tax purposes that receive dividends on shares in a Swedish limited liability company, Swedish withholding tax is normally withheld. The same withholding tax applies to certain other payments made by a Swedish limited liability company, such as payments as a result of redemption of shares and repurchase of shares through an offer directed to all shareholders or all holders of shares of a certain class. The tax rate is 30 per cent. The tax rate is, however, generally reduced through tax treaties for the avoidance of double taxation. For example, under the U.S.—Sweden tax treaty, the tax rate on dividends paid to U.S. investors entitled to the benefits of the U.S. Sweden tax treaty should not exceed 15 per cent. In Sweden, withholding tax deductions are normally carried out by Euroclear Sweden or, in respect of nominee-registered shares, by the nominee. The tax treaties Sweden has entered into generally enable the withholding tax deduction to be made in accordance with the tax rate stipulated in the treaty, provided that Euroclear Sweden or the nominee, as applicable, has received the required information concerning the tax residency of the investor entitled to the dividend (this applies also under the U.S.—Sweden tax treaty). Further, investors entitled to reduced tax rates under applicable tax treaties may seek a refund from the Swedish tax authorities if the full withholding tax rate at 30 per cent has been withheld. Application for repayment shall be made prior to the end of the fifth calendar year after the dividend payment.

Shareholders not resident in Sweden for tax purposes, which are not conducting business through a permanent establishment in Sweden, are normally not liable for capital gains taxation in Sweden upon disposals of shares. Shareholders may, however, be subject to taxation in their state of residence.

According to a special tax rule, private individuals not resident in Sweden for tax purposes are, however, subject to Swedish capital gains taxation upon disposals of shares, if they have been residents of Sweden or have had a habitual abode in Sweden at any time during the calendar year of disposal or the ten calendar years preceding the year of disposal. In a number of cases though, the applicability of this rule is limited by tax treaties for the avoidance of double taxation.

Certain tax considerations in the United States

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following discussion describes certain material U.S. federal income tax considerations to U.S. Holders (as defined below) of an investment in the Shares. This summary applies only to U.S. Holders (except for the discussion below under "*—FATCA*," which applies to all holders) that acquire Shares in exchange for cash in the Offering, hold Shares as capital assets within the meaning of Section 1221 of the Internal Revenue Code (as defined below) and have the U.S. dollar as their functional currency.

This discussion is based on the tax laws of the United States as in effect on the date of this Offering Memorandum, including the Internal Revenue Code of 1986, as amended (the "**Internal Revenue Code**"), U.S. Treasury Regulations in effect or, in some cases, proposed, as of the date of this Offering Memorandum, as well as judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service (the "**IRS**"), in each case in effect as of the date hereof. All of the foregoing authorities are subject to change, and any such change could apply retroactively and could affect the U.S. federal income tax consequences described below. The statements in this Offering Memorandum are not binding on the IRS or any court, and thus there can be no assurance that the U.S. federal income tax consequences discussed below will not be challenged by the IRS or will be sustained by a court if challenged by the IRS. Furthermore, this summary does not address the effect of alternative minimum tax or the Medicare contribution tax on net investment income or certain U.S. federal income tax rules requiring persons to conform the timing of income accruals with respect to the notes to their financial statements, any estate or gift tax consequences, any state, local or non-U.S. tax consequences or any other tax consequences other than U.S. federal income tax consequences.

The following discussion does not describe all the tax consequences that may be relevant to any particular investor or to persons in special tax situations such as:

- banks and certain other financial institutions;
- regulated investment companies;
- real estate investment trusts;
- insurance companies;
- individual retirement accounts and other tax-deferred accounts;
- broker-dealers;
- traders that elect to use a mark-to-market method of accounting;
- tax-exempt entities;
- certain U.S. expatriates;
- persons holding Shares as part of a straddle, hedging, constructive sale, conversion or integrated transaction;
- persons that actually or constructively own 10 per cent or more of the Company's stock (by vote or value);
- persons whose functional currency is not the U.S. dollar; or
- persons who acquired Shares pursuant to the exercise of any employee share option or otherwise as compensation.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS ABOUT THE APPLICATION OF THE U.S. FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF SHARES.

As used herein, the term "**U.S. Holder**" means a beneficial owner of Shares that, for U.S. federal income tax purposes, is or is treated as:

- an individual who is a citizen or resident of the United States;
- a corporation created or organised in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the supervision of a court within the United States and the control of one or more U.S. persons or (2) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

The tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Shares generally will depend on such partner's status and the activities of the partnership. Prospective investors that are partners in entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisors concerning the U.S. federal income tax consequences to them and their partners of the purchase, ownership and disposition of Shares by the partnership.

Dividends and other distributions on shares

Subject to the discussion below under "—*Passive Foreign Investment Company Considerations*", the gross amount of distributions made by the Company with respect to the Shares (including the amount of any non-U.S. taxes withheld, if any) generally will be includible as dividend income in a U.S. Holder's gross income to the extent such distributions are paid out of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles.

Because the Company does not maintain calculations of its earnings and profits under U.S. federal income tax principles, a U.S. Holder should expect all cash distributions will be reported as dividends for U.S. federal income tax purposes. Such dividends will not be eligible for the dividends-received deduction generally allowed to U.S. corporations with respect to dividends received from other U.S. corporations. Dividends received by non-corporate U.S. Holders (include individuals) may be eligible for "qualified dividend income" treatment, which is taxed at the lower applicable capital gains rate, provided that (1) the Company is eligible for the benefits of the U.S.—Sweden tax treaty, which the Company expects to be, (2) the Company is not a PFIC (as discussed below) for either the taxable year in which the dividend was paid or the preceding taxable year, (3) the U.S. Holder satisfies certain holding period requirements and (4) the U.S. Holder is not under an obligation to make related payments with respect to positions in substantially similar or related property. U.S. Holders should consult their tax advisors regarding the availability of the lower applicable capital gains rate for dividends paid with respect to the Shares.

The amount of any distribution paid in foreign currency will be equal to the U.S. dollar value of such currency, translated at the spot rate of exchange on the date such distribution is received, regardless of whether the payment is in fact converted into U.S. dollars at that time.

Dividends on the Shares generally will constitute foreign source income for U.S. foreign tax credit limitation purposes. Subject to certain complex conditions and limitations, Swedish taxes, if any, withheld on any distributions on the Shares may be eligible for credit against a U.S. Holder's federal income tax liability or alternatively a deduction against U.S. federal taxable income. If a refund of the tax withheld is available under the laws of Sweden, the amount of tax withheld that is refundable will not be eligible for such credit against a U.S. Holder's U.S. federal income tax liability (and will not be eligible for the deduction against U.S. federal taxable income). If the dividends constitute qualified dividend income as discussed above, the amount of the dividend taken into account for purposes of calculating the U.S. foreign tax credit limitation will generally be limited to the gross amount of the dividend, multiplied by the reduced rate applicable to the qualified dividend income, divided by the highest rate of tax normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by the Company with respect to the Shares will generally constitute "passive category income". The rules relating to the determination of the U.S. foreign tax credit are complex, and U.S. Holders should consult their tax advisors regarding the availability of a U.S. foreign tax credit in their particular circumstances and the possibility of claiming a deduction (in lieu of the U.S. foreign tax credit) for any foreign taxes paid or withheld.

Sale or other taxable disposition of shares

Subject to the discussion below under "—*Passive Foreign Investment Company Considerations*", upon a sale or other taxable disposition of Shares, a U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount realised (including the amount of any tax withheld) and the U.S. Holder's adjusted tax basis in such Shares. Any such gain or loss generally will be treated as long-term capital gain or loss if the U.S. Holder's holding period in the Shares exceeds one year at the time of such disposition. Non-corporate U.S. Holders (including individuals) generally are subject to U.S. federal income tax on long-term capital gain at preferential rates. The deductibility of capital losses is subject to significant limitations. Gain or loss, if any, realised by a U.S. Holder on the sale or other disposition of Shares generally will be treated as U.S. source gain or loss for U.S. foreign tax credit limitation purposes. U.S. Holders should consult their tax advisors regarding the U.S. federal income tax consequences if Swedish taxes are imposed on a taxable disposition of Shares and their ability to credit any Swedish tax against their U.S. federal income tax liability.

If the consideration received upon the sale or other disposition of Shares is paid in foreign currency, the amount realised will be the U.S. dollar value of the payment received, translated at the spot rate of exchange on the date of the sale or other disposition. If the Shares are treated as traded on an established securities market and the relevant U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer who has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), such holder will determine the U.S. dollar value of the amount realised in foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. If the Shares are not treated as traded on an established securities market, or the relevant U.S. Holder is an accrual basis taxpayer that does not elect to determine the amount realised using the spot rate on the settlement date, such U.S. Holder will recognise foreign currency gain or loss to the extent of any difference between the U.S. dollar amount realised on the date of sale or disposition (as determined above) and the U.S. dollar value of the currency received translated at the spot rate on the settlement date, and such gain or loss generally will constitute U.S. source ordinary income or loss. A U.S. Holder's initial tax basis in its Shares generally will equal the cost of such Shares. If a U.S. Holder used foreign currency to purchase the Shares, the cost of the Shares will be the U.S. dollar value of the foreign currency purchase price on the date of purchase, translated at the spot rate of exchange on that date. If the Shares are treated as traded on an established securities market and the relevant U.S. Holder is either a cash basis taxpayer or an accrual basis taxpayer who has made the special election described above, such holder will determine the U.S. dollar value of the cost of such Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase.

Passive foreign investment company considerations

The Company will generally be classified as a passive foreign investment company (a "**PFIC**") for any taxable year if either:

(a) at least 75 per cent of its gross income is "passive income" for purposes of the PFIC rules or
(b) at least 50 per cent of the value of its assets (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income.

Passive income for this purpose generally includes, *inter alia*, dividends, interest, royalties, rents and gains from commodities and securities transactions and from the sale or exchange of property that gives rise to passive income. For purposes of determining whether the Company is a PFIC, the Company will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25 per cent or more (by value) of the stock.

Under the PFIC rules, if the Company were considered a PFIC at any time that a U.S. Holder holds Shares, the Company would continue to be treated as a PFIC that is subject to the general PFIC rules described below with respect to such investment unless (i) the Company ceases to be a PFIC and the U.S. Holder has made a "deemed sale" election under the PFIC rules, or (ii) the U.S. Holder is subject to different treatment by virtue of certain other elections as discussed below, such as a "mark-to-market" election.

Based on the current and anticipated composition of the income, assets (including their expected values) and operations of the Company and its subsidiaries, including the Company's anticipated market capitalisation following the Offering, the Company does not expect to be treated as a PFIC for the current taxable year or in the foreseeable future.

Whether the Company is treated as a PFIC is a factual determination that must be made annually after the close of each taxable year. This determination will depend on, *inter alia*, the composition of the income and assets, as well as the value of the assets (which may fluctuate with the Company's market capitalisation) of the Company and its subsidiaries from time to time. Therefore, there can be no assurance that the Company will not be classified as a PFIC in any taxable year.

If the Company were a PFIC for any taxable year during which a U.S. Holder held Shares, gain recognised by a U.S. Holder on a sale or other disposition (including certain pledges) of the Shares, as well as the amount of any "excess distribution" (defined below) received by the U.S. Holder, would be allocated ratably over the U.S. Holder's holding period for the Shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the tax on such amount. For purposes of these rules, an excess distribution is the amount by which any distribution received by a U.S. Holder on its Shares exceeds 125 per cent of the average of the annual distributions on the Shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter. In addition, if the Company is a PFIC and it owns equity in one or more foreign entities that is also a PFIC, a U.S. Holder may also be subject to the adverse tax consequences described above with respect to any gain or "excess distribution" realised or deemed realised in respect of such lower-tier PFIC. If the Company is considered a PFIC, a U.S. Holder will also be subject to annual information reporting requirements. Certain elections may be available that would result in alternative treatments (such as mark-to-market or "qualified electing fund" treatment) of the Shares if the Company is considered a PFIC. The Company does not currently intend to provide information necessary for U.S. Holders to elect into qualified electing fund treatment.

U.S. Holders should consult their tax advisors to determine whether any of these elections would be available and, if so, what the consequences of the alternative treatments would be in their particular circumstances in the event the company were a PFIC.

FATCA

Certain provisions of the Internal Revenue Code and applicable U.S. Treasury Regulations commonly referred to as FATCA may impose 30 per cent withholding on "foreign passthru payments" made by a "foreign financial institution" (an "**FFI**"). Under current guidance, the term "foreign passthru payment" is not defined and it is therefore not clear whether or to what extent payments on the Shares would be considered foreign passthru payments. Withholding on foreign passthru payments would not be required with respect to payments made before the date that is two years after the date of publication in the Federal Register of final U.S. Treasury Regulations defining the term "foreign passthru payment". No such regulations have been published as of the date hereof. The United States has entered into an intergovernmental agreement with Sweden (the "**IGA**") which potentially modifies the FATCA withholding regime described above. It is not yet clear how the IGA will address foreign passthru payments. Prospective investors in the Shares should consult their tax advisors regarding the potential impact of FATCA, the IGA and any non-U.S. legislation implementing FATCA, on their investment in the Shares.

Information reporting and backup withholding

Dividend payments with respect to Shares and proceeds from the sale, exchange or redemption of Shares may be subject to information reporting to the IRS and U.S. backup withholding. A U.S. Holder may be eligible for an exemption from backup withholding if the U.S. Holder furnishes a correct taxpayer identification number and makes any other required certification or is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status may be required to provide such certification on IRS Form W-9. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder's U.S. federal income tax liability, and such U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing an appropriate claim for refund with the IRS and furnishing any required information.

Additional information reporting requirements

Under U.S. information reporting rules applicable to "specified foreign financial assets," certain U.S. Holders may be required to report information relating to an interest in Shares, subject to certain exceptions (including an exception for shares held in accounts maintained by certain financial institutions). Penalties can apply if U.S. Holders fail to satisfy such reporting requirements. U.S. Holders should consult their tax advisors regarding the applicability of these requirements to their acquisition and ownership of Shares.

Historical financial information

TABLE OF CONTENTS

Unaudited condensed consolidated interim financial statements of Storskogen Group AB as of and for the six-months period ended 30 June 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

SEK m	Note	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020	12 months until 30 Jun	Full year 2020
Net sales	7, 8	3,821	2,109	6,713	4,177	11,470	8,933
Cost of goods sold		(2,974)	(1,669)	(5,258)	(3,329)	(9,057)	(7,128)
Gross profit		**847**	**439**	**1,455**	**848**	**2,413**	**1,805**
Selling expenses		(306)	(156)	(528)	(315)	(878)	(664)
Administrative expenses		(275)	(122)	(459)	(247)	(715)	(503)
Other operating income		151	48	224	81	370	227
Other operating expenses		(120)	(6)	(162)	(18)	(235)	(91)
Operating profit		**298**	**204**	**530**	**349**	**955**	**774**
Financial income		1	4	5	5	7	7
Financial expenses		(31)	(20)	(53)	(37)	(123)	(108)
Profit before tax		**268**	**188**	**481**	**316**	**839**	**673**
Tax		(58)	(46)	(100)	(72)	(127)	(100)
Net profit for the period		**210**	**142**	**381**	**243**	**711**	**574**
Profit for the year attributable to:							
Owners of the parent company		187	133	355	229	668	542
Non-controlling interests		23	9	26	14	43	32
Basic and diluted earnings per share, Series A, SEK		0.14	0.13	0.27	0.23	0.54	0.46
Basic and diluted earnings per share, Series B, SEK		0.14	0.13	0.26	0.23	0.54	0.47

The notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020	12 months until 30 Jun 2021	Full year 2020
Profit for the period	**210**	**142**	**381**	**243**	**711**	**574**
Other comprehensive income						
Items that have or may be transferred to profit for the year						
Exchange differences, foreign operations	(14)	(7)	9	(9)	7	(11)
Gains/losses on holding of derivatives for cash flow hedging	(1)	5	(7)	5	1	13
Other comprehensive income for the period, net of tax	**(15)**	**(2)**	**2**	**(4)**	**8**	**2**
Comprehensive income for the period	**195**	**140**	**383**	**239**	**720**	**576**
Comprehensive income for the period attributable to:						
Owners of the parent company	175	130	360	225	678	543
Non-controlling interests	20	9	23	14	42	33

The notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK m	30 June 2021	30 June 2020	31 December 2020
Assets			
Intangible assets	12,454	4,104	5,154
Property, plant and equipment	1,798	806	861
Right-of-use assets	834	492	610
Financial investments	7	5	6
Non-current receivables	120	17	17
Deferred tax assets	55	3	4
Total non-current assets	**15,269**	**5,427**	**6,653**
Inventories	2,198	993	935
Tax assets	190	41	53
Trade receivables	2,385	1,172	1,227
Contract assets	340	332	235
Prepaid expenses and accrued income	360	133	138
Other receivables	207	75	150
Current investments	6	0	745
Cash and cash equivalents	6,593	1,476	1,866
Total current assets	12,277	4,223	5,349
Total assets	**27,546**	**9,650**	**12,002**
Equity			
Share capital	1	1	1
Other contributed capital	5,400	–	1,929
Reserves	6	(4)	1
Retained earnings	2,448	3,406	2,977
Equity attributable to owners of the parent company	**7,855**	**3,403**	**4,909**
Non-controlling interests	916	268	353
Total equity	**8,771**	**3,671**	**5,262**
Liabilities			
Interest-bearing non-current liabilities	10,335	3,035	3,189
Non-current lease liabilities	554	360	440
Other non-current liabilities	1,151	319	637
Provisions	179	24	27
Deferred tax liabilities	770	247	263
Total non-current liabilities	**12,988**	**3,986**	**4,556**
Interest-bearing current liabilities	480	160	330
Current lease liabilities	263	132	154
Contract liabilities	230	334	114
Trade payables	1,457	588	652
Tax liabilities	237	91	142
Other liabilities	2,018	213	237
Accrued expenses and deferred income	1,064	469	548
Provisions	38	5	8
Total current liabilities	5,786	1,993	2,184
Total liabilities	18,775	5,979	6,740
Total equity and liabilities	**27,546**	**9,650**	**12,002**

The notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK m	30 June 2021	30 June 2020	31 December 2020
Opening equity attributable to owners of the parent company	**4,909**	**2,905**	**2,905**
Comprehensive income			
Profit for the period	355	229	542
Other comprehensive income for the period	4	(4)	1
Comprehensive income for the period	**360**	**225**	**543**
Transactions with the Group's owners			
Contributions from and value transfers to owners			
Dividends paid	(536)	(300)	(300)
Share issue, cash	2,347	618	2,001
Share issue, non-cash	100	–	–
Transaction costs on issue of shares	(19)	(13)	(80)
Share capital paid but not registered, cash	282	–	8
Share issue non-cash not registered	761	–	–
Change in fair value of minority option	(356)	(32)	(164)
Total contributions from and value transfers to owners	**2,579**	**273**	**1,465**
Changes in ownership of subsidiaries			
Acquisition/divestment of non-controlling interests	7	0	(3)
Total changes in ownership of subsidiaries	**7**	**0**	**(3)**
Total transactions with the Group's owners	**2,585**	**274**	**1,462**
Closing equity attributable to owners of the parent company	**7,854**	**3,403**	**4,909**
Opening equity in non-controlling interests	**353**	**202**	**202**
Profit for the period	26	14	32
Other comprehensive income for the period	(2)	0	1
Comprehensive income for the period	**23**	**14**	**33**
Dividends to non controlling interests	(22)	(19)	(21)
Acquisition/divestment of non-controlling interests	4	2	(5)
Non-controlling interests arising on business combinations from before	558	69	144
Closing equity in non-controlling interests	**916**	**268**	**353**
Total equity	**8,771**	**3,671**	**5,262**

The notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK m	Note	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020	12 months until 30 Jun 2021	Full year 2020
Operating activities							
Profit after financial items		268	188	481	316	838	673
Adjustment for non-cash items		230	121	334	208	626	500
Income tax paid		(89)	(36)	(216)	(127)	(258)	(170)
Cash flow from operating activities before change in working capital		**409**	**273**	**599**	**397**	**1,206**	**1,003**
Increase (–)/Decrease (+) in inventories		(118)	187	(201)	45	(106)	140
Increase (–)/Decrease (+) in operating receivables		(230)	(84)	(302)	(233)	(168)	(99)
Increase (+)/Decrease (–) in operating liabilities		829	(32)	991	42	719	(230)
Cash flow from operating activities		**891**	**345**	**1,088**	**251**	**1,651**	**814**
Investing activities							
Investments in property, plant and equipment		(101)	(12)	(197)	(79)	(314)	(196)
Proceeds from sale of property, plant and equipment		–	–	8	1	35	28
Investments in intangible assets		(8)	(1)	(11)	(3)	(31)	(22)
Acquisition of subsidiary/business, net of cash acquired	9	(3,998)	(483)	(5,474)	(1,082)	(6,285)	(1,894)
Acquisition of non-controlling interests		–	–	–	–	(22)	(22)
Proceeds from sale of subsidiary/operations		–	4	16	14	22	19
Investments in financial assets		(1)	(2)	(1)	(1)	(748)	(748)
Proceeds from sale of financial assets		13	0	753	3	758	7
Cash flow from investing activities		**(4,095)**	**(493)**	**(4,905)**	**(1,147)**	**(6,586)**	**(2,828)**
Financing activities							
Proceeds from issues of shares		2,461	618	2,629	618	4,020	2,009
Transaction costs on issue of shares		(19)	(13)	(19)	(13)	(87)	(80)
Proceeds from borrowings		5,730	566	6,836	1,033	7,311	1,508
Repayment of borrowings		(182)	(496)	(200)	(591)	(364)	(755)
Payment of lease liabilities		(75)	(41)	(145)	(81)	(270)	(206)
Dividend paid to owners of the parent company		(536)	(300)	(536)	(300)	(536)	(300)
Dividend paid to non-controlling interests		(22)	(19)	(22)	(19)	(24)	(21)
Cash flow from financing activities		**7,356**	**315**	**8,541**	**646**	**10,051**	**2,156**
Cash flow for the period		**4,151**	**167**	**4,724**	**(249)**	**5,116**	**142**
Cash and equivalents at beginning of period		2,445	1,311	1,866	1,730	1,476	1,730
Exchange rate differences in cash and cash equivalents		(4)	(2)	2	(4)	1	(6)
Cash and equivalents at end of period		**6,593**	**1,476**	**6,593**	**1,476**	**6,593**	**1,866**

The notes are an integral part of these financial statements

NOTES

Note 1 Accounting policies

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 same accounting policies and assumptions have been applied for the Group 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 (MSEK) unless otherwise indicated. Rounding differences may occur.

Note 2 Risks and uncertainties

The Storskogen Group's diversified business model, with 94 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 2020 Annual Report, the Groups assessment is that the Covid-19 pandemic, if it does not subside as currently expected, could impact a number of business units within the Group in the form of health risks for employees, customers and suppliers, operational disruptions and a weaker financial position. Some subsidiaries in the Group could be affected by the disruption of supply chains and higher commodity prices that cannot be offset with price increases. The Group believes, however, that its diversified business model will limit the operational and financial impact of these risks. This is supported by the business units' operational and financial performance during the 2020 financial year and the first half of 2021.

Note 3 Related-party transactions

The nature and scope of transactions with related parties are presented in the 2020 Annual Report. No significant new transactions took place during the period.

Note 4 Estimates and judgements

The preparation of the interim report requires management to make judgements, 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 judgements. The critical judgements and sources of uncertainty in estimates are the same as in the most recent Annual Report.

Note 5 2021 Annual General meeting

The Annual General Meeting on 12 May resolved to pay a dividend of SEK 536 million to shareholders, equivalent to SEK 4.09 per Series A share and SEK 4.00 per Series B share, and to re-elect Elisabeth Thand Ringqvist (Chair), Alexander Bjärgård, Bengt Braun, Louise Hedberg and Johan Thorell as the members of the Board. Peter Ahlgren chose not to be re-elected. The meeting also resolved to reappoint Ernst & Young as auditor, to issue Series A and Series B shares through directed issues, and to authorise the Board to decide on new issues of Series B shares and/or convertibles.

Note 6 Subsequents events after the period

A further two acquisitions have been made since the end of the quarter: Marwell AG, an add-on to PerfectHair in the Trade business area; and Frigo AG, an add-on to Friegel AG, which is a part of Artum in the Service business area.

The Group has signed agreements to acquire Jernbro Automation, an add-on to Elektroautomatik in the Industry business area with a reported revenue of SEK 58 million and EBITA of SEK 7 million for 2020, and to acquire a portfolio, with reported revenue of SEK 900 million and EBITA of SEK 160 million for 2020, from Ceder Capital comprising Viametrics Group, Buildercom Group, DeroA and SoVent in the Services business area and Kumla Handtagsfabrik in the Industry business area. These transactions are expected to be completed in October 2021.

In addition, Storskogen has entered into ten (10) non-binding letters of intent or preferred buyer letters through which Storskogen has obtained exclusivity to carry out due diligence of the target and to negotiate with, the company and the sellers.

On 2 September 2021, the Company agreed on the main terms of a new, unsecured agreement regarding a revolving credit facility in several currencies. The New Facilities Agreement is intended to be entered into in connection with the completion of the Offering and will thus replace the Existing Facilities Agreement.

On 24 of September an extraordinary general meeting was held in order to approve the group's LTIP-program (long term incentive program).

A split of shares, 10:1, has been carried out throughout the year.

Since the end of the period, Storskogen has issued 2,7 million Series A shares and 1,3 million Series B shares generating proceeds of about SEK 329 million.

