CTEK

# Invitation to acquire shares in CTEK AB (publ)

Sole Global Coordinator and Joint Bookrunner

Carnegie

Joint Bookrunner

Swedbank

Exclusive Retail Distributor

AVANZA BANK

# IMPORTANT INFORMATION TO INVESTORS

This Prospectus (the "**Prospectus**") has been prepared in connection with the offering to the public in Sweden and listing on Nasdaq Stockholm (the "**Offering**") of shares in CTEK AB (a Swedish public limited liability company). In the Prospectus, the "**CTEK**", the "**Company**" or the "**Group**" refers to CTEK AB, the group in which the Company is the parent company or a subsidiary of the group. The "**Principal Owner**" refers to, as the context may require, Altor Fund III GP Limited and "**Faustina**" refers to Faustina Ltd, together referred to as the "**Selling Shareholders**". The "**Managers**" refers to Carnegie Investment Bank AB (publ) ("**Carnegie**") and Swedbank AB (publ) ("**Swedbank**"). See section "*Definitions*" for the definitions of these and other terms in the Prospectus.

The Offering is not directed to the general public in any country other than Sweden. Nor is the Offering directed to such persons whose participation requires additional prospectuses, 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 to the public, or allow holding and distribution of the Prospectus or any other documents pertaining to the Company or shares in such jurisdiction. Applications to acquire shares that violate such rules may be deemed invalid. Persons into whose possession the Prospectus comes are required by the Company and the Managers to inform themselves about and to observe such restrictions. Neither the Company nor either of the Managers accepts any legal responsibility for any violation by any person, whether or not a prospective investor, of any such restrictions.

This Prospectus should not be construed as a recommendation by the Company, the Principal Owner or the Managers or any of their respective affiliates or representatives that any recipient of this Prospectus should purchase the shares. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should consult their own legal, financial, tax or other adviser for legal, financial, tax or other advice in relation to any purchase or proposed purchase of the shares offered hereby. Prior to making any decision as to whether to invest in the shares, each prospective investor should read this entire Prospectus and not just rely on key information or information summarised within it. Neither the Company, the Principal Owner or the Managers, nor any of their respective affiliates or representatives, are making any representation to any offeree or purchaser of the shares regarding the legality of an investment by such offeree or purchaser under the laws applicable to such offeree or purchaser.

A Swedish language version of the Prospectus (the "**Swedish Prospectus**") has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) in accordance with regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the Prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**"). In the event of discrepancies between the Prospectus and the Swedish Prospectus, the Swedish Prospectus shall prevail.

Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to its date. In the event of any changes to the information in this Prospectus that may affect the valuation of the shares offered hereby during the period from the date of announcement to the first day of trading, such changes will be announced in accordance with the provisions of Article 23 of the Prospectus Regulation.

**NOTICE TO PROSECTIVE INVESTORS IN THE UNITED STATES**

The shares in the Offering have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Prospectus. Any representation to the contrary is a criminal offence in the United States.

The shares in the Offering have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or of other jurisdiction of the United States, and may not be offered, or sold within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements in the Securities Act and in compliance with any applicable state securities laws. In the United States, the shares will be sold only to persons reasonably believed to be qualified institutional buyers ("**QIBs**") as defined in and in reliance on Rule 144A under the Securities Act or pursuant to another available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Any offer or sale of the shares in the United States in reliance on Rule 144A will solely be made by one or more broker-dealers who are registered as such under the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"). Carnegie will not participate in the offer or sale of any shares within or directed into the United States and will not be involved in any activities relating to the shares within or directed into the United States. All offers and sales of shares outside the United States will be made in compliance with Regulation S under the Securities Act. Prospective purchasers are hereby notified that the sellers of the shares in the Offering may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A.

In the United States, the Prospectus 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 Prospectus has been provided by the Company and other sources identified herein. Distribution of the Prospectus 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 unauthorized, and any disclosure of its contents, without the Company's prior written consent, is prohibited. Any reproduction or distribution of the Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. The Prospectus is personal to each offeree and does not constitute any offer to any other person or to the general public to acquire shares in the Offering.

**NOTICE TO INVESTORS IN THE UNITED KINGDOM**

This Prospectus has been prepared on the basis that any offer of shares in the United Kingdom will be made pursuant to an exemption under the Financial Services and Markets Act 2000 (as amended) ("**FSMA**") from the requirement to publish a Prospectus for offers or securities. This Prospectus is for distribution only to persons 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 "**Financial Promotion Order**"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the Meaning of section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**relevant persons**"). This Prospectus 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 this Prospectus relates is available only to and will be engaged in only with relevant persons. In connection with the Offering, the Managers are not acting for anyone other than the Company and will not be responsible to anyone other than the Company for providing the protections afforded to their clients nor for providing advice in relation to the Offering.

**NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA**

This Prospectus has been prepared on the basis that any offer of shares in any member state of the EEA (each a "**Relevant State**") (with the exception of Sweden) will be made pursuant to an exemption under Prospectus Regulation from the requirement to publish a prospectus for offers of shares.

The shares are not intended to be offered or sold to and should not be offered or sold to any retail investor in the EEA. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MIFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MIFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling any in scope instrument or otherwise making such instruments available to retail investors in the EEA has been prepared. Offering or selling shares or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**STABILIZATION**

In connection with the Offering, the Managers may carry out transactions that stabilize, maintain or otherwise affect the market price of the shares at levels above those which might otherwise prevail in the open market. Such stabilization transactions may be effected on Nasdaq Stockholm, in the over-the-counter market or otherwise, at any time during the period starting on the date of commencement of trading in the shares on Nasdaq Stockholm and ending no later than 30 calendar days thereafter. The Managers are, however, not required to undertake any stabilization and there is no assurance that stabilization will be undertaken.

Stabilization, if undertaken, may be discontinued at any time without prior notice. In no event will transactions be effected at levels above the price in the Offering. No later than by the end of the seventh trading day after stabilization transactions have been undertaken, the Managers shall disclose that stabilization transactions have been undertaken in accordance with article 5(4) of the Market Abuse Regulation 596/2014. Within one week of the end of the stabilization period, the Managers will make public whether or not stabilization was undertaken, the date at which stabilization started, the date at which stabilization last occurred and the price range within which stabilization was carried out, for each of the dates during which stabilization transactions were carried out.

**IMPORTANT INFORMATION ABOUT THE SELLING OF SHARES**

Note that notifications about allotment to the public in Sweden will be made through distribution of contract notes, expected to be distributed on 24 September 2021. Institutional investors are expected to receive notification of allotment on 24 September 2021 in particular order, whereupon contract notes are dispatched. After payments for the allocated shares have been processed by 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 the acquirers of shares in CTEK AB means that these acquirers will not have shares available in the specified securities depository account or the securities account until 28 September 2021, at the earliest. Trading in CTEK AB (publ) shares on Nasdaq Stockholm is expected to commence on or around 24 September 2021. Accordingly, if shares are not available in an acquirer's securities account or securities depository account until 28 September 2021 at the earliest, the acquirer may not be able to sell these shares Nasdaq Stockholm as from the time trading in the shares commences, but first when the shares are available in the securities account or the securities depository account.

**ENFORCEMENT OF 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 Swedish public limited liability company founded in Sweden and is governed by the Swedish Companies Act (2005:551). The Company's registered office is Hedemora, Sweden. The majority of the directors or officers and other executives of the Company named herein are neither citizens nor residents of the United States, and all or a substantial portion of the assets of these individuals are located outside the United States. The Company's assets are located outside of the United States. As a result, it may be difficult for investors to effect service of process within the United States and certain other countries upon such persons or the Company, or to enforce against them judgments of U.S. courts or of courts of certain other countries predicated upon the civil liability provisions of U.S. federal or state securities laws or otherwise.

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

**ADDITIONAL INFORMATION**

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

**INFORMATION TO 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 have been subject to a product approval process, which has determined that the shares are: (i) compatible with an end target market of retail investors and investors who meet the 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.

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 (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 appropriate distribution channels.

**PRESENTATION OF FINANCIAL INFORMATION**

Unless otherwise stated herein, no financial information in the Prospectus has been audited or reviewed by the Company's auditor. Financial information relating to the Company in the Prospectus and that is not a part of the information that has been audited or reviewed by the Company's auditor in accordance with what is stated herein, has been collected from the Company's internal accounting and reporting system. All financial amounts are in Swedish kronor ("**SEK**"), unless indicated otherwise. Figures reported in the Prospectus have in some cases been rounded and therefore the tables do not necessarily always add up exactly.

**FORWARD-LOOKING STATEMENTS**

The Prospectus contains certain forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events and such statements and opinions pertaining to the future that, by example, contain wording such as "believes", "estimates", "anticipates", "expects", "assumes", "forecasts", "intends", "could", "will", "should", "would", "according to estimates", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "to the knowledge of" or similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements and opinions in the Prospectus concerning the future financial returns, plans and expectations with respect to the business and management of the Company, future growth and profitability and general economic and regulatory environment and other matters affecting the Company.

Forward-looking statements are based on current estimates and assumptions made according to the best of the Company's knowledge. Such forward-looking statements are subject to risks, uncertainties, and other factors that could cause the actual results, including the Company's cash flow, financial condition and results of operations, to differ materially from the results, or fail to meet expectations expressly or implicitly assumed or described in those statements or to turn out to be less favourable than the results expressly or implicitly assumed or described in those statements. Accordingly, prospective investors should not place undue reliance on the forward-looking statements herein, and are strongly advised to read the Prospectus, including the following sections: "*Summary*", "*Risk factors*", "*Business overview*" and "*Operating and financial review*", which include more detailed descriptions of factors that might have an impact on the Company's business and the market in which it operates. None of the Company, the Principal Owner or any of the Managers can give any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events mentioned in the Prospectus may not occur. Moreover, the forward-looking estimates and forecasts derived from third-party studies referred to in the Prospectus may prove to be inaccurate. Actual results, performance or events may differ materially from those in such statements due to, without limitation: changes in general economic conditions, in particular economic conditions in the markets on which the Company operates, changes affecting currency exchange rates, changes in competition levels, changes in laws and regulations, and occurrence of accidents or systematic delivery deficiencies.

After the date of the Prospectus, none of the Company, the Principal Owner or any of the Managers assume any obligation, except as required by law or Nasdaq Nordic Market Rulebook for Issuers of Shares, to update any forward-looking statements or to conform these forward-looking statements to actual events or developments.

**BUSINESS AND MARKET DATA**

This Prospectus includes industry and market data pertaining to the Company's business and markets. Unless otherwise stated, the information provided in this section of the Prospectus regarding markets, market size, market share and market position, should be considered the Company's assessment, based on information obtained from several sources including the Swedish Environmental Protection Agency, ADAC, EuroStat, European Alternative Fuels Observatory, local transport authorities in the countries where CTEK is active, McKinsey & Company, annual reports from companies operating in the same industry as CTEK, consumer surveys and several offices for national statistics.

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. The Company has not independently verified and cannot give any assurances as to the accuracy of industry and market data contained in the Prospectus that were extracted or derived from such industry publications or reports. Business and market data are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such data is based on market research, which itself is 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.

Information from third parties has been accurately reproduced and, as far as the Company is aware and can ascertain by comparisons with other information published by the relevant third parties, no information has been omitted that could render the reproduced information inaccurate or misleading.

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## SUMMARY OF THE OFFERING

| | |
|---|---|
| **Offering Price** | SEK 69 per share |
| **Application period for the general public** | 14 September – 23 September 2021 |
| **Announcement of offering price** | 13 September 2021 |
| **First day of trading in CTEK's shares** | 24 September 2021 |
| **Settlement Date** | 28 September 2021 |
| **Other information** | |
| Ticker: | CTEK |
| ISIN code: | SE0016798763 |
| LEI code: | 5493007JXLLMFL3T8L95 |

## FINANCIAL CALENDAR

| | |
|---|---|
| Interim report for the period 1 July – 30 September 2021, Q3 | 10 November 2021 |
| Year-end report, Q4 | 16 February 2022 |
| Annual report 2021 | 8 April 2021 |
| Annual shareholders' meeting 2022 | 12 May 2021 |

# SUMMARY

## INTRODUCTION AND WARNINGS

| | |
|---|---|
| **Introduction and warnings** | This summary should be read as an introduction to this Prospectus. Any decision to invest in the securities should be based on an assessment of the Prospectus in its entirety by the investor.<br>Any decision to invest in securities entails risks and an investor may lose all or part of the invested capital. Where statements in respect of information contained in a Prospectus are challenged in a court of law, the plaintiff investor may, in accordance with member states' national legislation, be forced to pay the costs of translating the Prospectus before legal proceedings are initiated. Under civil law, only those individuals who have produced the summary, including translations thereof, may be enjoined, but only if the summary is misleading, incorrect or inconsistent with the other parts of the Prospectus or if it does not, together with other parts of the Prospectus, provide key information to help investors when considering whether to invest in the securities. |
| **The Issuer** | CTEK AB (publ), reg. no. 559217-4659, Rostugnsvägen 3, SE-776 70 Vikmanshyttan, Sweden.<br>LEI code: 5493007JXLLMFL3T8L95<br>Ticker: CTEK<br>ISIN code: SE0016798763 |
| **Information on the selling shareholders** | Altor Fund III GP Limited, reg. no. 100563, Po Box 730, 11-15 Seaton Place, St. Hellier Jersey JE4 0QH, Channel Islands, LEI code: 2138008M7H71WN6RAP92 and Faustina Ltd. reg. no. HE 202446, Thekla Lysioti 35, Eagle Star House, P.C. 3030, Limassol, Cypern, LEI code: 213800YI4L17P3GAW243. |
| **Competent Authority** | Finansinspektionen is the Swedish Financial Supervisory Authority (the "**SFSA**") and the competent authority responsible for approving the Swedish language version of the Prospectus (the "**Swedish Prospectus**"). Postal address: Box 7821, SE-103 97 Stockholm, Sweden. Telephone number: +46 (0)8 408 980 00. Website: www.fi.se. The Swedish Prospectus was approved by the SFSA on 13 September 2021. |

## KEY INFORMATION ON THE ISSUER

### Who is the issuer of the securities?

| | |
|---|---|
| **Issuer information** | Issuer of the securities is CTEK AB (publ), reg. no. 559217-4659. The Company's registered office is in Hedemora, Sweden. The Company is a Swedish public limited liability company founded in Sweden under Swedish law, incorporated on 20 August 2019 in Sweden and operating under Swedish law. The Company's form of association is governed by the Swedish Companies Act (2005:551). The Company's LEI code is 5493007JXLLMFL3T8L95. |
| **The issuer's principal activities** | CTEK is a global supplier of 12v battery chargers for various vehicles in the premium segment ("**premium low voltage chargers**") and a supplier of electric vehicle service equipment (EVSE). |
| **Major shareholders** | As of the date of this Prospectus, the Company's largest shareholders were as follows: |

| Shareholders | Number of shares | Percentage of shares and votes in the Company |
|---|---|---|
| Altor Fund III GP Limited | 35,641,791 | 84.1 |
| Faustina Ltd. | 4,125,000 | 9.7 |

| | |
|---|---|
| **Key managing directors** | The Company's board of directors consists of Hans Stråberg (chairman), Ola Carlsson, Michael Forsmark, Andreas Källström Säfweräng, Stefan Linder, Jessica Sandström, Pernilla Valfridsson, Daniel Forsberg (employee representative), Mats Lind (employee representative) and Alf Brodin (deputy board member and employee representative).<br>The Company's executive management consists of Jon Lind (CEO), Marcus Lorendal, Stig Mathisen, Henk Lubberts, Cecilia Routledge and Eva Martinsson. |
| **Auditor** | Ernst & Young has been the Group's auditor since 2012 and auditor for the Group's current parent company, CTEK AB, since its establishment in 2019. Ernst & Young was re-elected at the annual general meeting 2021 until the end of the annual general meeting 2022. Erik Sandström (born 1975) is the auditor in charge. |

## What is the key financial information regarding the issuer?

**Key financial information regarding the issuer**

### Selected income statement items

| | 1 Jan – 31 Dec | | | 1 Jan – 30 Jun | |
|---|---|---|---|---|---|
| **SEK million, unless otherwise stated** | **2020** | **2019** | **2018** | **2021** | **2020** |
| Net sales | 706,3 | 635,4 | 573,3 | 455,4 | 291,0 |
| Operating profit | 142,7 | 68,3 | 102,1 | 70,4 | 28,7 |
| Net profit for the year | 82,0 | 33,0 | 37,1 | 26,6 | –4,4 |

### Selected balance sheet items

| | 31 Dec | | | 30 Jun | |
|---|---|---|---|---|---|
| **SEK million** | **2020** | **2019** | **2018** | **2021** | **2020** |
| Total assets | 1 453,9 | 1 363,0 | 1 383,1 | 1 463,3 | 1 360,3 |
| Total equity | 285,6 | 201,0 | 179,7 | 311,9 | 197,8 |

### Selected cash flow items

| | 1 Jan – 31 Dec | | | 1 Jan – 30 Jun | |
|---|---|---|---|---|---|
| **SEK million** | **2020** | **2019** | **2018** | **2021** | **2020** |
| Cash flow from operating activities | 92,8 | 77,4 | 112,1 | 29,2 | 35,5 |
| Cash flow from investing activities | –43,0 | –48,9 | –171,6 | –26,6 | –21,0 |
| Cash flow from financing activities | –3,8 | –39,3 | 75,6 | –3,0 | –1,1 |

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

**Material risk factors specific to the issuer**

***CTEK is subject to risks related to macro-economic factors and geopolitical conditions***
Demand for CTEK's products and services is dependent on general economic conditions in the industry for low voltage chargers and charging-related products and services, as well as products and systems for rechargeable vehicles, which in turn is affected by macro-economic factors in the countries and regions in which CTEK operates. A substantial negative economic trend or political uncertainty in the markets where CTEK operates could lead to a significant industry-wide decline in sales. Such trend may have a negative impact on demand for the products that CTEK offers and thus CTEK's possibilities to maintain profitable pricing.

***CTEK is subject to risks related to market competition***
CTEK is active in a competitive industry characterised by rapidly changing industry standards and continuous improvements in performance and product characteristics. If CTEK is unable to develop and launch new or improved products and services or to the extent required to retain or improve its position in the market it may lead to customers purchasing products or services from competitors instead and thereby have a negative impact on CTEK's income.

***CTEK is subject to risks related to strong growth***
In recent years, CTEK has noted strong growth which has entailed, and is expected to continue to entail, high demands on CTEK's management and its operative and strategic work. There is a risk that CTEK's strong growth will result in difficulties in establishing a fully developed customer support to underpin the increase in demand. A high growth rate may mean CTEK will not be able to implement scalable processes and procedures at the right time, which may lead to loss of revenue and an adverse impact on results of operations.

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

| | |
|---|---|
| **Material risk factors specific to the issuer, cont.** | ***CTEK is subject to risks related to a shortage of components***<br>In 2021, CTEK suffered from a shortage of certain technical components at the same time as demand for consumer electronics rose. If the shortage of components in the automotive and consumer electronics industries continues and/or increases going forward, this may have a negative impact on CTEK and thus adversely impact CTEK's profitability and affect CTEK's results of operations.<br>***CTEK is subject to risks related to product development and other product-related risks***<br>The industry for CTEK's products is characterised by a need to offer high-quality products in an environment that places a high load on the products in combination with technical requirements that are constantly evolving. CTEK must therefore continuously develop and improve its products to align with customer demands, industry trends, applicable regulations and standards and important market characteristics, and also introduce and make available its products in the right geographic markets. However, there is a risk that the Company develops its products in the wrong direction and that resources are allocated to the development of products and solutions that do not meet the market's needs or attract new customers, which may lead to loss of revenue and/or increased costs and thus have an adverse impact on CTEK's margins and results of operations.<br>***CTEK is subject to risks related to compliance and non-compliance***<br>CTEK's global operations expose the Group to risks related to sustainability factors such as human rights, terms of employment and corruption. Risks may arise in various parts of the production chain, such as purchasing and sales. CTEK is also dependent on the compliance of its employees, suppliers and other external parties with applicable laws and regulations and with internal governing documents and policies. Violations or non-compliance with applicable laws and regulations would have an adverse impact on CTEK's operations and reputation.<br>***CTEK is subject to risks related to legislation, regulations and political decisions***<br>CTEK is active in a market that is subject to comprehensive regulation in respect of product safety requirements. If, as a result of new legislation, changes are made to these product safety requirements and CTEK is not fast enough at adapting its product range to comply with these changed requirements, there is a risk of delayed deliveries or that CTEK will not be able to meet market demands fast enough or to a sufficient degree. This could lead to increased costs, loss of revenue, which could adversely affect CTEK's operations, financial position and results of operations.<br>***CTEK is subject to environmental risks***<br>CTEK's operations are covered by a number of regulations pertaining to environment, health and safety. CTEK may be subject to claims from authorities, private individuals, companies or other parties that request compensation for alleged personal injury, damage to property or environmental damage caused by contaminants or dangerous substances originating from CTEK's activities or products. Disputes, inquiries and administrative proceedings, such as of the types mentioned above, may prove to be costly, time-consuming and have an adverse impact on CTEK's results of operations.<br>***CTEK is subject to risks related to legal and administrative proceedings***<br>CTEK may be subject to disputes or be compelled to pay fines that arise within the framework of operating activities. In addition, the Group may be subject to inquiries and legal proceedings initiated by competition authorities. Disputes and inquiries may be costly, time-consuming and may disrupt normal operations, and thus have a material adverse effect on the Group's results of operations.<br>***CTEK is subject to currency risks***<br>CTEK's products are sold in more than 70 countries and the Company is consequently exposed to currency risks. The main net export currencies to which CTEK is exposed to are **EUR**, **USD**, **SEK** and **GBP**. The main net import currency to which CTEK is exposed to is **USD**. There is a risk that the hedging transactions undertaken and any price increases to offset the effects of exchange-rate fluctuations are not sufficient to protect the Group from exchange-rate fluctuations. Comprehensive exchange-rate fluctuations may have an adverse impact on the Company's operating profit and financial position.<br>***CTEK is subject to liquidity and financing risks***<br>CTEK is subject to liquidity risk should the Group be unable to fulfil payment obligations due to insufficient cash and cash equivalents, for example if there is a credit crisis or serious adverse economic conditions in the countries where the Group has operations. In addition, CTEK is subject to the risk that the financing of the Group's capital requirements and the refinancing of loans outstanding may become more difficult or expensive in the future. There is a risk that financing opportunities do not remain available to the Group on acceptable terms. A large decline in the Group's credit rating or profitability, significant interest rate increases and significant reductions in access to credit or more stringent conditions from lenders would restrict the Group's access to capital, including its ability to raise additional loans and issue shares. |

## KEY INFORMATION REGARDING THE SECURITIES

### The main features of the securities

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| **Securities offered/ Securities subject to admission to trading** | Shares in CTEK AB (publ), reg. no. 559217-4659. ISIN code: SE0016798763<br>The shares are denominated in SEK. |
| **Total number of shares in the Company** | As of the date of this Prospectus, there are 42,359,550 issued shares in CTEK. The share capital amounts to SEK 42,359,550. After the completion of the Offering, the Company's share capital will amount to SEK 49,292,936. |
| **Rights associated with the securities** | Each share in the Company entitles the holder to one vote at shareholders' meetings and each shareholder is entitled to cast votes equal in number to the number of shares held by the shareholder in the Company. If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, shareholders shall, as a general rule, have preferential rights to subscribe for such securities proportionally to the number of shares held prior to the issue. The shares carry the right to payment of dividend for the first time on the record date for distribution which falls immediately after the listing.<br>All shares in the Company give equal rights to dividends and the Company's assets and possible surpluses in the event of liquidation.<br>With exception of the undertakings not to transfer shares in the Company during a certain period of time from the first day of trading of the Company's shares on Nasdaq Stockholm from, among others, the Selling Shareholders, the shares in the Company are freely transferable in accordance with applicable law.<br>The rights associated with the shares issued by the Company, including those pursuant to the articles of association, can only be amended in accordance with the procedures set out in the Swedish Companies Act (2005:551). |
| **Dividend and dividend policy** | CTEK invests its resources in growth and business development. In addition, CTEK aims to distribute 30 percent of net profit for the year. |

### Where will the securities be traded?

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| **Admission to trading** | The shares offered will be admitted to trading on Nasdaq Stockholm.<br>On 25 August 2021, the Nasdaq Stockholm Listing Committee made the assessment to admit the Company's shares to trading subject to the customary free-float requirements being met by the listing date, which is expected to be 24 September 2021. |

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

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| **Material risk factors specific to the securities** | ***The share price could be volatile and share-price trend is dependent on a number of factors***<br>Since an investment in shares may increase or decrease in value, there is a risk that investors will not recover their invested capital. Prior to the Offering, there has been no orderly trading arranged for CTEK's shares. There is a risk that an active and liquid market will not develop or, if developed, that it will not be sustained after completion of the Offering.<br>***Sales of shares by existing shareholders could cause the share price to decline***<br>The price of CTEK's share could decline if there are substantial sales of CTEK's shares, particularly sales by CTEK's board members, executive management and major shareholders, or otherwise when a large number of shares are sold. The Principal Owner Altor Fund III GP Limited, shareholding Board Members and certain shareholding employees in the Group, including the members of the Company's Executive Management have undertaken for a certain period, subject to certain exceptions – not to sell their shares or enter into transactions with a similar effect without the prior written consent of the Managers. After the expiry of the relevant Lock-up Period, the shareholders subject to Lock-up will be free to sell their shares in CTEK. Any sales of substantial amounts of CTEK's shares by the Selling Shareholders or other existing shareholders in CTEK after the end of the Lock-up Periods, or the perception that such sales might occur, could cause the price of CTEK's shares to decline. |

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| **Material risk factors specific to the securities, cont.** | ***CTEK's largest shareholders can exercise a significant influence over CTEK***<br>After completion of the Offering, CTEK's major shareholders are expected to hold shares and votes in CTEK. The major shareholders may thus, following the listing, have a substantial influence over CTEK on issues that are subject to shareholders' approval, including the election of board members, possible mergers, consolidation or sales of all, or significant parts, of CTEK's assets. A concentration of ownership may act to the disadvantage of shareholders that have interests other than those of the major shareholders. Their interests may diverge considerably from or compete with the interests of CTEK and those of other shareholders.<br>***CTEK's ability to pay any dividends in the future is dependent on several factors***<br>Dividends may only be paid if there are distributable funds at CTEK and in such an amount that is justifiable with respect to the requirements imposed by the nature, scope and risks of the business on the amount of equity as well as CTEK's consolidation needs, liquidity and position in general for a certain financial year. Furthermore, CTEK's ability to pay dividend in the future is influenced by the Group's future earnings, financial position, cash flows, working capital requirements and other factors. However, there is a risk that distributable funds are not available during a single financial year, which would reduce return on an investor's invested capital. |

## KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

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

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| **Offering forms and conditions** | **General**<br>The Offering comprises 30,621,798 shares, of which 26,273,971 existing shares are offered by the Principal Owner Altor Fund III GP Limited and the shareholder Faustina Ltd. and 4,347,827 new shares are offered by the Company. The Offering is divided into two parts:<br>- The offer to the general public in Sweden<br>- The offer to institutional investors in Sweden and abroad<br>**Offering Price**<br>The Offering Price has been set to SEK 69 per share by the Company and the Principal Owner Altor Fund III GP Limited in consultation with the Managers, based on a number of factors, including discussions with specific institutional investors, a comparison with the market price of similar listed companies, a precedent transaction analysis for companies in the same industry, current market conditions and estimates of CTEK's future prospects and earnings.<br>**Allotment**<br>The decision on allotment of shares is made by the Company and the Principal Owner Altor Fund III GP Limited in consultation with Carnegie, whereby the objective will be to achieve a strong institutional shareholder base and a broad distribution of shares among the public to promote active and liquid trading in the Company's shares on Nasdaq Stockholm. |
| **Timetable for the Offering** | Offering Price: SEK 69 per share<br>Application period for the general public: 14 – 23 September 2021<br>First day of trading in CTEK's shares: 24 September 2021<br>Settlement date: 28 September 2021 |
| **Information about admission to trading on a regulated market** | On 25 August 2021, the Nasdaq Stockholm Listing Committee made the assessment to admit the Company's shares to trading subject to the customary free-float requirements being met by the listing date, which is expected to be 24 September 2021. |
| **Dilution effect** | The new share issue in the Offering can result in an increase in the number of shares in the Company up to 49,292,936, corresponding to a dilution of 8.8 percent for existing shares in the Company.[1)] |
| **Issue costs** | Issue costs are estimated to amount to SEK 55 million, of which SEK 39 million is expected to affect the income statement. SEK 24 million is included in the Company's accounting up until 30 June 2021. |
| **Costs imposed on investors by the issuer or offeror** | No commission will be charged. |

1) The Company is provided SEK 300 million through the new share issue in the Offering. In connection with the Offering the Company is provided with an additional amount up to SEK 77 million from existing shareholders, due to *inter alia* subscription of shares by the exercise of existing warrants in the Company.

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

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| **Offeror and person asking for admission to trading** | CTEK AB (publ) is a Swedish public limited liability company founded and incorporated in Sweden in accordance with Swedish law. The business operation is conducted in accordance with Swedish law. The Company's form of association is governed by the Swedish Companies Act (2005:551). The Company's LEI code is 5493007JXLLMFL3T8L95.<br>Selling shareholders are Altor Fund III GP Limited, reg.no. 100563, med säte i St. Hellier Jersey, Channel Islands LEI code: 2138008M7H71WN6RAP9 and Faustina Ltd., reg.no. HE 202446, Thekla Lysioti 35, Eagle Star House, P.C. 3030, Limassol, Cypern, LEI-kod: 213800YI4L17P3GAW243. |

## Why is this Prospectus being produced?

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| **Background and reasons** | CTEK is the leading global supplier of battery chargers for various vehicles in the premium segment and the second-largest supplier of electric vehicle service equipment (EVSE) in Sweden[1]. The Company is characterised by a strong innovation culture and works continuously to improve and develop new products to suit customer needs. CTEK was founded in Vikmanshyttan in 1997 and now has sales in more than 70 countries. With a history of innovation and technology leadership, the Company meets new customer requirements by continuously developing its product offering and operations pro-actively. Based on its technology leadership, the Company has established strong and long-standing customer relationships with more than 50 of the world's most prestigious OEMs. In addition to OEMs, the Company also offers products to workshops, distributors, retailers, parking lots, charge point operators, property owners and consumers.<br>The board of CTEK, together with the Principal Owner Altor Fund III GP Limited, believe that now is an appropriate time to strengthen CTEK's profile by listing the Company's shares for trading on Nasdaq Stockholm. The Company's board of directors believes that a listing on Nasdaq Stockholm will raise awareness and generate publicity for the Company and its products, strengthen CTEK's profile for investors and customers and enhance the ability to attract and retain key people and other experienced employees.<br>The aim of the Offering and the listing is to broaden the Company's shareholder base and give the Company access to Swedish and international capital markets, which is expected to promote the Company's continued growth and development. The board of directors and the Company's executive management believe, together with the Principal Owner Altor Fund III GP Limited, that the Offering and listing of the Company's shares are a logical and major step in the Company's development and will create even more awareness about the Company and its activities among existing and potential customers and suppliers. For these reasons, the board of directors has submitted a listing application to Nasdaq Stockholm. |
| **Issue proceeds and reason** | The Offering will provide the Company with proceeds of approximately SEK 300 million before deduction of transaction costs.[2] The issue proceeds of SEK 300 million shall be used to reduce the Company's indebtedness through repayment of existing non-current loans and debts for an enhanced financial flexibility, and thus enhance CTEK's operational strategy.<br>The listing on Nasdaq Stockholm will improve the conditions for broadening the Company's shareholder base and give the Company additional access to Swedish and international capital markets, which is expected to promote the Company's continued growth and development. |
| **Conflict of interests** | Managers provide financial advice to CTEK and Altor Fund III GP Limitedin conjunction with the Offering and the listing on Nasdaq Stockholm. From time to time, Managers (and their affiliates) have in the ordinary course of business provided, and may in the future provide, various banking, financial, investment, commercial and other services to CTEK, Altor Fund III GP Limited and Altor Fund III GP Limited's related parties for which they have received, and may receive, compensation.<br>Carnegie is the Sole Global Coordinator and Joint Bookrunner in the Offering. Altor Fund III GP Limited indirectly holds approximately 68 percent of Carnegie's parent company, Carnegie Holding AB. Altor Equity Partners AB is the investment adviser to the Altor Fund III GP Limited. Neither Carnegie Holding AB or any of its subsidiaries have any direct or indirect ownership in the Company. Swedbank is a Joint Bookrunner in the Offer and also a creditor of the Company.<br>Advokatfirman Vinge KB and Cleary Gottlieb Steen & Hamilton LLP have acted as legal advisers in connection with the Offering and listing. They may provide additional legal services to the Company. |

1) Source: The Company's assessments. CTEK has the highest market share of all players in the global premium low voltage (12v) market based on estimated volume of premium 12v battery chargers. As per 2020, CTEK had the second-largest share of the Swedish market for AC chargers for EVs and accessories based on estimated market size, CTEK's net sales and triangulation with industry experts regarding the presence and size of other market players.

2) SEK 300 million is provided through the new share issue in the Offering. In connection with the Offering, the Company is provided with an additional amount up to SEK 77 million from existing shareholders due to *inter alia* subscription of shares by the exercise of existing warrants in the Company. These proceeds will also be used by the Company to reduce the Company's indebtedness through repayment of existing non-current loans.

# RISK FACTORS

*This section contains the risk factors and significant circumstances considered to be material to the Group's business and future development. The risk factors relate to the Group's business, industry and markets, and further include operating, strategic, financial, legal and regulatory risks as well as risk factors related to the securities. The assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative consequences. In accordance with the Prospectus Regulation, the risk factors mentioned below are limited to risks which are specific to the Company and/or to the securities and which are material for taking an informed investment decision.*

*The description below is based on information available as of the date of this Prospectus. The risk factors that are currently considered to be the most material are presented first in each category and the subsequent risk factors are presented in no particular order.*

## RISKS RELATING TO CTEK

### Risks relating to CTEK's business and industry

#### CTEK is subject to risks related to macro-economic factors and geopolitical conditions

CTEK is a global supplier of 12V battery chargers for various vehicles in the premium segment ("**premium low voltage chargers**") and a supplier of electric vehicle service equipment ("**EVSE**"). Operations are divided into three divisions, Original Equipment (sales of SEK 86 million in 2020), Aftermarket (sales of SEK 516 million in 2020) and Energy & Facilities (sales of SEK 85 million in 2020). CTEK's products are sold to consumers and to a range of professional users, including Porsche in Original Equipment, Mekonomen in Aftermarket and Vattenfall in Energy & Facilities. CTEK offers products in two product categories: EVSE and premium low voltage chargers. EVSE products comprise electric vehicle equipment and products in premium low voltage chargers comprise 12v battery chargers for various vehicles in the premium segment.

Demand for CTEK's products and services is dependent on general economic conditions in the industry for low voltage chargers and charging-related products and services, as well as products and systems for rechargeable vehicles, which in turn is affected by macro-economic factors in the countries and regions in which CTEK operates. Examples of such factors are the rate of growth of the global and local economy, employment rates and household disposable incomes, population growth and urbanisation, exchange-rate fluctuations, tariffs and other trade-restrictive measures, raw-material prices and inflation. A substantial negative economic trend or political uncertainty in the markets where CTEK operates could lead to a significant industry-wide decline in sales. Such trend may have a negative impact on demand for the products that CTEK offers and thus CTEK's possibilities to maintain profitable pricing. For example, the effects on the global economy of Brexit remain uncertain and there is a risk that Brexit could have unforeseeable consequences for the credit markets, the EU's internal market and other key finance and trade relations. CTEK intends to increase its sales further in the UK and trade barriers that arise as a result of Brexit may impede or prevent such growth. Moreover, the current coronavirus outbreak (COVID-19) may also impact the general economic trend, both globally and regionally, and have a negative impact on demand for the Group's products and services (refer also to "*CTEK is subject to risks related to the coronavirus outbreak*" below). The global economy has also been affected by the trade conflict between the US and China, which has led to trade barriers and increased costs for the industry for low voltage chargers and charging-related products and services, as well as products and systems for rechargeable vehicles. As per the six-month period ending 30 June 2021, 82 percent stemmed from Europe, 13 percent stemmed from Asia (including Australia) and 5 percent stemmed from North America. Europe, Asia (including Australia) represent the Group's geographic regions.

A significant negative economic trend or long-lasting political uncertainty in any of these markets could therefore lead to reduced revenue with a resulting adverse impact on the Group's net sales and earnings.

#### CTEK is subject to risks related to market competition

CTEK is active in a competitive industry characterised by rapidly changing industry standards and continuous improvements in performance and product characteristics. Competitive factors include selling price, performance and quality, reputation, energy efficiency and aftermarket services. CTEK competes with a number of competitors, such as EVBox, Alfen, KEBA, Charge Amps, Zaptec, Easee and Garo in the EVSE product category, and DEFA, NOCO, GYS, Bosch, Victron Energy and Schumacher in the premium low voltage chargers product category, several of which have strong brands or patents and significant financial capacity. The Company is of the opinion that competition in the EVSE market is more challenging compared with the premium low voltage charger market. The EVSE market is relatively new in which several smaller companies are still establishing operations and offering products at low prices. Price pressure is a natural feature of a competitive market. There is a risk that CTEK's competitors develop their product range, which could lead to end customers increasingly choosing products that compete with CTEK's current and future product range. This could adversely impact CTEK's operations, financial position and earnings. If other operators, such as those active in the same industry but in another product segment than CTEK, were to manufacture similar products to CTEK this would further increase competition and price pressure, CTEK may be forced to lower prices for its products or to increase its investments in marketing measures, which risks leading to decreased gross margins and/or increased costs for the Company. Furthermore, CTEK's distributors and retailers may begin to sell similar products as the Company under their own private labels, which could lead such operators to choose not to sell CTEK's products. Several of CTEK's competitors are also globally active and are large, well-established companies with greater financial resources than CTEK.

In addition, there is a risk that CTEK is unable to develop and launch new or improved products and services or to the extent required to retain or improve its position in the market for low voltage chargers, charging-related products and services as well as products and systems for rechargeable vehicles. If other product alternatives with similar or other characteristics are launched in the markets where CTEK operates, this may lead customers to purchase products or services from competitors instead and thereby have a negative impact on CTEK's income.

To deal with a competitive environment, the Group may be compelled to increase efficiency by further reducing costs in the value chain, for example through design changes and production streamlining. Such measures could adversely affect CTEK's margins and earnings. Increased competition that compels CTEK to lower its prices to retain customers and market shares would have a negative impact on CTEK's margins, earnings and business development. If CTEK also experiences a significant decline in order volume and income or loses important or major customers due to increased competition, this would have a significant adverse impact on its sales, gross margins and earnings.

### CTEK is subject to risks related to strong growth

In recent years, CTEK has noted strong growth with an average annual growth rate of 18.2 percent from the beginning of the 2018 financial year until the six-month period ending 30 June 2021. The strong growth in CTEK's business has entailed, and is expected to continue to entail, high demands on CTEK's management and its operative and strategic work. There is a risk that CTEK's strong growth will result in difficulties in establishing a fully developed customer support to underpin the increase in demand, and the increased order intake may lead to a major decline in the Company's inventory levels and there is a risk that the Company's measures to offset insufficient inventory levels will be inadequate. Furthermore, a high growth rate may mean CTEK will not be able to implement scalable processes and procedures at the right time, which may lead to loss of revenue and an adverse impact on results of operations.

CTEK may also, as part of its operations, be subject to new product and certification requirements. In CTEK's operating environment, product development and product improvements are critical factors to maintain margins and enable sales growth in all of CTEK's divisions. In pace with continued strong growth, CTEK must develop and improve its products to align with new product and certification requirements. This means CTEK may be exposed to more time-consuming and costly measures to ensure that its products comply with applicable requirements. If CTEK were to fail in its product development, meaning that product and certification requirements are not met in a timely fashion, CTEK risks being unable to leverage additional growth opportunities. Such a situation could lead to a decline in sales and lower margins.

CTEK's access to competent employees is highly important to achieve strategic and operational goals. Alongside strong growth, it is therefore important that CTEK successfully recruits and retains employees with the right expertise. Growth that is too strong could result in problems in recruiting and retaining competent employees (such as support staff, sales staff and staff with expertise in EVSE). Similarly, growth that is too strong could lead to CTEK failing to implement standardised work methods in time, which could result in an inefficient organization, for example if customer support functions were unable to deal with the increased inflow of customer cases. Overall, this could have a long-term impact on CTEK's capacity to undertake ongoing projects in parallel with operating activities, which in turn may have an adverse impact on CTEK's operating profit.

Furthermore, growth that is too strong could mean CTEK's IT systems cannot be developed and implemented at the necessary pace to manage an increase in customer numbers and users of CTEK's products. (refer to "*CTEK is subject to risks related to IT and cybersecurity*").

If CTEK is not successful in effectively managing the consequences of strong growth due to the size of operations and the complexity resulting from future growth, it could have a material adverse effect on CTEK's cost base and margins, and thus have an impact on its operations, earnings and financial position.

### CTEK is subject to risks related to a shortage of components

In 2021, and in the wake of the coronavirus pandemic, the automotive industry suffered from a shortage of certain technical components at the same time as demand for consumer electronics rose. As a result, competition for the same or similar components has intensified between industries. If the shortage of components in the automotive and consumer electronics industries continues and/or increases going forward, this may have a negative impact on CTEK. In the long term, such a negative trend could – together with sustained high demand – mean that CTEK's current inventory levels could fall to such an extent that CTEK is unable to deliver its products on time. Such a negative trend could also inhibit CTEK from leveraging growth opportunities, and thus may adversely impact CTEK's profitability and affect CTEK's results of operations.

Furthermore, all of CTEK's products are manufactured in China. Chinese suppliers have been negatively affected by the coronavirus pandemic, resulting in delays in deliveries. Sustained delivery delays from Chinese suppliers could therefore eventually result in delays in product deliveries by CTEK to customers, increased costs and loss of income and thus may have an adverse impact on margins and CTEK's results of operations. Such shortages of components could arise in the future due to other overarching trends or events, such as in the event of a comprehensive technology shift in the industry where the Company operates, which would result in a substantial increase in demand for specific components. By extension, this risks leading to loss of income and an adverse impact on CTEK's results of operations.

### CTEK is subject to risks related to product development and other product-related risks

The industry for CTEK's products is characterised by a need to offer high-quality products in an environment that places a high load on the products in combination with technical requirements that are constantly evolving, which affects both hardware and software. Similar to many other industries, the industry for CTEK's products has in recent years experienced rising demand and clear requirements concerning IT and product safety, usability, ESG and connectivity. In this environment, product development and product improvements are critical factors to maintain margins and enable sales growth in all of the Group's divisions. CTEK must therefore continuously develop and improve its products to align with customer demands, industry trends, applicable regulations and standards and important market characteristics, and also introduce and make available its products in the right geographic markets. Product development and innovation also require that the Company invests significant financial resources in research and development. In 2020, CTEK's development expenditure amounted to SEK 38 million. However, there is a risk that the Company develops its products in the wrong direction and that resources are allocated to the development of products and solutions that do not meet the market's needs or attract new customers, which may lead to loss of revenue and/or increased costs and thus have an adverse impact on CTEK's margins and results of operations.

In addition, all of CTEK's products and product lines are subject to regulations in, *inter alia*, Europe, the US, Australia, South Korea and Japan. These include regulations concerning the tracing of conflict minerals in supply chains, and the Low Voltage Directive 2014/35/EU of the European Parliament and of the Council. Many of CTEK's products contain tin from soldering which is carried out by the Company's suppliers. Tin is one of four conflict minerals, which means the aforementioned regulations place demands to ensure complete traceability and transparency in the supply chain in CTEK's operations.[1)] CTEK's operations therefore require the preparation of, and compliance with, internal procedures in all of the Group's markets and in all regions to ensure compliance with the requirements for these products. However, there is a risk that the Company may not be successful in ensuring that adequate systems and controls are maintained to scrutinise product quality and that products therefore do not fulfil applicable product requirements. If any of CTEK's products were to have deficiencies that lead to serious accidents or harm, there is a risk that regulatory authorities resolve to prohibit sales or that the supplier is compelled to recall products from the market or publish warning information. If CTEK does not comply with such requirements, the Group also risks facing fines and claims from contract partners and external parties.

If a product results in personal injury or damage to property, CTEK might also be compelled to recall the product or face product liability claims. If a component in a product delivered to a customer contains a fault that affects safety, CTEK could also be called on to replace the component. Product liability claims may amount to significant amounts as any damage caused by CTEK's products can be substantial. CTEK receives a small number of product liability claims each year, which e.g. may arise in connection with fires. Early in 2018, a fire started at a sales premises in Brest, France and it was claimed that a low voltage charger developed by the Company caused the fire. The incident in France is an ongoing insurance matter and the claims have been disputed as the Company was not at fault for the fire. CTEK has product liability insurance that covers any claims targeting the Company for damage considered to have been caused by any of the Company's products. However, CTEK could incur losses that exceed the insurance coverage, suffer from reputational damage or be denied its insurance claims. Significant product recalls or product liability claims could have a material adverse effect on the CTEK's operations, earnings and financial position, and thus deterioration in gross margins and/or damage CTEK's brand.

### CTEK is subject to risks related to suppliers, retailers and distributors and other external parties

CTEK's manufacturing takes place through purchase of finished products from suppliers in China, and CTEK therefore does not have its own serial production. Manufacturing by suppliers is dependent on access to, and on-time deliveries of, components and raw materials. Furthermore, certain important parts, products as well as patented and customised components, such as programmed processors, are only available from one sub-supplier or a limited number of sub-suppliers. If such sub-suppliers cease or discontinue production or deliveries or otherwise fail to deliver such components to the Group's suppliers, there is a risk that suppliers are unable to obtain these products or patented and customised components for a certain period of time, which would have a material adverse impact on CTEK's operations and may lead to loss of revenue. If CTEK is compelled to replace or enter into a partnership with a new supplier as a result, this could lead to significant costs and work for CTEK in evaluating and approving a new provider. CTEK may also experience difficulties in purchasing or obtaining products as well as patented and customised components within a reasonable period of time or at an acceptable price. Any major delay in deliveries from suppliers resulting in, in turn, delays for the Company may entail a reduction in the Company's sales or the termination of partnership agreements, which would have an adverse impact on CTEK's results of operations.

CTEK's operations are divided into three divisions; Energy & Facilities, Original Equipment and Aftermarket. The sale of products in

1) Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas.

Energy & Facilities is conducted through wholesalers and retailers as well as through direct sales to customers. Original Equipment products are primarily sold directly to customers and OEMs. In a limited number of cases, Original Equipment products are sold through distributors in Italy, South Korea and Japan. Aftermarket products are sold through external distributors and through direct sales via CTEK's own website. In certain markets and certain product categories, the Group relies on a limited number of external distributors, such as the distribution companies KGK, Jula, Mekonomen, AD Bildelar, Clas Ohlsson, Saxon and Ashdown Ingram. If CTEK's agreements with these parties were to end, be cancelled, changed or renegotiated in an unfavourable manner, there is a risk that the Group's sales capacity would be adversely impacted for a certain period of time, particularly if such a cancellation or unfavourable change concerned a major distributor or retailer. If CTEK is compelled to replace or enter into a partnership with a new distributor, this could lead to increased costs relating to work for procurements, evaluation and approval of a new provider with the corresponding selling capacity.

### CTEK is subject to risks related to the manufacturing of CTEK's products

CTEK's manufacturing takes place through purchasing finished products from suppliers in China. Major manufacturing outages and disruptions could have a negative impact on CTEK's opportunities to fulfil its undertakings to customers. Such outages and disruptions may arise from unfavourable geopolitical developments, extreme weather conditions and natural disasters, fires, theft, system failures, mechanical errors or equipment breakdowns. Epidemics or pandemics, such as the current coronavirus outbreak, may also impact the Group's manufacturing capacity (refer also to "*CTEK is subject to risks related to the coronavirus outbreak*" below). CTEK may also, periodically, relocate parts of its manufacturing operations to new factories. The relocation of production from one facility to another involves costly and complex processes and entails risks of further disruption and delays during the relocation or construction period. Manufacturing in Sweden, meaning processor programming, involves information and know-how that may be copied. Any relocation of processor programming may also entail a risk that know-how or other inherent intellectual property rights are disseminated or restricted. Widespread disruption in operations and/or at manufacturing facilities or unforeseen delays from relocating to new facilities, whether because of technical problems of the workforce or delays in respect of authorisations or problems in commissioning, would result in delays to the delivery of products to customers, increased costs and reduced income.

### CTEK is subject to risks related to the outbreak of coronavirus

In late December 2019, an outbreak of a new coronavirus (later designated COVID-19) was detected in the city of Wuhan, in China's Hubei province. On 30 January 2020, it was classified by the WHO as a Public Health Emergency of International Concern. Coronavirus cases were reported in many countries worldwide, including in Asia, Europe, North America, South America and Australia.

The coronavirus outbreak in China led to decisions from authorities to close down cities and various business operations, which affected the Group's purchasing from, and manufacturing in, China. Since CTEK purchases products from China, and with manufacturing operations in Shenzhen being of particular importance, the closure of the Chinese industry and market may entail problems for the Group's purchasing of products and production capacity due to such factors as a shortage of components. The situation may also adversely influence demand in China and in adjacent regions. CTEK's inventory levels in China, Europe and the US have provided a buffer for CTEK in connection with delivery and manufacturing disruptions due to the outbreak of the coronavirus. If CTEK's inventory levels were to fall, in pace with possible delivery disruptions, this could entail difficulties for CTEK to meet an increase in demand for its products. Such situation may lead to reduced revenue and may have an adverse impact on sales.

The continued spread and consequences of the coronavirus are currently very difficult to anticipate. Extended uncertainty and a failure to control the virus may have several adverse implications for CTEK and its global presence as well as the subsequent impact on the Group's cash flow, net sales and profitability. In the short term, the Group has resolved to limit employee travel and such restrictions may need to be extended depending on the spread of the coronavirus, which could restrict sales, marketing and service activities carried out by the Group. CTEK may also need to adapt operations, inventory levels and manufacturing operations to a lower level of activity and possible disruptions in the supply chain, which may have a negative impact on several functions, including sales, marketing, distribution and manufacturing. Ultimately, the coronavirus pandemic may also slow the demand for the Group's products. Thus, there is a risk that a continued spread of the coronavirus may lead to increase of costs and loss of income, which could have an adverse impact on CTEK's results of operations.

Depending on the spread of the coronavirus, it is also reasonable to assume that stock markets around the world will be highly volatile and that share prices will be subject to extraordinary fluctuations. There is therefore a risk that CTEK's share will follow the general market volatility, regardless of the Group's earnings and performance, and fall significantly in value following its listing on Nasdaq Stockholm.

### CTEK is subject to risks related to raw materials and components

On a global and local level, a supplier's access to, and price for, raw materials and components are subject to significant price variations. Such raw materials comprise metals (such as copper, aluminium, nickel and tin), plastic (such as ABS, PC and PE), crystalline silicone (which is the main component in semiconductor boards), and to a lesser extent paper and board. Price variations are the result of changes in supply and demand, transport costs, regulations and tariffs, exchange-rate fluctuations, price controls, inflation and the economic climate, as well as other unforeseen circumstances. Changes in raw material prices affect the supplier's procurement costs and may therefore also impact the Group's procurement costs and margins. Suppliers in China account for approximately 80-90 percent of deliveries of raw materials and components to the Group. The lack of access to, or higher prices for, such components described above, due to, for example, decisions by local authorities, could adversely affect the Company's costs or production times in all product categories. Such shortcomings or price variations, however, would have the greatest impact on products in EVSE as these are more likely to contain metals that are subject to fluctuating prices. Higher energy prices also have an adverse impact on Group costs. Furthermore, increased tariffs and other trade-restrictive measures related to raw materials or products that CTEK's suppliers use in manufacturing operations may result in increased production costs, which in turn would have an adverse impact on CTEK's earnings. Changes described above had a limited impact on CTEK in 2020. It is also unclear if and when any changes similar to those above may impact the Group in 2021. A shortage of raw materials would have a negative impact on CTEK's suppliers' ability to manufacture products, which may lead to loss of revenue and thus have an adverse impact on CTEK's results of operations.

### CTEK is subject to risks related to IT and cybersecurity

CTEK must maintain a well-functioning IT infrastructure to ensure continuity and improve efficiency in operations. A well-functioning IT infrastructure is also important in communications with customers and to retain financial precision and efficiency. Cyberattacks, IT system interruptions, including outages in suppliers' or other external parties' IT systems, are likely to give rise to disruption in CTEK's operations. Such disruption may result in transaction errors, inefficiency in data processing, delays or cancellations of customer orders, loss of customers, deterioration in manufacturing or deliveries of products or other operational disruptions. A major IT system outage or security breach would have a material adverse effect on CTEK's operations, earnings and financial position. To prevent risks related to IT and cybersecurity, CTEK holds internal security training for all employees and routinely evaluates additional measures that may reduce such risks. However, there is a risk that the measures taken by CTEK are inadequate, which may lead to the Company experiencing difficulties in identifying and rectifying problems as well as maintaining and developing an increasingly complex IT environment, which by extension risks leading to increased costs and an adverse impact on results of operations.

Parts of CTEK's IT environment are outsourced to external IT providers. For example, CTEK has signed an agreement with the IT provider Iver to manage internal support. Iver also provides the hardware used by CTEK for its infrastructure. There is a risk that new and outsourced IT infrastructure services prove to be deficient or incompatible with operations run by CTEK. If CTEK's IT infrastructure does not perform in a satisfactory manner, and if this leads to inefficiency or major disruptions in operations, this would have a material adverse effect on the Group's operations. The Group's IT system is also being restructured and all hardware are to be replaced to upgrade the IT system. Any delays or other disruption in the restructuring of the IT system could entail possible risks, such as delays in creating a fully functional IT system.

