

# YEAR-END REPORT

## JANUARY – DECEMBER 2021

# Q4

"We ended the last quarter of 2021 on a positive note, with an EBITA growth of 141 percent, of which 55 was organic"

Daniel Kaplan, CEO



### FOURTH QUARTER (1 OCT – 31 DEC 2021)

- Net sales increased by 134 percent to SEK 6,039m (2,581).
- Operating profit (EBIT) increased by 95 percent to SEK 426m (219), equivalent to an operating margin of 7.1 percent (8.5).
- Adjusted EBITA increased by 141 percent to SEK 542m (225), equivalent to an adjusted EBITA of 9.0 percent (8.7). The business areas' combined adjusted EBITA margin, excluding Group functions and transaction costs, amounted to 11.0 percent (9.4).
- Profit for the period increased by 55 percent to SEK 251m (162).
- Earnings per share were SEK 0.13 (0.12).
- Cash flow from operating activities amounted to SEK 699m (344).
- A share issue in conjunction with the IPO on Nasdaq Stockholm on 6 October generated net proceeds of SEK 7,169m.
- 20 acquisitions were made during the quarter, with combined annual sales of SEK 3,217m for 2021.
- A bond of SEK 2,000m was issued within a new framework of SEK 5,000m.

### FULL YEAR (1 JAN – 31 DEC 2021)

- Net sales increased by 96 percent to SEK 17,496m (8,933).
- Operating profit increased by 82 percent to 1,406m (774), equivalent to an operating margin of 8.0 percent (8.7).
- Adjusted EBITA increased by 98 percent to SEK 1,688m (854), equivalent to an adjusted EBITA margin of 9.6 percent (9.6).
- Profit for the period increased by 65 percent to SEK 947m (574).
- Earnings per share were 0.60 SEK (0.49).
- Cash flow from operating activities amounted to SEK 1,376m (814).
- Return on equity was 10.4 percent (14.2).
- 65 acquisitions completed during the year, Artum considered as one acquisition, with combined annual sales of SEK 12,193m for 2021.

### EVENTS AFTER THE END OF THE PERIOD

- The Board of Directors proposes a dividend of SEK 0.065 per share.
- Storskogen has completed another 17 acquisitions with combined annual sales of SEK 2,763m and EBITA of SEK 342m for the companies' most recent financial year. Further acquisitions with combined sales of SEK 251m and EBITA of SEK 41m according to the latest financial report have been signed but not yet completed.
- At the date of this report, Storskogen has signed 30 non-binding letters of intent (LOI) and preferred buyer transactions. Altogether, these potential acquisitions generated net sales of SEK 6,278m during their most recent financial year with an EBITA of 963m.
- On the 21st of January, a bond of SEK 1,000m was issued under the existing framework.

Amounts in parentheses are for the corresponding periods in 2020.

### PERFORMANCE MEASURES

SEK m	Oct-Dec 2021	Oct-Dec 2020	Change %	12 months until 31 Dec 2021	Full year 2020	Change %
Net sales	6,039	2,581	134	17,496	8,933	96
Operating profit	426	219	95	1,406	774	82
Operating margin, %	7.1	8.5		8.0	8.7	
Adjusted EBITA	542	225	141	1,688	854	98
Adjusted EBITA-margin, %	9.0	8.7		9.6	9.6	
Profit before tax	356	174	104	1,233	673	83
Profit for the period	251	162	55	947	574	65
Net debt/adjusted EBITDA (12 months)				1.7	1.9	
Net debt/adjusted RTM EBITDA (12 months)				1.3	1.6	
Total assets (balance day)				32,223	12,002	
Basic and diluted earnings per share, Series A & B, SEK	0.13	0.12		0.60	0.49	
Return on equity, % (12 months)				10.4	14.2	
Return on capital employed, % (12 months)				9.1	10.1	
Equity/assets ratio, %				51.5	43.8	
Cash flow from operating activities	699	344		1,376	814	

For definitions of alternative performance measures in accordance with the ESMA guidelines, see definitions of performance measures.

# Comments from the CEO

We ended the last quarter of 2021 on a positive note with an EBITA growth of 141 percent, of which 55 percent organic, and with a total of 20 completed acquisitions. After more than a year of preparations, Storskogen was successfully listed on Nasdaq Stockholm in October, but our daily work with our subsidiaries and acquisitions has continued.

Looking back at 2021, we have experienced great progress. Our EBITA growth was 98 percent, of which 36 percent was organic, meaning the growth in companies that have been owned by Storskogen for both comparable periods. We completed 65 acquisitions. The most important success factor is of course our employees, not the least in the subsidiaries, having to navigate an unusually complex year with supply chain disruptions, component shortages and covid, which meant high sick leave rates. To achieve this level of organic growth under such circumstances is an extraordinary achievement. Let us not forget that we, unlike many others, generated a positive organic profit growth even during 2020.

## Geographical expansion provides better resource allocation

Diversification is an important part of Storskogen's strategy. To mitigate the impact of specific macro and micro trends, we systematically move into both new industries and geographies where we, as a professional owner with a perpetual ownership horizon, fill a void. Geographical expansion means a wider selection of acquisition targets and thus enables more efficient capital allocation, in addition to increased long term growth opportunities. That makes us a better owner as we can now support our companies with strategic initiatives such as geographical expansion, procurement, sales and add-on acquisitions.

When we entered 2021, we were practically a Swedish company. At the beginning of 2022, we were 9,000 employees in 27 countries. We have chosen to systematically and proactively invest in both organization and processes to handle the expansion with quality and to avoid bottlenecks. The approach enables a rapid expansion pace, but also entails higher costs at Group level and a slightly lower margin in the short run.

Entrepreneurship, respect, long-term perspective and professionalism  
Being an owner of a small company is all about supporting management in strategic, financial, and operational matters. Together, we evaluate new investments and projects, sign agreements with suppliers and customers as well as assist in all sorts of questions. This is an expertise where analytical skills do play a role, but where business acumen, pragmatism and long-term relationship building are often even more important. Storskogen's core values; entrepreneurship, respect, long-term approach and professionalism summarize our culture and our way of working, but also our recipe for success over the past decade. As we live by our values, we can be the best owner of small and medium-sized companies.

## Strong start to 2022 despite concerns in the financial markets

The majority of our subsidiaries are currently experiencing strong markets and have been able to adjust their prices, resulting in maintained profitability. Our portfolio of solid cash-generating companies gives us a good foundation, especially during the turbulence we are currently experiencing with inflation, interest rate uncertainties, geopolitical risks, energy prices and volatile capital markets. In the short term, financial markets are less important to us since we are financially strong after the listing. The IPO also gives us an opportunity to use our own shares as payment. Ultimately, sufficient access to capital is essential for us to be able to grow faster than our, indeed strong, free cash flow allows.

Looking ahead, I see a normalization of our organic growth in 2022. In terms of acquired growth, however, we have had a vigorous start of the new year with 17 acquisitions so far. Our current pipeline with a total of 30 transactions where we have written LOIs or are so-called preferred buyer, amounting to a total acquired EBITA of SEK 963 million, is an indication of continued growth and value creation.

In summary, we had a fantastic 2021 with a strong finish. The future will certainly bring challenges, but I am extremely proud of our companies, employees and Storskogen.

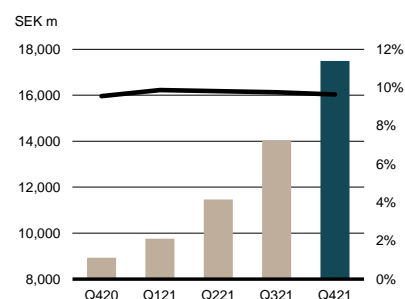
Daniel Kaplan, Chief Executive Officer



“Our pipeline of 30 transactions with a total annual EBITA of SEK 963 million, is an indication of continuous growth and value creation.”

**Daniel Kaplan, CEO**

## NET SALES AND ADJUSTED EBITA MARGIN, ROLLING 12 MONTHS



## MEDIUM-TERM FINANCIAL TARGETS

**ORGANIC EBITA GROWTH**  
Real GDP growth plus 1-2 percentage points (existing markets)

**EBITA GROWTH INCLUDING ACQUISITIONS**  
Growth in line with historical levels

**ADJUSTED EBITA MARGIN**  
10 percent

**ADJUSTED CASH CONVERSION**  
>70 percent (LTM)

**NET DEBT/RTM ADJUSTED EBITA**  
2.0x-3.0x

# The Group's performance

## SALES

Net sales for the fourth quarter increased by 134 percent to SEK 6,039 million (2,581), with an organic growth of 23 percent, meaning the growth in companies that have been owned by Storskogen for both complete comparison periods. Net sales for the full year increased by 96 percent to SEK 17,496 million (8,933), with organic sales growth of 17 percent. Had Storskogen owned all subsidiaries throughout the previous 12-month period (RTM), sales would have been SEK 23,182 million.

## EARNINGS

### Fourth quarter 2021

For the fourth quarter, operating profit (EBIT) increased by 95 percent to SEK 426 million (219) and the operating margin was 7.1 percent (8.5). Adjusted EBITA grew by 141 percent to SEK 542 million (225), equivalent to an adjusted EBITA margin of 9.0 percent (8.7). The organic EBITA growth was 55 percent during the quarter. Net financial items amounted to SEK -71 million (-45) and profit before tax increased by 104 percent to SEK 356 million (174). Profit for the period increased by 55 percent to SEK 251 million (162).

Items affecting comparability which are eliminated in adjusted EBITA amounted to SEK 16 million (-30) for the quarter, consisting of revaluations of contingent considerations of SEK -69 million (-38), inventory step-up at acquisitions of SEK 49 million (8) and costs related to the IPO of SEK 36 million (0).

Storskogen has expanded the organization significantly during the year to achieve an improved position for continued high and profitable growth, increased diversification between geographies as well as industries and a more efficient capital allocation. Although the larger organization resulted in a significantly higher acquisition rate already during the fourth quarter, the profit from these acquisitions did not yet fully compensate for the higher cost base. In addition, the higher acquisition rate also meant higher transaction costs of SEK 45 million (5). The transaction cost per acquisition has increased due to larger average deal size as well as a growing share of acquisitions in new geographies where cost levels are generally higher and where Storskogen does not yet have fully established organizations. The business areas' combined adjusted EBITA margin, excluding Group functions and transaction costs, amounted to 11.0 percent, a positive development from 9.4 percent in the corresponding quarter last year. The business areas Services and Industry improved their adjusted EBITA margins, including transaction costs, by approximately two percentage points to 10.4 percent (8.2) and 11.6 (9.8) respectively. The Trade business area's adjusted EBITA margin decreased to 8.5 percent (10.3) however, mainly driven by adjustments in inventory values while profitability in general increased or remained stable. For further information on the individual business areas, see pages 5-7.

