IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBS (AS DEFINED BELOW) OR (2) LOCATED OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular (the "Offering Memorandum") following this page and you are therefore advised to read this page carefully before reading, accessing 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 the Company or the Managers (each as defined in the Offering Memorandum) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE OFFER SHARES (AS DEFINED IN THE OFFERING CIRCULAR) 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 LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE OFFER SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, 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 OR LOCAL SECURITIES LAWS.

THE ATTACHED OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFERING CIRCULAR OR THIS TRANSMISSION IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE OFFER SHARES DESCRIBED IN THE OFFERING CIRCULAR.

For persons in member states of the European Economic Area (the "**EEA**") other than Sweden (each a "**Relevant State**"), the Offering Memorandum and the offering when made are only addressed to, and directed at, persons who are "qualified investors" within the meaning of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") ("**Qualified Investors**"). In any Relevant State, the attached Offering Memorandum is directed only at Qualified Investors and must not be acted on or relied on by persons who are not Qualified Investors. Any investment or investment activity to which the attached Offering Memorandum relates is available in any Relevant State only to Qualified Investors, and will be engaged in only with such persons.

For persons in the United Kingdom, the Offering Memorandum and the offering when made are only addressed to, and directed at, persons who are "qualified investors" within the meaning of the Prospectus Regulation, as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 who: (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) fall within Article 49(2)(a) to (d) of the Order; or (iii) are otherwise persons to whom it may otherwise lawfully be communicated (all such persons being referred to as "**Relevant Persons**"). In the United Kingdom, the attached Offering Memorandum is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which the attached Offering Memorandum relates is available in the United Kingdom only to Relevant Persons, and will be engaged in only with such persons.

Confirmation of your representation: In order to be eligible to view the attached Offering Memorandum or make an investment decision with respect to the securities being offered, prospective investors must be either (1) Qualified Institutional Buyers ("**QIBs**") (within the meaning of Rule 144A under the U.S. Securities Act ("**Rule 144A**")) or (2) located outside the United States. The Offering Memorandum is being sent to you at your request, and by accessing the Offering Memorandum, you shall be deemed to have represented to the Company, the Selling Shareholders (as defined in the Offering Memorandum) and the Managers that:

(1) either (a) you and any customers you represent are QIBs or (b) you and any customers you represent are outside of the United States and the electronic mail address that you have provided and to which this e-mail has been delivered is not located in the United States, its territories and possessions, any State of the United States or the District of Columbia;

(2) if you are in the United Kingdom, you are a Relevant Person;

(3) if you are in a Relevant State, you are a Qualified Investor;

(4) the securities acquired by you in the offering have not been acquired on a non- discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may constitute or give rise to an offer of any securities to the public other than their offer or resale in any Relevant State to Qualified Investors;

(5) if you are outside the United States, the United Kingdom and EEA (and the electronic mail addresses that you gave us and to which this communication has been delivered are not located in such jurisdictions) you are a person (a) into whose possession the attached Offering Memorandum may lawfully be delivered and (b) entitled to invest in the Offer Shares, in accordance with the laws of the jurisdiction in which you are located;

(6) you consent to delivery of the Offering Memorandum by electronic transmission; and

(7) you agree to the terms and conditions, and disclaimers, herein.

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 authorized to, deliver the Offering Memorandum to any other person.

The Offering Memorandum has been sent to you in 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, any person who controls them or any director, officer, employee or agent of them or affiliate of any such person 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 upon request from the Company.

Cary group

Invitation to acquire shares in Cary Group Holding AB (Publ)

JOINT GLOBAL COORDINATORS

Carnegie Danske Bank Jefferies

JOINT BOOKRUNNERS

ABG SUNDAL COLLIER SEB UBS

IMPORTANT INFORMATION

This offering memorandum (the "**Offering Memorandum**") has been prepared in connection with the offering to the public (the "**Offering**") and listing on Nasdaq Stockholm of the shares in Cary Group Holding AB (publ) a Swedish public limited liability company. In this Offering Memorandum, the "**Company**" refers to Cary Group Holding AB (publ) and "**Cary Group**" or the "**Group**" refers to Cary Group Holding AB (publ) and its subsidiaries, unless the context requires otherwise. The "**Principal Owner**" refers to Cidron Legion S.à r.l., a company indirectly owned by Nordic Capital VIII Limited, acting in its capacity as General Partner of Nordic Capital VIII Alpha, LP and Nordic Capital VIII Beta, L.P. "**Nordic Capital**" refers to Nordic Capital VIII Alpha, LP and Nordic Capital VIII Beta, LP (acting through its General Partner Nordic Capital VIII Limited). The "**Joint Global Coordinators**" refers to Carnegie Investment Bank AB ("**Carnegie**"), Danske Bank A/S, Danmark, Sverige Filial ("**Danske Bank**") and Jefferies GmbH ("**Jefferies**"). The "**Joint Bookrunners**" refers to ABG Sundal Collier AB ("**ABG**"), Skandinaviska Enskilda Banken AB (publ) ("**SEB**") and UBS Europe SE ("**UBS**"). The Joint Global Coordinators and the Joint Bookrunners are together referred as the "**Managers**". See "*Definitions*" for the definitions of these and other terms in the Offering Memorandum.

The Offering is not directed to the general public in any country other than Sweden. This Offering Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any shares offered by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. Unless otherwise is indicated, the Offering described in this Offering Memorandum is not directed to investors in the United States, Canada, Australia or Japan or in any other jurisdiction in which such offering would be unlawful, nor is the Offering directed to such persons whose participation requires additional offering memorandums, registrations or measures other than those prescribed by Swedish law. No measures have been or will be taken in any other jurisdiction than Sweden that would allow any offer of the shares in the Company to the public, or allow holding and distribution of this Offering Memorandum or any other documents pertaining to the Company or its shares in such jurisdiction. Therefore, the distribution of this Offering Memorandum and the sale of the shares in the Company may be restricted by law in certain jurisdictions. Applications to acquire shares in the Company that violate such rules may be deemed invalid. Persons into whose possession the Offering Memorandum comes are required by the Company and the Managers to inform themselves about, and to observe, such restrictions. None of the Company nor either of the Managers accept any legal responsibility for any violation by any person, whether or not a prospective investor, of any such restrictions. In addition, the shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of the applicable securities law. See "*Selling restrictions and transfer restrictions*".

Potential investors should read this entire Offering Memorandum and, in particular, see "*Risk factors*" and rely only on the information contained in this Offering Memorandum and any supplements announced in accordance with Regulation (EU) 2017/1129 of 14 June 2017 (the "**Prospectus Regulation**") when considering an investment in the Company. The Company does not undertake to update this Offering Memorandum, unless required pursuant to the Prospectus Regulation, and therefore potential investors should not assume that the information in this Offering Memorandum is accurate as of any date other than the date of this Offering Memorandum. No person is or has been authorised to give any information or to make any representation in connection with the Offering, other than as contained in this Offering Memorandum, and, if given or made, any other such information or representation must not be relied upon as having been authorised by the Company, the members of its Board of Directors, the Group Management, any of the Managers or any of their respective representatives. Neither the delivery of this Offering Memorandum nor any sale made hereunder at any time after the date hereof will, under any circumstances, create any implication that there has been no change in Cary Group's affairs since the date hereof or that the information set forth in this Offering Memorandum is correct as of any time since its date.

No representation or warranty, express or implied, is made or given by or on behalf of the Managers or any of their affiliates or any of their respective directors, officers or employees or any other person, including but not limited to any person quoted or referred to in this Offering Memorandum, as to the accuracy, completeness, verification or fairness of the information or opinions contained in this Offering Memorandum, or incorporated by reference herein, and nothing in this Offering Memorandum, or incorporated by reference herein, is, or shall be relied upon as, a promise or representation by the Managers or any of their respective affiliates, or any person quoted or referred to in this Offering Memorandum, as to the past or future. None of the Managers accepts any responsibility whatsoever for the accuracy, completeness or verification of the contents of this Offering Memorandum or for any statements made or purported to be made by either itself or on its behalf in relating to the Company, the Offering or the shares. Accordingly, the Managers disclaim, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort or contract or which they might otherwise be found to have in respect of this Offering Memorandum and/or any such statement.

The Managers are acting exclusively for the Company and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this Offering Memorandum) as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective customers or for giving advice in relation to the Offering and the listing or any transaction or arrangement referred to herein, respectively.

A separate prospectus in Swedish (the "**Swedish Prospectus**") has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") in accordance with 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 Cary Group, 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.

In the event of any discrepancies between the Offering Memorandum and the Swedish Prospectus, the Swedish Prospectus shall prevail.

In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Offering, including the merits and risks involved.

None of the Company, the Managers, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the shares regarding the legality of an investment in the shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. An investment in the shares is subject to prevailing tax laws and regulations, which differ between investors and jurisdictions. The Offering Memorandum does not provide a complete overview of applicable tax laws and regulations, nor potential tax implications of an investment in the shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the shares.

The investors also acknowledge that: (i) they have not relied on the Managers or any person affiliated with the Managers in connection with any investigation of the accuracy of any information contained in this Offering Memorandum or their investment decision; and (ii) they have relied only on the information contained in this Offering Memorandum; and (iii) that no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the shares in the Company (other than as contained in this Offering Memorandum) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or the Managers.

In connection with the Offering of the shares, each of the Managers and any of their respective affiliates, may take up a portion of the shares in the Offering as a principal position and in that capacity may retain, purchase or sell for its own account such securities and any shares or related investments and may offer or sell such shares or other investments otherwise than in connection with the Offering. Accordingly, references in this Offering Memorandum to shares being offered or placed should be read as including any offering or placement of shares to any of the Managers or any of their respective affiliates acting in such capacity. In addition, certain of the Managers or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Managers (or their affiliates) may from time to time acquire, hold or dispose of shares. None of the Managers intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The price at which the shares in the Offering will be sold (the "**Offer Price**") has been set to SEK 70 per share. The price has been determined by the Company and the Principal Owner in consultation with the Joint Global Coordinators. The outcome of the Offering will be announced on or around 23 September 2021.

The Principal Owner has provided the Joint Global Coordinators with an over-allotment option (the "**Over-allotment Option**") entitling the Joint Global Coordinators, not later than 30 days from the first day of trading in the Company's shares on Nasdaq Stockholm, to offer not more than 9,829,192 additional shares, corresponding to a maximum of 15 percent of the number of shares in the Offering, at a price corresponding to the price of the Offering. The Over-allotment Option may only be exercised in order to cover any over-allotment in the Offering. Provided that the Over-allotment Option is exercised in full, the Offering will comprise a maximum of 75,357,141 shares, which represents approximately 57.2% of the shares and votes in the Company, after the completion of the Offering

NOTICE TO INVESTORS

United States

The shares in the Offering have not been recommended by any US federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not passed upon the merits of the Offering or confirmed the accuracy or determined the adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offence under the laws of the United States.

The shares in the Offering have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction in the United States, for offer or sale as part of their distribution and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Accordingly, the shares in the Offering are being offered and sold: (i) in the United States, to qualified institutional buyers ("**QIBs**") as defined in and in reliance on Rule 144A under the Securities Act ("**Rule 144A**") or pursuant to another available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act: and (ii) outside the United States in compliance with Regulation S under the Securities Act ("**Regulation S**"). For certain restrictions on the sale and transfer of the shares, see "*Selling restrictions and transfer restrictions*". ***Prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the shares, and are hereby notified that sellers of shares may be relying on the exemption from the provisions of Section 5 of the US Securities Act. See "Selling restrictions and transfer restrictions"***.

In the United States, the 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 the Company 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 contents 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 to acquire or subscribe for shares in the Offering.

European Economic Area

In relation to each Member State of the European Economic Area (with the exception of Sweden) (each a "**Relevant State**"), no offer of the shares in the Offering may be made to the public in that Relevant State, except that offers of the shares in the Offering may be made under the following exemptions under the Prospectus Regulation:

- to any legal entity that is a qualified investor as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation, subject to obtaining the prior consent of the Managers for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of shares in the Offering shall result in a requirement for the publication by the Company or any Manager of an Offering Memorandum pursuant to Article 3 of the Prospectus Regulation or of a supplement to an Offering Memorandum pursuant to Article 23 of the Prospectus Regulation.

Each person in a Relevant State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Offering Memorandum in Sweden) who receives any communication in respect of, or who acquires any shares in the Offering under, the offers contemplated in this Offering Memorandum will be deemed to have represented, warranted and agreed to and with each Manager and the Company that:

(a) it is a "qualified investor" as defined in the Prospectus Regulation; and

(b) in the case of any shares in the Offering acquired by it as a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation, (i) such shares acquired by it in the Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant State other than qualified investors, as that term is defined in the Prospectus Regulation, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where such shares in the Offering have been acquired by it on behalf of persons in any Relevant State other than qualified investors, the offer of those shares falls within one of the exemptions listed in points (b) to (d) of Article 1(4) of the Prospectus Regulation.

For the purposes of this provision, the expression "offer to the public" in relation to any shares in the Offering in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the Offering and the shares in the Offering so as to enable an investor to decide to purchase or subscribe for any shares in the Offering.

United Kingdom

No offer of the shares in the Offering may be made to the public in the United Kingdom, except that offers of the shares in the Offering may be made under the following exemptions under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**"):

- to any legal entity that is a qualified investor as defined Article 2 of the UK Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation), in the United Kingdom, subject to obtaining the prior consent of the Managers for any such offer; or
- in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000 ("**FSMA**");

provided that no such offer of shares in the Offering shall result in a requirement for the publication by the Company, the Principal Owner, or any Manager of an Offering Memorandum pursuant to section 85 of the FSMA or of a supplement to a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

The Offering Memorandum is only being distributed to and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged only with persons in the United Kingdom who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) (the "**Order**") or (ii) high net-worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts falling within Articles 49(2)(a) to (d) of the Order, and/or (iii) other persons to whom it may lawfully be communicated (all such persons together being referred to as "**relevant persons**"). The shares in the Offering are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such shares will be engaged in only with, relevant persons. The Offering Memorandum is only directed at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

Each Manager has represented and agreed that (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 shares in the Offering in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in the Offering in, from or otherwise involving the United Kingdom.

Canada

The shares in the Offering may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the shares in the Offering must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("**NI 33-105**"), the Joint Global Coordinators are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

INFORMATION FOR DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in the Offering have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Solely for the purposes of the product governance requirements contained within Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, "**UK MiFIR**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of UK MiFIR) may otherwise have with respect thereto, the shares in the Offering have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail clients, 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, and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook and professional clients, as defined in UK MiFIR; and (ii) eligible for distribution through all distribution channels as are permitted by UK MiFIR. Any person subsequently offering, selling or recommending shares in the Offering (a "distributor") should take into consideration the Target Market Assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the shares in the Offering (by either adopting or refining the Target Market Assessment) and determining appropriate distribution channels.

Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares may decline and investors could lose all or part of their investment; the shares offer no guaranteed income and no capital protection; and an investment in the shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or the UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares and determining the appropriate distribution channels.

STABILISATION

In connection with the Offering, Danske Bank as the stabilising manager (the "**Stabilising Manager**") may, to the extent permitted in accordance with Swedish law, carry out transactions aimed to stabilise, maintain, or in other ways support the market price of the Company's shares, for up to 30 days from the commencement of trading in the Company's shares on Nasdaq Stockholm. The Stabilising Manager may over-allot shares or effect transactions in order to maintain the market price of the shares at levels above those that might otherwise prevail in the open market. The Stabilising Manager is, however, not required to carry out such transactions and there is no assurance that such activities will be undertaken. Such transactions may be effected on any securities market, including Nasdaq Stockholm, over-the-counter market or otherwise. The transactions, if commenced, may be discontinued at any time without prior notice but must be ended no later than by the end of the abovementioned 30-day period. No later than by the end of the seventh trading day after stabilisation transactions have been undertaken, it shall be made public that Stabilising measures have been performed in accordance with article 5(4) in EU's Market Abuse Regulation 596/2014. Within one week of the end of the stabilisation period, the Managers or the Stabilising Manager will make public whether or not stabilisation was undertaken, the date at which stabilisation started, the date at which stabilisation last occurred as well as the price range within which stabilisation was carried out, for each of the dates during which stabilisation transactions were carried out. Except as required by law or regulation, neither the Managers nor the Stabilising Manager will disclose the extent of any stabilisation and/or over-allotment transaction concluded in relation to the Offering.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains statements that are, or may be deemed to be, forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including terms such as "aim", "anticipate", "assume", "believe", "continue", "can", "could", "estimate", "expect", "forecast", "guidance", "intend", "may", "might", "plan", "potential", "predict", "projected", "should", "will" or "would" or, in each case, their negative, or other variations or comparable terminology, or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts or that may not otherwise be provable by reference to past events. They appear in a number of places throughout this Offering Memorandum and are based on assumptions regarding Cary Group's present and future business strategies and the environment in which it operates and will operate in the future. Forward-looking statements include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, Cary Group's financial condition, results of operations, liquidity, cash flows, prospects, growth, strategies, financial and other targets, and dividend policy, as well as the development of the industry, economic environment and regulatory environment in which Cary Group operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Although the Company believes the expectations implied by these forward-looking statements are reasonable, the Company, the Principal Owner and the Managers caution prospective investors that forward-looking statements are not guarantees of future performance and are based on numerous assumptions, and that Cary Group's financial condition, results of operations, liquidity, cash flows, prospects, growth, strategies and dividend policy, as well as the development of the industry, economic environment and regulatory environment in which Cary Group operates, could differ materially from (and be more negative than) those made in or suggested by the forward-looking statements contained in this Offering Memorandum. In addition, even if Cary Group's financial condition, results of operations, liquidity, cash flows, prospects, growth, strategies and dividend policy, as well as the development of the industry, economic environment and regulatory environment in which Cary Group operates, are consistent with the forward-looking statements contained in this Offering Memorandum, those results or developments may not be indicative of results or developments in subsequent periods.

Many factors may cause Cary Group's financial condition, results of operations, liquidity, cash flows, prospects, growth, strategies and dividend policy, as well as the development of the industry, economic environment and regulatory environment in which Cary Group operates to differ materially from those expressed or implied by the forward-looking statements contained in this Offering Memorandum and thereby adversely affect the achievement of Cary Group's financial targets, including targets relating to revenue growth, Adjusted EBITA growth, debt ratios and dividend. The risks described in "*Risk factors*" are not exhaustive. Other sections of this Offering Memorandum describe additional factors that could adversely affect Cary Group's financial condition, results of operations, liquidity, cash flows, prospects, growth, strategies and dividend policy, as well as the development of the industry, economic environment and regulatory environment in which Cary Group operates. The Company urges prospective investors to read the sections of this Offering Memorandum entitled "*Risk factors*", "*Industry overview*", "*Business overview*" and "*Operating and financial review*" for a more complete discussion of the factors that could affect Cary Group's financial condition, results of operations, liquidity, cash flows, prospects, growth, strategies and dividend policy, as well as the development of the industry, economic environment and regulatory environment in which Cary Group operates. New risks may emerge from time to time, and it is not possible for the Company to predict all such risks, nor can it assess the impact of all such risks on Cary Group's business or the extent to which any risks, or combination of risks and other factors, could cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, prospective investors should not rely on forward-looking statements as a prediction of actual performance or results.

The forward-looking statements contained in this Offering Memorandum speak only as of the date of this Offering Memorandum. The Company, the Principal Owner and the Managers expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law or Nasdaq Nordic Main Market Rulebook for Issuers of Shares. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Offering Memorandum, including those set forth in "*Risk factors*". Investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to sufficiency of working capital in this Offering Memorandum.

ENFORCEMENT OF CIVIL LIABILITIES

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 public limited liability company (Sw. *publikt aktiebolag*) incorporated in Sweden and has its registered head office (Sw. *säte*) in the municipality of Stockholm, Sweden.

The members of the Company's Board of Directors, Group Management and other officers of Cary Group named herein are residents of countries other than the United States, and all or a substantial proportion of the assets of these individuals are located outside the United States. A significant portion of the Company's assets are located outside of the United States. As a result, it may be impossible or difficult for investors to effect service of process within the United States upon such persons or the Company or to enforce against them in United States courts a judgment obtained in such courts, whether predicated upon civil liability provisions of federal securities laws or other laws of the United States (including any state or territory within the United States).

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 matters. Accordingly, 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 has 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.

Similar restrictions may apply in other jurisdictions.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

For information regarding the presentation and financial and other information, including industry and market data, see "*Presentation of financial and other information*".

IMPORTANT INFORMATION REGARDING THE POSSIBILITY TO SELL ALLOCATED SHARES

Note that notifications about allotment to the public in Sweden will be made through distribution of contract notes, expected to be distributed on 23 September 2021. Institutional investors are expected to receive notification of allotment on or about 23 September 2021 in particular order, whereupon contract notes are dispatched. After payments for the allocated shares have been processed by the Managers the duly paid 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 shares to such acquirer means that the acquirer will not have shares available in the specified securities depository account or the securities account until on or around 27 September 2021. Trading in the Company's shares on Nasdaq Stockholm is expected to commence on or around 23 September 2021. Accordingly, if shares are not available in an acquirer's securities account or securities depository account until on or around 27 September 2021, the acquirer may not be able to sell these shares on Nasdaq Stockholm as from the first day of trading, but first when the shares are available in the securities account or the securities depository account.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the shares in the Offering are "**restricted securities**" within the meaning of Rule 144(a)(3) under the Securities Act, it will, during any period in which it is neither subject to Sections 13 or 15(d) of the US Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from such reporting requirements by complying with the information furnishing requirements of Rule 12g3-2(b) under the US Exchange Act, provide to any holder or beneficial owners of the shares, or to any prospective purchaser designated by any such registered 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 Securities Act. The Company is not currently subject to the periodic reporting and other information requirements of the Exchange Act.

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Summary of the offering

Offer Price
SEK 70 per share

Application period for the public offering
15 September – 22 September 2021

Application period for the institutional offering
15 September – 22 September 2021

First day of trading on Nasdaq Stockholm
23 September 2021

Settlement date
27 September 2021

Other information
ISIN number: SE0016609671
LEI code: 984500B0F8682FBB0282
Trading symbol: CARY

Financial calendar

Interim report for the nine months ended 30 September 2021
12 November 2021

2021 year-end report
11 February 2022

2021 annual report
12 April 2022

Interim report for the three months ended 31 March 2022
10 May 2022

Annual general meeting 2022
17 May 2022

Summary

Introduction and warnings

This summary should be read as an introduction to this Offering Memorandum. Any decision to invest in the securities should be based on a consideration of this 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 in this Offering Memorandum is brought before a court, the plaintiff investor might, under the national legislation, have to bear the costs of translating this Offering Memorandum before the legal proceedings are initiated. Civil liability may attach to those persons who produced this summary, including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Offering Memorandum or it does not provide, when read together with the other parts of this Offering Memorandum, key information in order to aid investors when considering whether to invest in such securities.

Cary Group Holding AB (publ) is a Swedish public limited liability company (Sw. *publikt aktiebolag*) with corporate registration number 559040-9388 and address Hammarby Kaj 10D, SE-120 32, Sweden. The ISIN number of the shares comprised by the Offering is SE0016609671 and the Company's LEI code is 984500B0F8682FBB0282.

Cidron Legion S.à r.l (the "**Principal Owner**") is a limited liability company with the registration number B190970 and address 8 Rue Lou Hemmer, L-1748 Senningerberg, Luxembourg. The Principal Owner's LEI code is 984500569P9MBEV48E11.

Rydgruppen Sverige AB ("**Rydgruppen**"), is a limited liability company with the registration number 556097-2084 and address c/o Ryds Glasmästeri, P.O. Box 851, SE-851 24 Sundsvall, Sweden. Rydgruppen's LEI code is 549300YISFJBW1F8VL83.

The SFSA is the competent authority responsible for approving the Swedish language prospectus (the "**Swedish Prospectus**") in accordance with the Prospectus Regulation. The SFSA's registered address is Finansinspektionen, Brunnsgatan 3, P.O. Box 7821, SE 103 97 Stockholm, Sweden, telephone number +46(0)8 408 980 00, www.fi.se. The Swedish Prospectus was approved by the SFSA on 14 September 2021.

Key information on the issuer

Who is the issuer of the securities?

The Company is a Swedish public limited liability company (Sw. *publikt aktiebolag*) founded in Sweden under Swedish law, with its registered office in Stockholm, Sweden. The Company's business is operated under Swedish law and the Company's legal form is governed by the Swedish Companies Act (2005:551) (Sw. *aktiebolagslagen (2005:551)*). The Company's LEI code is 984500B0F8682FBB0282.

Cary Group is a leading European vehicle glass repair and replacement service provider to both vehicle owners and their insurance provider. The Company is the clear market leader in Sweden with number 2 or 3 positions in Norway, Denmark, the UK, and Spain.[1] With its established plug and play solution, the Company plans to expand to additional European markets. Vehicle glass repair and replacement is comprised of three core services: repair of glass, replacement of glass, and calibration of safety equipment on vehicles with advanced driver assistance systems ("**ADAS**"), all of which are offered by Cary Group. In addition to its core services, Cary Group also provides a range of ancillary services including sale and installation of windshield wipers and windshield wash fluid. As part of its vehicle glass repair and replacement services, Cary Group offers reliable, high-quality, and large-scale claims management assistance for automotive insurance providers and fleet leasing companies.

The Company's largest shareholder is Cidron Legion S.à r.l, holding approximately 79,0 percent of the shares and votes immediately prior to the Offering. Cidron S.à r.l is indirectly controlled by Nordic Capital. The Company's second largest shareholder is Rydgruppen, holding approximately 8,8% percent of the shares and votes immediately prior to the offer. Rydgruppen is indirectly controlled by the Ryd Family.

The Company's Board of Directors consists of Magnus Lindquist (Chairperson), Joakim Andreasson, Leif Ryd, Juan Vargues, Magdalena Persson and Ragnhild Wiborg. The Group Management consists of Anders Jensen (Chief Executive Officer), Linda Wikström (COO) Joakim Rasiwala (CFO), Maria Dillner (Director HR), Daniel Mukka (Director Digitalisation), Helene Gustafsson (Director IR & Corporate Communication) and Mats Green (Region Manager Nordics). The Company's auditor is Ernst & Young Aktiebolag, with Stefan Andersson Berglund as the auditor in charge.

What is the key financial information regarding the issuer?

The following financial information for the financial years ended 31 December 2020 and 2019 is derived from the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, of Cary Group, which have been audited by EY in accordance with the audit report included in this Offering Memorandum. The financial information for the financial year ending 31 December 2018 has been extracted from the Company's audited consolidated financial statements for 2018, which have been prepared in accordance with BFNAR 2012:1 Separate financial statements and consolidated financial statements (K3) as issued by the Swedish Accounting Standard Board (BFN) ("**Swedish GAAP K3**") and the Annual Accounts Act (1995:1554). The selected historical financial information for the six-month period ended 30 June 2021 with comparative figures for the corresponding period in 2020 has been extracted from the Company's unaudited consolidated financial statements, which have been reviewed by EY in accordance with the review report included in this Offering Memorandum.

1) The Market Study, based on revenue.

Selected income statement items

MSEK	For the year ended 31 December 2020	2019	2018	For the six months ended 30 June 2021	2020
	(derived from audited financial statements)			*(derived from unaudited financial statements)*	
Total revenue	1,650.8	1,627.6	1,071.6	1,032.2	852.2
Operating profit	211.,0	213.8	(152.9)	146.3	127.2
Profit for the period	48.4	69.6	(280.7)	58.5	43.3
Profit per share	0.45	0.6	–	0.56	0.39
Selected key figures					
Annual revenue growth	1.4%	51.9%	54.1%	21.1%	(0.1)%
Operating margin	12.8%	13.1%	14.3%	14.2%	14.9%

Selected balance sheet items

MSEK	As of 31 December 2020	2019	2018	As of 30 June 2021	2020
	(derived from audited financial statements)			*(derived from unaudited financial statements)*	
Total assets	2,484.7	2,452.1	(1,939.7)	2,887.9	2,510.3
Total equity	106.2	138.5	42.8	48.2	116.2
Selected key figures					
Net debt	2,154.6	2,132.6	1,605.4	2,259.8	2,140.4

Selected cash flow items

MSEK	For the year ended 31 December 2020	2019	2018	For the six months ended 30 June 2021	2020
	(derived from audited financial statements)			*(derived from unaudited financial statements)*	
Net cash from operating activities	205.1	128.8	151.6	164.1	162.7
Net cash from investing activities	(155.6)	(146.1)	(1,446.7)	(168.6)	(123.9)
Net cash from financing activities	(15.2)	(4.1)	1,309.0	100.3	(27.7)

Pro forma

In 2021, Cary Group has completed six significant acquisitions. In order to show the hypothetical impact that these acquisitions could have had on the consolidated income statement for 2020 if they had been completed as of 1 January 2020. The following consolidated pro forma information presented below has been prepared to present a hypothetical illustration of how these acquisitions could have affected Cary Group's consolidated income statement for the financial year 2020, the first six months of the financial year 2021 and the statement of financial position as of 30 June 2021.

The *pro forma* financial information should be read in conjunction with other information included in the Offering memorandum. The pro forma financial information has not been prepared in accordance with SEC Regulations S-X or in accordance with any other standards or practice generally accepted in the US.

Selected pro forma statement of profit or loss for the year ended 31 December 2020

	Audited	*unaudited*	*unaudited*	*unaudited*	*unaudited*	*unaudited*	*unaudited*	*unaudited*	*unaudited*		
***Pro forma* Statement of Profit or Loss MSEK**	**Cary Group Holding AB (publ) Group**	**Car Glass Ltd**	**RG Bilsglas 1 AB**	**Crashpoint A/S**	**Skadevekk Holding AS**	**Ralarsa Holding S.L**	**Autoklinik i Malmö AB**				***Pro forma* Cary Group Holding AB (publ) Group**
Consolidated	**1 January 2020– 31 December 2020**	**1 January 2020– 31 December 2020**	**1 January 2020– 31 December 2020**	**1 January 2020– 31 December 2020**	**1 January 2020– 31 December 2020**	**1 January 2020– 31 December 2020**	**1 January 2020– 31 December 2020**	**Accounting principles Adjustment**	***Pro forma* adjust-ments**	**Notes**	**1 January 2020– 31 December 2020**
	IFRS	UK GAAP	Swedish GAAP	Danish GAAP	Norwegian GAAP	Spanish GAAP	Swedish GAAP	Difference at conversion to IFRS			
Net revenue	1,650.8	17.2	69.8	46.7	51.2	265.3	38.5	–	–		2,139.5
Operating profit	**211.0**	**(0)**	**16.9**	**7.1**	**0.8**	**38.0**	**4.4**	**1.6**	**(20.5)**		**258.8**
Profit for the year	**48,4**	**(0.4)**	**13.3**	**5.4**	**(0.0)**	**29.7**	**3.5**	**(2.5)**	**(26.3)**		**71.1**

Selected pro forma statement of profit or loss for the period ended 30 June 2021

	Audited	*unaudited*	*unaudited*	*unaudited*	*unaudited*	*unaudited*	*unaudited*		
Pro forma **Statement of Profit or Loss MSEK**	**Cary Group Holding AB (publ) Group**	**CrashPoint A/S**	**Skadevekk Holding A/S**	**Ralarsa Holding S.L**	**Autoklinik i Malmo AB**				***Pro forma*** **Cary Group Holding AB (publ) Group**
Koncernen	**1 January, 2021– 30 June, 2021**	**1 January 2021– 28 February, 2021**	**1 January, 2021– 31 March, 2021**	**1 January, 2021– 30 June, 2021**	**1 January, 2021– 30 June, 2021**	**Accounting principles Adjustment**	**Pro forma adjustments**	**Note**	**1 January 2021– 31 June 2021**
	IFRS	Danish GAAP	Norwegian GAAP	Spanish GAAP	Swedish GAAP	Difference at conversion to IFRS			
Net revenue	1,032.2	7.0	14.7	148.2	18.2	–	–		1,220.3
Operating profit	**146.3**	**1.1**	**0.3**	**29.9**	**1.2**	**0.4**	**(3.6)**		**175.6**
Profit for the year	**58.5**	**0.9**	**0.2**	**33.3**	**1.1**	**1.1**	**(6.7)**		**86.2**

Selected pro statement of financial position items for the period ended 30 June 2021

	unaudited	*unaudited*	*unaudited*	*unaudited*	*unaudited*		
Pro forma balance sheet statement MSEK	**Cary Group Holding AB (publ) Group**	**Ralarsa Holding S.L**	**Autoklinik i Malmo AB**				***Pro forma*** **Cary Group Holding AB (publ) Group**
Group	**30 June 2021**	**30 June 2021**	**30 June 2021**	**Accounting principles Adjustment**	**Pro forma adjustments**	**Note**	**2021-06-30**
	IFRS	Spanish GAAP	Swedish GAAP	Difference at conversion to IFRS			
Total non-current assets	2,336.2	14.2	1.9	99.5	308.2		2,760.0
Total current assets	551.70	227.0	12.1	(1.7)	(28.9)		760.6
Total assets	**2,887.9**	**241.2**	**14.0**	**97.6**	**279.8**		**3,520.6**
Total equity	(40.1)	154.3,	6.9	–	161.2		40.1
Total non-current liabilities	2,405.7	0.2	1.3	84.7	440.9		2,932.8
Total current liabilities	**522.3**	**86.7**	**5.9**	**13.1**	**–**		**628.0**
Total liabilities	2,928.0	86.9	7.1	97.8	440.9		3,560.7
Total equity and liabilities	2,887.9	**241.2**	**14.0**	**97.8**	**279.7**		**3,520.6**

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

Cary Group is exposed to risks relating to competition

The European car care, and specifically the vehicle glass repair and replacement, market is competitive and fragmented, with many small, local or regional companies, however, there is one very large and significant competitor operating internationally, Belron. On a branch level, Cary Group's competitors mainly comprise smaller, local vehicle glass repair and replacement businesses that are often family-owned, as well as the original equipment manufacturers, vehicle damage repair specialists and car dealers. Any aggressive pricing by Cary Group's competitors to win market share could create local pressure for lower pricing, and, as a result, adversely impact Cary Group's profitability. Competition may also increase if new companies were to decide to establish themselves in the Nordic or European markets, and seek to consolidate the market.

There is also a risk that insurance companies enter the vehicle glass repair and replacement market directly themselves, which would generate another source of competition for Cary Group's services, and negatively impact Cary Group's results of operations. Further, Cary Group may experience increased competition for vehicle glass repair and replacement services from businesses in adjacent industries, such as car dealerships. Such competitors, as well as the existing large, international competitor, may have access to greater resources than Cary Group and may utilise them in order to gain market share at Cary Group's expense.

Cary Group is exposed to risks related to vehicle glass supply and technology changes.

Cary Group collaborates with a number of suppliers in relation to the purchase and, for some of its geographic markets, distribution to local workshops of glass. The loss of a key supplier would require Cary Group to purchase glass from an alternative supplier, which may be at higher prices and with delay, and Cary Group may not be able to pass such additional costs on to its customers. If the Group is unable to purchase and distribute glass to its workshops in sufficient quantities, it may not be able to provide all of its services to its customers in a timely manner, which could result in customer dissatisfaction.

In addition, recent trends in vehicle technology, such as the rising prevalence of ADAS systems, and tailored vehicle glass "add-ons", such as patterns and tint have increased the complexity of the glass required to perform Cary Group's services, as well as the complexity and technicality of the services themselves. If vehicle technology and increasingly bespoke add-ons were to be successfully leveraged by original equipment manufacturers ("**OEMs**") (vehicle manufacturers) or car dealers in an effort to retain customers within their service ecosystem, it would negatively impact Cary Group's results of operations. Any material increases in raw material or transportation prices could have a negative impact on Cary Group's results of operation. In addition, with respect to the Group's Nordic operations, Cary Group is dependent on distribution from two key suppliers, if either were to be unable to provide glass to Cary Group, it could have a limited negative impact over the near time on Cary Group's operations.

Further, some of Cary Group's recent growth and future plans is attributable to the rise of vehicle needing calibrations as a consequence of vehicle technology in relation to ADAS systems. If the recent market trend of newer cars having ADAS systems that require calibration were to change, it would negatively impact Cary Group's business and results of operations.

Cary Group is exposed to risks relating to retaining important insurance company relations.
Due to the nature of the vehicle glass repair and replacement industry, Cary Group derives a significant portion of its revenue from insurance companies, and has long-standing partnerships with insurance companies. The insurance markets, in the Nordic countries in particular, are consolidated, with a few larger insurance companies having a large share of the market. Damage to, and the replacement or repair of, one's vehicle glass is typically an incident covered by car, or other, insurance. While individual customers mostly choose their vehicle glass repair and replacement provider directly instead of choosing the repair provider through the insurance company, it is most often the individual customer's insurance company provider that pays for a significant portion of the service based on an agreed pricing or pricing principles for those insurance companies with which Cary Group has an agreement. Insurance companies may also influence certain individual customer's choice of vehicle glass repair and replacement service provider, for instance, by recommending a preferred service provider when such individual reaches out to confirm that the service will be covered by insurance. Customers may also be directed by their insurance providers to use a preferred vehicle glass repair and replacement provider, other than Cary Group, due to performance related issues or due to a more beneficial arrangement with Cary Group's competitor. Any of these risks could negatively impact Cary Group's market position, revenue and results of operations.

Vehicle miles driven may decrease, resulting in a decline of Cary Group's revenues and negatively affecting its results of operations.
The car care industry depends on the number of vehicle miles driven, as increased vehicle usage directly contributes to increased wear on and damage to vehicles and thus increases the need for car care services, including car glass repair or replacement.

Factors that may cause the number of vehicle miles driven and Cary Group's revenues and Cary Group's results of operations to decrease include, *inter alia*: the weather, the economy, oil prices, travel patterns, speed restrictions, road infrastructure, SARS-CoV-2 ("**COVID-19**") pandemic and digitalisation, environmental concerns as well as additional European Union laws or national legislation and structural tax changes with the purpose of promoting environmental friendliness affecting driver habits. Any of these developments could have an adverse effect on Cary Group's business, financial condition, and results of operations.

Cary Group is exposed to risks related to its membership in a consortium in the UK.
In the UK, the Cary Group's local subsidiary, Mobile Windscreens, operates within a larger consortium, National Windscreens, which is the second largest specialist in the UK vehicle glass repair and replacement market. While membership in National Windscreens provides a number of benefits and the Group believes it to be an important part of its operating strategy within the UK, it also presents risks, given that Cary Group is not in full control of its operations under the consortium. If there was to be an incident involving, or significant operational underperformance from, or lack of conforming to the consortium strategy by one of the other members of the consortium, it could negatively impact Cary Group's reputation, customer relationships and results of operations in the UK. Further, if the consortium disagrees with Cary Group's strategies, such a dispute could have unpredictable consequences on the Group's operations in the UK. Furthermore, under the consortium agreement, Cary Group could be forced to leave the consortium it did not comply with the rules within the agreement, for example, by operating beyond its designated geographies.

Cary Group is exposed to risks relating to its operating model
Cary Group's main operating model is a workshop-based structure emphasising the performance, customer relationships and initiative of individual workshops and employees. There is a risk that local managers or technicians will not comply with Cary Group's internal policies or processes or effectively manage other local operators and employees, for example, due to internal systems or software not performing properly, or that Cary Group will not successfully implement future compliance policies, update existing control procedures and compliance policies to effectively monitor Cary Group's operations. On a national level within Cary Group's geographic markets, if many local managers are unable to effectively manage costs and local utilisation, it may negatively impact workshop profitability, and if this were to occur across multiple workshops, Cary Group's profitability and results of operations would suffer. Due to the high number of workshops, Cary Group may also be slow to detect or react to compliance related problems (such as an employee undertaking activities prohibited by applicable law or by its internal policies), and Group-wide business initiatives may be more challenging and costly to implement.

Cary Group is exposed to risks relating to employees, retention and key personnel.
Cary Group's operating model is a decentralised structure emphasising the performance, customer relationships and initiative of individual workshops. The decentralised operating model, whereby significant responsibility and accountability are assigned to local workshops, technicians and local managers, requires leadership qualities throughout the organisation and places significant control and decision-making powers in the hands of technicians and local managers. Any inability to hire, develop, engage and retain a sufficient number of employees in many of the Group's workshops could materially hinder the Group's business. There is also a risk that employees leave Cary Group for competitors to the detriment of Cary Group workshops. Furthermore, a shortage in employees at a regional or national level, for example, due to a lack of interest in the type of work performed or career offered by Cary Group, may decrease the number of jobs that a workshop is able to carry out each day, thus resulting in a work backlog, which may result in customer dissatisfaction and operational inefficiency.

In addition, if one or more individuals were to leave the senior management team, Cary Group may not be able to fully integrate new executives or replicate the current dynamic, success, and working relationships that have developed among its senior management, and Cary Group's operations could suffer. While Cary Group believes it has been successful in attracting and keeping skilled and motivated employees and management, it may be at risk of losing qualified personnel in a competitive talent market.

Cary Group is exposed to risks related to the impact of the COVID-19 pandemic and general macroeconomic and geopolitical conditions.
COVID-19 has had, and continues to have, a material adverse effect on the global economy as well as demand for Cary Group's service offering. Overall miles driven is a key driver for Cary Group's business, and customers have driven their cars less due to COVID-19 restrictions and have not needed Cary Group's services to the extent previously required, as personal and professional use of vehicles has been limited during this period. Strict lockdown and COVID-19 measures had a negative impact on Cary Group's operation, as it prevented people from driving in their normal daily patterns. An increase in the spread or new outbreaks or mutations of COVID-19, as well as an inability to limit the pandemic and its effects, could adversely affect the Group's operations, overall vehicle miles driven, as well as whether local workshops can remain open, and local workshop employees' health.

The vehicle glass repair and replacement market is generally non-cyclical and resilient during economic downturns, and is not tied to new vehicle sales. However, the car care industry is nonetheless affected by global and domestic macroeconomic, environment and geopolitical factors, which are subject to uncertainty and volatility. Any macroeconomic or geopolitical impacts that affect the industry in particular may have a negative impact on, or slow the growth of, the car care industry, including that of Cary Group, due to, for example, increased costs from administrative burdens related to customs and new trade obstacles.

If customers restrict their expenditures to receive only the most basic services as a result of unfavourable economic conditions, Cary Group may suffer a decline in revenue. Hence, a significant negative economic development due to, for example, continued and prolonged measures during the COVID-19 pandemic or sustained political uncertainties in any of Cary Group's markets, could have a material adverse effect on the Group's total revenue and growth.

Cary Group is exposed to risks related to the integration and execution of acquisitions.
An important element of Cary Group's business and growth strategy is to carry out acquisitions to expand density, geographic footprint and complementary service offerings. If Cary Group carries out an acquisition, there is a risk that the profitability or the cash flow that the acquisition is expected to result in will not be generated, or that benefits, including growth or expected synergies, will not be realised within the time frame expected by Cary Group or at all. Cary Group's assessment of, and assumptions regarding, the acquired business may prove to be inaccurate and the actual development of the acquired business may differ significantly from Cary Group's expectations. Cary Group considers the execution process the most significant risk in connection with acquisitions. Cary Group believes there are a number of attractive targets suitable for acquisition due to the fragmented nature of the market, however, if Cary Group is unable to acquire such target companies at commercially attractive terms, or if competitors were to adopt a similar strategy of consolidation and work to outbid Cary Group, it would influence the Group's long term strategy and negatively impact the Group's future growth.

The acquisition integration process can be time-consuming and includes, among other things, the integration of financial and other information technology systems, the implementation of the Group's policies, procedures and preferred operational and governance structure, as well as the on-boarding of the acquired employees. Failure to properly integrate acquired operations may result in anticipated synergies not being realised, lower than anticipated revenue contributions or higher than anticipated transaction, restructuring and integration costs, which present a risk to the Group's ability to achieve its financial targets.

Cary Group has expanded through acquisitions into new markets and subsequent add-on acquisitions in existing markets and intends to continue its path of international growth and expansion within existing and into new markets in Europe. If Cary Group fails to maintain efficiency, competitive edge and value proposition, and allocate limited resources effectively within Cary Group's organisation as it grows, Cary Group's business, operating results, and financial condition may suffer.

Cary Group is exposed to risks relating to effectively managing its growth and expansion.
Cary Group has expanded through acquisitions which have facilitated its expansion into new markets, subsequent add-on acquisitions, as well as greenfield expansion through new workshops and targeted franchising. Cary Group intends to continue its path of international growth and expansion within existing and into new markets in Europe. The Group may not be successful in all markets and regions in which it invests or where it establishes operations, which may be costly. In addition, the Group may fail to adapt its financial and operational controls and systems to manage its local branch-based operations as its growth and scale increases, and to comply with its obligations as a public company. The Group may not be successful with compliance of law in multiple countries, for example local provisions and tax laws, which can impact the Groups ability to conduct its operations according to plans negatively and in relations to restrictions due to local labour legislation.

Cary Group's business may be affected due to changes in laws and regulations governing repair of motor vehicles.
Because the vehicle repair market (both for the purchase and sale of parts and for repair services) is a market which is traditionally regarded as having less intense competition than other markets, the current regime imposes more stringent rules for businesses to follow. Specifically, vehicle manufacturers have limited opportunities to:

- restrict sales of spare parts to a selective distribution system, excluding independent repairers, for example, by means of a conditional warranty arrangement;
- restrict a supplier's ability to sell spare parts, repair tools or other equipment to independent distributors, repairers or end users; and
- restrict a supplier's ability to place its trade mark or logo on components supplied to the manufacturer.

If many car manufacturers were to not comply with EU competition rules regarding vehicle repair and replacement, and created systems by which vehicle owners could only, or were strongly incentivised to, use the relevant applicable vehicle manufacturer for vehicle glass repair or replacements, it would be detrimental to Cary Group's operations.

Any change to the above framework could potentially alter the market dynamics within the car care and, specifically, the vehicle glass repair and replacement industry, which could have a negative impact on Cary Group's results of operation.

Key information on the securities

What are the main features of the securities?

The Offering consists of shares in the Company. The ISIN number of the shares is SE0016609671. The shares are denominated in SEK. As of the date of the Offering Memorandum, the Company's share capital amounts to SEK 500,000 distributed among 99,333,150 shares with a quota value of SEK 0.005357 each. All shares in the Company are fully paid, and the shares comprised by the Offering entitle the holder to one vote each at a general meeting and give equal rights to dividends and the Company's assets and possible surpluses in the event of liquidation. All shareholders that are registered in the share register maintained by Euroclear Sweden on the record date adopted by the shareholders' meeting shall be entitled to receive dividends.

Except for the undertakings not to transfer shares in the Company during a period of time from the first day of trading of the Company's shares on Nasdaq Stockholm from, among others, the Selling Shareholders, members of the Board of Directors and members of the Group Management, as well as certain other key employees within the Group, the shares in the Company are freely transferrable in accordance with applicable law.

The rights associated with the shares issued by the Company, including those pursuant to the articles of association, can be amended in accordance with the procedures set out in the Swedish Companies Act (2005:551).

Cary Group strives to pay dividends of at least 20 percent of net income. Decisions on dividends shall take Cary Group's investment opportunities and financial position into consideration.

Where will the securities be traded?

On 8 September 2021, Nasdaq Stockholm's Listing Committee made the assessment that the Company fulfils the listing requirements. Nasdaq Stockholm will approve an application for admission to trading of the Company's shares on Nasdaq Stockholm subject to certain conditions, including that the Company submits such an application and fulfils the distribution requirement for its shares. Trading in the Company's shares is expected to commence on or about 23 September, 2021.

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

The share price can be volatile, and the share price development is affected by several factors

Since an investment in shares may increase or decrease in value, there is a risk that investors will not recover their invested capital. The performance of the Cary Group share depends on multiple factors, some of which are company specific, whereas others are related to the stock market in general. The price per share in the Offering (the "**Offer Price**") has been set to SEK 70 per share by the Company and the Principal Owner in consultation with the Joint Global Coordinators, based on the anticipated demand from institutional investors. The Offer Price will not necessarily reflect the price at which investors in the market will be willing to buy and sell the shares following the Offering; for example, the price could during the trading taking place after the listing differ from the Offer Price.

Furthermore, the share price may, for example, be affected by supply and demand, fluctuations in actual or projected results, changes in earnings forecasts, failure to meet stock analysts' earnings expectations, failure to achieve financial and operational targets, changes in general economic conditions, changes in regulatory conditions and other factors such as sales of significant holdings by owners. The Group's shares have not previously been traded on a stock market Consequently, there is a risk that there will not always be an active and liquid market for trading in Cary Group's shares, which would affect investors' possibilities to recover their invested capital. This presents a significant risk for a single investor.

Sales of shares by existing shareholders could cause the share price to decline

The market price of the Company's share could decline if there are substantial sales of the Company's shares, particularly sales by the Company's Board of Directors, Group Management, and significant shareholders, or otherwise when a large number of shares are sold. The Principal Owner, Rydgruppen, Board members and members of the Group Management, as well as certain other key employees within the Group will commit, subject to certain exceptions, not to sell their respective holdings for a certain period after trading of the Company's shares on Nasdaq Stockholm has commenced (so called lock-up period). However, Joint Global Coordinators could decide to grant exceptions from the limitations on the sale of shares during the lock-up period. After the expiry of the relevant lock-up period, the shareholders subject to lock-up will be free to sell their shares in the Company. Any sales of substantial amounts of the Company's shares in the public market by the shareholders subject to the lock-up undertakings or the Company's other current shareholders, or the perception that such sales might occur, could cause the market price of the Company's share to decline, which entails a significant risk for investors.

Future issuances of shares or other securities could dilute the shareholding and have an adverse effect on the share price

Cary Group may in the future need to raise additional capital in order to finance its operations or to carry out planned investments. For example, issuances of additional securities or bonds could reduce the market value of Cary Group's shares as well as dilute the financial and voting rights for existing shareholders unless existing shareholders are given preferential rights in the issue or if existing shareholders for some reason are unable, prohibited or unwilling to exercise any preferential rights.

Undertakings by Cornerstone Investors are not secured

The Cornerstone Investors have undertaken to acquire shares in the Offering corresponding to a total of SEK 3,150 million. The undertakings relate to 44,999,998 shares, corresponding to 68.7 percent of the total number of shares in the Offering and 34.1 percent of the total number of shares in the Group after the Offering (under the assumption that the Overallotment Option is exercised in full. However, the Cornerstone Investors' undertakings are not secured. Consequently, there is a risk that one or several of the Cornerstone Investors will not be able to fulfil their commitments.

Key information on the offer of securities to the public and the admission to trading on a regulated market

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

The Offering comprises 65,527,949 shares, of which 17,857,142 are newly issued shares and 47,670,807 are existing shares. The Offering is divided into two parts:

- an Offer to the general public in Sweden; and
- an Offer to institutional investors in Sweden and abroad.

The Principal Owner has provided the Joint Global Coordinators with the Over-allotment Option entitling the Joint Global Coordinators, not later than 30 days from the first day of trading in the Company's shares on Nasdaq Stockholm, to offer not more than 9,829,192 additional shares, corresponding to a maximum of 15 percent of the number of shares in the Offering, at a price corresponding to the price of the Offering. The Over-allotment Option may only be exercised in order to cover any over-allotment in the Offering. Provided that the Over-allotment Option is exercised in full, the Offering will comprise a maximum of 75,357,141 shares, which represents approximately 57.2 percent of the shares and votes in the Company, after the completion of the Offering

The new share issue in the Offering results in an increase in the number of shares in the Company of 17,857,142 shares, corresponding to a dilution of 13.5 percent.

The Offer Price has been set to SEK 70 per share by the Company and the Principal Owner in consultation with the Joint Global Coordinators, based on the anticipated demand from institutional investors. Brokerage commission will not be charged.

The decision of the allotment of shares in the Offering will be made by the Company's Board of Directors and the Principal Owner, in consultation with the Joint Global Coordinators, whereby the objective will be to achieve a strong institutional ownership base and a broad distribution of the shares among the general public, in order to facilitate a regular and liquid trading in the shares on Nasdaq Stockholm.

Nasdaq Stockholm's Listing Committee has on 8 September 2021 made the assessment that the Company fulfils the listing requirements. Nasdaq Stockholm will approve an application for admission to trading of the Company's shares on Nasdaq Stockholm subject to certain conditions, including that the Company submits such an application and fulfils the distribution requirement for its shares. Trading in the Company's shares is expected to commence on or about 23 September 2021.

The Company's costs related to the admission to trading of the Company's shares on Nasdaq Stockholm and the Offering, including payment to advisors, and other estimated transaction costs are estimated to amount to approximately SEK 118 million in total.

Timetable for the Offering:

Application period for the general public in Sweden	15 September – 22 September 2021
Application period for institutional investors in Sweden and abroad	15 September – 22 September 2021
First day of trading in the Company's shares	23 September 2021
Settlement date	27 September 2021

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

Cary Group Holding AB (publ), reg. no. 559040-9388, with its registered office in Stockholm, Sweden, is a Swedish public limited liability company founded in Sweden under Swedish law, incorporated in Sweden and operating under Swedish law. The Company's legal form is governed by the Swedish Companies Act (2005:551) (Sw. *aktiebolagslagen (2005:551)*). The Company's LEI code is 984500B0F8682FBB0282.

The Principal Owner is a private limited liability company, with reg. no. B190970, founded in Luxembourg under Luxembourg law, incorporated in Luxembourg, with its registered office in Luxembourg, and operating under the laws of Luxembourg. The legal form of Principal Owner is governed by the Luxembourg Commercial Companies Act. Principal Owner's LEI code is 984500569P9MBEV48E11.

Rydgruppen is a private limited liability company, with reg. no. 556097-2084, founded in Sweden under Swedish law, and operating under the laws of Sweden. The legal from of Rydgruppen the Swedish Companies Act (Sw. *Aktiebolagslagen*). Rydgruppens LEI code is 549300YISFJBW1F8VL83.

The Principal Owner and Rydgruppen are together selling shareholders in the Offering (**"Selling Shareholders"**).

The Selling Shareholders are offering not more than 57,499,999 existing shares in the Offering, provided that the Over-allotment Option is exercised in full.[1)]

Why is this Offering Memorandum being produced?

The Company considers the Offering and listing of the Company's shares on Nasdaq Stockholm to be a logical and important step in Cary Group's development, which will enable the Company to expand its shareholder base and enable Cary Group to access the Swedish and international capital markets, thereby supporting the Company's continued growth and development and increasing the awareness of Cary Group and its operations among current and potential customers and suppliers.

The Company will carry out an issue of new shares in connection with the Offering. The issue of new shares is expected to provide Cary Group with proceeds of approximately SEK 1,250 million before deduction of transaction costs of approximately SEK 118 million. Consequently, Cary Group expects to receive net proceeds of SEK 1,132 million. Cary Group intends to use the net proceeds to repay existing debt. The Company will not receive any proceeds from the sale of existing shares by Selling Shareholders.

The Managers provide financial advice and other services to the Company 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.

1) Provided that the Offering is completed, and as part of the Share Structure Simplification, certain members of the Board of Directors and Group Management will sell shares to the Principal Owner, which sells shares in the Offering. Apart from such sales made to cover the cost of investing in warrants, as part of the Company's incentive program, no member of the Group Management sells more than 15 percent of its holdings.

Risk factors

An investment in securities entails certain risks. Prior to any investment decision, it is important to carefully analyse the risk factors considered to be of importance in relation to Cary Group and the future performance of the shares, for example risks related to Cary Group's operations and industry, legal risks, financial risks, and risks related to the Offering and the admission to trading on Nasdaq Stockholm. The risk factors currently deemed material to Cary Group and the 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 subsection, the risk factors currently deemed most material are presented first, but otherwise the risk factors are not ranked in any specific order of importance. The risk factors below are based on information available and estimates made on the date of this Offering Memorandum.

Risks related to cary group's operations and industry

Cary Group is exposed to risks relating to competition.

The European car care, and specifically the vehicle glass repair and replacement, market is competitive and fragmented, with many small, local and/or regional companies, however, there is one very large and significant competitor operating internationally, Belron. On a branch level, Cary Group's competitors mainly comprise smaller, local vehicle glass repair and replacement businesses that are often family-owned, as well as the OEMs (*i.e.*, vehicle manufacturers), vehicle damage repair specialists and car dealers. The main competitive factors in the vehicle glass repair and replacement industry include geographic availability, convenience, quality of service, and customer satisfaction (as measured by, for example, net promoter scores ("**NPSs**")). Any aggressive pricing by Cary Group's competitors to win market share could create local pressure for lower pricing, and, as a result, adversely impact Cary Group's profitability. Competition may also increase if new companies were to decide to establish themselves in the Nordic or European markets, and seek to consolidate the market.

Under EU guidelines and regulations, vehicle manufacturers and members of its authorised network may not explicitly or implicitly require that repairs on certain categories of motor vehicles are carried out by the members of its authorised network, for example, by means of a conditional warranty arrangement. While the Supplementary Guidelines are not technically legally binding, if many car manufacturers were to not comply with such EU rules regarding vehicle glass repair and replacement, and created systems by which vehicle owners could only, or were strongly incentivised to, use the relevant applicable vehicle manufacturer for vehicle glass repair or replacements, it would be detrimental to Cary Group's operations, both by increasing competition from car manufacturers and directly inhibiting customer access to Cary Group's services, see "*Risks relating to laws and legal compliance – Cary Group's business may be affected due to changes in laws and regulations governing repair of motor vehicles.*"). There is also a risk that insurance companies enter the vehicle glass repair and replacement market directly themselves, which would generate another source of competition for Cary Group's services, and negatively impact Cary Group's results of operations. Further, Cary Group may experience increased competition for vehicle glass repair and replacement services from businesses in adjacent industries, such as car dealerships. Such competitors, as well as the existing large, international competitor, may have access to greater resources than Cary Group and may utilise them in order to gain market share at Cary Group's expense.

Cary Group is exposed to risks related to vehicle glass supply and technology changes.

Glass is Cary Group's most important raw material. Cary Group collaborates with a number of suppliers in relation to the purchase and, for some of its geographic markets, distribution to local workshops of glass. Although there are several suppliers of glass that could provide the Group with materials for its operations, the loss of a key supplier would require Cary Group to purchase glass from an alternative supplier, which may be at higher prices and with delay, and Cary Group may not be able to pass such additional costs on to its customers. If the Group is unable to purchase and distribute glass to its workshops in sufficient quantities, it may not be able to provide all of its services to its customers in a timely manner, which could result in customer dissatisfaction, including within its important insurance company customers.

In addition, recent trends in vehicle technology, such as the rising prevalence of ADAS systems, and tailored vehicle glass "add-ons", such as patterns and tint have increased the complexity of the glass required to perform Cary Group's services, as well as the complexity and technicality of the services themselves. If vehicle technology and increasingly bespoke add-ons were to be leveraged by OEMs or car dealers in an effort to retain customers within their service ecosystem, it would negatively impact Cary Group's results of operations. In addition, Cary Group may be subject to risks relating to increased prices of raw materials and transportations prices. Any material increases in raw material or transportation prices could have a negative impact on Cary Group's results of operation. In addition, with respect to the Group's Nordic operations, Cary Group is dependent on distribution from two key suppliers, if either were to be unable to provide glass to Cary Group, it could have a limited negative impact over the near time on Cary Group's operations.

Further, much of Cary Group's recent growth and future plans are attributable to the rise of vehicle needing calibrations as a consequence of vehicle technology in relation to ADAS systems. Vehicles with ADAS systems require calibration, for which Cary Group charges an additional fee, as part of vehicle glass replacement services. If the recent market trend of newer cars having ADAS systems that require calibration were to change, for example, if the vehicles recalibrated automatically or only vehicle manufacturers were able or allowed to do it due to increased complexity, it would negatively impact Cary Group's business and results of operations.

Cary Group is exposed to risks relating to retaining important insurance company relations

Due to the nature of the vehicle glass repair and replacement industry, Cary Group derives a significant portion of its revenue from insurance companies and has long-standing partnerships with insurance companies. The insurance markets, in the Nordic countries, are consolidated, with a few larger insurance companies having a large share of the market. For the financial year ended 31 December, 2020, Cary Group's top 10 customers, most of which were insurance companies, collectively accounted for approximately 70 percent of its revenue. Damage to, and the replacement or repair of, one's vehicle glass is typically an incident covered by car, or other, insurance. While individual customers mostly choose their vehicle glass repair and replacement provider directly instead of choosing the repair provider through the insurance company, it is most often the individual customer's insurance company provider that pays for a significant portion of the service based on an agreed pricing or pricing principles for those insurance companies with which Cary Group has an agreement. In the past, approximately one-third of Cary Group's individual customers have typically come through insurance companies, through recommendations from their insurance provider for a vehicle glass repair and replace provider, while approximately two-thirds of customers choose Cary Group directly. Insurance companies may also influence certain individual customer's choice of vehicle glass repair and replacement service provider, for instance, by recommending a preferred service provider when such individual reaches out to confirm that the service will be covered by insurance. Customers may also be directed by their insurance providers to use a preferred vehicle glass repair and replacement provider, other than Cary Group, due to performance related issues or due to a more beneficial arrangement with Cary Group's competitor. Insurance companies are incentivised to enter into multi-year contracts with preferred vehicle glass repair and replacement providers in order to better negotiate terms at scale, and if Cary Group is not chosen through such tender processes, it could face increased competition from other insurance-preferred vehicle glass repair and replacement competitors. Any of these risks could negatively impact Cary Group's market position, revenue and results of operations.

Vehicle miles driven may decrease, resulting in a decline of Cary Group's revenues and negatively affecting its results of operations.

The car care industry depends on the number of vehicle miles driven, as increased vehicle usage directly contributes to increased wear on and damage to vehicles and thus increases the need for car care services, including car glass repair or replacement. Factors that may cause the number of vehicle miles driven and Cary Group's revenues and Cary Group's results of operations to decrease include, *inter alia*:

- the weather – mild weather may lead to decreased wear on and damage to vehicles (for example, less snow or ice in the Nordic countries requires less gravel on the roads, which damages vehicles), as such wear on and damage to vehicles drives demand for Cary Group's products and services;

- the economy – as during periods of poor economic conditions, customers may defer vehicle maintenance or repair;
- oil prices – as increases in oil prices may deter consumers from using their vehicles;
- travel patterns – as changes in travel patterns may cause consumers to rely more heavily on mass transportation;
- speed restrictions – as lower speeds generally lead to creased wear on and damage to vehicles;
- road infrastructure – as lower quality roads, as well as increased road construction, lead to increased wear on and damage to vehicles;
- the COVID-19 pandemic and digitalization – long term behavioural changes due to COVID-19 and digitalization (for example, the use of digital meetings tools, which enables remote working), such as widespread and prolonged remote working may lead to less miles driven due to a lack of daily work commuters; and
- environmental concerns – customers may respond to perceived environmental concerns by using their vehicles less or by adopting "greener" driving behaviours, for example, in reliance on public transportation, biking or ridesharing. In addition, further EU or national legislation, and structural tax changes in an effort to promote environmentalism may impact driving behaviour.

Any of these developments could have an adverse effect on Cary Group's business, financial condition, and results of operations.

Cary Group is exposed to risks related to its membership in a consortium in the UK.

In the UK, the Cary Group's local subsidiary, Mobile Windscreens, operates within a larger consortium, National Windscreens, which is the second largest specialist in the UK vehicle glass repair and replacement market. While membership in National Windscreens provides several benefits and the Group believes it to be an important part of its operating strategy within the UK, it also presents risks, given that Cary Group is not in full control of its operations under the consortium. If there was to be an incident involving, or significant operational underperformance from, or lack of conforming to the consortium strategy by one of the other members of the consortium, it could negatively impact Cary Group's reputation, customer relationships and results of operations in the UK. Further, if the consortium disagrees with Cary Group's strategies, such a dispute could have unpredictable consequences on the Group's operations in the UK. In addition, Cary Group's participation in the consortium is dictated by a consortium agreement, and operationally, a board is in place that manages the consortium. The three member company board directors each have a vote. As Cary Group acquires additional members of the UK consortium, Cary Group's voting power within the consortium does not increase, and it retains only a single vote, which consequently decreases the number of voting members and increases the voting power of the remaining consortium members. There is a risk that any dysfunction or underperformance regarding management from the consortium board could impact the performance of the entire consortium and the Cary Group's results of operations. Furthermore, under the consortium agreement, Cary Group could be forced to leave the consortium if it did not comply with the rules within the agreement, for example, by operating beyond its designated geographies.

Cary Group is exposed to risks relating to its operating model.

Cary Group's main operating model is a workshop-based structure emphasising the performance, customer relationships and initiative of individual workshops and employees. In addition, Cary Group has several workshops that are not owned by Cary Group, but they instead work under franchise arrangements. Franchising has in the past mostly been used when entering new markets and regions, and Cary Group has also acquired many workshops that have been operated under the franchise model originally. There is a risk that local managers or technicians will not comply with Cary Group's internal policies or processes or effectively manage other local operators and employees, for example, due to internal systems or software not performing properly, or that Cary Group will not successfully implement future compliance policies, update existing control procedures and compliance policies to effectively monitor Cary Group's operations. Cary Group has less control over its franchisee, so the risk of non-compliance is higher in connection with its franchise workshops. On a national level within Cary Group's geographic markets, if many local managers are unable to effectively manage costs and local utilisation, it may negatively impact workshop profitability, and if this were to occur across multiple workshops, Cary Group's profitability and results of operations would suffer. Due to the high number of workshops, there is a risk that Cary Group may also be slow to detect or react to compliance related problems (such as an employee undertaking activities prohibited by applicable law or by its internal policies), and Group-wide business initiatives may be more challenging and costly to implement.

Cary Group is exposed to risks relating to employees, retention and key personnel.

Cary Group's operating model is a decentralised structure emphasising the performance, customer relationships and initiative of individual workshops. The decentralised operating model, whereby significant responsibility and accountability are assigned to local workshops, technicians (its glass technician employees who deliver the day-to-day services for Cary Group) and local managers, requires leadership qualities throughout the organisation and places significant control and decision-making powers in the hands of technicians and local managers. The Group's service offerings pose demands on the technical competence, training and skills of its technicians, who must be able to perform glass repair and replacement services as well as safely handle potentially dangerous materials, such as chemicals. Any inability to hire, develop, engage and retain a sufficient number of employees in many of the Group's workshops could materially hinder the Group's business by, for example, impairing its ability to perform its services to its standards and to successfully execute its operating model. There is also a risk that employees leave Cary Group for competitors to the detriment of Cary Group workshops. Furthermore, a shortage in employees at a regional or national level, for example, due to a lack of interest in the type of work performed or career offered by Cary Group, may decrease the number of jobs that a workshop is able to carry out each day, thus resulting in a work backlog, which may result in customer dissatisfaction and operational inefficiency. Another important factor for successful integration is Cary Group's ability to retain key employees of any acquired business. During the integration process, dissatisfaction may arise among personnel of the acquired business, which could ultimately result in key employees choosing to terminate their employment with Cary Group across a number of workshops.

In addition, if one or more individuals were to leave the senior management team, Cary Group may not be able to fully integrate new executives or replicate the current dynamic, success, and working relationships that have developed among its senior management, and Cary Group's operations could suffer. If Cary Group is unable to retain its key senior management, it may not be able to achieve its strategic objectives, and its business could be harmed. While Cary Group believes it has been successful in attracting and keeping skilled and motivated employees and management, it may be at risk of losing qualified personnel in a competitive talent market.

Cary Group is exposed to risks related to the impact of the COVID-19 pandemic and general macroeconomic and geopolitical conditions.

Governments have imposed a number of measures designed to contain the outbreak of COVID-19, including business closures, travel restrictions, quarantines and cancellations of gatherings and events, in all the markets that the Group operates. COVID-19 has had, and continues to have, a material adverse effect on the global economy as well as demand for Cary Group's service offering. Overall miles driven is a key driver for Cary Group's business, and customers have driven their cars less due to COVID-19 restrictions, such as lockdowns and quarantine measures, and have not needed Cary Group's services to the extent previously required, as personal and professional use of vehicles has been limited during this period. Strict lockdown and COVID-19 measures, such as those imposed in the UK and Norway, had a negative impact on Cary Group's operation, as it prevented people from driving in their normal daily patterns. An increase in the spread or new outbreaks or mutations of COVID-19, as well as an inability to limit the pandemic and its effects, could adversely affect the Group's operations, as well as whether local workshops can remain open. The pandemic could also have a negative effect on overall miles driven and on local workshop employees' health.

Cary Group's principal activities comprise the provision of car care services, specifically focusing on vehicle glass repair and replacement. Vehicle glass repair and replacement is an essential service within the automotive industry, because vehicle glass is critical to the structural integrity and electronic safety features of vehicles, and glass damage represents a potential insurance liability. As a result, the vehicle glass repair and replacement market is generally non-cyclical and resilient during economic downturns, and is not tied to new vehicle sales. However, the car care industry is nonetheless affected by global and domestic macroeconomic, environment and geopolitical factors, which are subject to uncertainty and volatility. As an additional example, Cary Group has operations in the United Kingdom which recently left the European Union ("**Brexit**"). Due to the recent nature of Brexit, the long-term impact is still uncertain regarding the effect of Brexit on the Group's services and results of operations. Any macroeconomic or geopolitical impacts that affect the industry in particular may have a negative impact on, or slow the growth of, the car care industry, including that of Cary Group, due to, for example, increased costs from administrative burdens related to customs and new trade obstacles.

In 2020, 64.7 percent and 35.3 percent of the Group's revenue was derived from its operations in the Nordic countries (Sweden, Norway and Denmark) and the Rest of Europe (Spain and the United Kingdom), respectively. If customers restrict their expenditures to receive only the most basic services as a result of unfavourable economic conditions, Cary Group may suffer a decline in revenue. Hence, a significant negative economic development due to, for example, continued and prolonged measures during the COVID-19 pandemic or sustained political uncertainties in any of Cary Group's markets, could have a material adverse effect on the Group's total revenue and growth.

Cary Group is exposed to risks related to the integration and execution of acquisitions.

An important element of Cary Group's business and growth strategy is to carry out acquisitions to expand density, geographic footprint and complementary service offerings. Cary Group's acquisition and growth strategy includes expansion into new or adjacent geographical markets. For example, the Group plans to increase its density in existing markets and explore the potential to expand into new adjacent geographies. If Cary Group carries out an acquisition, there is a risk that the profitability or the cash flow that the acquisition is expected to result in will not be generated, or that benefits, including growth or expected synergies, will not be realised within the time frame expected by Cary Group or at all. Cary Group's assessment of, and assumptions regarding, the acquired business may prove to be inaccurate, and the actual development of the acquired business may differ significantly from Cary Group's expectations. In the future, expansion into new and unfamiliar geographical markets may expose the Group to risks, including unfavourable or unfamiliar political landscapes, regulatory systems and tax systems as well as different methods and routines for conducting, and expectations regarding, vehicle glass repair and replacement market operations. Cary Group considers the execution process the most significant risk in connection with acquisitions. Cary Group believes there are a number of attractive targets suitable for acquisition due to the fragmented nature of the market, however, if Cary Group is unable to acquire such target companies at commercially attractive terms, or if competitors were to adopt a similar strategy of consolidation and work to outbid Cary Group, it would influence the Group's long-term strategy and negatively impact the Group's future growth.

The acquisition integration process can be time-consuming and includes, among other things, the integration of financial and other information technology ("**IT**") systems, the implementation of the Group's policies, procedures and preferred operational and governance structure, as well as the on-boarding of the acquired employees. Failure to properly integrate acquired operations may result in anticipated synergies not being realised, lower than anticipated revenue contributions or higher than anticipated transaction, restructuring and integration costs, which present a risk to the Group's ability to achieve its financial targets, see "*– Cary Group is exposed to risks in relation to its strategy and ability to achieve financial targets*" below.

Cary Group has expanded through acquisitions into new markets and subsequent add-on acquisitions in existing markets and intends to continue its path of international growth and expansion within existing and into new markets in Europe. This growth places, and will continue to place, increasing demands on Cary Group's management and Cary Group's operational and financial infrastructure. If Cary Group's systems do not evolve to meet the dynamic and increasing demands placed on it by the increasing number of customers and local branches across a number of jurisdictions, Cary Group may also be unable to maintain its standards of quality performance. As Cary Group's operations grow in size, scope, and complexity, Cary Group will need to continue to improve and upgrade its systems and operational infrastructure, and continue to integrate acquired companies into the Group, which will require expenditures and allocation of valuable management resources. If Cary Group fails to maintain efficiency, competitive edge and value proposition, and allocate limited resources effectively within Cary Group's organisation as it grows, Cary Group's business, operating results, and financial condition may suffer.

Cary Group is exposed to risks relating to effectively managing its growth and expansion.

Cary Group has expanded through acquisitions which have facilitated its expansion into new markets, subsequent add-on acquisitions, as well as greenfield expansion through new workshops and targeted franchising. Cary Group intends to continue its path of international growth and expansion within existing and into new markets in Europe. The Group may not be successful in all markets and regions in which it invests or where it establishes operations, which may be costly. Cary Group is subject to a number of risks and challenges that relate to its international operations and fast-paced geographic expansion. For example, the Group may experience difficulties managing operations in, and communications among, multiple businesses and locations. In addition, the Group may fail to adapt its financial and operational controls and systems to manage its local branch-based operations as its growth and scale increases, and to comply with its obligations as a public company. The Group may face challenges complying with disparate laws in multiple countries, such as local regulations and tax laws, which may impair its ability to conduct its business as planned and restrictions imposed by local labour laws.

Cary Group is exposed to risks in relation to its strategy and ability to achieve financial targets.

The ability to successfully execute all the different parts of the strategy is reliant on a number of factors beyond the Group's control, for example, see "*– Cary Group is exposed to risks related to the integration and execution of acquisitions*" and "*– Cary Group is exposed to risks related to the impact of the COVID-19 pandemic and general macroeconomic and geopolitical conditions*" above. Accordingly, there is a risk that the actual results differ significantly from the Group's strategic goals, which could have a material adverse impact on the Group's operations and financial position.

Moreover, Cary Group has adopted certain financial targets with respect to growth, profitability and capital structure, see "*Business overview – Financial targets*". The financial targets constitute forward-looking information and could differ materially from actual results. The financial targets are not, and should not be regarded as, forecasts, projections or estimates of future performance, and investors should not place undue weight on such targets when making an investment decision.
Cary Group's financial targets are based on a number of assumptions that are subject to considerable uncertainty, including, for example, organic growth, continuing to be able to identify and complete value-accretive acquisitions in existing (add-on acquisitions) and new markets (platform acquisitions) on acceptable terms, as well as integrating acquisitions successfully and achieving synergies, and market growth in the global car care market. If such risks were to materialise, or if the assumptions for any other reason do not continue to reflect the market in which the Group operates, it may negatively affect Cary Group's ability to achieve its financial targets, which could have a material adverse impact on the Group's business, profitability, results of operations and financial position.

Cary Group is exposed to occupational health- and safety-related risks.

Cary Group's day-to-day services involve physical labour, technicians working with glass as well as specialised equipment and machinery, and other situations that expose the Group to risks relating its employees' health and safety. Cary Group's operations are subject to extensive laws and regulations regarding the maintenance of a safe work environment. The main risk areas for employees are working with and handling glass as well as complex, and potentially dangerous, equipment and materials. As an example, particular types of glue used in the adhesion of vehicle glass, when heated and breathed in over time, could theoretically cause respiratory issues for persons with existing respiratory health issues. Such substances are regulated in their use in Sweden, and workshop technicians undergo biennial examinations in order to assess their respiratory risk for such substances. In the past, a few employees have received a negative result from such an examination and have consequently needed to seek other employment. There is also a risk of traffic accidents when the Group's vehicles are driven. Since Cary Group carries out many of its engagements at customers' premises and facilities in some markets, there is also a risk that shortcomings in the customers' work environment efforts may adversely impact Cary Group, irrespective of Cary Group's own endeavours to achieve a safe work environment. In total, in 2020, 91 work related injuries and incidents of ill health. Furthermore, Cary Group's employees are also at risk of being exposed to COVID-19 at or in the context of work. If a significant number of employees were to be exposed to COVID-19, this would negatively affect Cary Group's ability to offer its services, see "*– Cary Group is exposed to risks related to the impact of the COVID-19 pandemic*" above. Any incidents could lead to personal injury, illness, and significant damage to Cary Group's reputation, or could also lead to injured personnel demanding compensation from Cary Group and related claims. The above and other risks related to the work environment may arise as a consequence of, among other things, deviations from internal governance documents and policies, carelessness or stress, and may lead to operational outages, injunctions and fines from the local regulatory authority and adverse publicity.

Cary Group is exposed to reputational risks.

Cary Group's success and ability to execute its strategy, retain and attract customers and employees, maintain and grow positive relationships with insurance companies, as well as to carry out acquisitions, require a favourable reputation and brand image. Customer losses and reputational damage may arise from, among other things, poor customer service, behaviour by consumers due to a change in perception of Cary Group and its associated brands, consumers' evolving environmental and social values, competitors' tactics or political and/or community opposition to Cary Group or any of its associated brands. There is also an increased risk of reputational damage due to customers' social media behaviours, whereby any potential scandals could have a much broader reputational impact due to social media attention. There is a risk that branches, subsidiaries, regional operations or employees will not comply with Cary Group's internal policies or processes, or that Cary Group will not successfully implement future compliance policies, update existing control procedures and compliance policies to effectively monitor Cary Group's operations. Cary Group may also be slow to detect or react to compliance related problems. Cary Group operates within an industry with a scattered regulatory landscape that requires it to comply with different national regulations and directives within each country in which they operate, see "*Risks relating to laws and legal compliance – Cary Group is exposed to compliance-related risks, as well as statutory and regulatory requirements*". Cary Group also engages in franchising, through which it allows local franchisees to adopt and use the Cary Group brand and Cary Group does not retain the same level of control as it does over its own operations and workshops. If any franchisee were to take any action that would lead to damage to Cary Group's brand or image, Cary Group could suffer from such action or inaction, despite a lack of control over the franchisee. If Cary Group (including any of its local operations) fails to comply with, for example, unfamiliar regulations in a country that it enters in the future, such noncompliance could damage Cary Group's reputation, the reputation of any of its associated brands, and customer relations. If Cary Group's services fail to conform to laws, regulations or public authority decisions, Cary Group may be subject to reputational damage, significant customer attrition and be liable for civil penalties and damages.

Cary Group is exposed to risks related to IT and cyber-security.

Cary Group needs to maintain a well-functioning information technology infrastructure to ensure business continuity and ensure the effectiveness of its operations and to interface with its customers, as well as to maintain financial accuracy and efficiency. IT systems failures, including suppliers' or other third-parties' system failures, insufficient maintenance, human errors and cyber-attacks or other malicious hacks, could cause transaction errors, the inability to access data or systems, loss or corruption of data and processing inefficiencies, which may result in the loss of customers or valuable business assets as well as other business disruptions.

Cary Group's systems and IT infrastructure may become subject to cyber-security risks, including computer viruses, malware, phishing attacks, ransomware attacks or other incidents where an external party attempts to gain access to the Group's networks and IT infrastructure. As the techniques used to obtain unauthorised access to, or sabotage, systems change frequently and generally are not identified until they are launched against a target, the Group may be unable to anticipate or pre-empt these attacks or to implement adequate preventative measures. In addition to malicious third-party attacks, cyber-related risks may also arise because of erroneous internal processes, network outages or technical faults, human error or natural disasters. Cary Group's suppliers, IT service providers and other third-parties with whom the Group interacts may also become exposed to security breaches or cyber-attacks. Exposure to cyber-related risks (whether directly or indirectly through third parties) may result in disruptions to Cary Group's business, loss of important data (including personal data), legal and contractual liability, costs related to mitigation, repairs and upgrades and reputational damage.

Cary Group is exposed to risks related to processing of personal data.

In order to operate its business, Cary Group processes and stores a variety of personal data, including contact details, personal identification numbers, payment information, property information and information related to customer satisfaction, in both electronic and physical form. Such data may be transferred, *e.g.*, through the use of third-party service providers, to parties located outside the EU/EEA. In connection with the use, collection, retention, disclosure or other processing of personal data, Cary Group is required to comply with an increasing number of data protection, data privacy and data security laws, contractual obligations with respect to customers and other third-parties and increasing legal requirements in connection with transfers of personal data outside of the EU/EEA. For example, Cary Group is required to comply with the European General Data Protection Regulation ("**GDPR**")[1], which places onerous obligations and operational requirements on businesses within its scope and could make it more difficult or more costly for Cary Group to use and share personal data (including on an intragroup basis) to parties located outside of the EU/EEA. Mechanisms relied upon for the transfer of personal data to third-party countries may be invalidated or suspended by competent authorities from time to time, which may force Cary Group to cease certain data processing activities and change some of the Group's practices.

In the event of a violation of the GDPR, data protection supervisory authorities have various enforcement powers, including the ability to levy fines of up to EUR 20 million or up to 4 percent of an enterprise's total annual worldwide turnover, whichever is greater, for the preceding financial year. In 2020, the Group's revenue amounted to SEK 1,651 million. Data subjects also have the right to be compensated for any damage suffered because of a controller or processor's non-compliance with the GDPR. Accordingly, if Cary Group's processing of personal data fails to meet the requirements of the GDPR, or if the Group is exposed to cyberattacks, see "*– Cary Group is exposed to risks related to IT and cyber-security*" above. or for any other reason fails to comply with applicable data privacy laws and obligations in the jurisdictions in which it operates, Cary Group may be made subject to material fines, be liable to pay compensatory damages to data subjects, and may have a material adverse impact on the Group's business and results of operations. Despite the Group's efforts, governmental authorities, data subjects or third parties may consider that certain business practices to not comply with applicable data protection laws. Furthermore, any perceived intrusion on the privacy of Cary Group's customers or other persons for which the Group processes personal data as well as any data security vulnerabilities or non-compliance with applicable data protection law, may result in negative media coverage and damages to Cary Group's reputation.

1) 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).

Risks relating to laws and legal compliance

Cary Group's business may be affected due to changes in laws and regulations governing repair of motor vehicles.

Vehicle manufacturers operating in the EU are governed by the framework provided by Commission Regulation 330/2010[1] and Commission Regulation 461/2010[2] which set out the rules for applying the general prohibition of anticompetitive agreements under Article 101 TFEU[3] in the automotive sector. Moreover, the European Commission has issued Supplementary Guidelines (2010/C 138/05)[4] setting out principles for assessing such agreements.

Because the vehicle repair market (both for the purchase and sale of parts and for repair services) is a market which is traditionally regarded as having less intense competition than other markets, the current regime imposes more stringent rules for businesses to follow. Specifically, vehicle manufacturers have limited opportunities to:

- restrict sales of spare parts to a selective distribution system, excluding independent repairers, for example, by means of a conditional warranty arrangement;
- restrict a supplier's ability to sell spare parts, repair tools or other equipment to independent distributors, repairers or end users; and
- restrict a supplier's ability to place its trademark or logo on components supplied to the manufacturer.

If many car manufacturers were to not comply with EU competition rules regarding vehicle repair and replacement, and created systems by which vehicle owners could only, or were strongly incentivised to, use the relevant applicable vehicle manufacturer for vehicle glass repair or replacements, it would be detrimental to Cary Group's operations.

The current rules expire on 31 May 2023, and the EU is currently in its policy-making stage of review. On 28 May 2021, the EU published an Evaluation Report and Staff Working Document, which demonstrated the findings from the EU's investigation into the sector. These were as follows:

(a) *Motor vehicle distribution markets:* While the passenger car market competition is vigorous, it is less intense for light commercial vehicles, trucks and buses.

(b) *Motor vehicle repair markets:* Authorised repairers have considerable local market power, and strict quality criteria limits intra brand competition. Independent repairers will be able to exert competitive pressure if they have access to vital key parts such as parts, tools, training, information, and data. The regime may need to be updated for the growing importance of data.

(c) *Motor vehicle spare parts markets:* These are less flexible due to contractual arrangements between suppliers and manufacturers, and therefore reduces the choice for end-consumers.

These findings will assist in guiding the EU in determining what changes, if any, will be made to the current regime. Based on the preliminary findings, it does not seem likely that to European Commission would propose changes to the legal framework that would weaken the position of companies offering vehicle repair and replacement services. As a result, however, there can be no certainty that the rules would not change. Any change to the above framework could potentially alter the market dynamics within the car care and, specifically, the vehicle glass repair and replacement industry, which could have a negative impact on Cary Group's results of operations.

Cary Group is exposed to compliance-related risks, as well as statutory and regulatory requirements.

Cary Group must comply and is dependent on the compliance by its employees and other partners with laws and regulations, as well as internal governance documents and policies. Breaches of, or non-compliance with, applicable laws and regulations, for example, regarding storing and handling chemicals, may adversely affect Cary Group's business and reputation. Such behaviour may, for example, include non-compliance with laws and regulations related to public procurement and competition laws (including allegations of abuse of dominant position or anti-competitive co-operation), human rights, money laundering, anti-bribery, IT security and data protection (including the GDPR), corporate governance, export controls and sanctions, IFRS and other rules relating to accounting and financial reporting, the environment and work environment, business ethics and equal treatment. Since Cary Group's organisational structure is cross-border, with its workshops being responsible for their daily operations and results, meaning that they do not necessarily involve group or central functions in all decisions, it is complex and time-consuming to monitor and control that the entire organisation is complying with applicable laws and regulations, internal policies, and codes of conduct, including in relation to accounting and financial reporting regulations.

1) Commission Regulation 330/2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices.
2) Consolidated version of the Treaty on the Functioning of the European Union (TFEU) OJ C 202, 7.6.2016.
3) Commission Regulation 461/2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices in the motor vehicle sector.
4) Supplementary guidelines (2010/C 138/05) on vertical restraints in agreements for the sale and repair of motor vehicles and for the distribution of spare parts for motor vehicles.

Cary Group is exposed to employment law-related risks.

In 2020, the Group had an average of 894 employees in four countries. The Group thus needs to comply with several employment-related laws and regulations with various levels of employee protection. Certain employees in Cary Group's operations are covered by collective bargaining agreements, particularly in Sweden, and other arrangements with trade unions. Such agreements are renegotiated from time to time. If such negotiations are discontinued or if an agreement cannot be reached, this may adversely affect Cary Group's business. Moreover, any increases in the minimum wage, because of renegotiated collective bargaining agreements or legislative changes, may have a significant adverse impact on the Group's financial position and profitability. Furthermore, there is a risk of strikes or other industrial conflict measures, which may create disruptions and delays in the business or cause negative media attention, thus adversely affecting the reputation of the Group. There is also a risk that headcount redundancy measures, for example, due to efficiency improvements in the business or acquisition integrations, are not handled properly or in consultation with trade unions, which could damage Cary Group's reputation as an employer and lead to a deterioration in the relationship with trade unions and their members.