CTEK's operations are also subject to risks related to cybersecurity. These include cybersecurity risks in product development, sales and manufacturing. Weaknesses in cybersecurity could result in unforeseen and unauthorised intrusions into CTEK's internal IT environment, into the supplier and distributor chains and/or into CTEK's connected products. Information about products, contracts, selling prices and costs constitute sensitive information that could be subject to cybersecurity threats. CTEK is mainly exposed to attacks from malware and ransomware, though cyber-related risks may also arise from the loss of information resulting from insufficient or incorrect internal processes, outages or technical faults, human error or natural disasters. These risks may also exist at CTEK's suppliers, distributors and other external parties with which CTEK interacts. It is unclear the extent to which cyber-related risks may impact CTEK and this represents a significant risk for the Group as it may lead to disruption in operations, loss of important data, loss of income and reputational damage which could lead to an adverse impact on results of operations.

### CTEK is dependent on maintaining its reputation

CTEK is a strong and internationally recognized premium brand. The Group's success is dependent on its ability to maintain and improve its reputation and its brand image. If the Group fails to achieve this or if, whether or not this is justified, CTEK's reputation or perception of the brand is seriously damaged or suffers from comprehensive negative publicity, CTEK would be adversely affected. Comprehensive negative publicity regarding regulatory or legal processes against CTEK would also damage its reputation and brand image. Even if any regulatory or legal processes are unfounded or are of minor importance for the operations, customer confidence in the Group could be undermined by such negative publicity, which could lead to an adverse impact on results of operations.

CTEK's ability to maintain and strengthen its brand is also dependent on the Group's opportunities to adapt to a rapidly changing media landscape, which includes the increasing importance of digital media. Negative posts or comments about CTEK in social media and other websites that quickly spread through such forums could cause substantial damage to the Group's reputation, brand, operations and results of operations.

### CTEK is dependent on attracting and retaining employees with key expertise

Dedicated employees and leaders are important for CTEK and its ability to achieve its goals and visions. CTEK is dependent on continued services and achievements from its key employees, management team and skilled employees. Within CTEK's operations, it is important to recruit and retain employees such as engineers with specialist expertise in product development in the EVSE product category. Furthermore, and as part of CTEK's strategy to expand geographically, there is a need to recruit and retain sales employees in new geographic locations. As new certification requirements and standards are added, it is also important that CTEK can attract and retain individuals with regulatory compliance competencies. A shortage of qualified personnel, in the aforementioned categories, may arise in the industry and for CTEK this is particularly apparent in China and Sweden. Any inability to employ, develop, engage and retain or replace a key individual or qualified employee would significantly restrict the Group's operations. A shortage of qualified personnel would obstruct the Group's ability to successfully develop and release new products in the market at the necessary pace. Moreover, an insufficient number of qualified employees could lead to the Group experiencing difficulties in successfully identifying and implementing new business opportunities and strategies, which by extension risks having a negative impact on the Company's competitiveness. There is also a risk that competent employees leave CTEK and move to competitors. If such former employees with a good insight into CTEK also take other skilled employees with them, then this risk is amplified. The risks described above may therefore lead to significant loss of income and increased costs, which would have a material adverse effect on CTEK's operations, earnings and financial position.

In a business environment characterised by strong competition, it is important to attract and retain employees with the right expertise, experience and values. However, this can be a particular challenge in growth markets and in special areas of expertise, such as regulatory compliance and EVSE where competition for qualified employees is high and the available skilled staff may be limited. In order to address increased competition for qualified employees, CTEK may need to increase its remuneration levels, which would have an adverse impact on CTEK's results of operations. Higher remuneration levels can already be seen in the industry for EVSE where demand for employees with expertise in EVSE is high.

### CTEK is subject to risks related to mergers, acquisitions and divestments

The CTEK Group may acquire and invest in companies in Sweden or abroad. In 2018, the Company acquired Chargestorm, in order to, *inter alia*, enable expansion and growth in the EVSE product segment. Mergers and acquisitions entail risks related to integration of new operations and employees. It is therefore important in conjunction with mergers and acquisitions to retain key individuals and to have a well-functioning and effective integration process. There is a risk that dissatisfaction arises among employees in the acquired operations and among CTEK's personnel. Dissatisfaction may, in turn, lead to important employees choosing to terminate their employment. Moreover, CTEK may incur significant acquisition costs and restructuring costs or other costs in conjunction with mergers and acquisitions. There is also a risk that expected synergies are not realised, or that additional integration costs are needed to achieve these synergies, and thus have an adverse impact on CTEK's results of operations. Following the completion of mergers and acquisitions, there is also a risk that business relationships with customers, retailers, distributors and suppliers change or end, which could make it more difficult for CTEK to successfully achieve the expected synergies. These risks are particularly tangible when acquiring companies with a similar product range as CTEK, or that operates in the same segment or regions as the Group.

CTEK may also be compelled to raise additional loans or issue shares to finance the acquisition and these financing alternatives may not be available on favourable terms when they are needed. There is also a risk that due diligence reviews, if such are performed, do not identify all of the issues necessary to estimate costs and potential losses in a certain transaction, including potential exposure to regulatory sanctions resulting from the acquired company's previous operations. Such issues may be particularly relevant in respect of environmental issues (refer to "*CTEK is subject to environmental risks*" below). There is also a risk that it will be necessary for CTEK to impair goodwill or other intangible assets in conjunction with divestments or acquisitions (refer to "*CTEK is subject to risks related to the measurement of inventories and goodwill*" below). Risks related to mergers and acquisitions therefore constitute a significant risk for the Group.

### CTEK is subject to risks related to sales agreements and guarantee commitments

CTEK sells its products through wholesalers, retailers, direct sales to end customers and direct sales to OEMs and machinery manufacturers. Sales also take place through CTEK's global network of distributors. The Group's Energy & Facilities division also offers total solutions, facility solutions and installations, which includes charging points, load balancing and payment solutions at large office buildings or vehicle companies. Such projects expose CTEK to risks and require, in particular for direct sales, project planning as well as control and monitoring, and that obligations and assessments concerning project costs and income are secured and provide a satisfactory basis for recognising income, costs and profitability. Agreements and projects with fixed-price components also entail risks, as such components mean that CTEK accepts a price for the assignment based on special terms and assessments of the final cost of the assignment at the time the agreement was signed, after which CTEK assumes the main risks relating to the performance of the project.

As is customary in the industry, some of the sold products are covered by a warranty that is included in the price and is valid for a period set in advance (typically between two and five years). The most common guarantee commitments the Company must meet are the replacement of defective products. Under IFRS, provisions for guarantees are determined on the basis of historical data including the scope of measures and repair costs. As of 31 December 2020, CTEK's provisions for guarantee commitments amounted to SEK 3.5 million Provision for guarantees involve estimates of the result of claims resulting from defective products. The Company must perform assessments of the probable levels of returned goods and costs to replace incorrect products. If these estimates and assumptions are significantly inaccurate or if CTEK must meet comprehensive guarantee commitments, this would have an adverse impact on the Group's earnings and financial position. This could also have a negative impact on the Group's insurance premiums and excess (refer to "*CTEK is subject to insurance risks*" below).

## *Legal risks*

### CTEK is subject to risks related to compliance and non-compliance

During the first half of 2021, CTEK was active in more than 70 countries with 29 percent of sales in DACH countries, 29 percent in the Nordic region, 24 percent in rest of Europe, 5 percent in North America and 13 percent in the rest of the world. CTEK's global operations expose the Group to risks related to sustainability factors such as human rights, terms of employment and corruption. Risks may arise in various parts of the production chain, such as purchasing and sales. In some cases, CTEK takes part in procurement processes, such as when CTEK enters into an agreement with municipalities concerning the build out of and infrastructure for charging structures. This type of activity can lead to increased risk of corruption. Breaches of anti-corruption legislation that lead to comprehensive fines or other criminal, civil or administrative sanctions or lead to the exclusion of CTEK from participation in public procurements would have a material adverse effect on CTEK's reputation, operations, earnings and financial position. Corruption-related incidents or accusations against suppliers or other external parties with which CTEK has a commercial relationship risk leading to negative publicity that could damage CTEK's reputation, even if CTEK is not involved.

In addition to sales in China, CTEK sells products to customers in jurisdictions that are subject to international sanctions, such as Russia, Ukraine and Lebanon. Sales in these regions do not exceed 1 percent of the Company's total sales. Sanction legislation is complex and its application in certain circumstances can often be subject to interpretation and be difficult to determine with any certainty. Operations in such jurisdictions may therefore result in an increased risk of alleged sanction violations with regard to previous, current or future business operations or that the Group is subject to inquiries or claims. Sanction legislation is frequently amended, which could require CTEK to cease or limit its activities in affected markets.

CTEK's product portfolio has historically been such that the products are generally not considered at risk of falling under export control rules. However, the growing importance of digitisation and connectivity means it cannot be ruled out that the Group's products in the future may contain more advanced technology and software solutions. This in combination with the fact that several major trade operators around the world are introducing stricter and broader regulations, for example, with respect to export controls and national security entails a risk that CTEK's products in the future may fall under export control rules. This would require more future cash flows, increased administration, further internal controls and in some cases trade restrictions.

CTEK is also dependent on the compliance of its employees, suppliers and other external parties with applicable laws and regulations and with internal governing documents and policies. Violations or non-compliance with applicable laws and regulations would have an adverse impact on CTEK's operations and reputation. Such conduct could include non-compliance with laws and regulations related to public procurement and competition law, money laundering, IT security and data protection (including GDPR), corporate governance, export controls and trade sanctions, IFRS and other rules relating to accounting and financial reporting, environment, health and safety, business ethics and equal treatment. There is also a risk that internal governing documents, policies and codes of conduct are not always sufficient and fully effective, particularly if the Group is exposed to risks that were not fully or adequately identified or anticipated. CTEK is also subject to the risk that its executive management acts contrary to the Group's strategies, corporate governance practices, internal guidelines and policy documents. If CTEK's internal controls and other measures to guarantee compliance with laws, regulations, internal guidelines and policies are insufficient, there is a risk that the Group's reputation is damaged and that the Group is subject to fines, penalties and other sanctions and/or subject to civil or criminal liability.

### CTEK is subject to risks related to legislation, regulations and political decisions

CTEK is active in a market that is subject to comprehensive regulation in respect of product safety requirements. If, as a result of new legislation, changes are made to these product safety requirements and CTEK is not fast enough at adapting its product range to comply with these changed requirements, there is a risk of delayed deliveries or that CTEK will not be able to meet market demands fast enough or to a sufficient degree. This could lead to increased costs, loss of revenue, which could adversely affect CTEK's operations, financial position and results of operations.

Political decisions can, in the short and long term, greatly influence the electricity market and thereby have an adverse impact on demand for CTEK's products. It is also frequently the case that private individuals, when installing charging stations for chargeable vehicles on private property, can apply for a grant and make deductions for costs and materials for such installations. Moreover, private individuals are eligible for subsidies when purchasing an electric vehicle. Changes to regulations linked to such support may entail some risk of a reduction in sales and/or demand for CTEK's products.

### CTEK is subject to environmental risks

CTEK's operations are covered by a number of international, national and local directives, laws and regulations pertaining to environment, health and safety, including those concerning storage, handling, processing, transportation and removal of environmentally hazardous and toxic materials, construction and operation of facilities and standards concerning energy efficiency and emissions to air, soil and water.

CTEK may be subject to claims from authorities, private individuals, companies or other parties that request compensation for alleged personal injury, damage to property or environmental damage caused by contaminants or dangerous substances originating from CTEK's activities or products. Disputes, inquiries and administrative proceedings, such as of the types mentioned above, may prove to be costly, time-consuming and have an adverse impact on CTEK's results of operations.

CTEK owns one property in Vikmanshyttan, Hedemora (Hedemora Vikmanshyttan 3:12) with an E-classification in accordance with the County Administrative Board in Dalarna Municipality's map of contaminated areas (EBH map). An E-classification entails an assumption by the County Administrative Board that there may be potential contaminants at a specified property due to the current or past operations carried out at the site. No soil analysis or risk analysis has, however, been conducted by the County Administrative Board of the Hedemora Vikmanshyttan 3:12 property. CTEK has not engaged in any environmentally hazardous operations at this property. The property was acquired in 1998 and as far as the Company is aware no environmentally hazardous operations have been conducted at the property prior to this. In the event that a soil analysis or risk analysis indicates the presence of environmental contamination at the property, it cannot be ruled out that CTEK, as the current proprietor, may be held responsible for the contamination caused by previous proprietors. Such responsibility may be applicable if previous proprietors no longer exist, for example due to the liquidation of previous proprietors.

### CTEK is subject to risks related to legal and administrative proceedings

CTEK may be subject to disputes or be compelled to pay fines that arise within the framework of operating activities. The disputes could concern alleged discrepancies in deliveries of products and services, guarantee commitments, supplier agreements, delivery times, labor law issues, patent and other intellectual property rights and other issues concerning rights and obligations that arise within the framework of the Group's activities. Disputes may also arise in conjunction with mergers and acquisitions. CTEK may also be subject to product liability claims if any of its products are alleged to have caused property damage, personal injury or other negative consequences (including the use of products that contain components received from external suppliers). Early in 2018, a fire started in a sales premises in Brest, France and it was claimed that a low voltage charger developed by the Company caused the fire. The incident in France is an ongoing insurance matter and the claims have been disputed as the Company was not at fault for the fire. The Company is of the opinion that compensation for the damage claim will not need to be paid by the Company as it is covered by the insurance. The process is expected to be concluded in 2021. Product liability claims may amount to significant amounts as damage can be substantial. CTEK has previously not been party to any product liability claim amounting to more than SEK 500,000. If events similar to the fire in France were to take place in the future, this could have an adverse impact on CTEK's reputation.

In addition, the Group may be subject to inquiries and legal proceedings initiated by competition authorities. Any future adverse outcome as part of competition law proceedings risks resulting in administrative fines and damages, which may amount to significant amounts depending on the specific circumstances of individual cases. Any legal action taken, or fines imposed by competition authorities or regulatory authorities worldwide, may also limit CTEK's opportunities to operate and expand its business in certain countries and therefore represents a significant risk for the Group's growth strategy.

Disputes and inquiries may be costly, time-consuming and may disrupt normal operations. The financial, reputational and legal consequences of material disputes are uncertain and represent a highly significant risk for CTEK, as an unfavourable outcome of such disputes or inquiries may prove to be costly, time-consuming and disrupt CTEK's business and thus have a material adverse effect on the Group's operations, earnings and financial position.

### CTEK is subject to risks related to intellectual property rights

CTEK's intellectual property rights, including patents, brands, design rights, copyright, business secrets and thereby associated intellectual property rights are a significant and valuable part of the Group's operations. Being a licensee of intellectual property rights entails certain obligations and limitations in terms of the use of the intellectual property rights, which means CTEK does not have the same freedom when using the license as if CTEK had owned the intellectual property rights in question. For example, if CTEK were to contravene material terms of a license agreement, this could lead to CTEK losing the right to use the intellectual property right. Failure to obtain, renew or maintain the protection of CTEK's intellectual property rights would have an adverse impact on its competitiveness, for example if CTEK no longer can use certain brands or if another operator sold low-quality products when using a CTEK brand or symbol or by other means gives a misleading picture of these brands.

CTEK holds 63 patents, 163 registered trademarks and 102 registered designs. However, there is a risk that the intellectual property rights held by CTEK are challenged, deemed invalid or that others circumvent the Group's patents with their design. In certain countries in which the Group conducts operations, such as China, laws and processes may make it more challenging for the Group to protect and maintain intellectual property rights compared with, for example, the US or Europe. A significant deterioration in the protection of intellectual property rights could weaken the Group's competitive advantage in relation to its products, services and brands in the countries concerned.

There is also a risk that other parties claim intellectual property rights that cover some of CTEK's technologies, patents, brands, products or services. If the Group in its product development discovers that its solutions or innovations are already covered by other parties' intellectual property rights, the Group may be compelled to redesign or adapt its products, which may make the Group's product development more difficult, costly or it may take longer. There is also a risk that disputes and claims regarding patents, brands or other intellectual property rights are costly and distract the focus of management and key employees from the Group's business operations. CTEK may also be required to pay royalties to continue to use certain patents or brands if the Group were to infringe the intellectual property rights of a third party. The Group also risks an obligation to pay substantial damages or be subject to an injunction that would prohibit the development, production and sales of certain products, which would have a material adverse effect on the Group's earnings and financial position.

### CTEK is subject to tax risks

CTEK has operations in a number of countries and is liable to pay tax in Sweden and in another 11 jurisdictions. In 2020, CTEK's tax expenses (recognized in profit or loss for the period) amounted to SEK 20 million and the effective tax rate was 19.3 percent. CTEK's previous and current handling of tax issues could be questioned if the Group's interpretation of tax legislation, tax agreements and other tax regulations or their applicability is incorrect; if one or more government authorities successfully implement negative tax adjustments pertaining to a business unit in the Group; or if laws, agreements and regulations in effect or interpretations thereof or administrative praxis in relation to these change (including retroactive changes). If tax authorities successfully bring such claims to bear, this could lead to an increased tax expense including tax surcharges and interest and have a material adverse effect on CTEK's earnings.

CTEK's projections for future taxable income are based on the management's judgements and assumptions. There is thus a risk that changes in the assumptions or inaccurate estimates in projected future taxable income results in significant differences in the measurement of deferred tax. On 31 December 2020, CTEK's deferred tax assets that exceeded deferred tax liabilities amounted to a net amount of SEK 0. On 31 December 2020, the Group had loss carry-forwards and other deductible temporary differences of SEK 0, which were taken into account when calculating deferred tax assets. Material differences in such assumptions therefore represent a significant risk for CTEK.

In recent years, the tax authorities have increased their focus on transfer pricing issues, which is a highly complex area. Disputes relating to transfer pricing often concern significant amounts and may in certain cases require several years to settle. Negative outcomes from reviews and disputes pertaining to transfer pricing may have a material adverse effect on CTEK's tax situation. Periodically, CTEK is also involved in other tax disputes, tax audits and proceedings of varying significance and scope. Such processes can be lengthy and extend over several years and may lead to increased tax expenses, including tax surcharges and interest, and thereby entail a significant risk for the Group.

### CTEK is subject to risks related to labor law

On 30 June 2021, CTEK had 170 employees in 12 countries. The Group therefore must comply with several different labor laws and regulations stipulating a varying degree of worker protection. If such laws and regulations were to be changed in a manner that reduces the flexibility of an employer or imposes additional administrative or financial obligations on employers, this would have an adverse impact on CTEK's operations.

CTEK is, as part of its own operations but primarily through the operations of suppliers and other external parties in China and the US, subject to risks related to strikes and other industrial actions, which, if they continue for any length of time or encompass a large and important part of the business, would create disruption and delays in operations. If CTEK is exposed to such labor disputes, this could have an adverse impact on CTEK's operating profit as labor disputes can result in disruptions to production. Risks related to labor law therefore constitute a significant risk for the Group.

There is also a risk that redundancy, for example following streamlining, rationalisations or the relocation of operations or closure of manufacturing, which is incorrectly managed and in consultation with employee representatives, damages CTEK's reputation and weakens its relationship with employee representatives or means the Group must pay compensation to the employees.

### CTEK is subject to insurance risks

In 2020, CTEK's costs for insurance cover amounted to SEK 1,649,093. There is a risk that the Group, partially or entirely, will not be able to maintain its insurance cover on terms that are as favourable in the future. There is also a risk that CTEK incurs comprehensive losses that are not covered by the insurance. If such risks occur, this would have a material adverse effect on the Group's operations, earnings and financial position.

## *Financial risks*

### CTEK is subject to currency risks

CTEK's products are sold in more than 70 countries and the Company is consequently exposed to currency risks. Currency risk refers to the risk that exchange-rate fluctuations have an adverse impact on CTEK's financial position, profitability or cash flow and encompasses transaction exposure and translation exposure. Transaction exposure is defined as the confirmed future net profit from operating and financial inflows and outflows of currencies and is primarily attributable to intra-group sales to sales companies or external exposure when purchasing components and production materials that are paid for in foreign currency. Translation exposure refers to the risk that exchange-rate fluctuations have a negative impact on the Group's balance sheet or equity and arises when part of the Group's equity/net assets or a financial asset or liability is denominated in a foreign currency.

The main net export currencies to which CTEK is exposed to are **EUR**, **USD**, **SEK** and **GBP**. The main net import currency to which CTEK is exposed to is **USD**. These currencies together represent most of the Group's exposure. As a statistical calculation on 31 December 2020, an increase or decrease of 10 percent in **USD**, **EUR**, **GBP** in relation to **SEK** would have affected the Group's profit in 2020 by approximately +/– SEK 15 million, +/– SEK 23 million and +/– SEK 5 million, respectively. The Company's policy is that 50 percent of the expected net outflow per quarter in USD and EUR for a rolling 12-month period is to be neutralised and that up to 25 percent of the expected net outflow per quarter in USD and EUR during a rolling 13–24-month period can be neutralised. There is a risk that the hedging transactions undertaken and any price increases to offset the effects of exchange-rate fluctuations are not sufficient to protect the Group from exchange-rate fluctuations. Comprehensive exchange-rate fluctuations may have an adverse impact on the Company's operating profit and financial position.

The foreign subsidiaries' net assets and liabilities also constitute a net investment in foreign currency that, on consolidation, gives rise to a translation difference. This exposure sometimes affects the Group's comprehensive income and capital structure. As a statistical calculation on 31 December 2020, an increase or decrease of 10 percent in the value of **EUR** and **USD** in relation to SEK would have affected the Group's net investments by approximately +/– SEK 0.3 million and +/– SEK 2 million, respectively.

### CTEK is subject to liquidity and financing risks

CTEK is subject to liquidity risk should the Group be unable to fulfil payment obligations due to insufficient cash and cash equivalents, for example if there is  a credit crisis or serious adverse economic conditions in the countries where the Group has operations. In addition, CTEK is subject to the risk that the financing of the Group's capital requirements and the refinancing of loans outstanding may become more difficult or expensive in the future. There is a risk that financing opportunities do not remain available to the Group on acceptable terms. The Group's financing agreements may also include certain conditions that may entail restrictions with respect to additional loans, acquisitions and divestments of assets and the pledging of collateral. Such conditions may restrict the Group's ability to secure sufficient capital or adequate financing through new loans or the sale of assets. If the Group breaches such financial conditions, the amount outstanding may fall due for immediate repayment in accordance with such financing conditions. On 31 December 2020, CTEK's net debt amounted to SEK 736 million. Following the first day of trading of the Company's shares on Nasdaq Stockholm, the Group's financing will primarily consist of a SEK 600,000,000 multicurrency revolving credit facility agreement, which carries a floating interest rate. The Group must satisfy certain financial covenants under the revolving credit facility agreement, including a maintenance covenant by which the Group's leverage ratio may not exceed certain agreed levels. If the Group's indebtedness rises, there is a risk that this would increase CTEK's vulnerability to, and reduce its flexibility to manage, general economic and industry conditions. This would also limit the Group's flexibility with regard to planning for, or acting on, changes to CTEK's operations, competitive landscape and the industry in which CTEK operates and have an adverse impact on the Group's competitiveness, particularly if indebtedness is higher than its competitors. There is a risk that a large decline in the Group's credit rating or profitability, significant interest rate increases and significant reductions in access to credit or more stringent conditions from lenders would restrict the Group's access to capital, including its ability to raise additional loans and issue shares.

### CTEK is subject to credit risks

Credit risk in financial transactions is the risk that the counterparty cannot fulfil its contractual obligations related to the Group's investments in cash and cash equivalents as well as derivatives. Credit risk also arises in connection with accounts receivable. CTEK's customer base is characterised by a mixture of returning customers, such as retailers, and one-off customers, as well as stores with several sales outlets or customers buying spare parts. If CTEK is unable to recover accounts receivable from large customers, this would have a negative impact on the Group's earnings. On 31 December 2020, accounts receivable, after provisions for expected credit losses, amounted to SEK 125 million net and total provisions for expected credit losses amounted to SEK 3.9 million. If the expected level of credit losses on accounts receivable due for between 16 and 60 days had been 10 percent higher/lower on 31 December 2020, the provision for future customer losses would have risen/fallen by approximately SEK 1,470,000. If the expected level of credit losses on accounts receivable due for between 61 and 180 days had been 10 percent higher/lower on 31 December 2020, the provision for future customer losses would have risen/fallen by approximately SEK 610,000. Defaults that are far above the expected level or changes in the financial situation of a key customer would have a material adverse effect on the Group's credit losses and, thereby, on its liquidity, earnings and financial position.

### CTEK is subject to interest-rate risks

Interest-rate risk is the risk that changes in the market interest rate will have a negative impact on the Group's costs. The fixed interest term is one of the most important factors impacting interest-rate risk. As of the date of this Prospectus, the Group's fixed interest term extends until 2026. Derivative instruments, such as interest swap agreements, can be used to manage interest-rate risk, whereby interest can be changed from variable to fixed and vice versa. As a static calculation per 31 December 2020, a change in the interest rate of 1 percentage point would have affected the Group's interest expenses by approximately +/– SEK 9 million before tax. Increased market interest rates, which to a significant extent influence CTEK's interest expenses, would have a material adverse effect on the Group's earnings and financial position. CTEK has a policy for interest hedging measures that includes an opportunity for the board of directors to adjust the interest-rate cap or fixed interest rate for all or part of a debt through the use of derivatives. In the event of interest hedging measures, the volume of interest-rate derivatives outstanding may not exceed the total debt in each currency. There is a risk that the hedging measures taken by the Company are not sufficient. Increased market rates that affect CTEK's interest or financing costs to a significant extent may have a material adverse impact on the Group's profit before tax and financial position.

## *Risks related to shares and admission to trading on a regulated market*

### The share price could be volatile and share price development is dependent on a number of factors

Prior to the Offering, there has been no orderly trading arranged for CTEK's shares. There is a risk that an active and liquid market will not develop or, if developed, that it will be sustained after completion of the Offering. The Offering Price has been set to SEK 69 per share by the Company and the Principal Owner Altor Fund III GP Limited, in consultation with the Managers based on different factors, including discussions with certain institutional investors, a comparison with the market price of other comparable listed companies, an analysis of prior transactions for companies within the same industry, current market conditions and estimations regarding CTEK's business opportunities and dividend prospects. The 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 Offering Price.

Since an investment in shares may increase or decrease in value, there is a risk that investors will not recover their invested capital. The share price trend depends on various factors, some of which are company specific, while others are linked to the stock market as a whole. For example, the share price may be influenced by supply and demand, variations in actual or anticipated results, changes to profit forecasts, inability to achieve the profit expectations of analysts, failure to achieve financial and operational targets, changes in general economic conditions, changes in regulatory circumstances and other factors such as the divestment of large shareholdings by shareholders. There is also a risk that the price of CTEK's share will fall significantly in value following its listing on Nasdaq Stockholm due to the ongoing outbreak of the coronavirus, as global stock markets have witnessed exceptional volatility in its wake (refer also to "*CTEK is subject to risks related to the coronavirus outbreak*" above). The price of CTEK's share is also affected in some instances by the activities and market position of competitors.

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

The price of CTEK's share could decline if there are substantial sales of CTEK's shares, particularly sales by CTEK's board members, executive management and major shareholders, or otherwise when a large number of shares are sold.

The Selling Shareholders, shareholding board members and certain shareholding employees in the Group, including the members of the Company's executive management, have undertaken for a certain period, subject to certain exceptions – not to sell their shares or enter into transactions with a similar effect without the prior written consent of the Managers. After the expiry of the relevant Lock-up Period, the shareholders subject to Lock-up will be free to sell their shares in CTEK. Any sales of substantial amounts of CTEK's shares by the Selling Shareholders or other existing shareholders in CTEK after the end of the Lock-up Periods, or the perception that such sales might occur, could cause the price of CTEK's shares to decline.

### CTEK's largest shareholders may have substantial influence over CTEK

After completion of the Offering, CTEK's major shareholders are expected to hold shares and votes in CTEK. After completion of the Offering, the Selling Shareholders will own in aggregate 31.6 percent and 31.6 percent, respectively, the shares and votes in the Company, assuming that the Overallotment Option is not exercised. Assuming that the Overallotment Option is exercised in full, the Selling Shareholders own in aggregate approximately 22.3 percent of the shares and votes in the Company. The major shareholders may thus, following the listing, have a substantial influence over CTEK on issues that are subject to shareholders' approval, including the election of board members, possible mergers, consolidation or sales of all, or significant parts, of CTEK's assets. A concentration of ownership may act to the disadvantage of shareholders that have interests other than those of the major shareholders. Their interests may diverge considerably from or compete with the interests of CTEK and those of other shareholders. Moreover, they may exert their influence over the Group in a manner that is not in the interest of other shareholders. For example, there could be a conflict between the interests of the current major shareholders on the one hand and the interests of CTEK or its other shareholders on the other hand as regards decisions on distributing dividends. Such conflicts could have a significant adverse impact on the Group's operations, earnings and financial position.

### CTEK's ability to pay any dividends in the future is dependent on several factors

Dividends may only be paid if there are distributable funds at CTEK and in such an amount that is justifiable with respect to the requirements imposed by the nature, scope and risks of the business on the amount of equity as well as CTEK's consolidation needs, liquidity and position in general for a certain financial year. Furthermore, CTEK's ability to pay a dividend in the future is influenced by the Group's future earnings, financial position, cash flows, working capital requirements and other factors. There is also a risk that the Company's shareholders may not resolve to pay dividends in the future. CTEK has a dividend policy entailing that the dividend is to correspond to approximately 30 percent of net profit for the year. This entails a risk for investors and may affect CTEK's ability to attract investors whose investment decision is particularly dependent on the opportunity to receive recurring dividends. If no dividend is paid, this also entails that the shareholders return is solely based on the Company's share price development. In addition, there is a risk that distributable funds are not available during a single financial year, which would reduce return on an investor's invested capital. As of the date of this Prospectus, CTEK has not paid any dividends.

### There is a risk that an active, liquid and functioning market for CTEK's shares will not emerge

Prior to the Offering, there has been no orderly trading of CTEK's shares. There is a risk that an active and liquid market may not develop or, if such a market develops, that it may not be maintained after the conclusion of the Offering. The Offering Price will be determined through a book building process and is consequently based on demand and general market conditions. The Offering Price will be determined by the board of the Company and the Principal Owner Altor Fund III GP Limited in consultation with the Managers, based on a number of factors, including discussions with specific institutional investors, a comparison with the market price of similar listed companies, a precedent transaction analysis for companies in the same industry, current market conditions and estimates of CTEK's future prospects and earnings. The share price may not necessarily reflect the share price investors in the market are willing to buy and sell shares for following the Offering. There is therefore a risk that investors cannot resell shares at or above the subscription price.

### Shareholders in the US and other jurisdictions are subject to special share-related risks

CTEK's share will only be quoted in SEK and any dividend will be paid in SEK. The Offering is, however, also directed to institutional investors abroad, including the United States. This means that shareholders outside Sweden may experience a negative impact on the value of their holdings and any dividends when they are converted to other currencies if the SEK declines in value against the currency in question. The recent weak trend for the SEK has therefore had an adverse impact on the value of shareholdings denominated in other currencies. Furthermore, tax legislation in Sweden or in the shareholder's home country may affect income from any dividend. In certain jurisdictions, there may be restrictions in national securities legislation under which shareholders in such jurisdictions may not be able to participate in new share issues and other offerings of transferable securities to the public. If CTEK issues new shares with preferential rights for CTEK's shareholders in the future, shareholders in some jurisdictions, including the aforementioned countries, may be subject to restrictions that may mean that they are unable to participate in such new share issues or that their participation is otherwise obstructed or limited. Such restrictions represent a significant risk for shareholders in the US or in other jurisdictions where such restrictions apply.

### The commitments from Cornerstone Investor are not secured and may therefore not be met

Investment AB Latour and ("**Cornerstone Investor**") have undertaken to acquire shares in the Offering, corresponding to approximately SEK 1,054 million. The Cornerstone Investor will hold approximately 31 percent of the total number of shares and votes in the Company after the completion of the Offering. However, the Cornerstone Investor's commitments are not secured by any bank guarantee, blocked funds or pledge of collateral or similar arrangements, for which reason there is a risk that the Cornerstone Investor will not be able to, entirely or partly, meet their commitments. Moreover, the Cornerstone Investor's commitments are associated with certain conditions, such as achieving a certain distribution of the Company's shares in connection with the Offering as well as that the Offering is completed within a certain period of time. In the event that any of these conditions is not fulfilled, there is a risk that the Cornerstone Investor will not fulfill their commitments, which could have a negative impact on completion of the Offering.

# INVITATION TO ACQUIRE SHARES IN CTEK

The Company and the Company's Principal Owner, Altor Fund III GP Limited have decided to implement a shareholder diversification to promote the Company's growth and continued development. The Company's board of directors has therefore applied for listing of the Company's shares on Nasdaq Stockholm.

On 25 August 2021 Nasdaq Stockholm's Listing Committee made the assessment that the Company fulfills 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 fulfills the distribution requirements for its shares. Trading in the Company's shares is expected to commence on 24 September 2021.

Pursuant to the terms and conditions set forth in the Prospectus, investors are hereby offered to acquire a maximum of 30,621,798 shares in the Company, of which the Company offers up to 4,347,827 newly issued shares and the Selling Shareholders offer 26,273,971 existing shares.

The Offering Price has been set to SEK 69 per share by the Company's board of directors and the Principal Owner Altor Fund III GP Limited in consultation with Managers based on different factors, including discussions with certain institutional investors, a comparison with the market price of other comparable listed companies, an analysis of prior transactions for companies within the same industry, current market conditions and estimations regarding CTEK's business opportunities and dividend prospects. Investment AB Latour has undertaken to acquire shares in the Offering, corresponding to approximately SEK 1,054 million. The Cornerstone Investor will hold approximately 31 percent of the total number of shares and votes in the Company after the completion of the Offering.

The board of directors intends, by power of authorisation to issue shares from the extraordinary general meeting held on 6 September 2021, to resolve on the final terms of a new issue of shares, which is expected to provide the Company with gross proceeds of approximately SEK 300 million before issuance costs.[1] Assuming that the Offering is fully subscribed the Company's share capital (following the Offering) will amount to SEK 49,292,936 distributed between 49,292,936 shares, of which the newly issued shares in the Offering will represent approximately 8.8 percent.

The Selling Shareholders intend to issue an option to the Managers, which may be exercised in full or in part by the Managers, within 30 days of the first day of trading in the Company's shares on Nasdaq Stockholm, to acquire additional existing shares from the Selling Shareholders, corresponding to 15 percent of the maximum total number of shares encompassed by the Offering, at the Offering Price, to cover any overallotment in connection with the Offering ("**Overallotment Option**").

Provided the Overallotment Option is exercised in full, the Offering will encompass a maximum of 35,215,067 shares, which represents approximately 71.4 percent of the shares and votes in the Company, following the completion of the Offering.

If fully subscribed, the total value of the Offering will amount to approximately SEK 2,113 million. If the Overallotment Option is fully exercised, the total value of the Offering will amount to approximately to SEK 2,430 million.

The Cornerstone Investor, Investment Latour AB has undertaken to, directly or indirectly, acquire shares in the Offering to the Offering Price, corresponding to the amount and number of shares listed below,

- Investment AB Latour: approximately SEK 1,054 million, approximately 31 percent;

The Cornerstone Investor's undertakings are conditioned by, inter alia, (i) that the listing of the Company's shares on Nasdaq Stockholm is completed no later than on 15 October 2021 and (ii) that the shares in the Offering are allocated to the Cornerstone Investor corresponding to its undertakings.

Stockholm, 13 September 2021

**CTEK AB (publ)**

*The Board of Directors*

1) SEK 300 million is provided through the new share issue in the Offering. In connection with the Offering, the Company is provided with an additional amount up to SEK 77 million from existing shareholders due to *inter alia* subscription of shares by the exercise of existing warrants in the Company. For more information, see *Share capital and ownership structure – New share issue in connection with the offering and dilution.*

# BACKGROUND AND REASONS

CTEK is the leading global supplier of premium low voltage chargers and the second largest EVSE product supplier in Sweden.[1) ] The Company is characterised by a strong innovation culture and works continuously to improve and develop new products to suit customer needs. CTEK was founded in Vikmanshyttan in 1997 and now has sales in more than 70 countries. With a history of innovation and technology leadership, the Company meets new customer requirements by continuously developing its product offering and operations pro-actively. Based on its technology leadership, the Company has established strong and long-standing customer relationships with more than 50 of the world's most prestigious OEMs. In addition to OEMs, the Company also offers products to workshops, distributors, retailers, parking lots, charge point operators, property owners and consumers.

The board of directors of CTEK, together with the Principal Owner Altor Fund III GP Limited, believe that now is an appropriate time to strengthen CTEK's profile through a listing of the Company's shares on Nasdaq Stockholm. The Company's board of directors believes that a listing on Nasdaq Stockholm would increase awareness and generate publicity for the Company and its products, strengthen CTEK's profile towards investors and customers and enhance the ability to attract and retain key people and other qualified employees.

The aim of the Offering and the listing is to broaden the Company's shareholder base and give the Company access to the Swedish and international capital markets, which is expected to promote the Company's continued growth and development. The board of directors and executive management of the Company, supported by the Principal Owner Altor Fund III GP Limited, consider the Offering and listing of the Company's shares to be a logical and major step in the Company's development, which will increase the awareness of the Company and its operations among current and potential customers and suppliers. For these reasons, the board of directors has applied for listing on Nasdaq Stockholm.

The Company will effectuate a share issue in connection with the Offering. The issue of shares is expected to provide the Company with proceeds of approximately SEK 300 million before deduction of transaction costs.[2)] The issue proceed of SEK 300 million shall be used to reduce the Company's indebtedness through repayment of existing non-current loans and debts for an enhanced financial flexibility, and thus enhance CTEK's operational strategy.

*In other respects, reference should be made to the full particulars of this Prospectus, which has been prepared by the Company's board of directors in connection with the application for listing of the Company's shares on Nasdaq Stockholm and the Offering submitted in connection therewith.*

*The Board of Directors of CTEK AB (publ) is responsible for the content of this Prospectus. To the best of the Board of Directors' knowledge, the information contained in the Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.*

Hedemora, 13 September 2021

**CTEK AB (publ)**
*The board of directors*

*The board of directors of CTEK AB (publ) alone is responsible for the content of this Prospectus. However, the Selling Shareholders confirm their commitment to the terms of the Offering in accordance with what is set out in "Terms and conditions" .*

**Selling Shareholders**

1) Source: The Company's assessments. CTEK has the highest market share of all players in the global premium low voltage (12v) market based on estimated volume of premium 12v batteries. As per 2020, CTEK had the second-largest share of the Swedish market for AC chargers for EVs and accessories based on estimated market size, CTEK's net sales and triangulation with industry experts regarding the presence and size of other market players.

2) SEK 300 million is provided through the new share issue in the Offering. In connection with the Offering, the Company is provided with an additional amount up to SEK 77 million from existing shareholders due to *inter alia* subscription of shares by the exercise of existing warrants in the Company. These proceeds will also be used by the Company to reduce the Company's indebtedness through repayment of existing non-current loans. For more information, see *Share capital and ownership structure – New share issue in connection with the offering and dilution.*

# TERMS AND CONDITIONS

## THE OFFER

The Offering comprises a maximum of 30,621,798 shares, of which a maximum of 26,273,971 existing shares are offered by the Selling Shareholders and a maximum of 4,347,827 newly issued shares are offered by the Company. 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)].

The outcome of the Offering is expected to be announced in a press release on or about 24 September 2021.

## OVERALLOTMENT OPTION

The Selling Shareholders intends to provide the Joint Bookrunners with an over-allotment option entitling the Joint Bookrunners, no later than 30 days from the first day of trading in the Company's shares on Nasdaq Stockholm, has the right to request that a maximum of 4,593,269 additional shares be offered, corresponding to a maximum of 15 percent of the number of shares in the Offering, at a price corresponding to the Offering Price. The Over-allotment Option may only be exercised in order to cover any over-allotment in the Offering. Provided the Overallotment Option is fully exercised, the Offering comprises a maximum of 35,215,067 shares, corresponding to 71.4 percent of the shares and votes in the Company following 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 Company's Board of Directors and the Selling Shareholders in consultation with Carnegie.

## OFFERING PRICE

The Offering Price has been set to 69 SEK per share by CTEK's Board of Directors and the Principal Owner Altor Fund III GP Limited, in consultation with the Managers, 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 CTEK's business opportunities and future profitability. No commission is payable.

## APPLICATION

### Offering to the general public in Sweden

Applications from the general public for the acquisition of shares must be made between 14 September 2021 and 23 September 2021 and pertain to a minimum of 100 shares and a maximum of 14,000 shares, in even lots of 50 shares. Only one application per investor may be made. If more than one application is submitted, Carnegie, Swedbank and Avanza reserve the right to consider only the first application received. Applications are binding.

From January 3, 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 a LEI code must take place in ample time prior to application since this code must be stated on the application. More information about LEI requirements is available on the Swedish Financial Supervisory Authority's (the "SFSA") website (www.fi.se).

The Company's Board of Directors, in consultation with Carnegie, 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 Carnegie, Swedbank or Avanza. Employees in CTEK who wish to acquire shares in the Offering are to follow special instructions from the Company. The Prospectus is available on the Company's website (www.ctek.com) and Carnegie's website (www.carnegie.se), Swebank's website (www.swedbank.se/prospekt) and Avanza's website (www.avanza.se).

### Application via Carnegie

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

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

### Application via Swedbank

Applications from customers in Swedbank or savings banks shall be made to Swedbank following the below outlined instructions. Please note that applications are binding. Only one application per person may be made. If more than one application is submitted, Swedbank reserves the right to consider only the first application received. Thereby, applications will not be aggregated.

Applicants that apply to acquire shares (the "Acquirer") must have a securities depository account or an investment savings account (the "Securities Depository") and a cash settlement account with Swedbank or a savings bank. The cash settlement account stipulated for payment must be held by the applicant applying to acquire shares and be linked to the stipulated depository account or investment

1) The term "public" refers to private individuals and legal entities in Sweden applying to subscribe for a maximum of 14,000 shares.
2) The term "institutional investors" refers to private individuals and legal entities applying to subscribe for more than 14,000 shares.

savings account. If you do not have a securities depository or cash settlement account with Swedbank or a savings bank, you can open one via www.swedbank.se/privat/kunderbjudanden (the information on the website is not part of this Offering Circular) using your Swedish BankID.

As a customer of Swedbank or a savings bank, an application can be made via the internet banking service, mobile banking service, customer service centre for private/corporate customers, or via a financial adviser or personal brokers. For customers with an investment savings account with Swedbank or a savings banks, Swedbank and the savings banks will, if an application results in the allotment of shares, acquire an equivalent number of shares as in the allotment for further sale to the customer at the applicable price in the Offering.

Applications must have been received by Swedbank no later than 15:00 on 23 September 2021.

### Application via Avanza

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

Customers with Avanza can apply to acquire shares via Avanza's internet service. Applications via Avanza can be submitted from 14 September, 2021 up to and including 15:00 (CEST) on 23 September, 2021. To ensure that they do not lose their right to any allotment, Avanza customers must have sufficient funds available in their depository account from 15:00 (CEST) on 23 September, 2021 until the settlement date, which is expected to be 28 September, 2021. Only one application per investor may be made. Full details of the application procedure via Avanza are available on www.avanza.se.

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

### *The Offering to institutional investors*

The application period for institutional investors in Sweden and abroad takes places during the period 14 September 2021 to 23 September 2021. The Company's Board of Directors and the Principal Owner Altor Fund III GP Limited, in consultation with Carnegie, reserve the right to shorten or extend the application period for the Offering to institutional investors. In the event that the application period is shortened or extended, the Company will announce the change through a press release. Notice of interest from institutional investors in Sweden and abroad are to be submitted to Carnegie or Swedbank according to special instructions.

## *ALLOTMENT*

The decision concerning the allotment of shares will be made by the Company and the Selling Shareholders in consultation with Carnegie, 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 for employees in the Company 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 Carnegie, Swedbank and Avanza may be given special consideration. Moreover, employees, certain related parties of the Company as well as customers of Carnegie and Swedbank may be given special consideration. Allotment may also take place to employees of Carnegie, Swedbank and Avanza, 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 investor 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 general public in Sweden*

Allotment is expected to take place on or about 24 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 28 September 2021 in accordance with the instructions on the contract note.

### Applications received by Carnegie

Those who applied via Carnegie can receive information on allotment through their advisor or customer manager from 9:00 a.m. on 24 September 2021. Funds for payment are to be available in the stated securities depository account or investment savings account on 24 September 2021.

### Applications received by Swedbank

As early as possible following the allotment, Swedbank will send a contract note to those who have been allotted shares in the Offering. Information regarding allotment of shares will also be displayed in the Securities Service under order status, which is expected to take occur at about 9:00 a.m. on 24 September 2021.

Liquid funds for payment of allotted shares must be available in the cash settlement account with Swedbank or a savings bank not later than on 28 September 2021 at 1:00 a.m.. Funds may be reserved and debited from the cash settlement account at an earlier time if sufficient, unreserved funds are available, but not earlier than 24 September 2021 at 1:00 a.m.. If the Acquirer wishes to trade in the shares on the first day of trading, the liquid funds for payment of allotted shares must be available in the cash settlement account with Swedbank or a savings bank not later than the allotment date of 24 September 2021 at 1:00 a.m.. A payment reservation in the Acquirer's cash settlement account will be made and the Acquirer's allotted shares will become available for trading. The reserved liquid funds will be debited from the account on the settlement date.

#### Applications received by Avanza

Those who applied via Avanza'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 (CEST) on 24 September 2021.

For Avanza customers, funds for allotted shares will be drawn not later than the settlement date of 28 September 2021. Note that funds for the payment of allotted shares are to be available from 23 September 2021, 15:00 (CEST) up to and including 28 September 2021.

### *Offering to institutional investors*

Institutional investors are expected to receive information regarding allotment according to a special procedure on or about 24 September 2021 after which contract notes will be sent. Full payment for allotted shares must be made in accordance with the contract note and upon the delivery of shares not later than 28 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 Offering 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 general public in Sweden, is expected to take place on or about 28 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.

## *ADMISSION TO TRADING ON NASDAQ STOCKHOLM*

The Company's Board of Directors have applied for listing of the Company's shares on Nasdaq Stockholm. On 25 August 2021, Nasdaq Stockholm's listing committee decided to admit the Company's shares to trading on Nasdaq Stockholm subject to certain conditions, including compliance with the distribution requirement for the Company's share by the first day of trading. Trading in the Company's ordinary shares is expected to commence on 24 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 ordinary shares that occurs before the Offering is conditional and will be rescinded.

The ticker for the Company's share on Nasdaq Stockholm will be CTEK.

## *IMPORTANT INFORMATION REGARDING THE POTENTIAL SALE OF ALLOTTED SHARES*

After payment for the allotted shares has been processed by Carnegie, Swedbank and Avanza, paid shares will be transferred to the securities accounts, service accounts, securities depository account or investment savings accounts 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 28 September 2021 at the earliest. Trading in the Company's shares on Nasdaq Stockholm is expected to commence on 24 September 2021. Given that the shares will not be available in the acquirer's account or securities depository account until about 28 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 and including 24 September 2021. Refer also to "*Information regarding allotment and payment*" above.

## *STABILISATION*

In connection with the Offering, Carnegie may affect transactions with a view to supporting the market price of the ordinary shares at a higher level than that which might otherwise prevail in the open market. Such transactions may be effected on Nasdaq Stockholm, an OTC market or otherwise and may be undertaken at any time during the period commencing on the first day of trading in the ordinary shares on Nasdaq Stockholm and ending no later than 30 calendar days thereafter.

Carnegie has no obligation to effect stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Further, stabilisation transactions, if commenced, may be discontinued at any time without prior notice. In no event will measures be undertaken to stabilise the market price of the ordinary shares above the Offering Price. Within one week of the end of the stabilisation period, Carnegie will make public whether or not stabilisation was undertaken, the date at which stabilisation started, the date at which stabilisation last occurred and the price range within which stabilisation was carried out, for each of the dates during which stabilisation transactions were carried out.

## 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.ctek.com) on or around 24 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 on dividends, please refer to the section *"Dividend policy"*.

## TERMS FOR COMPLETION OF THE OFFERING

The Offering is conditional on the Company, the Selling Shareholders and Managers signing a placing agreement (the "Placing Agreement"), which is expected to take place on or about 23 September 2021. The Offering is conditional upon the Company, in consultation with Carnegie believing there to be sufficient interest in the Offering to enable trading in the share, certain terms and conditions in the Placing Agreement being fulfilled, and the Placing Agreement not being terminated. The Placing Agreement stipulates that the 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 adverse effect on the Company that it would be inappropriate to carry out the Offering. The Managers may terminate the Placing Agreement up to and including the settlement date on 28 September 2021 if any material adverse events occur or if any of the other conditions stipulated by the Placing Agreement are not fulfilled. If the abovementioned conditions are not fulfilled and if the Managers terminate the Placing Agreement, the Offering may be cancelled. In such cases, neither delivery nor payment will be carried out under the Offering. Under the Placing Agreement, the Company will undertake to indemnify the Managers against certain claims under certain conditions. For more information regarding the conditions governing the completion of the Offering and the Placing Agreement, please refer to the section *"Legal considerations and supplementary information – Placing Agreement"*.

## OTHER INFORMATION

Although Carnegie and Swedbank are Managers in connection with the Offering, this does not necessarily mean that the Managers consider applicants for the Offering to be customers of the 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 (Sw. *lagen (2007:528)* om värdepappersmarknaden). 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

### Carnegie

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

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

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

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

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

### Swedbank

Anyone acquiring shares in the Offering will submit personal data to Swedbank. Personal data submitted to Swedbank will be processed in data systems to the extent required to provide services and administer customer arrangements in Swedbank. Personal data obtained from sources other than the customer that the data refers to may also be processed. Personal data may also be processed in the data systems of companies or organizations with which Swedbank cooperates. Information on the processing of personal data can be obtained from Swedbank's website or by contacting the customer service centre or branch office of Swedbank or the relevant savings bank. Address details may be obtained by Swedbank through an automatic procedure by Euroclear Sweden.

### Avanza

Avanza processes its customers' personal data in accordance with current personal data legislations. Personal data submitted to Avanza will be processed in data systems to the extent required to provide services and manage customer arrangements. Personal data obtained from sources other than the applicant may also be processed. The personal data may also be processed in the data systems of companies or organizations with whom Avanza cooperates. More information can be found on Avanza's website (www.avanza.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 SFSA'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, the Company's 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 Company's shares may decline and it is not certain that investors will recover all or portions of the amount invested; the Company's shares offer no guaranteed income and no protection of capital; and an investment in the Company's shares is suitable only for investors who do not require a guaranteed income or protection of capital, who (either themselves or together with an appropriate financial advisor or other type of advisor) are capable of evaluating the benefits and risks of such an investment and who have sufficient funds with which to sustain such losses as may arise from the investment. The assessment of the target market does not impact the requirements in the contractual, statutory, regulatory, or sales restrictions in relation to the Offering.

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

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


CTEK

# MARKET OVERVIEW

*This Prospectus contains statistics, data and other information from third parties relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Company's markets and business. Unless otherwise stated, the information provided in this section of the Prospectus regarding markets, market size, market share and market position, should be considered the Company's assessment, based on information obtained from several sources including the Swedish Environmental Protection Agency, ADAC, EuroStat, European Alternative Fuels Observatory, local transport authorities in the countries where CTEK is present, McKinsey & Company, annual reports from companies operating in the same industry as CTEK, consumer surveys and several offices for national statistics. Such information has been accurately reproduced, and, as far as the Company is aware and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. It is usually pointed out in industry publications that the information contained therein is derived from reliable sources, but that there is no guarantee of accuracy or completeness. CTEK is of the view that the industry publications, reports and forecasts are reliable, but CTEK has not independently verified them and cannot guarantee their accuracy or completeness. As far as CTEK is aware and has the ability to verify such information, no information has been omitted that could cause the information presented to be incorrect or misleading. Forecasts and other forward-looking statements in this section do not represent guarantees of future performance, and actual events and circumstances may differ materially from current expectations. Multiple factors could lead or contribute to such differences – refer to the sections "Forward-looking statements," "Presentation of financial and other information – Market data" and "Risk factors."*

## INTRODUCTION

CTEK is the leading global supplier of 12v battery chargers for various vehicles in the premium segment ("**premium low voltage chargers**") and the second largest supplier of electric vehicle service equipment ("**EVSE**") in Sweden.[1)] The Company is characterised by a strong innovation culture and works continuously to improve and develop new products to suit customer needs. CTEK was founded in Vikmanshyttan in 1997 and now has sales in more than 70 countries. With a history of innovation and technology leadership, the Company meets new customer requirements by continuously developing its product offering and operations pro-actively. Based on its technology leadership, the Company has established strong and long-standing customer relationships with more than 50 of the world's most prestigious OEMs. In addition to OEMs, the Company also offers products to workshops, distributors, retailers, parking lots, charge point operators, property owners and consumers.

The European EVSE market is projected to grow rapidly in the coming years, mainly driven by stricter regulations, new technology and charging infrastructure, and changed consumer behaviour. Europe is a strong driver in the global electrification of the vehicle fleet. The EVSE market in Europe amounted to SEK 7.4 billion in 2020 and is expected to grow by a CAGR of 27 percent until 2025. By 2025, the value of the market is projected to reach SEK 24.6 billion. In addition, the market penetration of EVs is projected to surge in Europe and by 2030, EVs are projected to account for 17 percent[2)] of the total vehicle fleet. CTEK is the second-largest player on the Swedish EVSE market with a market share of about 25–30 percent.[3)]

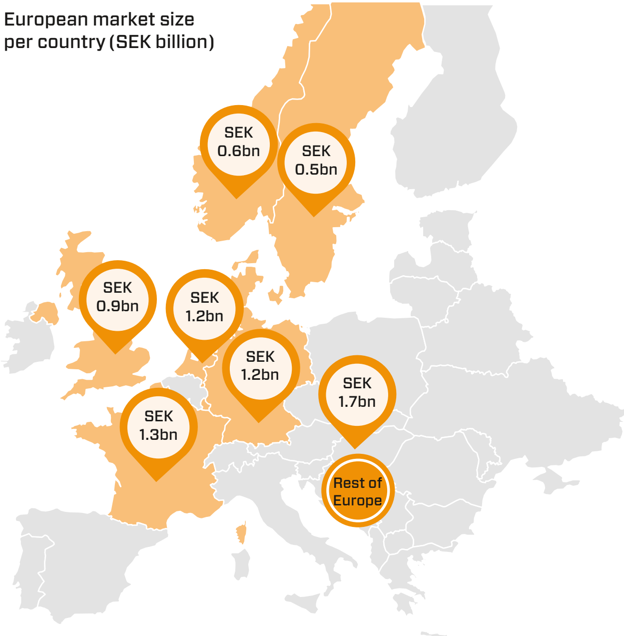
1) Source: The Company's assessments. CTEK has the highest market share of all players in the global premium low voltage (12v) market based on estimated volume of premium 12v battery chargers. As per 2020, CTEK had the second-largest share of the Swedish market for AC chargers for EVs and accessories based on estimated market size, CTEK's net sales and triangulation with industry experts regarding the presence and size of other market players.
2) Does not include hybrid vehicles. The market penetration would be higher if hybrid vehicles were included.
3) Source: The Company's assessments. CTEK has the highest market share of all players in the global premium low voltage (12v) market based on estimated volume of premium 12v battery chargers. As per 2020, CTEK had the second-largest share of the Swedish market for AC chargers for EVs and accessories based on estimated market size, CTEK's net sales and triangulation with industry experts regarding the presence and size of other market players.