### Full year 2021

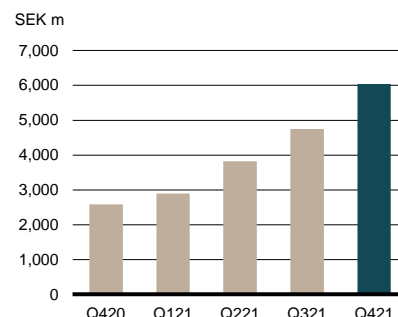
During the full year, operating profit increases by 82 percent to SEK 1,406 million (774), equivalent to an operating margin of 8.0 percent (8.7). Adjusted EBITA grew by 98 percent to SEK 1,688 million (854), equivalent to an adjusted EBITA margin of 9.6 percent (9.6). Transaction costs impacted the result with SEK 88 million (10). Organic EBITA growth was 36 percent. Financial items amounted to SEK -173 million (-101) and profit before tax was SEK 1,233 million (673), an increase of 88 percent. Profit for the period increased by 65 percent to SEK 947 million (574).

Items affecting comparability, which are eliminated in adjusted EBITA, amounted to SEK 33 million (-32) during the year, consisting of revaluations of contingent considerations of SEK -69 million (-40), inventory step-up at acquisitions of SEK 50 million (8) and costs related to the IPO of SEK 53 million (0).

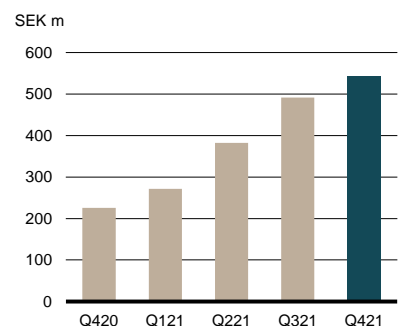
### RTM (rolling 12 months pro forma)

Had Storskogen owned all subsidiaries throughout the previous 12-month period (RTM), the Group would have generated adjusted EBITDA of SEK 3,115 million and adjusted EBITA of SEK 2,491 million, corresponding to an adjusted EBITA margin of 10.8 percent.

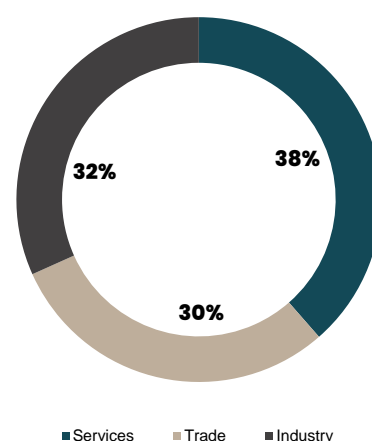
## NET SALES BY QUARTER



## OPERATING PROFIT (ADJUSTED EBITA) BY QUARTER



## BREAKDOWN OF SALES BY BUSINESS AREA, Q4 2021



## RETURNS

The return on equity was 10.4 percent (14.2) for the full year and return on capital employed was 9.1 percent (10.1). These return measures are subject to the dilutive effects of new issues during these periods, to the extent that they have not yet been used for acquisitions.

### Net sales by business area and for the Group

SEK m	2021			2020		
	Oct-Dec	Oct-Dec	Change %	Jan-Dec	Jan-Dec	Change %
Services	2,336	1,144	104	6,906	3,837	80
Trade	1,794	753	138	5,410	2,584	109
Industry	1,913	687	178	5,186	2,519	106
<b>Operations</b>	<b>6,043</b>	<b>2,584</b>	<b>134</b>	<b>17,502</b>	<b>8,940</b>	<b>96</b>
Group operations	-4	-3		-6	-6	
<b>Net sales, Group</b>	<b>6,039</b>	<b>2,581</b>	<b>134</b>	<b>17,496</b>	<b>8,933</b>	<b>96</b>

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

SEK m	2021			2020		
	Oct-Dec	Oct-Dec	Change %	Jan-Dec	Jan-Dec	Change %
Services	243	94	160	695	382	82
Trade	153	77	97	582	257	127
Industry	222	67	230	626	242	159
Group operations	-75	-13		-215	-27	
<b>Adjusted EBITA</b>	<b>542</b>	<b>225</b>	<b>141</b>	<b>1,688</b>	<b>854</b>	<b>98</b>
Reversal of adjusted item	-16	30		-33	32	
<b>EBITA</b>	<b>526</b>	<b>255</b>	<b>106</b>	<b>1,655</b>	<b>885</b>	<b>87</b>
Amortisation of intangible non-current assets	-100	-36		-249	-111	
<b>Operating profit, EBIT</b>	<b>426</b>	<b>219</b>	<b>95</b>	<b>1,406</b>	<b>774</b>	<b>82</b>

## FINANCIAL POSITION

The Group had equity of SEK 16,588 million (5,262) and an equity/assets ratio of 51.5 percent (43.8) on the 31 December 2021. As a part of Storskogen's IPO on Nasdaq Stockholm, a share issue generated proceeds of SEK 7,169 million after costs.

Cash and cash equivalents totalled SEK 6,167 million (1,866) on 31 December 2021. The Group also had unutilised credit facilities of SEK 8,590 million at the end of the period. In November, Storskogen issued a senior unsecured bond of SEK 2,000 million within a new framework of SEK 5,000 million with an interest rate of 3m Stibor + 300 bps. The Group's net debt, including lease liabilities in accordance with IFRS 16, decreased during the quarter by SEK 3,530 million to SEK 3,904 million on 31 December 2021. Net debt/EBITDA, based on RTM adjusted EBITDA for the last 12-month period, was 1.3 (1.6). In addition to interest-bearing non-current and current liabilities, net debt includes contingent liabilities and liabilities for outstanding minority options of SEK 2,238 million (671). Excluding these liabilities, net debt/EBITDA based on RTM adjusted EBITDA would have been 0.5.

## CASH FLOW AND INVESTMENTS

Cash flow from operating activities was SEK 699 million (344) for the fourth quarter and SEK 1,376 million (814) for the full year 2021. Storskogen's communicated target is cash conversion, calculated as operating cash flow (EBITDA after changes in working capital and net capex as a percentage of EBITDA) of more than 70 percent over a 12-month period. The Group's cash conversion amounted to 73 percent for the full year. Due to continuous supply chain disruptions, many subsidiaries within Trade and Industry have strategically chosen to keep inventory above normal levels, however, somewhat lower levels compared to the third quarter. This, in combination with a decrease in accounts receivables, had a positive impact on the cash flow.

The Group's net investments in tangible assets, capex, totalled SEK 113 million (41) or 1.9 percent (1.6) of net sales for the fourth quarter and SEK 350 million (168) or 2.0 percent (1.9) of net sales for the full year. Investments returned to a more normal pace during the fourth quarter in comparison with a relatively low level during the third quarter. Acquisitions of subsidiaries, including payments of conditional considerations for acquisitions in previous years, came to net SEK 2,255 million (492) for the quarter and SEK 7,849 million (1,898) for the full year. The amount is net of a smaller divestment of FE Primulator Brest, a Belarusian subsidiary to the Norwegian business unit Primulator within business area Trade.

# Business area Services

## RESULTS

Net sales in the Services business area increased by 104 percent to SEK 2,336 million (1,144) during the quarter and by 80 percent to SEK 6,906 million (3,837) during the full year 2021. Organic sales growth for the full year was 10 percent, meaning the growth in companies that have been owned by Storskogen for both comparable periods.

Adjusted EBITA grew by 160 percent to SEK 243 million (94) during the quarter and by 82 percent to SEK 695 million (382) during full year 2021. The adjusted EBITA margin was 10.4 percent (8.2) for the quarter and 10.1 percent (10.0) for the full year. Organic EBITA growth for the full year was 21 percent. The result includes transaction costs of SEK 11 million (2) for the fourth quarter and SEK 17 million (5) for full year 2021.

SEK m	2021			2020		
	Oct-Dec	Oct-Dec	Change %	Jan-Dec	Jan-Dec	Change %
Net sales	2,336	1,144	104	6,906	3,837	80
Adjusted EBITA	243	94	160	695	382	82
Adjusted EBITA-margin, %	10.4	8.2		10.1	10.0	
Number of employees				4,297	1,822	
Number of business units				50	28	

The fourth quarter is seasonally stronger for personnel intense companies in the service sector, with improved profitability as a result. During the quarter, most verticals in the Services business area had an underlying profitability in line with previous year. The comparison is positively affected by non-recurring items regarding Svenska Tungdykargruppen in the fourth quarter of 2020. Even after adjustment for these items, the margin was in line with the fourth quarter last year, but somewhat lower for the full year.

The vertical Construction & Infrastructure had strong results in several project companies, while two businesses are underperforming and impacting the vertical negatively. The business area, together with the management of these companies, have developed action plans that are expected to show results during the current year. The business area's second largest vertical Installation, whose operations and profitability were negatively affected by, among other things, high sickness rates during the covid-19 pandemic, experienced a recovery with improved profitability during the fourth quarter of 2021. The companies in the verticals HR & Competence, Construction, Logistics and Digital Services experienced continued strong demand, organic growth and profitability.

The organic EBITA growth of 21 percent exceeds the sales growth of 10 percent, which can be explained by an exceptionally strong organic profit development in several businesses, as well as a recovery effect from 2020. The recovery effect is mainly seen in the verticals Installation and Construction & Infrastructure.

In general, several of the business area's companies have a positive sentiment in terms of operations and demand. However, high sickness rates and quarantine rules as a result of the fourth wave of the pandemic are expected to affect the companies in Installation and Construction & Infrastructure in the short term. The extent will be a direct result of the pandemic's continued development.

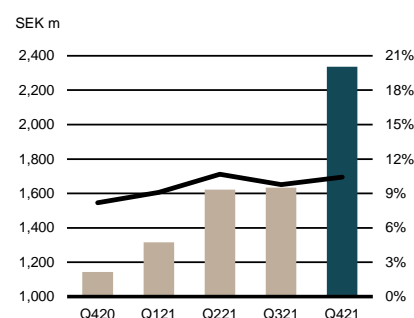
## ACQUISITIONS DURING THE QUARTER

During the fourth quarter, four companies were acquired from Ceder Capital; Adero, Buildercom, Viametrics and SoVent. Adero is a specialised supplier of technical ventilation installation services in the Stockholm and Uppsala area, Buildercom is a provider of cloud-based information management solutions for property owners and construction companies in Finland, Viametrics is one of the world's largest provider of people counting solutions, and SoVent is one of Sweden's leading chimney sweeping and ventilation service companies. During the period, the business area's first Norwegian acquisition was made; Fon Anlegg, a machine contractor providing services in excavation, drainage, demolition, clearing, roads and water. A total of six add-on acquisitions was made to existing business units.