There is also a risk that Cary Group is subject to claims from former employees who allege that they have been terminated or forced to retire in a manner that does not comply with relevant employment laws and/or that they are entitled to, for example, additional compensation or severance payments or benefits. There is also a risk that restrictive contract covenants, for example, non-compete and non-solicitation provisions, included in employment agreements are deemed inadequate or unenforceable, or that efforts to enforce them takes time and resources away from Cary Group's regular operations. Employment law-related risks could have a material adverse effect on the Group's business, results of operations and financial position.

Cary Group is exposed to risks relating to liability claims with respect to its services

Cary Group's operations, particularly as they relate to recalibration services, may be subject to product liability claims. Because of the Group's calibration service to ADAS equipped vehicles that require vehicle glass replacement, if there was a future incident in relation to such vehicle's ADAS vehicles, Cary Group could be subject to liability claims. While this has not occurred, as an illustrative example, if a vehicle that received an ADAS calibration from Cary Group was to go off the road, the vehicle owner could claim that the ADAS system was not calibrated properly, and could bring a claim against Cary Group with respect to its involvement in the ADAS calibration. Another recent example that could be a source of claims is Cary Group's recent installation of protective shields in buses during COVID-19 for bus driver protection. If something were to go wrong due to malfunction of the protective shield, the driver or bus company could try to bring a claim against Cary Group for its installation service. While it is not by any means certain that Cary Group would be deemed to be liable to any extent in either of these illustrative hypothetical examples, any future claims with respect to Cary Group's services presents a risk that Cary Group could incurs significant costs and that the measures taken to protect the Group against the impacts of such costs may be insufficient. Any adverse publicity in connection with liability proceedings may also damage Cary Group's reputation. Liability claims thus present a risk to Cary Group's business, results of operations and financial position.

Cary Group is exposed to risks related to legal and administrative proceedings.

From time to time, Cary Group may be involved in legal or administrative procedures which arise within the scope of its day-to-day operations. It may be difficult to foresee the risk, or possible outcome, of legal proceedings, disputes, and matters, some of which may be unfavourable for Cary Group and materially adversely affect the Group's results of operations and financial position. In those cases, there is a risk that Cary Group incurs significant costs and that the measures taken to protect the Group against the impacts of such costs may be insufficient. Any adverse publicity in connection with legal proceedings may also damage Cary Group's reputation. Legal and administrative proceedings thus present a risk to Cary Group's business, results of operations and financial position.

Cary Group is exposed to tax risks.

The Group is comprised of subsidiaries that are subject to taxation in four jurisdictions. In 2020, Cary Group's recognised tax expenses totalled SEK 23.6 million, and its effective tax rate was 32.7 percent. There is a risk that Cary Group's understanding and interpretation of tax laws, tax treaties and other provisions is not correct in all respects. There is also a risk that tax authorities in the relevant jurisdictions make assessments and decisions that differ from Cary Group's understanding and interpretation of the laws, tax treaties and other provisions, which risks negatively impacting the Group's tax expenses and effective tax rate. Similarly, there is a risk that amended laws, tax treaties or other provisions, which may apply retroactively, may have a material adverse effect on Cary Group's results of operations.

Cary Group's projections of future taxable income are based on estimates and assumptions made by the Group. Accordingly, there is a risk that changes in assumptions or erroneous estimates in the projection of future taxable income result in significant differences in the valuation of deferred taxes. In addition, the Group had tax loss carry forwards amounting to SEK 59.5 million, for which no deferred tax asset had been recognised, primarily in

Norway. Material differences in assumptions relating to future taxable income thus present a significant risk to Cary Group. If Cary Group loses or is unable to use any of its deferred tax assets, due to changes in tax laws, accounting policies, or for any other reason it may have a material adverse effect on Cary Group's financial position and results of operations.

Furthermore, in recent years, tax authorities have increased their focus on transfer pricing (*i.e.*, the pricing of transactions between commonly controlled legal entities within a group) and tax deduction-related issues, which are areas of high complexity. Transfer pricing-related disputes often concern significant amounts and may sometimes take several years to conclude. Negative outcomes in transfer pricing related reviews and disputes may have a material adverse effect on Cary Group's tax position. From time to time, Cary Group may also be involved in other tax disputes, tax audits and litigations of varying significance and scope. Such processes can lead to lengthy proceedings over several years and may require Cary Group to pay substantial additional tax, and thus present a significant risk for the Group. Risks relating to financial performance and financial conditions.

Cary Group is exposed to risks relating to intellectual property rights.

Cary Group's intellectual property rights, including trademarks, domain names and related rights, are an important part of the Group's business and brand image. For the Group, the intellectual property rights associated with its trademarks, including "Cary Group" and the Cary Group logo, as well as the Cary Group's local brands, which are of particular importance to it. Failure to protect Cary Group's material intellectual property rights may negatively affect the Group's brand recognition, competitiveness and/or reputation, if, for example, Cary Group would no longer be able to use certain trademarks, or if a third-party illegitimately offers services of low quality under any of Cary Group's brands or otherwise misrepresents such trademarks, see "*– Risks related to Cary Group's operations and industry – Cary Group is exposed to reputational risks*" above. There is a risk that the instigation of extensive legal proceedings or claims would consume extensive time and resources of the Group, and Cary Group's inability to advantageously resolve or settle such proceedings or claims, or unfavourable outcomes in connection with such proceedings or claims, could have a material adverse effect on the Group's business, results of operations and financial position.

In addition to intellectual property protected by registered intellectual property rights, Cary Group also uses institutional know-how, trade secrets and other intellectual property rights that are not registered. There is a risk that confidentiality undertakings from employees and other partners, and other measures taken to maintain control over such information, will be insufficient to prevent disclosure of sensitive information. If Cary Group is unable to protect important, internal institutional information and know-how, its competitiveness may be adversely affected.

Risks relating to financial performance and financial conditions

Cary Group is exposed to financing and liquidity risks

Financing risk is the risk that Cary Group fails to obtain financing, or is only able to obtain financing on unfavourable terms. Access to financing is affected by several factors, including market conditions, the general availability of credit and Cary Group's creditworthiness and credit capacity. In addition, access to further financing depends on lenders' view of Cary Group's long- and short-term financial prospects. Disruptions and uncertainty on the capital and credit markets may also limit access to the capital required to run the business. As of 30 June 2021, Cary Group had committed credit facilities of SEK 2,355.0 million, of which SEK 827.0 million were unutilised.

There is a risk that an extensive decline in creditworthiness or profitability, considerable increases in interest rates, reduction in credit access or tightened lender conditions would limit the Group's access to funds, including its ability to raise further loans, and thereby limit Cary Group's ability to carry out its strategy.

Liquidity risk refers to the risk that Cary Group will not have sufficient funds to pay foreseen or unforeseen expenditures. There is a risk that Cary Group is unable to repay debts as they fall due, because of, among other things, the Group being unable to generate sufficient cash flows from operating activities. If Cary Group fails to repay its existing or future debts, to renew or refinance existing or future credit facilities on acceptable terms, or to perform existing financial obligations, this would have a material adverse effect on the Group's liquidity, results of operations and financial position. Moreover, a part of Cary Group's growth strategy is largely based on acquiring other car care service providers, a strategy which is to an extent dependent on external financing. Consequently, any possible inability to obtain financing for acquisitions may negatively impact the growth potential of Cary Group.

Cary Group is exposed to interest rate risk.

Interest rate risk is the risk of being negatively affected by changes in market interest rates. The Group's most significant floating interest is linked to STIBOR plus a fixed margin between 3.50–3.75 percent. As of 31 December, 2020, none of the long-term loans were hedged by interest rate derivatives. As of 31 December, 2020, a sustained change in the reference interest rates of 1 percentage point would have had an annual impact on financial items totalling SEK 15.8 million.

A significant increase of STIBOR that affects Cary Group's interest costs would have an effect on the Group's results of operations after financial items.

Cary Group is exposed to risks related to impairment of goodwill and other intangible assets.

In connection with acquisitions, Cary Group carries out a purchase price analysis through which Cary Group values the acquired entity's identifiable assets and liabilities at fair value. The difference between the fair value of the identifiable assets and liabilities and the consideration transferred by Cary Group, is recognized as goodwill. As of 30 June 2021, Cary Group had goodwill of SEK 1,805.5 million, trademarks of SEK 14 million, customer relationships of SEK 33 million, and other intangible assets of SEK 108,4 million (together representing 67.9 percent of the Group's total assets. Goodwill is tested at least yearly for impairment, if Cary Group's cash generating units generate sufficient returns, Cary Group may be required to write down goodwill and other intangible assets and this could have a material adverse effect on Cary Group's results of operations and financial position. For more details around the impairment test, see "*Historical financial information for the year ended" 31 December 2020 and 2019 – Note 2 (Summary of significant accounting principles) and "Historical financial information for the year ended 31 December 2020 and 2019 – Note 3 (Critical estimates and judgements)"*.

Impairment testing of goodwill requires an estimation of the parameters that affect future cash flow as well as determination of a discount factor. The test for impairment is complex and includes a large element of assessment, including assumptions regarding rate of growth, profitability and cost of capital. If these assumptions prove to be significantly incorrect, this could have a material adverse effect on Cary Group's results of operations and financial position.

If the Group is required to recognize an impairment of goodwill or other intangible assets, it is recognized in the statement of profit or loss and could thus have an adverse effect on the Group's profitability and financial position.

Cary Group is subject to exchange rate and currency risks.

Due to its international operations, Cary Group has substantial assets and liabilities, and generates revenue and incurs expenses, in various currencies other than its reporting currency, SEK, see "*Selected historical financial information*" for further information. As of the date of this Offering Memorandum, Cary Group operates in several markets where the official currency is not SEK. Consequently, Cary Group is exposed to currency risks, consisting of translation risks and transaction risks. As all sales and most of the costs are incurred in the local currency in each country, the transactional risk is low, and Cary Group's currency exposure is mainly translational. Translation risk is the exposure that arises when consolidating foreign operations that do not have SEK as their functional currencies. Cary Group's policy is to not hedge any of its foreign exchange risk. Cary Group's main translation exposure is to the NOK, DKK, GBP, and, in the future, EUR.

Of the Group's total revenue for the financial year 2020, 57 percent was generated in SEK 6 percent was generated in NOK, 2 percent was generated in DKK and 35 percent was generated in GBP. Cary Group is subject to the risk that changes in exchange rates may have a negative impact on the financial position and results of operations. The main transactional foreign exchange risk exposure is relating to external borrowings and internal lending in GBP and NOK, within some of the entities in Sweden. Mitigation of this risk occurs naturally by partially matching external loans towards intercompany loans in the same currency to foreign subsidiaries within the Group. The currency risk is monitored on a regular basis. In addition, Cary Group expanded its operations to Spain through the acquisition of Ralarsa in 2021. As a result, in the future, Cary Group will also be exposed to exchange risks between SEK and EUR.

The Group's primary exposure to foreign currency risk at the end of the reporting period, expressed in thousands of SEK, was as follows:

	As of 31 December 2020	
SEK thousands	**GBP/SEK**	**NOK/SEK**
Borrowings	(129,721)	–
Intercompany positions	(243,268)	(23,071)
Total	**(372,989)**	**(23,071)**

The Group is primarily exposed to changes in GBP/SEK and NOK/SEK exchange rates, and, as noted above, EUR/SEK in the future. The Group's net risk exposure in foreign currencies is presented below from sensitivity perspective:

	Impact on post-tax profit and equity (SEK thousands)
	2020
GBP/SEK exchange rate - increase/ decrease 10 %	+/−11,355
NOK/SEK exchange rate - increase/ decrease 10 %	+/−2,307

Risks relating to the offering and cary group’s shares

The share price can be volatile, and the share price development is affected by several factors.

Since an investment in shares may increase or decrease in value, there is a risk that investors will not recover their invested capital. The performance of the Cary Group share depends on multiple factors, some of which are company specific, whereas others are related to the stock market in general. The Offer Price will be set by the Group’s Board of Directors and the Principal Owner in consultation with the Joint Global Coordinators. This price will not necessarily reflect the price at which investors in the market will be willing to buy and sell the shares following the Offering; for example, the price could during the trading taking place after the listing differ from the Offer Price.

Furthermore, the share price may, for example, be affected by supply and demand, fluctuations in actual or projected results, changes in earnings forecasts, failure to meet stock analysts’ earnings expectations, failure to achieve financial and operational targets, changes in general economic conditions, changes in regulatory conditions and other factors such as sales of significant holdings by owners. The Group’s shares have not previously been traded on a stock market. It is therefore difficult to predict the amount of trading or the interest that may be shown in the shares. Consequently, there is a risk that there will not always be an active and liquid market for trading in Cary Group’s shares, which would affect investors’ possibilities to recover their invested capital. This presents a significant risk for a single investor.

Cary Group’s ability to pay future dividends depends on several factors.

Payment of dividends may only take place if there are payable funds held by Cary Group and as long as the requirements of future dividends, and the size, scope and risks of any such dividends, are met. Such requirements depend on Cary Group’s equity, consolidation needs, liquidity, and position in general for a certain financial year. Furthermore, future dividends, and the size of any such dividends, depend on the Group’s future results, financial position, cash flows, working capital requirements and other factors, including Cary Group’s mergers and acquisitions (“**M&A**”) strategy. However, there is a risk that payable dividends will not be available in any financial year, which would reduce the return on an investor’s invested capital.

Sales of shares by existing shareholders could cause the share price to decline.

The market price of the Group’s share could decline if there are substantial sales of the Group’s shares, particularly sales by the Group’s Board of Directors, Group Management, and significant shareholders, or otherwise when a large number of shares are sold. The Principal Owner, Rydgruppen, Board members and members of the Group Management, as well as certain other key employees within the Group, will commit, subject to certain exceptions, not to sell their respective holdings for a certain period after trading of the Group’s shares on Nasdaq Stockholm has commenced (so called lock-up period). However, Joint Global Coordinators could decide to grant exceptions from the limitations on the sale of shares during the lock-up period. After the expiry of the relevant lock-up period, the shareholders subject to lock-up will be free to sell their shares in the Group. Any sales of substantial amounts of the Group’s shares in the public market by the shareholders subject to the lock-up undertakings or the Group’s other current shareholders, or the perception that such sales might occur, could cause the market price of the Group’s share to decline, which entails a significant risk for investors.

Future issuances of shares or other securities could dilute the shareholding and have an adverse effect on the share price.

Cary Group may in the future need to raise additional capital to finance its operations or to carry out planned investments (such as acquisitions of companies or businesses in accordance with Cary Group’s active acquisition strategy). For example, issuances of additional securities or bonds could reduce the market value of Cary Group’s shares as well as dilute the financial and voting rights for existing shareholders unless existing shareholders are given preferential rights in the issue or if existing shareholders for some reason are unable, prohibited or unwilling to exercise any preferential rights.

Undertakings by Cornerstone Investors are not secured

The Cornerstone Investors have undertaken to acquire shares in the Offering corresponding to a total of approximately SEK 3,150 million. The undertakings relate to 44,999,998 shares, corresponding to 59.7 percent of the total number of shares in the Offering and 34.1 percent of the total number of shares in the Group after the Offering (under the assumption that the Overallotment Option is exercised in full. However, the Cornerstone Investors’ undertakings are not secured by bank guarantees, blocked funds, pledges of collateral or similar arrangements. Consequently, there is a risk that one or several of the Cornerstone Investors will not be able to fulfil their commitments. The Cornerstone Investors’ undertakings are also subject to certain customary conditions. If any of these conditions is not satisfied, there is a risk that the Cornerstone Investors will not fulfil their undertakings, which could have a negative impact on the completion of the Offering.

Shareholders in the United States and other jurisdictions are subject to specific share-related risks.

Cary Group's shares will only be denominated in SEK, and any dividends will be paid in SEK. This means that shareholders outside of Sweden may experience a negative impact on the value of their holdings and dividends at conversion to other currencies if SEK declines in value against the relevant currency. Furthermore, tax legislation in both Sweden and the shareholder's home country may affect the income from any dividend.

In certain jurisdictions, there may be restrictions in national securities laws that mean that shareholders in such jurisdictions do not have the possibility to participate in new share issues and other offerings if securities are offered to the general public. If Cary Group issues new shares with preferential rights for the Group's shareholders in the future, shareholders in some jurisdictions may be subject to restrictions, which could mean that they may be unable to participate in such new share issues or that their participation is otherwise prevented or limited. Such limitations present a significant risk to shareholders located in jurisdictions where such limitations apply.

Presentation of financial and other information

Overview

This Offering Memorandum contains:

- the Company's unaudited condensed consolidated interim financial statements as of and for the six months ended 30 June 2021 with comparative figures for the same period of 2020, which have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union and the Annual Accounts Act (1995:1554) (Sw. *Årsredovisningslagen*) and reviewed by Cary Group's independent auditors Ernst & Young Aktiebolag, as set forth in its review report included elsewhere herein;
- the Company's audited consolidated financial statements as of and for the years ended 31 December 2020 and 2019 which have been prepared in accordance with IFRS, as adopted by the European Union, and audited by Cary Group's independent auditors Ernst & Young Aktiebolag, as set forth in its audit report included elsewhere herein;
- the Company's audited consolidated financial statements as of and for the years ended 31 December 2018 which have been prepared in accordance with Swedish GAAP K3, and audited by Cary Group's independent auditors Ernst & Young Aktiebolag, as set forth in its audit report included elsewhere herein;
- *Pro forma* financial statements, see further, "*Pro forma*".

With the exception of what is explicitly stated in this Offering Memorandum, no information herein has been audited or reviewed by the Company's auditor.

Non-ifrs key operating measures

In this Offering Memorandum, the Company presents certain key operating metrics, including certain key operating metrics and ratios that are not measures of financial performance or financial position under IFRS (alternative performance measures or non-IFRS measures). The non-IFRS measures presented herein, are not recognised measures of financial performance under IFRS, but measures used internally by the Group Management, in conjunction with IFRS financial measures, to measure performance and make decisions regarding the future direction of the business. In particular, non-IFRS metrics should not be viewed as substitutes for income statement or cash flow items computed in accordance with IFRS. The non-IFRS metrics do not necessarily indicate whether cash flow will be sufficient or available to meet the Company's cash requirements and may not be indicative of the Company's historical operating results, nor are such metrics meant to be predictive of the Company's future results. Investors are cautioned not to place undue reliance on these alternative performance measures.

The Group Management uses these IFRS and non-IFRS metrics for many purposes in managing and directing the Company and has presented these metrics because it believes that these metrics are important and helpful in understanding the Company's performance from period to period and to facilitate comparison with its peers. Since not all companies compute these or other non-IFRS metrics in the same way, the manner in which the Company has chosen to compute the non-IFRS metrics presented herein may not be compatible with similarly defined terms used by other companies. For definitions of non-IFRS key operating measures, see "*Selected historical financial information – Definitions of alternative performance measures*".

Roundings

Certain numerical information and other amounts and percentages presented in this Offering Memorandum may not sum up due to rounding. In addition, certain figures in this document have been rounded to the nearest whole number. In respect of financial data set out in this Offering Memorandum, a dash ("–") signifies that the relevant figure does not exist, while 0.0 signifies that the relevant figure is available but has been rounded to or equals zero.

Currency

In this Offering Memorandum, all references to: (i) "**SEK**" is to the lawful currency of Sweden, and "**MSEK**" indicates millions of SEK and "**TSEK**" indicates thousand SEK; (ii) "**EUR**" is to Euro, the single currency of the member states (the "**Member States**") of the European Union participating in the European Monetary Union having adopted the Euro as its lawful currency, and "**MEUR**" indicates millions of EUR; (iii) "**USD**" is to the lawful currency of the United States, and "**MUSD**" indicated millions of USD; (iv)"**NOK**" is to the lawful currency of Norway, and "**MNOK**" indicates millions of NOK; and (v)"**DKK**" is to the lawful currency of Denmark, and "**MDKK**" indicates millions of DKK and, (vi) "**GBP**" is the lawful currency of the United Kingdom, and "**MGBP**" indicates millions of GBP.

Exchange rate information and regulation

Investors with a reference currency other than SEK may become subject to certain foreign exchange risks when investing in the Company's shares. The Company's equity capital is denominated in SEK, and any returns will be distributed in SEK. The Company's shares will be denominated and traded in SEK on Nasdaq Stockholm. Investors whose reference currency is a currency other than SEK may be adversely affected by any reduction in the value of SEK relative to the respective investor's reference currency. In addition, such investors could incur additional transaction costs in converting SEK into another currency. Investors whose reference currency is a currency other than SEK are therefore urged to consult their financial advisors with a view to determining whether they should enter into hedging transactions to offset these currency risks. To the extent owners of the Company's shares receive dividends that are converted from SEK to another currency, fluctuations in the exchange rate between SEK and such other currency will affect the amounts received by owners of the Company's shares on conversion of dividends.

The following table sets forth, for the periods indicated, certain information concerning the European Central Bank (the "**ECB**") daily reference rate published by the ECB (the "**ECB Daily Reference Rate**") for EUR, expressed in SEK per EUR 1.00. The average rate for a year means the average of the daily mid-rates on the last day of each month during a year. The average rate for a month, or for any shorter period, means the average of the daily mid-rates during that month, or a shorter period. The period end rate represents the mid-rate on the last business day of each applicable period. These exchange rates are provided only for the convenience of the reader. No representation is made that amounts in SEK have been, could have been or could be converted into EUR, or vice versa, at the mid-rate or at any other rate.

	Exchange Rate			
	SEK per EUR 1.00			
Year:	**High**	**Low**	**Period end**	**Average**
2018	10.6923	9.7645	10.2548	10.2583
2019	10.9173	10.1855	10.4468	10.5891
2020	11.1523	10.0343	10.0343	10.4848
Month:				
January 2021	10.1540	10.0510	10.1110	10.0952
February 2021	10.1627	10.0315	10.1388	10.0887
March 2021	10.2473	10.1250	10.2383	10.1692
April 2021	10.2753	10.0985	10.1288	10.1805
May 2021	10.1945	10.1060	10.1210	10.1471
June 2021	10.2330	10.0552	10.1110	10.1172
July 2021	10.2535	10.1435	10.1868	10.1979
August 2021	10.3263	10.1625	10.1625	10.2157
September 2021 (through 10 September)	10.1961	10.1515	10.1843	10.1778

On 10 September 2021, the ECB Daily Reference Rate for SEK per EUR was SEK 10.1843 per EUR 1.00.

The following table sets forth, for the periods indicated, certain information regarding the noon buying rate in New York for cable transfers for SEK, expressed in SEK per USD 1.00. The noon buying rates are certified by the Federal Reserve Bank of New York for customs purposes and for cable transfers payable in foreign currencies. The average rate for a year means the average of the noon buying rates on the last day of each month during a year. The average rate for a month, or for any shorter period, means the average of the daily noon buying rates during that month, or a shorter period. The rates below may differ from the actual rates used in the preparation of the Company's consolidated financial statements and other financial information appearing in this Offering Memorandum. The inclusion of the exchange rate information below is not meant to suggest that the SEK amounts represent such USD amounts or that such amounts could have been converted into USD at the rates indicated or at any other rate.

	Exchange Rate SEK per USD 1.00			
Year:	High	Low	Period end	Average
2018	9.1566	7.8736	8.8654	8.7472
2019	9.8307	9.0465	9.3425	9.4729
2020	9.9145	8.2095	8.2095	9.1451
Month:				
January 2021	8.3511	8.1855	8.3357	8.2867
February 2021	8.4602	8.2474	8.4211	8.3442
March 2021	8.6905	8.4011	8.7185	8.5431
April 2021	8.7282	8.3651	8.4503	8.4993
May 2021	8.4894	8.4229	8.3019	8,3511
June 2021	8.6193	8.2624	8.5609	8.3966
July 2021	8.7038	8.5532	8.5912	8.6319
August 2021	8.8169	8.5835	8.6325	8.6787
September 2021 (through 3 September)	6.6006	8.5468	8.5468	8.5759

On 3 September 2021, the noon buying rate as certified by the Federal Reserve Bank of New York for customs purposes, for SEK per USD, was SEK 8.5468 per USD 1.00.

The following table sets forth, for the periods indicated, certain information concerning the daily reference rate published by the Riksbank for NOK, expressed in NOK per SEK 1.00. The average rate for a year means the average of the daily mid-rates on the last day of each month during a year. The average rate for a month, or for any shorter period, means the average of the daily mid-rates during that month, or a shorter period. The period end rate represents the mid-rate on the last business day of each applicable period. These exchange rates are provided only for the convenience of the reader. No representation is made that amounts in NOK have been, could have been or could be converted into SEK, or vice versa, at the mid-rate or at any other rate.

	Exchange Rate SEK per NOK 1.00			
Year:	High	Low	Period end	Average
2018	1.1007	1.0018	1.0244	1.0685
2019	1.1034	1.0287	1.0579	1.0749
2020	1.0428	0.9329	0.9545	0.9706
Month:				
January 2021	0.9841	0.9618	0.9694	0.9739
February 2021	0.9876	0.9745	0.9754	0.9810
March 2021	1.0229	0.9756	1.0229	1.0017
April 2021	1.0225	1.0052	1.0215	1.0120
May 2021	1.0186	0.9915	0.9927	1.0058
June 2021	1.0025	0.9913	0.9942	0.9970
July 2021	0.9982	0.9648	0.9759	0.8921
August 2021	0.9937	0.9712	0.9937	0.9799
September 2021 (through 10 September)	0.9951	0.9877	0.9951	0.9906

Figures reported in this Offering Memorandum are presented in SEK unless otherwise specified. The Company's financial statements and financial information are denominated in SEK.

Exchange control regulations in Sweden

There are currently no foreign exchange control restrictions in Sweden, other than in certain national crisis situations, that would restrict the payment of dividends to a shareholder outside Sweden, and there are currently no restrictions that would affect the right of shareholders who are not residents of Sweden to dispose of their shares and receive the proceeds from a disposal outside Sweden. There is no maximum transferable amount either to or from Sweden, although transferring banks are required to report to the Swedish tax authorities any payments to or from Sweden exceeding SEK 150,000, or the foreign currency equivalent thereof. Such information may also be forwarded to authorities in the countries where the holders of the shares are resident.

Industry and market data

This Offering Memorandum contains statistics, data and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's business and markets. Unless otherwise indicated, such information is based on the Company's analysis of multiple sources, including a report the Company commissioned from Strategy&, dated 11 June 2021 (the "**Market Study**"). Such information has been accurately reproduced, and, as far as the Company is aware and able to ascertain from such information, no facts have been omitted that would render the information provided inaccurate or misleading. The Market Study is based on interviews with primary sources such as industry experts and participants, market analysis based on secondary sources, and internal financial and operational information supplied by, or on behalf of, Cary Group.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. Neither the Company nor its advisers have independently verified and cannot give any assurance as to the accuracy of market data contained in this Offering Memorandum that were extracted or derived from market reports or industry publications or reports. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on sampling and subjective judgements by both the researchers and the respondents, including judgements about what types of products and transactions should be included in the relevant market.

This Offering Memorandum also contains estimates of market data and information derived therefrom that cannot be gathered from publications by market research institutions or any other independent sources. Such information is prepared by Cary Group based on third-party sources, including market reports, and the Company's internal estimates. In many cases there is no publicly available information on such market data, for example from industry associations, public authorities or other organisations and institutions. The Company believes that its estimates of market data and information derived therefrom are helpful in order to give investors a better understanding of the industry in which Cary Group operates as well as its position within the industry. Although the Company believes that Cary Group's internal market observations are reliable, Cary Group's estimates are not reviewed or verified by any external sources. While Cary Group is not aware of any misstatements regarding the industry or similar data presented herein, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed herein and in the section "*Risk factors*" in this Offering Memorandum.

Invitation to acquire shares in Cary Group AB (publ)

The Company and the Principal Owner have resolved to diversify the ownership base of the Company in order to further promote Cary Group's growth and continued development. The Company's Board of Directors will apply for the Company's shares to be admitted for trading on Nasdaq Stockholm. Nasdaq Stockholm's Listing Committee has on 8 September 2021 made the assessment that the Company fulfils the listing requirements. Nasdaq Stockholm will approve an application for admission to trading of the Company's shares on Nasdaq Stockholm subject to certain conditions, including that the Company submits such an application and fulfils the distribution requirement for its shares.

Pursuant to the terms and conditions set forth in this Offering Memorandum, investors are hereby invited to acquire a total of 65,527,949 shares in the Company, of which the Company offers 17,857,142 newly issued shares and the Selling Shareholders offer 47,670,807 existing shares. The offer price has been set at SEK 70 per share by the Company's Board of Directors and the Principal Owner in consultation with the Joint Global Coordinators.

Provided that the new share issue is subscribed in full, the number of new shares issued will be 17,857,142 and the number of shares in the Company, following completion of the Offering and implementation of the capital structure changes described in "*Shares and share capital – Changes in the share structure and redistribution of shares among existing shareholders*", will increase from 113,991,854 to 131,848,996, corresponding to an increase of 15.7 percent and an increase of the Company's share capital from 610,671.8 to 706,335.3 SEK. For existing shareholders, this will result in a dilutive effect of 17,857,142 new shares, corresponding to 13.5 percent of the total number of shares in the Company after the Offering.

The Company's Board of Directors intends to, by power of authorisation from the extraordinary general meeting held on 1 July 2021, resolve on the new issue of shares, which is expected to provide the Company with proceeds of approximately SEK 1.250 million before deducting issue costs.[1] Following completion of the Offering, the Company's share capital will amount to SEK 706,335 distributed on 131,848,996 shares, of which the newly issued shares in the Offering represent approximately 13.5 percent.

To cover any over-allotment in connection with the Offering, the Principal Owner will grant the Joint Global Coordinators an option to acquire up to an additional 9,829,192 existing shares, corresponding to maximum 15 percent of the total number of shares in the Offering (the "**Over-allotment Option**"). The Over-allotment Option is exercisable, in whole or in part, for a period of 30 days from the first day of trading of the Company's shares on Nasdaq Stockholm.

Provided that the Over-allotment Option is exercised in full, the Offering encompasses a maximum of 75.357.141 shares, which represents approximately 57.2 percent of the shares and votes in the Company. The total value of the Offering, amounts to approximately SEK 4.587 million, and approximately SEK 5.275 million if the Over-allotment Option is exercised in full.

Stockholm, 14 September 2021

Cary Group Holding AB (publ)

The Board of Directors

Luxembourg, 14 September 2021

Cidron Legion S.à r.l.

The Principal Owner

1) For further information on transaction costs and use of proceeds, see "*Background and reasons and use of proceeds*" below.

Background and reasons and use of proceeds

Background and reasons

The Company considers the Offering and listing of the Company's shares on Nasdaq Stockholm to be a logical and important step in Cary Group's development, which will enable the Company to expand its shareholder base and enable Cary Group to access the Swedish and international capital markets, thereby supporting the Company's continued growth and development and increasing the awareness of Cary Group and its operations among current and potential customers and suppliers. The Offering and listing will further enable Cary Group to strengthening its balance sheet, which will support further M&A consolidation.

Cary Group is a leading[1)] vehicle glass repair and replacement provider that prolongs the life cycle of vehicles and maintains the safety features. The Company provides services at convenient locations, with high quality, superior customer experience[2)] and smart solutions to make sustainable car care easier.

The Company was founded as a part of Ryds Glas in 1947. The Company became a separate entity under the name Ryds Bilglas in 2011 and was renamed Cary Group in 2020. Today, Cary Group consists of local brands throughout their markets in the Nordic region and Europe. The Company operates its own workshops as well as through franchises. In the Company's largest market, Sweden, the Company operates through the brands Ryds Bilglas, Svenska Bussglas and Autoklinik and is the clear market leader, with a market share of circa 36 percent, which makes the Company approximately three times larger than the second largest player. The Company is the third largest player in Norway, where the Company operates under the brands Cary and Quick Car Fix. In Denmark, the Company is also the third largest player, operating under the brands Ryds Bilglas Denmark and Crashpoint, the latter one being Denmark's largest auto body shop centre. In the rest of Europe, the Company's local brands are Mobile Windscreens, a member of the National Windscreens consortium, which is the consumer facing brand in the UK, and Ralarsa and Reparabrisas in Spain. In these markets the Company holds the market position number two[3)]. In total, Cary Group has over 523[4)] workshops, whereof 197[5)] franchises, and 397[6)] mobile units spread across Scandinavia, the UK and Spain.[7)] The Company has a national reach in all of its markets,[8)] offering close proximity to its end customers. The Company has a decentralised business model, emphasising the entrepreneurial culture in the workshops. The local workshops managers are the heroes of the Company and are supported by centralised group functions to ensure that they have the necessary tools to provide high quality services in an efficient manner. As per 30 June 2021, the Company had 1,404 FTEs.[9)]

1) Based on total market share, Cary Group holds top 1-3 positions in all of the Company's current markets according to the Market Study.
2) Based on the Company's NPS of 86 in March 2021, based on the UK and Sweden weighted in relation to revenue.
3) Based on data from the Market Study. In the UK, Cary Group holds the second market position through the National Windscreens consortium, of which Mobile Windscreens as of 2020 constitutes the majority based on revenue.
4) Excluding partners.
5) Whereof 155 in Spain, 27 in Norway, 9 in Sweden and 6 in Denmark.
6) Whereof 297 in the UK, 85 in Spain and 15 in Denmark. Excluding partners.
7) Including Ralarsa and Autoklinik.
8) In the UK, national reach is achieved through the partnership with the National Windscreens consortium.
9) Including Ralarsa and Autoklinik.

Use of proceeds

Cary Group expects to receive proceeds of approximately SEK 1.250 million before deduction of approximately SEK 118 million in transaction costs in connection with the Offering. Consequently, Cary Group expects to receive net proceeds of approximately SEK 1,132 million through the Offering. Cary Group intends to use the net proceeds from the Offering to repay existing debt and, as a result of the strengthened balance sheet, position the Company for future growth and to provide strategic flexibility for acquisitions.

The Board of Directors of the Company is responsible for the content of this Offering Memorandum. The Board of Directors of the Company hereby declares that, to the best of the Board of Directors' knowledge, the information contained in the Offering Memorandum is in accordance with the facts and that the Offering Memorandum makes no omission likely to affect its import.

Stockholm, 14 September 2021

Cary Group Holding AB (publ)

The Board of Directors

The Company's Board of Directors is alone responsible for the contents of this Offering Memorandum. However, the Principal Owner confirms their commitment to the terms and conditions of the Offering in accordance with what is set out in "Invitation to acquire shares in Cary Group (publ) AB" and, hence, the Principal Owner certifies that, to the best of their knowledge, the information contained in the Section "Terms and conditions" is in accordance with the facts and that it makes no omission likely to affect its import.

Terms and conditions

The offering

The Offering comprises of a maximum of 65,527,949 shares, of which 17,857,142 new shares are offered by the Company and a maximum of 47,670,807 shares (excluding the Over-allotment Option) are offered by the Selling Shareholders. The Offering is divided into two components:

- The Offering to the public in Sweden.[1)]
- The Offering to institutional investors in Sweden and abroad.[2)]

Over-allotment option

The Principal Owner has provided the Joint Global Coordinators with an Over-allotment Option entitling the Joint Global Coordinators, not later than 30 days from the first day of trading in the Company's shares on Nasdaq Stockholm, to offer not more than 9,829,192 additional shares, corresponding to a maximum of 15 percent of the number of shares in the Offering, at a price corresponding to the price of the Offering. The Over-allotment Option may only be exercised in order to cover any over-allotment in the Offering. Provided that the Over-allotment Option is exercised in full, the Offering will comprise a maximum of 75.357.141 shares, which represents approximately 57.2 per cent of the shares and votes in the Company, after the completion of the Offering.

Distribution of shares

The distribution of shares between the two components of the Offering will be based on demand. Distribution will be determined by the Board of Directors and the Principal Owner in consultation with the Joint Global Coordinators.

Offer price

The final Offer Price has been set to SEK 70 per share. The price has been determined by the Company and the Principal Owner in consultation with the Joint Global Coordinators, based on a number of factors, including discussions with certain 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 is payable.

Application

Offering to the public in Sweden

Applications from the public for the acquisition of shares must be made between 15 September 2021 and 22 September 2021, 15.00 (CEST) and pertain to a minimum of 100 shares and a maximum of 15,000[3)] shares, in even lots of 50 shares. Only one application per investor may be made. If more than one application is submitted, Joint Global Coordinators, reserve the right to consider only the first application received. Applications are 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 shares, a legal entity must hold and state their LEI number. Registration for an 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.

1) The term "public" refers to private individuals and legal entities in Sweden applying to subscribe for a maximum of 15.000 shares.
2) The term "institutional investors" refers to private individuals and legal entities applying to subscribe for more than more 15.000 shares.
3) Applicants applying to acquire more than 15.000 shares must contact Joint Global Coordinators in accordance with the procedures described under "*–Offering to institutional investors.*"

The Company's Board of Directors and the Principal Owner, in consultation with the Joint Global Coordinators, reserves the right to extend the application period. Notification of such an extension will be given in a press release prior to the end of the application period. Applications can be submitted to Nordnet. Employees at Cary Group Holding AB (publ) who wish to acquire shares must follow specific instructions from the Company. The Offering Memorandum is available on the Company's website (www.carygroup.com), Carnegie's website (www.carnegie.se), Danske Bank's website, and (www.danskebank.se).

Applications via Nordnet

Depository account customers with Nordnet can apply to Individuals that are depository account customers with Nordnet can apply to acquire shares via Nordnet's webpage. Applications via Nordnet can be submitted on Nordnets Internet service from 15 September 2021 up to and including 15:00 (CEST) on 22 September 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 22 September 2021 until the settlement date, which is expected to be 27 September 2021. For more information on how to become a Nordnet customer and the application procedure through Nordnet is available in www.nordnet.se. For customers with an investment savings account, Nordnet will, if the application results in allocation, acquire corresponding numbers of shares in the Offering and re-sell the shares to the customer to the Offer Price.

Offering to institutional investors

The application period for institutional investors in Sweden and abroad is between 15 September 2021 and 22 September 2021. The Company's Board of Directors and the Principal Owner, in consultation with the Joint Global Coordinators, reserve the right to shorten or extend the application period for the Offering to institutional investors. Expressions of interest from institutional investors in Sweden and abroad are to be submitted to Joint Bookrunners according to special instructions.

Allotment

Decisions concerning the allotment of shares will be made by the Company's Board of Directors and the Principal Owner in consultation with the Joint Global Coordinators, whereby the objective will be to achieve a strong institutional ownership base and a wide spread of shares among the public to enable regular and liquid trading of the Company's shares on Nasdaq Stockholm. Allotment is not dependent on when during the application period the application was submitted. Allotment of shares to employees at Cary Group will refer to shares with a value of up to SEK 30,000 per employee.

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

Applications from certain customers of Joint Global Coordinators 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 Joint Global Coordinators and Nordnet without these being prioritised. In such cases, allotment will take place in accordance with the rules of the Swedish Securities Dealers Association and the Swedish Financial Supervisory Authority's regulations. Furthermore, Cornerstone Investors and the other individuals and companies who have undertaken to subscribe for shares are guaranteed full allocation in accordance with their respective undertakings.

Information regarding allotment and payment

Offering to the public in Sweden

Allotment is expected to take place on or about 23 September 2021. As soon as possible thereafter, contract notes will be sent to those who have been allotted shares in the Offering. Those who have not been allotted shares will not be notified.

Full payment for allotted shares is to be made in cash not later than 27 September 2021 in accordance with the instructions on the contract note.

Applications received by Nordnet

Those who applied via Nordnet's Internet service will receive information on allotment by the allotted number of shares being booked against payment of funds in the specified account, which is expected to take place on or about 9:00 a.m. (CEST) on 23 September 2021.

For securities deposit customers with Nordnet, funds for allotted shares will be drawn not later than the settlement date of 27 September 2021. Note that funds for the payment of allotted shares are to be available from 22 September 2021, 15.00 (CEST) up to and including 27 September 2021.

Insufficient or incorrect payment

If sufficient funds are not available in the bank account, securities depository account or investment savings account on the settlement date or if full payment is not made in due time, allotted shares may be transferred and sold to another party. If the selling price for such a sale were to be less than the Offer price, the individual who was originally allotted these shares may have to pay the difference.

Offering to institutional investors

Institutional investors are expected to receive information regarding allotment according to a special procedure on or about 23 September 2021, after which contract notes will be sent. Full payment for allotted shares must be made in accordance with the contract note and against the delivery of shares not later than 27 September 2021. If full payment is not made within the prescribed time, the allotted shares may be transferred to another party. If the selling price for such a sale were to be less than the Offer Price, the individual who was originally allotted these shares may have to pay the difference.

Registration and recognition of allotted and paid shares

Registration of allotted and paid shares with Euroclear, for both institutional investors and the public, is expected to take place on or about 27 September 2021, after which Euroclear will distribute a notice stating the number of 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

The Company's Board of Directors will apply for the Company's shares to be admitted for trading on Nasdaq Stockholm. Nasdaq Stockholm's Listing Committee has on 8 September 2021 made the assessment that the Company fulfils the listing requirements. Nasdaq Stockholm will approve an application for admission to trading of the Company's shares on Nasdaq Stockholm subject to certain conditions, including that the Company submits such an application and fulfils the distribution requirement for its shares. The first day of trading is expected to be 23 September 2021. This means that trading will commence before the shares have been transferred to the Acquirers' securities accounts, service accounts, securities depository accounts or investment savings accounts and, in certain cases, before a contract note has been received. This also means that trading will commence before the terms and conditions for completion of the Offering have been met. If the Offering is not completed, any trading in the Company's shares that occurs before the Offering becomes unconditional will be rescinded.

The ticker for the Company's shares on Nasdaq Stockholm will be CARY.

Important information regarding the potential sale of allotted shares

Information regarding allotment is expected to be provided around 23 September 2021. As soon as payment for the allotted shares has been processed by the Joint Global Coordinators, paid shares will be transferred to the securities depository account or securities account specified by the Acquirer. Due to the time required for transferring payment and transferring paid shares to such Acquirers, the Acquirers will be unable to access said shares in the specified securities depository account or specified account until about 27 September 2021 at the earliest. Trading in the Company's shares on Nasdaq Stockholm is expected to commence on 23 September 2021. Given that the shares will not be available in the Acquirer's account or securities depository account until about 27 September 2021 at the earliest, the Acquirer may not be able to sell these shares from the first day of trading on Nasdaq Stockholm. Instead, they may only be able to sell the shares once they are available in the securities account or securities depository account. Investors will be able to obtain information on allotment from 23 September 2021. Refer also to "*Information regarding allotment and payment*."

Stabilisation

In connection with the Offering, Danske Bank as the stabilising manager (the "**Stabilising 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 shares for up to 30 days from the commencement of trading in the Company's shares on Nasdaq Stockholm. For more information, refer to the section "*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.carygroup.com) on or about 23 September 2021.

Right to dividends

The shares offered carry a right to dividends for the first time on the record date for dividends occurring immediately after completion of the Offering. Payment will be administered by Euroclear 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 on the record date determined by the general meeting. For more information, refer to the section "*Shares and share capital*". For information regarding Swedish preliminary tax, refer to the section "*Tax considerations in Sweden*."

Terms and conditions for completion of the offering

The Offering is conditional on the Company, the Selling Shareholders and the Managers signing a placing agreement (the "**Placing Agreement**"), which is expected to take place on or about 22 September 2021. The Offering is conditional on the Managers believing there to be sufficient interest in the Offering to enable trading in the share, the Placing Agreement being signed, certain terms and conditions in the Placing Agreement being fulfilled and the Placing Agreement not being terminated. The Placing Agreement stipulates that Managers' undertaking to serve as an intermediary for buyers in the acquisition of shares in the Offering is conditional on, inter alia, the Company's representations and warranties being correct and no events occurring that have such a material negative impact on the Company that it would be inappropriate to carry out the Offering. If any material negative events occur, if the guarantees that the Company has issued to Managers should fall short or if any of the other conditions stipulated by the Placing Agreement are not fulfilled, Managers are entitled to terminate the Placing Agreement up to and including the settlement date of 27 September 2021. If the above conditions are not fulfilled and if Managers terminates the Placing Agreement, the Offering may be terminated. In such cases, neither delivery nor payment will be carried out under the Offering. Under the Placing Agreement, the Company will undertake to indemnify Managers against certain claims under certain conditions. For more information regarding the conditions governing the completion of the Offering and the Placing Agreement, refer to the section "*Legal considerations and supplementary information – Placing Agreement*".

Other information

Although Carnegie, Danske Bank and Jefferies are the Joint Global Coordinators and Joint Bookrunners together with ABG, SEB and UBS this does not necessarily mean that Joint Global Coordinators or the Joint Bookrunners considers 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 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.

Information about the processing of personal data

Nordnet

Personal data may be submitted to Nordnet in connection with acquisitions of 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 that the process refers to 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, please contact Nordnet's customer service centre by e-mail 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, Cary Group shares have been subject to a product approval process whereby the target market for the Company's shares comprises (i) retail clients, and (ii) investors who meet the requirements for non-retail clients and equivalent counterparties, each in accordance with MiFID II ("**the target market**"). Notwithstanding the assessment of the target market, distributors are to note the following: the value of the Cary Group shares may decline and it is not certain that investors will recover all or portions of the amount invested; Cary Group shares offer no guaranteed income and no protection of capital; and an investment in Cary Group 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: (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 shares in Cary Group.

Each distributor is responsible performing their own assessment of the target market regarding Cary Group shares and for deciding on suitable channels of distribution.

Industry overview

This Offering Memorandum contains statistics, data and other information concerning markets, market sizes, market shares, market positions and other industry information relating to the sectors and regions in which Cary Group operates. Certain information set forth in this section has been derived from external sources, including market studies and publicly available industry publications or reports. The Market Study was prepared for the Company by Strategy&. See "*Presentation of financial and other information – Industry and market data*" for more information. Third party reports and industry publications and reports generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company believes that these third-party reports industry publications and reports are reliable, but neither the Company nor its advisers have independently verified them and cannot guarantee their accuracy or completeness. As far as the Company is aware and able to ascertain from such information, no facts have been omitted that would render the reproduced information inaccurate or misleading. Industry information and reports contain estimates regarding future market trends and other forward-looking statements. Forward-looking information in this Offering Memorandum does not constitute any warranty regarding future results or trends and the actual outcome may differ significantly from what is stated in such forward-looking information. See "*Important information – Cautionary note regarding forward-looking statements*" on the inside of the cover page of the Offering Memorandum and "*Risk factors*".

Cary Group's competitors or other third parties may define their respective markets and market positions differently than Cary Group and may also define operations and measurements of results in a way that makes the information not comparable with that of Cary Group, in this Offering Memorandum.

Overview

Cary Group is a leading European vehicle glass repair and replacement service provider to both vehicle owners and their insurance provider. The Company has a clear market leader position in Sweden with number 2 or 3 positions in Norway, Denmark, the UK, and Spain[1]. With its established plug and play solution, the Company plans to expand to additional European markets. Vehicle glass repair and replacement is comprised of three core services: repair of glass, replacement of glass, and calibration of safety equipment on vehicles with ADAS, all of which are offered by Cary Group. In addition to its core services, Cary Group also provides a range of ancillary services including sale and installation of windshield wipers and windshield wash fluid. As part of its vehicle glass repair and replacement services, Cary Group offers reliable, high-quality, and large-scale claims management assistance for automotive insurance providers and fleet leasing companies.

Vehicle glass repair and replacement is an essential service because vehicle glass is critical to the structural integrity and the electronic safety features of vehicles. Glass damage endangers the lives of drivers and passengers and represents a potential substantial insurance liability. Therefore, fixing glass quickly and correctly through either repair or replacement is necessary.

While the vehicle glass repair and replacement industry is growing at 6.1 percent annually[2], it is also non-cyclical, largely driven by increasing kilometres travelled, not by new vehicle sales. The industry has proven its resilience during previous periods of economic uncertainty, and Cary Group was largely unaffected during the Great Recession and its performance proved to be resilient throughout the COVID-19 pandemic[3]. The ongoing technology shifts that are disrupting the broader automotive industry do not pose a threat to the vehicle glass repair and replacement market but instead are beneficial. For example, the initiative for increased fuel economy is driving a need for lighter vehicles and therefore lighter, thinner, higher-engineered, glass which requires greater expertise to install. The electrification of the vehicle parc (total number of vehicles in use) is also driving greater usage of such energy-efficient materials and damage to vehicle glass is unaffected by whether a vehicle is propelled by an electric or gas engine. Finally, ride sharing, ride hailing, and other transportation-as-a-service ("**TaaS**") and mobility solutions tend to drive greater vehicle usage. Glass is damaged regardless of who is driving or owning the vehicle (or even if no one is driving).[4]

The revenue and margin mix for vehicle glass repair and replacement service providers are directly affected by the mix of services between glass repair, glass replacement and calibration. Glass can be repaired when the surface endures only a minor crack or chip that does not warrant a full replacement. In those circumstances, repair is performed by injecting a clear, curable resin into the outer layer of the glass to restore its integrity and appearance. The resin is then cured and polished, which keeps the crack or chip from being able to spread and cause further damage.

Replacement of glass is performed with task-specific tools by a trained technician and involves careful removal and disposal of the old glass (and residual urethane seal) and insertion of a new glass panel that is of the same size, shape and quality as the original glass used by the car manufacturer. Revenues from glass replacement have been, and will continue to be, enhanced by a long-term trend towards the use of more highly-engineered glass that is lighter and more fuel efficient. Furthermore, vehicle styling trends have generally led to more glass in a vehicle, driving overall price and volume, and leading to higher revenues for vehicle glass repair and replacement providers.[5]

Calibration of ADAS is a complex process that is designed to assure that the software that operates these safety features, such as automatic emergency braking ("**AEB**") or lane departure warnings, is integrated properly with the electronic devices that provide the artificial "vision" for the system. Essentially, calibration is the process necessary to make sure that the software "brains" controlling the ADAS "knows" the precise direction, height and angle at which the cameras and radar are pointed (the "eyes" of the systems). If the software and electronic devices are not precisely aligned ("calibrated"), then the vehicle might not automatically stop when it is supposed to (in the case of AEB) or alternatively, stop when it should not, as objects in the path or vicinity of the vehicle are not "seen" or interpreted properly by the software. Calibration is required following glass replacement in ADAS equipped vehicles because ADAS devices such as cameras or radar electronics (which are usually affixed to the inside of the glass) must be removed prior to, and repositioned following, glass replacement.

While ADAS features were first conceptualized several decades ago, adding such features to vehicles largely did not commence until early in the last decade (and mostly in very high-end vehicles) and did not become widely prevalent until later in the decade. Based on EU and UK regulation, vehicle manufacturers have committed to

1) The Market Study, based on revenue.
2) The Market Study, based on Sweden, Norway, Denmark, the UK and Spain.
3) The Market Study.
4) The Market Study.
5) The Market Study, based on Sweden, Norway, Denmark, the UK and Spain.

have ADAS standard on all their vehicles by mid-2022[1)] The rapid adoption of ADAS safety equipment on new vehicles will result in the systematic penetration of ADAS into the vehicle parc (total number of vehicles in use) over the next decade and beyond and will have a profound and lasting positive impact on the vehicle glass repair and replacement industry as glass replacements will increasingly require calibrations as an additional service.[2)]

Glass repair and replacement involves the use of materials as well as labour, while calibration is a labour-only service, but requires specific and advanced tooling and a proper venue in which to perform the calibration. Because the replacement of glass results in a discarded windshield (plus prior sealants), repairing glass is far more beneficial to the environment. Cary Group trains its technicians to repair glass whenever it is safe to do so, and historically has a higher rate of repair than the industry average, reflecting Cary Group's commitment to environmental stewardship.

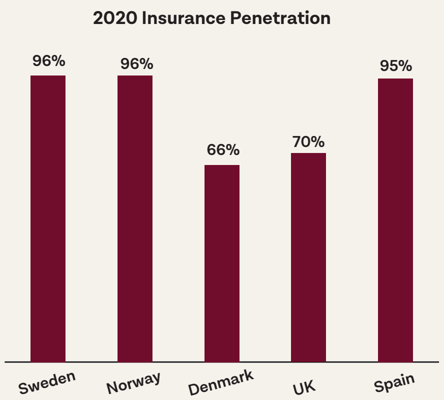
Because insurance providers have a very large role in the industry, successful providers of vehicle glass repair and replacement services must provide both a business-to-consumer ("**B2C**") and business-to-business ("**B2B**") service offering. While roughly two-thirds of customers select their glass repair and replacement providers directly, more than three quarters of all glass service in Europe is paid for by insurance providers after a small deductible. Thus, regardless of how the customer chooses the glass service provider, that provider must interact with the insurance providers to be paid. The service provider's ability to receive future referrals from insurance companies is largely dependent on the efficiency and effectiveness of their interactions with the company. This interaction is referred to as "claims management."

Fleets also play a significant role in the industry as service decisions regarding fleet vehicles are largely made centrally and interaction between the glass service provider and a fleet is also a B2B relationship and is similar to the claims management interaction between a service provider and an insurance provider.

Because vehicle owners pay the same deductible amount regardless, they largely focus on simplicity and convenience over price when deciding where to have their service needs met. These considerations include customer proximity to workshop including availability of mobile repair services, ease of booking, speed of service, perceived safety and quality, strong brand awareness, professional and welcoming staff, and preference for a sustainable and climate-innovative offering. Insurance providers are focused on delivering a hassle-free service experience with high customer satisfaction. Therefore, from vehicle glass repair and replacement service providers, insurance providers prefer a scaled national or regional service footprint, consistent high customer satisfaction, uniform customer experience across all workshops, streamlined claims management process and invoicing, and an emphasis on environmental, social and corporate governance ("**ESG**").[3)]

Levels of glass claim insurance coverage vary by geography, and Nordic countries generally have higher insurance coverage compared to other European countries (refer to chart below). Claims are generally subject to a small deductible that also varies by insurance provider, geography, and service type.

Glass claims insurance coverage in Cary Group's existing markets



Source: Company information.

1) The Market Study, based on Sweden, Norway, Denmark, the UK and Spain.
2) The Market Study, based on Sweden, Norway, Denmark, the UK and Spain.
3) The Market Study.

The European vehicle glass repair and replacement industry is highly fragmented, represented by thousands of vehicle glass repair and replacement specialists, bodyshops, car dealers and independent garages. Cary Group is considered a vehicle glass repair and replacement specialist and currently operates in five core European countries; Sweden, Norway, Denmark the United Kingdom and Spain, with 523[1)] workshops and 397[2)] mobile glass units. The Company holds market leading (top 3) positions in all of its geographies and is currently the number 1 vehicle glass repair and replacement provider in Sweden. Given the fragmented nature of the vehicle glass repair and replacement market, and the growing demand from service providers to invest in technology and technician training, the industry is poised for continued consolidation.

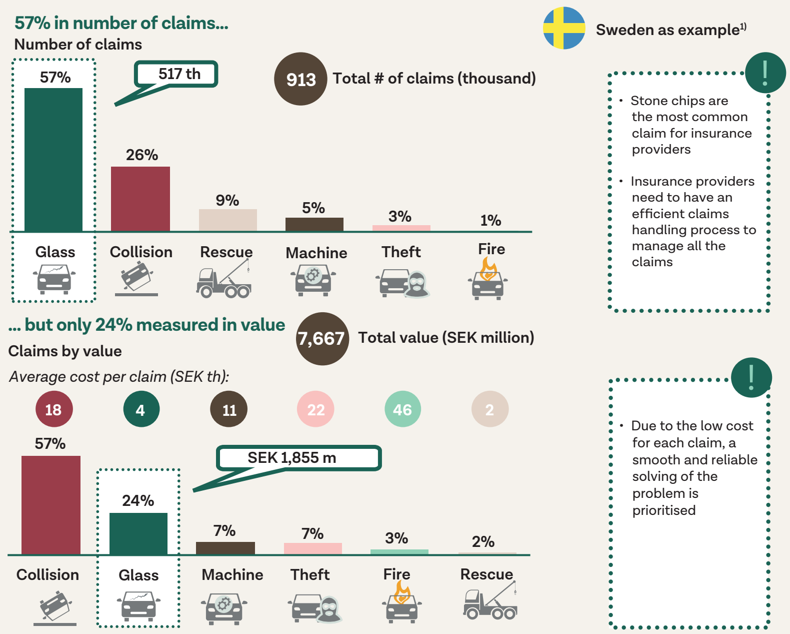
Vehicle glass repair and replacement services are offered through either fixed workshop locations or mobile units and the customer preference for mobile versus fixed workshop service varies widely by country, typically influenced by local norms across other service-based industries. Demographic dynamics and customer concentration also determine the mobile versus fixed workshop mix. Most of Cary Group's mobile units are located in the UK market, which is represented by an 86 percent mobile glass unit mix[3)]. In general, European markets located outside the Nordics, are more heavily weighted toward a mobile unit mix.

Core industry structure and economic and commercial drivers

Glass is an increasingly critical component of vehicle structural and operational design, and therefore, repairing or replacing damaged glass is essential to ensuring the proper functioning and safety of a vehicle. Damaged glass can impede the vision of a driver while driving and even small chips, if left unrepaired, can with the stress of driving, evolve into larger cracks that lead to further safety impairments. Furthermore, unrepaired glass may eventually require full glass replacement if left unrepaired for a long enough time period. Vehicle glass repair and replacement providers spend considerable time and money communicating these facts to the general population to promote glass repair.

Glass used on vehicles is held in place by high-strength adhesives and is designed to help stiffen the roof in the case of rollover accidents. Additionally, in newer vehicles equipped with ADAS features, cameras that control critical safety features are affixed to the windshield with great precision and require calibration when damaged glass is replaced.

Glass damage happens more frequently than all other types of automotive damages and represents the most common claim for insurance providers (refer to graphs of 2018 Sweden data below). In handling such a high volume of claims, insurance providers need to have an efficient claims management process in place to process the claims. Insurance providers are primarily focused on making the process as smooth and reliable as possible for themselves and their customers by minimizing overall administrative burden and cost while simultaneously ensuring low customer churn.[4)]



1) Based on 2018.

Source: Company information, the Market Study.

1) Excluding partners.
2) Whereof 297 in the UK, 85 in Spain and 15 in Denmark. Excluding partners.
3) The Market Study, based on the UK.
4) The Market Study.

Since insurance providers make payments for a high volume (*e.g.*, tens of thousands) of glass claims annually, comprehensive claims management solutions are a critical component of vehicle glass repair and replacement providers' ability to properly serve both vehicle owners and insurance providers. Vehicle glass repair and replacement providers with significant scale are best equipped to be the key problem solver in handling these common insurance claims and to act as the important face of the insurance provider toward its end customers. This is because such service providers are most able to combine highly efficient systems and processes for the insurance provider with higher service consistency, quality, and experience to end customers, thereby resulting in higher customer satisfaction and retention.[1)]

Successful vehicle glass repair and replacement providers implement claims management solutions that are designed to minimize the administrative burdens of insurance providers while optimizing end-customer satisfaction. These solutions include an increasing use of software-based online technology to schedule service, manage payments and communicate with end customers as well as a mix of premium consumer offerings to enhance the experience of end customers, for example, electric loaner cars, electric loaner bikes and clean and convenient locations. Since end customers pay the same price for the service regardless of where it is performed, the most important factors for them are the ease, convenience, and quality of the repair. High NPSs are often used to determine relative customer satisfaction levels among vehicle glass repair and replacement providers and serve as a critical indicator of low insurance customer churn. Scaled glass specialists are most successful in these key areas.[2)]

When partnering with vehicle glass repair and replacement service providers, insurance providers' value having more than one service partner, but generally not more than a few, to create competition-enabled market discipline while not over burdening the vendor management task of the insurance providers. In many European markets, insurance providers are actively seeking a second partner where Belron is the only large-scale vehicle glass repair and replacement provider available or seeking a primary partner where there is currently no large-scale vehicle glass repair and replacement provider present.[3)]

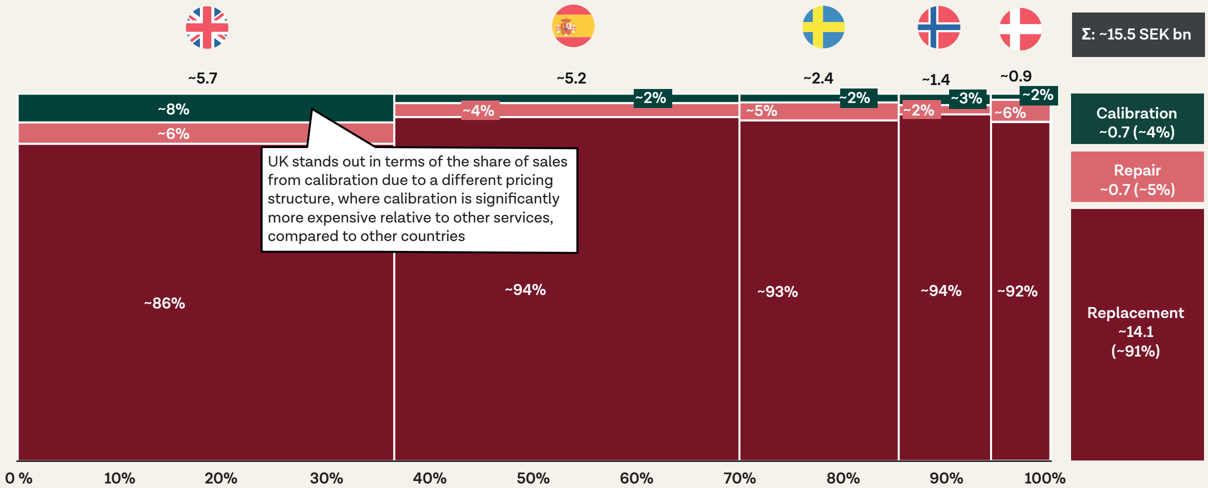
Fleets, supported by the growth of TaaS, represent another large and growing customer segment for glass service providers. As vehicles are increasingly being owned, operated and/or maintained by fleets or fleet management companies, an increasing share of decisions regarding the vehicle servicing needs will be centralized and professionalized. Larger, more efficient and technology-equipped glass service providers have a similar advantage in servicing fleets as they do insurance providers. Fleet companies typically direct all customers to one or two preferred glass service partners, driving claims volume scale, and assume the full cost of service or have deals with insurance companies, who reimburse all or part of the service cost. Increased use of fleets drives greater vehicle usage and propensity for glass damages.[4)]

1) The Market Study.
2) The Market Study
3) The Market Study
4) The Market Study

Overall market size and growth

Market overview by country and service

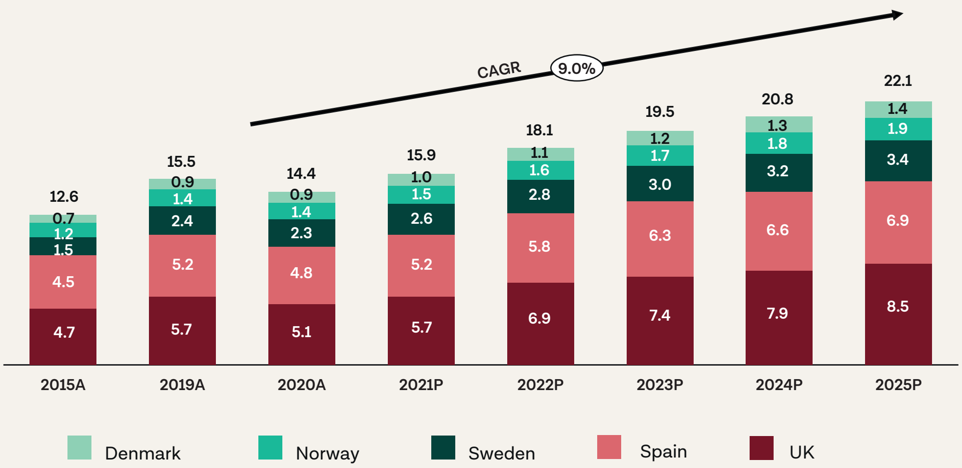
2019, SEK bn



Source: The Market Study.

Market Growth by Country

in SEK bn



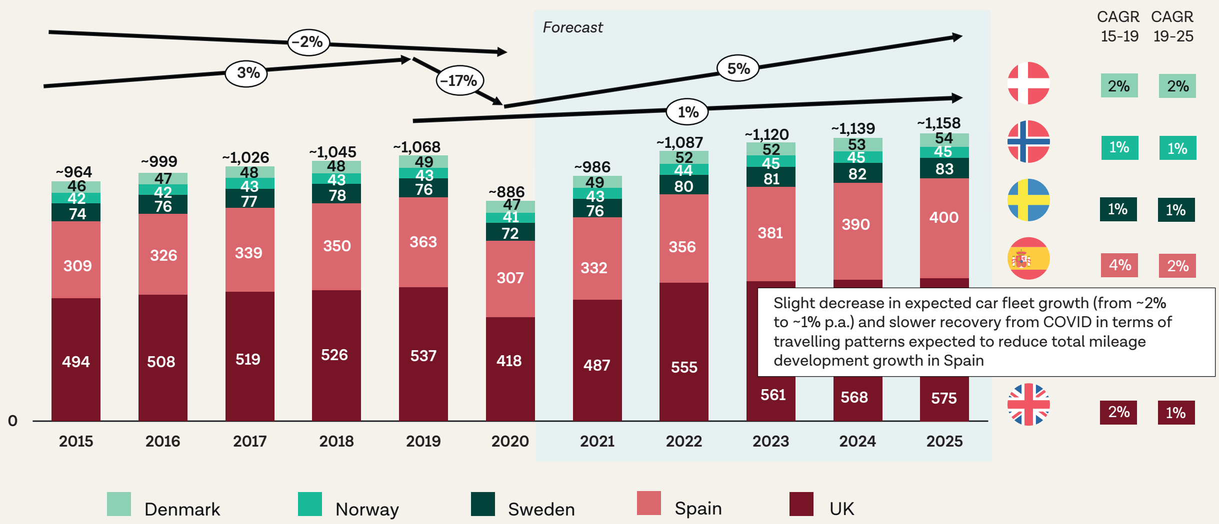
	'15A–'19A CAGR	'19A–'25P CAGR	'20A–'25P CAGR
Denmark	5.5%	7.5%	9.2%
Norway	4.3%	5.7%	7.2%
Sweden	12.6%	5.9%	7.8%
Spain	3.5%	5.0%	7.8%
UK	4.8%	7.0%	11.0%
Cary Group's Total Market	5.4%	6.0%	9.0%

The total vehicle glass repair and replacement market size for Cary Group's footprint (including Sweden, Norway, Denmark, the UK and Spain) was approximately 15.5 SEK billion in 2019[1]. The total size of the Western European market, which includes Cary Group's footprint in addition to potential target expansion countries[2], was approximately 78.3 SEK billion in 2019.

The overall market structure across Europe is generally homogenous and with high market similarity, the process from customer acquisition through claim documentation and reimbursement provides ease for scaled industry participants to effectively apply their business model to new markets. All countries within Cary Group's footprint are expected to keep growing at a steady pace, amounting to a compound annual growth rate ("**CAGR**") of about 6 percent between 2019–2025 versus about 5 percent CAGR from 2015–2019[3]. However, individual countries vary in terms of scale, volume, and other measures that provide diverse opportunities for growth. In Sweden, most of the market size stems from replacements, however, calibrations are growing at a rapid pace. The market itself is mainly driven by kilometres travelled, damage prevalence, increasing need for calibration and expected average price growth and is expected to grow by about 6 percent annually from 2019–2025. Sweden also represents the most mature glass market in Europe and remains ahead, driven by the consolidation executed by mainly Cary Group in addition to a more technologically advanced car fleet (*i.e.*, more modern vehicles and higher calibration rate). Norway is expected to grow by about 6 percent annually from 2019–2025. About 94 percent of the market is replacement services and as the car fleet continues to evolve, price growth is expected due to increases in cost of materials, glass rates and repair/replacement service times. Damage prevalence growth is also expected to increase, reflecting increased risk due to windshield technology evolution and increase in gravel usage. In Denmark, replacement represents about 92 percent of the market, similar to Norway. As windshields are becoming thinner, Denmark is expecting higher damage prevalence growth and price growth due to more glass complexity. The UK, Cary Group's largest addressable market, is expected to grow by about 7 percent CAGR between 2019–2025. While calibration currently represents 10 percent of the UK market size, it is expected to reach 18 percent in 2025. Spain holds most of its value from replacements, with calibration growing at a high pace and key market drivers include distance travelled, increasing need for calibration and overall price increase. Overall, volume of damages is expected to grow at a 2 percent CAGR between 2019–2025, driven by total vehicles on the road, distance driven per vehicle and damages per kilometres travelled.[4]

Development of total distance driven

2015–2025, bn km



Source: The Market Study.

1) The Market Study, based on Sweden, Norway, Denmark, the UK and Spain.
2) The Market Study, based on Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the UK.
3) The Market Study, based on Sweden, Norway, Denmark, the UK and Spain.
4) The Market Study.

In 2020, the vehicle glass repair and replacement market declined due to COVID-19, driven by impacts from regional lockdowns and effects on overall mobility. Impacts varied by country based on government restrictions and driving behaviour but were largely short term. Individual markets began to recover in 2021 as restrictions eased and kilometres travelled normalised, with additional recovery expected in 2022, based on broader industry fundamentals driving long term glass service volume expansion.[1]

The vehicle glass repair and replacement market is resilient during periods of economic uncertainty and is not tied to new vehicle sales. The low correlation to new car sales and GDP was proven during the financial crisis. Vehicle glass repair and replacement market growth is more dependent on kilometres travelled.[2]

Key vehicle glass repair and replacement growth trends

The overall vehicle glass repair and replacement market is growing based on several key underlying factors including (i) total distance driven and increasing kilometres travelled per vehicle, (ii) mix effect within car fleet, (iii) technological advancements and calibration requirements and (iv) overall cost increases.[3]

i. Increasing kilometres travelled from an expanding car fleet drives a greater volume of glass on the road. The total distance travelled is growing across all countries driven by a slightly growing vehicle fleet and overall stable development of average kilometres per vehicle based on increased vehicle utilisation. Increasing kilometres travelled per vehicle leads to greater glass damage frequency and severity.

ii. Larger glass surface area, thinner glass and more complex and advanced glass in late model and modern vehicles drives both volume and price increases. New vehicle model introductions are continuously being manufactured with more glass. Glass with greater surface area and thinner glass increases damage frequency and severity and is more expensive to repair and replace generating higher revenues.

iii. Vehicles equipped with ADAS systems also increase the cost of glass replacements. ADAS equipment includes cameras and other equipment such as sensors, head-up displays and heating, installed onto windshields, and to ensure proper function, depends on correct glass replacement and equipment calibration of the camera's vision. This creates greater repair challenges and potential insurance liabilities if the glass replacement and calibration is not performed correctly by a certified technician. ADAS calibration represents a growing service destined to raise the technology composition (and corresponding cost) of glass replacement permanently. ADAS equipped vehicles as a percentage of the total vehicle population is growing across all geographies as nearly all new model vehicles now have these ADAS systems installed. From mid-2022, all new vehicles in the EU and the UK will be equipped with certain ADAS func-

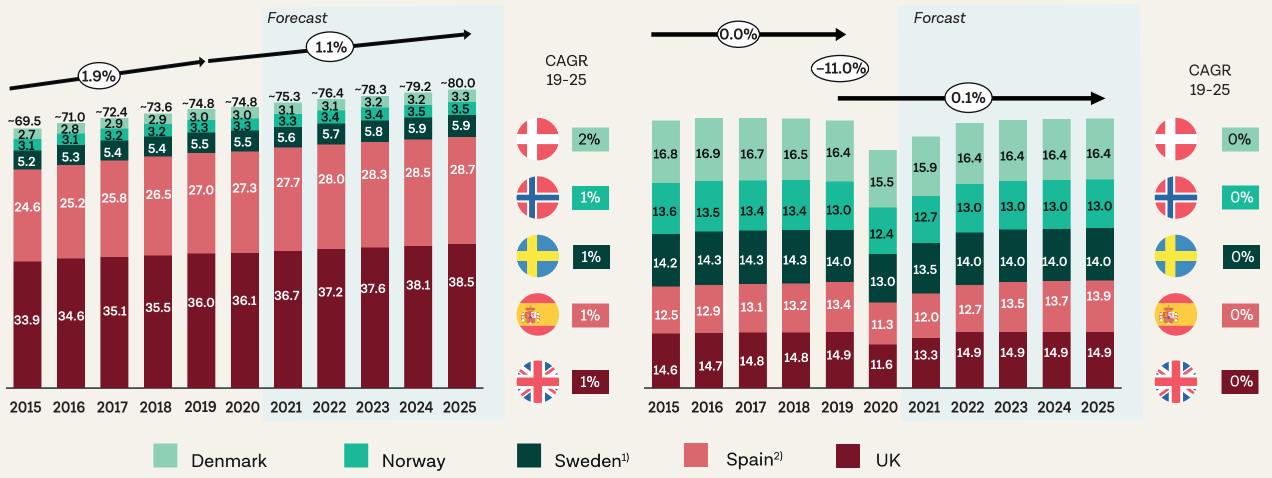
Number of registered vehicles and vehicle mileage

Vehicles <3.5 tons

2015-2025, million vehicles, CAGR

Weighted average vehicle mileage per car

2015-2025, thousand kms, CAGR



1) Average mileage per car is calculated based on the number of vehicles at a single point in time (end of year), not all in use during a year.
2) Passenger cars and vans used as proxy for all vehicles <3.5 tons.
Source: The Market Study.

1) The Market Study.
2) The Market Study.
3) The Market Study.

tionalities. The increased demand for calibration requires substantial investments in calibration technology for workshops and generally benefits larger glass specialists who have already implemented scalable calibration technology and are well positioned for continued investment in this growing part of the market.

iv. Car glass suppliers increase net prices annually, typically driven by higher energy and material costs and these supplier price increases are passed onto the end customer.

Detailed vehicle glass repair and replacement services overview

Cary Group primarily provides three core services including glass repair, glass replacement and calibration.[1]

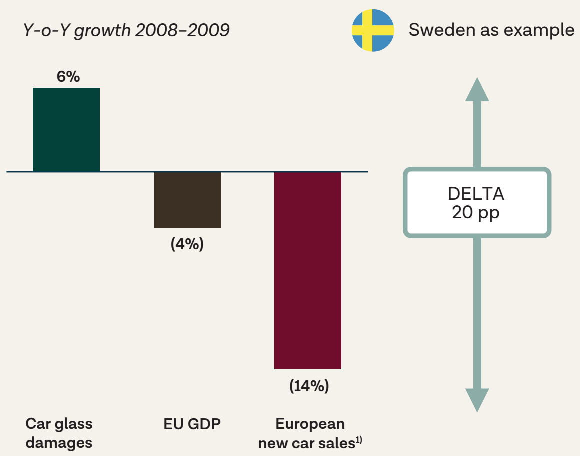
Glass repair

Glass repair is typically provided for small windshield chips and / or cracks (typically <25mm in size), and the repairs are made using clear resin injections to fill and seal the damage. Glass repairs represent all damages that do not require a full replacement and glass is repaired whenever it can be to reduce costs and promote environmental sustainability. The main causes of glass damage that can be repaired include damage from small rocks and gravel on the road and weather-related incidents (*e.g.*, hail). Average prices for glass repair remain generally consistent by country and are significantly less than replacements. Moreover, glass repair prices for an insured end customer vary slightly by country, and the end customer bears little to no cost on a repair. The market norm margin profile for repairs is near 100 percent gross margin based on minimal cost of goods sold ("**COGS**"), as repairs only require labour and a small amount of resin material.

Glass replacements

Glass replacements represent all glass damages that cannot be fixed through repair and are typically required for larger glass chips and / or cracks (typically >25 mm) that become a driver safety hazard. Broken windshields and other glass are removed and then bonding glue is applied to the new piece of glass, which is then precisely fitted. Side glass replacement involves door panel disassembly, shattered glass extraction and new glass installation. The main causes of glass damage that require replacement include damage from large rocks and gravel on the road and weather-related incidents (*e.g.*, hail and sudden temperature changes). Though insurance will not fully cover a replacement, an insured claim will bear a significantly lower cost compared to an uninsured claim. Out of the five countries it is cheapest in the United Kingdom and Spain, while it is more expensive in Sweden, Norway and Denmark.

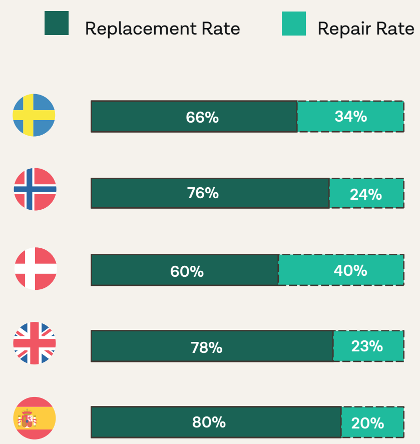
Low correlation to GDP and new car sales proven during the financial crisis



1) The first official transfer of ownership/registration of a new road motor vehicle with at least four-wheels designed for carrying passengers and/or goods.

Source: The Market Study.

2020 Repair Rates by Country[1]



Source: The Market Study.

1) The Market Study.

Calibration

Calibration represents an additive service during glass replacement for vehicles equipped with ADAS technologies. Calibration is not required for glass repairs. ADAS technologies present in windshields largely consist of sensors and forward-facing cameras affixed on the inside of the windshield, usually behind the rear-view mirror. During a windshield replacement, it is critical to perform correct and precise ADAS calibration to ensure all safety features perform accurately. Following a windshield replacement, if the forward-facing camera is calibrated incorrectly, even by as little as a few millimetres, ADAS capabilities will be compromised, endangering vehicle passengers.

Since every vehicle is different, manufacturers always stipulate their own specific calibration criteria. To properly perform a calibration, the vehicle glass repair and replacement provider must have access to all the requirements detailed by each manufacturer for each vehicle (hundreds of variations) as well as specialized equipment that also varies by manufacturer and vehicle model. Vehicle glass repair and replacement providers are required to service a broad spectrum of vehicles, so they must be able to calibrate vehicles from many different manufacturers (and many different models). These operational requirements place a great burden on the vehicle glass repair and replacement provider and tend to benefit larger providers that can spread the costs of investments in special tools and training over larger revenue bases.

There are two distinct methods of calibration: static and dynamic. Static calibration is required when the manufacturers specified procedures necessitate calibration while the vehicle is stationary. Dynamic calibration procedures require the vehicle to be moving in order to be calibrated.

Static calibration requires a vehicle to be on a level surface, have its exact centre identified through (currently) manual methods and the precise placement of "targets" at specified distances and angles from the vehicle. An advanced electronic diagnostic tool is then connected via the vehicles on board diagnostics ("**OBD**") port to the vehicle's electronic control module ("**ECM**"), which is where the ADAS software resides on the vehicle and specialized software is used to recognize the exact direction of the cameras (and radar) to enable the calibration of the ADAS. This process is often repeated over several targets depending on the size and complexity of ADAS installed in the vehicle.

Because of these physical requirements, static calibration is normally performed inside a properly sized workshop that has been outfitted to enable more efficient repeat calibration. The need for physical locations to properly perform static calibration makes it exceedingly difficult for purely mobile vehicle glass repair and replacement providers to perform static calibrations and hence replace the windshields of many ADAS equipped vehicles.

A dynamic calibration is performed by connecting the diagnostic tool to the vehicle's OBD port while it is driven at a manufacturer-specific speed over a set distance in suitable weather conditions. The ADAS system calibrates as it becomes accustomed (learns from) to the features of the road (such as the line in the middle of the road). As in the static calibration, the vehicle manufacturer will specify correct parameters for performing the dynamic calibrations. It is exceedingly difficult (and often impossible) to perform dynamic calibration in poor weather conditions.

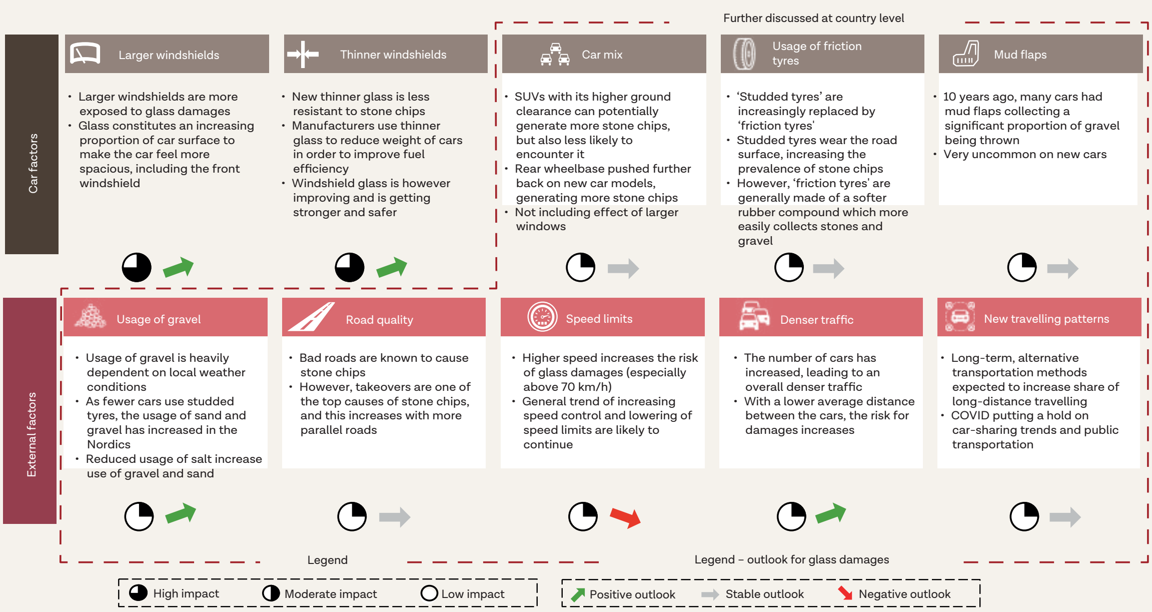
Calibration provides a high margin revenue stream (typically 100 percent gross margin), since the service is labour and equipment only, that is growing significantly, securing a large moat for vehicle glass repair and replacement providers who have the scale necessary to offer the service. Independent workshops generally lack the technology and technician training required to provide calibration services and are therefore at a significant competitive disadvantage over the long term as the car fleet continues to evolve toward a higher percentage of ADAS equipped vehicles. Only service providers of scale can invest in the technology and technician training required to manage calibration for customers. Smaller, independent workshops will likely struggle to compete given existing investment constraints.

Repair / replacement volume growth drivers

Repair and replacement volumes are largely driven by vehicle distance travelled, glass damage prevalence and glass product mix. Vehicle kilometres travelled is a key volume driver influenced by a growing car fleet (number of vehicles on the road) and the average distance travelled (kilometres) per vehicle. The prevalence of glass damages per kilometres travelled is driven by a variety of car related factors and external factors. Car related factors include larger and thinner glass, usage of friction tires and vehicle type mix. External factors include gravel usage, vehicle congestion, road quality, travelling patterns and varying speed limits. Overall, the prevalence of glass damages is expected to increase largely due to windshield evolution, increased use of gravel and greater vehicle congestion.[1)]

Glass product mix is driven by more complex windows, which influence glass replacement frequency, and the end customers' push for a higher repair share (*i.e.*, higher repair ratio) and improved repair methods based on environmental concerns.[2)]

Factors that affect prevalence of glass damages



Source: The Market Study.

1) The Market Study.
2) The Market Study

Calibration volume growth drivers

Calibration volume growth is derived from the share of the vehicle car fleet with a calibration need and the percentage of glass damages that require replacement. Calibration rates vary by country based on the age of the car fleet and vehicle adoption rate of ADAS technology, in addition to the physical positioning of the ADAS equipment on a vehicle. ADAS penetration of the car fleet will continue to grow rapidly, as nearly all new vehicles will be equipped with some type of ADAS technology in the near future. It is evident that each country is in its own stage regarding ADAS technology and calibration rate growth. Historically, ADAS technology has been restricted to a more limited, higher-end share of the fleet. As these vehicles are more common in Sweden and Norway, as opposed to Cary Group's other markets, these two countries got a head start on the ADAS adoption journey. However, now that ADAS is more commonplace, other markets are expected to pick up the pace of adoption. By 2022, it is expected that all new cars will have a need for calibration due to EU regulations requiring ADAS equipment including emergency braking systems as well as lane-keeping systems[1].

Repair / replacement price growth drivers

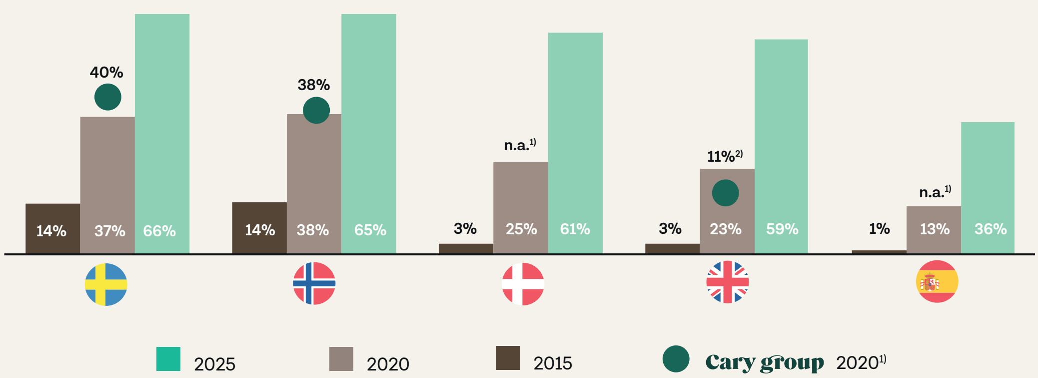
Repair and replacement prices are mainly driven by inflationary price increases and technological advancements including the following:[2]

i. Technological advancements across "in-glass" and "adjacent-to-glass" technology impact the method of repair / replacement and overall pricing of repairs / replacements. Larger and thinner glass and more complicated glass leads to more complex repairs and replacements which drive price.

ii. Inflation price growth derived from annual inflation based on consumer price index, generally resulting in an approximately 1–2 percent price growth across all markets. The increase in materials cost is subsequently passed onto the insurance provider or end consumer.

iii. Repair, replacement service time and labour cost.

Market vs. Cary Group calibration rate (% of replacements)



1) Not applicable for Denmark due to limited insight into windscreens' share of total replacements and not applicable for Spain.
2) Excluding Quarterman's and Morgan's Windscreens.

Source: The Market Study and information from the Company.

1) The Market Study.
2) The Market Study.

Calibration price growth drivers

Calibration price growth is mainly driven by inflation and technological advancement.[1)]

i. Real additional price increases due to shifting technological requirements, driving other equipment (static vs. dynamic calibration), and longer calibration times as well as hourly wage increases (excluding inflation)

ii. Inflation price growth is derived from annual inflation, based on consumer price index.