The notes are an integral part of these financial statements

Note 7 Items by segment and breakdown of revenue

2021 Jan–Jun, SEK m	Services	Trade	Industry	Group operations	Total
Net sales	2,936	2,114	1,665	(2)	6,713
Cost of goods sold	(2,312)	(1,644)	(1,255)	(46)	(5,258)
Gross profit	**624**	**470**	**410**	**(48)**	**1,455**
Selling expenses	(228)	(179)	(109)	(12)	(528)
Administrative expenses	(179)	(92)	(162)	(27)	(459)
Other operating income	78	86	55	5	224
Other operating expenses	(25)	(36)	(91)	(10)	(162)
Operating profit	**270**	**248**	**103**	**(92)**	**530**
Financial income	0	3	3	(2)	5
Financial expenses	(12)	(8)	(5)	(28)	(53)
Profit before tax	**259**	**243**	**101**	**(122)**	**481**
Reversal of financial income/expenses	11	5	2	30	48
Reversal of amortization and impairments of intangible assets	38	19	17	0	75
EBITA	**309**	**267**	**121**	**(92)**	**605**
Items affecting comparability	(16)	(15)	81	–	49
EBITA, adjusted	**292**	**252**	**201**	**(92)**	**654**

2021 Jan–Jun, SEK m	Services	Trade	Industry	Group operations	Total
Sweden	2,840	1,371	1,110	(2)	5,318
Within the EU, excluding Sweden	41	238	345	–	624
Outside the EU	56	505	210	–	771
Total net sales	**2,936**	**2,114**	**1,665**	**(2)**	**6,713**

2020 Jan–Jun, SEK m	Services	Trade	Industry	Group operations	Total
Net sales	1,702	1,211	1,264	0	4,177
Cost of goods sold	(1,349)	(981)	(990)	(9)	(3,329)
Gross profit	**353**	**230**	**274**	**(9)**	**848**
Selling expenses	(127)	(90)	(94)	(4)	(315)
Administrative expenses	(90)	(56)	(101)	(1)	(247)
Other operating income	20	34	27	0	81
Other operating expenses	(3)	(9)	(5)	0	(18)
Operating profit	**153**	**108**	**102**	**(13)**	**349**
Financial income	2	2	1	0	5
Financial expenses	(6)	(6)	(4)	(22)	(37)
Profit before tax	**148**	**104**	**99**	**(36)**	**316**
Reversal of financial income/expenses	5	4	2	22	33
Reversal of amortization and impairments of intangible assets	23	12	12	0	47
EBITA	**175**	**120**	**114**	**(13)**	**396**
Items affecting comparability	(5)	(10)	1	–	(13)
EBITA, adjusted	**171**	**110**	**115**	**(13)**	**382**

2020 Jan–Jun, SEK m	Services	Trade	Industry	Group operations	Total
Sweden	1,620	923	895	0	3,437
Within the EU, excluding Sweden	29	126	286	–	442
Outside the EU	53	162	83	–	297
Total net sales	**1,702**	**1,211**	**1,264**	**0**	**4,177**

The notes are an integral part of these financial statements

Note 8 Revenue from customer contracts

SEK m	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020	12 months until 30 Jun 2021	Full year 2020
Construction and Infrastructure	600	296	1,078	592	1,754	1,268
Installation	455	244	821	403	1,543	1,125
Logistics	218	162	417	339	769	692
Engineering Services	170	130	341	279	617	556
Digital Services	103	43	158	88	244	175
HR and Competence	77	–	125	–	147	22
Intragroup sales within the business area	(2)	–	(2)	–	(3)	(1)
Total, Services segment	**1,621**	**876**	**2,936**	**1,702**	**5,071**	**3,837**
Distributors	705	338	1,228	661	2,037	1,470
Brands	443	202	706	389	1,116	799
Producers	115	87	184	161	341	319
Intragroup sales within the business area	(3)	–	(4)	–	(7)	(3)
Total, Trade segment	**1,260**	**628**	**2,114**	**1,211**	**3,487**	**2,584**
Automation	330	212	589	425	1,057	893
Industrial Technology	251	213	490	453	896	859
Products	380	180	613	385	1,016	789
Intragroup sales within the business area	(20)	–	(27)	–	(50)	(23)
Total, Industry segment	**942**	**605**	**1,665**	**1,264**	**2,920**	**2,519**
Intragroup sales eliminations	(1)	0	(2)	0	(9)	(6)
Total	**3,821**	**2,109**	**6,713**	**4,177**	**11,470**	**8,933**

Note 9 Acquisitions

Storskogen has been active in the M&A market and made 25 acquisitions in the second quarter with a total of 2,144 employees and combined sales for the 2020 financial year of SEK 5,867 million. The number of platform acquisitions amounted to 17 and eight were add-ons. Three of the platform acquisitions were outside Sweden: one in Switzerland, one in the UK and one in Germany. No disposals were made during the quarter.

ACQUISITIONS DURING THE PERIOD

Acquisitions completed in the period January–June 2021 break down between the Group's business areas as follows:

Acquisitions (divestment)	Acquisition date	Net sales, SEK m (2020)	Number of employees	Share of capital/ votes, %	Business unit
Pierre Entreprenad i Gävle AB	January	177	55	90.1	Services
Örnsberg El Tele & Data AB	January	62	29	90.1	Services
Continovagruppen, incl. subsidiaries	January	219	47	90.1	Trade
Ockelbo Kabelteknik AB	January	106	31	100	Services
Tjällmo Grävmaskiner AB, incl. subsidiaries	January	149	44	100	Services
Strand i Jönköping AB, incl. subsidiaries	January	132	36	95.0	Services
Allan Eriksson Mark AB	January	70	31	100	Services
Såg- och Betongborrning i Uddevalla AB	January	99	34	100	Services
Nymålat i Skellefteå AB	January	39	43	94.8	Services
BEC Trägolvsprodukter AB	January	10	2	100	Trade
Delér Måleri AB	January	100	59	94.8	Services
Stockholm Industrigolv AB	January	2	1	94.8	Services
Strigo AB, incl. subsidiaries	February	133	237	90.2	Services
PerfectHair AG	February	321	121	75.0	Trade
Primulator AS, incl. subsidiaries	March	360	190	100	Trade
Danmatic A/S, incl. subsidiaries	March	264	32	75.0	Industry
Top Swede Konfektion AB, incl. fellow subsidiary	March	142	12	91.0	Trade
HP Rör AB, incl. subsidiaries	March	95	27	94.0	Services
AGIO System och Kompetens i Skandinavien AB	April	107	75	90.1	Services
Bombayworks AB, incl. subsidiaries	April	70	75	90.1	Services
SGS Engineering UK Ltd, incl. subsidiaries	April	314	55	80.0	Trade

The table continues on the next page

The notes are an integral part of these financial statements

>> CONT. NOTE 9

Acquisitions (divestment)	Acquisition date	Net sales, SEK m (2020)	Number of employees	Share of capital/ votes, %	Business unit
Scandia Steel Sweden AB, incl. subsidiaries	May	435	95	95.0	Industry
Mattbolaget i Uddevalla AB	May	23	6	100	Trade
Harrysson Entreprenad Aktiebolag (HEAB)	May	133	25	90.1	Services
Stockholm Kvadratmeter AB	May	60	10	100	Trade
Aktiebolaget LM-Transport	May	81	25	90.1	Services
Lindberg Stenberg Arkitekter Aktiebolag	May	60	50	90.1	Services
Vårdväskan AB, incl. subsidiaries	May	70	25	90.1	Trade
Persiennkompaniet Norden Aktiebolag	May	45	15	90.1	Trade
R. Ardbo Golv AB	June	52	9	100	Trade
Silanex AB	June	8	1	100	Trade
Jofrab TWS AB, incl. subsidiaries	June	207	50	100	Trade
Lan Assistans Sweden AB (Ecochange)	June	227	13	90.1	Trade
Newton Kompetensutveckling AB, incl. subsidiaries	June	58	35	100	Services
Zymbios Logstics Contractor AB	June	43	30	90.1	Services
Roleff GmbH & Co. KG, incl. subsidiaries	June	175	140	95.1	Industry
Aktiebolaget Wibe, incl. subsidiaries	June	735	230	100	Industry
Ashe Invest AB, incl. subsidiaries	June	128	10	75.0	Trade
On Target AB	June	90	5	75.0	Trade
Nordisk VVS-Teknik AB	June	128	40	92.0	Services
Artum AG, incl. subsidiaries	June	1,745	500	97.3	Industry, Services & Trade
Enrival AB	June	63	195	92.0	Services
Brenderup Group AB, incl. subsidiaries	June	810	430	98.7	Industry

A further two acquisitions have been made since the end of the quarter: an add-on to PerfectHair in the Trade business area; and Jernbro Automation, an add-on to Elektroautomatik in the Industry business area.

An agreement has also been entered into on the acquisition of a portfolio from Ceder Capital consisting of Viametrics Group, Buildercom Group, DeroA (Adero) and SoVent in the Services business area and Kumla Handtagsfabrik (Persson Innovation) in the Industry business area. The transaction is expected to be completed in October. The combined sales of these companies is estimated at about SEK 900 million and an overall EBITA margin of between 15 and 20 percent.

PRELIMINARY ACQUISITION ANALYSIS FOR THE PERIOD

Refers to acquisitions completed during the period January–June 2021:

SEK m	Services	Trade	Industry	Total
Intangible assets	236	464	1,617	2,318
Other non-current assets	122	261	581	963
Inventories	10	373	676	1,060
Other current assets	357	333	578	1,268
Cash and cash equivalents	275	342	432	1,049
Deferred tax liabilities/tax assets	(80)	(122)	(299)	(501)
Liabilities to credit institutions	(58)	(115)	(512)	(685)
Other liabilities	(382)	(415)	(1,183)	(1,980)
Acquired net assets	**480**	**1,122**	**1,892**	**3,493**
Goodwill	1,169	1,520	3,041	5,729
Non-controlling interests	(104)	(298)	(814)	(1,217)
Purchase price including contingent consideration	**1,546**	**2,343**	**4,118**	**8,006**
Less cash and cash equivalents in acquired operations	(275)	(342)	(432)	(1,049)
Less unpaid purchase consideration	(159)	(134)	(329)	(622)
Less Share issue, non cash	–	(100)	(761)	(861)
Effect on consolidated cash and cash equivalents	**1,112**	**1,767**	**2,595**	**5,474**

The notes are an integral part of these financial statements

>> CONT. NOTE 9

Significant acquisitions during the period

SEK m	Artum - included in Industry	Brenderup - included in Industry	Wibe - included in Industry	Total included in Industry
Intangible assets	669	387	386	1,442
Other non-current assets	174	162	207	543
Inventories	326	150	62	537
Other current assets	201	133	150	484
Cash and cash equivalents	250	82	18	350
Deferred tax liabilities/tax assets	(86)	(88)	(86)	(259)
Liabilities to credit institutions	(429)	(49)	–	(478)
Other liabilities	(336)	(293)	(434)	(1,063)
Acquired net assets	**769**	**484**	**303**	**1,556**
Goodwill	956	453	681	2,090
Non-controlling interests	(79)	(12)	–	(90)
Purchase price including contingent consideration	**1,646**	**926**	**984**	**3,556**
Less cash and cash equivalents in acquired operations	(250)	(82)	(18)	(350)
Less unpaid purchase consideration	–	–	(297)	(297)
Less Share issue, non cash	(761)	–	–	(761)
Effect on consolidated cash and cash equivalents	**635**	**844**	**669**	**2,148**

Artum will be allocated to the business areas Services, Trade and Industry when a final audited acquisition balance is available.

Purchase consideration and estimates

The total purchase consideration for the period's acquisitions is SEK 8,006 million, of which SEK 5,145 million has been recognised as goodwill. Had these acquisitions been made with effect from 1 January 2021, it is estimated that they would have contributed SEK 4,177 million to the Group's net sales and around SEK 428 million to the Group's profit after tax. No material changes were made during the period to the Group's acquisition analyses for previous years' acquisitions. The acquisition analyses for acquisitions made in the first half of 2021 are preliminary, as the Group has not received complete information from these companies. All acquisitions have been reported using the acquisition method.

Goodwill

The amount recognised as goodwill on the date of acquisition is the purchase price less the fair value of the net assets acquired. This goodwill is justified by the companies' future earnings potential. On June 30, 2021, the Group recognised total goodwill of SEK 9,750 million (3,703). The Group's goodwill is tested for impairment as required, and at least annually, by cash-generating unit. Impairment tests were performed during the quarter, but no losses were identified. An impairment test was conducted during the quarter and no need for impairments were identified.

Step-ups etc.

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. The amortization period is determined by an estimate of the annual decline in sales attributable to the respective asset. Customer relationships are generally written down over a period of between five and ten years. The amortization 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 on an ongoing basis and are tested for impairment annually in accordance with IAS 36 and so are not amortised over a set period. Other step-ups identified in acquisitions during the period relate to buildings and inventories. Buildings are generally depreciated over 25 years, while inventories are depreciated based on turnover.

Acquisition-related expenses

Acquisition-related expenses consist of fees to advisers in connection with due diligence. These expenses have been reported as administrative expenses in the income statement and statement of other comprehensive income. Acquisition-related expenses for acquisitions completed during the period totalled SEK 27 million (4).

Contingent considerations

A contingent consideration is a conditional purchase consideration 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 contingent consideration liability generally crystallises, if the criteria are met, one to three years from the date of acquisition. At the time of the transaction, the 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 622 million (22), while the total liability recognised for discounted contingent consideration on 30 June was SEK 892 million (56).

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.

Acquisition-related disclosures

All acquisitions during the period took the form of purchases of shares.

The notes are an integral part of these financial statements

>> CONT. NOTE 9

EFFECT OF ACQUISITIONS ON THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS JAN–JUN 2021

SEK m	Services	Trade	Industry	Total
Effect after the acquisition date included in consolidated profit				
Sales	601	558	176	1,335
Profit for the year	30	61	28	118
Effect if the acquisitions had been completed on January 1				
Sales	1,138	1,325	1,714	4,177
Profit for the year	85	144	198	428

Acquisitions completed during the first half of 2021 increased the Group's net sales by SEK 1,335 million, EBITA by SEK 140 million and profit after tax by SEK 118 million. Transaction costs for these acquisitions came to SEK 27 million and are included in administrative expenses in the consolidated income statement.

Note 10 The group's measurement of financial assets and liabilities

	30 June 2021				30 June 2020			
Financial assets, SEK m	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 non-current assets	117	7	3	127	11	5	6	22
Trade receivable	2,385	–	–	2,385	1,172	–	–	1,172
Current receivables	561	–	5	566	208	–	–	208
Current investments	–	6	–	6	–	0	–	0
Cash and cash equivalents	6,593	–	–	6,593	1,476	–	–	1,476
Total	**9,656**	**13**	**8**	**9,677**	**2,868**	**5**	**6**	**2,878**

	30 June 2021				30 June 2020			
Financial liabilities, SEK m	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
Interest-bearing non-current liabilities	7,101	–	–	7,101	3,035	–	–	3,035
Non-interest-bearing non-current liabilities	13	376	–	390	6	33	–	40
Interest-bearing current liabilities	444	–	–	444	160	–	–	160
Trade payable	1,457	–	–	1,457	588	–	–	588
Non-interest-bearing current liabilities	2,562	516	0	3,078	665	22	–	688
Total	**11,577**	**892**	**0**	**12,469**	**4,456**	**56**	**–**	**4,511**

The notes are an integral part of these financial statements

>> CONT. NOTE 10

Financial assets, SEK m	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
	30 June 2021			
Financial non-current assets	10	6	7	24
Trade receivable	1,227	–	–	1,227
Current receivables	279	–	10	289
Current investments	–	745	–	745
Cash and cash equivalents	1,866	–	–	1,866
Total	**3,382**	**752**	**17**	**4,150**

Financial liabilities, SEK m	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
	30 June 2020			
Interest-bearing non-current liabilities	3,189	–	–	3,189
Non-interest-bearing non-current liabilities	0	232	–	232
Interest-bearing current liabilities	330	–	–	330
Trade payable	652	–	–	652
Non-interest-bearing current liabilities	758	27	1	785
Total	**4,928**	**259**	**1**	**5,188**

Valuation at fair value

Fair value is the price that at the time of valuation would be obtained on the sale of an asset or paid on the transfer of a liability through an orderly transaction between market participants. The table below shows financial instruments valued at fair value, based on how the classification in the fair value hierarchy is made. The different levels are defined as follows:

Level 1 - Listed prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Observable input data for assets or liabilities other than quoted prices included in level 1, either directly (ie as price quotations) or indirectly (ie derived from price quotations)

Level 3 - Asset or liability input data that is not based on observable market data (ie non-observable input data)

Measurement of fair value of financial assets and liabilities

For assets and liabilities valued at accrued acquisition value, the carrying amount is considered to be a good approximation of the fair value. Given the prevailing low interest rate situation, calculations show that there is no significant difference between accrued acquisition value and fair value.

Financial assets, SEK m	30 June 2021					30 June 2020				
	Level 1	Level 2	Level 3	Other[1]	Total	Level 1	Level 2	Level 3	Other[1]	Total
Financial non-current assets	–	3	–	124	127	–	6	–	16	22
Trade receivable	–	–	–	2,385	2,385	–	–	–	1,172	1,172
Current receivables	–	5	–	561	566	–	–	–	208	208
Current investments	6	–	–	–	6	0	–	–	–	0
Cash and cash equivalents	6,593	–	–	–	6,593	1,476	–	–	–	1,476
Total	**6,598**	**8**	**–**	**3,070**	**9,677**	**1,476**	**6**	**–**	**1,396**	**2,878**

Financial liabilities, SEK m	30 June 2021					30 June 2020				
	Level 1	Level 2	Level 3	Other[1]	Total	Level 1	Level 2	Level 3	Other[1]	Total
Interest-bearing non-current liabilities	–	–	–	7,101	7,101	–	–	–	3,035	3,035
Non-interest-bearing non-current liabilities	–	–	376	13	390	–	–	33	6	40
Interest-bearing current liabilities	–	–	–	444	444	–	–	–	160	160
Trade payable	–	–	–	1,457	1,457	–	–	–	588	588
Non-interest-bearing current liabilities	–	0	516	2,562	3,078	–	–	22	665	688
Total	**–**	**0**	**892**	**11,577**	**12,469**	**–**	**–**	**56**	**4,456**	**4,511**

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.

The notes are an integral part of these financial statements

>> CONT. NOTE 10

Financial assets, SEK m	30 June 2021				
	Level 1	Level 2	Level 3	Other[1]	Total
Financial non-current assets	–	7	–	16	24
Trade receivable	–	–	–	1,227	1,227
Current receivables	–	10	–	279	289
Current investments	745	–	–	–	745
Cash and cash equivalents	1,866	–	–	–	1,866
Total	**2,611**	**17**	**–**	**1,522**	**4,150**

Financial liabilities, SEK m	30 June 2021				
	Level 1	Level 2	Level 3	Other[1]	Total
Interest-bearing non-current liabilities	–	–	–	3,189	3,189
Non-interest-bearing non-current liabilities	–	–	232	0	232
Interest-bearing current liabilities	–	–	–	330	330
Trade payable	–	–	–	652	652
Non-interest-bearing current liabilities	–	1	27	758	785
Total	**–**	**1**	**259**	**4,928**	**5,188**

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 valued at fair value based on data from the issuing institution.

Change in financial liabilities Level 3, SEK m	OB	Aquisition	Paid	Remeasured	Present Value	CB
Contingent considerations 2021	259	622	(28)	40	(2)	892

The fair value of the contingent considerations has been calculated based on the expected outcome of the targets set in the contracts, given a discount rate of 9.6% (9.6).

The notes are an integral part of these financial statements

AUDITOR'S REVIEW REPORT

Auditors' review report

To the Board of Directors of Storskogen Group AB (publ), corporate identity number 559223-8694

Introduction

We have reviewed the condensed consolidated interim financial information on pages F-2–F-14 of Storskogen Group AB (publ) as of 30 June 2021 and for the six-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*." A review of interim financial information 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. The procedures performed in a review do not enable us to obtain assurance that we 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 condensed consolidated interim financial information is not prepared, in all material aspects, in accordance with IAS 34.

Stockholm den 27 September 2021

Ernst & Young AB

Åsa Lundvall

Authorized Public Accountant

Consolidated and Combined financial statements of Storskogen Group AB as of and for the financial years ended 31 December 2020, 2019 and 2018

CONSOLIDATED AND COMBINED STATEMENT OF PROFIT OR LOSS

1 January – 31 December, MSEK	Note	2020	2019[2)]	2018[1) 2)]
Net sales	3, 4	8,933	6,163	3,298
Cost of goods sold	6–9	(7,128)	(5,040)	(2,684)
Gross profit		**1,805**	**1,123**	**614**
Selling expenses	6–9	(664)	(453)	(225)
Administrative expenses	6–9	(503)	(332)	(158)
Other operating income	10	227	68	49
Other operating expenses	10	(91)	(25)	(8)
Operating profit		**774**	**381**	**272**
Financial income		7	2	2
Financial expenses		(108)	(35)	(18)
Net financial items	11	**(101)**	**(32)**	**(16)**
Profit before tax		**673**	**348**	**255**
Income tax	12	(100)	(87)	(56)
Profit for the year		**574**	**262**	**199**
Profit for the year attributable to:				
Owners of the parent company		542	250	194
Non-controlling interests		32	11	5

Earnings per share (SEK)

SEK	Note	2020	2019[2)]	2018[2)]
Basic and diluted earnings per share Series A shares	33	0,46	0.30	0.19
Basic and diluted earnings per share Series B shares	33	0.47	0.24	0.19

1) Financial information for 2019 and 2018 have been restated, see further Note 32.
2) The financial information for 2019 up until the legal start of Storskogen Group in November 2019 and the financial information for 2018 are an aggregation of the financial information by common control, for further information see Note 1.

The notes are an integral part of these financial statements

CONSOLIDATED AND COMBINED STATEMENT OF COMPREHENSIVE INCOME

1 January – 31 December, MSEK	Note	2020	2019[1]	2018[1]
Profit for the year		**574**	**262**	**199**
Other comprehensive income				
Items that have or may be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of foreign operations		(11)	3	0
Gains/losses on cash flow hedges		13	–	–
Total comprehensive income for the year, net of tax		**576**	**265**	**200**
Attributable to:				
Owners of the parent company		543	254	195
Non-controlling interests		33	11	5
Total comprehensive income for the year, net of tax		**576**	**265**	**200**

1) The financial information for 2019 up until the legal start of Storskogen Group in november and the financial information for 2018 are an aggregation of the financial information by common control, for further information see Note 1.

The notes are an integral part of these financial statements

CONSOLIDATED AND COMBINED STATEMENT OF FINANCIAL POSITION

MSEK	Note	12/31/2020	12/31/2019	12/31/2018[1]
Assets				
Intangible assets	13	5,154	3,064	1,696
Property, plant and equipment	14	861	640	421
Right-of-use assets	26	610	478	255
Financial investments		6	1	2
Non-current receivables		17	12	7
Deferred tax assets	12	4	10	6
Total non-current assets		**6,653**	**4,205**	**2,387**
Inventories	15	935	707	320
Tax assets		53	25	26
Trade receivables	17	1,227	826	596
Contract assets	4	235	268	120
Prepaid expenses and accrued income	16	138	124	35
Other receivables		150	38	15
Current investments	24	745	0	0
Cash and cash equivalents	18	1,866	1,730	179
Total current assets		**5,349**	**3,717**	**1,291**
Total assets		**12,002**	**7,923**	**3,678**
Equity				
Share capital	19	1	1	–
Other contributed capital		1,929	–	–
Reserves		1	1	(3)
Retained earnings including profit for the year		2,977	2,903	1,422
Equity attributable to owners of the parent company		**4,909**	**2,905**	**1,419**
Non-controlling interests		**353**	**202**	**76**
Total equity		**5,262**	**3,107**	**1,495**
Liabilities				
Interest-bearing non-current liabilities	20	3,189	2,239	55
Non-current lease liabilities	20, 26	440	358	188
Other non-current liabilities	22	637	321	119
Provisions	21	27	22	26
Deferred tax liabilities	12	263	203	137
Total non-current liabilities		**4,556**	**3,142**	**525**
Interest-bearing current liabilities	20	330	306	823
Current lease liabilities	20, 26	154	121	61
Contract liabilities	4	114	277	96
Trade payables		652	446	320
Tax liabilities		142	98	53
Other liabilities	22	237	128	140
Accrued expenses and deferred income	23	548	295	165
Provisions	21	8	3	–
Total current liabilities		**2,184**	**1,674**	**1,657**
Total liabilities		**6,740**	**4,816**	**2,183**
Total equity and liabilities		**12,002**	**7,923**	**3,678**

1) The financial information for 2018 is established by common control according to IAS 8, for further information see Note 1.

The notes are an integral part of these financial statements

CONSOLIDATED AND COMBINED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent company							
MSEK	Share capital	Other contrib-uted capital	Transla-tion reserve	Cashflow hedge reserve	Retained earnings	Total	Non-controlling interests	Total equity
Opening balance 2020-01-01	**1**	**–**	**1**	**–**	**2,903**	**2,905**	**202**	**3,107**
Total comprehensive income for the year								
Profit for the year	–	–	–	–	542	542	32	574
Other comprehensive income for the year	–	–	(11)	11	–	1	1	2
Total comprehensive income for the year	**–**	**–**	**(11)**	**11**	**542**	**543**	**33**	**576**
Transactions with the Group's owners								
Contributions from and value transfers to owners								
Dividends paid	–	–	–	–	(300)	(300)	(21)	(321)
Share issue	0	2,001	–	–	–	2,001	–	2,001
Transaction costs on issue of shares	–	(80)	–	–	–	(80)	–	(80)
Share capital paid but not registered	–	8	–	–	–	8	–	8
Changes in fair value of minority option	–	–	–	–	(164)	(164)	–	(164)
Total contributions from and value transfers to owners	**0**	**1,929**	**–**	**–**	**(465)**	**1,465**	**(21)**	**1,444**
Changes in ownership of subsidiaries								
Acquisition of non-controlling interest	–	–	–	–	(3)	(3)	(20)	(22)
Non-controlling interests arising on busi-ness combinations	–	–	–	–	–	–	144	144
Divestment of non-controlling interest, control remains	–	–	–	–	0	0	15	15
Total changes in ownership of subsidiaries	**–**	**–**	**–**	**–**	**(3)**	**(3)**	**139**	**136**
Total transactions with the Group's owners	**0**	**1,929**	**–**	**–**	**(468)**	**1,462**	**118**	**1,580**
Closing balance 2020-12-31	**1**	**1,929**	**(10)**	**11**	**2,977**	**4,909**	**353**	**5,262**

The notes are an integral part of these financial statements

>> CONT. CONSOLIDATED AND COMBINED STATEMENT OF CHANGES IN EQUITY

Storskogen Group based on common control	Attributable to owners of the parent company							
MSEK	Share capital	Other contrib-uted capital	Transla-tion reserve	Cashflow hedge reserve	Retained earnings	Total	Non-controlling interests	Total equity[1]
Opening balance 2019-01-01	**–**	**–**	**(3)**	**–**	**1,422**	**1,419**	**76**	**1,495**
Registered share capital Storskogen Group 2019-10-24	1	–	–	–	–	1	–	1
Total comprehensive income for the year								
Profit for the year	–	–	–	–	250	250	11	262
Other comprehensive income for the year	–	–	3	–	–	3	0	3
Total comprehensive income for the year	**–**	**–**	**3**	**–**	**250**	**254**	**11**	**265**
Transactions with the Group's owners								
Contributions from and value transfers to owners								
Dividends paid	–	–	–	–	(185)	(185)	(6)	(191)
Net investment in subsidiaries	–	–	–	–	1,596	1,596	–	1,596
Changes in fair value of minority option	–	–	–	–	(164)	(164)	–	(164)
Total contributions from and value transfers to owners	**–**	**–**	**–**	**–**	**1,247**	**1,247**	**(6)**	**1,241**
Changes in ownership of subsidiaries								
Acquisition of non-controlling interest	–	–	–	–	2	2	104	106
Divestment of non-controlling interest, control remains	–	–	–	–	(18)	(18)	17	(1)
Total changes in ownership of subsidiaries	**–**	**–**	**–**	**–**	**(16)**	**(16)**	**121**	**105**
Total transactions with the Group's owners	**–**	**–**	**–**	**–**	**1,231**	**1,231**	**115**	**1,346**
Closing balance 2019-12-31	**1**	**–**	**1**	**–**	**2,903**	**2,905**	**202**	**3,107**

1) The financial information for 2019 up until the legal start of Storskogen Group in november and the financial information for 2018 are an aggregation of the financial information by common control, for further information see Note 1.