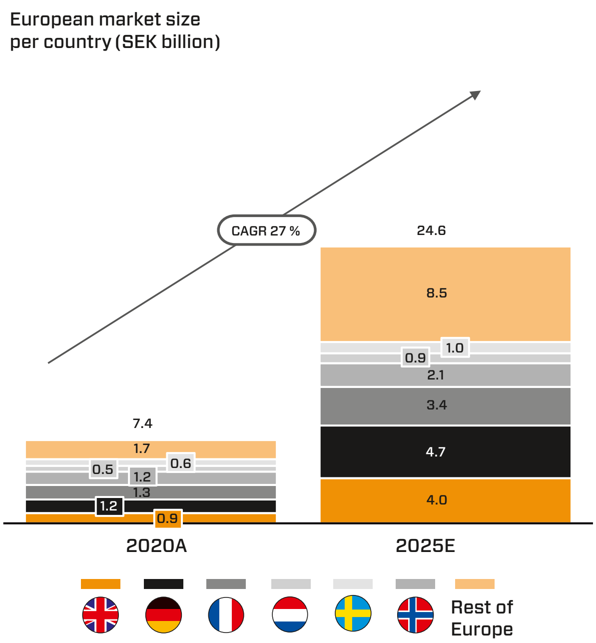
The global premium low voltage market is projected to see continued growth in the coming years, mainly driven by technological advancements for car batteries and the vehicle fleet in general, and a changed product mix. In 2020, the value of the premium low voltage charger market was approximately SEK 4.5 billion and is expected to grow by a CAGR of 3 percent until 2025. By 2025, the value of the market is projected to reach SEK 5.2 billion. Europe accounts for about 30 percent of the global market, North America for 20 percent, Asia for 40 percent and other continents for 10 percent. With a market share of about 10 percent, CTEK is the global market leader within premium low voltage chargers.[1)]

## THE EUROPEAN EVSE MARKET

In 2020, the value of the European EVSE market was SEK 7.4 billion and is expected to grow by a CAGR of27 percent until 2025. By 2025, the value of the market is projected to reach SEK 24.6 billion. In 2020, the largest geographic markets in Europe were France, Germany and the Netherlands, whereby France, Germany and the UK are projected to show the highest growth from 2020 to 2025.

### EVSE market size per geography




The EVSE market is divided into three main applications: home chargers, destination chargers and other chargers. These are further divided into a total of seven categories, which are described under each application area below.

### Home chargers

Home chargers are divided into the categories of single-family homes and multi-family homes. Home chargers for single-family homes are mainly used by homeowners for private use and are normally installed in garages or driveways. Home chargers for multi-family homes are shared by several users in a residential property. In 2020, the value of the European home charger market was SEK 3.3 billion and is expected to grow by a CAGR of 26 percent until 2025. By 2025, the value of the home charger market is projected to reach SEK 10.5 billion.

### Destination chargers

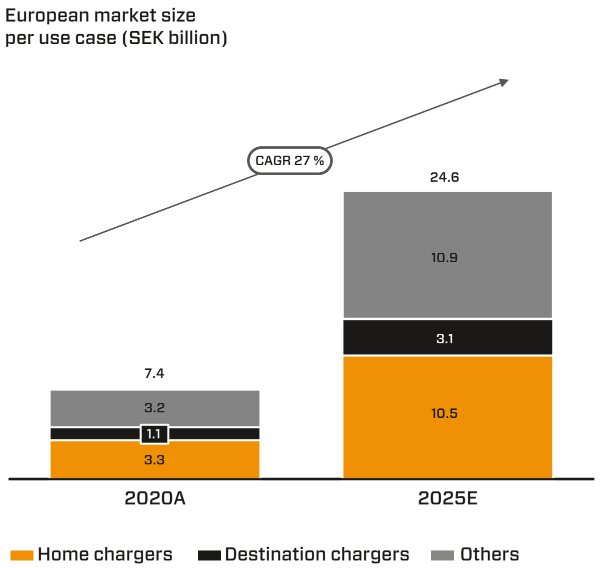
Destination chargers are divided into the categories of workplace, and shopping centers and others. Destination chargers for workplaces are shared by several users in an office building. Destination chargers for shopping centres and others are also shared by several users but are installed in public areas, such as at retailers, in parking garages and at shopping centres. In 2020, the value of the European destination charger market was SEK 1.1 billion and the average annual growth rate is projected to reach 23 percent by 2025. By 2025, the value of the destination charger market is projected to reach SEK 3.1 billion.

1) Source: The Company's assessments. CTEK has the highest market share of all players in the global premium low voltage (12v) market based on estimated volume of premium 12v battery chargers.

*Other chargers*

Other chargers are divided into the categories of on the road, fleet centre and portable charging. Other on the road chargers include charging stations installed along highways. Other chargers for fleet centres are used by logistics facilities, such as warehouses. Other chargers for portable charging can be used for charging at home, as well at hotels, workplaces and other places. In 2020, the value of the European market for other chargers was SEK 3.2 billion and the average annual growth rate is projected to reach 26 percent by 2025. By 2025, the value of the market for other chargers is projected to reach SEK 10.9 billion.

## EVSE market size per application




## Market structure and competitive position

The EVSE market can be divided into two segments for market players, alternating current ("**AC**") and direct current ("**DC**"). By the date of this Prospectus, all of CTEK's commercial products are within the AC charger segment. In addition, the Company has created prototypes and collaborated with other parties within the DC charger segment and intends to continue developing its product offering with DC chargers.

*AC chargers*

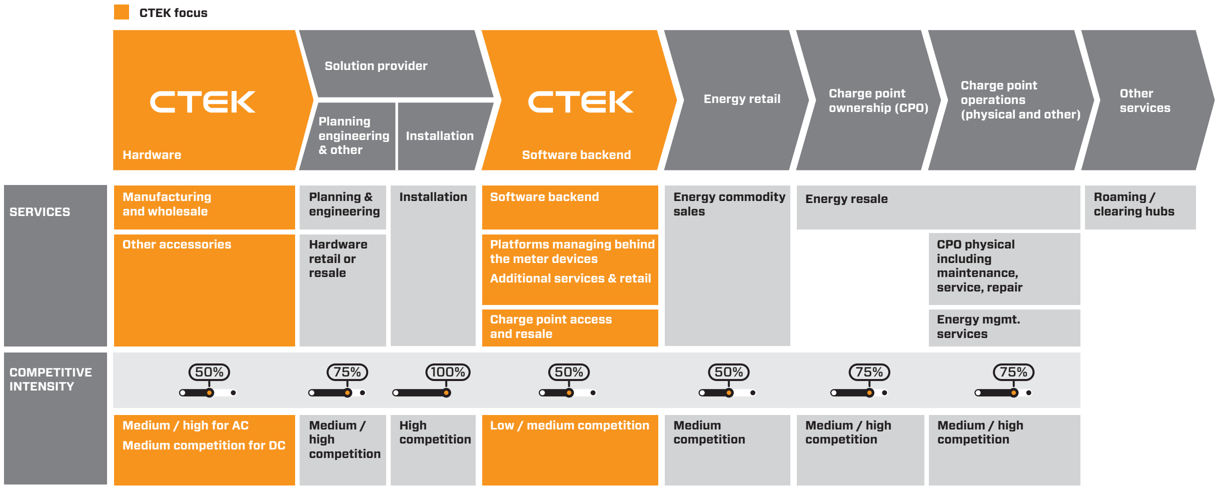
The AC charger market is fragmented with approximately 100–300 local actors that are leaders in their respective markets. However, the market is expected to eventually consolidate in Europe due to economies of scale and a limited need for niche solutions. CTEK is the second-largest actor in the Swedish market for AC chargers with a market share of about 25–30 percent.[1)] Other local actors include Garo, Charge Amps, Zaptec and Easee. Leading actors in the European EVSE market include Alfen, EvBox and KEBA.[2)]

*DC chargers*

The DC charger market is less fragmented with approximately 10–20 players in Europe, and pan-European suppliers in most countries. The products offered can be divided into the categories of 50–150 kW and over 150 kW. The leading actors in the DC charger market offer products in both categories, while the smaller players are mostly focused on 50–150 kW products. Leading market players include ABB, Tesla, Tritium, Efacec, Alpitronic. Smaller players include EvBox and ChargePoint.[3)]

1) Source: The Company's assessments. As per 2020, CTEK had the second-largest share of the Swedish market for AC chargers for EVs and accessories based on estimated market size, CTEK's net sales and triangulation with industry experts regarding the presence and size of other market players.
2) Source: The Company's assessments.
3) Source: The Company's assessments.

## Overview of the EVSE market value chain




### Value chain

The value chain for the EVSE market is complex and consists of multiple steps. An overview of the value chain is presented in the above diagram.[1)] CTEK's main focus is hardware and software backend. The Company has also a strong focus on service, support and education.

### Trends and drivers

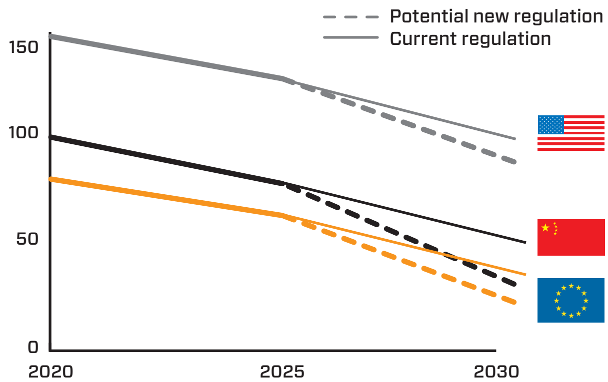
The key driver of the EVSE market is increased EV sales. EVs and hybrid vehicles[2)] are projected to account for 17 and 29 percent, respectively, of the total fleet in Europe in 2030. Moving forward, the EVSE market is expected to be driven by three factors: stricter regulations, new technologies and charging infrastructure, and changed consumer behaviour. [3)]

#### *Stricter regulations and incentives*

Regional and national regulations and local laws, such as low emission zones and city driving restrictions, are expected to drive the mix of driveline technologies, for which Europe has established the strictest regulations. The goal of the Paris Agreement is to limit global warming to below 2°C and to achieve this, the Paris Agreement contains a range of initiatives, such as greenhouse gas reduction targets. To achieve the current greenhouse gas reduction targets in Europe, EVs must account for 45 percent of total new car sales by 2030.

### Greenhouse gas reduction targets for passenger cars in the US, China and the EU

**Fleet emission targets for passenger cars**
$CO_2$ g/km (EU/CN NEDC) and (USA NEDC equivalent)




Many countries have also introduced specific initiatives for the installation of EV chargers in new constructions and refurbishments. In Sweden, for example, at least 20 percent of the parking spaces in new constructions and major refurbishments that are not residential properties with more than ten parking spaces must be equipped with at least one EV charging point.

#### *New technologies and charging infrastructure*

One of the key purchasing criteria for consumers when buying a vehicle is the total cost of ownership. One of the key drivers for total cost of ownership is battery costs, which historically has implied that the total cost of owning an EV is higher than owning an internal combustion engine ("ICE") vehicle. Technological advancements are expected to reduce the battery costs and electricity moving forward,

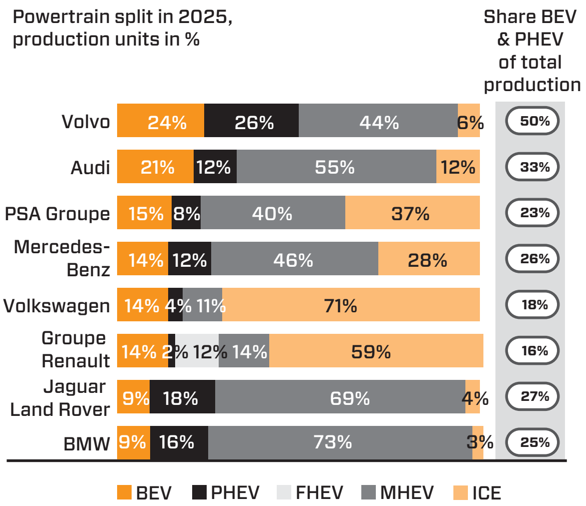
1) Source: The Company's assessments.
2) Including mild hybrids.
3) Source: The Company's assessments.

and therefore reduce the total cost of owning an EV. Between 2020 and 2025, electricity costs are expected to decrease at a CAGR of 2 percent, while fuel costs are expected to remain unchanged for ICE vehicles. Continuous cost reductions for batteries and technology will reduce the cost gap between EVs and ICE vehicles, which is expected to increase demand for EVs. Cost parity between EVs and ICE vehicles is expected to be reached in 2025. If subsidies are included, cost parity is estimated to have been achieved in 2020.

### *Changed consumer behaviour*

In recent years, consumers have become more focused on sustainable solutions, which has increased demand for EVs. Furthermore, many OEMs have set targets for the proportion of battery EVs ("BEVs") and hybrid vehicles produced and regularly invest in initiatives to meet regulations and demand. For example, Mercedes-Benz is planning to reduce the number of ICE models it offers by 70 percent by 2030 and Jaguar is aiming for net zero carbon emissions by 2025.

## *Initiatives to increase the proportion of EVs by OEMs*

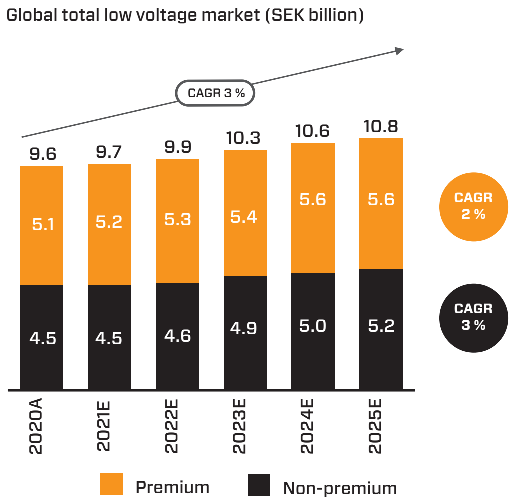



## *THE GLOBAL LOW VOLTAGE MARKET*[1)]

In 2020, the value of the global low voltage market was SEK 9.6 billion and is expected to grow at a CAGR of 2 percent until 2025. By 2025, the value of the market is projected to reach SEK 10.8 billion.

The low voltage market can be divided into premium products and other products, and CTEK addresses the premium segment. The premium segment accounts for about 45 percent of the low voltage market. In 2020, the value of the global premium low voltage market was SEK 4.5 billion and is expected to grow at a CAGR of 3 percent until 2025. By 2025, the value of the premium market is projected to reach SEK 5.2 billion. CTEK is the leading global supplier of premium low voltage chargers with a market share of about 10 percent.[2)]

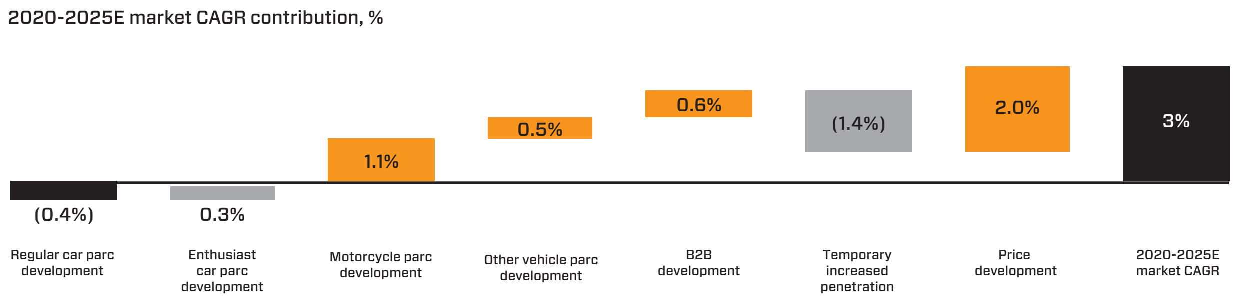
## *Global market size of low voltage chargers per premium products and other products*




In addition, the premium low voltage market addresses both professional users and consumers. Professional users include workshops, while consumers mainly comprise users of standard cars, enthusiast cars, motorcycles, powersports, leisure boats and motorhomes/caravans.

1) The low voltage market is defined as the market for 12v battery chargers.
2) Source: The Company's assessments. CTEK has the highest market share of all players in the global premium low voltage (12v) market based on estimated volume of premium 12v battery chargers.

## Global market size of the premium low voltage market per application




## Market structure and competitive position

The low voltage market can be divided into four main application areas: maintenance charging, regular charging, boosters and portable charging. CTEK offers chargers for all application areas except boosters. Other actors in the global premium low voltage market are usually active in multiple application areas with a broad product portfolio, where the majority do not have low voltage chargers as their main focus. An overview of each application area and the relevant actors is presented below.

### *Maintenance charging*

Maintenance charging refers to regular charging of batteries over extended periods of time to prevent discharge, which typically occurs with batteries in vehicles that are stationary, while also prolonging the life of the batteries. Maintenance charging is used for enthusiast cars, motorcycles, powersports, leisure boats and motorhomes/caravans. Players that offer maintenance chargers include CTEK, Noco, Gys, Bosch, Schumacher, Victron Energy and DEFA.

### *Regular charging*

Charging batteries that are partially or fully discharged, which is normally done at low charging speed until the battery reaches normal levels. Regular chargers can be used for all types of vehicles including regular cars, enthusiast cars, motorcycles, powersports, leisure boats and motorhomes/caravans. Actors that offer regular chargers include CTEK, Noco, Gys, Bosch, Schumacher, Victron Energy and DEFA.

### *Boosters*

Rapid or ultra-rapid charging of batteries that are partially or fully discharged, which is done at high speed to enable a quick start of the vehicle. Boosters are mainly used for regular cars, motorcycles and, in some cases, enthusiast cars. Actors that offer boosters include Noco, Gys and Schumacher.

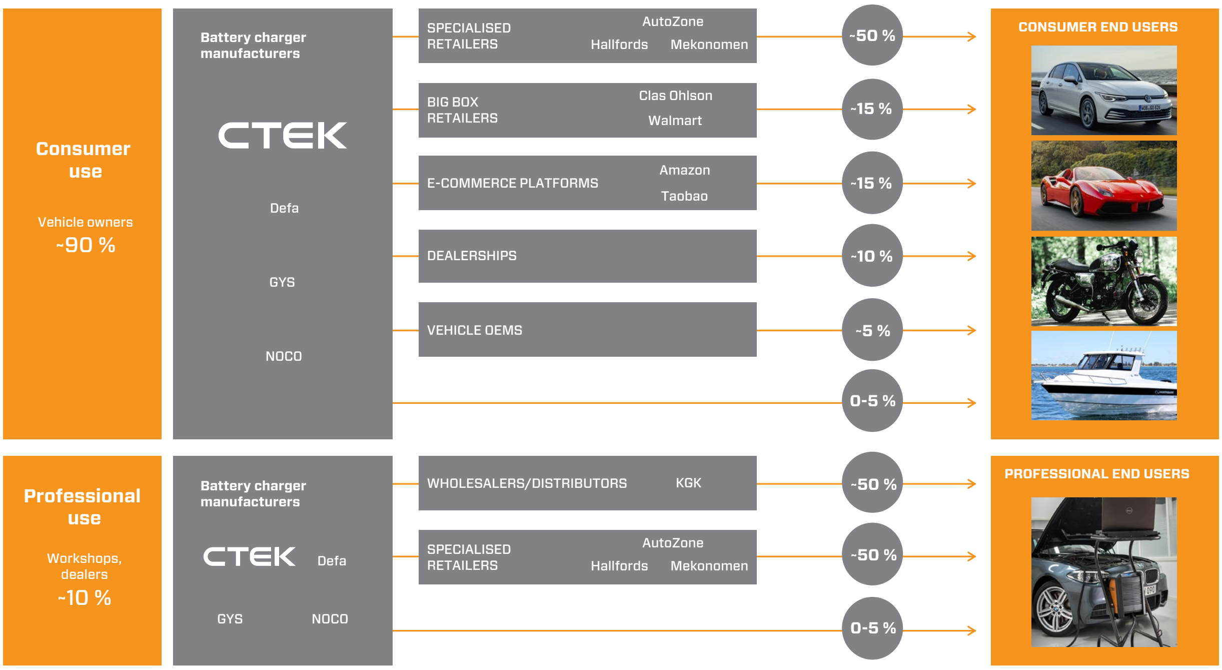
### *Portable charging*

Portable chargers that can be brought and used when needed, such as for charging discharged batteries or maintenance charging in places where there are no power outlets. Portable chargers are generally multifunctional chargers that can both charge and maintain batteries without using a power supply. Portable chargers can be used for most types of vehicles, including regular vehicles, motorcycles, leisure boats and, in some cases, powersports and motorhomes/caravans. In the Company's view, CTEK is the only player in the low voltage market that offers portable premium low voltage chargers.

## Value chain

Low voltage chargers are sold to consumers through multiple sales channels. Specialised retailers account for approximately half of sales, big box retailers for about 15 percent and e-tailers for an additional 15 percent. In addition, wholesalers and distributors account for a similar proportion of sales to professional users as specialised retailers.

## Value chain for the low voltage market




### Trends and drivers

The Company's assessment is that the global premium low voltage market is projected to see continued growth in the coming years, mainly driven by technological advancements for batteries and the vehicle fleet in general, and a changed product mix.

#### *Technological advancements for the vehicle fleet*

As vehicles become increasingly advanced with new features, the energy they consume will increase and as a result, the battery will need to be charged more frequently, which will increase the need and demand for premium low voltage chargers. Moreover, vehicle owners tend to drive shorter distances nowadays, which means that the batteries in the vehicles do not have time to recharge. A higher load on the battery when the vehicle is stationary due to more advanced technology combined with shorter driving distances causes battery wear, thereby increasing demand for premium low voltage chargers.

#### *New battery technology*

Technological advancements are increasing the complexity of batteries, creating a need for more advanced chargers. For example, the growth of lithium-ion batteries is driving a need for replacement of lead-acid batteries for conventional vehicles, which is expected to boost sales of premium low voltage chargers.

#### *Changed product mix*

The market is shifting towards more advanced and expensive chargers to meet the increasing load on batteries due to, for example, higher energy used by vehicles, which is expected to boost demand for premium low voltage chargers.


CTEK

# BUSINESS OVERVIEW

## INTRODUCTION

CTEK is the leading global supplier of premium low voltage chargers and the second largest EVSE product supplier in Sweden.[1] The Company is characterised by a strong innovation culture and works continuously to improve and develop new products to suit customer needs. CTEK was founded in Vikmanshyttan in 1997 and now has sales in more than 70 countries. With a history of innovation and technology leadership, the Company meets new customer requirements by continuously developing its product offering and operations pro-actively. Based on its technology leadership, the Company has established strong and long-standing customer relationships with more than 50 of the world's most prestigious OEMs. In addition to OEMs, the Company also offers products to workshops, distributors, retailers, parking lots, charge point operators, property owners and consumers.

Based on the overall focus of attracting new and strengthening existing customer relationships, the Company's business is divided into three divisions, or segments, that are based on different consumer groups and customer needs: Aftermarket, Original Equipment and Energy & Facilities. The Aftermarket division mainly conducts sales of premium low voltage chargers, spare parts and EVSE products. The Original Equipment division primarily comprises sales of custom premium low voltage chargers manufactured for OEMs and sales of products used in workshops. The Original Equipment division sells both premium low voltage chargers and EVSE products. The Energy & Facilities division primarily targets charge point operators, electrical wholesalers, electricity installers, property owners and car-park owners. Energy & Facilities' product portfolio is comprised of EVSE products. As per the six-month period ending 30 June 2021, Aftermarket, Original Equipment and Energy & Facilities accounted for 71.5 percent, 11.7 percent, and 14.3 percent of CTEK's net sales, respectively.

CTEK has a long history of profitable growth. From 2018 to the six-month period ending 30 June 2021, the Company reported a CAGR of 18.2 percent, combined with healthy profitability. As per the six-month period ending 30 June 2021, the Company's net sales amounted to SEK 455.4 million and adjusted EBITA to SEK 104.7 million, corresponding to an adjusted EBITA margin of 23.0 percent. In the 2020 financial year, the Company sold more than one million premium low voltage chargers and as per the six-month period ending 30 June 2021 had installed more than 50,000 charging points[2].

## HISTORY

CTEK was founded in Vikmanshyttan in 1997 by the Swedish inventor Bengt Wahlqvist, who then introduced the first premium low voltage charger with electronic pulse technology. CTEK was originally founded under the name of Runtech, which later became Coulombi Chargers and finally CTEK. The Company was initially focused on the development of pulse chargers and conducted operations within the division now known as Aftermarket. In 2003, Porsche became the Company's first OEM customer and as a result, Germany rapidly became the Company's largest export market.

In 2005, the first development office was introduced in Hong Kong and in the following year, the Company passed a new milestone when net sales exceeded SEK 100 million for the first time, mainly due to the Company's geographic expansion. The Company's net sales continued to grow in the following years and in 2008, the private equity investment firm, FSN Capital Partners AS, acquired a majority stake in CTEK through its FSN Capital Limited Partnership II fund.

In 2011, private equity firm Altor became the new majority owner through its Altor Fund III fund. In the following years, the Company stepped up its efforts to strengthen customer satisfaction by delivering products with a high technical performance. CTEK also established a long-term sustainability strategy with ambitious targets that are continuously measured and monitored. Under Altor's ownership, the Company has maintained a strong focus on the development of products and new and innovative solutions to suit customer needs, with several successful product launches. In addition, CTEK acquired the European company Inelco in 2015, with the aim of strengthening the Company's product offering in premium low voltage chargers.

In May 2018, the Company acquired Chargestorm, which reflected CTEK's ability to follow market trends and adapt its product offering to new technology needs and trends. This acquisition laid the foundation for a new strategic focus within CTEK and the product offering was broadened with EVSE products.

Since the Company's inception, CTEK's value offering has evolved into a product portfolio for vehicles worldwide. In 2020, the Company sold more than one million premium low voltage chargers and as per the six-month period ending 30 June 2021, it had more than 50,000 installed charging points[3].

1) Source: The Company's assessments. CTEK has the highest market share of all players in the global premium low voltage (12v) market based on estimated volume of premium 12v battery chargers.. As per 2020, CTEK had the second-largest share of the Swedish market for AC chargers for EVs and accessories based on estimated market size, CTEK's net sales and triangulation with industry experts regarding the presence and size of other market players.
2) 50,000 charging points include charging points sold under private labels.
3) 50,000 charging points include charging points sold under private labels.

## Overview of divisions, technologies and product offering

| | TECHNOLOGIES | | | | |
|---|---|---|---|---|---|
| | EVSE | LOW VOLTAGE | PRODUCT EXAMPLES | NUMBER OF SKUs | APPLICATIONS |
| Aftermarket (AM) | ✔ | ✔ | MXS 5.0, D250SE, PRO 120, NJORD GO  | 214 | |
| Original Equipment (OE) | ✔ | ✔ | Client branded, D250SE, PRO 120, NJORD GO  | 211 | |
| Energy & Facilities (E&F) | ✔ | | Chargestorm Connected, NJORD GO  | 116 | |

## CTEK'S BUSINESS

CTEK develops and supplies EVSE products and premium low voltage chargers. During the six-month period ending 30 June 2021, EVSE products and premium low voltage chargers accounted for 16.6 and 81.6 percent, respectively, of net sales. The business is divided into three divisions: Aftermarket, Original Equipment and Energy & Facilities. EVSE products are sold through all divisions, while premium low voltage chargers are offered through the Aftermarket and Original Equipment divisions. Research and development is conducted internally in Vikmanshyttan and Norrköping. Production is carried out externally in China, where CTEK ensures the quality of the products via a local office that oversees the production activities and performs regular quality assessments of the manufacturing process.

Based on over 20 years of experience in research, innovation and development, CTEK has built up a wide network of customer relationships in more than 70 countries. Through the Company's three divisions, CTEK supplies products and solutions to more than 200 retailers, e-tailers and distributors, and collaborates with more than 50 of the world's largest OEMs.

## Divisions

CTEK is a leading global supplier of premium low voltage chargers and the second largest EVSE supplier in Sweden.[1)] CTEK's business is divided into three divisions: Aftermarket, Original Equipment and Energy & Facilities. The divisions are classified based on the Company's defined consumer groups and allow for the operations to be managed efficiently. The divisions share central functions, such as IT, HR, product realisation, marketing, accounting and global service, which includes the customer service centre, installation support and customer training.

### Aftermarket division

In the Aftermarket division, the Company offers EVSE products and premium low voltage chargers. CTEK believes the Company to be a market pioneer in Aftermarket with its high-tech solutions enabled by patented technology. In Aftermarket, the Company offers a broad range of 214 different products that are suitable for most types of vehicles and applications. The Company believes that the offering features flexible, simple and safe solutions with functions that maximise battery performance and extend battery life, while ensuring simple and safe EV charging.

1) Source: The Company's assessments. CTEK has the highest market share of all players in the global premium low voltage (12v) market based on estimated volume of premium 12v battery chargers. As per 2020, CTEK had the second-largest share of the Swedish market for AC chargers for EVs and accessories based on estimated market size, CTEK's net sales and triangulation with industry experts regarding the presence and size of other market players.

## *Overview of the Aftermarket division*

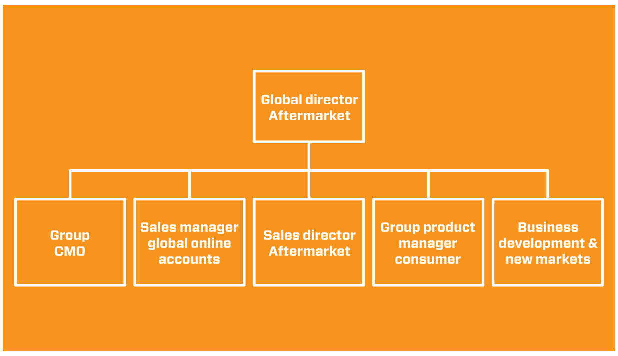
### Strong value proposition

| | |
|---|---|
| **Cutting edge technology** | • Market pioneer with state of the art solutions, enabled by advanced, reliable and patented technology |
| **Broad assortment** | • Vast product range, updated continuously with the latest innovation and technology such as portable charging<br>• Product offering catering to several vehicles and different usages |
| **Best-in-class Performance** | • Smart, simple and safe solutions with an overarching mission to maximise battery performance and extending battery life time |

### Attractive financial profile

| | |
|---|---|
| **17.7%** | **40.3%** |
| **Net revenue CAGR 18–2021 Q2** | **Average adjusted EBITDA excluding central items margin 2018–2021 H1[1]** |

### Organisation




### Wide customer base


1) Average adjusted EBITDA excluding central items margin amounted to 40.3%. It is defined as total adjusted EBITDA excluding central item for the Aftermarket division from the fiscal year 2018 until the six-month period ending 30 June 2021, amounting to SEK 689.1 million, divided by net sales from the Aftermarket division for the corresponding period, amounting to SEK 1,707.9 million.

The products are sold to more than 200 customers through both online sales and physical stores. The Company's customers comprise both consumers and businesses, including Mekonomen, Repco, Amazon, KGK and Norauto. The Aftermarket division has a diversified customer base where 20 customers represented 60 percent of the division's net sales year 2020 and 40 customers represented 80 percent the corresponding period. The Aftermarket Division grew at a CAGR of 17.7 percent from the fiscal year 2018 until the six-month period ending 30 June 2021. During the six-month period ending 30 June 2021, net sales amounted to SEK 327.8 million.

### Original Equipment division

CTEK is a well-known brand with more than 50 of the largest and most prestigious OEMs as its customers worldwide. The Company offers localised solutions for CTEK's global customer base of OEMs. The Company's high-quality products are tailored to customer requirements, such as design and specialised software, for example, to offer bespoke charging programmes for specific batteries.

The Original Equipment division offers 211 products in the form of EVSE products and premium low voltage chargers. The products are sold to the approximately 100 customers in the division, who primarily comprise OEMs, but also powersports, integrated solutions and other battery-powered use. The Original Equipment division has a diversified customer base where 10 customers represented 60 percent of the division's net sales year 2020 and 20 customers represented 80 percent during the corresponding period. The Company's customers in Original Equipment include Ferrari, Porsche, Yamaha, BRP and Volvo. The Original Equipment division grew at a CAGR of 3.9 percent from the fiscal year 2018 until the six-month period ending 30 June 2021. During the six-month period ending 30 June 2021, net sales amounted to SEK 53.6 million.

## *Overview of the Original Equipment division*

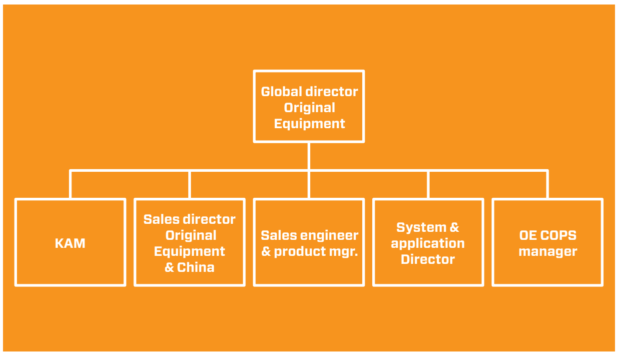
### Strong value proposition

| | |
|---|---|
| **Long lasting relations with premium OEMs** | • The trusted brand among over 50 of the largest and most prestigious OEMs around the world |
| **Global presence with localised solutions** | • Locally adapted solutions adhering with regulatory requirements of CTEK's global customer base |
| **Customised charger solutions** | • Högkvalitativt anpassade lösningar skräddarsydda efter kundens efterfrågan |

### Attractive financial profile

| | |
|---|---|
| **3.9%** | **19.2%** |
| **Net revenue CAGR 18–2021 Q2** | **Average adjusted EBITDA excluding central items margin 2018–2021 H1[1)]** |

### Organisation




### Wide customer base


1) Average adjusted EBITDA excluding central items margin amounted to 19.2%. It is defined as total adjusted EBITDA excluding central items for the Original Equipment division from the fiscal year 2018 until the six-month period ending 30 June 2021, amounting to SEK 64.7 million, divided by net sales from the Original Equipment division for the corresponding period, amounting to SEK 336.1 million.

### Energy & Facilities division

In Energy & Facilities, the Company leverages its extensive experience and expertise in technological innovation, and has developed a strong portfolio of products with market-leading EVSE features comprising 116 products. With safe and user-friendly solutions, the Company is now a well-known brand among more than 475 customers in the Energy & Facilities division. The Energy & Facilities division has a diversified customer base where 14 customers represented 60 percent of the division's net sales year 2020 and 48 customers represented 80 percent during the corresponding period.

In the Energy & Facilities division, the Company exclusively offers EVSE products. The products are mainly sold to charge point operators, but also to electrical wholesalers, installers/electricians and property and car-park owners. The Company's customers therefore comprise both consumers and businesses, including Vattenfall, Bravida, Lundbergs Fastigheter, Stockholm Parkering and Mekonomen. The Energy & Facilities division is the Company's fastest growing division, with a CAGR of 55.4 percent from the fiscal year 2018 until the six-month period ending 30 June 2021. During the six-month period ending 30 June 2021, net sales amounted to SEK 65.6 million.

## *Overview of the Energy & Facilities division*

### Strong value proposition

| | |
|---|---|
| **Charger expert** | • Leveraging decades of expertise and technological innovation from the low voltage sector to the EV sector |
| **Established relationships** | • Trusted brand by +475 customers with already established relationships |
| **Safe & reliable products** | • Solutions are characterised by safety, dependability and ease of use |

### Attractive profile

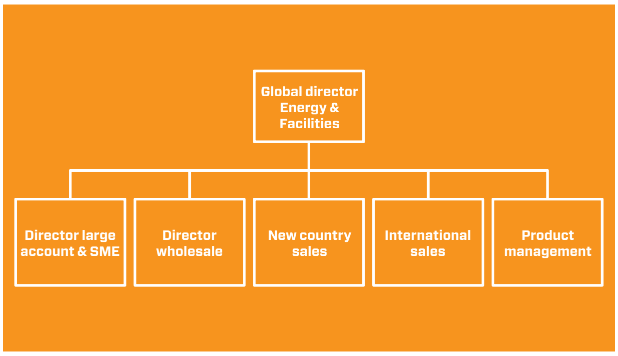
**55.4%**

**Net revenue CAGR 18–2021 Q2**

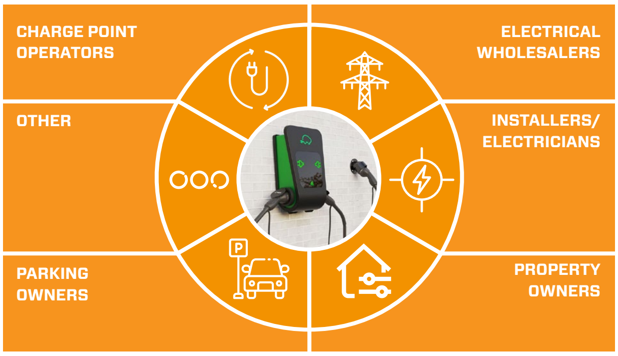
**neg.**

**Average adjusted EBITDA excluding central items margin 2018–2021 H1[1)]**

### Organisation




### Wide customer base




1) Average adjusted EBITDA excluding central items margin amounted to (3.6%). It is defined as total adjusted EBITDA excluding central items for the Energy & Facilities division from the fiscal year 2018 until the six-month period ending 30 June 2021, amounting to SEK (9.3) million, divided by net sales from the Energy & Facilities division for the corresponding period, amounting to SEK 255.2 million.

## *Product offering*

CTEK's offering in premium low voltage chargers and EVSE products is divided into five product groups: consumer products, products for professional users, integrated solutions, Client Brand products, and EVSE products.

With a strong focus on customer needs and technological innovation through R&D, CTEK has built up a broad range of approximately 350 products. The range of products in each product group is continuously updated and optimised to meet changing customer needs. For example, the Company added lithium battery chargers to its range of products when lithium batteries became standard in vehicles. Some of the Company's premium low voltage chargers can therefore handle both lead-acid and lithium batteries, which increases the range of applications for these chargers, since chargers designed for lead-acid batteries usually show a slower charge rate for lithium batteries.

## Consumer products

CTEK's products for consumers are offered by the Aftermarket division and comprise high-quality premium chargers that are suitable for a wide range of applications. The Company's success in the consumer products group is based on its award-winning products with high scores in both tests and consumer reviews. In 2020, CTEK's premium low voltage charger, MXS 5.0, was proclaimed the best battery charger[1) ] by *Auto Express*, and CS Free received the same verdict in 2021.

### *Product examples: CS FREE and MXS 5.0*

CS Free was launched in February 2021 and is the first fully portable premium low voltage charger with maintenance charging and Adaptive Boost technology. The charger does not need to be plugged in when in use and is fully portable and suitable for a range of vehicles, including motorcycles, cars, recreational vehicles and vans. Using Adaptive Boost technology, a discharged battery can be ready for use within fifteen minutes after charging starts. The internal battery in CS Free can be charged from either the power supply or with solar power and can stay charged for up to one year after a full charge. By charging the internal battery, CS Free can be used as a fully portable device, which increases the product's range of applications. For example, the charger can be used by apartment owners who park on the street and need to charge their vehicle, but don't have access to a power outlet.

MXS 5.0 is an advanced microprocessor-controlled premium low voltage charger. The charger ensures the best charge performance, even in challenging conditions. The product is primarily designed for consumers. The charger enables the user to maintain and monitor the state of the battery efficiently and safely. The charger has won several awards and has a customer review rating of 4.8 out of 5 on the e-commerce website, Amazon.

## Products for professional users

CTEK believes that its products in the professional users product group represent some of the most high-tech chargers in the market. The Company's products combine the latest design with modern technology to provide the highest possible performance and support for customers during testing, charging, maintenance and recovery of all types of 12v or 24v batteries. The Company's professional products are sold by the Aftermarket and Original Equipment divisions, and are used by workshops, car dealers and OEMs.

### *Product example: PRO120*

PRO120 is a charger with a safe and reliable power supply, designed to meet all workshop requirements. The product ensures accurate and efficient service and diagnostics and offers effective Adaptive Charging and modern design combined with the latest technology to provide maximum performance and full support.

## Integrated solutions

CTEK's integrated solutions comprise built-in charging systems for commercial and recreational vehicles such as emergency vehicles, boats, buses and forklifts. The Company's range comprises 12v and 24v chargers that provide the user with a complete battery management solution that is safe, easy to use and maximises battery performance.

### *Product example: D250SE*


D250SE is a fully automatic five-step charger and with dual inputs, can be charged with either a generator or solar power. When the service battery is fully charged, D250SE automatically redirects the maintenance charge power to the starter battery. The product can be installed or used as a portable device and is available as either an AC/DC or DC/DC charger to meet the growing demand for power and significantly extend the battery life. Applications include ambulances, boats, caravans and other vehicles. The product is offered through the Aftermarket and Original Equipment divisions.

## Client Brand products

CTEK collaborates with more than 50 of the world's most prestigious OEMs and offers high-quality and bespoke chargers. This includes, for example, software adaptation to offer charging programmes tailored to the specific battery of the intended vehicle model and the customer's logo on the premium low voltage charger. The chargers are sold exclusively through the Original Equipment division and are available for all types of vehicles including cars, motorcycles, buses and trucks, and customers include world-renowned brands such as Ferrari, Lamborghini, Porsche and Volvo Buses.

1) *Auto Express* is the biggest selling motoring magazine in the UK, with publications covering news, features and reviews.

### Electric vehicle service equipment (EVSE)

CTEK offers modern EVSE products with the latest technology. The Company strives to develop and offer the market's safest and most user-friendly EVSE products. The product offering comprises the Chargestorm Connected and Njord Go AC chargers, complementary solutions such as Charge Portal, and applications and accessories. CTEK also has three tiers of advanced load balancing options, NANOGRID™ Home, NANOGRID™ Local and NANOGRID™ Grid Central. Products in the EVSE product group can be found in all three of the Company's divisions.

#### *Product examples: CHARGESTORM CONNECTED & NJORD GO*

Chargestorm Connected is a modern and robust charging station, specifically designed for safe and easy use for both EVs and plug-in hybrid electric vehicles ("**PHEVs**"). The charger is ideal for properties, homes, offices and public car parks and meets all necessary technical safety standards. According to the Company, Chargestorm Connected is one of the most flexible products on the market because it offers pole or wall-mount installation and is available with single or dual socket set-ups. In addition, application control using the Company's Taking Charge app is offered. Chargestorm Connected is offered through the Energy & Facilities division to charge point operators, electrical wholesalers, installers/electricians, property owners, car-park owners and owner-occupiers, and to customers such as Vattenfall, Bravida, Yesss, Lundbergs fastigheter and Stockholm parkering.


Njord Go is a robust and flexible charger that provides fast and safe charging for EVs. The product can be controlled with an app for maximum flexibility, giving the user full control via Bluetooth and WiFi of ongoing and planned charging. Njord Go is portable and can be wall-mounted without requiring a fixed installation, enabling portable use. Njord Go is offered through all divisions.

#### *Complementary products: Charge Portal, applications and accessories*

Charge Portal is CTEK's cloud-based charge portal where the administrator can monitor and control all users and chargers via a computer by gathering data and handling charging sessions, consumption, time and use. The product is ideal for charge point operators when, for example, managing payments for EV charging and generating statistical data for charging history, which is presented clearly. The product is offered through the Energy & Facilities division.

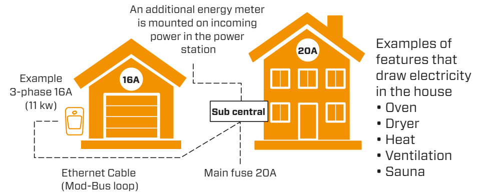
In addition, CTEK offers application control of Chargestorm Connected and Njord Go, where the user can schedule charging, track history and adjust the power supply and output in real time.

The Company also offers EV charging accessories, including cables, mounting plates, brackets, integrated/external 4G routers, RFID tags and so forth.

#### *Product example: NANOGRID™*

CTEK's advanced and dynamic load balancing, NANOGRID™, is offered in three tiers depending on customer needs: NANOGRID™ Home, NANOGRID™ Local and NANOGRID™ Grid Central. The Company's load balancing is a smart output solution that protects against grid overload and eliminates the risk of tripping the main fuse.

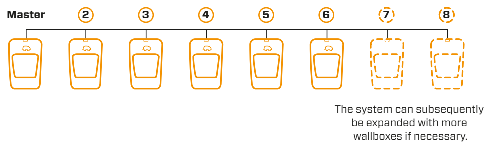
**NANOGRID™ – Home**




### LOAD BALANCING AT HOME

- ✔ No risk for power grid to overload
- ✔ Provides efficient charging – the car's charge is adjusted and optimised all the time
- ✔ Possible to mount an additional energy meter on incoming feed with CHARGESTORM CONNECTED

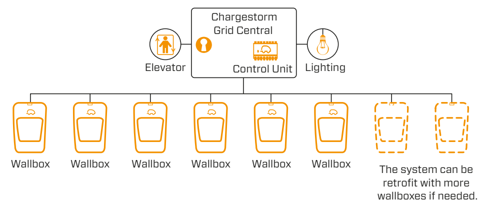
**NANOGRID™ – Local**




### LOAD BALANCING BETWEEN SEVERAL DEVICES

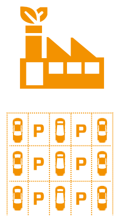
- ✔ No risk for power grid to overload
- ✔ Automatic power adjustments of the charging
- ✔ No need of internet – local communication between devices is sufficient for full functionality


**NANOGRID™ – Grid Central**




### LOAD BALANCING WITH EXTERNAL DEVICE CABINET

- ✔ No risk for power grid to overload
- ✔ Manages charging stations and external loads e.g., lightning and elevator
- ✔ Avoids a costly redevelopment of existing power grids




## Research and development (R&D)

CTEK secures its market position with technical excellence and a focus on innovation throughout the entire development process. 36 percent of the Company's employees are engaged in R&D at the Company's three centres of excellence in Vikmanshyttan, Norrköping and Shenzhen. In-house R&D and software development are carried out in Vikmanshyttan and Norrköping. Production and quality control are carried out in Shenzhen. The facilities are integrated and the employees in each facility collaborate continuously during the product development process, but also have specific focus areas.

Dedicated and highly skilled employees combined with continuous collaboration between the Company's three centres of excellence are the key to CTEK's technology leadership, and the integration between the three facilities enables an efficient development process. Some areas of expertise are also brought in on a consulting basis to strengthen the R&D team if necessary. By hiring external consultants when necessary, the R&D activities are cost-efficient and scalable. CTEK has full control over the entire development process and thereby aims to ensure compliance with product, regulatory and safety requirements for all products. Furthermore, quality testing is carried out after each stage of the development process. Due to an efficient development process, innovation and technology leadership, the Company has launched 17 new products over the past three years.

To enable continued technology leadership and offer competitive products, CTEK considers protection of the Company's trademarks, design and products to be important. As per the date of the Prospectus, the Company has 63 valid patents in nine countries, 102 registered designs in 17 countries and 163 registered trademarks in 41 countries.

## Purchasing and suppliers

The Company's production is carried out by external manufacturers in Shenzhen, with whom the Company has had long-standing relationships for over 20 years. The Company's warehouses are strategically located in various continents to shorten lead times given CTEK's global exposure. Long-standing relationships and major suppliers create flexibility and enable the Company to adapt its production to changing demand. To ensure quality, the production process is monitored from a local CTEK office not far from the production facilities. The Company places high demands on its suppliers in terms of quality, ethics and regulatory compliance. All suppliers have undergone conformity assessments and are certified in accordance with ISO 9001 and 14001:2015.

## Marketing

CTEK's aim is to deliver the best possible customer experience through a comprehensive offering in order to increase customer satisfaction and strengthen the Company's brand. CTEK has a dedicated in-house marketing team and the Company's main marketing strategy includes digital marketing and marketing in partnerships with retailers. The Company works pro-actively to strengthen its digital presence using social media. These initiatives mainly take place via Facebook and Instagram, where the Company has accounts that are regularly updated. The Company also conducts targeted marketing campaigns, such as taking part in trade fairs and sponsoring relevant events to build brand awareness.

CTEK's online stores are designed so that customers can easily and conveniently navigate to relevant products on either their computers or mobile devices. According to the Company, the contents of its website are customised with detailed product descriptions, areas of application and explainer videos. In addition, the Company provides e-tailers and physical stores with relevant product and marketing material.

### Premises

The Company has a total of five regional offices located in the US, Germany and China, as well as two in Sweden. The Swedish offices comprise the R&D facilities in Vikmanshyttan and Norrköping. The regional office in Shenzhen is focused on monitoring and quality control of the production process. To improve availability and reduce lead times for the Company's customers, CTEK also has three regional warehouses strategically distributed between the US, Belgium and Hong Kong. In addition, the Company has sales staff in eight more countries with no permanent premises.

## VISION, MISSION AND FINANCIAL TARGETS

**Vision**

CTEK's vision is to be the leader in vehicle charging solutions.

**Mission**

To realise its vision, CTEK shall continue to develop, market and sell innovative, safe, easy to install and easy to use battery charging products for all types of vehicles, as well as complete charging solutions for electrical vehicles.

**Financial targets**

The board has set the following financial targets:

*Sales growth*

CTEK's target is to achieve SEK 2 billion in sales in the medium term with the majority stemming from EVSE products.

*Profitability*

CTEK's target is to achieve an adjusted EBITA margin of more than 25 percent in the medium term. Growth in the Energy & Facilities division may have an impact in the short term.

*Capital structure*

Net debt shall not amount to less than 3.0x last twelve months adjusted EBITDA, strategic decisions such as acquisitions can have a temporary impact.

*Dividend policy*

CTEK invest our resources into growth and developing our business. In addition, we aim to pay out a dividend corresponding to 30% of net earnings.

*The above financial targets and dividend policy are forward-looking statements. Forward-looking statements are not guarantees of future performance or developments and the actual results may differ materially from those expressed or implied by such forward-looking statements. Refer also to "Important information – forward-looking statements".*

## CTEK'S STRENGTHS AND COMPETITIVE ADVANTAGES

CTEK assesses that the Company possesses the following strengths and competitive advantages:

- CTEK operates in attractive and growing market segments
- CTEK has a strong, award-winning and globally recognized premium brand
- CTEK is an innovative technology leader in premium low voltage chargers and EVSE products
- CTEK has long-standing relationships with customers and suppliers
- CTEK's brand and products are ideal for online sales
- CTEK has a strong patent portfolio and an efficient R&D process
- CTEK has a clearly defined sustainability strategy with concrete initiatives
- CTEK has a strong financial position with a long history of profitable growth
- CTEK has a competent board of directors and management team with extensive and relevant experience

### CTEK operates in attractive and growing market segments

CTEK believes that its addressable market is characterised by high growth with strong underlying growth drivers. The European EVSE market is growing rapidly and Europe is at the centre of the global transition and electrification of the vehicle fleet. In 2020, the value of the European EVSE market was SEK 7.4 billion and is projected to reach SEK 24.6 billion by 2025, representing a CAGR of 27 percent. The EVSE market is driven by a range of factors including increased electrification of the vehicle fleet and subsequent demand for EVSE products. The main drivers are stricter regulations and incentives, new technologies and charging infrastructure, as well as changed consumer preferences.

The Company believes that some of the trends and drivers that are increasing demand in the low voltage market include more advanced technology in car batteries and the vehicle fleet in general, which requires more frequent charging, and a changed product mix arising from the electrification, which has increased demand for premium low voltage chargers. Moreover, the low voltage market is resilient to fluctuations in new car sales, which is illustrated by the fact that CTEK's net sales in premium low voltage chargers increased by approximately 10 percent, while global new car sales fell approximately 16 percent during the coronavirus pandemic in 2020 compared to 2019. The Company's resilience is due to the fact that a decrease in new car sales increases demand for maintaining the existing car fleet, and subsequently premium low voltage chargers.

### CTEK has a strong, award-winning and globally recognized premium brand

CTEK attaches great importance to nurturing its brand and developing customer relationships in order to achieve the highest possible level of customer satisfaction. The Company's customer satisfaction is illustrated by CTEK's high scores in customer surveys. For example, the Company has a customer review rating of 4.8 out of 5 on the e-commerce website Amazon. CTEK's high product expertise and customer satisfaction is also proven by the fact that the Company's products have won more than 30 awards in the past five years. Due to CTEK's position as the leading global supplier of premium low voltage chargers,[1] the Company's brand is recognized all over the world. The Company believes it can leverage the equity of its global brand in both its offering of premium low voltage chargers and EVSE products.

### Examples of prizes won by CTEK


### The Company is an innovative technology leader in premium low voltage chargers and EVSE

CTEK is a pioneer in technological innovation with advanced, reliable and patented technology. Due to the Company's high technological competencies, dedicated employees and focus on innovation throughout the development process, the Company has built up a leading position in the global low voltage market. As per the date of the Prospectus, the Company has 63 valid patents, 102 registered designs and 163 registered trademarks worldwide which, according to the Company, provide a strong competitive advantage and will enable the Company to maintain its leading position in the low voltage market.[2]

In connection with the acquisition of Chargestorm in 2018, the Company's product offering was broadened with EVSE products. By leveraging decades of experience, expertise and technological innovation from the low voltage market combined with the Company's strong competencies, CTEK believes it is well prepared to meet the growing demand in the EVSE market and to continue developing the Company's existing product offering. In the Swedish EVSE market, CTEK currently has a market share of about 25–30 percent, making the Company the second-largest actor[3]. With more than a decade of experience in EVSE, and more than 50,000[4] charging points installed globally, the Company has built up extensive knowledge and high product expertise.