The role of the insurance company in the vehicle glass repair and replacement industry

Direct contact and insurance referrals make up the key go-to-market approaches for glass damage in the Nordics. In markets with less mature levels of B2C marketing, insurance is the key channel. In markets with higher B2C maturity, direct contact is the key channel. While agents and brokers barely exist in the Nordics, they play an important role in other markets. In some countries, insurance distribution is largely done through agents and brokers, and hence, these become a natural point of contact for customers having questions.[2)]

The vast majority of vehicle glass repair and replacement damage is paid for by insurance providers, and insurance providers frequently refer their policy holders to preferred vehicle glass repair and replacement providers to gain volume discounts by facilitating payments and offering bonuses or extra services. Therefore, vehicle glass repair and replacement providers work in partnership with insurance providers to efficiently process a high volume of glass claims via innovative claims management solutions.[3)]

Since vehicle glass repair and replacement provider selection is frequently made or guided by insurance providers, the quality of a service provider's claims management is essential. Claims management solutions include an increasing use of software-based online technology to schedule service, manage payments and communicate with end customers as well as a mix of premium consumer offerings to enhance the customer experience. The relationships with some insurance providers are so integrated that when a customer contacts the insurance company to process a claim, they are immediately directed to a preferred vehicle glass repair and replacement provider. Insurance providers prefer to partner with large scale vehicle glass repair and replacement providers that offer uniform expertise and service across all workshops, where possible, to make the glass claims process smooth and reliable. Scaled vehicle glass repair and replacement providers are best equipped to be the key problem solver in handling these common insurance claims and act as the face of the insurance provider toward the end customers.[4)]

Insurance providers compete for market share by delivering strong customer satisfaction and invests a large amount of money to win and maintain customers at great expense via advertising and marketing initiatives. Insurance providers are also competing in a market where overall automotive claims business is declining (*e.g.*, lower accident rates due to enhanced vehicle safety systems), emphasizing the importance of continuing to manage and process a high volume of glass claims. Therefore, insurance providers benefit by partnering with large scale vehicle glass repair and replacement providers that have strong brand recognition supporting greater customer acquisition and insurance policy renewal propensity. The scaled vehicle glass repair and replacement specialists offer insurance providers higher end customer satisfaction, improved customer retention, smoother claims processes and consistent quality and safety, combined with an overall more efficient process, often leading to lower costs as well.[5)]

When partnering with vehicle glass repair and replacement service providers, insurance providers' value having more than one service partner, but generally not more than a few, to optimise the claims management process and minimise overall administrative burden. In many European markets, insurance providers are actively seeking a second partner to Belron / Carglass where it is the only large-scale service provider available or seeking a primary partner where no large-scale service provider is currently present.[6)]

1) The Market Study
2) The Market Study.
3) The Market Study.
4) The Market Study.
5) The Market Study.
6) The Market Study.

Competitive landscape

The vehicle glass repair and replacement market is highly fragmented, represented by a mix of vehicle glass repair and replacement specialists, bodyshops, car dealers and independent garages. The major players in Cary Group's existing markets include Carglass, Glaskedjan, Riis Bilglass, Dansk Bilglas, Autoglass and Auto Windscreens. The top 3 competitors, including Cary Group, account for approximately 50-60 percent of total market share in Sweden, approximately 59-69 percent of total market share in Norway, approximately 33-43 percent of total market share in Demark, and approximately 77-87 percent of total market share in the UK[1] In terms of market share, Belron (Carglass / Autoglass) is currently the leader in all countries, outside of Sweden.

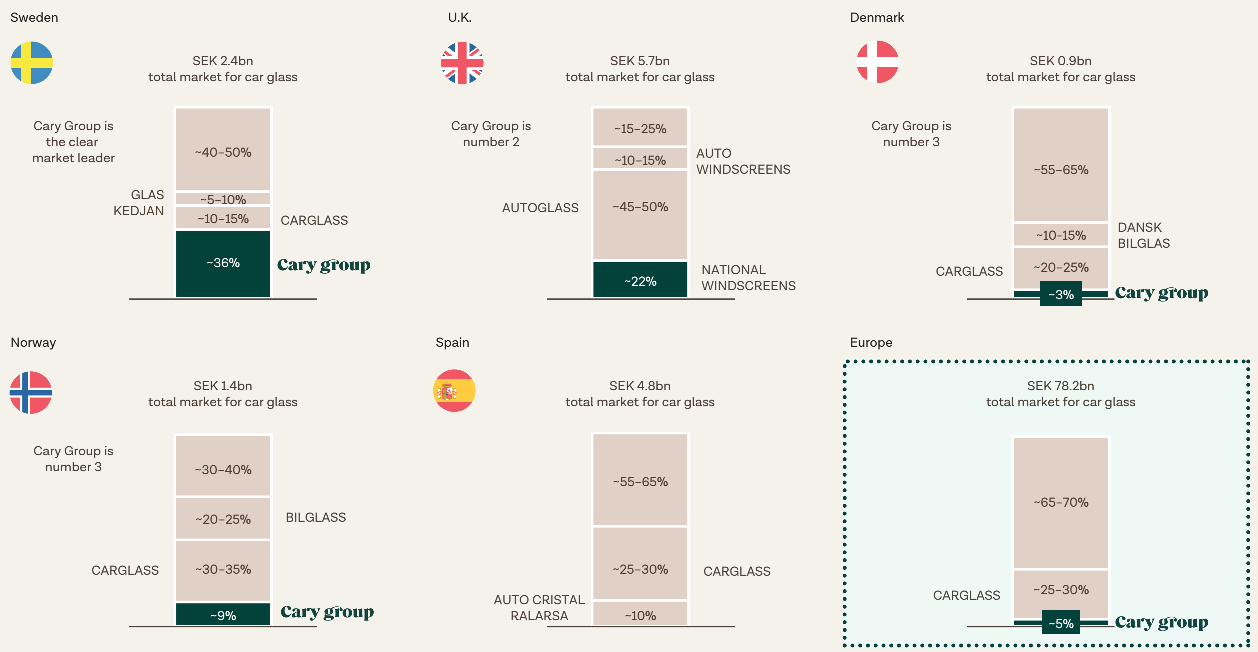
Barriers to entry and consolidation opportunity

Significant barriers to entry exist within the vehicle glass repair and replacement industry favouring regional and national providers of scale. Barriers include established insurance partnerships, technology investments, requirements for highly skilled and trained technicians, supplier purchasing power, investment in digitalisation, branding power and national coverage of workshops[2]

Insurance providers prefer to partner with vehicle glass repair and replacement providers of scale who can offer effective claims management solutions and be a real problem solver to insurance providers. As increased digitalisation creates cost saving opportunities, insurance providers continue to push to integrate IT-systems directly with workshop systems, enabling real-time monitoring of end customers and invoicing solutions. This creates large opportunities for the scaled service providers who best succeed in in implementing and effectively utilising technology.[3]

Workshops require large investments in technology and appropriate technician training to compete in the evolving vehicle glass repair and replacement market. This specifically includes calibration service expertise. Since calibrations for glass replacements will be strongly recommended in the future, as nearly all new cars will be equipped with ADAS technology, expensive equipment and technician training requirements will continue to drive consolidation of independent workshops toward vehicle glass repair and replacement providers of scale.[4]

Vehicle glass specialists are taking significant market share from smaller independent players and dealer workshops (see graphic below)[5]. Scaled glass specialists offer more efficient, lower cost service at equal quality to dealer workshops using the same OE glass as required by insurance providers.[6]



Source: The Market Study.

1) The Market Study, based on revenue.
2) The Market Study.
3) The Market Study.
4) The Market Study.
5) The Market Study.
6) The Market Study.

Glass supply chain overview

The vehicle glass supply chain is responsible for ensuring glass supply availability and quality for technicians to serve end customers consistently and efficiently. This includes ensuring that the numerous types of glass inventory are available to all workshops when needed. Glass suppliers manufacture vehicle glass in their own factories or through subcontractors and in the Nordics, generally deliver glass daily to all workshops through their own distribution channels. In central Europe (including the UK and Spain) distribution is often done in-house by glass fitters. The market is dominated by several large global glass suppliers and major suppliers in the Nordics include Pilkington, Saint-Gobain and AGC, with alternative suppliers in other European markets.

Increasing size and complexity of glass offers scaled vehicle glass repair and replacement providers a competitive advantage as glass handling, inventory management and transportation becomes more complicated and supply chain disruption is more likely for smaller independent workshops.[1)]

Key principles for a successful glass procurement strategy include:

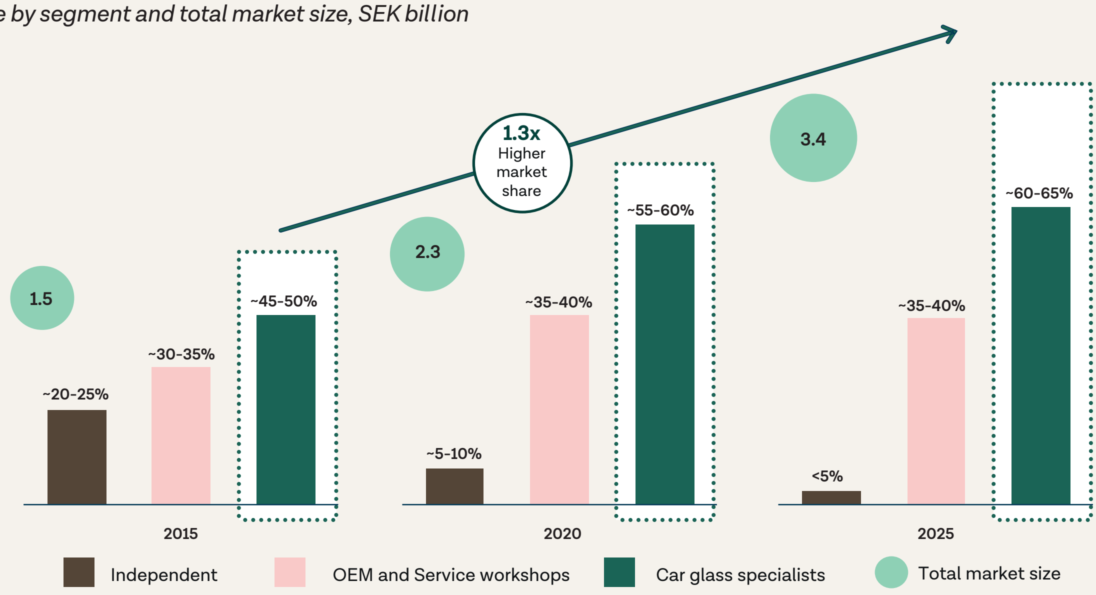
i. Central management for major suppliers.

ii. Group level procurement with inputs from local geographies (local glass purchasing reports centrally with support on-hand for managing local purchasing agreements).

iii. Aligned ESG strategy by identifying supplier CO_2 reduction initiatives with defined plan, timelines, roles and actions in place. This aids in reducing carbon impact through fleet efficiency, joint plastic usage and reduction and overall supply chain transparency. It also promotes the implementation of suppliers who use cleaner technologies within the supply chain.

Windshield tech and front/back-end digitalisation leading to continuous consolidation of the market

Market share by segment and total market size, SEK billion



Source: The Market Study, based on Sweden.

1) The Market Study.

Business overview

Introduction[1)]

Cary Group is a leading[2)] vehicle glass repair and replacement provider that prolongs the life cycle of vehicles and maintains the safety features. The Company provides services at convenient locations, with high quality, superior customer experience[3)] and smart solutions to make sustainable car care easier.

The Company was founded as a part of Ryds Glas in 1947. The Company became a separate entity under the name Ryds Bilglas in 2011 and was renamed Cary Group in 2020. Today, Cary Group consists of local brands throughout their markets in the Nordic region and Europe. The Company operates its own workshops as well as through franchises. In the Company's largest market, Sweden, the Company operates through the brands Ryds Bilglas, Svenska Bussglas and Autoklinik and is the clear market leader, with a market share of circa 36 percent, which makes the Company approximately three times larger than the second largest player. The Company is the third largest player in Norway, where the Company operates under the brands Cary and Quick Car Fix. In Denmark, the Company is also the third largest player, operating under the brands Ryds Bilglas Denmark and Crashpoint, the latter one being Denmark's largest auto body shop centre. In the rest of Europe, the Company's local brands are Mobile Windscreens, a member of the National Windscreens consortium, which is the consumer facing brand in the UK, and Ralarsa and Reparabrisas in Spain. In these markets the Company holds the market position number two[4)]. In total, Cary Group has over 523[5)] workshops, whereof 197[6)] franchises, and 397[7)] mobile units spread across Scandinavia, the UK and Spain.[8)] The Company has a national reach in all of its markets,[9)] offering close proximity to its end customers. The Company has a decentralised business model, emphasising the entrepreneurial culture in the workshops. The local workshops managers are the heroes of the Company and are supported by centralised group functions to ensure that they have the necessary tools to provide high quality services in an efficient manner. As per 30 June 2021, the Company had 1,404 FTEs.[10)]

Cary Group is a problem solver for both insurance providers and end customers. Thanks to its efficient operations, geographical availability, excellent ratings in quality and customer satisfaction[11)], Cary Group has grown to become the go-to choice for over 136 insurance providers across its markets. The Company is a preferred partner concerning repair and replacement of car windshields for 24[12)] insurance providers and handles customer service on behalf of 26 insurance providers and 5 leasing companies[13)]. During 2020, approximately one-third of Cary Group's end customers were acquired via reference from partnering insurance companies. The remaining two-thirds contacted Cary Group directly. Around 77 percent[14)] of Cary Group's jobs are covered by customers' insurance, regardless of how they came in contact with the Company.

The Company has a clear ESG focus and helps its customer to make sustainable car care choices through convenient locations, high quality products and smart solutions. Cary Group strives to always repair when possible instead of replacing the windshield, which has led to a high repair rate of 41 percent in Sweden in 2020, compared to the market average of 34 percent.[15)] When a windshield cannot be repaired and needs to be

1) All financial information for 2017 is retrieved either from the consolidated audited financial statements for RBG Holding AB (559023-2756) or from the management accounts.
2) Based on total market share, Cary Group holds top 1-3 positions in all of the Company's current markets according to the Market Study.
3) Based on the Company's NPS of 86 in March 2021, based on the UK and Sweden weighted in relation to revenue. In Sweden the NPS was 89. Best in class compared to Belron's NPS at 85.
4) Based on data from the Market Study. In the UK, Cary Group holds the second market position through the National Windscreens consortium, of which Mobile Windscreens as of 2020 constitutes the majority based on revenue.
5) Excluding partners.
6) Whereof 155 in Spain, 27 in Norway, 9 in Sweden and 6 in Denmark.
7) Whereof 297 in the UK, 85 in Spain and 15 in Denmark. Excluding partners.
8) Including Ralarsa and Autoklinik.
9) In the UK, national reach is achieved through the partnership with the National Windscreens consortium.
10) Including Ralarsa and Autoklinik.
11) Internal Group Net Promoter Score NPS of 86 in March 2021, based on the UK and Sweden weighted by revenue. In Sweden the NPS was 89.
12) Based on 20 in Sweden and 4 in Norway.
13) Leasing companies only based on Sweden.
14) Based on information from the Company and refers to 2020.
15) The Market Study.

replaced, Cary Group uses recycled glass both up- and downstream with 90 percent of discarded windshields being recycled, and subsequently used, primarily as construction materials.[1)]

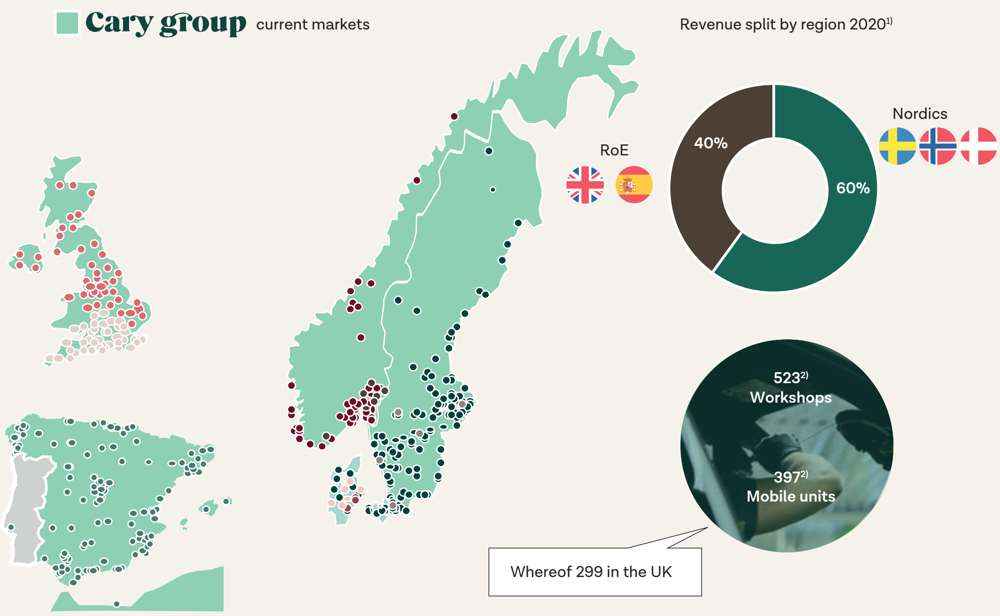
Cary Group's revenue amounted to SEK 1.7 billion in 2020[2)], *pro forma* revenue amounted to SEK 2.1 billion.[3)] In recent years, the Company has undergone an expansion with accelerated growth, with a revenue CAGR[4)] of 33 percent between the financial years ended on 31 December 2017 and 2020.[4)] The corresponding CAGR for 2017 to 2019, excluding the COVID-19 effect[5)] (by removing 2020), was 53 percent.[6)] The Company's growth is attributed to structural underlying market drivers, such as increasing kilometres travelled from an expanding car fleet, larger glass surface area, thinner and more complex glass, increasing calibration rate, as well as yearly glass price increases.[7)] It is also attributed to an underlying like-for-like growth in Cary Group's workshops and a continued densification of the Company's footprint trough greenfield expansion, which have fuelled the Company's organic growth, together with value creating acquisitions. The organic growth amounted to a CAGR of 6 percent from 2017 to 2020, compared to 16 percent 2017 to 2019, excluding the COVID-19 effect.[8)]

Cary Group has a strong compounding track record, and with its active M&A strategy the Company has been able to successfully complement its strong organic growth through value creating, strategic platform and add-on acquisitions across all markets. In addition, as an alternative to greenfield, the Company can also acquire independent workshops.

Whilst most markets are local in terms of competitive landscape, the car glass repair and replacement market is homogenous across Europe, see "*Industry overview – Overall market size and growth*", enabling Cary Group to utilise its proven business model in new markets. As the clear market leader in Sweden, one of the most mature markets in Europe,[9)] Cary Group believes that it is well positioned to successfully enter new markets in a competitive manner. Historically, this approach has been proven by the achievement of margin uplifts in acquired workshops. The Company's strategy is to continue its compounding journey, and currently has hundreds of targets identified and several dialogues currently ongoing, in both current markets and new ones. The most recent, larger acquisition of Ralarsa in Spain as of 29 July 2021 is a good addition to the Company, which will add an extra EUR 51 million in revenue, including franchise, and clearly signals the Company's ambition of further international expansion. Revenue attributable to Ralarsa excluding franchise correspond to EUR 25 million.[10)]

1) Does not include Ralarsa.
2) Based on audited consolidated financial statements.
3) Pro forma based on audited financials from Cary Group Holding AB (publ) Group and unaudited financials from Car Glass Ltd, RG Bilglas 1 AB, Crashpoint A/S, Skadevekk Holding AS, Ralarsa Holding S.L and Autoklinik i Malmö AB.
4) Compound annual growth rate presented in percentages during a certain period. The formula to calculate CAGR is: ((End *value/Start value*) ^ (1/number of years between end value and start value)-1).
5) Based on audited consolidated financial statements.
6) COVID-19 effect is eliminated as it was considered a pandemic by the World Health Organization in March 2020 and had limited effect on the economy prior to that.
7) Based on audited consolidated financial statements.
8) For more information see "*Industry overview – Key vehicle glass repair and replacement growth trends*".
9) Based on unaudited consolidated financial statements and management accounts. For the definition of organic growth see "*Selected historical financial information – Definitions of alternative performance measures*".
10) See "*Industry section – Overall market size and growth*" for more information.
11) Information from the Company.

Closeness to end customers through 523 workshops and 397 mobile units



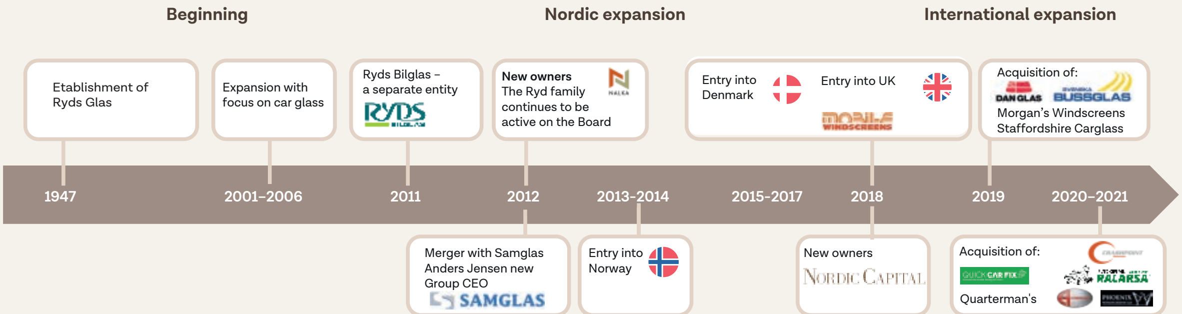
1) Excluding partners.
2) Pro forma based on audited financials from Cary Group Holding AB (publ) Group and unaudited financials from Car Glass Ltd, RG Bilglas 1 AB, Crashpoint A/S, Skadevekk Holding AS, Ralarsa Holding S.L and Autoklinik i Malmö AB.

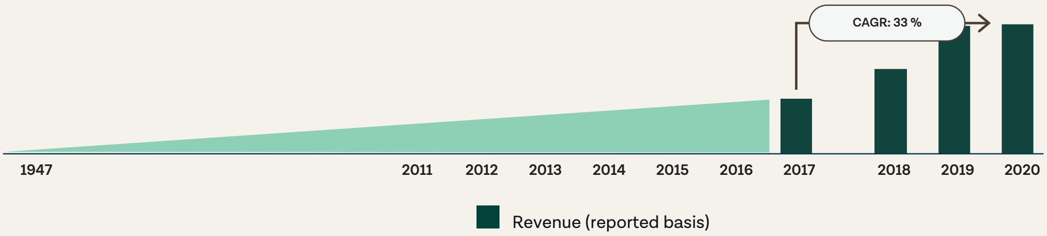
Source: Information from the Company.

History

Ryds Bilglas was founded as a part of Ryds Glas in Sundsvall, Sweden by the Ryd family in 1947 and has over 70 years of family legacy. Since then, Cary Group has become a leading[1] vehicle glass repair and replacement group with brands in Scandinavia, the UK, and Spain. The Company became a separate entity under the name Ryds Bilglas in 2011 and was renamed Cary Group in 2020, while several of the local brands have remained under the same name.

While the Company has grown significantly in recent years, the entrepreneurial culture has remained. At the same time, there is a strong sense of togetherness in the Company, and an ambition to act as one company with centralised processes and systems applied across the organisation, without sacrificing the heritage as a family-business with a strong local touch.





Source: Information from the Company and audited consolidated financial statements..

Below are the key milestones for the Company since its inception:

THE BEGINNING

1947 Ryds Glas was founded in Sundsvall, Sweden by the Ryd family.

2001–2006 Expansion phase with clear focus on car glass.

NORDIC EXPANSION

2011 Ryds Bilglas became a separate entity.

2012 Ryds Bilglas was merged with Samglas, and Anders Jensen was appointed new Group CEO. Nalka Invest became new majority shareholder.

2014 Ryds Bilglas entered the Norwegian market.

2017 Ryds Bilglas entered Denmark as four independent car glass repair and replacement companies joined the franchise concept.

INTERNATIONAL EXPANSION – CAGR of 33 percent 2017 to 2020[2]

2018 Nordic Capital became new majority shareholder, and Ryds Bilglas entered the UK by acquiring Mobile Windscreens, part of the National Windscreens consortium. Mobile Windscreens was founded in 1971 and had over 38 workshops and a fleet of over 230 mobile units at the time of acquisition.

2019 Ryds Bilglas continued its expansion and growth with several acquisitions in Sweden, Norway, Denmark and the UK.

2020 Ryds Bilglas changed its name to Cary Group, a new group name representing the Company's existing international operations and continued expansion ahead.

2021 Cary Group strengthened its position in Denmark, Norway and Sweden through the acquisitions of Crashpoint, Skadevekk Holding AS (Quick Car Fix) and Autoklinik. It also strengthened its position in the UK through the acquisition of Phoenix Windscreens. In addition, Cary Group expanded its operations to Spain through the acquisition of Ralarsa.

1) Based on total market share, Cary Group holds top 1–3 positions in all of the Company's current markets.
2) Based on audited consolidated financial statements.

Business idea

Smarter solutions for sustainable care car

Cary Group provides smarter solutions for sustainable car care. Specialising in solutions for vehicle glass repair and replacement, with a complementary offering in auto body repair, Cary Group extends the life of the vehicles, and sustains their value and safety features. Caring for and repairing, instead of replacing, with social responsibility and minimal environmental impact, is the foundation of sustainable car care at Gary Group. In addition, Cary Group commits to help customers make informed choices from a sustainability perspective. Cary Group provides services at convenient locations, with high quality, superior experience and smart solutions to simplify the sustainable choice of caring for vehicles.

Vision

Sustainable mobility – by and for people

Cary Group strives to be the front-runner in transforming the car care industry. The Company extends longevity and safety, conserving value – offering sustainable services for a more sustainable future.

Proximity to customers with an expanding network of locations and mobile units, Cary Group delivers quality and convenience, as well as a positive experience for customers that exceeds expectations - consistent over time and across geographies. Cary Group strives to provide integrated services that match the evolving customer needs that an electrified, digitalised and shared world of mobility is creating.

Mission

Simplifying the sustainable choice of caring for vehicles

To contribute to sustainable mobility, Cary Group is committed to offer services that help sustain the life, value and safety mechanisms of vehicles.

Cary Group takes pride in developing smarter solutions to make it easier for customers to care for their vehicle. By simplifying the sustainable choice of caring for vehicles, Cary Group not only provides additional value for customers, but also contributes to sustainable mobility.

Financial targets

Cary Group's board of directors has adopted the following financial targets:

- **Revenue growth:** Cary Group's target is to achieve an average total revenue growth exceeding 15 percent per annum in the medium term, of which at least half, shall be organic.[1)]
- **Profitability:** Cary Group's target is to achieve an adjusted EBITA margin[2)] of 20 percent in the medium term.
- **Capital structure:** Cary Group's capital structure shall enable a high degree of financial flexibility and allow for acquisitions. Cary Group's target is to have a maximum net indebtedness in relation to adj. EBITDA[3)] of 2.5x. However, the ratio may temporarily exceed 2.5x, in connection with acquisitions.
- **Dividend policy:** Cary Group strives to pay dividends of at least 20% of net income. Decisions on dividends shall take Cary Group's investment opportunities and financial position into consideration.

Cary Group's financial targets, as stated above, constitute forward-looking information. The financial targets are based upon a number of estimates and assumptions relating to, among others, the development of Cary Group's industry, business, result of operations and financial position, and are subject to risks and uncertainties. See "*Risk factors – Cary Group is exposed to risks in relation to its strategy and ability to achieve financial targets*" and "*Important information – Cautionary note regarding forward-looking statements*" for more information.

During the 2020 fiscal year, Cary Group reported a revenue increase of 1.4 percent with an EBITA margin of 14.5 percent.[4)] The Company believes that this development was negatively related to the COVID-19 pandemic. As the Company's end markets normalises, the Company believes that 2021–2022 will show higher growth than the Company's financial target for revenue growth indicates.

Business model

Cary Group is a caring partner to the end customers' vehicles' health, and strives to extend the life cycle and safety of the car by taking good care of it through a sustainable business model. The Company is a problem solver for both insurance providers and end customers. Thanks to its efficient operations, integrated and digitalised backend, geographical availability, excellent ratings regarding quality, and customer satisfaction[5)], Cary Group has grown to become the go-to choice for over 136 insurance providers across its current markets.

A vital part of Cary Group's business model is the proximity to the customers, which has resulted in an extensive

1) In constant currency. For the definition of organic growth see "*Selected historical financial information – Definitions of alternative performance measures*".
2) For the definition of adjusted EBITA margin see *"Selected historical financial information – Definitions of alternative performance measures"*.
3) In the last twelve months. Adjusted EBITDA, Operating profit before depreciation and amortization adjusted for items affecting comparability
4) Based on audited consolidated financial statements. For the definition of EBITA margin see "*Selected historical financial information – Definitions of alternative performance measures*".
5) Based on the Company's internal NPS on 86 in March 2021, based on the UK and Sweden weighted in relation to revenue. In Sweden the NPS was 89. Best in class compared to Belron's NPS at 85.

workshop network with high density and national reach across all markets. In the UK, national reach is achieved through the partnership with the National Windscreens consortium. The business model is based on an entrepreneurial culture and decentralised structure to enable a strong local presence and customer focus through its 523 workshops and 397 mobile units in Scandinavia, the UK and Spain

Customer acquisition

Glass damages are the most common vehicle insurance claim, representing a significant amount of claims and but at a relatively low average cost per claim, leading to glass damages only representing a small percentage of the total claims value.[1] Considering the high volume, but at the low cost, insurance providers' primary goal is to solve the claims as smoothly as possible, while maintaining a good relationship to their end customers.

One-third of end customers are referred to Cary Group by their insurance providers and the Company has over the years developed an integrated backend with several insurance providers to enable them to provide a seamless end customer journey. In some of these cases, the end customer can book an appointment directly through the insurance provider's website, which has been seamlessly integrated with Cary Group's booking system. This way, the end customer experiences a website with the insurance provider's interface. In these instances, Cary Group is the direct link between the insurance provider and the end customers. Subsequently, insurance providers expect high service quality and customer satisfaction, demonstrated through high NPS. ESG efforts are also becoming an increasingly important factor in the insurance providers' selection criteria. For preferred partner status, Cary Group ticks all of these boxes, with best-in-class NPS,[2] national reach and leading environmental focus.[3]

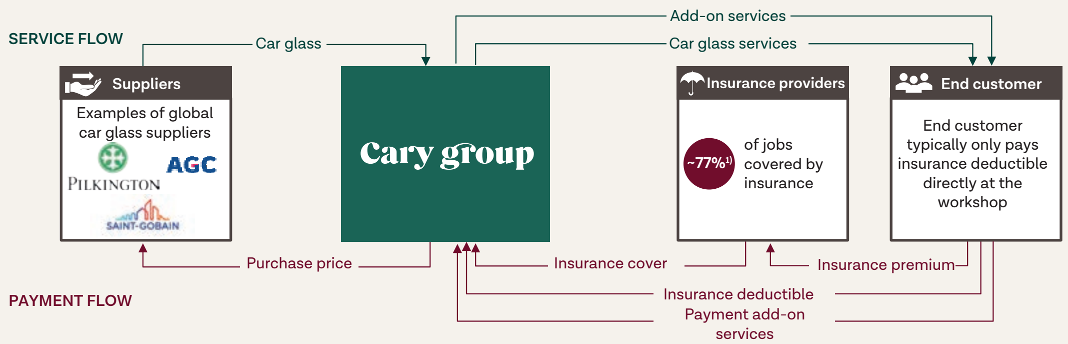
The remaining 2/3rd of Cary Group's end customers contact Cary Group directly. Price is a factor of limited importance as 77 percent[4] of all jobs are covered by insurance and the end customers typically only pay the insurance deductible. Instead, end customers prioritise convenience, ease of booking and simplicity with quick repairs or replacements, with low administrative burden, professional and friendly staff as well as high quality of work for optimal safety. Climate friendly and sustainable solutions are also becoming increasingly important factors for end customers.

Service and payment flows

Cary Group offers repairs and replacements of damaged windshields, as well as calibration of cameras and sensors after replacement, if needed. The Company acquires car glass through central procurement agreements. The car glass supplier market is dominated by a few large and global players, out of which Cary Group mainly sources from AGC, Pilkington and Saint-Gobain. After a repair or replacement, the end customers typically only pay the insurance deductible directly at the workshop. Cary Group settles the remaining part of the payment and documentation process directly with the insurance providers. This enables a smooth process both for the end customers, who do not need to direct their claims to the insurance providers, and for the insurance providers as Cary Group handles most of the administrative burden and provides a smooth and electronic invoicing process. An additional benefit for the insurance providers is that with Cary Group, they only need to have one counterparty with one organisation number representing numerous workshops and a vast range of claims.

Additionally, Cary Group also handles customer support for 26 insurance providers, see section "– *Service offering – Customer support for insurance providers and leasing*

Efficient model for services and payments



1) Based on Cary Group, 2020.

Source: Information from the Company.

1) For more information, see "*Industry overview – Overview – Core industry structure and economic and commercial drivers*".
2) Based on the Company's NPS of 86 in March 2021, based on the UK and Sweden weighted in relation to revenue. Best in class compared to Belron's NPS at 85.
3) Based on the rate of repair and proportion of recycled glass, see "– *Industry overview – Glass replacements*" for more information.
4) Based on information from the Company and refers to 2020.

companies" below. For further details on Cary Group's value chain, see figure *Efficient model for services and payments* below.

Workshops

The repair or replacement work is done either at a workshop or by a mobile unit, the latter primarily in the UK[1] and Spain[2], but also in Denmark[3]. Geographic proximity and national reach are highly appreciated factors by both insurance providers and end customers, which is why Cary Group has over 524 workshops and 397 mobile units. For the distribution of workshops per country please see table *Dense network of workshops* below. Proximity to end customers is an integral part of Cary Group's business model, hence the high density of workshops. The number of workshops operated by Cary Group in Sweden and the UK is far higher compared to its closest competitors. Even in Denmark, where Cary Group is the third largest player, the Company operates two more workshops than the largest player.

There is significant operational leverage in the workshops, and the Company works in a structured way to continuously lift performance and to maintain a local entrepreneurship as well as the same high expertise across all workshops. In practice, this means that the Company strives to empower the workshop managers through several initiatives. On the intranet, the Company has leader boards where workshops in Sweden are ranked based on sales, workshop margin, NPS, repair rate and productivity. The leader boards are frequently updated and sales related KPIs are updated each day. The Company features high performing workshops through articles on the intranet to inspire and share knowledge. In addition, Cary Group uses workshop competitions, especially during the low season, to target and improve specific KPIs, *e.g.*, sales and upselling. This approach for improving the performance has been applied in Sweden for years and is currently being rolled out across the Company's other markets in 2021. Cary Group believes that an important factor for empowering the workshop managers is the bottom-up budgeting process, which is applied in the Nordics. By participating in defining their own goals, the workshop managers feel ownership and are more motivated to reach their goals.

There are four major factors that drive workshop profitability:

i. workshop location – which drives traffic and local market share;

ii. quality and entrepreneurship of the workshop manager – a sense of local ownership creates motivation for local sales efforts and provides an incentive to get every possible job into the booking calendar, as well as diligence in billing and upselling;

iii. positive performance culture – with high transparency and systematic follow up; and

iv. streamlined workflow – through digitalisation and other productivity enhancements.

Levers for margin expansion in workshops include: (i) purchasing at lowest cost through a central purchasing portal securing the best prices; (ii) calendar optimisation with an efficient process of reducing administrative time and instead filling the calendar with revenue generating glass jobs; (iii) upselling of additional services, including wiper blades, windshield washer fluid as well as rain- and dirt repellent windshield treatments; and (iv) optimised

Dense network of workshops

Number of workshops per country

1	3	3	2	2
RYDS 147	Cary 53	DANGLAS 8	MOBILE WINDSCREENS 50	RALARSA 235[3]
SVENSKA BUSSGLAS 6	QUICK CAR FIX 14	RYDS 6	National Windscreens 58[1]	
1		3		
Total: 154	Total: 67	Total: 17	Total: 108[2]	Totalt: 235[3]
Δ #2: 81	Δ #1: (14)	Δ #1: 2	Δ #1: 20	Δ #1: 5

1) National Windscreens less Mobile Windscreens.
2) Cary Group is part of the National Windscreens consortium and represented ~56 percent of the consortium revenue in 2019 according to management.
3) Excluding Ralarsa Portugal.

Source: Information from the Company and the Market Study.

1) Through 297 mobile units.
2) Through 85 mobile units.
3) Through 15 mobile units.

staffing through temporary staff and the possibility of moving employees based on workload. Through increasing workshop utilisation, there is significant margin expansion to be achieved.

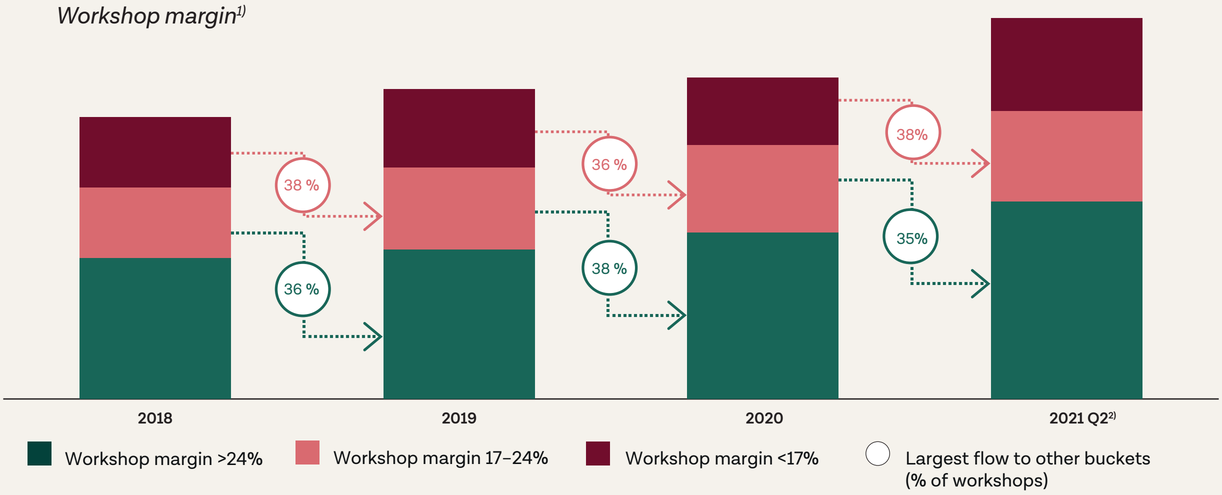
There are ongoing activities to support underperforming workshops to further improve margins, as well as sharing best practises and know-how between workshops. Through increasing the number of jobs per FTE and day, significant operational leverage can be achieved as the business model is based on price per job rather than on cost plus pricing. In Sweden, a Cary Group workshop has mainly between two to five technicians. The most common setup is two technicians, followed by three technicians, four technicians, five technicians, and lastly one technician workshops.

Cary Group's business model has significant operational leverage. In Sweden, as an illustrative example, in a typical workshop with two technicians breakeven is on average reached after two-three windshield replacements per day. After fixed cost coverage, all repairs and replacements have full gross margin[1] contribution, meaning that the 100 percent gross margin on repairs and the circa 55 percent gross margin on replacements, fall down to net income. As an illustrative example, only based on replacements for simplicity, a workshop in Sweden with two technicians has a workshop margin of approximately 23 percent after four replacements. Thereafter the workshop margin continuously increases with each car, and after five cars the workshop margin is around 29 percent. Note that the example is based on workshop margin, *i.e.*, excluding costs for customer support, workshop support, sales, marketing, IT support, central purchasing rebates, etc. The example is based on the average for workshops in Sweden, and actual workshop margins vary on factors such as level of fixed costs and actual product mix.[2]

Cary Group's way of working with operational levers to improve workshop margin has proven successful in the past few years. Typically, acquired workshops and greenfields have a workshop margin below 17 percent when first introduced into the group, placing them in the red category in the illustration below. From 2018 to 2020, 88 percent of all acquired workshops and greenfields initially belonged in the red category. Through measuring and benchmarking workshop performance, combined with the structured way of working with operational levers, Cary Group has managed to continuously move workshops from the red and yellow categories to the green one.[3]

Measuring and benchmarking workshop performance

Workshop margin[1)]



1) Ryds Bilglas, excluding central overhead and other costs not allocable to workshops.
2) Based on the last twelve months.

Source: Information from the Company's management accounts.

1) For the definition of gross margin see "*Selected historical financial information – Definitions of alternative performance measures*".
2) Based on information from the Company and management accounts.
3) Based on information from the Company's management accounts.

In addition, all workshops utilise the proprietary method “PartsCheck”, which is managed by eight employees in the UK. Through PartsCheck, the workshops can identify and purchase the correct windshield based on a car’s vehicle identification number (“**VIN**”). This is fully integrated into the workshops’ calendars and enables time and cost savings due to reduced administration and purchasing errors. In addition, PartsCheck is licensed to other members of the National Windscreens consortium.

Service offering

All of Cary Group’s services revolve around the Company’s emphasis on delivering the highest possible quality, convenience and customer satisfaction.

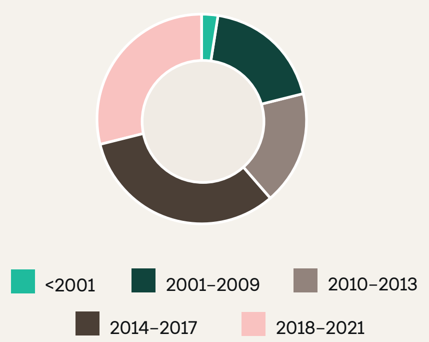
Cary Group provides its services to end customers in the Company’s various markets via local brands, enabling the Company to utilise its international scale while benefiting from a local touch. The portfolio of highly recognisable brands includes Ryds Bilglas in Sweden and Denmark, Cary in Norway, Mobile Windscreens, which is a member of the National Windscreens consortium which is the consumer facing brand in the UK and Ralarsa as well as Reparabrisas in Spain. As a complement to the Company’s offering of car glass repair and replacement, Svenska Bussglas in Sweden offers repair and replacement services to the coach and bus segment. The company also offers body repairs and Small to Medium Area Repair Techniques (“**SMART**”) through Quick Car Fix in Norway, Crashpoint in Denmark and Autoklinik in Sweden.

Car glass repair and replacement

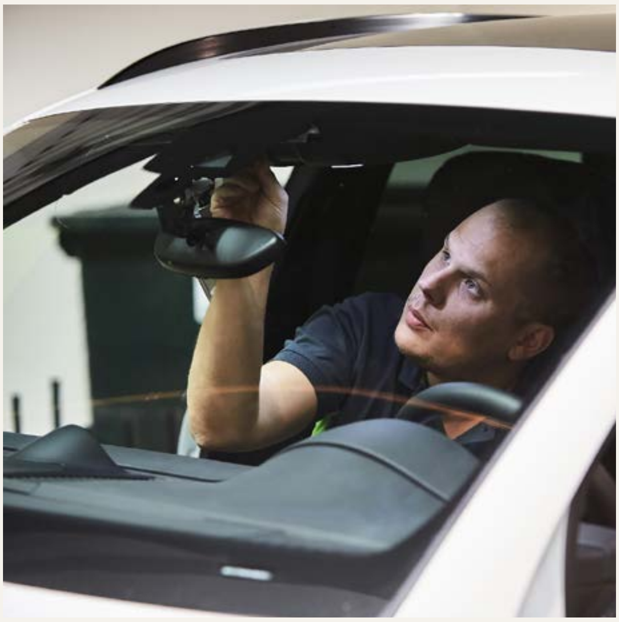
The Company provides end customers with an offering of simple, convenient and high quality car glass repair and replacement services. Cary Group also offers calibration of cameras and sensors in the windshield after replacement. With a strong focus on sustainability, Cary Group always strives towards repairing the windshield instead of replacing it, when possible, in order to minimise climate impact. For details on the repair and replacement process, see “*Industry overview – Detailed vehicle glass repair and replacement services overview*”. During the first half of 2021, the number of repair jobs within the Company amounted to approximately 80,000, with windshield replacements totalling approximately 200,000. During the same period, Cary Group had a repair rate of 41 percent in Sweden. Through the high repair rate, compared to the market average of 34 percent,[1)] Cary Group strives to be the green choice for end customers.

With increasing technological advancements for cars, including the increasing adoption rate of ADAS, calibration of cameras and sensors in windshields have become fundamental aspects in order to provide safe and high qualitative windshield replacements. Cars with ADAS started to be manufactured in 2010, as shown in figure *New generations of cars further increase the integration of glass as a core feature of the car* cars manufactured later than 2010 constitute a majority of Cary Group’s jobs. This share will continue to grow as the renewal of the car fleet continues. The Company is capitalising on the need to calibrate the cameras and sensors that power the ADAS

New generations of cars further increase the integration of glass as a core feature of the car
Car model year, as share of volume (Q1 2021), based on Sweden[1)]

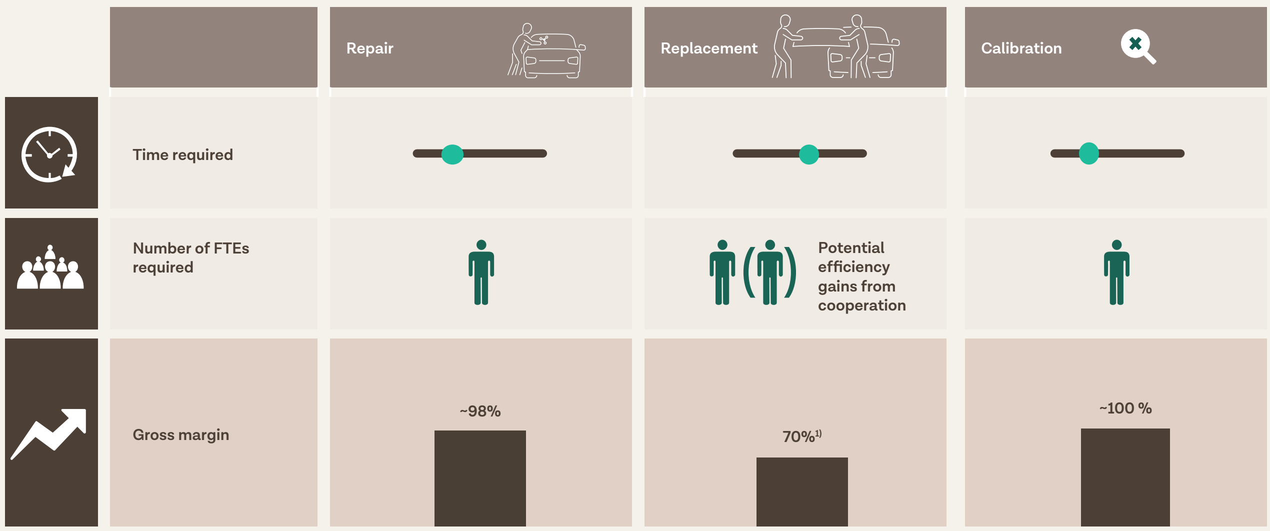


1) Based on Sweden and Norway.
Source: Information from the Company.



1) The Market Study, based on Sweden 2020.

100 percent gross margin for calibration services, providing an opportunity for further margin uplift



1) Based on average gross margin for the Group, excluding Denmark (2020).

Source: Information from the Company and management accounts. For definition of gross margin see "Selected historical financial information – Definitions of alternative performance measures".

every time a windshield is replaced. Hence, know-how and the ability to conduct calibration services are central requirements for insurance providers when choosing preferred service providers. It is in the insurance providers' best interest to ensure the highest possible safety for the insured cars. Replaced windshields need to be calibrated in order to function properly, and failure to calibrate could affect the validity of the insurance, driving the demand for calibration.

Cary Group has the know-how as well as the required equipment, tools and processes required for calibrations. The Company provides calibration services in all of its workshops.[1] The increasing need to calibrate windshields is improving gross margins as these services have close to a 100 percent gross margin.[2] Calibration services require skilled technicians as well as advanced equipment. This is putting pressure on smaller and independent workshops, which have a hard time keeping up with the increasing calibration demand, fuelling Cary Group's consolidation journey.

Static calibrations need to be performed in a workshop as they require a 100 percent flat surface, which is difficult to achieve outside a workshop with sufficient precision. As a result, the importance of having a strong network of workshops will continue to increase, whilst the need for mobile units is likely to decrease over time as calibration rate continues to increase. Cary Group, with its extensive and highly dense workshop network is well-positioned to benefit from this shift, which will be an advantage especially in markets traditionally dominated by mobile units, such as the UK.

1) In the Nordics and the UK, but not in the recently acquired company Ralarsa in Spain. Ralarsa offers calibration in all cities, but not in some smaller workshops.
2) Based on information from the Company's management accounts. For the definition of gross margin see "*Selected historical financial information – Definitions of alternative performance measures*".

The increasing adoption of ADAS has had a positive impact on Cary Group's revenue from calibration services, growing at a CAGR of 53 percent from 2017 to 2020, as illustrated in the graph below.[1)]

Add-on services

For the end customers, the Company also offers a multitude of add-on services. For example, changing of wiper blades, anti-theft DNA, refill of washer fluid as well as rain- and dirt repellent windshield treatments. These add-on services not only provide the Company with an opportunity for upselling, but also function as a tool for improved customer experience and subsequently a higher customer satisfaction.

Body repairs and SMART repairs

In the Nordics, the Company has a strategy to leverage its customer base, reputation and footprint by broadening its offering towards body repairs and SMART repairs. This is partly based on Cary Group's market leading position in the Nordics[2)] and the insurance providers' pan-Nordic organisation structures, that often have Nordic procurement teams, and the geographical landscape of the Nordic countries, combined with the low population density in certain areas, which is rendering these additional services a competitive advantage as the broadened service offering improves workshop utilisation and is appreciated by the end customers. In addition, this initiative has been appreciated by insurance providers and leasing companies as they seek to consolidate the supplier base in the Nordics. This enables Cary Group to increase its density, even within vehicle glass repair and replacement by increasing the focus on these services also in the collision and SMART repairs workshops.

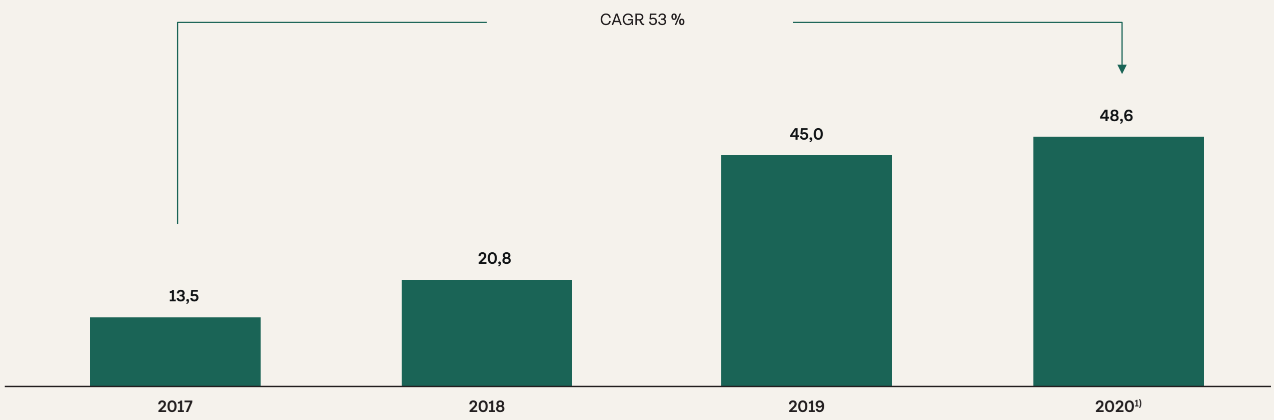
In March 2021, the Company first expanded to this vertical by acquiring Crashpoint, Denmark's largest auto body shop centre. This further increased the Company's number of workshops in the Nordic segment by adding three workshops to the Company. Through the acquisition, the Company broadened its service offering in Denmark, and enabled end customers to appreciate a wider range of services. In addition, Crashpoint is at the forefront of repairing modern cars and has a close partnership with Tesla, as a certified service provider.

The Company's expansive ambitions and aspirations to optimise its geographical footprint is further demonstrated by its acquisition of the Norwegian repair chain Quick Car Fix, completed in April 2021. Founded in 2009, Quick Car Fix specialises in SMART repairs with the aim to offer cost efficient, fast, and sustainable car care repairs within the field of cosmetic body damages. Quick Car Fix added an extensive network of 14 strategically located workshops spread across all of Norway to the Company's current network. Quick Car Fix also has established relationships position with leasing companies and insurance providers as well as car dealerships. Locations include airports, large ports, harbours in Oslo and Drammen, as well as shopping centres. The acquisition is a part of Cary Group's strategy of increasing the density of its workshops and securing national coverage in Norway.

In July 2021, the Company further strengthened its position in the segment through the acquisition of

Steadily increasing revenue from calibration services since 2017

Revenue from calibration services, Cary Group SEK million



1) Excluding Quarterman's and Morgan's Windscreens.

Source: Information from the Company's management accounts.

1) Based on information from the Company's management accounts.
2) Based on the Company's total market share and market position in Sweden as number 1, Norway and Denmark as number 3 in the respective market.

Autoklinik in Sweden. Autoklinik is a family business with one workshop, founded in 1983 in Malmö and has since been owned by the same family. Autoklinik specialises in auto service, body repairs and paint for several brands, and are authorised for Hyundai, Honda, Fiat, Subaru, Isuzu, Bentley, McLaren and Tesla. Autoklinik will serve as a complement to Cary Group's vehicle glass repair and replacement business in Sweden and a complement to Crashpoint in Denmark.

Customer support for insurance providers and leasing companies

The Company provides its partnering insurance providers and leasing companies with convenient solutions to handle the large number of claims related to car glass damages. For instance, Cary Group handles customer support for 26 partnering insurance providers and 5 leasing companies[1] in the Nordics and Spain. In the UK, customer support is handled through the National Windscreens consortium. In practice, this means that end customers who contact their insurance provider or leasing company regarding car glass damages are directly referred to Cary Group's customer support to receive instant assistance and the opportunity to book an appointment, either online or via telephone. Through the online booking, this is either done directly through Cary Group's webpage or through the insurance provider's webpage, which is seamlessly integrated with Cary Group's booking system. The Company currently offers integrated online booking towards insurance providers in Sweden. This creates additional stickiness among insurance providers.

Strengths and competitive advantages

Non-cyclical market with high growth propelled by transformative technologies and long term drivers

Cary Group provides an essential service for end customers. If a windshield has been damaged, the end customer has no choice but to repair or replace the windshield. Failure to do so result in unsafe cars. Since a broken windshield might limit the driver's vision and windshields are a weight-bearing critical component, a broken windshield might have an adverse effect on car safety, especially in case of a collision. Considering 77 percent[2] of jobs are covered by insurance providers and the end customers typically only pay the insurance deductible, price is rarely a limiting factor in getting the windshields repaired or replaced.

The car glass damages market is non-cyclical, with low correlation to GDP and new car sales, for more information see "*Industry overview – Overall market size and growth*". The defensive characteristic of the market was evident during the financial crisis, when the number of car glass damages grew by 6 percent from 2008 to 2009,[3] compared to EU GDP that decreased by 4 percent[4] and new car sales that declined by 14 percent[5].

The COVID-19 pandemic and subsequent lock downs in 2020 had an adverse effect on the car glass damages market, which declined by 7 percent compared to 2019.[6] However, the glass damages market was significantly less affected by the pandemic compared to new car sales, which declined by 19 percent during the same period.[7] The decline in the car glass damages market was largely a result of the strong correlation between kilometres driven and stone chips, see "*Industry overview – Overall market size and growth*", and the impact of lock downs. An additional implication of lock downs was that car glass repair and replacement providers were forced to temporarily close down workshops.

Rather than being affected by the general macroeconomic climate, the market is primarily driven by:

i. increasing kilometres travelled from an expanding car fleet;

ii. larger glass surface area, thinner and more complex glass;

iii. mix-effect in the car fleet;

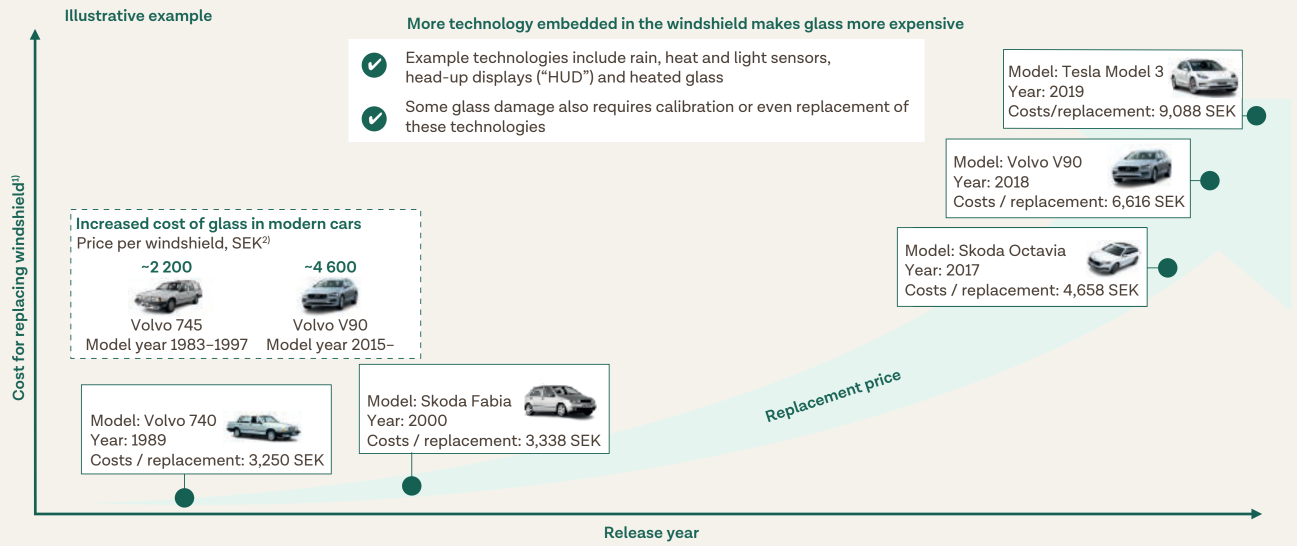
iv. increasing calibration rate; and

v. yearly glass price increases.[8]

The ongoing technological shift in the automotive-industry is primarily driven by fuel economy, ADAS features, digitalisation, electrification and TaaS. These trends are driving the development of the new generation of car models, which tend to have more, bigger and lighter glass, with an increased adoption of ADAS, as illustrated in the figure below[9]. This development is beneficial for Cary Group, and is driving both price and volume, as well as margin since calibration is a high gross margin product for Cary Group.[10]

1) Leasing companies only based on Sweden.
2) Based on information from the Company and refers to 2020.
3) The Market Study, based on number of car glass damage claims in Sweden.
4) World Bank national accounts data and OECD National Accounts data files.
5) Fitch Solutions, based on the first official transfer of ownership/registration of a new road motor vehicle with at least four-wheels designed for carrying passengers and/or goods in Europe.
6) The Market Study, based on Sweden, Norway, Denmark, the UK and Spain, weighted based on market volume.
7) Fitch Solutions, based on the first official transfer of ownership/registration of a new road motor vehicle with at least four-wheels designed for carrying passengers and/or goods in Europe.
8) For more information see "*Industry overview – Overall market size and growth – Key vehicle glass repair and replacement growth trends*".
9) See "*Industry section – Key vehicle glass repair and replacement growth trends*" for more information.
10) See "*–Service offering – Car glass repair and replacement*" above for more information.

Larger and more advanced car glass leads to more expensive replacement cost



1) Cost / replacement including calibration if applicable.
2) Cary Group's price towards end customers.

Source: Information from the Company and the Market Study.

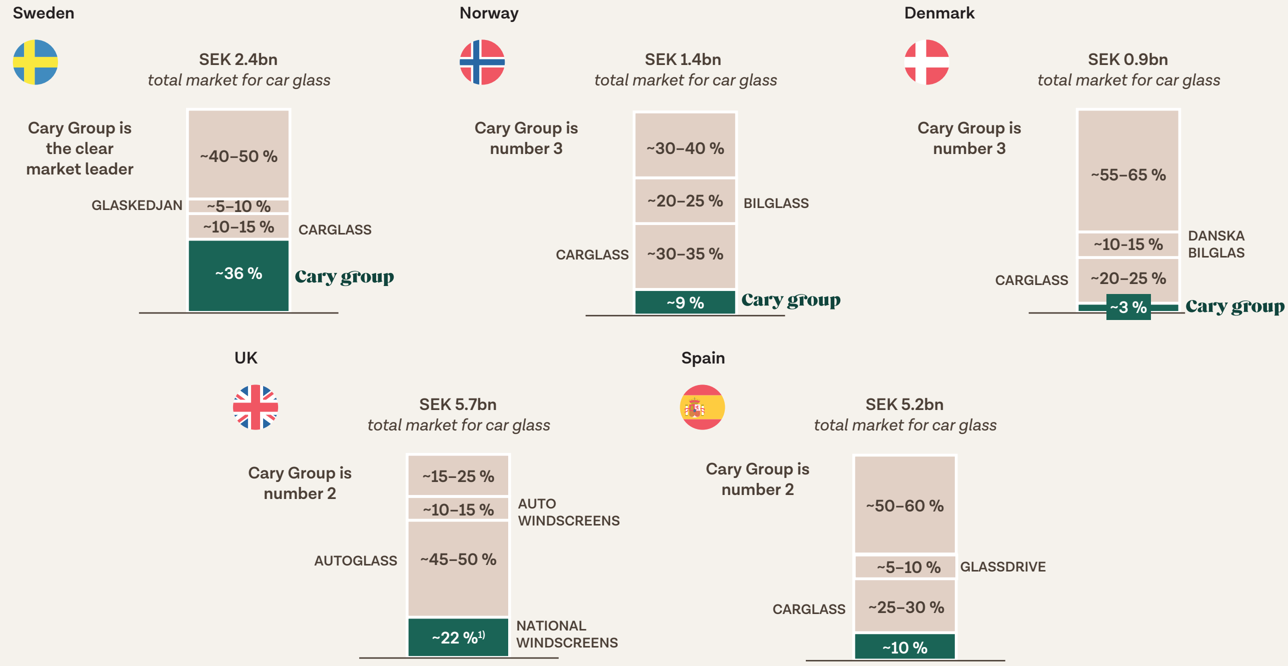
Going forward, the car glass damages market is expected to grow at a CAGR of 9 percent from 2020 to 2025,[1] compared to new car sales which is expected to grow at 5 percent[2]. As COVID-19 impacted the market negatively in 2020, the market growth rate from 2020 to 2025 is slightly inflated. Hence, the CAGR 2019 to 2025 provides a more accurate picture. The CAGR from 2019 to 2025 is expected to be 6 percent for car glass damages[3] and 0 percent for new car sales.[4]

Market leading positions in an industry where scale matters

Cary Group has market leading positions across all of its current markets, with at least a top three position in all countries, as illustrated in the table below. In Sweden, Cary Group is the clear market leader, with a market share approximately three times larger than the market number two, Carglass which is Belron's local brand. The National Windscreens consortium is the second largest player in the UK, second only to AutoGlass, a Belron brand. As of 2020, Cary Group represented the majority of the National Windscreens consortium. Cary Group is the third largest player in Norway, after the market leader Hurtigruta Carglass, a local Belron brand and the number two Riis Bilglass, a local player only operating in Norway. In Denmark, the Company is the third largest player, after the market leader Carglass, owned by Belron, and the number two Dansk Bilglas, a local player only operating in Denmark. However, 50 percent of Dansk Bilglas is owned by Saint-Gobain, which operates other vehicle glass repair and replacement workshops outside of Denmark under the brand GlassDrive.

1) The Market Study, based on accumulated car glass damage size for Sweden, Norway, Denmark, the UK and Spain, weighted by volume.
2) Fitch Solutions, based on the first official transfer of ownership/registration of a new road motor vehicle with at least four-wheels designed for carrying passengers and/or goods in Europe.
3) The Market Study, based on accumulated car glass damage size for Sweden, Norway, Denmark, the UK and Spain, weighted by volume.
4) Fitch Solutions, based on the first official transfer of ownership/registration of a new road motor vehicle with at least four-wheels designed for carrying passengers and/or goods in Europe.

Cary Group's market position



1) Based on revenue for The National Windscreens consortium, where Mobile Windscreens as of 2020 constitutes a majority.

Source: Information from the Company and the Market Study.

The market is characterised by clear scale benefits, resulting in significant barriers to entry.[1] While the industry remains largely fragmented, many local markets have a couple of larger players, capable of being a close partner to the insurance providers. This provides a significant opportunity for Cary Group, the number two vehicle glass repair and replacement provider in Europe, as insurance providers seek a more balanced market and a few, strong and reliable partners in each country. European insurance providers generally prefer to have close partnerships with two to three suppliers. Key criteria for insurance providers when selecting partners are: national reach, standardised processes, high quality, digitalised integration and best-in-class customer satisfaction. Scale is critical to be able to meet these criteria, and as a larger company, Cary Group is well positioned to form these deep, long term partnerships.

Additional barriers to entry include keeping up with investments in technology and digitalisation, attracting and retention of highly skilled and trained technicians, purchasing power towards suppliers, brand recognition and end customer proximity as well as meeting the increasing ESG demands from insurance providers and end customers.[2]

These barriers to entry are affecting independent workshops' and small- to medium sized players' ability to compete, as they struggle to keep up with the larger players. The scale benefits are evident from the market share development, with car glass specialists steadily gaining market shares. This is illustrated below by exemplifying the Swedish market.

1) For more information, see "*Industry overview – Competitive landscape – Barriers to entry and consolidation opportunity*".
2) For more information, see "*Industry overview – Competitive landscape – Barriers to entry and consolidation opportunity*".

Problem solver to the insurance companies, with close and long term relationship

Given the large number of claims related to car glass damages, but with the low cost per claim,[1] insurance providers value partners that can handle the claims as smoothly and reliably as possible. Additionally, partners act as the face of the insurance providers towards their end customers, which means that high customer satisfaction, proven through high NPS, and quality are key requirements. Increasing pressure to have a sustainable supply chains is also putting ESG high on the agenda for insurance providers when selecting suppliers.

As a result of Cary Group being able to meet these requirements, the Company has developed long standing relationships with numerous insurance providers across all its current markets. The Company has been able to benefit from these close relationships across borders.

Cary Group's strong relationships with insurance providers is evident from the Company's impressive track record of not having lost a customer in Sweden in over 25 years.

Cary Group is an appreciated partner to the insurance providers, as the Company not only handles the contact with the end customers and has an excellent NPS, but also since Cary Group limits the administrative burden for the insurance providers. Cary Group is digitally integrated with several of its customers, which limits the administration for the insurance providers, by providing a simple and digital customer journey with a smooth and electronic invoicing process as well as one counterparty with the same organisation number despite the number of workshops having performed the jobs. This creates transparency and trust, while also ensuring significant stickiness.

In addition, Cary Group's climate smart proposition as well as clear ESG focus is important aspects in securing new partnerships with insurance providers. In recent tenders, the Company has seen an increased ESG focus from insurance providers, especially in the Nordics, with specific criteria that the vehicle glass repair and replacement provider needs to adhere to.

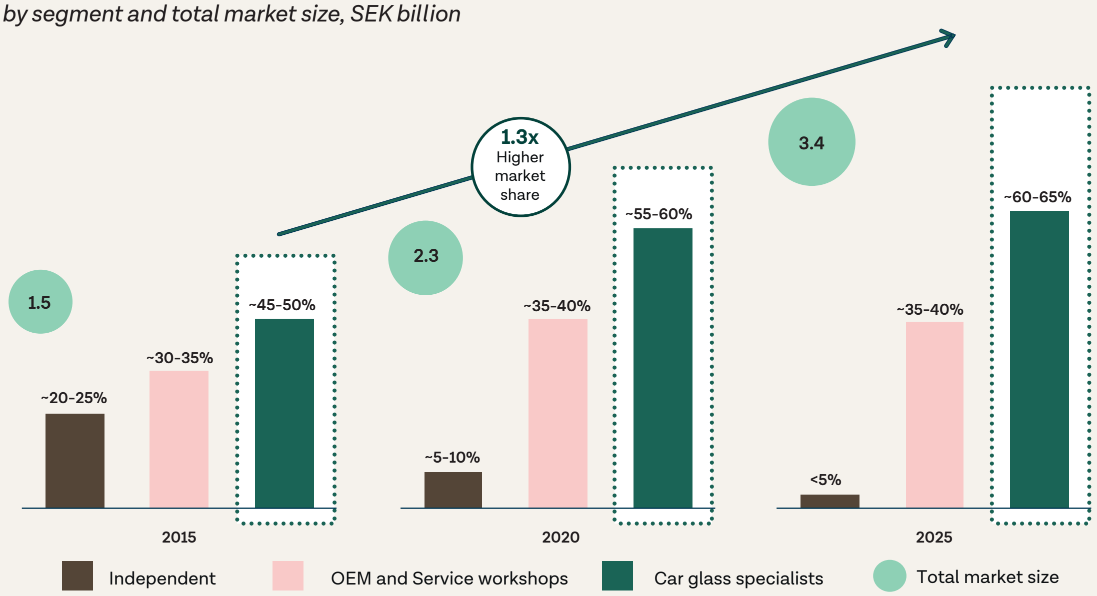
The Company is closely intertwined with the insurance providers and reduces the administrative burden for them in several ways. A key part is the integrated customer support which increases the satisfaction among insurance providers. In Sweden, the customer support is open on average ten hours per day, 358 days a year and handles around 250,000 calls per year.[2]

Technology frontrunner with a proven operational set-up

Cary Group is at the forefront of digitalisation. Through digitalised front-end, the Company offers a convenient online booking process for end customers, limiting the administrative burden for all parties involved. In Sweden, just below 40 percent[3] of all customers book their appointment online. In addition, the Company has developed a proprietary application for damage assessment based on artificial intelligence ("**AI**") technology, to further facilitate for end customers in the booking process and to reduce the number of trips to the workshops. Currently, the application has an accuracy of 91 percent, which continues to improve.[4]

Windshield tech and front/back-end digitalisation leading to continuous consolidation of the market

Market share by segment and total market size, SEK billion



Source: The Market Study, based on Sweden.

1) For more information, see "*Industry overview – Overview – Core industry structure and economic and commercial drivers*".
2) Based on Q2 2021 last twelve months.
3) Swedish figure based on Q2-2021 last twelve months.
4) Based on information from the Company.

Operations are also becoming increasingly digitalised. The Company uses the proprietary method PartsCheck, which increases efficiency and reduces purchasing and invoicing errors by selecting the correct windshield directly based on the car's VIN. PartsCheck is integrated into the local workshop calendar and saves time for the technicians by removing time spent on researching which glass to order. Instead, the technician sees what type of glass is required for each booking directly in the calendar.

Being a frontrunner, the technological development of car glass repair and replacement is also an important factor in Cary Group's success. The Company has an efficient workshop setup, with highly skilled technicians and a system in place to share best practises across workshops to maintain the same high quality service level, regardless of workshop. The technicians possess deep knowledge of the vehicle glass repair and replacement process and have standard protocols to follow in their work, ranging from more simple replacements not requiring calibration to more advanced models.

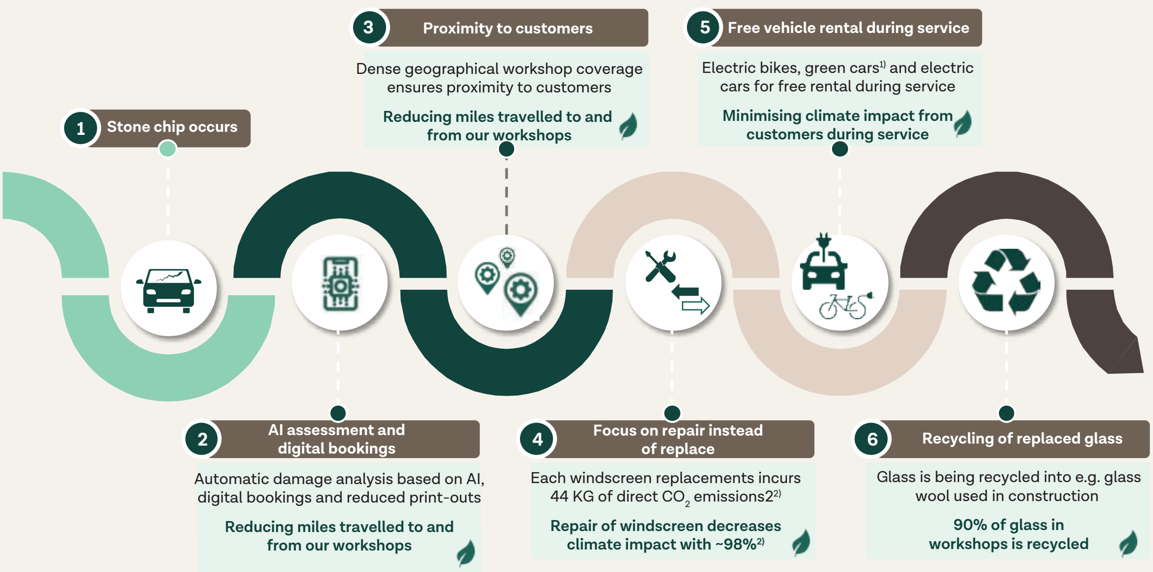
Cary Group is capitalising smartly on the increasing need to calibrate the cameras and sensors that power advanced driver safety systems every time a windshield is replaced. With the rapidly increasing adoption rates of ADAS, the demand for calibrations is quickly increasing as well. Calibration services offer gross margins of circa 100 percent and require skilled technicians as well as advanced equipment and procedures. All of Cary Group's technicians undergo training to be able to perform calibrations.[1)]

The sustainable choice for car care

Cary Group provides car care services that sustain the life, value and safety features of vehicles. Caring for and repairing, instead of replacing, with social responsibility and minimal environmental impact, is the foundation of sustainable car care at Cary Group, and the Company commits to help its customers make informed and sustainable decisions.

Sustainability is integrated in each step of the windshield's journey at Cary Group, from the first interaction with the customer after a stone chip has occurred, from the damage assessment, through the repair or replacement process until the windshield is repaired and recycled, which is illustrated in the figure below.

Through a well-developed AI assessment technology, customers can use Cary Group's platform to analyse the damage of the stone chip to determine whether the damage should be repaired or not. If the windshield needs to be repaired or replaced, the visit to one of the workshops in Cary Group's dense network can easily be booked digitally. These initiatives together reduce the miles travelled to and from workshops, which significantly reduces carbon emissions.



1) With a maximum environmental impact of 115 CO_2e g/km.
2) CO_2 emissions based on estimates of direct emissions on the Nordic market.

Source: Information from the Company.

1) Applies in the Nordic region and in the UK, but not in the recently acquired company Ralarsa in Spain. Ralarsa offers calibration in all cities, but not in some smaller workshops.

Replacing a windshield means a total emission of approximately 44 kg CO_2e[1], including production, transport and recycling. Therefore, Cary Group always strives to repair the customer's windshield to the greatest possible extent. The Company continuously monitors the repair rate[2] as one of the most important sustainability measures. As of 2020, the repair rate for Cary Group was 41 percent in Sweden, compared to market average of 34 percent.[3]

During a windshield replacement service, customers are offered a free courtesy car, bicycle or scooter. Cary Group is continuously working towards reducing the climate impact from its vehicle fleet through offering green cars[4] and an increasing share of electric vehicles to their customers.

Once the windshield has been replaced, the Company works with waste operators who specialise in recycling windshields to ensure that the handling is managed in the best possible way. Out of all replaced windshields, about 90 percent is recycled and reused for other purposes, mostly becoming insulation products for the construction industry.

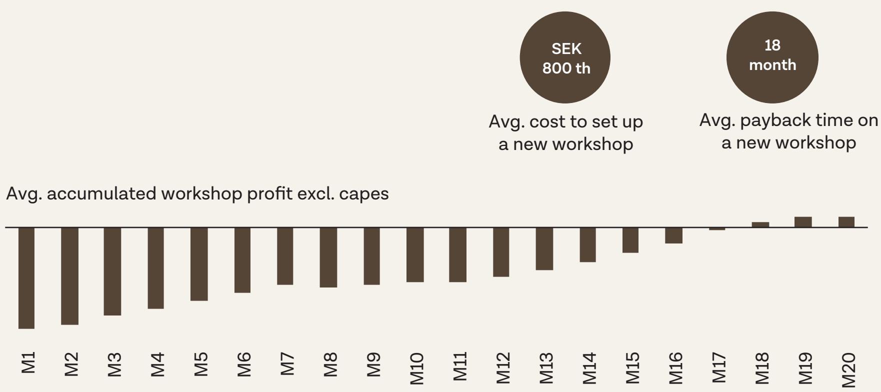
In addition to the above, Cary Group offers carbon offsetting through ZeroMission and a Plan Vivo certified project focused on tree planting. During 2021, Cary Group will complete projects aiming to set science-based targets to reduce CO_2e-emissions in accordance with the Paris agreement as well as making the Company ISO-certified as climate neutral in the near term.

Asset light business model

Cary Group has an asset light business model with low investment requirements, constituting an attractive platform for continued investment in profitable growth. The business model has limited capex needs, on average 2 percent of revenue during 2018 to 2020.[5] The main investment need includes opening of new workshops as well as digitalisation. Additionally, the Company has a low average net working capital of close to or around 1 percent of revenue 2018 to 2020.[6] This, combined with the low capex need, results in a high cash conversion, on average 89 percent during 2018 to 2020.[7]

Furthermore, Cary Group has a short payback time on investments in greenfield workshops. Based on vintage analysis from 2018, the average cost of setting up a new workshop is SEK 800 thousand and the payback time approximately 18 months,[8] this is illustrated in graph *Short payback time on new workshops* below. The short payback time on new workshops has enabled the Company to open approximately 0.4 new workshops per month from 2019 to Q2-2021.[9]

Short payback time on new workshops[1]



1) Based on 10 greenfield workshops in Sweden 2018, excluding supplier rebates.

Source: Information from the Company's management accounts.

1) Carbon dioxide equivalents.
2) Proportion of damage repaired by the total number of jobs.
3) The Market Study.
4) Meaning that the loan car does not have emissions higher than 115g CO_2 per driven km.
5) Based on audited consolidated financial statements. Investments in new tangible and intangible fixed assets.
6) Retrieved from unaudited consolidated financial statements. For the definition of net working capital "*Selected historical financial information – Definitions of alternative performance measures*".
7) Retrieved from unaudited consolidated financial statements. For the definition of cash conversion see "*Selected historical financial information – Definitions of alternative performance measures*".
8) Based information from the Company's management accounts. Based on 10 greenfield workshops opened in Sweden 2018. Payback time excluding supplier rebates.
9) Based on information from the Company.

Strong underlying organic growth and high margins

Cary Group has a track record of high growth, both organic and through acquisitions with a total revenue CAGR of 33 percent from 2017 to 2020,[1] and an organic CAGR of 6 percent during the same period.[2] Cary Group grew with a CAGR of 53 percent from 2017 to 2019,[3] and had an organic CAGR of 16 percent the same period.[4] The Company's organic growth can be divided into the following five buckets, all supported by strong and long term underlying drivers:

i. Market volume growth – the underlying growth in number of broken windshields in the Company's markets.

ii. Market share growth – increased market share driven by Cary Group gaining market shares from other vehicle glass repair and replacement specialists as well as vehicle glass repair and replacements specialist, as a group, taking market shares from other players. The market share gains are further supported by the increasing demand for calibration and the disadvantage this entails for smaller players due to the required investments and staff training.[5]

iii. Price indexation – the underlying yearly increase in glass price that the Company is able to pass on to its customers.

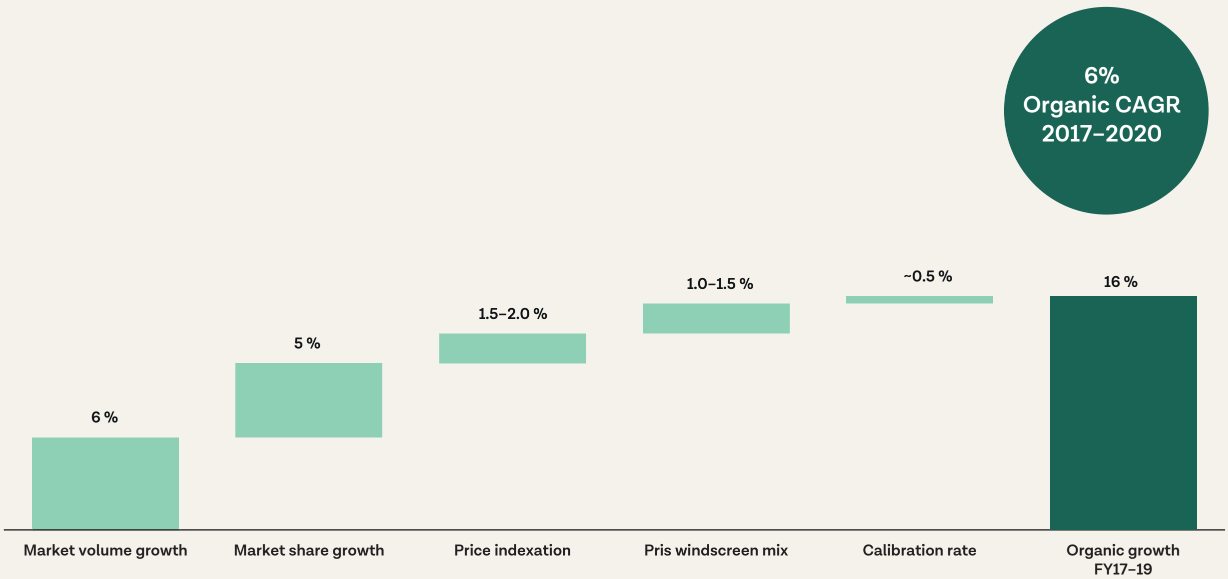
iv. Price windshield mix – the growth deriving from larger and thinner glass with more technology in new generation cars.

v. Calibration rate – increased share of cars that need calibration after replacement of the windshield, driven by the changing car fleet mix with increasing adoption of ADAS, and the subsequent growth in number of cars with cameras and sensors installed in the windshield.

A summary of the contribution from each of these drivers in 2017 to 2019 can be found below in figure Strong organic growth. On top of the organic growth, the Company has grown substantially through M&A – see "*– Cary Group is well positioned to continue the compounding journey in a highly fragmented market*" below.

Strong organic growth

Breakdown of organic growth[1], CAGR 2017-2019



1) Growth excluding acquired revenue, which is defined as revenue during the first twelve months after consolidation of the respective acquired entities/ workshops.

Source: Information from the Company and the Market Study.

1) Based on audited consolidated financial statements.
2) Based on unaudited consolidated financial statements and management accounts. For the definition of organic growth see "*Selected historical financial information – Definitions of alternative performance measures*".
3) Based on audited consolidated financial statements.
4) Based on unaudited consolidated financial statements and management accounts. For the definition of organic growth see "*Selected historical financial information – Definitions of alternative performance measures*".
5) For more information, see "*Industry overview – Detailed vehicle glass repair and replacement services overview – Calibration*".

Cary Group has historically been able to increase its adjusted EBITA margin across both of its segments, *e.g.*, from 4.7 percent to 7.5 percent in Rest of Europe from 2019 to 2020.[1)]

The Company has experienced an increase in underlying gross margin across all markets, partly offset by changes in the country mix. For instance, gross margins in Norway has increased as purchasing has been centralised but are not yet at Swedish levels. Operational efficiencies have also had a positive effect on margin, as a result of scale benefits and internal excellence initiatives. However, this has also partly been offset by the changing country mix, with Sweden still at the forefront of workshop efficiency.

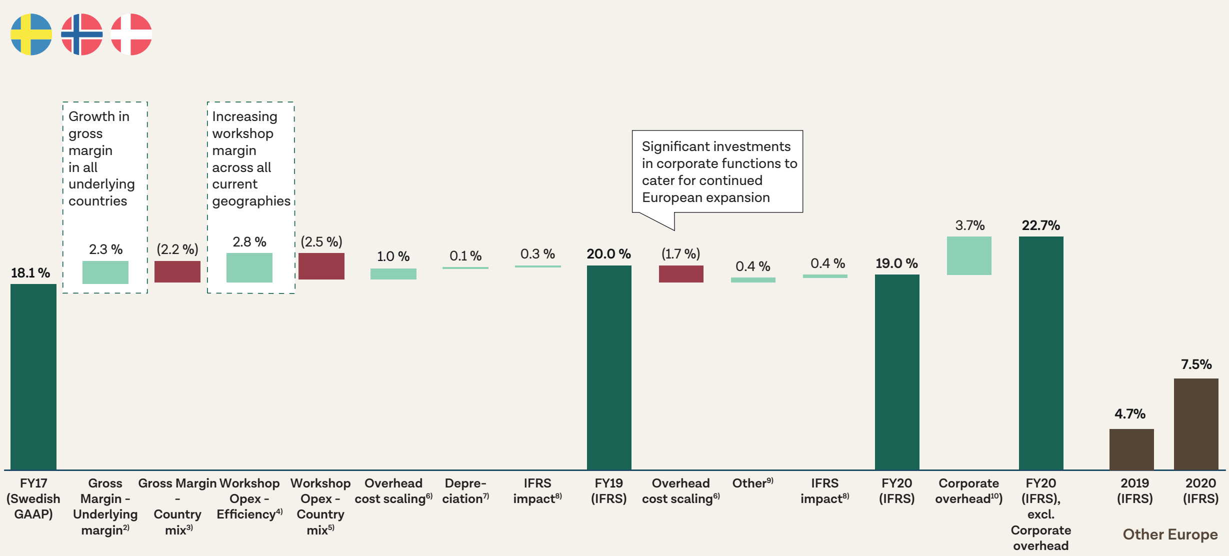
In 2020, the Company made significant investments in its overhead, affecting the adjusted EBITA[2)] margin. These investments have been made to allow for continued expansion as the Company now has the organisation in place to continue the growth journey across new European markets.