The notes are an integral part of these financial statements

>> CONT. CONSOLIDATED AND COMBINED STATEMENT OF CHANGES IN EQUITY

Storskogen Group based on common control MSEK	Attributable to owners of the parent company Share capital	Other contrib-uted capital	Transla-tion reserve	Cashflow hedge reserve	Retained earnings	Total	Non-controlling interests	Total equity[1]
Opening balance 2018-01-01	**–**	**–**	**(3)**	**–**	**799**	**796**	**24**	**821**
Total comprehensive income for the year								
Profit for the year	–	–	–	–	194	194	5	199
Other comprehensive income for the year	–	–	0	–	–	0	–	0
Total comprehensive income for the year	**–**	**–**	**0**	**–**	**194**	**195**	**5**	**200**
Transactions with the Group's owners								
Contributions from and value transfers to owners								
Dividends paid	–	–	–	–	(92)	(92)	(3)	(95)
Net investment in subsidiaries	–	–	–	–	569	569	–	569
Changes in fair value of minority option	–	–	–	–	(49)	(49)	–	(49)
Total contributions from and value transfers to owners	**–**	**–**	**–**	**–**	**428**	**428**	**(3)**	**425**
Changes in ownership of subsidiaries								
Acquisition of non-controlling interest	–	–	–	–	–	–	50	50
Total changes in ownership of subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**50**	**50**
Total transactions with the Group's owners	**–**	**–**	**–**	**–**	**428**	**428**	**47**	**475**
Closing balance 2018-12-31	**–**	**–**	**(3)**	**–**	**1,422**	**1,419**	**76**	**1,495**

1) The financial information for 2019 up until the legal start of Storskogen Group in november and the financial information for 2018 are an aggregation of the financial information by common control, for further information see Note 1.

The notes are an integral part of these financial statements

CONSOLIDATED AND COMBINED STATEMENT OF CASH FLOWS

1 January – 31 December, MSEK	Note	2020	2019[1)]	2018[1)]
Operating activities				
Profit before tax		673	348	255
Adjustment for non-cash items	30	500	325	104
Income tax paid		(170)	(100)	(70)
Cash flow from operating activities before change in working capital		**1,003**	**573**	**289**
Increase (-)/Decrease (+) in inventories		140	(53)	21
Increase (-)/Decrease (+) in operating receivables		(99)	131	(3)
Increase (+)/Decrease (-) in operating liabilities		(230)	(204)	(93)
Cash flow from operating activities		**814**	**447**	**215**
Investing activities				
Investments in property, plant and equipment		(196)	(89)	(59)
Proceeds from sale of property, plant and equipment		28	15	2
Investments in intangible assets		(22)	(6)	(6)
Acquisition of subsidiary/business, net of cash acquired	5	(1,894)	(1,653)	(887)
Acquisition of non-controlling interests		(22)	–	–
Proceeds from sale of subsidiary/operations, net cash effect		19	10	–
Investments in financial assets		(748)	0	0
Proceeds from sale of financial assets		7	3	4
Cash flow from investing activities		**(2,828)**	**(1,721)**	**(947)**
Financing activities				
Proceeds from issues of shares	30	2,009	1,653	600
Transaction costs on issue of shares		(80)	(57)	(31)
Proceeds from borrowings		1,508	3,843	892
Repayment of borrowings		(755)	(2,316)	(634)
Payment of lease liabilities		(206)	(107)	(45)
Repayment of bank overdrafts		–	–	(31)
Dividend paid to owners of the parent company		(300)	(185)	(92)
Dividend paid to non-controlling interests		(21)	(6)	(3)
Cash flow from financing activities		**2,156**	**2,825**	**657**
Cash flow for the year		142	1,551	(76)
Cash and cash equivalents at beginning of the year	18	1,730	179	254
Exchange rate differences in cash and cash equivalents		(6)	1	0
Cash and cash equivalents at end of the year		**1,866**	**1,730**	**179**

1) The financial information for 2019 up until the legal start of Storskogen Group in November 2019 and the financial information for 2018 are an aggregation of the financial information by common control, for further information see Note 1.

The notes are an integral part of these financial statements

NOTES

Note 1 Significant accounting policies

BASIS FOR PREPARATION

The Consolidated and Combined financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and interpretations that have been issued by IFRS Interpretations Committee (IFRS IC) as they have been adopted by the European Union (EU). Furthermore, the Group applies the Swedish Annual Accounts Act (1995:1554) and RFR 1 "Supplementary accounting rules for groups" issued by the Swedish Financial Reporting Board.

The Board has approved this document on 27 September 2021.

Preparing financial reports in accordance with IFRS requires use of a number of important estimates for accounting purposes. Furthermore, it is required that the management make certain assessments with the application of the Group's accounting principles. The areas that involve a high degree of assessment, which are complex or such areas where the assumptions and estimates are of essential significance for the Consolidated and Combined financial statements are indicated in Note 2 below, "Assessments and estimates in the financial reports."

On November 15, 2019, Storskogen Group AB acquired the three groups: Storskogen Industrier AB, Storskogen Utveckling AB and Storskogen 3 Invest AB, all of which were under common control by four individuals. By means of shareholder agreements and other agreements these had jointly controlled the essential activities in the three groups and since 2014 had jointly controlled 60–80 percent of the votes in the respective groups. The transaction occurred by the shareholders in Storskogen Industrier AB, Storskogen Utveckling AB and Storskogen 3 Invest AB obtaining shares in the newly formed Storskogen Group AB and thereupon directly contributed their shares in the respective investment company to Storskogen Group AB as an unconditional shareholders' contribution. The formation of the Storskogen Group is thus a transaction under common control, which is not covered by any IFRS standard. This means that an appropriate accounting policy should be applied in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. A suitable and established method is to use previous carrying amounts (predecessor basis of accounting), which is the principle that the Storskogen Group has chosen to apply. The financial reports for 2019 up until the legal start of Storskogen Group in November 2019 and 2018 are an aggregation of the financial information for the above Groups and is presented as if the entities had been a group during the comparison periods. IFRS16 has been applied in the combined financial statements for 2018.

The accounting principles as described below have, unless otherwise indicated, been applied consistently for all reported periods for all companies that are covered by the financial reports. The Consolidated and Combined financial statements have been prepared on a historical cost basis, if not otherwise indicated.

FUNCTIONAL CURRENCY AND REPORTING CURRENCY

The parent company's functional currency is Swedish kronor (SEK) which also constitutes the presentation currency for the parent company and for the Group. This means that the financial reports are presented in Swedish kronor. All amounts in this report are stated in millions of Swedish kronor (MSEK) if not otherwise indicated. Rounding differences may occur.

OPERATING SEGMENTS

An operating segment is a part of the Group that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. An operating segment's operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. See Note 3 for further description of the reporting and presentation of operating segments.

CONSOLIDATION PRINCIPLES AND BUSINESS COMBINATIONS

Subsidiaries

The Consolidated and Combined financial statements comprise the financial statements of the Company and its subsidiaries within Storskogen, further in the report referred to as Storskogen or the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. With the assessment of whether a control exists, the Group's voting rights, and potential voting rights are considered.

Subsidiaries are recognised in accordance with the acquisition method of accounting. The method entails that acquisition of a subsidiary is considered a transaction through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The purchase price allocation determines the fair value of the identifiable assets and assumed liabilities and any non-controlling interest on the date of acquisition. Acquisition-related costs, with exception of costs that are attributable to issuance of equity instruments or debt instruments, are expensed as incurred. In a business combination where the consideration transferred, any non-controlling interest and fair value of any previously held interest (an acquisition achieved in stages) exceeds the fair value of acquired assets and assumed liabilities, the difference is reported as goodwill. When the difference is negative, known as bargain purchase, a gain is recognised in profit or loss.

Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as liability that is a financial instrument, is measured at fair value with the changes in fair value recognised in the statement of profit or loss. When less than 100 percent of the subsidiary is acquired, the assessment can be that it is a non-controlling interest exists. For every acquisition it is decided whether any equity in non-controlling interest is assessed at fair value or at the holding's proportional share in the carrying amount of the acquired entity's identifiable net assets. Other liabilities measured at fair value include put/call options of non-controlling interests and revaluations are recongnised in Equity.

For each business combination, the Group elects whether to measure any non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. With acquisitions achieved in stages, goodwill is recognised as of the date when control arises. Previous held interest is remeasured at fair value and the difference is recognised in profit or loss. If additional interest is acquired after control has been achieved, it is reported as a transaction between owners within equity.

When disposal leads to loss of control, remaining interest are remeasured at fair value in profit or loss.

Changed approach with elimination of internal transactions in the statement of income

The elimination of the internal transactions has been redistributed during the year in order to enable increased follow-up in existing segments, which means that the comparison numbers for 2019 and 2018 have been adjusted between the line items in the statement of profit or loss. Reclassification is made of items that were previously included in the line item Cost of goods sold to the cost categories Selling expenses and Administrative expenses. See Note 32 for additional information.

The new way of eliminating internal transaction has also been applied in the profit and loss statement for 2020. The reclassifications have not had any impact on the profit for the year, or KPI's reflecting profit and loss measurements in this report.

Transactions that are eliminated with consolidation

Intra-group receivables and liabilities, revenue or expenses and unrealised gains or losses that arise from intra-group transactions between Group companies, are eliminated in their entirety with the preparation of the Consolidated and Combined financial statements.

The notes are an integral part of these financial statements

>> CONT. NOTE 1

FOREIGN CURRENCY

Transactions in foreign currency

Transactions in foreign currency are translated to the functional currency at the exchange rate that exists on the transaction date. Functional currency is the currency in the primary financial environments in which the companies run their operations. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rate that exists on the reporting date. The exchange rate differences that arise are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary assets and liabilities that are reported at fair value are translated using the exchange rates at the date when the fair value is determined.

Foreign operations

On consolidation, the assets and liabilities, including goodwill and other surplus values, of foreign operations are translated into Group's reporting currency, Swedish kronor, at the rate of exchange prevailing at the reporting date. The statement of profit or loss is translated to Swedish kronor at an average rate that constitutes an approximation of the exchange rates that existed at the respective transaction date. Translation differences that arise with currency translation of foreign operations are reported in other comprehensive income ("OCI") and accumulated in the foreign currency translation reserve in equity. On disposal of controlling interest in a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

REVENUE

The Group's revenue originates primarily from sale of goods and rendering of services. Revenue is recognised when the Group satisfies a performance obligation, which is when a promised good or service is delivered to the customer and the customer obtains control of the good or service. A performance obligation can be satisfied over time or at a point in time. Assessment is made by contract whether a service is a part of the performance obligation for the sale of the good or if it is a separate performance obligation. The service is a separate performance obligation if the customer can benefit from the service separately or together with other resources that are available and the promise to transfer the service to the customer can be distinguished from other promises in the agreement. Revenue consists of the amount that the company expects to receive as compensation for transferred goods or services. The Group's contracts with customers are analysed in accordance with the five-step model prescribed in IFRS:

Step 1: Identify a contract between at least two parties where enforceable rights and obligations exists.

Step 2: Identify different promises (performance obligations) in the contract. All distinct promises shall be reported separately.

Step 3: Determine the transaction price, i.e., the amount of consideration that the company expects to receive in exchange for the promised goods or services. The transaction price shall be adjusted for variable components, for example any discounts.

Step 4: Allocate the transaction price between the identified performance obligations. When a contract includes more than one performance obligation, the transaction price is allocated to each performance obligation based on the relative stand-alone selling prices. The stand-alone selling price is the price at which an entity would sell a promised good or service separately to a customer There are different ways to estimate the stand-alone selling price. If there are observable prices, these are used. In other cases the standard indicates three ways for how stand-alone selling prices may be estimated:

- Adjusted market assessment approach
- Expected cost plus a margin approach
- Residual approach (only allowed under certain limited circumstances)

Step 5: Recognise revenue when the performance obligation is satisfied, meaning when control transfers to the customer. This is done either at a point in time or over time if any of the criteria indicated in the standard are met. The amount that is recognised as revenue is the amount that in step 4 has been allocated to the performance obligation.

For incremental costs of obtaining a contract, the Group applies the practical expedient to recognise incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

The Group's primary revenue streams are described below.

Revenue from sale of goods

The Group's contracts for sale of goods to customers includes framework agreements and separate contracts. The Group's customers consist of both private individuals and companies. With framework agreements it is the suborder in combination with the framework agreement that constitutes the contract with the customer. The Group's performance obligations consist of providing the goods that have been specified in the contract. Each good normally constitutes a separate performance obligation that is satisfied when control is transferred to the customer. The control for sale of goods is transferred at a point in time that normally corresponds to the time of delivery. If there are separate delivery terms in the contract, control is transferred to the customer in connection with the risk being transferred according to the specified terms. The transaction price essentially consists of a fixed price per sold quantity. Variable parts of the transaction price only occur to an insignificant extent. Total transaction price is estimated at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to the customer. The transaction price is continuously updated if the prerequisites that are the basis for the estimate have changed. Invoicing is normally done upon delivery and is normally due for payment within 30–90 days.

Revenue from services

The Group's revenue from services includes both shorter and longer assignments and includes consulting services, contract assignments and transport services. There are both framework agreements and separate contracts. With framework agreements it is the suborder in combination with the framework agreement that constitutes the contract with the customer. When the Group's contracts includes both goods and services these are normally not deemed to be distinct within the context of the contract, as they either are highly interdependent, or that the Group provides a significant service of integrating the goods or services with other goods or services promised in the contract into a bundle of goods or services that represent the combined output or outputs for which the customer has contracted. Thus, these agreements are normally considered to include a single performance obligation. The exception is if the contract includes sale of a good and installation of the same good, which are assessed to be separate performance obligations. Performance obligations are satisfied either over time or at a point in time depending on the nature of the performance obligation. Service assignments are satisfied over time when the customer simultaneously receives and consumes the benefits provided by the Group's performance as the entity performs. Revenue is also recognised over time if the Group creates or enhances an asset that the customer already controls, which is normal for the Group's construction contracts. The revenue from services that is recognised over time is calculated based on progress toward completion for each performance obligation. Revenue is calculated based on costs incurred relative to total expected costs for each performance obligation. The transaction price can consist of both fixed and variable components. In certain cases, the Group will create an asset without alternative use, as it is manufactured based on customer specifications. If the Group during the entire process has the right to compensation for completed performance, including a margin, the revenue is recognised over time for these performance obligations. To the extent the transaction price is variable, only that part of the amount that does not significantly risk being reversed at a later time is included. The transaction price is continuously updated if the prerequisites that are the basis for the estimate have changed.

Any onerous contracts (the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it), are immediately recognised as a provision with a corresponding loss in the statement of profit or loss.

The notes are an integral part of these financial statements

>> CONT. NOTE 1

For service assignments that are recognised over time in accordance with the description above, the invoice is prepared for work performed during the month when the services are performed and is normally due for payment within 30–90 days. For other service contracts that are recognised as revenue over time, invoicing occurs based on predetermined milestones in the contract that are satisfied at certain defined stages. The invoice normally is due for payment within 30–90 days.

Variable consideration

Certain contracts with customers can include rights of return, trade discounts or volume discounts. If it is not possible to estimate variable consideration in a reliable way the Group will exclude some or all of the variable consideration until the associated uncertainty is resolved. This kind of debts are estimated at the starting point of the contract and then revised throughout the contract period.

Variable consideration is included in the transaction price only to an extent that it is highly probable that a significant reversal of revenue recognised will not occur in the future. In order to make such an assessment historical data and prognoses are normally used.

Right of return

When a contract with a customer grants a right to return the good within a certain time, the Group reports this right to return based on an expected value method. The income that is related to the expected return is accrued and recognised in the statement of financial position, within Other liabilities. A corresponding adjustment is made for the cost for goods sold ("COGS") and recognised in the statement of financial position, within Inventories.

Government grants

Government grants are reported at fair value when it is reasonable certain that the grants will be paid, and the Group will fulfil the conditions that are associated with the grants. Government grants are received in the form of salary contributions and leave of absence support for employees, which are reported as Other operating income. During 2020 the Group has recognised a total of MSEK 46 (2019: 9; 2018: 7) in government grants under Other operating income, where the major increase from 2019 is related to the Covid-19 pandemic.

Contract assets and contract liabilities

A contract asset arises when a company performs by transferring goods/services before consideration is received or before an receivable is due for payment. A contract asset represents the right to consideration in exchange for goods/services that have been transferred to a customer. The entry excludes amounts that are reported as a trade receivable.

A contract liability arises if a customer pays before the Group has performed, or if the company has the right to compensation that is unconditional (e.g., a trade receivable) before the good/service is transferred to the customer. The liability is recognised either when the payment occurs or when the invoice is due for payment (whichever occurs first). A contract liability represents the commitment to transfer goods/services to a customer in those cases where the consideration has been received (or the amount is due for payment).

Correction of errors from previous year's annual report

In the 2019 annual report work in progress was included in the line item for inventories at MSEK 115 for 2019 and MSEK 38 for 2018. These items have been re classified during the year to the line item contract assets, as the items represented work performed but not invoiced. Closing balance for 2018 has been adjusted from MSEK 82 to MSEK 120. Closing balance for 2019 regarding contract assets has been adjusted from MSEK 213 to MSEK 268.

LEASES

When a contract is signed, the Group determines whether the contract is or contains a lease based on the substance of the agreement. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

Right-of-use assets

The Group recognises right-of-use assets in the statement of financial position at the commencement date of the lease (i.e. the date on which the underlying asset is made available for use). Right-of-use assets are measured at cost less accumulated depreciation and any impairments and adjusted for remeasurements of lease liabilities excluding revaluations due to exchange rates. The cost of right-of-use assets includes the initial value recognised for the attributable lease liability, initial direct costs, and any prepaid lease payments on or before the commencement date of the lease less any incentives received. Provided that the Group is not reasonably certain that the ownership of the underlying asset will be assumed upon expiration of the lease, the right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the useful life.

Lease liabilities

At the commencement date of a lease, the Group recognises a lease liability corresponding to the present value of the lease payments to be made over the lease term. The lease term is defined as the non-cancellable period together with periods covered by an option to extend or terminate the lease if the Group is reasonably certain of exercising such options. The lease payments include fixed payments (less any incentives receivable), variable lease payments that depend on an index or a rate (e.g. a reference interest rate) and amounts that are expected to be paid under residual value guarantees. Additionally, the lease payments include the exercise price for an option to purchase the underlying asset, or penalties to be paid for termination in accordance with a termination option, if it is reasonably certain that such options will be exercised by the Group. Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period they are incurred.

To calculate the present value of lease payments, the Group uses the implicit rate in the contract if it can be readily determined, otherwise is the incremental borrowing rate as of the commencement date of the lease used. After the commencement date of a lease, the lease liability is increased to reflect the interest on the lease liability and decreased with lease payments. Additionally, the value of the lease liability is remeasured as a result of modifications, changes to the lease term, changes in lease payments or changes in an assessment of whether to purchase the underlying asset.

Application of practical expedients

The Group applies the practical expedients for short-term leases, which are defined as leases that, at the commencement date, has a lease term of 12 months or less after consideration of any options to extend the lease, and for leases of low value. Lease payments for short-term and leases of low value are expensed on a straight-line basis over the lease term. An example of leases where the underlying asset is of low value is office supplies.

FINANCE INCOME AND COSTS

Finance income consists of interest income from investments, dividend income, fair value gain from financial instruments at fair value through profit or fair value gains on hedging instruments that are recognised through profit or loss.

Interest income on financial instruments is reported according to the effective interest method (see description below). Dividend income is reported when the right to receive dividends is established. The result from divestment of a financial instrument is reported when the risks and benefits that are associated with the ownership of the instrument are transferred to the buyer and the Group no longer has control of the instrument.

Finance costs consist of interest on debts and borrowings and lease liabilities, unwinding of the effect of discounting provisions, loss from fair value changes on financial instruments at fair value through profit or loss, and fair value losses on hedging instruments that are measured at fair value through the profit or loss. Transaction costs are reported in the profit or loss with application of the effective interest method except to the degree they are directly attributable to purchase, design or production of assets that take significant time to complete for intended use or sale, in which case they are included in the assets' cost base. Exchange rate gains and losses are offset.

The notes are an integral part of these financial statements

>> CONT. NOTE 1

The effective interest rate is the interest rate that that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. The calculation includes all expected cash flows by considering all the contractual terms of the financial instrument except for expected credit losses.

TAXES

Income taxes include current income tax and deferred tax. Income taxes are recognised in statement of profit or loss, except when the underlying transaction has been recognised in other comprehensive income or in equity, in which case the associated tax effect is also recognised in other comprehensive income or in equity.

Current tax is tax to be paid or refunded relating to the current year, with the application of the tax rates enacted, or substantively enacted, by the end of the reporting period. Current tax also includes adjustments of current tax attributable to prior periods.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Temporary differences exclude goodwill on Group level and deferred tax liabilities arising from the initial recognition an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Furthermore, temporary differences associated with shares in subsidiaries and associated companies that are not expected to be returned within a foreseeable future are not recognised either. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Any future income tax that arises with dividend will be reported at the same time as when the dividend is reported as a liability.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments that are reported in the statement of financial position include on the asset aside: equity instruments of other entities, trade receivables, and other receivables. The liabilities include borrowings, trade payables, contingent considerations related to business combinations and other liabilities. The measurement depends on how the financial instruments have been classified. The Group has financial instruments in the following categories:

- Financial assets measured at amortised cost,
- Financial assets measured at fair value through profit or loss,
- Financial liabilities measured at amortised cost,
- Financial liabilities measured at fair value through profit or loss,

Fair value is established according to description in Note 24.

Recognition and derecognition

Financial assets and liabilities are recognised when the Group becomes a party in accordance with the instrument's contractual terms. Transactions with financial assets are recognised at the trade date, which is the day when the Group commits to acquire or dispose of the assets. Trade receivables are recognised on issuance of invoices if the Group's right to compensation is unconditional. Liabilities are reported when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been received. Trade payables are recognised when the invoice has been received.

A financial asset is derecognised (fully or partially) when the rights in the contract have been realized or matured, or when the Group no longer has control over it. A financial liability is derecognised (fully or partially) when the obligation specified in the contract is discharged or otherwise expires. Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to either settle on a net basis, or to realise the assets and settle the liabilities simultaneously. Gains and losses resulting from derecognitions and modifications are recognised in the statement of profit or loss.

Classification and measurement

Financial assets

Debt instruments: classification of financial assets that are debt instruments is based on the Group's business model for managing financial assets and the asset's contractual cash flow characteristics. The instrument is classified in one of the following categories;

- Amortised cost,
- Fair value through profit or loss, or
- Fair value through other comprehensive income.

Financial assets classified at amortised cost are held within a business model whose objective is to collect contractual cash flows that are solely payments of principal amounts and interest on the principal amount outstanding. At initial recognition, financial assets at amortised cost are measured at fair value including transaction costs. After initial recognition, the assets are measured at amortised cost using the effective interest rate method. The assets are subject to impairment for expected credit losses. The Group's financial assets that are debt instruments are trade receivables, financial investments and cash and cash equivalents, all of which are classified at amortised cost. Derivative instruments are measured at fair value through profit or loss, if hedge accounting is not applied.

Equity instruments: are measured at fair value through profit or loss if they are held for trade. Changes in fair value are recognised in profit or loss. If equity instruments are not held for trading, an irrevocable choice can be made to classify them at fair value through other comprehensive income without subsequent reclassification to profit or loss.

Financial liabilities

The Group's financial liabilities are classified at amortised cost or at fair value through profit or loss. At initial recognition, financial liabilities measured at amortised cost are measured at fair value including transaction costs. After initial recognition, the liabilities are measured at amortised cost using the effective interest rate method. Derivative instruments are measured at fair value through profit or loss, if hedge accounting is not applied.

Other liabilities measured at fair value include contingent considerations. Contingent considerations are normally contingent on the profit in the acquired company for the next year. Contingent consideration is measured at fair value at the acquisition date, by calculating the present value of the probable outcome. Contingent considerations are measured at fair value at each reporting date and changes in fair value are recognised in the statement of profit or loss as other operating income or other operating expenses, if the entity has been controlled for 12 months. Also, changes in fair value of contingent considerations within 12 months shall be recognised in the statement of profit or loss.

Contingent considerations are reported as current liabilities if they are due within 12 months from the reporting date. Options for acquiring non-controlling interests are normally based on a multiple of a future profit level and remeasured at each reporting date. Changes in the liabilities are reported in equity.

Borrowings are classified as current liabilities if the Group does not have an unconditional right to defer payment of the liabilities for at least 12 months after the balance sheet date. Accrued interest is recognised in the statement of profit or loss in the period to which it is attributable. Accrued interest is recognised as a part of current borrowing from credit institutions, if the interest is expected to be paid within 12 months from the reporting date.

The notes are an integral part of these financial statements

>> CONT. NOTE 1

Derivatives and hedge accounting
In order to hedge future contracted cash flows in projects where revenue is denominated in foreign currency, the Group has entered into forward contracts to hedge its exposure to foreign currency risk. The Group applies hedge accounting in the form of cash flow hedges. The effective portion of gains and losses on the hedging instruments is recognised in other comprehensive income and accumulated changes in fair value are recognised as a separate component of equity, the cash flow hedge reserve. Gains or losses relating to the ineffective part of hedges are recognised immediately in profit or loss. The amount recognised in equity through other comprehensive income is reversed to profit or loss in the same period in which the hedged item affects profit or loss, for example when the revenue is recognised. When a hedging instrument expires or is sold or when the hedging no longer fulfils the qualifying criteria for hedge accounting, accumulated gains or losses remain in equity as part of the cash flow hedge reserve. These are immediately recognised in the statement of profit or loss when the transaction cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, the gains or losses accumulated in the cash flows hedge reserve are recognised immediately in profit or loss.

Storskogen has ISDA agreements (*International Swaps and Derivatives Association*) with counterparties with whom the Group has entered into derivative contracts. This entails that in cases of a significant financial event such as insolvency the parties may, according to the agreement, offset receivables against liabilities. Derivatives with ISDA counterparties are reported gross in the balance sheet.

PROPERTY, PLANT AND EQUIPMENT
Property, plant and equipment are recognised at cost less accumulated depreciation and any impairment. Cost includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Borrowing costs that are directly attributable to the purchase, design or production of assets that take considerable time to complete for intended use or sale are included in the cost.