### CTEK has long-standing relationships with customers and suppliers

Since the Company was founded, CTEK has built up strong relationships with more than 50 of the world's largest OEMs and over 200 retailers, e-tailers and distributors, which has provided the Company with valuable insights and knowledge of specific customer needs. With its high product expertise and ability to develop products, the Company works continuously to broaden its product offering. CTEK attaches great importance to nurturing and developing its customer relationships to achieve the highest possible level of customer satisfaction, which is enabled by offering a broad, high-quality and customised product range. CTEK uses its strong relationships with customers in the Aftermarket and Original Equipment divisions to grow in EVSE and thereby help OEMs in their development and transition to an electrified vehicle fleet.

1) Source: The Company's assessments. CTEK has the highest market share of all players in the global premium low voltage (12v) market based on estimated volume of premium 12v battery chargers.
2) Source: The Company's assessments. CTEK has the highest market share of all players in the global premium low voltage (12v) market based on estimated volume of premium 12v battery chargers.
3) Source: The Company's assessments. As per 2020, CTEK had the second-largest share of the Swedish market for AC chargers for EVs and accessories based on estimated market size, CTEK's net sales and triangulation with industry experts regarding the presence and size of other market players.
4) 50,000 charging points include charging points sold under private labels.

### Overview of selected product offering


**EVSE OFFERING**

**LOW VOLTAGE OFFERING**

Many OEMs also invest considerable resources in the development of their EV offering with associated equipment. The Company believes that its long-standing and strong relationships with OEMs create ideal conditions for being a credible technology partner for the development and delivery of EV charging solutions and products. Furthermore, CTEK has both the capacity and experience to work with major actors in the EVSE market. The Company believes that charge point operators require a high level of support and service, which the Company has demonstrated through, for example, its contract with Vattenfall.

To ensure the quality of its products, the Company has a local office in China that performs continuous quality assessments on site at the suppliers during the manufacturing process. CTEK has more than 20 years of strong relationships with its key suppliers and the Company therefore believes it has the relationships required to continue strengthening its product offering and brand in both premium low voltage chargers and EVSE products.

### CTEK's brand and products are ideal for online sales

The nature of CTEK's brand and products makes them ideal for online sales. The products are easy to distribute and use. Furthermore, the Company's clear product specifications and quality-assured product development process help to ensure that few products are defective when delivered, resulting in lower return rates.

CTEK works continuously to strengthen its presence on Amazon and with other e-tailers, where the Company considers its strong brand a competitive advantage compared with other products sold by other e-tailers. CTEK continuously achieves high scores in customer reviews, which is exemplified by the Company's customer review rating of 4.8 out of 5 on Amazon.

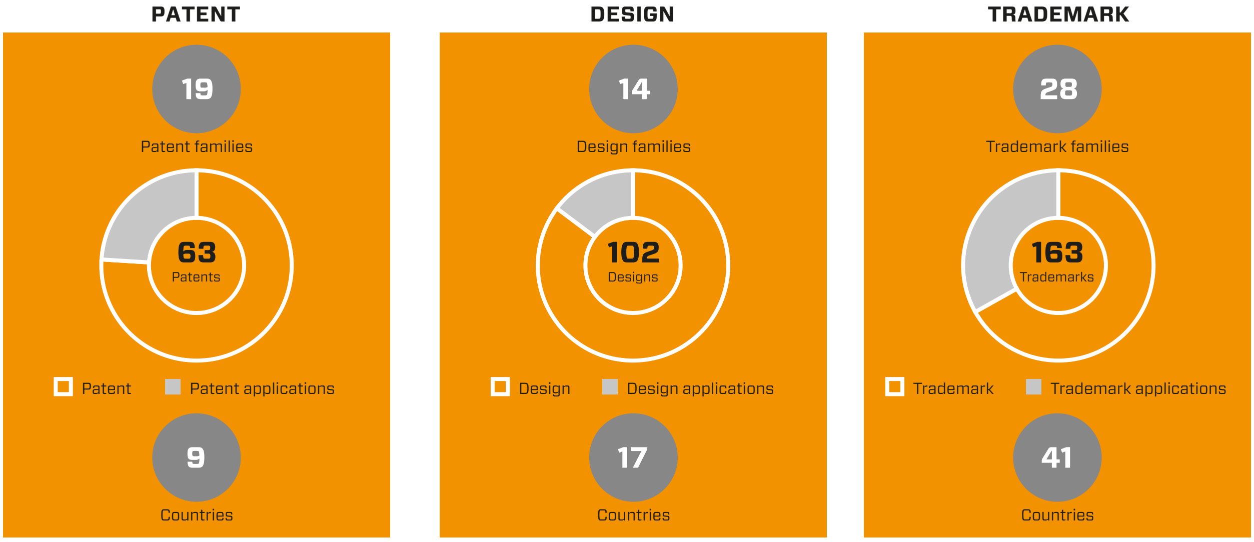
CTEK also conducts online sales via its own website, which is designed so that customers can easily and conveniently navigate to relevant products from either their computers or mobile devices. According to the Company, the contents of its website are customised with detailed product descriptions, areas of application and explainer videos. In addition, the Company works pro-actively to strengthen its digital presence using social media. These initiatives mainly take place via Facebook and Instagram, where the Company's accounts are regularly updated.

### CTEK has a strong patent portfolio and an efficient R&D process

The Company's leadership in the global low voltage market[1)] is partly due to the strong technology leadership shown by CTEK. Due to the Company's talented and dedicated R&D employees, the Company believes that the products it offers are not only meeting market demand, they are also setting the standard for new technologies and needs. According to the Company, CTEK's high-tech products – such as CS Free and Adaptive Boost technology – combined with a clear patent strategy have created a strong competitive advantage. As per the date of the Prospectus, the Company has 63 valid patents in nine countries.

1) Source: The Company's assessments. CTEK has the highest market share of all players in the global premium low voltage (12v) market based on estimated volume of premium 12v battery chargers.

## *Overview of Intellectual Property*




**SELECTED PATENTS**

A method for determining if a cell in a battery is faulty, among other things

**Important for 12V battery chargers and the CS ONE platform**

Battery charging and electrical energy delivery system and battery-operated system

**Important for the DCDC business and the Smartpass USP**

Method for detecting performance deterioration of components

**Edge regarding heat generation in EVSE AV chargers**

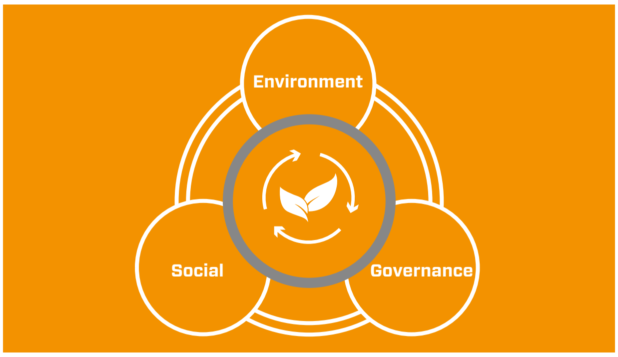
In addition, CTEK outsources its production to high-capacity manufacturers with whom the Company has long-standing relationships of more than 20 years. These relationships enable cost-efficient and flexible production, where the Company can easily scale its production up or down in line with needs and demand. The Company's long relationships with manufacturers are important for a number of reasons, such as ensuring correct pricing.

### *CTEK has a clearly defined sustainability strategy with concrete initiatives*

CTEK has a clearly defined sustainability strategy with several concrete initiatives and targets that are monitored continuously. The Company's sustainability strategy is based on environmental, social and governance factors. The Company also imposes sustainability requirements on its suppliers, for example, that key suppliers comply with the Company's Code of Conduct. CTEK's sustainability efforts ensure that the Company meets the sustainability requirements imposed by its customers which, historically, has proven to play a significant role in connection with tender processes.

CTEK believes that the Company's product offering in premium low voltage chargers and EVSE products is contributing to a more sustainable future. The Company's premium low voltage chargers extend battery life by approximately three times, reducing the need to replace batteries and thereby $CO_2$ emissions and the use of rare metals. The recently launched innovative product CS Free helps to further reduce $CO_2$ emissions when the product's internal battery is charged with solar power. EVSE is contributing to an increased EV fleet and thereby reduced $CO_2$ emissions.

## *Overview of sustainability strategy*


**Sustainability strategy**

| | |
|---|---|
| **Program work-streams** | ✔ Sustainable products<br>✔ CTEK's internal footprint<br>✔ Logistics<br>✔ Supply chain<br>✔ HR<br>✔ Risk, governance & report<br>✔ Communication |
| **Country represent-atives** | ✔ Local implementation of initiatives and data collection |

| | |
|---|---|
| **E** | ✔ Footprint transparency and reduction – internally and for our products (LCAs)<br>✔ Product development supporting the green transition |
| **S** | ✔ Maintain strong focus on health and safety – internally and for our products<br>✔ Employee diversity with equal opportunities for everyone |
| **G** | ✔ Continuously work to ensure a socially responsible supply chain<br>✔ Strong sustainability governance to monitor progress, risks and opportunities |

***Our ambition is to maximise the sustainability impact of our products and be an industry leader within social and environmental performance***

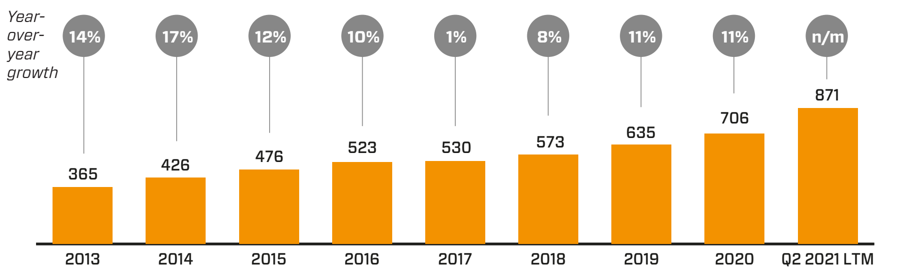
### *The Company has a strong financial position with a long history of profitable growth*

CTEK has a long history of profitable growth and net sales have grown at a CAGR of 10 percent since 2013 and reached SEK 706 million in 2020. The Company's growth has mainly been driven by technology leadership, high innovation capacity, a customised product range and a global presence. Furthermore, CTEK has high profitability, which is illustrated by an adjusted EBITA margin of 23.0 percent during the six-month period that ended on 30 June 2021. The Company's profitability has mainly been driven by a scalable and resource-efficient business model.

### *Historic growth and profitability[1)]*

**Financial development**

**Strong historical sales growth**




**Attractive profitability**

Gross margin*

**55%**

Adj. EBITA*

**187**

Adj. EBITA margin*

**22%**

* Q2 2021 LTM

### *CTEK has a competent management team and board of directors with extensive and relevant experience*

CTEK's management team consists of competent people with long experience in the industry. CEO Jon Lind has led the Company since 2013. In addition, the Company has a team of experienced managers who support the management team with their extensive expertise in their respective fields. Based on the combined expertise and industry knowledge possessed by management and other key employees, CTEK believes that the Company can continue to grow successfully in line with its strategic targets. Management is also supported by an active and experienced board led by the chairman of the board Hans Stråberg.

1) Prior to 2018, the operations currently conducted by CTEK AB were run by CTEK Holding AB (556853-7558). The source for the financial information for the years 2013–2017 is CTEK Holding AB's annual reports for the respective year.

## STRATEGIC TARGETS

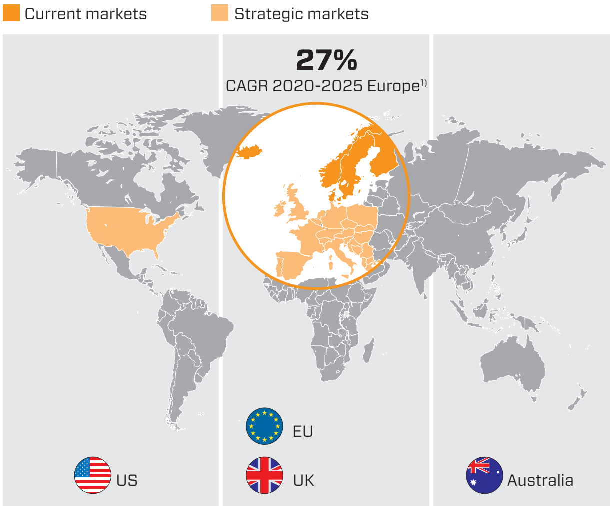
CTEK believes that the Company is well-positioned to benefit from the projected growth in its core markets combined with growth in strategic markets. The strategic targets have been broken down for the Company's three divisions – Aftermarket, Original Equipment and Energy & Facilities. Within the Aftermarket and Original Equipment divisions CTEK has strategic initiatives to grow within both EVSE and premium low voltage chargers. Energy & Facilities' strategic initiatives only include a growth plan within EVSE. A prerequisite for the Company's ability to realise its strategy and achieve its targets is a successful implementation of the Company's growth strategy, which is partially dependent on the Company's management of the risks described in the "*Risk factors*" section.

### Aftermarket

#### Leverage established relationships and a strong brand to achieve growth in EVSE

For more than 20 years, CTEK has been developing and designing some of the most advanced premium low voltage chargers on the market at the Company's R&D facility in Vikmanshyttan. As a result, the Company has built up a leading position in the global market for premium low voltage chargers, and strong relationships with more than 200 retailers, e-tailers and distributors in Aftermarket. The Company intends to leverage its market position and customer relationships in premium low voltage chargers in order to achieve growth in EVSE. With its market position and established customer relationships, combined with an online strategy with a greater focus on its own online stores and the launch and accelerated sales of EVSE products on Amazon and by other e-tailers, the Company sees favourable prospects for growing the EVSE offering and net sales in Sweden, as well as by geographic expansion. As per the six-month period ending 30 June 2021, the Company had EVSE sales in Aftermarket in Sweden, Denmark, Finland, Norway and Iceland. With its strong brand and established customer relationships, the Company's strategy includes expansion to other European countries such as the UK, Germany, France, Spain and Italy.

### Geographic focus for EVSE products




1) Source: The Company's assessments.

#### Expand the next-generation consumer offering within premium low voltage chargers

CTEK intends to expand its next-generation consumer offering with the innovative CS Free series. CS Free is the first portable premium low voltage charger that can charge without a power supply. The product is intended for maintenance charging and equipped with Adaptive Boost technology[2]. With the CS Free series, CTEK expects to reach new applications and end customers, which the Company believes will drive strong growth. The CS Free series is expected to consist of three products, of which CS Free (M) was launched in the first quarter of 2021, and launches of the two remaining products, CS Free (S) and CS Free (L), are planned for 2023. CS Free (M) is suitable for motorcycles, cars, recreational vehicles and vans, while CS Free (S) is intended for the Powersports category, and CS Free (L) will open up new applications for the Company in the heavy vehicle category.

In addition, the Company intends to meet new customer needs by launching the CS ONE series. The CS ONE series is expected to consist of products that can be used for maintenance charging, normal charging and boosters, with launches planned for the second half of 2021 and later in 2023. The products are intended to be applicable for a wide range of vehicles, including motorcycles, cars, vans and tractors.

#### Strengthen the Company's position with existing professional users in premium low voltage chargers by expanding the product offering

The product offering for professional users includes some of CTEK's most powerful and high-tech chargers, and the Company considers its current market penetration to be relatively low. As a result, CTEK is planning to increase sales of PRO60/120 products to OEMs and workshops, and PRO15/25 products to consumers and business customers. The Company also believes it can achieve higher growth by driving higher volumes from upgrades of the existing product offering combined with new product launches.

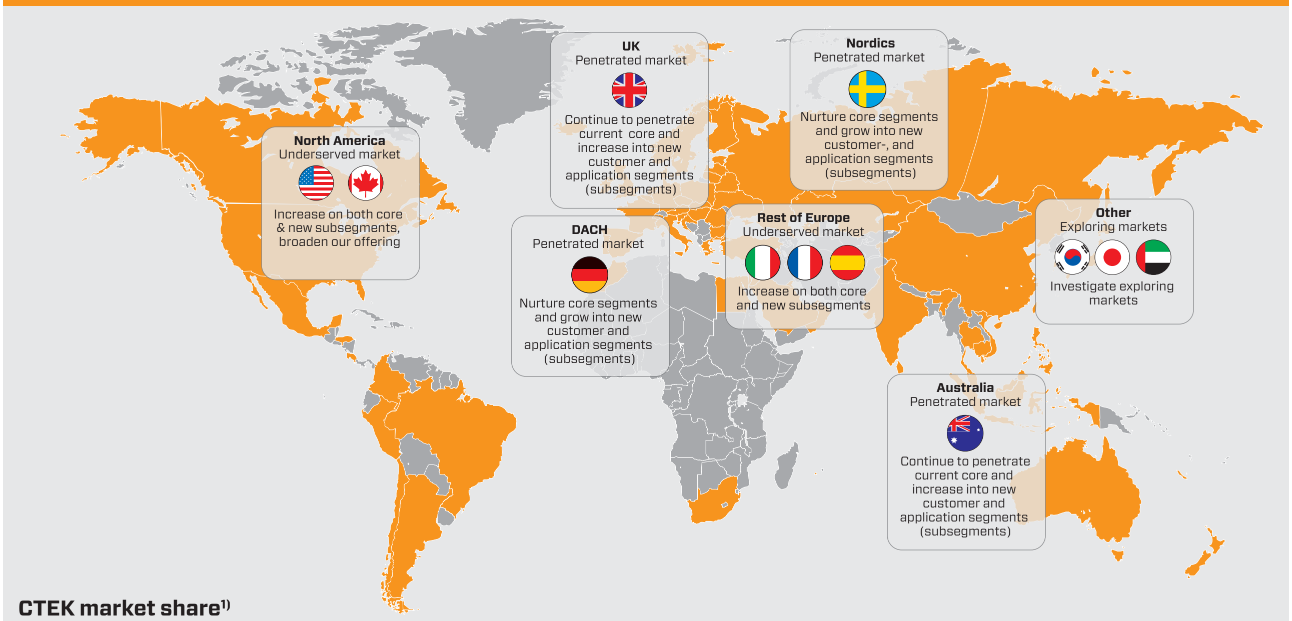
1) Adaptive Boost charges the discharged battery safely, so the vehicle can be started within 15 minutes without risking any electronics.

### Growth in existing markets as well as new geographic areas in premium low voltage chargers

As per the date of the Prospectus, CTEK is active in more than 70 countries. With a global market share of about 10 percent in premium low voltage chargers,the Company sees continued opportunities to increase its penetration in existing markets, as well as through expansion into new geographic markets with the help of established local business operations.

## *Geographic focus for premium low voltage chargers*

**CTEK is currently present in more than 70 countries, with further opportunities to grow geographically**




| Global ~10% | Europe ~25–30% | Asia Pacific ~3–5% | North America ~3–5% |
|---|---|---|---|

1) Source: The Company's assessments. CTEK has a market share of about 10 percent and the highest market share of players in the global premium low voltage (12v) market based on estimated volume of premium 12v battery chargers.

## *Original Equipment*

### Maintain a strong position in EVSE and premium low voltage chargers within the Client Brand product offering

Since CTEK was founded, R&D has been the Company's top priority. As a technological pioneer, the Company has created high-quality products and built strong relationships with more than 50 of the world's largest OEMs, including Ferrari, Porsche, Yamaha and Volvo. The Company attaches great importance to maintaining established relationships with OEMs, while also evaluating new potential customer relationships. A key element of the Company's strategy for maintaining existing and creating new relationships is the transition to EVs, whereby the Company intends to support the OEMs with its EVSE offering. CTEK also intends to expand the Company's main focus to include more vehicle categories by increasing the product offering and launching new products.

### Develop existing and win new contracts within EVSE and premium low voltage chargers

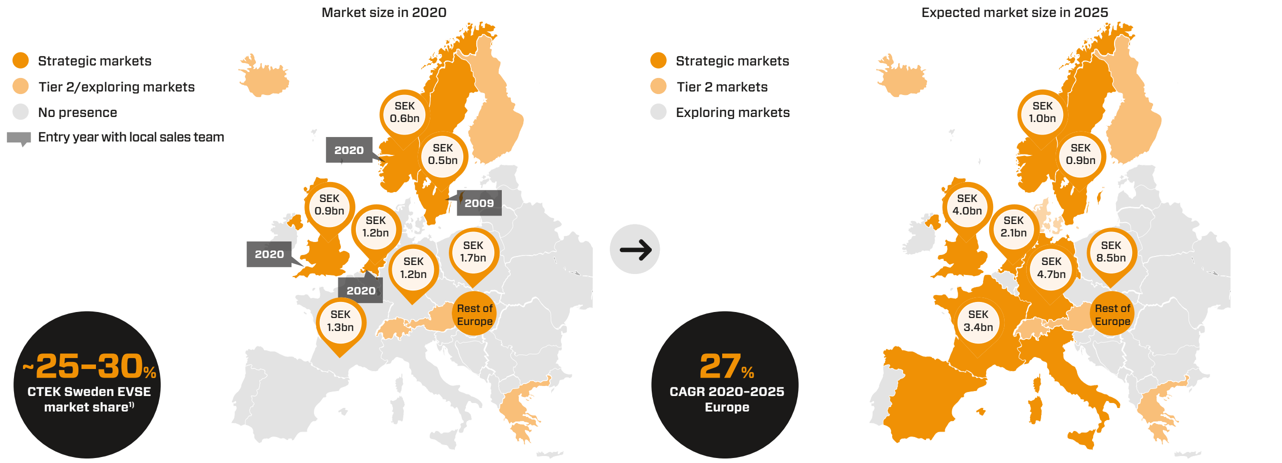
To achieve growth levels in line with CTEK's strategy and financial targets, the Company intends to develop existing contracts, while also securing new contracts. With its existing relationships and a strong brand, the Company believes there are good opportunities for delivering on this strategy.

## *Energy & Facilities*

### Geographic expansion

As per the date of the Prospectus, CTEK is active in Energy & Facilities in Norway, Sweden, the UK and the Netherlands. The European EVSE market is projected to grow at a CAGR of approximately 27 percent between 2020 and 2025. The Company sees significant growth potential in line with market growth – in countries with existing operations as well as countries where the Company does not have any EVSE operations. The Company therefore intends to expand its geographic reach by following a clearly defined expansion strategy. The Company believes that CTEK's product leadership combined with geographic presence in other divisions are key factors for succeeding with the expansion strategy in Energy & Facilities. By executing the Company's defined strategy, in addition to leveraging underlying growth in the EVSE market, CTEK also intends to win market share and thereby grow faster than the market.

## Geographic expansion in EVSE[1]




**Strategic markets**
- Local sales team
- Local marketing
- Central support

**Tier 2/exploring markets**
- No local team, reactive response to customer requests
- Managed from strategic markets
- International sales

**Strategic markets**
- Local sales presence targeting all relevant segments
- Local support staff and marketing

**Tier 2 markets**
- Managed from Strategic market, e.g. following customer into market

**Exploring markets**
- Managed by international sales mgr. focused on developing European markets before entry

**Increase local country support**

**~44 Sales personnel to be added**

**~68 Support personnel to be added**

1) Source: The Company's assessments. As of 2020 CTEK has the second largest market share of the swedish market for AC chargers for EVs and accessories based on estimated market size, CTEK's net sales and triangulation with industry experts, the presence and size of other players in the market.

### Continue to develop backend platform, service and maintenance offering

A critical factor for CTEK's success is that the Company continues to maintain its product leadership by offering a broad, sustainable and relevant product range. The Company thereby intends to continuously improve customer satisfaction by optimising and customising the product offering. The Company's EV chargers, Chargestorm Connected and Njord Go, have replaced previous products and the intention moving forward is that they will be developed with new technologies and features to meet changing customer needs and reach new application areas.

The Company also intends to broaden its existing EVSE product offering by launching four new products, including a pedestal-mounted AC charger, a Njord Home AC charger, a DC charger wall box and a DC charger for the home. These products will strengthen CTEK's offering to charge point operators, property and car-park owners, and the consumer market through a more complete product portfolio. In addition, by launching these new products, the Company intends to leverage the growing demand for fast-charging batteries from charge point operators, as well as property and fleet owners, by launching DC chargers.

In addition to the development of the hardware offering, the Company intends to develop the software platform. By continuing to optimise its product offering, the Company believes it can offer a better complete solution for customers and thereby enhance the customer experience and grow the number of recurring customers. At present, the software platform consists of Charge Portal and CTEK's user app, and the Company is endeavouring to expand this offering to include integrated features such as payment solutions, a CRM platform, a consumer platform and roaming protocols. With this strategy, CTEK's ambition is to achieve its desired position as a service and backend platform solution supplier.

### Improve profitability by achieving operational economies of scale

CTEK is striving for higher profitability by achieving operational economies of scale, partly by focusing on cost optimisation in product development, such as cost optimisation of components, but also by launching new AC chargers that are expected to reduce the cost of goods for resale. Furthermore, the Company believes that economies of scale will reduce the cost of components and other expensive materials. The Company expects to achieve economies of scale and

1) Source: The Company's assessments.

efficiency optimisation in its service operations in line with growth in net sales. To achieve economies of scale, the Company intends to recruit in-house employees and external consultants in time to secure the right expertise for each project. The implementation of sales and service tools, improved structure and processes, a higher level of employee experience and more effective case management are also expected to improve efficiency.

## M&A

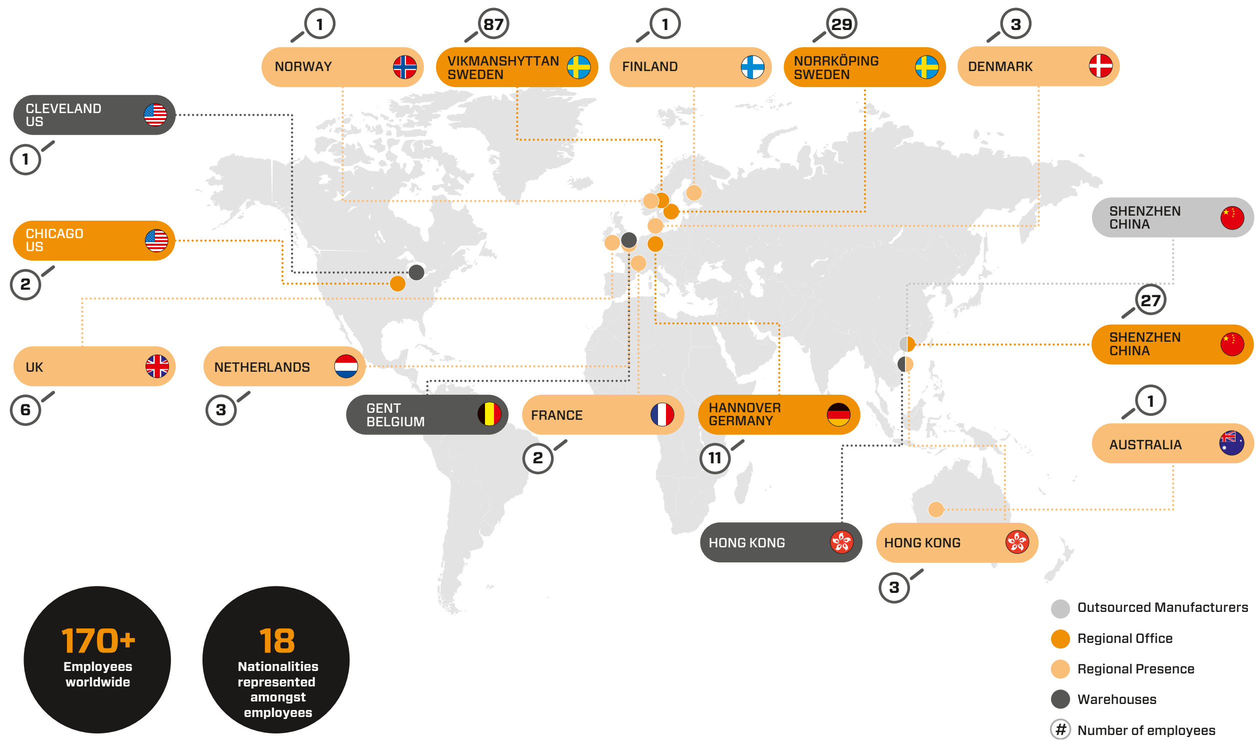
CTEK believes that the Company is ready and able to make selective acquisitions to accelerate growth. There is a broad spectrum of attractive acquisitions that could further strengthen the Company's complete solution and thereby CTEK's position in the value chain. In Europe, for example, there are an estimated 100–300 actors that offer AC chargers and 10–20 players that offer DC chargers in the hardware segment, and 10–25 backend actors.[1)]

CTEK believes that the Company is an attractive buyer given, in the Company's view, its attractive and award-winning brand with long-standing relationships and an established and effective operating model. In addition, the Company believes that its proven global distribution model with a presence in more than 70 countries worldwide would create added value in the event of an acquisition.

## Organization and employees

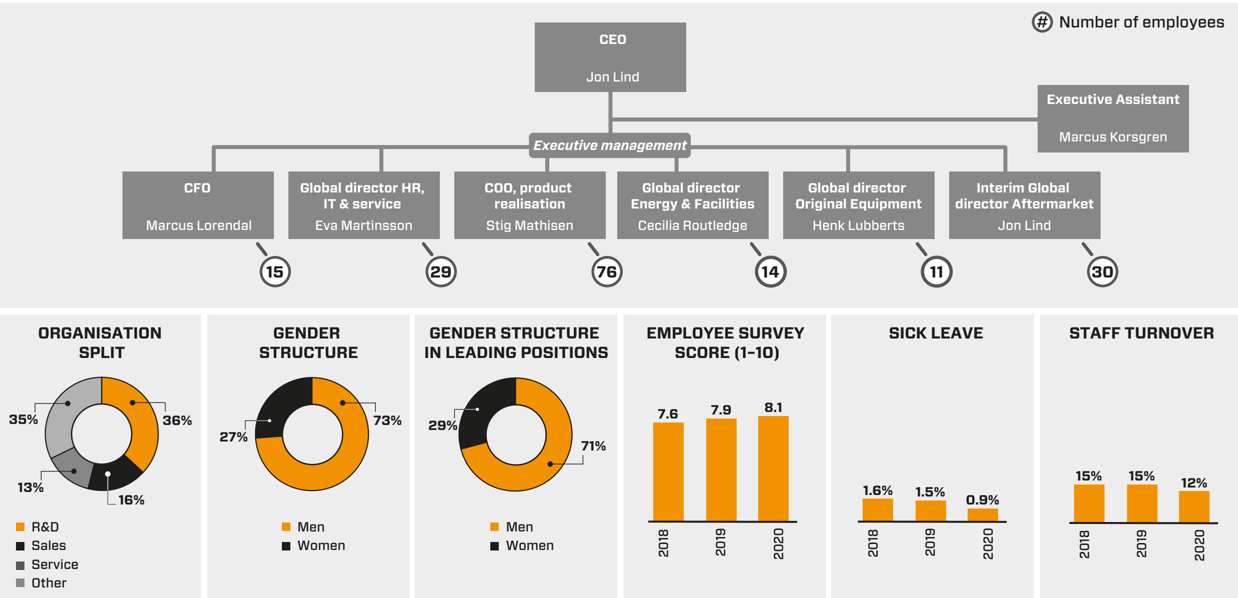
CTEK's operations are conducted in three divisions – Aftermarket, Original Equipment and Energy & Facilities, which are all led by their respective head of division. As of August 2021 the Company's CEO is acting Head of Aftermarket division. The three heads of division are responsible for their respective divisions and report to the Company's CEO, Jon Lind, who is also the interim head of the Aftermarket division. Other members of the management team are Marcus Lorendal (CFO), Stig Mathisen (COO and CEO of the Chinese operations), Henk Lubberts (Head of Original Equipment division), Cecilia Routledge (Head of Energy & Facilities division) and Eva Martinsson (Head of HR, IT & Service).

## Overview of CTEK's global presence[2)]




1) Source: The Company's assessments.
2) As of 30 June 2021.

## *Overview of the organization*[1)]




### *Employees*

At 30 June 2021, CTEK had more than 170 full-time employees allocated between R&D (36 percent), sales (16 percent), service (13) and other (35 percent). Approximately 27 percent of the employees at CTEK were women and 73 percent men, while 29 percent of executive management positions were held by women and 71 percent by men.

CTEK is an attractive employer with a well-defined and highly regarded corporate culture that brings out the best in its employees. Since its inception, the Company has been able to attract, motivate and retain some of its most talented and driven employees due to CTEK's strong and innovative corporate culture. CTEK offers many opportunities for its employees to grow and believes that a strong culture combined with dedicated employees are key factors for the Company's success.

1) As per 30 June 2021, if not stated otherwise.

## SUSTAINABILITY STRATEGY

Sustainability is a top priority for the Company and permeates the whole business. Since the Company's inception, sustainability has been integrated into all business activities and decisions made. With the Company's two technologies, CTEK is contributing to a more sustainable future. The Company's premium low voltage chargers extend battery life by approximately three times, reducing the need to replace batteries and thereby $CO_2$ emissions and the use of rare metals. The recently launched innovative product CS Free contributes to further reduce $CO_2$ emissions when the product's internal battery is charged with solar power. EVSE is contributing to an increased EV fleet and thereby reduced $CO_2$ emissions. The Company is continuously working to ensure that its operations are conducted in an ethically, socially and environmentally responsible manner. The Company operates all over the world and works continuously to create long-term value and to reduce waste and environmental impacts. CTEK is also contributing to the achievement of the 17 Sustainable Development Goals (SDGs).

To reduce its environmental impact and contribute to a sustainable future, CTEK has created several well-defined and concrete initiatives. The initiatives are divided into three categories – environmental, social and governance factors – which are cornerstones of the Company's operations. The initiatives include a stronger focus on innovative EVSE products, which supports electrification of the vehicle fleet, logistics and warehouse planning to reduce $CO_2$ emissions from transport, greater diversification and a higher proportion of Tier 1 suppliers that are audited by the Company from a sustainability perspective, among other things.

The Company works continuously to secure a socially responsible supply chain and to promote equality and diversity in the workplace. CTEK has therefore established a Code of Conduct based on a set of ethical and moral business principles that has been implemented and approved by the board, and is available to all of the Company's stakeholders. The principles guide such aspects as regulatory compliance, respect for human rights, working conditions, child labor, health and safety and the environment. All suppliers are required to sign and comply with the Company's Code of Conduct, which is evaluated annually.

As part of CTEK's sustainability strategy, the Company also evaluates long and short-term performance measures for its efforts to achieve a circular business model. CTEK monitors these performance measures on an ongoing basis and uses them in the Company's internal target-setting process.

### Overview of sustainability initiatives

| | |
|---|---|
| Sustainable Products | ✔ Continuously update and actively communicate longevity benefits for products<br>✔ Do LCA's for products<br>✔ Integrate circularity and repairability into product flow<br>✔ Strengthen focus on innovative products that support the green transition |
| Internal Footprint | ✔ Expand scope of $CO_2$ baseline<br>✔ Identify emission reduction initiatives |
| LogisticS | ✔ Plan logistics and product stocks to minimize CO2 footprint from transport |
| Supply Chain | ✔ Increase focus on responsible supply chain management |
| Employee Branding | ✔ Work actively to ensure diversity at all levels<br>✔ Strengthen employee well-being and engagement |
| Risk, Governance & Report | ✔ Strengthen internal sustainability governance<br>✔ Set ambitious but realistic targets for KPI's<br>✔ Expand scope of sustainability reporting<br>✔ Identify and manage climate risks and opportunities |
| Communication | ✔ Take a more vocal role and educate consumers on responsible battery management |

# SELECTED FINANCIAL INFORMATION

Selected historical financial information for the Group for the 2020, 2019 and 2018 financial years, and interim information for the 1 January 2021–30 June 2021 period, including comparative figures for the corresponding period in 2020, are presented below. CTEK AB was founded in September 2019 in connection with an internal restructuring. This internal restructuring is a transaction under the same controlling influence as it took place without any changes to the ownership structure of the business and resulted in CTEK AB taking over the position of the parent company of the Group from the previous parent company CTEK Holding AB. As transactions under the same controlling influence are not regulated by IFRS, the Group has, in accordance with IAS 8, chosen an appropriate and established principle based on the book values in the transferring group "predecessor basis of accounting", meaning that no revaluation of assets and liabilities has taken place in relation to reported values in the previous group. The principle also means that comparative information from the transferring group for the period before the transaction is displayed.

The financial information presented below has been taken from the Company's audited consolidated financial statements for the 2020, 2019 and 2018 financial years, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), as endorsed by the EU, the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 1 (Supplementary Accounting Rules for Groups), and were audited by CTEK's auditors in accordance with the audit report (RevR 5). The information was also taken from the Company's interim report for the 1 January 2021–30 June 2021 period, with comparative figures for the corresponding period in 2020. The interim report for the 1 January 2021–30 June 2021 period, with financial comparative figures for the corresponding period in 2020, has been generally reviewed by the Company's auditors, and has been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and IAS 34 Interim Financial Reporting. Unless expressly stated, no financial information in the Prospectus has been audited or reviewed by the Company's auditor. Certain figures presented in the Prospectus have been rounded off, which means that the tables in the Prospectus do not necessarily tally.

The financial information in this section should be read together with the sections "*Operating and financial review*" and "*Equity, liabilities and other financial information*" the Company's audited consolidated financial statements for the 2020, 2019 and 2018 financial years and the generally reviewed interim report for the 1 January 2021–30 June 2021 period, including notes in the sections "*Historical financial information for the financial years 2020, 2019 and 2018*" and "*Financial information for the period January–June 2021.*"

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

| Amounts in SEK million | 2020[1] Audited IFRS | 2019[1] Audited IFRS | 2018[1), 2)] Audited IFRS | Jan-Jun 2021 Unaudited IFRS | Jan-Jun 2020 Unaudited IFRS |
|---|---|---|---|---|---|
| **Operating income** | | | | | |
| Net sales | 706.3 | 635.4 | 573.3 | 455.4 | 291.0 |
| Other operating income | 4.4 | 0.9 | 1.2 | 2.8 | 3.6 |
| **Total income** | **710.7** | **636.3** | **574.4** | **458.3** | **294.6** |
| **Operating expenses** | | | | | |
| Goods for resale | (329.8) | (266.0) | (223.7) | (200.0) | (135.4) |
| Other external expenses | (98.2) | (98.6) | (90.0) | (56.3) | (40.8) |
| Personnel costs | (121.9) | (124.8) | (113.9) | (79.6) | (60.3) |
| Depreciation, amortization and impairment of tangible and intangible assets | (57.2) | (67.9) | (40.9) | (31.8) | (27.4) |
| Other operating expenses | (6.7) | (3.2) | (3.9) | (0.3) | (2.0) |
| Items affecting comparability | 45.8 | (7.4) | | (19.9) | |
| **Total expenses** | **(568.0)** | **(568.0)** | **(472.3)** | **(387.9)** | **(265.9)** |
| **Operating profit** | **142.7** | **68.3** | **102.1** | **70.4** | **28.7** |
| **Profit from financial items** | | | | | |
| Financial income | 28.6 | 18.2 | 0.1 | 2.7 | 1.6 |
| Financial expenses | (69.7) | (38.9) | (51.1) | (36.7) | (35.8) |
| **Net financial items** | **(41.1)** | **(20.7)** | **(51.0)** | **(34.0)** | **(34.2)** |
| **Profit before tax** | **101.6** | **47.6** | **51.1** | **36.4** | **(5.5)** |
| Tax on profit for the year | (19.6) | (14.6) | (13.9) | (9.8) | 1.1 |
| **Net profit for the period** | **82.0** | **33.0** | **37.1** | **26.6** | **(4.4)** |
| **Net profit for the period attributable to:** | | | | | |
| Parent company shareholders | 82,0 | 33,0 | 37,1 | 26,6 | (4,4) |
| Net profit for the year, SEK per share before dilution | 0.19 | 0.08 | 0.09 | 0.06 | (0.01) |
| Net profit for the year, SEK after dilution | 0.19 | 0.08 | 0.09 | 0.06 | (0.01) |

1) For the financial year ending 31 December. Taken from the Company's audited historical financial information for 2020, 2019 and 2018.
2) In accordance with IFRS, not remeasured for the impact of IFRS 16 Leases.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| Amounts in SEK million | 2020[1] Audited IFRS | 2019[1] Audited IFRS | 2018[1), 2)] Audited IFRS | Jan–Jun 2021 Unaudited IFRS | Jan–Jun 2020 Unaudited IFRS |
|---|---|---|---|---|---|
| **Profit for the period** | **82.0** | **33.0** | **37.1** | **26.6** | **–4.4** |
| **Other comprehensive income** | | | | | |
| **Items that have been or may be reclassified to net profit for the year** | | | | | |
| Exchange-rate differences for the period on translation of foreign subsidiaries | 1.2 | –0.7 | –2.2 | –0.3 | –0.2 |
| **Other comprehensive income for the period after tax** | **1.2** | **–0.7** | **–2.2** | **–0.3** | **–0.2** |
| **Comprehensive income for the year after tax** | **83.2** | **32.3** | **34.9** | **26.2** | **–4.6** |
| **Comprehensive income for the period attributable to** | | | | | |
| Parent company shareholders | 83.2 | 32.3 | 34.9 | 26.2 | –4.6 |
| Comprehensive income for the period | 83.2 | 32.3 | 34.9 | 26.2 | –4.6 |

1) For the financial year ending 31 December. Taken from the Company's audited historical financial information for 2020, 2019 and 2018.
2) In accordance with IFRS, not remeasured for the impact of IFRS 16 Leases.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| Amounts in SEK million | 2020[1] Audited IFRS | 2019[1] Audited IFRS | 2018[1), 2)] Audited IFRS | 30 June 2021 Unaudited IFRS | 30 June 2020 Unaudited IFRS |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| **Intangible assets** | | | | | |
| Goodwill | 455.8 | 455.8 | 471.3 | 455.8 | 455.8 |
| Brands | 259.5 | 259.5 | 259.5 | 259.5 | 259.5 |
| Patents, licenses | 7.7 | 10.0 | 9.0 | 7.1 | 9.0 |
| Capitalized development expenditure | 89.7 | 65.2 | 34.4 | 100.2 | 78.0 |
| Technology | 105.5 | 116.5 | 127.4 | 100 | 111.0 |
| Customer relationships | 126.1 | 144.0 | 164.0 | 117.3 | 135.1 |
| **Total intangible assets** | **1,044.3** | **1,050.9** | **1,065.5** | **1,039.9** | **1,048.4** |
| **Tangible assets** | | | | | |
| Lands and buildings | 3.3 | 5.4 | 5.3 | 3.3 | 5.0 |
| Equipment, tools, fixtures and fittings | 19.3 | 19.6 | 20.2 | 21.3 | 18.5 |
| Right-of-use assets | 15.1 | 12.7 | | 16.9 | 14.4 |
| **Total tangible assets** | **37.7** | **37.7** | **25.6** | **41.5** | **37.9** |
| **Other non-current assets** | | | | | |
| Deferred tax assets | | | 0.1 | | |
| Derivatives | 0.9 | 0.8 | 0.8 | 2.7 | 1.9 |
| **Total other non-current assets** | **0.9** | **0.8** | **0.9** | **2.7** | **1.9** |
| **Total non-current assets** | **1,083.0** | **1,089.4** | **1,092.0** | **1,084.2** | **1,088.2** |
| **Current assets** | | | | | |
| Inventories | 132.3 | 94.5 | 93.3 | 121.8 | 77.8 |
| Accounts receivables | 124.8 | 113.8 | 119.5 | 143.1 | 105.5 |
| Current tax assets | 0.2 | 0.7 | 5.9 | 0.3 | 11.0 |
| Other current receivables | 7.5 | 5.8 | 4.5 | 7.3 | 5.0 |
| Prepaid expenses and accrued income | 6.2 | 5.7 | 5.5 | 8.1 | 6.4 |
| Derivatives | 5.2 | 2.0 | 1.2 | 2.5 | 2.2 |
| Cash and cash equivalents | 94.7 | 51.2 | 61.1 | 95.9 | 64.1 |
| **Total current assets** | **370.9** | **273.6** | **291.1** | **379.2** | **272.2** |
| **TOTAL ASSETS** | **1,453.9** | **1,363.0** | **1,383.1** | **1,463.3** | **1,360.3** |

1) On 31 December. Taken from the Company's audited historical financial information for 2020, 2019 and 2018.
2) In accordance with IFRS, not remeasured for the impact of IFRS 16 Leases.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION, CONT.

| Amounts in SEK million | 2020[1] Audited IFRS | 2019[1] Audited IFRS | 2018[1), 2)] Audited IFRS | 30 June 2021 Unaudited IFRS | 30 June 2020 Unaudited IFRS |
|---|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Share capital | 42.4 | 42.4 | 14.9 | 42.4 | 42.4 |
| Other contributed capital | 619.5 | 617.9 | 151.6 | 619.5 | 617.9 |
| Translation reserves | –6.0 | –7.2 | –6.5 | –6.4 | –7.4 |
| Retained earnings, including net profit for the year | –370.2 | –452.2 | 19.8 | –343.6 | –455.0 |
| **Total equity** | **285.6** | **201.0** | **179.7** | **311.9** | **197.8** |
| **Non-current liabilities** | | | | | |
| Other provisions | 3.5 | 3.1 | 2.7 | 3.5 | 3.2 |
| Interest-bearing liabilities | 830.2 | 851.6 | 872.6 | 838.1 | 856.9 |
| Lease liabilities | 10.6 | 9.3 | | 11.0 | 9.6 |
| Derivatives | 0.2 | 0.4 | 0.2 | 0.2 | 0.3 |
| Deferred tax liabilities | 120.0 | 119.7 | 117.8 | 120.1 | 119.3 |
| Other financial liabilities | – | 50.0 | 50.0 | | 50.0 |
| **Total non-current liabilities** | **964.5** | **1,034.1** | **1,043.2** | **972.9** | **1 039.3** |
| **Current liabilities** | | | | | |
| Accounts payable | 94.7 | 74.1 | 62.2 | 73.9 | 56.2 |
| Interest-bearing liabilities | | | 40.0 | | |
| Lease liabilities | 4.8 | 3.3 | | 6.4 | 4.9 |
| Current tax liabilities | 30.6 | 11.2 | 16.8 | 29.4 | 7.8 |
| Derivatives | 1.7 | 1.4 | 2.3 | 0.4 | 0.5 |
| Other liabilities | 5.9 | 8.7 | 6.5 | 6.6 | 4.2 |
| Accrued expenses and deferred income | 66.1 | 29.1 | 32.3 | 61.9 | 49.6 |
| **Total current liabilities** | **203.8** | **127.9** | **160.1** | **178.6** | **123.2** |
| **TOTAL EQUITY AND LIABILITIES** | **1,453.9** | **1,363.0** | **1,383.1** | **1,463.3** | **1,360.3** |

1) On 31 December. Taken from the Company's audited historical financial information for 2020, 2019 and 2018.
2) In accordance with IFRS, not remeasured for the impact of IFRS 16 Leases.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| Amounts in SEK million | 2020[1] Audited IFRS | 2019[1] Audited IFRS | 2018[1), 2)] Audited IFRS | Jan–June 2021 Unaudited IFRS | Jan–June 2020 Unaudited IFRS |
|---|---|---|---|---|---|
| **Operating activities** | | | | | |
| Operating profit | 142.7 | 68.3 | 102.1 | 70.4 | 28.7 |
| Adjustments for non-cash items: | | | | | |
| Depreciation/amortization/impairment | 57.2 | 67.9 | 40.9 | 31.8 | 27.4 |
| Changes in provisions | 0.4 | 0.4 | 0.7 | | 0.1 |
| Fair value remeasurement | –50.0 | | | | –0.1 |
| Other non-cash items | –0.3 | 0.1 | –4.2 | 0.2 | |
| **Cash flow before financial items** | **150.1** | **136.7** | **139.5** | **102.4** | **56.1** |
| Interest paid | –45.7 | –28.5 | –14.7 | –29.1 | –16.1 |
| Financial items paid | –5.6 | –29.4 | | 0.9 | –0.8 |
| Tax paid | –0.7 | –14.0 | –24.4 | –11.0 | –17.0 |
| ***Cash flow from operating activities before changes in working capital*** | ***98.1*** | ***64.9*** | ***100.4*** | ***63.2*** | ***22.2*** |
| **Cash flow from changes in working capital** | | | | | |
| Change in inventories | –37.8 | –1.2 | –5.1 | 14.3 | 16.6 |
| Change in operating receivables | –11.1 | 8.1 | –27.2 | –23.3 | 9.4 |
| Change in operating liabilities | 43.7 | 5.6 | 44.0 | –25.0 | –12.7 |
| ***Cash flow from operating activities*** | ***92.8*** | ***77.4*** | ***112.1*** | ***29.2*** | ***35.5*** |
| **Investing activities** | | | | | |
| Acquisition of businesses | | | –152.4 | | |
| Acquisition of tangible assets | –4.9 | –6.3 | –6.9 | –5.5 | –2.0 |
| Acquisition of intangible assets | –38.4 | –42.7 | –12.6 | –21.1 | –19.1 |
| Divestment of tangible assets | 0.3 | | 0.2 | | 0.1 |
| **Cash flow from investing activities** | **–43.0** | **–48.9** | **–171.6** | **–26.6** | **–21.0** |
| **Financing activities** | | | | | |
| Paid-in warrants | 1.5 | | | | 1.5 |
| Borrowings | | 897.0 | 80.0 | | |
| Repayment of lease liability | –5.3 | –4.3 | | –3.0 | –2.6 |
| Repayment of loans | | –932.0 | –4.4 | | |
| **Cash flow from financing activities** | **–3.8** | **–39.3** | **75.6** | **–3.0** | **–1.1** |
| **Cash flow for the period** | **46.0** | **–10.9** | **16.0** | **–0.3** | **13.5** |
| Cash and cash equivalents at the end of the period | 51.2 | 61.1 | 43.9 | 94.7 | 51.2 |
| Exchange-rate differences in cash and cash equivalents | –2.5 | 0.9 | 1.2 | 1.5 | –0.5 |
| **Cash and cash equivalents at the end of the period** | **94.7** | **51.2** | **61.1** | **95.9** | **64.1** |

1) On 31 December. Taken from the Company's audited historical financial information for 2020, 2019 and 2018.
2) In accordance with IFRS, not remeasured for the impact of IFRS 16 Leases

## SEGMENT INFORMATION AND DISTRIBUTION OF NET SALES

| SALES PER SEGMENT<br>Amounts in SEK million | 2020<br>IFRS | 2019<br>IFRS | 2018<br>IFRS | Jan-June 2021<br>IFRS | Jan-June 2020<br>IFRS |
|---|---|---|---|---|---|
| Aftermarket | 516.3 | 441.1 | 422.7 | 327.8 | 208.9 |
| Original Equipment | 85.9 | 106.2 | 90.4 | 53.6 | 40.1 |
| Energy & Facilities | 84.9 | 67.2 | 37.5 | 65.6 | 37.6 |
| Central | 19.2 | 20.9 | 22.6 | 8.4 | 4.4 |
| **Net sales, Group** | **706.3** | **635.4** | **573.3** | **455.4** | **291.0** |

| ADJUSTED EBITDA PER SEGMENT<br>Amounts in SEK million | 2020<br>IFRS | 2019<br>IFRS | 2018<br>IFRS | Jan-June 2021<br>IFRS | Jan-June 2020<br>IFRS |
|---|---|---|---|---|---|
| Aftermarket | 208.7 | 174.6 | 166.7 | 139.1 | 78.4 |
| Original Equipment | 6.5 | 19.5 | 26.2 | 12.5 | 3.1 |
| Energy & Facilities | –8.1 | 2.7 | 5.1 | –9.0 | –0.8 |
| Central, excl items affecting comparability | –53.0 | –53.2 | –55.0 | –20.5 | –24.6 |
| **EBITDA, Group** | **154.1** | **143.6** | **143.0** | **122.1** | **56.1** |

| SEGMENT MARGIN,<br>% | 2020<br>IFRS | 2019<br>IFRS | 2018<br>IFRS | Jan-June 2021<br>IFRS | Jan-June 2020<br>IFRS |
|---|---|---|---|---|---|
| Aftermarket | 40.4 | 39.6 | 39.4 | 42.4 | 37.5 |
| Original Equipment | 7.6 | 18.4 | 29.0 | 23.3 | 7.7 |
| Energy & Facilities | –9.5 | 4.0 | 13.6 | –13.7 | –2.1 |
| **Segment margin, Group**[1] | **21.8** | **22.6** | **24.9** | **26.8** | **19.3** |

1) The segment margin is calculated by division of the adjusted EBITDA per segment and sales per segment.

| QUARTERLY DATA, SEGMENTS<br>Amounts in SEK million | 2020<br>Q4 | 2020<br>Q3 | 2020<br>Q2 | 2020<br>Q1 | 2021<br>Q1 | 2021<br>Q2 |
|---|---|---|---|---|---|---|
| **Net sales** | | | | | | |
| Aftermarket | 159.3 | 148.1 | 103.4 | 105.5 | 176.9 | 150.9 |
| Original Equipment | 23.9 | 21.9 | 15.8 | 24.3 | 30.6 | 23.1 |
| Energy & Facilities | 27.9 | 19.4 | 20.6 | 17.0 | 20.8 | 44.8 |
| **Segment profit/loss (Adjusted EBITDA)** | | | | | | |
| Aftermarket | 63.0 | 67.3 | 39.4 | 39.0 | 83.6 | 55.4 |
| Original Equipment | –1.9 | 5.4 | –0.3 | 3.4 | 8.9 | 3.6 |
| Energy & Facilities | –1.6 | –5.8 | 1.5 | –2.3 | –10.6 | 1.6 |
| **Segment margin** | | | | | | |
| Aftermarket (%) | 39.5 | 45.5 | 38.1 | 37.0 | 47.3 | 36.7 |
| Original Equipment (%) | –8.1 | 24.5 | –1.8 | 13.8 | 29.1 | 15.5 |
| Energy & Facilities (%) | –5.6 | –29.6 | 7.0 | –13.2 | –50.9 | 3.6 |

## PERFORMANCE MEASURES AND DATA[1]

### Selected performance measures

The Company applies the European Securities and Markets Authority's (ESMA) guidelines on alternative performance measures in this Prospectus. The guidelines aim to make alternative performance measures in financial statements more comprehensible, reliable and comparable, and thereby increase their usability. Under these guidelines, an alternative performance measure is a financial measure of historic or forecast earnings performance, financial position or cash flow that is neither defined nor specified in applicable rules on financial reporting: IFRS or the Swedish Annual Accounts Act. These guidelines are mandatory for financial statements published after 3 July 2016.