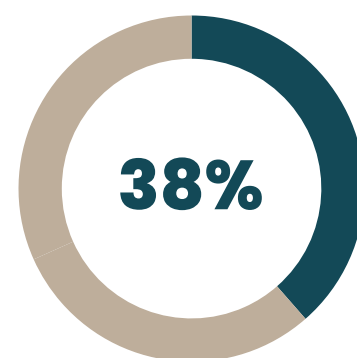


The Services business area comprises service companies with strong positions in specific B2B niche markets. It consists of 50 business units in the following verticals: Construction & Infrastructure, Installation, Logistics, Engineering Services, Digital Services, and HR & Competence.

## SALES, SEK M ADJUSTED EBITA MARGIN, %



## SHARE OF GROUP SALES, Q4 2021



# Business area Trade

## RESULTS

Net sales in the Trade business area increased by 138 percent to SEK 1,794 million (753) for the fourth quarter and by 109 percent to SEK 5,410 million (2,584) for full year 2021. Organic sales growth for the full year was 20 percent, meaning the growth in companies that have been owned by Storskogen for both comparable periods.

Adjusted EBITA grew by 97 percent to SEK 153 million (77) for the quarter by 127 percent to SEK 582 million (257) for the full year. The adjusted EBITA margin was 8.5 percent (10.3) for the quarter and 10.8 percent (9.9) for the full year. Organic EBITA growth for the full year was 35 percent. The result includes transaction costs of SEK 7 million (3) for the fourth quarter and SEK 14 million (4) for full year 2021.

SEK m	2021			2020		
	Oct-Dec	Oct-Dec	Change %	Jan-Dec	Jan-Dec	Change %
Net sales	1,794	753	138	5,410	2,584	109
Adjusted EBITA	153	77	97	582	257	127
Adjusted EBITA-margin, %	8.5	10.3		10.8	9.9	
Number of employees				1,555	666	
Number of business units				25	14	

The strong sales growth characterizing 2021 slowed down somewhat during the end of the last quarter due to a diminishing positive covid-19 effect, whilst a few business units were negatively affected by delayed or canceled deliveries stemming from the prevailing product and component shortages. The margin decrease compared with the same period last year is explained in its entirety by non-recurring adjustments of inventory values and accrued expenses in six business units. The adjustments, also derived from previous quarters, amount to a total of SEK -41 million, or -2.3 percent of the EBITA margin in the quarter.

The full year's strong organic growth reflects strong demand, especially in the verticals Distributors and Brands, which have benefited from strong B2B trade to some extent driven by recovery from the covid-19 pandemic the year before. Increased costs for materials and shipping have affected a number of business units during the year. However, on a full year basis, the companies have been able to offset the higher costs by raising prices with an increased profitability as a result. The EBITA margin has been further strengthened through this year's acquisitions.

Inventory levels remain above normal in several business units due to a strategic inventory build-up to ensure future deliveries during the current material shortage. The inventory value is also driven up by higher material costs.

The outlook for the first quarter looks cautiously positive at an aggregated level. Demand remains strong but is temporarily limited by high sick leave among customers in combination with extended pandemic restrictions. Individual business units have experienced delivery delays of products and components, which may be reflected in the sales numbers. Material and shipping costs are expected to remain at a high level.

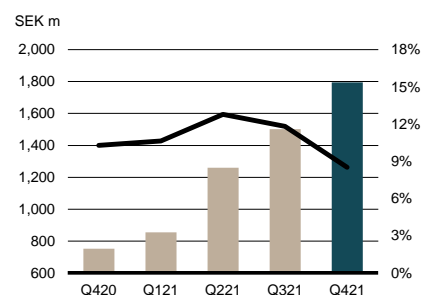
## ACQUISITIONS DURING THE QUARTER

During the last quarter of the year were Julian Bowen, Specialfålgar and Vikingsyn acquired. Julian Bowen is the business area's second acquisition in UK and is a leading e-commerce design and fulfilment specialist for home furniture. The business unit is a part of the vertical Distributors. Specialfålgar is the largest independent wheel supplier in the Nordics and is an add-on acquisition to the business unit Continova. In conjunction with the acquisition, Continova is renamed to Nordic Wheels and Autosupply. Vikingsun is a distributor with focus on Japanese knives and other top-quality kitchenware for the home and professional kitchens. The company partly sells products under its own brand Satake och is included in the vertical Brands.

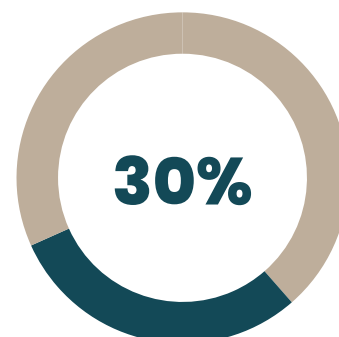


The Trade business area focuses on companies with strong brands in their markets, mostly distributors and wholesalers with both their own and external brands. It consists of 25 business units in the following verticals: Distributors, Brands and Producers.

## SALES, SEK M ADJUSTED EBITA MARGIN, %



## SHARE OF GROUP SALES, Q4 2021



# Business area Industry

## RESULTS

Net sales in the Industry business area increased by 178 percent to SEK 1,913 million (687) for the fourth quarter and by 106 percent to SEK 5,186 million (2,519) for the full year 2021. Organic sales growth for the full year was 22 percent, meaning the growth in companies that have been owned by Storskogen for both comparable periods.

Adjusted EBITA grew by 230 percent to SEK 222 million (67) for the quarter and by 159 percent to SEK 626 million (242) for the full year. The adjusted EBITA margin was 11.6 percent (9.8) for the quarter and 12.1 percent (9.6) for the full year. Organic EBITA growth for the full year was 53 percent. The result includes transaction costs of SEK 30 million (0) for the fourth quarter and SEK 48 million (1) for full year 2021.

SEK m	2021			2020		
	Oct-Dec	Oct-Dec	Change %	Jan-Dec	Jan-Dec	Change %
Net sales	1,913	687	178	5,186	2,519	106
Adjusted EBITA	222	67	230	626	242	159
Adjusted EBITA-margin, %	11.6	9.8		12.1	9.6	
Number of employees				2,786	1,050	
Number of business units				30	16	

The business area Industry experienced strong sales and earnings growth during the fourth quarter compared with both the previous year as well as quarter, driven by high operational efficiency and a generally favorable underlying market. In addition, acquisitions made a positive contribution to the profitability. The quarter's adjusted EBITA margin improved significantly compared with the previous year. Raise of raw material prices, for steel in particular, could to a large extent be offset with increased productivity, higher volume and price increases. The EBITA margin was in line with the previous quarter. However, most of the business units continued to be affected by material and component shortages as a result of continued supply chains disruptions.

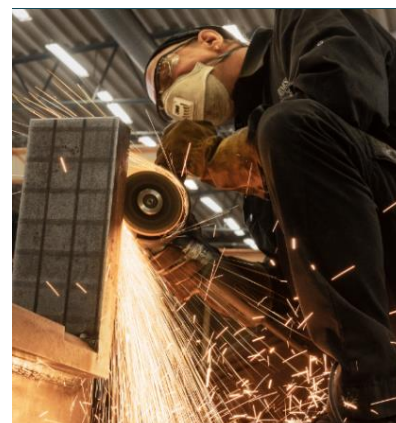
The automation companies had another strong quarter with significant sales and profit growth compared with both the previous year as well as quarter. The underlying market was strong, especially in the engineering and wood industry. The verticals Products, which constitute the business area's largest vertical after the second quarter's major acquisitions, as well as Industrial Technology showed positive development with generally favorable markets and high order inflow.

Overall, the market for industrial companies is still considered to be strong with good demand and order inflow. However, the companies are still impacted by delivery disruptions. Additionally, the high spread of covid-19 during the beginning of 2022 has affected most companies with high short-term absence as a result. Implemented price increases are expected to have an effect during the quarter.

## ACQUISITIONS DURING THE QUARTER

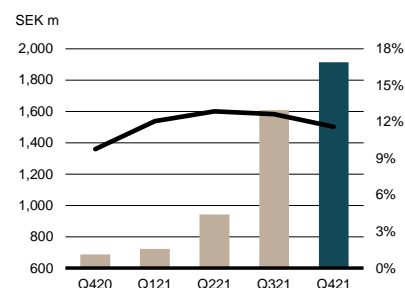
The fourth quarter saw four platform acquisitions; within the vertical Products was Persson Innovation acquired which produces carrying handles and applicator machines to the packaging industry, within the vertical Industrial Technology was Vinab acquired, which operates within manufacturing, assembly, reparations and maintenance to the heavy industry, SF Tooling, a leading global producer and supplier of high-pressure die-casting dies and tools for automotive and aerospace industries with its headquarter in Germany and Hans Kämmerer which manufactures and repairs wear and spare parts primarily for the steel and metal processing industry, also with its headquarter in Germany. In addition, two add-on acquisitions were completed during the quarter.

Furthermore, two acquisitions were communicated in the end of December with the closing dates during first quarter of 2022; LNS based in Switzerland, a global market leader within automation peripherals and services for input and removal of raw materials in production lines and will be a part of the vertical Automation, as well as the Danish Fremco, a company specialising in the development and production of fibre blowing machines meant for optic fibre and is included in the vertical Products.

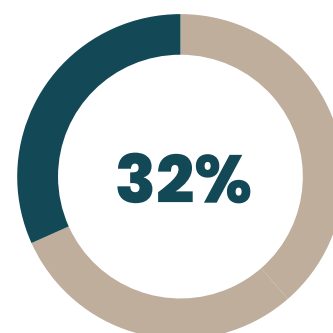


The Industry business area focuses on traditional B2B industrial companies in heavy and medium-heavy industry, manufacturing and automation. It consists of 30 business units in the following verticals: Automation, Industrial Technology, and Products.