The cost for self-manufactured non-current assets includes expenses for material, expenses for compensation to employees, if applicable other manufacturing costs that are considered directly attributable to the non-current asset, and estimated expenses for disassembly and removal of the assets and restoration of the site or area where these are. The cost of a self constructed asset is determined using the same principles as for an acquired asset.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately based on the part's useful life. For the Group, this mainly applies to properties where different significant parts exist, for example, foundation, pipes, posts, facade, roof, elevators, ventilation equipment and so on.

The carrying amount of an asset is derecognised from the statement of financial position when it is disposed or divested or when no future economic benefits are expected from the use or disposal of the asset. Gains or losses arising from the sale or disposal of an asset consist of the difference between the sales price and the asset's carrying amount less direct selling expenses. Gains and losses are recognised as other operating income/ expenses.

Subsequent costs
Subsequent costs are added to the cost of the asset only to the extent that it is probable that the future economic benefits associated with the asset will flow to the Group and the cost can be reliably measured. Unless these recognition criteria are met, subsequent costs are recognised as an expense in the period in which they arise.

The cost of replacing parts of an item is recognised in the carrying amount of that item if the recognition criteria are met. Also, in case a new part of an item is created, the expense is recognised as part of the carrying amount. The carrying amount of those parts that are replaced is derecognised. Repairs are expensed as incurred.

Depreciation methods
Depreciation is recognised on a straight-line basis over the estimated useful life of the asset. Land is not depreciated. Every part of property, plant and equipment with a carrying amount that is significant in relation to the asset's combined carrying amount is depreciated separately. The estimated useful lives are:

Estimated useful lives:

– buildings	20–50 years
– maskiner, inventarier och bilar	3–10 years
– other fixtures	3–10 years

Depreciation methods used, residual value and useful lives are reassessed at the end of every year.

INTANGIBLE ASSETS
Goodwill
Goodwill is measured at cost less any accumulated impairments. Goodwill is allocated to cash generating units and impairment tested at least annually. The Group's cash generating units are based on business verticals; see Note 13 for more information.

Research and development
Expenditure for research with the purpose obtaining new knowledge is recognised as an expense when it is incurred.

Expenditure for development, where the research or other knowledge is used to create new or improved products or processes, are capitalised as assets in the report of financial position, if the product or process is technically and commercially feasible and the company has adequate resources to complete the development and thereafter can use or sell the intangible asset as intended. The cost of and internally generated asset includes all directly attributable costs, e.g., for material and services, employee benefits, registration of legal rights, amortisation of patents and licenses, or borrowing costs in accordance with IAS 23. Other expenditure is recognised as an expense in profit or loss when it is incurred. Internally generated intangible assets are measured at cost less accumulated amortisation and any impairment.

Other intangible assets
Other intangible assets that have been acquired by the Group consist of customer relations, trademarks and rights and are recognised at cost less accumulated amortisation and any accumulated impairments.

Amortisation methods
Amortisation is recognised in profit and loss linearly over the intangible asset's 'estimated useful life unless the useful life is not considered to be infinite. The useful life is reviewed at least annually. Goodwill and other intangible assets with an indefinite useful life or internally generated assets not yet in use are tested for impairment annually and also whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are amortised from the time when they are available for use.

Estimated useful lives:

– Goodwill	Indefinite
– Rights	5 years
– Customer relations	5–10 years
– Internally generated assets	5–7 years

INVENTORIES
Inventories are measured at the lower of cost or net realisable value. Costs are calculated using the "first in, first out" method (FIFO), and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. This includes manufacturing costs and share of indirect costs. The net realisable value is defined as the sales price reduced by selling expenses. Market terms are applied on intra-group transactions.

If the estimated net realisable value is lower than cost, an obsolescence reserve is made.

The notes are an integral part of these financial statements

>> CONT. NOTE 1

IMPAIRMENT

The Group's recognised assets are assessed at the end of each reporting period to determine whether there is an indication of that an asset may be impaired. Impairment of assets are tested in accordance with IAS 36 with the exception of financial assets that are tested for impairment in accordance with IFRS 9, and non-current assets held for sale and discontinued operations that are impairment tested according to IFRS 5, and inventories and deferred tax assets.

Impairment of tangible and intangible assets

If there is an indication that an asset may be impaired, the asset's recoverable amount is estimated (see below). For goodwill, other intangible assets with indefinite useful lives and intangible assets that are not yet in use, the recoverable amount is estimated annually and whenever there is an indication that the asset may be impaired. If the intangible asset does not generate cash inflows from continuing use that are largely independent of those from other assets or groups of assets, the asset is grouped when testing for impairment testing to the lowest level where it is possible to generate independent cash inflows—i.e. a cash-generating unit.

An impairment loss is recognised when an asset's or cash-generating unit's carrying amount exceeds the recoverable amount. An impairment loss is recognised as an expense in profit and loss. When a need for impairment has been identified for a cash-generating unit the impaired amount is first allocated to goodwill. After that a proportional impairment is done of other assets included in the unit.

The recoverable amount of an asset or cash-generating unit is the highest of its fair value less costs of disposal and its value in use. When calculating the value in use, an estimate of future cash flows is discounted to reflect the time value of money represented by current market risk-free rate of interest and the uncertainty risk inherent in the asset.

Reversal of impairment losses

An impairment of assets according to IAS 36 is reversed if there is both an indication that the need for impairment no longer exists and a change has occurred in the assumptions which were the basis for the calculation of the recoverable amount. Impairment of goodwill is, however, never reversed. A reversal is done only to the extent that the asset's carrying amount after reversal does not exceed the carrying amount that would have been recognised, with deduction for depreciation or amortisation if relevant, if no impairment was made.

Impairment of financial assets

Financial assets, except assets classified at fair value through profit or loss and equity instruments that are measured at fair value through other comprehensive income, are subject to impairment for expected credit losses. This is also applicable for contract assets. The IFRS 9 expected credit loss model is forward-looking and a loss allowance is recognised when there is an exposure to credit risk, normally at initial recognition of an asset or receivable. Expected credit losses reflect the present value of all deficits in the cash flow related to default events either for the following 12 months or for the expected remaining term for the financial instrument, depending on the type of asset and on its credit risk deterioration since initial recognition.

The simplified approach is applied for trade receivables, lease receivables and contract assets. A loss allowance is recognised, in the simplified approach, at an amount equal to lifetime expected credit losses

For other items that are subject to expected credit losses the general approach with three different stages is applied. Initially, and at each reporting date, a loss allowance is recognised at an amount equal to 12-month expected credit losses, or a shorter period depending on the remaining term (stage 1). If a significant increase of credit risk has occurred since initial recognition, entailing a credit rating below investment grade rating, investments with high or highest rating (Aaa and AAA), a loss allowance is recognised at an amount equal to the lifetime expected credit losses (stage 2). For assets that are considered to be credit impaired, allowance for expected credit losses will continue to capture the lifetime expected credit losses (stage 3). For credit-impaired assets and receivables, the calculation of interest revenue is based on the asset's carrying amount, net of loss allowance, rather than its gross carrying amount as in previous stages. The Group's assets have been assessed to be in stage 1 during 2020, that is, there has been no significant increase of credit risk.

The measurement of expected credit losses is based on different methods; see the Group's Note 25 Financial risks. For credit-impaired assets and receivables, an individual assessment is made considering historic, current and forward-looking information. The measurement of expected credit losses considers potential collaterals and other credit enhancements in the form of guarantees.

The financial assets that are measured at amortised cost are recognised net of gross value and loss allowance. Changes of the loss allowance are recognised in the profit or loss.

DIVIDENDS

Dividends are recognised as liabilities after the dividend has been declared by the annual general meeting or by extraordinary general meeting.

EMPLOYEE BENEFITS

Short-term employee benefits

Short-term employee benefits are recognised as an expense when the related services are obtained. Variable remuneration is based profit and individual performance. Pensions and other benefits to the chief executive officer and other management executives are paid as part of the total remuneration. The notice period for the chief executive officer is six months. Salary and employment terms for the Group's key management personnel are handled by a remuneration committee appointed by the Board consisting of the chairman of the Board and one other Board member.

DEFINED CONTRIBUTION PLANS

Pensions plans where the company's obligation is limited to the contributions the company has undertaken to pay are classified as defined contribution pension plans. In such case the size of the employee's pension depends on the fees that the company pays to the plan or to an insurance company and the capital return that the fees produce. The Group thereby bears no risk for additional payments, as there are only defined contribution and no defined benefit pension plans. The company's obligations regarding fees to defined contribution plans are recognised as an expense in profit or loss as the services are provided by the employees in exchange for employee benefits during a period.

PROVISIONS

A provision is distinguished from other liabilities in that there is uncertainty about the timing, or the amount required to settle the obligation. A provision is recognised in the statement of financial position when the entity has an existing legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are reassessed at the end of every reporting period. Where the effect of when a payment is made is significant, provisions are calculated by discounting the anticipated future cash flow at an interest rate before tax that reflects current market assessments of the time value of money and, if applicable, the risks associated with the liability.

CONTINGENT LIABILITIES

A contingent liability is recognised when there is a possible commitment arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or when there is a commitment that is not recognised as a liability or provision because it is not probable that an outflow of resources will be required. New and changed accounting standards applicable from January 1, 2020

The notes are an integral part of these financial statements

>> CONT. NOTE 1

NEW AND CHANGED ACCOUNTING STANDARDS APPLICABLE FROM JANUARY 1, 2020.
There are no new IFRS standards or IFRICs that have had any material impact on the Group's financial statements in 2020. No new IFRS standards or interpretations have been applied in advance.

NEW AND CHANGED ACCOUNTING STANDARDS APPLICABLE FROM JANUARY 1, 2021.
There are no new IFRS standards or IFRICs that are expected to have any material impact on the Group's financial statements in 2021. No new IFRS standards or interpretations have been applied in advance.

Note 2 Key estimates and assumptions

Preparing the financial reports in accordance with IFRS requires that Group management makes certain estimates and assumptions that affect the application of the accounting principles and impact the carrying amount of asset and liability items and revenue and expense items, as well as other information provided. Actual outcome may deviate from these estimates and assumptions. The estimates and assumptions are reviewed regularly. Changes in estimates are recognised in the period when the change is made if the change affects that period only, or in the period when the change is made and in future periods if the change affects the period in question as well as future periods.

UNCERTAINTY IN ESTIMATES
The most material sources of uncertainty in the estimates and assumptions that have been made when preparing the Group's financial statements are presented below. Changes in assumptions may have significant impact on the financial statements for the periods when the assumptions are changed.

RECOGNITION OF DEFERRED TAX ASSETS
The assessment of to what extent deferred tax assets may be recognised is based on an assessment of the probability if future taxable income may be offset against deductible temporary differences and accumulated tax deficits. In addition, significant considerations are required when assessing the impact of certain legal or financial constraints or uncertainties in different tax jurisdictions.

IMPAIRMENT OF NON-FINANCIAL ASSETS AND GOODWILL
When assessing the impairment needs for non-financial assets and goodwill, an estimate of future cash flows is discounted to reflect the time value of money represented by current market risk-free rate of interest and the uncertainty risk inherent in the asset. The estimations of future business performance and the time value of money includes uncertain assumptions.

OPTIONS TO ACQUIRE NON-CONTROLLING INTEREST
The options to acquire non-controlling interests are initially measured using a suitable discount rate. This is revised at each reporting date. The uncertainty lies in estimating a discount rate and future profitability.

ESTIMATION OF USEFUL LIVES OF ASSETS WITH INDEFINITE USEFUL LIVES
The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The uncertainty in these assessments depends on technical obsolescence that may change the useful life of assets.

>> CONT. NOTE 2

INVENTORIES
At each reporting date, the net realisable value of inventory is calculated using the most reliable information available. The net realizable value may be affected by technological development and other market driven changes that may affect the future sales price.

BUSINESS COMBINATIONS
Measurement of acquired intangible assets
When measuring fair values, valuation techniques are used for the specific assets and liabilities that are acquired as part of a business combination (see Note 5). Fair value of contingent considerations is primarily dependent on the outcome of several variables including the acquired company's future profitability.

Note 3 Operating segments

For management purposes, the Group is organised into business areas based on its products and services. The Group has three business areas: Trade, Industry and Services. The Executive Management Committee is identified as the chief operating decision maker and evaluates the operation's results and allocates resources based on goods manufactured and sells and the services that are performed per business area. The business areas constitute the Group's operating segments.

Business area Trade focuses on companies with strong trademarks within their own niche and is divided into three business verticals: Distributors, Brands and Producers. Trade consists of 14 (2019: 12; 2018: 7) business units and represented 29 (2019: 31; 2018: 39) percent of revenue during 2020.

Business area Industry focuses on traditional B2B industrial companies and is divided into three business verticals: Automation, Industrial Technology and Products. Industry consists of 16 (2019: 15; 2018: 8) business units and represented 28 (2019: 28; 2018: 18) percent of revenue during 2020.

Business area Services focuses on service companies with strong positions within specific B2B niches and is divided into six business verticals: Construction and Infrastructure, Logistics, Engineering Services, Installation, Digital services and HR and Competence. Services consist of 28 (2019: 18; 2018: 13) business units and represented 43 (2019: 41; 2018: 43) percent of the revenue during 2020.

The segments apply the accounting policies as described in Note 1 Significant accounting policies. Transfer pricing within the Group is based on market terms.

The notes are an integral part of these financial statements

>> CONT. NOTE 3

2020-01-01 – 2020-12-31 Operating segments	Trade	Industry	Services	Group operations	Group total
Net Sales	2,584	2,519	3,837	(6)	8,933
Cost of goods sold	(2,061)	(1,986)	(3,057)	(24)	(7,128)
Gross profit	**523**	**533**	**780**	**(31)**	**1,805**
Selling expenses	(198)	(181)	(276)	(9)	(664)
Administrative expenses	(130)	(190)	(196)	13	(503)
Other operating income	75	100	51	1	227
Other operating expenses	(54)	(10)	(26)	(1)	(91)
Operating profit	**216**	**253**	**333**	**(27)**	**774**
Amortization and impairment of intangible assets	26	28	58	–	111
Segment profit	**241**	**280**	**391**	**(27)**	**885**
Reconciliation of profit before tax					
Segment profit	241	280	391	(27)	885
Amortization and impairment of intangible assets	(26)	(28)	(58)	–	(111)
Financial income					7
Financial expenses					(108)
Profit before tax					**673**

Net sales per geographic market	Trade	Industry	Services	Group operations	Net sales
Sweden	1,962	1,737	3,642	(6)	7,334
Within EU excluding Sweden	296	588	71	–	955
Outside EU	326	194	125	–	644
Total	**2,584**	**2,519**	**3,837**	**(6)**	**8,933**

Assets and liabilities	Trade	Industry	Services	Group operations	Group total
Assets	2,581	2,634	4,555	2,232	12,002
Liabilities	658	728	1,211	4,143	6,740

The non-current assets refers to Sweden.

2020-01-01 – 2020-12-31 Operating segments	Trade	Industry	Services	Group operations	Group total
Investments in intangible assets	4	5	13	–	22
Investments in property, plant and equipment	26	63	107	1	197
Total	**30**	**68**	**120**	**1**	**219**

2020-01-01 – 2020-12-31 Operating segments	Trade	Industry	Services	Group operations	Group total
Amortisation of intangible assets	(26)	(28)	(53)	–	(107)
Depreciation on property, plant and equipment	(24)	(44)	(70)	–	(138)
Total	**(50)**	**(72)**	**(123)**	**–**	**(245)**

The notes are an integral part of these financial statements

>> CONT. NOTE 3

2019-01-01 – 2019-12-31[1] Operating segments	Trade	Industry	Services	Group operations	Group total
Net Sales	1,879	1,729	2,555	–	6,163
Cost of goods sold	(1,611)	(1,337)	(2,085)	(7)	(5,040)
Gross profit	**268**	**392**	**470**	**(7)**	**1,123**
Selling expenses	(142)	(144)	(162)	(6)	(453)
Administrative expenses	(82)	(139)	(122)	11	(332)
Other operating income	14	22	32	0	68
Other operating expenses	(22)	(1)	(2)	0	(25)
Operating profit	**37**	**130**	**217**	**(2)**	**381**
Amortization and impairment of intangible assets	49	16	33	–	97
Segment profit	**85**	**145**	**250**	**(2)**	**478**
Reconciliation of profit before tax					
Segment profit	85	145	250	(2)	478
Amortization and impairment of intangible assets	(49)	(16)	(33)	–	(97)
Financial income					2
Financial expenses					(35)
Profit before tax					**348**

1) Figures for 2019 have been restated, see further Note 32.

Net sales per geographic market	Trade	Industry	Services	Group operations	Net sales
Sweden	1,295	1,460	2,425	–	5,180
Within EU excluding Sweden	309	166	55	–	530
Outside EU	275	103	75	–	453
Total	**1,879**	**1,729**	**2,555**	**–**	**6,163**

Assets and liabilities	Trade	Industry	Services	Group operations	Group total
Assets	2,163	1,685	2,693	1,382	7,923
Liabilities	601	634	745	2,836	4,816

The non-current assets refers to Sweden.

2019-01-01 – 2019-12-31 Operating segments	Trade	Industry	Services	Group operations	Group total
Investments in intangible assets	5	–	1	–	6
Investments in property, plant and equipment	22	29	37	1	89
Total	**27**	**29**	**38**	**1**	**95**

2019-01-01 – 2019-12-31 Operating segments	Trade	Industry	Services	Group operations	Group total
Amortisation of intangible assets	(21)	(16)	(33)	–	(69)
Depreciation on property, plant and equipment	(25)	(23)	(42)	–	(90)
Total	**(45)**	**(39)**	**(75)**	**–**	**(159)**

Net sales from external customers is based on where the customers are located and the carrying amount of the non-current assets is based on the location of the assets.

The notes are an integral part of these financial statements

>> CONT. NOTE 3

2018-01-01 – 2018-12-31[1] Operating segments	Trade	Industry	Services	Group operations	Group total
Net sales	1,349	563	1,387	–	3,298
Cost of goods sold	(1,109)	(433)	(1,142)	–	(2,684)
Gross profit	**239**	**130**	**245**	**–**	**614**
Selling expenses	(89)	(44)	(93)	–	(225)
Administrative expenses	(46)	(50)	(61)	0	(158)
Other operating income	28	5	16	–	49
Other operating expenses	(5)	0	(2)	0	(8)
Operating profit	**127**	**41**	**104**	**0**	**272**
Amortization and impairment of intangible assets	21	5	15	–	41
Segment profit	**148**	**45**	**119**	**0**	**312**
Reconciliation of profit before tax					
Segment profit	148	45	119	0	312
Amortization and impairment of intangible assets	(21)	(5)	(15)	–	(41)
Financial income					2
Financial expenses					(18)
Profit before tax					**255**

1) Figures for 2018 have been restated, see further Note 32.

Net sales per geographic market	Trade	Industry	Services	Group operations	Net sales
Sweden	–	–	–	–	2,872
Within EU excluding Sweden	–	–	–	–	332
Outside EU	–	–	–	–	94
Total	**–**	**–**	**–**	**–**	**3,298**

Assets and liabilities	Trade	Industry	Services	Group operations	Group total
Assets	343	391	549	2,395	3,678
Liabilities	322	393	406	1,062	2,183

The non-current assets refers to Sweden.

2018-01-01 – 2018-12-31 Operating segments	Trade	Industry	Services	Group operations	Group total
Investments in intangible assets	6	–	1	2	9
Investments in property, plant and equipment	16	11	23	0	50
Total	**22**	**11**	**24**	**2**	**59**

2018-01-01 – 2018-12-31 Operating segments	Trade	Industry	Services	Group operations	Group total
Amortisation of intangible assets	(14)	(3)	(15)	0	(31)
Depreciation on property, plant and equipment	(14)	(10)	(17)	(2)	(43)
Total	**(28)**	**(12)**	**(32)**	**(2)**	**(75)**

Net sales from external customers is based on where the customers are located and the carrying amount of the non-current assets is based on the location of the assets.

The notes are an integral part of these financial statements

Note 4 Revenue from contracts with customers

By business vertical	2020	2019	2018
Distributors	1,470	1,078	680
Brands	799	584	440
Producers	319	216	228
Eliminations	(3)	–	–
Total operating segment Trade	**2,584**	**1,879**	**1,349**
Automation	893	692	95
Industrial Technology	859	847	322
Products	789	190	146
Eliminations	(23)	–	–
Total operating segment Industry	**2,519**	**1,729**	**563**
Construction and Infrastructure	1,268	857	420
Installation	1,125	259	106
Logistics	692	621	293
Engineering Services	556	656	563
Digital Services	175	162	5
HR and Competence	22	–	–
Eliminations	(1)	–	–
Total operating segment Services	**3,837**	**2,555**	**1,387**
Group operations	**(6)**	**–**	**–**
Total	**8,933**	**6,163**	**3,298**

During the year, a restructuring has led to some business units being re-allocated between business verticals. The redistribution means that the comparative figures for the financial year 2019 have been shifted between the business verticals. In the operating segment Trade, revenues for the Distributors and Producers business verticals have increased by SEK 201 million and SEK 10 million respectively. Revenues for the Brands business vertical have decreased by SEK 211 million.

In the Industry business area, the Industrial Technology business vertical has increased by SEK 73 million, while Products has decreased by SEK 73 million. The names of the business verticals have been adjusted to clarify the nature of the categories. For more information about the redistribution of business verticals, see Note 13.

For 2018, the restructuring means that revenues have been redistributed in the Trade business area. The business vertical Brands, has increased by SEK 24 million, while the business vertical Producers has decreased revenue of SEK 24 million.

Performance obligations

The Group's sales for both goods sales and rendering of services are made by invoice, normally with payment terms of 30–90 days. The Group's performance obligations are part of contracts that have an initial expected maturity of no more than one year. In accordance with IFRS 15.121, the Group has chosen not to disclose the transaction price of these unfulfilled commitments.

Contract assets	2020	2019	2018
Opening balance	268	120	97
Material changes in contract balances from business combinations	111	8	36
Changes attributable to ordinary operations	(144)	140	(13)
Closing balance	**235**	**268**	**120**

Contract assets comprise of accrued income to which the company's right is conditional on continued performance in accordance with the contract. When the company's right to payment is unconditional, the asset is recognised as a trade receivable.

Contract liabilites	2020	2019	2018
Opening balance	277	96	59
Material changes in contract balances from business combinations	88	96	77
Changes attributable to ordinary operations	(251)	85	(40)
Closing balance	**114**	**277**	**96**

Contract liabilites refers to advance payments from customers, for whom performance obligations have not been fulfilled. Contractual liabilities are recognized as income when performance obligations in the contracts are fulfilled (or have been fulfilled).

Storskogen applies the exception not to disclose revenues that are part of a contract that is expected to be completed within one year or for revenues recognized at the amount that the Group is entitled to invoice, when the Group is entitled to compensation from a customer at an amount that directly corresponds to the value for the customer of the Group's performance achieved to date.

Correction of errors from the previous year's annual report

The 2019 annual report included work in progress in the Inventories Note of SEK 115 million for 2019 and SEK 38 million for 2018 and SEK 48 million for 2017. These items were transferred to the item contract assets during the year, as the item in fact was related to accrued revenue. Opening balance for 2019 has been adjusted from SEK 82 million to SEK 120 million. Closing balance for the 2019 figures for contract assets has changed from SEK 213 million to SEK 268 million. Opening balance for 2018 has been adjusted from SEK 49 million to SEK 97 million. Closing balance regarding the 2018 figures for contract assets has changed from SEK 82 million to SEK 120 million.

The notes are an integral part of these financial statements

Note 5 Business combinations

Acquistions of 2020, 2019 and 2018

2020 Acquired entity	Operation	Acquisition date	Balance sheet total, MSEK[1]	Annual revenue, MSEK[2]	Operating segment
L'anza EP Sweden AB, incl. subsidiaries	Wholesale trade in perfume and cosmetics	June, 2020	50	112	Trade
Frends AS	Wholesale trade in perfume and cosmetics	June, 2020	70	153	Trade
Ullmax AB, incl. subsidiaries	Wholesale trade in clothing and shoes	July, 2020	24	39	Trade
Ljus & Comfort i Åhus AB	Various other metalware manufacturing	Nov, 2020	8	21	Trade
Sunteam AB	Manufacturing of tarps, tents, sails, etc.	Nov, 2020	11	18	Trade
Polstiernan Industri AB, incl. subsidiaries	Manufacturing of office and store furniture	Jan, 2020	310	716	Industry
Svenska Grindmatriser AB	Manufacturing of circuit boards	Dec, 2020	40	63	Industry
Måla i Sverige AB, incl. Subsidiaries	Painting work	Jan, 2020	190	387	Services
Svenska Tungdykargruppen AB	Various other specialized construction and installation operation	Jan, 2020	70	128	Services
Västmark Entreprenad AB	Ground and foundation work	Jan, 2020	60	184	Services
NP Måleri & Fastighetsservice i Västerort AB	Painting work	Feb, 2020	14	59	Services
Malmstens Måleri & Färgsättning AB	Painting work	April, 2020	15	54	Services
Björsons Måleri Eftr. Aktiebolag	Painting work	May, 2020	17	55	Services
Tepac Entreprenad AB	Heating and sanitation work	May, 2020	60	151	Services
Växjö Elmontage AB	Electrical installations	June, 2020	50	90	Services
Karlsons Ortogonal AB	Technical consulting within construction and installation technology	June, 2020	9	29	Services
Stockholms Internationella Handelsskola AB, incl. Subsidiaries	Post-secondary education at other than university and high school	July, 2020	13	42	Services
Syd Communication & Security AB	Electrical installations	July, 2020	21	53	Services
Bergendahls El Gruppen AB, incl. subsidiaries	Electrical installations	July, 2020	95	362	Services
P&A Måleri i Norrköping AB	Painting work	Sept, 2020	12	30	Services
El & Projektering i Vetlanda AB	Electrical installations	Sept, 2020	23	78	Services
nds Nordic Drilling System i Gävle AB	Ground and foundation work	Nov, 2020	37	51	Services
Kungälvs Plastteknik AB	Manufacturing of plastic semi-fabricated, heat and sanitation work	Nov, 2020	6	18	Services
Petulo Pipe AB	Wholesale trade in HVAC goods and manufacturing of plastic semi-fabricated	Nov, 2020	6	5	Services
Rollsbo Modulsvets AB	Metal subcontracting	Nov, 2020	3	4	Services
M J Contractor AB	Renting of construction and installation machinery with operators	Dec, 2020	90	166	Services
IVEO AB	Computer programming and publication of other software	Dec, 2020	19	32	Services
Total				**3,099**	

1) Relates to the balance sheet total from the day of the acquisition.
2) Relates to the most recent twelve-month period January–December for the year of the acquisition.