CTEK believes that the alternative performance measures presented below, together with the measures defined under IFRS, provide better understanding of the Group's financial trends. Furthermore, these alternative performance measures are used by CTEK's management team, investors, securities analysts and other stakeholders as supplementary measures of earnings performance. However, the alternative performance measures as defined by CTEK should not be compared with other performance measures of similar names used by other companies. This is because the aforementioned performance measures are not always defined in the same way and other companies may not calculate them in the same way that CTEK does. Refer to "*Definitions of alternative performance measures not defined in accordance with IFRS*" for the definitions and the reasons that these financial alternative performance measures are used.

| Amounts in SEK million | 2020 IFRS | 2019 IFRS | 2018 IFRS | Jan-June 2021 IFRS | Jan-June 2020 IFRS |
|---|---|---|---|---|---|
| Net sales | 706.3 | 635.4 | 573.3 | 455.4 | 291.0 |
| Profit after tax | 82.0 | 33.0 | 37.1 | 26.6 | –4.4 |
| Earnings per share after dilution, SEK | 0.19 | 0.08 | 0.09 | 0.06 | –0.01 |

| Amounts in SEK million | 2020 IFRS | 2019 IFRS | 2018 IFRS | Jan-June 2021 IFRS | Jan-June 2020 IFRS |
|---|---|---|---|---|---|
| Organic growth, % | 13.1 | 5.3 | –1.1 | 64.3 | –5.1 |
| Share of EVSE in Net sales | 85.2 | 67.3 | 37.5 | 75.5 | 37.7 |
| Share of EVSE in Net sales, % | 12.1 | 10.6 | 6.5 | 16.6 | 13.0 |
| Gross margin, % | 53.3 | 58.1 | 61.0 | 56.1 | 53.5 |
| EBITA | 171.9 | 115.1 | 130.2 | 84.9 | 43.3 |
| Adjusted EBITA | 126.0 | 122.5 | 130.2 | 104.7 | 43.3 |
| Adjusted EBITA margin (%) | 17.8 | 19.3 | 22.7 | 23.0 | 14.9 |
| Operating profit (EBIT) | 142.7 | 68.3 | 102.1 | 70.4 | 28.7 |
| Operating margin, % | 20.2 | 10.8 | 17.8 | 15.5 | 9.9 |
| Average number of shares, million | 423.6 | 424.1 | 148.6 | 423.6 | 423.6 |
| Cash flow from operating activities | 92.9 | 77.4 | 112.1 | 29.2 | 35.5 |
| Net debt / Adjusted EBITDA, R12 | 4.8 | 5.6 | 5.7 | 3.4 | 5.6 |

1) For definitions, refer to the section "*Condensed financial information – Financial definitions*" below.

## FINANCIAL QUARTERLY INFORMATION

| Amounts in SEK million | 2021 Q2 | 2021 Q1 | 2020 Q4 | 2020 Q3 | 2020 Q2 | 2020 Q1 | 2019 Q4 | 2019 Q3 | 2019 Q2 | 2019 Q1 |
|---|---|---|---|---|---|---|---|---|---|---|
| Net sales | 221.0 | 234.4 | 222.2 | 193.1 | 144.1 | 146.8 | 174.1 | 158.4 | 142.2 | 160.7 |
| Profit after tax | 3.9 | 22.7 | 73.8 | 12.6 | 32.5 | -36.9 | 3.9 | 18.9 | –1.6 | 11.8 |
| Earnings per share after dilution, SEK | 0.01 | 0.05 | 0.17 | 0.03 | 0.08 | –0.09 | 0.01 | 0.04 | 0.00 | 0.03 |
| Share of EVSE in Net sales | 49.4 | 26.0 | 28.0 | 19.5 | 20.7 | 17.0 | 17.4 | 14.8 | 19.6 | 15.5 |
| Share of EVSE in Net sales, % | 22.4 | 11.1 | 12.6 | 10.1 | 14.4 | 11.6 | 10.0 | 9.3 | 13.8 | 9.6 |
| Gross margin, % | 55.0 | 57.1 | 52.8 | 53.6 | 52.1 | 54.9 | 59.5 | 59.5 | 56.7 | 56.6 |
| EBITA | 21.7 | 63.2 | 81.8 | 46.8 | 18.7 | 24.6 | 37.7 | 35.0 | 14.5 | 27.9 |
| Adjusted EBITA | 37.5 | 67.2 | 36.0 | 46.8 | 18.7 | 24.6 | 38.6 | 35.1 | 20.4 | 28.4 |
| Adjusted EBITA margin (%) | 17.0 | 28.7 | 16.2 | 24.2 | 12.9 | 16.8 | 22.2 | 22.2 | 14.4 | 17.6 |
| Operating profit (EBIT) | 14.5 | 55.9 | 74.5 | 39.5 | 11.4 | 17.3 | 12.7 | 27.8 | 7.2 | 20.6 |
| Operating margin, % | 6.5 | 23.9 | 33.5 | 20.4 | 7.9 | 11.8 | 7.3 | 17.6 | 5.0 | 12.8 |
| Average number of shares, million | 423.6 | 423.6 | 423.6 | 423.6 | 423.6 | 423.6 | 423.6 | 423.6 | 423.6 | 423.6 |
| Cash flow from operating activities | 37.8 | –8.6 | 45.6 | 11.9 | 49.6 | –14.2 | 56.3 | –23.1 | 0.0 | 44.2 |
| Net debt / Adjusted EBITDA, R12 | 3.4 | 3.9 | 4.8 | 5.2 | 5.6 | 6.1 | 5.6 | 6.0 | 5.8 | 5.6 |

## RECONCILIATION TABLES

| ITEMS AFFECTING COMPARABILITY, Amounts in SEK million | 2020 IFRS | 2019 IFRS | 2018 IFRS | Jan-June 2021 IFRS | Jan-June 2020 IFRS |
|---|---|---|---|---|---|
| Remeasurement of earnout | 50.0 | | | | |
| Expenses for preparing potential sale | –4.2 | –7.4 | | –19.9 | |
| **Items affecting comparability** | **45.8** | **–7.4** | | **–19.9** | |

| Net sales by technology, Amounts in SEK million | 2020 IFRS | 2019 IFRS | 2018 IFRS | Jan-June 2021 IFRS | Jan-June 2020 IFRS |
|---|---|---|---|---|---|
| Sales of battery chargers and accessories (Low voltage) | 601.9 | 547.2 | 513.1 | 371.5 | 248.9 |
| Sales of electric car chargers (EVSE) | 85.2 | 67.3 | 37.5 | 75.5 | 37.7 |
| Central | 19.2 | 20.9 | 22.6 | 8.4 | 4.4 |
| **Net sales, Group** | **706.3** | **635.4** | **573.3** | **455.4** | **291.0** |
| Share of EVSE in Net sales, % | 12.1 | 10.6 | 6.5 | 16.6 | 13.0 |

| GROSS MARGIN, Amounts in SEK million | 2020 IFRS | 2019 IFRS | 2018 IFRS | Jan-June 2021 IFRS | Jan-June 2020 IFRS |
|---|---|---|---|---|---|
| Net sales | 706.3 | 635.4 | 573.3 | 455.4 | 291.0 |
| Goods for resale | -329.8 | -266.0 | -223.7 | -200.0 | -135.4 |
| Gross profit | 376.5 | 369.4 | 349.6 | 255.4 | 155.6 |
| **Gross margin (%)** | **53.3** | **58.1** | **61.0** | **56.1** | **53.5** |

| EBITA, Amounts in SEK million | 2020 IFRS | 2019 IFRS | 2018 IFRS | Jan-June 2021 IFRS | Jan-June 2020 IFRS |
|---|---|---|---|---|---|
| Operating profit | 142.7 | 68.3 | 102.1 | 70.4 | 28.7 |
| Depreciation, amortization and impairment | 57.2 | 67.9 | 40.9 | 31.8 | 27.4 |
| EBITDA | 199.9 | 136.2 | 143.0 | 102.2 | 56.1 |
| Amortization of non-M&A-driven intangible assets | –15.6 | –10.5 | –6.3 | –11.0 | –6.2 |
| Depreciation of tangible assets | –12.5 | –10.6 | –6.5 | –6.3 | –6.6 |
| **EBITA** | **171.9** | **115.1** | **130.2** | **84.9** | **43.3** |

| ADJUSTED EBITDA, Amounts in SEK million | 2020 IFRS | 2019 IFRS | 2018 IFRS | Jan-June 2021 IFRS | Jan-June 2020 IFRS |
|---|---|---|---|---|---|
| Operating profit | 142.7 | 68.3 | 102.1 | 70.4 | 28.7 |
| Items affecting comparability | –45.8 | 7.4 | | 19.9 | |
| Depreciation, amortization and impairment | 57.2 | 67.9 | 40.9 | 31.8 | 27.4 |
| **Adjusted EBITDA** | **154.1** | **143.6** | **143.0** | **122.1** | **56.1** |

| ADJUSTED EBITA, Amounts in SEK million | 2020 IFRS | 2019 IFRS | 2018 IFRS | Jan-June 2021 IFRS | Jan-June 2020 IFRS |
|---|---|---|---|---|---|
| **Adjusted EBITDA** | **154.1** | **143.6** | **143.0** | **122.1** | **56.1** |
| Amortization of non-M&A-driven intangible assets | –15.6 | –10.5 | –6.3 | –11.0 | –6.2 |
| Depreciation of tangible assets | –12.5 | –10.6 | –6.5 | –6.3 | –6.6 |
| **Adjusted EBITA** | **126.0** | **122.5** | **130.2** | **104.7** | **43.3** |

| ADJUSTED EBITA MARGIN, Amounts in SEK million | 2020 IFRS | 2019 IFRS | 2018 IFRS | Jan-June 2021 IFRS | Jan-June 2020 IFRS |
|---|---|---|---|---|---|
| **Adjusted EBITDA** | **154.1** | **143.6** | **143.0** | **122.1** | **56.1** |
| Amortization of non-M&A-driven intangible assets | –15.6 | –10.5 | –6.3 | –11.0 | –6.2 |
| Depreciation of tangible assets | –12.5 | –10.6 | –6.5 | –6.3 | –6.6 |
| **Adjusted EBITA** | **126.0** | **122.5** | **130.2** | **104.7** | **43.3** |
| **Adjusted EBITA margin, %** | **17.8** | **19.3** | **22.7** | **23.0** | **14.9** |

| OPERATING MARGIN, Amounts in SEK million | 2020 IFRS | 2019 IFRS | 2018 IFRS | Jan-June 2021 IFRS | Jan-June 2020 IFRS |
|---|---|---|---|---|---|
| Net sales | 706.3 | 635.4 | 573.3 | 455.4 | 291.0 |
| Operating profit (EBIT) | 142.7 | 68.3 | 102.1 | 70.4 | 28.7 |
| **Operating margin, %** | **20.2** | **10.8** | **17.8** | **15.5** | **9.9** |

| ORGANIC GROWTH, Amounts in SEK million | 2020 IFRS | 2019 IFRS | 2018 IFRS | Jan-June 2021 IFRS | Jan-June 2020 IFRS |
|---|---|---|---|---|---|
| Net sales | 706.3 | 635.4 | 573.3 | 455.4 | 291.0 |
| Sales growth, % | 11.2 | 10.8 | 8.1 | 56.5 | –3.9 |
| M&A, % | | 1.9 | 5.0 | | |
| Currency effect, % | 1.9 | 3.6 | 4.2 | –7.8 | 1.2 |
| **Organic growth, %** | **13.1** | **5.3** | **–1.1** | **64.3** | **–5.1** |

| NET DEBT, Amounts in SEK million | 31 December 2020 IFRS | 31 December 2019 IFRS | 31 December 2018 IFRS | 30 June 2021 IFRS | 30 June 2020 IFRS |
|---|---|---|---|---|---|
| **Current assets** | | | | | |
| Cash and cash equivalents | -94.7 | -51.2 | -61.1 | -95.9 | -64.1 |
| **Non-current liabilities** | | | | | |
| Interest-bearing current liabilities, including lease liabilities | 840.8 | 860.9 | 872.6 | 849.0 | 866.5 |
| Interest-bearing lease liabilities | -10.6 | -9.3 | | -11.0 | -9.6 |
| **Current liabilities** | | | | | |
| Interest-bearing current liabilities, including lease liabilities | 4.8 | 3.3 | | 6.4 | 4.9 |
| Interest-bearing lease liabilities | -4.8 | -3.3 | | -6.4 | -4.9 |
| **Total net debt** | **735.5** | **800.5** | **811.5** | **742.1** | **792.8** |
| Operating result | 142.7 | 68.3 | 102.1 | 184.4* | 69.2* |
| Depreciation, amortization and impairment of tangible and intangible assets | 57.2 | 67.9 | 40.9 | 61.7* | 71.4* |
| EBITDA, R12 | 199.9 | 136.2 | 143.0 | 246.1* | 140.6* |
| Items affecting comparability | -45.8 | -7.4 | | -26.0* | 1.0* |
| **Adjusted EBITDA, R12** | **154.1** | **143.6** | **143.0** | **220.1*** | **141.6*** |
| **Net debt/Adjusted EBITDA, R12** | **4.8** | **5.6** | **5.7** | **3.4*** | **5.6*** |

*Rolling 12 month. Calculated as current period, plus preceding financial year, minus comparative period for the current period.

| SEGMENT MARGIN, Amounts in SEK million | | 2020 IFRS | 2019 IFRS | 2018 IFRS | Jan-June 2021 IFRS | Jan-June 2020 IFRS |
|---|---|---|---|---|---|---|
| Aftermarket | Net sales | 516.3 | 441.1 | 422.7 | 327.8 | 208.9 |
| | Segment profit/loss | 208.7 | 174.6 | 166.7 | 139.1 | 78.4 |
| | **Segment margin, %** | **40.4** | **39.6** | **39.4** | **42.4** | **37.5** |
| Original Equipment | Net sales | 85.9 | 106.2 | 90.4 | 53.6 | 40.1 |
| | Segment profit/loss | 6.5 | 19.5 | 26.2 | 12.5 | 3.1 |
| | **Segment margin, %** | **7.6** | **18.4** | **29.0** | **23.3** | **7.7** |
| Energy & Facilities | Net sales | 84.9 | 67.2 | 37.5 | 65.6 | 37.6 |
| | Segment profit/loss | -8.1 | 2.7 | 5.1 | -9.0 | -0.8 |
| | **Segment margin, %** | **-9.5** | **4.0** | **13.6** | **-13.7** | **-2.1** |

## FINANCIAL AND NON-FINANCIAL DEFINITIONS

| IFRS measures | Definition/calculation |
|---|---|
| **Earnings per share** | Net profit in SEK in relation to the average number of shares, according to IAS 33. |
| **Interest-bearing Net debt** | Interest-bearing liabilities adjusted for lease liabilities minus interest-bearing assets and cash and cash equivalents. |

| Alternative performance measures | Definition/calculation | Purpose |
|---|---|---|
| **Adjusted EBITA** | EBITA before items affecting comparability | Measure of the underlying earnings capacity of the business and facilitates comparison between the periods |
| **Adjusted EBITA margin** | Adjusted EBITA as a percentage of net sales | This performance measure gauges the degree of profitability of the business |
| **Adjusted EBITDA** | EBITDA before items affecting comparability | Measure of the underlying earnings capacity of the business and facilitates comparison between the periods |
| **Currency effect** | Average exchange rate of a comparison period multiplied by sales of a current period expressed in local currency | Aims to show growth adjusted for currency effects |
| **EBITA** | Operating profit before amortization and impairment of M&A-driven non-current assets. | Measure of the underlying earnings capacity |
| **EBITDA** | Operating income according to the income statement before depreciation, amortization and impairment of intangible and tangible assets | Measure of the underlying earnings capacity |
| **Gross margin** | Gross profit as a percentage of net sales | Used to measure production profitability |
| **Gross profit** | Net sales less cost of goods sold, freight and customs | Used to measure production profitability |
| **Items affecting comparability** | Items affecting comparability refers to material income and cost items that are recognized separately due to the significance of their nature and amounts. | Recognising items affecting comparability separately increases the comparability of operating profit over time |
| **M&A (acquired growth)** | Net sales for the current period attributable to acquired and divested operations, in relation to net sales for the comparative period | Acquired growth is eliminated when calculating organic growth to enable a comparison of net sales over time |
| **Net debt/EBITDA** | Net debt in relation to Adjusted EBITDA rolling 12 months | Measure showing the capacity to repay debt |
| **Operating margin** | Profit after depreciation, amortization and impairment in relation to net sales. | Aims to show operating profitability |
| **Operating profit** | Operating profit (EBIT) is a measure of the Company's profit before tax and financial items | Measure showing the profitability generated by the business |
| **Organic growth** | Change in net sales adjusted for acquisitions/ divestments and currency effects | Measure of internally generated growth |
| **Sales growth** | Net sales for the current period in relation to net sales for the comparative period | Aims to show the trend in net sales |
| **Segment margin** | Segment profit/loss in relation to segment sales | Measure showing the earnings capacity of the segment |
| **Segment profit/loss** | Adjusted EBITDA excluding central items | Measure showing the earnings capacity of the segment |
| **Share of EVSE in Net sales** | Sales of chargers for electrified vehicles and accessories as a share of total sales | Used to measure sales of products to electrified vehicles |

| Notion | Definition/calculation | Purpose |
|---|---|---|
| **Central** | Sales in Central comprise items that cannot be attributable to any specific segment. Also includes Group-wide costs that cannot be allocated to the segments | Items that are not directly attributable to the divisions |

# OPERATING AND FINANCIAL REVIEW

*The information below is to be read together with the section "Condensed financial information" and the Company's audited consolidated financial statements and the reviewed interim report for the six-month period ending 30 June 2021 found in the sections "Historical financial information for the financial years 2020, 2019 and 2018" and "Interim report January - June 2021." The presentation below contains forward-looking information that is subject to a variety of risks and uncertainties. The Company's actual results may differ materially from the expectations of this forward-looking information due to many different factors, including but not limited to what is stated in this Prospectus, including what is stated in the section "Risk factors" and elsewhere in the Prospectus. The Company's audited annual reports and the reviewed interim report for the six-month period ending 30 June 2021were prepared in accordance with IFRS.*

## OVERVIEW

CTEK is the leading global supplier of premium low voltage chargers and the second largest EVSE product supplier in Sweden.[1)] The Company is characterised by a strong innovation culture and works continuously to improve and develop new products to suit customer needs. CTEK was founded in Vikmanshyttan in 1997 and now has sales in more than 70 countries. With a history of innovation and technology leadership, the Company meets new customer requirements by continuously developing its product offering and operations pro-actively. Based on its technology leadership, the Company has established strong and long-standing customer relationships with more than 50 of the world's most prestigious OEMs. In addition to OEMs, the Company also offers products to workshops, distributors, retailers, parking lots, charge point operators, property owners and consumers.

Based on the overall focus of attracting new and strengthening existing customer relationships, the Company's business is divided into three divisions, or segments, that are based on different consumer groups and customer needs: Aftermarket, Original Equipment and Energy & Facilities. The Aftermarket division mainly conducts sales of premium low voltage chargers, spare parts and EVSE products. The Original Equipment division primarily comprises sales of custom premium low voltage chargers manufactured for OEMs and sales of products used in workshops. The Original Equipment division sells both premium low voltage chargers and EVSE products. The Energy & Facilities division primarily targets charge point operators, electrical wholesalers, electricity installers, property owners and car-park owners. Energy & Facilities' product portfolio is comprised of EVSE products. As per the six-month period ending 30 June 2021, Aftermarket, Original Equipment and Energy & Facilities accounted for 72.0 percent, 11.7 percent, and 14.4 percent of CTEK's net sales, respectively.

CTEK has a long history of profitable growth. From 2018 up to and including the six-month period ending 30 June 2021, the Company reported a CAGR of 18.2 percent, combined with healthy profitability. As per the six-month period ending 30 June 2021, the Company's net sales amounted to SEK 455.4 million and adjusted EBITA to SEK 104.7 million, corresponding to an adjusted EBITA margin of 23.0 percent. In the 2020 fiscal year, the Company sold more than one million premium low voltage chargers and as per the six-month period ending 30 June 2021 had installed more than 50,000 charging points[2)].

## SEGMENTS

CTEK is a leading global supplier of premium low voltage chargers and the second-largest supplier of EVSE products in Sweden.[3)] CTEK's operations are conducted by three divisions, or segments: Aftermarket, Original Equipment and Energy & Facilities. The divisions are classified based on the Company's defined consumer groups and allow for the operations to be managed efficiently. The divisions share central functions, such as IT, HR, product realisation, marketing, accounting and global service, which includes the customer service centre, installation support and customer training.

1) Source: The Company's assessments. CTEK has the highest market share of all players in the global premium low voltage (12v) market based on estimated volume of premium 12v battery chargers. As per 2020, CTEK had the second-largest share of the Swedish market for AC chargers for EVs and accessories based on estimated market size, CTEK's net sales and triangulation with industry experts regarding the presence and size of other market players.
2) 50,000 charging points include charging points sold under private labels.
3) Source: The Company's assessments. CTEK has the highest market share of all players in the global premium low voltage (12v) market based on estimated volume of premium 12v battery chargers. As per 2020, CTEK had the second-largest share of the Swedish market for AC chargers for EVs and accessories based on estimated market size, CTEK's net sales and triangulation with industry experts regarding the presence and size of other market players.

### Energy & Facilities segment

In Energy & Facilities, the Company leverages its extensive experience and expertise in technological innovation and has developed a strong portfolio of products with market-leading EVSE features comprising 116 products. With safe and user-friendly solutions, the Company is now a well-known brand among more than 475 customers in the Energy & Facilities division.

In the Energy & Facilities division, the Company exclusively offers EVSE products. The products are mainly sold to charge point operators, but also to electrical wholesalers, installers/electricians and property and car-park owners. Energy & Facilities is the Company's fastest growing division, with a CAGR of 55.4 percent from the fiscal year 2018 up to and including the six-month period ending 30 June 2021. Net sales for the six-month period ending 30 June 2021 amounted to SEK 65.6 million.

### Aftermarket segment

In Aftermarket, the Company offers EVSE products and premium low voltage chargers. CTEK believes the Company to be a market pioneer in Aftermarket with its high-tech solutions, enabled through patented technology. In Aftermarket, the Company offers a broad range of 214 products that are suitable for most types of vehicles and applications. The Company believes that the offering features flexible, simple and safe solutions with functions that maximise battery performance and extend battery life, while ensuring simple and secure EV charging.

### Original Equipment segment

CTEK is a well-known brand with more than 50 of the largest and most prestigious OEMs as its customers worldwide. The Company offers localised solutions for CTEK's global customer base of OEMs. The Company's high-quality products are tailored to customer requirements, such as design and specialised software, for example, to offer bespoke charging programmes for specific batteries.

In Original Equipment, the Company offers 211 different products in the form of EVSE products and premium low voltage chargers. The products are sold to the approximately 100 customers in the Company's division, who primarily comprise OEMs, but also powersports, integrated solutions and other battery powered use. The Original Equipment division grew at a CAGR of 3.9 percent between the fiscal year 2018 up to and including the six-month period ending 30 June 2021. Net sales for the six-month period ending 30 June 2021 amounted to SEK 53.6 million.

## KEY FACTORS AFFECTING THE COMPANY'S OPERATING PROFIT AND CASH FLOW

In the past, CTEK's cash flows and operating profit were impacted, and are expected to continue to be impacted, by a number of key factors. The factors deemed most important by the Company for operating profit and cash flow are:

- Market dynamics for EVSE products and premium low voltage chargers
- Ability to deliver net sales growth
- Ability to maintain relationships with customers and end customers and a high brand recognition
- Product mix
- Operational efficiency
- Investments in new products
- Working capital
- Currency fluctuations

### Market dynamics for EVSE and premium low voltage chargers

Electrification of the vehicle fleet has, in the past, had a positive impact on the Company's operating profit. In the future, the European EVSE market is projected to grow at a CAGR of approximately 27 percent between 2020 and 2025, and the Company is expected to continue to see positive effects of underlying market growth on net sales and operating profit.

The premium low voltage charger market is projected to continue to grow at a CAGR of 3 percent between 2020 and 2025. The Company expects underlying growth and higher demand for premium low voltage chargers in the market to have a positive impact on net sales and operating profit.

The Company is also affected by the competitive situation in the EVSE market and the premium low voltage charger market. Fiercer competition in these markets could, in the Company's opinion, have a negative impact on net sales and operating profit.

### Ability to deliver growth in net sales

In the past, CTEK's growth was primarily generated from increased sales to existing and new customer cohorts and by expansion to new countries and geographic areas. Increased sales to existing customers is achieved by launching new, innovative products with the latest technology to meet customer demand.

CTEK has more opportunities for continuing to grow profitably as the Company's addressable markets grow and demand for more advanced solutions in all product areas increases. In recent years, CTEK has intensified its focus on a wider range of products to reach new areas of use and consumer cohorts. In addition to developing its range of products, the Company intends to increase penetration in existing markets and expand to new geographic areas. The Company expects its ability to continue to develop its range of products and expand in existing and to new geographies to impact operating profit moving forward.

### Ability to maintain relationships with customers and end customers and high brand recognition

CTEK has built up strong relationships with more than 50 of the largest OEMs in the world and over 200 retailers, e-tailers and distributors. CTEK attaches great importance to nurturing its brand and developing customer relationships to achieve optimal customer satisfaction, which is attained by offering a broad, high-quality and custom product range. Furthermore, the Company makes use of several different marketing channels to reach a broad group of end customers. These channels include social media, ambassadors and exhibiting at trade fairs and participating at events.

The Company's high customer satisfaction is illustrated through CTEK's high scores in customer surveys. For example, the Company has a customer review rating of 4.8 out of 5 on the e-commerce website Amazon. CTEK's high product expertise and customer satisfaction is also proven by the fact that the Company's products have won more than 30 awards in the past five years.

CTEK believes that it will continue to invest in brand-building activities through a range of channels with the overall aim of strengthening awareness of the Company. In addition, the Company works continuously to maintain a high level of service to improve its customer satisfaction and consolidate its brand position.

### Product mix

CTEK develops and supplies EVSE products and premium low voltage chargers. The Company believes that it is important to offer a broad product portfolio of complete solutions to maximise the customer offering. A broad product offering also enables the Company to customise its offering and reach a larger target group. However, CTEK's broad product portfolio includes products with varying gross margins. Accordingly, CTEK's operating margin and cash flow will be impacted by the mix of products sold.

### Operational efficiency

CTEK's operational efficiency is primarily reflected in its ability to keep its operating expenses, excluding goods for resale, as low as possible in relation to net sales. Leveraging its strong position in the value chain, the Company works actively to continuously enhance the efficiency of its internal processes and optimise costs by carefully choosing and negotiating with suppliers of goods and services.

Furthermore, the Company attaches great importance to retaining skilled personnel, which contributes to the Company's low employee turnover and lowers costs for items such as training. Personnel are used in a resource and cost-efficient manner, for example, by having a carefully selected group of skilled and dedicated employees in research and development and use external consultants when needed. The Company also has cost-efficient and flexible external production that can easily be scaled up or down as necessary.

CTEK believes that the Company's ability to maintain its operational efficiency is important to its operating profit and cash flow.

### Investments in new products

The Company continuously invests in new products featuring the latest technology to meet new customer demands and maintain its technology leadership. For instance, the Company launched the CS Free product in the three-month period ending 31 March 2021 and quickly noted a high demand, with the Company's sales of the CS Free surpassing expectations. CS Free's positive customer reception is an indication of the Company's ability to develop high-tech products. CTEK intends to continue to invest in launches of new products and believes that the outcomes of these will impact the Company's operating profit and cash flow.

### Working capital

The Company defines working capital as inventories, accounts receivable and prepaid expenses and accrued income less accounts payable and accrued expenses and deferred income. The Company's most significant current asset is accounts receivable and inventories. The Company's most significant current liability is accounts payable.

The Company believes that the trend in working capital is a key factor for cash flow. In the six-month period ending 30 June 2021, CTEK had relatively low inventory levels as a result of high demand combined with coronavirus related challenges among suppliers. The Company aims to build up inventory in the upcoming quarters, which will affect cash flows.

### Currency fluctuations

CTEK is exposed to currency fluctuations since the Company's main sales take place in EUR, SEK, USD and GBP, while most purchases are made in USD. CTEK uses financial instruments to partly neutralise currency risk. The Company's policy is that 50 percent of the expected net flow per quarter in USD and EUR for a rolling 12-month period is to be neutralised. Up to 25 percent of the expected net flow per quarter in USD and EUR for a rolling 13-24-month period may be neutralised.

For a sensitivity analysis, refer to the section "*Risk factors – CTEK is subject to currency risks*."

## KEY ITEMS IN THE INCOME STATEMENT

A description of the most important items in the Company's income statement is presented below.

### Net sales

CTEK's net sales are primarily generated from the sale of EVSE products and premium low voltage chargers. For the six-month period ending 30 June 2021, EVSE products represented 16.9 percent of net sales, while premium low voltage chargers represented 83.1 percent, excluding central net sales.

The Company reports net sales, excluding VAT, returns and discounts, when the Company has transferred the risks and rewards associated with ownership of the products to the customer, on the condition that it is probable that the Company will receive payment and the amount can be measured reliably. Net sales are measured at the fair value of the payment received or that will be received.

### Goods for resale

Goods for resale primarily include costs for purchasing components, freight and customs. There are also additional costs for impairment, obsolescence, packaging material and other costs that arise on the sale of the products.

### Other external expenses

Other external expenses comprise the remainder of all other external expenses, such as costs for temporary personnel and consultants, marketing and various other external services.

### Personnel costs

Personnel costs comprise all costs for the Company's own personnel. Personnel costs include all costs accrued for personnel, including accrued costs for any incentive programmes.

### Depreciation, amortization and impairment of tangible and intangible assets

Depreciation, amortization and impairment primarily comprise amortization of capitalized expenses for research and development, and depreciation right-of-use assets and other tangible assets, as well as M&A-driven depreciation/amortization and impairment. Depreciation, amortization and impairment are recognized straight line in profit for the period over the assets' estimated useful lives, unless such useful lives are unlimited.

### Items affecting comparability

Items affecting comparability comprise non-recurring items that are not included in the normal business and thus affect comparability between different periods.

### Operating profit (EBIT)

Operating profit (EBIT) comprises the Company's net sales and other operating income less goods for resale, other external expenses, personnel costs, depreciation, amortization and impairment, other operating expenses and items affecting comparability.

### Financial items (net)

Net financial items are the total of financial income and financial expenses. Financial income comprises interest income on bank balances, gains/losses from securities and exchange rate gains, while financial expenses comprise interest expenses on borrowings, exchange rate losses and other financial expenses on borrowings.

### Tax on net profit for the year

Tax on net profit for the year comprises current tax and deferred tax. Current tax is tax that is to be paid or received in the current year, with the application of the tax rates that have been decided or estimated on the balance sheet date. Current tax also includes adjustments of current tax attributable to prior periods. Deferred tax is calculated in accordance with the balance sheet method, based on temporary differences between carrying amounts and tax bases of assets and liabilities. The valuation of deferred tax is based on how the underlying assets or liabilities are expected to be realised or settled.

### Net profit for the year

Net profit for the year refers to profit before tax less tax expenses.

## COMPARISON BETWEEN THE SIX-MONTH PERIODS ENDING 30 JUNE 2021 AND 30 JUNE 2020

The table below shows CTEK's earnings from the operations in SEK million and the percentage change between both periods.

| SEK million | Jan–Jun 2021 | Change (SEK million) | Change (%) | Jan–Jun 2020 |
|---|---|---|---|---|
| Net sales | 455.4 | 164.4 | 56.5 | 291.0 |
| Other operating income | 2.8 | (0.8) | (22.2) | 3.6 |
| **Total income** | **458.3** | **163.7** | **55.6** | **294.6** |
| Goods for resale | (200.0) | (64.6) | 47.7 | (135.4) |
| Other external expenses | (56.3) | (15.5) | 38.0 | (40.8) |
| Personnel costs | (79.6) | (19.3) | 32.0 | (60.3) |
| Depreciation, amortization and impairment of tangible and intangible assets | (31.8) | (4.4) | 16.1 | (27.4) |
| Other operating expenses | (0.3) | 1.7 | (85.0) | (2.0) |
| Items affecting comparability | (19.9) | (19.9) | - | – |
| **Total expenses** | **(387.9)** | **(122.0)** | **45.9** | **(265.9)** |
| **Operating profit (EBIT)** | **70.4** | **41.7** | **145.3** | **28.7** |
| Financial income | 2.7 | 1.1 | 68.8 | 1.6 |
| Financial expenses | (36.7) | (0.9) | 2.6 | (35.8) |
| **Net financial items** | **(34.0)** | **0.2** | **(0.6)** | **(34.2)** |
| **Profit/loss after financial items** | **36.4** | **41.9** | **–** | **(5.5)** |
| Tax on net profit for the period | (9.8) | (10.9) | – | 1.1 |
| **Net profit for the period** | **26.6** | **31.0** | **–** | **(4.4)** |

### Net sales

Net sales increased by SEK 164.4 million, corresponding to 56.5 percent, from SEK 291.0 million for the six-month period ending 30 June 2020 to SEK 455.4 million for the six-month period ending 30 June 2021. The increase was mainly due to higher sales volume driven by both existing products and new product launches. Net sales for the segments Aftermarket, Original Equipment and Energy & Facilities increased by SEK 118.9 million, SEK 13.5 million and SEK 28.0 million, respectively, for the six-month period ending 30 June 2021 compared with the six-month period ending 30 June 2020. The following table presents CTEK's net sales for the segments for the periods stated:

| SEK million | Jan–Jun 2021 | Change (SEK million) | Change (%) | Jan–Jun 2020 |
|---|---|---|---|---|
| Aftermarket | 327.8 | 118.9 | 56.9 | 208.9 |
| Original Equipment | 53.6 | 13.5 | 33.7 | 40.1 |
| Energy & Facilities | 65.6 | 28.0 | 74.5 | 37.6 |
| Central | 8.4 | 4.0 | 90.9 | 4.4 |
| **Net sales** | **455.4** | **164.4** | **56.5** | **291.0** |

### Goods for resale
Costs for goods for resale increased by SEK 64.6 million, corresponding to 47.7 percent, from SEK 135.4 million for the six-month period ending 30 June 2020 to SEK 200.0 million for the six-month period ending 30 June 2021. The increase was mainly due to that the Company sold more products during the six-month period ending 30 June 2021 compared to the six-month period ending 30 June 2020. In addition, the number of products shipped by air transport increased, which means higher freight costs.

### Other external expenses
Other external expenses increased by SEK 15.5 million, corresponding to 38.0 percent, from SEK 40.8 million for the six-month period ending 30 June 2020 to SEK 56.3 million for the six-month period ending 30 June 2021. The increase was primarily driven by higher costs for external consultants, marketing and administrative systems.

### Personnel costs
Personnel costs increased by SEK 19.3 million, corresponding to 32.0 percent, from SEK 60.3 million for the six-month period ending 30 June 2020 to SEK 79.6 million for the six-month period ending 30 June 2021. The increase was mainly due to a higher number of employees in the Company.

### Depreciation, amortization and impairment of tangible and intangible assets
Depreciation/amortization and impairment increased by SEK4.4 million, corresponding to 16.1 percent, from SEK 27.4 million for the six-month period ending 30 June 2020 to SEK 31.8 million for the six-month period ending 30 June 2021. The increase was primarily driven by higher costs for amortization of capitalized development costs.

### Items affecting comparability
Items affecting comparability increased from SEK 0.0 million for the six-month period ending 30 June 2020 to SEK 19.9 million for the six-month period ending 30 June 2021. The increase was mainly due to costs related to preparations for a potential disposal of CTEK.

### Operating profit (EBIT)
EBIT increased by SEK 41.7 million, corresponding to 145.3 percent, from SEK 28.7 million for the six-month period ending 30 June 2020 to SEK 70.4 million for the six-month period ending 30 June 2021. The increase was mainly due to higher net sales.

### Financial items (net)
Net financial items increased by SEK 0.2 million, corresponding to 0.6 percent, from a cost of SEK 34.2 million for the six-month period ending 30 June 2020 to a cost of SEK 34.0 million for the six-month period ending 30 June 2021.

### Tax on net profit for the period
Tax on net profit for the period increased by SEK 10.9 million, from a positive tax contribution of SEK 1.1 million for the six-month period ending 30 June 2020 to a cost of SEK 9.8 million for the six-month period ending 30 June 2021. The increase was mainly due to higher profit before tax.

### Net profit for the period
Net profit for the period increased by SEK 31.0 million, from a loss of SEK 4.4 million for the six-month period ending 30 June 2020 to a profit of SEK 26.6 million for the six-month period ending 30 June 2021. The increase was mainly due to higher net sales.

## COMPARISON BETWEEN FISCAL YEARS 2020 AND 2019

The table below presents CTEK's earnings from the operations in SEK million and the percentage change between both periods.

| SEK million | 2020 | Change (SEK million) | Change (%) | 2019 |
|---|---|---|---|---|
| Net sales | 706.3 | 70.9 | 11.2 | 635.4 |
| Other operating income | 4.4 | 3.5 | 388.9 | 0.9 |
| **Total income** | **710.7** | **74.4** | **11.7** | **636.3** |
| Goods for resale | (329.8) | (63.8) | 24.0 | (266.0) |
| Other external expenses | (98.2) | 0.4 | (0.4) | (98.6) |
| Personnel costs | (121.9) | 2.9 | (2.3) | (124.8) |
| Depreciation, amortization and impairment of tangible and intangible assets | (57.2) | 10.7 | (15.8) | (67.9) |
| Other operating expenses | (6.7) | (3.5) | 109.4 | (3.2) |
| Items affecting comparability | 45.8 | 53.2 | – | (7.4) |
| **Total expenses** | **(568.0)** | **0.0** | **0.0** | **(568.0)** |
| **Operating profit (EBIT)** | **142.7** | **74.4** | **108.9** | **68.3** |
| Financial income | 28.6 | 10.4 | 57.1 | 18.2 |
| Financial expenses | (69.7) | (30.8) | 79.2 | (38.9) |
| **Net financial items** | **(41.1)** | **(20.4)** | **98.6** | **(20.7)** |
| **Profit after financial items** | **101.6** | **54.0** | **113.4** | **47.6** |
| Tax on net profit for the year | (19.3) | (5.0) | 34.2 | (14.6) |
| Deferred tax | (0.3) | (0.3) | – | – |
| **Net profit for the year** | **82.0** | **49.0** | **148.5** | **33.0** |

### Net sales

Net sales increased by SEK 70.9 million, corresponding to 11.2 percent, from SEK 635.4 million in the fiscal year 2019 to SEK 706.3 million in the fiscal year 2020. The main reason for the increase was higher volumes, driven by both existing products and launches of new products.

Net sales for the Aftermarket and Energy & Facilities segments increased by SEK 75.2 million and SEK 17.7 million, respectively, in 2020 compared with 2019. Net sales for the Original Equipment segment decreased by SEK 20.3 million, mainly driven by lower sales of new cars due to the coronavirus. The following table presents CTEK's net sales for the segments for the periods stated:

| SEK million | 2020 | Change (SEK million) | Change (%) | 2019 |
|---|---|---|---|---|
| Aftermarket | 516.3 | 75.2 | 17.0 | 441.1 |
| Original Equipment | 85.9 | (20.3) | (19.1) | 106.2 |
| Energy & Facilities | 84.9 | 17.7 | 26.3 | 67.2 |
| Central | 19.2 | (1.7) | (8.0) | 20.9 |
| **Net sales** | **706.3** | **70.9** | **11.2** | **635.4** |

### Goods for resale

Costs for goods for resale increased by SEK 63.8 million, corresponding to 24.0 percent, from SEK 266.0 million in the fiscal year 2019 to SEK 329.8 million in the fiscal year 2020. The increase was primarily due to CTEK selling more products in 2020 compared with 2019. Furthermore, the Company incurred higher freight costs due to the coronavirus.

### Other external expenses

Other external expenses decreased by SEK 0.4 million, corresponding to 0.4 percent, from SEK 98.6 million in the fiscal year 2019 to SEK 98.2 million in the fiscal year 2020. The largest portion of other external expenses in 2020 comprised marketing costs and costs for external consultants.

### Personnel costs

Personnel costs decreased by SEK 2.9 million, corresponding to 2.3 percent, from SEK 124.8 million in the fiscal year 2019 to SEK 121.9 million in the fiscal year 2020.

### Depreciation, amortization and impairment of tangible and intangible assets

Depreciation, amortization and impairment decreased by SEK 10.7 million, corresponding to 15.8 percent, from SEK 67.9 million in the fiscal year 2019 to SEK 57.2 million in the fiscal year 2020. The decrease was mainly due to the Company reporting goodwill impairment corresponding to SEK 15.5 million in 2019 related to the now divested subsidiary Creator Teknisk Utveckling AB.

### Items affecting comparability

Items affecting comparability changed by SEK 53.2 million from a cost of SEK 7.4 million in the fiscal year 2019 to a revenue of SEK 45.8 million in the fiscal year 2020. The change was mainly due to a revaluation of an earn-out.

### Operating profit (EBIT)

EBIT increased by SEK 74.4 million, corresponding to 108.9 percent, from SEK 68.3 million in the fiscal year 2019 to SEK 142.7 million in the fiscal year 2020. The increase was mainly due to higher net sales combined with the Company's good cost control, as illustrated by the scalability of CTEK's business model.

### Financial items (net)

Net financial items decreased by SEK 20.4 million from a cost of SEK 20.7 million in the fiscal year 2019 to a cost of SEK 41.1 million in the fiscal year 2020. The decrease in net financial items was primarily the result of increased financial expenses, driven by higher interest expenses on the Company's borrowings.

### Tax on net profit for the year

Tax on net profit for the year increased by SEK 5.0 million, corresponding to 34.2 percent, from SEK 14.6 million in the fiscal year 2019 to SEK 19.3 million in the fiscal year 2020. The increase was mainly driven by higher profit before tax.

### Net profit for the year

Net profit for the year increased by SEK 49.0 million, corresponding to 148.5 percent, from SEK 33.0 million in the fiscal year 2019 to SEK 82.0 million in the fiscal year 2020. The increase was mainly due to higher operating profit.

## COMPARISON BETWEEN FISCAL YEARS 2019 AND 2018

The table below shows CTEK's earnings from the operations in SEK million and the percentage change between both periods.

| SEK million | 2019 | Change (SEK million) | Change (%) | 2018 |
|---|---|---|---|---|
| Net sales | 635.4 | 62.1 | 10.8 | 573.3 |
| Other operating income | 0.9 | (0.3) | (25.0) | 1.2 |
| **Total income** | **636.3** | **61.9** | **10.8** | **574.4** |
| Goods for resale | (266.0) | (42.3) | 18.9 | (223.7) |
| Other external expenses | (98.6) | (8.6) | 9.6 | (90.0) |
| Personnel costs | (124.8) | (10.9) | 9.6 | (113.9) |
| Depreciation, amortization and impairment of tangible and intangible assets | (67.9) | (27.0) | 66.0 | (40.9) |
| Other operating expenses | (3.2) | 0.7 | (17.9) | (3.9) |
| Items affecting comparability | (7.4) | (7.4) | – | 0.0 |
| **Total expenses** | **(568.0)** | **(95.7)** | **20.3** | **(472.3)** |
| **Operating profit (EBIT)** | **68.3** | **(33.8)** | **(33.1)** | **102.1** |
| Financial income | 18.2 | 18.1 | 18 100.0 | 0.1 |
| Financial expenses | (38.9) | 12.2 | (23.9) | (51.1) |
| **Net financial items** | **(20.7)** | **30.3** | **(59.4)** | **(51.0)** |
| **Profit after financial items** | **47.6** | **(3.5)** | **(6.8)** | **51.1** |
| Tax on net profit for the year | (14.6) | (0.7) | 5.0 | (13.9) |
| **Net profit for the year** | **33.0** | **(4.1)** | **(11.1)** | **37.1** |

### Net sales

Net sales increased by SEK 62.1 million, corresponding to 10.8 percent, from SEK 573.2 million in the fiscal year 2018 to SEK 635.4 million in the fiscal year 2019. The main reason for the increase was higher volumes, driven by both existing products and launches of new products.

Net sales for the Aftermarket, Original Equipment and Energy & Facilities segments increased by SEK 18.4 million, SEK 15.8 million and SEK 29.7 million, respectively, in 2019 compared with 2018. The strong increase in the Energy & Facilities segment was primarily driven by the Company winning procurements of customer contracts in Sweden. The following table presents CTEK's net sales for the segments for the periods stated:

| SEK million | 2019 | Change (SEK million) | Change (%) | 2018 |
|---|---|---|---|---|
| Aftermarket | 441.1 | 18.4 | 4.4 | 422.7 |
| Original Equipment | 106.2 | 15.8 | 17.5 | 90.4 |
| Energy & Facilities | 67.2 | 29.7 | 79.2 | 37.5 |
| Central | 20.9 | (1.7) | (7.5) | 22.6 |
| **Net sales** | **635.4** | **62.1** | **10.9** | **573.2** |

### Goods for resale

Costs for goods for resale increased by SEK 42.3 million, corresponding to 18.9 percent, from SEK 223.7 million in the fiscal year 2018 to SEK 266.0 million in the fiscal year 2019. The increase was primarily due to CTEK selling more products in 2019 compared with 2018.

### Other external expenses

Other external expenses increased by SEK 8.6 million, corresponding to 9.6 percent, from SEK 90.0 million in the fiscal year 2018 to SEK 98.6 million in the fiscal year 2019. The increase was primarily driven by increased costs for marketing and external consultants.

### Personnel costs

Personnel costs increased by SEK 10.9 million, corresponding to 9.6 percent, from SEK 113.9 million in the fiscal year 2018 to SEK 124.8 million in the fiscal year 2019.

### Depreciation, amortization and impairment of tangible and intangible assets

Depreciation, amortization and impairment increased by SEK 27.0 million, corresponding to 66.0 percent, from SEK 40.9 million in the fiscal year 2018 to SEK 67.9 million in the fiscal year 2019. The increase was mainly driven by changed policies for recognising right-of-use assets in 2019.

### Items affecting comparability

Items affecting comparability decreased by SEK 7.4 million from SEK 0.0 million in the fiscal year 2018 to costs of SEK 7.4 million in the fiscal year 2019. The decrease in items affecting comparability was mainly driven by costs related to preparations for a potential disposal of CTEK.

### Operating profit (EBIT)

EBIT decreased by SEK 33.8 million, corresponding to 33.1 percent, from SEK 102.1 million in the fiscal year 2018 to SEK 68.3 million in the fiscal year 2019. The decrease was mainly due to increased operating expenses.

### Financial items (net)

Net financial items increased by SEK 30.3 million from a cost of SEK 51.0 million in the fiscal year 2018 to a cost of SEK 20.7 million in the fiscal year 2019. The increase was mainly driven by exchange-rate gains and lower interest expenses on the Company's borrowings.

### Tax on net profit for the year

Tax on net profit for the year increased by SEK 0.7 million, corresponding to 5.0 percent, from SEK 13.9 million in the fiscal year 2018 to SEK 14.6 million in the fiscal year 2019. The increase was primarily due to previous deferred tax attributable to temporary differences.

### Net profit for the year

Net profit for the year decreased by SEK 4.1 million, corresponding to 11.1 percent, from SEK 37.1 million in the fiscal year 2018 to SEK 33.0 million in the fiscal year 2019. The decrease was mainly due to increased operating expenses.

## CASH FLOW

The following table shows the Company's cash flows for the six-month period ending 30 June 2021 and the fiscal years 2018–2020.

| SEK million | Jan-Jun 2021 | Jan-Jun 2020 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Cash flow from operating activities | 29.2 | 35.5 | 92.8 | 77.4 | 112.1 |
| Cash flow from investing activities | (26.6) | (21.0) | (43.0) | (48.9) | (171.6) |
| Cash flow from financing activities | (3.0) | (1.1) | (3.8) | (39.3) | 75.6 |
| **Total** | **(0.3)** | **13.5** | **46.0** | **(10.9)** | **16.0** |

### Cash flow from operating activities

Cash flow from the Company's operating activities decreased by SEK 6.3 million from SEK 35.5 million for the six-month period ending 30 June 2020 to SEK 29.2 million for the six-month period ending 30 June 2021. The decrease was mainly due to a cash outflow from changes in the Company's working capital.

Cash flow from the Company's operating activities increased by SEK 15.4 million from SEK 77.4 million in the fiscal year 2019 to SEK 92.8 million in the fiscal year 2020. The increase was mainly due to higher operating profit and a cash inflow from changes in the Company's working capital.

Cash flow from the Company's operating activities decreased by SEK 34.7 million from SEK 112.1 million in the fiscal year 2018 to SEK 77.4 million in the fiscal year 2019. The decrease was mainly due to lower operating profit.

### Cash flow from investing activities

Cash outflow from the Company's investing activities increased by SEK 5.6 million from SEK 21.0 million for the six-month period ending 30 June 2020 to an outflow of SEK 26.6 million for the six-month period ending 30 June 2021. The cash outflow was mainly due to increased investments in fixed assets and capitalised development costs.

Cash outflow from the Company's investing activities decreased by SEK 5.9 million from an outflow of SEK 48.9 million in the fiscal year 2019 to an outflow of SEK 43.0 million in the fiscal year 2020. The decrease was mainly due to a decrease in capitalised development expenditure and a lower level of acquisitions of tangible assets.

Cash outflow from the Company's investing activities decreased by SEK 122.7 million from an outflow of SEK 171.6 million in the fiscal year 2018 to an outflow of SEK 48.9 million in the fiscal year 2019. The decrease was mainly due to the Company acquiring Chargestorm in the 2018 comparative period.

### Cash flow from financing activities

Cash flow from the Company's financing activities increased by SEK 1.9 million, from SEK 1.1 million for the six-month period ending 30 June 2020 to an outflow of SEK 3.0 million for the six-month period ending 30 June 2021. The increase was primarily driven by cash inflows pertaining to warrants during the six-month period ending 30 June 2020.

Cash outflow from the Company's financing activities decreased by SEK 35.5 million from an outflow of SEK 39.3 million in the fiscal year 2019 to an outflow of SEK 3.8 million in the fiscal year 2020. The decrease was mainly due to the Company changing its capital structure in the 2019 comparative period, whereby a portion of borrowing was repaid.

Cash flow from the Company's financing activities decreased by SEK 114.9 million from SEK 75.6 million in the fiscal year 2018 to an outflow of SEK 39.3 million in the fiscal year 2019. The decrease was mainly due to the Company changing its capital structure, whereby a portion of borrowing was repaid.

## LIQUIDITY AND FINANCIAL POSITION

### Capital Resources

The Company's equity increased by SEK 114.1 million from SEK 197.9 million for the six-month period ending 30 June 2020 to SEK 311.9 million for the six-month period ending 30 June 2021. The increase was primarily driven by a higher net profit for the period. The Company's cash and cash equivalents increased by SEK 31.8 million from SEK 64.1 million for the six-month period ending 30 June 2020 to SEK 95.9 million for the six-month period ending 30 June 2021. The increase was mainly due to higher cash inflow from operating activities before changes in working capital.

On 31 December 2020, equity amounted to SEK 285.6 million, compared with SEK 201.0 million on 31 December 2019. The increase of SEK 84.6 million was mainly due to net profit of the year. On 31 December 2020, CTEK's cash and cash equivalents amounted to SEK 94.7 million, compared with SEK 51.2 million on 31 December 2019. The increase of SEK 43.5 million was mainly due to cash inflow from the operating activities.

On 31 December 2019, equity amounted to SEK 201.0 million, compared with SEK 179.7 million on 31 December 2018. The increase of SEK 21.3 million was mainly driven by the net profit for the year. On 31 December 2019, the Company's cash and cash equivalents amounted to SEK 51.2 million, compared with SEK 61.1 million on 31 December 2018. The decrease was due to a higher outflow from operating activities, investing activities and financing activities.

### Loans and contractual obligations

#### New financing in connection with the Offering

In connection with the Offering and the admission to trading on Nasdaq Stockholm, the Company will enter into a new facility agreement with Swedbank AB (publ) regarding a multicurrency revolving credit facility ("**RCF**") of SEK 600,000,000, which will be available commencing on the settlement date, which is expected to be 28 September 2021 (two banking days after the first day of trading of the Company's shares on Nasdaq Stockholm). The existing financing will be repaid and cancelled by drawings under the new RCF and/or the use of cash and cash equivalents. The RCF can be utilised in SEK, with NOK, DKK, EUR, USD and GBP as optional currencies, or other currencies as agreed by the parties. The final repayment date under the new facility agreement will occur three years after the first utilisation under the RCF, with an option for the Company to extend the term up to two years (1+1) subject to approval from the lender. The RCF is unsecured.

The RCF is subject to a floating interest rate, based on the applicable reference rate (with a floor at zero percent in the case the reference rate is below zero) plus the applicable margin, which in the future may be adjusted based on the Company's fulfilment of set sustainability goals. The margin is determined by reference to the ratio of net debt to EBITDA, determined in accordance with the Facility agreement. Amounts borrowed under the RCF shall be used towards general corporate purposes and refinancing of existing debt. The Company is also obliged to pay an arrangement fee, commitment fee and extension fees (if any) in accordance with the Facility agreement.