## SALES, SEK M ADJUSTED EBITA MARGIN, %



## SHARE OF GROUP SALES, Q4 2021



# Acquisitions

During the fourth quarter, Storskogen completed 20 acquisitions with a total of 1,377 employees, combined annual sales of SEK 3,217 million and an EBITA of SEK 404 million, based on 2021 financials. Out of these 20 acquisitions, there were eleven platform acquisitions and nine add-ons. FE Primulator Brest, a smaller Belarusian subsidiary to Primulator AS, was divested according to plan during the quarter.

## ACQUISITIONS DURING THE YEAR

Acquisitions completed in the period January to December 2021 break down between the Group's business areas as follows:

Acquisitions (divestment)	Acquisition date	Net sales, SEK m (2021)	Number of employees	Share of capital/votes, Business % unit	
Pierre Entreprenad i Gävle AB	January	159	55	90,1	Services
Örnsberg EI Tele & Data AB	January	50	29	90,1	Services
Continovagruppen, incl. subsidiaries	January	231	47	90,1	Trade
Ockelbo Kabelteknik AB	January	85	31	100	Services
Tjällmo Grävmaskiner AB, incl. subsidiaries	January	117	44	100	Services
Strand i Jönköping AB, incl. subsidiaries	January	89	36	95,0	Services
Allan Eriksson Mark AB	January	70	31	100	Services
Såg- och Betongborrning i Uddevalla AB	January	105	34	100	Services
Nymålat i Skellefteå AB	January	40	43	94,8	Services
BEC Trägolvsprodukter AB	January	3	2	100	Trade
Delér Måleri AB	January	110	59	94,8	Services
Stockholm Industrigolv AB	January	1	1	94,8	Services
Strigo AB, incl. subsidiaries	February	218	237	90,2	Services
PerfectHair AG	February	295	121	75,0	Trade
Primulator AS, incl. subsidiaries	March	472	190	100	Trade
Danmatic A/S, incl. subsidiaries	March	144	32	75,0	Industry
Top Swede Konfektion AB, incl. fellow subsidiary	March	157	12	91,0	Trade
HP Rör AB, incl. subsidiaries	March	88	27	94,0	Services
AGIO System och Kompetens i Skandinavien AB	April	103	75	90,1	Services
Bombayworks AB, incl. subsidiaries	April	81	75	90,1	Services
SGS Engineering UK Ltd, incl. subsidiaries	April	400	55	80,0	Trade
Scandia Steel Sweden AB, incl. subsidiaries	May	613	95	95,0	Industry
Mattbolaget i Uddevalla AB	May	22	6	100	Trade
Harrysson Entreprenad Aktiebolag (HEAB)	May	90	25	90,1	Services
Stockholm Kvadratmeter AB	May	77	10	100	Trade
Aktiebolaget LM-Transport	May	78	25	90,1	Services
Lindberg Stenberg Arkitekter Aktiebolag	May	58	50	90,1	Services
Vårdvåskan AB, incl. subsidiaries	May	90	25	90,1	Trade
Persiennkompaniet Norden Aktiebolag	May	41	15	90,1	Trade
R. Ardbo Golv AB	June	63	9	100	Trade
Silanex AB	June	5	1	100	Trade
Jofrab TWS AB, incl. subsidiaries	June	208	50	100	Trade
Lan Assistans Sweden AB (Ecochange)	June	192	13	90,1	Trade
Newton Kompetensutveckling AB, incl. subsidiaries	June	57	35	100	Services
Zymbios Logistics Contractor AB	June	40	30	90,1	Services
Roleff GmbH & Co. KG, incl. subsidiaries	June	179	140	95,1	Industry
Aktiebolaget Wibe, incl. subsidiaries	June	773	230	100	Industry
Ashe Invest AB, incl. subsidiaries	June	136	10	75,0	Trade
On Target AB	June	85	5	75,0	Trade
Nordisk VVS-Teknik AB	June	118	40	92,0	Services Industry, Services & Trade
Artum AG, incl. subsidiaries	June	1 737	500	98,9	Trade
Enrival AB	June	151	195	92,0	Services
Brenderup Group AB, incl. subsidiaries	June	1 076	430	98,7	Industry
Marwell AG	July	55	20	75,0	Trade
Frigo AG	August	17	10	100,0	Services



Acquisitions (divestment)	Acquisition date	Net sales, SEK m (2021)	Number of employees	Share of capital/votes, % unit	Business
EA Mobile Robotics AB (Jernbro)	October	58	22	92.6	Industry
Buidercom Group AB, incl. subsidiaries	October	58	24	97.6	Services
SoVent Group AB, incl. subsidiaries	October	426	485	95.9	Services
Viametrics Group AB, incl. subsidiaries	October	65	15	91.6	Services
DeroA AB (Adero), incl. subsidiaries	October	263	30	84.1	Services
Kumla Handtagsfabrik AB, incl. subsidiaries	October	106	33	93.4	Industry
DRIVE Demolering Riv Entreprenad AB	October	52	4	81.5	Services
Julian Bowen Ltd.	October	389	105	80.0	Trade
Larssons Måleri i Umeå AB, incl. subsidiaries	October	22	20	94.8	Services
Flexi heater Sverige AB, incl. subsidiaries	November	7	0	100.0	Industry
Fon Anlegg AS	November	171	43	90.1	Services
VINAB, Verkstadsindustri i Norr AB	November	263	112	90.1	Industry
GD-Transport AB	November	42	3	100.0	Services
PerGus Maskinförmedling AB	November	51	1	100.0	Services
Specialfålgar i Kungsbacka Holding AB, incl. subsidiaries	December	375	38	90.1	Trade
Cuben Utbildning AB	December	109	88	90.2	Services
Nya Olsson Spårservice AB	December	54	28	90.1	Services
SF Tooling Group GmbH, incl. subsidiaries	December	489	220	95.0	Industry
Vikingsun AB	December	90	11	95.0	Trade
Hans Kämmerer GmbH	December	127	95	85.0	Industry
Divestment FE Primulator Brest	December	-5	-11	100.0	Trade
<b>Sum</b>		<b>12,188</b>	<b>4,571</b>		

After the end of the quarter and until the report date, Storskogen has completed another 17 acquisitions with combined annual sales of SEK 2,763 million from the last financial reports. See "Significant events after the end of the period" for further information. One further acquisition with annual net sales of SEK 251 million, based on last financial reports, have been signed and are expected to be closed by the end of February. Moreover, Storskogen has signed 27 non-binding letters of intent on potential acquisitions and is the preferred buyer in three additional processes, all in all with combined annual sales of SEK 6,278 million regarding last financial reports.

## PRELIMINARY ACQUISITION ANALYSIS FOR THE YEAR

### Refers to acquisitions completed during the period January–December 2021:

SEK m	Services	Trade	Industry	Total
Intangible assets	723	807	1,293	2,823
Other non-current assets	259	281	614	1,153
Inventories	80	627	778	1,485
Other current assets	715	623	805	2,143
Cash and cash equivalents	448	576	387	1,411
Deferred tax liabilities/tax assets	-211	-186	-300	-697
Liabilities to credit institutions	-522	-254	-842	-1,617
Other liabilities	-687	-724	-1,204	-2,615
<b>Acquired net assets</b>	<b>806</b>	<b>1,750</b>	<b>1,531</b>	<b>4,086</b>
Goodwill	2,540	2,370	2,520	7,431
Non-controlling interests	-191	-421	-136	-748
<b>Purchase price including contingent consideration</b>	<b>3,155</b>	<b>3,698</b>	<b>3,915</b>	<b>10,769</b>
Less cash and cash equivalents in acquired operations	-448	-576	-387	-1,411
Less unpaid purchase consideration	-198	-193	-304	-694
Less Share issue, non cash	-204	-100	-557	-861
Less payment with promissory note to minority shareholders	–	-8	–	-8
Less financing through shareholders contribution from minority share	–	-17	–	-17
<b>Effect on consolidated cash and cash equivalents</b>	<b>2,306</b>	<b>2,804</b>	<b>2,667</b>	<b>7,777</b>

## Significant acquisitions during the year

SEK m	Artum - included in Industry, Services and Trade	Brenderup - included in Industry	Wibe - included in Industry	SoVent Group - included in Services	Total significant acquisitions
Intangible assets	509	475	238	137	1,358
Other non-current assets	173	162	145	11	491
Inventories	339	160	89	1	589
Other current assets	405	133	90	59	687
Cash and cash equivalents	220	82	18	29	349
Deferred tax liabilities/tax assets	-110	-108	-43	-37	-299
Liabilities to credit institutions	-418	-26	-250	-200	-894
Other liabilities	-490	-314	-188	-51	-1,042
<b>Acquired net assets</b>	<b>629</b>	<b>563</b>	<b>100</b>	<b>-52</b>	<b>1,240</b>
Goodwill	1,028	375	745	587	2,735
Non-controlling interests	-4	-12	-	-22	-38
<b>Purchase price including contingent consideration</b>	<b>1,653</b>	<b>926</b>	<b>845</b>	<b>512</b>	<b>3,937</b>
Less cash and cash equivalents in acquired operations	-220	-82	-18	-29	-349
Less unpaid purchase consideration	-67	-	-151	-	-218
Less Share issue, non cash	-761	-	-	-	-761
<b>Effect on consolidated cash and cash equivalents</b>	<b>605</b>	<b>844</b>	<b>676</b>	<b>484</b>	<b>2,609</b>

### Purchase considerations and estimates

Purchase considerations for acquisitions for the full year of 2021 totalled SEK 10,769 million, of which SEK 7,431 million has been recognised as goodwill. Considerations for non-controlling interests acquired during the period amounted to SEK 40 million and considerations for non-controlling interests divested during the period amounted to SEK 16 million, payments of contingent considerations for acquisitions from previous years has been made with an amount of SEK 48 million, which have impacted the Group's cash and cash equivalents. Had the period's acquisitions been made with effect from 1 January 2021, it is estimated that they would have contributed SEK 12,193 million to the Group's net sales and around SEK 1,280 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 during the second and fourth quarter are preliminary, as the Group has not received final audited information from the acquired companies. All acquisitions have been reported using the acquisition method.

### Goodwill

At the time of acquisition, where transferred compensation exceeds the fair value of acquired assets and gained liabilities reported separately, the difference is recognised as goodwill. The goodwill is justified by the companies' future earnings potential. On 31 December 2021, the Group recognised total goodwill of SEK 12,195 million (4,653). The Group's goodwill is tested for impairment as required, and at least annually, by cash-generating unit. Impairment tests were performed during the fourth quarter, and no losses were identified.

### Other identified surplus values

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

### Acquisition-related expenses

Acquisition-related expenses consist of fees to advisers in connection with due diligence. These expenses are recognised as administrative expenses in the statement of profit or loss and the statement of comprehensive income. Acquisition-related expenses for acquisitions completed during the period totalled SEK 88 million (10).