The notes are an integral part of these financial statements

>> CONT. NOTE 5

2019 Acquired entity	Operation	Acquisition date	Balance sheet total, MSEK[1]	Annual revenue, MSEK[2]	Operating segment
Svenska Kläckerier AB	Egg production	Jan, 2019	6	14	Trade
Tolarp Kyckling AB	Egg production	Jan, 2019	16	3	Trade
Båstad-Gruppen AB, incl. subsidiaries	Wholesale trade in clothing and shoes	Feb, 2019	134	369	Trade
Golvgrossisten Törnqvist & Berg AB[3]	Wholesale trade in lumber and other construction material	Feb, 2019	2	6	Trade
Baldacci AB, incl. subsidiaries	Wholesale trade in perfume and cosmetics	July, 2019	43	142	Trade
Umeå Golvcenter AB	Wholesale trade in lumber and other construction material	July, 2019	25	61	Trade
Riviera Markiser & Persienner AB	Manufacturing and sale of sunscreen products	Sept, 2019	46	66	Trade
A Lot Decoration Sweden AB	Wholesale trade with miscellaneous household goods	Oct, 2019	50	85	Trade
Swedfarm Väst AB (formerly Gimranäs AB)	Egg production	Oct, 2019	33	44	Trade
AHs Group AB	Specialized retail trade with textiles, hardware and HVAC goods	Nov, 2019	16	41	Trade
Sandryds Group AB, incl. subsidiaries	Wholesale trade in clothing and shoes	Dec, 2019	138	153	Trade
Elektroautomatik i Sverige AB	Technical consulting operation in industrial technology	Jan, 2019	103	260	Industry
Ingenjörsfirman G. Hedlund AB	Manufacturing of miscellaneous tool machinery	Feb, 2019	27	46	Industry
Albin Components AB	Manufacturing of bearings, gears and other parts for energy transfer	Mars, 2019	60	229	Industry
Noa:s Snickeri i Tibro AB	Manufacturing of other furniture	Mars, 2019	36	85	Industry
Roslagsgjuteriet AB	Foundry operation	May, 2019	28	68	Industry
Storebrogjuteriet AB, incl. subsidiaries	Foundry operation	May, 2019	51	85	Industry
Milltech AB	Manufacturing of miscellaneous tool machinery	June, 2019	12	17	Industry
Milltech Engineering AB	Technical consulting operation with industrial technology	June, 2019	1	3	Industry
Alfta Kvalitetsindustri AB, incl. subsidiaries	Own and manage shares in industrial companies	July, 2019	64	158	Industry
Fasadresurs i Stockholm AB[4]	Property-related support services	Mars, 2019	15	–	Services
Tofta Gård Borrteknik AB	Ground and foundation work	Mars, 2019	11	29	Services
Tofta Gård Maskin AB	Rental and leasing of construction and installation machinery	Mars, 2019	9	2	Services
NetRed AB	Wholesale trade in computers and related equipment and software	April, 2019	11	34	Services
Elcommunication Sweden AB	Electrical installations	May, 2019	54	173	Services
CS Riv och Håltagning AB, incl. subsidiaries	Specialized construction and installation operation	June, 2019	47	62	Services
Jata Cargo AB	International transports	July, 2019	35	165	Services
JJH i Sverige AB, incl. subsidiaries	Ground and installation contract operation	July, 2019	177	249	Services
Miljögården i Kristianstad AB	Recycling of source-sorted material	Sept, 2019	4	7	Services
Trellegräv AB	Machine excavation company	Oct, 2019	125	171	Services
Total				**2,829**	

2018 Acquired entity	Operation	Acquisition date	Balance sheet total, MSEK[1]	Annual revenue, MSEK[2]	Operating segment
SGD Sveriges Golvdistributörer AB, incl. Subsidiaries	Wholesale of floor materials	April, 2018	91	224	Trade
FREDRIKSSON & BERGLUND – Golvgrossisten i Skövde AB	Wholesale of floor materials	April, 2018	21	62	Trade
Golv och Bygg terminalen i Norrköping AB	Wholesale of floor materials	April, 2018	39	83	Trade
Smederna Sverige AB	Manufacturing of metal frames	May, 2018	56	182	Industry
ARAT AB, incl. subsidiaries	Equipments for sawmills and other refinements	Dec, 2018	184	298	Industry
Stockholms Rörexpress AB	Plumbing	Feb, 2018	32	114	Services
Plåthuset Mälardalen AB	Steel and plate constructing	May, 2018	86	449	Services
Plåthuset Syd AB	Steel and plate constructing	May, 2018	7	32	Services
Samus Holding AB, incl. Subsidiaries	Transportation and forwarding	July, 2018	141	439	Services
BR Solutions AB	Building services for gas stations	July, 2018	87	237	Services
Fraktpartner International AB[5]	Logistics	Okt, 2018	18	52	Services
Inbego AB (formerly EU Plast AB)	Industrial floor services	Dec, 2018	14	49	Services
IDATA AB	Supplier of IT services	Dec, 2018	48	54	Services
Total				**2,275**	

1) In 2020 and 2019 are the balance sheet totals based on the booked values of the financial position at the time of the acquisition and 2018 are the booked values of the balance sheet totals based on the financial position at year end.
2) Relates to the most recent twelve-month period January–December for the year of the acquisition.
3) The assets and liabilities were sold to SGD Sveriges Golvdistributörer AB, after which the company was divested and liquidated. The result stated above is the result during the period of control.
4) Has been merged into INBEGO AB in November 2019.
5) Has been merged into TK Logistisk during 2019, which is a subsidiary to Storskogen Industrier AB.

For information of the percentage of shares acquired, see Note 29 Shares in Group companies. Storskogen obtained control in all acquired entities at the respective time of acquisition. No equity instruments have been issued in connection with the acquisitions.

The notes are an integral part of these financial statements

>> CONT. NOTE 5

ACQUISITIONS 2020 – ASSETS ACQUIRED AND LIABILITIES ASSUMED

The business combinations are presented on aggregated level, per operating segment as the relative amounts for the individual business combinations are not deemed to be significant, except in the acquisition of Polstiernan Industri AB. Polstiernan Industri AB is therefore presented both separately and as a part of the operating segment Industry.

2020	Fair value recognised on acquisition				
MSEK	Trade	Industry	Where of Polstiernan	Services	Total
Intangible assets	19	70	45	177	267
Other non-current assets	1	94	92	89	184
Deferred tax asset	–	–	–	0	0
Inventories	67	138	127	58	264
Other current assets	36	87	77	400	523
Cash and cash equivalents	44	17	–	252	312
Deferred tax liabilities	(9)	(34)	(26)	(58)	(101)
Interest-bearing liabilities	(5)	(29)	(29)	(185)	(219)
Other liabilities	(65)	(91)	(80)	(403)	(559)
Net assets	**88**	**252**	**207**	**332**	**672**
Goodwill	162	449	342	1,305	1,915
Non-controlling interest	(20)	(8)	–	(116)	(144)
Total	**230**	**693**	**549**	**1,520**	**2,443**
Purchase price including contingent considerations, excluding transaction costs					
consists of					
Cash payment	230	506	362	1,471	2,207
Contingent considerations not yet paid	–	187	187	49	236
	230	**693**	**549**	**1,520**	**2,443**
Cash flow from business combinations					
Cash payment (included in the investing activities)	(230)	(506)	(362)	(1,471)	(2,207)
Acquired cash and cash equivalents (included in the investing activities)	44	17	–	252	312
Total effect on cash flows from investing activities	**(187)**	**(489)**	**(362)**	**(1,219)**	**(1,894)**
Transaction cost for the acquisitions (included in the operating activities)	(4)	(1)	(1)	(5)	(10)
Net outflow cash and cash equivalents	**(191)**	**(490)**	**(363)**	**(1,223)**	**(1,905)**

Purchase price and estimates

The purchase price for the business combinations in 2020 summarizes to total MSEK 2,207, of which MSEK 1,915 has been allocated to goodwill. Had the business combinations been completed as of January 1, 2020, the contribution to the Group's revenue is estimated to MSEK 3,099 and MSEK 281 to the Group's profit after tax. No significant changes in the Group's identifiable assets acquired and liabilities assumed have been made during the fiscal year related to the year's or previous years' business combinations. Business combinations made during 2019 have had no significant adjustment to their identifiable assets acquired or liabilities assumed. Purchase price analyses for business combinations during the last quarter of 2020 are preliminary as the Group has not yet obtained complete information. In addition, the year-end figures for Svenska Tungdykargruppen AB are also preliminary due to investigation of deficiencies in the historical accounting.

Storskogen is in the process of analysing the fair values on certain recent business combinations. No significant adjustments are expected. All business combinations have been accounted for using the acquisition method.

Goodwill

The amount that is allocated to goodwill at the date of acquisition is the purchase price less fair value of assets acquired and liabilities assumed. The goodwill comprises the value of the acquired entities' future earning capacity. As of December 31, 2020, the Group's total goodwill amounts to MSEK 4,653 (2019: 2 740; 2018: 1 534). Goodwill is impairment tested annually per cash-generating unit. During the year no impairment has been identified. No part of the Group's goodwill is deemed to be tax deductible. The goodwill that has been recognised in the business combinations primarily comprises the value of expected synergies arising from the acquisition when the entities are integrated in the Group.

Other identified surplus values

The fair value allocated to intangible assets, such as customer relations and trademarks, have been measured at the present value of future cash flow. The amortisation period is based on an assessment of an annual reduction of revenue related to the respective asset. Customer relations are generally amortised over a period of 5–10 years. The useful life is based on historic customer turnover rate, the competition in the market, the degree of integration with the customer's operation and importance of aftermarket such as service and warranties. Trademarks are tested for impairment annually in accordance with IAS 36 and are therefore not amortised. The estimated annual amortisation for intangible assets amounts to about MSEK 19. Other surplus values that have been identified in the business combinations during the year relates to buildings and inventories. Buildings are generally depreciated over 25 years, while surplus value of inventories are depreciated based on the turnover rate of the inventories.

Transaction costs

Transaction costs related to acquisitions consists of fees to advisors related to due diligence. These expenses have been reported as other operating expenses in the statement of profit or loss. Total acquisition-related transaction costs for the year is MSEK 10 (2019: 14; 2018: 3).

Contingent considerations

A contingent considerations is a conditional purchase price that normally is based on the profit for the acquired company for the year after the acquisition date, either as a binary outcome if a certain profit level is met, or in steps where the outcome increases with higher achieved profit level of the acquired entity for a predetermined financial period. The contingent consideration is normally due, if conditions are met, 1–3 years after the acquisition date. At the date of acquisition, the contingent consideration is

The notes are an integral part of these financial statements

>> CONT. NOTE 5

measured at fair value, by discounting the probable outcome using a discount rate of about 9.6% (2019: 9,6%; 2018: 2%). The probable outcome, with a stated maximum amount, is based on the Group's forecasts for the respective entity and is dependent on future results that are achieved. The present value of contingent considerations not yet paid related to the business combinations for the year is MSEK 259 (2019: 56; 2018: 70).

Measurement of trade receivables

No significant differences have been identified between fair value of trade receivables and their goss contractual amounts.

Non-controlling interest

The Group has recognised non-controlling interest at fair value based on full goodwill method on the most recent market value which is presumed to be equivalent to the purchase price for each respective business combination.

Acquisition-related information

All business combinations during the year have been carried out through acquisition of shares; no asset acquisition has been completed. For information about ownership share in the acquired entities, see Note 29.

Business combinations after the end of the fiscal year

Since the end of fiscal year 2020, 18 business combinations have been completed. See Note 31 for information about ownership share for these acquisitions.

The acquisitions' effect on the Group's statement of profit or loss and statement of total comprehensive income

MSEK	Trade	Industry 1)	Services	Total
Effect after date of acquisition included in the Group's profit				
Revenue	206	721	1,291	**2,218**
Profit for the year	35	51	73	**158**
Effect if the acquisitions had been completed on January 1				
Revenue	343	778	1,978	**3,099**
Profit for the year	48	65	169	**281**

1) Storskogen acquired Polstiernan Industri AB as of January 1, 2020. Polstiernan contributed to MSEK 716 of revenue and MSEK 49 to profit for the year.

The business combinations are presented at aggregated level, per segment as the relative amounts for the individual business combinations are not deemed to be significant, except for the acquisition of Baldacci AB. Baldacci AB is therefore presented both separately and as a part of the Trade segment.

2019	Fair value recognised on acquisition				
MSEK	Trade	Of which Baldacci	Industry	Services	Total
Intangible assets	72	0	79	79	230
Property, plant and equipment	77	0	72	78	228
Deferred tax asset	9	0	–	–	9
Inventories	244	22	138	52	435
Other current assets	191	14	145	224	560
Cash and cash equivalents	40	16	41	134	215
Deferred tax liabilities	(27)	(5)	(33)	(33)	(94)
Interest-bearing liabilities	(105)	0	(29)	(7)	(141)
Other liabilities	(243)	(15)	(196)	(232)	(671)
Net assets	**257**	**32**	**218**	**296**	**771**
Goodwill	402	163	335	498	1,234
Non-controlling interest	(32)	(19)	(17)	(67)	(116)
	627	**176**	**535**	**727**	**1,889**
Purchase price including contingent considerations, excluding transaction costs					
consists of					
Cash payment	620	176	530	717	1,868
Contingent considerations not yet paid	7	–	5	9	21
	627	**176**	**535**	**727**	**1,889**
Cash flow from business combinations					
Cash payment (included in the investing activities)	(620)	(176)	(530)	(717)	(1,868)
Acquired cash and cash equivalents (included in the investing activities)	40	16	41	134	215
Total effect on cash flows from investing activities	**(580)**	**(160)**	**(489)**	**(584)**	**(1,653)**
Transaction cost for the acquisitions (included in the operating activities)	(4)	(1)	(5)	(5)	(14)
Net outflow cash and cash equivalents	**(584)**	**(161)**	**(494)**	**(589)**	**(1,667)**

The notes are an integral part of these financial statements

>> CONT. NOTE 5

The acquisitions' effect on the Group's statement of profit or loss and statement of total comprehensive income

MSEK	Trade[1]	Industry	Services	Total
Effect after date of acquisition included in the Group's profit				
Revenue	459	740	444	**1,643**
Profit for the year	4	24	40	**68**
Effect if the acquisitions had been completed on January 1				
Revenue	985	952	893	**2,829**
Profit for the year	33	47	125	**205**

1) From the date the Group obtained control, Baldacci AB contributed to revenue of MSEK 72 and had an effect on profit for the year of MSEK 5. Had the acquisition of Baldacci AB taken place on January 1 it would have had an effect of 369 MSEK on the Group's revenue and 15 MSEK on the Group's profit for the year.

2018	Fair value recognised on acquisition			
MSEK	Trade	Industry	Services	Total
Intangible assets	16	18	73	107
Property, plant and equipment	21	50	111	183
Non-current investments	1	0	–	1
Inventories	67	44	16	128
Other current assets	75	163	306	544
Deferred tax liabilities	(5)	(5)	(21)	(31)
Interest-bearing liabilities	(11)	(25)	(24)	(59)
Other liabilities	(76)	(182)	(232)	(490)
Net assets	**89**	**64**	**230**	**382**
Goodwill	99	144	519	762
Non-controlling interest	–	(14)	(35)	(50)
	188	**193**	**713**	**1,095**
Purchase price excluding transaction costs				
consists of				
Cash payment	168	191	686	1,045
Contingent considerations not yet paid	20	3	28	50
	188	**193**	**713**	**1,095**
Cash flow from business combinations				
Cash payment (included in the investing activities)	(168)	(191)	(686)	(1,045)
Acquired cash and cash equivalents (included in the investing activities)	13	54	90	158
Total effect on cash flows from investing activities	**(155)**	**(136)**	**(595)**	**(887)**
Transaction cost for the acquisitions (included in the operating activities)	0	(1)	(2)	(3)
Net outflow cash and cash equivalents	**(156)**	**(137)**	**(597)**	**(890)**

The acquisitions' effect on the Group's statement of profit or loss and statement of total comprehensive income

MSEK	Trade	Industry	Services	Total
Effect after date of acquisition included in the Group's profit				
Revenue	206	117	817	**1,141**
Profit for the year	7	4	15	**26**
Effect if the acquisitions had been completed on January 1				
Revenue	369	480	1,426	**2,275**
Profit for the year	17	41	63	**122**

The notes are an integral part of these financial statements

Note 6 Depreciation/Amortisation

Depreciation/Amortisation per function

MSEK	2020	2019	2018
Cost of goods sold	(353)	(223)	(104)
Selling expenses	(61)	(40)	(19)
Administrative expenses	(11)	(7)	(3)
Total depreciation/amortisation	**(425)**	**(269)**	**(126)**

Depreciation/Amortisation per type of asset

MSEK	2020	2019	2018
Intangible assets	(107)	(69)	(31)
Buildings and land	(17)	(13)	(7)
Machinery, vehicles and equipment	(121)	(77)	(36)
Right-of-use assets	(180)	(111)	(51)
Total depreciation/amortisation	**(425)**	**(269)**	**(126)**

Note 7 Operating expenses

MSEK	2020	2019	2018[1]
Raw materials and necessities	(4,880)	(3,572)	(1,975)
Other external expenses	(309)	(287)	(132)
Personnel expenses	(1,560)	(934)	(461)
Depreciation	(353)	(223)	(104)
Impairment of goodwill	–	(23)	(8)
Impairment of other intangible assets	(4)	–	–
Loss allowance expected credit losses	(21)	(2)	(4)
Included in Cost of goods sold	**(7,128)**	**(5,040)**	**(2,684)**
Other external expenses	(233)	(186)	(95)
Personnel expenses	(370)	(221)	(109)
Depreciation	(61)	(40)	(19)
Impairments of goodwill	–	(5)	(2)
Impairments of other intangible assets	(1)	–	–
Included in Selling expenses	**(664)**	**(453)**	**(225)**
Other external expenses	(369)	(251)	(119)
Personnel expenses	(123)	(74)	(36)
Depreciation	(11)	(7)	(3)
Included in Administrative expenses	**(503)**	**(332)**	**(158)**
Other external expenses	(121)	(25)	(8)
Included in Other operating expenses	**(121)**	**(25)**	**(8)**

1) Figures for 2019 and 2018 have been restated, see further Note 32.

Note 8 Employees, personnel expenses and compensation to key management personnel

Salaries and other remuneration distributed between executive management and other employees

TSEK	2020 CEO, Board of directors and executive management	2020 Other employees	2020 Total
Salaries and other remuneration	13,622	1,430,518	**1,444,141**
(whereof bonuses etc.)	(1,832)	(10,483)	**(12,315)**
Social security contributions	6,391	557,003	**563,393**
(whereof pension cost)	(1,769)	(106,344)	**(108,113)**
Total	**20,013**	**1,987,521**	**2,007,534**

TSEK	2019 CEO, Board of directors and executive management	2019 Other employees	2019 Total
Salaries and other remuneration	9,175	842,095	**851,270**
(whereof bonuses etc.)	(840)	(15,054)	**(15,894)**
Social security contributions	4,483	345,461	**349,944**
(whereof pension cost)	(1,286)	(57)	**(1,343)**
Total	**13,658**	**1,187,556**	**1,201,214**

TSEK	2018 CEO, Board of directors and executive management	2018 Other employees	2018 Total
Salaries and other remuneration	8,050	406,536	**414,586**
(whereof bonuses etc.)	(–)	(–)	**(–)**
Social security contributions	3,520	170,787	**174,307**
(whereof pension cost)	(795)	(29,791)	**(30,586)**
Total	**11,570**	**577,323**	**588,893**

The notes are an integral part of these financial statements

>> CONT. NOTE 8

Average number of employees and gender distribution

	2020	women/men	2019	women/men	2018	women/men
Sweden	3,108	501/2,607	2,204	323/1,880	1,034	138/896
Within EU excluding Sweden	2	0/2	18	2/16	16	3/13
Outside EU	45	16/29	–	0/0	–	0/0
Total	**3,154**		**2,222**		**1,050**	

Number of persons and gender distribution of Board of directors and executive management

	12/31/2020	women/men	12/31/2019	women/men	12/31/2018	women/men
Board of Directors	6	2/4	6	2/4	–	–
Other executive management	6	1/5	6	1/5	–	–
Total	**12**		**12**		**–**	

Remuneration to Board of directors and executive management

2020 TSEK	Base salary	Board honorarium	Pension cost	Payroll taxes	Total
Chair of the Board, Elisabeth Thand Ringqvist	–	850	–	267	**1,117**
Board member, Peter Ahlgren (included in executive management)	1,886	–	330	672	**2,888**
Board member, Alexander Bjärgård (included in executive management)	1,881	–	329	671	**2,881**
Board member, Bengt Braun	–	350	–	36	**386**
Board member, Louise Hedberg	–	400	–	126	**526**
Board member, Johan Thorell	–	450	–	126	**576**
CEO, Daniel Kaplan	2,282	–	283	786	**3,351**
Other executive management, 2 persons	5,523	–	828	1,937	**8,289**
Total	**11,572**	**2,050**	**1,769**	**4,621**	**20,013**

One other member of executive management has during 2020 only received remuneration via invoicing from own company. Fee has been invoiced at a total of TSEK 2,900.

2019 TSEK	Base salary	Board honorarium	Pension cost	Payroll taxes	Total
Chair of the Board, Elisabeth Thand Ringqvist	–	–	–	–	**–**
Board member, Peter Ahlgren (included in executive management)	–	–	–	–	**–**
Board member, Alexander Bjärgård (included in executive man-agement)	–	–	–	–	**–**
Board member, Bengt Braun	–	–	–	–	**–**
Board member, Louise Hedberg	–	–	–	–	**–**
Board member, Johan Thorell	–	–	–	–	**–**
Other executive management, 5 persons	9,175	–	1,286	3,197	**13,658**
Total	**9,175**	**–**	**1,286**	**3,197**	**13,658**

Disclosures are only presented for fiscal years 2019 and 2020 as no represenative executive management and board of directors represented Storskogen Group until the 15th of November 2019. No board renumeration was paid during fiscal year 2018.

PRINCIPLES FOR REMUNERATION TO THE BOARD AND EXECUTIVE MANAGEMENT

Board of directors

Remuneration to the Board has been paid in accordance with guidelines approved at the Annual General Meeting for work performed in the Board and participation in committees. No remuneration was paid for work performed in the parent company's Board work in 2019, as the Board was formed on November 15, 2019, in connection with the Group being formed.

President and CEO

Remuneration in the form of fixed salary, pension and benefits. No variable remuneration has been paid to the President and CEO in 2020. No remuneration to the President and CEO has been paid during 2019 as the parent company was first formed on November 15, 2019. Remuneration has been paid from January 1, 2020. There is no agreement on severance pay for the President and CEO.

Executive management

Remuneration consists of fixed and variable salary, pension and benefits. Variable remuneration consists of bonus based on the outcome of work performed.

The notes are an integral part of these financial statements

Note 9 Remuneration to auditors

MSEK	2020	2019	2018
Ernst & Young AB			
Audit assignment	12	7	–
Audit activities in addition to the audit as-signment	1	–	–
Tax advisory services	0	–	–
Other services	7	3	–
Total	**20**	**10**	**–**
Other auditors			
Audit assignment	1	–	5
Other services	2	1	0
Total	**3**	**1**	**5**

The audit assignment refers to the auditor's work on the statutory audit, and audit activities refers to various types of assurance services. Other services are services not included in the audit assignment or tax advisory services. This includes other tasks that naturally are performed by the auditor, as well as advising services or providing further assistance as part of the audit assignment.

Note 10 Other income and expenses

MSEK	2020	2019	2018
Other operating income			
Gain from divestment of businesses and disposal of non-current assets	13	8	2
Foreign exchange gains	27	11	8
Remeasurement of contingent considerations	93	21	14
Government grants received	46	9	7
Recognised expenses	3	–	–
Miscellaneous	46	19	19
Total	**227**	**68**	**49**
Other operating expenses			
Foreign exchange losses	(33)	(14)	(3)
Loss from divestment of businesses and disposal of non-current assets	(2)	0	0
Remeasurement of contingent considerations	(53)	(11)	(5)
Miscellaneous	(4)	0	0
Total	**(91)**	**(25)**	**(8)**

Note 11 Financial income/expense

MSEK	2020	2019	2018
Assets measured at amortised cost			
Interest income from trade receivables	2	1	1
Interest income from other financial assets	3	1	0
Total interest income according to effective interest method	**5**	**2**	**1**
Other financial income			
Financial investments	–	–	0
Foreign exchange gains	0	1	0
Miscellaneous	2	–	–
Financial income	**7**	**2**	**2**
Liabilities measured at amortised cost			
Interest expenses from interest-bearing liabilities	(60)	(22)	(12)
Interest expenses from lease liabilities	(16)	(13)	(6)
Interest expenses from other liabilities	–	–	0
Total interest expenses according to effective interest method	**(76)**	**(34)**	**(18)**
Other financial expenses			
Exchange rate losses	(2)	0	0
Impairment loss on receivable	(30)	0	0
Financial expenses	**(108)**	**(35)**	**(18)**
Net financial income/expense	**(101)**	**(32)**	**(16)**

Storskogen has in accordance with acquisition agreement recognised a receivable of MSEK 30 to the previous owners in Svenska Tungdykargruppen for warranty commitments. As the payment capacity of the other party has been assessed as minimal, the receivable is considered credit-impaired and has been recognised as an impairment loss in full in the profit or loss. The impairments loss impacts the Services segment.

The notes are an integral part of these financial statements

Note 12 Income tax

MSEK	2020	2019	2018
Current income tax expense (-)			
Current tax on profit for the year	(165)	(115)	(50)
Adjustment for current tax attributable to previous years	27	0	0
	(138)	**(115)**	**(50)**
Deferred tax expense (-) / tax income (+)			
Deferred tax attributable to temporary differences	34	28	(4)
Deferred tax as a result of changes in tax rates	4	–	1
Deferred tax related to utilisation of recognised tax loss carry fowards	–	–	(3)
Adjustment of deferred tax attributable to previous years	–	0	–
	38	**28**	**(6)**
Total tax expense recognised in the profit or loss	**(100)**	**(87)**	**(56)**

Reconciliation of effective tax rate

MSEK		2020		2019		2018
Profit before tax		**673**		**348**		**255**
Tax at the applicable tax rate for the parent company	21.4%	(144)	21.4%	(75)	22.0%	(56)
Tax effects of different tax rates in foreign subsidiaries	0.0%	0	0.0%	0	0.1%	0
Non-deductible expenses	1.9%	(13)	3.6%	(13)	3.4%	(9)
Non-taxable income	(3.6)%	24	(0.6)%	2	(3.0)%	8
Increase in tax losses without a corresponding recognition of deferred tax assets	(0.3)%	2	0.0%	–	0.0%	–
Deferred tax	0.0%	–	0.3%	(1)	0.0%	–
Utilisation of previously unrecognised loss carry-forwards	0.0%	–	0.0%	0	(0.1)%	0
Tax attributable to previous years	(4.0)%	27	0.0%	0	0.0%	0
Tax effect of changed tax rates/and tax regulation	(0.6)%	4	0.0%	–	(0.5)%	1
Standardized interest rate on the tax allocation reserve	0.1%	(1)	0.1%	(1)	0.0%	0
Effective tax rate	**14.9%**	**(100)**	**24.9%**	**(87)**	**22.0%**	**(56)**

During 2020 changed tax rates have had an effect on the profit or loss by MSEK 4 (2019: –; 2018: 1).