The facility agreement includes customary representations for this type of financing, which are made on the date of signing of the facility agreement and on certain subsequent dates. Furthermore, the facility agreement includes customary undertakings for this type of financing (subject to certain agreed exceptions and qualifications) such as compliance with laws and regulations, negative pledge and certain restrictions for the Group (except for the Company) to incur debt. The Company is also obliged to pay an arrangement fee, commitment fee and extension fees (if any) in accordance with the Facility agreement.

The facility agreement also includes customary mandatory prepayment provisions relating to events such as illegality, change of control, de-listing or a sale of the business. In addition, the facility agreement includes a maintenance covenant by which the leverage ratio may not exceed certain agreed levels. The facility agreement contains no restrictions on dividends.

## INVESTMENTS

The following table shows CTEK's investments for the six-month period ending 30 June 2021 and the fiscal years 2018–2020.

| SEK million | Jan–Jun 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|
| Acquisition of businesses | – | – | – | 152.4 |
| Investments in tangible assets | 5.5 | 4.9 | 6.3 | 6.9 |
| Investments in intangible assets | 21.1 | 38.4 | 42.7 | 12.6 |
| **Total** | **26.6** | **43.3** | **48.9** | **171.9** |

Acquisition of businesses amounted to SEK 152.4 million in 2018, which was related to the acquisition of Chargestorm. Investments in tangible assets amounted to SEK 4.9 million, SEK 6.3 million and SEK 6.9 million for 2020, 2019 and 2018, respectively, and consisted mainly of investments in equipment and tools. Investments in intangible assets amounted to SEK 38.4 million, SEK 42.7 million and SEK 12.6 million for 2020, 2019 and 2018, respectively, and consisted mainly of capitalized development costs. Investments in tangible assets consist mainly of tools and equipment. For the six-month period ending 30 June 2021, investments in tangible and intangible assets amounted to SEK 5.5 million and SEK 21.1 million, respectively.

### Ongoing and future investments

The Company has no significant ongoing investments and has no fixed commitments regarding future significant investments.

However, the Company continuously invests in tangible assets, such as office equipment, and in the future expects to make investments to the same extent as in the past.

## STATEMENT REGARDING WORKING CAPITAL

CTEK believes that its existing working capital is sufficient to meet its current needs during the forthcoming twelve-month period. In this context, working capital refers to CTEK's ability to access cash and cash equivalents to meet its payment obligations as they fall due for payment.

## TANGIBLE ASSETS

The carrying net amount of the Company's tangible assets on 30 June 2021 amounted to SEK 41.5 million and primarily comprised equipment, tools fixtures and right-of-use assets.

## INTANGIBLE ASSETS

Intangible assets on 30 June 2021 amounted to SEK 1,039.9 million and primarily comprised goodwill and brands.

## OFF-BALANCE-SHEET ITEMS

CTEK had no off-balance-sheet items on 30 June 2021.

## SIGNIFICANT TRENDS

CTEK has during the past year shown significant growth within all segments and technologies. The growth within Aftermarket has been driven by high demand on existing products combined with successful launches of new products such as the CS Free. Original Equipment was initially negatively affected by the impact that the coronavirus had on new car sales, but has since gradually increased net sales and profitability. Energy & Facilities has been driven by a steady demand amongst existing customers and has successfully delivered on the strategy of growing in new geographies.

Apart from what is mentioned in the sections "Risk factors" and "Business overview", as per the date of the Prospectus, there exist no additional known trends, uncertainties, demands, assumptions or events that with reasonable plausibility have a significant effect on the Company's outlook for the remainder of the financial year.

## SIGNIFICANT CHANGES SINCE 30 JUNE 2021

At an Extraordinary General Meeting of the Company held on 6 September 2021 it was resolved on a reverse split of shares (1:10), entailing that the number of shares in the Company decreased from 423,595,500 shares to 42,359,550 shares. In addition, the Extraordinary General Meeting resolved to convert all types of shares in the Company (Series A and Series B, respectively) into ordinary shares in the Company, amendments to the Articles of Association, whereby the Company, among other things, changed the company category from private to public limited liability company and to remove the pre-emption clause in the Articles of Association. On 7 September 2021, the Company announced its intention to list its shares on Nasdaq Stockholm.

In September, the Company entered into a new facility agreement with Swedbank AB (publ) regarding a multicurrency revolving credit facility of SEK 600,000,000, which is, and subsequent to the listing, intended to constitute the Group's main source of financing and will be used in order to refinance the Group's existing debt and finance the Company's and the Group's general company goals. The Facility carries interest based on the applicable reference rate screen rate (with a floor at zero percent in the case the reference rate is below zero) plus the applicable margin. The margin is determined by reference to the ratio of net debt to EBITDA, determined in accordance with the Facility agreement. The Company is also obliged to pay an arrangement fee, commitment fee and extension fees (if any) in accordance with the Facility agreement. The new facility agreement will be available commencing on the settlement date, which is expected to be 28 September 2021 (two banking days after on the first day of trading of the Company's shares on Nasdaq Stockholm).

No significant changes for the Company's financial situation of financial result have taken place since 30 June 2021.

# CAPITALIZATION, INDEBTEDNESS AND OTHER FINANCIAL INFORMATION

The tables in this section describe the Company's capitalization and indebtedness at Group level as of, 30 June 2021. See section "*Share capital and ownership structure*" for further information about the Company's share capital and shares. The tables in this section should be read in conjunction with section "*Operating and financial review*" and the Company's financial information, including the related notes, which may be found elsewhere in this Prospectus.

## CAPITALIZATION

| SEK million | As of 30 June 2021 | Adjustments | Adjusted for new issue of shares in connection with the Offering |
|---|---|---|---|
| **Total current debt** (including current portion of non-current debt) | 178.6 | – | 178.6 |
| Guaranteed | – | – | – |
| Secured | – | – | – |
| Unguaranteed/unsecured | 178.6 | – | 178.6 |
| **Total non-current debt** (excluding current portion of non-current debt) | 972.9 | – | 972.9 |
| Guaranteed | - | – | – |
| Secured[1] | 838.1 | – | 838.1 |
| Unguaranteed/unsecured | 134.9 | – | 134.8 |
| **Equity** | **311.9** | **300.0[3]** | **611.9** |
| Share capital | 42.4 | 4.4 | 46.8 |
| Other contributed capital | 619.5 | 295.6 | 915.1 |
| Reserves[2] | (350) | – | (350) |
| **Total** | **1 463.3** | **300.0** | **1 763.3** |

1) The security relates to shares in subsidiaries, floating charge and pledged receivables.
2) Consists of translation reserves of TSEK −6.4 and includes retained earnings of TSEK −343.6.
3) SEK 300 million is provided through the new share issue in the Offering. In connection with the Offering, the Company is provided with an additional amount up to SEK 77 million from existing shareholders due to *inter alia* subscription of shares by the exercise of existing warrants in the Company. For more information, see *Share capital and ownership structure – New share issue in connection with the offering and dilution*.

## NET INDEBTEDNESS

The Company's net indebtedness as of 30 June 2021 is presented in the table below. As of 30 June 2021, CTEK had one indirect indebtedness regarding a potential additional purchase price amounting to SEK 50 million. In connection with the Offering, the risk for the Company to pay the additional purchase price ceases. As of 30 June 2021, the Company has no indirect indebtedness.

| SEK million | As of 30 June 2021 | Adjustments | Adjusted for new issue of shares in connection with the Offering |
|---|---|---|---|
| (A) Cash | 95.9 | 300.0[1] | 395.9 |
| (B) Cash and cash equivalents | – | – | – |
| (C) Other current financial assets | – | – | – |
| **(D) Liquidity (A)+(B)+(C)** | **95.9** | **300.0** | **395.9** |
| (E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt) | – | – | – |
| (F) Current portion of non-current financial debt | – | – | – |
| **(G) Current financial indebtness (E+F)** | **–** | **–** | **–** |
| **(H) Net current financial indebtness (G)-(D)** | **(95.9)** | **(300.0)** | **(395.9)** |
| (I) Non-current financial debt (excluding current portion and debt instruments) | 838.1 | – | 838.1 |
| (J) Debt instruments | – | – | – |
| (K) Non-current trade and other payables | – | – | – |
| **(L) Non-current financial indebtness (I)+(J)+(K)** | **838.1** | **–** | **838.1** |
| **(M) Total financial indebtness (H)+(L)** | **742.1** | **(300.0)** | **442.1** |

1) SEK 300 million is provided through the new share issue in the Offering. In connection with the Offering, the Company is provided with an additional amount up to SEK 77 million from existing shareholders due to *inter alia* subscription of shares by the exercise of existing warrants in the Company. For more information, see *Share capital and ownership structure – New share issue in connection with the offering and dilution.*

# BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND AUDITOR

## BOARD OF DIRECTORS

According to CTEK's articles of association, the board of directors shall comprise of not less than three (3) and not more than ten (10) members elected by the shareholders at the general meeting. In addition, and by law, employee organizations are entitled to appoint employee representatives. CTEK's board of directors currently consists of seven (7) ordinary members elected by the general meeting, including the chairman of the board, all of whom are elected for the period up until the end of the Annual General Meeting 2022, as well as two (2) ordinary members appointed by employee organizations. Employee representatives and the terms for their appointment is governed by the Act on board representation for private employees (*Sw. lag (1987:1245) om styrelserepresentation för de privatanställda*). The table below shows the members of the board of directors, when they were first elected and whether they are considered to be independent of the Company and/or the major shareholders.

| | | | Independent in relation to | |
|---|---|---|---|---|
| **Name** | **Position** | **Member since**[1)] | **The Company and executive management** | **Major shareholders** |
| Hans Stråberg | Chairman of the board | 2011 | Yes | Yes |
| Ola Carlsson | Board member | 2011 | Yes | Yes |
| Daniel Forsberg | Board member (Employee representative) | 2019 | No | Yes |
| Michael Forsmark | Board member | 2013 | Yes | Yes |
| Andreas Källström Säfweräng | Board member | 2016 | Yes | No |
| Mats Lind | Board member (Employee representative) | 2011 | No | Yes |
| Stefan Linder | Board member | 2011 | Yes | No |
| Jessica Sandström | Board member | 2021 | Yes | Yes |
| Pernilla Valfridsson | Board member | 2021 | Yes | Yes |
| Alf Brodin | Deputy board member (Employee representative) | 2019 | No | Yes |

1) Refers to the dates for board assignment within the CTEK Group.

### HANS STRÅBERG

*Born 1957. Chairman of the board since 2011.*

**Education:** M.Sc. in Mechanical Engineering from Chalmers University of Technology, Gothenburg, Sweden.

**Other current assignments:** Chairman of the board of Aktiebolaget SKF, Atlas Copco Aktiebolag, Roxtec AB and Anocca AB. Board member of Investor Aktiebolag, Mellby Gård AB, Stenbrovad AB, HS Stockholm AB and Trevia AB.

**Previous assignments (past five years):** Chairman of the board of Orchid Orthopedics Inc., Orchid First Holding AB, Nikkarit Holding AB, Business Challenge AB. Chairman of the board and vice-chairman of Tulip US Holdings Inc. Chairman of the board of CTEK Holding AB as well as a number of its subsidiaries. Vice-chairman of the board of Stora Enso Oy. Board member of Consilio International AB, N Holding AB and Hedson Technologies International AB.

**Shareholding in the Company:** Hans Stråberg holds, at the time of the Offering, 872,640[1] shares in the Company and has a right to subscribe for not more than approximately 111,826 warrants within the incentive program, LTIP 2026.

### OLA CARLSSON

*Born 1965. Board member since 2011.*

**Education:** M.Sc. in Mechanical Engineering from the Institute of Technology at Linköping University.

**Other current assignments:** Board member of Nobia Sverige AB and a number of its group companies in Sweden and abroad. Executive Vice President Product Supply at Nobia AB.

**Previous assignments (past five years):** Board member of Munters Holding AB and a number of its group companies. Board member of CTEK Holding AB and a number of its subsidiaries. Executive Vice President Global Operations at Munters AB and Chief Operations Officer at Electrolux Floor Care and Small Appliances. CEO and external CEO of Nobia Production Sweden AB.

**Shareholding in the Company:** Ola Carlsson holds, at the time of the Offering, 122,439[2] shares in the Company and has a right to subscribe for not more than approximately 27,956 warrants within the incentive program, LTIP 2026.

### DANIEL FORSBERG

*Born 1983. Board member since 2021.[3] Employee representative for Unionen.*

**Education:** B.Sc. Marketing/Project Management from Kalmar University.

**Other current assignments:** Owner of River Mountain Consult & Trading.

**Previous assignments (past five years):** Board member of CTEK Holding AB and a number of its subsidiaries.

**Shareholding in the Company:** Daniel Forsberg holds, at the time of the Offering, no shares in the Company.

1) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. Also, Hans Stråberg holds warrants of Series 3, which may not be exercised for subscription in connection with the Offering, although may entitle to a maximum of 113,636 shares in the Company. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering*.

2) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. Also, Ola Carlsson holds warrants of Series 3, which may not be exercised for subscription in connection with the Offering, although may entitle to a maximum of 37,878 shares in the Company. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering*.

3) Deputy board member of the CTEK Group since 2019.

**MICHAEL FORSMARK**

*Born 1965. Board member since 2013.*

**Education:** B.A. from the University of Uppsala.

**Other current assignments:** Chairman of the board of Saturnus Aktiebolag, Da-Vida AB, Räckesbutiken Sweden AB, 500 2020 Holding AB and String Furniture AB. Board member of Zoo.se Trading i Norden AB, Tormek AB and M Action Consulting Group AB.

**Previous assignments (past five years):** Chairman of the Board of Kreatima AB, Kairos Future Partners AB and Fotografiska Stockholm AB. Board member of Gula Huset AB, Sportlib World AB, Odontia AS, CTEK Holding AB, Panduro Hobby Aktiebolag and Panduro Trading Aktiebolag. External CEO of Panduro Förvaltning AB as well as a number of its subsidiaries. External CEO of Fotografiska International AB.

**Shareholding in the Company:** Michael Forsmark holds, at the time of the Offering, 136,462[1)] shares in the Company and has a right to subscribe for not more than approximately 27,956 warrants within the incentive program, LTIP 2026.

**ANDREAS KÄLLSTRÖM SÄFWERÄNG**

*Born 1981. Board member since 2016.*

**Education:** M.Sc. in Economics and Business Administration from the Stockholm School of Economics.

**Other current assignments:** Chairman of Cooee Design AB, QM MIP AB, the board of Nordic e trade AB, Carbonate the World AB and NextGenEcom AB. Chairman of the board of Aarke MidCo AB and a number of its group companies. Chairman of the board of Altor NOD Holding AB and a number of its group companies. Chairman of the board of Altordent Warehouse AB, Altordent Real Estate AB, Altordent MidCo AB and Altordent Management AB.

Board member of Altor Equity Partners AB, Q-MATIC Group AB, QM Holding AB, CC Group Co-Invest AB, Where Fans Meet AB, Lombok Invest AB, RVRC Holding AB, HEG TopCo AB and Altordent Holding AB. Board member of Social Eatertainment Group AB as well as a number of its subsidiaries. Board member of Aarke TopCo AB and its subsidiaries. Board member and CEO of Kreti AB. Deputy board member of Pleti AB.

**Previous assignments (past five years):** Investment Professional at Altor Equity Partners AB and Head of Business Development at Meltwater Holding B.V. Other previous experience includes the role of Investment Banking Analyst at Goldman Sachs Group, Inc.

Chairman of the board of Rawbike Scandinavia AB, Rotla B.V. (Infotheek Group), Revolution Race Holding AB samt 500 2020 Holding AB. Board member of CTEK Holding AB as well as a number of its subsidiaries. Board member of Trioworld Group AB and its group companies. Board member of Meltwater Holding B.V.

**Shareholding in the Company:** Andreas Källström Säfweräng holds, at the time of the Offering, no shares in the Company.

**MATS LIND**

*Born 1967. Board member since 2011. Employee representative for Unionen.*

**Education:** –

**Other current assignments:** Chairman of the board of Örängarna Fiber Ekonomisk Förening.

**Previous assignments (past five years):** Board member of CTEK Holding AB as well as a number of its subsidiaries.

**Shareholding in the Company:** Mats Lind holds, at the time of the Offering, 10,172[2)] shares in the Company.

1) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. Also, Michael Forsmark holds warrants of Series 3, which may not be exercised for subscription in connection with the Offering, although may entitle to a maximum of 42,553 shares in the Company. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering*.

2) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. Also, Mats Lind holds warrants of Series 3, which may not be exercised for subscription in connection with the Offering, although may entitle to a maximum of 3,787 shares in the Company. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering*.

### STEFAN LINDER

*Born 1968. Board member since 2011.*

**Education:** M.Sc. in Economics and Business Administration, Stockholm School of Economics.

**Other current assignments:** Partner at Altor Equity Partners AB. Chairman of the board of Altor Fund IV (No.1) AB and a number of its group companies. Chairman of the board of APPV 5 AB and a number of its group companies. Chairman of the board of ANP5 Invest (No.4) AB and a number of its group companies. Chairman of the board of ANP4 Invest (No. 1) AB and a number of its group companies. Chairman of the board of Altor FF V AB, QNTM Group AB, Altor Fund IV Holding AB and Xeptor Distribution Holding B.V. Chairman of the board of Rotla B.V. (Infotheek Group) and its subsidiary, Flex IT Distribution.

Board member of Altor Equity Partners AB, Kanasch AB, Ninen AB, Altor Holding IV AB, QM MIP AB, AEXP5 AB, AEXP4 2 AB and AEXP4 AB. Board member of Laedi TopCo AB as well as its subsidiaries. Board member of Altor Holding V PV AB and its subsidiaries. Board member of Altor Holding V AB and its subsidiaries. Board member of Front Row Asset Management Limited, Altor Holdings Limited, Altor Holdings IV Limited, Jellicoe Limited and Altor Services Limited. Deputy board member of Altortude AB, Laedi BidCo AB and Toteme AB and Altor D2C Holding AB.

**Previous assignments (past five years):** Chairman of the board of CTEK Holding AB as well as its subsidiaries. Chairman of the board of CAKK TopCo AB and a number of its group companies. Chairman of the board of ARC Arise Consulting Group AB, ARC Arise TopCo AB, EEICO One AB, GIPCO One AB, Altordent Holding AB, Altordent Warehouse AB, Altor Digital CipCo AB and Altor Digital MipCo AB,

Board member of Dustin Group AB, Altor Group AB, Charge Holding AB, Altordent Real Estate AB, NLTG HH BidCo AB, NLTG Hotels Holding AB, NLTG HH Holdco AB, Q-MATIC Group AB, QM Holding AB and Bravo Holding Limited.

**Shareholding in the Company:** Stefan Linder holds, at the time of the Offering, no shares in the Company.

### JESSICA SANDSTRÖM

*Born 1977. Board member since 2021.*

**Education:** Master's degree in technical physics, Chalmers University of Technology.

**Other current assignments:** Senior Vice President Product & Vehicle Sales, Volvo Trucks Aktiebolag. Board member of Designwerk Technologies AG.

**Previous assignments (past five years):** Senior Vice President City Mobility and Senior Vice President Global Product & Marketing, Volvo Bussar Aktiebolag.

**Jessica Shareholding in the Company:** Jessica Sandström holds, at the time of the Offering, 8,803 shares in the Company and has a right to subscribe for not more than approximately 27,956 warrants within the incentive program, LTIP 2026.

**PERNILLA VALFRIDSSON**

*Born 1973. Board member since 2021.*

**Education:** Master's degree in business administration, Växjö University.

**Other current assignments:** CFO of Nobina AB (publ).

Board member of a number of Nobina AB (publ)'s subsidiaries. Board member of NetOnNet AB.

**Previous assignments (past five years):** CFO of Byggmax Group AB (publ).

Board member of a number of Byggmax Group AB's subsidiaries. Board member of Sortera Holding AB, Sortera Group AB and Ahlström-Munksjö Oyj.

**Shareholding in the Company:** Pernilla Valfridsson holds, at the time of the Offering, 8,803 shares in the Company and has a right to subscribe for not more than approximately 27,956 warrants within the incentive program, LTIP 2026.

**ALF BRODIN**

*Born 1966. Deputy board member since 2019. Employee representative for Unionen.*

**Education:** –

**Other current assignments:** –

**Previous assignments (past five years):** Deputy board member of CTEK Holding AB as well as a number of its subsidiaries. Previous experience within sales, project management and construction of analogue and digital electronics at ABB Capacitor, EFFPOWER AB, Åkerströms, Alelion, Sandvik Mining, Bofors and Bosch/IVT.

**Shareholding in the Company:** Alf Brodin holds, at the time of the Offering, 10,172[1] shares in the Company.

1) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. Also, Alf Brodin holds warrants of Series 3, which may not be exercised for subscription in connection with the Offering, although may entitle to a maximum of 3,787 shares in the Company. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering.*

## EXECUTIVE MANAGEMENT

### JON LIND

*Born 1972. CEO since 2013 and acting Global Director Aftermarket since 2021.*

**Education:** Mechanical Engineering at Dalarna University.

**Other current assignments:** Chairman of the board of Fibertjänst i Karlsgårdarna ekonomisk förening. Chairman of the board of CTEK Holding AB as well as a number of its subsidiaries. Board member of Westindab Group AB, OXE Marine AB and ZQP Invest AB. Owner of My Lind Racing Team.

**Previous assignments (past five years):** Board member of Dellner Brakes Aktiebolag.

**Shareholding in the Company:** Jon Lind holds, at the time of the Offering, 288,154[1)] shares in the Company and has a right to subscribe for not more than approximately 106,564 warrants within the incentive program, LTIP 2024.

### MARCUS LORENDAL

*Born 1969. CFO since 2020.*

**Education:** B.Sc. in economics from Mid Sweden University in Östersund.

**Other current assignments:** Board member of CTEK Holding AB as well as a number of its subsidiaries.

**Previous assignments (past five years):** Board member of NCG Holding and its subsidiaries. Board member of Filmstaden AB, Biografernas Serviceaktiebolag, Paynova AB, Filmstaden Media AB and Ganter Magazazilik Ticaret A.S. Board member of Gant AB and a number of its group companies. Chief Executive Officer and external Chief Executive Officer of Filmstaden AB. Director of Gant UK Limited and Gant USA Corporate.

**Shareholding in the Company:** Marcus Lorendal holds, at the time of the Offering, 183,150[2)] shares in the Company and has a right to subscribe for not more than approximately 53,282 warrants within the incentive program, LTIP 2024.

### HENK LUBBERTS

*Born 1960. Global Director Original Equipment since 2017.*

**Education:** Automotive engineering degree, HTS Autotechniek, Apeldoorn, the Netherlands.

**Other current assignments:** –

**Previous assignments (past five years):** Director Sales and Marketing Latin America, Transportation Division at Midtronics Inc.

**Shareholding in the Company:** Henk Lubberts holds, at the time of the Offering, 18,809[3)] shares in the Company and has a right to subscribe for not more than approximately 26,641 warrants within the incentive program, LTIP 2024.

1) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. Also, Jon Lind holds warrants of Series 3, which may not be exercised for subscription in connection with the Offering, although may entitle to a maximum of 92,530 shares in the Company. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering.*

2) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering.*

3) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. Also, Henk Lubberts holds warrants of Series 3, which may not be exercised for subscription in connection with the Offering, although may entitle to a maximum of 5,575 shares in the Company. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering.*

**EVA MARTINSSON**

*Born 1968. Global Director HR, IT & Service since 2016.*

**Education:** B.Sc. in System Analysis from Karlstad University.

**Other current assignments:** Board member of Promål AB, Myrtall AB and Miljönären Franschise AB. Deputy board member of CTEK Holding AB and its subsidiaries.

**Previous assignments (past five years):** Chairman of the board of Kraftplan AB. Board member of Hinz Försäljnings Aktiebolag.

**Shareholding in the Company:** Eva Martinsson holds, at the time of the Offering, 74,737[1)] shares in the Company and has a right to subscribe for not more than approximately 26,641 warrants within the incentive program, LTIP 2024.

**STIG MATHISEN**

*Born 1977. COO since 2013.*

**Education:** B.Sc. in Logistics Management from BI Norwegian Business School.

**Other current assignments:** Chairman of the board and owner of Scandinavian Global Ltd.

**Previous assignments (past five years):** –

**Shareholding in the Company:** Stig Mathisen holds, at the time of the Offering, 72,694[2)] shares in the Company and has a right to subscribe for not more than approximately 26,641 warrants within the incentive program, LTIP 2024.

**CECILIA ROUTLEDGE**

*Born 1970. Global Director Energy & Facilities since 2019..*

**Education:** Master's degree in International Management, Business from HEC Lausanne, The Faculty of Business and Economics of the University of Lausanne. M.Sc. in Business Administration from Uppsala University, Executive Program Corporate Finance from London Business School and Executive Program Artificial Intelligence and Implications for Business Strategy from Massachusetts Institute of Technology, Sloan School of Management.

**Other current assignments:** Board member of DIB Services AB. Deputy board member of Broad Oak AB.

**Previous assignments (past five years):** –

**Shareholding in the Company:** Cecilia Routledge holds, at the time of the Offering, 134,078[3)] shares in the Company and has a right to subscribe for not more than approximately 26,641 warrants within the incentive program, LTIP 2024.

1) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering.*

2) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. Also, Stig Mathisen holds warrants of Series 3, which may not be exercised for subscription in connection with the Offering, although may entitle to a maximum of 7,423 shares in the Company. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering.*

3) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering.*

## OTHER INFORMATION ABOUT THE BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

There are no family ties between any of the board members and/or executive management.

There are no conflicts of interest or potential conflicts of interest between the obligations of board members and the executive management of the Company and their private interests and/or other undertakings. However, as stated above, a number of members of the Board of Directors and the Executive Management has a financial interest in the Company through shareholdings.

During the past five years, no board member or any member of the executive management has been: (i) sentenced for any fraud-related offences; (ii) the representative of a company which has been declared bankrupt or filed for liquidation, or been subject to administration under bankruptcy; (iii) incriminated and/or sanctioned, for a crime by statutory or regulatory authorities (including designated professional bodies) or (iv) prohibited by a court of law from becoming a member of an issuer's administrative, management or supervisory body, or from holding an executive or overarching position of any issuer.

In 2016, the Administrative Court of Appeal in Stockholm passed a judgment for the income year 2008 for Stefan Linder regarding taxation of profit split to be taxed in accordance with the rules of close companies. The judgment became legally binding in 2018. In 2016, the Administrative Court of Appeal in Stockholm passed a judgment for the income years 2007 and 2008 for Stefan Linder regarding taxation of profit split to be taxed as employment income. The judgment became legally binding in 2018. Stefan Linder was also imposed tax penalties.

All board members and members of the executive management can be reached via the Company's address, Rostugnsvägen 3, 77670 Vikmanshyttan, Sweden.

## AUDITOR

Ernst & Young has been the Group's auditor since 2012 and auditor for the Group's current parent company, CTEK AB, since its establishment in 2019. Ernst & Young was re-elected at the 2021 annual general meeting for the period until the end of the 2022 annual general meeting. Erik Sandström (born 1975) is the auditor in charge. Erik Sandström is an authorised public accountant and a member of FAR (the Swedish professional body for authorised public accountants). Ernst & Young AB's office address is Hamngatan 26, 111 47 Stockholm, Sweden. Ernst & Young has been the auditor throughout the entire period covered by the historical financial information in this Prospectus.

# CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE

The Company is a Swedish public limited liability company. Prior to its listing on Nasdaq Stockholm, the Company's corporate governance was based on Swedish law and internal rules and instructions. Once the Company has been listed on Nasdaq Stockholm, the Company will also comply with Nasdaq Stockholm's Rule Book for Issuers and apply the Swedish Corporate Governance Code (the "**Code**"). The Code applies to all Swedish companies with shares listed on a regulated market in Sweden and shall be fully applied in connection with the listing of a company. The Company is not obliged to comply with every rule in the Code as the Code itself provides for the possibility to deviate from the rules, provided that any such deviations and the chosen alternative solutions are described, and the reasons therefore are explained in the corporate governance report (according to the so-called "comply or explain principle").

The Company will apply the Code from the time of the listing of the shares on Nasdaq Stockholm. Any deviation from the Code will be reported in the Company's corporate governance report, which will be prepared for the first time for the 2021 financial year. However, in the first corporate governance report, the Company is not required to explain deviations resulting from non-compliance with rules that were not applicable during the period covered by the corporate governance report. Currently, the Company does not expect to report any deviations from the Code in the corporate governance report.

## GENERAL MEETING

According to the Swedish Companies Act (2005:551), the general meeting is the Company's ultimate decision-making body. At the general meeting, the shareholders exercise their voting rights on key issues, such as the adoption of income statements and balance sheets, 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 convening notice in the official Swedish Gazette (Sw. *Post- och Inrikes Tidningar*) and on the Company's website. At the time of the notice convening the meeting, information regarding the notice shall be published in Svenska Dagbladet.

### Right to participate in general meetings

Shareholders who wish to participate in the proceedings of a general meeting must be included in the shareholders' register maintained by Euroclear Sweden on the day falling six banking days prior to the meeting, and notify the Company of their participation not later than the day stipulated in the notice convening the meeting. Shareholders may attend the general meeting in person or by proxy and may be accompanied by a maximum of two assistants. Usually, it is possible for a shareholder to register for the general meeting in several different ways as indicated in the notice convening the meeting. A shareholder is entitled to vote for all shares held by the shareholder.

### Shareholders initiatives

Shareholders who wish to have a matter brought before the general meeting must submit a written request to the board of directors. Such a request must normally be received by the board of directors no later than seven weeks prior to the general meeting.

## NOMINATION COMMITTEE

Companies applying the Code shall have a nomination committee. According to the Code, the general meeting shall appoint the members of the nomination committee or resolve on procedures for appointing the members. The nomination committee shall, pursuant to the Code, consist of at least three members of which a majority shall be independent in relation to the Company and the Group management. In addition, at least one member of the nomination committee shall be independent in relations to the largest shareholder in terms of voting rights or group of shareholders who cooperates in terms of the Company's management.

At the extraordinary general meeting held on 6 September 2021 it was resolved that the nomination committee for the annual general meeting 2022 shall be composed of representatives of the three largest shareholders listed in the shareholders' register maintained by Euroclear Sweden as of 31 October 2021, and the chairman of the board, who will also convene the first meeting of the nomination committee. The member representing the largest shareholder shall be appointed chairman of the nomination committee unless the committee unanimously appoints someone else. If earlier than three months prior to the annual general meeting, one or more of the shareholders having appointed representatives to the nomination committee no longer are among the three largest shareholders, representatives appointed by these shareholders shall resign and the shareholders who then are among the three largest shareholders may appoint their representatives. Should a representative resign from the nomination committee before its work is completed and the nomination committee considers it necessary to replace him/her, such a substitute representative is to represent the same shareholder, or, if the shareholder is no longer one of the largest shareholders, the largest shareholder in turn. A shareholder who has appointed a representative to be a member of the nomination committee shall have the right to dismiss such member and appoint a new representative to the nomination committee. Changes to the composition of the nomination committee must be announced immediately.

The composition of the nomination committee for the annual general meeting shall normally be announced no later than six months before that meeting. Remuneration shall not be paid to the members of the nomination committee. The Company is to pay any necessary expenses that the nomination committee may incur in its work. The term of office for the nomination committee ends when the composition of the following nomination committee has been announced.

## BOARD OF DIRECTORS

The board of directors is the second-highest decision-making body of the Company after the general meeting. According to the Swedish Companies Act, the board of directors is responsible for the Company's organization and management, which means that the board of directors is responsible for, inter alia, setting targets and strategies, securing routines and systems for evaluation of set targets, continuously assessing the Company's financial condition and profits, and evaluating the operational management. The board of directors is also responsible for ensuring that the annual report and interim reports are prepared in a timely manner. The board of directors also appoints the Company's CEO.

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 members of board of directors elected by the general meeting shall be not less than three (3) and not more than ten (10) members with not more than three (3) deputy board members.

According to the Code, the chairman of the board of directors is to be elected by the annual general meeting and have a special responsibility for leading the work of the board of directors and for ensuring that the board of directors' work is well-organized and conducted efficiently.

The board of directors applies written rules of procedure, which are revised annually and adopted by the inaugural board meeting every year. Among other things, the rules of procedure govern the practice of the board of directors, functions and the division of work between the members of the board and the CEO. At the inaugural board meeting, the board of directors also adopts instructions for the CEO, including instructions for financial reporting.

The board of directors meets according to an annual predetermined schedule. In addition to these meetings, additional board meetings can be convened to handle issues which cannot be postponed until the next ordinary board meeting. In addition to the board meetings, the chairman of the board of directors and the CEO continuously discuss the management of the Company.

Currently, the Company's board of directors consists of nine (9) ordinary members elected by the general meeting, who are presented in the section "*Board of directors, executive management and auditor*".

### Audit committee

The Company has an audit committee consisting of three members: Pernilla Valfridsson (committee chairman), Hans Stråberg and Ola Carlsson. The audit committee shall, without it affecting the responsibilities and tasks of the board of directors, monitor the Company's financial reporting, monitor the efficiency of the Company's internal controls, internal auditing and risk management, keep informed of the auditing of the annual reports and the consolidated accounts, review and monitor the impartiality and independence of the auditor and pay close attention to whether the auditors are providing other services besides audit services for the Company, and assist in the preparation of proposals for the general meeting's-resolution on the election of auditors.

### Remuneration committee

The Company has a remuneration committee consisting of three members: Hans Stråberg (committee chairman), Stefan Linder and Michael Forsmark. The remuneration committee shall prepare matters concerning remuneration principles, remuneration and other employment terms for the CEO and the executive management.

## CEO AND OTHER EXECUTIVE MANAGEMENT

The CEO is subordinated to the board of directors and is responsible for the everyday management and operations of the Company. 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 CEO's instructions. The CEO is also responsible for preparing reports and compiling information from the executive management for board meetings and for presenting such materials at the board meetings.

According to the instructions for the financial reporting, the CEO is responsible for the financial reporting in the Company and consequently must ensure that the board of directors receives adequate information to be able to continuously evaluate the Company's financial condition.

The CEO must continuously keep the board of directors informed of developments in the Company's operations, the development of sales, the Company's results and financial condition, liquidity and credit status, important business events and all other events, and circumstances or conditions which can be assumed to be of significance to the Company's shareholders.

The CEO and executive management are presented in the section "*Board of directors, executive management and auditor*".

## GUIDELINES FOR REMUNERATION TO THE CEO AND EXECUTIVE MANAGEMENT

### Remuneration to the CEO and executive management

At the extraordinary general meeting held on 6 September 2021, the following guidelines for remuneration to the CEO and executive management were adopted.

#### Guidelines for executive remuneration

These guidelines concern the remuneration for the CEO and other members of CTEK's Executive management. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the extraordinary general meeting 6 September 2021. These guidelines do not apply to any remuneration decided or approved by the general meeting.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit, incentivize and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the Executive management a competitive total remuneration.

Long-term share-related incentive plans have been implemented in the company. Such plans have been resolved by the general meeting and are therefore excluded from these guidelines. The long-term share-related incentive plan proposed by the Board of Directors and submitted to the annual general meeting 2021 for approval is excluded for the same reason. The proposed plan essentially corresponds to existing plans. The plans include CEO and Executive Management in the company. The performance criteria used to assess the outcome of the plans are distinctly linked to the business strategy and thereby to the company's long-term value creation, including its sustainability. At present, these performance criteria comprise organic growth/product development/total return. The plans are further conditional upon the participant's own investment and certain holding periods. For more information regarding these incentive plans, including the criteria which the outcome depends on, please see www.ctek.com.

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

#### *Types of remuneration, etc.*

The remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration may amount to not more than 80 percent of the total fixed cash salary under the measurement period for such criteria.

For the CEO, pension benefits, including health insurance (Sw: *sjukförsäkring*), shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 percent of the fixed annual cash salary. For other Executives, pension benefits, including health insurance, shall be premium defined unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions. Variable cash remuneration shall qualify for pension benefits to the extent required by mandatory collective agreement provisions. The pension premiums for premium defined pension shall be under mandatory collective agreement provisions.

Other benefits may include, for example, medical insurance (Sw. *sjukvårdsförsäkring*) and company cars according to CTEK company policies.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

#### *Termination of employment*

The notice period may not exceed nine (9) months if notice of termination of employment is made by the company. Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the CEO's fixed cash salary for 18 months and 12 months for other Executives, severance pay to be paid monthly during termination period. The period of notice may not to exceed nine (9) months without any right to severance pay when termination is made by the Executive.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed Executive is not entitled to severance pay. The remuneration shall amount to not more than 60 percent of the monthly income at the time of termination of employment and be paid during the time the non-compete undertaking applies, however not for more than six (6) months following termination of employment.

#### *Criteria for awarding variable cash remuneration, etc.*

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may also be individualized, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the Executive's long-term development.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The Remuneration committee is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable cash remuneration to other Executives, the CEO is responsible for the evaluation. For financial objectives, the evaluation shall be based on the latest financial information made public by the company.

### *Salary and employment conditions for employees*

In the preparation of the Board of Directors' proposal for these Remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to Executives and remuneration to other employees will be disclosed in the remuneration report.

### *The decision-making process to determine, review and implement the guidelines*

The Board of Directors has established a remuneration committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for Executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the annual general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the Executive management, the application of the guidelines for Executive remuneration as well as the current remuneration structures and compensation levels in the company. The members of the Remuneration committee are independent of the company and its Executive management. The CEO and other members of the Executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

### *Derogation from the guidelines*

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the 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. As set out above, the Remuneration committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

## *Remunderation to the board of directors*

On 29 April 2021, the annual general meeting resolved that the remuneration for the board of directors, for the time until the end of the next annual general meeting, shall be paid in a total amount of SEK 1,750,000, whereof the chairman of the board shall receive SEK 750,000 and the other board members shall receive SEK 250,000 each, excluding Stefan Linder and Andreas Källström Säfweräng.

On 23 September 2021, an extraordinary general meeting intends to resolve on remenuration for the board of directors, for the time until the end of the next annual general meeting, shall be paid in a total amount of SEK 2,250,000, whereof the chairman of the board shall receive SEK 750,000 and the other board members shall receive SEK 250,000 each, including Stefan Linder and Andreas Källström Säfweräng.

## *Remuneration to the board of directors during the 2020 financial year*

The table below presents an overview of remuneration paid to the board of directors elected by the general meeting for the 2020 financial year.

| Name | Base salary/ Board fees (SEK) | Variable remuneration (SEK) | Other benefits**) (SEK) | Pension costs (SEK) | Total (SEK) |
|---|---|---|---|---|---|
| Hans Stråberg, chairman of the board | 500,000 | – | – | – | 500,000 |
| Ola Carlsson, board member | 250,000 | – | – | – | 250,000 |
| Daniel Forsberg*), board member | – | – | – | – | – |
| Michael Forsmark, board member | 250,000 | – | – | – | 250,000 |
| Andreas Källström Säfweräng, board member | – | – | – | – | – |
| Mats Lind*), board member | – | – | – | – | – |
| Stefan Linder, board member | – | – | – | – | – |
| Jessica Sandström*), board member | – | – | – | – | – |
| Pernilla Valfridsson*), board member | – | – | – | – | – |
| Alf Brodin*), deputy board member | – | – | – | – | – |
| **Total** | **1,000,000** | **–** | **–** | **–** | **1,000,000** |

During the year, the board of directors received remuneration from Group companies other than the parent company. Some members of the board of directors received no remuneration or other benefits in 2020.
*) Elected in CTEK AB during 2021.
**) Other benefits refer to car benefits and health insurance.

### Current employment agreements for the CEO and other members of executive management

Decisions as to the current remuneration levels and other conditions for employment for the CEO and the other members of the executive management have been resolved by the board of directors.

The table below presents remuneration to the CEO and other members of executive management for the 2020 financial year.

| Name | Base salary (MSEK) | Variable salary (MSEK) | Other benefits**) (MSEK) | Pension costs (MSEK) | Total (MSEK) |
|---|---|---|---|---|---|
| Jon Lind, Chief Executive Officer | 3,3 | 0,3 | 0,2 | 0,9 | 4,7 |
| Other executive management* | 8,8 | 0,4 | 0,3 | 2,4 | 11,9 |
| **Total** | **12,1** | **0,7** | **0,5** | **3,3** | **16,6** |

During the 2020 financial year, the CEO was employed by a Group company other than the parent company.
*) Other executive management comprises six individuals during 2020. In 2021, the executive management comprise, in addition to the Chief Executive Officer, five individuals.
**) Other benefits refer to car benefits and health insurance.

Agreements concerning pensions are, wherever possible, based on fixed premiums and must be in accordance with the levels, practice and collective bargaining agreements applicable in the country where the member of executive management is employed. For members of executive management domiciled in Sweden, a mutual period of notice of three to six months applies for the employee and employer.

## INCENTIVE PROGRAMMES

For a description of the Company's incentive programmes, see section "*Share capital and ownership structure – Incentive programmes*".

## INTERNAL CONTROL

Internal control comprises the control of the Company's and the Group's organization, procedures and supporting measures. The objective is to ensure that reliable and accurate financial reporting takes place, that the Company's and the Group's financial reporting is prepared in accordance with law and applicable accounting standards, that the Company's assets are protected and that other requirements are fulfilled. The system for internal control is also intended to monitor compliance with the Company's and the Group's policies, principles and instructions. Internal control also comprises risk analysis and follow-up of incorporated information and business systems. The Group identifies, assesses and manages risks based on the Group's vision and objectives. Risk assessment of strategic, compliance, operational and financial risks shall be performed annually by the CFO and presented to the audit committee and the board of directors.

The board of directors and the board's audit committee are responsible for internal control. Processes managing the business and delivering value shall be defined within the business management system. The CEO is responsible for the process structure within the Group.

A self-assessment of minimum requirements of defined controls mitigating identified risks for each business process shall be annually performed and reported to the audit committee and the board of directors. The CFO is responsible for the self-assessment process. In addition, the internal control function performs reviews of the risk and internal control system pursuant to the plan agreed with the board of directors and Group management.

## AUDITING

The auditor shall review the Company's annual reports and accounting, as well as the management of the board of directors and the CEO. Following each financial year, the auditor shall submit an audit report and a consolidated audit report to the annual general meeting.

Pursuant to the Company's articles of association, the Company shall have not less than (1) and not more than (2) auditors and not more than (2) deputy auditors or one registered public accounting firm. The Company's auditor is Ernst & Young AB, with Erik Sandström as auditor in charge. The Company's auditor is presented in more detail in the section "*Board of directors, executive management and auditor*".

In 2020, total remuneration paid to the Company's auditor amounted to SEK 5.7 million.

# SHARE CAPITAL AND OWNERSHIP STRUCTURE

## GENERAL INFORMATION

Pursuant to the Company's articles of association, the share capital may not be less than SEK 30,000,000 and not more than SEK 120,000,000, and the number of shares may not be less than 30,000,000 and not more than 120,000,000. As of the date of this Prospectus, the Company has issued a total of 42,359,550 shares. The shares are denominated in SEK, and each share has a quota value of SEK 1.

The shares in the Company have been issued pursuant to Swedish law. All issued shares have been fully paid and are freely transferable.

The offered shares are not subject to a mandatory offering, redemption rights or sell-out obligation. No public takeover offer has been made for the offered shares during the current or preceding financial year.

## CERTAIN RIGHTS ASSOCIATED WITH THE SHARES

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

### Voting rights

Each share in the Company entitles the holder to one vote at a shareholders' meeting and each shareholder is entitled to cast votes equal in number to the number of shares held by the shareholder in the Company.

### Preferential rights to new shares, etc.

If the Company issues new shares, warrants or convertibles in a cash issue or a set-off issue, shareholders shall, as a general rule, have preferential rights to subscribe for such securities proportionally to the number of shares held prior to the issue.

### Right to dividends and balances in case of liquidation

All shares give equal rights to dividends and the Company's assets and possible surpluses in the event of liquidation. Resolutions regarding dividend are passed by shareholders' meetings. All shareholders registered as shareholders in the share register maintained by Euroclear Sweden on the record date adopted by the shareholders' meeting shall be entitled to receive dividends. Dividends are normally distributed to shareholders as a cash payment per share through Euroclear Sweden but may also be paid out in a manner other than cash (in-kind dividend). If shareholders cannot be reached through Euroclear Sweden, such shareholder still retains its claim on the Company to the dividend amount, subject to a statutory limitation of ten years. Upon the expiry of the period of limitations, the dividend amount shall pass to the Company.

There are no restrictions on the right to dividends for shareholders domiciled outside Sweden. Shareholders not resident in Sweden for tax purposes must normally pay Swedish withholding tax.

### Information related to mandatory bids and redemption of minority shares

Pursuant to the Swedish Takeovers Act (2006:451) any person who (i) does not hold any shares or holds shares representing less than three tenths of the voting rights in a Swedish limited liability company whose shares are admitted to trading on a regulated market (the "**Target Company**"), and (ii) who through the acquisition of shares in the Target Company, alone or together with a closely related party, holds shares representing three tenths or more of the voting rights for all of the shares in the Target Company is obliged to immediately disclose the size of his holding in the Target Company and, within four weeks thereafter, make an offer to acquire the remaining shares in the Target Company (mandatory offer requirement). A shareholder who personally, or through a subsidiary, holds more than 90 percent of the shares in a Swedish limited liability company has the right to redeem the rest of the shares in the company. The owners of the rest of the shares have a corresponding right to have their shares redeemed by the majority shareholder. The formal procedure for the redemption of minority shares is regulated in the Swedish Companies Act.

## DIVIDEND POLICY

CTEK invests its resources in growth and business development. In addition, CTEK aims to distribute 30 percent of net profit for the year.

### Dividend history

No dividend has been paid during the financial years 2018, 2019 and 2020 or during the current financial period.

For information on CTEK's dividend policy, please refer to the section "*Business overview – Vision, mission and financial targets*".

## CENTRAL SECURITIES DEPOSITORY

The Company's shares are registered in a CSD register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479). This register is managed by Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden. No share certificates have been issued for the Company's shares. The ISIN code for the shares is SE0016798763.

## SHARE CAPITAL DEVELOPMENT

The table below shows historic changes in the Company's share capital since 2019, and the changes in the number of shares and the share capital which will be made in connection with the listing of the Company's shares on Nasdaq Stockholm.

| Date | Event | Change in number of Class A shares | Change in number of Class B shares | Total change in number of shares | Total number of Class A shares | Total number of Class B shares | Total number of shares | Share capital (SEK) Change | Share capital (SEK) Total |
|---|---|---|---|---|---|---|---|---|---|
| 5 September 2019 | New formation | – | – | 500,000 | – | – | 500,000 | 50,000 | 50,000 |
| 18 October 2019 | New share issue[1)] | 402,500,000 | 21,095,500, | 423,595,500, | 402,500,000 | 21,595,500 | 424,095,500 | 42,359,550 | 42,409,550 |
| 7 November 2019 | Reduction[2)] | – | -500,000 | -500,000 | 402,500,000 | 21,095,500 | 423,695,500 | -50,000 | 42,359,550 |
| 09 September 2021 | Reversed share split, 1:10 | -398,475,000 | -18,985,950 | -417,460,950 | 40,250,000 | 2,109,550 | 42,359,550 | – | 42,359,550 |
| 09 September 2021 | Conversion of shares | -40,250,000 | -2,109,550 | – | – | – | 42,359,550 ordinary shares | – | 42,359,550 |
| 23 September 2021 | Exercise of warrants in the Company | – | – | 549,999 ordinary shares | – | – | 42,909,549 ordinary shares | 549,999 | 42,909,549 |
| 23 September 2021 | Issue in kind[3)] | – | – | 2,035,560 ordinary shares | – | – | 44,945,109 ordinary shares | 2,035,560 | 44,945,109 |
| 23 September 2021 | Issue | – | – | 4,347,827 ordinary shares | – | – | 49,292,936 ordinary shares | 4,347,827 | 49,292,936 |

1) Issue of new Class A and Class B shares. Paid with non-cash consideration. The non-cash condieration consisted of shares to a total value of SEK 890,780,000, corresponding to approximately SEK 2.1029 per share in the Company.
2) The share capital was reduced through withdrawal of shares. Reduction of repayment to shareholders.
3) Of which 1,380,295 shares are issued due to the exercise of warrants in the Subsidiary and 655,265 shares are issued due to a change of shareholders holdings from indirect to direct, which will provide SEK 45,2 million in cash to the Company. For more information about the exercise of warrants in the Subsidiary see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering*. These shares are issued to a subscription price of SEK 69 per share in the Company.

## NEW SHARE ISSUE IN CONNECTION WITH THE OFFERING AND DILUTION

The Board of Directors intends to, and prior to the intended listing of the Company's shares for trading on Nasdaq Stockholm, resolve on an issuance of a maximum of 4,347,827 shares in accordance with an authorization to issue shares resolved by the extraordinary general meeting held on 6 September 2021, which means that the Company's share capital will thereby increase by a maximum of SEK 4,347,827.

The Offering comprises 30,621,798 shares, of which 4,347,827 are new shares that will be offered by the Company. Provided that no existing shareholders subscribe to shares in the Offering, the dilutive effect of the new share issue will correspond to approximately 8.8 percent of the total number of shares after the Offering.

In connection with the Offering the Company is also provided funds from existing shareholders up to an additional amount of approximately SEK 27,057,025 due to subscription of shares based on existing warrants, approximately SEK 45,213,323 due to changes in shareholders' holdings from indirect to direct as well as approximately SEK 4,499,959 due to subscription of warrants included in the new incentive programme implemented in connection with the listing. The dilution following these capital contributions amount to 5.2 percent.

The total dilution, following the above, therefore amounts to approximately 14.1 percent.

## EXISTING SHAREHOLDERS' SALE AND REINVESTMENT

Current members of the board of directors and the executive management and certain other existing shareholders in the Company that through ownership of shares and warrants have a significant exposure in the Company will, in connection with the Offering, be given the opportunity to sell shares to finance the reinvestment required to subscribe for new shares by virtue of the warrants held by them, and to finance their investment in the new incentive programme, which is implemented in connection with the listing. In addition to the sales made to implement the reinvestment those shareholders also have been offered an opportunity to sell shares equivalent to up to 25.0 percent of the net value of the shares and warrants.

To carry out the sales in accordance with the above, these shareholders will sell the shares to be sold in the Offering to the Principal Owner Altor Fund III GP Limited.

## EXERCISE OF WARRANTS IN CONNECTION WITH THE OFFERING

### Existing warrants in the Company

As of the date of this Prospectus, a total of 5,500,000 warrants have been issued by the Company (the "Warrants"). Ten Warrants confer rights to subscribe for 1 new share to a subscription price of SEK 21.94 per new share.

Based on submitted acceptances of exercise of Warrants and subject to the completion of the Offering, all Warrants will be exercised for subscription of new shares in the Company in connection with the completion of the Offering, resulting in that the number of shares in the Company will increase by 549,999 shares and the share capital will increase by SEK 549,999, as well as approximately SEK 12,066,978 being added to the Company as subscription payment. The new shares are expected to be admitted to trading during October 2021. All new shares issued as a result of the exercise of the Warrants will be subject to so-called lock-up in accordance with what is stated under section "*Share capital and ownership structure – Lock up-arrangements*" below.

### Existing warrants in the Company's subsidiary which can be exercised for subscription in connection with the Offering

As of the date of this Prospectus, a total of 20,704,455 warrants within three series, each holding 6,901,485 warrants ("**Series 1**", "**Series 2**" and "**Series 3**"), have been issued by the Company's subsidiary CTEK Holding AB (the "Subsidiary"). Each warrant of Series 1 confers rights to subscribe for 1 new share in the Subsidiary to a subscription price of SEK 1.09 per share. Each warrant of Series 2 confers rights to subscribe for 1 new share in the Subsidiary to a subscription price of SEK 1.09 per share. Each warrant of Series 3 confers rights to subscribe for 1 new share in the Subsidiary to a subscription price of SEK 1.09 per share.

Based on submitted acceptances of exercise of warrants in the Subsidiary and subject to the completion of the Offering, all warrants of Series 1 and Series 2 will be exercised for subscription of shares in the Subsidiary in connection with the completion of the Offering. Immediately thereafter, the newly subscribed shares in the Subsidiary will be exchanged for shares in the Company, by the Company resolving on an issue in kind where compensation for new shares in the Company is submitted in the newly subscribed shares in the Subsidiary ("**Issue in kind 1**"). Subject to these conditions, the Issue in kind 1 will result in that the number of shares in the Company will increase by 1,380,295 shares and the share capital will increase by SEK 1,380,295, as well as approximately SEK 14,990,025 being added to the Subsidiary as subscription payment. The new shares are expected to be admitted to trading during October 2021.

Of the 1,380,295 shares issued as a result of the exercise of the warrants of Series 1 and Series 2, 771,029 shares will be subject to so-called lock-up in accordance with what is stated under section "*Share capital and ownership structure – Lock up-arrangements*" below.

### Existing warrants in the Company's subsidiary which cannot be exercised for subscription in connection with the Offering

In connection with the Offering, the warrants of Series 3 will not be able to be exercised for subscription of shares in the Subsidiary. Instead, the warrants of Series 3 will be able to be exercised for subscription of shares in the Subsidiary from and including 1 December 2021 up to and including 31 December 2021 provided that the terms for subscription are fulfilled in accordance with the terms of the warrants of each series. In the event that holders of warrants of Series 3 accept such subscription, the Principal Owner Altor Fund III GP Limited will during the first quarter 2022 request that the Company's board of directors convene an extraordinary general meeting to resolve upon an issue in kind in the Company ("**Issue in kind 2**"), in which compensation for the new shares in the Company is submitted in shares in the Subsidiary that have been subscribed for through the exercise of warrants of Series 3.

The Issue in kind 2 results in that the number of shares in the Company will increase by a maximum of approximately 690,118 shares and the share capital will increase by a maximum of approximately SEK 690,118, as well as approximately a minimum of SEK 7,626,141 being added to the Subsidiary as subscription payment. In the event that the Issue in kind 2 is resolved upon on an extraordinary general meeting, the new shares are expected to be admitted to trading no later than three weeks following the general meeting which resolves upon the Issue in kind 2.

Of the maximum of approximately 690,118 new shares issued by the Company as a result of the exercise of the warrants of Series 3, a maximum of approximately 441,125 shares will be subject to so-called lock-up in accordance with what is stated under section "Share capital and ownership structure – Lock up-arrangements" below.