### Contingent considerations

A contingent consideration, or earn-out, is a conditional additional purchase payment that is normally based on the acquired company's results during the first few years, either as a binary outcome if a certain level of earnings is achieved, or on a scale where the amount rises with the earnings of the acquired company in a predetermined future accounting period. This

liability generally crystallises, if the criteria are met, one to three years from the date of acquisition. At the time of the transaction, a contingent consideration is measured at fair value by calculating the present value of the likely outcome using a discount rate of 9.6 percent (9.6). The likely outcome is based on the Group's projections for the respective entity and dependent on future earnings generated by the entity, with a set maximum. The discounted value of unpaid contingent considerations for the period's acquisitions is SEK 694 million (236), while the total liability recognised for discounted contingent considerations on 31 December is SEK 936 million (259).

#### 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.

#### EFFECT OF ACQUISITIONS ON THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR JANUARY-DECEMBER 2021

SEK m	Services	Trade	Industry	Group operations	Total
<b>Effect after the acquisition date included in consolidated profit</b>					
Sales	2,084	2,219	2,072	11	6,385
Profit for the year	181	261	204	-35	610
<b>Effect if the acquisitions had been completed on January 1</b>					
Sales	3,599	3,870	4,704	20	12,193
Profit for the year	349	464	491	-24	1,280

Acquisitions completed during the full year of 2021 increased the Group's net sales by SEK 6,385 million, EBITA by SEK 676 million and profit after tax by SEK 610 million. Transaction costs for these acquisitions came to SEK 88 million and are included in administrative expenses in the consolidated statement of profit or loss.

# Other financial information

## EMPLOYEES

At the end of the year, the Group had 8,719 (3,565) employees. Acquisitions carried out during the quarter increased the number of employees by 1,377.

## SHARE CAPITAL

On 31 December 2021, the number of shares amounted to 1,673 million divided into 1,525 million B shares and 148 million A shares. Out of the 1,525 million B shares, 17 million shares are not executed within the framework of the over-allotment option that was granted in connection to the IPO and have been transferred back to Storskogen free of charge, for future redemption.

### Share structure on 31 December 2021

Class of share	Number of shares	Number of votes	Percentage of capital	Percentage of votes
Series A share, 10 votes per share	148,001,374	1,480,013,740	8.8	49.3
Series B share, 1 vote per share	1,524,761,814	1,524,761,814	91.2	50.7
<b>Total number of shares</b>	<b>1,672,763,188</b>	<b>3,004,775,554</b>	<b>100.0</b>	<b>100.0</b>

### Ten largest shareholders on 31 December 2021

	Series A	Series B	Percentage of capital	Percentage of votes
Daniel Kaplan <sup>1)</sup>	38,270,140	36,745,122	4.5	14.0
Alexander Murad Bjärgård	37,539,070	26,691,998	3.8	13.4
Ronnie Bergström <sup>2)</sup>	38,270,254	18,513,504	3.4	13.4
Peter Ahlgren	33,921,910	15,634,607	3.0	11.8
AMF Pension & Fonder	-	124,979,314	7.5	4.2
Futur Pension	-	98,413,791	5.9	3.3
Swedbank Robur Fonder	-	87,005,748	5.2	2.9
Philian Invest AB	-	36,200,000	2.2	1.2
Christer Hansson <sup>3)</sup>	-	34,337,488	2.1	1.1
Länsförsäkringar	-	33,816,680	2.0	1.1
<b>Total largest shareholders</b>	<b>148,001,374</b>	<b>512,338,252</b>	<b>39.5</b>	<b>66.3</b>
Other	-	995,575,501	59.5	33.1
Shares owned by Storskogen <sup>4)</sup>	-	16,848,061	1.0	0.6
<b>Total</b>	<b>148,001,374</b>	<b>1,524,761,814</b>	<b>100.0</b>	<b>100.0</b>

<sup>1)</sup> Includes shares owned by Firm Factory AB

<sup>2)</sup> Includes shares owned by Ångsmon AB

<sup>3)</sup> Includes shares owned by Scalata Invest AB

<sup>4)</sup> Consists of shares that were not executed within the framework of the over-allotment option that was granted in connection with the IPO, which has therefore been transferred back to Storskogen free of charge, for future redemption.

## PARENT COMPANY

The Parent Company generated net sales of SEK 32 million (11) for the fourth quarter and SEK 104 million (11) for the full year. The result for the period amounted to SEK 763 million (498) for the fourth quarter and SEK 608 million (500) for the full year. Net sales consist of management services within the Group, where internal invoicing model was established during the fourth quarter 2020. The net profit improvement was driven by a higher share of received group contributions, as a result of increased profitability in the subsidiaries.

# Other disclosures

## ACCOUNTING POLICIES

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

## RISKS AND UNCERTAINTIES

The Storskogen Group's diversified business model, with 105 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 and in the IPO prospectus, the Group's assessment is that the Covid-19 pandemic 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.

## RELATED-PARTY TRANSACTIONS

Two senior executives received fees during the period billed via their own companies, Scalata AB and Priti Intressenter AB, prior to commencing employment with Storskogen Group AB. These fees came to a total of SEK 5 million. Louise Hedeberg supplied expertise on sustainability issues during the period, billing an amount of SEK 0.2 million for this work via her company Penny to Pound AB.

## ESTIMATES AND JUDGEMENTS

The preparation of the interim report has required 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.

## EXTRAORDINARY GENERAL MEETINGS 2021

An Extraordinary General Meeting was held on 6 September. The meeting resolved to carry out a 10-for-1 stock split and amend the Articles of Association accordingly and authorised the Board to decide on a new issue of Series B shares to broaden the Company's shareholder base ahead of their admission for trading on Nasdaq Stockholm. It also approved new guidelines on executive pay.

A second Extraordinary General Meeting was held on 24 September. The meeting approved the share-based incentive programme proposed by the Board and authorised the Board to decide on one or more issues of Series B shares, convertibles that can be converted into Series B shares and/or warrants that can be used to subscribe for Series B shares. The total number of shares, convertibles and/or warrants issued under this authority may not exceed 20 percent of the total number of Series B shares in the Company at the time the Board first exercises the authority. The meeting also approved guidelines for the nomination committee to apply until further notice.

## THE INITIAL PUBLIC OFFERING

As part of the Company's IPO on Nasdaq Stockholm on 6 October 2021, a total of approx. 208 million Series B shares were issued for cash, of which approx. 156 million were part of the main offering and approx. 52 million were part of an overallocation option (of which approx. 16.8 million have since been transferred back to Storskogen without consideration for future redemption). The net issue proceeds for the Company total around SEK 7.2 billion (based on an offering price of SEK 38.50 and taking into account that there were no proceeds from the approx. 16.8 million Series B shares transferred back to the Company). In line with the Articles of Association, other changes were made to the share capital structure in connection

with the IPO, in the form of the redemption without consideration of approx. 51 million Series A shares and the conversion of approx. 99 million Series A shares into a corresponding number of Series B shares.

Following these changes in connection with the IPO, the Company has share capital of SEK 836,382 divided into 148,001,374 Series A shares and 1,524,761,814 Series B shares. Each share has a quota value of SEK 0.0005.

In connection with the admission of the Company's Series B shares for trading on Nasdaq Stockholm, two share-based incentive programmes were implemented, based on decision made at extra AGM, for senior executives and other key personnel in the Group: a warrant programme and a share savings programme. These programmes will run for approx. three years.

Participants in the programmes have subscribed for 3,424,040 warrants, which was not offered free of charge. Total number of Series B shares in the share savings programme will be a maximum of 5,431,514 with full allotment of performance shares, in total corresponding to 0.5 percent of the share capital and 0.3 percent of the votes.

#### **SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD**

The Group has completed 17 acquisitions since the end of the quarter: eight add-ons and nine platform investments.

Business area Trade has acquired 2M2 Group AB, specializing in trading products in the House & Garden segment with several own brands and Hudikhus AB, a Swedish house manufacturer that designs and sells prefabricated wooden houses, both of which have been completed after the end of the period.

Business area Services has acquired the Norwegian company Nimbus Group, specializing in turnkey solutions for fibre networks, Brandprojektering Sverige AB, a consultancy firm specializing in fire safety and risk management, and EVIAB Gruppen AB, performing a wide range of installation services. Further, the business area has acquired seven add-on acquisitions through the subsidiaries: Budettan AB, L.J. Sot Aktiebolag, Markbyggarna i Skellefteå AB, Dansforum i Göteborg AB, EL & Nätverksmontage i Stockholm och mAnalyze dotterbolag AB and Karriärkonsulten Sverige AB.

Business area Industry has acquired the majority of shares in Danish Fremco AS, a company developing and produces blowing machines for fibre optic cables. Storskogen UK has acquired Tornado Group Ltd., a leading provider of premium branded animal fencing products. Storskogen Deutschland has acquired A&K Die Frische Küche GmbH, a ready meal producer and food-on-wheels distributor for food service institutions. Storskogen Schweiz has completed the acquisition of LNS Holding SA, a global market leader within automations peripherals and services for input and removal of raw materials in production lines. Further, the business area has acquired the add-on acquisition of Trollskes Maskinservice AB.

Completed acquisitions after the end of the period had a combined annual net sales of SEK 2,763 million and EBITA of SEK 342 million based on last financial report.

Storskogen has entered one acquisition agreement with closing date at the end of February: Christ & Wirth in Germany. The acquisition has a combined annual sale of approximately SEK 251 million, with an EBITA of SEK 41 million.

In addition, the Group has signed 27 non-binding letters of intent giving Storskogen exclusivity to conduct due diligence of the targets and negotiate with the companies and their vendors. Further, three acquisitions processes have been initiated with us as preferred buyer. These companies had combined sales of SEK 6,278 million, with an EBITA of SEK 963 million in 2020.

On 21<sup>st</sup> of January, a bond of SEK 1,000 million was issued within the existing framework.

On 28<sup>th</sup> of January, the bond of total SEK 3,000 million, issued in November 2021 and January 2022 within the same framework, was listed on Nasdaq Stockholm.

#### **ANNUAL GENERAL MEETING 2022**

The annual general meeting will be held 17 May in Stockholm. Further information regarding location, how the AGM will be conducted and details on registration will be included in the notice of the AGM, which will be published no earlier than six weeks and no later than four

weeks before the AGM. There is information on Storskogen's website on how shareholders can leave propositions to the AGM.