Reconciliation of deferred tax in temporary differences and loss carry-forwards

MSEK	Opening balance Jan 1, 2020	Recognised in the statement of profit or loss	Recognised in the statement of comprehensive income	Acquisition/ Divestment of business	Closing balance Dec 31, 2020
Property, plant and equipment	(43)	0	–	(6)	(49)
Intangible assets	(70)	27	–	(66)	(109)
Inventories	–	0	–	–	0
Untaxed reserves	(86)	17	–	(29)	(97)
Other	–	–	(3)	0	(3)
Recognition of loss carry-forwards	6	(6)	–	–	0
Total	**(192)**	**38**	**(3)**	**(101)**	**(258)**

MSEK	Opening balance Jan 1, 2019	Recognised in the statement of profit or loss	Recognised in the statement of comprehensive income	Acquisition/ Divestment of business	Closing balance Dec 31, 2019
Property, plant and equipment	(31)	1	–	(12)	(43)
Intangible assets	(37)	14	–	(47)	(70)
Inventories	–	6	–	(6)	–
Untaxed reserves	(68)	8	–	(25)	(86)
Recognition of loss carry-forwards	6	–	–	–	6
Total	**(131)**	**28**	**–**	**(90)**	**(192)**

MSEK	Opening balance Jan 1, 2018	Recognised in the statement of profit or loss	Recognised in the statement of comprehensive income	Acquisition/ Divestment of business	Closing balance Dec 31, 2018
Property, plant and equipment	(11)	0	–	(20)	(31)
Intangible assets	(20)	7	–	(24)	(37)
Current receivables	0	0	–	–	–
Untaxed reserves	(47)	(11)	–	(10)	(68)
Adjusted tax effect from prior year	0	0	–	–	–
Recognition of loss carry-forwards	8	(2)	–	–	6
Total	**(70)**	**(6)**	**–**	**(54)**	**(131)**

Loss carry-forwards are not time-limited.

The notes are an integral part of these financial statements

Note 13 Intangible assets

MSEK	Capitalised development expenditures	Rights and miscellaneous	Goodwill	Trademarks	Customer relationships	Total
Cost						
Opening balance 01/01/2018	4	2	830	9	77	922
Additions from business combinations	–	–	762	–	107	869
Internally generated assets	9	–	–	–	–	9
Reclassification	3	–	(16)	–	–	(13)
Closing balance 12/31/2018	**15**	**2**	**1,577**	**9**	**185**	**1,788**
Opening balance 01/01/2019	15	2	1,577	9	185	1,788
Additions from business combinations	1	3	1,234	18	209	1,464
Internally generated assets	6	–	–	–	–	6
Divestment of business	(1)	–	0	–	–	(1)
Closing balance 12/31/2019	**21**	**4**	**2,811**	**27**	**393**	**3,256**
Opening balance 01/01/2020	21	4	2,811	27	393	3,256
Additions from business combinations	14	3	1,915	21	228	2,182
Internally generated assets	11	–	–	–	–	11
Other investments	–	11	–	–	–	11
Reclassification	–	1	–	–	–	1
Exchange rate differences	–	(1)	(2)	–	0	(3)
Closing balance 12/31/2020	**46**	**18**	**4,724**	**48**	**621**	**5,457**
Amortisation and impairment losses						
Opening balance 01/01/2018	(2)	0	(49)	(3)	(11)	(64)
Reclassification	(3)	–	16	–	–	13
Impairment loss for the year	–	–	(10)	–	–	(10)
Amortisation for the year	0	0	–	(2)	(28)	(31)
Closing balance 12/31/2018	**(5)**	**(1)**	**(43)**	**(5)**	**(39)**	**(92)**
Opening balance 01/01/2019	(5)	(1)	(43)	(5)	(39)	(92)
Impairment loss for the year	–	–	(28)	–	–	(28)
Amortisation for the year	(2)	(2)	2	(2)	(65)	(69)
Closing balance 12/31/2019	**(7)**	**(3)**	**(69)**	**(7)**	**(104)**	**(190)**
Opening balance 01/01/2020	(7)	(3)	(69)	(7)	(104)	(190)
Impairment loss for the year	–	(5)	–	–	–	(5)
Amortisation for the year	(7)	(1)	–	(2)	(97)	(107)
Exchange rate differences	–	1	(2)	–	0	(1)
Closing balance 12/31/2020	**(13)**	**(8)**	**(71)**	**(8)**	**(202)**	**(303)**
Carrying amounts						
As of 12/31/2018	10	1	1,534	5	146	**1,696**
As of 12/31/2019	14	1	2,742	20	289	**3,066**
As of 12/31/2020	32	11	4,653	39	419	**5,154**

IMPAIRMENT LOSSES
Impairment is included in the following items in the statement of profit or loss and statement of other comprehensive income

MSEK	2020	2019	2018
Cost of goods sold	(4)	(23)	(8)
Selling expenses	–	(6)	(2)
Administrative expenses	(1)	–	–
Total	**(5)**	**(28)**	**(10)**

Impairment losses of intangible assets amounted to 5 (2019: 28; 2018: 10) and are related to intangible rights. Impairment was recognised as the future economic benefits expected from the asset were lower than previous assessments.

The notes are an integral part of these financial statements

>> CONT. NOTE 13

IMPAIRMENT TESTS FOR CASH-GENERATING UNITS TO WHICH GOODWILL IS ALLOCATED

Impairment tests of significant goodwill is performed per cash-generating unit. In 2020 cash generating units, consisted of 12 (2019: 11; 2018: 11) business verticals which were aggregated per segment according to the following :

MSEK	2019 Carrying amounts	2018 Carrying amounts
Contract & infrastructure	622	300
Logistics	254	170
Installation & construction	311	273
Systems	122	72
Total Services segment	**1,310**	**814**
Automation	221	148
Steel construction	89	89
Manufacturing	239	19
Products	42	–
Total Industry segment	**591**	**256**
Wholesalers & distributors	561	218
Refinement	144	83
Other trade	134	164
Total Trade segment	**838**	**464**
Total	**2,740**	**1,534**

Carrying amount of goodwill and other intangible assets with indefinite useful lives were for the impairment test in 2019 allocated to 11 business verticals of subsidiaries that were identified as cash-generating units. In the end of 2019, there were three business verticals in the Trade segment, in Industry segment there were four business verticals and in Services segment there were four business verticals. The carrying amount of goodwill allocated to cash-generating units is tested annually by calculating the recoverable amount, which is either the value in use or fair value less costs of disposal. All business verticals were tested based on the value in use as of 12/31/2019.

The carrying amount of intangible assets with indefinite useful lives (trademarks) has been allocated to multiple cash-generating units. The amounts allocated to each cash-generating unit are not considered significant compared to the company's total carrying amount of intangible assets with indefinite useful lives (trademarks).

MSEK	2020 Carrying amounts
Construction and Infrastructure	1,059
Logistics	255
Engineering Services	237
Installation & construction	777
Digital services	187
HR and Competence	100
Total Services segment	**2,615**
Automation	221
Industrial Technology	323
Products	496
Total Industry segment	**1,040**
Distributors	589
Brands	221
Producers	189
Total Trade segment	**999**
Total	**4,653**

Carrying amount of goodwill and other intangible assets with indefinite useful lives were for the impairment test in 2020 allocated to 12 business verticals of subsidiaries identified as cash-generating units. The Trade segment includes at the end of 2020 three business verticals, Industry segment has three business verticals and Services segment includes six business verticals. The carrying goodwill amount allocated to each cash-generating unit is tested annually against by calculating the recoverable amount, which is either the value in use or fair value less costs of disposal. All business verticals have been tested based on the value in use as of 12/31/2020.

The carrying amount of intangible assets with indefinite useful lives (trademarks) has been allocated to multiple cash-generating units. The amount allocated to each cash-generating unit is not considered significant in comparison with the company's total carrying amounts for intangible assets with indefinite useful lives (trademarks).

During the year a restructuring has led to a reallocation of some of the business units between the different business verticals, within the respective business areas. Following the reallocation, the business verticals' designation has been adjusted to clarify their character and to create a more uniform classification of each business unit based on how they are linked together and evaluated. As a result, goodwill compilation for 2020 and 2019 are presented separately.

VALUE IN USE

The value in use is calculated as the Group's share of present value of future expected cash flows generated by the units. The assessment of future cash flows is based on reasonable and verifiable assumptions that represents Storskogen's best estimate of the economic conditions that are expected to exist over the remaining useful life of the asset. Greater weight has been given to external factors. The future cash flow projections are based on the Group management's forecasts, substantiated in the subsidiaries' most recent budgets and forecasts, aggregated per business vertical. This consist of next year's budget and forecasts of the following four years. The cash flow or forecast period is calculated with an assumption of a long-term growth rate after the forecast period of 2 percent per year. Projected future cash flows do not include payments from financing activities. The calculated value in use shall be compared with the carrying value of the unit. Key assumptions in the calculation include discount rate, sales growth, adjusted EBITA margin, change of working capital and investment needs. Different assumptions have been used as each business vertical is an independent unit with unique prerequisites. Significant assumptions for respective business verticals are described below.

KEY ASSUMPTIONS USED IN VALUE IN USE CALCULATIONS PER BUSINESS VERTICAL

Future cash flows per business vertical have been calculated at present value using a discount rate. Storskogen has chosen to make the calculation of present value of free cash flow. The discount factor reflects market-related assumptions of the time value of money and the specific risks that are linked to the respective sub-group. The discount factor does not reflect the kind of risks that have been considered when the future cash flows were calculated. The company's weighted average cost of capital, the company's incremental borrowing rate and other market-related borrowing rates independent of Storskogen's capital structure are used as a base for the discount rate used in the calculations. The discount interest rate used for all business verticals is 9.2 (2019: 9.6; 2018: 12.6) percent.

The calculation as of 12/31/2020 shows that the value in use exceeds the carrying amount for all verticals. No impairment loss has been identified. During 2019 impairment losses were identified within the Other trade vertical, which is included in the Trade business area, where impairments losses of MSEK 28 were identified, which were recognised in the profit or loss in 2019. The impairment loss is not tax deductible.

SENSITIVITY ANALYSIS

The value in use of the respective business verticals is dependent on the assumptions used in the calculation of discounted cash flows. A sensitivity analysis shows that the remaining goodwill for all business verticals are justified if the long-term growth rate would be one percentage point lower, the adjusted EBITA margin one percentage point lower or if the discount rate were one percentage point higher.

The notes are an integral part of these financial statements

Note 14 Property, plant and equipment

MSEK	Buildings and land	Machinery, vehicles and equipment	Construction in progress	Total
Cost				
Opening balance 1 January 2018	220	263	1	484
Business combinations[1]	73	216	0	289
Additions	6	38	6	50
Reclassification	–	–	–	–
Divestments and disposals	–	(12)	–	(12)
Exchange rate differences	–	0	–	0
Closing balance 31 December 2018	**298**	**506**	**7**	**810**
Opening balance 1 January 2019	298	506	7	810
Business combinations[1]	158	589	2	749
Additions	11	75	3	89
Reclassification	1	5	(6)	0
Divestments and disposals	0	(33)	–	(33)
Exchange rate differences	0	1	–	1
Closing balance 31 December 2019	**468**	**1,142**	**6**	**1,616**
Opening balance 1 January 2020	468	1,142	6	1,616
Business combinations[1]	110	369	4	482
Additions	11	137	49	197
Reclassification	(3)	33	(34)	(4)
Divestment of subsidiaries	(5)	–	–	(5)
Divestments and disposals	–	(95)	0	(95)
Exchange rate differences	0	(1)	–	(1)
Closing balance 31 December 2020	**580**	**1,585**	**25**	**2,190**
Depreciation				
Opening balance 1 January 2018	(69)	(179)	–	(247)
Business combinations[1]	(7)	(99)	–	(107)
Depreciation for the year	(7)	(36)	–	(43)
Reclassification	–	–	–	–
Divestments and disposals	–	8	–	8
Exchange rate differences	–	–	–	–
Closing balance 31 December 2018	**(83)**	**(306)**	**–**	**(389)**
Opening balance 1 January 2019	(83)	(306)	–	(389)
Business combinations[1]	(81)	(440)	–	(521)
Depreciation for the year	(13)	(77)	–	(90)
Reclassification	0	0	–	0
Divestments and disposals	0	25	–	25
Exchange rate differences	0	0	–	0
Closing balance 31 December 2019	**(177)**	**(799)**	**–**	**(976)**
Opening balance 1 January 2020	(177)	(799)	–	(976)
Business combinations[1]	(45)	(254)	–	(298)
Depreciation for the year	(17)	(121)	–	(138)
Reclassification	3	–	–	3
Divestment of subsidiaries	2	–	–	2
Divestments and disposals	–	78	–	78
Exchange rate differences	0	0	–	1
Closing balance 31 December 2020	**(234)**	**(1,095)**	**–**	**(1,329)**
Carrying amounts				
As of 12/31/2018	215	199	7	**421**
As of 12/31/2019	291	344	6	**640**
As of 12/31/2020	346	490	25	**861**

	2018	2019	2020
1) Net value of assets in business combinations	182	228	184

The notes are an integral part of these financial statements

Note 15 Inventories

MSEK	12/31/2020	12/31/2019	12/31/2018
Raw materials and consumables	672	215	106
Work in progress	38	44	21
Finished goods and trade goods	211	436	189
Advances to suppliers	14	12	4
Total	**935**	**707**	**320**

Cost of goods sold for the Group includes write-down of inventories by MSEK 4 (2019: 11; 2018: 7). Cost of goods sold for the Group includes a write-down of acquired inventories by MSEK 8 (2019: 27; 2018:–). The write-down of inventories during 2020 has been recognised in the profit or loss within the Industry segment. During 2019, an inventory write-down of MSEK 25 was recognised in the profit or loss in the Trade segment and an inventory write-down of MSEK 2 was recognised in the profit and loss in the Service segment.

Write-down of inventories have been recognised due to fair value measurements of inventory as a result of business combinations. Remeasurement losses are recognised based on the inventory's turnover rate.

CORRECTION OF ERRORS FROM PREVIOUS YEAR'S ANNUAL REPORT

Previous years' annual reports included work in progress in the inventory Note of MSEK 115. This item has been transferred during the year to contract assets, as the item in fact was related to accrued revenue. Figures for closing balance in 2019 have been restated from MSEK 822 to MSEK 707. Figures for closing balance in 2018 have been restated from MSEK 358 to MSEK 320.

Note 16 Prepaid expenses and accrued income

MSEK	12/31/2020	12/31/2019	12/31/2018
Prepaid rent	–	18	5
Prepaid insurance	9	7	3
Prepaid lease payments	–	8	4
Prepaid expenses for computers and software	7	2	1
Accrued, not invoiced income	58	41	–
Accrued supplier bonus	23	–	–
Other prepaid expenses	42	48	23
Total	**138**	**124**	**35**

Note 17 Trade receivables

MSEK	12/31/2020	12/31/2019	12/31/2018
Trade receivables	1,258	839	602
Allowance for expected credit losses	(32)	(13)	(5)
Total	**1,227**	**826**	**596**

For a description of the expected credit loss allowance, see Note 25.

Note 18 Cash and cash equivalents

MSEK	12/31/2020	12/31/2019	12/31/2018
Cash and cash equivalents	1,866	1,730	179
Carrying amount in the statement of financial position	**1,866**	**1,730**	**179**

Cash and cash equivalents are subject to loss allowances for expected credit losses. Loss allowances are recognised if the amounts are not considered to be immaterial.

Note 19 Equity

SHARE CAPITAL

As of December 31, 2020, the registered share capital includes 26.2 million series A shares with a quota value of SEK 0.005/share and 105.8 million series B shares with a quota value of SEK 0.005/share. The series A shares have 10 votes per share and the series B shares have 1 vote per share. As of December 31, 2020, the registered share capital amounted to SEK 659,964 (2019: 500,000, 2018: not applicable as the parent company was formed during October 2019).

	12/31/2020		12/31/2019	
Number of shares	A share	B share	A share	B share
Issued shares				
Issued as of January 1	20,000,000	80,000,000	–	–
Issuance of capital October 24, 2019	–	–	20,000,000	80,000,000
Cash issue	6,200,000	25,792,864	–	–
Issued as of December 31	**26,200,000**	**105,792,864**	**20,000,000**	**80,000,000**

Series B shares have preferential rights to a dividend corresponding to 3 percent of the amount invested. Any remaining funds shall first be distributed to series A shares until the series A shares have received 20 percent of the total dividend. Thereafter, any dividend shall be distributed among series A shares of 20 percent and series B shares by 80 percent. All shares are fully paid and no shares are reserved for transfer.

According to paragraphs in the Company's articles of association preference rights to dividend will end in conjunction with listing of the Company's shares at an Initial public offering and each Series A share and Series B share will thereafter have the same right to share in the Company's assets and profit.

DIVIDEND

After the reporting date, the Board of Directors has proposed a dividend to the company's shareholders for the financial year 2020 totaling SEK 536 million, of which approximately SEK 4.09 per series A share and SEK 4.00 per series B share. The dividend was determined at the Annual General Meeting on May 12, 2021.

RESERVES

MSEK	12/31/2020	12/31/2019	12/31/2018
Translation reserve			
Opening balance of translation reserve	1	(3)	(3)
Translation effects for the year	(11)	3	0
Closing balance of translation reserve	**(10)**	**1**	**(3)**
Hedging reserve			
Revaluations reported via other comprehensive income, the majority's share	14	–	–
Tax attributable to revaluations for the year, the majority's share	(3)	–	–
Closing balance of hedging reserve	**11**	**–**	**–**
Total reserves	**1**	**1**	**(3)**

TRANSLATION RESERVE

The translation reserve includes all exchange rate differences arising from the translation of financial statements from foreign operations that have prepared their financial statements in a currency other than the currency in which the Group's financial statements are presented. The parent company and the Group present their financial statements in SEK.

HEDGING RESERVE

The hedge reserve includes the effective share of the accumulated net change in the fair value of cash flow hedging instruments attributable to hedging transactions that have not yet occurred.

The notes are an integral part of these financial statements

>> CONT. NOTE 19

RETAINED EARNINGS INCL. PROFIT FOR THE YEAR
Retained earnings consist of the previous year's retained earnings and profit after deduction of dividends paid during the year and an option for repurchase of own shares.

Note 20 Interest-bearing liabilities

The Group's interest-bearing liabilities are listed below. For more information about the maturity structures and the Group's exposure to interest rate risk and risk for exchange rate fluctuations, see Note 25.

MSEK	12/31/2020	12/31/2019	12/31/2018
Non-current liabilities			
Interest-bearing liabilities, carrying amounts	3,189	2,239	55
Maturity within 2–5 years	3,182	2,236	33
Maturity 5 years and later	7	2	22
Lease liabilities, carrying amounts	440	358	188
Maturity within 2–5 years	337	309	162
Maturity 5 years and later	103	49	26
Total carrying amount	**3,629**	**2,597**	**243**
Current liabilities			
Interest-bearing liabilities	301	303	786
Property loans	–	–	28
Hire-purchase agreements	28	3	9
Lease liabilities	154	121	61
Total	**484**	**427**	**884**

Note 21 Provisions

MSEK	12/31/2020	12/31/2019	12/31/2018
Guarantee commitments	16	6	7
Restoration expenses	6	7	6
Other	12	12	13
Total	**34**	**25**	**26**

MSEK	12/31/2020	12/31/2019	12/31/2018
Total carrying amount at the beginning of the period	25	26	9
From business combinations	10	4	13
Provisions made during the period	7	3	4
Amounts utilised during the period	(3)	(2)	–
Unutilised amounts that have been reversed during the period	(5)	(6)	–
Translation difference	0	0	–
Total carrying amount at end of the period	**34**	**25**	**26**
Where of long-term	27	22	26
Where of short-term	8	3	–

Guarantees and restoration expenses
Recognised provisions for guarantees related to products and services are based on calculations made on the basis of historical data or in specific cases on the basis of individual assessment.

Other
This includes provisions not classified as guarantees and restoration expenses such as personnel-related compensation.

Note 22 Other liabilities

MSEK	12/31/2020	12/31/2019	12/31/2018
Other non-current liabilities			
Contingent considerations	232	49	55
Options for acquiring non-controlling interests	406	247	64
Other	0	25	–
Total	**637**	**321**	**119**
Other current liabilities			
Foreign exchange forwards used for hedging	1	–	–
VAT liabilities	108	81	51
Personnel tax	42	26	31
Factoring	14	–	–
Contingent considerations	27	7	14
Options for acquiring non-controlling interests	6	–	19
Debt to previous owners of acquired subsidiaries	24	–	–
Other	16	13	24
Total other current liabilities	**237**	**128**	**140**

Note 23 Accrued expenses and prepaid income

MSEK	12/31/2020	12/31/2019	12/31/2018
Accrued personnel expenses	278	157	104
Accrued pension expenses	9	4	1
Accrued social security contributions	125	61	8
Accrued interest expenses	0	1	0
Other accrued expenses and prepaid income	137	71	51
Total	**548**	**295**	**165**

The notes are an integral part of these financial statements

Note 24 Financial instruments

MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES AS OF 12/31/2020

MSEK	Financial assets/ liabilities measured at amortised cost	Financial assets/ liabilities measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Total carrying amount
Financial assets				
Financial investments	–	6	–	6
Non-current receivables	10	–	7	17
Trade receivables	1,227	–	–	1,227
Other receivables	279	–	10	289
Current investments	–	745	–	745
Cash and cash equivalents	1,866	–	–	1,866
Total	**3,382**	**752**	**17**	**4,150**
Financial liabilities				
Contingent considerations	–	259	–	259
Interest-bearing non-current liabilities	3,419	–	–	3,419
Hire-purchase agreement	100	–	–	100
Trade payables	652	–	–	652
Other current liabilities	758	–	1	758
Total	**4,928**	**259**	**1**	**5,188**

The maximum exposure to credit risk consists of the net amounts of carrying amounts in the table above. The Group has not received any collateral for the net financial assets. Current investments consist of liquid investments in funds and bonds that have been redeemed subsequently to the reporting period.

MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES AS OF 12/31/2019

MSEK	Financial assets/ liabilities measured at amortised cost	Financial assets/ liabilities measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Total carrying amount
Financial assets				
Financial investments	–	1	–	1
Non-current receivables	12	0	–	12
Trade receivables	826	–	–	826
Other receivables	161	–	–	161
Cash and cash equivalents	1,730	–	–	1,730
Total	**2,729**	**1**	**–**	**2,730**
Financial liabilities				
Contingent considerations	–	56	–	56
Interest-bearing non-current liabilities	2,503	–	–	2,503
Other non-current liabilities	25	–	–	25
Hire-purchase agreement	42	–	–	42
Trade payables	446	–	–	446
Other current liabilities	416	–	–	416
Total	**3,432**	**56**	**–**	**3,488**

The maximum exposure to credit risk consists of the net amounts of the reported values in the table above. The Group has not received any collateral for the net financial assets.

The notes are an integral part of these financial statements

>> CONT. NOTE 24

MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES AS OF 12/31/2018

MSEK	Financial assets/ liabilities measured at amortised cost	Financial assets/ liabilities measured at fair value through profit or loss	Financial assets measured at fair value through other comprehensive income	Total carrying amount
Financial assets				
Financial investments	–	2	–	2
Non-current receivables	7	0	–	7
Trade receivables	596	–	–	596
Other receivables	133	–	–	133
Cash and cash equivalents	179	–	–	179
Total	**914**	**2**	**–**	**916**
Financial liabilities				
Contingent considerations	–	70	–	70
Interest-bearing non-current liabilities	775	–	–	775
Other non-current liabilities	69	–	–	69
Hire-purchase agreement	34	–	–	34
Trade payables	320	–	–	320
Other current liabilities	286	–	–	286
Total	**1,484**	**70**	**–**	**1,553**

The maximum exposure to credit risk consists of the net amounts of the reported values in the table above. The Group has not received any collateral for the net financial assets.

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 - Observable input data for the asset or liability other than quoted prices included in level 1, either directly (i.e. as price quotations) or indirectly (i.e. originating from price quotations).

Level 3 - Input data for the asset or liability which is 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 an accurate approximation of the fair values.

Given the prevailing low interest rate economic environment, calculations indicate that there is an insignificant difference between amortised cost and fair value.

MEASUREMENT OF FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES AS OF 12/31/2020

MSEK	Level 1	Level 2	Level 3	Other[1]	Total
Financial assets					
Financial investments	–	–	–	6	6
Non-current receivables	–	7	–	10	17
Trade receivables	–	–	–	1,227	1,227
Other receivables	–	10	–	279	289
Current investments	745	–	–	–	745
Cash and cash equivalents	1,866	–	–	–	1,866
Total	**2,611**	**17**	**–**	**1,522**	**4,150**
MSEK	Level 1	Level 2	Level 3	Other[1]	Total
Financial liabilities					
Contingent considerations	–	–	259	–	259
Interest-bearing liabilities	–	–	–	3,419	3,419
Hire-purchase agreements	–	–	–	100	100
Trade payables	–	–	–	652	652
Other current liabilities	–	1	–	758	758
Total	**–**	**1**	**259**	**4,928**	**5,188**

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.

The notes are an integral part of these financial statements

>> CONT. NOTE 24

MEASUREMENT OF FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES AS OF 12/31/2019

MSEK	Level 1	Level 2	Level 3	Other[1]	Total
Financial assets					
Financial investments	–	–	–	1	1
Non-current receivables	–	–	–	12	12
Trade receivables	–	–	–	826	826
Other receivables	–	–	–	161	161
Cash and cash equivalents	1,730	–	–	–	1,730
Total	**1,730**	**–**	**–**	**1,000**	**2,730**

MSEK	Level 1	Level 2	Level 3	Other[1]	Total
Financial liabilities					
Contingent considerations	–	–	56	–	56
Interest-bearing liabilities	–	–	–	2,503	2,503
Hire-purchase agreements	–	–	–	42	42
Other non-current liabilities	–	–	–	25	25
Trade payables	–	–	–	446	446
Other current liabilities	–	–	–	416	416
Total	**–**	**–**	**56**	**3,432**	**3,488**

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.