Cary Group is well positioned to continue the compounding journey in a highly fragmented market

Cary Group has a strong track record of both platform[3)] and larger add-on[4)] acquisitions to complement the organic growth. In addition, as an alternative to greenfield expansion, the Company has a long track record of acquiring independent workshops. Since 2014, Cary Group has made four platform acquisitions to enter new markets: Ruterknekt in 2014 to enter Norway, Mobile Windscreens in 2018 to enter the UK, Danglas in 2019 to enter Denmark and Ralarsa in 2021 to enter Spain. To strengthen its market positions, Cary Group has acquired a total of ten larger add-ons since 2018, three[5)] in Sweden, two in Norway, one in Denmark and four in the UK. Since 2019, the Company has acquired approximately one independent workshop per month on average.

Ongoing margin uplift journey in all markets

Adjusted EBITA margin[1)] breakdown



1) Operating profit (EBIT) excluding amortisation of intangible assets (Earnings before interest tax & amortisation), adjusted for non-recurring items. Non-recurring items of SEK3.5m have been excluded from EBITA in FY17
2) Reflects gross margin impact from change in gross margin for each respective country.
3) Reflects gross margin impact from change in country revenue mix.
4) Reflects change in workshop operating expenses as percentage of revenue for each respective country.
5) Reflects workshop operating expenses impact from change in country revenue mix.
6) Reflects change in total overhead expenses (country and group) as a percentage of total group revenue.
7) Reflects change in total depreciation as a percentage of total group revenue.
8) Reflects impact on EBITA as a percentage of total revenue from applying IFRS instead of Swedish GAAP K3 (IFRS impact between FY19 and FY20 reflects the change in the IFRS impact in relation to revenue).
9) Includes “Underlying GM”, “GM Country mix”, “WS Opex efficiency”, “WS Opex Country mix”, “Overhead cost scaling” and “Depreciation”.
10) Relates to costs for Group Corporate functions, which are not segment or country specific. Source: Company information.

Source: Information from the Company’s management accounts.

1) For the definition of adjusted EBITA margin see “*Selected historical financial information – Definitions of alternative performance measures*”.
2) For the definition of adjusted EBITA margin see “*Selected historical financial information – Definitions of alternative performance measures*”.
3) Acquisitions resulting in Cary Group entering a new market.
4) Acquisitions within Cary Group’s current markets, that comprise more than one or two independent workshops.
5) Including the acquisition of 15 workshops from Ryds Glas.

The strong M&A track record has enabled Cary Group's outstanding growth with an acquired CAGR of 27 percent from 2017 to 2020, compared to 37 percent 2017 to 2019.[1)] The contribution per acquisition type is shown in figure *Breakdown of total growth*.

The majority of all acquired companies have been family businesses that have chosen Cary Group as the buyer, to a large extent, based on soft values, *e.g.*, the family business history as well as the entrepreneurial and founder-led culture.

Cary Group has acquired companies at an average multiple of 6.3x EV / EBITDA[2)] (last twelve months) during 2018 to 2021 year to the date of this Offering Memorandum.

The Company has a structured way of identifying and pursuing relevant targets across existing and potential new markets. The European vehicle glass repair and replacement market is highly fragmented,[3)] and Cary Group has identified hundreds of potential targets, with a significant number of targets tracking and several ongoing dialogues, providing a strong M&A pipeline, as illustrated in table *Overview of select targets* through select potential targets. The pipeline is further strengthened whenever Cary Group enters a new market, as there is an exponential increase in targets through inbound opportunities.

Sweden is the most mature market in Europe in terms of market consolidation, digitalisation, calibration ratio and sustainability focus.[4)] This, in combination with the homogenous market characteristics across Europe, enables the Company to apply its proven strategy and business model from the Swedish market and thereby bring additional competitive advantages to acquired platforms in less mature markets.

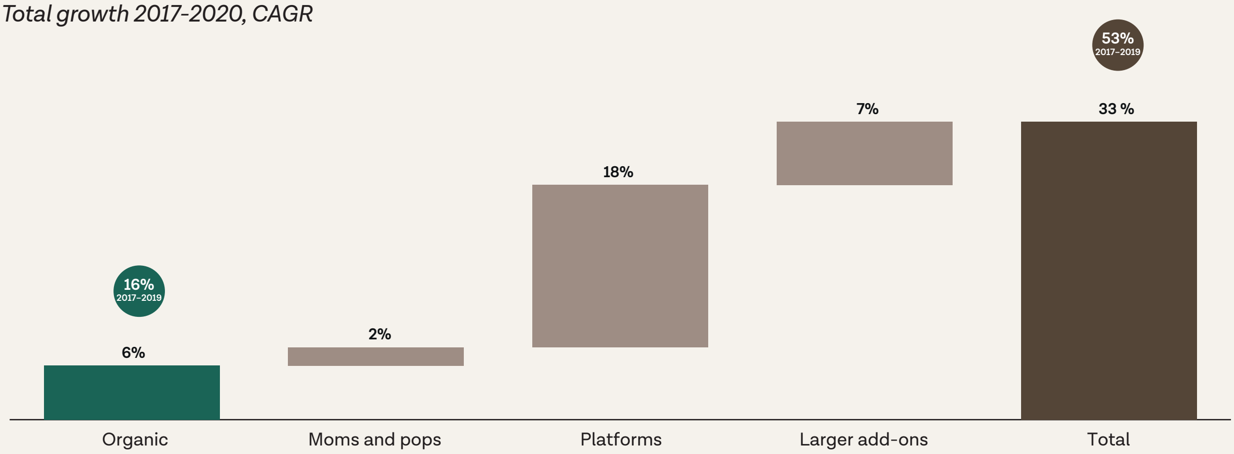
Overview of select targets

	Target / market	Stage	Platform / add-on	Revenue 2020 (SEK m)
A	Current market	Close negotiations	Add-on	<50
B	Current market	Ongoing dialogue	Add-on	<50
C	Current market	Early discussions	Add-on	>100
D	Current market	Ongoing dialogue	Add-on	<50
E	Current market	Close negotiations	Add-on	50–100
F	Current market	Early discussions	Add-on	>100
G	Current market	Early discussions	Add-on	>100
H	New market	Close negotiations	Platform	<50
I	New market	Close negotiations	Platform	>100
J	New market	Early discussions	Platform	>100
K	New market	Early discussions	Platform	50–100

Source: Company information and The Market Study.

Breakdown of total growth

Total growth 2017-2020, CAGR



Source: Information from the Company's management accounts.

1) Based on unaudited consolidated financial accounts.
2) Based on information from the Company. EV, refers to enterprise value, *i.e.* the sum of the market value of equity and the net debt. For the definition of EBITDA see "*Selected historical financial information – Definitions of alternative performance measures*". Excludes acquisitions with negative EBITDA and outliers.
3) For more information, see "*Industry overview – Competitive landscape*".
4) For more information, see "*Industry overview – Overall market size and growth for additional information*".

Strategy

Improve customer experience

Cary Group aims to have top of mind brand for car care in each market with regards to convenience and service excellence with the highest NPS scores in the industry in each market and segment. The Company plans to achieve this by: (i) digitalising and improving the customer journey for both end customers and insurance providers; (ii) increasing end customer proximity and service availability; (iii) improving service excellence; and (iv) structured follow-up and benchmarking of NPS scores.

Cary Group has launched a successful beta of its digitalisation initiatives for a hassle-free customer journey in Sweden during 2020 and plans to roll out these initiatives in its remaining markets in near-term. These initiatives include the AI application for automatic damage assessment, which reduces the need to travel to and from the workshops to assess damages and to free up time for employees who do not need to handle customers calling or visiting for damage assessment. In addition, the customer journey has been additionally facilitated through pre-payment via Klarna, digital document signing and easy ordering of add-on services. This way, the end customers can handle the entire journey up until handing over their cars at the workshop digitally with full transparency and convenience.

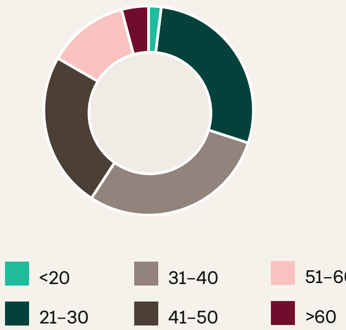
The Company provides high quality customer service functions through a dedicated team of professionals and a good IT backbone to secure short response times and friendly customer service.

The best people

Cary Group's employees are a vital part of the Company's future success. Therefore, the Company aims to build a community of healthy colleagues with the right skillset, inspired and empowered to act as proud ambassadors for the brand, both internally and externally. The Company has identified four levers to achieve this goal: (i) strong Employer Value Proposition ("**EVP**") and internal communication; (ii) strategic human capital management; (iii) organisational set-up enabling entrepreneurial spirit and decentralised responsibilities; and (iv) incentivised organisation rewarding performance.

Cary Group has a structured approach for empowering its workshop employees. The Company's vision is to have proud employees and consistent best-in-class Employee Net Promotion Score ("**eNPS**"). This includes frequent eNPS measurements, between 2019 and 2020 the eNPS increased from 7 to 14.[1)] As a result of the Company's strong EVP and high employee satisfaction, Cary Group had a low employee turnover rate of 16 percent in 2020. Over 80 percent of the Company's employees are under 50 years old, with a long way to retirement age. Age distribution for the Company's employees is shown in the figure *Distribution of employees by age category* below.

Distribution of employees by age category



Source: Information from the Company.

1) eNPS is measured on a scale from (100) to +100. The industry average for transport / logistics was (15) in Sweden 2019. No industry average is available from 2020 as a result of Covid-19.

The Company also has a structured process for training and developing its employees, focused on securing the necessary human capabilities for today and tomorrow. For years, this has been done in the Nordics and the UK with structured training. In 2022, the Group will launch the Cary Academy, which is a flagship project for learning and training, as well as tailor-made training for leaders and management within the organisation.

ONE Cary Group

Cary Group has been built through acquisitions of many local businesses with different heritage, brands and IT environments. Hence, it is strategically important to create a common platform and identity to become ONE Cary Group. This is important to realise Cary Group's vision, to gain economies of scale and realise synergies as well as to increase professionalism, but also to offer a customer experience and quality that corresponds to Cary Group's brand proposition, regardless of country or workshop.

The Company has identified four key factors to achieve this: (i) a common IT environment and backbone; (ii) an efficient and thorough integration process; (iii) implementation of 'the Cary concept' to ensure a customer experience in line with the brand proposition, including the service offering, clothing, store concept and franchises among other things; and (iv) one common brand and cultural identity.

This way, Cary Group has a structured process for how to work with expansion, on-boarding, implementation of strategy, branding, training and culture implementation. This will be further enhanced through the common intranet which is being rolled out throughout Cary Group in 2021.

Common values and cultural identity are powerful and important strategic components for Cary Group. Since the Company conduct a service business, the corporate culture is the cornerstone of the customer experience and the brand proposition. Cary Group is implementing structured initiatives to maintain and strengthen a common culture across the Company based on common core values (Simplify, Empower, Smarter & Caring – Together) with the goal to maintain a culture characterised by initiative, humility and entrepreneurship, also as the Company expands further.

Excellence in everything

An integral part of Cary Group's strategy is to continue to be a high-quality company in all aspects with good profitability and high productivity. In order to achieve this, the Company actively works with: (i) structured performance management processes; (ii) structured approach to improvements and development; (iii) development of best practises and the Cary way; and (iv) professional and strategic sourcing as well as supply chain management.

The Company implements this strategy through the Cary Model based on the workshop managers being the heroes. In practise, this means having structured reporting and bottom-up budgeting with thorough follow-up as well as transparent and relevant benchmarking. It also includes having an IT backbone with harmonised systems as well as a centralised and strategic purchase function. Cary Group has a Project Management and Business Development function to ensure structured and effective development in line with the strategy. The Company works methodically with all of its workshops to ensure all workshop employees strive for excellence. In addition, new workshops can quickly improve quality, efficiency, profitability and revenue growth through adopting Cary Group's performance culture.

Sustainability at the core

Sustainability is at the very core of Cary Group's identity as well as its strategy. The Company strives to have top of mind brands for sustainable car care in each market and to be an admired frontrunner within the independent car service industry with regards to climate impact and digitalisation. Key levers to achieve this include: (i) continuous increase in the repair rate; (ii) digitalisation and automation of the customer journey; and (iii) electrification of the courtesy cars fleet and including offering of courtesy bikes.

The Company is currently in an ongoing process with setting science-based goals to reduce its carbon footprint in line with the Paris Agreement and intends to become ISO-certified as climate neutral in the near future. In addition to the high repair rate and the circularity of glass, a key part of this work is to reduce the footprint from transportation, including a climate friendly fleet of electric, green courtesy cars and bikes. It also includes digitalisation of the customer journey, *e.g.*, through the Company's AI application, digital booking, check-in and check-out, including a fully digital payment process limiting the need for printed documents.

Business expansion

Cary Group is continuously strengthening its platform and gaining market shares across its current markets within car glass repair and replacement, both through greenfield and M&A[1]. The Company has the ambition to broaden its service offering for key customer groups in the Nordics as well as expansion into new European markets. This is enabled by: (i) optimisation of the footprint and increased workshop density in current markets; (ii) geographic expansion; and (iii) broadened offering to key customers in the Nordics.

1) For more information on M&A, see "– *Acquisitions*" below.

In order to optimise footprint and increase workshop density, the Company continuously evaluates potential greenfield opportunities and also tracks potential premises interesting for relocation, through frequent dialogues with property owners to find attractive spots at favourable prices. In addition, the Company also acquires independent workshops in areas where there is a strong local workshop to acquire if this is viewed as a more attractive alternative compared to greenfield. Finally, the Company can also choose to work via a franchise model.

Cary Group has a strong ambition to continue its geographic expansion and is currently evaluating several potential European markets to entry through M&A. This evaluation is based on several criteria, where available platforms with a dense workshop footprint, high insurance penetration and level of market consolidation allowing Cary Group to quickly gain a market leading position, are among the key ones.

The Company has identified expansion into adjacent service verticals as a potential growth opportunity. When evaluating new verticals, the Company focuses on areas with the same customer groups, enabling the Company to leverage its current reputation, brand and IT backbone as well as capture substantial sales synergies and broaden its offering towards its key clients. In addition, the Company focuses on areas where insurance providers would benefit from Cary Group handling adjacent claims services. As a result of this, Cary Group expanded into bus glass in 2018 as well as collision and SMART repairs in 2020. Bus glass is an adjacent service within Cary Group's field of expertise that broadens the Company's total service offering and has similar operational characteristics enabling capitalising on the excellence within car glass services. When it comes to collision and SMART repairs, the Company has a Nordic strategy where the workshop network could be adapted to offer additional services to the same customer groups. In addition, it enables nation-wide coverage in the Nordics and establishes presence in areas with low population density.

Customers

Cary Group's main service offering is the repair and replacement of windshields, whereof 77 percent of jobs are covered by insurance.[1] Cary Group has deep and long term relationships with insurance providers and is the preferred partner for several. Insurance providers and leasing companies view Cary Group as a valued problem solver, enabling easy and reliable handling of car glass damage claims. Cary Group's customer acquisition model can be divided into two channels, where approximately 1/3rd of customers are acquired through referrals from insurance providers, and approximately 2/3rd contact one of Cary Group's workshops directly.[2]

Strong value proposition towards end customers

Cary Group has a strong value proposition towards end customers that is well aligned with their key requirements, yielding a market leading group NPS of 86, in Sweden the NPS is 89.[3] End customers prioritise a simple and convenient experience with the following main requirements:

i. Proximity – the extensive network of workshops and mobile units secure geographical closeness to the end customer. Combined with a smooth booking system making it easy for the end customers to find a suitable time slot.

ii. Simplicity – Cary Group offers quick repairs and replacement as well as the handling of all administrative tasks concerning an insurance claim with the relevant insurance provider.

iii. Workshop concept – professional and welcoming staff providing complementary services such as courtesy car or bike during the replacement as well as additional upselling services, including refill washer fluid, rain- and dirt repellent windshield treatment.

iv. Safety and quality – high quality services delivered by competent staff in combination with several certifications, *e.g.*, ISO 9001 in Sweden and Norway, ISO 14001 and ISO 45001 in Sweden, ISO 14000 and OHSAS 18001 in Norway.

v. Prevalent ESG initiatives – ESG is becoming an increasingly important factor in end customers' decision process. Cary Group has taken several steps to strengthen its ESG offering and to be positioned as the clear green choice for customers, see "*– Sustainability and ESG*" below for additional information.

Since end customers typically only pay the deductible, they value the aforementioned requirements higher than the price of repairing or replacing a windshield.

Long term close relationships with insurance providers

Cary Group has long and strong relationships with multiple insurance providers and leasing companies across all current markets. Cary Group has over 136 partners, and is the preferred partner for 24 insurance providers, as illustrated in table below. Since glass damages constitute a large share of claims for vehicle insurance in terms of absolute numbers, while only representing a limited share of the actual value,[4] insurance providers prioritise an efficient claims handling process to manage the large volumes. Cary Group is viewed as a problem solver for the insurance providers and leasing companies that mainly prioritise:

1) Based on information from the Company and refers to 2020.
2) The Market Study.
3) Group NPS based on Sweden and the UK, weighted according to revenue, in relation to Belron's NPS. Based on internal NPS gathered in March 2021.
4) See "*Industry overview – Core industry structure and economic and commercial drivers*" for more information.

i. National footprint – Cary Group has national reach across all of its current markets, either through own workshops, mobile units or partnerships. The workshops are strategically located to offer proximity to end customers.

ii. High customer satisfaction – Cary Group as acts as the middleman between insurance providers and their end customers. To avoid losing their customers, insurance providers prioritise vehicle glass repair and replacement providers with a high level of customer satisfaction, wherein Cary Group has best-in-class group NPS of 86, and 89 in Sweden.[1)]

iii. Uniform expertise across all workshops – the same high quality and knowledge of the staff is assured across workshops through Cary Group's internal processes in terms of training, tools and sharing of best practices.

iv. Smooth outsourced claims handling – Cary Group offers hassle free solutions for insurance providers, with a focus on tailoring the offering to the insurance providers' needs. Digital integration, customer support, claims documentation handling, only dealing with one counterparty with the same organisation number and the smooth, electronic invoicing process are factors that all limit the administrative burden for insurance providers.

v. Clear ESG focus – ESG is becoming an increasingly important factor for insurance providers. Cary Group has taken several steps to strengthen its ESG offering and to be positioned as the clear green choice for customers, see section "– *Sustainability and ESG*" below for additional information.

Country	Partners	Preferred partners	NPS[1)]	Customer support clients[2)]
Sweden	28	20	89	11
Norway	18	4	n.a.[3)]	n.a.
Denmark	n.a.[4)]	n.a.	n.a.	n.a.
The UK	64[5)]	n.a.	82	n.a.[6)]
Spain	26	n.a.	n.a.	15

1) Internal Net Promoter Score, gathered from March 2021 for Sweden and the UK.
2) Only refers to insurance providers.
3) Cary Group recently started tracking NPS in Norway.
4) In Denmark, Cary Group has the possibility of working with any insurance provider.
5) Refers to partnerships through the National Windscreens consortium, which Mobile Windscreens is a part of.
6) Covered via National Windscreens.

Source: Information from the Company.

Cary Group's offering is greatly appreciated among insurance providers, evidenced from the fact that the Company has not lost a contract in the last 25 years in Sweden, see "– *Strengths and competitive advantages – Problem solver to the insurance companies*", with close and long term relationship for further information. This has resulted in robust stickiness for the insurance providers, while also functioning as high barriers to entry for smaller and new competitors.

Sales and marketing

Sales and marketing strategy

Cary Group has a proven sales and marketing strategy towards both insurance providers and end customers. The Company has centralised marketing operations with nationwide coverage focusing on building brand awareness and highlight of the importance of repair or replace a damaged windshield Communication and marketing are both linked to Cary Group's strategy "Smarter Car Care" and the Company is primarily focused on communicating its green and sustainable journey as well as being the smart choice for the customers.

The Company uses a wide array of channels in order to maximise its reach, including both traditional and digital marketing channels. Traditional channels include nationwide coverage through radio and TV, with spots on major radio channels and sponsored content as well as TV advertisement and sport sponsoring. Traditional marketing channels also includes outdoor signs, typically super- or big size advertisements campaigns, both locally and nationally.

1) Based internal data from March 2021. Group NPS based on Sweden and the UK, weighted by share of revenue. Best-in-class compared to Belron's group NPS of 85.

Cary Group has a successful digital marketing strategy, showcased by the Company's strong website traffic with over one million visitors per year, combined across all of Cary Group's websites, and just below 40[1] percent of bookings made online in Sweden. The digital strategy includes driving traffic to the website through both paid and organic SEO and SEM. It also includes online displays. Finally, it also includes co-branding in form of joint campaigns towards corporate customers and insurance providers, as well as co-branded websites handled by Cary Group.

Marketing efforts to create brand awareness is a clear scale benefit for the Company, adding to the barriers to entry. Due to COVID-19, the Company decreased its marketing spend during 2020. Consequently, it is the Company belief that 2019, provides a more representative picture of the long-term marketing spend and strategy.

Tender process

The insurance tender process usually takes three to six months and starts with an RFI (Request for Information) being received. The second step is internal preparations where the Company puts together a project team, which is adapted and selected for the specific tender process. Thirdly, the RFQ (Request for Quotation) is received, which includes the scope and key aspects to evaluate, *e.g.*, geographic reach, repair rate, ESG profile and end customer satisfaction. Thereafter, the quote is submitted in the form of a presentation. The next step is typically negotiations and thereafter signing of the mandate. The tender contracts, which usually lasts for three to five years, typically contain annual price increases to cover *e.g.* increasing costs for labour and material.

Purchasing process

Cary Group has a centralised purchasing process, which provides a competitive advantage compared to smaller players as the Company's larger scale provides significant purchasing power and thereby leads to lower COGS.

Cary Group's main purchases are direct material, representing a majority of the Company's total COGS. Most of Cary Group's windshield needs are sourced through an e-RFQ (*Electronic Request for Quotation*) process, where selected suppliers are given the opportunity to provide a quote through a closed and secure electronic platform once per year. More than 70 percent of Cary Group's supply of windshields is sourced through the e-RFQ process.[2] This yearly process supports competition and reduces the risk for supply shortages.

In the Nordics, Cary Group uses a purchasing portal to support the Company's P2P (*Purchase to Pay*) process for indirect material, and to simplify the daily purchasing process for its employees. This enables easy and accessible ordering of, *e.g.*, clothes, marketing material and tools. In addition, it simplifies the daily purchasing process, including handling of supplier agreements.

The relationships with the Company's preferred glass suppliers are long term, and strategically managed on a group level. The Company has made the strategic decision to mainly work with suppliers that can supply high quality material. As a result, the current supplier base for a large share of the car glass consists of three of the global market leading companies with their own production: Saint-Gobain, Pilkington and AGC. Cary Group has longstanding, close and strategic relationships with these suppliers. This is combined with local operational relationships in each current market. In addition, Cary Group continuously benchmarks purchasing prices, in order to ensure the best price and maximise gross profit.

Cary Group operates one warehouse in the UK but have no own warehouses in the Nordics, except for Svenska Bussglas that holds stock for its production. The Just in time ("**JIT**") deliveries provided by the main suppliers in Sweden, Norway and Denmark suit Cary Group's needs well. In addition, the recently acquired company Ralarsa has three warehouses in Spain.

Acquisitions

Acquisition strategy

Part of Cary Group's strategy is to continue the M&A compounding journey to reach its financial growth target of at least 15 percent per annum.[3]

Many of the Company's potential targets are privately owned or family businesses that value Cary Group's family based history and founder-led culture. For many of the sellers, finding a partner who will continue to strengthen their business and ensure that employees are well taken care of, are highly important decision factors. Cary Group has a long history of acquisitions and is able to cater to the needs of a diverse range of sellers. When entering new markets, Cary Group is often viewed as an attractive buyer compared to incumbent large vehicle glass and replacement specialist, which smaller players have been competing with throughout their entire careers.

The Company bases its selection criteria for potential acquisitions on assessment of the market, local competition and footprint, company culture and customer satisfaction as well as the management. Cary Group primarily evaluates the following criteria:

1) Swedish figure based on Q2-2021 last twelve months. Based on information from the Company.
2) Based on information from the Company and refers to Q2–2021.
3) For more information on financial targets see" –*Financial targets*".

- **Market, competition and location:** If the acquisition target is a platform, it should have a strong position in its local market. Any new countries that Cary Group enters should have: a sufficient insurance penetration and a consolidation level that enables the Company to obtain a top 2 or 3 position over time. If the acquisition target is a larger add-on, it should offer a workshop or network of workshops that is complementary to Cary Group's current network. When acquiring independent workshops, the key criteria is the workshops' location, local market position and perceived quality of operations, *e.g.*, the Company can choose to acquire a workshop as an alternative to greenfield if it is a better value proposition to pursue an acquisition than to open a new workshop, from a valuation point of view.
- **Company:** When evaluating potential platform acquisitions, a workshop heavy network is a key criteria gaining increasing importance since growing calibration rates are fuelling the shift from mobile to workshop based replacements of car glass. Other key criteria include high quality operations and customer satisfaction, attractive business mix and profitability with additional synergy potential.
- **Cultural fit:** It is vital that the acquired company's culture naturally fits in with Cary Group's entrepreneurial and family-oriented culture and that the management and employees are committed to develop the business further. It is an essential part of Cary Group's culture to have shared values of entrepreneurship, customer focus, a caring and personal approach and teamwork, and the management of the target company must be aligned with this ambition.

Acquisition process

The Company's acquisitive history combined with its vast network and strong relationships within the sector have resulted in a long list of potential targets for Cary Group. As the Company has grown, the number of inbound approaches that Cary Group receives has increased. When entering a new market, inbound opportunities tend to have a snowballing effect as Cary Group becomes established as an attractive buyer interested in acquiring smaller local businesses.

Through the ongoing contacts with and the evaluation of interesting targets, the Company intends to generate a flow of potential acquisitions over time. Currently, the Company has identified hundreds of potential targets, with a significant number of targets tracking and several ongoing dialogues with potential targets.

Integration process

After an acquisition is made, it is of important that the integration with Cary Group is smooth in order to fully realise the synergy potential. The local workshop managers are highly important for Cary Group's future success, and are provided with the right conditions and resources to combine their business to Cary Group's.

Cary Group has implemented an internal process that is used to ensure that the integration process is carried out efficiently and correctly. Acquisitions are generally on-boarded within four to six weeks. This includes incorporation to Cary Group's financial reporting, an introduction to Cary Group as well as establishing of a detailed plan on how to integrate the acquired company.

An attractive buyer

Cary Groups considers itself an attractive buyer, able to offer added value to the sellers through securing the future of their business, employees, customers and other stakeholders. The Company offers an entrepreneurial and family-oriented culture with the ambition of keeping a high level of autonomy across workshops while remaining ONE Cary Group with central support. In addition, as a part of Cary Group, the acquired company can also benefit from economies of scale, such as lower material costs and sharing of best practises. The Company will also support the newly integrated company with support functions, including HR, IT, marketing and sales as well as digitalised tools, which are typically more developed than the acquired companies own support functions.

Case studies

Mobile Windscreens

Cary Group acquired Mobile Windscreens in August 2018, part of the National Windscreens consortium and jointly the second largest vehicle glass repair and replacement operator in the UK. At the time of acquisition, Mobile Windscreens had 35 workshops and 230 mobile units, offering services in the south of England, but with national reach through the consortium. Mobile Windscreens is not a customer facing brand, instead all members of the consortium are operating under the same brand, National Windscreens.

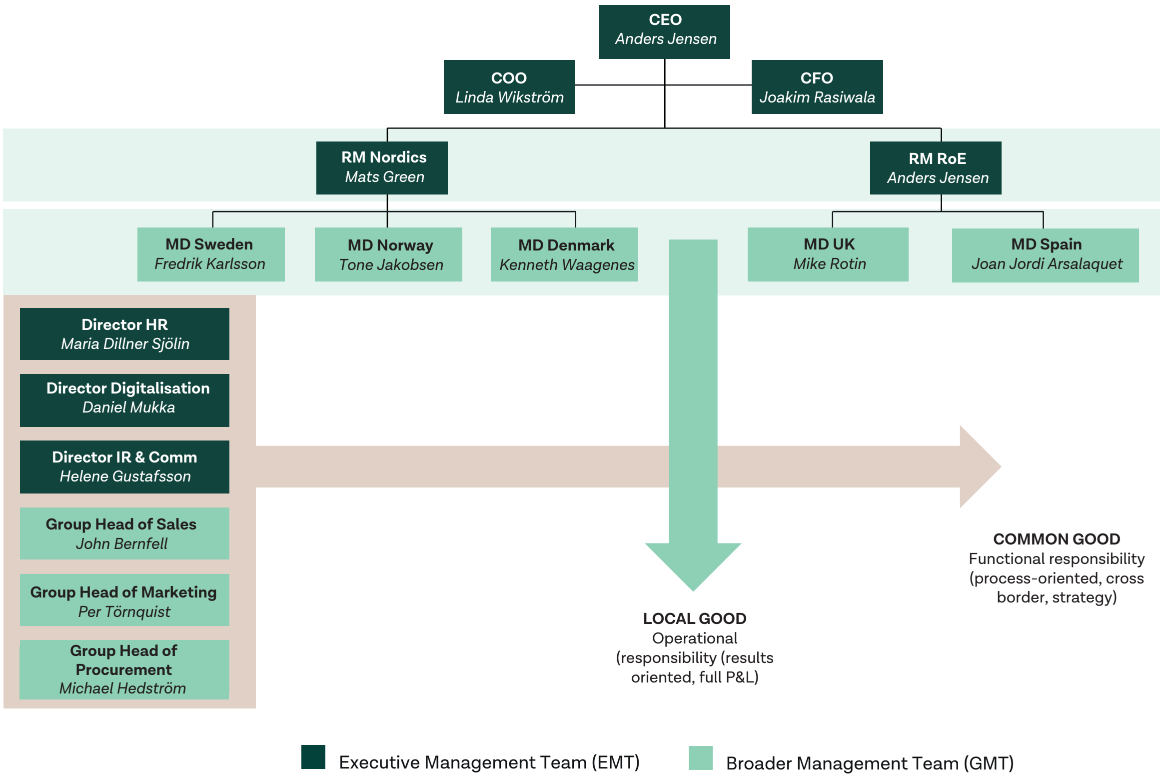
Acquisition rationale	Platform with dense network of workshops with a well-known brand and a strong position in a new market with high insurance penetration.
Integration and synergies	Currently, only a steering program has been introduced, yielding significant margin expansion in Mobile Windscreens. Additional synergy effects are expected, primarily within procurement, governance steering and operational expenditure optimisation.

Typical acquisition of an independent workshop

Cary Group has an extensive track record of acquiring independent workshops as an alternative to greenfield expansion.

Acquisition rationale	Cary Group better positioned to meet the increasing requirements of investments in digitalisation and technology. The Company also has the size and central capacity to enable workshop's future prosperity. Due to its entrepreneurial origin and spirit, Cary Group is an attractive buyer for founders to partner up with or sell their business to.
Integration and synergies	Significant uplift in profitability post acquisition through improved procurement processes, increased sales from, *e.g.*, insurance provider agreements and operational expenses leverage.

Organisation



Source: Information from the Company.

The organisational structure of Cary Group enables transparency as well as a clear division of responsibility and accountability. It also provides the Company with the capacity to smoothly absorb identified growth opportunities when presented. The organisational setup is focused on maintaining the Company's entrepreneurial spirit with decentralised responsibilities, while at the same time capturing synergies, benefits of scale and value drivers across geographies.

Organisational division across geographies and functions

The Company is organised in a structure that leverages the benefits of scale and at the same time tap into the Company's local knowledge and capabilities within each geographic market. The organisation is divided by region into the two segments Nordics and Rest of Europe, with local management in each country of operations. This structure enables the Company to align all of its workshops and country divisions as one company, utilising shared support functions and other collaboration benefits across country and function borders. All, while still aiming to empower local management. The empowerment of the local management teams in each market reflects Cary Group's emphasis on local operations, entrepreneurial culture and the capitalisation of local opportunities when presented.

Personnel

Cary Group's employees are at the heart of the Company's operations and are vital to the Company's most important value levers, the quality of the service offering and the customer experience. The employees are key for the Company's continued success. Cary Group focuses on the acquisition and retention of talent by ensuring that all employees feel content, proud, and safe. Cary Group has invested significantly in staff training and development, important factors in the Company achieving an eNPS of 14 as of 2020.[1)]

Furthermore, Cary Group fosters a strong and clear culture of entrepreneurial spirit built around its core values: Simplify, Empower, Smarter, Caring and Together. These values function as guiding tools for all employees and units across all locations, enabling decentralised group functions across geographies to coherently work together as one.

As of 30 June 2021, Cary Group had 1,404 FTEs spread across their locations in Sweden, Norway, Denmark, the UK, and Spain.[2)] See historic development of FTEs by country and function below.

Number of FTEs by geographic region

	As of 30 June	As of 31 December		
	2021[1)]	2020	2019	2018
Nordics	620	515	539	459
Rest of Europe	783	514	417	400
Total	**1,404**	**1,029**	**956**	**859**

1) Including Ralarsa and Autoklinik.

Source: Information from the Company.

Number of FTEs by function

	As of 30 June	As of 31 December		
	2021[1)]	2020	2019	2018
Technicians	970	701	674	601
Other	434	328	289	258
Total	**1,404**	**1,029**	**963**	**859**

1) Inklusive Ralarsa och Autoklinik.

Source: Information from the Company.

Due to the seasonality in the vehicle glass repair and replacement industry, Cary Group works in a structured way with employee pool sharing between workshops and temporary workers. This enables the Company to meet the increased demand during high season, typically from March/April to June, while also reducing the overcapacity in the slower months, *e.g.*, around Christmas.

1) See "*– Strategy – The best people*" above for more information.
2) Including Ralarsa and Autoklinik.

Sustainability and esg

Sustainability strategy

The Company perceives itself to be a pioneer and front-runner in the transforming automotive aftermarket industry with a new perspective on how sustainable and responsible vehicle care can be performed. Sustainability is at the core of Cary Group's operations, and the Company's ambition is that the business shall be conducted in a way that is ethically, socially, and environmentally responsible. The Company's has therefore prepared and implemented a sustainability strategy which covers Cary Group's organisation's environmental, social and governance responsibilities.

Cary Group's ESG initiatives are tracked by current and long-term key performance indicators. These key performance indicators are measured on a continuous basis and are used to actively follow-up and monitor the ESG work performed by the Company. These key performance indicators are also utilised in the Company's internal target setting process and provide insight into whether the ongoing strategic initiatives are creating the desired effects. Some of the key performance indicators tracked by the Company include repair rate and associated reduction in CO_2 emissions, percentage of glass recycled, number of work-related accidents, customer NPS and eNPS.

As a part of Cary Group's ESG work, the Company has identified several areas in which the Company is able to contribute to the United Nations' (the "**UN**") sustainability goals. These areas are goal 3 ("Good health and well-being"), goal 5 ("Gender equality", goal 8 ("Decent work and economic growth"), goal 12 ("Responsible consumption and production") as well as goal 13 ("Climate action"). Cary Group divides its efforts into four areas, "A sustainable business offering", "Our suppliers", "Our people" and "Our environmental and climate impact". The key sustainability issues, sustainability managements and measures, targets and results are described in the table below.

Area	UN sustainability goals	Key focus	Measures	Targets
A sustainable business offering	**Goal 12:** Responsible consumption and production **Goal 13:** Climate action	Repair or replace	Repair rate	Target for Sweden > 42 percent Target for Group under development
		Transports - Customer loan vehicles	GHG emissions CO_2	During 2021, Cary Group will set Science based targets to reduce the CO_2-emisisons in line the Paris agreement targets
		Transports - mobile repairs	GHG emissions CO_2	During 2021, Cary Group will set Science based targets to reduce the CO_2-emisisons in line the Paris agreement targets
		Customer satisfaction	Net Promoter Score tracked quarterly	Group target will be defined when NPS is implemented on all markets (planned for 2021)
Our suppliers	**Goal 7:** Decent work and economic growth	Sustainable supply chain	Share of new suppliers exposed to our Code of Conduct	All suppliers are exposed to Cary Group's supplier code of conduct when entering an agreement with the Group
Our people	**Goal 3:** Good health and well-being **Goal 5:** Gender equality **Goal 8:** Decent work and economic growth	Attractive employer	Employee Net promoter Score Employee turnover	eNPS target of above 10 Employee turnover target below 14%
		Competence	Number of hours spent on competence and training	Target for Group under development
		Health and safety	Number of work-related injuries & work-related ill health	Target of zero
		Equality and diversity	Diversity of governance bodies and employees Number of discrimination cases	Diversity target for Group under development Zero discrimination cases
Our environmental and climate impact	**Goal 12:** Responsible consumption and production **Goal 13:** Climate action	Climate impact	GHG emissions of CO_2: Scope 1, 2 and 3 Percentage of renewable energy	During 2021 Cary Group will set Science based targets to reduce CO_2-emissions in accordance with the Paris agreement target Percentage of renewable energy
		Responsible and circular sourcing	Number of repaired windscreens Number of replaced windscreens Percentage recycled material Percentage of purchased glass made from recycled materials	Target for Group under development

Clear sustainability focus with an emphasis on reduction of carbon dioxide emissions

Cary Group has ensured that sustainability is integrated in each step of the windscreen's journey after a stone chip occurs. Through the inherently sustainable offering and through key initiatives, substantial reductions in climate impact can be achieved.

There are several additional initiatives in place to reduce climate impact of Cary Group's operations.

Negotiations and cooperation with suppliers

Cary Group consider it of high importance that the products and services offered to customers are produced, handled, and distributed in a sustainable and responsible way – through all steps of the supply chain. The leading document is Cary Group's code of conduct which sets forth the guidelines to be followed by suppliers and subcontractors. All suppliers are expected to comply with the code of conduct. Since the production and distribution of glass constitutes a significant part of Cary Group's climate impact, Cary Group strive towards having active negotiations and cooperation with suppliers to highlight the importance of sustainability and ways to reduce climate impact. Cary Group believes that its supply chain demonstrated high standards of responsibility and integrity, and the Company works continuously towards driving sustainable improvements within the supply chain.

Reducing wrong orders

The difficulties in determining the exact type of glass is a key challenge within the industry. The Company believes that the rapid increase of functions and safety systems within windscreens have resulted in a large variety of glass for the same make of a car. Manual orders therefore increase the risk of wrong order which have a substantial impact on the environment. Since 2018, Cary Group utilises a service which can be used to identify the correct windscreen, therefore reducing the number of wrong orders. This has caused a substantial decline in the relative number of returns, which has been reduced by 5 percentage points between 2017 and 2019.

Use of renewable energy

Cary Group operates in an industry which requires substantial resources and energy. The Company therefore works continuously with operating in an energy- and resource efficient manner. As a part of this, Cary Group utilises 100 percent renewable energy in all workshops in Sweden where given the choice and demands that landlords utilise renewable energy in the greatest extent possible. The Group has the ambition that all workshops where Cary Group has the choice of supplier utilises renewable energy.

Climate compensation

The services offered by Cary Group are done at convenient locations, offering high quality and outstanding customer experience with an integrated sustainability focus. However, due to the nature of the business, the operations have an unavoidable carbon footprint. To account for this, Cary Group offers carbon offsetting with one of its customers. The carbon offsetting is done with ZeroMission through a Plan Vivo certified project focused on tree planting.

Strategic initiatives to reduce climate impact going forward

To reduce the Company's climate impact and contribute to a more sustainable future, Cary Group has developed several concrete strategic initiatives which the Company actively pursue and track.

Sustainability focus in purchasing

Largest impact aside from Cary Group's core operations originate from the suppliers. The Company therefore believe that there is significant potential in reducing emissions through sustainable purchasing and relations with suppliers. The Group therefore continuously evaluate its suppliers to ensure that they offer the key benefits from a sustainability perspective.

Environmental transport

Cary Group has the ambition to take the next step in environmental transportation. The goal is that all transportations will utilise renewable fuels and electricity, throughout operations and the entirety of the supply chain.

Science-based targets

A key part of Cary Group's journey towards a more sustainable future is the implementation of science-based targets. The Group is currently performing work with the ambition to set clear and actionable goals that are in line with the Paris agreement. Cary Group believe this will help the Company remain as a key player within sustainability.

100 percent renewable energy

One of Cary Group's strategic targets is to utilise 100 percent renewable energy throughout the Group. This includes all workshops in each country that the Group operates in.

Climate neutrality

Cary Group is currently working with developing a strategic roadmap towards climate neutrality. During the autumn of 2020 and the spring of 2021, the Company prepared a project which includes the cornerstones for the Company's environmental work. This project includes an environmental analysis with the aim to map the future challenges of the Group, to develop goals and business plans of the Group and a plan to become climate neutral.

Social

Employee development and staying an attractive employer

A main priority of Cary Group is to develop the Company as an attractive, sustainable, and learning focused organisation. The Company aims to be perceived as an appealing employer which employees are proud and committed to work for, both to attract new people and to retain and motivate existing employees. In order to be updated on the employees' needs, development areas, and issues, an annual appraisal process has been put in place and will be continuously implemented as Cary Group grows to include new subsidiaries. Employee satisfaction is further monitored through surveys measuring the eNPS and the employee satisfaction index ratios.

In the Company's strategical plan, "Training and Development" is a prioritised area, underlining Cary Group's belief in fully developing and empowering its employees. In Sweden and in the UK the Company's employees have access to a performance and development plan with personal competence goals and activities coupled with short and long-term development actions.

Equality and diversity

The Company is a firm believer in equal opportunities for employment training, and career development, with the aim being job satisfaction, commitment and safety for all employees with equal rights, obligations, and opportunities regardless of sex, gender, age, sexual orientation, disability, race religion or belief. Cary Group conducts its works on equality and diversity in compliance with local country legislation, and in cooperation with employees and trade unions.

Cary Group aims at providing correct and fair equal pay to attract, retain and motivate employees, free from any kind of discrimination. Furthermore, the Company has an equal vision designed to increase the number of female employees and intends to have a diversified workforce where all competencies and people are welcome.

Safe and healthy workplace

To ensure employee health and well-being, which the Company considers requisites for their ability to perform in their respective roles, Cary Group has defined Health and Safety as an important area. The Company works with a risk matrix based on six identified high risk hazard areas, the six being driving, working at height, manual handling, car glass and tools, chemicals, and work pressure. Each area is further segmented into concrete risks and hazards with preventive actions developed to safeguard against such incidents.

Governance

To permeate how Cary Group wishes to conduct its business and to clarify and ensure that all involved parties assume responsibility for the effects of their decisions and activities on people and the environment, the code of conduct has been developed. The code of conduct is based on international standards for corporate social responsibility, and includes human rights, working conditions, environment, and anticorruption. The code of conduct applies to Cary Group's own employees, suppliers, and subcontractors, who all are expected to comply with the requirements set out.

The management team is ultimately responsible for the sustainability work, with the COO having the overall responsibility for the sustainability work of the Company. Decisions regarding strategic orientation and focus areas are made by the Board of Directors. The CFO along with the management team handles financial sustainability, relating to ensuring financial stability without overusing planetary resources, whether it is material or human capital. The HR director and CFO are responsible for the development of social sustainability while the purchasing manager has the overall responsibility for the Company's work with environmental issues and the work towards a more resource effective supply chain. Internet security and privacy issues are the responsibilities of the IT and GDPR managers respectively.

The Company's sustainability work is prioritised based on a materiality matrix, developed through continuous interactions with internal and external stakeholders, further supplemented by an impact analysis based on a dual materiality perspective, *i.e.*, how Cary Group affects different areas and how these areas in turn affect the Company.

Anti-corruption and whistle blowing

During 2020 the Company implemented a whistleblowing policy and an external system (Whistle B) to encourage employees to report suspected wrongdoing in the workplace and thus capturing incidents that violate the Company's code of conduct. Cary Group is committed to conducting its business with honesty and integrity and considers a culture of openness and accountability essential to prevent situations where internal standards are challenged and to address such situations should they occur.

Handling of customer and employer data

In all markets and geographies, Cary Group is compliant with GDPR. The Company considers itself fully transparent towards its customers regarding what data is collected, as well as when as why it is done. The data collection policy is regularly evaluated to see what data is collected and to ensure that more data than what is legally permitted is not collected. All Cary Group employees who encounter privacy related data are subject to yearly training programs and certifications in the Company's internal Data Protection Policy, GDPR, and best practice data management.

Selected historical financial information

The following selected historical financial information for the financial years ended 31 December 2020 and 2019 is derived from the consolidated financial statements of Cary Group according to IFRS, which have been audited by EY in accordance with the audit report included in this Offering Memorandum. The selected historical financial information for the financial year ending 31 December 2018 has been extracted from the Company's audited consolidated financial statements for 2018, which have been conducted in accordance with Swedish GAAP K3 and the Annual Accounts Act (1995:1554).

The selected historical financial information for the six-month period ended 30 June 2021 with comparative figures for the corresponding period in 2020 has been extracted from the Company's unaudited consolidated financial statements, which have been reviewed by EY in accordance with the audit report included in this Offering Memorandum.

Cary Group's audited consolidated financial statements were prepared for the 2020 and 2019 financial years in accordance with IFRS as adopted by the EU and the Annual Accounts Act (1995:1554). The audited consolidated financial statements for 2018 were prepared in accordance Swedish GAAP K3 and the Annual Accounts Act (1995:1554). The Company's unaudited consolidated financial statements at 30 June 2021 and for the six-month period then ended, with comparative figures for the corresponding period in 2020, have been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act (1995:1554). Apart from where expressly stated in the Offering Memorandum, no financial information has been reviewed or audited by Cary Group's auditor.

Cary Group also presents certain key figures below for the years ended 31 December 2020, 2019 and 2018, which are derived from Cary Group's audited consolidated financial statements and notes, as of the date and periods presented, and Cary Group's internal accounting records. The quarterly financial information presented by Cary Group below is extracted from the Company's internal accounting system and has not been audited or reviewed by the Company's auditor.

Some of the key figures are alternative performance measures, i.e., financial measures not defined under IFRS. The alternative performance measures are used by Cary Group to track the underlying development of Cary Group's business and operating activities. Cary Group considers the alternative performance measures (**"APMs"**) to be an important factor in understanding Cary Group's performance from period to period and facilitating comparison with similar companies. As not all companies calculate these APMs in the same way, the calculation method chosen by Cary Group for the APMs presented herein may mean that they are not comparable to similar measures presented by other companies. Alternative performance measures should therefore not be considered separately from, or as a substitute for, the income statement, balance sheet or cash flow statement calculated in accordance with IFRS. For descriptions of alternative performance measures and reasons for their use, see *"– Selected alternative performance measures"* below and *"Presentation of financial and other information–Non-IFRS key operating measures"*.

The financial information below should be read in conjunction with the sections *"Operating and financial review", Pro forma", "Capitalisation and indebtedness"*, and Cary Group's audited consolidated financial statements and related notes, which are included in the section entitled *"Historical Financial Information"*.

Consolidated income statement

MSEK	1 January – 30 June		Financial year		
	2021	2020	2020	2019	2018
	IFRS		IFRS		Swedish GAAP K3
	(from unaudited consolidated financial statements)		*(from audited consolidated financial statements)*		
Operating income					
Net sales	1,032.2	852.2	1,650.8	1,627.6	1,071.6
Inventory expenses	354.3	297.6	(585.2)	(586.9)	(349.3)
Other external expenses	**(145.6)**	**(108.6)**	**(219.2)**	**(208.0)**	**(197.7)**
Personnel expenses	**(310.2)**	**(251.8)**	**(506.4)**	**(505.7)**	**(328.7)**
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	75.7	67.1	(129.0)	(113.2)	(348.7)
Operating profit	**146.3**	**127.2**	**211.0**	**213.8**	**(152.9)**
Finance income	16.5	0.1	0.0	0.1	3.4
Finance costs	(69.4)	(67.5)	(139.1)	(115.1)	(91.4)
Profit before tax	**93.4**	**59.8**	**72.0**	**98.8**	(240.9)
Tax	(35.0)	(16.5)	(23.6)	(29.2)	(39.9)
Profit for the period	**58.5**	**43.3**	**48,4**	**69,6**	(208.7)
Attributable to Parent Company shareholders	53.6	38.5	45.7	61.0	(230.0)
Attributable to non-controlling interests	**4.9**	**4.8**	2.7	8.6	(50.7)
Total	**58.5**	**43.3**	48.4	69.6	280.7
Other comprehensive income	**60.6**	**31.7**	35.9	73.9	**–**
Attributable to Parent Company shareholders	55.4	28.3	34.8	61.0	–
Attributable to non-controlling interests	5.3	3.4	1.1	8.6	–
Total	**60.6**	**31.7**	35.9	73.9	**–**
Profit per share calculated based on the profit for the period attributable to the parent Company shareholders					
Profit per share before dilution, SEK	0.56	0.39	0.45	0.6	–
Profit per share after dilution, SEK	0.56	0.39	0.45	0.6	–

Consolidated statement of financial position

MSEK	1 January – 30 June 2021	1 January – 30 June 2020	Financial year 2020	Financial year 2019	2018
	IFRS		IFRS		Swedish GAAP K3
	(from unaudited consolidated financial statements)		*(from audited consolidated financial statements)*		
Non-current assets					
Goodwill	1,805.5	1,597.8	1,632.1	1,551.0	1,447.8
Other intangible assets	108.4	82.8	77.0	94.7	99.9
Property, plant and equipment	80.1	86.7	69.8	70.7	82.7
Right-of-use assets	339.5	319.1	309.3	329.2	–
Deferred tax asset	2.8	2.1	2.4	1.6	–
Financial assets at amortised cost	0.0	0.4	0.5	–	–
Total non-current assets	**2,336.2**	**2,088.9**	**2,091.2**	**2,047.2**	**1,630.5**
Current assets					
Inventories	58.6	49.7	49.3	45.2	27.5
Trade receivables	227.2	180.2	161.4	179.9	130.3
Current tax receivables	–	–	–	–	–
Other current receivables	27.6	16.1	24.4	42.0	19.0
Other financial assets at amortised cost	–	–	–	–	–
Prepaid expenses and accrued income	46.9	49.4	62.7	78.1	59.3
Cash and cash equivalents	191.5	126.0	95.7	59.8	73.0
Total current assets	**551.7**	**421.4**	**393.5**	**405.0**	**309.2**
Total assets	**2,887.9**	**2,510.3**	**2,484.7**	**2,452.1**	**1,939.7**
Equity and liabilities					
Equity attributable to Parent Company shareholders					
Share capital	0.1	0.1	0.1	0.1	0.1
Other paid-in capital	208.8	208.8	208.8	208.8	208.8
Translation reserves	3.6	(5.9)	(4.1)	4.3	0.7
Retained earnings including profit for the period	(260.7)	(319.1)	(315.8)	(356.8)	(260.3)
Total equity attributable to Parent Company shareholders	**(48.2)**	**(116.2)**	**(111.0)**	**(143.6)**	**(50.7)**
Equity attributable to non-controlling interests	**8.1**	**6.9**	**4.8**	**5.1**	**7.9**

Consolidated statement of financial position, *cont.*

MSEK	1 January – 30 June 2021	1 January – 30 June 2020	Financial year 2020	Financial year 2019	Financial year 2018
	IFRS		IFRS		Swedish GAAP K3
	(from unaudited consolidated financial statements)		*(from audited consolidated financial statements)*		
Non-current liabilities					
Liabilities to credit institutions	1,662.4	1,560.1	1,538.2	1,492.4	934.3
Lease liabilities	242.9	239.2	226.5	251.8	12.5
Deferred tax liabilities	51.0	40.7	42.3	38.9	38.3
Provisions	–	–	4.8	–	0.0
Loans from shareholders	449.5	388.0	403.3	373.8	731.6
Total non-current liabilities	**2,405.7**	**2,228.0**	**2,215.2**	**2,156.9**	**1,716.8**
Current liabilities					
Trade payables	165.3	133.3	126.2	145.1	114.7
Contract liabilities	–	–	–	–	–
Current tax liability	36.3	10.3	24.2	32.4	18.9
Lease liabilities	96.6	79.1	82.2	74.3	–
Other current liabilities	82.8	69.8	44.7	82.3	50.6
Accrued expenses and deferred income	141.3	99.3	98.4	99.6	81.5
Total current liabilities	**522.3**	**391.6**	**375.7**	**433.8**	**265.7**
Total equity and liabilities	**2,887.9**	**2,510.3**	**2,484.7**	**2,452.1**	**1,939.7**

Consolidated statement of cash flows

MSEK	1 January – 30 June 2021	1 January – 30 June 2020	Financial year 2020	Financial year 2019	Financial year 2018
	IFRS		IFRS		Swedish GAAP K3
	(from unaudited consolidated financial statements)		*(from audited consolidated financial statements)*		
Cash flow from operating activities					
Profit after financial items	93.4	59.8	72.0	98.8	(240.9)
Adjustments for non-cash items	87.9	104.6	187.5	76.7	397.5
Income tax paid	(24.5)	(32.7)	(55.9)	(29.2)	(20.9)
Cash flow from changes in working capital					
Decrease(+)/increase(–) in inventories	(5.8)	1.0	2.5	(6.6)	5.8
Decrease(+)/increase(–) in trade receivables and other current receivables	(18.4)	71.9	73.4	(69.9)	(16.1)
Decrease(–)/increase(+) in trade payables and other current liabilities	31.5	(41.9)	(74.3)	58.9	26.1
Cash flow from operating activities	**164.1**	**162.7**	**205.1**	**128.8**	**151.6**

Consolidated statement of cash flows, *cont.*

MSEK	1 January – 30 June		Financial year		
	2021	2020	2020	2019	2018
	IFRS		IFRS		
	(from unaudited consolidated financial statements)		*(from audited consolidated financial statements)*		
Cash flow from investing activities					
Investments in subsidiaries, net received	(153.7)	(109.7)	(140.0)	(110.0)	(1,417.5)
Acquisition of property, plant and equipment	(14.1)	(11.0)	(18.6)	(28.6)	(12.6)
Acquisition of intangible assets	(0.8)	(3.1)	(8.1)	(7.5)	(17.0)
Disposal of property, plant and equipment	–	–	11.1	–	–
Disposal of financial assets	–	–	–	–	0.3
Cash flow from investing activities	**(168.6)**	**(123.9)**	**(155.6)**	**(146.1)**	**(1,446.7)**
Cash flow from financing activities					
Shareholders' contributions received	–	–	–	–	50.0
Proceeds from borrowings	134.3	61.7	61.7	570.0	1,613.5
Repayment of borrowings	(43.3)	(34.0)	–	–	(415.6)
Transaction costs related to borrowings	9.2	–	(10.5)	(19.9)	–
New share issue	–	–	5.5	–	70.0
Repayment of shareholder loans	–	–	–	(319.9)	–
Reduction of lease liability	–	–	(70.9)	(55.1)	–
Dividends paid	–	–	(1.5)	(45.1)	(1.2)
Transactions with non-controlling interests in subsidiaries	–	–	0.4	(125.8)	12.5
Short-term investments	–	–	–	–	(20.0)
Cash flow from financing activities	**100.3**	**27.7**	**(15.2)**	**4.1**	**1,309.0**
Cash flow for the period	**95.8**	**66.5**	**34.2**	**(13.2)**	**13.9**
Cash and cash equivalents at beginning of period	95.7	59.8	59.8	73.0	59.1
Translation difference	–	(0.3)	1.7	–	–
Cash and cash equivalents at end of period	**191.5**	**126.0**	**95.7**	**59.8**	**73.0**

Selected alternative performance measures

Cary Group presents certain measures that are not defined under IFRS (alternative performance measures). These measures are used by management to assess the Group's performance. However, they are not necessarily comparable to similar measures presented by other companies. The alternative performance measures therefore have limitations as an analytical tool and should not be considered in isolation or as a substitute for the financial measures presented in accordance with IFRS. The APMs have been extracted from Cary Group's internal accounting system and have not been audited or reviewed.

	1 January – 30 June		Financial year		
	2021	2020	2020	2019	2018
	IFRS		IFRS		Swedish GAAP K3
MSEK (unless otherwise indicated)	*Unaudited*		*Unaudited*		
Net sales growth, %	21.1	0.1	1.4	51.9	54.1
Organic growth, %	8.1	(7.6)	(6.6)	6.4	24.6
Currency-adjusted organic growth, %	10.4	(6.2)	(5.1)	6.0	24.2
Growth from acquisitions and disposals, %	13.0	7.6	8.0	45.5	29.5
Currency effect, %	(2.0)	(1.5)	(1.5)	0.4	0.3
Gross profit	677.8	554.6	1,065.6	1,040.8	722.3
Gross margin, %	65.7	65.1	64.6	63.9	67.4
Operating margin, %	14.2	14.9	12.8	13.1	(14.3)
EBITA	164.0	146.0	239.3	239.9	177.3
EBITA-margin, %	15.9	17.1	14.5	14.7	16.5
Adjusted EBITA	175.2	150.8	246.9	244.5	183.4
Adjusted EBITA-margin, %	17.0	17.7	15.0	15.0	17.1
EBITDA	222.0	194.2	340.0	327.0	195.8
EBITDA-margin, %	21.5	22.8	20.6	20.1	18.3
Adjusted EBITDA	233.2	199.1	347.6	331.7	201.9
Adjusted EBITDA margin, %	22.6	23.4	21.1	20.4	18.8
Working capital	(29.2)	(6.9)	28.5	18.2	(10.6)
Working capital, % of RTM net sales	(1.6)	(0.4)	1.7	1.1	(1.0)
Operative cash flow	218.3	184.9	320.9	295.6	172.4
Cash conversion, %	93.6	92.9	92.3	89.1	85.4
Capital employed	2,411.2	2,157.1	2,144.1	2,053.8	1,635.7
Return on capital employed	11.3	n/a	11.5	12.4	n/a
Return on equity	79.8	n/a	(38.0)	n/a	n/a
Net debt	2,259.8	2,140.4	2,154.6	2,132.6	1,605.4
Net debt / adjusted EBITDA RTM	5.9x	n/a	6.2x	6.5x	8.0x
Operational key figures					
Numbers of acquisitions	11	3	8	9	4
Number of employees at end of period	1,118	975	1,029	956	908
Number of working days (turnover weighted average)	127	128	261	258	n/a
Number of jobs completed	283,672	249,923	474,121	466,032	443,892
Number of workshops (including mobile units)	601	536	554	449	n/a

Selected alternative performance measures, *cont.*

MSEK (unless otherwise indicated)	1 January – 30 June		Financial year		
	2021	2020	2020	2019	2018
	IFRS		IFRS		Swedish GAAP K3
	Unaudited		*Unaudited*		
By business area					
Nordics					
Net sales growth, %	24.1	(2.7)	(3.1)	20.7	31.3
Organic growth, %	7.2	(4.3)	(4.5)	4.1	24.6
Currency-adjusted organic growth, %	7.5	(3.2)	(3.4)	4.2	24.2
Growth from acquisitions and disposals, %	16.9	1.6	1.4	16.6	6.7
Currency effect, %	(0.3)	(1.1)	1.1	(0.1)	0.3
Gross profit	506.6	409.0	758.2	780.6	647.3
Gross margin, %	72.5	72.5	72.7	71.1	70.9
EBITA	175.8	145.3	242.2	n/a	n/a
EBITA-margin. %	24.6	25.2	22.7	n/a	n/a
Adjusted EBITA[1]	177.6	145.3	242.2	219.9	184.1
Adjusted EBITA margin, %	24.8	25.2	22.7	20.0	20.2
Rest of Europe					
Net sales growth, %	14.8	6.3	10.9	231.6	n/a
Organic growth, %	10.1	(15.1)	(10.9)	19.9	n/a
Currency-adjusted organic growth, %	16.7	(13.1)	(8.8)	16.5	n/a
Growth from acquisitions and disposals, %	4.7	21.4	21.7	211.7	n/a
Currency effect, %	(5.6)	(2.2)	(2.1)	3.4	n/a
Gross profit	171.2	145.6	307.4	260.2	74.9
Gross margin, %	51.4	50.6	50.6	49.2	47.3
EBITA	26.2	22.2	43.8	n/a	n/a
EBITA margin, %	8.2	8.0	7.0	n/a	n/a
Adjusted EBITA	27.8	22.2	43.8	24.7	n/a
Adjusted EBITA margin, %	8.7	8.0	7.5	4.7	n/a

Costs for group functions are excluded from adjusted EBITA for the Nordics in 2020.

Definitions of alternative performance measures

Cary Group presents certain measures that are not defined under IFRS (alternative performance measures). The Group believes that these measures provide valuable supplemental information for investors and the Company's management as they enable an evaluation of the Company's financial performance and position. As not all companies calculate financial measures in the same way, they are not always comparable with measures used by other companies. These financial measures should not therefore be considered as a substitute for measures defined under IFRS or Swedish GAAP K3. The alternative performance measures have been extracted from Cary Group's internal accounting system and have not been audited.

Measure	Definition	Reason for use
Net sales growth, %	Change in reported net sales compared with the same period the previous year.	The measure shows the Company's net sales growth compared with the same period the previous year.
Organic growth, %	Net sales growth adjusted for net sales attributable acquired operations during the first twelve months after the date of acquisition.	Used to measure comparable net sales growth.
Currency-adjusted organic growth, %	Organic growth adjusted for currency effects.	The measure shows organic growth in net sales adjusted for currency effects.
Growth from acquisitions and disposals, %	Net sales attributable to acquired and divested operations during the first twelve months after the date of acquisition divided by previous periods net sales.	Used to measure sales growth generated by acquired and divested operations.
Currency effect, %	Currency effect in SEK is the difference between the previous period's sales in SEK and previous period's sales in SEK converted to the current period's exchange rate. Currency effect in percent is calculated as currency effect in SEK divided by reported net sales in previous period,	Used by management to monitor the Company's underlying sales growth for its existing operations.
Gross profit	Net sales of the period excluding expenses for inventory.	Gross profit shows the Company's operation profitability and financial performance.
Gross margin %	Gross profit percentage of the Company's net sales.	The measurement is an indication of the Company's gross earning capacity.
Operating margin, %	Operating profit as a percentage of the Company's net sales.	The operating margin is an indication of the Company's earnings capacity.
EBITA	Operating profit before depreciation of intangible assets.	The purpose is to assess the Company's operating activities. EBITA is a complement to operating profit.
EBITA margin, %	EBITA as a percentage of the Company's net sales.	The EBITA margin is an indication of the Company's earnings capacity from the operational business.
Non-recurring items affecting comparability	Non-recurring significant items.	Refers to items that are reported separately as they are of a material nature, affects comparability and is considered to be foreign to the Company's ordinary business
Adjusted EBITA	Operating profit before amortisation and impairment of intangible assets adjusted for items affecting comparability.	The purpose is to show EBITA without items that affect comparison with other periods.
Adjusted EBITA margin, %	Adjusted EBITA as a percentage of the Company's net sales.	The adjusted EBITA margin is an indication of the Company's earnings capacity from the operational business without items affecting comparison with other periods.
EBITDA	Operating profit before depreciation of property, plant & equipment and intangible assets.	Operating profit before depreciation and write-downs of property, plant & equipment and intangible assets. The purpose is to assess the Company's operating activities. EBITDA is a complement to operating profit.

Definitions of alternative performance measures, *cont.*

Measure	Definition	Reason for use
EBITDA margin, %	EBITDA as a percentage of the Company's net sales.	The EBITDA margin is an indication of the Company's earnings capacity. The purpose is to assess the Company's operational activities.
Adjusted EBITDA	Operating profit before depreciation/amortisation, impairment and write-downs adjusted for items affecting comparability.	The purpose is to show EBITDA without items affecting comparison with other periods.
Adjusted EBITDA margin, %	Adjusted EBITDA as a percentage of the Company's net sales.	The adjusted EBITDA margin is an indication of the Company's earnings capacity without items affecting comparison with other periods.
Net working capital	Current assets excluding cash and cash equivalents minus non-interest-bearing current liabilities.	Net working capital is a measure used to analyse the Company's ability to finance its operating activities.
Net working capital, % of RTM Net sales	Working capital as a percentage of net sales (rolling 12 months).	Net working capital as a percentage of net sales is used to assess how effectively net working capital is used in the business.
Operating cash flow	Adjusted EBITDA minus payments for intangible and tangible assets.	Used to monitor the cash flow of the business and to calculate cash conversion.
Capital employed	The sum of equity and interest-bearing liabilities. Average capital employed is calculated as the average of the opening and closing balance for each period.	Used by the Company as a measure of its capital efficiency.
Return on capital employed	Adjusted EBITA RTM (rolling 12 months) as a percentage of average capital employed.	The measure shows the return generated on capital employed and is used by the Company to monitor the profitability of its operations as the measure relates to capital efficiency.
Return on equity	Profit for the period RTM (rolling 12 months) divided by average equity attributable to Parent Company shareholders. The average is calculated as the average of the opening and closing balance for each period.	The measure shows the return generated on the shareholders' capital invested in the Company.
Net debt	Interest-bearing liabilities (amounts due to credit institutions and lease liabilities) minus cash and cash equivalents.	Used to assess the Company's ability to meet its financial obligations.
Net debt/Adjusted EBITDA	Net debt divided by Adjusted EBITDA RTM (rolling 12 months).	The measure shows net debt in relation to operating profit before depreciation/amortisation, impairment and write-downs and without items affecting comparability with other periods.
Cash conversion	Operative cash flow divided by adjusted EBITDA.	Cash conversion is used as an efficiency measurement of how large of a share of the Company's profits as converted into liquidity.

Reconciliation tables

Some of the alternative performance measures presented below are non-IFRS financial measures, i.e., financial measures that are not measures defined under IFRS. Non-IFRS measures are not substitutes for any IFRS measures.

The following table shows selected alternative performance measures for the years ended 31 December, 2020, 2019 and 2018, which have been derived from Cary Group's internal accounting and reporting systems, operating systems or the Company's audited consolidated financial statements and notes for the periods presented, which are included elsewhere herein.

Reconciliation of net sales growth

	1 January – 30 June		Financial year		
	2021	2020	2020	2019	2018
	IFRS		IFRS		Swedish GAAP K3
MSEK (unless otherwise stated)	*Unaudited*		*Unaudited*		
A. Net sales previous period	852.2	851.7	1,627.6	1,071.6	695.4
B. Net sales current period	1,032.2	852.2	1,650.8	1,627.6	1,071.6
Net sales growth, % ((B/A) - 1)	**21.1%**	**0.1%**	**1.4%**	**51.9%**	**54.1%**
C. Net sales attributable to acquired and divested operations.	110.6	65.1	130.1	487.3	205.3
D. Organic sales (B–C)	921.6	787.1	1,520.7	1,140.3	866.3
Organic growth, % ((D/A) – 1)	**8.1%**	**(7.6)%**	**(6.6)%**	**6.4%**	**24.6%**
E. Currency effect	17.4	12.4	24.4	(3.8)	(1.8)
F. Currency-adjusted net sales previous period (A–E)	**834.9**	**839.3**	1,603.2	1,075.4	697.2
Currency-adjusted organic growth, % ((D/F) – 1)	**10.4%**	**(6.2)%**	**(5.1)%**	**6.0%**	**24.2%**
Currency effect, % (–E/A)	**(2.0)%**	**(1.5)%**	**(1.5)%**	**0.4%**	**0.3%**
G. Net sales attributable to acquired and divested operations.	**110.6**	**65.1**	130.1	487.3	205.3
Growth from acquisitions and disposals, % (G/A)	**13.0%**	**7.6%**	**8.0%**	**45.5%**	**29.5%**

Margins and performance measures

	1 January – 30 June		Financial year		
	2021	2020	2020	2019	2018
	IFRS		IFRS		Swedish GAAP K3
MSEK (unless otherwise stated)	*Unaudited*		*Unaudited*		
A. Net sales	1,032.2	852.2	1,650.8	1,627.6	1,071.6
Inventory expenses	354.3	297.6	585.2	586.9	349.3
Gross profit	677.8	554.6	1,065.6	1,040.8	722.3
Gross profit margin %	65.7%	65.1%	64.6%	63.9%	67.4%
B. Operating profit (EBIT)	146.3	127.2	211.0	213.8	(152.9)
Operating margin, % (B / A)	**14.2%**	**14.9%**	**12.8%**	**13.1%**	**(14.3)%**
Amortisation and impairment of intangible assets (–)	17.7	18.8	28.4	26.1	330.2
C. EBITA	**164.0**	**146.0**	**239.3**	**239.9**	**177.3**
EBITA margin (C / A)	**15.9%**	**17.1%**	**14.5%**	**14.7%**	**16.5%**
Depreciation and impairment of property, plant and equipment (–)	58.0	48.2	100.7	87.2	18.5
D. EBITDA	**222.0**	**194.2**	**340.0**	**327.0**	**195.8**
EBITDA margin, % (D / A)	**21.5%**	**22.8%**	**20.6%**	**20.1%**	**18.3%**
Transaction costs	1.0	4.8	4.8	–	2.9
Restructuring costs	–	–	–	1.4	–
Rebranding costs	2.4	–	0.7	–	–
Consultancy costs	–	–	2.0	3.3	3.2
Non recurring employee costs	2.7	–	–	–	–
IPO costs	5.1	–	–	–	–
Total items affecting comparability	**11.2**	**4.8**	**7.6**	**4.7**	**6.1**
Adjusted EBITA	**175.2**	**150.8**	**246.9**	**244.5**	**183.4**
Adjusted EBITA margin, %	**17.0%**	**17.7%**	**15.0%**	**15.0%**	**17.1%**
Adjusted EBITDA	**233.2**	**199.1**	**347.6**	**331.7**	**201.9**
Adjusted EBITDA margin, %	**22.6%**	**23.4%**	**21.1%**	**20.4%**	**18.8%**

Working capital

MSEK (unless otherwise stated)	1 January – 30 June		Financial year		
	2021	2020	2020	2019	2018
	IFRS		IFRS		Swedish GAAP K3
	Unaudited		*Unaudited*		
Inventories	58.6	49.7	49.3	45.2	27.5
Trade receivables	227.2	180.2	161.4	179.9	130.3
Other current receivables	27.6	16.1	24.4	42.0	19.0
Prepaid expenses and accrued income	46.9	49.4	62.7	78.1	59.3
Current assets	**360.2**	**295.4**	**297.8**	**345.2**	**236.2**
Trade payables (–)	(165.3)	(133.3)	(126.2)	(145.1)	(114.7)
Other current liabilities (–)	(82.8)	(69.8)	(44.7)	(82.3)	(50.6)
Accrued expenses and deferred income (–)	(141.3)	(99.3)	(98.4)	(99.6)	(81.5)
Non-interest-bearing current liabilities	**(389.4)**	**(302.3)**	**(269.3)**	**(327.0)**	**(246.8)**
Net working capital	**(29.2)**	**(6.9)**	**28.5**	**18.2**	**(10.6)**
Net sales, RTM	1,830.8	1,628.1	1,650.8	1,627.6	1,071.6
Net working capital, % of RTM Net sales	**(1.6)%**	**(0.4)%**	**1.7%**	**1.1%**	**(1.0)%**

Operating cash flow and cash conversion

MSEK (unless otherwise stated)	1 January – 30 June		Financial year		
	2021	2020	2020	2019	2018
	IFRS		IFRS		Swedish GAAP K3
	Unaudited		*Unaudited*		
Adjusted EBITDA	233.2	199.1	347.6	331.7	201.9
Depreciation of right-of-use assets (–)	14.1	11.0	18.6	28.6	12.6
Payments for immaterial fixed assets(–)	0.8	3.1	8.0	7.5	17.0
Operating cash flow	**218.3**	**184.9**	**320.9**	**295.6**	**172.4**
Cash conversion	**93.6%**	**92.9%**	**92.3%**	**89.1%**	**85.4%**

Return on capital employed

MSEK (unless otherwise stated)	1 January – 30 June		Financial year		
	2021	2020	2020	2019	2018
	IFRS		IFRS		Swedish GAAP K3
	Unaudited		*Unaudited*		
Adjusted EBITA,RTM	271.4	n/a	246.9	244.5	183.4
Total equity	(40.1)	(109.3)	(106.2)	(138.5)	(42.8)
Non-current interest-bearing liabilities	2,354.7	2,187.3	2,168.1	2,118.0	1,678.4
Current interest-bearing liabilities	96.6	79.1	82.2	74.3	–
Capital employed	**2,411.2**	**2,157.1**	**2,144.1**	**2,053.8**	**1,635.7**
Average capital employed	2,277.6	n/a	2,099.0	1,979.1[1)]	n/a
Return on capital employed	**11.9%**	**n/a**	**11.8%**	**12.4%**	**n/a**

1) Starting balance for average capital employed for 2019 is based on the Group's statement on financial position as of 1 January 2019.

Return on equity

MSEK	1 January – 30 June		Financial year		
	2021	2020	2020	2019	2018
	IFRS		IFRS		Swedish GAAP K3
	Unaudited		*Unaudited*		
Average equity*	(82.2)	n/a	(127.3)	n/a	n/a
Profit for the period, RTM	63.5	n/a	48.4	69.6	(280.7)
Return on equity	**(77.3)%**	**n/a**	**(38.0)%**	**n/a**	**n/a**

* Total equity attributable to Parent Company shareholders. The Group's equity has been negative for all periods presented. The reason for this, is that the result up to and including the financial year 2018 was burdened by significant depreciation on goodwill, in accordance with the application of historical K3. This depreciation ceases in connection with the transition to IFRS. Furthermore, a significant redemption of shares from minority shareholders was also carried out in 2019, which was reported as equity in the Group.

Net debt

MSEK	1 January – 30 June		Financial year		
	2021	2020	2020	2019	2018
	IFRS		IFRS		Swedish GAAP K3
	Unaudited		*Unaudited*		
Liabilities to credit institutions	1,662.4	1,560.1	1,538.2	1,492.4	934.3
Loans from shareholders	449.5	388.0	403.3	373.8	–
Non-current lease liabilities	242.9	239.2	226.5	251.8	–
Current lease liabilities	96.6	79.1	82.2	74.3	–
Other non-current liabilities	–	–	–	–	744.2
Total interest-bearing liabilities	**2,451.3**	**2,266.4**	**2,250.3**	**2,192.3**	**1,678.4**
Cash and cash equivalents (–)	191.5	126.0	95.7	59.8	73.0
Net debt	**2,259.8**	**2,140.4**	**2,154.6**	**2,132.6**	**1,605.4**
Adjusted EBITDA, RTM	381.8	n/a	347.6	331.7	201.9
Net debt/Adjusted EBITDA, RTM	**5.9x**	**n/a**	**6.2x**	**6.5x**	**8.0x**

Selected financial information – quarterly basis

MSEK	2021		2020				2019[1]				2018[1]			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	IFRS		IFRS				Swedish GAAP K3				Swedish GAAP K3			
	Unaudited		*Unaudited*				*Unaudited*				*Unaudited*			
Net sales	574.9	457.3	348.8	449.8	411.6	440.6	365.3	410.6	464.8	386.9	n/a	n/a	n/a	n/a
Net profit (EBIT)	84.7	61.6	10.9	72.9	76.0	51.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Amortisation and impairment of intangible assets (+)	9.2	8.5	7.1	2.5	11.7	7.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBITA	93.9	70.1	17.9	75.4	87.6	58.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Transaction costs	0.6	0.5	–	–	2.6	2.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Restructuring costs	–	–	–	–	–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rebranding costs	0.1	2.3	0.7	.	–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Consulting costs	–	–	1.8	0.2	–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
One-time costs for employees	2.7	–	–	–	–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
IPO costs	5.1	–	–	–	–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total items affecting comparability (+)	8.4	2.8	2.6	0.2	2.6	2.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Adjusted EBITA	102.4	72.9	20.5	75.6	90.2	60.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Inventory	58.6	55.1	49.3	51.3	49.7	57.8	45.2	43.7	43.2	40.9	27.5	32.7	7.3	5.7
Accounts receivable	227.2	220.1	161.4	197.5	180.2	228.8	179.9	199.7	218.1	190.7	130.3	156.7	105.4	76.3
Other current receivables	27.6	24.4	24.4	8.6	16.1	9.2	42.1	7.8	20.2	43.6	19.1	3.2	5.0	0.0
Prepayments and accrued income	46.9	45.9	62.7	53.5	49.4	32.0	89.0	54.3	57.0	53.3	59.3	50.5	53.0	75.3
Current assets	360.2	330.8	297.8	310.8	295.4	327.8	356.1	305.5	338.5	328.4	236.2	243.1	170.7	157.4
Accounts payable(–)	(165.3)	(137.6)	(126.2)	(121.5)	(133.3)	(191.1)	(145.1)	(131.3)	(163.7)	(139.0)	(114.7)	(98.0)	(75.6)	(125.7)
Other current liabilities (–)	(82.8)	(118.1)	(44.7)	(70.8)	(69.8)	(59.6)	(105.2)	(41.1)	(56.9)	(67.4)	(50.6)	(51.2)	(45.8)	(17.8)
Accrued expenses and prepaid income (–)	(141.3)	(122.1)	(98.4)	(107.2)	(99.3)	(97.7)	(99.6)	(108.1)	(106.2)	(123.3)	(81.5)	(93.1)	(73.1)	(66.0)
Non-interest-bearing current liabilities	(389.4)	(377.7)	(269.3)	(299.3)	(302.3)	(347.4)	(349.9)	(285.0)	(326.7)	(329.6)	(246.8)	(242.4)	(193.5)	(209.5)
Net working capital	(29.2)	(46.8)	28.5	11.3	(6.9)	(19.6)	6.2	25.0	11.7	(1.2)	(10.5)	0.7	(22.8)	(52.1)

1) Inventories, Trade receivables, Other current receivables, Prepaid expenses and accrued income, Trade payables, Other current liabilities, Accrued expenses and deferred income for the years ended 31 December 2019 and 2018 are derived from unaudited financial reports for Cary Group Bidco AB and based Swedish GAAP (K3)

Quarterly segment data

MSEK	2021		2020				2019			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
A. Net Sales	574.9	457.3	348.8	449.8	411.6	440.6	365.3	410.6	464.8	386.9
B. Nordics	*405.7*	*308.8*	*213.0*	*279.2*	*312.9*	*262.7*	*278.2*	*278.2*	*330.7*	*260.8*
C. Rest of Europe	*169.1*	*148.5*	*135.8*	*170.5*	*98.6*	*178.0*	*133.2*	*132.4*	*134.1*	*126.1*
D. Adjusted EBITA	102.3	72.9	20.5	75.6	90.2	60.6	n/a	n/a	n/a	n/a
E. Nordics	*103.7*	*73.8*	*28.7*	*68.3*	*91.7*	*53.6*	*n/a*	*n/a*	*n/a*	*n/a*
F. Rest of Europe	*16.8*	*10.9*	*4.3*	*17.3*	*8.2*	*14.1*	*n/a*	*n/a*	*n/a*	*n/a*
(D/A) Adjusted EBITA-margin	17.8%	15.9%	5.9%	16.8%	21.9%	13.8%	n/a	n/a	n/a	n/a
(E/B) Nordics	*25.6%*	*23.9%*	*13.5%*	*24.5%*	*29.3%*	*20.4%*	*n/a*	*n/a*	*n/a*	*n/a*
(F/C) Rest of Europe	*9.9%*	*7.4%*	*3.1%*	*10.1%*	*8.3%*	*7.9%*	*n/a*	*n/a*	*n/a*	*n/a*

Pro forma

The unaudited pro forma financial information describes a hypothetical situation in order to present a hypothetical illustration of how Cary Group acquisition of Carglass Wales Ltd, RG Bilglas 1 AB, Crashpoint, Quick Car fix, Ralarsa S.L and Autoklinik i Malmö AB could have affected Cary Group's consolidated income statement for the financial year ended 31 December 2020 and the first six months ended 30 June 2021 if the acquisitions had been completed as of 1 January 2020. The acquisition of Autoklinik i Malmö AB and Ralarsa S.L did not take place until 1 July and 29 July 2021 respectively, hence the unaudited financial pro forma information includes a consolidated balance sheet as of 30 June 2021 to illustrate the hypothetical effect that these acquisitions would have had if the transactions were completed on this date. The pro forma financial information has been prepared solely for illustrative purposes.

The *pro forma* accounts do not necessarily reflect Cary Group's actual results if the acquisitions had been completed at the time mentioned above and the pro forma financial information should not be an indication of Cary Group's future results. The same applies to the hypothetical statement of financial position as of 30 June 2021 regarding Autoklinik i Malmö AB and Ralarsa S.L. Consequently, an investor should not attach undue importance to the pro forma accounts.

Purpose of the *pro forma* financial information

Cary Group has in 2021 completed six significant acquisitions. In order to show the hypothetical impact that these acquisitions could have had on the consolidated income statement for 2020 if they had been completed as of 1 January 2020. The following consolidated *pro forma* information presented below has been prepared to present a hypothetical illustration of how these acquisitions could have affected Cary Group's consolidated income statement for the financial year 2020, the first six months of the financial year 2021 and the statement of financial position as of 30 June 2021.

The *pro forma* information is only intended to inform and describe facts. The *pro forma* information is by its nature intended to describe a hypothetical situation and thus does not serve to describe Cary Group's actual results of operation or financial position. Furthermore, the *pro forma* information is not representative of what the operating result will look like in the future. Investors should therefore not place too much emphasis on the *pro forma* information.

The *pro forma* financial information should be read in conjunction with other information included in the Offering memorandum. The *pro forma* financial information has not been prepared in accordance with Regulations S-X or in accordance with any other standards or practice generally accepted in the US.

Background

The following companies were acquired in 2021 and are included in the *pro forma* accounts.

Acquisition of Carglass Limited

On 1 January 2021, Cary Group acquired 100 percent of Carglass Limited. Carglass Limited is a Carglass repair company situated in Wales. The acquisition will strengthen the presence in the UK further. The consideration transferred amounted to SEK 30.0 million. The acquisition has been financed by using cash and no additional financing has been necessary.

Acquisition of RG Bilglas 1 AB

On 1 January 2021, Cary Group acquired 15 shops from Ryds Bilglas AB through a newly established entity RG Bilglas 1 AB. The acquisition is share deal whereby the net assets of the shops was transferred by Ryds Bilglas AB to a NewCo which then was bought by Cary Group. The consideration transferred for 100 percent was SEK 74.2 million which is paid in instalments to the seller from January to June 2021. There is no additional financing necessary and due to the short duration, no discounting of the deferred consideration has been made.

Acquisition of Crash Point A/S

On March 1, 2021 Cary Group acquired 80 percent of the shares in Crashpoint, Crashpoint is a Danish chain of auto repair shops. Through the acquisition Cary Group increases the market presence in Denmark. The purchase price for the 80 percent amounted to SEK 47.1 million, including estimated fair value of contingent consideration of SEK 6.6 million, for Crashpoint. The acquisition has been financed with cash and no additional financing has been drawn. In addition, there is a call and put option for the remaining 20 percent stake which is owned by the non-controlling interest. Instead of a non-controlling interest a liability for the put option has been recognized which is accounted for at 70 percent of the net present value of the future expected amount, amounted to SEK 8.2 million at initial recognition. The remaining 30 percent of the total payment related to the put option is conditional on future employment by the sellers for five years and this part will be recognized as personnel expense over the vesting period, separate from the business combination. At initial recognition, estimated net present value of 30 percent conditional on future employment amounted to SEK 3.5 million which will vest over a five-year period. An assumed expense for a twelve month period is included in the *pro forma* based.

Acquisition of Skadevekk Holding AS

On April 1, 2021 Cary Group acquired 80 percent of the shares in Skadevekk Holding AS (QuickCarFix), QuickCarFix is a Norwegian chain of auto repair shops. Through the acquisition Cary Group increases the market presence in Norway. The consideration transferred for the 80 percent amounted to SEK 30.2 million for QuickCarFix. The acquisition has been financed with cash and no additional financing has been drawn. In addition, there is a call and put option for the remaining 20 percent stake which is owned by the non-controlling interest. Instead of a non-controlling interest a liability for the put option has been recognized which is accounted for at the net present value of the future expected amount, amounted to SEK 7.5 million at initial recognition.

The condition on settlement of the put option if the sellers remain in employment is the highest of fair value or the transaction price per share agreed at the acquisition date. As part of the payment is conditional on future employment by the sellers, this part will be recognized as personnel expense over the vesting period, separate from the business combination. The part that is conditional constitutes the difference between the transaction price and a potential increase in fair value at the time of exercise of the option. No adjustment for any future personnel expense will be made in the *pro forma* as no assumption can be made in relation to any changes in fair value which is factual and substantial.

Acquisition of Autoklinik i Malmö AB

On 1 July 2021 Cary Group acquired 90 percent of the shares in Autoklinik i Malmö AB (Autoklinik). Autoklinik is an auto service and body repair workshop in Malmö and specialises in auto service, body repair and paint for several car brands. Through the acquisition Cary Group will have its first workshop in Sweden specialised in auto body repair and service and will serve as a compliment to the vehicle glass replacement and repair business. The consideration transferred for the 90 percent amounted to SEK 39.6 million. The acquisition has been financed with cash and no additional financing has been drawn.

An additional part of the payment is conditional on future employment by the seller for five years and this part will be recognized as personnel expense over the vesting period, separate from the business combination. At initial recognition, estimated net present value corresponding to 20 percent of the market value, that is conditional on future employment, amounted to SEK 3.5 million which will vest over a five-year period.

Acquisition of Ralarsa Holding S.L

On 29 July 2021 Cary Group acquired 100 percent of the shares in Ralarsa Holding S.L. Ralarsa specialises in vehicle glass repair and replacement, including calibration of Advanced Driver Assistance Systems (ADAS). The company operates through own and franchise workshops and mobile units and has three own distribution and logistics warehouses, in Barcelona, Madrid, and Seville.

The consideration transferred for the 100 percent amounted to SEK 371.5 million. Cary Group has utilised existing available credit facilities to raise a loan to finance the acquisition of Ralarsa, refer to further information below under section Borrowing and interest expenses.

Basis of the *pro forma* information

Accounting

The *pro forma* financial information is based on Cary Group's current accounting principles, International Financial Reporting Standards, as adopted by the EU (IFRS). The *pro forma* adjustments described below and in the notes are recurring unless otherwise stated.

The acquired companies' financial information has been prepared in accordance with local GAAP in the respective country. Cary has made an analysis of whether there is any significant difference between the accounting principles they apply in accordance with IFRS and those applied by the acquired companies before they were consolidated. The differences identified are related to the application of IFRS 16 Leases and the presentation format of the income statement. The effect of adjustment of IFRS 16 is presented in a separate column in the pro forma income statement.

The basis for the *pro forma* information for 2020, the first six months of 2021 and the statement of financial position as of 30 June 2021 is based on Cary Group's audited financial statements for 2020 and the unaudited financial statements for the first six months of 2021, included in this Offering Memorandum on pages (F-2–F-45), which has been prepared in accordance with IFRS. For the acquired companies, unaudited financial statements for the year ended 31 December 2020 and six months ended 30 June 2021 respectively have been used.