#### **DIVIDEND**

The Board has decided to propose to the Annual General Meeting in May, a dividend corresponding to 0.065 kronor per A and B share.

The Chief Executive Officer hereby provides an assurance that the year-end report is a true and fair representation of the Parent Company's and Group Company's operations, financial position and results, and describes material risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm den 23 februari 2022

Storskogen Group AB

Daniel Kaplan  
CEO

This report has not been subject to a review by the Company's auditors.

---

# Financial statements and notes

## CONSOLIDATED INCOME STATEMENT, CONDENSED

SEK m	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales	6,039	2,581	17,496	8,933
Cost of goods sold	-4,796	-2,075	-13,792	-7,128
<b>Gross profit</b>	<b>1,243</b>	<b>506</b>	<b>3,704</b>	<b>1,805</b>
Selling expenses	-504	-200	-1,408	-664
Administrative expenses	-469	-155	-1,171	-503
Other operating income	197	121	539	227
Other operating expenses	-40	-53	-257	-91
<b>Operating profit</b>	<b>426</b>	<b>219</b>	<b>1,406</b>	<b>774</b>
Financial income	117	0	152	7
Financial expenses	-187	-44	-325	-108
<b>Profit before tax</b>	<b>356</b>	<b>174</b>	<b>1,233</b>	<b>673</b>
Tax	-105	-12	-286	-100
<b>Profit for the period</b>	<b>251</b>	<b>162</b>	<b>947</b>	<b>574</b>
<b>Profit for the year attributable to:</b>				
Owners of the parent company	211	155	856	542
Non-controlling interests	40	7	91	32
Basic and diluted earnings per share, Series A & B, SEK	0.13	0.12	0.60	0.49

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, CONDENSED

SEK m	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Profit for the period</b>	<b>251</b>	<b>162</b>	<b>947</b>	<b>574</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurements of defined benefit pension plans	-20	-	-19	-
<b>Items that have or may be transferred to profit for the year</b>				
Exchange differences, foreign operations	70	-1	99	-11
Gains/losses on holding of derivatives for cash flow hedging	1	9	-7	13
Other comprehensive income for the period, net of tax	<b>52</b>	<b>8</b>	<b>74</b>	<b>2</b>
<b>Comprehensive income for the period</b>	<b>303</b>	<b>169</b>	<b>1,020</b>	<b>576</b>
<b>Comprehensive income for the period attributable to:</b>				
Owners of the parent company	251	162	918	543
Non-controlling interests	52	7	102	33



## CONSOLIDATED BALANCE SHEET, CONDENSED

SEK m	31 December 2021	31 December 2020
<b>Assets</b>		
Intangible assets	15,344	5,154
Property, plant and equipment	3,332	1,471
Financial non-current assets	33	24
Deferred tax assets	62	4
<b>Total non-current assets</b>	<b>18,771</b>	<b>6,653</b>
Inventories	2,924	935
Trade receivable	2,925	1,227
Current receivables	1,435	576
Current investments	1	745
Cash and cash equivalents	6,167	1,866
<b>Total current assets</b>	<b>13,452</b>	<b>5,349</b>
<b>Total assets</b>	<b>32,223</b>	<b>12,002</b>
<b>Equity and liabilities</b>		
<b>Total equity</b>	<b>16,588</b>	<b>5,262</b>
Interest-bearing non-current liabilities	7,176	3,629
Provisions for pensions, interest-bearing	280	10
Non-interest-bearing non-current liabilities	1,801	637
Provisions	87	24
Deferred tax liabilities	917	263
<b>Total non-current liabilities</b>	<b>10,260</b>	<b>4,564</b>
Interest-bearing current liabilities	379	484
Trade payable	1,730	652
Non-interest-bearing current liabilities	3,266	1,041
<b>Total current liabilities</b>	<b>5,375</b>	<b>2,176</b>
<b>Total equity and liabilities</b>	<b>32,223</b>	<b>12,002</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONDENSED

SEK m	31 December 2021	31 December 2020
<b>Opening equity attributable to owners of the parent company</b>	4,909	2,905
<b>Comprehensive income</b>		
Profit for the period	856	542
Revaluation of defined benefit pension fund asset	-19	-
Other comprehensive income for the period	81	1
<b>Comprehensive income for the period</b>	<b>918</b>	<b>543</b>
<b>Transactions with the Group's owners</b>		
<b>Contributions from and value transfers to owners</b>		
Dividends paid	-536	-300
Share issue, cash	10,319	2,001
Share issue, non-cash	861	-
Transaction costs on issue of shares	-181	-80
Share capital paid but not registered, cash	-	8
Contributed capital from issued share options	10	-
Share-based payment transactions	5	-
Change in fair value of minority option	-890	-164
<b>Total contributions from and value transfers to owners</b>	<b>9,588</b>	<b>1,465</b>
<b>Changes in ownership of subsidiaries</b>		
Acquisition/divestment of non-controlling interests	-20	-3
<b>Total changes in ownership of subsidiaries</b>	<b>-20</b>	<b>-3</b>
<b>Total transactions with the Group's owners</b>	<b>9,568</b>	<b>1,462</b>
<b>Closing equity attributable to owners of the parent company</b>	<b>15,395</b>	<b>4,909</b>
<b>Opening equity in non-controlling interests</b>	<b>353</b>	<b>202</b>
Profit for the period	91	32
Other comprehensive income for the period	11	1
<b>Comprehensive income for the period</b>	<b>102</b>	<b>33</b>
Dividends to non controlling interests	-32	-21
Acquisition/divestment of non-controlling interests	12	-5
Non-controlling interests arising on business combinations from before	740	144
Shareholders contribution from non-controlling interest	17	-
<b>Closing equity in non-controlling interests</b>	<b>1,193</b>	<b>353</b>
<b>Total equity</b>	<b>16,588</b>	<b>5,262</b>

## CONSOLIDATED CASH FLOW STATEMENT, CONDENSED

SEK m	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Profit before tax	356	174	1,233	673
Adjustment for non-cash items	256	209	757	500
Income tax paid	-10	15	-348	-170
Change in working capital	97	-54	-265	-189
<b>Cash flow from operating activities</b>	<b>699</b>	<b>344</b>	<b>1,376</b>	<b>814</b>
Net investments in non-current assets	-115	-805	383	-930
Subsidiary/business acquisitions and divestments	-2,255	-492	-7,849	-1,898
<b>Cash flow from investment activities</b>	<b>-2,370</b>	<b>-1,297</b>	<b>-7,465</b>	<b>-2,828</b>
Dividend to owners of the parent company	0	0	-536	-300
Dividends to minority owners	0	-2	-32	-21
Proceeds from issues of shares	7,165	176	10,102	2,009
Other financing activities	-4,147	27	841	468
<b>Cash flow from financing activities</b>	<b>3,018</b>	<b>201</b>	<b>10,374</b>	<b>2,156</b>
<b>Cash flow for the period</b>	<b>1,346</b>	<b>-752</b>	<b>4,284</b>	<b>142</b>
Cash and equivalents at beginning of period	4,820	2,618	1,866	1,730
Exchange rate differences in cash and cash equivalents	1	0	16	-6
<b>Cash and equivalents at end of period</b>	<b>6,167</b>	<b>1,866</b>	<b>6,167</b>	<b>1,866</b>

## ITEMS BY SEGMENT AND BREAKDOWN OF REVENUE

2021

Jan-Dec, SEK m	Services	Trade	Industry	Group operations	Total
Net sales	6,906	5,410	5,186	-6	17,496
Cost of goods sold	-5,384	-4,295	-3,978	-135	-13,792
<b>Gross profit</b>	<b>1,521</b>	<b>1,115</b>	<b>1,209</b>	<b>-141</b>	<b>3,704</b>
Selling expenses	-544	-468	-355	-40	-1,408
Administrative expenses	-450	-228	-418	-76	-1,171
Other operating income	174	226	131	9	539
Other operating expenses	-28	-81	-128	-21	-257
<b>Operating profit</b>	<b>673</b>	<b>564</b>	<b>438</b>	<b>-269</b>	<b>1,406</b>
Financial income	2	24	13	114	152
Financial expenses	-29	-22	-36	-238	-325
<b>Profit before tax</b>	<b>646</b>	<b>565</b>	<b>415</b>	<b>-393</b>	<b>1,233</b>
Reversal of financial income/expenses	27	-2	24	124	173
Reversal of amortisation and impairments of intangible assets	97	71	80	1	249
<b>EBITA</b>	<b>770</b>	<b>635</b>	<b>518</b>	<b>-268</b>	<b>1,655</b>
Items affecting comparability	-75	-53	108	53	33
<b>Adjusted EBITA</b>	<b>695</b>	<b>582</b>	<b>626</b>	<b>-215</b>	<b>1,688</b>

### Net sales, geographical distribution

2021

Jan-Dec, SEK m	Services	Trade	Industry	Group operations	Total
Sweden	6,507	3,171	2,576	-6	12,249
Within the EU, excluding Sweden	136	798	1,869	-	2,802
Outside the EU	263	1,440	742	-	2,445
<b>Total net sales</b>	<b>6,906</b>	<b>5,410</b>	<b>5,186</b>	<b>-6</b>	<b>17,496</b>

## ITEMS BY SEGMENT AND BREAKDOWN OF REVENUE

2020

Jan-Dec, SEK m	Services	Trade	Industry	Group operations	Total
Net sales	3,837	2,584	2,519	-6	8,933
Cost of goods sold	-3,057	-2,061	-1,986	-24	-7,128
<b>Gross profit</b>	<b>780</b>	<b>523</b>	<b>533</b>	<b>-31</b>	<b>1,805</b>
Selling expenses	-276	-198	-181	-9	-664
Administrative expenses	-196	-130	-190	13	-503
Other operating income	51	75	100	1	227
Other operating expenses	-26	-54	-10	-1	-91
<b>Operating profit</b>	<b>333</b>	<b>216</b>	<b>253</b>	<b>-27</b>	<b>774</b>
Financial income	2	2	1	2	7
Financial expenses	-44	-9	-7	-47	-108
<b>Profit before tax</b>	<b>291</b>	<b>209</b>	<b>247</b>	<b>-73</b>	<b>673</b>
Reversal of financial income/expenses	43	7	6	45	101
Reversal of amortisation and impairments of intangible assets	58	26	28	0	111
<b>EBITA</b>	<b>391</b>	<b>241</b>	<b>280</b>	<b>-27</b>	<b>885</b>
Items affecting comparability	-9	15	-38	-	-32
<b>Adjusted EBITA</b>	<b>382</b>	<b>257</b>	<b>242</b>	<b>-27</b>	<b>854</b>