MEASUREMENT OF FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES AS OF 12/31/2018

MSEK	Level 1	Level 2	Level 3	Other[1]	Total
Financial assets					
Financial investments	–	–	–	2	2
Non-current receivables	–	–	–	7	7
Trade receivables	–	–	–	596	596
Other receivables	–	–	–	133	133
Cash and cash equivalents	179	–	–	–	179
Total	**179**	**–**	**–**	**737**	**916**

MSEK	Level 1	Level 2	Level 3	Other[1]	Total
Financial liabilities					
Contingent considerations	–	–	70	–	70
Interest-bearing liabilities	–	–	–	775	775
Property loans	–	–	–	69	69
Hire-purchase agreements	–	–	–	34	34
Trade payables	–	–	–	320	320
Other current liabilities	–	–	–	286	286
Total	**–**	**–**	**70**	**1,484**	**1,553**

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.

Derivatives in level 2 have been measured at fair value based on documentation from the issuing institution.

Changes of financial liabilities in level 3, MSEK	Opening balance	Aquisition	Paid	Remeasured	Present Value	Closing balance
Contingent considerations 2018	48	50	(11)	(9)	(8)	**70**
Contingent considerations 2019	70	21	(17)	(11)	(7)	**56**
Contingent considerations 2020	56	236	0	(40)	7	**259**

Fair value of the contingent considerations has been measured based on the expected outcome of the target values established in the contract, given a discount rate of 9.6% (2019: 9,6%; 2018: 2%). See Note 5 regarding changes due to business combinations.

The notes are an integral part of these financial statements

Note 25 Financial risks and risk management

The Group strives for structured and efficient management of financial risks in accordance with the finance policy established by the Board. However, the Group's earnings and cash flow are affected both by changes in the outside world and by the Group's own actions. The risk management work aims to clarify and analyse the risks that the Group faces and, as far as possible, to prevent and limit any negative effects.

The Group is exposed to various types of financial risks due to its activities: credit risk, market risk (interest rate risk and other price risk), liquidity risk, currency risk and refinancing risk. The Group's finance function has the overall responsibility for the Group's risk process, including financial risks. The risk process constitutes identifying, assessing and measuring the risks that the Group is exposed to. The Group evaluates its risks with a combined assessment based on the risks' effect, probability and consequences. The Group prioritizes risks considered to have the largest negative effect. The Group's overall goal for financial risks is to ensure short- and long-term capital supply, achieve a long-term and stable capital structure with a diversified maturity structure, as well as achieve low risk exposure.

CREDIT RISK

Credit risk is the risk that the Group's counterparties will not meet their obligations under a financial instrument contract and thereby cause the Group a financial loss. The Group's credit risk arises primarily through receivables to customers, advance payments to suppliers and investments of cash and cash equivalents. The Group assesses at every reporting date the credit risk of its current exposures while also considering forward-looking factors. The assessment is made at the point in time in which the Group becomes exposed to the credit risk.

The Group has recognised loss allowances for expected credit losses for trade receivables. In addition to trade receivables, the Group monitors loss allowances for other financial instruments, as well as cash and cash equivalents. In those cases where the amounts are deemed to be significant, a loss allowance for expected credit losses is recognised on these financial instruments too.

Credit risk in trade receivables and contract assets (simplified method for credit risk loss allowances)

The Group is primarily exposed to credit risk from trade receivables. The Group's objective is to continuously monitor credit risk. Credit risk arises both within the daily business operations and through financial transactions. Trade receivables are distributed over a customer base which consists of a large number of small clients, reducing credit risk. The credit risk related to the business operations is managed at entity level. Financial transactions are also associated with credit risk. This exposure arises through investment of liquidity, specifically via borrowings and derivative instruments. The Group has established guidelines to ensure that products and services are sold to customers with appropriate credit background and that the credit risk is reduced through, e.g., advance payments, guarantees or other credit enhancement when required. The payment terms are normally between 30 and 90 days depending on the counterparty. The historical credit losses amount to an insignificant amount in relation to the Group's sales: 0% (2019: 0%; 2018: 0%).

The Group applies the simplified approach in calculating expected credit losses for trade receivables, which have an expected maturity of less than one year for all receivables. This entails that the Group recognises a loss allowance based on lifetime expected credit losses. The Group applies "historical credit loss experience" for all account receivables which is applied in combination with other available information and forward-looking factors including information about individual customers and management's assessment of the industry's business cycle. The Group, due to a small amount of credit losses historically, measures the expected credit losses for trade receivables on a collective basis.

If there is an indication that payment default exists, an individual assessment is made to estimate the credit loss in addition to the historical credit loss experience. A receivable is written off when there is no longer any expectation of receiving payment and when active measures to obtain payment have been terminated.

Maturity analysis of trade receivables

	12/31/2020			12/31/2019			12/31/2018		
MSEK	Gross	Impair-ment	Net	Gross	Impair-ment	Net	Gross	Impair-ment	Net
Trade receivables not due	1,001	–	1,001	684	–	684	458	–	458
Trade receivables due									
1–90 days	199	–	199	133	–	133	124	–	124
>91 days	59	(32)	27	22	(13)	9	20	(5)	15
Total	**1,259**	**(32)**	**1,227**	**839**	**(13)**	**826**	**602**	**(5)**	**596**

The credit quality on receivables which are due less than 90 days is considered good, based on historically low customer losses and consideration of forward-looking factors.

Expected credit losses for trade receivables (simplified method), MSEK	2020	2019	2018
Opening balance	**(13)**	**(5)**	**(1)**
Business combinations	(3)	(8)	(2)
Reversal of previous reserves	2	0	–
Impairments	(21)	(1)	0
Write offs (confirmed credit losses)	3	0	0
Credit losses of the year	–	–	(3)
Reversal of previously written off amounts	0	1	0
Translation difference/Currency difference	0	0	–
Closing balance	**(32)**	**(13)**	**(5)**

The notes are an integral part of these financial statements

>> CONT. NOTE 25

CASH AND CASH EQUIVALENTS

The Group's credit risk also arises from investments in cash and cash equivalents. The Group's objective is to have a continuous follow-up of credit risk attributable to investments. For investments in bank accounts the counterparty must have a creditworthiness of at least A/A2 in accordance with Standard & Poor's and Moody's.

Loss allowances for expected credit losses (general method)

The financial assets covered by loss allowances for expected credit losses in accordance with the general method include other receivables and cash and cash equivalents. According to the general method the credit risk is measured for the next 12 months. The Group uses a rating-based method where expected credit losses are measured as the product of probability of default, loss given default and the Group's exposure at default. Other known information and forward-looking factors are also considered in the measurement of expected credit losses. The Group has assessed that there has been no significant increase of credit risk per the balance sheet date for any receivable or asset. The assessment considers deterioration of credit quality, should it be significant. When it has been determined that there has been a significant increase in credit risk since the instrument's origination, the loss allowance will be based on the lifetime expected credit losses.

CREDIT RISK EXPOSURE

The Group's trade receivables are distributed over a customer base which consists of a large number of small clients, and there is no significant credit risk concentration to individual counterparties. The company's significant credit risk concentrations regarding assets that are covered by the loss allowances for expected credit losses are indicated below.

Credit risk exposure (gross) as of 12/31/2020

The Group's credit risk exposure is mainly related to trade receivables and cash and cash equivalents. Trade receivables measured at a gross amount of MSEK 1,258 (2019: 839; 2018: 602) comprise receivables to companies without credit risk rating. Cash and cash equivalents of MSEK 1,866 (2019: 1,730; 2018: 179) are invested with financial institutions with a high credit rating (AA-). The Group has assessed that no significant increase of credit risk has occurred during the period for any financial asset.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. According to IFRS, market risks consists of three types of risks: interest rate risk, currency risk and other price risk. The market risks that affect the Group are primarily interest rate risk and currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is primarily exposed to interest rate risk via the Group's borrowings at variable interest rates. At the end of the balance sheet date, all loans from credit institutions had variable interest rates.

Given the loan structure that exists as of the balance sheet date, a rate increase of 1 percentage point has an effect on profit before tax of MSK -41 (2019: -30; 2018: -11).

In the table below the terms and maturity for respective interest-bearing liabilities are specified:

					Carrying amount		
MSEK	**Currency**	**Maturity**	**Rate**	**%**	**12/31/2020**	**12/31/2019**	**12/31/2018**
Interest-bearing liabilities	SEK	2019–2026	Variable	0.9–3.9	3,419	2,503	775
Property loans	SEK	2018–2043	Variable/Fixed	1–1.3	–	0	69
Hire-purchase agreements	SEK	2019–2026	Variable/Fixed	1.3–5.1	100	42	34
Lease liabilities	SEK	*)	Variable/Fixed	*)	594	478	249
Total					**4,113**	**3,024**	**1,127**

*) The Group leases production equipment under a number of different lease contracts with varying interest rates and maturities.

Currency risk

Currency risk is the risk that fair values or future cash flows from an exposure fluctuate because of changes in foreign exchange rates. The Group is exposed to different types of currency risks. The primary exposure originates from the Group's sales and purchases in foreign currencies, also known as transaction exposure. This currency risk is due to changes in carrying amounts of financial instruments (i.e. trade receivables and trade payables) and changes in expected and contractual cash flows. Currency risk is also due to the translation of foreign subsidiaries' assets and liabilities to the parent company's functional currency, known as translation exposure.

The Group's profit for the year has recorded an exchange rate difference of MSEK -6 (2019: -3; 2018: 3) in operating profit and of MSEK -1 (2019: -0; 2018: 0) in net financial items.

Hedge accounting

In order to hedge future contracted cash flows in projects where revenue is denominated in foreign currency, the Group has entered into forward contracts to hedge its exposure to foreign currency risk. Since April 2020 the Group applies hedge accounting in the form of cash flow hedges.

When a hedging transaction is entered into, the relationship between the hedging instrument and the hedged item is formally designated and documented, as is the Group's risk management objective and strategy for undertaking the hedge. The hedge ratio between hedging instrument and hedged item is based on the hedge ratio of the actual hedge performed; the hedge ratio is 1:1 for all relationships.

Hedge relationships are effective, meaning that an economic relationship is expected to exist so that the fluctuations in fair value or differences from cash flows due to movements in foreign currency of the hedging instrument offset the respective fluctuations in fair value and differences from cash flows of the hedged item.

The economic relationship is determined through qualitative analysis of critical terms in the hedging relationships. Sources of hedge ineffectiveness include the effect of counterparty credit risk when valuing the hedging instruments and not perfectly matched cash flows between the hedging instruments and hedged items. The Group assesses that the sources of hedge ineffectiveness are not significant considering the parties' credit quality and that hedging is performed on contractual cash flows in projects.

The notes are an integral part of these financial statements

>> CONT. NOTE 25

Currency hedging of future cash flows (cash flow hedging)

MSEK	Derivatives designated as hedging instruments at the end of the year			Change in fair value for measurement of effectiveness during the year	
	Nominal amount	Carrying amount asset (+) liabilities (–)	Entry in the balance sheet	Hedging instrument	Hedged entry
Year 2020					
Forward contracts, sold EUR, purchased SEK	259	17	17	17	259
Average hedged forward rate, USD/SEK	14	(1)	(1)	(1)	14

Maturity analysis

Hedging instruments at the end of the year (cash flow hedging)	Maturity within 3 months	3 months–1 year	1–3 years	Total
Year 2020				
Forward contracts, nominal amounts	64	107	102	272
Average hedged forward rate, EUR/SEK	10.54	10.55	10.88	10.66
Average hedged forward rate, USD/SEK	8.75	8.48	–	8.62

Reconciliation of hedge reserve within Equity

Year 2020	Hedge reserve
Opening balance	**–**
Additional items during the period, reported in other comprehensive income	16
Tax	(3)
Total additional items, reported in other comprehensive income	**13**
Closing balance	**16**
where of ongoing hedges	16

LIQUIDITY RISK AND REFINANCING RISK

Liquidity risk is the risk that an entity will have difficulty to fulfil obligations related to financial liabilities settled with cash or other financial assets. The Group handles liquidity risk by continuously monitoring operations and maintaining a Group cash pool structure that ensures the companies' liquidity needs. The Group regularly forecasts future cash flows based on different scenarios to ensure that financing takes place in time.

The risk is mitigated by the Group's good liquidity reserves which are readily available. In addition to equity, the Group's operations are financed through recently acquired loans and credit facilities for a total of MSEK 5,700 (2019: 4,200; 2018: 841). The Group's financing terms depend on its equity ratio and net liabilities in relation to EBITDA. All terms were fulfilled as of the balance sheet date with good margin. Out of the total credit facility recorded at the end of the year, an amount of MSEK 1,300 (2019: 1,200; 2018: 0) corresponds to an acquisition facility of which MSEK 1,266 (2019 1,200; 2018: 0) was unused. An amount of MSEK 1,000 (2019: 500; 2018: 0) corresponds to a revolving credit facility, of which MSEK 693 (2019: 376; 2018: 0) was unused. The total liquidity reserve consisting of cash and cash equivalents, short-term investments and credit facilities amounted to MSEK 3,304 (2019: 2,106; 2018: 179) on the balance sheet date.

Refinancing risk is the risk that financing for business combinations or development cannot be obtained, extended, increased, refinanced or that financing can only be agreed on unfavourable terms for the Group. The need for refinancing is continuously monitored by the Group and the Board in order to ensure financing of the company's expansion and investments. The objective is to ensure that the Group continuously has access to external lending without significantly increasing the cost of lending. The refinancing risk is reduced by maintaining a structured and timely refinancing process. For larger loans the process is initiated no later than 3–9 months before the payment due date. The refinancing risk is also reduced by continuously diversifying the maturity dates of capital tied up in the loan portfolio. The average capital turnover ratio is currently 3.3 years.

The Group's contractual and undiscounted interest payments and payments of principal of financial liabilities are presented in the table below. Carrying amount of financial instruments with variable interest are calculated using the applicable interest rate at the balance sheet date. Liabilities have been allocated in the earliest period in which repayment may be required.

The notes are an integral part of these financial statements

>> CONT. NOTE 25

MSEK	12/31/2020				
Maturity analysis	<1 year	1–5 years	>5 years	Total, incl. Interest	Carrying amount
Interest-bearing liabilities	372	3,286	7	3,665	3,519
Lease liabilities	181	361	111	653	594
Other non-current liabilities	–	637	–	637	637
Trade payable	652	–	–	652	652
Other current liabilities	237	–	–	237	237
Total	**1,441**	**4,284**	**118**	**5,844**	**5,639**

MSEK	12/31/2019				
Maturity analysis	<1 year	1–5 years	>5 years	Total, incl. Interest	Carrying amount
Interest-bearing liabilities	311	2,267	2	2,580	2,545
Lease liabilities	125	320	50	495	478
Other non-current liabilities	–	321	–	321	321
Trade payable	446	–	–	446	446
Other current liabilities	128	–	–	128	128
Total	**1,010**	**2,908**	**53**	**3,971**	**3,919**

MSEK	12/31/2018				
Maturity analysis	<1 year	1–5 years	>5 years	Total, incl. Interest	Carrying amount
Interest-bearing liabilities	839	34	22	895	878
Lease liabilities	64	168	26	258	249
Other non-current liabilities	–	119	–	119	119
Trade payable	320	–	–	320	320
Other current liabilities	140	–	–	140	140
Total	**1,362**	**321**	**48**	**1,731**	**1,706**

The agreement for the syndicated loan contains financial commitments (i.e. covenants) based on the performance measures net liabilities/operating profit (adjusted EBITDA) and equity ratio that must be fulfilled to avoid increased lending costs. To fulfil the commitments, net liabilities/operating profit must not exceed 3.5 and equity ratio must not be less than 25%. Storskogen has not breached these commitments during 2020 or earlier.

Credit facilities/commitments that Storskogen has entered are presented below:

	12/31/2020		12/31/2019		12/31/2018	
MSEK	Amount	Used	Amount	Used	Amount	Used
Revolving credit facility	693	–	500	(123)	97	(3)
Total	**693**	**–**	**500**	**(123)**	**97**	**(3)**

CAPITAL MANAGEMENT

The finance policy adopted by the Board stipulated that the Group shall manage its finances with control and orderly financing commitments, maintaining the investors', creditors' and other interested parties' trust and support further development of the business. In the long-term, the Group aims for an adjusted EBITDA of 2.0-3.0 based on considerations of return and financial stability. Meeting this objective constitutes a part of the Group's strategic planning and the level of indebtedness is continuously monitored in the internal reporting to management and the Board.

Adjusted EBITDA

MSEK	2020	2019	2018
Adjusted EBITDA	1,172	694	398

Net liabilities

MSEK	2020	2019	2018
Interest-bearing liabilities	4,113	3,024	1,127
Less cash and cash equivalents and current investments	(2,611)	(1,730)	(179)
Net liabilities *)	**1,502**	**1,294**	**949**
Net debt/equity ratio			
Net debt/equity ratio (Net liabilities/ Adjusted EBITDA)	1.3	1.9	2.4

*) Financial liabilities in this calculation solely comprise long-term and current interest-bearing liabilities, excluding future minority options and contingent considerations.

ADJUSTED EBITDA

Operating profit before depreciation, amortisation and impairment losses, excluding revaluations of contingent considerations and fair value adjustments of acquired assets. The aim is to assess the Group's operating activities. EBITDA serves as a complement to Operating profit. Adjusted EBITDA facilitates comparisons of EBITDA between periods.

MSEK	2020	2019[1]	2018[1]
Operating profit	774	381	272
Items affecting comparability[1]	(32)	16	(9)
Amortization/depreciation	425	269	126
Impairments of intangible assets	5	28	10
Adjusted EBITDA	**1,172**	**694**	**398**

1) Items affecting comparability for 2020 and 2019 include revaluations of contingent considerations and amortisation of step-ups to fair value on acquisitions to facilitate comparisons between periods.

The notes are an integral part of these financial statements

Note 26 Leases

Right-of-use assets

MSEK	Premises	Machinery and vehicles	Total	Lease liabilities
Opening balance 1 January 2018	**57**	**60**	**116**	**110**
Additions	127	67	194	186
Depreciation of right-of-use assets	(26)	(26)	(51)	–
Terminated contracts	–	(3)	(3)	(2)
Interest expenses on lease liabilities	–	–	–	6
Lease payments	–	–	–	(51)
Closing balance 31 December 2018	**157**	**98**	**255**	**249**
Additions	256	81	337	340
Depreciation of right-of-use assets	(58)	(53)	(111)	–
Terminated contracts	0	(4)	(4)	(4)
Remeasurements	0	0	1	0
Interest expenses on lease liabilities	–	–	–	10
Lease payments	–	–	–	(117)
Closing balance 31 December 2019	**356**	**123**	**478**	**478**
Additions	239	109	349	341
Depreciation of right-of-use assets	(101)	(79)	(180)	–
Terminated contracts	(7)	(4)	(11)	(10)
Remeasurements	(24)	0	(24)	(24)
Interest expenses on lease liabilities	–	–	–	16
Lease payments	–	–	–	(206)
Translation differences	(1)	0	(1)	(1)
Closing balance 31 December 2020	**462**	**148**	**610**	**594**

The amounts recognised in the consolidated statement of profit or loss during the year attributable to lease activities are presented below:

	2020	2019	2018
Depreciation expense on right-of-use assets	(180)	(111)	(51)
Interest expenses on lease liabilities	(16)	(10)	(6)
Expenses for short-term leases	(9)	(1)	–
Expenses for low-value leases	(3)	(1)	–
Gains/losses from terminated lease con-tracts	(1)	0	(2)
Total	**(209)**	**(123)**	**(59)**

Cash outflow related to leases amounts to MSEK 206 (2019: 117; 2018: 51). For a maturity analysis of the Group's lease liabilities, see Note 25 Financial risks.

The Group's leases

The Group's material leases are leases of premises, vehicles and machinery.

The Group is exposed to possible future increases of variable lease payments based on an index or rate that are not included in the lease liabilities at the commencement date. Adjusted lease payments require a remeasurement of lease liabilities and an adjustment of right-of-use assets.

Lease payments are divided between amortisation of the liability and interest expense. The interest is recognized in the income statement over the lease term in a way that entails a fixed interest rate for the lease liability recognised during each period.

Right-of-use assets are measured at cost. The cost of right-of-use assets includes the initial value recognised for the attributable lease liability, initial direct costs, and any prepaid lease payments on or before the commencement date of the lease less any incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life.

Extension and termination options

Extension and termination options are included in a number of the Group's lease contracts, particularly leases of premises and machinery. An assessment is performed for each individual lease contract to determine whether it is reasonably certain or not that any of these options will be exercised. Should the Group exercise an extension or termination option, the length of the lease term will be adjusted accordingly.

Lease payments for short-term leases and leases of low value

Lease payments for short-term leases and leases of low value are expensed on a straight-line basis over the lease term. Short-term leases have a lease term of 12 months or less at the commencement date, after considering any options to extend the lease.

The notes are an integral part of these financial statements

Note 27 Pledged assets and contingent liabilities

MSEK	12/31/2020	12/31/2019	12/31/2018
Pledged assets			
Pledged assets for own liabilities and provisions			
Property mortgages	4	–	96
Company mortgages	46	137	220
Assets with ownership retention	105	39	31
Shares in Group companies	8,677	5,586	1,738
Other	9	9	14
	8,840	**5,772**	**2,099**
Other collateral provided			
Bank guarantees with customers as beneficiary	131	58	83
	131	**58**	**83**
Total pledged assets	**8,971**	**5,830**	**2,182**
Contingent liabilities			
Guarantees, other	0	65	0
Total contingent liabilities	**0**	**65**	**0**

Bank guarantees with customers as beneficiaries consist mostly of collateral for subsidiaries with construction contracts that requires commitments to be fulfilled within agreed project timeframes. The risk of guarantees being exercised is considered low based on historic outcomes.

Note 28 Related parties

A list of the Group's subsidiaries, which are also the entities to which the parent company is a related party, is provided in Note 29 Shares in Group companies. All intra-group transactions are fully eliminated in the Consolidated and Combined financial statements.

During the year, one member of key management only received compensation via invoicing from his own company, Scalata Invest AB. Fees have been invoiced with a total of SEK 3 million. During the year, Louise Hedberg has assisted with her expertise in sustainability issues and has invoiced SEK 0 million through her company, Penny to Pound AB.

For information on compensation to key management personnel, see Note 8 Employees, personnel expenses and compensation to key management personnel.

Note 29 Group companies

The parent entity's, Storskogen Group AB (publ), holdings in direct and indirect subsidiaries included in the Consolidated and Combined financial statements are shown in the following table:

Specification of the holdings in the group

			Equity/voting interest		
Företag	Corp. Reg. No	Registered office	12/31/2020	12/31/2019	12/31/2018
Storskogen Group AB (publ)	559223-8694	Stockholm	Parent Entity	Parent Entity	Parent Entity
Storskogen Group International AB	559248-2144	Stockholm	100.0	–	–
Storskogen Industrier AB	556803-3012	Stockholm	100.0	100.0	–
TK Logistik AB	556707-8356	Göteborg	100.0	100.0	100.0
Innovative Logistics Umeå AB	556582-9420	Holmsund	100.0	100.0	100.0
IMS Maskinteknik AB	556244-8349	Enköping	100.0	100.0	100.0
Berco Produktion i Skellefteå AB	556393-7969	Skellefteå	100.0	100.0	100.0
ÅMV Production AB	556627-2927	Åsele	100.0	100.0	100.0
Scandinavian Terrain Vehicles AB[1]	556795-9605	Skellefteå	–	100.0	100.0
Gullängets Mekaniska Verkstad AB	556474-2764	Örnsköldsvik	100.0	100.0	100.0
PV System AB	556671-1437	Tidaholm	100.0	100.0	100.0
Fraktpartner International AB[2]	556589-6197	Göteborg	–	–	100.0
Storskogen 3 Invest AB	559080-4273	Stockholm	100.0	100.0	–
Storskogen Holding AB[3]	559090-6763	Stockholm	100.0	100.0	90.1
Imazo AB[4]	556196-2951	Vara	100.0	94.0	94.0
Södra Infragruppen Sverige AB[5]	556815-0667	Kristianstad	100.0	100.0	100.0
Skidsta Hus AB	556630-0587	Ullånger	100.0	100.0	100.0
Stål och Rörmontage i Sölvesborg AB	556292-0453	Sölvesborg	100.0	100.0	100.0

The table continues on the next page

The notes are an integral part of these financial statements

>> CONT. NOTE 29

Företag	Corp. Reg. No	Registered office	Equity/voting interest 12/31/2020	12/31/2019	12/31/2018
RS Fastigheter i Sölvesborg AB	556265-9143	Sölvesborg	100.0	100.0	100.0
Stockholms Rörexpress AB	556676-2711	Skarpnäck	94.0	94.0	94.0
SGD Sveriges Golvdistributörer AB 6)	556445-3529	Växjö	100.0	100.0	100.0
Golvgrossisten F och B i Skövde AB 7)	556850-8138	Skövde	100.0	100.0	100.0
Golvgrossisten G och B i Norrköping AB 8)	556238-8255	Norrköping	100.0	100.0	100.0
Plåthuset i Mälardalen AB	556311-2050	Enköping	90.1	90.1	90.1
Plåthuset Syd AB 9)	559059-4304	Enköping	30.0	30.0	31.0
Smederna Sverige AB	556415-2568	Tumba	90.1	90.1	90.1
SAMUS Holding AB	559030-3094	Skara	100.0	100.0	100.0
BR Solutions AB 10)	556251-0817	Hisings Kärra	90.1	90.1	90.1
INBEGO AB	556294-1558	Älmhult	90.1	90.1	90.1
IDATA AB	556618-8396	Värnamo	100.0	100.0	100.0
ARAT AB	556922-2697	Kungsbacka	90.1	90.1	94.0
Tolarp Kyckling AB	559183-5672	Linghem	100.0	100.0	–
Svenska Kläckerier AB	559182-1334	Linghem	100.0	100.0	–
Elektroautomatik i Sverige AB	556100-1008	Göteborg	92.6	92.6	–
Noa:s Snickeri i Tibro AB	556389-5290	Tibro	100.0	100.0	–
Båstad-Gruppen AB 11)	556519-6135	Ängelholm	95.0	100.0	–
Albin Components AB	556312-5656	Kristinehamn	100.0	100.0	–
NetRed AB	556596-8640	Tidaholm	91.0	91.0	–
Roslagsgjuteriet AB	559052-2032	Herräng	100.0	100.0	–
Storebrogjuteriet AB	556525-0049	Storebro	100.0	100.0	–
Elcommunication Sweden AB	556582-3753	Karlshamn	90.1	90.1	–
C.S Riv och Håltagning AB	556529-8766	Hisings Backa	90.1	90.1	–
JJH i Sverige AB	559135-9913	Kungälv	90.1	90.1	–
Jata Cargo AB	556542-2895	Malmö	90.1	90.1	–
Alfta Kvalitetsindustri AB	559206-3787	Alfta	90.1	90.1	–
Baldacci AB 12)	556703-8624	Västra Frölunda	95.1	90.1	–
Umeå Golvcenter AB	556599-2004	Umeå	100.0	100.0	–
Riviera Markiser & Persienner AB	556432-5685	Partille	90.1	90.1	–
TRELLEGRÄV AB	556454-9391	Trelleborg	90.1	90.1	–
A Lot Decoration Sweden AB	556698-0131	Falköping	95.0	95.0	–
Polstiernan Industri AB	556702-0358	Jönköping	100.0	–	–
Måla i Sverige AB	559051-8345	Hägersten	94.8	–	–
Svenska Tungdykargruppen AB	556739-5529	Mora	100.0	–	–
VästMark Entreprenad AB	556816-5350	Göteborg	90.1	–	–
Tepac Entreprenad AB	556646-7980	Stockholm	92.0	–	–
L'anza EP Sweden AB	556497-8764	Malmö	90.1	–	–
Växjö Elmontage AB	556522-5983	Växjö	90.1	–	–
Frends AS	983 978 576	Grålum	90.1	–	–
Ullmax AB	556647-0307	Örebro	100.0	–	–
Stockholms Internationella Handelsskola AB	556578-6497	Stockholm	100.0	–	–
Bergendahls El Gruppen AB	556529-8493	Göteborg	90.1	–	–
El & Projektering Vetlanda AB	556594-0813	Vetlanda	100.0	–	–
Svenska Grindmatriser AB	556258-8839	Linköping	95.0	–	–
M J Contractor AB	556492-6904	Upplands Väsby	95.0	–	–
IVEO AB	556791-6811	Stockholm	70.0	–	–
Storskogen Utveckling AB	556970-1229	Stockholm	100.0	100.0	–
Schalins Ringar AB	556161-6110	Östersund	100.0	100.0	100.0
Tunga Lyft i Sverige AB	556713-3243	Arlöv	100.0	100.0	100.0
Tunga Lyft Engineering i Sverige AB	556801-7726	Arlöv	100.0	100.0	100.0
Jacob Lindh AB	556689-6576	Lund	90.1	90.1	90.1
Delikatesskungen AB	556656-1360	Stockholm	100.0	100.0	100.0
AB Kranlyft	556628-4534	Mölnlycke	100.0	100.0	100.0
Swedfarm AB	556498-9688	Linghem	100.0	100.0	100.0

1) Scandinavian Terrain Vehicles AB has been merged during 2020 with Berco Produktion i Skellefteå AB.
2) Fraktpartner International AB was merged during 2019 with TK Logistik AB.
3) The company has during 2019 changed its name from Teodoliten Holding AB to Storskogen Holding AB.
4) The company's non-controlling interest has during 2020 sold its remaining ownership of 6,0% to Storskogen 3 Invest AB.
5) The company has during 2020 changed its name from Telarco Invest AB to Södra Infragruppen Sverige AB.
6) The company has during 2019 changed its name from SVEGAB Växjö AB to SGD Sveriges Golvdistributörer AB.
7) The company has during 2020 changed its name from FREDRIKSSON & BERGLUND – Golvgrossisten i Skövde AB to Golvgrossisten F och B i Skövde AB.
8) The company has during 2020 changed its name from Golv- & Byggterminalen i Norrköping AB to Golvgrossisten G och B i Norrköping AB.
9) Storskogen 3 Invest AB owns 30% of Plåthuset Syd AB. The remaining 70% is owned by Plåthuset i Mälardalen AB, which in turn is 90,1% owned by Storskogen 3 Invest AB.
10) The company has during 2019 changed its name from Bensin och Rörtjänst i Göteborg to BR Solutions AB.
11) The former owners have re-acquired 5,0% of the company during 2020 from Storskogen 3 Invest AB.
12) The company's non-controlling interests have during 2020 sold its 4,95% holding to Storskogen 3 Invest AB.