Carglass Ltd has GBP as functional currency. The internal report for Carglass Ltd, which forms the basis for the pro for*ma* income statement, has been translated into SEK based on accumulated average exchange rates for GBP/ SEK. The exchange rate used for the conversion to SEK is based on the corresponding exchange rate in Cary Group's accounts for the year ended 31 December 2020 (GBP / SEK: 11.7981).

The unaudited financial information for the RG Bilglas 1 AB is denominated in SEK which is the functional currency.

Crashpoint has DKK as its functional currency. The unaudited financial information for Crashpoint, which forms the basis for the *pro forma* income statement, has been translated into SEK based on accumulated average exchange rates for DKK/ SEK. The exchange rate used for conversion to SEK is based on the corresponding exchange rate in Cary's accounts for the year ended 31 December 2020 (DKK / SEK: 1,4068) and six months ended 30 June 2021 (DKK / SEK: 1,3616).

QuickCarFix has NOK as its functional currency. The unaudited financial information for QuickCarFix, which forms the basis for the *pro forma* income statement, has been translated into SEK based on accumulated average exchange rates for NOK/ SEK. The exchange rate used for conversion to SEK is based on the corresponding exchange rate in Cary Group's accounts during year ended 31 December 2020 (NOK / SEK: 0,97857) and six months ended 30 June 2021 (NOK / SEK: 0,9942).

The unaudited financial information for the Autoklinik I Malmö AB is denominated in SEK which is the functional currency.

Ralarsa S.A has EUR as its functional currency. The unaudited financial information for Ralarsa S.A which forms the basis for the *pro forma* income statement, has been translated into SEK based on accumulated average exchange rates for EUR/SEK. The exchange rate used for conversion to SEK is based on the corresponding exchange rate in Cary Group's accounts during year ended 31 December 2020 (EUR / SEK: 10.4867) and six months ended 30 June 2021 (EUR / SEK: 10.1245).

Pro forma adjustments

The *pro forma* adjustments are described in detail below and in the notes to the *pro forma* accounts. Unless otherwise stated, the adjustments are recurring:

Purchase price allocation

The purchase price allocation and the *pro forma* information in general are based on the following assumptions per company:

The following exchange rates have been used to convert the amounts in the purchase price analysis to MSEK, QuickCarFix, Crashpoint, Carglass Ltd. The identifiable assets in the acquisition which will be amortized consist of customer relations. For further details please find the preliminary purchase price allocation below for each of the acquisitions.

Acquisitions	Car Glass Ltd	RG Bilglas 1 AB	Crash-point A/S	Skadevekk Holding AS	Autoklinik Malmö AB	Ralarsa Holding S.L	
Consolidated as per	31 december 2020	1 January 2021	1 March 2021	1 April 2021	1 July 2021	29 July 2021	Total
Acquired	*100 %*	*100 %*	*80 %*	*80 %*	*90 %*	*100 %*	
Net assets acquired	11.6	3.4	10.3	(7.8)	6.9	154.3	178.7
Trademark			5.6	8.2	7.8	70.9	92.5
Customer relations	0.4	9.9	15.2	10.5	9.3	133.9	179.2
Deferred tax liability	(0.1)	(2.0)	(4.5)	(4.1)	(3.5)	(51.2)	(65.5)
Goodwill	18.1	62.9	28.7	31.0	22.7	63.6	226.9
Total purchase price	**30.0**	**74.2**	**55.3**	**37.7**	**43.1**	**371.5**	**611.8**
Liability to non-controlling interest			8.2	7.5	3.5		19.3
Deferred consideration/Seller note		72.0					72.0
Contingent consideration			6.6				6.6
Cash flow	**(30.0)**	**(2.2)**	**(40.5)**	**(30.2)**	**(39.6)**	**(371.5)**	**(513.9)**
Currency	GBP	SEK	DDK	NOK	SEK	EUR	
SEK/ Local Currency	11.4219	1.0000	1.3660	0.9928	1.0000	10.1370	

* In the acquisition analysis presented above, the values that form the basis for the preliminary acquisition analysis as of 29 July 2021 have been assumed for Ralarsa Holding SL. However, the figures have been adjusted in the *pro forma* accounts to reflect the balance sheet of the target company as of 30 June 2021. This has only resulted in an impact of the goodwill value. Identifiable assets and liabilities have been assumed to correspond to fair value as of 30 June 2021

Amortization of Customer relations

Period 1 January – 31 December 2020

The total amount of customer relations which have been identified in the purchase price allocation as stated above amounts to SEK 179.2 million with an average useful life of 10 years based on the exchange rate stated above. Leading to a yearly amortization of SEK 19.5 million based on the following average exchange rates as of 2020; 0.97857 NOK/SEK, 1.4068 DKK/SEK, 11.7981 GBP/SEK, 10.4867 EUR / SEK.

Period 1 January – 30 June 2021

The total amount of customer relations which have been identified in the purchase price allocation as stated above amounts to SEK 179.2 million with an average useful life of 10 years based on the exchange rate stated above. Leasing to an amortization of SEK 7.7 million based on the following average exchange rates as of the first six months 2021; 0.9942 NOK/SEK, 1.3616 DKK/SEK and 10.1245 EUR/SEK.

Borrowing and interest costs

Period 1 January – 31 December 2020

In connection with the acquisition, an acquisition credit of in total SEK 382.7 million (EUR 37.75 million) is raised, of which SEK 371.5 million is used to pay the purchase price and the remaining part is retained in cash and cash equivalents. Thus, the acquisition of Ralarsa results in increased borrowing, where of increased interest expense for the *pro forma* period of SEK 13.9 million based on a contracted interest rate of EURIBOR + 3.5 percent. For the other acquisitions, no refinancing of their own financing incurs and no additional financing regarding the acquisition purchase price has been required, as such there is no further adjustment of the interest expense.

Period 1 January – 30 June 2021

The increased borrowing results in an increased interest expense for the *pro forma* period of the first six months 2021 of SEK 6.7 million based on a contracted interest rate of EURIBOR + 3.5 percent. For the other acquisitions, no refinancing of their own financing incurs and no additional financing regarding the acquisition purchase price has been required, as such there is no further adjustment of the interest expense.

Transaction costs

Period 1 January - 31 December 2020As there are no transaction costs included in the 2020 financial statements or financial information included in the *pro forma* statements there is no adjustments necessary.

Period 1 January – 30 June 2021

Estimated transaction costs that incurred during the period 1 January to 30 June 2021 amounted to SEK 4.3 million. These have been adjusted for in the pro forma income statement 1 January – 30 30 June 2021 as these are assumed to have incurred before the pro forma acquisition date 1 January 2021. The adjustment is non-recurring.

Personnel expense

Period 1 January – 31 December 2020

The *pro forma* statements have been adjusted with a personnel cost corresponding to the value of one year services with regard to the separate transaction identified in the acquisition of CrashPoint. The adjustment amount to SEK 0.8 million based on the average exchange rate as of 2020 1.4068 DKK/SEK.

The *pro forma* statements have also been adjusted with a personnel cost corresponding to the value of one year services with regard to the separate transaction identified in the acquisition of Autoklinik. The adjustment amount to SEK 0.2 million.

Period 1 January – 30 June 2021

The *pro forma* statements have been adjusted with a personnel cost corresponding to the value of two months services with regard to the separate transaction identified in the acquisition of CrashPoint. The adjustment amount to SEK 0.1 million based on the average exchange rate as of Jan–June 2021 1.3632 DKK/SEK.

The *pro forma* statements have also been adjusted with a personnel cost corresponding to the value of six months services with regard to the separate transaction identified in the acquisition of Autoklinik. The adjustment amount to SEK 0.1 million.

Tax

Period 1 January – 31 December 2020

The *pro forma* amortization on acquired customer relationships, which results in an increased expense for 2020 of SEK 19.5 million, has a positive impact on the tax expense in the *pro forma* income statement of corresponding to tax rate for each of the jurisdictions as described below.

The increased financing costs due to the acquisition of Ralarsa are expected to be deductible in Spain as the acquisition financing of SEK 371.5 million is in a Spanish company. Thus, the tax cost is positively affected by SEK 3.4 million considering the Spanish tax rate of 25 percent. The remaining part of the increased borrowing retained in Sweden is not expected to impact the taxation.

Period 1 January – 30 June 2021

The *pro forma* amortization on acquired customer relationships, which results in an increased expense for the six months of 2021 of SEK 7.7 million, has a positive impact on the tax expense in the *pro forma* income statement of corresponding to tax rate for each of the jurisdictions as described below.

The increased financing costs due to the acquisition of Ralarsa are expected to be deductible in Spain as the acquisition financing of SEK 371.5 million is in a Spanish company. Thus, the tax cost is positively affected by SEK 1.6 million for the period considering the Spanish tax rate of 25 percent. The remaining part of the increased borrowing retained in Sweden is not expected to impact the taxation.

Pro forma statement of profit or loss for the period 1 january – 31 december 2020

	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited		
Pro forma Statement of Profit or Loss	**Cary Group Holding AB**	**Car Glass Ltd**	**RG Bil-glas 1 AB**	**Crashpoint A/S**	**Skadevekk Holding AS**	**Ralarsa Holding S.L**	**Autoklinik i Malmö AB**				**Proforma Cary Group Holding AB (publ)**
SEK million											
Consolidated	**1 January 2020– 31 December 2020**	**1 January 2020– 31 December 2020**	**1 January 2020– 31 December 2020**	**1 January 2020– 31 December 2020**	**1 January 2020– 31 December 2020**	**1 January 2020– 31 December 2020**	**1 January 2020– 31 December 2020**	**Accounting principles Adjustment**	**Pro forma adjustments**	**Notes**	**1 January 2020– 31 December 2020**
	IFRS	UK GAAP	Swedish GAAP	Danish GAAP	Nor-wegian GAAP	Spanish GAAP	Swedish GAAP	Effects from transition to IFRS			
Net revenue	1,650.8	17.2	69.8	46.7	51.2	265.3	38.5	–	–		2,139.5
Inventory expenses	(585.2)	(8.3)	(25.0)	(16.2)	(5.6)	(71.6)	(15,4)	–	–		(727.4)
Other external expenses	(219.2)	(4.0)	(9.5)	(8.9)	(13.6)	(71.0)	(4.1)	29.5	–	a)	(300.5
Personnel expenses	(506.4)	(5.3)	(17.9)	(14.2)	(29.2)	(83.4)	(13.9)	–	(1.0)	b)	(671.5)
Depreciation, amortization and impairment of tangible and intangible assets	(129.0)	(0.4)	(0.3)	(0.3)	(1.9)	(1.3)	(0.6)	(27.9)	(19.5)	c–d)	(181.3)
Operating profit	**211.0**	**0.0**	**16.9**	**7.1**	**0.8**	**38.0**	**4.4**	**1.6**	**(20.5)**		**258.8**
Financial income	0.0				0.0			–	–		0.1
Financial expenses	(139.1)	0.0	–	(0.2)	(0.8)	(0.0)	(0.0)	(4.8)	(13.9)	e)	(158.7)
Profit before tax	**72.0**	**(0.5)**	**16.9**	**6.9**	**(0.0)**	**38.0**	**4.4**	**(3.2)**	**(34.3)**		**100.2**
Income tax	(23.6)	0.1	(3.6)	(1.5)	0.0	–8.3	(0.9)	0.7	8.0	b), d), f)	(29.1)
Profit for the year	**48.4**	**(0.4)**	**13.3**	**5.4**	**(0.0)**	**29.7**	**3.5**	**(2.5)**	**(26.3)**		**71.1**

Notes to the *Pro forma* statement of Profit or Loss

a) Adjustment related to reversal of operational lease expenses recognized in accordance with local GAAP totals MSEK +29.5 whereof Car Glass Ltd MSEK +0.4, RG Bilglas 1 AB MSEK +3.8, CrashPoint A/S MSEK +4.1, Skadevekk Holding AS MSEK +6.7, Autoklinik i Malmö AB MSEK +1.4 and Ralarsa Holding S.L MSEK +13.1.

b) Adjustment related to personnel cost from separate transaction identified in acquisition of Crashpoint A/S MSEK –0.8 and MSEK –0.2 identified in the acquisition of Autoklinik i Malmö AB.

c) Adjustment related to depreciation of right-of-use assets totals MSEK –27.9 where of Car Glass Ltd MSEK –0.4, RG Bilglas 1 AB MSEK –3.5, CrashPoint A/S MSEK –3.6, Skadevekk Holding AS MSEK –6.3, Autoklinik i Malmö AB MSEK –1.9 and Ralarsa Holding S.L. MSEK –12.2.

d) Adjustment related to amortization of customer relations totals MSEK –19.5 whereof Car Glass Ltd MSEK –0.1, RG Bilglas 1 AB MSEK –2, CrashPoint A/S MSEK –1.6, Skadevekk Holding AS MSEK –1, Autoklinik i Malmö AB MSEK –0.9 and Ralarsa Holding S.L MSEK –13.9. Tax effect related to the respective adjustment amounts to MSEK +0, MSEK +0.4, MSEK +0.3, MSEK +0.2, MSEK +0.4 and MSEK +3.5, in total MSEK 4.7.

e) Adjustment related to interest expense on lease liabilities totals MSEK –4.8 whereof Car Glass Ltd MSEK –0, RG Bilglas 1 AB MSEK –0.6, CrashPoint A/S MSEK –0.7, Skadevekk Holding AS MSEK –1, Autoklinik i Malmö AB MSEK –0.6 and Ralarsa Holding S.L MSEK 1.9.

f) Income tax effect from adjustment a, b and d related to adjustment for IFRS 16 totals MSEK +0.7 whereof Car Glass Ltd MSEK +0, RG Bilglas 1 AB MSEK +0.1, CrashPoint A/S MSEK 0, Skadevekk Holding AS MSEK +0.1, Autoklinik I Malmö AB MSEK +0.2 and Ralarsa Holding S.L MSEK +0.2. Income tax effect from interest expenses relating to the financing of Ralarsa amounts to MSEK +3.4.

Pro forma income statement regarding the period 1 january – 30 june 2021.

	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited		
Pro forma Statement of Profit or Loss	**Cary Group Holding AB (publ) Group**	**Crashpoint A/S**	**Skadevekk Holding AS**	**Ralarsa Holding S.L**	**Autoklinik i Malmö AB**				**Proforma Cary Group Holding AB (publ) Group**
SEK million									
Consolidated	**1 January 2021– 30 June 2021**	**1 January 2021– 30 June 2021**	**1 January 2021– 30 June 2021**	**1 January 2021– 30 June 2021**	**1 January 2021– 30 June 2021**	**Accounting principles Adjustment**	**Pro forma adjustments**	**Notes**	**1 January 2021– 30 June 2 021**
	IFRS	Danish GAAP	Norwegian GAAP	Spanish GAAP	Swedish GAAP	Effects from transition to IFRS			
Net revenue	1,032.2	7.0	14.7	148.2	18.2	–	–		1,220.3
Inventory expenses	(352.3)	(2.0)	(2.0)	(40.3)	(7.2)	–	–		(405.8)
Other external expenses	(145.6)	(1.4)	(3.7)	(36.1)	(2.2)	(9.8)	4.3	a)	(174.9)
Personnel expenses	(310.2)	(2.4)	(8.1)	(41.3)	(7.4)	–	(0.2)	b)	(369.7)
Depreciation, amortization and impairment of tangible and intangible assets	(75.7)	(0.1)	(0.6)	(0.6)	(0.2)	(9.4)	(7.7)	c–d)	(94.2)
Operating profit	**146.3**	**1.1**	**0.3**	**29.9**	**1.2**	**0.4**	**(3.6)**		
Financial income	16.5		0.0	3.5	0.2	–	–		20.2
Financial expenses	(69.4)	0.0	0.1	0.0	0.0	(1.6)	(6.7)	e)	(77.8)
Profit before tax	**93.4**	**1.1**	**0.2**	**33.3**	**1.4**	**(1.2)**	**(10.2)**		**118.0**
Income tax	(35.0)	(0.2)	0.0	(8.3)	(0.3)	0.3	3.5	b), d), f)	(40.1)
Profit for the year	**58.5**	**0.9**	**0.2**	**25.0**	**1.1**	**(0.9)**	**(6.7)**		**77.9**

Notes to the *Pro forma* statement of Profit or Loss

a) Adjustment related to reversal of operational lease expenses recognized in accordance with local GAAP totals MSEK +9.8 whereof CrashPoint A/S impact of two months MSEK +0.6, Skadevekk Holding AS impact of three months MSEK 1.9 and impact of six months relating to Autoklinik i Malmö AB MSEK +0.7 and Ralarsa Holding S.L MSEK +6.6.

b) Adjustment related to 2 months personnel cost from separate transaction identified in acquisition of Crashpoint A/S MSEK –0.1. Adjustment also related to six months personnel cost from separate transaction identified in the acquisition of Autoklinik i Malmö AB MSEK –0.1.

c) Adjustment related to depreciation of right-of-use assets totals MSEK –9.4 whereof CrashPoint A/S impact of two months MSEK –0.5, Skadevekk Holding AS impact of three months MSEK –1.8 and impact of six months relating to Autoklinik i Malmö AB MSEK –1 and Ralarsa Holding S.L. MSEK –6.1.

d) Adjustment related to amortization of customer relations totals MSEK –7.7 whereof CrashPoint A/S impact of two months MSEK –0.1, Skadevekk Holding AS impact of three months MSEK –0.3 and impact of six months relating to Autoklinik i Malmö AB MSEK –0.5 and Ralarsa Holding S.L MSEK –6.7. Tax effect related to the respective adjustment amounts to MSEK +0, MSEK +0.1, MSEK +0.1 and MSEK +1.7, in total MSEK 1.9.

e) Adjustment related to interest expense on lease liabilities totals MSEK –1.6 whereof CrashPoint A/S impact of two months MSEK –0.1, Skadevekk Holding AS impact of three months MSEK –0.3 and impact of six months relating to Autoklinik i Malmö AB MSEK –0.3 and Ralarsa Holding S.L MSEK –0.9.

f) Income tax effect from adjustment a, b and d related to adjustment for IFRS 16 totals MSEK +0.3 whereof CrashPoint A/S MSEK impact of two months MSEK +0, Skadevekk Holding AS impact of three months MSEK +0.1 and impact of six months relating to Autoklinik i Malmö AB MSEK +0.1 and Ralarsa Holding S.L MSEK +0.1. Income tax effect from interest expenses relating to the financing of Ralarsa amounts to MSEK +1.6.

Pro forma statement of financial position as of 30 june 2021

The consolidated *pro forma* statement of financial position has been prepared as if the acquisition of Ralarsa S.L and Autoklinik i Malmö AB had been completed on 30 June 2021.

	unaudited	unaudited	unaudited	unaudited	unaudited		
Pro forma Statement of Profit or Loss	**Cary Group Holding AB (publ)**	**Ralarsa Holding S.L**	**Autoklinik i Malmö AB**				**Proforma Cary Group Holding AB (publ)**
SEK million							
Consolidated	**30 June 2021**	**30 June 2021**	**30 June 2021**	**Accounting principles Adjustment**	**Pro forma adjustments**	**Notes**	**1 January 2021–30 June 2021**
	IFRS	Spanish GAAP	Swedish GAAP	Effects from transition to IFRS			
ASSETS							
Non-current assets							
Goodwill	1,805.5	–	–		94.6	a)	1,900.1
Intangible assets	108.4	5.7	–	–	221.9	a)	336.0
Tangible assets	80.1	5.5	1.9	–	–		87.4
Right-of-use assets	339.5	–	–	99.5	–	b)	439.0
Deferred tax receivables	2.6	0.2	–				3.0
Financial assets at amortization cost	–	2.8	–	–	–		2.8
Total non-current assets	**2,336.2**	**14.2**	**1.9**	**99.5**	**316.5**		**2,768.4**
Current assets							
Inventories	58.6	30.6	1.2	–	–		90.4
Accounts receivable	227.2	94.9	3.2	–	–		325.3
Current tax assets	–	–	–	–	–		–
Other receivables	27.6	1.8	0.0	–	–		29.4
Prepaid expenses and accrues income	46.9	1.2	0.7	(1.7)	–	b)	47.0
Cash and cash equivalents	191.5	98.5	7.0	–	(28.49)	c)	268.5
Total current assets	**551.7**	**227.0**	**12.1**	**(1.7)**	**(28.4)**		**760.6**
TOTAL ASSETS	**2,887.9**	**241.2**	**14.0**	**97.8**	**288.1**		**3,529.0**

Notes to the *Pro forma* statement of financial position

a) According to the preliminary acquisition analysis, the "Fair value" of acquired identifiable intangible assets relating to Ralarsa Holding S.L as of 30 June 2021 amounts to MSEK 210.6. The value has been compared with the reported intangible assets from Ralarsa Holding SA which is MSEK 5.7 and the difference is presented in the *pro forma* balance sheet as Intangible assets of MSEK +204.8. Goodwill according to a preliminary acquisition analysis amounts to MSEK 63.6. Deferred tax liabilities related to identifiable intangible assets amount to 51.2 MSEK. Elimination of acquired equity has been adjusted for in total of MSEK –154.3 in accordance with the preliminary acquisition analysis.
According to the preliminary acquisition analysis, the "Fair value" of acquired identifiable intangible assets relating to Autoklinik i Malmö AB as of 30 June 2021 amounts to MSEK 17.1. The value has been compared with the reported intangible assets from Autoklinik i Malmö AB which is MSEK 0 and the difference is presented in the *pro forma* balance sheet as Intangible assets of MSEK +17.1. Goodwill according to a preliminary acquisition analysis amounts to MSEK 22.7. Deferred tax liabilities related to identifiable intangible assets amount to MSEK 3.5. Elimination of acquired equity has been adjusted for in total of MSEK –6.9 in accordance with the preliminary acquisition analysis.

b) Lease liabilities are reported as of 30 June 2021 of MSEK 97.8, which corresponds to the present value of future lease payments, whereof Autoklinik i Malmö AB MSEK 13.1 and Ralarsa Holding SL MSEK 84.7. The amount has been classified between non-current and current liabilities based on lease payments due within the following 12 months. Right-of-use assets are reported as of 30 June 2021 of MSEK 97.8, which corresponds to the lease liabilities adjusted for prepaid lease payments of MSEK 1.7 whereof Autoklinik i Malmö AB MSEK 0.6 and Ralarsa Holding SL MSEK 1.1.

c) The acquisition of Autoklinik i Malmö AB has been financed by using cash of in total MSEK 39.6, which has been adjusted to cash and cash equivalents. Other long-term debt is reported at MSEK 3.5 and refers to the present value of the additional part of the purchase price for Autoklinik i Malmö AB that is conditional on future employment for the seller and will vest over a five-year period. Adjustment regarding the acquisition purchase price for Ralarsa Holding SL, which amounted to MSEK 371.5 and has been financed by external borrowing. Cary has raised an additional loan amount of MSEK 11.2 in connection with the acquisition, the amount has been adjusted against cash and cash equivalents.

Pro forma statement of financial position as of 30 june 2021, *cont.*

	unaudited	unaudited	unaudited	unaudited	unaudited		
Pro forma Statement of Profit or Loss	**Cary Group Holding AB (publ)**	**Ralarsa Holding S.L**	**Autoklinik i Malmö AB**				**Proforma Cary Group Holding AB (publ)**
SEK million							
Consolidated	**30 June 2021**	**30 June 2021**	**30 June 2021**	**Accounting principles Adjustment**	**Pro forma adjustments**	**Notes**	**1 January 2021–30 June 2021**
	IFRS	Spanish GAAP	Swedish GAAP	Effects from transition to IFRS			
Equity and liabilities							
Shareholder equity							
Share capital	0.1	0.5	0.1	–	–0.6		0.1
Offer paid in capital	208.8	1.3	0.0	–	–1.3		208.8
Translation reserves	3.6	–	–	–	–		3.6
Retained earnings (including profit for the year)	(254.8)	144.2	6.7	–	(150.9)	a)	(260.7)
Total equity attributable to owners of the company	**(48.2)**	**146.0**	**6.9**	**–**	**(152.8)**		**(48.2)**
Non-controlling liabilities	8.1	–	–				8.1
Total equity	**(40.1)**	**146.0**	**6.9**	**–**	**(152.8)**		**(40.1)**
Non-current liabilities							
Borrowings	1,662.4	–	–	–	382.7	c)	2,045.0
Lease liabilities	242.9	–	–	84.7	–	b)	327.5
Deferred tax liabilities	51.0	–	1.3	–	54.7	a)	107.0
Provisions	–	0.2	–				0.2
Shareholder loan	449.5	–	–	–	–		449.5
Other long-term liabilities					3.5	c)	3.5
Total non-current liabilities	**2,405.7**	**0.2**	**1.3**	**84.7**	**440.9**		**2,932.8**
Current liabilities							
Accounts payable	165.3	58.3	1.3	–	–		224.9
Current tax liabilities	36.3	8.3	–	–	–		44.6
Lease liabilities	96.6	0.3	–	13.1	–	b)	110.0
Other liabilities	82.8	16.6	2.6	–	–		102.0
Accrues expenses and deferred income	141.3	10.5	2.0	–	–		153.7
Provisions	–	1.1	–				1.1
Total Current liabilities	**522.3**	**95.0**	**5.9**	**13.1**	**–**		**636.3**
Total liabilities	**2,928.0**	**95.2**	**7.1**	**97.8**	**440.9**		**3,569.0**
Total equity and liabilities	**2,887.9**	**241.2**	**14.0**	**97.8**	**279.7**		**3,529.0**

Notes to the *Pro forma* statement of financial position

a) According to the preliminary acquisition analysis, the "Fair value" of acquired identifiable intangible assets relating to Ralarsa Holding S.L as of 30 June 2021 amounts to MSEK 210.6. The value has been compared with the reported intangible assets from Ralarsa Holding SA which is MSEK 5.7 and the difference is presented in the *pro forma* balance sheet as Intangible assets of MSEK +204.8. Goodwill according to a preliminary acquisition analysis amounts to MSEK 63.6. Deferred tax liabilities related to identifiable intangible assets amount to 51.2 MSEK. Elimination of acquired equity has been adjusted for in total of MSEK –154.3 in accordance with the preliminary acquisition analysis.
According to the preliminary acquisition analysis, the "Fair value" of acquired identifiable intangible assets relating to Autoklinik i Malmö AB as of 30 June 2021 amounts to MSEK 17.1. The value has been compared with the reported intangible assets from Autoklinik i Malmö AB which is MSEK 0 and the difference is presented in the *pro forma* balance sheet as Intangible assets of MSEK +17.1. Goodwill according to a preliminary acquisition analysis amounts to MSEK 22.7. Deferred tax liabilities related to identifiable intangible assets amount to MSEK 3.5. Elimination of acquired equity has been adjusted for in total of MSEK –6.9 in accordance with the preliminary acquisition analysis.

b) Lease liabilities are reported as of 30 June 2021 of MSEK 97.8, which corresponds to the present value of future lease payments, whereof Autoklinik i Malmö AB MSEK 13.1 and Ralarsa Holding SL MSEK 84.7. The amount has been classified between non-current and current liabilities based on lease payments due within the following 12 months. Right-of-use assets are reported as of 30 June 2021 of MSEK 97.8, which corresponds to the lease liabilities adjusted for prepaid lease payments of MSEK 1.7 whereof Autoklinik i Malmö AB MSEK 0.6 and Ralarsa Holding SL MSEK 1.1.

c) The acquisition of Autoklinik i Malmö AB has been financed by using cash of in total MSEK 39.6, which has been adjusted to cash and cash equivalents. Other long-term debt is reported at MSEK 3.5 and refers to the present value of the additional part of the purchase price for Autoklinik i Malmö AB that is conditional on future employment for the seller and will vest over a five-year period. Adjustment regarding the acquisition purchase price for Ralarsa Holding SL, which amounted to MSEK 371.5 and has been financed by external borrowing. Cary Group has raised an additional loan amount of MSEK 11.2 in connection with the acquisition, the amount has been adjusted against cash and cash equivalents.

Pro forma EBITDA, *Pro Forma* EBITA, *Pro Forma* operating profit (EBIT)[1)]

MSEK	1 January - 30 June 2021	1 January - 31 December 2020
***Pro forma* EBITDA**	**269,9**	**440,1**
Depreciation	(68,9)	(133,3)
***Pro forma* EBITA**	**201,0**	**306,8**
=		
Amortization	(25,4)	(48,0)
***Pro forma* Operating income (EBIT)**	**175,6**	**258,8**

1) EBITDA, EBITA and Operating profit (EBIT) is defined in *"Selected historical financial information – Definitions of alternative performance measures"*.

Pro Forma adjusted EBITDA, *Pro Forma* adjusted EBITA, *Pro Forma* adjusted operating profit (EBIT) [1)]

MSEK	1 January – 30 June 2021	1 January – 31 December 2020
***Pro forma* Adjusted EBITDA**	**281,2**	**447,7**
Depreciation	(68,9)	(133,3)
***Pro forma* Adjusted EBITA**	**212,3**	**314,4**
Amortization	(25,4)	(48,0)
Jämförelsestörande poster	(11,3)	(7,6)
***Pro forma* Operating income (EBIT)**	**175,6**	**258,8**

1) Adjusted EBITDA, Adjusted EBITA and Adjusted Operating profit (EBIT) is defined in *"Selected historical financial information – Definitions of alternative performance measures"*.

Independent auditor's assurance report on the compilation of *pro forma* financial information included in an offering memorandum

To the Board of Directors of Cary Group Holding AB (publ), corporate identity number 559040-9388

Report on the compilation of *pro forma* financial information included in an offering memorandum

We have completed our assurance engagement to report on the compilation of pro forma financial information of Cary Group Holding 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 103–106 of the Offering Memorandum 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 98–102.

The pro forma financial information has been compiled by the Board of Directors to illustrate the impact of the acquisition of Carglass Ltd, RG Bilglas 1 AB, Crashpoint A/S, Skadevekk Holding AS, Autoklinik i Malmö AB and Ralarsa Holding S.L as set out on pages 98–102 of the Offering Memorandum 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. In addition, financial information has been extracted by the Board of Directors from Carglass Ltd, RG Bilglas 1 AB, Crashpoint A/S, Skadevekk Holding AS, Autoklinik i Malmö AB and Ralarsa Holding S.L´s financial statements for the period 1 January – 31 December 2020 and 1 January – 30 June 2021, on which no auditor's report or 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 an Offering Memorandum, 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 an Offering Memorandum 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 acquisition 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 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 98–102 and these bases are consistent with the accounting policies applied by the company.

Stockholm, 14 September 2021

Ernst & Young AB

Stefan Andersson Berglund

Operating and financial review

The following operation and financial review should be read together with the unaudited interim consolidated financial statement as of and for the six months ended 30 June 2021, audited consolidated financial statements as of for the year ended 31 December 2020 prepared in accordance with IFRS (including comparative financial information as of and for the year ended 31 December 2019) and audited consolidated financial statements for Cary Group as of and for the year ended 31 December 2018 prepared in accordance with Swedish GAAP, as well as the information relating to the business of Cary Group, included elsewhere in this Offering Memorandum. See also *"Important information – Presentation of financial and other information"* and *"Pro forma"* for information on the impact of acquisitions on Cary Group's results of operations for the six months ended 30 June 2021 and for the year ended 31 December 2020. The following section contains forward-looking statements that reflect the current view of Cary Group's Group Management and involve inherent risks and uncertainties. Cary Group's actual results of operations or financial condition could differ significantly from the results discussed in forward-looking statements as a result of many factors discussed below and elsewhere in this Offering Memorandum, particularly in *"Risk factors."*

Overview

Cary Group is a leading[1] vehicle glass repair and replacement provider that prolongs the life cycle of vehicles and maintains the safety features. The Company provides services at convenient locations, with high quality, superior customer experience[2] and smart solutions to make sustainable car care easier.

The Company was founded as a part of Ryds Glas in 1947. The Company became a separate entity under the name Ryds Bilglas in 2011 and was renamed Cary Group in 2020. Today, Cary Group consists of local brands throughout their markets in the Nordic region and Europe. The Company operates its own workshops as well as through franchises. In the Company's largest market, Sweden, the Company operates through the brands Ryds Bilglas, Svenska Bussglas and Autoklinik and is the clear market leader, with a market share of circa 36 percent, which makes the Company approximately three times larger than the second largest player. The Company is the third largest player in Norway, where the Company operates under the brands Cary and Quick Car Fix. In Denmark, the Company is also the third largest player, operating under the brands Ryds Bilglas Denmark and Crashpoint, the latter one being Denmark's largest auto body shop centre. In the rest of Europe, the Company's local brands are Mobile Windscreens, a member of the National Windscreens consortium, which is the consumer facing brand in the UK, and Ralarsa and Reparabrisas in Spain. In these markets the Company holds the market position number

1) Based on total market share, Cary Group holds top 1–3 positions in all of the Company's current markets according to the Market Study.
2) Based on the Company's NPS of 86 in March 2021, based on the UK and Sweden weighted in relation to revenue.

two.[1] In total, Cary Group has over 523[2] workshops, whereof 197[3] franchises, and 397[4] mobile units spread across Scandinavia, the UK and Spain.[5] The Company has a national reach in all of its markets,[6] offering close proximity to its end customers. The Company has a decentralised business model, emphasising the entrepreneurial culture in the workshops. The local workshops managers are the heroes of the Company and are supported by centralised group functions to ensure that they have the necessary tools to provide high quality services in an efficient manner. As per 30 June 2021, the Company had 1,404 FTEs.[7]

Cary Group is a problem solver for both insurance providers and end customers. Thanks to its efficient operations, geographical availability, excellent ratings in quality and customer satisfaction,[8] Cary Group has grown to become the go-to choice for over 136 insurance providers across its markets. The Company is a preferred partner concerning repair and replacement of car windshields for 24[9] insurance providers and handles customer service on behalf of 26 insurance providers and 5 leasing companies.[10] During 2020, approximately one third of Cary Group's end customers were acquired via reference from partnering insurance companies. The remaining two-thirds contacted Cary Group directly. Around 77 percent[11] of Cary Group's jobs are covered by customers' insurance, regardless of how they came in contact with the Company.

The Company has a clear ESG focus and helps its customer to make sustainable car care choices through convenient locations, high quality products and smart solutions. Cary Group strives to always repair when possible instead of replacing the windshield, which has led to a high repair rate of 41 percent in Sweden in 2020, compared to the market average of 34 percent.[12] When a windshield cannot be repaired and needs to be replaced, Cary Group uses recycled glass both up- and downstream with 90 percent of discarded windshields being recycled, and subsequently used, primarily as construction materials.[13]

Cary Group's reported revenue amounted to SEK 1.7 billion in 2020,[14] *pro forma* revenue amounted to SEK 2.1 billion.[15] In recent years, the Company has undergone an expansion with accelerated growth, with a revenue CAGR[16] of 33 percent between the financial years ended on 31 December 2017 and 2020.[17] The corresponding CAGR for 2017 to 2019, excluding the COVID-19 effect[18] (by removing 2020), was 53 percent.[19] The Company's growth is attributed to structural underlying market drivers, such as increasing kilometres travelled from an expanding car fleet, larger glass surface area, thinner and more complex glass, increasing calibration rate, as well as yearly glass price increases.[20] It is also attributed to an underlying like-for-like growth in Cary Group's workshops and a continued densification of the Company's footprint trough greenfield expansion, which have fuelled the Company's organic growth, together with value creating acquisitions. The organic growth amounted to a CAGR of 6 percent from 2017 to 2020, compared to 16 percent 2017 to 2019.[21]

Cary Group has a strong compounding track record, and with its active M&A strategy the Company has been able to successfully complement its strong organic growth through value creating, strategic platform and add-on acquisitions across all markets. In addition, as an alternative to greenfield, the Company can also acquire independent workshops.

Whilst most markets are local in terms of competitive landscape, the car glass repair and replacement market is homogenous across Europe, see *"Industry overview – Overall market size and growth"*, enabling Cary Group to utilise its proven business model in new markets. As the clear market leader in Sweden, one of the most mature markets in Europe,[22] Cary Group believes that it is well positioned to successfully enter new markets in a competitive manner. Historically, this approach has been proven by the achievement of margin uplifts in acquired workshops. The Company's strategy is to continue its compounding journey, and currently has hundreds of targets identified and several dialogues currently ongoing,

1) Based on data from the Market Study. In the UK, Cary Group holds the second market position through the National Windscreens consortium, of which Mobile Windscreens as of 2020 constitutes the majority based on revenue.
2) Excluding partners.
3) Whereof 155 in Spain, 27 in Norway, 9 in Sweden and 6 in Denmark.
4) Whereof 297 in the UK, 85 in Spain and 15 in Denmark. Excluding partners.
5) Including Ralarsa and Autoklinik.
6) In the UK, national reach is achieved through the partnership with the National Windscreens consortium.
7) Including Ralarsa and Autoklinik.
8) NPS of 86 in March 2021, based on the UK and Sweden weighted by revenue. In Sweden the NPS was 89.
9) Based on 20 in Sweden and 4 in Norway.
10) Leasing companies only based on Sweden.
11) Based on information from the Company and refers to 2020.
12) The Market Study.
13) Does not include Ralarsa.
14) Based on audited consolidated financial statements.
15) *Pro forma* based on audited financials from Cary Group Holding AB (publ) Group and unaudited financials from Car Glass Ltd, RG Bilglas 1 AB, Crashpoint A/S, Skadevekk Holding AS, Ralarsa Holding S.L and Autoklinik i Malmö AB.
16) Compound annual growth rate presented in percentages during a certain period. The formula to calculate CAGR is: ((End *value/Start value*) ^ (1/number of years between end value and start value)–1).
17) Based on audited consolidated financial statements.
18) COVID-19 effect is eliminated as it was considered a pandemic by the World Health Organization in March 2020 and had limited effect on the economy prior to that.
19) Based on audited consolidated financial statements.
20) For more information see *"Industry overview – Key vehicle glass repair and replacement growth trends"*.
21) Based on unaudited consolidated financial statements and management accounts. For the definition of organic growth see *"Selected historical financial information – Definitions of alternative performance measures"*.
22) See *"Industry section – Overall market size and growth"* for more information.

in both current markets and new ones. The most recent, larger acquisition of Ralarsa in Spain as of 29 July 2021 is a good addition to the Company, which will add an extra EUR 51 million in revenue, including franchise, and clearly signals the Company's ambition of further international expansion. Revenue attributable to Ralarsa excluding franchise correspond to EUR 25 million.[1)]

Segment reporting

Cary Group reports its results of operations using geographic segments the Nordics (Sweden, Norway and Denmark) and the Rest of Europe (the UK and Spain), and its central operations not allocated to the geographic segments are reported under Group functions. The following table sets for Cary Group's revenue and adjusted EBITDA and EBITA by segment for the periods indicated:

MSEK	Nordics	Rest of Europe	Group functions*	Total
2020				
Repair services	1,065,635	586,030	–	1,651,665
Franchise	2,254	–	–	2,254
Inter-segment revenue	–	(3,145)	–	(3,145)
Total segment revenue	**1,067,889**	**582,885**	**–**	**1,650,774**
Adjusted EBITDA	320,336	65,944	(38,679)	347,601
Depreciation	(78,110)	(22,169)	(377)	(100,656)
Adjusted EBITA	242,226	43,775	(39,056)	246,945
2019				
Repair services	1,099,260	529,229	–	1,628,489
Franchise	2,564	–	–	2,564
Inter-segment revenue	–	(3,409)	–	(3,409)
Total segment revenue	**1,101,824**	**525,820**	**–**	**1,627,644**
Adjusted EBITDA	287,006	44,707	–	331,713
Amortisations	(67,132)	(20,033)	–	(87,165)
Adjusted EBITA	219,863	24,674	–	244,548
2018				
Repair services	–	–	–	–
Franchise	–	–	–	–
Inter-segment revenue	–	–	–	–
Total segment revenue	**913,006**	**158,563**	**–**	**1,071,569**
Adjusted EBITDA	184,075	(678)	–	183,397
Depreciation	15,259	3,275	–	18,534
Adjusted EBITA	199,334	2,596	–	201,931

* Group functions: effects of IFRS 16 Leases are not allocated to the segments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group.

Key factors affecting Cary Group's results of operations

Cary Group's results have been affected, and can be expected to continue to be affected, by a number of factors, some of which are beyond Cary Group's control. Presented below is a description of certain key factors that Cary Group believes have affected its results of operations during the financial periods under review and which can be expected to continue to affect Cary Group's results in the future:

- general trends, competitive situation and drivers within the vehicle glass repair and replacement industry;
- customers;
- operating expenses and operational efficiency;
- expansion; and
- currency fluctuations.

1) Information from the Company.

As some of these factors are beyond Cary Group's control and some of them have previously been sensitive to changes, it is difficult to forecast the Group's future results of operations, and the Group's historical results may not necessarily provide any indication on its future results.

General trends, competitive situation and drivers within the vehicle glass repair and replacement industry

Cary Group operates in the Swedish, Norwegian, Danish, Spanish and the UK vehicle glass repair and replacement markets. Cary Group's reporting segments, the Nordics, Rest of Europe, accounted for 64.7 percent, and 35.3 percent, respectively, of Cary Group's total revenue in 2020. Cary Group is the clear market leader in Sweden, with number two or three positions in Norway, Denmark and the UK, and with its established plug and play solution, plans to expand to additional European markets. Vehicle glass repair and replacement is comprised of three core services: repair, replacement and calibration, all of which are offered by Cary Group. In addition to its core vehicle glass repair and replacement services, Cary Group also provides a range of ancillary services including the sale and installation of windshield wipers and windshield wash fluid. As part of its vehicle glass repair and replacement services, Cary Group offers administrative support in booking appointments and invoicing administration for automotive insurance providers. See *"Industry overview – Overall market size and growth"* for information about the size of Cary Group's addressable markets, market growth and other market data.

The car care, and specifically the vehicle glass repair and replacement, market is competitive and fragmented. A recent market trend has been that larger auto glass repair and replacement specialist companies, such as Cary Group, have been able to seize market share at the expense of smaller, local companies, particularly as a result of the benefits of scale in a sizable operation. On a branch level, Cary Group's competitors mainly comprise smaller, local vehicle glass repair and replacement businesses that are often family-owned, as well as the OEMs, vehicle damage repair specialists and car dealers. For a more detailed description of Cary Group's competitors, see *"Industry overview – Competitive landscape"*.

Drivers of vehicle glass repairs and replacements

11.3.1.1.1 Volume

Cary Group's results of operations are largely driven by the volume of vehicle glass repairs and replacements that it performs. A key driver for the volume of vehicle glass repair and replacement is the number of vehicle miles driven. More vehicle miles driven, the higher likelihood of a damaged windshield which, in turn, results in higher demand for vehicle glass repair and replacement. Factors that may affect the volume of vehicle glass repairs and replacements, include:

- **Vehicle miles driven:** Vehicle miles driven is a function of the total vehicle fleet and the average mileage driven per vehicle. The total distance travelled is growing across all countries driven by a slightly growing vehicle fleet and overall stable development of average kilometres per vehicle. The total number of light vehicles has grown steadily at CAGR of 1.9% over 2015 to 2019 across Cary Group's geographic markets and is driven by the net of new vehicle registrations and old vehicle scrappage rates. In addition, expected total distances driven is expected to increase, as a result of rising transportation as a service offerings. Increase in vehicle registrations, and also average miles driven, is affected by, for example, the general economic conditions, cost of driving (including fuel costs), travel patterns, the use of ride sharing services, and incentives for public transportation.
- **Incident level:** Demand for vehicle glass repair and replacement in Cary Group's markets, especially in in the Nordics, is generally higher in the winter as there is an increase in materials that can potentially damage vehicle glass, such as salt, gravel and other materials used to increase traction as well as metal studs that have detached from snow tires, on the roads. More severe winters generally have a positive impact on Cary Group's results of operations whereas milder winters, with less ice on the roads, generally have a negative impact. Weather conditions may also affect Cary Group's sales between quarters, resulting in some level of seasonality. In addition, the quality of roads, such as ongoing construction and maintenance, or road infrastructure in poor conditions, also contributes to potential damage to vehicle glass. Consequently, greater road construction and areas with poor quality road infrastructure increase the rate of incidents, such as damage and cracks to vehicle glass, which would require repair and replacement services.
- **Vehicle and glass technology:** Vehicle glass for newer, technologically more advanced vehicles is generally less durable than those of older vehicles. In addition, newer vehicles tend to have larger glass sections than older vehicles and the glass is often thinner. Consequently, Cary Group believes that newer vehicles in operation are likely to increase the likelihood of damaged windshields.

- **COVID–19:** The COVID-19 pandemic has had from the outbreak of the pandemic in 2020, and continues to have, a negative impact on vehicle miles driven due to restrictions such as lockdowns and quarantines, the increase in employees working from home and overall decrease in personal and professional use of vehicles. Strict lockdown and COVID-19 measures, such as those imposed in the UK and Norway, had a negative impact on Cary Group's operation, as it prevented people from driving in their normal daily patterns. In addition, the COVID-19 pandemic restrictions have resulted in some vehicle owners delaying car care services, such as vehicle glass repair and replacement. As a consequence, COVID-19 has had an overall negative impact on the overall volume of repairs and replacements in the market. However, Cary Group also believes that some of these impacts have been mitigated by increases in domestic travel, such as road trips and RV vacations, due to heightened international travel and flight limitations, which set off some of the negative impacts of COVID-19.

In addition to these market-related factors, Cary Group's revenue is driven by the number of workshops and how well Cary Group is able to utilize the capacity available in its workshops. As of 30 June 2021, Cary Group has 523 workshops and 397 mobile units. As of 30 June 2021, Cary Group had 148 workshops in Sweden, 67 workshops in Norway, 17 workshops in Denmark and 50 workshops (108 workshops, including the entire consortium) in the UK.

During the financial years ended on 31 December 2018 to 2020, Cary Group focused on growing and strengthening its operations in Norway, Sweden and Denmark, including by opening new workshops in these markets as well as acquiring chains or individual workshops – for further information see *"– Expansion"* below. Cary Group's operations in the UK differ from those of its other markets as it is operating as part of the National Windscreens consortium. The National Windscreen consortium has national customers, primarily in the form of insurance customers, and individual consortium members can also have their own customers. In addition, despite the geographic operating restriction within the consortium in the UK, Cary Group has the ability to contract out work, whereby one of its customers requests a service in another consortium member's geography, the other consortium member performs the service but pays a fee to Cary Group.

Having a strong geographic footprint is important as it is often a prerequisite for becoming a preferred provider for insurance companies, as discussed under *"– Customers – Cary Group's relationship with insurance companies"* below. Cary Group's growth strategy includes increasing its density in its existing markets including through opening new workshops. Part of Cary Group's business model is to be close to the end customers, hence the number of workshops is far more compared to competitors, specifically in Sweden.

Cary Group's operations are generally performed at its workshops, however, in the UK and to a lesser extent in Denmark, the Group also provides mobile services, whereby its technicians go to the customer's location to perform the relevant repair or replacement service. For repairs, the typical turnaround time is 30 minutes. For windshield replacements, customers typically drops off their cars in the morning and pick them up in the afternoon. The number of windshield replacements that a workshop can perform is limited by the availability of parking. Cary Group provides windshield replacement customers with a loaner courtesy car or bicycle, depending on the market, while their vehicle glass is being replaced, Cary Group's inventory of loaner courtesy cars and bicycles can also limit the number of windshield replacements that can be performed. Due to the nature of the business and the way Cary Group operates, there is significant operational leverage in the workshops, and the Company works in a structured way to drive margins and to maintain local entrepreneurship. In order to do so, the Company strives to empower the workshop managers to take responsibility for their own local workshops, managing local customer relationships, personnel, and income statement. Cary Group also tracks jobs per workshop on a daily basis and individual workshop profitability on a monthly basis (indicating strong workshop utilization), and takes actions based on any underperformance on those metrics (for example, working to reinforce best practices).

Pricing

Cary Group's results of operations are also driven by the pricing and average revenue generation of the vehicle glass repairs and replacements that it performs. Revenue per average job is impacted by the mix effects between repair and replacement services, and pricing is impacted by the mix within car fleet.

Repair vs. Replacement

Cary Group's two main services are vehicle glass repair and vehicle glass replacement. In addition, it has a specialist bus glass business in Sweden and it offers general vehicle repair services in Denmark and Norway.

Whether vehicle glass is repaired or replaced depends the application of industry standards, which primarily turns on the extent of the damage to the vehicle glass. Vehicle glass can only be repaired a maximum of three times before requiring replacement, and the decision is made by the technician or workshop manager. Vehicle glass replacement is significantly more expensive than vehicle glass repair due to the cost of materials. Accordingly, a higher proportion of vehicle glass replacements positively affects Cary Group's results of operations, and vice versa. However, repair services have a higher gross margin than replacement services, due to the lack of raw materials used in the price (i.e., there is no need for additional glass to be used). Furthermore, pursuant to the Group's dedication to sustainability, that repair services offer a reduced climate impact, due to the lack of resources required to perform such a service, and Cary Group has a 30 percent repair rate as compared to an overall market average of 26 percent. This helps to save costs for both insurance companies and end-customers, making Cary Group's services more attractive than competitors to insurance companies, in additional to being a more sustainable approach to the vehicle glass repair and replacement services.

The cost of materials for vehicle glass repair is minimal, and the service can be performed by a technician in approximately 30 minutes. Annual price increases in vehicle glass from suppliers are, in turn, generally passed on to the customer in the cost of services. The glass used in vehicle glass replacement costs on average 80.8 percent of the price of the service; however, the time required for a technician to perform the replacement is between 60 and 90 minutes. While a vehicle glass repair is more profitable for Cary Group than a vehicle glass replacement, a vehicle glass replacement makes a more significant contribution to Cary Group's gross profit due to the significantly higher price.

Car fleet

Cary Group's pricing also depends on the vehicles which it services. Vehicle glass replacements for newer, technologically more advanced vehicles are generally priced at a higher level than those of older, less technologically advanced vehicles (due to the higher cost of glass typical for newer vehicles, and the need for calibration if ADAS is equipped). Newer vehicles tend to have vehicle glass mounted technological functions such as ADAS. Newer vehicles require additional technical know-how and expertise to repair and replace their glass. For vehicles equipped with ADAS, Cary Group must perform an ADAS calibration after replacing any glass in the vehicle. This makes the know-how and ability to conduct calibrations a central requirement for insurance providers when choosing the partnering service providers. In 2020, 27.0 percent of the vehicles within the Company's operating markets required calibration, compared to 16.0 percent in 2018. Calibration services, coupled with vehicle glass replacement, increase gross margin as there is limited fixed cost in performing the service, and essentially require two services to be performed (vehicle glass replacement and calibration) for each replacement on an ADAS equipped vehicle, thus also increasing workshop productivity and technician utilization.

Customers

Solutions provider to both insurance companies and customers

Cary Group provides its services to individual customers, business customers (such as taxi companies, rental car companies, or larger corporate businesses), leasing companies (collectively, **"end customers"**), and insurance companies. For all end customers, the insurance companies typically cover (for 77 percent of Cary Group's services) and pay for the majority of the price of Cary Group's services.

Approximately two-thirds of individual customers typically contact Cary Group directly. With respect to end customers, Cary Group's operations provide convenience and proximity through local workshops, simplicity through quick repairs and replacements with easy administration, perceived safety and quality through Cary Group's brand awareness, professionalism through its trained, experienced and qualified technicians and employees, and sustainable focus through its climate-conscious offering. Approximately one-third of end customers are referred to Cary Group by insurance providers. With respect to insurance companies, Cary Group's operations provide a national footprint through its broad base of branches, high customer satisfaction, uniform high-quality expertise across all of Cary Group's workshops, smooth, outsourced claims handling processes and invoicing, and a partner in ESG with a sustainability focus.

Cary Group provides its partnering insurance customers with convenient solutions to the large number of claims related to car glass damages. For example, Cary Group handles customer support for insurance companies and a number of leasing companies. The Group handles customer support for numerous partnering insurance providers and leasing companies in Sweden, Norway, Denmark, the UK (though, customer support in the UK is handled through the broader consortium) and Spain.

Cary Group's relationships with insurance companies

Due to the nature of the vehicle glass repair and replacement industry, Cary Group derives a significant portion of its revenue from insurance companies. For the financial year ended 31 December 2020, Cary Group's top 10 customers, collectively, accounted for approximately 70 percent of its revenue, nine of which were insurance companies. Damage to, and the replacement or repair of, vehicle glass is typically (approximately 90 percent of job assignments) an incident covered by car, or other, insurance, apart from the initial deductible paid by the individual at the time of service. While individual vehicle owners may choose the vehicle glass repair and replacement provider, it is most often the end customer's insurance provider that pays for the majority of service. Approximately one third of job assignments are sourced from insurance companies through directed referrals, and two-thirds derive from individuals choosing Cary Group with or without insurance company input. To that end the Group has longstanding partnerships with insurance companies, as they provide an important source of revenue. In general, the vehicle owner pays one-third of the cost and the insurance company pays two-thirds for replacements; the proportional amount paid by the insurance company is even greater for repairs. Consequently, Cary Group is reliant on insurance providers for a significant amount of revenue from its services provided to end customers.

Cary Group has long and strong relationships with multiple insurance providers and leasing companies in all markets where the Company is active. In Sweden, Norway and Denmark, insurance companies generally select two preferred vehicle glass repair and replacement providers based on factors such as geographic footprint, service offering and customer service. Insurance companies generally enter into multi-year contracts, using their own standard contract form, with preferred vehicle glass repair and replacement providers in order to better negotiate terms at scale. Insurance companies will recommend the preferred providers based on terms within the agreement, which vary between insurance company forms, to customers making a claim for vehicle glass repair or replacement, although the customer is free to choose any provider. Cary Group is a preferred vehicle glass repair and replacement provider for all insurance companies in Sweden, its largest market. Cary Group is currently preferred partner for 24 insurance companies, of which 20 in Sweden and 4 in Norway.

Insurance companies typically use their own forms for contracts with preferred vehicle glass repair and replacement service providers. As such the terms of the contracts vary between insurance companies, for example, some recommend only the top preferred provider while others recommend either preferred provider based on end customer proximity. There may also be terms within the contracts dictating a level of service quality (such as, mandating a loan car to end customers) or certain ESG provisions.

Business with insurance companies also affects Cary Group's cash flows. For vehicle glass repairs and replacements that are covered by insurance, for replacement services the vehicle owner pays approximately 40 percent of the price to Cary Group as the deductible at the time of the service, and the insurance company pays the remaining approximate 60 percent. Corporate customers often have a higher upfront deductible. The percentage paid by insurance companies is even higher for repair services. Typically, insurance companies pay within 30 to 45 days. In the UK, Cary Group invoices the national customers through its consortium (which handles invoicing and insurance customer relationships directly at the consortium level), which also adds to time delays.

Operational efficiency and cost base

Cary Group's results of operations are dependent on the Group's ability to control its largest expenses, which include glass costs, personnel expenses, rent for premises (mainly workshops), IT costs and marketing costs. Of the Group's operating costs in the financial year 2020, 35 percent comprised personnel expenses and 41 percent comprised inventory expenses, representing 31 percent and 35 percent of revenues, respectively. Further, marketing expenses represented 2% of sales in the 2020 financial year and other expenses represented 9% of sales in the 2020 financial year. Marketing expenses have represented 4% and 3% of net sales in the 2018 and 2019 financial years, respectively. The primary operating expenses for Cary Group are the mainly variable or semi-fixed costs associated with the operation of its existing workshops, and a relatively stable fixed associated cost base. Cary Group has focused on improving its operational efficiency in its existing workshops. Cary Group has a number of methods by which it believes it can work to further increase its operating margins, for example, optimizing its footprint and workshop locations, empowering its skilled and entrepreneurial workshop managers, optimizing its staffing and service scheduling, upselling services, purchasing goods at the lowest possible cost and increasing digitalization throughout Group operations. Cary Group further aims to do this by working to increase the job assignment volume within its workshops, as well as standardizing procedures. This standardization of service procedures includes educating and enforcing efficient service practices and measuring KPIs at the workshop level. These KPIs are benchmarked against Group-wide performance and used to monitor quality of service and to encourage improvement wherever possible. The table below depicts how the Company's operational costs have developed historically for the segments the Nordic region and the Rest of Europe.

	2020	2019	2018
Operational costs including amortisations of material assets as % of net revenue for the Nordic region (including Group costs)	49%	51%	51%
Operational costs including amortizations of net assets as % of net revenue for the Rest of Europe.	45%	44%	48%

In addition, digitalization serves as an opportunity for Cary Group to drive revenue growth through an improved quality of service and overall offering. Cary Group offers a digitalized customer experience which provides a simplified customer experience, reduces trips to the workshop (for example, through the Group AI assessment application) and allows for digital signing and payments which decreases check-in and check-out administration for the customer (and the Group). End customers are keen for such a digitalized on-line process, as evidenced by the fact that 40 percent of Cary Group's end customers book their services through the Group online in Sweden. Furthermore, Cary Group's digitalized processes also provide advantages to insurance companies, such as some insurance customers receiving an invoice through the Group's digital system, and helps insurance companies save on costs and claims handling as well as increasing transparency and convenience for their roles in the vehicle glass repair and replacement process. Finally, Cary Group is able to achieve operational efficiencies through digitalization, such as less human errors in purchasing and invoicing, time saved for workshop operations and administration, and optimizing service calendars.

Cary Group's expenses are also impacted by its cost of goods sold, specifically, the price of glass. Cary Group does not hedge its exposure to fluctuations in glass price, but its agreements with insurance companies are typically indexed so that any price increases are passed to the customers. Price lists are updated by suppliers generally once or twice per year, and such increase is updated correspondingly on the insurance companies' price lists within a few weeks.

Cary Group's margins are also influenced by its acquisitions and expansion. As the Group acquires new workshops and operations, it works to implement best practices and improve margins, however, there is some time lag between the acquisition or expansion and the eventual realization of margin targets at those individual workshops. As an example, Norway has had lower margins than other geographic operations of Cary Group, due to recent acquisitions and expansion within that market. However, Cary Group expects that, in the future, the overall margins for its Norwegian operation should improve, as digitalization and best practices are implemented and benefits of scale (such as increased purchasing power) are realized within the country's operations.

Expansion

Acquisitions and integration

Cary Group has grown significantly in recent years with its organic revenue growing at a CAGR of 16 percent from 2017 to 2019 and 6 percent from 2017 to 2020, and a total revenue CAGR of 53 percent from 2017 to 2019. The Group's results of operations for the periods under review have been impacted by acquisitions, which play an important role in its growth strategy and the expansion of its market share and presence going forward as well. During the periods under review, Cary Group has made 19 acquisitions, including 13 smaller acquisitions – often single workshops, 2 platform acquisitions and 4 larger add-ons. Cary Group's ability to continue to identify potential acquisition targets, to carry out acquisitions of attractive and interesting companies, and to integrate companies affect the Group's net revenue and results of operations. The Company intends to continue its active acquisition agenda, and is continuously evaluating opportunities to implement additional acquisitions. The Company cannot, however, foresee when such acquisitions opportunities may arise. Further, the Company can make acquisitions of companies with a financial profile that is significantly different from Cary Group's current financial profile. This includes companies with higher and lower growth, EBITA margins and cash flows compared to Cary Group, which, thus, may affect the time-horizon for when the Company can reach its financial profitability target.

In connection with acquisitions, Cary Group carries out a purchase price analysis through which Cary Group values the acquired entity's identifiable assets and liabilities at fair value. If there is a discrepancy between this value and the purchase price paid by Cary Group, the Company reports the difference as goodwill. As of 31 December 2020, Cary Group had goodwill of SEK 1,632.1 million, intangible assets of SEK 77.0 million, (together representing 68.8 percent of the Group's total assets).

If the Group is required to recognize an impairment of goodwill or other intangible assets, it is recognized in its statement of profit or loss. For further information, see "*Historical financial information – Historical financial information for the years ended 31 December, 2020, 2019 and 2018 – Note 10*". See also *"Risk factors – Risks relating to financial performance and financial conditions – Cary Group is exposed to risks related to impairment of goodwill and other intangible assets"*.

New workshops

In addition to acquisitions, the Group also focuses on organic growth through establishing new workshops. By opening additional workshops in new and unsaturated locations, the Group can further grow its revenue with additional sales. Cary Group incurs various costs when opening a new location, including the cost for refurbishing and branding the workshop, signage, and recruitment. Once operating, a workshop's costs are mainly variable or semi-fixed (e.g., personnel expenses in the form of salaries), and Cary Group has a relatively low percentage of fixed costs. In addition, Cary Group has undertaken franchising operations to expand into attractive, smaller locations that it deems to be more efficient to undertake franchising rather than opening its own workshop due to capital expenditure considerations. Franchise branches have access to Cary Group branding, standards and booking system for end customer booking and routing, but manage their own finances and operations. Revenue is derived from franchises for Cary Group through a franchise fee.

Investments

The Company's underlying need for investments into maintenance are limited and have during the period 2018–2020 amounted to 1.7 percent of the net revenue. In addition to investments into maintenance the Company has made essential investments into an expansion of the business, primarily through acquisitions. The Company estimates that the continuous investments that have been made in the business are relatively evenly distributed between investments into maintenance and investments into expansion.

Investments into maintenance consists primarily of investments into IT and investments into digitalisation. The table below depicts the Company's investments during the financial years ended on 31 December 2020, 2019 and 2018 segmented in two different ways: in tangible assets and intangible assets and the Company's estimations of investments in expansion and maintenance.

MSEK	2020	2019	2018
Acquisitions of tangible assets	(18.6)	(28.6)	(12.6)
Acquisitions of intangible assets	(8.1)	(7.5)	(17.0)
Total of acquisitions tangible and intangible assets	**(26.7)**	**(36.1)**	**(29.6)**
Investments into maintenance (excluding IT investments)	(7.6)	(9.6)	(7.8)
IT investments	(8.6)	(9.6)	(7.8)
Investments in maintenance	**(16.2)**	**(19.3)**	**(15.6)**
Investments in expansion	(10.5)	(16.9)	(14.0)
Investments, total	**(26.7)**	**(36.1)**	**(29.6)**
Investments, % of net revenue	*1.6%*	*2.2%*	*2.8%*

Currency fluctuations

The Group's reporting currency is SEK. Due to the Group's international operations, services and sales also take place in NOK, DKK and GBP. In addition, Cary Group expanded its operations to Spain through the acquisition of Ralarsa in 2021. As a result, in the future, Cary Group will also conduct operations, services and sales in EUR. Of Cary Group's total revenue for the financial year 2020, 57 percent was generated in SEK, 6 percent was generated in NOK, 2 percent was generated in DKK and 35 percent was generated in GBP. Accordingly, Cary Group's revenue and costs are affected by exchange rate changes in the countries outside Sweden in which its subsidiaries conduct operations (currently in Norway, Denmark, the UK and, in the future, Spain), which had some impact on revenue in the 2020 financial year, but very limited impact on profit. From an accounting perspective, Cary Group is exposed to exchange rate risks related to the translation to SEK of the income statements and net assets of foreign subsidiaries. Exchange rate fluctuations can thus affect Cary Group's results of operations, and this impact will increase as Cary Group plans to continue its expansion of international operations in additional markets outside Sweden.

Key factors affecting comparability

The following external and internal factors have affected the comparability of the financial performance of Cary Group in the period 1 January 2018 to 30 June 2021, including the following:

- Cary Group's sales and profit in 2020 were significantly impacted by the COVID-19 pandemic. The impact on profit was partly offset by the Government support of SEK 20.7 million received through the furlough scheme in 2020, mainly in the UK.
- Cary Group has made several acquisitions in 2018, 2019 and 2020 that have affected the development in sales and profit. Reported revenue growth in 2018 (54.1 percent), 2019 (51.9 percent) and 2020 (1.4 percent) significantly exceeds organic revenue growth in 2018 (24.6 percent), 2019 (6.4 percent) and 2020 (–6.6 percent).
- The financial statements for 2018 are prepared in accordance with Swedish GAAP K3 whereas the financial statement for 2019 onwards are prepared in accordance with IFRS. This has no impact on reported sales and revenue across the periods but distorts the comparability of different profit measures between 2018 and 2019 and beyond.
- The Company has incurred certain costs of non-ecurring nature such as M&A related advisory fees. These costs (items affecting comparability **"IAC"**) totalled SEK 6.1 million in 2018, SEK 4.7 million in 2019 and SEK 7.6 million in 2020.
- Certain costs were included in the line item Other operating expenses in 2018, but reclassified to Other external expenses in 2019, however with no net impact on any profit measures.
- Revenue and profit are impacted by currency fluctuations. Organic revenue growth in 2018 (24.6 percent), 2019 (6.4 percent) and 2020 (–6.6 percent) could be compared to organic revenue growth excluding foreign exchange (translation) impacts in 2018 (24.2 percent), 2019 (6.0 percent) and 2020 (–5.1 percent).

Recent developments and current trends

During 2020, Cary Group reported a net sales increase of 1.4 percent. The Company believes that this development was significantly related to the negative impact of the COVID-19 pandemic. As the Company's end markets normalizes, the Company believes that 2021–2022 will show higher growth than the Company's financial target for net sales growth indicates. The Company considers that this positive effect had an impact on the acquired company Ralarsa's net sales and profitability in the six months ended 30 June 2021.

Significant changes in the group's financial position or result after 30 june 2021

On 29 July 2021 Cary Group Iberia Holding, S.L., a subsidiary of the Company, entered into an agreement to acquire all shares in Ralarsa Holding, S.L. from Arsacor Holding, S.L.. The acquisition was completed the same day. The shares were acquired for a purchase price of EUR 36,649,993 without price adjustments. For further information, see *"Legal questions and supplementary information – Material acquisitions – Ralarsa Holding, S.L."*

Explanation of key income statement items

Sales

Sales mainly comprise vehicle glass repair and replacement, calibration of ADAS systems in connection with windscreen replacement, and add-on sales (e.g., wiper blades), and is reported net of volume discounts to insurance companies. Sales also include work undertaken for customers of Mobile Windscreens (MWS) which is subcontracted to other members of the National Windscreens Consortium (NW) in the UK.

Inventory expenses

Inventory expenses principally include cost of material and is reported net of supplier volume discounts. Cost for work subcontracted to other members of NW is also included in Inventory expenses.

Other external expenses

Other external expenses represent all non-employee related expenses such as marketing, IT, vehicles, professional advisory costs (legal, tax advisory, insurance, audit etc.) and costs related to the workshops (e.g. electricity, insurance and similar).

Personnel expenses

Personnel expenses include salaries, pensions, bonuses, benefits and related taxes for both permanent and temporary staff. In addition, board fees and recruitment fees are included in personnel expenses.

Depreciation

Depreciation mainly relates to machinery and equipment as well as leasehold improvements and right of use assets in 2019 and 2020.

Amortization

Amortization in 2019 and 2020 is largely in regard to acquired intangible assets such as customer relationships while 2018 also includes amortization of goodwill and trademarks.

Financial income

Financial income includes interest income on short-term receivables and foreign exchange gains.

Financial expense

Financial expenses comprise interest on external debt, capitalised interest on shareholder loans and foreign exchange losses.

Results of operations

The following table sets forth the consolidated statement of profit or loss information for the Company for the periods indicated:

MSEK	For the six months ended June 30		For the year ended December 31		
	2021	2020	2020	2019	2018
	(from unaudited consolidated financial statements)		*(from audited financial statements)*		
Sales	1,032.2	852.2	1,650.8	1,627.6	1,071.6
Total revenue	**1,032.2**	**852.2**	**1,650.8**	**1,627.6**	**1,071.9**
Inventory expenses	(354.3)	(297.6)	(585.2)	(586.9)	(349.3)
Other external expenses	(145.6)	(108.6)	–219.2	(208.0)	(197.7)
Personnel expenses	(310.2)	(251.8)	(506.4)	(505.7)	(328.7)
EBITDA	**222.0**	**194.2**	**340.0**	**327.2**	**195.8**
Depreciation	(58.0)	(48.2)	(100.7)	(87.2)	18.5
EBITA	**164.0**	**146.0**	**239.3**	**239.9**	**177.3**
Amortization	(17.7)	(18.8)	(28.4)	(26.1)	(330.2)
Operating profit (EBIT)	**146.3**	**127.2**	**211.0**	**213.8**	**(152.9)**
Financial income	16.5	0.1	0.0	0.1	3.4
Financial expense	(69.4)	(67.5)	(139.1)	(115.1)	(91.4)
Net income for the period	**58.5**	**43.3**	**48.4**	**69.6**	**(280.7)**

Six months ended 30 June 2021, compared to the six months ended 30 June 2020

Sales

Cary Group's sales for the six months ended 30 June 2021, were SEK 1,032.2 million, an increase of SEK 180.0 million, or 21.1 percent, compared to SEK 852.2 million for the six months ended 30 June 2020. Of the increase with SEK 180.0 million, the Nordic represented SEK 134.4 million and the Rest of Europe represented SEK 45.7 million.The increase was underpinned by both the Nordics and the Rest of Europe segments, as a result of organic and acquired growth. The increase was largely related to acquisitions and an increase in demand following gradual reductions in Covid-19 restrictions.

Inventory expenses

Cary Group's inventory expenses for the six months ended 30 June 2021 were SEK 354.3 million, an increase of SEK 56.8 million, or 19.1 percent, compared to SEK 297.6 million for the six months ended 30 June 2020. Inventory expense as share of total earnings decreased from 34.9 percent for six months ended 30 June 2020, to 34.3 percent for the six months ended 30 June 2021. The decrease was largely related to a change in market mix.

Other external expenses

Cary Group's other external expenses for the six months ended 30 June 2021, were SEK 145.6 million, an increase of SEK 37.0 million, or 34.1 percent, compared to SEK 108.6 million for the six months ended 30 June 2020. The increase is partly related to acquisitions and partly related to increased activity in existing operations, with increased marketing costs during the six months ended 30 June 2021. In connection with the Covid-19 outbreak, the Company decided to reduce certain cost items, for example, marketing expenses, as part of the work to minimize the effects of the pandemic. During the three months ended June 30 2021, these expenses were at levels exceeding what, in the Company's opinion, is considered a normal level in relation to the Company's net sales.

Personnel expenses

Cary Group's personnel expenses for the six months ended 30 June 2021 were SEK 310.2 million, an increase of SEK 58.4 million, or 23.2 percent, compared to SEK 251.8 million for the six months ended 30 June 2020. The increase was related to acquisitions and increased activity in existing operations. Furthermore, the Cary Group's costs for Group functions increased as a result of the listing preparations. During the six months ended 30 June 2020, Cary Group received grants from government programs related to the pandemic, which contributed to lower costs than normal for the period

EBITDA

Cary Group's EBITDA for the six months ended 30 June 2021 was SEK 222.0 million, an increase of SEK 27.7 million, or 14.4 percent, compared to SEK 194.2 million for the six months ended 30 June 2020. Increased sales together with a slightly improved gross margin contributed to the increase. At the same time, increased operating expenses resulted in a slightly lower EBITDA-margin compared to the six months ended 30 June 2020.

Depreciation

Cary Group's depreciation for the six months ended 30 June 2021 was SEK 58.0 million, an increase of SEK 9.8 million, or 20.3 percent, compared to SEK 48.2 million for the six months ended 30 June 2020. Depreciation increased as a consequence of an increase in the number of workshops, and investments in day-to-day operations.

EBITA

Cary Group's EBITA for the six months ended 30 June 2021 was SEK 164.0 million, an increase of SEK 18.0 million, or 12.3 percent, compared to SEK 146.0 million for the six months ended 30 June 2020. The increase was primarily attributable to increased sales and gross margin, while the EBITA-margin decreased from 17.1 percent to 15.9 percent.

Amortisation and impairment of intangible assets

Cary Group's amortization for the six months ended 30 June 2021, was SEK 17.7 million, a decrease of SEK 1.1 million, or 5.9 percent compared to SEK 18.8 million, for the six months ended 30 June 2020. The positive change in depreciation of intangible assets relates to additional depreciation of non-recurring nature during for the six months ended 30 June 2020. Relatively, the depreciation for the period is in parity between 2020 and 2019.

Operating profit (EBIT)

Cary Group's operating profit (EBIT) for the six months ended 30 June 2021, was SEK 146.3 million, an increase of SEK 19.1 million, or 15.0 percent, compared SEK 127.2 million for the six months ended 30 June 2020. The increase of operating profit was attributable to increased sales and gross profit, while the margin decreased to 14.2 percent compared to 14.9 for the previous period.

Financial income and financial expenses

Cary Group's net financials for the six months ended 30 June 2021 was SEK (52.9) million, a decrease of SEK 14.5 million, or 21.5 percent, compared to SEK (67.4) million. The decrease was primarily attributable to unrealised foreign exchange losses on financial assets and liabilities.

Net income for the period

As a result of the reasons discussed above, the Group's net income for the six months ended 30 June 2021 was SEK 58.5 million, an increase of SEK 15.1 million, or 34.9 percent, compared to the six months ended 30 June 2020.

Year ended 31 December 2020, compared to year ended 31 December 2019

Sales

Cary Group's sales for the year ended 31 December 2020 were SEK 1,650.8 million, an increase of SEK 23.1 million, or 1.4 percent, compared to SEK 1,627.6 million for the year ended 31 December 2019. The growth was driven by the Rest of Europe segment that reported sales growth of SEK 57.1 million (10.9 percent), driven by acquisitions that accounted for SEK 114.2 million of the total increase in sales. Cary Group reported organic growth of –6.6 percent (–5.1 percent excluding foreign exchange (translation) impact).

Revenue in the Nordics segment for the year ended 31 December 2020, was SEK 1,067.9 million, a decrease of SEK 33.9 million, or 3.1 percent, compared to SEK 1,101.8 million for the year ended 31 December 2019 primarily attributable to decreased volumes due to the COVID-19 pandemic. The Nordics segment experienced organic growth of (4.5) percent, or (3.4) percent at constant currency (i.e., excluding the negative foreign exchange (translation) impact), mainly due the weakening of NOK as compared to SEK).

Revenue in the Rest of Europe segment for the year ended 31 December 2020, was SEK 582.9 million, an increase of SEK 57.1 million, or 10.9 percent, compared to SEK 525.8 million for the year ended 31 December 2019. Acquired companies represented SEK 114.2 million of the total growth. Organic growth was –10.9 percent or –8.8 percent at constant currency (i.e., excluding the negative foreign exchange (translation) impact, mainly due the weakening of GBP as compared to SEK).

The total number of acquisitions in 2020 was 4, as compared to 9 acquisitions in 2019.

Inventory expenses

Cary Group's Inventory expenses for the year ended 31 December 2020 was SEK 585.2 million, a decrease of SEK 1.7 million, or 0.3 percent, compared to SEK 586.9 million for the year ended 31 December 2019. Inventory expenses as a percentage of total revenue decreased from 36.1 percent for the year ended 31 December 2019, to 35.4 percent for the year ended 31 December 2020. As a result, gross margin increased slightly between the periods.

Other external expenses

Cary Group's other external expenses for the year ended 31 December 2020 were SEK 219.2 million, an increase of SEK 11.2 million, or 5.4 percent, compared to SEK 208.0 million for the year ended 31 December 2019. The increase was primarily attributable to the Rest of Europe segment, as a consequence acquisitions in the UK during the end of 2019 and the beginning of 2020.

Personnel expenses

Cary Group's personnel expenses for the year ended 31 December 2020 were SEK 506.4 million, an increase of SEK 0.7 million, or 0.1 percent, compared to SEK 505.7 million for the year ended 31 December 2019. This increase was primarily attributable to acquisitions and was partially offset by furloughing due to the COVID-19 pandemic. COVID-19 pandemic-related government support reduced personnel costs by SEK 101.9 million in 2020 of which SEK 96.0 million and SEK 5.9 million in the rest of Europe and the Nordics, respectively.

EBITDA

Cary Group's EBITDA for the year ended 31 December 2020 was SEK 340.0 million, an increase of SEK 13.0 million, or 4.0 percent, compared to SEK 327.0 million for the year ended 31 December 2019. The improvement was attributable to increased revenue (an increase of SEK 14.8 million with respect to EBITDA) and improved gross margin (which increased by SEK 10.0 million), partly offset by increased other external expenses (SEK –11.2 million). The EBITDA margin increased from 20.1 percent in 2019 to 20.6 percent in 2020.

Depreciation

Cary Group's depreciation for the year ended 31 December 2020 was SEK 100.7 million, an increase of SEK 13.5 million, or 15.5 percent, compared to SEK 87.2 million for the year ended 31 December 2019. The increase was primarily attributable to right of use assets, which were, in turn, driven by the increased overall number of workshops.

EBITA

Cary Group's EBITA for the year ended 31 December 2020 was SEK 239.3 million, a decrease of SEK 0.5 million, or 0.2 percent, compared to SEK 239.9 million for the year ended 31 December 2019. The decrease was primarily attributable to increased depreciation charges. The EBITA margin decreased from 14.7 percent in 2019 to 14.5 percent in 2020.

Amortisation and impairment of intangible assets

Cary Group's amortisation for the year ended 31 December 2020 were SEK 28.4 million, an increase of SEK 2.3 million, or 8.8 percent, compared to SEK 26.1 million for the year ended 31 December 2019. The increase was primarily attributable to acquisitions.

Operating profit (EBIT)

Cary Group's operating profit (EBIT) for the year ended 31 December 2020 was SEK 211.0 million, a decrease of SEK 2.8 million, or 1.3 percent, compared to SEK 213.8 million for the year ended 31 December 2019. The decrease was primarily attributable to increased amortization charges as EBITA was broadly flat across the periods. The operating profit (EBIT) margin decreased from 13.1 percent in 2019 to 12.8 percent in 2020.

Financial income and financial expense

Cary Group's financial income and financial expense for the year ended 31 December 2020 was a net cost of SEK 139.0 million (financial income SEK 0.0 million and SEK (139.0) million), an increase of SEK 24.0 million, or 20.9 percent, compared to a net cost of SEK 115.0 million (financial income of SEK 0.1 million and financial expense of SEK (115.1) million for the year ended 31 December 2019. The increased net cost was attributable to increased net interest-bearing debt and unrealised foreign exchange losses on financial assets and liabilities.

Net income for the period

As a result of the reasons discussed above, the Group's net income for the period for the year ended 31 December 2020 was SEK 48.4 million, a decrease of SEK 21.2 million, or 30.4 percent, compared to SEK 69.6 million for the year ended 31 December 2019.

Year ended 31 December 2019, compared to year ended 31 December 2018

Sales

Cary Group's sales for the year ended 31 December 2019 were SEK 1,627.6 million, an increase of SEK 556.1 million, or 51.9 percent, compared to SEK 1,071.6 million for the year ended 31 December 2018. The increase was underpinned by both the Rest of Europe and Nordics segments, as a result of organic and acquired growth. Organic growth was 6.4 percent or 6.0 percent excluding the foreign exchange (translation) impact from financial year 2018 to 2019.

The Rest of Europe segment sales grew by SEK 367.3 million (231.6 percent), of which acquired companies contributed SEK 335.6 million. Organic growth was 19.9 percent (and 16.5 percent excluding foreign exchange translation impact).

The Nordics segment sales increased by SEK 188.8 million (20.7 percent), of which acquired companies contributed SEK 151.7 million. The Nordics segment reported organic growth of 4.1 percent (and 4.2 percent excluding foreign exchange translation impacts), driven by the increased overall number of workshops.

Total number of acquisitions in 2019 was 9 (1 platform, 2 add-ons and 6 mom & pop workshops) compared to 4 total acquisitions in 2018 (1 platform, 1 add-on and 2 mom & pop workshops).

Inventory expenses

Cary Group's inventory expenses for the year ended 31 December 2019 was SEK 586.9 million, an increase of SEK 237.6 million, or 68.0 percent, compared to SEK 349.3 million for the year ended 31 December 2018. The increase was mainly driven by acquisitions and, to a lesser extent, the increased number of workshops in the Nordics segment. Inventory expenses as a percentage of total revenue increased from 32.6 percent for the year ended 31 December 2018 to 36.1 percent for the year ended 31

December 2019, due to negative country mix impacts. Accordingly, the gross margin decreased from 67.4 percent to 63.9 percent for the year ended 31 December 2019 compared to the year ended 31 December 2018.

Other external expenses

Cary Group's other external expenses for the year ended 31 December 2019 were SEK 208.0 million, an increase of SEK 10.3 million, or 5.2 percent, compared to SEK 197.7 million for the year ended 31 December 2018. The increase was largely related to acquisitions, and the IFRS 16 impact of SEK 59.9 million (i.e., rental costs were reported in other external expenses in 2018).

Personnel expenses

Cary Group's personnel expenses for the year ended 31 December 2019 were SEK 505.7 million, an increase of SEK 177.0 million, or 53.8 percent, compared to SEK 328.7 million for the year ended 31 December 2018. The increase was largely driven by acquisitions and the increased number of overall workshops in the Nordics segment.

EBITDA

Cary Group's EBITDA for the year ended 31 December 2019 was SEK 327.0 million, an increase of SEK 131.2 million, or 67.0 percent, compared to SEK 195.8 million for the year ended 31 December 2018. The increase was primarily driven by acquisitions, organic revenue growth and changed accounting principles from Swedish GAAP K3 in 2018 to IFRS in 2019. The total impact on EBITDA for the year ended 31 December 2019 was SEK 58.4 million due to changed accounting principles. The EBITDA margin increased from 18.3 percent in 2018 to 20.0 percent in 2019. For reference, 2019 reported EBITDA margin under previously applied in accordance with Swedish GAAP K3 was 16.5 percent in 2019.

Depreciation

Cary Group's depreciation for the year ended 31 December 2019 was SEK 87.2 million, an increase of SEK 68.7 million, or 371.3 percent, compared to SEK 18.5 million for the year ended 31 December 2018. The increase was mainly related to depreciation of right of use assets due to the effect of the IFRS 16 conversion in 2019, with an impact on 2019 depreciation charges of SEK 55.4 million. Further depreciation charges increased due to acquisitions.

EBITA

Cary Group's EBITA for the year ended 31 December 2019 was SEK 239.9 million, an increase of SEK 62.6 million, or 35.3 percent, compared to SEK 177.3 million for the year ended 31 December 2018. The increase was primarily attributable to acquisitions and organic revenue growth. The impact on EBITA for the year ended 31 December 2019 due to changed accounting principles, from Swedish GAAP K3 to IFRS, was SEK 3.0 million. The EBITA margin decreased from 16.5 percent in 2018 to 14.7 percent in 2019. For reference, the reported EBITA margin under Swedish GAAP K3 was 14.6 percent in 2019.

Amortisation and impairment of intangible assets

Cary Group's amortization for the year ended 31 December 2019 was SEK 26.1 million, a decrease of SEK 304.1 million compared to SEK 330.2 million for the year ended 31 December 2018. The change was principally due to effects from the transition from previous accounting principles in accordance with Swedish GAAP K3 in 2018 to IFRS in 2019. The reset of amortisation charges relating to goodwill amounted to SEK 344.9 million for the year ended 31 December 2019 due to the transition to IFRS 16.

Operating profit (EBIT)

Cary Group's operating profit (EBIT) for the year ended 31 December 2019 was SEK 213.8 million, an increase of SEK 366.7 million compared to an operating loss of SEK 152.9 million for the year ended 31 December 2018. The increase is attributable to organic revenue growth, acquisitions and changed accounting principles. The impact on operating profit (EBIT) for the year ended 31 December 2019 was an increase of SEK 348.7 million due to changed accounting principles and to the reset of amortisation of goodwill. For further information, see *"– Net income for the period"* below.

Financial income and financial expenses

Cary Group's net financials for the year ended 31 December 2019 was a net expense of SEK 115.0 million (financial income SEK 0.1 million and financial expense SEK (115.1) million), an increase of SEK 27.0 million, or 30.7 percent, compared to a net expense of SEK 88.0 million (financial income SEK 3.4 million and financial expenses SEK (91.4) million) for the year ended 31 December 2018. The increased net cost was attributable to increased net interest-bearing debt, unrealised foreign exchange losses on financial assets and liabilities as well as changes to accounting principles. The impact on 2019 net financials of the conversion to IFRS was a cost of SEK 12.2 million due to the implementation of IFRS 16.

Net income for the period

As a result of the reasons discussed above, the Group's net income for the period for the year ended 31 December 2019 was SEK 69.6 million compared to a net loss of SEK 280.1 million for the year ended 31 December 2018. The impact on net income for the period for the year ended 31 December 2019 was primarily due to changed accounting principles to IFRS, was SEK 334.1 million, principally relating to the amortisation of goodwill (SEK 344.9 million).

Liquidity and capital resources

Overview

The liquidity needs of the Group mainly consist of funding operating expenses, changes in working capital, capital expenditure, debt service requirements and other liquidity requirements that may arise from time to time, including, without limitation, acquisitions. Cary Group has historically financed its operations and capital expenditure needs primarily through cash generated from its operating activities, capital increases and bank loans. Going forward, Cary Group believes that its liquidity requirements will be satisfied by using a combination of cash flow generated from its operating activities, bank loans and funds raised from the capital markets from time to time, in case required. In connection with the Offering, the Group will refinance its existing main credit facilities by way of establishing a new revolving credit facility in a principal amount of SEK 2,050 million, which will be provided by Danske Bank and SEB as lenders (the **"New Revolving Credit Facility"**). The original borrower under the New Revolving Credit Facility will be the Company and Danske Bank will act as the lenders' agent.

Working capital statement

Cary Group is of the opinion that its current working capital (excluding the net proceeds from the Offering) is sufficient for its present requirements for at least the twelve months following the date of this Offering Memorandum. In this context, working capital refers to a company's ability to access cash and other available liquid resources in order to meet its liabilities as they fall due.

Cash Flows

The following table sets forth a summary of Cary Group's cash flow data as at the dates and for periods indicated:

MSEK	For the six months ended June 30		For the year ended December 31		
	2021	2020	2020	2019	2018
	(from unaudited consolidated financial statements)		*(from audited financial statements)*		
Cash flow from operating activities	164.1	162.7	205.1	128.8	151.6
Cash flow from investing activities	(168.6)	(123.9)	(155.6)	(146.1)	(1,446.7)
Cash flow from financing activities	100.3	27.7	(15.2)	4.1	1,309.1
Cash and cash equivalents	**191.5**	**126.0**	**95.7**	**59.8**	**73.0**

Cash flow from operating activities

Cary Group's net cash flow from operating activities for the six months ended 30 June 2021, was SEK 164.1 million, an increase of SEK 1.4 million, or 0.9 percent, compared to SEK 162.7 million for the six months ended 30 June 2020. The increase was primarily attributable to improved sales at the same time as an increased activity which led to a slight increase in working capital.