### Net sales, geographical distribution

2020

Jan-Dec, SEK m	Services	Trade	Industry	Group operations	Total
Sweden	3,642	1,962	1,737	-6	7,334
Within the EU, excluding Sweden	71	296	588	-	955
Outside the EU	125	326	194	-	644
<b>Total net sales</b>	<b>3,837</b>	<b>2,584</b>	<b>2,519</b>	<b>-6</b>	<b>8,933</b>

## REVENUE FROM CUSTOMER CONTRACTS

SEK m	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
	2021	2020	2021	2020
Construction & Infrastructure	715	383	2,341	1,268
Installation	843	385	2,162	1,125
Logistics	256	181	901	692
Engineering Services	236	136	741	556
Digital Services	139	47	379	175
HR and Competence	150	11	388	22
Intragroup sales within the business area	-3	0	-6	-1
<b>Total, Services segment</b>	<b>2,336</b>	<b>1,144</b>	<b>6,906</b>	<b>3,837</b>
Distributors	1,129	442	3,271	1,470
Brands	566	229	1,754	799
Producers	102	84	394	319
Intragroup sales within the business area	-2	-2	-10	-3
<b>Total, Trade segment</b>	<b>1,794</b>	<b>753</b>	<b>5,410</b>	<b>2,584</b>
Automation	387	242	1,301	893
Industrial Technology	447	226	1,257	859
Products	1,092	227	2,676	789
Intragroup sales within the business area	-14	-7	-47	-23
<b>Total, Industry segment</b>	<b>1,913</b>	<b>687</b>	<b>5,186</b>	<b>2,519</b>
Intragroup sales eliminations	-4	-3	-6	-6
<b>Total</b>	<b>6,039</b>	<b>2,581</b>	<b>17,496</b>	<b>8,933</b>

## THE GROUP'S MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

Financial assets, SEK m	31 December 2021				31 December 2020			
	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	26	7	0	33	10	6	7	24
Trade receivable	2,925	-	-	2,925	1,227	-	-	1,227
Current receivables	746	-	11	757	279	-	10	289
Current investments	-	1	-	1	-	745	-	745
Cash and cash equivalents	6,167	-	-	6,167	1,866	-	-	1,866
<b>Total</b>	<b>9,864</b>	<b>8</b>	<b>11</b>	<b>9,883</b>	<b>3,382</b>	<b>752</b>	<b>17</b>	<b>4,150</b>

Financial liabilities, SEK m	31 December 2021				31 December 2020			
	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	6,357	-	0	6,357	3,189	-	-	3,189
Non-interest-bearing non-current liabilities	11	495	-	506	0	232	-	232
Interest-bearing current liabilities	69	-	1	70	330	-	1	330
Trade payable	1,730	-	-	1,730	652	-	-	652
Non-interest-bearing current liabilities	1,929	441	-	2,370	758	27	-	785
<b>Total</b>	<b>10,096</b>	<b>936</b>	<b>2</b>	<b>11,034</b>	<b>4,928</b>	<b>259</b>	<b>1</b>	<b>5,188</b>

### Fair value measurement

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

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

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

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

### Fair value for informational purposes

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

Financial assets, SEK m	31 December 2021					Total carrying amount	31 December 2020					Total carrying amount
	Level 1	Level 2	Level 3	Other <sup>1)</sup>			Level 1	Level 2	Level 3	Other <sup>1)</sup>		
Financial non-current assets	–	0	–	33	33	–	7	–	16	24		
Trade receivable	–	–	–	2,925	2,925	–	–	–	1,227	1,227		
Current receivables	–	11	–	746	757	–	10	–	279	289		
Current investments	1	–	–	–	1	745	–	–	–	745		
Cash and cash equivalents	6,167	–	–	–	6,167	1,866	–	–	–	1,866		
<b>Total</b>	<b>6,168</b>	<b>11</b>	<b>–</b>	<b>3,704</b>	<b>9,883</b>	<b>2,611</b>	<b>17</b>	<b>–</b>	<b>1,522</b>	<b>4,150</b>		

Financial liabilities, SEK m	31 December 2021					Total carrying amount	31 December 2020					Total carrying amount
	Level 1	Level 2	Level 3	Other <sup>1)</sup>			Level 1	Level 2	Level 3	Other <sup>1)</sup>		
Interest-bearing non-current liabilities	–	0	–	6,357	6,357	–	–	–	3,189	3,189		
Non-interest-bearing non-current liabilities	–	–	495	11	506	–	–	232	0	232		
Interest-bearing current liabilities	–	1	–	69	70	–	1	–	330	330		
Trade payable	–	–	–	1,730	1,730	–	–	–	652	652		
Non-interest-bearing current liabilities	–	–	441	1,929	2,370	–	–	27	758	785		
<b>Total</b>	<b>–</b>	<b>2</b>	<b>936</b>	<b>10,096</b>	<b>11,034</b>	<b>–</b>	<b>1</b>	<b>259</b>	<b>4,928</b>	<b>5,188</b>		

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

Level 2 derivatives have been measured at fair value based on data from the issuing institution.

Change in financial liabilities Level 3, SEK m	OB	Aquisition*	Paid	Remeasured / present		CB
				value	nge difference	
Contingent considerations	259	789	-48	-69	6	936

\*Includes SEK 94m added in the balance sheet through business combinations

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

### 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.

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

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

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

SEK	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<b>Earnings per share</b>				
Basic earnings per share, Series A & B, SEK	0.13	0.12	0.60	0.49
Diluted earnings per share, Series A & B, SEK	0.13	0.12	0.60	0.49
<b>SEK k</b>				
<b>Net profit for the period attributable to owners of the parent</b>				
Net profit for the year for Series A & B shares attributable to owners of the parent	210,635	155,100	855,738	541,722
<b>Number</b>				
<b>Weighted average number of shares used in calculating earnings per share*</b>				
Weighted average number of shares, Series A shares	152,386,600	210,664,202	203,595,793	183,108,646
Weighted average number of shares, Series B shares	1,512,163,264	1,046,229,028	1,223,404,228	923,489,483
<b>Total weighted average number of shares</b>	<b>1,664,549,864</b>	<b>1,256,893,230</b>	<b>1,427,000,021</b>	<b>1,106,598,130</b>

\* There are no potential dilutive effects related to shares for periods covered by these financial reports.

## PERFORMANCE MEASURES

SEK m	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2020	12 months until 31 Dec 2021
Net sales	6,039	2,581	8,933	17,496
Operating profit	426	219	774	1,406
Operating margin, %	7.1	8.5	8.7	8.0
Adjusted EBITDA	716	320	1,172	2,249
Adjusted EBITA	542	225	854	1,688
Adjusted EBITA margin, %	9.0	8.7	9.6	9.6
Profit before tax	356	174	673	1,233
Profit for the period	251	162	574	947
Working capital			1,093	1,857
Return on working capital, % (12 months)			78.1	90.9
Return on equity, % (12 months)			14.2	10.4
Return on capital employed, % (12 months)			10.1	9.1
Equity/assets ratio, %			43.8	51.5
Net debt (balance day)			2,183	3,904
Debt/equity ratio (balance day)			0.4	0.2
Net debt/adjusted EBITDA (12 months)			1.9	1.7
Net debt/adjusted RTM EBITDA (12 months)			1.6	1.3
Interest coverage ratio	2.9	4.9	7.3	4.8
Average number of employees (12 months)			3,154	5,760
Number of employees at end of period			3,565	8,719
Cash flow from operating activities	699	344	814	1,376
Cash conversion, %	97.8	70.3	69.5	72.6
Basic and diluted earnings per share, Series A & B, SEK	0.13	0.12	0.49	0.60

## PARENT COMPANY STATEMENT OF PROFIT OR LOSS, CONDENSED

SEK m	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Net sales	32	11	104	11
<b>Gross profit</b>	<b>32</b>	<b>11</b>	<b>104</b>	<b>11</b>
Administrative expenses	-95	-17	-258	-33
Other operating income	0	-	3	-
Other operating cost	0	-	-16	-
<b>Operating profit</b>	<b>-63</b>	<b>-6</b>	<b>-168</b>	<b>-22</b>
Financial income	642	418	680	457
Financial expenses	-136	-14	-239	-57
<b>Profit after financial items</b>	<b>443</b>	<b>399</b>	<b>273</b>	<b>379</b>
Appropriations	392	123	392	123
Tax	-71	-24	-56	-2
<b>Profit for the period</b>	<b>763</b>	<b>498</b>	<b>608</b>	<b>500</b>

## PARENT COMPANY BALANCE SHEET, CONDENSED

SEK m	31 December 2021	31 December 2020
<b>Assets</b>		
Intangible non-current assets	0	0
Property, plant and equipment	1	-
Financial non-current assets	17,005	5,923
<b>Total non-current assets</b>	<b>17,006</b>	<b>5,923</b>
Current receivables	3,591	1,358
Cash and cash equivalents	-	744
Total current assets	4,976	1,125
<b>Total current assets</b>	<b>8,567</b>	<b>3,228</b>
<b>Total assets</b>	<b>25,573</b>	<b>9,151</b>
<b>Equity and liabilities</b>		
Restricted equity	1	1
Unrestricted equity	16,685	5,604
<b>Total equity</b>	<b>16,686</b>	<b>5,604</b>
Non-current liabilities	5,896	3,108
Current liabilities	2,991	438
<b>Total equity and liabilities</b>	<b>25,573</b>	<b>9,151</b>

# Definitions and calculations

## PERFORMANCE MEASURES

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

### RETURN ON EQUITY<sup>1</sup>

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

SEK m			12 months until 31 Dec 2020	12 months until 31 Dec 2021
Profit for the period			574	947
Equity			4,051	9,112
<b>Return on equity, %</b>			<b>14.2</b>	<b>10.4</b>

### RETURN ON WORKING CAPITAL<sup>1</sup>

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

SEK m			12 months until 31 Dec 2020	12 months until 31 Dec 2021
Adjusted EBITA			854	1,688
Working capital			1,093	1,857
<b>Return on working capital, %</b>			<b>78.1</b>	<b>90.9</b>

### RETURN ON CAPITAL EMPLOYED<sup>1</sup>

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

SEK m			12 months until 31 Dec 2020	12 months until 31 Dec 2021
Operating profit			774	1,406
Financial income			7	152
<b>Operating profit including financial income</b>			<b>781</b>	<b>1,558</b>
Capital employed			7,731	17,024
<b>Return on capital employed, %</b>			<b>10.1</b>	<b>9.1</b>