## NEW INCENTIVE PROGRAMMES IN CONNECTION WITH THE LISTING

On 23 September 2021, an extraordinary general meeting intends to resolve on an issue of warrants within the framework of two incentive programmes. One programme will be directed to the executive management (**"LTIP 2024"**) the other will be directed to the board members (**"LTIP 2026"**). LTIP 2024 comprises an issue of warrants amounted to a market value of SEK 2.5 million in total for the entire LTIP 2024, and LTIP 2026 comprises an issue of warrants amounted to a market value of SEK 2 million for the entire LTIP 2026, calculated by the Black & Scholes model. In total, LTIP 2024 will comprise a maximum of approximately 266,410[1)] warrants and the LTIP 2026 will comprise a maximum of approximately 223,650[2)] warrants. The maximum number of warrants that each of the participants may acquire is specified in section *Board members, executive maagement and auditor*. The warrants subscribed within LTIP 2024 may be exercised no earlier than immediately after the publication of the Q3 report for 2024 until three weeks after the publication of the year-end

1) Estimated number, based on a preliminary valuation.
2) Estimated number, based on a preliminary valuation.

report for 2024, and the warrants subscribed within LTIP 2026 to board members may be exercised no earlier than immediately after the publication of the Q3 report for 2026 until three weeks after the publication of the year-end report for 2026. According to the warrant terms, the warrants may be exercised at a subscription price corresponding to 120 percent of the Offering Price for executive management, and 140 percent of the Offering Price for board members.

The terms and conditions of the warrants in LTIP 2024 and LTIP 2026 include customary recalculation provisions relating to, among other things, dividends that are distributed before the time of exercise of the warrants. The Company has reserved itself the right to repurchase the warrants if, for example, the participant wishes to sell the warrants to a third party or, as applicable, if the participant's employment is terminated.

## OWNERSHIP STRUCTURE

The table below sets forth Company's ownership structure immediately before the Offering and directly after completion of the Offering, subject to the conversion of all classes of shares into ordinary shares, that existing warrants in the Company and the Subsidiary are exercised in accordance with what is described in section "*Share capital and ownership structure – Exercise of warrants in connection with the Offering*" and divided between if the Overallotment Option is exercised in full and if the Overallotment Option is not exercised in full.

| Shareholder | Shareholding before the Offering[1] | | After the Offering[1] (if the Overallotment Option is not exercised) | | After the Offering[1] (if the Overallotment Option is fully exercised) | |
|---|---|---|---|---|---|---|
| | Number | Percent | Number | Percent | Number | Percent |
| *Shareholders with holding exceeding 5 percent of the shares* | | | | | | |
| Altor Fund III GP Limited[2] | 36,753,407 | 81.77 | 14,003,049 | 28.41 | 9,873,282 | 20.03 |
| Faustina Ltd. | 4,125,000 | 9.18 | 1,571,625 | 3.19 | 1,108,123 | 2.25 |
| *Board members, executive management and other shareholders* | | | | | | |
| Hans Stråberg[3] | 872,640 | 1.94 | 872,640 | 1.77 | 872,640 | 1.77 |
| Ola Carlsson[4] | 122,439 | 0.27 | 122,439 | 0.25 | 122,439 | 0.25 |
| Daniel Forsberg | – | – | – | – | – | – |
| Michael Forsmark[5] | 136,462 | 0.30 | 136,462 | 0.28 | 136,462 | 0.28 |
| Andreas Källström Säfweräng | – | – | – | – | – | – |
| Mats Lind[6] | 10,172 | 0.02 | 10,172 | 0.02 | 10,172 | 0.02 |
| Stefan Linder | – | – | – | – | – | – |
| Jessica Sandström | 8,803 | 0.02 | 8,803 | 0.02 | 8,803 | 0.02 |
| Pernilla Valfridsson | 8,803 | 0.02 | 8,803 | 0.02 | 8,803 | 0.02 |
| Alf Brodin[7] | 10,172 | 0.02 | 10,172 | 0.02 | 10,172 | 0.02 |
| Jon Lind[8] | 288,154 | 0.64 | 207,854 | 0.42 | 207,854 | 0.42 |
| Marcus Lorendal[9] | 183,150 | 0.41 | 104,604 | 0.21 | 104,604 | 0.21 |
| Henk Lubberts[10] | 18,809 | 0.04 | 18,809 | 0.04 | 18,809 | 0.04 |
| Eva Martinsson[11] | 74,737 | 0.17 | 74,737 | 0.15 | 74,737 | 0.15 |
| Stig Mathisen[12] | 72,694 | 0.16 | 48,925 | 0.10 | 48,925 | 0.10 |
| Cecilia Routledge[13] | 134,078 | 0.30 | 93,782 | 0.19 | 93,782 | 0.19 |
| *Cornerstone Investor* | | | | | | |
| Investment AB Latour[14] | – | – | 15,280,810 | 31.00 | 15,280,810 | 31.00 |
| Other existing shareholders | 2,125,589 | 4.73 | 16,719,250 | 33.92 | 21,312,519 | 43.24 |
| **Total** | **44,945,109** | **100** | **49,292,936** | **100** | **49,292,936** | **100** |

1) Own shareholdings and shareholdings of related persons and affiliated companies. The shareholding is based on the Company being provided an additional amount of up to SEK 77 million from existing owners as stated in *Share capital and ownership structure – New incentive programmes in connection with the Offering*, excluding warrants of Series 3, which are described under *Share Capital and ownership structure – Existing warrants in the Company's subsidiary which cannot be exercised for subscription in connection with the Offering* as well as the new incentive programmes that are implemented in connection with the Offering, which are described under *Share Capital and ownership structure – New incentive programmes in connection with the listing*.
2) Altor Fund III GP Limited holds warrants of Series 3 which can entitle the holder to a total of 141,530 shares in the Company. For further information, see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering*.
3) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. Also, Hans Stråberg holds warrants of Series 3, which may not be exercised for subscription in connection with the Offering, although may entitle to a maximum of 113,636 shares in the Company. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering.*
4) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. Also, Ola Carlsson holds warrants of Series 3, which may not be exercised for subscription in connection with the Offering, although may entitle to a maximum of 37,878 shares in the Company. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering.*
5) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. Also, Michael Forsmark holds warrants of Series 3, which may not be exercised for subscription in connection with the Offering, although may entitle to a maximum of 42,553 shares in the Company. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering.*
6) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. Also, Mats Lind holds warrants of Series 3, which may not be exercised for subscription in connection with the Offering, although may entitle to a maximum of 3,787 shares in the Company. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering.*
7) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. Also, Alf Brodin holds warrants of Series 3, which may not be exercised for subscription in connection with the Offering, although may entitle to a maximum of 3,787 shares in the Company. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering.*
8) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. Also, Jon Lind holds warrants of Series 3, which may not be exercised for subscription in connection with the Offering, although may entitle to a maximum of 92,530 shares in the Company. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering.*
9) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering*.
10) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. Also, Henk Lubberts holds warrants of Series 3, which may not be exercised for subscription in connection with the Offering, although may entitle to a maximum of 5,575 shares in the Company. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering.*
11) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering*.
12) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. Also, Stig Mathisen holds warrants of Series 3, which may not be exercised for subscription in connection with the Offering, although may entitle to a maximum of 7,423 shares in the Company. For more information see section *Share capital and ownership structure – Exercise of warrants in connection with the Offering.*
13) Including shares that are issued following the subscription of existing warrants, which may be exercised in connection with the Offering. For more information see section *Share capital and owership structure – Exercise of warrants in connection with the Offering*.
14) Investment AB Latour's address is Box 336, 401 25 Göteborg.

### *Information about the selling shareholders*

The Principal Owners offer 30,867,240 existing shares in the Offering provided the Overallotment Option is fully exercised. Information about the selling shareholders is presented in the table below.

| Name | Address | Legal form | Country of formation and jurisdiction | LEI code | Shares offered[1] |
|---|---|---|---|---|---|
| Altor Fund III GP Limited | Postbox 730, 11–15 Seaton Place | Private limited company | Jersey, Channel Islands | 2138008M7H71WN6RAP92 | 27,850,363 |
| Faustina Ltd. | Thekla Lysioti 35, Eagle Star House, P.C. 3030, Limassol, Cypern | Private limited company | Limassol, Cypern | 213800YI4L17P3GAW243 | 3,016,877 |

1) Provided that the Overallotment Option is not exercised Altor Fund III GP Limited offers 23,720,596 existing shares in the Offering and Faustina Ltd. offers 2,553,375 existing shares in the Offering.

See "*Ownership structure*" above for information about shareholding before and after the completion of the Offering.

## *LOCK UP-ARRANGEMENTS*

Under the placing agreement which is expected to be entered into on or around 23 September 2021, the Selling Shareholders, all members of the board of directors and the executive management certain other existing shareholders will undertake towards the Managers, with certain exceptions, for instance in the event of a public takeover offer or transfers in relation to the Offering, not to sell their respective holdings for a certain period after trading on Nasdaq Stockholm has commenced (the "**Lock-up period**"). The final scope of the undertakings, and the existing shareholders to provide such undertakings, will be finally determined in connection with the entering into of the placing agreement on or around 23 September 2021. The Lock-up period for the Selling Shareholders and certain other existing shareholders will be 180 days, and the Lock-up period for the members of the board of directors including the executive management, will be 360 days. At the end of the respective Lock-up periods, the shares may be offered for sale, which may affect the market price of the share. Managers may make exceptions from these undertakings. Any exception from the lock-up arrangements will be considered on a case-by-case basis and may be provided for on both personal and commercial reasons. Pursuant to the agreement, the Company will undertake, with the exception of the issuances of shares described in this Prospectus, towards the Managers not to, e.g. resolve upon or propose to the shareholders' meeting an increase of the share capital through issuance of shares or other financial instruments for a period of 180 days from the first day of trading of the Company's shares on Nasdaq Stockholm without a written consent from the Managers. See section *"Legal considerations and supplementary information – Placing agreement"*.

# ARTICLES OF ASSOCIATION

*Articles of Association for CTEK AB (publ), registration number 559217-4659, adopted at the extraordinary general meeting on 6 September 2021.*

### 1 § Name
The Company's business name is CTEK AB (publ).

### 2 § Registered office
The board of directors has its registered office in Hedemora, Sweden.

### 3 § Objects of the company
The object of the Company's operations is to directly or indirectly own and manage real and movable property and to engage in associated activities.

### 4 § Share capital and shares
The share capital shall be not less than SEK 30,000,000 and not more than SEK 120,000,000. The number of shares shall be not less than 30,000,000 and not more than 120,000,000.

### 5 § Financial year
The Company's financial year shall be the calendar year, 1 January – 31 December.

### 6 § Board of directors
The board of directors elected by the shareholders' meeting shall consist of not less than three (3) and not more than ten (10) directors, with no deputies.

### 7 § Auditor
The Company shall have not less than one (1) and not more than two (2) auditors and not more than two (2) deputy auditors. As auditor and, when applicable, deputy auditor, shall an authorised public accountant or a registered public accounting firm be elected. .

### 8 § Notice of general meetings
Notice convening a general meeting shall be issued in the form of an announcement in the Swedish Official Gazette (Sw. *Post- och Inrikes Tidningar*) and by publication of the notice on the Company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in Svenska Dagbladet.

### 9 § Participation in general meetings
In order to participate at a shareholders' meeting, a shareholder must notify the company of the intention to attend no later than on the day stipulated in the notice of the shareholders' meeting. Such a day shall not be a Sunday, any other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and shall not occur earlier than on the fifth weekday before the shareholders' meeting.

At a general meeting, shareholders may be accompanied by one or two assistants, however, only if the shareholder has given notification of this as specified in the previous paragraph.

### 10 § Business at annual general meetings
The following matters shall be addressed at annual general meetings:

1. Election of chairman of the general meeting;
2. Preparation and approval of the voting list;
3. Approval of the agenda;
4. Election of one or two persons to verify the minutes;
5. Determination of whether the general meeting has been duly convened;
6. Presentation of the annual report and the auditor's report and, where applicable, the consolidated financial statements and the auditors' report for the group;
7. Resolutions regarding:
    a. adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet;
    b. allocation of the company's profit or loss in accordance with the adopted balance sheet;
    c. discharge from liability for the board members and the CEO;
8. Resolution on the number of board members and deputy board members and, if applicable, the number of auditors and deputy auditors;
9. Resolution on the fees for the board of directors and auditors;
10. Election of board members;
11. Election of auditors and, where applicable, deputy auditors;
12. Other matters to be addressed at the general meeting in accordance with the Swedish Companies Act or Articles of Association.

### 11 § Collection of powers of attorney and voting by post
The board of directors may collect powers of attorney in accordance with the procedure described in Chapter 7, section 4, second paragraph of the Companies Act (2005:551). The board of directors has the right before a shareholders' meeting to decide that the shareholders shall be able to exercise their right to vote by post before the shareholders' meeting.

### 12 § Location of shareholders' meeting
The shareholders' meeting shall be held in Hedemora or Stockholm.

### 13 § CSD-registered company
The Company's shares shall be registered in a central securities depositary register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).

# LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

## APPROVAL FROM THE SFSA

A separate Prospectus in Swedish has been approved by the SFSA as competent authority under Regulation (EU) 2017/1129. The SFSA only approves the Swedish Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/112. Such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of the Swedish Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. The Swedish Prospectus was approved by the SFSA on 13 September 2021. The validity period for the Swedish Prospectus will expire on 13 September 2022, provided that the Swedish Prospectus is completed with supplements when required pursuant to Regulation (EU) 2017/112, or when the Offering and admission to trading of the shares on Nasdaq Stockholm is completed. The obligation to supplement the Swedish Prospectus in the event of significant new circumstances, factual errors or material inaccuracies does not apply when the Swedish Prospectus is no longer valid.

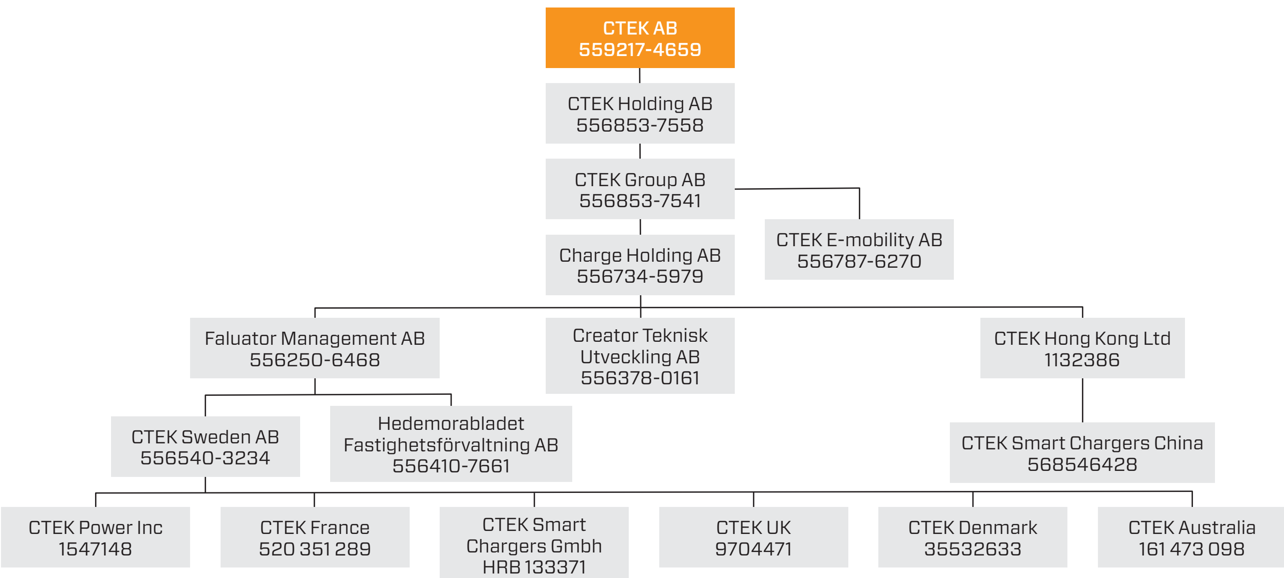
## LEGAL GROUP STRUCTURE

The Company's business is conducted in accordance with the Swedish Companies Act. The parent company CTEK AB (registration number 559217-4659) is a Swedish public limited liability company which was founded on 20 August 2019 and registered with the Swedish Companies Registration Office on 5 September 2019. The Company's LEI code is 5493007JXLLMFL3T8L95 and its registered office is situated in Hedemora, Sweden. The address to CTEK's website is ctek.com. The information on the website is not a part of this Prospectus unless such information is incorporated by reference into the Prospectus.

The Company is currently the parent company of CTEK Holding AB's subsidiaries, including subsidiaries in the US, France, Germany, the UK, Australia, Denmark and China. The Group structure is presented in the chart below.

### Reorganization

In 2019, a refinancing of the CTEK Group was carried out (the "**Restructuring**"). As part of the Restructuring, CTEK AB was presented as the parent company of the CTEK Group. The Restructuring did not involve a change of control, it has only entailed that CTEK AB, as the parent company, became the owner of the previous parent company for the Group, CTEK Holding AB. The internal restructuring is a transaction under the same controlling influence as it was carried out without a change in the business' ownership structure and entails that CTEK AB took over the position as the parent company in the Group. As transactions under the same controlling influence are not regulated in IFRS, the Group has, in accordance with IAS 8, chosen an appropriate and established principle based on the book values in the transferring Group, "predecessor basis of accounting", meaning that no revaluation of assets and liabilities in relation to reported values in the previous Group has occurred. The principle further means that comparative information from the transferring Group for the period related prior to the transaction is presented.



## MATERIAL AGREEMENTS

The Group's customer agreements are divided into three business divisions: Aftermarket, which encompasses primarily low voltage chargers, spare parts, and EVSE; Energy & Facilities, in which the Company focuses on charge point operators, electrical wholesalers, electricity installers, property owners and parking lots, and in which the product portfolio comprises chargers for rechargeable vehicles and accessories; and Original Equipment, in which the product portfolio comprises primarily custom low voltage chargers made for OEMs and products used in professional workshops.

In the Aftermarket division, major agreements have been signed with retailers and distributors regarding the delivery of vehicle chargers for resale. In the Energy & Facilities division, major agreements have been signed primarily with charging point operators and energy companies such as Vattenfall. In the Original Equipment division, major agreements have been signed primarily with automotive manufacturers in the premium segment, such as General Motors, regarding the delivery of low voltage chargers for OEMs.

### Customer agreements

The Group's material customer agreements are normally entered into on the customer's standard terms, with a fixed term between one and five years. Such agreements are often governed by foreign law and contain terms such as fixed pricing throughout the contract period, no volume commitments, accountability commitments and guarantee commitments. In a couple of the material agreements entered into with automotive manufacturers in the premium segments, such as Porsche, the Company has an obligation to furnish spare parts for up to 15 years from the end of production of the relevant vehicle. Additionally, material customer agreements may contain a right for the customer to terminate the agreement at any time and for any reason by given written notice to CTEK of this in writing. In some cases, the Group does not have written agreements with a number of material customers, although there may be an agreed price list in place.

### Supplier agreements

The Company has two material suppliers that produce different types of chargers for the Group. The material supplier agreements are governed by foreign law and contain terms such as limited liability and product warranties of around 12 to 30 months.

## FINANCING AGREEMENTS

Please refer to the section "*Operating and financial review – Liquidity and financial position – Loans and contractual obligations*".

## INTELLECTUAL PROPERTY

CTEK is the registered holder of approximately 163 trademark rights and approximately 102 designs. The registered trademarks include "CHARGESTORM", "CTEK" (figurative mark), "CS ONE" and "NJORD". Moreover, CTEK is the holder of 63 patents that are valid in various countries including Sweden, the US, the UK and France. CTEK's material patents include (i) *a method for operating a battery charger, and a battery charger, (ii) method for determining that a cell of a battery is faulty, and (iii) battery charging and electrical energy delivery system and battery operated system, and patent applications (iv) method to detect vehicle battery type before charge, and (v) method for detecting performance deterioration of components*.

## REGULATORY OVERSIGHT

All of CTEK's products and product lines are subject to laws and regulations in regions including Europe, the US, Australia, South Korea and Japan. Such regulations include regulations on the tracing of conflict minerals in supply chains, and the Low Voltage Directive 2014/35/EU of the European Parliament and of the Council. Many of CTEK's products contain tin from soldering carried out by CTEK's suppliers. Tin is one of four conflict minerals, entailing that the aforementioned regulations requires complete traceability and transparency in the supply chains of CTEK's business.[1)] CTEK's business therefore require preparation and compliance with internal procedures in all of the Group's markets as well as in all regions to ensure compliance with all requirements regarding CTEK's products.

Furthermore, CTEK is subject to general regulations that apply to Swedish public limited liability companies, and in the future the Company will also be subject to the laws, regulations and recommendations pursuant to the listing of the Company's shares on Nasdaq Stockholm, which also includes the self-regulation that takes place through the development of best practices in the equities market.

## LEGAL PROCEEDINGS

The Group has operations in several countries, and as part of its operating activities the Group is occasionally the subject of disputes, claims and administrative proceedings. Beside the information provided below, the Group has not been party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which CTEK is aware) during the last 12 months which are deemed may have, or have had in the recent past, significant effects on CTEK's financial position or profitability.

In the beginning of 2018, a fire started at a sales premise in Brest, France and it was claimed that a low voltage charger developed by the Company caused the fire. The claims have been disputed since the Company was not at fault for the fire. The Company is of the opinion that compensation for the damage claims will not need to be paid by the Company as it is covered by the applicable insurance.

In 2019, the Company terminated an employee for violation of the Company's Code of Conduct. An out-of-court settlement was reached with a third party in November 2020, resulting in the Company paying compensation of SEK 4,301,700 million.

1) Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 stipulating supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas.

## INSURANCE

CTEK, and CTEK's insurance provider, believe that the Group's current insurance coverage offers adequate protection in view of the risks normally associated with the Group's business. Moreover, CTEK and CTEK's insurance provider consider the current insurance coverage to be in accordance with market practices. However, there is no guarantee that the Group will not suffer from losses that are not covered by its insurance policies.

## PLACING AGREEMENT

According to the terms of an agreement on placing of shares which is intended to be signed on or around 23 September 2021 between the Company, the Selling Shareholders and the Managers (the "**Placing agreement**"), the Selling Shareholders undertake to divest 30,867,240 shares, corresponding to approximately 62.6 percent of the shares in the Company, provided that the Overallotment Option is fully exercised, to the purchasers indicated by the Managers, or if the Managers fail to procure purchasers, they have undertaken to themselves acquire the shares comprised by the Offering. The Selling Shareholders also intend to grant an Overallotment option, whereby it pledges at the request of the Managers at the latest 30 days from the first day of trading in the Company's shares to divest an additional maximum of 15.0 percent of the maximum total amount of shares that are included in the Offering, corresponding to approximately 9.3 percent of the total number of shares in the Company after the Offering. The Overallotment option may only be exercised in order to cover possible overallotments within the framework of the Offering.]

Through the Placing agreement, the Company makes customary representations and warranties to the Managers, primarily in relation to the information in the Prospectus being correct, the Prospectus and the Offering fulfilling requirements in laws and regulation and that there are no legal, or other, hindrances for the Company to enter into the agreement or for the completion of the Offering. Pursuant to the Placing agreement, the Mangers' commitment to indicate purchasers to or, if the Managers fail to do so, themselves acquire the shares comprised by the Offering is conditional upon, among other things, the representations and warranties that the Company and the Selling Shareholders are correct. Under the Placing agreement, the Company will, subject to customary qualifications, undertake to indemnify the Managers against certain claims under certain conditions.

Through the Placing agreement, the Selling Shareholders undertake, with customary conditions, not to sell its shares during the lock-up period (see further in section "Share capital and ownership structure - Lock up-arrangements"). Under the Placing agreement, the Company also undertakes, not to (i) issue, offer, pledge, sell, undertake to sell or otherwise transfer or divest, directly or indirectly, any shares in the Company or any other securities which are convertible to or can be exercised or exchanged for such shares, or (ii) purchase or sell options or other instruments or enter into swap agreements or other arrangements which wholly or partly assign financial risk associated with ownership of the Company to another party prior to 180 days at the earliest after the date when trading starts on Nasdaq Stockholm. The Managers may, however, grant exemptions from these limitations.

## CORNERSTONE INVESTOR

Investment AB Latour has undertaken vis-à-vis the Joint Bookrunners, the Selling Shareholders and the Company to acquire shares in the Offering, corresponding to approximately SEK 1,054 million. Following completion of the Offering, the Cornerstone Investor will hold approximately 31 percent of the number of shares and votes in the Company. The Cornerstone Investor will not receive any compensation for their undertakings and the Cornerstone Investor's investment is made on the same terms and conditions as those applicable for other investors in the Offering. Joint Bookrunners, the Selling Shareholders and the board of directors of the Company are of the opinion that the Cornerstone Investor's creditworthiness are sound and thus that they will be able to meet their respective undertakings. The Cornerstone Investor's undertakings are however not secured through any bank guarantee, blocked funds or pledge of collateral or similar arrangements. The Cornerstone Investor's undertakings are accompanied by certain conditions relating to inter alia a distribution of the Company's shares being achieved in conjunction with the Offering as well as the Offering being completed within a certain time.

| Cornerstone Investor | Commitment (amount in MSEK) | Address |
|---|---|---|
| Investment AB Latour | approximately 1,054 | Box 336, 401 25 Göteborg |

## STABILISATION

In connection with the Offering, the Managers may effect transactions aimed at supporting the market price of the shares at levels above those which might otherwise prevail in the open market. Such stabilisation transactions may be effected on Nasdaq Stockholm, in the over-the-counter market or otherwise, at any time during the period starting on the date of commencement of trading in the shares on Nasdaq Stockholm and ending not later than 30 calendar days thereafter. The Managers are, however, not required to undertake any stabilisation and there is no assurance that stabilisation will be undertaken.

Stabilisation, if undertaken, may be discontinued at any time without prior notice. In no event will transactions be effected at levels above the price in the Offering. No later than by the end of the seventh trading day after stabilisation transactions have been undertaken, the Managers shall disclose that stabilisation transactions have been undertaken in accordance with article 5(4) in the Market Abuse Regulation 596/2014. Within one week of the end of the stabilisation period, the Managers will make public whether or not stabilisation was undertaken, the date at which stabilisation started, the date at which stabilisation last occurred and the price range within which stabilisation was carried out, for each of the dates during which stabilisation transactions were carried out.

## RELATED PARTY TRANSACTIONS

For information concerning related-party transactions during the financial years 2018, 2019 and 2020 as well as per the financial period ending 30 June 2021, see Note 27 in the audited annual consolidated financial statements under "*Historical financial information*" and Note 5 in the interim report for the six-month period ending 30 June 2021 under "*Interim report*". Related-party transactions pertaining to employees, personnel costs, pensions and remuneration to the Company's board of directors are also accounted for in Note 6 in the audited annual consolidated financial statements under "*Historical financial information*". No related-party transactions have occurred after 30 June 2021, which, as a single transaction or in their entirety, are material to CTEK. For information on remuneration to Board members and Executive Management, please refer to the sections "*Corporate governance – Remuneration to the Board of Directors the CEO and executive management*".

## INTERESTS OF ADVISORS

Managers provide financial advice to CTEK and Altor Fund III GP Limited in conjunction with the Offering and the listing on Nasdaq Stockholm. From time to time, Managers (and their affiliates) have in the ordinary course of business provided, and may in the future provide, various banking, financial, investment, commercial and other services to CTEK, Altor Fund III GP Limited and Altor Fund III GP Limited's related parties for which they have received, and may receive, compensation.

Carnegie is the Sole Global Coordinator and Joint Bookrunner in the Offering. Altor Fund III GP Limited indirectly holds approximately 68 percent of Carnegie's parent company, Carnegie Holding AB. Altor Equity Partners AB is the investment adviser to the Altor Fund III GP Limited. Neither Carnegie Holding AB or any of its subsidiaries have any direct or indirect ownership in the Company. In addition, Swedbank is also a creditor of the Company.

Advokatfirman Vinge KB and Cleary Gottlieb Steen & Hamilton LLP have been legal counsels in connection with the Offering and listing. They may provide additional legal services to the Company.

## COSTS RELATED TO THE OFFERING

In consideration of the Managers' assistance in the Offering and the listing on Nasdaq Stockholm, the Managers will, subject to certain reservations, be reimbursed by the Company for external expenses incurred by them.

The Company's costs associated with the listing on Nasdaq Stockholm and the Offering, including fees for advisors and other estimated transaction costs, are expected to amount to approximately SEK 55[1)] million.

The issuance is expected to entail gross proceed to Company of approximately SEK 300 million.

## DOCUMENTS AVAILABLE FOR INSPECTION

The Company's and its subsidiaries' (i) articles of association, (ii) certification of registration, and (iii) annual reports for 2018, 2019 and 2020, including auditors' reports, are available for inspection during office hours at the Company's head office at Rostugnsvägen 3, SE-776 70 Vikmanshyttan, Sweden. These documents are also available in electronic form on the Company's website, www.ctek.com/se.

## IMPORTANT INFORMATION ABOUT TAXATION

Tax legislation in the investor's home country and in Sweden may affect any income received from shares in the Company.

The taxation of any dividends, as well as capital gains taxation and rules concerning capital losses in connection with disposal of securities, depend on the shareholders' particular circumstances. Special tax rules apply to certain categories of tax payer and certain types of investment forms. Each holder of shares should therefore consult a tax advisor for information on the specific implications that may arise in an individual case, including the application and effect of foreign tax rules and tax treaties.

1) Of the SEK 55 million, SEK 39 million is expected to affect the income statement. SEK 24 million is included in the Company's accounting up until 30 June 2021.

# DEFINITIONS

| | |
|---|---|
| **CTEK, the Company or the Group** | CTEK AB (publ), the Group of which CTEK AB (publ) is parent company or a subsidiary in Group, depending on the context.[1)] |
| **Carnegie** | Carnegie Investment Bank AB (publ). |
| **Cornerstone Investor** | Investment AB Latour |
| **Offering** | The Offering of shares in accordance with this Prospectus. |
| **Offering Price** | The Offering Price of SEK 69 per share. |
| **EUR** | Euro. |
| **Euroclear Sweden** | Euroclear Sweden AB. |
| **Principal Owner** | Altor Fund III GP Limited. |
| **Joint Bookrunner** | Swedbank. |
| **The Code** | The Swedish Corporate Governance Code. |
| **SEK million** | Millions of Swedish krona. |
| **Nasdaq Stockholm** | The regulated market operated by Nasdaq Stockholm Aktiebolag. |
| **Placement Agreement** | The agreement on placing of shares described in section "*Legal considerations and supplementary information – Agreement on placing of shares.*" |
| **Prospectus** | This Prospectus. |
| **Securities Act** | The U.S. Securities Act of 1933, as amended. |
| **SEK** | Swedish krona. |
| **Selling Shareholders** | Altor Fund III GP Limited and Faustina Ltd. |
| **Sole Global Coordinator and Joint Bookrunner** | Carnegie. |
| **Swedbank** | Swedbank AB (publ). |
| **USD** | US dollars. |

1) CTEK AB was founded in 2019 in connection with the internal reorganization. For more information regarding the reorganization, see the section "*Selected financial information*".


CTEK

# HISTORICAL FINANCIAL INFORMATION

# FINANCIAL INFORMATION FOR THE FINANCIAL YEARS 2020,2019 AND 2018

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

| SEK million | Note | 1 Jan 2020–31 Dec 2020 | 1 Jan 2019–31 Dec 2019 | 1 Jan 2018–31 Dec 2018 |
|---|---|---|---|---|
| **Operating income** | | | | |
| Net sales | **4** | 706.3 | 635.4 | 573.3 |
| Other operating income | **7** | 4.4 | 0.9 | 1.2 |
| **Total income** | | **710.7** | **636.3** | **574.4** |
| **Operating expenses** | | | | |
| Goods for resale | | −329.8 | −266.0 | −223.7 |
| Other external expenses | **5** | −98.2 | −98.6 | −90.0 |
| Personnel costs | **6** | −121.9 | −124.8 | −113.9 |
| Depreciation, amortization and impairment of tangible and intangible assets | **12, 13, 14** | −57.2 | −67.9 | −40.9 |
| Other operating expenses | **7** | −6.7 | −3.2 | −3.9 |
| Items affecting comparability | **8** | 45.8 | −7.4 | |
| **Total expenses** | | **-568.0** | **-568.0** | **-472.3** |
| **Operating profit** | | **142.7** | **68.3** | **102.1** |
| **Profit from financial items** | | | | |
| Financial income | **9** | 28.6 | 18.2 | 0.1 |
| Financial expenses | **9** | −69.7 | −38.9 | −51.1 |
| **Net financial items** | **9** | **-41.1** | **-20.7** | **-51.0** |
| **Profit before tax** | | **101.6** | **47.6** | **51.1** |
| Tax on net profit for the year | **10** | −19.6 | −14.6 | −13.9 |
| **NET PROFIT FOR THE YEAR** | | **82.0** | **33.0** | **37.1** |
| Net profit for the year, SEK per share before dilution | **11** | 0.19 | 0.08 | 0.09 |
| Net profit for the year, SEK after dilution | **11** | 0.19 | 0.08 | 0.09 |

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| SEK million | Note | 2020 | 2019 | 2018 |
|---|---|---|---|---|
| **Net profit for the year** | | **82.0** | **33.0** | **37.1** |
| **Other comprehensive income** | | | | |
| **Items that have been or may be reclassified to net profit for the year** | | | | |
| Exchange-rate differences on translation of foreign subsidiaries | | 1.2 | −0.7 | −2.2 |
| **Other comprehensive income for the year after tax** | | **1.2** | **-0.7** | **-2.2** |
| **Comprehensive income for the year after tax** | | **83.2** | **32.3** | **34.9** |
| **Comprehensive income for the year attributable to:** | | | | |
| Parent company shareholders | | 83.2 | 32.3 | 34.9 |
| **Comprehensive income for the year** | | **83.2** | **32.3** | **34.9** |

Total net profit for the year and comprehensive income are attributable in their entirety to parent company shareholders.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| SEK million | Note | 31 Dec 2020 | 31 Dec 2019 | 31 Dec 2018 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| **Intangible assets** | **12, 13** | | | |
| Goodwill | | 455.8 | 455.8 | 471.3 |
| Brands | | 259.5 | 259.5 | 259.5 |
| Patents, licences | | 7.7 | 10.0 | 9.0 |
| Capitalised development expenditure | | 89.7 | 65.2 | 34.4 |
| Technology | | 105.5 | 116.5 | 127.4 |
| Customer relationships | | 126.1 | 144.0 | 164.0 |
| **Total intangible assets** | | **1,044.3** | **1,050.9** | **1,065.5** |
| **Tangible assets** | | | | |
| Lands and buildings | **14** | 3.3 | 5.4 | 5.3 |
| Equipment, tools, fixtures and fittings | **14** | 19.3 | 19.6 | 20.2 |
| Right-of-use assets | **25** | 15.1 | 12.7 | |
| **Total tangible assets** | | **37.7** | **37.7** | **25.6** |
| **Other non-current assets** | | | | |
| Deferred tax assets | **10** | | | 0.1 |
| Derivatives | **16, 17** | 0.9 | 0.8 | 0.8 |
| **Total other non-current assets** | | **0.9** | **0.8** | **0.9** |
| **Total non-current assets** | | **1,083.0** | **1,089.4** | **1,092.0** |
| **Current assets** | | | | |
| Inventories | **15** | 132.3 | 94.5 | 93.3 |
| Accounts receivables | **16, 18** | 124.8 | 113.8 | 119.5 |
| Current tax assets | | 0.2 | 0.7 | 5.9 |
| Other current receivables | **16** | 7.5 | 5.8 | 4.5 |
| Prepaid expenses and accrued income | **19** | 6.2 | 5.7 | 5.5 |
| Derivatives | **16, 17** | 5.2 | 2.0 | 1.2 |
| Cash and cash equivalents | | 94.7 | 51.2 | 61.1 |
| **Total current assets** | | **370.9** | **273.6** | **291.1** |
| **TOTAL ASSETS** | | **1,453.9** | **1,363.0** | **1,383.1** |

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION, CONT.

| SEK million | Note | 31 Dec 2020 | 31 Dec 2019 | 31 Dec 2018 |
|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Share capital | **20** | 42.4 | 42.4 | 14.9 |
| Other contributed capital | | 619.5 | 617.9 | 151.6 |
| Translation reserves | | –6.0 | –7.2 | –6.5 |
| Retained earnings, including net profit for the year | | –370.2 | –452.2 | 19.8 |
| **Total equity** | | **285.6** | **201.0** | **179.7** |
| **Non-current liabilities** | | | | |
| Other provisions | **22** | 3.5 | 3.1 | 2.7 |
| Interest-bearing liabilities | **16, 21** | 830.2 | 851.6 | 872.6 |
| Lease liabilities | **21, 25** | 10.6 | 9.3 | |
| Derivatives | **16, 17** | 0.2 | 0.4 | 0.2 |
| Deferred tax liabilities | **10** | 120.0 | 119.7 | 117.8 |
| Other financial liabilities | **16, 26** | | 50.0 | 50.0 |
| **Total non-current liabilities** | | **964.5** | **1,034.1** | **1,043.2** |
| **Current liabilities** | | | | |
| Accounts payable | **16** | 94.7 | 74.1 | 62.2 |
| Current component of interest-bearing liabilities | | | | 40.0 |
| Lease liabilities | **21, 25** | 4.8 | 3.3 | |
| Current tax liabilities | | 30.6 | 11.2 | 16.8 |
| Derivatives | **16, 17** | 1.7 | 1.4 | 2.3 |
| Other liabilities | **16** | 5.9 | 8.7 | 6.5 |
| Accrued expenses and deferred income | **23** | 66.1 | 29.1 | 32.3 |
| **Total current liabilities** | | **203.8** | **127.9** | **160.1** |
| **TOTAL EQUITY AND LIABILITIES** | | **1,453.9** | **1,363.0** | **1,383.1** |

## CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY

| SEK million | Share capital | Other contributed capital | Translation reserve | Retained earnings | Total Equity |
|---|---|---|---|---|---|
| **Opening equity, 1 Jan 2018** | **14.5** | **132.0** | **-4.3** | **-17.3** | **124.8** |
| Net profit for the year | | | | 37.1 | 37.1 |
| Other comprehensive income for the year | | | -2.2 | | -2.2 |
| **Comprehensive income for the year** | | | **-2.2** | **37.1** | **34.9** |
| **Transactions with the Group's owners** | | | | | |
| New share issue | 0.4 | 19.6 | | | 20.0 |
| **Closing equity, 31 Dec 2018** | **14.9** | **151.6** | **-6.5** | **19.8** | **179.7** |
| **Opening equity, 1 Jan 2019** | **14.9** | **151.6** | **-6.5** | **19.8** | **179.7** |
| Net profit for the year | | | | 33.0 | 33.0 |
| Other comprehensive income for the year | | | -0.7 | | -0.7 |
| **Comprehensive income for the year** | | | **-0.7** | **33.0** | **32.3** |
| **Transactions with the Group's owners** | | | | | |
| New share issue in connection with transaction under joint control | 42.4 | 451.5 | | | 493.9 |
| Adjustment of opening share capital in connection with new Group parent | -14.9 | 14.9 | | | |
| **Other** | | | | | |
| Effect of transaction under joint control | | | | -504.9 | -504.9 |
| **Closing equity, 31 Dec 2019** | **42.4** | **617.9** | **-7.2** | **-452.2** | **201.0** |
| **Opening equity, 1 Jan 2020** | **42.4** | **617.9** | **-7.2** | **-452.2** | **201.0** |
| Net profit for the year | | | | 82.0 | 82.0 |
| Other comprehensive income for the year | | | 1.2 | | 1.2 |
| **Comprehensive income for the year** | | | **1.2** | **82.0** | **83.2** |
| **Transactions with the Group's owners** | | | | | |
| Reduction of share capital | -0.1 | | | | -0.1 |
| **Other** | | | | | |
| Paid-in warrants | | 1.5 | | | 1.5 |
| **Closing equity, 31 Dec 2020** | **42.4** | **619.5** | **-6.0** | **-370.2** | **285.6** |

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| TSEK | Note | 1 Jan 2020–31 Dec 2020 | 1 Jan 2019–31 Dec 2019 | 1 Jan 2018–31 Dec 2018 |
|---|---|---|---|---|
| **Operating activities** | | | | |
| Operating profit | | 142.7 | 68.3 | 102.1 |
| Adjustments for non-cash items: | **28** | | | |
| Depreciation/amortization/impairment | | 57.2 | 67.9 | 40.9 |
| Changes in provisions | | 0.4 | 0.4 | 0.7 |
| Fair value remeasurement | | -50.0 | | |
| Other non-cash items | | -0.3 | 0.1 | -4.2 |
| **Cash flow before financial items** | | **150.1** | **136.7** | **139.5** |
| Interest paid | | -45.7 | -28.5 | -14.7 |
| Financial items paid | | -5.6 | -29.4 | |
| Tax paid | | -0.7 | -14.0 | -24.4 |
| ***Cash flow from operating activities before changes in working capital*** | | **98.1** | **64.9** | **100.4** |
| **Cash flow from changes in working capital** | | | | |
| Change in inventories | | -37.8 | -1.2 | -5.1 |
| Change in operating receivables | | -11.1 | 8.1 | -27.2 |
| Change in operating liabilities | | 43.7 | 5.6 | 44.0 |
| ***Cash flow from operating activities*** | | **92.8** | **77.4** | **112.1** |
| **Investing activities** | | | | |
| Acquisition of businesses | **29** | | | -152.4 |
| Acquisition of tangible assets | **14** | -4.9 | -6.3 | -6.9 |
| Acquisition of intangible assets | **12, 13** | -38.4 | -42.7 | -12.6 |
| Divestment of tangible assets | | 0.3 | | 0.2 |
| **Cash flow from investing activities** | | **-43.0** | **-48.9** | **-171.6** |
| **Financing activities** | | | | |
| Paid-in warrants | | 1.5 | | |
| Borrowings | | | 897.0 | 80.0 |
| Repayment of lease liability | **25** | -5.3 | -4.3 | |
| Repayment of debt | | | -932.0 | -4.4 |
| **Cash flow from financing activities** | | **-3.8** | **-39.3** | **75.6** |
| **Cash flow for the year** | | **46.0** | **-10.9** | **16.0** |
| Cash and cash equivalents at the end of the year | | 51.2 | 61.1 | 43.9 |
| Exchange-rate differences in cash and cash equivalents | | -2.5 | 0.9 | 1.2 |
| **Cash and cash equivalents at the end of the year** | | **94.7** | **51.2** | **61.1** |

# NOTES

## GENERAL INFORMATION

The consolidated financial statements encompass CTEK AB (publ) the "Company," corporate registration number 556217-4659 and its subsidiaries. The Group conducts sales, marketing and technical development of low voltage chargers and charging-related products as well as EV charging products and systems.

The parent company is a limited liability company, which is registered in Sweden and has its registered office in Hedemora municipality, Dalarna county. The street address of the head office is Rostugnsvägen 3, SE-776 70 Vikmanshyttan, Sweden. These financial statements have been approved by the board of directors on 13 September as part of the approval of the Prospectus.

All amounts are presented in millions of Swedish kronor (SEK million) unless otherwise stated.

# NOTE 1 ACCOUNTING POLICIES

## BASIS OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRIC) as endorsed by the European Union (EU). The group also applied the Swedish Annual Accounts Act (1995:1554) and Recommendation RFR 1, Supplementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board.

The consolidated financial statements were prepared based on the assumption of a going concern. Assets and liabilities are measured based on historical cost, except for certain financial instruments that are measured at fair value. Except for transactions under the same controlling influence as described below, the consolidated financial statements were prepared in accordance with the acquisition method, and all subsidiaries in which a controlling interest is held were consolidated as of the date this interest was received.

CTEK AB was founded in September 2019 in connection with an internal restructuring. This internal restructuring is a transaction under the same controlling influence as it took place without any changes to the ownership structure of the business and resulted in CTEK AB taking over the position of the parent company of the Group. As transactions under the same controlling influence are not regulated by IFRS, the Group has, in accordance with IAS 8, chosen an appropriate and established principle based on the book values in the transferring group "predecessor basis of accounting", meaning that no revaluation of assets and liabilities has taken place in relation to reported values in the previous group. The principle also means that comparative information from the transferring group for the period before the transaction is displayed.

The preparation of statements in compliance with IFRS requires the use of certain important accounting estimates. Those areas that include a high level of judgement, that are complex or such areas where assumptions and estimates are of material importance for the consolidated financial statements are stated in Note 3. These judgements and assumptions are based on historical experience and on other factors considered reasonable under the prevailing circumstances. Actual outcomes may differ from judgements made.

Unless otherwise indicated, the accounting policies stated below were applied consistently to all periods presented in the consolidated financial statements.

## NEW AND AMENDED IFRS APPLIED BY THE GROUP

The Group applies the following standards and amendments for the first time for financial years beginning 1 January 2020:

- Definition of materiality – Amendments to IAS 1 and IAS 8
- Definition of a business – Amendments to IFRS 3
- IBOR reform – Amendments to IFRS 9, IAS 39 and IFRS 7

As regards the IBOR reform, CTEK does not apply hedge accounting and therefore the accounting requirements did not have any effect. CTEK has contracts that are affected by the reform but it's not considered to have any material effect. No other amendments linked to new standards had any impact on any of the amounts recognized, nor are they expected to have any material impact on future periods.

## NEW AND AMENDED IFRS THAT HAVE NOT STARTED TO BE APPLIED

A number of new interpretations and standards are effective for financial years beginning after 1 January 2020, and were not applied in preparing these financial statements. None of these new IFRS or IFRIC amendments are expected to have a material impact on the consolidated financial statements in the future.

## CONSOLIDATED FINANCIAL STATEMENTS

### *Subsidiaries*

Subsidiaries are all entities over which the Group has a controlling interest. The Group controls an entity when it is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method is applied in recognising the Group's acquisitions of subsidiaries. This method entails that the acquisition of a subsidiary is viewed as a transaction through which the Group indirectly acquires the assets of the subsidiary and assumes its liabilities. The acquisition analysis determines the fair value on the acquisition date of the identifiable assets, assumed liabilities and any non-controlling interests. Any transaction costs that arise, except for transaction costs attributable to issues of equity instruments or debt instruments, are recognized directly in net profit for the year. In the case of business combinations where the transferred consideration exceeds the fair value of the acquired assets and assumed liabilities that are to be recognized separately, the difference is recognized as goodwill. Should the difference be negative, which is known as a bargain purchase, it is recognized directly in net profit for the year. After initial recognition, goodwill is recognized at cost less accumulated impairment. Goodwill acquired in a business combination is allocated from the acquisition date to the cash-generating unit that is expected to benefit from the acquisition.

The Group determines if a transaction is a business combination by evaluating whether the acquired assets and assumed liabilities comprise a business. A business comprises inputs and processes applied to those inputs and that can create outputs. If the acquired assets are not a business, the transaction or another event are recognized as an asset acquisition.

Intra-Group transactions, balance-sheet items and unrealised gains and losses on transactions between Group companies are eliminated in their entirety when the consolidated financial statements are prepared.

## TRANSLATION OF FOREIGN CURRENCIES

### *Functional currency and presentation currency*

The functional currency of the various entities in the Group is the local currency, as this has been defined as the currency that is used in the primary economic environment in which each entity mainly conducts business. Swedish kronor (SEK) is used in the consolidated financial statements, which is the functional currency of the parent company and the presentation currency of the Group.

### Transactions and balance-sheet items

Transactions in foreign currency are translated to the functional currency at the exchange rates prevailing on the transaction date. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate on the balance-sheet date. Non-monetary items measured at historical cost in a foreign currency are not translated. Exchange-rate gains and losses arising from the settlement of such transactions and on translation of monetary assets and liabilities in foreign currency at the closing-day rate are recognized in operating profit in profit or loss.

Exchange-rate gains and losses attributable to financial receivables and liabilities are recognized in profit or loss as financial income or expenses.

### Translation of foreign Group companies

The earnings and financial position of all Group companies that have a functional currency that is different to the presentation currency are translated to the Group's presentation currency. The assets and liabilities of each of the balance sheets are translated from the functional currency of the foreign operation to the Group's presentation currency, SEK, at the exchange rate applicable on the balance-sheet date. The income and expenses in each of the income statements are translated to SEK at the average rate for the period. Translation differences arising from currency translation of foreign operations are recognized in other comprehensive income and accumulated in the translation reserve in equity.

Exchange rates for translation of foreign Group companies

| Currency | Average rate 2020 | Average rate 2019 | Average rate 2018 | Closing-day rate 31 Dec 2020 | Closing-day rate 31 Dec 2019 | Closing-day rate 31 Dec 2018 |
|---|---|---|---|---|---|---|
| USD | 9.0 | 9.5 | 8.7 | 8.2 | 9.3 | 9.0 |
| EUR | 11.7 | 10.6 | 10.3 | 10.0 | 10.4 | 10.3 |
| HKD | 1.2 | 1.2 | 1.1 | 1.1 | 1.2 | 1.2 |
| CNY | 1.3 | 1.4 | 1.3 | 1.3 | 1.3 | 1.3 |
| AUD | 6.3 | 6.6 | 6.5 | 6.3 | 6.5 | 6.3 |
| DKK | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 |
| GBP | 11.3 | 12.1 | 11.6 | 11.1 | 12.2 | 11.4 |

## ITEMS AFFECTING COMPARABILITY

Items affecting comparability refers to items in profit or loss that have impacted operating profit and that are important for understanding the underlying performance of the operations. In 2020, the largest item referred to other income attributable to the remeasurement of an earnout from a previous acquisition. In 2020 and 2019, CTEK also incurred other external expenses for the Company's review of internal functions and processes in preparation for a potential change in ownership.

## INCOME FROM CONTRACTS WITH CUSTOMERS

Income is recognized pursuant to IFRS 15. Income primarily comprises sales of low voltage chargers and to a certain extent sales of accessories for low voltage chargers, as well as EV charging products and systems.

### Sales of goods

CTEK supplies goods to customers, which is the only performance obligation. This obligation meets the criteria for recognising income at a point in time when the performance obligation has been satisfied and control of the goods has been passed to the customer according to the applicable conditions. This takes place when, for example, CTEK has a present right to payment for the good, the customer has the legal title to the good, physical possession of the good has been transferred to the customer and the customer has the significant risks and rewards related to the ownership of the goods.

### Variable consideration

In general, there are few customer contracts that contain variable consideration. Some contracts include volume and cash discounts. In such cases, the variable consideration expected to be repaid by the customer is estimated and the entire amount recognized as a liability.

### Interest income

Interest income on receivables with long maturities is calculated using the effective interest method. Interest income includes accrued amounts for any discounts, premiums and other differences between the original value of the receivable and the amount that will be received on maturity.

### Dividends

Dividends are recognized as income when the right to receive payment has been established. This also applies to dividends paid from profit that has arisen before the acquisition date. Consequently, investments need to be tested for impairment.

### Segment reporting

Operating segments are presented in accordance with IFRS 8 in a manner consistent with the internal reporting provided to the chief operating decision maker, who at CTEK is the Group's CEO. The chief operating decision maker is the function that is responsible for allocating resources and assessing the result of the operating segments. The Group has three operating segments: Aftermarket, Original Equipment and Energy & Facilities. These segments comprise two technologies focusing on premium low voltage chargers and Electric vehicle service equipment (ESVE). Segment reporting was consistent for each year in Note 4.

### Earnings per share

Earnings per share are calculated in accordance with IAS 33. To calculate earnings per share after dilution, the weighted average number of ordinary shares outstanding is adjusted for the dilutive effect of all potential ordinary shares. These potential ordinary shares are attributable to the warrants stated in Note 6. Since the Group for the reporting entity was formed in September 2019, the number of ordinary shares at the time of the Group's formation has been used for historical financial periods when calculating earnings per share.

## INTANGIBLE ASSETS

### Capitalised development expenditure

An intangible asset is measured at cost the first time it is recognized in the financial statements. The useful life of an intangible asset is either definite or indefinite. Intangible assets with definite useful lives are recognized at cost less amortization and any impairment. Intangible assets with indefinite useful lives are not amortized and are instead tested for impairment every year, either individually or as a cash-generating unit.

Development expenditure for new or improved products including technology is recognized as intangible assets when they meet the following criteria:

- it is technically feasible to complete the product for use,
- the Company's intention is to complete the product for sale or use,
- there is an ability to use or sell the product,
- it is possible to demonstrate how the product will generate probable future financial benefits,
- adequate technical, financial and other resources are available for completing development and for using or selling the product, and
- the expenditure attributable to the product during its development can be reliably measured.

Examples of documents that serve to validate capitalization implemented are business plans, budgets and the company's assessments of future outcomes. The cost is the sum total of direct and indirect expenditure arising as of the date when the intangible asset satisfies the above criteria. Intangible assets are recognized at cost less accumulated amortization and any impairment. Impairment commences when the asset can start to be used and takes place in line with the estimated useful life and in relation to the economic benefits expected to be generated by development of the product.

Other development expenditure that do not meet these criteria is expensed when it arises. Previously expensed development expenditure is not recognized as an asset in the balance sheet.

## AMORTIZATION POLICIES

Intangible assets with finite useful lives are amortized systematically over the estimated useful life of the asset. The useful life is reviewed at the end of each reporting period and adjusted as necessary. Once the amortisable amount of the asset has been determined, the residual value is taken into account where applicable. Intangible assets with definite useful lives are amortized from the date they are available for use. The estimated useful lives of intangible assets are as follows:

| | |
|---|---|
| Patents, licences | 3 years |
| Technology | 5–20 years |
| Capitalised development expenditure | 3–5 years |
| Customer relationships | 6–15 years |
| Brands, goodwill | Indefinite lives |

## TANGIBLE ASSETS

Tangible assets are recognized at cost less accumulated depreciation and any impairment. Cost includes expenditure directly attributable to the acquisition of the asset for bringing the item to the location and in the condition for its intended use.

The carrying amount of an asset is derecognized from the balance sheet when it is disposed or divested or when no future economic benefits are expected from the use or disposal/divestment of the asset. Gains or losses arising from the sale or disposal of an asset consist of the difference between the selling price and the asset's carrying amount less direct selling expenses. Gains and losses are recognized as other operating income/expenses in profit or loss.