Cary Group's net cash flow from operating activities for the year ended 31 December 2020, was SEK 205.1 million, an increase of SEK 76.3 million, or 59.2 percent, compared to SEK 128.8 million for the year ended 31 December 2019. The increase was primarily attributable to operating profit growth and improved net working capital position.

Cary Group's net cash flow from operating activities for the year ended 31 December 2019, was SEK 128.8 million, a decrease of SEK 22.8 million, or 15.0 percent, compared to SEK 151.6 million for the year ended 31 December 2018. The decrease was primarily driven by increased net working capital.

Cash flow from investing activities

Cary Group's cash flow used in investing activities for the six months ended 30 June 2021, was an outflow of SEK 168.6 million, an increase of SEK 44.7 million, or 36.1 percent, compared to SEK 123.9 million for the six months ended 30 June 2020. The increase was primarily attributable to an increase in acquisition activities

Cary Group's net cash flow used in investing activities for the year ended 31 December 2020, was SEK 155.6 million, an increase of SEK 9.5 million, or 6.5 percent, compared to SEK 146.1 million for the year ended 31 December 2019. The increase was primarily attributable to acquisitions, partly offset by divestments of tangible assets.

Cary Group's net cash flow used in investing activities for the year ended December 31 2019, was SEK 146.1 million, a decrease of SEK 1,300.6 million compared to SEK 1,446.7 million for the year ended 31 December 2018. The decrease was mainly related to acquisitions.

Cash flow from financing activities

Cary Group's cash flow used in financing activities for the six months ended 30 June 2021, was an inflow of SEK 100.3 million, an increase of SEK 72.6 million, or 262.1 percent, compared to SEK 27.7 million for the six months ended 30 June 2020. The increase was primarily attributable to new loans.

Cary Group's net cash flow used in financing activities for the year ended 31 December 2020, was SEK 4.7 million compared to an inflow of SEK 24.0 million for the year ended 31 December 2019.

Cary Group's net cash flow from financing activities for the year ended 31 December 2019, was SEK 4.1 million compared to SEK 1,309.0 million for the year ended 31 December 2018.

Capital expenditures

Cary Group's capital expenditures for the six months ended 30 June 2021 and the financial years 2020, 2019 and 2018 consisted primarily of in equipment and furnishings for the Company's workshops, IT-system and vehicles.

The following table sets forth Cary Group's capital expenditures for the periods stated above

	As of June 30		As of December 31		
	2021	2020	2020	2019	2018
MSEK	*(derived from unaudited consolidated financial statements)*		*(derived from audited financial statements)*		
Payments for tangible assets	14.1	3.1	(18.6)	(28.6)	(12.6)
Payments for intangible assets	0.8	11.0	(8.1)	(7.5)	(17.0)
Net cash (outflow) from investing activities	**14.9**	**14.1**	**(26.7)**	**(36.1)**	**(29.6)**

Indebtedness

Following the completion of the Offering, Cary Group's indebtedness will mainly consist of the New Revolving Credit Facility with SEB and Danske Bank, which will replace the Company's current overdraft facility.

Credit Facilities

The following table sets forth Cary Group's financing arrangements as at the dates indicated:

	As of June 30 2021			As of December 31 2020		
	Utilised	Undrawn	Total	Utilised	Undrawn	Total
Mkr	*(derived from unaudited consolidated financial statements)*			*(derived from audited financial statements)*		
Capital expenditure facility	250.5	830.5	1,081.0	88.2	992.8	1,081.0
Term loan facility	1,450.0	–	1,450.0	1,450.0	–	1,450.0
Revolving facility	–	60.0	60.0	–	60.0	60.0
Total	**1,700.5**	**890.5**	**2.951,0**	**1,538.2**	**1,052.8**	**2,591.0**

All facilities per the above table are denominated in SEK as base currency, but the capital expenditure facility and revolving facility may be drawn in other currencies. Any amount drawn under the capital expenditure facility is intended for Cary Group to use towards capital expenditures undertaken by the Group, acquisitions (including fees and other expenses) or refinancing indebtedness of Group entities or businesses acquired pursuant to acquisitions. The capital expenditure facility is available until 31 December 2024. The term loan facility has two tranches, specifically titled B1 and B2. Both tranches are intended to be used for financing acquisitions, as well as refinancing existing facilities and debts. The term loan facility is available until 31 December 2025. The Group also has a revolving facility which may be used for general corporate purposes, acquisitions and refinancing. The revolving facility is available until 31 December 2024.

In connection with the Offering, the Group will refinance its existing main credit facilities by way of establishing the New Revolving Credit Facility in a principal amount of SEK 2,050 million, which will be provided by Danske Bank and SEB as lenders. The original borrower under the New Revolving Credit Facility will be the Company and Danske Bank will act as the lenders' agent.

Disbursement under the New Revolving Credit Facility will be subject to customary conditions precedent, which are expected to be satisfied by the settlement date of the Offering, and it is also conditional upon the settlement of the Offering occurring no later than 31 December 2021.

The proceeds of loans utilised under the New Revolving Credit Facility can be applied towards refinancing of existing credit facilities, payment of transaction costs relating to the Offering and financing of general corporate purposes and working capital needs of the Group (including for acquisitions and capital expenditure). The New Revolving Credit Facility will have a tenor of three (3) years, with extension options (subject to lender approval) of up to two years. Loans under the New Revolving Credit Facility can be utilised in SEK, EUR, GBP, NOK, DKK and any other currency agreed to between the parties. Customary ancillary facilities, such as overdraft facilities, guarantee facilities, stand-by letters of credit, etc., may be utilised under the New Revolving Credit Facility.

Loans under the New Revolving Facility carry interest at a percentage rate per annum which is the aggregate of (i) the relevant IBOR/reference rate and (ii) the margin, which will initially be 1.45 percent per cent per annum. The margin will subsequently be subject to certain adjustments based on the Group's applicable leverage ratio.

The New Revolving Credit Facility will be unsecured, but the Company and any additional borrower that accedes to the New Revolving Credit Facility will guarantee the obligations and liabilities thereunder. In addition, the terms of the New Revolving Credit Facility will require the Company to make customary representations and warranties (the majority of which are made on a repeating basis) to the lenders and will also oblige the Company to procure that the Group complies with certain undertakings, including:

Financial covenant – leverage ratio

With effect after a full financial quarter has lapsed following the settlement date of the Offering, the terms of the New Revolving Credit Facility will require that the Group's leverage ratio (total net debt/EBITDA), which is measured on a quarterly basis, does not exceed 4.50:1.

Restrictive covenants

The terms of the New Revolving Credit Facility will include customary restrictive covenants such as negative pledge provisions and limitations on acquisitions, incurrence of subsidiary financial indebtedness, disposals and the provision of loans and guarantees, but not on distributions or dividends.

Positive undertakings

The terms of the New Revolving Credit Facility will require the Group to, e.g., comply with applicable laws and sanctions.

Amounts outstanding under the New Revolving Credit Facility will be immediately due and payable, and available commitments will be cancelled, if:

(a) a change of control occurs (by way of any person or group of persons acting in concert gaining ownership and control of more than 50 percent of the share capital of and voting rights in the Company), subject to a 20 day negotiation period;

(b) the shares in the Company cease to be listed on the Nasdaq Stockholm stock exchange;

(c) a sanctions event occurs (by way of any member of the Group becoming a sanctioned party or violating sanctions laws, in each case which has resulted in a lender or any of its affiliates being exposed to certain sanctions risks as a result of its performance of the New Revolving Credit Facility); and/or

(d) it becomes illegal for the lenders to perform their obligations under the New Revolving Credit Facility.

The lenders may also accelerate any outstanding loans and cancel any available commitments if any event of default has occurred and is continuing, which, e.g., includes non-payment, breach of the financial covenant (leverage ratio), breach of other obligations, misrepresentation and cross-default, insolvency, in each case subject to customary remedy and grace periods, materiality thresholds, exceptions and qualifications.

Contractual obligations

The following table sets forth the maturities of Cary Group's financial liabilities as at the dates indicated:

	As of December 31						
MSEK	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	After 5 years	Total contractual cash flows	Carrying amount
Borrowings	29.6	29.6	59.2	1,752.9	–	1,871.4	1,538.2
Lease liabilities	44.2	59.4	181.7	120.9	–	406.2	308.7
Accounts payable	126.2	–	–	–	–	126.2	126.2
Shareholder loan	–	–	–	–	645.8	645.8	403.3
Accrued expenses	45.2	–	–	–	–	45.2	45.2
Total	**245.2**	**89**	**240.9**	**1,873.8**	**645.8**	**3,094.7**	**2,421.6**

Tangible assets and right of use assets

As of 31 December 2020, Cary Group's tangible assets amounted to SEK 69.8 million and right of use assets of SEK 309.3 million. Tangible assets generally consist of machinery and equipment and the right of use assets relates to the leases that are recognized in the statement of financial position. For information on property, plant and equipment, see *"Historical financial information – Consolidated Financial information for the years ended* 31 Decem*ber 2020 and 2019 – Notes 11 and 12"*.

Quantitative and qualitative disclosures about financial risk management

For information on quantitative and qualitative disclosures about financial risk management, see *"Historical financial information – Consolidated financial information for the years ended 31 December 2020 and 2019 – Note 1"*.

Changes in accounting policies

For information on changes in and explanation of conversion from earlier applied accounting policies to IFRS, see *"Historical financial information – Consolidated Financial information for the years ended 31 December 2020, 2019 and 2018 – Note 36"*.

Critical accounting policies

For information on critical accounting policies, see *"Historical financial information – Consolidated Financial information for the years ended 31 December 2020, 2019 and 2018 – Note 2"*.

Capitalisation and indebtedness

Overview

The tables below set forth the Company's Capitalisation and net indebtedness as of 30 June 2021, net indebtedness is based on the interest-bearing liabilities of the group:

- on an actual basis reflecting the carrying amounts on the Company's consolidated balance sheet; and
- on an adjusted basis to reflect:
  - (i) Equity increase of SEK 1,250 million through the issuance of 17,857,142 new shares in connection with the Offering, (based on the Offer Price 70 SEK, see *"Shares and share capital – Issue of new shares in connection with the Offering"*"); to repay existing debt.
  - (ii) Pro forma adjustments regarding the acquisitions of Ralarsa and Autoklinik.
  - (iii) Settlement of transaction costs regarding the Offering and the new credit facilities.
  - (iv) Conversion of the Shareholder Loan and the subscription of warrants.
  - (v) Purchase of shares from non-controlling interest in exchange for shares in Cary Group Holding AB and conversion of preference shares in Cary Group Holding AB, followed by a directed bonus issue.

For information on the Company's share capital and the number of outstanding shares as well as changes in connection with the Offering, see *"Shares and share capital"*. The information presented below should be read in conjunction with *"Operating and financial review"* and the Company's consolidated financial statements and the notes related thereto included in *"Historical financial information"*.

MSEK	As of 30 June 2021		
	Actual	Adjustments4),5),6),7)	As adjusted
Total current debt (including current portion of non-current debt):			
Guaranteed	–	–	–
Secured	–	–	–
Unguaranteed/unsecured1)	97	13	110
Total current debt	**97**	**13**	**110**
Total non-current debt (excluding current portion of non-current debt):			
Guaranteed	–	–	–
Secured2)	1,662	(789)	873
Unguaranteed/unsecured3)	692	(331)	361
Total non-current debt	**2,354**	**(1,120)**	**1,234**
Total indebtedness	**2,451**	**(1,107)**	**1,344**
Shareholders' equity			
Share capital7)	0	–2	–2
Other contributed capital	209	1,598	1,807
Other reserves	(257)	(43)	(300)
Non-controlling interest7)	8	(1)	7
Total Capitalisation	**(40)**	**1,556**	**1,516**

1) Refers to current leasing liabilities, which is shown in the statement of financial position as of 30 June 2021 in the unaudited interim report included in the Offering Memorandum.
2) Refers to non-current borrowings, which is shown in the statement of financial position as of 30 June 2021 in the unaudited in the interim report included in the Offering Memorandum. Shares in subsidiaries have been pledged as collateral for these borrowings.
3) Refers to non-current leasing liabilities, contingent consideration, liabilities to non-controlling interest and shareholder loans, which is shown in the statement of financial position as of 30 June 2021 in the unaudited interim report included in the Offering Memorandum.
4) The increase in current debt by 13 refers to additional current leasing liabilities regarding the purchase of Ralarsa and Autoklinik.
5) The reduction of non-current debt refers to a net of additional non-current leasing liabilities of a total of SEK 85 million due to the acquisition of Ralarsa and Autoklinik, increase of borrowings to finance the acquisition of Ralarsa of 383 MSEK and liabilities to non-controlling interest of SEK 4 million. In connection with the Offering the company uses SEK 1,195 million of the issue proceeds to repay parts of the long-term borrowings. Due to the renegotiated loan, SEK 37 million is expensed regarding the transaction costs that were attributable to the previous borrowings. Transaction costs of SEK 14 million that are related to the renegotiated borrowing reduce borrowings. In addition, a shareholder loan of SEK 427 million is converted via a set-off issue (as of June 30, the shareholder loan amounts to SEK 419 million and that there is an additional SEK 8 million in interest until the time of settlement) to 6,093,139 shares based on the issue price of SEK 70 in the offer. Which in leads to a total net reduction in long term debt of SEK 1,120 million.
6) Equity increases with the new share issue made in the offering, of SEK 1,250 million. Of the total transaction costs of SEK 118 million, SEK 9 million has been settled and charged to earnings as of 30 June of the SEK 109 million in additional transaction costs, SEK 95 million consists of costs related to the offer and is charged to equity, and the remaining SEK 14 million relates to transaction costs related to the new credit facilities that are accrued over the term of the loan. Due to the renegotiated loan, SEK 37 million is expensed regarding the transaction costs that were attributable to the previous borrowing. Equity also increases by SEK 19 million related to 2,351,122 premiums regarding issued warrants that are paid in connection with the offer.
7) In addition, certain shares are acquired from non-controlling interests in the Group as well as preference shareholders convert their shares to a total of 14,565,483 ordinary shares in Cary Group Holding AB via non-cash issues and via a directed bonus issue. The acquisition of the shares from non-controlling interest entails an exchange of equity instruments from the Group's perspective, which entails a reduction of non-controlling interest of SEK 1 million and increases equity attributable to the parent company's shareholders by SEK 1 million. In total, all share issues carried out in connection with the offer entail an increase in the share capital of SEK 2 million based on a quota value of SEK 0.005357.

MSEK	As of 30 June 2021 Actual	Adjustments[1]	As adjusted
		(unaudited)	
Net indebtedness:			
A. Cash	191	42	233
B. Cash equivalents	–	–	–
B. Other current financial assets	–	–	–
D. Liquidity (A+B+C)	**191**	**42**	**233**
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	–	–	–
F. Current portion of non-current financial debt	97	13	110
G. Current financial indebtedness (E + F)	**97**	**13**	**110**
H. Net current financial indebtedness (G – D)	**(94)**	**(29)**	**(123)**
I. Non-current financial debt (excluding current portion and debt instruments)	2,354	(1,120)	1,234
J. Debt instruments	–	–	–
K. Non-current trade and other payables	–	–	–
L. Non-current financial indebtedness (I + J + K)	**2,354**	**(1,120)**	**1,234**
M. Total financial indebtedness (H + L)	**2,260**	**(1,149)**	**1,111**

1) The increase in cash of net SEK 42 million consists partly of additional cash and bank from the acquisitions of Ralarsa and Autoklinik reduced by cash for the acquisition of Autoklinik of net SEK 77 million, cash is reduced by SEK 54 million regarding cash settlement of transaction costs, and increased partly through additional SEK 19 million in cash related to 2,351,122 premiums paid for the warrants.

The information on Cary Group's Capitalisation and indebtedness on an adjusted basis constitute forward-looking statements which is intended to describe a hypothetical situation and is only provided for illustrative purposes. These forward-looking statements are not guarantees of future financial performance or development, and the actual outcome could differ materially from what is expressed or implied by these forward-looking statements as a result of many factors, including, but not limited to, those described under *"Risk factors"*.

Board of Directors, Group Management and auditors

Board of directors

The following table sets forth certain information on the members of the Company's Board of Directors as of the date of this Offering Memorandum. As of the date of this Offering Memorandum, the Company's Board of Directors consists of six ordinary members without any deputies, elected up until the end of the 2022 annual general meeting.

Name	Year of first election	Position	Independent in relation to the Company and Group Management	Independent in relation to the major shareholders	Shareholding[1]
Magnus Lindquist	2021[2]	Chairman	Yes	Yes	2,359,329
Joakim Andreasson	2017	Member	Yes	No	–
Leif Ryd	2021[3]	Member	Yes	Yes	–[4]
Magdalena Persson	2021	Member	Yes	Yes	69,993
Juan Vargues	2021	Member	Yes	Yes	182,162
Ragnhild Wiborg	2021	Member	Yes	Yes	69,993

1) Refers to each member of the Company's Board of Directors own shareholding and the shareholding of closely related natural or legal persons, as well as shareholdings in a capital issuance after the completion of the Offering.
2) Magnus Lindquist was a member of the board of directors in Cary Group Bidco AB, a subsidiary of the Company, from 2018 up until he was elected as the Company's Chairman of the Board of Directors in 2021.
3) Leif Ryd was a member of the board of directors in Cary Group Bidco AB, a subsidiary of the Company, from 2018 up until he was elected as member of the Board of Directors in the Company in 2021.
4) Leif Ryd does not have any directly holding of shares in the Company. Rydgruppen, which is owned by the Ryd family, holds 5,535,763 shares in the Company, where Leif Ryd indirectly is the largest shareholder.

Magnus Lindquist

(born 1963)

Position: Chairman (since 2021).[1]

Nationality: Swedish.

Education: Studies in Marketing and Finance at Stockholm School of Economics.

Current engagements: Chairman of the board of directors of Munters Group AB. Partner at CORDET Capital Partners LLP.

Previous engagements/experience: More than 20 years of experience in senior positions in global industrial companies, primarily as Group Vice President at Autoliv Inc. and Perstorp AB. Long experience as Senior Partner at Triton Advisers (Nordic) AB. Chairman of the board of directors of Norma AS, Ambea AB, Alimak Hek Group Ltd. and Polygon AB. Member of the board of directors of Bravida Holding AB, Mycronic AB, Ovako AB and Trust Payments Ltd.

Shareholding in the Company: 2,359,329 shares after the Offering.

Joakim Andreasson

(born 1982)

Position: Member (since 2017).

Nationality: Swedish.

Education: Master of Science in Economics and Business Administration from Stockholm School of Economics and Lund University School of Economics and Management.

Current engagements: Principal at NC Advisory AB and Nordic Capital Investment Advisory AB. Member of the board of directors of Consilium Safety TopCo AB and KSG Holding AB.

Previous engagements/experience: Member of the board of directors of Handicare Group AB.

Shareholding in the Company: –

Leif Ryd

(born 1941)

Position: Member (since 2021)[1].

Nationality: Swedish.

Education: Master of Science in Philosophy from Stockholm University.

Current engagements: Member of the board of directors of Araslöv Invest AB, Dörrakuten i Stockholm AB, P-ZA Sverige AB, Nybergs Sweden AB, Fönsterrenovering Syd AB, and LR Capital AB. Chairman of the board of directors of Norretull Fastigheter AB.

Previous engagements/experience: –.

Shareholding in the Company: – [2]

1) Magnus Lindquist was a member of the board of directors in Cary Group Bidco AB, a subsidiary of the Company, from 2018 up until he was elected as the Company's Chairman of the Board of Directors in 2021.
2) Leif Ryd was a member of the board of directors in Cary Group Bidco AB, a subsidiary of the Company, from 2018 up until he was elected as member of the Board of Directors in the Company in 2021.
3) Leif Ryd does not have any directly holding of shares in the Company. Rydgruppen, which is owned by the Ryd family, holds 5,535,763 shares in the Company, where Leif Ryd indirectly is the largest shareholder.

Magdalena Persson

(born 1971)

Position: Member (since 2021).

Nationality: Swedish.

Education: Licentiate of Economics and Management from Linköping University and Master of Science in Business Administration from Linköping University.

Current engagements: Member of the board of directors of Intrum Sverige AB, NCAB Group Sweden AB, and Recover Nordic A/S. Partner at and member of the board of directors of Myrtel Management AB. Industrial Advisor at EQT Partners AB.

Previous engagements/experience: Chairman of the board of directors of Affecto Plc, Chairman of the board of directors of Iver Holding AB and Nexon Asia Pacific Plc. Member of the board of directors of Fortnox AB. CEO at Interflora AB.

Shareholding in the Company: 69,993 shares after the Offering.

Juan Vargues

(born 1959)

Position: Member (since 2021).

Nationality: Swedish and Spanish.

Education: Executive Master in Business Administration from Lund University (EFL). Studies in Management at International Institute for Management Development (IMD) in Lausanne. Studies in Economics at University of Barcelona. Studies at Upper Technical School of Agricultural Engineers (ETS) of Madrid.

Current engagements: Member of the board of directors of Munters Group AB. President and CEO of Dometic Group AB.

Previous engagements/experience: Executive Vice President at ASSA ABLOY Group. President at ASSA ABLOY Entrance Systems. President and CEO of Besam Group.

Shareholding in the Company: 182,162 shares after the Offering.

Ragnhild Wiborg

(born 1961)

Position: Member (since 2021).

Position: Swedish.

Education: Degree of Master of Science from Stockholm School of Economics. Master studies at Fundação Getulio Vargas.

Current engagements: Member of the board of directors and chair of the Audit and Risk Committee of Intrum Justita AB (publ). Chairman of the board of directors of EAM Solar AS. Board member and Chair of the Audit Committee of Rana Gruber AS. Member of the board of directors of EWS Stiftelsen and Kistefos.

Previous engagements/experience: Member of the board of directors and chair of the Audit Committee in REC Silicon ASA. Chairman and Member of the Audit Committee of Gränges AB, Sbanken ASA and Borregaard ASA. Co-Founder and CIO of Odin Fund Management.

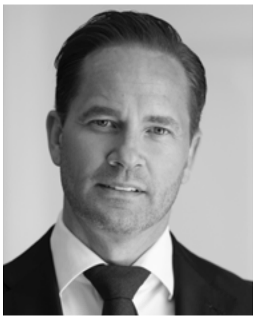
Shareholding in the Company: 69,993 shares after the Offering.

13.2 Group management

The following table sets forth certain information on the members of Group Management as of the date of this Offering Memorandum:

Name	Year of employment[1]	Year of appointment	Position	Shareholding[2]
Anders Jensen	2004	2004	CEO	4,747,404
Linda Wikström	2020	2020	COO	498,225
Joakim Rasiwala	2016	2016	CFO	984,939
Maria Dillner	2020	2020	Director HR[3]	27,531
Daniel Mukka	2020	2020	Director Digitalization[4]	39,977
Helene Gustafsson	2021	2021	Director IR & Corporate Communication	–
Mats Green	2016	2021	Region Manager Nordics	214,551

1) Refers to first year of employment within the Group.
2) Refers to each member of the Group Management's own shareholding and the shareholding of closely related natural or legal persons, as well as shareholdings in a capital issuance after the completion of the Offering.
3) The previous title for the position was Group Head of Human Resources.
4) The previous title for the position was Group Head of IT.



Anders Jensen

(born 1977)

Position: CEO.

Nationality: Swedish.

Education: Studies in Marketing at IHM Business School.

Current engagements: Member of the board of directors of Jensen of Stockholm AB. Deputy member of the board of directors of Nicklas Kulti Aktiebolag and Förvaltnings AB Sigrum 15.

Previous engagements/experience: CEO at Ryds Bilglas. Founder, chairman of the board of directors and owner of Samglas AB.

Shareholding in the Company: 4,747,404 shares and 338,074 warrants after the Offering.

Linda Wikström

(born 1975)

Position: COO

Nationality: Swedish.

Education: Master of Science in Mechanical Engineering from University of Colorado.

Current engagements: Member of the board of directors of Consilium Marine & Safety AB.

Previous engagements/experience: COO at AniCura TC AB, Desenio AB and Desenio AB. More than 10 years of experience in strategy and finance from Private Equity (Triton) and Investment Banking (JP Morgan).

Shareholding in the Company: 498,225 shares and 169,037 warrants after the Offering.

Joakim Rasiwala

(born 1970)

Position: CFO.

Nationality: Swedish.

Education: Master of Science in Finance and Economics from Stockholm School of Economics.

Current engagements: –.

Previous engagements/experience: Corporate Fiannce Consultant at UBS and SEB. CFO at Lexington Company AB and Allianceplus AB.

Shareholding in the Company: 984,939 shares and 169,037 warrants after the Offering.

Maria Dillner

(born 1978)

Position: Director HR.

Nationality: Swedish.

Education: Master of Science in Psychology from Gothenburg University.

Current engagements: –

Previous engagements/experience: HR Director at Veolia Nordic AB. Head of HR and Business Development at Jernhuset AB. HR Manager at Bring Citymail AB.

Shareholding in the Company: 27,531 shares and 169,037 warrants after the Offering.

Daniel Mukka

(born 1981)

Position: Director Digitalisation.

Nationality: Swedish.

Education: Bachelor degree in Informatics from Växjö University.

Current engagements: –

Previous engagements/experience: Head of Technical IT as SOS Alarm Sverige AB, CISO & Head of IT Operations at Clas Ohlson AB, Head of IT Architecture & Security at Scandic Hotels AB.

Shareholding in the Company: 39,977 shares and 28,922 warrants after the Offering.

Helene Gustafsson

(born 1982)

Position: Director IR & Corporate Communication.

Nationality: Swedish.

Education: Bachelor of Science in Business and Economics from Lund University.

Current engagements: –

Previous engagements/experience: Head of IR & Press at Ratos AB (publ) as well as Investor Relations Sandvik and Client Relations Manager Principal Global Investors.

Shareholding in the Company: – shares and 149,675 warrants after the Offering.

Mats Green

(born 1967)

Position: Region Manager Nordics.

Nationality: Swedish.

Education: Higher Market Economist from Berghs School of Communication.

Current engagements: Member of the board of directors of Sällskapet Skärgårdsbröderna och 1Ekonom AB.

Previous engagements/experience: Commercial Manager at NSG Pilkington Automotive Sweden.

Shareholding in the Company: 214,551 shares and 169,037 warrants after the Offering.

Other information on the board of directors and group management

The business address of the members of the Board of Directors and the Group Management of Cary Group Holding AB (publ) is Hammarby Kaj 10D, SE-120 32, Sweden.

There are no family ties between members of the Board of Directors or the Group Management.

The Board member Joakim Andreasson is currently employed by NC Advisory AB and Nordic Capital Investment Advisory AB Other than what is stated above, there are no identified conflicts of interest or potential conflicts of interest between the duties of the members of the Board of Directors and the Group Management toward Cary Group and their private interests and/or other duties.

During the last five years, no members of the Board of Directors or the Group Management have been convicted of fraudulent conduct or have been subject to any public incrimination or sanctions by statutory or regulatory authorities. During the past five years, none of the members of the Board of Directors or the Group Management have ever been disqualified by a court from acting as a member of administrative, management or supervisory bodies of a company or from acting in the Board of Directors or management or otherwise from conducting the affairs of a company. None of the members of the Board of Directors or the Group Management have been involved in any bankruptcies, receiverships or liquidations in a capacity as members of or deputy members of the Board of Directors of a company or as members of such a company's management.

The current chairman of the board, Magnus Lindquist, has informed the board and the Principal Owner that he desires to hand over the chairmanship after the listing on Nasdaq Stockholm. Board member Juan Vargues has announced that he is available and wants to accede as the new chairman of the board. Magnus Lindquist will remain a member of the board, meaning that the composition of the board is otherwise unchanged. The Principal Owner, Nordic Capital, will immediately after the Offering control more than 10 percent of the shares and votes in the Company (see *"Ownership structure"*) and has announced to the board that it, in connection with the publication of the Company's interim report for the nine months ended 30 September 2021, intends to convene an extraordinary general meeting for a resolution on the aforementioned changes of the board. A decision to appoint Juan Vargues as the new chairman of the board requires that Juan Vargues receives more than half of the votes cast at the extraordinary general meeting. The Company's Principal Owner supports the decision to appoint Juan Vargues as the new chairman of the board.

Auditors

The Company's auditors, Ernst & Young Aktiebolag, were initially elected as auditors of the Company in 2018.[1] At the 2021 annual general meeting, Ernst & Young Aktiebolag were re-elected for a period until the end of the 2022 annual general meeting, with Stefan Andersson Berglund as the auditor in charge.

Stefan Andersson Berglund (born 1964) is an authorised public accountant and member of the Swedish Institute of Authorised Public Accountants (Sw. *Föreningen Auktoriserade Revisorer*) (**"FAR"**). In addition to acting as the auditor in charge for the Company, Stefan Andersson Berglund is responsible for the audits of, among others, Handicare Group AB Philips Aktiebolag and Menigo Foodservices AB.

The address of the office of Ernst & Young Aktiebolag is Hamngatan 26, SE-111 47 Stockholm, Sweden.

1) The Company did not have an auditor before Ernst & Young Aktiebolag was elected as auditor for the Company in 2018.

Corporate governance

Overview

The Company is a Swedish public limited liability company. The corporate governance is mainly based on Swedish law, primarily the Swedish Companies Act, the articles of association and internal rules, including policies and instructions. As a company listed on Nasdaq Stockholm, the Company will also apply Nasdaq Stockholm's Rule book for Issuers and the Swedish Corporate Governance Code (the **"Code"**). The Code applies to all Swedish companies whose shares are listed on a regulated market in Sweden. The Code sets a higher standard for good corporate governance than the minimum standards of the Swedish Companies Act and other rules. Companies are not required to comply with all rules in the Code. Alternative solutions which are deemed more suitable for the relevant company's specific circumstances can be chosen, 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 "comply or explain" principle). The Company will apply the Code from the first day of trading of its shares on Nasdaq Stockholm. The Company expects to comply with all rules in the Code as of this date.

General meetings of shareholders

Overview

According to the Swedish Companies Act, 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 the adoption of income statements and statements of financial position, appropriation of the Company's results, discharge from liability of members of the board of directors and the CEO, election of members of the board of directors and auditors and remuneration to the board of directors and the auditors.

The annual general meeting must be held within six months from the end of the 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 convening the meeting in the Official Swedish Gazette (Sw. *Post- och Inrikes Tidningar*) and on the Company's website. The Company shall also advertise in Dagens Industri that notice has been made.

Right to participate in general meetings

Those 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 bank days prior to the meeting, and notify the Company of their participation no later than on the date set out in the notice to attend the meeting. In addition to notifying the Company, shareholders whose shares are nominee registered through a bank or other nominee must request that their shares be temporarily registered in their own names in the share register four bank 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 no later than one week prior to the earliest date pursuant to the Swedish Companies Act on which notice to attend the general meeting may be issued or after that date, but in due time for the matter to be included in the notice to attend the general meeting.

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 extra general meeting on 13 August 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) representatives of the three largest shareholders of the company in terms of votes, who are registered in the share register maintained by Euroclear Sweden AB as of the last trading day in August each year, and (ii) the chair of the board of directors, who shall also convene the nomination committee to its first meeting. The nomination committee shall meet the requirements of composition set out in the Code. If the larger shareholders who have the right to appoint members of the nomination committee wish to appoint persons with the consequence that the requirements of composition provided in the Code are not met, the first choice of the larger shareholder shall have precedence over a smaller shareholder. At the appointment of a new member, the shareholder who shall appoint the new member shall consider the composition of the current nomination committee.

Should any of the three largest shareholders abstain from their right to appoint a member of the nomination committee, the right to appoint a member shall pass to the next shareholder in line that does not already have the right to appoint a member of the nomination committee. However, the procedure shall only continue until the earlier of (i) five additional shareholders have been asked; or (ii) the nomination committee is complete.

The name of the members and the shareholders they represent shall normally be made public on the company's website at the latest six months prior to the annual general meeting. At this convening, the nomination committee shall appoint a chair amongst its members. 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 website of the company as soon as they have occurred.

If a change in the company's ownership structure occurs after the last trading day in August but before the date which occurs three months ahead of the forthcoming annual shareholders' meeting, and if a shareholder that after this change has become one of the three largest shareholders in terms votes, who are registered in the share register of the company, 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 of the nomination committee or to appoint a member who shall replace the member appointed by the, after the changes in the ownership structure, smaller 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 exchanged, to the chair of the board of directors). The notification shall contain the name of the dismissed member and the person who shall replace him as member of the nomination committee.

A member who prematurely resigns from his 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 member to appoint a new member. If a new member is not appointed by the shareholder, the nomination committee shall offer other larger shareholders with respect to votes, to appoint members of the nomination committee. Such offer shall be made in order of priority to the largest shareholders with respect to votes (that is, first to the largest shareholder with respect to votes who has not already appointed a member of the nomination committee or previously abstained from the right to do so, thereafter to the second largest shareholder with respect to 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) five 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 not to reveal the content or details of nominations discussions unduly. Each member of the nomination committee is to consider carefully whether there is any conflict of interest or other circumstance that makes 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 director's committees.

(e) Election of the auditor/auditors.

(f) Remuneration to the auditor/auditors.

(g) Principles for the 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 general meeting shall appoint no less than three and no more than ten board members. Pursuant to the Code, the chair of the board shall be appointed at the general meeting. No 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, Group Management and auditors – 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 the instructions from the general meeting as well as 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 instructions for the committees of the board of directors, an instruction for the CEO and an instruction for the financial reporting to the board.

The board of directors is responsible for the organisation and the management of the Company's matters, which, among other things, 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 meet according to an annual predetermined schedule. In addition to ordinary board meetings, board meetings may be convened where the chair considers it to be necessary or 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: Ragnhild Wiborgand Joakim Andreasson.

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 the reporting;

(b) in respect of the 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 the 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;

(f) provide recommendations on capital structure related matters including long term financing plans and dividend proposals;

(g) provide recommendations on public guidance on financial objectives; and

(h) assist the nomination committee in conjunction with its preparation of proposals to the general meeting of shareholder's resolution regarding election of auditor.

Remuneration committee

The board of directors has established a remuneration committee. Pursuant to the Code, the chair of the board 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: Magnus Lindquist and Magdalena Persson. 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) monitor and evaluate programs for variable remuneration, both ongoing and those that have ended during the year, for the executive management;

(c) monitor and evaluate the application of the guidelines for remuneration of the executive management that the annual general meeting of shareholders 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) to (c) above; and

(e) prepare and manage the board of directors' remuneration report for each financial year detailing unpaid and outstanding compensation that is covered under the guidelines for remuneration;

(f) if the Company implements an incentive program for the employees of the Company, ensure that the incentive program is annually evaluated;

(g) review the CEO's succession planning for the executive management team members annually; and

(h) 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.

Name	Remuneration (TSEK)
Magnus Lindquist (Chairman)	450
Andreas Näsvik	100
Anette Kumlien	250
Joakim Andreasson	100
Leif Ryd	100
Total	**1,000**

The annual general meeting on June 2, 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 2,410 thousand to be paid in accordance with the following: SEK 600 thousand to the Chair of the Board of Directors and SEK 300 thousand each to of the members of the Board of Directors, and an additional SEK 185 thousand to members of the audit committee, of which SEK 125 thousand to the chair of the audit committee and SEK 60 thousand to the other member of the audit committee, and an additional SEK 125 thousand to members of the remuneration committee, of which SEK 75 thousand to the chair of the remuneration committee and SEK 50 thousand each to other members of the remuneration committee. The board members are not entitled to any benefits following termination of their assignment as directors of the board.

Ceo and group management

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 Group 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, Group Management and auditors – Group Management"*.

Remuneration to Group Management

The following table sets forth the remuneration paid to the members of the Group Management for the year ended 31 December, 2020 (amounts in SEK thousand):

Name	Salary	Variable compensation	Pension	Other benefits[1]	Total
Anders Jensen, COO	2,715	1,482	473	162	4,833
Linda Wikström, COO	1,518	563	521	7	2,609
Other members of the Group management (3 individuals)	3,207	507	611	142	4,467
Total	**7,440**	**2,552**	**1,605**	**312**	**11,910**

1) Remuneration in form of benefits to Group Management includes company car and health care insurance.

Long-term share based investment programs to senior executives and other employees

In connection with the admission of the Company's share to trading at Nasdaq Stockholm, Cary Group will have a share-related investment program comprising a warrant program. The purpose of the investment program is among other things, to encourage a broad share ownership amongst the Company's employees, facilitate recruitment, maintain competent employees and the Company's shareholders and increase motivation to reach or excel the Company's financial goals.

Warrant program

An extraordinary general meeting which is intended to be held about 22 September 2021 is expected to resolve on issuing warrants as a part of an investment program to certain senior executives and key employees in the Group (the **"Participants"**).

In total the investment program will comprise at the most 30 individuals and a maximum of 2,351,122 warrants. If fully subscribed and fully exercised, the increase of the Company's share capital is not expected to exceed 12,595 SEK. The maximum number of warrants which may be subscribed by the Participants, under assumption that the warrants are fully exercised, correspond approximately to 1.8 percent of the total number of shares in the Company after the Offering.

The warrants will be issued in a series. The warrants will be issued to the Participants at a marketing value calculated in an evaluation done according to the Black & Scholes model. The number of warrants offered to each Participant is dependent on the Participant's position and responsibility within the Group.

The number of warrants which each senior executive has committed to subscribe to are set forth in *"Board of Directors, Group Management and auditors – Group Management"*.

The warrants can be exercised during a subscription period which runs during 6 months from the day which falls 3 years after the commencement of trade in the Company shares at Nasdaq Stockholm. Each warrant can be used to subscribe for a share in the Company during the subscription period.

The exercise price will correspond to 135 percent of the Offer Price, but may not be lower than the quotient value of the share. The complete terms for the warrants also include customary recalculation provisions for distribution of dividends which are made prior to the exercise of the warrants and for consolidation or split of shares.

The Company has reserved the right to buy back the warrants inter alia if the Participant's employment in the Company is terminated. Cary Group's costs for the investment program during the program's duration are, apart from administrative costs, limited to social security contributions for Participants in jurisdictions where participation in the investment program is taxed as earned income). These costs are dependent on the share price of Cary Group at the time of exercise of the warrants and would, for example, amount to approximately SEK 1.2 million at a share price at exercise of 200 percent of the Offering Price.

Current employment terms for the CEO and the other senior executives

Terms for the CEO

The notice period under the employment agreement with the CEO is twelve months, regardless of whether the CEO or the Company terminates the employment. The CEO is, under certain conditions, entitled to severance pay of up to six months following the termination of the employment. The CEO's employment agreement also includes a non-competition clause applicable for 12 months after the termination of the CEO's employment. If the non-competition clause is enforced by the Company, the CEO is entitled to additional compensation corresponding to a maximum of 60 percent of the difference between the CEO's average compensation, including bonus and commission, during the last year of employment and the lower income which the CEO earns from another employment, assignment or business activity.

Terms for the other senior executives

For the other senior executives the notice period is three to six months regardless of whether the senior executive or the Company terminates the employment. The other senior executives' employment terms also include non-competition clauses that, if enforced by the Company, entitles the senior executives to additional compensation during the applicable non-compete period. One of the senior executives is, under certain conditions, entitled to severance pay of up to six months salaries following the termination of the employment.

Guidelines for remuneration to the senior executives

Pursuant to the Swedish Companies Act, the annual general meeting of the Company shall adopt guidelines for remuneration to the senior executives. The extra general meeting on 13 August 2021 resolved to adopt the below guidelines for remuneration to the senior executives for the period until the close of the annual general meeting 2022.

General principles for remuneration and other terms and conditions

These guidelines apply to remuneration to senior executives in the Company, including Board members to the extent remuneration is received outside of their board duties. For the purposes of these guidelines, senior executives include the CEO, the deputy CEO (if applicable), and certain other executives who, from time to time, are members of the Group Management and directly report to the CEO. As of the date of these guidelines, Cary Groups senior executives.

These guidelines do not apply to any remuneration resolved upon or approved by the general meeting and are only applicable to remuneration agreed, and amendments to remuneration already agreed, after the adoption of these guidelines by the annual general meeting 2021.

Purpose and general guidelines

These guidelines constitute a frame for which remuneration to senior executives may be decided by the board of directors during the period of time for which the guidelines are in force and on what principal terms.

The Company's guidelines are designed to ensure responsible and sustainable decisions regarding remuneration that support the Company's business strategy, long-term interests and sustainable business practices. To this end, salaries and other employment terms shall enable the Company to retain, develop and recruit skilled senior executives with relevant experience and competence. The remuneration shall be on market terms, competitive and reflect the performance and responsibilities of individual senior executives.

Remuneration and employment conditions for employees of the Company have been regarded in the preparation of these guidelines. Information on the employees' total income, the components of the remuneration and its conditions has been taken into account by the Remuneration Committee and Board of Directors when evaluating whether the guidelines and limitations set out herein are reasonable.

Remuneration for senior executives must be duly adjusted to comply with any local mandatory rules in the jurisdiction of their employment and may be duly adjusted to comply with established local practice, taking into account, to the extent possible, the overall purpose of the guidelines.

Elements of remuneration

The remuneration to the senior executives covered by these guidelines may consist of base cash salary, performance based cash salary, pension and non-financial benefits. In addition hereto, the general meeting may decide on share based long-term incentive programs in which senior executives can participate.

Principles for base cash salary

The base cash salary shall be in line with market conditions, be competitive, and shall take into account the scope of and responsibility associated with the position, as well as the skills, experience and performance of each senior executive.

Principles for performance based cash salary

Performance based cash salary (i.e., cash bonuses) shall be based on a set of predetermined and measurable performance criteria that reflect the key drivers for pursuing the Company's business strategy, long-term interests and sustainable business practices. Such performance criteria shall consist of key performance indicators both for the Company's overall and financial performance as well as individual performance. To which extent the criteria for awarding performance based cash salary have been satisfied shall be determined when the relevant measurement period of the performance criteria has ended. The Remuneration Committee is responsible for such an assessment with regards to performance based cash salary. Such performance based cash salary shall be evaluated and documented on an annual basis.

Performance based cash remuneration may amount to a maximum of 30 percent of the base annual cash salary for each senior executive.

Principles for pension benefits

Pension benefits shall be based on local practices and applicable law. Any deviations from local practices must be separately approved by the Remuneration Committee and documented in its report to the Board of Directors. Pension benefits may not amount to more than 35 percent of the annual base cash salary of each senior executive, provided that mandatory provisions of applicable laws or collective bargaining agreements do not require a higher pension provision.

Principles for non-financial benefits

Non-financial benefits shall be based on market terms and shall facilitate the performance of the duties of senior executives. The aim of the Company is to have sufficiently competitive salary and incentive programs to minimize the need for additional non-financial benefits. Any non-financial benefits, beyond what is offered to the entire workforce of the Company, shall be reviewed and approved by the Remuneration Committee. The total value of such non-financial benefits may not exceed 10 percent of the annual base cash salary of each senior executive. Other benefits may include, among other things, health insurance, company car and/or household assistance.

Consultancy fees

The Board of Directors may decide that market term consultancy fees shall be paid to members of the Board of Directors performing services for the Company outside the scope of the directorship, provided that such services contribute to the Company's business strategy and long-term interests, including sustainability

Share-based long-term incentive programs

The Board of Directors may decide that market term consultancy fees shall be paid to members of the Board of Directors performing services for the Company outside the scope of the directorship, provided that such services contribute to the Company's business strategy and long-term interests, including sustainability.

Preparation and review of these guidelines

These guidelines have been prepared by the Board of Directors' Remuneration Committee. The Remuneration Committee shall have a preparatory function, in relation to the Board of Directors, in respect of principles for remuneration and other terms of employment regarding the senior executives. With the recommendation of the Remuneration Committee as the basis, when the need arises for significant changes in the guidelines, but at least every fourth year, the board of directors shall prepare a proposal for guidelines for approval by the annual general meeting. The annual general meeting shall decide on such proposals. Approved guidelines may also be amended by way of resolution by general meetings other than annual general meetings.

Within the scope and on the basis of these guidelines, the Board of Directors shall, based on the Remuneration Committee's preparation and recommendations, annually decide on the general principles and structure of the remuneration of senior executives and specific remuneration terms for the CEO and make such other resolutions in respect of remuneration for the CEO that may be required. The specific remuneration terms for each senior executive (other than the CEO) shall be prepared by the CEO and be agreed with the Chairman of the Board in consultation with the Remuneration Committee (if needed).

The members of the Remuneration Committee are independent in relation to the Company and the senior executives. The CEO and the other senior executives do not participate in the Board of Directors' handling of and resolutions regarding remuneration-related matters if they are affected by such matters.

Termination of employment

A mutual notice period of 12 months applies for the CEO. For other senior executives, the mutual notice period is set in relation to position. Base cash salary during the notice period and severance pay (if any) may not together exceed an amount corresponding to 18 months base cash salary.

Derogations from these guidelines

The Board of Directors may temporarily resolve to derogate from these guidelines, in whole or in part, if in a specific case there is special cause for such derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability.

Internal control

General

Cary Group has established an internal control system aimed at achieving an efficient organisation that achieves the targets set by the board of directors. This system includes work to ensure that Cary Group's operations are conducted correctly and efficiently, that laws and regulations are complied with and that financial reporting is accurate and reliable and in accordance with applicable laws and regulations.

Control environment

Cary Group's control environment is based on the distribution of work among the board of directors, the board committees, the CEO and the CFO and the corporate values on which the board of directors and the Group Management communicate and base their work. In order to maintain and develop a well-functioning control environment, to comply with applicable laws and regulations, and to ensure compliance within the entire Group with Cary Group's desired business practices, the board of directors, as the ultimately responsible body, has established a number of basic governing documents relevant to risk management and the internal control which consists of operational control documents, policies, procedures and instructions. Among these documents are the rules of procedure for the board of directors, the instructions for the committees of the board of directors, the instructions for the CEO, the instructions for financial reporting, the code of ethics and the communication and insider policy.

Risk assessment

Cary Group has established a risk assessment procedure, meaning Cary Group conducts annual risk analysis and risk assessment. Based on this procedure, risks are identified and categorised according to the following four areas:

- Strategic risks,
- Operational risks,
- Compliance risks, and
- Financial risks.

Cary Group's objective with the risk analysis is to identify the most significant risks that may prevent Cary Group from achieving its targets or realising its strategy. The objective is further to evaluate these risks based on the probability that they will arise in the future and to what extent the risks may affect Cary Group's targets if they were to occur.

Individual risks are assigned a so-called risk owner. The risk owner has a mandate and responsibility to ensure actions and controls are established and implemented. The risk owner is also responsible for monitoring, follow-up and reporting of changes in Cary Group's risk exposure to identified risks.

Identified risks are reported annually by the CFO to the audit committee and the board of directors. The board of directors evaluates Cary Group's risk management system, including risk assessments, and shall annually submit a description in which the most important elements of Cary Group's internal control and risk management are examined in detail. The purpose of this procedure is to ensure that significant risks are managed and that controls that counteract identified risks are implemented.

Control activities

Cary Group has established a risk management process that includes a number of key controls of matters that must be in place and function in the risk management processes. The control requirement is an important tool that enables the board of directors to lead and to evaluate information from the senior executives and to take responsibility for identified risks. Cary Group focuses on documenting and evaluating the major risks related to financial reporting to ensure that Cary Group's reporting is accurate and reliable.

Information and communication

The board of directors of Cary Group has adopted a communication and insider policy governing Cary Group's management and communication of inside information and other information. The policy is intended to reduce the risks of insider dealing and other unlawful behaviour and to facilitate Cary Group's compliance with applicable rules regarding the handling of inside information. In addition, Cary Group has established procedures for the handling of information and restriction of the dissemination of information. The communication policy describes Cary Group's overall focus on communication matters. Cary Group's communication shall be characterised by long-term perspective and trust, reliability as well as being proactive, correct, open and holistic. The communication shall also be accurate, relevant and comprehensive in accordance with Nasdaq Stockholm's rule book for issuers.

Investor relations committee

The purpose of Cary Group's investor relations committee is to build a long-term knowledge of and trust in Cary Group's operations and value creation, whilst ensuring that Cary Group complies with applicable regulations. Cary Group's investor relations committee handles regular contacts with shareholders, analysts, investors, financial journalists, Nasdaq Stockholm, the SFSA and other capital market participants and coordinates general meetings, analyst meetings and capital market presentations. The Head of IR is responsible for this committee, which also consist of the CEO and the CFO.

Monitoring and follow-up

A self-assessment of the effectiveness of the internal controls shall annually be performed by defined persons throughout the organisation. The CFO is responsible for presenting the result to the audit committee and the board of directors.

Ownership structure

Overview

The Company's largest shareholder is Cidron Legion S.à r.l, holding approximately 79.0 percent of the shares and votes immediately prior to the Offering. Cidron S.à r.l is indirectly controlled by Nordic Capital. The Company's second largest shareholder is Rydgruppen, holding approximately 8.8 percent of the shares and votes immediately prior to the offer. Rydgruppen is indirectly controlled by the Ryd Family. The table below sets forth the Company's ownership structure before the Offering and after completion of the Offering.

	Immediately prior to the Offering[1]		Shareholding after the Offering (if the Over-allotment Option is not exercised)		Shareholding after the Offering (if the Over-allotment Option is exercised)	
Shareholder	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Cidron Legion S.à r.l.	90,093,139	79.0%	49,389,785	37.5%	39,560,593	30.0%
Rydgruppen Sverige AB	10,010,421	8.8%	5,535,763	4.2%	5,535,763	4.2%
Shareholding members of the board of the directors, Group Management[2] and other employees, as well as other shareholders						
Magnus Lindquist	2,775,681	2.4%	2,359,329	1.8%	2,359,329	1.8%
Joakim Andreasson	–	–	–	–	–	–
Leif Ryd	–	–	–	–	–	–
Magdalena Persson	69,993	0.1%	69,993	0.1%	69,993	0.1%
Juan Vargues	182,162	0.2%	182,162	0.1%	182,162	0.1%
Ragnhild Wiborg	69,993	0.1%	69,993	0.1%	69,993	0.1%
Anders Jensen	5,631,772	4.9%	4,747,404	3.6%	4,747,404	3.6%
Linda Wikström	609,442	0.5%	498,225	0.4%	498,225	0.4%
Joakim Rasiwala	1,189,812	1.0%	984,939	0.7%	984,939	0.7%
Maria Dillner	63,450	0.1%	27,531	0.0%	27,531	0.0%
Daniel Mukka	52,346	0.0%	39,977	0.0%	39,977	0.0%
Helene Gustafsson	–	–	–	–	–	–
Mats Green	283,473	0.2%	214,551	0.2%	214,551	0.2%
Other Shareholders	2,960,170	2.6%	2,201,395	1.7%	2,201,395	1.7%
New shareholders	**–**	**–**	**65,527,949**	**49.7%**	**75,357,141**	**57.2%**
Total	**113,991,854**	**100,0%**	**131,848,996**	**100.0%**	**131,848,996**	**100.0%**

1) Prior shareholding in the Company refers to immediately before the Offering, but after transfers and reallocation of shares which is described further in *"Shares and share capital – Transfers and reallocation of shares amongst existing shareholders*

2) Provided that the Offering is completed, and as part of the Share Structure Simplification, certain members of the Board of Directors and Group Management will sell shares to the Principal Owner, which sells shares in the Offering. Apart from such sales made to cover the cost of investing in warrants, as part of the Company's incentive program, no member of the Group Management sells more than 15 percent of its holdings.

Immediately following completion of the Offering and assuming that the Over-allotment Option is exercised in full, the Principal Owner will hold 30.0 percent of the Shares and votes. Thus, the Principal Owner will have a significant influence over the outcome of matters submitted to the Company's shareholders for approval. As a listed company, the Company will be subject to a comprehensive framework of laws and regulations aimed at, among other things, preventing abuse by a controlling shareholder. These laws and regulations include, but are not limited to, provisions protecting minority shareholders in the Swedish Companies Act, Nasdaq Stockholm's Rulebook for Issuers and the Code.

Selling shareholders

The Principal Owner is a private limited liability company, with reg. no. B190970, founded in Luxembourg under Luxembourg law, incorporated in Luxembourg, with its registered office in Luxembourg, and operating under the laws of Luxembourg. The legal form of Principal Owner is governed by the Luxembourg Commercial Companies Act. Principal Owner's LEI code is 984500569P9MBEV48E11.

Rydgruppen is a private limited liability company, with reg. no. 556097-2084, founded in Sweden under Swedish law, and operating under the laws of Sweden. The legal from of Rydgruppen Sverige AB the Swedish Companies Act (Sw. *Aktiebolagslagen*). Rydgruppen's LEI code is 549300YISFJBW1F8VL83.

The Principal Owner and Rydgruppen will sell shares in connection with the Offering. The table below presents the number of shares the Selling Shareholders offers to sell. See *"Invitation to acquire shares in Cary Group Holding AB (publ)"* and *"Terms and conditions – Over-allotment Option"* for the Joint Global Coordinators right to exercise the Over-allotment Option.

	Existing Shares offered for sale (if the Over-allotment Option is not exercised)	Existing Shares offered for sale (if the Over-allotment Option is exercised in full)
Selling Shareholder	**Number**	**Number**
Cidron Legion S.à r.l.	43,196,149	53,025,341
Rydgruppen Sverige AB	4,474,658	4,474,658

Lock-up arrangements

Selling Shareholders and the Minority Shareholders, as well as members of the Board of Directors and members of the Group Management, will commit, subject to certain exceptions, not to sell their respective holdings for a certain period after trading in the Company's shares on Nasdaq Stockholm has commenced (see "*Legal considerations and supplementary information – Placing agreement*").

Shareholders' agreements

All existing shareholders' agreements 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 that will apply after the Offering. The board of directors is not aware of any other agreements that may lead to a change of control over the Company.

Information regarding public offers, mandatory public offers and compulsory buy-out

After the admission to trading of the Company's shares on Nasdaq Stockholm, the Swedish Act on Public Takeovers on the St ock 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 Securities Council's interpretations of 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 of 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 the 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.

Shares and share capital

Set forth below is a summary of certain information concerning the Company's shares and certain provisions of the articles of association, as well as Swedish law in effect on the date of this Offering Memorandum and as per 30 June 2021, where applicable. This summary contains substantially all material information regarding the shares. However, the summary does not purport to be complete and is qualified in its entirety by reference to the articles of association and applicable Swedish laws.

Overview

According to the Company's articles of association, the share capital shall amount to not less than SEK 500,000 and a maximum of SEK 2,000,000 divided among not less than 90,000,000 shares and not more than 360,000,000 shares. As of the date of this Offering Memorandum the Company's registered share capital amounts to SEK 500,000 divided among 50 preference shares and 93,333,100 ordinary shares, each with a quotient value of SEK 0.005 All shares are paid for in full. The shares have been issued in accordance with Swedish law and are denominated in SEK. The shares are not subject to an offer following a mandatory bid, redemption right or redemption obligation. No public takeover offer has been made for the shares during the current or preceding financial year. Following the completion of the Offering, all preference shares will be converted into ordinary shares as described in *"– Issue of new shares in connection with the offering"* below.

Changes in the share structure and redistribution of shares among existing shareholders in connection with the offer

As of the date of this Offering Memorandum, the Principal Owner and Rydgruppen holds ordinary shares as well as preference shares in the Company. Certain other persons (including senior executives and board members) (**"Minority Shareholders"**) are at the same time (directly or indirectly) invested in the Group through holding of ordinary and, for some, preference shares in Cary Group Midco AB and/or Cary Group Pooling AB (the" **subsidiaries**") which has been acquired as part of the Group's management and key employee investment program put in place prior to the Offering. Further, the Principal Owner is expected to acquire a receivable against the Company attributable to a shareholder loan prior to the Offering.

After the Offering, the intention is that (i) there are only ordinary shares in the Company; (ii) all Minority Shareholder will have exchanged their existing shareholding of ordinary and preference shares in the subsidiaries for ordinary shares in the Company; and (iii) the Principal Owner's receivable attributable to a shareholder loan has been set off. In order to achieve the above mentioned, the following resolutions are intended to be passed in connections with the Offering (the "**Share structure simplification**").

(1) Issue in kind of ordinary shares in the Company to Minority Shareholders against payment in ordinary and preference shares in the subsidiaries.

(2) Conversion of the preference shares in the Company currently held by Rydgruppen into ordinary shares in the Company.

(3) Bonus issue of ordinary shares in the Company to Rydgruppen in order to restore changes in the value of Rydgruppen's holding of shares in the Company that arise through the conversion in item 2 above.

(4) Offset issue of ordinary shares in the Company to Cidron Legion S.à r.l. against payment in the form set-off of a receivable against the Company attributable to a shareholder loan.

Provided that the Offering is fully subscribed, the Share structure simplification is expected to cause the number of preference shares in the Company to decrease from 50 to 0, the number of ordinary shares in the Company increase from 93,333,100 to 113,991,854 and the Company's share capital to increase from SEK 500,000 to SEK 610,671.8, providing an unchanged quotient value.

Issue of new shares in connection with the offering

The Company's Board of Directors intends to, by power of authorisation from an extraordinary general meeting held on 1 July 2021, resolve on the final terms of the new issue of shares for the purpose of completing the Offering. To facilitate the delivery of shares to those entitled to acquire shares in accordance with the timetable of the Offering, the new shares will be issued at a price of 0,005357 per share (the quota value of the share) and be subscribed by Danske Bank on behalf of the investors. The issue of new shares is intended to provide Cary Group with proceeds of approximately SEK 1,250 million before deduction for costs related to the Offering.

Based on the above, and that the new issue of shares is subscribed in full, the number of newly issued shares will amount to 17,857,142. For current shareholders, this will entail a dilution effect of 17,857,142 new shares, corresponding to 13.5 percent of the total number of shares following completion of the Offering. The new share issue is expected to be registered with the Swedish Companies Registration Office on or about 24 September 2021.

Certain rights associated with the shares

Overview

As of the day of this Offering Memorandum, the Company may issue 11 difference classes of shares. After the Share structure simplification the Company will only have one class of shares. The shares that are being offered in the Offering are of the same class. The rights associated with the share in the Company, including those pursuant to the articles of association, may only be altered in accordance with the procedure set forth in the Swedish Companies Act.

Voting rights at general meetings of shareholders

All ordinary and preference shares in the Company entitle the holder thereof to one vote at general meetings, and each shareholder is entitled to cast votes equal in number to the number of shares held by the shareholder in the Company. After the Share structure simplification, only ordinary shares will remain.

Right to dividends and surplus in the event of liquidation

All shares will carry equal rights to dividends as well as to the assets and any surplus in the event of dissolution of the Company, see "*Terms and conditions – Right to dividend" and "Business overview – Financial targets"*.

Preferential rights to new shares

If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue (Sw. *kvittningsemission*), the shareholders will in general have preferential rights to subscribe for such securities in proportion to the number of shares held prior to the issue. The articles of association of the Company does not restrict the Company from issuing shares, warrants or convertibles with deviation from the shareholders' preferential rights, if provided for in the Swedish Companies Act.

Transferability of the shares

The shares will be freely transferable. The articles of association contains no restrictions regarding the transferability.

Net asset value per share compared to the price per share in the offering

As of 30 June 2021, the Company's net asset value per share amounted to SEK (1.02), and the offer price is SEK 70 per share

Dilution and net asset value

Following completion of the Offering shares (assuming full subscription), the Company's share capital will increase with a maximum of SEK 95,663 and a maximum of 17,857,142 shares and votes. If the current shareholders of the Company do not participate in the Offering their shareholding and voting power will be diluted by 13.5 percent after the Offering.

As of 31 December, 2020, the Company's net asset value per share amounted to SEK (796.2) (based on a shareholders' equity of SEK (106.2) million and 133,383 shares). The Offer Price amounts to SEK 70 per share.

Share capital development

The table below summarises the historic development of the Company's share capital since the Company was incorporated in 2015 up until the date of this Offering Memorandum, as well as the changes in the number of shares and the share capital that will be made in connection with the Offering.

		Change			Total	
Date of registration[1]	Event	Number of ordinary shares	Number of preference shares	Share capital (SEK)	Number of shares (ordinary and preference shares)	Share capital (SEK)
11/12 2015	Incorporation	50,000	–	50,000	50,000	50,000
1/1 2016	–	–	–	–	50,000	50,000
1/1 2017	–	–	–	–	50,000	50,000
1/1 2018	–	–	–	–		
12/2 2018	New share[2] issue	70,000	–	70,000	120,000	120,000
12/2 2018	Issue in kind[3]	13,333	50	13,383	133,383	133,383
1/1 2019	–	–	–	–		
1/1 2020	–	–	–	–		
1/1 2021	–	–	–	–		
27/8 2021	Bonus issue	–	–	366,617	133,383	500,000
27/8 2021	Share split	93,199,767	–	–	93,333,150	500,000
24/9 2021	New share issue, as a part of the Offering[4]	17,857,142	–	95,663	111,190,292	595,663
24/9 2021	Bonus issue[5]	677,271	–	3,628	111,867,563	599,292
24/9 2021	Conversion of preference shares to ordinary shares[5]	50	(50)	–	111,867,563	599,292
24/9 2021	Offset issue[5][6]	6,093,139	–	32,642	117,960,702	631,934
24/9 2021	Issue in kind[5, 7]	13,888,294	–	74,402	131,848,996	706,335

1) Refers to the date when the change was registered or is expected to be registered with the Swedish Companies Registration Office.
2) Paid in cash. The subscription price was SEK 1,000 per shares.
3) Paid with capital contributed in kind. The subscription price was SEK 1,000 per ordinary share and SEK 1,511,120 per preference share.
4) The subscription price will be SEK 70, see further " – *New issue of shares in connection with the Offering*".
5) Implemented as part of the Share Structure Simplification, see further " – *Changes in the share structure and redistribution of shares among existing shareholders in connection with the Offering*".
6) Paid in the form of set-off of a receivable. The subscription price will be SEK 70.
7) Paid with capital contributed in kind. The subscription price will be SEK 70.

Dividend history

No dividend has been paid out with respect of the years ended 31 December, 2020 or 2019. On an extraordinary general meeting on 12 July 2019, it was resolved to distribute a dividend in the amount of SEK 44.6 million. The dividend was attributable to the financial year 2018.

Warrants and convertibles

The Company has no outstanding securities such as can be converted into equity, warrants (Sw. *teckningsoptioner*) or other equity-related financial instruments.

Authorisation for the board of directors to decide on issues of shares and warrants

At the extraordinary general meeting held on July 1, 2021 it was resolved that the board of directors shall be authorised to, at one or several occasions during the period up to the next annual general meeting, whether on one or several occasions and whether with or without pre-emption rights for the shareholders, to adopt resolutions to issue new shares and warrants. Such new issue resolutions may include provisions of payment in cash, and/or payment by way of contribution of non-cash consideration or by set-off of a claim or that subscription shall be subject to other conditions.

Central securities depositary register

The Company's shares are registered in a central securities depositary (**"CSD"**) register in accordance with the Swedish Central Securities Depositories 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 shares is SE0016609671.

Listing application

The Company's Board of Directors will apply for the Company's shares to be admitted for trading on Nasdaq Stockholm. Nasdaq Stockholm's Listing Committee has on 8 September 2021 made the assessment that the Company fulfils the listing requirements. Nasdaq Stockholm will approve an application for admission to trading of the Company's shares on Nasdaq Stockholm subject to certain conditions, including that the Company submits such an application and fulfils the distribution requirement for its shares. The trading symbol of the Company's shares on Nasdaq Stockholm will be CARY.

Articles of association

Set forth below is an English language translation of the articles of association of the Company which is expected to be adopted at the extraordinary general meeting held 22 September 2021. The General Meeting's resolution to adopt the Articles of Association is conditional on completion of the Offering. The articles of association are expected to be registered on or around 23 September 2021.[1)]

§ 1 Name of Company
The company name is Cary Group Holding AB (publ). The company is a public company (publ).

§ 2 Registered office
The registered office shall be the municipality of Stockholm, Stockholm County.

§ 3 Business
The company shall directly or indirectly own and vest in stocks and shares of subsidiary companies and activities compatible therewith.

§ 4 Share capital
The company's share capital shall be no less than SEK 700,000 and no more than SEK 2,800,000.

§ 5 Accounting currency
The company shall have its accounting currency in SEK.

§ 6 Number of shares
The company shall have no less than 130,000,000 shares and no more than 520,000,000 shares.

§ 7 Board of directors and auditor
The board shall consist of three – ten board members without deputy board members.

The company shall have one or two auditors and not more than two deputy auditors or a registered public accounting firm.

1) The articles of association registered with the SCRO as of the date of this Offering Memorandum contains provisions on several classes of shares, dividend and liquidation preference, preferential rights in share issues and redemption according the following: Shares can be issued in 11 classes of shares, consisting of ordinary shares and preference shares of classes 1-10. Ordinary shares shall have ten- votes per share and Preference shares shall have one vote per share. Preference shares shall have preferential rights to the company's assets and profits as set out below. Shares of any class may be issued up to an amount equal to the entire share capital. The following definitions applies for the clause on dividend and liquidation **"Compounded Yield"** means the accrued and compounded Preference Yield at any given point in time; **"Distribution"** means any return of capital on any shares to any shareholder, whether by way of dividend, in connection with a liquidation, dissolution or winding up of the company (either voluntary or involuntary); **"Preference Amount"** means, with respect to each Preference share and at any given point in time, an amount equal to (i) SEK 1,511,120; plus (ii) any Compounded Yield; less (i) any Distributions made in accordance with the description of distribution below; **"Preference Yield"** means an amount equal to an interest of 8 per cent per annum on the Preference Amount as from 18 January 2018 (such interest to be calculated as "actual/actual", accrue daily and be compounded annually (at the end of the last calendar day of each year, for the first time at the end of 31 December 2018)); and **"Uncompounded Yield"** means the accrued, but not compounded, Preference Yield at any given point in time. The proceeds of any Distribution shall be paid, in the following order of priority. (a) firstly, Preference Shares shall receive 100% of any Distributions until each Preference Share has received Distributions in an amount equal to its Uncompounded Yield (allocated pro rata between the Preference Shares in proportion to the amount of Uncompounded Yield of each Preference Share); (b) secondly, Preference Shares shall receive 100% of any Distributions until each Preference Share has received Distributions pursuant to this section in an amount equal to the Preference Amount of such Preference Share (allocated pro rata between the Preference Shares in proportion to the Preference Amount of each Preference Share); and (c) thirdly, ordinary shares shall receive 100% of any Distributions in an equal amount per ordinary share. In the event only shares of one class are outstanding, 100°% of all Distributions shall be allotted to such class of shares. In case of an issue of shares (other than against payment in kind), shareholders shall have preferential rights to subscribe for new shares of the same class and in relation to the number of shares previously held by them (primary preferential right). Shares which are not subscribed for pursuant to the primary preferential right, shall be offered to all shareholders (secondary preferential right). If the shares so offered will not suffice for the subscription pursuant to the secondary preferential right, the shares shall be allotted between the subscribers pro rata to the number of shares previously held by them and, to the extent such allotment is not possible, by the drawing of lots. In case of an issue of warrants or convertible debentures (other than against payment in kind) shareholders shall have preferential rights corresponding to preferential rights as for share issues that are not paid in kind. This shall not in any way be construed to limit or prohibit an issue of shares, warrants or convertibles with no preferential rights for the shareholders. In case of an increase of the share capital by a bonus issue, new shares of each class shall be issued in relation to the number of shares of the same class already existing and the holders of old shares of a certain class shall have preferential rights to new shares of the same class in proportion to their share of the share capital. The aforesaid shall, however, not in any way be construed to limit or prohibit an issue of shares of a new class by a bonus issue, (after amending the articles of association as necessary). The share capital may be reduced, through a redemption of Preference Shares, although not below the minimum share capital; by the general meeting adopting a resolution in accordance with the following principles. Redemption of Preference Shares shall be executed in accordance with the below: (i) Preference Shares of series 10 shall be redeemed prior to Preference Shares of series 1-9; (ii) Preference Shares of series 9 shall be redeemed prior to Preference Shares of series 1-8; (iii) Preference Shares of series 8 shall be redeemed prior to Preference Shares of series 1-7;(iv) Preference Shares of series 7 shall be redeemed prior to Preference Shares of series 1-6; (v) Preference Shares of series 6 shall be redeemed prior to Preference Shares of series 1-5; (vi) Preference Shares of series 5 shall be redeemed prior to Preference Shares of series 1-4; (vii) Preference Shares of series 4 shall be redeemed prior to Preference Shares of series 1-4; (viii) Preference Shares of series 3 shall be redeemed prior to Preference Shares of series 1-2; (ix) Preference Shares of series 8 shall be redeemed prior to Preference Shares of series 1. The general meeting determines the number of Preference Shares which shall be redeemed at any given time. The holder of a share which is subject to redemption shall be obliged, within three months of the date on which he was informed of the resolution regarding redemption or, where the consent of the Swedish Companies Registration Office or a court of general jurisdiction is required for the reduction, the date on which he was informed that a final and binding decision regarding consent has been registered, to accept the redemption of the Preference Share for an amount equal to SEK 0.

§ 8 Place for and notice convening shareholders' meeting
General meeting shall be held in Stockholm.

Notices of shareholders' meetings shall be issued by regular mail or email no earlier than six weeks and no later than two weeks prior to the meeting. Notices to shareholders shall be issued by regular mail or email to the address notified by the respective shareholder to the board of directors.

Notice convening a general meeting shall be published in the Swedish Official Gazette and on the company's website. It shall be published in Dagens Industri that notice convening a general meeting has been made. Shareholders that wish to participate shall notify the company of their intention to participate by the date specified in the notice convening the meeting. The last-mentioned day must not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and not fall earlier than the fifth weekday prior to the meeting.

At a general meeting, shareholders may be accompanied by not more than two assistants, however only if the shareholder has notified the company of the number of assistants in the manner stated in the previous paragraph.

§ 9 Collection of powers of attorney and voting by post
The Board of Directors shall be authorised to allow shareholders to vote by mail prior to a general meeting. Mail voting may be made by electronic means if the Board of Directors so decides.

The Board of Directors has the right to collect power of attorneys pursuant to the procedure in Chapter 7 Section 4 Paragraph 2 of the Swedish Companies Act (2005:551) (Sw. *aktiebolagslagen (2005:551)*).

§ 10 Opening of the shareholders' meeting
The Chairman of the Board, or a person so appointed by the board, shall open the shareholders' meeting and preside over its proceedings until a chairperson has been elected for the meeting.

§ 11 Annual general meeting
The annual general meeting shall be held annually within 6 months following the expiration of the financial year.

The agenda for the annual general meeting shall be as follows:

(1) Appointment of a chairman of the meeting;

(2) preparation and approval of the voting list;

(3) approval of the agenda;

(4) appointment of one or two persons to verify the minutes;

(5) determination of whether the meeting has been duly convened;

(6) submission of the annual report and the auditors' report and, where applicable, the consolidated financial statements and the auditors' report for the group;

(7) resolutions on:

(a) the adoption of the income statement and balance sheet and, when applicable, the consolidated income statement and the consolidated balance sheet;

(b) allocation of the company's profit or loss in accordance with the adopted balance sheet;

(c) discharge of the board members and, where applicable, the managing director from liability ;

(8) determination of fees for members of the board of directors and auditors;

(9) appointment of board members and auditors and deputy auditors; and

(10) other matters which are set out in the Swedish Companies Act or the company's articles of association.

§ 12 Financial year
The company's financial year shall be 1 January to 31 December.

§ 13 CSD company
The shares of the company shall be registered in a securities register in accordance with Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479) (Sw. *lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument)*.

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Legal considerations and supplementary information

Approval Of The Swedish Prospectus

The Swedish Prospectus was approved by the SFSA, as competent authority in accordance with the regulation (EU) 2017/1129. The SFSA only approves the Swedish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the regulation (EU) 2017/1129. Such approval shall not be considered as an endorsement of this Prospectus, nor should it be considered as an endorsement of the Company that is subject to this Offering Memorandum nor should the approval be considered as an endorsement of the quality of the shares referred to in this Offering Memorandum. Investors should make their own assessment of whether it is appropriate to invest in these securities.

The Swedish Prospectus was approved by the SFSA on 14 September 2021. The Swedish Prospectus is valid for a maximum period of twelve months from this date, provided that Cary Group complies with the obligation, in accordance with the regulation (EU) 2017/1129, if applicable, to provide supplements to the Swedish Prospectus in the event of significant new factors, material mistakes or material inaccuracies, which may affect the assessment of the shares in the Company. The obligation to prepare a supplement to the Swedish Prospectus applies from the date of approval until the end of the subscription period, or the date when trading in a regulated market commences (whichever is later). After this date the Company has no obligation to prepare a supplement to the Swedish Prospectus.

General corporate and other legal information

The legal and commercial name of the Company is Cary Group Holding AB (publ). The Company is a Swedish public limited liability company (Sw. *publikt aktiebolag*) incorporated on 30 November 2015 and registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on 11 December 2015. The Company's corporate registration number is 559040-9388 and the registered office is situated in the municipality of Stockholm, Sweden. The address of the Company's head office is Hammarby Kaj 10D, SE-120 32, Stockholm and the Company can be reached by telephone at +46 (0)771-411 411. The Company's website is www.carygroup.com.[1] Pursuant to the articles of association, the object of the Company's business is to conduct activities relating to industry, trading and investing in shares and other assets of companies and enterprises as well as all other related activities. The Company shall also coordinate the business conducted by the Company's subsidiaries and/or other group or affiliated companies and conduct other ancillary activities. The business is conducted in accordance with the Swedish Companies Act.

The Company is the parent company of the Group, which, as of the date of this Offering Memorandum, comprises the 44 subsidiaries listed below, across 6 different markets.

1) The information on the website does not form part of the Offering Memorandum and has not been scrutinized or approved by the SFSA.

Subsidiary	Location	Shares and voting rights
Cary Group Pooling AB	Sweden	96.92%
Cary Group Midco AB	Sweden	97.11%
Cary Group Bidco AB	Sweden	100%
Cary Group AB	Sweden	100%
Ryds Bilglas AB	Sweden	100%
RBG Service AB	Sweden	100%
Ryds Bilglas i Halmstad AB	Sweden	50%
Ryds Bilglas i Borlänge AB[1]	Sweden	100%
Ryds Bilglas i Malmfälten AB	Sweden	75.2%
Ryds Bilglas i Strängnäs AB	Sweden	75.2%
Samglas AB	Sweden	100%
Svenska bussglas AB	Sweden	100%
Ryds Bilglas i Handen AB	Sweden	65%
Ryds Bilglas i Hammarby AB	Sweden	75.2%
Autoklinik i Malmö Aktiebolag	Sweden	90%
Cary Group Denmark Holding A/S	Denmark	100%
DanGlas Autoglasservice A/S	Denmark	100%
Crashpoint Holding ApS	Denmark	80%
Crashpoint Skadecenter Syd ApS	Denmark	100%
CrashPoint Vejle A/S	Denmark	100%
CrashPoint A/S	Denmark	100%
WR START UP 365 AS (u.n.c.)	Norway	100%
Cary Norway AS	Norway	100%
Skadevekk HoldingAS	Norway	80%
Skadevekk AS	Norway	100%
Quick Car Fix AS	Norway	100%
QCF-Storo AS	Norway	100%
QCF-Shine AS	Norway	100%
Cary UK Holding Limited	United Kingdom	99.47%
Mobile Windscreens Limited	United Kingdom	100%
Car Glass Limited	United Kingdom	100%
Quarterman Windscreens Limited	United Kingdom	100%
Morgans Windscreens Limited	United Kingdom	100%
Staffordshire Windscreens Limited	United Kingdom	100%
Phoenix Windscreens Limited	United Kingdom	100%
Cary Group Iberia Holding, SL	Spain	100%
Ralarsa Holding, S.L.U.	Spain	100%
Vidriocar, S.L.U.	Spain	100%
Bora Auto Cristal, S.L.U.	Spain	100%
Ralarsa, S.L.U.	Spain	100%
Ralarsa Expansión, S.L.U.	Spain	100%
Armelux International, S.L.U.	Spain	100%
Alboar, S.L.U.	Spain	100%
Ralarsa Portugal Lda.	Portugal	100%

1) Subject for merger.

Material agreements

Material customer agreements

Cary Group's material customer agreements[1)] consist of partnership and framework agreements with insurance companies pursuant to which Cary Group supplies car glass repair and replacement services to insureds who have been recommended by their insurance companies to use Cary Group for windscreen damages or other vehicle damage that require car glass replacement or glass repair services.

The material customer agreements are either valid until further notice or apply for a fixed term between two to four years (with 24 to 34 months remaining).

The material customer agreements entitles the individual policyholders to make use of Cary Group's services. Cary Group supplies products and services to the policyholders pursuant to purchase orders and pricelists for specific products supplied for particular vehicles and services. Cary Group invoices the insurance companies in arrears, based on applicable repair costs. Predetermined pricing applies to damage repairs on motor vehicles, and depend on vehicle category and type of repair.

No minimum commitment is given to Cary Group under the material customer agreements and the insurance companies are free to contract the same services with other service providers. Cary Group is, under certain circumstances and to a limited extent allowed to use subcontractors under the material customer agreements (with Cary Group remaining liable for any such subcontractors).

The material customer agreements may be terminated at will by the insurance companies if Cary Group breaches the relevant insurance company's code of conduct or acts contrary to instructions provided by the insurance company or any relevant car manufacturer. Mutual termination rights in case of material breach of contract apply.

Material partnership and supplier agreements

Cary Group has entered into partnership and preferred supplier agreements[2)] for the supply of critical products, such as auto glass and related products (**"Products"**), as well as in order to fulfil its obligations under material customer agreements. The preferred supplier agreements are entered into on a group level with underlying agreement for each country, attached as appendices to each preferred supplier agreements. The preferred supplier agreements apply for a fixed term of three years (with 18 months remaining) with a possible total prolongation of 24 months (one plus one year) and each have a mutual termination period of nine months.

While Cary Group has not committed to any minimum purchase requirements, the supply under the material supplier agreements are made on a pre-booked basis whereby, in Q3 each calendar year and no later than 30 November, the supplier may either quote or re-quote Products under the supplier agreement. The pre-booked Products account for 50–75 per cent (depending on each country) of the Products used in Cary Group's operations. Agreed prices (including discounts) are converted into pre-booked Products for the following calendar year. Cary Group will following this procedure direct its demand for the awarded pre-booked quantities towards the major suppliers. The suppliers are obligated to supply and deliver the Products at the agreed service schedule. Pricing for pre-booked articles will remain unchanged throughout the year, unless parties in relation to specific products agree otherwise.

The supply agreements incentivize the suppliers based on volume as the supplier is entitled to a fixed yearly bonus based on the total sale volumes and spend by Cary Group, subject to a minimum purchase requirement having been met on a group level and in each respective domestic market in which Cary Group conducts its business.

The supplier agreements may be terminated with immediate effect by either party where the other party has failed to perform a material obligation and it results in a failure to provide the services rendered or any other obligation that is not remediable (or if capable or remedy, not remedies within 30 days of receipt of request remedy).

Cary Group may terminate the supplier agreements at will if the supplier breaches Cary Group's code of conduct. Cary Group is further entitled to terminate the agreement if the supplier does not meet the delivery requirements in the relevant country or all countries over a sustained period of three months. Mutual termination rights in case of material breach apply.

Pursuant to the supplier agreements, the suppliers shall indemnify Cary Group against any form of product liability which Cary Group may be liable for or third parties in connection with the Cary Group's use of the Products.

1) The material customer agreements consist of agreements entered into with Länsförsäkringar dated 1 January 2018, IF Skadeförsäkring AB dated 4 May 2021, Folksam ömsesidig sakförsäkring dated 13 April 2018 and Trygg-Hansa dated 30 June 2020.
2) The material supplier agreements consist of agreements entered into with SAINT-GOBAIN AUTOVER INTERNATIONAL B.V and Pilkington Automotive Sweden AB.

Material acquisitions

Mobile Windscreens Ltd

On 12 May 2018, Cary Holding LTD, a subsidiary to the Company, entered into a share purchase agreement to acquire all the shares in Mobile Windscreens Limited from George Douglas, Patricia Douglas, Phil Lomas, Martin Hubschmid, Nicola Coetsee and Martyn Bennett. The acquisition was completed August 17, 2018.

The purchase price was GBP 15,500,000 subject to adjustment for net debt and difference in actual working capital and target working capital (as well as a pass-through for a potential VAT refund in respect of an application submitted by National Windscreens Limited to HMRC).

The share purchase agreement contains customary warranties in relation to the acquired company and the size and nature of the transaction. The fundamental warranties, tax warranties and liability under any tax survive until 11 May 2025. All other claims under the share purchase agreement survive for 18 months of completion of the transaction.

Quarterman Windscreens (UK) Limited

On 2 January 2020, Mobile Windscreens, a subsidiary of the Company, entered into a share purchase agreement to acquire all the shares in Quarterman Windscreens (UK) Limited from David Roy Quarterman, Helen Elizabeth Quarterman, Bradley John Wood and Rick Wayne Parsfield. The acquisition was completed on the same date.

The purchase price was GBP 7,700,000 subject to adjustment for net debt and the deviation between actual working capital and target working capital and a deferred payment of GBP 1,000,000 to David Roy Quarterman, Helen Elizabeth Quarterman relating to a property that David Roy Quarterman, Helen Elizabeth Quarterman have acquired from Quarterman Windscreens (UK) Limited for the same amount.

The share purchase agreement contains customary warranties in relation to the acquired company and the size and nature of the transaction. The tax warranties survive until the seventh anniversary of completion, and all other claims under the share purchase agreement survive for 18 months of completion.

Ryds Glas Workshops

On 11 November 2020, Ryds Bilglas AB, a subsidiary to the Company, entered into a share purchase agreement to acquire all the shares in RG Bilglas1 AB from Ryds Bilglas AB. The acquisition was completed 1 January 2021.

The shares were purchased for a purchase price of SEK 72,000,000, paid in three instalments of SEK 24,000,000 each, the last of which was paid 30 June 2021. Ryds Bilglas AB retained 1,790,000 SEK of the last instalment due to increased cost in connection from renovation of defective ventilation systems in a number of the acquired workshops.[1] The purchase price is subject to adjustment for net debt and the difference in actual working capital and target working capital.

The share purchase agreement contains customary warranties in relation to the acquired company and the size and nature of the transaction. The fundamental warranties and the tax warranties survive until 31 December 2021, and the business warranties under the share purchase agreement survive until 31 December 2021.

Crash Point A/S

On 26 February 2021, Cary Group Denmark Holding A/S (previously Ryds Bilglas A/S), a subsidiary to the company, entered into a share purchase agreement to acquire 80 percent of the shares in Crash Point Holding ApS from CP Holding 2009 ApS. The acquisition was completed 5 March 2021.

The purchase price was DKK 32,000,000 subject to adjustment for net debt and difference between actual working capital and target working capital (each of which is subject to a 20 per cent collar). The share purchase agreement further include a price reduction if target EBITDA for 2020 is not reached. The target EBITDA was reached and the purchase price was not affected. The purchase price may be subject to an additional reduction up to DKK 4,800,000 for if the average EBITDA for Crash Pont Holding ApS and its subsidiaries for the financial years 2021 and 2022 reach DKK 6,884,000. If the average EBITDA is below DKK 5,206,826, Cary Group Denmark Holding will be entitled to a reduction of the purchase price of DKK 4,800,000.

The share purchase agreement contains only fundamental warranties in relation to the acquired company and the size and nature of the transaction. The fundamental warranties survive for 18 months of completion.

Skadevekk Holding AS

On 31 March 2021, WR Start UP 365 AS (u.n.c to Cary Group Norway Holding AS), a subsidiary to the Company, entered into a share purchase agreement to acquire 80 per cent of the shares in Skadevekk Holding AS from TCB Holding AS, Pongo AS, Atle Walgren AS, Endeli Holding AS, Kisoo Invest AS, Sterk Holding AS and Tomm Erik Ingvaldsen. The acquisition was completed 9 April 2021.

1) Ryds Bilglas AB and the seller, Ryds Glas AB, are as of the date hereof negotiating on how to settle the increased cost from renovation of defective ventilation systems in the acquired workshops.

The purchase price consisted of an initial consideration of NOK 30,133,080 and customary locked box interest until the date of completion.

The share purchase agreement contains customary warranties in relation to the acquired company and the size and nature of the transaction. The tax warranties survive until the fifth anniversary of completion, and all other liability of the sellers under the share purchase agreement survive for two years from completion.

Ralarsa Holding, S.L.

On 29 July 2021, Cary Group Iberia Holding, S.L., a subsidiary to the Company entered into a share purchase agreement to acquire all the shares in Ralarsa Holding, S.L. from Arsacor Holding, S.L. The acquisition was completed on the same date.

The purchase price was EUR 36,649,993 with no post-completion adjustments. The share purchase agreement contains customary leakage protections.

The share purchase agreement contains customary warranties in relation to the acquired company. The fundamental warranties, tax warranties, compliance warranties and specific indemnities survive until one month after the statute of limitations, and the business warranties under the share purchase agreement survive 18 months from completion date.

Consortium agreement in the UK

In 2016, Mobile Windscreens entered into a consortium agreement with National Windscreens whereby National Windscreens sub-contract the replacement glass and repair to Mobile Windscreens. The agreement remains in force until further notice and contains a change of control provision whereby the Mobile Windscreens' membership of the consortium will become terminable if the ownership structure changes so that the current owner loss control over Mobile Windscreens upon the Listing.

Shareholders' agreements

Cary UK Holding LTD

Cary Group AB, a subsidiary of the Company is party to a shareholders' agreement regarding the ownership of Cary UK Holding LTD, together with the two minority shareholders of Cary UK Holding Ltd (both of whom were sellers of Mobile Windscreens Limited). The shareholders' agreement contains corresponding put and call options on the minority shareholders' shares, triggered on a listing of shares in the Company or a change of control in the company. The minority shareholders are also entitled to put their shares to the Company's subsidiary at any time. Each of the put and call options are at market value of Cary Group Holding LTD (on standalone basis and disregarding any synergies) and the shareholders' agreement includes a customary third party valuation mechanism in the event the parties cannot agree on the market value.

In Norway, Sweden and Denmark, certain subsidiaries to the Company are also party to shareholders' agreements with the minority shareholders. There are no put or call options on the minority shareholders' share that would be triggered by the Listing in Norway, Sweden or Denmark. The shareholders' agreements in Norway contain a call option and a put option. The call option entitles the relevant subsidiary of the Company to purchase all shares held by the minority shareholder, and such right can be exercised in the first 20 business days of each calendar year beginning in 2023. In Norway, the minority shareholders can exercise the put option within the first 20 business days after the call option exercise period of each calendar year starting in 2024.