### EBITA<sup>1</sup>

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

SEK m	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Operating profit	426	219	1,406	774
Amortisation of intangible assets	100	31	249	107
Impairment of intangible assets	0	5	0	5
<b>EBITA</b>	<b>526</b>	<b>255</b>	<b>1,655</b>	<b>885</b>



## EBITDA<sup>1</sup>

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

SEK m	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Operating profit	426	219	1,406	774
Amortisations and depreciations	273	125	810	425
Impairment	0	5	0	5
<b>EBITDA</b>	<b>700</b>	<b>349</b>	<b>2,216</b>	<b>1,203</b>

## FINANCIAL ITEMS<sup>1</sup>

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

SEK m	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Financial income	117	0	152	7
Financial expenses	-187	-44	-325	-108
<b>Net financial items</b>	<b>-71</b>	<b>-45</b>	<b>-173</b>	<b>-101</b>

## ADJUSTED EBITA<sup>1</sup>

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

SEK m	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Operating profit	426	219	1,406	774
Items affecting comparability	16	-30	33	-32
Amortisations of intangible assets	100	31	249	107
Impairment of intangible assets	0	5	0	5
<b>Adjusted EBITA</b>	<b>542</b>	<b>225</b>	<b>1,688</b>	<b>854</b>

## ADJUSTED EBITA MARGIN<sup>1</sup>

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

SEK m	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Adjusted EBITA	542	225	1,688	854
Net sales	6,039	2,581	17,496	8,933
<b>Adjusted EBITA-margin, %</b>	<b>9.0</b>	<b>8.7</b>	<b>9.6</b>	<b>9.6</b>

## ADJUSTED EBITDA<sup>1</sup>

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

SEK m	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Operating profit	426	219	1,406	774
Items affecting comparability	16	-30	33	-32
Amortisations and depreciations	273	125	810	425
Impairment	0	5	0	5
<b>Adjusted EBITDA</b>	<b>716</b>	<b>320</b>	<b>2,249</b>	<b>1,172</b>

## ADJUSTED CASH CONVERSION <sup>1</sup>

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

SEK m	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Adjusted EBITDA	716	320	2,249	1,172
Change in operating capital	97	-54	-265	-189
Cash flow from net investments in tangible assets	-113	-41	-350	-168
<b>Operating Cash Flow</b>	<b>700</b>	<b>225</b>	<b>1,634</b>	<b>815</b>
Adjusted EBITDA	716	320	2,249	1,172
<b>Adjusted cash conversion, %</b>	<b>97.8</b>	<b>70.3</b>	<b>72.6</b>	<b>69.5</b>

## ITEMS AFFECTING COMPARABILITY <sup>1</sup>

Items such as revaluations of contingent considerations, non-recurring costs related to the IPO, and amortisation of step-ups to fair value on acquisitions are excluded to facilitate comparisons between periods

SEK m	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Revaluation of additional purchase price	69	38	69	40
Costs related to the IPO	-36	-	-53	-
Fair value adjustments of acquired assets	-49	-8	-50	-8
<b>Items affecting comparability</b>	<b>-16</b>	<b>30</b>	<b>-33</b>	<b>32</b>

## NET DEBT <sup>1</sup>

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.

SEK m			Dec 31 2020	Dec 31 2021
Interest-bearing liabilities			4,114	7,554
Provisions for pensions, interest-bearing			10	280
Contingent consideration liabilities			259	936
Minority options			411	1,302
Current investments			-745	-1
Cash and cash equivalents			-1,866	-6,167
<b>Net debt</b>			<b>2,183</b>	<b>3,904</b>

## NET DEBT/ADJUSTED EBITDA (12 MONTH) <sup>1</sup>

Net debt in relation to adjusted EBITDA provides a measure of leverage. Net debt is at the balance sheet date, and adjusted EBITDA is calculated accumulated for the previous 12-month period. The purpose is to provide an indication of the Group's ability to pay its debts.

SEK m			12 months until 31 Dec 2020	12 months until 31 Dec 2021
Net debt			2,183	3,904
Adjusted EBITDA			1,172	2,249
<b>Net debt/Adjusted EBITDA</b>			<b>1.9</b>	<b>1.7</b>

## NET DEBT/RTM ADJUSTED EBITDA (12 MONTH) <sup>1</sup>

Net debt in relation to RTM adjusted EBITDA provides a measure of leverage. Net debt is at the balance sheet date, and RTM adjusted EBITDA is calculated as adjusted EBITDA recorded for the previous 12-month period adjusted for the contribution of the businesses contractually acquired by the Group during that 12-month period. The purpose is to provide an indication of the Group's ability to pay its debts.

SEK m			12 months until 31 Dec 2020	12 months until 31 Dec 2021
Net debt			2,183	3,904
Adjusted RTM EBITDA			1,337	3,115
<b>Net debt/Adjusted RTM EBITDA</b>			<b>1.6</b>	<b>1.3</b>

## ORGANIC EBITA GROWTH <sup>1</sup>

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.

## ORGANIC NET SALES GROWTH (ORGANIC GROWTH)<sup>1</sup>

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

## INTEREST COVERAGE RATIO<sup>1</sup>

Operating profit plus financial income divided by financial expenses. The purpose is to present earnings in relation to interest costs.

SEK m	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Operating profit	426	219	1,406	774
Financial income	117	0	152	7
<b>Profit after financial items, net, including financial expenses</b>	<b>543</b>	<b>219</b>	<b>1,558</b>	<b>781</b>
Financial expenses	-187	-44	-325	-108
<b>Interest coverage ratio</b>	<b>2.9</b>	<b>4.9</b>	<b>4.8</b>	<b>7.3</b>

## WORKING CAPITAL<sup>1</sup>

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

SEK m			12 months until 31 Dec 2020	12 months until 31 Dec 2021
Inventories			963	1,947
Accounts receivable			1,086	2,141
Other current receivables			495	808
Accounts payable			-607	-1,290
Other current liabilities			-844	-1,749
<b>Working capital</b>			<b>1,093</b>	<b>1,857</b>

## OPERATING MARGIN<sup>1</sup>

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

SEK m	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Operating profit	426	219	1,406	774
Net sales	6,039	2,581	17,496	8,933
<b>Operating margin, %</b>	<b>7.1</b>	<b>8.5</b>	<b>8.0</b>	<b>8.7</b>

## OPERATING PROFIT (EBIT)

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

## DEBT/EQUITY RATIO<sup>1</sup>

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

SEK m			Dec 31 2020	Dec 31 2021
Net debt			2,173	3,904
Equity			5,262	16,588
<b>Debt/equity ratio</b>			<b>0.4</b>	<b>0.2</b>

## EQUITY/ASSETS RATIO<sup>1</sup>

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

SEK m			Dec 31 2020	Dec 31 2021
Equity			5,262	16,588
Total assets			12,002	32,223
<b>Equity/assets ratio, %</b>			<b>43.8</b>	<b>51.5</b>

## CAPITAL EMPLOYED<sup>1</sup>

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

SEK m			Dec 31 2020	12 months until 31 Dec 2021
Total assets			9,957	22,496
Non-interest-bearing liabilities			-1,955	-4,670
Provisions			-271	-803
<b>Capital employed</b>			<b>7,731</b>	<b>17,024</b>

## NUMBER OF SHARES OUTSTANDING

Total number of shares. This number is used primarily to calculate performance measures.

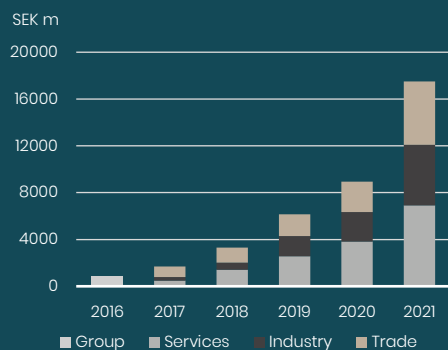
Total number of registered shares			Dec 31 2020	Dec 31 2021
Serie A shares			26,200,000	148,001,374
Serie B shares			105,792,864	1,524,761,814
<b>Number of outstanding shares</b>			<b>131,992,864</b>	<b>1,672,763,188</b>

<sup>1</sup> Classified as an alternative performance measure under ESMA's guidelines.

# About Storskogen

Storskogen is a group of companies with a vision to be the best owner of small and medium-sized enterprises. Storskogen's companies share a common focus on good profitability, stable cash flows and a strong position in their niche market. Stable and profitable companies are not built overnight and are seldom cast in the same mould. We therefore take a long-term perspective when we acquire and support companies in their continued development, without setting a limit on our ownership horizon.

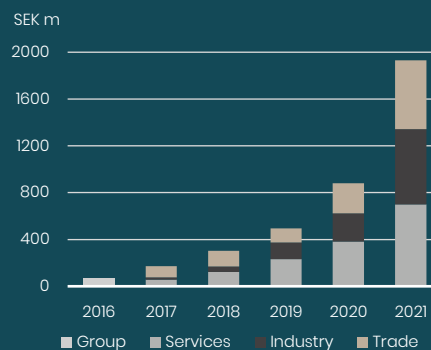
## NET SALES



# 105

business units  
in the Services,  
Industry and  
Trade business  
areas

## ADJUSTED EBITA



## OUR VISION

Storskogen's vision is to be the best owner of small and medium-sized enterprises.

## BUSINESS CONCEPT

Storskogen's business concept is to acquire and manage a diversified group of profitable enterprises with a strong position in their respective markets, and to do so without setting a limit on our ownership horizon.



## FINANCIAL CALENDAR

Interim report Q1 2022 – 17 May 2022  
Annual Report – week 14  
Annual General Meeting – 17 May 2022, Stockholm  
Interim report Q2 2022 – 16 August 2022  
Interim report Q3 2022 – 15 November 2022

## CONTACT INFORMATION

Daniel Kaplan, CEO and founder, [daniel@storskogen.com](mailto:daniel@storskogen.com)  
+46 73-920 9400  
Lena Glader, CFO, [lena@storskogen.com](mailto:lena@storskogen.com)  
+46 73-988 4466  
Erik Kronqvist, IRO, [erik.kronqvist@storskogen.com](mailto:erik.kronqvist@storskogen.com)  
+46 70-697 2222

## STORSKOGEN GROUP AB (PUBL.)

Reg. no. 559223-8694  
Visiting address: Hovslagargatan 3, 111 48 Stockholm, Sweden  
[info@storskogen.com](mailto:info@storskogen.com)