The notes are an integral part of these financial statements

Note 30 Specifications of the statement of cash flows

Adjustments of non-cash items

MSEK	2020	2019	2018
Adjustments in operating profit			
Depreciation and amortisation	425	270	100
Impairments	36	28	12
Write-downs of inventory	8	25	–
Acquired negative goodwill	(1)	–	–
Fair value adjustments of contingent considerations	40	11	9
Other non-cash items	(8)	(9)	(17)
Total	**500**	**325**	**104**

Interest received during the year amounted to MSEK 5 (2019: MSEK 1; 2018: MSEK 0) and interest paid during the year amounted to MSEK 55 (2019: MSEK 21; 2018: MSEK 12).

CHANGES IN LIABILITIES ATTRIBUTABLE TO FINANCING ACTIVITIES

			Non-cash changes				
MSEK	01/01/2020	Cash flows from financing activities	Business combina-tions	Change in fair value	New leases	Other	12/31/2020
Interest-bearing non-current liabilities	2,197	719	201	–	–	–	3,117
Interest-bearing current liabilities	306	(7)	2	–	–	–	301
Lease liabilities	478	(206)	–	–	341	(20)	594
Hire-purchase agreements	42	42	16	–	–	–	100
Total liabilities attributable to financing activities	**3,024**	**548**	**219**	**–**	**341**	**(20)**	**4,113**

			Non-cash changes				
MSEK	01/01/2019	Cash flows from financing activities	Business combina-tions	Change in fair value	New leases	Other	12/31/2019
Interest-bearing non-current liabilities	–	2,079	117	–	–	–	2,197
Interest-bearing current liabilities	775	(468)	–	–	–	–	306
Lease liabilities	249	(90)	–	–	319	–	478
Property loans	69	(69)	–	–	–	–	–
Hire-purchase agreements	34	(11)	19	–	–	–	42
Total liabilities attributable to financing activities	**1,127**	**1,442**	**136**	**–**	**319**	**–**	**3,024**

			Non-cash changes				
MSEK	01/01/2018	Cash flows from financing activities	Business combina-tions	Change in fair value	New leases	Other	12/31/2018
Interest-bearing non-current liabilities	7	(7)	–	–	–	–	–
Interest-bearing current liabilities	529	209	37	–	–	–	775
Lease liabilities	110	(18)	20	–	136	–	249
Property loans	50	(1)	21	–	–	–	69
Hire-purchase agreements	16	0	19	–	–	–	34
Total liabilities attributable to financing activities	**712**	**183**	**96**	**–**	**136**	**–**	**1,127**

PROCEEDS FROM ISSUES OF SHARES

The proceeds from issues of shares presented in the consolidated statement of cash flows of MSEK 1,653 in 2019 and MSEK 600 in 2018 refer to proceeds from issues of shares in Storskogen 3 Invest AB before Storskogen Group AB was formed. Storskogen Group was formed in a transaction under common control on November 15, 2019, the combined cash flows of the three historical groups contribute to explaining the overall effect of the change in the cash position prior to the legal formation of Storskogen Group AB.

The proceeds from issues of shares shown in the cash flow have not had an impact on the equity of the new structure but are only found as part of the cash flow to explain the change in total cash flow based on the joint cash position of the three previous groups. The proceeds from issues of shares of MSEK 2,009 in 2020 have affected the equity and the cash flow within the new group.
For more information regarding the common control transaction, see Note 1.

The notes are an integral part of these financial statements

Note 31 Events after the reporting period

Events after the financial year
After the reporting period, the Group has completed the following acquisitions:

Acquired companies/groups	Segment	Business activity	Acquisition date	Annual net sales approx. MSEK
Pierre Entreprenad i Gävle AB	Services	Leading local construction company	2021-01-05	177
Örnsberg El Tele & Data AB	Services	Service company within electrical installation, IT and security	2021-01-08	62
Continovagruppen, incl. Subsidiaries	Trade	Group with sales to tire and car repair garages	2021-01-11	219
Ockelbo Kabelteknik AB, incl. Subsidiaries	Services	Contract company which specializes in cable work within a railway environment	2021-01-14	106
Tjällmo Grävmaskiner AB, incl. Subsidiaries	Services	Contract company that performs work within trenching, cable laying, wiring and line network work	2021-01-14	149
Strand i Jönköping AB, incl. Subsidiaries	Services	Contract company active within construction site and installation services	2021-01-14	132
Allan Eriksson Mark AB	Services	Contract company active within groundwork	2021-01-14	70
Såg- och Betongborrning i Uddevalla AB	Services	Family company that performs construction work, concrete processing, groundwork, demolition, leasing of machinery and workers within the construction sector	2021-01-14	99
Nymålat i Skellefteå AB	Services	Additional business combination to the Måla companies	2021-01-14	39
BEC Trägolvsprodukter AB	Trade	Additional business combination to SGD Sveriges Golvdistributörer AB	2021-01-14	10
Delér Måleri AB	Services	Additional business combination to the Måla companies	2021-01-15	100
Stockholm Industrigolv AB	Services	Additional business combination to the Måla companies	2021-01-15	2
Strigo AB, incl. Subsidiaries	Services	Competence group with focus on adult life development	2021-02-01	133
PerfectHair AG	Trade	Swiss actor active within hair and beauty products	2021-02-23	321
Primulator AS, incl. Subsidiaries	Trade	International group with domicile in Norway with sales of coffee and ice cream machines to cafés and restaurants	2021-03-01	360
Danmatic A/S incl. Subsidiaries	Industry	Danish manufacturer of process installations for the baking industry	2021-03-01	264
Top Swede Konfektion AB incl. fellow subsidiaries	Trade	Additional business combination to the Båstad group	2021-03-09	142
HP Rör AB, incl. Subsidiaries	Services	Additional business combination to Stockholms Rörexpress AB	2021-03-11	95
AGIO System och Kompetens i Skandinavien AB	Services	IT consulting company	2021-04-01	107
Bombayworks AB incl. Subsidiaries	Services	Consulting bureau with full-service offerings within digitalization	2021-04-06	70
SGS Engineering UK Ltd, incl. subsidiaries	Trade	E-commerce retailer of power tools and related products in the UK	2021-04-09	314
Scandia Steel Sweden AB, incl. subsidiaries	Industry	Scandinavian supplier of steel pipe piles in foundation and foundation reinforcements	2021-05-03	435
Mattbolaget i Uddevalla AB	Trade	Additional business combination to SGD Sveriges Golvdistributörer AB	2021-05-05	23
Harrysson Entreprenad Aktiebolag (HEAB)	Services	Active in track construction and works with rebuilding of, among other areas, stations and platform areas, maintenance of rails and transport	2021-05-07	133
Stockholm Kvadratmeter AB	Trade	Additional business combination to SGD Sveriges Golvdistributörer AB	2021-05-12	60
Aktiebolaget LM-Transport	Services	Additional business combination to Södra infragruppen Sverige AB	2021-05-12	81
Lindberg Stenberg Arkitekter Aktiebolag	Services	Architectural services from untouched land to occupancy with a focus on apartment buildings, city buildings, preschools, student housing and senior housing	2021-05-12	60
Vårdväskan AB, incl. subsidiaries	Trade	E-commerce company specializing in products for healthcare professionals who want to put a personal touch on their work wear	2021-05-31	70
Persiennkompaniet Norden Aktiebolag	Trade	Additional business combination to Riviera Markiser & Persienner AB	2021-05-31	45
Jofrab TWS AB, incl. subsidiaries	Trade	Wholesaler for the sports specialist retailer of bicycles, mopeds and electric bicycles with 50,000 items in the assortment	2021-06-01	207
R. Ardbo Golv AB	Trade	Additional business combination to SGD Sveriges Golvdistributörer AB	2021-06-03	52
Silanex AB	Trade	Additional business combination to SGD Sveriges Golvdistributörer AB	2021-06-03	8
Lan Assistans Sweden AB (Ecochange)	Trade	Supplier of corporate benefit bicycles for customers in both private and government organisations	2021-06-04	227

The table continues on the next page

The notes are an integral part of these financial statements

>> CONT. NOTE 31

Acquired companies/groups	Segment	Business activity	Acquisition date	Annual net sales approx. MSEK
Newton Kompetensutveckling AB, incl. subsidiaries	Services	Educational and polytechnic company in the real estate, construction, IT, finance and communication sectors	2021-06-18	58
Roleff GmbH & Co. KG, incl. subsidiaries	Industry	The group is specialised in industrial maintenance services, mechanical steel processing and automation solutions	2021-06-29	175
Zymbios Logstics Contractor AB	Services	Logistics company that offers third-party warehouse services, so-called 3PL services, with associated distribution	2021-06-30	43
Aktiebolaget Wibe, incl. subsidiaries	Industry	Cable Support business that targets construction and general industry through its brands Wibe and Stago	2021-06-30	735
Ashe Invest AB, incl. subsidiaries	Trade	Sale and distribution of clothing, shoes and equipment in the sports and leisure segment in the Nordic market	2021-06-30	128
On Target AB	Trade	Additional business combination to Ashe Invest AB	2021-06-30	90
Nordisk VVS-Teknik AB	Services	Additional business combination to Tepac Entreprenad AB	2021-06-30	128
Artum AG, incl. subsidiaries	Industry, Services & Trade	Swiss group that acquires mid-sized companies with the aim to own and develop the companies in a long-term perspective	2021-06-30	1,745
Enrival AB	Services	Service company that performs services for several different labor market projects and has a long history as a supplier to the Swedish Public Employment Service	2021-06-30	63
Brenderup Group AB, incl. subsidiaries	Industry	Scandinavia's largest supplier and one of Europe's leading brands in trailers and boat trailers	2021-06-30	810
Marwell AG	Trade	Additional business combination to PerfectHair AG	2021-07-23	58
Frigo AG	Services	Additional business combination to Frigel AG, a part of the Artum group	2021-08-31	19

Storskogen has established corporate structures in Switzerland, under the name Storskogen Schweiz AG, in the United Kingdom under the company name Storskogen UK Ltd, in Germany under the name Storskogen Deutschland GmbH, in Denmark under the name Storskogen Danmark ApS, in Norway under the name Storskogen Norway AS, and in Singapore. International corporate structures enables a greater and more stable flow of business combinations. In addition, this contributes to increased geographic diversification and strategic synergies within different segments. It also gives the Group better opportunities to retain a good future growth rate, while still maintaining its perspective of eternal ownership and taking responsibility as next generation's owner.

After the end of the year the Covid-19-pandemic is still spreading around the world, but vaccinations have started. It is still difficult to determine its consequences, both in the short and long term, on the market and Storskogen. However, Storskogen's group structure with subsidiaries in a diversified span of industries and, coupled with its ability to sustain a strong financial position, fosters stability even during a persistent business recession.

On 4 May, Storskogen issued unsecured bonds for SEK 3,000 million in a program limited to SEK 4,000 million. The bonds have a maturity of three years and pay interest annually at a rate 300 basis points above the three-month Stockholm interbank offered rate (STIBOR). The issue was heavily oversubscribed.

The Annual General Meeting on 12 May resolved to pay a dividend of SEK 536 million to shareholders, equivalent to SEK 4.09 per Series A share and SEK 4.00 per Series B share, and to re-elect Elisabeth Thand Ringqvist (Chair), Alexander Bjärgård, Bengt Braun, Louise Hedberg and Johan Thorell as the members of the Board. Peter Ahlgren chose not to be reelected. The meeting also resolved to reappoint Ernst & Young as auditor.

Since the end of the year, Storskogen has issued 36 million Series A shares and 160 million Series B shares generating proceeds of about SEK 3,800 million.

The Group has signed agreements to acquire Jernbro Automation, an add-on to Elektroautomatik in the Industry business area with a reported revenue of SEK 58 million and EBITA of SEK 7 million for 2020, and to acquire a portfolio, with reported revenue of SEK 900 million and EBITA of SEK 160 million for 2020, from Ceder Capital comprising Viametrics Group, Buildercom Group, DeroA and SoVent in the Services business area and Kumla Handtagsfabrik in the Industry business area. These transactions are expected to be completed in October 2021.

In addition, Storskogen has entered into ten (10) non-binding letters of intent or preferred buyer letters through which Storskogen has obtained exclusivity to carry out due diligence of the target and to negotiate with, the company and the sellers.

On 2 September 2021, the Company agreed on the main terms of a new, unsecured agreement regarding a revolving credit facility in several currencies. The New Facilities Agreement is intended to be entered into in connection with the completion of the Offering and will thus replace the Existing Facilities Agreement.

On 24 September an extraordinary general meeting was held in order to approve of the group's LTIP-program (long term incentive program).

A split of shares, 10:1, has been carried out throughout the year.

The notes are an integral part of these financial statements

Note 32 Restatement of comparative year's profit or loss

MSEK	2019	Increase/ decrease	2019 after translation	2018	Increase/ decrease	2018 after translation
Net sales	6,163	–	6,163	3,298	–	3,298
Cost of goods sold	(5,130)	89	(5,040)	(2,705)	21	(2,684)
Gross profit	**1,033**	**89**	**1,123**	**593**	**21**	**614**
Selling expenses	(434)	(19)	(453)	(215)	(11)	(225)
Administrative expenses	(262)	(70)	(332)	(148)	(11)	(158)
Other operating income	68	–	68	49	–	49
Other operating expenses	(25)	–	(25)	(8)	–	(8)
Operating profit	**381**	**–**	**381**	**272**	**–**	**272**
Financial income	2	–	2	2	–	2
Financial expenses	(35)	–	(35)	(18)	–	(18)
Net financial items	**(32)**	**–**	**(32)**	**(16)**	**–**	**(16)**
Profit before tax	**348**	**–**	**348**	**255**	**–**	**255**
Tax	(87)	–	(87)	(56)	–	(56)
Profit for the year	**262**	**–**	**262**	**199**	**–**	**199**
Profit for the year attributable to:						
Equity holders of the parent	250	–	250	194	–	194
Non-controlling interest	11	–	11	5	–	5

Changed approach for inter-company eliminations

Inter-company eliminations have been reclassified during the year to increase the Group's ability to monitor existing segments, meaning that amounts have been adjusted in each affected item in the statement of profit or loss for both 2020, 2019 and 2018. The reclassifications have had no effect on the profit for the year or the key financial ratios presented as performance measures in this report.

The notes are an integral part of these financial statements

Note 33 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 ordinary shares outstanding during the period.

Diluted earnings per share is calculated by adjusting the figures used for calculating basic earnings per share by adjusting for dilutive effects on potential ordinary shares and the weighted average of additional shares outstanding if all potential ordinary shares would have been converted to ordinary shares. For comparative periods covered by these financial statements there are no potential ordinary shares outstanding with the consequence that there is no difference between basic and diluted earnings per share.

The Group in its current structure was formed by gathering the share ownership for the three independent Investment units Storskogen Industrier AB, Storskogen Utveckling AB and Storskogen 3 Invest AB ("the Investment units") in the Company during 2019.

Before restructuring the Investment units into one legal Group a relative valuation of the three Investment units were made and the shareholders traded shares in the respective Investment unit for new shares in the Company through a non-cash issues, as a part of the restructuring. The shareholders received Series A shares and Series B shares in the Company corresponding the value of their previously held Series A shares and Series B shares in the separate Investment unit. After the restructuring the Founders of the Investment units were the only holders of Series A shares.

As the legal Group for the reporting unit was formed during 2019, Storskogen has chosen to use the number of ordinary shares outstanding at the time of the formation of the legal Group, which is 20,000 ordinary Series A shares and 80,000 ordinary Series B shares when calculating earnings per share for the fiscal years 2018 and 2019. During 2020 new share issues have been completed which affects the average number of shares during this year.

The Company's articles of association describe that Series B shares have preference rights to dividend corresponding to 3 percent of the capital invested. Potential remaining amount shall not be allocated to Series A shares until Series A shares have received 20 percent of the total dividend. Thereafter potential dividend shall be divided between Series A shares, 20 percent and Series B shares, 80 percent. For historical period included in these financial reports, the net profit had reached a level meaning that the profit should be divided 20/80 to the respective Series of shares. Earnings per share is presented for each respective Series of shares as the earnings per share differs during 2020 between the two Series of shares as the number of Series A shares and Series B shares don't exactly equals the 20/80 relation.

According to paragraphs in the Company's articles of association preference rights to dividend will end in conjunction with listing of the Company's shares at an Initial public offering and each Series A share and Series B share will thereafter have the same right to share in the Company's assets and profit.

A shareholder meeting held in September 2021 decided on a split of the Company's shares, whereby one existing share was split into 10 shares (both A-shares and B-shares). For earnings per share calculation purposes, the number of shares has been adjusted retrospectively as if the share split had occured at the beginning of 2018 which is the earliest period presented in these financial statements.

Earnings per share

SEK	2020	2019	2018
Basic earnings per share Series A shares	0.46	0.30	0.19
Basic earnings per share Series B shares	0.47	0.24	0.19
Diluted earnings per share Series A shares	0.46	0.30	0.19
Diluted earnings per share Series B shares	0.47	0.24	0.19

Net profit for the year attributable to owners of the parent

TSEK	2020	2019	2018
Net profit for the year for Series A shares attributable to owners of the parent	108,345	60,444	38,892
Net profit for the year for Series B shares attributable to owners of the parent	433,378	189,840	155,567
Net profit for the year attributable to owners of the parent	**541,723**	**250,284**	**194,458**

Weighted average number of shares used in calculating earnings per share*

	2020	2019	2018
Series A shares	23 444 4440	20 000 0000	20 000 0000
Series B shares	92 348 9480	80 000 0000	80 000 0000

* There are no potential dilutive effects related to shares for periods covered by these financial reports.

The notes are an integral part of these financial statements

AUDITOR'S REPORT ON HISTORICAL FINANCIAL STATEMENTS FOR THE YEARS 2019 AND 2020

Auditor's Report on historical financial statements

Independent auditor's report

To the Board of Directors of Storskogen Group AB (publ), corporate identity number 559223-8694

Report on the consolidated accounts

Opinions

We have audited the consolidated accounts of Storskogen Group AB (publ) for the period of two years ended 31 December 2020. The consolidated accounts of the company are included on pages F-16–F-62 in this document.

In our opinion, the consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of the 31 December 2020 and 31 December 2019 and their financial performance and cash flow for each of the two financial years ending 31 December 2019 and 31 December 2020 respectively, in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the group, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

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

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of the group's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

>> CONT. AUDITOR'S REPORT ON HISTORICAL FINANCIAL STATEMENTS FOR THE YEARS 2019 AND 2020

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Stockholm, 27 September 2021

Ernst & Young AB

Åsa Lundvall
Authorized Public Accountant

AUDITOR'S REPORT ON HISTORICAL FINANCIAL STATEMENTS FOR THE YEAR 2018

KPMG

Report from independent auditor

To the Board of Storskogen Group AB (publ), corporate identity number 559223-8694.

Report on the combined financial statements

Opinions

We have audited the combined financial statements of Storskogen Group AB (publ) for the financial year ending on December 31, 2018 which comprise the Combined statement of Financial position of the Group, the related Combined statement of Profit or loss and Combined statement of Comprehensive Income, Combined statement of Changes in Equity and the Combined statement of Cash Flows. The combined financial statements of the Group are included on pages F-16–F-62 in this document.

In our opinion, the combined financial statements have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the combined financial position of the Group as of December 31, 2018 and of its combined financial performance and cash flow for the financial year ending December 31, 2018 in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinions.

Emphasis of Matter – Basis of Preparation of the combined financial statements

We draw attention to Note 1 to the combined financial statements, which describes their basis of preparation, including the approach to and the purpose for preparing them. The combined financial statements were solely prepared to allow for comparability between the reported periods. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Directors and the Chief Executive Officer (CEO)

The Board of Directors and the CEO are responsible for the preparation of the combined financial statements and that they give a fair presentation in accordance with the Annual Accounts Act and IFRS as adopted by the EU. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of combined financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the combined financial statements, the Board of Directors and the CEO are responsible for the assessment of the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the CEO intends to liquidate the Group, cease operations or has no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

>> CONT. AUDITOR'S REPORT ON HISTORICAL FINANCIAL STATEMENTS FOR THE YEAR 2018

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of the Group's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the CEO.
- conclude on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting in preparing the combined financial statements. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion about the combined financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Stockholm September 27, 2021

KPMG AB

Dan Beitner

Authorized public accountant

Auditor in charge

Definitions and glossary

"**board of directors**" or the "**board**"	The board of directors of the Company.
"**CAGR**"	Compounded annual growth rate.
"**Company**"	Storskogen Group AB (publ).
"**Cornerstone Investors**"	AMF, funds managed and advised by Capital World Investors, Cliens Kapitalförvaltning, Danica Pension Livsforsikringsaktieselskab, Nordea Investment Management, Lannebo Fonder, Livförsäkringsbolaget Skandia, Ömsesidigt and Skandia Fonder AB on behalf of investment funds, ODIN Fonder, Swedbank Robur Fonder, Spiltan Fonder and Daniel Kaplan.
"**DACH**"	Germany, Switzerland and Austria.
"**Euroclear Sweden**"	Euroclear Sweden AB.
"**EUWA**"	the U.K. European Union Withdrawal Act.
"**Founders**"	Ronnie Bergström, Alexander Murad Bjärgård, Daniel Kaplan and Peter Ahlgren.
"**Group**"	The group in which the Company is the parent company.
"**Group Companies**"	The Company's subsidiaries.
"**Joint Bookrunners**"	BNP PARIBAS, DNB, Danske Bank, Nordea, SEB and Swedbank.
"**Joint Global Coordinators**"	Carnegie, J.P. Morgan and Goldman Sachs.
"**Managers**"	The Joint Global Coordinators and the Joint Bookrunners.
"**MiFID II**"	EU Directive 2014/65/EU on markets in financial instruments.
"**Overallotment Option**"	An option to acquire up to 52,205,241 newly issued B-shares at the Offering Price, corresponding to approximately 15 per cent of the B-shares in the Offering, granted by the Company to the Managers. The purpose with the Overallotment Option is to cover any overallotments or short positions in connection with the Offering.
"**segment**"	refers to, depending on the context, one or several of Storskogen's business areas (Services, Industry and Trade).
"**Selling Shareholders**"	Länsförsäkringar Skaraborg, Länsförsäkringar Värmland, Peter Ahlgren, Philian Invest, Ribbylund Management, Scalata Invest, Storskogen SellCo and Ängsmon.
"**SFSA**"	the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*).
"**Stabilisation Manager**"	Carnegie acts as stabilisation manager on behalf of the Joint Global Coordinators and may, in connection with the Offering and the admission to trading of the Company's B-shares on Nasdaq Stockholm, perform transactions which will result in the market price of the B-shares being sustained at a higher level than would otherwise be the case.
"**Storskogen**"	The Company or the Group, depending on the context.
"**United States**" or the "**U.S.**"	the United States of America.
"**vertical**"	refers to, depending on the context, one or several of the verticals that each respective segment is divided into. The Services segment is divided into the following six verticals: Construction and Infrastructure, Installation, Logistics, Engineering Services, Digital Services as well as HR and Competence. The Industry segment is divided into the following three verticals: Automation Systems, Industrial Technology and Products. The Trade segment is divided into the following three verticals: Distributors, Brands and Producers.

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