The shareholders' agreements in Denmark contain a put option for the minority shareholders and a call option for the subsidiary of the Company, both rights (the put and call options) may be exercised from 5 March 2026. All shareholders' agreements for the Swedish entities, except for Ryds Bilglas i Halmstad AB, contain a call option for the subsidiary of the Company to acquire the shares held by the minority shareholder, and a put option for such minority shareholder to sell its share to the subsidiary of the Company. The call and put option can be exercised in a defined time window every second year from 2023 or 2024. The shareholders' agreement for Ryds Bilglas i Halmstad AB does not include any put or call option.

Facility agreement with Danske Bank and SEB

For information on the Company's facility agreement with Danske Bank and SEB, see *"Operating and financial review – Liquidity and capital resources – Indebtedness – Credit facilities"*.

Placing agreement

The Company, the Selling Shareholders and the Managers intend to enter into an agreement regarding the placing of the Company's shares in the Offering on or about 22 September (the **"Placing Agreement"**). The Offering is conditional upon the Placing Agreement being entered into, the fulfilment of certain conditions of the Placing Agreement and that the Placing Agreement is not terminated. In the Placing Agreement, the Managers will undertake to procure purchasers for or, if the Managers fail to do so, to purchase themselves the shares included in the Offering at the Offer Price.

According to the Placing Agreement, the undertakings of the Managers to procure purchasers for or, if the Managers fail to do so, to purchase themselves the shares included in the Offering, are subject to the conditions that, among other things, the representations and warranties provided by the Company and the Selling Shareholders are true and accurate, that no material adverse change occurs that, in the good faith judgment of the Joint Global Coordinators (after, to the extent practicable, consultation with the Company in advance of any action), would make it inadvisable or impracticable to carry out the Offering as well as certain other conditions. The Joint Global Coordinators may, acting together, and after prior consultation with the Company and the Selling Shareholders (to the extent reasonably practicable), terminate the Placing Agreement up to and including the settlement date, 27 September 2021, if any material adverse change were to occur, if the representations and warranties provided by the Company and the Selling Shareholders to the Managers are breached, or if any of the other conditions resulting from the Placing Agreement are not fulfilled. If the abovementioned conditions are not fulfilled and if the Joint Global Coordinators terminate the Placing Agreement, the Offering may be withdrawn. In such event, neither allotment of nor payment for the shares will occur under the Offering.

Pursuant to the Placing Agreement, the Company will undertake to, among other things, during the period ending 180 days after the first day of trading and official listing of the shares not to, without prior written consent from the Joint Global Coordinators, resolve on, inter alia, increases to the share capital through issuance of new shares or other financial instruments, or transfers of shares or other financial instruments. The undertakings of the Company is subject to certain exceptions, including exceptions regarding share related incentive programs and with payment if own shares for acquisitions. In accordance with the Placing Agreement, the Company will undertake to indemnify the Managers for certain claims and losses arising in connection with the Offering, subject to certain conditions.

The Selling Shareholders and the Minority Shareholders,[1] including members of the Board of Directors and members of the Group Management, will commit, subject to certain exceptions, not to sell their respective holdings (or otherwise make transactions with similar effect) for a certain period after trading in the Company's shares on Nasdaq Stockholm has commenced (a so called lock-up period). The lock-up period will be 180 days for the Selling Shareholders. The lock-up period will be 365 days for Minority Shareholders currently employed by the Group and 90 days for other Minority Shareholders (in each case excluding members of the Board of Directors and the members of the Group Management). The lock-up period will be 365 days for all members of the Board of Directors (excluding board member Joakim Andreasson, who is principal at NC Advisory AB and Nordic Capital Investment Advisory AB and does not hold any shares of the Company) and all members of the Group Management. The Joint Global Coordinators could decide to grant exceptions from the limitations on the sale of shares during the lock-up period. After the expiry of the relevant lock-up period, the shareholders subject to lock-up will be free to sell their shares in the Company.

Pursuant to the Placing Agreement, the Company will agree with the Joint Global Coordinators, among other things, that it will not, subject to certain exceptions, for a period of 180 days from the first day of trading of the shares on Nasdaq Stockholm, without prior written consent of the Joint Global Coordinators, resolve on, among other things, capital increases through share issues or other financial instruments, or transfer of shares or other financial instruments. The transfers restrictions is subject to customary conditions and exceptions, for example the acceptance of a public takeover directed to all shareholders in the Company in accordance with Swedish rules for public takeover offers, sales or other divestments of shares as a result of an offer from the Company regarding repurchase of own shares or where transfer of shares is required as a result of legal or regulatory requirements.

Cornerstone investors

Commitment of cornerstone investors

Cornerstone investors AMF, Funds managed and advised by Capital World Investors, ODIN Fund Management, SEB Investment Management, Swedbank Robur Fonder and Funds managed by Ohman Fonder have committed to acquire, at the Offer Price, a number of shares in the Offering equivalent to 9.2 percent, 6.0 percent, 5.4 percent, 5.4 percent, 5.4 percent and 2.7 percent of the shares, respectively, of the shares in the Company following the completion of the Offering and the Share Structure Simplification. The Cornerstone Investors' respective commitments are conditional upon, among other things, (i) the first day of trading in the shares on Nasdaq Stockholm occurring no later than 14 October 2021(ii) each Cornerstone Investor receiving full allocation of its commitment (iii) that the value of the shares in the Company following the Offering does not exceed SEK 9,230 million (based on the Offer Price). If these conditions are not satisfied, the, Cornerstone Investors will not be obliged to acquire any shares in the Offering (or only be obliged to acquire a lower number of shares, as applicable). The Cornerstone Investors will not receive any compensation for their respective commitments and the investments are to be mad at the Offer Price. The commitments are not secured through a bank guarantee, blocked funds or pledge of collateral or any other similar arrangement. Accordingly, there is a risk that payment of the purchase price and settlement of the shares in the Offering Investors may not occur in connection with the closing of the Offering.

1) Refers to persons (including members of the Board of Directors and members of the Group Management) (1) that, before implementation of the Share structure simplification, are (directly or indirectly) invested in the Group through holding of ordinary and, for some, preference shares in Cary Group Midco AB and/or Cary Group Pooling AB which has been acquired as part of the Group's management and key employee investment program put in place prior to the Offering and (2) that, after implementation of the Share structure simplification, will hold shares in the Company (directly or indirectly).

The Cornerstone Investors have made no lock-up undertakings.

The Cornerstone Investors	Commitment (%) of the total number of shares in the Company after completion of the Offer and the Share Structure Simplification	Number of shares
AMF	9.2%	12,142,857
Funds managed and advised by Capital World Investors	6.0%	7,857,142
ODIN Fund Management	5.4%	7,142,857
SEB Investment Management	5.4%	7,142,857
Swedbank Robur Fonder	5.4%	7,142,857
Funds managed by Öhman Fonder	2.7%	3,571,428

Stabilisation

In connection with the Offering, the Stabilising Manager may, to the extent permitted in accordance with Swedish law, carry out transactions aimed to stabilise, maintain, or in other ways support the market price of the Company's shares, for up to 30 days from the commencement of trading in the Company's shares on Nasdaq Stockholm. The Stabilising Manager may over-allot shares or effect transactions in order to maintain the market price of the shares at levels above those that might otherwise prevail in the open market. The Stabilising Manager is, however, not required to carry out such transactions and there is no assurance that such activities will be undertaken. Such transactions may be affected on any securities market, including Nasdaq Stockholm, over-the-counter market or otherwise. The transactions, if commenced, may be discontinued at any time without prior notice but must be ended no later than by the end of the abovementioned 30-day period. No later than by the end of the seventh trading day after stabilisation transactions have been undertaken, it shall be made public that Stabilising measures have been performed in accordance with article 5(4) in EU's Market Abuse Regulation 596/2014. Within one week of the end of the stabilisation period, the Managers or the Stabilising Manager will make public whether or not stabilisation was undertaken, the date at which stabilisation started, the date at which stabilisation last occurred as well as the price range within which stabilisation was carried out, for each of the dates during which stabilisation transactions were carried out. Except as required by law or regulation, neither the Managers nor the Stabilising Manager will disclose the extent of any stabilisation and/or over-allotment transaction concluded in relation to the Offering.

The Principal Owner's ownership may amount to less than 30 percent of the shares and the votes in the Company of the Over-allotment Option (and the share loan related thereto) is exercised in whole or part. If the Stabilising Manager conducts stabilisation measures, the Principal Owner's share of the shares and votes may increase to at least 30 percent of the votes in the Company, which triggers the mandatory bid provisions in the Swedish Takeover Act (Sw. *lag (2006:451)* om offentliga uppköpserbjudanden på aktiemarknaden) The Principal Owner has obtained an exemption from such mandatory bid provisions form the Swedish Securities Council (Sw. *Aktiemarknadsnämnden*) according to statement AMN 2020:49.

Legal proceedings

At any given time, the Company and its subsidiaries may be a party to litigation or subject to non-litigated claims arising out of the normal operations of Cary Group's business, such as a variety of customer related claims and claims from employees related to wrongful dismissal. Cary Group does not expect any liability arising from any of these legal proceedings to have a material impact on Cary Group's results of operations, liquidity, capital resources or financial position. Cary Group is not, and has not been, part to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Cary Group is aware) during the last twelve months which may have, or have had in the recent past, significant effects on the Group's financial position or profitability.

Intellectual property

Cary Group is the registered owner of, or has rights to, certain trademarks, trade names and service marks that the Company uses in connection with its daily operations. Cary Group asserts, to the fullest extent under applicable law, its rights to its trademarks, trade names and service marks.

Trademarks, trade names or service marks of any other company appearing in this Offering Memorandum belongs to its holder. Such trademarks, trade names and copyrights referred to in this Offering Memorandum are listed without the ™, ® and © symbols solely for convenience.

Insurance

Cary Group holds insurance policies covering general and products liability, crime, property damage, business interruption and other claims it believes is adequate. The insurance policies have generally been taken out by the local holding company in each of the Company's markets and provides coverage for the majority of the subsidiaries. Where the master insurance does not cover subsidiaries, local policies have been taken out.

The insurance policies have certain limits of coverage that vary depending on the type of liability and are subject to customary limitations established by the relevant insurance companies. The Company's insurance policies are designed to protect the Group from material losses relating to, for example, property damage and customer claims.

The Company believes that its insurance coverage conforms to market practice for similar entities. There can be no assurance, however, that the Company will not incur losses or suffer claims beyond the limits or outside of the relevant coverage of its insurance policies.

Related-party transactions

In addition to the related party transactions described in *"– Historical financial information for the years ended 31 December 2020 and 2019 – Note 33 (Related Party Transactions)*, Cary Group has not been party to any related party transactions during the period covered by the financial information in this Offering Memorandum up to and including the date of this Offering Memorandum. For information on remuneration to the members of the Board of Directors and Group Management, see *"Corporate governance – The Board of Directors"* and "*Corporate governance – CEO and Group Management*".

Documents available for inspection

The following documents concerning Cary Group are available for inspection during office hours at Cary Group's headquarters on Hammarby Kaj 10D SE-120 32, Stockholm, Sweden, during the validity period of the Offering Memorandum:

- Certificate of registration (Sw. *registreringsbevis*)
- Articles of association
- Annual reports for the financial years 2020, 2019 and 2018, including auditors' reports

These documents are also available in electronic form on Cary Group's website, www.carygroup.com.[1)]

Advisers and joint global coordinators

Carnegie, Danske Bank and Jefferies are Joint Global Coordinators in connection with the Offering for which they will receive customary compensation. The total compensation will be dependent on the success of the Offering.

From time to time, the Joint Global Coordinators have provided, and may in the future provide, services in their day-to-day operations to the Company and to parties related to them, for which they have received, and may receive in the future, compensation.

White & Case LLP has provided legal advice to the Company in connection with the Offering and may provide additional legal advice to the Company in the future.

Costs associated with the offering and listing

The Company's costs related to the admission to trading of the Company's shares on Nasdaq Stockholm and the Offering, including payment to advisors, and other estimated transaction costs are estimated to amount to approximately SEK 118 million in total.

1) The information on the website does not form part of the Offering Memorandum and has not been scrutinised or approved by the SFSA.

Selling restrictions and transfer restrictions

Selling restrictions

United States

The shares in the Offering have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States for offer or sale as part of their distribution and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another available exemption from the registration requirements of the Securities Act; or (ii) outside the United States to certain persons in compliance with Regulation S under the Securities Act, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. The Placing Agreement provides that the Joint Global Coordinators may directly or through their respective United States broker-dealer affiliates arrange for the offer and resale of shares within the United States only to QIBs in reliance on Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the Securities Act.

Any offer or sale of shares in the Offering in the United States will be made by broker-dealers who are registered as such under the United States Securities Exchange Act of 1934, as amended. In addition, until 40 days after the commencement of the Offering, an offer or sale of shares in the Offering within the United States by a dealer, whether or not participating in the Offering, may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements of the Securities Act and in connection with any applicable state securities laws. The terms used above have the meanings given to them by Regulation S and Rule 144A.

European Economic Area

In relation to each Member State of the European Economic Area (with the exception of Sweden) (each a **"Relevant State"**), no shares in the Offering have been offered or will be offered to the public in that Relevant State, except that offers of the shares in the Offering may be made under the following exemptions under the Prospectus Regulation:

- to any legal entity that is a qualified investor as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), as permitted under the Prospectus Regulation, subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of shares in the Offering shall result in a requirement for the publication by the Company, the Principal Owner, or any Joint Global Coordinator of an Offering Memorandum pursuant to Article 3 of the Prospectus Regulation or of a supplement to a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "offered to the public" in relation to any shares in the Offering in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the Offering and the shares in the Offering so as to enable an investor to decide to purchase or subscribe for any shares in the Offering.

Each person in a Relevant State who receives any communication in respect of, or who acquires any shares under, the Offering contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Company and the Joint Global Coordinators that it is a qualified investor within the meaning of Article 2(e) of the Prospectus Regulation.

The Company, the Principal Owner, the Joint Global Coordinators and their respective affiliates and its and their respective directors, employees, agents, advisers, subsidiaries and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

United Kingdom

No shares in the Offering have been offered or will be offered to the public in the United Kingdom, except that offers of the shares in the Offering may be made under the following exemptions under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **"UK Prospectus Regulation"**):

- to any legal entity that is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation), in the United Kingdom, subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of shares in the Offering shall result in a requirement for the publication by the Company, the Principal Owner, or any Joint Global Coordinator of a prospectus pursuant to Section 85 of the FSMA or of a supplement to a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "offered to the public" in relation to any shares in the Offering in any the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the Offering and the shares in the Offering so as to enable an investor to decide to purchase or subscribe for any shares in the Offering.

Each person in a Relevant State who receives any communication in respect of, or who acquires any shares under, the Offering contemplated hereby will be deemed to have represented, warranted and agreed to and with each of the Company and the Joint Global Coordinators that it is a qualified investor within the meaning of Article 2(e) of the UK Prospectus Regulation.

The Company, the Principal Owner, the Joint Global Coordinators and their respective affiliates and its and their respective directors, employees, agents, advisers, subsidiaries and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Each Joint Global Coordinator has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **"FSMA"**)) in connection with the issue or sale of any shares in the Offering in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in the Offering in, from or otherwise involving the United Kingdom.

Canada

The shares in the Offering may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the shares in the Offering must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (**"NI 33-105"**), the Joint Global Coordinators are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

General

No action has been or will be taken in any country or jurisdiction other than Sweden that would, or is intended to, permit a public offering of the shares in the Offering, or the possession or distribution of this Offering Memorandum or any other offering material, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Offering Memorandum comes are required by the Company and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver shares in the Offering or have in their possession or distribute such offering material, in all cases at their own expense. None of the Company or the Managers accept any legal responsibility for any violation by any person, whether or not a prospective subscriber or purchaser of any of the shares in the Offering, of any such restrictions.

Transfer restrictions

No action has been or will be taken in any country or jurisdiction other than Sweden by it that would, or is intended to, permit a public offering of the shares in the Offering, or the possession or distribution of this Offering Memorandum or any other offering material, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Offering Memorandum comes are required by the Company and the Joint Global Coordinators to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver shares in the Offering or have in their possession or distribute such offering material, in all cases at their own expense.

The shares in the Offering have not been and will not be registered under the Securities Act and the shares in the Offering may not be offered or sold, directly or indirectly, within or into the United States or to, or for the account or benefit of, United States persons except in certain transactions exempt from, or in a transaction not subject to the registration requirements of, the Securities Act.

Each purchaser of the shares in the Offering outside the United States purchasing in compliance with Regulation S will be deemed to have acknowledged, 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:

(a) the purchaser is authorised to consummate the purchase of the shares in the Offering in compliance with all applicable laws and regulations;

(b) the purchaser acknowledges that the shares in the Offering have not been and will not be registered under the 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;

(c) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the shares in the 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 shares was originated, and continues to be located outside the United States and has not purchased such shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the shares or any economic interest therein to any person in the United States;

(d) the purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate;

(e) the shares in the Offering have not been offered to it by means of any "directed selling efforts" as defined in Regulation S;

(f) if the purchaser is acquiring any of the shares in the Offering 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;

(g) the Company will not recognise any offer, sale, pledge or other transfer of the shares in the Offering made other than in compliance with the above stated restrictions; and

(h) the purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and the Company, the Joint Global Coordinators and their respective affiliates and advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the shares in the Offering within the United States purchasing pursuant to Rule 144A or another exemption from the registration requirements of the Securities Act will be deemed to have acknowledged, 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:

(i) the purchaser is authorised to consummate the purchase of the shares in the Offering in compliance with all applicable laws and regulations;

(j) the purchaser acknowledges that the shares in the Offering have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States, are subject to significant restrictions on transfer 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 Securities Act;

(k) the purchaser (i) is a QIB, (ii) is aware that the sale to it is being made in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, and (iii) is acquiring such shares in the Offering for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the shares, as the case may be;

(l) the purchaser is aware that the shares in the Offering are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the Securities Act;

(m) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such shares in the Offering, or any economic interest therein, as the case may be, such shares in the Offering 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 in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in accordance with Regulation S, (iii) in accordance with Rule 144 under the Securities Act (if available), (iv) pursuant to any other exemption from the registration requirements of the Securities Act, subject to receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the Securities Act, or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States and any other jurisdiction;

(n) the purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the shares from the Company or an affiliate thereof in the initial distribution of such shares;

(o) the shares in the Offering are "restricted securities" within the meaning of Rule 144(a)(3) and no representation is made as to the availability of the exemption provided by Rule 144 under the Securities Act for resale of any shares in the Offering;

(p) the purchaser will not deposit or cause to be deposited any shares in the Offering 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 shares in the Offering are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

(q) if the purchaser is acquiring any of the shares in the Offering 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;

(r) the Company will not recognise any offer, sale, pledge or other transfer of the shares in the Offering made other than in compliance with the above stated restrictions; and

(s) the purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and the Company, the Joint Global Coordinators and their respective affiliates and advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Tax considerations in the United States

Certain united states federal income tax considerations

The following is a discussion of certain US federal income tax consequences to US Holders (defined below) of acquiring, owning and disposing of shares, but it does not purport to be a comprehensive discussion of all tax considerations that may be relevant to a particular person's decision to acquire shares. This discussion applies only to a US Holder that acquires shares in the Offering and that owns shares as capital assets for US federal income tax purposes. This discussion is based on the US Internal Revenue Code of 1986, as amended (the **"IRC"**), US Treasury regulations promulgated thereunder, and administrative rulings and judicial interpretations thereof, in each case as in effect of the date of this Offering Memorandum. Except as expressly described herein, this discussion does not address the US federal income tax consequences that may apply to US Holders under the Convention Between the government of the United States of America and the Government of Sweden for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the **"Treaty"**). All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below. No ruling will be sought from the US Internal Revenue Service (the **"IRS"**) with respect to any statement or conclusion in this discussion, and there can be no assurance that the IRS will not challenge such statement or conclusion in the following discussion or, if challenged, that a court will uphold such statement or conclusion.

In addition, this discussion does not describe all of the tax consequences that may be relevant in light of a US Holder's particular circumstances, including any US state, local or non-US tax law, the Medicare tax on net investment income, and any estate or gift tax laws, and it does not describe differing tax consequences applicable to US Holders subject to special rules, such as:

- certain banks or financial institutions;
- regulated investment companies and real estate investment trusts;
- dealers or traders in securities that use a mark-to-market method of tax accounting;
- insurance companies;
- persons holding shares as part of a hedge, straddle, conversion, constructive sale, integrated transaction or similar transaction;
- persons liable for the alternative minimum tax;
- persons required for US federal income tax purposes to accelerate the recognition of any item of gross income with respect to our shares as a result of such income being recognized on an applicable financial statement;
- persons whose functional currency for US federal income tax purposes is not the US dollar;
- entities or arrangements classified as partnerships or pass-through entities for US federal income tax purposes or holders of equity interests therein;
- tax-exempt entities, "individual retirement accounts" or "Roth IRAs";
- certain US expatriates;
- persons that own, directly, indirectly or constructively, ten percent (10%) or more of the total voting power or value of all of our outstanding stock; or
- persons owning shares in connection with a trade or business conducted outside the United States.

US Holders should consult their tax advisors concerning the US federal, state, local and non-US tax consequences of acquiring, owning and disposing of shares in their particular circumstances.

For purposes of this discussion, a "US Holder" is a person that, for US federal income tax purposes, is a beneficial owner of shares and is:

- an individual citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organised in or under the laws of the United States, any state therein or the District of Columbia;
- an estate, the income of which is subject to US federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all substantial decisions of the trust or otherwise if the trust has a valid election in effect under current Treasury regulations to be treated as a United States person.

If an entity or arrangement that is classified as a partnership for US federal income tax purposes owns shares, the US federal income tax treatment of a partner will generally depend on the status of the partner and the status and activities of the partnership. Partnerships owning shares and partners in such partnerships should consult their tax advisors as to the particular US federal income tax consequences of acquiring, owning and disposing of the shares.

THE DISCUSSION OF US FEDERAL INCOME TAX CONSIDERATIONS SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP, OR DISPOSITION OF SHARES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, INCLUDING THE APPLICABILITY AND EFFECT OF OTHER FEDERAL, STATE, LOCAL, NON-US AND OTHER TAX LAWS, INCLUDING THE TREATY, AND POSSIBLE CHANGES IN TAX LAW.

Taxation of distributions

Subject to the discussion below under "*– Passive foreign investment company rules*," the gross amount of any distribution of cash or property paid with respect to shares in the Company (including any amounts withheld in respect of Swedish taxes), will generally be included in a US Holder's gross income as dividend income on the date actually or constructively received to the extent such distribution is paid out of he Company's current or accumulated earnings and profits (as determined under US federal income tax principles). Distributions in excess of the Company's current and accumulated earnings and profits will be treated first as a non-taxable return of capital, thereby reducing the US Holder's adjusted tax basis in the Company's shares (but not below zero), and thereafter as either long-term or short-term capital gain depending upon whether the US Holder held the Company's shares for more than one year as of the time such distribution is actually or constructively received. Because the Company does not prepare calculations of their earnings and profits using US federal income tax principles, it is expected that distributions generally will be taxable to US Holders as dividends or US federal income tax purposes, and taxable at ordinary income tax rates.

Dividends on the Company's shares generally will not be eligible for the dividends-received deduction generally available to US corporations with respect to dividends received from other US corporations. With respect to certain non-corporate US Holders, including individual US Holders, dividends will be taxed at the lower capital gains rate applicable to "qualified dividend income," provided that (i) the Company is eligible for the benefits of the Treaty, which the Company expects to be, (ii) the Company is not a PFIC for its taxable year in which the dividend is paid and the preceding taxable year, and (iii) certain holding period and other requirements are met. As discussed below under *"– Passive Foreign Investment Company Rules,"* the Company do not believe that it was a PFIC for the 2020 taxable year, or expect that it will be a PFIC for its current taxable year or in the foreseeable future. The amount of any dividend paid in Swedish kronor will be the US dollar value of the Swedish kronor calculated by reference to the spot rate of exchange in effect on the date of actual or constructive receipt, regardless of whether the payment is in fact converted into US dollars on such date. US Holders should consult their own tax advisors regarding the treatment of any foreign currency gain or loss.

A US Holder generally will be entitled, subject to certain limitations, to a credit against its US federal income tax liability, or to a deduction, if elected, in computing its US federal taxable income, for non refundable Swedish income taxes withheld from dividends at a rate not exceeding the rate provided in the Treaty (if applicable). For purposes of the foreign tax credit limitation, dividends paid by the Company generally will constitute foreign source income in the "passive category income" basket. The rules relating to the foreign tax credit or deduction, if elected, are complex and US Holders should consult their tax advisors concerning their availability in their particular circumstances.

Sale or other taxable disposition of the shares

Subject to the discussion below under "*– Passive foregin investment company rules*," a US Holder generally will recognize gain or loss for US federal income tax purpose on the sale, exchange or other taxable disposition of our shares in an amount equal to the difference between the amount realized on the disposition and the US Holder's adjusted tax basis in the shares disposed of, in each case as determined in US dollars. Such gain or loss generally will be capital gain or loss and will be long term capital gain or loss if the US Holder's holding period for the shares exceeds one year. Long-term capital gains of certain non-corporate US Holders (including individuals) are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

A USHolder's initial tax basis in the Company's shares will be the US dollar value of the Swedish kronor denominated purchase price determined on the date of purchase, and the amount realized on a sale, exchange or other taxable disposition of the Company's shares will be the US dollar value of the payment received determined on the date of disposition. If the Company's shares are treated as traded on an "established securities market," a cash method US Holder or, if it elects, an accrual method US Holder, will determine the US dollar value of (i) the cost of such shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase, and (ii) the amount realized by translating the amount received at the spot rate of exchange on the settlement date of the sale, exchange or other taxable disposition. Such an election by an accrual method US Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. Accrual-method US Holders that do not elect to be treated as cash-method taxpayers for this purpose may have a foreign currency gain or loss for US federal income tax purposes, which in general will be treated as US-source ordinary income or loss. US Holders should consult their advisors as to the US federal income tax consequences of the receipt of Swedish kronor.

If any Swedish tax is imposed on the sale or other taxable disposition of the Company's shares, a US Holder's amount realized will include the gross amount of the proceeds of the sale or other disposition before deduction of the Swedish tax. See *"Tax considerations in Sweden"* for a description of when a disposition may be subject to taxation by Sweden. Because capital gain or loss, if any, will generally be US source gain or loss for foreign tax credit purposes and a US Holder may use foreign tax credits to offset only the portion of US federal income tax liability that is attributable to foreign-source income, a US Holder may not be able to claim a foreign tax credit for any Swedish income tax imposed on such gains unless the US Holder has other taxable income from foreign sources in the appropriate foreign tax credit basket. US Holders should consult their own tax advisors concerning the creditability or deductibility of any Swedish income tax imposed on the disposition of shares in their particular circumstances.

Passive foreign investment company rules

In general, a corporation organised outside the United States will be treated as a passive foreign investment company (**"PFIC"**) for US federal income tax purposes in any taxable year in which (a) 75% or more of its gross income is passive income (the **"income test"**) or (b) 50% or more of its assets by value either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value of such assets (the **"asset test"**). For this purpose, "gross income" generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and "passive income" generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. For purposes of the PFIC income test and asset test described above, if the Company owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, the Company will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation.

Based on the nature of the Company's business, the composition of the Company's income and assets, the value of the Company's assets, the Company's intended use of the proceeds from the Offering, and the expected price of the Company's shares, the Company does not believe that it was a PFIC for the 2020 taxable year, or expect that it will be a PFIC for its current taxable year or in the foreseeable future. However, because a determination of whether a company is a PFIC must be made annually after the end of each taxable year and the Company's PFIC status for each taxable year will depend on facts, including the composition of Company's income and assets and the value of Company's assets (which may be determined in part by reference to the market value of the shares) at such time, there can be no assurance that the Company will not be a PFIC for the current or any future taxable year. If the Company is a PFIC for any taxable year during which a US Holder holds shares and any of the Company's non-US subsidiaries is also a PFIC, such US Holder will be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. US Holders are urged to consult their tax advisors about the application of the PFIC rules to any of the Company's subsidiaries.

Generally, if the Company is a PFIC for any taxable year during which a US Holder holds shares, the US Holder may be subject to adverse tax consequences. Generally, gain recognized by a US Holder upon a disposition (including, under certain circumstances, a pledge) of shares by the US Holder would be allocated ratably over the US Holder's holding period for such shares. The amounts allocated to the taxable year of disposition and to years 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 that taxable year for individuals or corporations, as appropriate, and an interest charge would be imposed on the tax attributable to the allocated amount. Further, to the extent that any distribution received by a US Holder on the shares exceeds 125% of the average of the annual distributions on such shares received during the preceding three years or the US Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain, described immediately above. Certain elections may be available that would result in alternative treatments of the shares if the Company was a PFIC.

If the Company was a PFIC for any year during which a US Holder owned shares, the Company would generally continue to be treated as a PFIC with respect to such US Holder for all succeeding years during which such US Holder held the shares, even if the Company ceased to meet the threshold requirements for PFIC status.

If a US Holder owns shares in the Company during any year in which the Company are a PFIC, the US Holder generally will be required to file an IRS Form 8621 annually with respect to the Company, generally with the US Holder's US federal income tax return for that year unless specified exceptions apply.

U.S. Holders should consult their tax advisors regarding our PFIC status for any taxable year and the potential application of the PFIC rules.

Information reporting and backup withholding

Payments of dividends and sales proceeds from a sale, exchange or other taxable disposition (including redemption) of the Company's shares that are made within the United States, by a US payor or through certain US-related financial intermediaries to a U.S. Holder generally are subject to information reporting, unless the US Holder is a corporation or other exempt recipient. In addition, such payments may be subject to backup withholding, unless (1) the US Holder is a corporation or other exempt recipient or (2) the US Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding in the manner required.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a US Holder will generally be allowed as a credit against the US Holder's US. federal income tax liability or may entitle the US Holder to a refund, provided that the required information is timely furnished to the IRS.

Foreign financial asset reporting

Certain US Holders who are individuals or certain specified entities that own "specified foreign financial assets" with an aggregate value in excess of US $50,000 (and in some circumstances, a higher threshold) may be required to report information relating to the shares by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets (which requires U.S. Holders to report "foreign financial assets," which generally include financial accounts held at a non-US financial institution, interests in non-US entities, as well as stock and other securities issued by a non-US person), to their tax return for each year in which they hold the Company's shares, subject to certain exceptions (including an exception for the Company's shares held in accounts maintained by US financial institutions). US Holders should consult their tax advisors regarding their reporting obligations with respect to their acquisition, ownership, and disposition of the shares.

Tax considerations in Sweden

Below is a summary of certain Swedish tax issues related to the Offering and the admission for trading of the shares in the Company on Nasdaq Stockholm's main market 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 only general information regarding the shares in the Company as from the admission for trading on Nasdaq Stockholm. The summary does 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*) and subject to taxation on a standardised basis; 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. Furthermore, special tax rules apply to certain categories of companies. The tax consequences for each individual shareholder depend on such shareholder's particular situations. 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 shares in the Company on Nasdaq Stockholm, including the applicability and effect of foreign tax legislation (including regulations) and tax treaties.

Private individuals

For private individuals resident in Sweden for tax purposes, capital income, such as interest income, dividends and capital gains, is taxed in the capital income category. The tax rate for the capital income category is 30 percent.

The capital gain or the capital loss is computed as the difference between the consideration, less selling expenses, and the acquisition value. The acquisition value for all shares of the same class and type shall be added together and computed collectively in accordance with the so-called average method (Sw. *genomsnittsmetoden*). As an alternative, the so-called standard method (Sw. *schablonmetoden*) may be used at the disposal of listed shares. This method means that the acquisition value may be determined as 20 percent of the consideration less selling expenses.

Capital losses on listed shares are fully deductible against taxable capital gains realised in the same year on shares, 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*)). 70 percent of capital losses not absorbed by these set-off rules are deductible in the capital income category.

If there is a net loss 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 percent of the net loss that does not exceed SEK 100,000 and 21 percent 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 percent is withheld on dividends. The preliminary tax is normally withheld by Euroclear Sweden or, in respect of nominee-registered shares, by the nominee.

Allotments of shares to employees

Normally, the allotment of shares is not a taxable event. However, for employees, allotment of shares may, in certain situations, give rise to benefits taxation. Benefits taxation should, however, not occur if the employees (including members of the Board of Directors and deputy members of the Board of Directors and existing shareholders), on the same terms and conditions as others, acquire not more than 20 percent of the total number of shares offered and the employee does not acquire shares for more than SEK 30,000.

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 percent. Capital gains and capital losses are calculated in the same way as described for private individuals above. 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 (through so-called group contributions) and both companies request this treatment 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 (*e.g.*, investment companies).

Shareholders that are not tax resident in Sweden

For shareholders not resident in Sweden for tax purposes that receive dividends on shares of 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 withholding tax rate is 30 percent. The tax rate is, however, generally reduced under an applicable tax treaty. For example, the rate is generally reduced to 15 percent for dividends paid to US Holders that are entitled to the benefits of the Treaty. 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 the required information of the tax residency of the investor entitled to the dividend. 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 percent has been withheld.

Shareholders not resident in Sweden for tax purposes 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 rule, private individuals not resident in Sweden for tax purposes are, however, subject to Swedish capital gains taxation upon disposals of shares in the Company, if they have been residents of Sweden due to a habitual abode in Sweden or a stay 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.

Definitions

In addition to the alternative performance measures defined in "Selected historical financial information – Definitions of alternative performance measures" set forth below are definitions of certain other terms used in this Offering Memorandum:

"**AEB**" refers to automatic emergency braking.

"**ADAS**" refers to advanced driver assistance systems.

"**Carnegie**" refers to Carnegie Investment Bank AB.

"**Code**" refers to the Swedish Corporate Governance Code (Sw. *Svensk kod för bolagsstyrning*).

"**Company**" refers to Cary Group Holding AB (publ) and its subsidiaries, unless the context requires otherwise

"**CSD**" refers to central securities depositary.

"**Danske Bank**" refers to Danske Bank A/S, Danmark, Sverige Filial.

"**DKK**" refers to Danish kroner.

"**ECB**" refers to the European Central Bank.

"**ECB Daily Reference Rate**" refers to the daily reference rate published by the ECB (as defined herein) for EUR (as defined herein).

"**Cary Group**" refers to Cary Group Holding AB (publ) and its subsidiaries, unless the context requires otherwise.

"**ECM**" electronic control module.

"**EU**" refers to the European Union.

"**EUR**" refers to the Euro.

"**Exchange Act**" refers to Sections 13 or 15(d) of the US Securities Exchange Act of 1934, as amended.

"**FAR**" refers to the Swedish Institute of Authorised Public Accountants (Sw. *Föreningen Auktoriserade Revisorer*).

"**FSMA**" refers to Financial Services and Markets Act 2000.

"**FTEs**" refers to full-time equivalents.

"**GDPR**" refers to 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).

"**Group**" refers to Cary Group Holding AB (publ) and its subsidiaries, unless the context requires otherwise.

"**IRC**" refers to the United States Internal Revenue Code of 1986, as amended.

"**IRS**" refers to the United States Internal Revenue Service.

"**Jefferies**" refers to Jefferies International Limited.

"**Joint Global Coordinators**" refers to Carnegie (as defined herein), Danske Bank (as defined herein) and Jefferies (as defined herein).

"**Managers**" refers to the Joint Global Coordinators and the Joint Bookrunners.

"**MDKK**" refers to millions of DKK (as defined herein).

"**Member States**" refers to the member states of the European Union participating in the European Monetary Union having adopted the Euro as its lawful currency.

"**MEUR**" refers to millions of EUR (as defined herein).

"**MiFID II**" refers to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments.

"**MiFID II Product Governance Requirements**" refers to persons (including members of the Board of Directors and members of the Group Management) (1) that, before implementation of the Share structure simplification, are (directly or indirectly) invested in the Group through holding of ordinary and, for some, preference shares in Cary Group Midco AB and/or Cary Group Pooling AB which has been acquired as part of the Group's management and key employee investment program put in place prior to the Offering and (2) that, after implementation of the Share structure simplification, will hold shares in the Company (directly or indirectly).

"**Minority Shareholders**" Refers to persons (including members of the Board of Directors and members of the Group Management) (1) that, before implementation of the Share structure simplification, are (directly or indirectly) invested in the Group through holding of ordinary and, for some, preference shares in Cary Grouo Midco AB and/or Cary Group Pooling AB which has been acquired as part of the Group's management and key employee investment program put in place prior to the Offering and (2) that, after implementation of the Share structure simplification, will hold shares in the Company (directly or indirectly).

"**MSEK**" refers to millions of SEK (as defined herein).

"**MUSD**" refers to millions of USD (as defined herein).

"**New Revolving Credit Facility**" refers to a new revolving credit facility amounting to SEK 2,050 million, which will be provided by Danske Bank and SEB as lenders

"**NPS**" refers to net promoter scores.

"**NOK**" refers to Norwegian kroner.

"**OBD**" On board diagnostics.

"**Offer Price**" refers to the price per share in the Offering (as defined herein).

"**Offering**" refers to the offering of shares in Cary Group Holding AB (publ) to the public.

"**Offering Memorandum**" refers to this offering memorandum.

"**Order**" refers to Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion).

"**Over-allotment Option**" refers to the option granted by the Principal Owner (as defined herein) to the JGCs (as defined herein) to acquire up to an additional 9,829,192 existing shares, corresponding to maximum 15 percent of the total number of shares in the Offering.

"**PFIC**" refers to a passive foreign investment company.

"**Principal Owner**" refers to Cidron Legion S.à r.l..

"**Prospectus Regulation**" refers to Regulation (EU) 2017/1129 of 14 June 2017.

"**QIBs**" refers to qualified institutional buyers, as defined in and in reliance on Rule 144A under the United States Securities Act of 1933, as amended.

"**Regulation S**" refers to Regulation S under the Securities Act (as defined herein).

"**Relevant person**" refers to persons who are: (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) (the "Order") or (ii) high net-worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts falling within Articles 49(2)(a) to (d) of the Order, and/or (iii) other persons to whom such investment or investment activity may lawfully be made available.

"**Relevant State**" refers to each Member State of the European Economic Area (with the exception of Sweden).

"**Rule 144A**" refers to Rule 144A under the Securities Act (as defined herein).

"**Section 382**" refers to Section 382 of the Internal Revenue Code.

"**Securities Act**" refers to the United States Securities Act of 1933, as amended.

"**SEK**" refers to Swedish kronor.

"**SFSA**" refers to the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*).

"**Stabilising Manager**" refers to Danske Bank acting as Stabilising manager in connection with the Offering.

"**Swedish Prospectus**" refers to the Swedish language version of this Offering Memorandum.

"**TaaS**" refers to Transport as a Service

"**Target Market Assessment**" refers to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet criteria of professional clients and eligible counterparties, each as defined in MiFID II (as defined herein); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II.

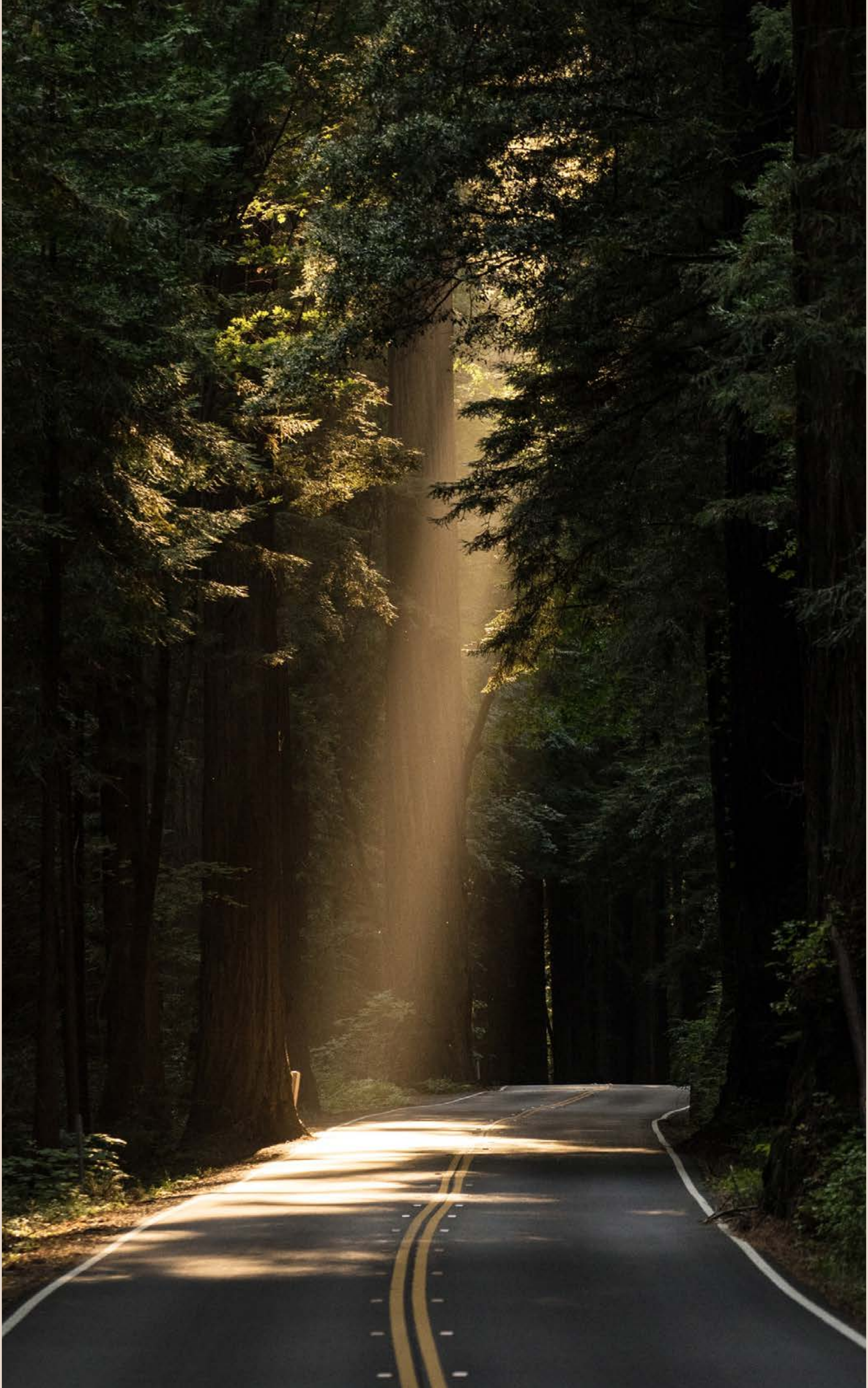
"**UK MiFIR**" Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended.

"**UK MiFIR Product Governance Rules**" refers to the FCA Handbook Product Intervention and Product Governance Sourcebook.

"**UK Prospectus Regulation**" refers to Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

"**USD**" refers to the United States dollar.

"**US Holder**" refers to a beneficial owner of the shares that, for United States 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 United States federal income taxation regardless of its source; or a trust that (1) is subject to the primary supervision of a court within the United States and one or more United States persons has the authority to control all of the substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.



Historical financial information

Condensed interim reports for Cary Group Holding AB (publ) April–June 2021 and the six months period that ended 30 June 2021

Auditor’s report on interim historical financial information

Consolidated financial statements of Cary Group Holding AB (publ) as of and for the financial years ended 2020 and 2019

Historical financial information for the years ended 31 December, 2020 and 2019

Consolidated accounts for Cary Group Holding AB (Publ) for the Financial Year 2018

Auditor’s report on interim historical financial information

Condensed interim reports for Cary Group Holding AB (publ) April–June 2021 and the six months period that ended 30 June 2021

Condensed consolidated statement of profit or loss

SEKm	Note	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020
Net sales		575	412	1,032	852
Other operating income		–	–	–	–
Revenue		**575**	**412**	**1,032**	**852**
Inventory expenses		(195)	(137)	(354)	(298)
Other external costs		(84)	(49)	(146)	(109)
Employee expense		(171)	(113)	(310)	(252)
Depreciation, amortization and impairment		(40)	(36)	(76)	(67)
Operating expense		**(490)**	**(336)**	**(886)**	**(725)**
Operating profit		**85**	**76**	**146**	**127**
Finance income		(7)	(0)	17	0
Finance costs		(24)	(40)	(69)	(67)
Finance costs – net		**(31)**	**(40)**	**(53)**	**(67)**
Profit before income tax		**53**	**36**	**93**	**60**
Income tax expense		(27)	(9)	(35)	(16)
Profit for the period		**26**	**27**	**58**	**43**
Profit for the period attributable to:					
Parent Company shareholders		25	24	54	38
Non-controlling interest		1	3	5	5
Earnings per share before and after dilution, SEK		**0.26**	**0.25**	**0.56**	**0.39**

Consolidated statement of comprehensive income

SEKm	Note	Apr–Jun 2021	Apr–Jun 2020	Jan–Jun 2021	Jan–Jun 2020
Other comprehensive income					
Items that may be reclassified to profit or loss					
Exchange differences on foreign operations		(9)	(9)	2	(12)
Items that will not be reclassified to profit or loss					
Remeasurements of post-employment benefit obligations		–	–	–	–
Other comprehensive income for the period		**(9)**	**(9)**	**2**	**(12)**
Total comprehensive income for the period		**18**	**18**	**61**	**32**
Total comprehensive income for the period attributable to:					
Owners of the parent		18	16	56	28
Non-controlling interest		(0)	2	5	4
Operating profit includes					
Depreciation		(31)	(24)	(58)	(48)
Amortization of other intangibles		(1)	(1)	(2)	(2)
Depreciation of right-of-use assets		(8)	(11)	(15)	(17)
Depreciation and amortization		**(40)**	**(36)**	**(76)**	**(67)**

Condensed consolidated balance sheet

SEKm	Note	June 2021	June 2020	Dec 2020
Assets				
Non-current assets				
Goodwill		1,806	1,598	1,632
Other intangible assets		108	83	77
Right-of-use assets		339	319	309
Property, plant and equipment		80	87	70
Other long-term receivables		0	0	1
Deferred tax assets		3	2	2
Total non-current assets		**2,336**	**2,089**	**2,091**
Current assets				
Inventories		59	50	49
Accounts receivable		227	180	161
Other receivables		28	16	24
Prepaid expenses and accrued income		47	49	63
Cash and cash equivalents		191	126	96
Total current assets		**552**	**421**	**394**
Total assets		**2,888**	**2,510**	**2,485**
Equity and liabilities				
Equity attributable to Parent Company shareholders				
Share Capital		0	0	0
Additional-paid-in capital		209	209	209
Reserves		(2)	(6)	(4)
Retained earnings (inkl. profit/loss for the period)		(255)	(319)	(316)
Total equity attributable to the shareholders of the parent company		**(48)**	**(116)**	**(111)**
Equity attributable to non-controlling interest		**8**	**7**	**5**
Non-current liabilities				
Liabilities to credit institutions		1,662	1,560	1,538
Lease liabilities		243	239	227
Provisions		–	–	5
Deferred tax liabilities		51	41	42
Other interest-bearing liabilities		449	388	403
Total non-current liabilities		**2,406**	**2,228**	**2,215**
Current liabilities				
Lease liabilities		97	79	82
Accounts payable		165	133	126
Current tax liability		36	10	24
Other current liabilities		83	70	45
Accrued expenses and deferred income		141	99	98
Total current liabilities		**522**	**392**	**376**
Total liabilities		**2,928**	**2,620**	**2,591**
Total equity and liabilities		**2,888**	**2,510**	**2,485**

Consolidated statement of changes in equity

SEKm	Share capital	Additional-paid-in capital	Translation reserves	Retained earnings (inkl. profit/loss for the period)	Total equity attributable to the parent company	Non-controlling interests	Total equity
Opening balance Jan 1, 2021	**0**	**209**	**(4)**	**(316)**	**(111)**	**5**	**(106)**
Profit for the period	–	–	–	54	54	5	58
Other comprehensive income	–	–	2		2	0	2
Total comprehensive income for the period	**–**	**–**	**2**	**54**	**56**	**5**	**61**
Transaction with owners							
Issue of shares	–	–	–	–	–	–	–
Dividend provided for or paid	–	–	–	–	–	–	–
Non controlling interest from acquisition of subsidiaries	–	–	–	–	–	4	4
Transactions with non-controlling interests	–	–	–	7	7	(6)	1
	–	**–**	**–**	**7**	**7**	**(2)**	**5**
Closing balance June 30, 2021	**0**	**209**	**(2)**	**(255)**	**(48)**	**8**	**(40)**
Opening balance Jan 1, 2020	**0**	**209**	**4**	**(357)**	**(144)**	**5**	**(139)**
Profit for the period	–	–	–	38	38	5	43
Other comprehensive income	–	–	(10)	–	(10)	(1)	(12)
Total comprehensive income for the period	**–**	**–**	**(10)**	**38**	**28**	**4**	**32**
Transaction with owners							
Issue of shares	–	–	–	–	–	–	–
Dividend provided for or paid	–	–	–	–	–	–	–
Transactions with non-controlling interests	–	–	–	(1)	(1)	(2)	(3)
	–	**–**	**–**	**(1)**	**(1)**	**(2)**	**(3)**
Closing balance June 30, 2020	**0**	**209**	**(6)**	**(319)**	**(116)**	**7**	**(109)**

Condensed consolidated statement of cash flow

SEKm	Note	Jan–Apr 2021	Jan–Apr 2020	Jan–Jun 2021	Jan–Jun 2020
Profit after financial items		**53**	**36**	**93**	**60**
Adjustments for items that have no cash flow effect		50	66	88	105
Income tax paid		2	(14)	(24)	(33)
Cash flow before changes in working capital		**105**	**88**	**157**	**132**
Decrease/increase in inventories		(3)	8	(6)	1
Decrease/increase in trade receivables and other current assets		(19)	26	(18)	72
Decrease/increase in trade payables and other current liabilities		(31)	(52)	32	(42)
Cash flow from changes in working capital		**(53)**	**(18)**	**7**	**31**
Cash flow from operating activities		**53**	**70**	**164**	**163**
Payments for intangible assets		–	4	(1)	(3)
Payments for property plant and equipment		(7)	(10)	(14)	(11)
Disposals of property plant and equipment		–	–	–	–
Investments in subsidiaries, net of cash acquired		(44)	(4)	(154)	(110)
Net cash (outflow) from investing activities		**(50)**	**(10)**	**(169)**	**(124)**
Transaction with non-controlling interests in subsidiaries		9	–	9	–
Proceeds from borrowings		2	–	134	62
Repayment of borrowings		(23)	(17)	(43)	(34)
Dividends paid		–	–	–	–
Cash flow from financing activities		**(12)**	**(17)**	**100**	**28**
Cash flow for the period		**(9)**	**43**	**96**	**67**
Cash and cash equivalents at beginning of period		198	85	96	60
Translation differences		3	(2)	–	(0)
Cash and cash equivalents at end of period		**191**	**126**	**191**	**126**

Notes to the condensed interim report

Note 1 – Summary of significant accounting policies

This interim report has been prepared in accordance with the Swedish Annual Accounts Act and IAS 34 Interim Financial Reporting.

The accounting policies and methods of calculation applied in the interim financial statements are the same as those accounting principles presented in Note 2 in the historical financial information for financial year 2020 and 2019 which is an integrated part of this prospectus.

The IASB has issued several amended accounting standards that were endorsed by the EU and entered into force on 1 January 2021. None of these have any material effect on the Cary Group Holding´s financial statements

Note 2 – Significant events during the quarter

In April, Cary Group also acquired the Norwegian company Quick Car Fix which specialises in SMART Repair – Small to Medium Area Repair Techniques. The company had total revenue of approximately NOK 57 million in 2020, corresponding to approximately SEK 55 million

Note 3 – Risks and uncertainties

Risks and uncertainties that have been considered as of preparation of this interim report apply to all periods and correspond with the description of the Group's material financial and business risks that can be found in section Risk factors in this prospectus.

Risks in connection with the effects of the Covid-19 pandemic

Wide-ranging measures designed to contain the spread of Covid-19 have been imposed, including business closures, travel restrictions, quarantines and cancellations of gatherings and events, in all the markets where the Group operates. Covid-19 has had, and continues to have, a significant adverse effect on the global economy, and on demand for Cary Group's service offering. Demand is largely driven by the total number of miles driven in society, and Covid-19 restrictions such as lock-downs and quarantine measures have led to a reduction in car use. As a result, customers have not needed Cary Group's services to the same extent as in the past, since restrictions have limited both private motoring and professional traffic. Strict lockdowns and other Covid-19 measures, as imposed in the UK and Norway, for example, have negatively affected Cary Group's operations, as they have prevented people from following their normal daily driving routines. An increase in the spread or new outbreaks or mutations of Covid-19, as well as an inability to limit the pandemic and its effects, could adversely affect the Group's operations, overall vehicle miles driven, the ability of local workshops to remain open and the health of local workshop employees.

In 2020, 65% of the Group's income was derived from its operations in the Nordic countries (Sweden, Norway and Denmark) and 35% from the Rest of Europe ((the UK). If customers restrict their expenses to purchase only the most basic services as a result of unfavourable economic conditions, Cary Group may suffer a decline in income. Hence, a severe economic deterioration due, for example, to continued and prolonged restrictions during the Covid-19 pandemic or persistent political uncertainties in any of Cary Group's markets, could therefore have a material adverse effect on the Group's total income and growth.

No further significant risks are deemed to have arisen during the period.

Note 4 – Segment and revenue information

Description of segments

The CEO oversees the business from a business area perspective and has identified two operating segments:
1. Nordics
2. Rest of Europe

	Apr–Jun 2021				Jan–Jun 2021			
SEKm	Nordics	Rest of Europe	Group functions	Total	Nordics	Rest of Europe	Group functions	Total
Segment revenue	406	170	–	576	715	320	–	1,034
Inter-segment revenue	–	(1)		(1)	–	(2)	–	(2)
Revenue from external customers	**406**	**169**	**–**	**575**	**715**	**318**	**–**	**1,032**
Time of revenue recognition								
At a point in time	406	169	–	575	715	318	–	1,032
Over time	–	–	–	–	–	–	–	–
Adjusted EBITA	**104**	**17**	**(18)**	**102**	**178**	**28**	**(30)**	**175**
Add-back of depreciation	25	6	–	31	47	11	–	58
Adjusted EBITDA	**129**	**22**	**(18)**	**133**	**224**	**39**	**(30)**	**233**

	Apr–Jun 2020				Jan–Jun 2020			
SEKm	Nordics	Rest of Europe	Group functions	Total	Nordics	Rest of Europe	Group functions	Total
Segment revenue	313	100	–	413	576	278	–	854
Inter-segment revenue	–	(1)		(1)	–	(2)	–	(2)
Revenue from external customers	**313**	**99**	**–**	**412**	**576**	**277**	**–**	**852**
Time of revenue recognition								
At a point in time	313	99	–	412	576	277	–	852
Over time	–	–	–	–	–	–	–	–
Adjusted EBITA	**92**	**8**	**(10)**	**90**	**145**	**22**	**(17)**	**151**
Add-back of depreciation	19	5	0	24	37	10	0	48
Adjusted EBITDA	**110**	**13**	**(9)**	**114**	**183**	**33**	**(16)**	**199**

Sales between segments are carried out on an arm's length basis and are eliminated on consolidation. The amounts reported to the CEO with respect to segment revenue are measured in a manner consistent with that of the financial statements.

Note 5 – Seasonal variations

Cary Group's net sales earnings fluctuate across the seasons and this should be taken into consideration when making assessments based on quarterly financial information. The seasonal variations are attributable to the increased demand for Vehicle Glass Repair and Replacement services late in the first quarter and throughout the second quarter.

Note 6 – Significant events after the end of the period

In July, Cary Group acquired Autoklinik in Malmö, which specialises in auto body servicing and repair. The company had total revenue of approximately SEK 38 million in 2020.

In July, Cary Group also acquired Auto Cristal Ralarsa, Spain's second largest automotive glass repair and replacement company. In 2020, Ralarsa operated more than 235 workshops, of which 155 are franchise-owned, and 85 mobile units. Total sales in 2020, including sales from franchise businesses, amounted to EUR 51 million, with net sales attributable to the company totalling EUR 25 million.

Note 7 – Related party transactions

Transactions between Cary Group related parties that affected the Company's financial position are attributable to the dealings of the subsidiary Ryds Bilglas with Ryds Glas.

In the second quarter, Ryds Bilglas invoiced Ryds Glas SEK 0.5 million for goods and services, while it received invoices of SEK 0.6 million for rent for leased workshops. For the first six months of the year, the amount invoiced totalled SEK 0.1 million (including a credit note of SEK 0.5m) and invoices received amounted to SEK 1 million.

Note 8 – Number of shares

The average number of shares during the second quarter was 133,383 and the same number applied on 30 June. The Company's share capital amounted to SEK 133,383 on 30 June 2021

Note 9 – Earnings per share

The Annual General Meeting 2021 has decided to make a share split (1 to 700). Retrospective adjustments have been performed for all reported periods in order to reflect the share split.

Note 10 – Recognition of financial instruments at fair value

Cary Group's financial assets are essentially non-interest-bearing and interest-bearing receivables, in which cash flows represent only payment for the initial investment and, where applicable, interest. Their value is intended to be held to maturity and is carried at amortised cost, which is a reasonable estimate of fair value. Financial liabilities are for the most part recognised at amortised cost.

Financial instruments measured at fair value in the balance sheet are contingent considerations with a value of SEK 6.6 million (-). Contingent consideration liabilities are recognised at fair value based on management's best estimate of the most likely outcome (level 3, as defined by IFRS 13). Other assets and liabilities are recognised at amortised cost.

Note 11 – Acquisitions

Acquisitions announced, January–June 2021

Company	Business segment	Included from	Acquired share	Netsales, SEKm	Acquisition related intangible assets
RG Bilglas1 AB[1]	Nordics	2021-01-01	100%	69.0	
Bilglasmästarna i Nynäshamn AB[1]	Nordics	2021-01-01	100%	4.0	
Ryds Bilglas i Uppland AB[1]	Nordics	2021-01-01	100%	8.6	
Ryds Bilglas Malmfälten AB	Nordics	2021-03-01	75%	5.0	
Crash Point A/S	Nordics	2021-03-01	80%	46.5	
Total acquisitions and divestments January-March 2021				**133.1**	
Skadevekk Holding AS	Nordics	2021-04-01	80%	54.9	
Bilvård i Handen AB	Nordics	2021-05-01	75%	10.0	
Rehnglas AB Tyresö	Nordics	2021-06-01	Asset	3.5	
Borås Glas	Nordics	2021-06-01	Asset	0.5	
GK Glas AB Nacka	Nordics	2021-06-01	Asset	2.5	
KG Glasmästeri AB Hammarby	Nordics	2021-06-01	75%	2.8	
Ryds Bilglas i Borlänge AB	Nordics	2021-06-01	49%	17.6	
Total acquisitions and divestments April–June 2021				**91.8**	**193.4**
Amortisation of acquisition related intangible assets					(14.9)
Closing balance					**178.5**

1) RG Bilglas 1 AB, Bilglasmästarna i Nynäshamn AB, Ryds Bilglas i Uppland AB och Ryds Bilglas i Borlänge AB merged with Ryds Bilglas AB during the second quartert 2021.

Acquisitions January–June 2021

Purchase prices paid in the period totalled SEK 200.1 million on a cash- and debt-free basis, excluding any potential contingent considerations. The total purchase price amounted to SEK 193.4 million. The businesses acquired contributed revenue of SEK 85.3 million to the Group in the January–June 2021 period.

On 1 January 2021, Cary Group acquired RG Bilglas 1 AB. The company operated an automotive glass business on licence from Ryds Bilglas in 15 locations in Sweden. The company had total revenue of approximately SEK 69 million in 2020.

On 1 March 2021, Cary Group acquired CrashPoint A/S. CrashPoint is Denmark's largest damage repair chain with a focus on higher-end vehicles. The company had a total revenue of approximately DKK 33 million in 2020, corresponding to approximately SEK 47 million. CrashPoint has partnerships with several major car brands on the Danish market.

On 1 April 2021, Cary Group acquired 80% of the Norwegian company Quick Car Fix which specialises in SMART Repair – Small to Medium Area Repair Techniques. The company had total revenue of approximately NOK 57 million in 2020, corresponding to approximately SEK 55 million. Through the acquisition, Cary Group is broadening its operations and further expanding its presence in the Norwegian car care market.

Other companies and assets listed in the table above refer to acquired automotive glass workshops and businesses in the Swedish market. These acquisitions give Cary Group improved geographical coverage of the market, thereby providing better access to the Company's services for customers.

The table below summarises the considerations paid for the acquisitions in the period and the acquisition date fair value of assets acquired and liabilities assumed:

	2021-06-30	2020-12-31
Purchase price		
Cash and cash equivalents	191	171
Promissory note	2	–
Contingent consideration	7	–
Total purchase price	**200**	**171**

In the acquisition analysis below, calculations of intangible assets and goodwill are only provisional; the valuation of customer relationships and brands remains to be finalised. The acquisition analysis is finalised at the latest one year after the acquisition has been completed. Goodwill is attributed to future customers, geographical expansion and the personnel employed in the business acquired. No portion of goodwill recognised is expected to be tax-deductible

Acquired assets and liabilities at fair value	2021-06-30	2020-12-31
Cash and cash equivalents	21	31
Customer relationships	33	6
Brands	14	–
Materiella anläggningstillgångar Tangible fixed assets	7	10
Right-of-use assets	63	17
Inventory	3	7
Accounts receivable and other receivables	15	36
Long- term liabilities (inkl. Lease liability and deferred tax)	(73)	(19)
Accounts payable and other current liabilities	(32)	(26)
Total assets and liabilities acquired	**52**	**63**
Goodwill	148	108
Acquired net assets	**200**	**171**

Acquisition-related expenses of SEK 1.9 million are included in other external expenses in the consolidated income statement and in operating activities in the statement of cash flows.

Purchase consideration – cash flow

The acquisitions in the period had an impact of SEK –179 million on the Group's cash flow.

	Jan–Jun 2021	Jan–Dec 2020
Cash flow information		
Cash and cash equivalents paid for acquisitions during the year	200	171
Acquired cash and cash equivalent	(21)	(31)
Sum cash flow from investing activities	**179**	**140**

Note 12 - Reconciliation of adjusted EBITA to operating profit before income tax for the Group

SEKm	Jan–Jun 2021	Jan–Dec 2020
Adjusted EBITA	**175**	**151**
Transaction costs	(1)	(5)
Consulting costs	–	–
Rebranding costs	(2)	–
Non-Recurring Personnnel Costs	(3)	–
IPO costs	(5)	–
Amortization	(18)	(19)
Finance costs - net	(53)	(67)
Profit before income tax	**93**	**6**

Auditor's report on interim historical financial information

Auditor's report

To the Board of Directors of Cary Group Holding AB (publ), corporate identity number 559040-9388

Introduction

We have reviewed the condensed consolidated interim financial information on pages F-2 – F-10 of Cary Group Holding 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, 14 September, 2021
Ernst & Young AB

Stefan Andersson Berglund
Authorized Public Accountant

Consolidated financial statements of Cary Group Holding AB (publ) as of and for the financial years ended 2020 and 2019

Consolidated statement of profit or loss

SEK thousands	Notes	2020	2019
Net sales	4	1,650,774	1,627,644
Inventory expenses	13	(585,180)	(586,856)
Other external expenses	5	(219,165)	(208,008)
Personnel expenses	6	(506,423)	(505,742)
Depreciation, amortization and impairment of tangible and intangible assets	10, 11, 12	(129,032)	(113,243)
Operating profit		**210,974**	**213,795**
Financial income	7	42	102
Financial expenses	8	(139,054)	(115,078)
Profit before tax		**71,962**	**98,819**
Income tax	9	(23,555)	(29,242)
Profit for the year		**48,407**	**69,577**
Profit for the year attributable to:			
Parent Company shareholders		45,697	60,959
Non-controlling interests		2,710	8,618
Total		**48,407**	**69,577**
Earnings per share, based on profit for the year attributable to Parent Company shareholders:	**28**		
Basic earnings per share, SEK		0.45	0.60
Diluted earnings per share, SEK		0.45	0.60

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

SEK thousands	Note	2020	2019
Profit for the year		**48,407**	**69,577**
Other comprehensive income			
Items that may be reclassified in profit or loss (net of tax)			
Exchange differences on translation of foreign operations		(9,553)	4,314
Items that will not be reclassified to profit or loss (net of tax)			
Remeasurements of post-employment benefit obligations	6	(2,936)	–
Other comprehensive income for the year		**(12,489)**	**4,314**
Total comprehensive income for the year		**35,918**	**73,891**
Total comprehensive income for the year attributable to:			
Parent Company shareholders		34,815	64,485
Non-controlling interests		1,103	9,406
Total		**35,918**	**73,891**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of financial position

SEK thousands	Notes	Dec 31, 2020	Dec 31, 2019	Jan 1, 2019
ASSETS				
Non-current assets				
Goodwill	10	1,632,122	1,550,973	1,447,847
Intangible assets	10	76,976	94,715	99,883
Tangible assets	11	69,797	70,697	67,079
Right-of-use assets	12	309,273	329,198	288,812
Deferred tax assets	9	2,447	1,580	–
Financial assets at amortized cost		542	–	–
Total non-current assets		**2,091,157**	**2,047,163**	**1,903,621**
Current assets				
Inventories	13	49,267	45,150	27,492
Accounts receivable	15, 31	161,390	179,898	130,316
Current tax assets		–	–	–
Other receivables	14, 31	24,417	42,041	19,045
Prepaid expenses and accrued income	17	62,741	78,109	51,658
Cash and cash equivalents	18	95,711	59,783	73,013
Total current assets		**393,526**	**404,982**	**301,524**
TOTAL ASSETS		**2,484,684**	**2,452,145**	**2,205,145**
EQUITY	**19**			
Share capital		133	133	133
Other paid in capital		208,756	208,756	208,756
Translation reserves		(4,073)	4,264	738
Retained earnings (including profit for the year)		(315,777)	(356,794)	(260,303)
Total equity attributable to owners of the company		**(110,961)**	**(143,641)**	**(50,676)**
Non-controlling interests	34	4,762	5,140	7,922
Total equity		**(106,199)**	**(138,501)**	**(42,754)**
LIABILITIES				
Non-current liabilities				
Borrowings	20, 26, 31	1,538,248	1,492,414	934,285
Lease liabilities	12, 26, 31	226,504	251,791	214,542
Deferred tax liabilities	9	42,331	38,852	38,331
Provisions	21	4,809	–	15
Shareholder loan	22	403,319	373,836	731,618
Total non-current liabilities		**2,215,211**	**2,156,893**	**1,918,791**
Current liabilities				
Accounts payable	31	126,176	145,133	114,662
Current tax liabilities		24,175	32,447	18,899
Lease liabilities	12, 26	82,199	74,294	66,585
Other liabilities	23	44,707	82,264	47,447
Accrued expenses and deferred income	24	98,414	99,614	81,515
Total current liabilities		**375,671**	**433,752**	**329,108**
Total equity and liabilities		**2,484,684**	**2,452,145**	**2,205,145**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

		Attributable to owners of the company						
SEK thousands	Notes	Share capital	Other paid-in capital	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Opening balance Jan 1, 2019		**133**	**208,756**	**738**	**(260,303)**	**(50,676)**	**7,922**	**(42,754)**
Profit for the year		–	–	–	60,959	60,959	8,618	69,577
Other comprehensive income		–	–	3,526	–	3,526	788	4,314
Total comprehensive income for the year		**–**	**–**	**3,526**	**60,959**	**64,485**	**9,406**	**73,891**
Transactions with owners								
Repurchase of shares		–	–	–	–	–	(53,381)	(53,381)
Transactions with non-controlling interests	34	–	–	–	(112,808)	(112,808)	41,693	(71,115)
Dividends provided for or paid		–	–	–	(44,642)	(44,642)	(500)	(45,142)
Total transactions with owners		**–**	**–**	**–**	**(157,450)**	**(157,450)**	**(12,188)**	**(169,638)**
Closing balance Dec 31, 2019		**133**	**208,756**	**4,264**	**(356,794)**	**(143,641)**	**5,140**	**(138,501)**
Opening balance Jan 1, 2020		**133**	**208,756**	**4,264**	**(356,794)**	**(143,641)**	**5,140**	**(138,501)**
Profit for the year		–	–	–	45,697	45,697	2,710	48,407
Other comprehensive income		–	–	(8,337)	(2,546)	(10,883)	(1,606)	(12,489)
Total comprehensive income for the year		**–**	**–**	**(8,337)**	**43,151**	**34,815**	**1,103**	**35,918**
Transactions with owners								
Issue of shares	34	–	–	–	–	–	5,530	5,530
Transactions with non-controlling interests	34	–	–	–	(2,134)	(2,134)	(5,511)	(7,645)
Dividends provided for or paid	34	–	–	–	–	–	(1,500)	(1,500)
Total transactions with owners		**–**	**–**	**–**	**(2,134)**	**(2,134)**	**(1,481)**	**(3,615)**
Closing balance Dec 31, 2020		**133**	**208,756**	**(4,073)**	**(315,777)**	**(110,961)**	**4,762**	**(106,199)**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

SEK thousands	Note	2020	2019
Cash flow from operating activities			
Profit after financial items		71,962	98,819
Adjustments to cash flow	25	187,469	76,665
Income taxes paid	9	(55,894)	(29,239)
Changes in inventory		2,465	(6,562)
Changes in accounts receivable and other current receivable		73,358	(69,857)
Changes in accounts payable and other current liabilities		(74,297)	58,929
Net cash (outflow) from operating activities		**205,063**	**128,755**
Cash flows from Investing activities			
Payment for acquisition of subsidiary, net of cash acquired		(139,988)	(109,974)
Payments for tangible assets	11	(18,649)	(28,586)
Payments for intangible assets	10	(8,082)	(7,536)
Proceeds from sale of tangible assets	11	11,087	–
Net cash (outflow) from investing activities		**(155,632)**	**(146,096)**
Cash flows from financing activities			
Proceeds from borrowings	20, 26, 31	61,690	570,000
Payment of transaction costs related to borrowings	26	(10,500)	(19,912)
Issue of share		5,530	–
Repayment of shareholder loan	22, 26	–	–319,934
Principal elements of lease payments	26	(70,869)	(55,139)
Dividends paid to company's shareholders		(1,500)	(45,142)
Transactions with non-controlling interests in subsidiaries	34	400	(125,762)
Net cash (outflow) from financing activities		**(15,249)**	**4,111**
Net increase/decrease in cash and cash equivalents	**26**	**34,182**	**(13,230)**
Cash and cash equivalents at the beginning of the financial year		59,783	73,013
Effects of exchange rate changes on cash and cash equivalents	26	1,746	–
Cash and cash equivalents at end of year		**95,711**	**59,783**

The accompanying notes are an integral part of these consolidated financial statements.

Disclosure
Interest received 136 (2019: 102)
Interest Paid (71,846), (2019: neg 140 297)

Notes to the consolidated financial statements

Note 1 General information

These financial statements are consolidated financial statements for the group consisting of Cary Group Holding AB (publ), corporate no. 559040-9388, and its subsidiaries. A list of the subsidiaries is included in Note 29.

Cary Group Holding AB (publ) (the "Company" or the "parent") is a limited company incorporated and domiciled in Sweden. The Company's registered office is located at Hammarby Kaj 10D, Stockholm, Sweden.

Cary Group Holding AB (publ) and its subsidiaries (together, the "Group", "Cary") offers car care solutions, specializing in vehicle glass repair and replacement.

The financial statements were authorized for issue by the directors on September 14, 2021. The directors have the power to amend and reissue the financial statements.

Note 2 Summary of significant accounting principles

The accounting policies set out below have been applied to all periods presented in the consolidated financial statements. All amounts, unless otherwise noted, are in thousands SEK.

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the Swedish Annual Accounts Act, International Financial Reporting Standards (IFRS) as endorsed by the EU and RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board.

This report is the Groups first report prepared in accordance with IFRS and the date of transition is January 1, 2019. Disclosures of the transition from previously used accounting principles to IFRS and its effect on the Statement of Comprehensive income and Equity of the Group are disclosed in Note 36.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3. The consolidated financial statements have been prepared using the cost method except for certain financial liabilities and defined benefit pension plan assets, which both are measured at fair value.

Basis of consolidation

Subsidiaries are all companies over which the Group has control. The Group has control over a company when it is exposed to or has a right to variable returns from its participation in the company and has the possibility to influence the return through its participation in the company. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for all business combinations. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are expensed as incurred.

Goodwill is initially measured as the amount by which the total consideration and any fair value for non-controlling interests on the acquisition date exceeds the fair value of identifiable acquired net assets. If the total consideration is lower than the fair value of the acquired company's net assets, the difference is reported directly in profit or loss as other income.

Intercompany transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognized in assets are also eliminated.

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary.

New standards and interpretations not yet adopted

A number of new standards and interpretations are effective for financial years beginning after 1 January 2021 and have not been applied in the preparation of these financial statements. These new standards and interpretations are not expected to have a significant impact on the consolidated financial statements.

Segment reporting

The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The CEO is the chief operating decision maker and evaluates financial position and performance and makes strategic decisions. The CEO monitors the Group's performance from a geographic perspective through the reportable segments Nordics and Rest of Europe with Regional Managers for each segment who reports to the CEO. There is no difference in services or products offered between the segments. No operating segments have been aggregated to form the reportable segments. The CEO primarily uses a measure of adjusted EBITA in order to assess the performance of the operating segments.

Foreign currency translation

Functional currency and presentation currency

The entities in the Group have the local currency as their functional currency, as the local currency has been identified as the currency used in the primary economic environment in which each entity operates. The Group's presentation currency is Swedish Krona (SEK), which is the functional and presentation currency of the Parent entity.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate as of the transaction date. Foreign exchange gains and losses are recognized in profit or loss if they derive from the translation of monetary assets and liabilities denominated in foreign currencies based on year end rates.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss as financial expenses. All other foreign exchange gains and losses are presented on a net basis in the statement of profit or loss within other operating income/expenses.

Translation of foreign group companies
The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.

Goodwill and other fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Revenue recognition

The Group's principles for recognition of revenue from customer contracts are presented below.

i) Repair services
The Group's revenue is primarily generated through delivering repair services such as vehicle glass repair and replacement to customers. Revenue is measured based on the consideration specified in a contract with a customer. Revenue from providing services is recognized in the accounting period in which the services are rendered. Normally a repair service would not be ongoing for longer than overnight and thus no material performance obligations would be entered but not satisfied at the end of any reporting period. Some contracts may include multiple distinct obligations, but as the services are rendered simultaneously, this has no impact on the accounting as a whole.

While repair services are performed in accordance with a pre-agreed price list, the Group needs to consider the effects of variable consideration, which includes retroactive discounts. This retroactive component means that the price of a service rendered on the day is subject to a discount based on future purchases made by that customer during a measurement period (normally one year). As such, variable consideration is recorded as a reduction to revenue based on management's estimate of the final discount. In this, a critical judgement is required by management and it takes a prudent approach in determining the expected discount in order to ensure that only revenue is recognized to the extent that it is highly probable that no significant reversal will be required. Estimates of variable consideration are based on current spending levels, historical patterns and seasonal variations.

The Group provides warranty on its services performed, but such a warranty does not provide any additional benefits than the assurance of the work performed.

No financing component is deemed to exist at the time of sale as the credit period normally does not exceed 45 days.

In conjunction with repairs, the Group may sell goods in the form of smaller windshield peripherals such as windshield wipers. The sale of these are recognized at a point in time (the point of which the sale occurs). These product sales have a miniscule effect on the Group financials.

ii) Franchise
The Group also generates revenue through franchising agreements, where the Group company provides access to the Group's systems, intellectual property and customer agreements in return for monthly franchise fees. The services provided under franchise agreements are highly interrelated and dependent upon the franchise license and thus the services do not represent individually distinct performance obligations. The franchise obligation is satisfied over time by providing a right to use our intellectual property over the term of the franchise agreement. The revenues from these obligations are based on a percent of sales and are recognized at the time the underlying sales occur. There is a minor fee collected regardless of the sales-based fee which is recognized on a straight-line basis.

The Group may also provide services or products in addition to its franchise agreement, in which case the performance obligations are determined at the start of such a contract and recognized either at a point in time or over time, whichever is the appropriate reflection.

Leases

The Group only acts as a lessee. The Group leases premises, parking spaces, vehicles, machines, IT hardware, card terminals and office equipment.

Leases - as lessee
Contracts may contain both lease and non-lease components. Should such a non-lease component be part of a lease contract, the Group separates it from the lease component and allocates the consideration based on their relative stand-alone prices.

All lease contracts are recognized as a right-of-use asset and a corresponding liability on the date which the leased asset is available for use by the Group.

Lease liabilities include the net present value of the following payments:

- fixed payments, less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option, and
- lease payments to be made under reasonably certain extension options.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is the case for leases in the Group, the lessee's incremental borrowing rate is used, which is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

To determine the incremental borrowing rate, the Group:

- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the initial measurement of the lease liability
- any lease payments that are made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are depreciated over the shorter of the useful life of the asset and the lease term on a straight-line basis. For the Group, the depreciation periods for the right-of-use assets have been based on the lease term and are amortized on a straight-line basis over time.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases (a lease term of 12 months or less) and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Leases of low-value assets comprise office equipment, machines, IT hardware and card terminals.

Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax is recognized in the consolidated statement of profit or loss except for tax attributable to items that are recognized in other comprehensive income or directly in equity. In such cases, tax is recognized in each respective statement . Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Management periodically evaluates uncertainty of positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax

Deferred tax is recognized for all temporary differences that arise between the taxable value of assets and liabilities and their carrying values in the consolidated financial statements. However, a deferred tax liability is not recognized if it arises as a result of the initial recognition of goodwill, nor is a deferred tax liability recognized if it arises as a result of a transaction that constitutes the initial recognition of an asset or a liability that is not a business combination and which, at the date of the transaction, neither impacts the carrying value nor the taxable profit (loss). Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects at the reporting date to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that there will be future taxable surpluses against which the temporary differences can be utilized.

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.

Deferred income tax is recognized in the consolidated statement of profit or loss except for tax attributable to items that are recognized in other comprehensive income loss or directly in equity. In such cases, tax is also recognized in each respective statement other comprehensive loss and equity, respectively.

Intangible assets

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but is tested for impairment on an annual basis, and more frequently if events or changes in circumstances creates an indication that impairment may be required, and is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to the relevant cash-generating unit. These units coincide with the Group segments (Nordics and Rest of Europe). The allocation is made to the cash-generating unit that is expected to draw economic benefit from the business combination that created the goodwill. The unit is identified at the lowest level at which goodwill is monitored for internal management purposes. For further information see Note 10.

Brands and Customer relationships

Brands and Customer relationships acquired in a business combination are recognized at fair value at the acquisition date. Customer relations are reported in subsequent periods at cost less accumulated amortization and impairment losses. Brands are reported in subsequent periods at cost less accumulated impairment losses.

IT systems

IT systems are reported at historical cost and amortized on a straight-line basis over the projected useful life. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

Amortization methods and periods

The Group amortize intangible assets with a limited useful life, using the straight-line method over the following periods:

Customer relationships	5-10 years
IT systems	5-10 years

All Brands acquired are used continuously in the business and their useful lives cannot be established with an appropriate level of certainty. Thus, Brands are classified as intangible assets with indefinite useful lives and are, instead of amortized, subject to impairment tests on an annual basis.

Tangible assets

Property, plant and equipment consist of buildings, furniture, fittings and equipment, and leasehold improvements. These are recognized at historical cost less depreciation and impairment.

Subsequent costs are added to the asset's carrying value or recognized as a separate asset, depending on which is most suitable, only when it is probable that the future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be reliably measured. The carrying value of the replaced component is derecognized from the consolidated statement of financial position. All other kinds of repairs and maintenance are recognized at cost in the consolidated statement of profit or loss in the period in which they occur.

Depreciation of assets is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over the estimated useful life of each component of an item of buildings and plant and machinery as follows:

Buildings	25 years
Furniture, fittings and equipment	5-10 years
Leasehold improvements	5 years

The assets' residual values and useful lives are assessed at the end of each reporting period and adjusted, if needed.

Profit or loss from disposals is established through a comparison of the profit from sales and carrying value and is recognized in "Other operating income and expense" in the consolidated profit or loss.

Impairment of non-financial assets

Intangible assets that have an indefinite useful life (goodwill and Brands) are not subject to amortization but are tested annually or when there is an indication for impairment. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill are reviewed for reversal of the impairment at the end of each reporting period.

Inventories

Inventories are stated at the lower of cost (measured on a First-in-First-Out basis) and net realizable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The Group reviews inventory quantities and records a provision for excess and obsolete inventory based primarily on historical demand and the age of the inventory, among other factors.

Financial instruments

Financial assets - Initial recognition and derecognition

Purchases and sales of financial assets are recognized on trade date, being the date upon which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred, and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets - Classification and measurement

The Group classifies its financial assets to be measured at amortized cost, as currently the Groups financial assets consist of financial assets measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and contractual terms of the cash flows. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

At initial recognition, the Group measures debt instruments (financial assets) at its fair value plus transaction costs that are directly attributable to the financial asset.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. All debt instruments in the Group are measured at amortized cost. The Group's financial assets measured at amortized cost consist of the items other non-current receivables, trade receivables and cash and cash equivalent.

- Amortized cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in Other operating income and expense net together with foreign exchange gains and losses.

Financial liabilities - Classification and measurement

Financial liabilities at amortized cost

At initial recognition, the Group measures a financial liability at its fair value plus transaction costs that are directly attributable to the financial liability. After initial recognition, the majority of the Group's financial liabilities are valued at amortized cost applying the effective interest method.

The Group's financial liabilities measured at amortized cost comprise liabilities to credit institutions, bank overdraft facilities, other long term and short-term liabilities, trade payables and accrued expenses.

Financial liabilities at fair value

At initial recognition, the Group measures a financial liability at its fair value. Transaction costs of financial liabilities carried at fair value are expensed in the consolidated statement of profit or loss.

The Group's financial liabilities at fair value comprise a contingent consideration that was settled during financial year 2020. For more information see Note 16. At the end of financial year 2020 there are no financial liabilities measured at fair value.

Derecognition of financial liabilities

Financial liabilities are derecognized from the statement of financial position when the obligations are settled, cancelled or have expired in any other way. The difference between the carrying value of a financial liability that has been extinguished or transferred to another party and the fee paid are reported in the consolidated statement of profit or loss.

Offsetting of financial instruments

Financial assets and liabilities are offset and recognized with a net amount in the statement of financial position only when there is a legal right to offset the recognized amounts and an intention to balance the items with a net amount or to simultaneously realize the asset and settle the liability.

Impairment of financial assets recognized at amortized cost

The Group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach, i.e., the reserve will correspond to the expected loss over the lifetime of the trade receivables. In order to measure the expected credit losses, trade receivables have been grouped based on days past due and grouped based on different types of customers. The Group applies forward-looking variables for expected credit losses. Expected credit losses are recognized in the consolidated profit or loss, in other external expenses.

Accounts receivable

Accounts receivables are recognized initially at the amount of consideration that is unconditional. They are subsequently measured at amortized cost using the effective interest rate method, less allowance for expected credit losses.

Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions. Bank overdrafts are shown within Borrowings in current liabilities in the statement of financial position.

Share Capital

Ordinary shares are classified as equity. Preference shares are classified as equity as both redemption and dividends are at the discretion of the Group. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Liabilities to credit institutions are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the Borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Currently only non-current borrowings exist. Borrowing costs are expensed in the period in which they are incurred. The Group has no borrowing costs qualifying for capitalization.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) 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 a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Employee benefits

Short-term obligations

Short-term obligations include salaries, benefits (including non-monetary benefits), annual leave, accumulating sick leave, other remuneration and all associated social security contributions. Short-term obligations are liabilities that are expected to be settled in full within 12 months after the end of the period in which the employees render the related service. They are measured at the amounts expected to be paid when settled.

Post-employment obligations

Within the Group, there are both defined contribution and defined benefit plans. A defined contribution plan is a pension plan according to which the Group pays a fixed amount to a separate legal entity. The Group has no legal or constructive obligation to pay additional premiums if this legal entity does not have adequate means to pay all benefits to employees, attributable to their service in current or previous periods. The premiums are reported as costs in the consolidated statement of profit or loss when they fall due.

The liability or asset recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in Personnel expenses in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service costs.

The Swedish Financial Reporting Board is a private sector body in Sweden with the authority to develop interpretations of IFRS Standards for consolidated financial statements for issues that are very specific to the Swedish environment, for example, UFR 10 Accounting for the pension plan ITP 2 financed through an insurance in Alecta. The Group's pension obligations for certain employees in Sweden, which are secured through insurance with Alecta, are reported as a defined contribution plan. According to UFR 10, this is a defined benefit multiemployer plan. For the financial year 2020, the Group has not had access to information in order to be able to report its proportional share of the obligations of the plan, plan assets and costs and therefore, it has not been possible to recognize the plan as a defined benefit plan. The ITP 2 pension plan, secured through insurance with Alecta, is therefore reported as a defined contribution plan. The premium of the defined contributions plan for retirement pensions and survivor's pension is calculated individually and is, among other factors, based on salary, previously earned pension and expected remaining years of service. Expected premiums for the next reporting period for ITP 2 insurances signed with Alecta is 3,2 MSEK.

The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance obligations in accordance with Alecta's actuarial methods and assessments. The collective consolidation level should normally be allowed to vary between 125% and 175%. If Alecta's collective consolidation level falls below 125% or exceeds 175%, measures should be taken in order for the consolidation level to return to the normal interval. At a low consolidation, one measure might be to increase the price when signing new insurance agreements and an expansion of existing benefits. At a high level of consolidation, one measure might be to introduce lower premiums. At the end of the financial year 2020, Alecta's surplus of the collective consolidation level was a preliminary 148%.

The Group also has a defined benefit plan in the United Kingdom. For more information, please see Note 6.

Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing:

- profit attributable to the parent company's ordinary shareholders
- With a weighted average number of outstanding ordinary shares during the period, excluding repurchased shares held as treasury shares by the parent company

Diluted earnings per share

For the calculation of diluted earnings per share, the amounts used to calculate basic earnings per share are used by taking into account:

- •the weighted average of the additional ordinary shares that would have been outstanding in a conversion of all potential ordinary shares.

Currently the group does not have any potential ordinary shares that could cause any dilution.

Statement of cash flows

The statement of cash flows is prepared according to the indirect method. The reported cash flow includes transactions that resulted in inflows or outflows.

Note 3 Critical estimates and judgements

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of sales, expenses, assets, liabilities and equity in the consolidated financial statements and the accompanying disclosures. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events. Uncertainty about these assumptions and the use of accounting estimates may not equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity.

For critical estimates and judgements in relation to revenue from contracts with customers, please see Note 2.

For estimates and judgements in relation to carried-forward tax losses, please see Note 9.

Leases—Determining the lease term of contracts with renewal and termination options—Group as lessee

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Options to extend or terminate agreements are included in the Groups leasing agreements regarding premises (offices and workshops). At inception of lease the Group determines whether to include any options depending on facts and circumstance in each contract. Generally few extension options are included primarily due to the fact that it is relatively easy to find new premises, the location is not key, no significant lease improvements have been performed and there are no major costs related to moving to new premises.

The lease term is reassessed when it is decided that an option will be exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Leases—Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term and, with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay," which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). The rate range is 2.9–5.6%.

Test of impairment of goodwill

The Group performs tests annually and if there are any indications of impairment to determine whether there is a need for impairment of goodwill, in accordance with the accounting principle presented in Note 2. Recoverable amounts for cash generating units are established through the calculation of the value in use. The calculation of the value in use is based on estimated future cash flows. The Group has estimated that operating margin, revenue growth, the discount rate and the long-term growth rate are the most significant assumptions in the impairment test. Refer to Note 10 Intangible assets for further details.

Note 4 Segment information and disaggregation of revenue

4.1 Description of segments and principal activities

The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The CEO is the chief operating decision maker and evaluates financial position and performance and makes strategic decisions. The CEO monitors the Group's performance from a geographic perspective through the reportable segments Nordics and Rest of Europe with Regional Managers for each segment who reports to the CEO.

The CEO primarily uses adjusted EBITA as a measure to assess the performance of the segments. This excludes the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, transaction costs and impairments when the impairment is the result of an isolated, non-recurring event.

4.2 Revenue and adjusted EBITA

2020	Nordics	Rest of Europe	Group functions*	Total
Repair services	1,065,635	586,030	-	1,651,665
Franchise	2,254	-	-	2,254
Inter-segment revenue	-	(3,145)	-	(3,145)
Total segment revenue	**1,067,889**	**582,885**		**1,650,774**

2019	Nordics	Rest of Europe	Group functions*	Total
Repair services	1,099,260	529,229	-	1,628,489
Franchise	2,564	-	-	2,564
Inter-segment revenue	-	(3,409)	-	(3,409)
Total segment revenue	**1,101,824**	**525,820**	**-**	**1,627,644**

*Group functions: effects of IFRS 16 Leases are not allocated to the segments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group.

Revenues of approximately 10.6% in 2020 and 10.8% in 2019 are derived from a single external customer. These revenues are attributed to the Nordics segment.

Sales between segments are carried out at arm's length and are eliminated on consolidation. The amounts provided to the CEO with respect to segment revenue are measured in a manner consistent with that of the financial statements. The sales relate to charges between UK and Sweden for a system that allows the identification/matching of the correct glass pane to the correct car. The service is developed and provided by Mobile Windscreens and used by the Swedish entities.

	Nordics	Rest of Europe	Group functions	Total
2020				
Adjusted EBITDA	320,336	65,944	(38,679)	347,601
Depreciation	(78,110)	(22,169)	(377)	(100,656)
Adjusted EBITA	**242,226**	**43,775**	**(39,056)**	**246,945**
2019				
Adjusted EBITDA	287,006	44,707	-	331,713
Depreciation	(67,132)	(20,033)	-	(87,165)
Adjusted EBITA	**219,863**	**24,674**	**-**	**244,548**

A reconciliation of adjusted EBITA to profit before tax for the group is provided as follows:

	2020	2019
Adjusted EBITA	246,945	244,548
Transaction costs	(4,813)	-
Restructuring costs	-	(1,357)
Rebranding costs	(736)	-
Consultancy costs	(2,047)	(3,319)
Amortization	(28,375)	(26,077)
Finance costs - net	(139,012)	(114,976)
Profit before tax	**71,962**	**98,819**

Non-current assets by country

Non-current assets for this purpose consists of property, plant and equipment and right-of-use assets:

	Dec 31, 2020	Dec 31, 2021
Sweden	255,701	282,525
UK	75,247	70,515
Norway	41,562	39,718
Other	6,561	7,137
Total	**379,070**	**399,895**

Revenue from external customers, broken down by location of the customers

The Group is domiciled in Sweden. The amount of its revenue from external customers, broken down by location of the customers, is shown in the table below.

	2020	2019
Sweden	934,413	906,150
UK	582,884	529,230
Other	133,477	192,264
Total	**1,650,774**	**1,627,644**

Note 5 Disclosure on remuneration to auditors

	2020	2019
Ernst & Young AB		
Audit assignment	(1,483)	(1,306)
Other services	-	(32)
Total	**(1,483)**	**(1,338)**
Other auditors		
Audit assignment	(1,301)	(983)
Tax consultancy services	(450)	-
Other services	(2,718)	(185)
Total	**(4,469)**	**(1,168)**

Audit assignment means the auditor's remuneration for the statutory audit. This work includes reviewing the annual report and consolidated financial statements, the accounts and the administration by the Board of Directors and the Chief Executive Officer, as well as fees for audit advice provided in connection with the audit assignment. Other services refer to any other service provided.

Note 6 Number of employees, salaries, other benefits and social security expenses

Average number of employees	2020 Men	2020 Women	2020 Total	2019 Men	2019 Women	2019 Total
Sweden	476	72	**548**	328	34	**362**
Denmark	22	1	**23**	23	1	**24**
Norway	72	7	**79**	85	8	**93**
United Kingdom	170	74	**244**	355	55	**410**
Total	**740**	**154**	**894**	**791**	**98**	**889**

Cary Group Holding AB (publ) had, during the reported periods, a formal board consisting of two board members. The two board members in Cary Group Holding AB (publ) received no remuneration in any of the reported periods. The operative board has resided in Cary Group Bidco AB and is the board that is referred to in the tables below.

	2020 Men	2020 Women	2020 Total	2019 Men	2019 Women	2019 Total
Board members	4	1	5	4	1	5
Other members of management	3	2	5	2	-	2
Total	**7**	**3**	**10**	**6**	**1**	**7**

	2020	2019
Salaries and other benefits	(398,667)	(409,978)
Social security expenses	(77,550)	(64,567)
Pension expenses	(23,273)	(15,505)
Total	**(499,490)**	**(490,050)**

	2020 Salaries and other benefits (of which bonus)	2020 Social costs (of which pensions)	2019 Salaries and other benefits (of which bonus)	2019 Social costs (of which pensions)
Board members, Chief Executive Officer and other Senior Executives	(11,304) (2,552)	(4,843) (1,605)	(4,894) (-)	(2,082) (741)
Other employees	(387,363) (14,028)	(95,980) (21,668)	(405,084) (19,186)	(77,989) (14,763)
Total	**(398,667)**	**(100,823)**	**(409,978)**	**(80,071)**

For the CEO, a mutual notice period applies of 12 months according to agreement. Should a termination of employment be initiated by the Company, salaries and other benefits is paid for a further maximum period of 6 months. There are no separate agreements for other employees, including Senior Executives. Termination period follows collective bargaining agreements or statute, whichever is applicable.

All pension costs associated with senior executives are related to defined contribution plans.

Some employees have been offered to purchase shares in the company at fair value. Fair value of the shares have been calculated by an independent valuator.

Note 6 Number of employees, salaries, other benefits and social security expenses, forts.

2020	Basic salary/ Board fees	Variable remuneration	Other benefits	Pension costs	Consultant fees	Total
Magnus Lindquist, Chairman	(450)	–	–	–	–	(450)
Andreas Näsvik	(100)	–	–	–	–	(100)
Annette Kumlien	(250)	–	–	–	–	(250)
Joakim Andreasson	(100)	–	–	–	–	(100)
Leif Ryd	(100)	–	–	–	–	(100)
Anders Jensen (CEO)	(2,715)	(1,482)	(162)	(473)	–	(4,833)
Linda Wikström (COO)	(1,518)	(563)	(7)	(521)	–	(2,610)
Other Senior Executives (3 members)	(3,207)	(507)	(142)	(611)	–	(4,467)
Summa	**(8,440)**	**(2,552)**	**(312)**	**1,605)**		**(12,910)**
2019						
Magnus Lindquist, Chairman	(375)	–	–	–	–	(375)
Andreas Näsvik	–	–	–	–	–	–
Annette Kumlien	–	–	–	–	–	–
Joakim Andreasson	–	–	–	–	–	–
Leif Ryd	–	–	–	–	–	–
Linda Wikström	(250)	–	–	–	–	(250)
Anders Jensen (CEO)	(2,473)	–	(152)	(693)	–	(3,318)
Other Senior Executives (1 member)	(1,564)	–	(79)	(48)	–	1,691
Summa	**(4,662)**	**–**	**(231)**	**(741)**	**–**	**(5,634)**

i) Defined benefit pension plan

The group operates a defined benefit plan in the United Kingdom. The defined benefit plan is a final salary pension plan, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. The Group participates in a fund and with effect from 31 December 2017 the Employer ceased the accrual of further benefits within the Plan and all contributing members became deferred Pensioners.

Note 6 Number of employees, salaries, other benefits and social security expenses, forts.

The below table reflects the current obligations and plan assets as a consequence of this plan.

	Present value of obligation	Fair value of plan assets	Total	Impact of asset ceil-ing	Net amount
Opening balance per Jan 1, 2019	**(134,672)**	**168,218**	**33,546**	**(33,546)**	**-**
Administration expenses	-	(1,091)	(1,091)	-	(1,091)
Interest income/(expense)	(4,027)	5,068	1,041	(3,916)	(2,875)
Total amount recognized in profit or loss	**(4,027)**	**3,977**	**(50)**	**(3,916)**	**(3,966)**
Actuarial gains/(losses)	(19,567)	13,793	(5,774)	-	(5,774)
Exchange differences	(3,865)	4,924	1,059	-	1,059
Reduction of asset due to asset ceil-ing	-	-	-	4,715	4,715
Total amount recognized in other comprehensive income	**(23,432)**	**18,717**	**(4,715)**	**4,715**	**0**
Employers contributions	-	3,966	3,966	-	3,966
Benefit payments	3,904	(3,904)	0	-	0
Closing balance per Dec 31, 2019	**(158,227)**	**190,974**	**32,747**	**(32,747)**	**0**
Opening balance per Jan 1, 2020	**(158,227)**	**190,974**	**32,747**	**(32,747)**	**0**
Past service cost	(71)	-	(71)	-	(71)
Administration expenses	-	(1,180)	(1,180)	-	(1,180)
Interest income/(expense)	(3,115)	3,775	660	(213)	447
Total amount recognized in profit or loss	**(3,186)**	**2,595**	**(591)**	**(213)**	**(804)**
Actuarial gains/(losses)	(25,260)	16,966	(8,294)	-	(8,294)
Exchange differences	16,227	(18,937)	(2,710)	-	(2,710)
Reduction of asset due to asset ceiling	-	-	-	8,068	8,068
Total amount recognized in other comprehensive income	**(9,033)**	**(1,971)**	**(11,004)**	**8,068**	**(2,936)**
Employers contributions	–	3,740	3,740	–	3,740
Benefit payments	1,498	(1,498)	0	-	0
Closing balance per Dec 31, 2020	**(168,948)**	**193,839**	**24,892**	**(24,892)**	**0**

The plan surplus is not recognized in the balance sheet on the basis that future economic benefits are not available to the entity in the form of a reduction in future contributions or a cash refund.

Note 7 Financial income

	2020	2019
Interest income	42	102
Finance income	**42**	**102**

Note 8 Financial expenses

	2020	2019
Interest expenses on borrowings	(63,212)	(35,529)
Interest expenses on lease agreement	(12,931)	(12,507)
Interest expenses on shareholder loan	(29,954)	(43,524)
Other interest expenses	(17,102)	(17,972)
Net foreign exchange losses	(15,855)	(5,546)
Finance costs	**(139,054)**	**(115,078)**

Note 9 Income taxes

	2020	2019
Current tax on profits for the year	(23,585)	(31,506)
Adjustments for current tax of prior periods	2,180	(816)
Total current tax expense	**(21,405)**	**(32,322)**
Deferred income tax	(2,150)	3,080
Income tax expense	**(23,555)**	**(29,242)**

i) Reconciliation of effective tax rate

	2020	2019
Profit before tax	71,962	98,819
Tax according to current tax rate of the parent company 21,4% (21,4 %)	(15,400)	(21,147)
Non-deductible expenses	(18,618)	(11,465)
Non-taxable income	3,367	578
Effect of tax rate in foreign jurisdictions	771	(111)
Unrecognized loss carried forward	5,558	(2)
Adjustments for current tax of prior periods	2,180	(816)
Other	(1,414)	3,721
Income tax expense	**(23,555)**	**(29,242)**

	2020	2019
Total movement in deferred taxes	**(2,612)**	**1,059**
Of which		
Recognized in Statement of profit or loss	(2,150)	3,080
Recognized in Other comprehensive income	-	-
From business combinations	(1,203)	(2,227)
Translation differences	(60)	3
Other	801	203
Total - net	**(2,612)**	**1,059**

ii) Deferred tax assets

	Dec 31, 2020	Dec 31, 2019	Jan 1, 2019
Lease liabilities	2,447	1,580	–
Total deferred tax assets	**2,447**	**1,580**	**–**
Set-off of deferred tax liabilities	0	0	–
Net deferred tax assets	**2,447**	**1,580**	**–**

All movements have been charged to profit or loss.

iii) Deferred tax liabilities

	Dec 31, 2020	Dec 31, 2019	Jan 1, 2019
Intangible assets	19,421	20,098	23,004
Tax allocation reserves	22,891	18,486	15,327
Right-of-use assets	4	-	-
Other	15	268	-
Total deferred tax liabilities	**42,331**	**38,852**	**38,331**
Set-off of deferred tax assets	0	0	0
Net deferred tax liabilities	**42,331**	**38,852**	**38,331**

The Group has an amount of SEK 59,497 (Dec 31, 2019: 58,423) thousand of carried-forward tax losses for which no deferred tax asset has been recognized due to management's assessment that there will not be sufficient taxable income to benefit from these carried-forward losses within the forecasted period. This has a net tax effect of SEK 13,083 (Dec 31, 2019: 12,846) thousand. The losses have no expiry date.

In 2018, it was decided that the corporate tax rate in Sweden was going to be lowered in two steps. The corporate tax rate was lowered from 22.0% to 21.4% for financial years commencing after December 31, 2018. In the next step, the corporate tax rate will be lowered to 20.6% for financial years commencing after December 31, 2020.

Note 10 Intangible assets

	Goodwill	Brands	Customer relationships	IT systems	Total
2020					
Opening acquisition cost	**1,550,973**	**7,200**	**118,474**	**17,085**	**1,693,732**
Increase through business combinations	108,344	-	5,980	-	114,324
Adjustments to purchase price allocations	86	-	-	-	86
Purchases	-	-	-	8,082	8,082
Foreign exchange differences	(27,281)	-	(611)	(479)	(28,371)
Reclassifications	-	-	(2,733)	24	(2,709)
Closing acquisition cost	**1,632,122**	**7,200**	**121,110**	**24,712**	**1,785,144**
Opening accumulated amortization	**–**	**–**	**(44,415)**	**(3,629)**	**(48,044)**
Foreign exchange differences	–	–	300	13	313
Reclassifications	–	–	595	(532)	63
Depreciation and amortization	–	–	(24,398)	(3,980)	(28,378)
Closing accumulated amortization	**–**	**–**	**(67,918)**	**(8,128)**	**(76,046)**
Opening accumulated impairments	**–**	**–**	**–**	**–**	**–**
Current year impairments	–	–	–	–	–
Closing accumulated impairments	**–**	**–**	**–**	**–**	**–**
Closing carrying amount	**1,632,122**	**7,200**	**53,192**	**16,584**	**1,709,098**

Note 10 Intangible assets, cont.

	Goodwill	Brands	Customer relationships	IT systems	Total
2019					
Opening acquisition cost	**1,447,847**	**-**	**112,435**	**9,415**	**1,569,697**
Increase through business combinations	104,230	7,200	-	3,700	115,130
Adjustments to purchase price allocations	-	-	-	-	-
Purchases	-	-	3,700	3,836	7,356
Foreign exchange differences	1,031	-	435	(97)	1,369
Reclassifications	(2,135)	-	1,904	231	0
Closing acquisition cost	**1,550,973**	**7,200**	**118,474**	**17,085**	**1,693,732**
Opening accumulated amortization	**–**	**–**	**(20,738)**	**(1,229)**	**(21,967)**
Foreign exchange differences	–	–	33	(33)	0
Reclassifications	–	–	–	–	–
Depreciation and amortization	–	–	(23,710)	(2,367)	(26,077)
Closing accumulated amortization	**–**	**–**	**(44,415)**	**(3,629)**	**(48,044)**
Opening accumulated impairments	**–**	**–**	**–**	**–**	**–**
Current year impairments	–	–	–	–	–
Closing accumulated impairments	**–**	**–**	**–**	**–**	**–**
Closing carrying amount	**1,550,973**	**7,200**	**74,059**	**13,456**	**1,645,688**

Impairment test for Goodwill and intangible assets with indefinite useful lives

The group performs an impairment test of goodwill and intangible assets with indefinite useful lives. The cash generating units coincide with the group's operating segments, being Nordics and Rest of Europe.

A summary of the group's book value in relation to goodwill and brands per cash generating unit is presented below.

	Dec 31, 2020			Dec 31, 2019		
	Nordics	Rest of Europe	Total	Nordics	Rest of Europe	Total
Goodwill	1,401,500	230,622	**1,632,122**	1,380,000	170,973	**1,550,973**
Brands	7,200	-	**7,200**	7,200	-	**7,200**

i) Significant assumptions

The Group tests whether goodwill has suffered any impairment on an annual basis during the 3rd quarter. For the 2020 and 2019 reporting periods, the recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Below are the assumptions regarding the weighted average cost of capital (WACC) and long-term growth rate that were applied for each respective year:

	2020		2019	
	Nordics	Rest of Europe	Nordics	Rest of Europe
WACC*	7.6%	8.1%	8.4%	9.5%
Long-term growth rate**	2.0%	2.0%	2.0%	2.0%

*WACC after tax is used to calculate the present value of estimated future cash flows
**Weighted average growth rate is used to extrapolate cash flows beyond the projection period.

Management has determined the values assigned to each of the above key assumptions as follows:

- Long-term growth rate: This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.
- Post-tax discount rates: Reflect specific risks relating to the segments and the countries in which they operate.

The residual value exceeds the carrying amount of goodwill. There are no reasonably possible changes in the key assumptions that would result in the carrying amount exceeding the recoverable amount. Other key assumptions, apart from those mentioned above, are operating-margin and revenue growth.

Note 11 Tangible assets

	Dec 31, 2020				Dec 31, 2019			
	Buildings	Furniture, fittings and equipment	Leasehold improve-ments	Total	Buildings	Furniture, fittings and equipment	Leasehold improve-ments	Total
Opening acquisition cost	**400**	77,154	29,143	106,697	**400**	**52,933**	**23,272**	**76,605**
Increase through business combinations	–	10,083	–	10,083	–	3,178	–	3,178
Purchases	–	16,234	2,415	18,649	–	21,267	7,319	28,586
Divestments and disposals	–	(7,688)	–	(7,688)	–	–	–	–
Foreign exchange differences	–	(10,590)	(1,032)	(11,622)	–	(224)	(1,448)	(1,672)
Reclassifications	–	(5,428)	(4)	(5,432)	–	–	–	–
Closing acquisition cost	**400**	79,765	30,522	110,687	**400**	**77,154**	**29,143**	**106,697**
						29,143	106,697	
Opening accumulated depreciation	**(320)**	(23,653)	(12,027)	(36,000)	**(304)**	**(3,376)**	**(5,846)**	**(9,526)**
Divestments and disposals	–	7,543	–	7,543	–	–	–	–
Foreign exchange differences	–	12,265	730	12,995	–	–	–	–
Reclassifications	–	538	(413)	125	–	–	–	–
Current year depreciation	(16)	(19,749)	(5,788)	(25,553)	(16)	(20,277)	(6,181)	(26,474)
Closing accumulated depreciation	**(336)**	(23,056)	(17,498)	(40,890)	**(320)**	**(23,653)**	**(12,027)**	**(36,000)**
Opening accumulated impairments	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Current year impairments	–	–	–	–	–	–	–	–
Closing accumulated impairments	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Closing carrying amount	**64**	**56,709**	**13,024**	**69,797**	**80**	**53,501**	**17,116**	**70,697**

Note 12 Leases

This note provides information for leases where the Group only acts as a lessee.

Extension and termination options exist, and extension options are used. The Group is not reasonably certain to use any option to terminate. For more information regarding the Group's extension options, please refer to Note 3.

The Group has leases with a shorter lease term than 12 months and leases pertaining to assets of low value, such as office equipment, machines, IT hardware and card terminals. For these, the Group has chosen to apply the exemption rules in IFRS 16 Leases, meaning the value of these contracts is not part of the right-of-use asset or lease liability.

) Amounts recognized in the balance sheet

Right-of-use assets

	Dec 31, 2020	Dec 31, 2019	Jan 1, 2019
Premises	286,764	303,446	267,337
Vehicles	21,186	24,262	21,475
Parking	1,322	1,489	–
Total	**309,273**	**329,198**	**288,812**

Additions to the right-of-use assets during the financial year amounted to SEK 59,069 (FY19: 96,615) thousands.

Lease liabilities

	Dec 31, 2020	Dec 31, 2019	Jan 1, 2019
Current	82,199	74,294	66,585
Non-current	226,504	251,791	214,542
Total	**308,704**	**326,086**	**281,127**

ii) Amounts recognized in the statement of profit or loss

Depreciation charge of right-of-use assets	2020	2019
Premises	(65,045)	(52,672)
Vehicles	(9,753)	(7,918)
Parking	(303)	(102)
Total	**(75,101)**	**(60,692)**

	2020	2019
Interest expense (included in finance expenses)	(12,931)	(12,507)
Expense relating to short-term leases	(3,598)	(3,241)
Expense relating to leases of low-value assets that are not shown above as short-term leases	(5,824)	(5,585)

All the non-depreciation expenses are included in "Other external costs" unless otherwise stated.

iii) Cash effects

The total cash outflow for leases	2020	2019
The total cash outflow for leases	(82,433)	(62,804)

Note 13 Inventories

	Dec 31, 2020	Dec 31, 2019	Jan 1, 2019
Finished goods measured at cost	55,134	50,258	31,216
Provision for obsolescence	–5,867	–5,108	–3,724
Closing carrying amount	**49,267**	**45,150**	**27,492**

Finished goods primarily consist of replacement windscreens and associated materials.

Note 14 Other current receivables

	Dec 31, 2020	Dec 31, 2019	Jan 1, 2019
Account with the Swedish tax authorities	21,495	19,175	3,709
Value added tax	54	–	–
Other	2,868	22,866	15,336
Closing carrying amount	**24,417**	**42,041**	**19,045**

Note 15 Accounts receivable

	Dec 31, 2020	Dec 31, 2019	Jan 1, 2019
Accounts receivable	169,885	188,924	139,286
Loss allowance	(8,495)	(9,027)	(8,970)
Total	**161,390**	**179,898**	**130,316**

Note 16 Financial instruments

All financial instruments are measured at amortized cost, aside from a contingent consideration that existed as of December 31, 2019 in relation to the acquisition of Bussglas AB. The contingent consideration amounted to SEK 10,400 thousand and was measured at fair value (level 3) through profit and loss. The contingent consideration was paid in full during 2020 and no adjustment was made to the initial measurement. There were no transfers between the levels during the year.

Dec 31, 2020		
Assets in the balance sheet	**Fair value through profit or loss**	**Amortized cost**
Other financial assets	–	542
Accounts receivable	–	161,390
Supplier discounts (part of accrued income)	–	47,968
Other current receivables	–	2,868
Cash and cash equivalents	–	95,711
Total	**–**	**308,479**

Dec 31, 2019		
Assets in the balance sheet	**Fair value through profit or loss**	**Amortized cost**
Other financial assets	–	–
Accounts receivable	–	179,898
Supplier discounts (part of accrued income)	–	58,344
Other current receivables	–	22,866
Cash and cash equivalents	–	59,783
Total	**–**	**320,891**

Dec 31, 2020		
Liabilities in the balance sheet	**Fair value through profit or loss**	**Amortized cost**
Borrowings	–	1,538,248
Shareholder loan	–	403,319
Accounts payable	–	126,176
Accrued expenses and deferred income	–	45,183
Total	**–**	**2,112,926**

Dec 31, 2019		
Liabilities in the balance sheet	**Fair value through profit or loss**	**Amortized cost**
Borrowings	–	1,492,414
Shareholder loan	–	373,364
Contingent consideration (part of current liabilities)	10,400	–
Accounts payable	–	145,133
Accrued expenses and deferred income	–	53,383
Total	**10,400**	**2,064,294**

The carrying amounts for all instruments measured at amortized cost are all a reasonable approximation of their respective fair values. Either due to their short-term nature, or (in the case of borrowings) the interest payable on those borrowings is close to current market rates. For further information regarding Borrowings, please see Note 31.

Note 17 Prepaid expenses and accrued income

	Dec 31, 2020	Dec 31, 2019	Jan 1, 2019
Prepaid leases	2,142	0	1,161
Accrued supplier discounts	47,968	58,344	38,950
Other prepaid expenses	12,631	19,766	11,547
Total	**62,741**	**78,109**	**51,658**

Note 18 Cash and cash equivalents

	Dec 31, 2020	Dec 31, 2019	Jan 1, 2019
Cash & Bank	95,711	59,783	73,013
Total	**95,711**	**59,783**	**73,013**

Note 19 Equity

i) Number of shares issued

	Dec 31, 2020			Dec 31, 2019			Jan 1, 2019		
	Number of shares	Par value (SEK)	Total (SEK)	Number of shares	Par value (SEK)	Total (SEK)	Number of shares	Par value (SEK)	Total (SEK)
Ordinary shares	133,333	1	133,333	133,333	1	133,333	133,333	1	133,333
8% Redeemable preference shares*	50	1	50	50	1	50	50	1	50
Total	**133,383**		**133,383**	133,383		133,383	**133,383**		**133,383**

*The preference shares are redeemable on a discretionary basis by the Group alone and are therefore recognized as equity.

All shares were fully paid at each of the respective reporting dates. The parent, or any subsidiary, does not hold any of the shares at any of the respective reporting dates.

Cumulative preference dividends not recognized amounts to SEK 44,833 (Dec 31, 2019: 41,504, Jan 1, 2019: 81,291) thousand.

ii) Nature and purpose of translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognized in other comprehensive income, as described in Note 2, and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Note 20 Borrowings

	Dec 31, 2020	Dec 31, 2019	Jan 1, 2019
Current element of bank loans	–	–	–
Non-current element of bank loans	1,538,248	1,492,414	934,285
Total	**1,538,248**	**1,492,414**	**934,285**

For maturity and additional information, please refer to Note 31.

i) Fair value

For the borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings are close to current market rates.

Note 21 Provisions

	2020	2019
Carrying amount at January 1	**–**	**15**
Charged/(credited) to the consolidated profit or loss:		
- additional provisions recognized	4,809	–
Amounts used during the year	–	(15)
Carrying amount at December 31	**4,809**	**–**

Note 22 Shareholder loan

	Dec 31, 2020	Dec 31, 2019	Jan 1, 2019
Opening carrying amount	373,836	731,618	731,618
Amortization	(472)	(401,778)	0
Additional liability	0	472	0
Interest charged	29,954	43,524	0
Closing carrying amount	**403,319**	**373,836**	**731,618**

The Group received a shareholder loan during 2018. The loan has a nominal interest rate of 8%. The loan was originally issued in SEK. All parts of the shareholder loan including accrued interest are payable on January 18, 2028.

Refer to section Liquidity and refinancing risk in Note 31 for further description of the loans.

Note 23 Other current liabilities

	Dec 31, 2020	Dec 31, 2019	Jan 1, 2019
Other liabilities	44,707	82,264	47,446
Total	**44,707**	**82,264**	**47,446**

Note 24 Accrued expenses and deferred income

	Dec 31, 2020	Dec 31, 2019	Jan 1, 2019
Accrued salaries and holiday pay	38,051	34,052	31,248
Accrued social charges	15,180	12,179	13,751
Accrued interest	11,050	10,723	5,306
Other items	34,133	42,660	31,210
Total	**98,414**	**99,614**	**81,515**

Note 25 Adjustments to cash flow analysis

	2020	2019
Depreciation, amortization and impairment	129,032	113,243
Unrealized foreign exchange differences	28,483	3,951
Paid capitalized interest	–	(81,844)
Capitalized interest	29,954	41,315
Total	**187,469**	**76,665**

Note 26 Net debt reconciliation

	Borrowings	Shareholder loan	Leases	Gross debt	Cash and bank	Total
As per Jan 1, 2019	**(934,285)**	**(731,618)**	**(281,127)**	**(1,947,030)**	**73,013**	**(1,874,017)**
Cash flow	(570,000)	319,934	55,139	(194,927)	(13,230)	(208,157)
Transaction costs paid	19,912	–	–	19,912	–	19,912
New leases from business combinations	–	–	(14,833)	(14,833)	–	(14,833)
Foreign exchange adjustments	(3,117)	–	(3,573)	(6,690)	–	(6,690)
Other changes	(4,925)	37,847	(81,691)	(48,769)	–	(48,769)
As per Dec 31, 2019	**(1,492,415)**	**(373,836)**	**(326,085)**	**(2,192,337)**	**59,783**	**(2,132,554)**
Cash flow	(61,690)	–	70,869	9,179	34,182	43,361
Transaction costs paid	10,500	–	–	10,500	–	10,500
New leases from business combinations	–	–	(17,339)	(17,339)	–	(17,339)
Foreign exchange adjustments	13,176	–	8,084	21,260	1,746	23,006
Other changes	**(7,821)**	**(29,482)**	**(44,232)**	**(81,535)**	**–**	**(81,535)**
As per Dec 31, 2020	**(1,538,248)**	**(403,319)**	**(308,703)**	**(2,250,272)**	**95,711**	**(2,154,561)**

Note 27 Collateral

The Group has provided shares in subsidiaries as collateral for the Group's borrowings and a portion of net assets in subsidiaries are subject to retention of title, in order to fulfil the collateral requirements for liabilities to credit institutions. As at December 31, 2020 the booked value of the pledged net assets is equal to SEK 599 millions (2019: SEK 871 millions).

Note 28 Earnings per share

	2020	2019
Basic and diluted earnings per share, SEK	0.45	0.60
Measurements used in calculating earnings per share:		
Profit attributable to the ordinary equity holders of the company, SEK thousands	45,697	60,959
Preference share interest	(3,330)	(4,855)
Total	**42,367**	**56,104**
Weighted average number of ordinary shares (units) used as the denominator in calculating basic earnings per share	**93,333,100**	**93,333,100**

The Annual General Meeting 2021 decided to conduct a share split (1 to 700). Retrospective adjustments have been made for all reporting periods to reflect the share split.

Note 29 Material subsidiaries

The group's principal subsidiaries at 31 December 2020 are set out below. The country of incorporation or registration is also their principal place of business.

Name of entity	Country of incorporation	Proportion of shares and voting rights held by the group			Principal activities
		Dec 31, 2020	Dec 31, 2019	Jan 1, 2019	
Cary Group Bidco AB	Sweden	100%	100%	100%	Holding and financing company
Cary Group AB	Sweden	100%	100%	100%	Group functions, holding and financing company
Ryds Bilglas AB	Sweden	100%	100%	100%	Repair and replace services
Svenska Bussglas AB	Sweden	100%	100%	100%	Repair and replace services
Cary Norway AS	Norway	100%	100%	100%	Repair and replace services
Cary Group Denmark Holding A/S	Denmark	100%	100%	100%	Holding and financing company
Danglas Autoglasservice A/S	Denmark	100%	100%	-	Repair and replace services
Mobile Windscreens Ltd.	UK	100%	100%	100%	Holding company, Repair and replace services
Staffordshire Windscreens Ltd.	UK	100%	100%	-	Repair and replace services
Morgans Windscreens Ltd.	UK	100%	100%	-	Repair and replace services
Cary UK Holding Ltd.	UK	98/77%	97/77%	97/77%	Holding company
CarGlass Ltd	UK	100%	100%	-	Repair and replace services
Quartermans Ltd	UK	100%	-	-	Repair and replace services

Note 30 Business combinations

In the financial year 2020 and 2019 a number of acquisitions have been performed and all of them have been deemed individually immaterial. Disclosures are shown in aggregate for all of these business combinations.

2020

On February 1, 100% of the shares in the UK based company Quarterman Windscreens was acquired. The main operations are sales, service, and fitting automotive windscreens or any part of it. On November 30, 100% of the UK based company Car Glass ltd was acquired. The main operations are mainly the same as Quarterman Windscreens. Other businesses acquired are; Autoglass Business of Ryds Södertälje, Bilglas Bålstad, Harstad, Mosseporten, Autoglass Business of Mälarö and Täby.

2019

On February 5, 100 % of the shares in Svenska Bussglas was acquired. Svenska Bussglas is based in Sweden and its main operation is change and restoration of car glas. On May 1, 100% of the shares in the UK based company Staffordshire Windscreens was acquired. On November 1, 100 % of the shares in the UK based Morgans Windscreens was acquired. The main operations of the UK based companies are sale and servicing of automotive windscreens. Other business acquired are the Norway based companies Sebra, Halden and Grenland Bilglass, the Sweden based companies Bengtssons Bilglas, Ryds Bilglas Sala, Bilcity Danderyd, The autoglass business in Sandviken, Motala, Skövde and Kalmar and the Danish based company Danglass.

The table below includes information about consideration paid and fair value of acquired net assets.

Purchase price	2019	2020
Cash	112,748	171,393
Contingent consideration	10,400	–
Total purchase price	**123,148**	**171,393**
Acquired assets and liabilities at fair value		
Cash and cash equivalent	2,774	31,406
Intangible assets		
Customer relations	3,700	5,980
Trade mark	7,200	–
Tangible assets	3,178	10,083
Right-of-use assets	14,833	17,339
Inventory	11,096	6,581
Accounts receivable and other receivables	27,961	23,817
Assets held for sale	–	12,420
Deferred tax liabilities	(2,227)	(1,203)
Lease liabilities	(14,833)	(17,339)
Accounts payable and other current debts	(34,017)	(26,036)
Total acquired assets and liabilities	**19,665**	**63,048**
Non-controlling interest	749	–
Goodwill	**104,230**	**108,344**

i) Goodwill
The goodwill amount 2020 and 2019 mainly relates to synergies and other intangible assets that do not meet the criteria for separate reporting. Of total goodwill is SEK 20,315 (29,975) thousand deductible for tax purposes.

ii) Acquisition-related costs
Acquisition related costs of SEK 2,008 thousand are recognized in other operating expenses in profit and loss and in operating activities in the statement of cash flow.

iii) Contingent consideration
The contingent consideration is measured at fair value and relates to the acquisition of Bussglas. The contingent consideration was based on certain EBITDA levels to be achieved for the financial year 2019. The contingent consideration was paid out during the year 2020.

iiii) Revenue and profit or loss
Revenue for acquired companies from each company's acquisition date totaled SEK 110,157 (159,253) thousand and profit/loss totaled SEK 9,459 (11,381) thousand. Revenue and profit or loss as though the all business combination occurred during the year had been as of January 1, revenue amounted to SEK 142,389 (SEK 208,583) thousand and profit or loss SEK 12,453 (SEK 20,461) thousand.

Cash flow information

	2019	2020
Cash paid for acquisitions during the year	112,748	171,393
Acquired cash and cash equivalents	(2,774)	(31,406)
Total cash outflow in investing activities	**109,974**	**139,987**

Note 31 Financial risk management

i) Risk management framework
The Group's risk management is predominantly controlled by a Group treasury department under policies owned by the CFO and approved by the Board of Directors. The CEO is responsible towards the Board of Directors for the risk management and ensuring that the guidelines and risk mandates are followed and carried out in accordance with established treasury policy.

The treasury policy provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity. The treasury identifies categories of financial risks and describes how they should be managed. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Cary is exposed to credit risk and counterparty risk, foreign exchange risk, liquidity risk, and refinancing and interest risk.

ii) Credit and counterparty risk
Credit risk is the risk of financial loss to Cary if a customer or another counterparty to a financial instrument fails to meet its contractual obligations to the Group. The exposure from credit risk arises mainly from the Group's accounts receivable and its holdings of cash and cash equivalents. The main part of the Group's cash flows from customers comes from insurance companies and credit losses have historically been low. Accordingly, the Group deems that it overall has a relatively low credit risk in this customer category. Additional exposure within accounts receivable is derived from non-insurance customers. The Group assesses such customers prior to entering agreements and continuously follows up on their ability to meet their contractual obligations.

The Group applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all significant accounts receivable.

The aging of the Group's trade receivables is as follows:

	Dec 31, 2020	Dec 31, 2019
Not due	112,636	126,193
1–30 days past due	21,678	28,511
31–90 days past due	11,822	14,078
More than 90 days past due	23,748	20,143
Gross carrying amount	**169,885**	**188,925**
Allowance for expected credit losses	(8,495)	(9,027)
Net carrying amount	**161,390**	**179,898**

The movements in the Group's allowance for expected credit losses of trade receivables are as follows:

	2020	2019
Opening loss allowance as at Jan 1	**(9,027)**	**(8,970)**
Increase of allowance recognized in statement of profit or loss	(2,206)	(901)
Receivables written off during the year as uncollectible	2,237	1,228
Translation differences	501	(384)
Closing loss allowance as at Dec 31	**(8,495)**	**(9,027)**

Accounts receivable are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, bankruptcy, and the failure of a debtor to engage in a repayment plan with the group.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has not had any significant impairment losses relating to specific customers for any of the reported periods. The Group does not have any material concentration of credit risks in accounts receivable.

Other receivables consist mainly of positions against different tax authorities. Any risk associated with these positions are deemed to be immaterial.

In regard to cash and cash equivalents only larger banks and credit institutions with a minimum credit rate of "A" are used.

iii) Foreign exchange risk
The Group operates internationally and is exposed to foreign exchange risk. The Group has a risk exposure towards foreign currencies both from a transactional standpoint, as well as through translation of foreign subsidiaries. The main currencies that are operationally used within the group are DKK, GBP, NOK and SEK. The exposure in regards to third-party currencies are however limited and any change in exchange rate would result in insignificant effects for the Group.

The main transactional foreign exchange risk exposure is relating to external borrowings in foreign exchange currencies within some of the entities in Sweden. Mitigation of this risk occurs naturally by partially matching external loans towards intercompany loans in the same currency to foreign subsidiaries within the Group. The currency risk is monitored on a regular basis. The Group does not hedge any of its foreign exchange risk.

Note 31 Financial risk management, cont.

The Group's primary exposure to foreign currency risk at the end of the reporting period, expressed in thousands of SEK was as follows:

	GBP/SEK	NOK/SEK
		As at December 31, 2020
Borrowings	(129,721)	–
Intercompany positions	(243,268)	(23,071)
Total	**(372,989)**	**(23,071)**
		As at December 31, 2019
Borrowings	(81,837)	–
Intercompany positions	(147,525)	(34,114)
Total	**(229,362)**	**(34,114)**

The Group is primarily exposed to changes in GBK/SEK and NOK/SEK exchange rates. The Group's net risk exposure in foreign currencies is presented below from sensitivity perspective:

	Impact on post-tax profit and equity	
	2020	**2019**
GBP/SEK exchange rate – increase/decrease 10 %	+/– 11,355	+/– 6,569
NOK/SEK exchange rate – increase/decrease 10 %	+/– 2,307	+/– 3,411

iv) Liquidity and refinancing risk

Liquidity risk is associated with the Group's ability to meet its obligations. Group finance manages liquidity risk through its treasury function by ensuring that sufficient cash and funding through credit facilities are available in order to meet the short- and medium-term commitments at any given time.

Liquidity is defined as available cash in the bank, short-term investments and committed undrawn credit facilities. Excess liquidity is defined as liquidity not presently required to meet the need of working capital. All strategic allocation of available excess liquidity shall be the subject of consent from the Board of Directors.

Refinancing risk refers to the risk that Cary Group will not have the possibility to obtain necessary funding to fulfill committed future obligations at any given time or only with significant additional costs, or that debt financing is unavailable or available only on adverse terms.

Financing arrangements

The group had access to the following borrowing facilities at the end of the reporting period, all of which expires beyond one year.

	Dec 31, 2020			Dec 31, 2019		
	Utilized	**Undrawn**	**Total**	**Utilized**	**Undrawn**	**Total**
Capital expenditure facility	129,721	251,279	**381,000**	81,208	78,792	**160,000**
Term loan facility	1,450,000	–	**1,450,000**	1,450,000	–	**1,450,000**
Revolving facility	–	60,000	**60,000**	–	60,000	**60,000**
Total	**1,579,721**	**311,279**	**1,891,000**	**1,531,208**	**138,792**	**1,670,000**

All facilities per the above table are denominated in SEK as base currency, but the Capital expenditure facility and Revolving facility may be drawn in other currencies.

Any amount drawn under the Capital expenditure facility is specifically targeted towards capital expenditures undertaken by the Group, acquisitions (including fees and other expenses) or refinancing indebtedness of entities or businesses acquired pursuant to acquisitions. The facility is available until Dec 31, 2024.

The Term loan facility comes in two tranches, B1 and B2. Both tranches are targeted towards financing acquisitions, and refinancing existing facilities and debts. The facility is available until Dec 31, 2025.

In addition to above, the Group also has a Revolving facility which can be used for general corporate purposes, acquisitions and refinancing. The facility is available until Dec 31, 2024.

Loan covenants

Net debt includes total borrowings (including current and non-current liabilities to credit institutions, shareholder loans and lease liabilities as shown in the balance sheet) less cash and cash equivalents.

Under the terms of the borrowing facilities, the Group is required to comply with a financial covenant in the form of a "Leverage ratio". This is defined as Net debt less other interest bearing debt in relation to EBITDA that must not be exceeded during a financial period. This covenant applies to all borrowings. The assessment of the leverage ratio is performed on a quarterly basis. The group has complied with these covenants throughout the reporting period.

Note 31 Financial risk management, cont.

Maturities of financial liabilities
The table below shows a maturity analysis for the remaining contractual maturities of the Group's financial liabilities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Dec 31, 2020	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	After 5 years	Total contractual cash flows	Carrying amount
Borrowings	29,621	29,621	59,243	1,752,884	–	**1,871,369**	**1,538,248**
Lease liabilities	44,194	59,350	181,744	120,938	–	**406,226**	**308,703**
Accounts payable	126,176	–	–	–	–	**126,176**	**126,176**
Shareholder loan	–	–	–	–	645,767	**645,767**	**403,319**
Accrued expenses	45,183	–	–	–	–	**45,183**	**45,183**
Total	**245,174**	**88,971**	**240,987**	**1,873,822**	**645,767**	**3,094,721**	**2,018,713**

Dec 31, 2019	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	After 5 years	Total contractual cash flows	Carrying amount
Borrowings	28,768	28,768	57,535	81,381	1,450,055	**1,646,506**	**1,492,414**
Lease liabilities	38,019	54,234	103,544	252,739	–	**448,536**	**326,085**
Accounts payable	145,133	–	–	–	–	**145,133**	**145,133**
Shareholder loan	–	–	–	–	631,069	**631,069**	**373,836**
Accrued expenses	53,383	–	–	–	–	**53,383**	**53,383**
Total	**265,303**	**83,002**	**161,079**	**334,120**	**2,081,124**	**2,924,627**	**2,390,051**

V) Interest rate risk

Interest rate risk

Interest rate risk refers to the risk that changes in interest rates levels may have a negative impact on the Cary Group's net profit, future cash flows or equity ratio.

The Group's interest rate risk is relatively low due to the risk reduction as all borrowings are long-term and at an interest rate based on STIBOR. The Group's main interest rate risk arises from long-term liabilities to credit institutions with variable rates, primarily STIBOR 3 Months. Due to conservative liquidity management and a stable central bank interest rate outlook in Sweden there is equally very limited interest rate risk linked to assets.

As at December 31, 2020, the nominal amount of liabilities to credit institutions with variable interest rates were SEK 1,580 (Dec 31, 2019: 1,531) millions.

The impact on profit or loss due to higher/lower interest expenses from liabilities to credit institutions as a result of changes in interest rates is presented below from a sensitivity perspective.

	Impact on profit before tax	
	2020	2019
Interest rates – increase/decrease by 100 basis points	+/– 15,797	+/– 15,312

Financial counterparty credit risk is managed on a Group basis. The external financial counterparties must be high-quality international banks or other major participants in the financial markets. The rating of the financial counterparties used during 2020 and 2019 were in the range from A to AA+.

Note 32 Capital management

Risk management

The capital structure management seeks to safeguard the ongoing business operations, to ensure flexible access to capital markets and to secure adequate funding at a competitive rate. The objective further aims to maintain a strong capital structure in order to secure customers', investors', creditors' and market confidence. The long-term objective is to obtain an efficient management of the relation between equity funding and external debt funding. The capital structure is assessed regularly by the Board of Directors and managed operationally by the CFO.

Consistent with others in the industry, the Group monitors its capital structure and takes this into account when decisions are made regarding, for example, dividends or new loans. The key ratio used by the Group management team in this effort is net debt (see Note 26) in relation to adjusted EBITDA.

Net debt includes total borrowings (including current and non-current liabilities to credit institutions, shareholder loans and lease liabilities as shown in the balance sheet) less cash and cash equivalents. Under the terms of the borrowing facilities, the Group is required to comply with a financial covenant in the form of a "Leverage ratio" defined as Net debt less shareholder loans in relation to EBITDA. Refer to Note 31 for further information regarding Loan covenants.

The Group's strategy is to maintain a reasonable level of Net debt to adjusted EBITDA ratio which over time shall be decreased to a level of approximately 2.5. Please see below table for these ratios as per the financial year end.

	Dec 31, 2020	Dec 31, 2019
Net debt	(2,154,561)	(2,132,554)
Adjusted EBITDA	347,601	331,713
Net debt to adjusted EBITDA ratio	**6.2**	**6.5**

Note 33 Transactions with related parties

i) Controlling influence
The following entities have a controlling influence over the group:

Name	Type	Country	Dec 31, 2020	Dec 31, 2019
Cidron Legion S.à r.l	Direct parent	Luxembourg	90%	90%
Cordin Omega Limited	Ultimate parent	Jersey	90%	90%
Cordin Omega Limited owns, indirectly, 100% of Cidron Legion S.à.r.l				

ii) Remuneration to senior management
See Note 6 for details regarding remuneration to senior management. There are no other transactions with senior management or parties related to them than those described in Note 6.

iii) Transactions with subsidiaries
Intercompany transactions occur in the form of purchases and sales of administrative services, interest and dividends that are eliminated in the consolidated report.

iv) Transactions with other related parties
See Note 22 for details regarding the shareholder loan.

The Group carries out business transactions with one of its shareholders (Ryds Glas Group). These transactions are mainly related to workshop rentals (where Ryds Bilglas rents a portion of workshops) and subcontracting of glass replacement services (which are carried out by Ryds Glas). In total, transactions amounting to a net amount of SEK 80,137 (FY19: 88,231) thousand have occurred. All transactions are carried out at market terms.

Note 34 Non-controlling interests

The share capital of the intermediate holding companies Cary Group Midco AB and Cary Group Pooling AB consists of ordinary shares and preference shares. Both Parent company shareholders and Non-controlling interests hold ordinary shares and preference shares. The preference shares carry a right of priority over the ordinary shares to receive a portion of dividend from the sub-group, other distributions of profits or other value distributions and in case of liquidation or other dissolution of the Company, until the total amount to be paid out to holder of such preference share is equal to the base amount adjusted for the annual interest rate in accordance with the terms stated in the articles of association. For Cary Group Midco AB the base amount is SEK 1,000 per preference share and the annual interest is 10 %. For Cary Group Pooling AB the base amount is SEK 1 per preference share and the annual interest is 10 %. The preference shares are redeemable on a discretionary basis by the Group alone and are therefore recognized as equity. Please refer to the table below for further details related to the preference shares.

Besides non-controlling interest described above there is also non-controlling interest in Subgroup Cary Group Bidco AB.

	2020-12-31		2019-12-31	
	Parent Company Shareholders	Non-controlling interest	Parent Company Shareholders	Non-controlling interest
Opening balance preference amount	**621,717**	**2,970**	**846,687**	**4,237**
Interest for the period	63,109	298	70,902	353
Redemption	–	–	(296,031)	(1,461)
New Share issue/Shareholder contribution	18,598	–	–	–
Transaction between owners	–	–	159	(159)
Closing balance preference amount	**703,423**	**3,268***	**621,717**	**2,970***

*Non-controlling interest recognized in consolidated accounts related to preference shares amount to SEK 1,249 (FY19: 978) thousand since total equity of the subgroup falls short of the total preference amount. Total non-controlling interest recognized in consolidated accounts amount to SEK 4,762 (FY19: 5,140) thousand and consist of direct non-controlling interest in subgroup Cary Group Bidco AB 3,513 plus 1,249 (FY19: 4,162 plus 978) thousand.

Note 35 Events after the reporting period

After the balance sheet date a number of acquisitions have been performed and all of them have been deemed individually immaterial. Disclosures are shown in aggregate for all of these business combinations.

On January 1 2021 100% of the shares in the Sweden based company Ryds Glas Workshops was acquired. The main operation is workshops for service and repair of windscreens. Other businesses acquired are; 100 % of the shares in Bjuris Glas and Bilglas Uppland AB.

On March 1 2021 80% of the shares in the Danish based company Crash Point A/S was acquired. The main operation of the company is body repair and 3 workshops. Call/put options-agreements for the purchase of the rest of the shares exist, please see below. Other businesses acquired are 75% of the shares in Norrbotten Glas.

On April 1 2021 80% of the shares in the Norwegian based company Skadevekk Holding AS was acquired. The main operation is smart repair and 14 workshops. Call/put options-agreements for the purchase of the rest of the shares exists, please see below.

The table below includes information about consideration paid and fair value of acquired net assets of the entities.

In addition to these acquisitions, Cary Group has acquired Autoklinik i Malmö and Auto Christal Ralarsa in July. Autoklinik in Malmö specialises in auto body servicing and repair. The company had total revenue of approximately SEK 38 million in 2020. Auto Cristal Ralarsa is Spain's second largest automotive glass repair and replacement company. In 2020, Ralarsa operated more than 235 workshops, of which 155 are franchise-owned, and 85 mobile units. Total sales in 2020, including sales from franchise businesses, amounted to EUR 51 million, with net sales attributable to the company totalling EUR 25 million.

	2021
Purchase price	
Cash	107,195
Debt	50,176
Contingent consideration	6,557
Total purchase price	**163,927**
Acquired assets and liabilities at fair value	
Cash and cash equivalent	19,765
Intangible assets	
Customer relations	34,196
Trade mark	16,590
Tangible assets	6,820
Right-of-use assets	40,311
Inventory	3,434
Accounts receivable and other receivables	15,321
Deferred tax liabilities	(10,082)
Accounts payable and other current debts	(39,317)
Lease Liability	(40,311)
Total acquired assets and liabilities	**46,008**
Non-controlling interest	782
Liability to non-controlling interest	15,772
Goodwill	**134,474**

Goodwill

The goodwill amount mainly relates to synergies and other intangible assets that do not meet the criteria for separate reporting. No goodwill is not deductible for tax purposes.

Acquisition related costs

Acquisition related costs of SEK 1,447 thousand are recognized in other operating expenses in profit and loss and in operating activities in the statement of cash flow for year 2021.

Contingent consideration

The contingent consideration is measured at fair value and relates to the acquisition of Crash Point A/S. The contingent consideration is based on certain average EBITDA levels to be achieved for the financial year 2021 and 2022.

Minority put/call option (liability to non-controlling interest)

In the acquisition of 80% of the shares in Crash Point A/S and Skadevekk AS there are forceable minority put and call options related to the 20% of the shares owned by non-controlling interests. As the minority put/call are forceable a financial liability to the owners of 20% of the companies are included in the balance sheet and no non-controlling interest are recorded instead these companies are from an accounting perspective accounted for as if they were 100 % owned. The price for the option in Crash Point is the agreed share price which is based on an EBITDA multiple. The prices for the option in Skadevekk is the lowest of fair market value and the transaction value.

Cash-flow information	2021
Cash-paid for acquisitions during the year	107,195
Acquired cash and cash equivalent	(19,765)
Total cash-outflow investing activities	**87,430**

Note 36 First-time adoption of IFRS

Effects of transition to International Financial Reporting Standards (IFRS)

This report is Cary Groups first report prepared in accordance with IFRS. The report will be included as a part of the filings (financial pages). The accounting policies set out in Note 2 have been applied for the preparation of the consolidated financial statements for the group at December 31, 2020, for the presentation of the comparative information at December 31, 2019 and for the preparation of the group's opening IFRS statement of financial position at January 1, 2019 (the date of transition to IFRS).

When preparing the opening IFRS statement of financial position at January 1, 2019 and the statement of financial position at December 31, 2019 and December 31, 2020 in accordance with IFRS, the amounts in previous financial statements were adjusted as they were historically prepared in accordance with BFNAR 2012:1 Annual Report and Consolidated Accounts (K3). An explanation of how the transition from previously applied accounting principles to IFRS has affected the group's results and financial position is disclosed in the tables below and associated notes.

Exemptions elected when transitioning to IFRS

The transition to IFRS is reported in accordance with IFRS 1 *First-time Adoption of International Financial Reporting Standards*. The main rule is that all applicable IFRS and IAS standards that were in force and endorsed by the EU on December 31, 2020 shall be applied retrospectively.
However, IFRS 1 contains transitional provisions that allow companies to elect one or more exemption from retrospective application. The exemptions from full retrospective application of IFRS that the Group has elected when transitioning from previously applied accounting principles to IFRS are as follows:

IFRS 16 Leases

The group has elected to apply IFRS 16 from the date of transition (January 1, 2019) and prospectively (IFRS D9B). The exemption means that the lease liability is measured at the present value of the remaining lease payments at the date of transition discounted by the lessee's incremental borrowing rate. The right of use asset is measured at an amount corresponding to the lease liability. IFRS 1 do not make any difference if a lease agreement under previously applied accounting principles was accounted for as an operating or finance lease thus all leasing agreements shall be treated the same way at the transition to IFRS regardless of their previous classification under local GAAP (K3).The group has also elected to apply the following, based on IFRS 1, paragraph D9D, at the date of transition:

- The Group has chosen to use hindsight, such as determining the lease term if the contract contains options to extend or terminate the lease or if the contract includes a purchase option which has been executed.
- Short-term leases (leases where the original lease period is long term, but where the remaining lease period is less than 12 months) have not been included in the calculation of the lease liability.
- A right-of-use asset or lease liability is not recognized for leases where the underlying asset has a low value.

IFRS 3 Business combinations

IFRS 1 offers the opportunity to apply the principles of IFRS 3, Business Acquisition, either forward from the date of transition to IFRS or from a specific time before the transition date. This provides relief from a complete retroactive application that would require recalculation of all business acquisitions prior to the transition date. The Group has chosen to apply IFRS 3 going forward for business combinations that take place after the date of transition to IFRS. Thus, business combinations that occurred prior to the date-of transition have not been recalculated.

IFRS 15 Revenue from contracts with customers

Cary Group has elected to apply the specific transition exemption in IFRS 15, where a first-time adopter may apply the transition provisions and / or choose not to restate contracts that were completed before the earliest period presented.

Reconciliation of previously applied accounting principles and IFRS

In accordance with IFRS 1, the group must present reconciliations of equity and total comprehensive income reported under previously applied accounting principles, and equity and total comprehensive income under IFRS. The group's transition to IFRS has not had any effect on the total cash flow from operating activities, investing activities or financing activities. However, cash flow from financing activities was reclassified to cash flow from operating activities, since repayment of the lease liability is now recognized in financing activities following the transition to IFRS. Under previously applied accounting principles, the cash flow from leases that was classified as operating leases was recognized in operating activities.. The following tables show reconciliations of equity and total comprehensive income for each period under previously applied accounting policies and IFRS.

Note 36 First-time adoption of IFRS, cont.

SEK thousands	Notes	January 1, 2019 According to previously applied accounting-principles	Effect from transition to IFRS	According to IFRS	Notes	December 31, 2019 According to previously applied accounting-principles	Effect from transi-tion to IFRS	According to IFRS	Notes	December 31, 2020 According to previously applied accounting-principles	Effect from transi-tion to IFRS	According to IFRS
ASSETS												
Non-current assets												
Goodwill		1,447,847	–	1,447,847	a)	1,202,038	348,935	1,550,973	a)	930,686	701,437	1,632,122
Intangible assets		99,883	–	99,883	b)	93,996	719	94,715	b)	75,536	1,441	76,976
Tangible assets	d)	82,748	(15,669)	67,079	d)	92,725	(22,028)	70,697	d)	89,274	(19,478)	69,797
Right-of-use assets	c)	–	288,812	288,812	c)	–	329,198	329,198	c)	–	309,273	309,273
Deferred tax assets		–	–	–	e)	–	1,580	1,580	e)	–	2,447	2,447
Financial assets at amortized cost		–	–	–						542	–	542
Total non-current assets		**1,630,478**	**273,143**	**1,903,621**		**1,388759**	**658,405**	**2,047,163**		**1,096,037**	**995,120**	**2,091,158**
Current assets												
Inventories		27,492	–	27,492		45,150	–	45,150		49,267	–	49,267
Accounts receivable		130,316	–	130,316		179,898	–	179,898		161,390	–	161,390
Other receivables		19,044	–	19,045		42,041	–	42,041		24,417	–	24,417
Prepaid expenses and accrued income		59,343	(7,685)	51,658	c)	88,950	(10,840)	78,109	c)	75,243	(12,502)	62,741
Cash and cash equivalents		73,013	–	73,013		59,783	–	59,783		95,711	–	95,711
Total current assets		**309,208**	**(7,685)**	**301,524**		**415,822**	**(10,840)**	**404,982**		**406,028**	**(12,502)**	**393,526**
TOTAL ASSETS		**1,939,686**	**265,458**	**2,205,145**		**1,804,581**	**647,564**	**2,452,145**		**1,502,066**	**982,618**	**2,484,684**
EQUITY												
Share capital		133	–	133		133	–	133		133	–	133
Other paid in capital		208,756	–	208,756		208,756	–	208,756		208,756	–	208,756
Translation reserves		738	–	738		972	3,292	4,264		(382)	(3,691)	(4,073)
Retained earnings (including profit for the year)		(260,303)	–	(260,303)		(690,680)	333,886	(356,794)		(1,003,722)	687,945	(315,777)
Total equity attributable to owners of the company		**(50,676)**	**–**	**(50,676)**		**(480,819)**	**337,178**	**(143,641)**		**(795,214)**	**684,254**	**(110,960)**
Non-controlling interests		7,922	–	7,922		4,251	889	5,140		3,654	1,107	4,762
Total equity		**(42,754)**	**–**	**(42,754)**		**(476,568)**	**338,067**	**(138,501)**		**(791,560)**	**685,361**	**(106,199)**
LIABILITIES												
Non-current liabilities												
Borrowings		934,285	–	934,285		1,492,414	–	1,492,414		1,538,248	–	1,538,248
Lease liabilities	c)	–	214,542	214,542	c)	–	251,791	251,791	c)	–	226,504	226,504
Deferred tax liabilities		38,331	–	38,331	e)	33,413	5,439	38,852	e)	34,300	8,031	42,331
Provisions		15	–	15		–	–	–		4,809	–	4,809
Other liabilities	d)	744,153	(12,535)	731,618	d)	391,458	(17,622)	373,836	d)	418,901	(15,582)	403,319
Total non-current liabilities		**1,716,784**	**202,007**	**1,918,791**		**1,917,285**	**239,608**	**2,156,893**		**1,996,258**	**218,953**	**2,215,211**
Current liabilities												
Accounts payable		114,662	–	114,662		145,133	–	145,133		126,176	–	126,176
Current tax liabilities		18,899	–	18,899		32,447	–	32,447		24,175	–	24,175
Lease liabilities	c)	–	66,585	66,585	c)	–	74,294	74,294	c)	–	82,199	82,199
Other liabilities	d)	50,580	(3,134)	47,447	d)	86,670	(4,406)	82,264	d)	48,602	(3,896)	44,707
Accrued expenses and prepaid income		81,515	–	81,515		99,614	–	99,614		98,414	–	98,414
Total current liabilities		**265,656**	**63,451**	**329,108**		**363,865**	**69,889**	**433,752**		**297,368**	**78,304**	**375,671**
TOTAL EQUITY AND LIABILITIES		**1,939,686**	**265,458**	**2,205,145**		**1,804,581**	**647,564**	**2,452,145**		**1,502,066**	**982,618**	**2,484,684**

Note 36 First-time adoption of IFRS, cont.

SEK thousands	Notes	2019 According to previously applied accounting principles	2019 Effect from transition to IFRS	2019 According to IFRS	Notes	2020 According to previously applied accounting principles	2020 Effect from transition to IFRS	2020 According to IFRS
Net sales		1,627,644	–	1,627,644		1,650,774	–	1,650,774
Inventory expenses		(586,856)	–	(586,856)		(585,180)	–	(585,180)
Other external expenses	c ,d, f	(266,401)	59,866	(206,535)	c ,d, f	(293,813)	77,455	(216,357)
Personnel expenses		(505,742)	–	(505,742)		(506,423)	–	(506,423)
Other operating expenses	a)	(28)	(1,445)	(1,473)	a)	(800)	(2,008)	(2,808)
Depreciation, amortization and impairment of tangible and intangible assets	a, b, c, d, f	(403,487)	290,245	(113,243)	a, b, c, d, f	(423,109)	294,077	(129,032)
Operating profit		**(134,871)**	**348,666**	**213,795**		**(158,551)**	**369,524**	**210,974**
Financial income		102	–	102		42	–	42
Financial expenses	c, d, f	(102,882)	(12,195)	(115,078)	c, d, f	(126,486)	(12,568)	(139,054)
Earnings before tax		**(237,651)**	**336,471**	**98,819**		**(284,995)**	**356,956**	**71,962**
Income tax	e, f	(26,863)	(2,379)	(29,242)	e, f	(21,891)	(1,664)	(23,555)
Profit for the year		**(264,515)**	**334,092**	**69,577**		**(306,886)**	**355,292**	**48,407**
Profit for the year attributable to:								
Parent Company shareholders		(215,733)	276,693	60,959		(265,352)	311,050	45,697
Non-controlling interests		(48,782)	57,399	8,618		(41,533)	44,243	2,710
Total		**(264,515)**	**334,092**	**69,577**		**(306,886)**	**355,292**	**48,407**

TSEK	Notes	2019 According to previously applied accounting principles	2019 Effect from transition to IFRS	2019 According to IFRS	Notes	2020 According to previously applied accounting principles	2020 Effect from transition to IFRS	2020 According to IFRS
Profit for the year		**(264,515)**	**334,092**	**69,577**		**(306,886)**	**355,292**	**48,407**
Other comprehensive income								
Items that may be reclassified in profit or loss (net of tax)								
Exchange differences on translation of foreign operations	g)	338	3,976	4,314	g)	(1,554)	(7,999)	(9,553)
Items that will not be reclassified to profit or loss (net of tax)								
Remeasurements of post-employment benefit obligations		–	–	–		(2,936)	–	(2,936)
Other comprehensive income for the year		338	3,976	4,314		(4,490)	(7,999)	(12,489)
Total comprehensive income for the year		**(264,177)**	**338,067**	**73,891**		**(311,376)**	**347,294**	**35,918**
Comprehensive income Profit for the year attributable to:								
Parent Company shareholders		(215,499)	279,984	64,485		(269,252)	304,067	34,815
Non-controlling interests		(48,678)	58,083	9,405		(42,124)	43,227	1,103
Total		**(264,177)**	**338,067**	**73,891**		**(311,376)**	**347,294**	**35,918**

Note 36 First-time adoption of IFRS, cont.

Impact on cash flow statement for 2019 and 2020 financial year already published under K3

Consolidated cash flow was unaffected by the transition to IFRS. However, the IFRS adjustments had the following effects on the presentation format:

- When transitioning to IFRS 16, cash flows for lease payments regarding leases classified as operating leases (previously recognized under operating activities – other external expenses) were reclassified to principal payments and interest. Lease payments are recognized in financing activities and interest paid in operating activities. Depreciation on right-of-use assets was reversed in operating activities under Adjustments for non-cash items. Short-term leases and leases of assets of low value are recognized in cash flow from operating activities.

References

a) Items affecting goodwill

Add-back of amortization of goodwill

Under previously applied accounting principles, goodwill was amortized over the period that it was expected to generate economic benefits. Under IFRS, goodwill is not amortized; instead an impairment test is conducted annually. As a result of goodwill not being amortized in accordance with IFRS, the amortization recognized during the period in accordance with previously applied accounting principles is added back.

Acquisition related costs

Acquisition related costs consist mainly of advisory, legal, accounting, valuation and other professional or consulting fees. According to IFRS are these costs recognized in the income statement as they occur. According to previously applied accounting principles acquisition related costs have been accounted for as part of the purchase price and thus affected goodwill.

Goodwill has also been affected by deferred tax on brands and currency translation differences (since part of goodwill is allocated in foreign currencies).

The total effect on goodwill is illustrated in the table below:

	Dec 31, 2020	Dec 31, 2019
Goodwill according to K3	**930,686**	**1,202,038**
Add-back amortization goodwill	707,658	344,907
Acquisition related costs	(3,453)	(1,445)
Deferred tax brand	1,483	1,483
Currency translation differences	(4,251)	3,990
Total effect transition to IFRS	**701,437**	**348,935**
Goodwill according to IFRS	**1,632,123**	**1,550,973**

b) Add-back of amortization of brand

According to previously applied accounting principles all intangible assets were amortized. As of transition to IFRS the brand that was identified in the Bussglas business combination has been deemed to have indefinite useful life and is not amortized but instead subject to annual impairment test. Consequently, amortization of brand recognized according to K3 has been added back. The brand is deemed to have an indefinite useful life as thebrand is well established within the industry and the operations is expected to be conducted under the brand under an unforeseeable future.

c) Leases

The group as lessee

At the date of transition to IFRS, the Group recognizes a right-of-use asset and a lease liability in the statement of financial position for leases classified as an operating lease and finance leases under previously applied accounting principles.

The lease liability has been measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to IFRS (January 1, 2019). The right-of-use asset has been measured at an amount equal to the lease liability.

The Group depreciates the right-of-use asset on a straight-line basis over the determined lease term.

In the statement of comprehensive income, there is depreciation of right-of-use assets and in financial net an interest expense on the lease liability. Payments for leases that are classified as short-term leases or leases for which the underlying asset is of low value and payments made for non-lease components are expensed on a straight-line basis over the lease term in the statement of profit or loss.

The weighted average incremental borrowing rate used on initial application (January 1, 2019) was 3,8% percent.

d) Financial leases

According to previously applied accounting principles leases were classified as either financial or operating leases. As of transition to IFRS, January 1, 2019 and December 31, 2019 and December 31, 2020 assets and liabilities previously recorded in the statement of financial position and depreciation and interest recorded in the statement of profit and loss have been reversed. According to previously used accounting principles financial leases were included in property plant and equipment, other long-term liabilities and other short-term liabilities in the balance sheet and the reclassification of financial leases have therefore had an effect on these line items.

e) Deferred tax

As of transition to IFRS deferred tax are recorded on all IFRS-adjustments except add-back on amortization of goodwill that are not tax deductible. The following deferred taxes are added as of transition to IFRS:

	Dec 31, 2020	Dec 31, 2019
Deferred tax asset		
Net Lease liability	2,447	1,580
Total	**2,447**	**1,580**
Deferred tax liability		
Deductible amortization of goodwill	6,536	3,955
Deferred tax brands	1,483	1,483
Net Right-of-use asset	12	1
Total	**8,031**	**5,439**

Note 36 First-time adoption of IFRS, cont.

f) Details of adjustments to net result

Details of effect of all adjustments described in a-e) above to total comprehensive income is reconciled in the table below for the financial year 2020 and 2019.

	2020	2019
Net result according to K3	**(306,886)**	**(264,515)**
Lease expenses, K3	(6,069)	(5,622)
Add-back lease expenses IFRS 16	83,525	65,488
Total effect other external expenses	**77,456**	**59,866**
Total effect other external expenses, Acquisition related costs	**(2,008)**	**(1,445)**
Add-back depreciation of goodwill	362,751	344,907
Add-back depreciation of brand	720	719
Add-back depreciation leases, K3	5,707	5,310
Depreciation right of use asset IFRS 16	(75,101)	(60,692)
Total effect depreciation, amortization and impairment of tangible and intangible assets	**294,077**	**290,244**
Add-back interest lease liability, K3	362	312
Interest lease liability, IFRS 16	(12,930)	(12,507)
Total effect financial expenses	**(12,568)**	**(12,195)**
Change in deferred tax	(1,664)	(2,379)
Total effect of transition to IFRS	**355,293**	**334,091**
Net result IFRS	**48,407**	**69,576**

g) Exchange differences on translation of foreign operations

According to IFRS exchange differences are recognized in other comprehensive income and capitalized in the row item translation reserve in equity. All IFRS adjustments that have an effect on foreign operations will consequently have an effect on exchange differences.

Reclassifications under IAS 1 Presentation of financial Statements

Balance sheet

The following item has been reclassified in the balance sheet: ‘Cash and bank balances’ is now ‘Cash and cash equivalents’.

Provisions are not presented under a separate heading labelled “provisions”, but rather be presented under either non-current liabilities or current liabilities.

Statement of comprehensive income

The following items have been reclassified in the statement of comprehensive income: ‘Other interest income and similar profit items’ is now ‘financial income,’ and ‘interest expenses and similar loss items’ is now ‘financial expenses.’ ‘Tax on profit for the year’ is now ‘income tax.’

Auditor's report on interim historical financial information

Independent auditor's report

To the Board of Directors of Cary Group Holding AB (publ), corporate identity number 559040-9388

Report on the consolidated accounts

Opinions

We have audited the consolidated accounts of Cary Group Holding AB (publ) for the period of two years ended 31 December 2020. The consolidated accounts of the company are included on pages F-12–F-43 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 the 31 December 2020 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.
- 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, 14 September, 2021
Ernst & Young AB

Stefan Andersson Berglund
Authorized Public Accountant

Consolidated accounts for Cary Group Holding AB (Publ) for the Financial Year 2018

Consolidated income statement

SEK thousands	Notes	2018
Net sales	3	1,071,569
		1,071,569
Inventory expenses		–349,273
Other external expenses	5	–197,719
Personnel expenses	6	–328,742
Depreciation, amortization and impairment of tangible and intangible assets		–348,723
		–1,224,457
Operating profit		**–152,888**
Financial income	7	3,386
Financial expenses	8	–91,352
Loss before tax		**–240,855**
Income tax	9	–39,867
Loss for the year		**–280,722**
Loss for the year attributable to:		
Parent company shareholders		–230,044
Non-controlling interests		–50,678
Total		**–280,722**

Consolidated Balance sheet

SEK thousands	Note	31 Dec 2018
ASSETS		
Non-current assets		
Intangible assets		
Intangible assets	10	99,883
Goodwill	11	1,447,847
		1,547,730
Tangible assets		
Buildings and land	12	96
Equipment, tools, fixtures and fittings	13	65,226
Leasehold improvements	14	17,426
		82,748
Total non -current assets		**1,630,478**
Current assets		
Inventories, etc.		
Finished goods and goods for resale		27,492
		27,492
Current receivables		
Accounts receivables		130,316
Other receivables		19,044
Prepaid expenses and accrued income	15	59,343
		208,703
Cash and bank	16	73,013
Total current assets		**309,208**
TOTAL ASSETS		**1,939,686**

Consolidated Balance sheet

SEK thousands EQUITY	Note	2018-12-31
Equity attributable to Parent Company shareholderS		
Share capital		133
Other contributed capital		208,756
Foreign currency translation reserve		738
Other equity, including net loss for the year		–260,303
Total equity attributable to Parent Company shareholders		**–50,676**
Non-controlling interests		
Non-controlling interests		7,922
Total equity		**–42,754**
Non-current liabilities		
Liabilities to credit institutions		934,285
Other liabilities		744,153
Provisions		15
Deferred tax liabilities		38,331
		1,716,784
Current liabilities		
Accounts payable		114,662
Current tax liabilities		18,899
Other liabilities		50,580
Accrued expenses and deferred income	17	81,515
		265,656
Total liabilities		**1,982,440**
TOTAL EQUITY AND LIABILITIES		**1,939,686**

Consolidated statement of changes in equity

SEK thousands	Share capital	Other contributed capital	Reserves	Other equity, including net loss for the year	Total equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
Opening balance 1 Jan 2018	**50**	**0**	**0**	**0**	**50**	**0**	**50**
Loss for the year				−230,044	−229,613	−50,678	−280,722
Foreign currency translations	0	0	738		738	114	852
Issue of shares	83	158,806			158,889	15,000	173,889
Shareholder's contributions		49,950			49,950		49,950
Revaluation net pension				−2,076	−2,076	−431	−2,507
Dividends						−892	−892
Impact from acquisitions						4,176	4,176
Transactions with non-controlling interests				−28,183	−28,183	40,633	12,450
	83	**208,756**	**738**	**−260,303**	**−50,726**	**7,922**	**−42,805**
Closing balance 31 Dec 2018	**133**	**208,756**	**738**	**−260,303**	**−50,676**	**7,922**	**−42,755**

Consolidated Cash flow statement

SEK thousands	Note	1 Jan 2018–31 Dec 2018
Operating activities		
Loss after financial items		–240,855
Adjustments for non-cash items, etc.	18	397,492
Tax paid		–20,903
Cash flow from operating activities before changes in working capital		**135,734**
Cash flow from changes in working capital		
Change in inventory and work in progress		5,833
Change in accounts receivable		910
Change in current receivables		–17,005
Change in accounts payable		19,193
Change in current liabilities		6,915
Cash flow from operating activities		**151,580**
Investing activities		
Investments in intangible assets		–16,951
Investments in tangible assets		–12,608
Payment for acquisition of subsidiary, net of cash acquired		–1,417,522
Proceeds from sale of tangible assets		343
Cash flow from investing activities		**–1,446,738**
Financing activities		
Shareholders' contributions received		49,950
Issue of shares		70,000
Transactions with non-controlling interests in subsidiaries		12,450
Proceeds from borrowings		1,613,451
Repayment of borrowings		–415,595
Dividends paid		–1,212
Change in current investments		–20,000
Cash flow from financing activities		**1,309,044**
Cash flow for the year		**13,885**
Cash and cash equivalents at beginning of year		
Cash and cash equivalents at beginning of year		59,128
Cash and cash equivalents at end of year		**70,013**

Notes, SEK thousands

Note 1 Accounting and valuation policies

General information

The consolidated financial statements for Cary Group Holding AB (publ) for the year ended 31 Dec 2018 has been prepared solely for the purpose to be included in this prospectus. The consolidated financial statements do not include comparative financial figures, which is a requirement in accordance with the Swedish Annual Accounts Act and General Recommendation BFNAR 2012:1, and thus constitute a deviation. Other than this, the consolidated financial statements for Cary Group Holding AB (publ) have been prepared in accordance with the Swedish Annual Accounts Act and General Recommendation BFNAR 2012:1 Annual Report and Consolidated Accounts (K3) of the Swedish Accounting Standards Board.

Receivables were recognised at the amounts expected to be received.

Other assets and liabilities were recognised at cost unless otherwise stated.

Monetary assets and liabilities in foreign currency have been translated at the closing-day rate. Transactions in foreign currencies are translated at the spot exchange rate at the transaction date.

The accounting policies remain unchanged as compared to the previous year.

Revenue recognition

Revenue has been taken up at the fair value of what has been or will be received and is reported to the extent that it is probable that the economic benefits will be accrued to the company and the revenue can be calculated reliably.

Consolidated accounts

Consolidation method

The consolidated accounts have been prepared in accordance with the acquisition method. This means that the identifiable assets and liabilities of acquired businesses are reported at market value according to the established acquisition analysis. If the cost of the operations exceeds the estimated market value of the anticipated net assets according to the acquisition analysis, the difference is recognised as goodwill.

Intra-Group transactions

Intra-Group receivables and liabilities and transactions between Group companies as well as unrealised gains are eliminated in full. Unrealised losses are also eliminated unless the transaction corresponds to an impairment requirement.

Change in internal profit during the financial year has been eliminated in the consolidated income statement.

Intangible assets

Intangible assets are reported at cost after deduction of cumulative amortisation and impairment.

Goodwill is amortised straight-line over the estimated economic useful life. Merger goodwill is amortised over five years.

Tangible assets

Tangible assets are recognised at cost less accumulated depreciation and any impairment losses. Expenses that can be directly attributed to the acquisition of the asset are included in cost.

Additional expenses related to assets that are not broken down into components are added to the cost if they are expected to provide the company with future economic benefits, to the extent of the asset's performance increase in relation to the asset's value at acquisition.

Costs for repairs and maintenance are recognised as expenses.

Capital gains and losses on sales of assets are recognised as other operating income or other operating expenses, respectively.

Tangible assets are depreciated systematically over their estimated useful life. Straight-line depreciation is applied for other types of tangible assets.

The following periods of depreciation are applied:

Buildings	25 years
Equipment, tools, fixtures and fittings	5-10 years

Leases

Financial leases entail that rights and obligations are recognised as assets and liabilities, respectively, in the balance sheet. Assets and liabilities are measured at the lowest of the asset's fair value and the present value of minimum lease payments. Expenses that can be directly attributed to the lease are added to the asset's value.

Inventories

Inventories are valued at the lower of cost and net realisable value.
Cost is calculated according to the first in, first out method (FIFO).

Income taxes

Total tax comprises current tax and deferred tax. Taxes are recognised in profit or loss, except when the underlying transaction is recognised directly in equity, whereby the associated tax effects are recognised in equity.

Current tax

Current tax refers to income tax for the current financial year and the portion of previous financial years' income tax which has not yet been recognised. Current tax is calculated based on the tax rate applicable on the balance sheet date.

Deferred tax

Deferred tax is the income tax relating to future financial years as a result of past events. Recognition takes place in accordance with the balance sheet method. According to this method, deferred tax liabilities and deferred tax assets are recognised on temporary differences arising between recognised and fiscal values for assets and liabilities and for other tax credits or deficits.

Deferred tax assets are only netted against deferred tax liabilities if they can be paid at a net amount. Deferred tax is calculated based on the applicable rate at the balance sheet date. Effects of changes in applicable tax rates are reported in the period in which the change is legally required. A deferred tax asset is recognised as a financial fixed asset and deferred tax liability as a provision.

Deferred tax assets relating to loss carry-forwards or other future fiscal deductions are recognised to the extent that it is probable that the deductions can be offset against future tax surpluses.

Note 2 Significant events after the end of the financial year

In early 2019, the Group acquired Svenska Bussglas AB and Danglas AS (Denmark) as well as Sebra Bilglass AS, Halden Bilglass AS and Grenland Bilglass AS (Norway). The subsidiaries Bilglas i Norrtälje AB and Bilglas i Söder AB were merged with Ryds Bilglas AB.

Note 3 Intra-Group purchases and sales

Intra-Group sales and purchases during the year amounted to SEK 133,545 thousand.

Note 4 Leases

Lease expenses for the year amounted to SEK 5,345 thousand.
Future lease payments, for non-cancellable leases, fall due for payment as follows:

	2018
Within 1 year	5,433
Between one and five years	7,871
	13,304

Note 5 Fees to auditors

Audit engagements refer to the audit of the annual accounts and accounting and the administration of the Board of Directors and Managing Director, other duties that the company's auditor is required to perform and advice or other assistance resulting from observations in such auditing or implementation of such other tasks.

	2018
Ernst & Young AB	
Audit engagement	587
Other services	118
	705
Ernst & Young AS	
Audit engagement	147
Tax advisory services	126
Other services	252
	525
Baker Tilly Halmstad AB	
Audit engagement	24
	24

Note 6 Employees and personnel costs

	31 Dec 2018
Average number of employees	
Women	111
Men	764
	875
Salaries and other remuneration	
Board of Directors and Managing Director	2,778
Other employees	254,830
	257,608
Social security expenses	
Pension costs for the Board of Directors and Managing Director	1,103
Pension costs for other employees	16,744
Statutory and contractual other social security contributions	53,287
	71,134
Total salaries, remuneration, social security expenses and pension costs	**328,742**

Note 7 Other interest income and similar profit/loss items

	2018
Other interest income	258
Foreign exchange differences	3,128
	3,386

Note 8 Interest expenses and similar profit/loss items

	2018
Other interest expenses	–39,415
	–39,415

Note 9 Income tax

	2018
Current tax	-32,242
Deferred tax	-7,625
	-39,867

Note 10 Intangible assets

	31 Dec 2018
Opening cost	0
Purchases	9,492
Reclassifications	111,803
Foreign exchange differences	554
Closing accumulated cost	**121,849**
Opening amortization	0
Amortization charge for the year	–21,966
Closing accumulated amortization	**–21,966**
Closing carrying amount	**99,883**

Note 11 Goodwill

	31 Dec 2018
Opening cost	0
Purchases	146,335
Increase through business combinations	1,612,104
Foreign exchange differences	2,097
Closing accumulated cost	**1,760,536**
Opening amortization	0
Amortization charge for the year	–312,689
Closing accumulated amortization	**–312,689**
Closing carrying amount	**1,447,847**

Note 12 Buildings and land

	31 Dec 2018
Opening cost	0
Reclassifications	112
Closing accumulated cost	**112**
Opening depreciation	0
Depreciation charge for the year	–16
Closing accumulated depreciation	**–16**
Closing carrying amount	**96**

Note 13 Equipment, tools, fixtures and fittings

	31 Dec 2018
Opening cost	-
Purchases	14,843
Increase through business combinations	58,488
Foreign exchange differences	884
Closing accumulated cost	**74,215**
Opening depreciation	-
Depreciation charge for the year	-9,114
Foreign exchange differences	125
Closing accumulated depreciation	**-8,989**
Closing carrying amount	**65,226**

Note 14 Leasehold improvements

	31 Dec 2018
Opening cost	0
Purchases	7,255
Increase through business combinations	16,296
Foreign exchange differences	–279
Closing accumulated cost	**23,272**
Opening depreciation	0
Depreciation charge for the year	–5,916
Foreign exchange differences	70
Closing accumulated depreciation	**–5,846**
Closing carrying amount	**17,426**

Note 15 Prepaid expenses and accrued income

	31 Dec 2018
Prepaid rental charges	8,846
Other items	50,497
	59,343

Note 16 Cash and bank

The Group has a shared Group account with credit. Ryds Bilglas AB recognises all of its working credit as own credit with its creditors.

Note 17 Accrued expenses and deferred income

	31 Dec 2018
Accrued salaries/holiday pay	31,248
Accrued social security contributions	13,752
Other	36,515
	81,515

Note 18 Adjustments for non-cash items, etc.

	2018
Depreciation	348,723
Impairment	3,200
Capitalized interest	51,618
Reclassifications	–3,488
Other	–2,561
	397,492

Note 19 Specification of participations in Group companies

Name	Share of equity	Share of voting rights	Number of shares	Carrying amount
Cary Group Midco AB	97%	97%	111,254	886,439
Cary Group Bidco AB	100%	100%	50,000	50
RBG Holding AB	100%	100%	1,000	1,334,228
Ryds Bilglas AB	100%	100%	1,000	648,100
RBG Service AB	100%	100%	25,000	50
Samglas AB	100%	100%	50,000	11,740
Ryds Bilglas i Halmstad AB	50%	50%	500	2,905
Ryds Bilglas Falun AB	100%	100%	500	7,886
Ryds Bilglas i Borlänge AB	51%	51%	510	1,200
Bilglas i Söder AB	100%	100%	500	0
Bilglas i Norrtälje AB	100%	100%	500	0
Ryds Bilglass AS	100%	100%	100	35,353
Ryds Bilglas A/S	100%	100%	100	643
Mobile Windscreens Ltd.	100%	100%	10,880	179,086
Cary UK Holding Ltd.	97%	77%	5,564,000	64,969
				2,971,951

Name	Corp.reg.no	Country of incorporation	Equity	Earnings
Cary Group Midco AB	559040-9396	Stockholm	913,888	–1
Cary Group Bidco AB	559077-0813	Stockholm	895,293	–18,596
RBG Holding AB	559023-2756	Huddinge	232,194	–99
Ryds Bilglas AB	556538-7502	Huddinge	79,508	34,262
RBG Service AB	556910-8516	Västerås	90,032	48,226
Samglas AB	556610-2629	Huddinge	2,746	903
Ryds Bilglas i Halmstad AB	556707-8554	Halmstad	1,802	1,202
Ryds Bilglas Falun AB	556821-6328	Falun	4,199	2,907
Ryds Bilglas i Borlänge AB	556865-7034	Borlänge	2,929	2,037
Bilglas i Söder AB	559096-7591	Huddinge	–421	–70
Bilglas i Norrtälje AB	559098-3127	Huddinge	–1,468	–648
Ryds Bilglass AS	913729404	Oslo	9,525	–4,331
Ryds Bilglas A/S	38985868	Köpenhamn	301	–394
Mobile Windscreens Ltd.	01370175	Bristol	51,703	6,792
Cary UK Holding Ltd.	11349793	Bristol	63,252	111

Note 20 Collateral

	Dec 31, 2018
Collateral for loans to credit institutions:	
Other pledged assets	1,021,731
	1,021,731

Auditor's report on interim historical financial information

Independent auditor's report

To the Board of Directors of Cary Group Holding AB (publ), corporate identity number 559040-9388

Opinion

We have audited the consolidated accounts of Cary Group Holding AB (publ) (the Company), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statement of income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the consolidated accounts, including a summary of significant accounting policies. The consolidated accounts of the Company are included on pages F-46–F-54 in this document.

In our opinion, the accompanying consolidated accounts of the Company for the year ended December 31, 2018 are prepared in all material respects, in accordance with the basis of accounting described in note 1 to the consolidated accounts.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Accounts section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated accounts in Sweden, and we have fulfilled our other 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 opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to note 1 to the consolidated accounts, which describes the basis of accounting. The consolidated accounts are prepared solely for the purpose described in note 1 and may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Directors and Those Charged with Governance for the consolidated accounts

The Board of Directors is responsible for the preparation of the consolidated accounts in accordance with the financial reporting provisions of note 1 and for such internal control as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Accounts

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 skepticism 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 opinion. 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 internal control relevant to the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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. 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 the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stockholm, 14 September, 2021
Ernst & Young AB

Stefan Andersson Berglund
Authorized Public Accountant

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