Any additional expenditure is added to the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will accrue to the Group and the cost can be reliably measured. All other repairs and maintenance are recognized as expenses in profit or loss in the period in which they arise.

Land is not depreciated. Depreciation of other assets to reduce their cost to the estimated residual value over the estimated useful life takes place straight-line as follows:

| | |
|---|---|
| Buildings | 20–25 years |
| Equipment, tools, fixtures and fittings | 3–5 years |

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted as necessary. If an asset's carrying amount exceeds its estimated recoverable amount, the carrying amount is immediately written down to its estimated recoverable amount.

## IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group tests for impairment in the event there are indications of a decline in value in tangible or intangible assets, meaning whenever events or changes in circumstances indicate that the carrying amount is not recoverable.

Impairment is recognized at the amount by which the carrying amount of the asset exceeds its recoverable amount. A recoverable amount comprises the higher of a net realisable value and value in use, which constitutes an internally generated value based on future cash flows. When determining impairment requirements, assets are grouped down to the lowest level where separate identifiable cash flows (cash-generating units) exist. When impairment requirements are identified for a cash-generating unit or group of units, the impairment amount is primarily allocated to goodwill. Other assets in the unit or group of units subsequently undergo proportional impairment. In calculating value in use, future cash flows are discounted at a discount rate that takes into account risk-free interest and risk related to the specific asset. Impairment is charged to profit or loss.

Impairment is reversed for all assets except goodwill if the recoverable amount is deemed to exceed the carrying amount. However, there is no reversal of an amount greater than what the carrying amount would have been if impairment had not been recognized in previous periods. Any reversals are recognized in profit or loss.

Goodwill and brands are tested for impairment annually on 31 December and when there is an indication that the carrying amount might need to be impaired. Impairment of assets is determined by calculating the recoverable amount attributable to each cash-generating unit. Impairment is recognized when the recoverable amount of the cash-generating unit is less than the carrying amount. Impairment of goodwill cannot be reversed in subsequent periods.

## FINANCIAL INSTRUMENTS

Financial instruments are every form of agreement that gives rise to a financial asset in one company and a financial liability or an equity instrument in another company.

### *Recognition and derecognition in the statement of financial position*

A financial asset or liability is recognizedrecognized in the statement of financial position when the Company becomes a party to the instrument's contractual terms and conditions. Transactions with financial assets are recognizedrecognized on the transaction date, which is the date when the Group undertakes to acquire or dispose of the assets.

A financial asset is derecognized from the statement of financial position (entirely or in part) when the rights in the contract are realised, expire or the company loses control of them. A financial liability is derecognized from the statement of financial position (entirely or in part) when the obligation in the contract is met or extinguished in another manner. A financial asset and a financial liability are offset and the net amount recognized in the statement of financial position only when there is a legally enforceable right to offset the amount, and there is an intention to settle the items on a net basis or to realise the asset and settle the liability simultaneously. Gains and losses from derecognition in the balance sheet, as well as modifications, are recognized in profit or loss. On every reporting date, the company evaluates impairment requirements pertaining to expected credit losses for a financial asset or group of financial assets, as well as any other existing credit exposure.

### *Classification and measurement of financial assets*

Debt instruments: classification of financial instruments that are debt instruments is based on the Group's business model for holding the assets and the characteristics of the contractual cash flows of the asset.

The instruments are classified as:

- amortized cost
- fair value through other comprehensive income or fair value through profit or loss.

The Group's assets in the form of debt instruments are classified as amortized cost. Financial liabilities classified at amortized cost are initially measured at fair value plus transaction costs. Accounts receivable are initially recognized at the invoiced amount. Following initial recognition, the assets are measured according to the effective interest method. Assets classified at amortized cost are held under the business model of collecting contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The assets are subject to a loss allowance for expected credit losses and are measured at amortized cost.

Equity instruments are classified at fair value through profit or loss, unless they are held for trading when an irrevocable election can be made to measure them at fair value through other comprehensive income with no subsequent reclassification to profit or loss. The Group classifies equity instruments at fair value through profit or loss. Derivative instruments are classified at fair value through profit or loss, except when hedge accounting is applied.

#### *Classification and measurement of financial liabilities*

Financial liabilities are classified at amortized cost except for derivatives and earnouts. Financial liabilities recognized at amortized cost are initially measured at fair value including transaction costs. Following initial recognition, they are measured at amortized cost using the effective interest method. Derivative instruments are classified at fair value through profit or loss, except when hedge accounting is applied. Hedge accounting is not currently applied. Earnouts are measured at fair value in profit or loss.

#### *Hedging of transactions in foreign currency*

The Group hedges transactions in EUR and USD using currency forward contracts. The Group does not apply hedge accounting which is why the changes in fair value are recognized in profit or loss.

#### *Hedging of variable interest payments*

The Group applies certain hedging of interest payments through interest-rate swaps whereby variable interest payments are replaced by fixed interest payments. Changes in fair value are recognized in net financial items in profit or loss.

#### *Impairment of financial instruments*

The Group's financial assets and contract assets, except those classified at fair value through profit or loss, are subject to impairment for expected credit losses. Impairment of credit losses in accordance with IFRS 9 are forward-looking, and a loss allowance is made when there is an exposure to credit risk, normally on initial recognition. Expected credit losses reflect the current value of all deficits in cash flows attributable to defaults, either for the next 12 months or for the expected remaining lifetimes of the financial instruments, depending on the type of asset and on credit impairment since initial recognition. Expected credit losses reflect an unbiased and probability-weighted amount determined by evaluating the range of possible outcomes based on reasonable and supportable forecasts. Measuring expected credit losses takes into account any collateral and other credit enhancement in the form of guarantees.

The simplified model is applied to accounts receivable and contract assets. In the simplified model, a loss allowance is recognized for the expected full lifetime of the receivable or asset.

For other items covered by expected credit losses, a three-stage impairment model is applied. Initially, and on every balance-sheet date, a loss allowance is recognized for the next 12 months, or alternately for a shorter period of time depending on remaining lifetime (stage 1). If there has been a substantial increase in credit risk since initial recognition, a loss allowance is recognized for the remaining lifetime of the asset (stage 2). For assets deemed to be credit impaired, provisions for expected credit losses continue to be made for the remaining lifetime (stage 3). For credit-impaired assets and receivables, the calculation of interest income is based on the carrying amount of the asset, net of loss allowance, in contrast to the gross amount as in previous stages. The financial assets are recognized at amortized cost in the balance sheet, meaning net of gross value and loss allowance. Changes in loss allowance are recognized in profit or loss.

### INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Inventories comprise finished goods and components (Note 15). Cost comprises the purchase price from sub-suppliers and costs for customs and freight. Net realisable value is the estimated selling price in the operating activities, less applicable selling expenses.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents are defined as cash and bank balances, current investments that are exposed to an insignificant risk of value fluctuations and with a term of less than 3 months and utilised overdraft facilities. Utilised overdraft facilities are recognized in the statement of financial position as current liabilities.

### SHARE CAPITAL AND OTHER EQUITY

Ordinary shares are classified as equity. Transaction costs that can be directly attributed to an issue of new shares are recognized, net of tax, in equity as a deduction from the issue proceeds.

### ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable are obligations to pay for goods and services purchased from suppliers as part of the operating activities. The amounts are unhedged and often paid within 30 days.

Accounts payable and other liabilities are classified as current liabilities if they fall due within one year. If not, they are recognized as non-current liabilities. Accounts payable and other liabilities are measured at amortized cost.

### INCOME TAX

Income tax comprises current and deferred tax. Income tax is recognized in net profit for the year, except when the underlying transaction is recognized in other comprehensive income or in equity, in which case the associated tax effect is also recognized in other comprehensive income or in equity. The current tax expense is calculated based on the tax rules that have been enacted or substantively enacted at the balance-sheet date in those countries where the Parent Company and its subsidiaries operate and generate taxable income.

Deferred tax is recognized, in accordance with the balance sheet method, on all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Temporary differences are not taken into consideration in the recognition of goodwill or on initial recognition of the acquisition of an asset, since the acquisition does not affect either recognized or taxable profit. Deferred income tax is calculated by applying tax rates that have been enacted or announced on the balance-sheet date and that are expected to apply in that jurisdiction when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be wholly or partially offset. Deferred tax assets and deferred tax liabilities are set off if there is a legal right to set off current tax assets against current tax liabilities and the deferred tax is attributable to the same unit in the Group and the same tax authority.

### BORROWING

Borrowing is initially measured at fair value, net after transaction costs. Borrowing is 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 borrowing using the effective interest method.

### FINANCIAL ITEMS

#### *Interest income and similar income*

Interest income is recognized under the effective interest method. The effective interest rate discounts estimated future receipts and disbursements during the financial instrument's expected term to the recognized net value of the financial asset or the liability. The calculation also encompasses all fees paid or received by the contracting parties that are part of the effective interest rate, transaction costs and all other share premiums and discounts. Interest income is recognized in the period to which its pertains.

#### *Interest expenses and similar expenses*

Interest expenses are recognized in accordance with the effective interest method. Interest expenses are recognized in the period to which they pertain.

## EARNOUTS

Earnouts attributable to previous business combinations are initially and subsequently measured at fair value in the statement of financial position. Changes in value are recognized in profit or loss as other operating income or other operating expenses.

## EMPLOYEE BENEFITS

### Short-term benefits

Short-term benefits to employees such as salaries, social security contributions and holiday pay are expensed in the period when the employees perform the services.

### Retirement benefit obligations

The CTEK Group's main pension plan is the ITP plan, which is secured though contributions to Alecta. The plan is recognized as a defined-contribution plan in accordance with the IFRS.

A defined-contribution pension plan is a pension plan under which the Group pays fixed contributions to a separate legal entity. The Group has no legal or informal obligations to pay additional contributions if this legal entity does not have sufficient assets to pay all benefits to employees that relate to the employees' service during current or prior periods. The Group thus has no additional risk. The Group's obligations pertaining to fees for defined-contribution pension plans are recognized as an expense in profit or loss at the rate they are vested as the employees perform services for the Group during the period.

### Pension insurance with Alecta

Obligations for old-age and family pensions for salaried employees in Sweden are secured via insurance with Alecta.

In accordance with IFRS, the Company is to recognise employee benefits following IAS 19. It is not possible to recognise the premium-paid ITP 2 with Alecta in accordance with IFRS/IAS 19. This means that companies paying premiums for the defined-benefit ITP 2 old-age pension plan and/or family pension are to recognise the costs as defined-contribution, as stipulated by the Swedish Financial Reporting Board. The reason that it is not possible to recognise the contributions under IFRS/IAS 19 is that for most of the pension benefits vested, Alecta does not have information about the specification of benefits earned between employers. Instead, the entire amount vested is registered with the final employer. Accordingly, it is not possible for Alecta to provide an exact specification of assets and provisions for each employer. Furthermore, there are, in all respects, no established regulations on how any surplus or deficit arising is to be handled.

### Warrants

The parent company has issued warrants. These warrants were issued on market-based terms and conditions, meaning that the participants did not receive any benefits. The market value on allotment was calculated using the Black & Scholes valuation formula. When the warrants are potentially exercised in the future, the parent company will receive proceeds corresponding to the exercise price, at which point new shares will be issued and the exercise proceeds will be recognized as an increase in equity.

## PROVISIONS

Provisions are recognized in the balance sheet when the Group has or can be considered to have an undertaking from past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the undertaking and the amount can be reliably calculated. If the Group expects to receive reimbursement corresponding to the provision made, for example, under an insurance contract, the reimbursement is recognized as an asset in the balance sheet when it is virtually certain that reimbursement will be received. When the effect of the time value of the future payment is deemed to be material, the value of the provision is determined by calculating the present value of the expected future payment using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The successive increase in the amount reserved according to the present value calculation is recognized as interest expenses in profit or loss.

### Guarantee commitments

CTEK provides insurance-based guarantees, which take the form of product guarantees as regards quality. These types of guarantees are recognized in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. CTEK's obligation to repair or replace defective products in accordance with normal guarantee rules is recognized as a provision.

Guarantee costs are charged to cost of goods sold. The calculation of the provision for guarantee costs is based on a standard model at an amount corresponding to the average cost of the guarantee costs in relation to sales in the last 12-month period, adjusted for amounts of known guarantee claims that exceed the standard provision. The provision for guarantee commitments is related to the stated guarantee period.

## LEASES

When a contract is signed, the Group establishes whether the contract is or contains a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applied the modified retrospective approach, meaning that comparative information from prior periods is not presented.

## EFFECTS OF TRANSITION TO IFRS 16

The standard IFRS 16 replaced IAS 17 Leases and the associated interpretations, IFRIC 4, SIC 15 and SIC 27 on 1 January 2019. IFRS 16 primarily impacts the lessee's reporting and means that essentially all leases are recognized in the balance sheet. Under the new standard, lessees recognise an obligation to pay lease payments as a lease liability in the balance sheet. The right to use the underlying asset over the lease term is recognized as a right-of-use asset. Depreciation of the asset is recognized in profit or loss as is interest expenses on the lease liability. For lessors, the new standard does not entail any major differences compared with previous reporting.

The Group applied the modified retrospective approach, meaning that comparative information from prior periods is not presented. The Group's lease portfolio encompasses operating leases for premises and vehicles. The Group has assessed the terms of its leases and taken into account any extension or cancellation options in accordance with the provisions of IFRS 16. When it is reasonably certain that the option will be exercised, this is included in the lease term.

On the transition to IFRS 16, the lease liability was calculated as the outstanding lease payments attributable to operating leases using the incremental borrowing rate. The right-of-use was initially measured at a value corresponding to the lease liability, adjusted for any prepaid and accrued lease payments reported in the statement of financial position on the date of initial recognition. Accordingly, the transition to IFRS 16 did not result in any effect on equity.

The introduction of IFRS 16 led to right-of-use assets increasing by approximately SEK 7.2 million and the addition of lease liabilities of SEK 6.9 million. The introduction did not impact equity. The Group applied the exemption rules for short-term leases and low-value leases. Leases expiring within 12 months from the transition are treated as short-term leases.

A reconciliation between the Group's obligations for operating leases under IAS 17 and the lease liability under IFRS 16 on the transition date of 1 January 2019 is presented below.

| Reconciliation of operating leases | SEK million |
|---|---|
| Operating lease obligations on 31 Dec 2018 | 5.2 |
| Additional extension periods | 2.7 |
| Obligations after discounting using the Group's incremental borrowing rate, 6% | –1.0 |
| **Recognized lease liability on 1 January 2019** | **6.9** |

## THE GROUP AS LESSEE

### Right-of-use assets

The Group recognises right-of-use assets in the statement of financial position as of the commencement date of the lease, meaning the date on which the underlying asset becomes available for use). Right-of-use assets are measured at cost less accumulated depreciation and any impairment, and adjusted for remeasurements of the lease liability. The cost of right-of-use assets includes the initial value recognized for the attributable lease liability, initial direct costs, and any advances paid at or before the commencement date of the lease less any incentives received. Provided that the Group is not reasonably certain that the right of use for the underlying asset will be assumed upon expiration of the lease, the right-of-use asset is depreciated straight-line over the lease term.

### Lease liabilities

On the commencement date of a lease, the Group recognises a lease liability corresponding to the present value of the lease payments to be made over the lease term. The lease term is defined as the non-cancellable period along with periods for extending or terminating the lease if the Group is reasonably certain that it will exercise these options. The lease payments include fixed payments (less any benefits received in conjunction with signing the lease), variable lease payments that depend on an index or a rate (e.g. a reference interest rate) and amounts that are expected to be paid under residual value guarantees. Additionally, the lease payments include the exercise price for an option to purchase the underlying asset, or penalties to be paid for termination in accordance with a termination option, if it is reasonably certain that such options will be exercised by the Group. Variable lease payments that do not depend on an index or a rate are recognized as a cost in the period they are attributable to.

For calculation of the present value of lease payments, the Group uses the implicit rate in the contract if it is readily determinable, otherwise the incremental borrowing rate as of the commencement date of the lease. After the commencement date of a lease, the lease liability increases to reflect the interest rate on the lease liability and decreases with lease payments paid. Additionally, the value of the lease liability is remeasured as a result of modifications, changes to the lease term, changes in lease payments or changes in an assessment of whether to purchase the underlying asset.

### Application of practical expedients

The Group applied the practical expedients for short-term leases and low-value leases. Short-term leases are defined as leases with an initial lease term of a maximum of 12 months after consideration of any options to extend the lease. The Group's low-value leases comprise office equipment. Lease payments for short-term leases and low-value leases are expensed straight line over the lease term.

## CONTINGENT LIABILITIES

Contingent liabilities are disclosed when there is a possible commitment originating from events that have occurred and whose occurrence is confirmed only by one or several uncertain future events or when there is a commitment that is not recognized as a liability or provision because it is probable that an outflow of resources will be required.

## DISCLOSURES ON RELATED PARTIES

Altor Fund III GP Ltd has a controlling influence over the Group. Other related parties are all subsidiaries and senior executives in the Group, i.e. the board and company management, as well as their family members. Other companies over which Altor Fund III GP Ltd has a controlling influence are also related parties to the CTEK Group. Disclosures are provided about transactions that result in the transfer of resources, services or obligations between related parties, regardless of whether a price is charged. The information also includes disclosures on the nature of the related party relationship and information about the potential effect on the financial statements.

## EVENTS AFTER THE BALANCE-SHEET DATE

If events occur that are material, but are not to be taken into account when the amounts in the statement of comprehensive income and the statement of financial position are determined, disclosures will be provided about the nature and, if possible, an estimate of the financial effect in Note 31. Materiality is defined as omissions of information that could influence the economic decisions that users make on the basis of the financial statements.

Significant events confirming conditions that existed on the balance sheet date and that occur after the balance sheet date but before the approval of the financial statements lead to the amounts in the financial statements being adjusted. Significant events confirming conditions that existed on the balance sheet date and that occur after the balance sheet date but before the approval of the financial statements lead to adjustments in the financial statements.

## CASH-FLOW STATEMENT

The cash-flow statement has been prepared using the indirect method. This means that operating profit before tax is adjusted for transactions which have not resulted in inflows or outflows during the period, and for any income or expenses attributable to cash flows from investing or financing activities.

# NOTE 2 FINANCIAL RISK MANAGEMENT

## FINANCIAL RISK FACTORS

The Group is exposed to various financial risks through its operations: market risk (including currency risk and interest-rate risk), credit risk and liquidity risk. The Group's overall strategy focuses on reducing potential unfavourable effects on the Group's financial earnings. The Group makes use of derivatives to reduce certain risk exposure.

Under an adopted finance policy, the CEO is responsible for ensuring compliance with the policy and the CFO is responsible for reporting to the board of directors every quarter

### a) Market risk

### (i) Currency risk

### Transaction risk

Transaction risk is the risk that consolidated net profit and cash flow will be affected by changes in the value of the commercial flows in foreign currency as a result of changes in exchange rates. In addition to a loan in EUR, the Group also conducts sales outside Sweden, primarily in EUR and USD. This means that the Group is continuously exposed to transaction risk. Under the Company's finance policy, up to 50 percent for forecast net flows in USD and EUR within 1–12 months, and 25 percent of forecast net flows in USD and EUR in 13–24 months can be hedged using currency forward contracts in EUR/USD and EUR/SEK.

The Group had the following balance-sheet exposure in EUR and USD on 31 December 2020, 31 December 2019 and 31 December 2018.

The balance-sheet exposure for accounts receivable and other receivables in SEK is as follows:

| SEK million | 2020 | 2019 | 2018 |
|---|---|---|---|
| USD | 17.6 | 24.2 | 27.2 |
| EUR | 57.4 | 53.5 | 59.3 |
| Other currencies | 12.4 | 5.8 | 6.7 |
| **Total** | **87.4** | **83.5** | **93.2** |

The balance-sheet exposure for accounts payable and other liabilities in SEK is as follows:

| SEK million | 2020 | 2019 | 2018 |
|---|---|---|---|
| USD | 56.8 | 39.3 | 35.7 |
| EUR | 637.6 | 660.4 | 155.2 |
| Other currencies | 1.3 | 3.0 | 1.2 |
| **Total** | **695.7** | **702.7** | **192.1** |

If the SEK had weakened/strengthened by 5 percent in relation to the EUR, while other variables remained constant, profit before tax on 31 December 2020 would have been SEK 29.0 million (30.3 in 2019, 4.8 in 2018) higher/lower before tax due to gains/losses on translation of accounts receivable, accounts payable and loans denominated in EUR.

If the SEK had weakened/strengthened by 5 percent in relation to the USD, while other variables remained constant, profit before tax on 31 December 2020 would have been SEK 2.0 million (0.8 in 2019, 0.4 in 2018) higher/lower before tax due to gains/losses on translation of accounts receivable, accounts payable and loans denominated in USD.

The calculations above exclude the Group's hedging using currency derivatives. Refer to Note 17 for hedged amounts and fair value.

#### *Translation risk*

The Group has a risk when the net assets of foreign subsidiaries are translated to the presentation currency, Swedish kronor (SEK). Foreign subsidiaries in the US (USD), France (EUR), Germany (EUR), Australia (AUD), Hong Kong (HKD), China (CNY), Denmark (DKK) and the UK (GBP).

The Group's other comprehensive income is impacted by the translation of foreign subsidiaries' income statements to SEK. Translation risk is not hedged.

#### *Sensitivity analysis*

The Group has analysed its sensitivity to fluctuations in the EUR and USD exchange rates.

In 2020, income was recognized in EUR at an average rate of SEK 10.5, compared with SEK 10.6 in 2019 and SEK 10.3 in 2018. In 2020, income was recognized in USD at an average rate of SEK 9.1, compared with SEK 9.5 in 2019 and SEK 8.7 in 2018. If exchange rates were unchanged, sales would have risen by about 13 percent compared with 2019 (increased in 2019 by about 7 percent compared with 2018).

If the SEK had weakened/strengthened by 5 percent in relation to the EUR, while other variables remained constant, sales for the year would have been SEK 17.1 million (15.9 in 2019, 14.2 in 2018) higher/lower. If the SEK had weakened/strengthened by 5 percent in relation to the EUR, while other variables remained constant, the total impact of the effects of the translation and transaction exposure on net profit for the year would have been that profit would have been SEK 17.6 million (18.4 in 2019, 7 in 2018) higher/lower.

If the SEK had weakened/strengthened by 5 percent in relation to the USD, while other variables remained constant, sales for the year would have been SEK 7.7 million (7.1 in 2019, 6.1 in 2018) higher/lower. If the SEK had weakened/strengthened by 5 percent in relation to the EUR, while other variables remained constant, the total impact of the effects of the translation risk and transaction risk on net profit for the year would have been that profit would have been SEK 8.8 million (5.9 in 2019, 4.0 in 2018) higher/lower.

#### *(ii) Interest-rate risk*

The Group has interest-bearing financial assets and liabilities, in which the changes linked to market interest rates impact earnings and cash flow from operating activities. Interest-bearing borrowing primarily comprises a long-term bank loan carrying interest at a variable rate.

Interest-rate risk refers to the risk that changes in general interest rates will negatively impact consolidated net profit. The Group's interest-rate risk arises through its long-term borrowing. Borrowing raised at variable interest rates exposes the Group to interest-rate risk in respect of cash flow, which is partly neutralised by cash assets subject to variable interest rates. Between 2018 and 2020, the Group's borrowing was at a variable rate of interest in SEK and EUR.

The Group has the ability to manage the interest-rate risk associated with cash flow by using interest-rate swaps whose financial implication entails that borrowing is converted from variable to fixed interest for a certain part of the borrowing. The Group raises long-term loans at a variable interest rate and can convert these loans through interest-rate swaps to fixed interest rates, which are lower than if the borrowing was raised directly at fixed interest. No interest-rate swaps were used between 2018 and 2020 to hedge portions of the borrowing at variable rates.

The Group has analysed its sensitivity to changes in interest rates. The analysis performed shows that the effect of a change of 0.1 percentage points on net financial items would be an increase or decrease of SEK 0.9 million (0.7 in 2019, 0.4 in 2018). The sensitivity analysis presupposes that all other factors, such as exchange rates, remain unchanged.

#### *b) Credit risk*

Credit risk, or counterparty risk, is the risk that a counterparty in a financial transaction is unable to meet its obligations on the due date. Credit risk is managed at Group level and arises on bank balances and accounts receivable. The Group only accepts large, established banks and financial institutions.

The Group's credit checks related to credit risk in outstanding accounts receivable means that no credit is granted before a credit check is performed. The current and historical payment situation of repeat customers is also analysed. In cases where the credit information or payment situation reveals shortcomings, the Group offers delivery after receiving payment in advance.

#### *c) Liquidity risk*

Liquidity risk is the risk that the Group has insufficient cash and cash equivalents for the payment of its undertakings concerning financial liabilities. Liquidity risk is carefully managed and the Group always seeks to ensure that it has sufficient cash and cash equivalents. On 31 December 2020, the Group had liquidity of SEK 94.7 million (51.1 in 2019 and 61.1 in 2018), which comprised bank balances. The Group also has SEK 50.0 million in unutilised credit.

## NOTE 3 SIGNIFICANT ESTIMATES AND JUDGEMENTS

The Group's estimates and judgements are reviewed periodically and are based on historical experience and other factors, including expectations of future events considered reasonable under the prevailing circumstances.

#### *Significant accounting estimates and judgements*

The preparation of financial statements requires that the board of directors and Group management make estimates and make use of certain assumptions. Estimates and assumptions affect both the income statement and balance sheet as well as the disclosures provided, such as contingent liabilities. Areas that include a significant element of estimates and assumptions are:

#### *Impairment testing of intangible assets that have not been amortized*

Under IAS 36, a cash-generating unit (CGU) is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of a cash-generating unit is determined based on calculations of value in use. These calculations proceed from estimated future cash flows before tax, based on financial budgets approved by executive management covering a five-year period. Cash flows beyond a five-year period are extrapolated with the help of an estimated growth rate.

Every year, the Group tests assets with indefinite useful lives for impairment. Such testing requires an assessment of the parameters that impact future cash flows and determining a discount rate. The recoverable amounts of each individual cash-generating units is then determined by calculating the value in use. Note 13 presents the significant assumptions made when testing these assets and a description of the effect of plausible, possible changes in these assumptions that form the basis of the calculations. At the end of 2020, the Group recognized goodwill of SEK 455.8 million (455.8 in 2019, 471.3 in 2018) and brands of SEK 259.5 million (259.5 in 2019, 259.5 in 2018).

### Capitalised development expenditure

In order to determine whether or not an intangible asset arising through development is to be recognized as an asset, assessments must be made regarding the extent to which certain established criteria are met. As regards capitalised development expenditure, management has deemed that these are technically and economically feasible. At the end of 2020, the Group recognized intangible assets for capitalised development expenditure at an amount of SEK 89.7 million (65.2 in 2019, 34.4 in 2018). These assets are amortized based on their definite useful lives. When determining useful lives, management makes assumptions and assessments about the length of time that each asset will generate economic benefits for the Group.

## ASSESSMENT OF USEFUL LIVES

Intangible assets are amortized based on their definite useful lives. When determining useful lives, management makes assumptions and assessments about the length of time that each asset will generate economic benefits for the Group. The Company's intangible assets with definite useful lives amounted to SEK 329.1 million on 31 December 2020 (335.6 on 31 December 2019 and 334.8 million on 31 December 2018).

### Provisions and contingent liabilities attributable to legal claims

The Group is, from time to time, involved in disputes and legal claims as a part of its operating activities. No such legal claims on the Group currently exist.

## NOTE 4 DISTRIBUTION OF NET SALES AND SEGMENT ACCOUNTING

Sales of premium low voltage chargers and sales of EV chargers and accessories are recognized at a point in time when control of the goods has passed to the customer, which is on delivery, and takes into account freight terms and conditions. Invoicing normally takes place in connection with sale with credit terms of 30–40 days.

Revenues from one customer amounted to SEK 104.8 million, SEK 83.2 million and SEK 52.9 million for the years 2020, 2019 and 2018, arising from sales in the Aftermarket segment.

Net sales specified by geography

| SEK million | 2020 | 2019 | 2018 |
|---|---|---|---|
| Sweden | 141.0 | 126.9 | 106.4 |
| Nordics | 35.8 | 36.6 | 39.6 |
| DACH | 203.7 | 178.0 | 154.0 |
| Americas | 49.1 | 40.7 | 31.7 |
| Rest of Europe | 98.7 | 97.5 | 94.6 |
| Other | 178.0 | 155.8 | 147.0 |
| **Total income from contracts with customers** | **706.3** | **635.4** | **573.3** |

| SEK million | 2020 | 2019 | 2018 |
|---|---|---|---|
| **Sales per segment** | | | |
| Aftermarket | 516.3 | 441.1 | 422.7 |
| Original Equipment | 85.9 | 106.2 | 90.4 |
| Energy & Facilities | 84.9 | 67.2 | 37.5 |
| Central | 19.2 | 20.9 | 22.6 |
| **Net sales, Group** | **706.3** | **635.4** | **573.3** |
| **EBITDA per segment** | | | |
| Aftermarket | 208.7 | 174.6 | 166.7 |
| Original Equipment | 6.5 | 19.5 | 26.2 |
| Energy & Facilities | –8.1 | 2.7 | 5.1 |
| Central | –7.2 | –60.6 | –55.0 |
| **EBITDA, Group** | **199.9** | **136.2** | **143.0** |
| Items affecting comparability | –45.8 | 7.4 | |
| **Adjusted EBITDA, Group** | **154.1** | **143.6** | **143.0** |
| Depreciation/amortization, non-M&A driven non-current assets | –28.1 | –21.1 | –12.8 |
| **Adjusted EBITA, Group** | **126.0** | **122.5** | **130.2** |
| Items affecting comparability | 45.8 | –7.4 | 0.0 |
| **EBITA, Group** | **171.9** | **115.1** | **130.2** |
| Depreciation/amortization, M&A driven non-current assets | –29.1 | –46.8 | –28.1 |
| **EBIT, Group** | **142.7** | **68.3** | **102.1** |

*Note 4 Distribution of net sales and segment accounting, cont.*

Net sales are specified by significant type of income as follows:

| Revenue from contracts with customers, 31 Dec 2020<br>SEK million | Aftermarket | Original Equipment | Energy & Facilities | Group-wide items and eliminations | Group total |
|---|---|---|---|---|---|
| **Group** | | | | | |
| Sale of premium low voltage chargers | 516.0 | 85.9 | | | 601.9 |
| Sales of EV chargers and accessories | 0.3 | | 84.9 | | 85.2 |
| Other income | | | | 19.2 | 19.2 |
| **Total** | **516.3** | **85.9** | **84.9** | **19.2** | **706.3** |

| Revenue from contracts with customers, 31 Dec 2019<br>SEK million | Aftermarket | Original Equipment | Energy & Facilities | Group-wide items and eliminations | Group total |
|---|---|---|---|---|---|
| **Group** | | | | | |
| Sale of premium low voltage chargers | 441.0 | 106.2 | | | 547.2 |
| Sales of EV chargers and accessories | 0.1 | | 67.2 | | 67.3 |
| Other income | | | | 20.9 | 20.9 |
| **Total** | **441.1** | **106.2** | **67.2** | **20.9** | **635.4** |

| Revenue from contracts with customers, 31 Dec 2018<br>SEK million | Aftermarket | Original Equipment | Energy & Facilities | Group-wide items and eliminations | Group total |
|---|---|---|---|---|---|
| **Group** | | | | | |
| Sale of premium low voltage chargers | 422.7 | 90.4 | | | 513.1 |
| Sales of EV chargers | | | 37.5 | | 37.5 |
| Other income | | | | 22.6 | 22.6 |
| **Total** | **422.7** | **90.4** | **37.5** | **22.6** | **573.3** |

| SEK million | 2020 | 2019 | 2018 |
|---|---|---|---|
| **Contract balances** | | | |
| Accounts receivables | 124.8 | 113.8 | 119.5 |
| Contract assets (accrued income) | 0.3 | 1.9 | 1.2 |
| **Group total** | **125.2** | **115.7** | **120.8** |

## NOTE 5 AUDITORS' FEES

Audit assignments refer to the statutory audit of the annual accounts and accounting and the administration of the board of directors and CEO, 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. Tax advisory services are consultations on tax matters. Other services are advisory services that cannot be attributed to any of the other categories mentioned. In 2019, other services refer to work related to the company raising new financing.

| SEK million | 1 Jan 2020–31 Dec 2020 | 1 Jan 2019–31 Dec 2019 | 1 Jan 2018–31 Dec 2018 |
|---|---|---|---|
| **Ernst & Young** | | | |
| Audit assignment | 3.0 | 1.5 | 1.4 |
| Tax advisory services | 0.2 | 0.3 | 0.1 |
| Other services | 2.4 | 3.4 | 0.0 |
| **Audit assignments for other auditors** | | | 0.1 |
| **Total** | **5.7** | **5.2** | **1.6** |

# NOTE 6 EMPLOYEE BENEFITS, ETC.

## REMUNERATION OF CEO

### Variable remuneration

Variable remuneration is paid in accordance with the company's bonus policy and can amount to a maximum of 80 percent of annual salary.

### Pension terms and conditions

Pension premiums amount to 30 percent of fixed salary. The retirement age is 65 years.

### Conditions for severance pay

The mutual period of notice for the CEO is nine (9) months. If the Company terminates employment with advance notice, the CEO is entitled to receive severance pay corresponding to nine (9) months paid every month for nine (9) months.

| SEK million | 1 Jan 2020–31 Dec 2020 | 1 Jan 2019–31 Dec 2019 | 1 Jan 2018–31 Dec 2018 |
|---|---|---|---|
| **Group:** | | | |
| Salaries and other benefits | 96.9 | 88.0 | 81.5 |
| Social security contributions | 24.0 | 23.7 | 21.9 |
| Pension costs – defined-contribution plans | 15.3 | 10.1 | 9.2 |
| **Total, Group** | **136.3** | **121.8** | **112.6** |

Personnel costs in the consolidated income statement are reported as net of internally generated fixed assets of SEK 18.5 million in 2020 (SEK 12.6 million in 2019, SEK 8.4 million in 2018).

## SALARIES, OTHER BENEFITS AND SOCIAL SECURITY EXPENSES, 1 JAN 2020–31 DEC 2020

| SEK million | Salaries and other benefits | Social security expenses | Pension costs |
|---|---|---|---|
| Board members, executive management and CEO | 14.0 | 3.3 | 3.3 |
| (of which variable remuneration) | (1.3) | | |
| Other employees | 82.9 | 20.7 | 12.0 |
| (of which variable remuneration) | (3.6) | | |
| **Total, Group** | **96.9** | **24.0** | **15.3** |

## SALARIES, OTHER BENEFITS AND SOCIAL SECURITY EXPENSES, 1 JAN 2019–31 DEC 2019

| SEK million | Salaries and other benefits | Social security expenses | Pension costs |
|---|---|---|---|
| Board members, executive management and CEO | 9.5 | 2.3 | 1.9 |
| (of which variable remuneration) | (1.2) | | |
| Other employees | 78.5 | 21.4 | 8.2 |
| (of which variable remuneration) | | | |
| **Total, Group** | **88.0** | **23.7** | **10.1** |

## SALARIES, OTHER BENEFITS AND SOCIAL SECURITY EXPENSES, 1 JAN 2018–31 DEC 2018

| SEK million | Salaries and other benefits | Social security expenses | Pension costs |
|---|---|---|---|
| Board members, executive management and CEO | 13.9 | 3.2 | 2.6 |
| (of which variable remuneration) | (1.2) | | |
| Other employees | 67.6 | 18.7 | 6.8 |
| (of which variable remuneration) | (1.6) | | |
| **Total, Group** | **81.5** | **21.9** | **9.4** |

### *Note 6 Employee benefits, etc., cont.*

| | 1 Jan 2020–31 Dec 2020 | | 1 Jan 2019–31 Dec 2019 | | 1 Jan 2018–31 Dec 2018 | |
|---|---|---|---|---|---|---|
| **Average no. of employees, Group:** | **Average no. of employees** | **Of whom, men** | **Average no. of employees** | **Of whom, men** | **Average no. of employees** | **Of whom, men** |
| Sweden | 108 | 83 | 98 | 73 | 111 | 86 |
| Rest of Europe | 16 | 14 | 17 | 17 | 15 | 13 |
| USA | 4 | 2 | 4 | 2 | 4 | 2 |
| Asia | 27 | 15 | 24 | 12 | 23 | 12 |
| **Total, Group** | **155** | **114** | **143** | **104** | **153** | **113** |

The composition of the board of directors was supplemented after the balance-sheet date at the general meeting on 11 February 2021. The disclosures below reflect this so as to provide a true and fair view of the number of board members since this board has acted as a board of directors for the Group. The gender distribution in the parent company structure of the Group for board members and the CEO on the balance-sheet date was as follows:

| | 1 Jan 2020–31 Dec 2020 | | | 1 Jan 2019–31 Dec 2019 | | | 1 Jan 2018–31 Dec 2018 | | |
|---|---|---|---|---|---|---|---|---|---|
| **No. on balance-sheet date** | **No.** | **Of whom, men** | **Of whom, women** | **No.** | **Of whom, men** | **Of whom, women** | **No.** | **Of whom, men** | **Of whom, women** |
| Board members | 7 | 7 | 0 | 7 | 7 | 0 | 7 | 7 | 0 |
| CEO | 1 | 1 | 0 | 1 | 1 | 0 | 1 | 1 | 0 |
| **Total, Group** | **8** | **8** | **0** | **8** | **8** | **0** | **8** | **8** | **0** |

### *REMUNERATION OF BOARD OF DIRECTORS, CEO AND EXECUTIVE MANAGEMENT*

| SEK million | Base salary/ board fees | Variable remuneration | Other benefits**) | Pension costs | Total |
|---|---|---|---|---|---|
| **2020** | | | | | |
| Hans Stråberg | 0.5 | | | | 0.5 |
| Ola Carlsson | 0.3 | | | | 0.3 |
| Mikael Forsmark | 0.3 | | | | 0.3 |
| Jon Lind, CEO | 3.3 | 0.3 | 0.2 | 0.9 | 4.7 |
| *Other executive management | 8.8 | 0.4 | 0.3 | 2.4 | 11.9 |
| **Total** | **13.1** | **0.7** | **0.5** | **3.3** | **17.6** |
| **2019** | | | | | |
| Hans Stråberg | 0.5 | | | | 0.5 |
| Ola Carlsson | 0.3 | | | | 0.3 |
| Mikael Forsmark | 0.3 | | | | 0.3 |
| Jon Lind, CEO | 3.3 | 0.5 | 0.2 | 1 | 5 |
| *Other executive management | 4.3 | 0.7 | 0.1 | 0.8 | 5.9 |
| **Total** | **8.6** | **1.2** | **0.3** | **1.8** | **11.9** |
| **2018** | | | | | |
| Hans Stråberg | 0.5 | | | | 0.5 |
| Ola Carlsson | 0.3 | | | | 0.3 |
| Mikael Forsmark | 0.3 | | | | 0.3 |
| Jon Lind, CEO | 2.3 | 0.6 | 0.2 | 1.1 | 4.3 |
| *Other executive management | 8.7 | 0.4 | 0.2 | 1.2 | 10.4 |
| **Total** | **12.0** | **1.0** | **0.4** | **2.3** | **15.7** |

*) Other executive management comprised six individuals in 2020, four in 2019 and eight in 2018.
**) Other benefits refer to car benefits and health insurance.

During the 2020 financial year, the CEO was employed by a Group company other than the parent company. During the year, the board of directors received remuneration from Group companies other than the parent company. Some members of the board of directors received no remuneration or other benefits in 2020 or 2019 and thus are not stated above.

*Note 6 Employee benefits, etc., cont.*

### WARRANTS ISSUED IN 2011, 2012 AND 2020

| | No. issued in 2020 | | No. issued in 2012 | | No. issued in 2011 *) |
|---|---|---|---|---|---|
| | 2020 | 2020 | 2019 | 2018 | 2018 *) |
| Hans Stråberg | 1,098,900 | 3,409,089 | 3,409,089 | 3,409,089 | 2,333,333 |
| Ola Carlsson | | 1,136,361 | 1,136,361 | 1,136,361 | |
| Michael Forsmark | | 1,276,596 | 1,276,596 | 1,276,596 | |
| Jon Lind, CEO | | 2,775,909 | 2,775,909 | 2,775,909 | |
| Other executive management | 4,401,100 | 389,967 | 389,967 | 389,967 | |
| **Group total** | **5,500,000** | **8,987,922** | **8,987,922** | **8,987,922** | **2,333,333** |

*) Warrants issued in 2011 were exercised in connection with a set-off issue in February 2019. For this reason, no comparative year is provided for these options other than 2018.

### TERMS FOR WARRANTS OUTSTANDING

| Serie | Maturity date | Warrant price, SEK per warrant | 31 Dec 2020 Exercise price, SEK per share | 31 Dec 2019 Exercise price, SEK per share | 31 Dec 2018 Exercise price, SEK per share | 31 Dec 2020 No. of shares outstanding | 31 Dec 2019 No. of shares outstanding | 31 Dec 2018 No. of shares outstanding |
|---|---|---|---|---|---|---|---|---|
| 2021:1 | 31 Dec 2021 | 0.0 | | | 1.78 | | | 268,333,333*) |
| 2021:2 | 31 Dec 2021 | 0.0 | | | 1.78 | | | 6,666,667*) |
| 2021:3 | 31 Dec 2021 | 0.13 | 1.01 | 0.92 | 1.95 | 6,901,485 | 6,901,485 | 6,901,485 |
| 2021:4 | 31 Dec 2021 | 0.11 | 1.01 | 0.92 | 1.95 | 6,901,485 | 6,901,485 | 6,901,485 |
| 2021:5 | 31 Dec 2021 | 0.09 | 1.01 | 0.92 | 1.95 | 6,901,485 | 6,901,485 | 6,901,485 |
| 2025:1 | 31 Mar 2025 | 0.28 | 2.05 | | | 5,500,000 | | |
| **Total** | | | | | | **26,204,455** | **20,704,455** | **295,704,455** |

*) Warrants issued in 2011 were regulated in connection with a set-off issue in February 2019. For this reason, no comparative year is provided for these options other than 2018.

All warrants entitle the holder to subscribe for 1 share for all series.

Warrants outstanding on the balance-sheet date of 31 December 2020 were acquired by the warrant holder at market value based on calculations using the Black & Scholes valuation formula and no benefits are paid to holders. The warrants follow contractual terms and conditions and can also be exercised in the event of a predefined owner change, subject to the condition of certain return requirements on the valuation of the company in connection with such an owner change.

The exercise price of the option programmes was calculated according to the warrant terms and conditions with annual indexation.

### PENSION INSURANCE WITH ALECTA

Obligations for old-age and family pensions for salaried employees in Sweden are secured via insurance with Alecta. According to an opinion from the Swedish Financial Reporting Board, UFR 3, this is a defined benefit multi-employer plan. For the 2018–2020 financial years, the Group did not have access to information that would enable it to recognise this plan as a defined-benefit plan. The ITP pension plan that is secured through insurance with Alecta is therefore recognized as a defined-contribution plan. The contributions for the year for pension insurance taken out with Alecta amounted to SEK 3.5 million for the 2020 financial year (3.0 for 2019 and 2.7 for 2018).

Alecta's surplus can be distributed to the policy holders and/or the insured. On 31 December 2020, Alecta's surplus corresponded to a collective funding ratio of 148 percent (148 in 2019, 142 in 2018). The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its commitments to policyholders calculated using Alecta's actuarial calculation assumptions, which do not comply with IAS 19.

Regarding accounting policies for Alecta, refer to Note 1 under pension obligations for further information.

The Company's share of total ITP 2 savings premiums with Alecta is 0.012 percent (0.017 in 2019). The Company's share of total number of active ITP 2 policyholders is 0.011 percent (0.011 in 2019).

The Company's forecast for ITP 2 premiums for 2021 is SEK 3.8 million

## NOTE 7 OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

| SEK million | 1 Jan 2020–31 Dec 2020 | 1 Jan 2019–31 Dec 2019 | 1 Jan 2018–31 Dec 2018 |
|---|---|---|---|
| **Other operating income** | | | |
| Exchange-rate gains | 1.6 | | |
| Other income | 2.8 | 0.9 | 1.2 |
| **Total other operating income** | **4.4** | **0.9** | **1.2** |
| | | | |
| **Other operating expenses** | | | |
| Exchange-rate losses | –6.7 | –3.2 | –3.9 |
| Other operating expenses | 0.0 | 0.0 | |
| **Total other operating expenses** | **–6.7** | **–3.2** | **–3.9** |

## NOTE 8 ITEMS AFFECTING COMPARABILITY

| SEK million | 1 Jan 2020–31 Dec 2020 | 1 Jan 2019–31 Dec 2019 | 1 Jan 2018–31 Dec 2018 |
|---|---|---|---|
| Remeasurement of earnout | 50.0 | | |
| Expenses for preparing potential sale of CTEK | –4.2 | –7.4 | |
| **Total items affecting comparability, Group total** | **45.8** | **-7.4** | |

## NOTE 9 FINANCIAL INCOME AND EXPENSES

| SEK million | 1 Jan 2020–31 Dec 2020 | 1 Jan 2019–31 Dec 2019 | 1 Jan 2018–31 Dec 2018 |
|---|---|---|---|
| **Financial income:** | | | |
| Interest income on bank balances | 0.1 | 0.1 | 0.1 |
| Other financial income | 0.0 | | |
| Exchange-rate gains | 28.4 | 18.1 | |
| **Total financial income** | **28.6** | **18.2** | **0.1** |
| **Financial expenses:** | | | |
| Interest expenses on borrowing | -59.8 | -28.6 | -48.6 |
| Interest expenses, leases | -0.5 | -0.6 | |
| Exchange-rate losses | -4.6 | -5.3 | -2.5 |
| Other financial expenses on borrowing | -4.8 | -4.4 | |
| **Total financial expenses** | **-69.7** | **-38.9** | **-51.1** |
| **Net financial items, Group** | **-41.1** | **-20.7** | **-51.0** |

Interest expenses on borrowing increased compared with 2019 due to a restructuring/refinancing.

## NOTE 10 INCOME TAX

| SEK million | 1 Jan 2020–31 Dec 2020 | 1 Jan 2019–31 Dec 2019 | 1 Jan 2018–31 Dec 2018 |
|---|---|---|---|
| **Current tax** | | | |
| Current tax on net profit for the year | -19.3 | -12.6 | -20.4 |
| **Total current tax** | **-19.3** | **-12.6** | **-20.4** |
| Deferred tax | -0.3 | -2.0 | 6.4 |
| **Total deferred tax** | **-0.3** | **-2.0** | **6.4** |
| **Total income tax** | **-19.6** | **-14.6** | **-14.0** |

The income tax on consolidated profit differs from the theoretical amount that would have arisen using the weighted average tax rate applicable to profits of the consolidated entities as follows:

| SEK million | 1 Jan 2020–31 Dec 2020 | 1 Jan 2019–31 Dec 2019 | 1 Jan 2018–31 Dec 2018 |
|---|---|---|---|
| **Reconciliation of effective tax** | | | |
| Profit before tax | 101.6 | 47.6 | 51.1 |
| Income tax according to applicable tax rate for parent company | -21.7 | -10.2 | -11.3 |
| Tax effects of: | | | |
| –Effect of different tax rate in foreign companies | -1.5 | 0.7 | -0.8 |
| –Non-taxable income | 10.7 | 0.0 | 0.0 |
| –Non-deductible expenses | -7.4 | -1.5 | -7.9 |
| –Impairment, goodwill | | -3.3 | |
| –Change in tax rate in measurement of deferred tax on temporary differences | 0.3 | | 6.0 |
| –Other | 0.0 | -0.3 | |
| **Tax recognized in net profit for the year** | **-19.6** | **-14.6** | **-14.0** |
| **Effective tax rate** | **19.3%** | **30.6%** | **27.3%** |

### *Note 10 Income tax, cont.*

The Group has no significant unutilised loss carryforwards. The Group has no tax items recognized directly against equity.

| SEK million | 1 Jan 2020–<br>31 Dec 2020 | 1 Jan 2019–<br>31 Dec 2019 | 1 Jan 2018–<br>31 Dec 2018 |
|---|---|---|---|
| **Deferred tax** | | | |
| Deferred tax expense attributable to temporary differences | –5.2 | –9.1 | –3.6 |
| Deferred tax income attributable to temporary differences | 4.9 | 7.0 | 10.0 |
| **Total deferred tax recognized in profit or loss** | **–0.3** | **–2.0** | **6.4** |

The change in temporary differences for the year recognized in profit or loss refers to the following items

| SEK million | 1 Jan 2020–<br>31 Dec 2020 | 1 Jan 2019–<br>31 Dec 2019 | 1 Jan 2018–<br>31 Dec 2018 |
|---|---|---|---|
| **Change in deferred tax** | | | |
| **Opening carrying amount** | **–119.7** | **–117.7** | **–108.9** |
| Intangible assets | –1.0 | –2.0 | –7.8 |
| Tangible assets | 0.0 | 0.0 | 0.0 |
| Untaxed reserves | 1.3 | 0.3 | |
| Derivatives | –0.7 | –0.3 | –1.0 |
| Other provisions | 0.0 | 0.0 | 0.0 |
| **Total deferred tax liabilities, net** | **–120.0** | **–119.7** | **–117.7** |

Deferred tax liabilities are attributable to surplus values identified in connection with the acquisition of CTEK Group and for CTEK E-Mobility and are calculated using a tax rate of 20.6 percent.

| SEK million | 1 Jan 2020–<br>31 Dec 2020 | 1 Jan 2019–<br>31 Dec 2019 | 1 Jan 2018–<br>31 Dec 2018 |
|---|---|---|---|
| **Deferred tax liabilities** | | | |
| Intangible assets | –111.7 | –110.7 | –108.7 |
| Tangible assets | 0.0 | 0.0 | –0.1 |
| Untaxed reserves | –7.4 | –8.7 | –9.0 |
| Derivatives | –0.9 | –0.2 | 0.1 |
| Other provisions | 0.0 | –0.1 | –0.0 |
| **Total deferred tax liabilities, net** | **–120.0** | **–119.7** | **–117.7** |

## NOTE 11 EARNINGS PER SHARE

Earnings per share was calculated as follows:

| SEK million<br>Group | 1 Jan 2020–<br>31 Dec 2020 | 1 Jan 2019–<br>31 Dec 2019 | 1 Jan 2018–<br>31 Dec 2018 |
|---|---|---|---|
| Net income for the year attributable to parent company shareholders | 82.0 | 33.0 | 37.1 |
| **Used in calculation of earnings per share** | **82.0** | **33.0** | **37.1** |
| Weighted average number of shares | 423 595 500 | 423 595 500 | 423 595 500 |
| Total number of ordinary shares | 423 595 500 | 423 595 500 | 423 595 500 |
| **Weighted average number of shares before dilution** | **423 595 500** | **423 595 500** | **423 595 500** |
| Warrants | 14 875 542 | 8 897 023 | 6 705 528 |
| **Weighted average number of shares after dilution** | **438 471 042** | **432 492 523** | **430 301 028** |
| Earnings per share before dilution, SEK | 0.19 | 0.08 | 0.09 |
| Earnings per share after dilution, SEK | 0.19 | 0.08 | 0.09 |

## NOTE 12 INTANGIBLE ASSETS WITH DEFINITE USEFUL LIVES

| SEK million<br>Group | Patents, licences | Technology | Capitalised development expenditure | Customer relationships | Total |
|---|---|---|---|---|---|
| **On 1 January 2018** | | | | | |
| Cost | 15.1 | 158.4 | 150.4 | 237.0 | 560.9 |
| Accumulated amortization | –5.9 | –51.5 | –121.6 | –65.2 | –244.2 |
| Accumulated impairment | | | | –12.5 | –12.5 |
| **Carrying amount** | **9.2** | **106.9** | **28.8** | **159.3** | **304.2** |
| **2018 financial year** | | | | | |
| **Opening carrying amount** | 9.2 | 106.9 | 28.8 | 159.3 | 304.2 |
| Cost | 1.3 | | | | 1.3 |
| Internally generated assets | | | 11.2 | | 11.1 |
| Increase through business combinations | | 30.5 | | 22.5 | 53.0 |
| Grants received | | | –0.6 | | –0.6 |
| Amortization | –1.5 | –10.0 | –5.1 | –17.8 | –34.4 |
| Impairment | | | 0.0 | | |
| **Closing carrying amount** | **9.0** | **127.4** | **34.4** | **164.0** | **334.8** |
| **On 31 December 2018** | | | | | |
| Cost | 16.4 | 188.9 | 162.2 | 259.6 | 627.0 |
| Accumulated amortization | –7.4 | –61.4 | –127.8 | –83.1 | –279.7 |
| Accumulated impairment | | | | –12.5 | –12.5 |
| **Carrying amount** | **9.0** | **127.4** | **34.4** | **164.0** | **334.8** |
| **2019 financial year** | | | | | |
| **Opening carrying amount** | 9.0 | 127.4 | 34.4 | 164.0 | 334.8 |
| Cost | 2.6 | | 0.6 | | 3.1 |
| Internally generated assets | | | 39.9 | | 39.9 |
| Grants received | | | –0.3 | | –0.3 |
| Amortization | –1.5 | –11.0 | –9.3 | –17.8 | –39.6 |
| Impairment | | | | –2.2 | –2.2 |
| **Closing carrying amount** | **10.0** | **116.5** | **65.2** | **144.0** | **335.6** |
| **On 31 December 2019** | | | | | |
| Cost | 18.9 | 188.9 | 202.3 | 259.6 | 669.6 |
| Accumulated amortization | –8.9 | –72.4 | –137.1 | –100.9 | –319.3 |
| Accumulated impairment | | | 0.0 | –14.7 | –14.7 |
| **Carrying amount** | **10.0** | **116.5** | **65.2** | **144.0** | **335.6** |
| **2020 financial year** | | | | | |
| **Opening carrying amount** | 10.0 | 116.5 | 65.2 | 144.0 | 335.6 |
| Cost | | | | | – |
| Investments for the year | | | 38.4 | | 38.4 |
| Disposals/sales | | | –47.6 | | –47.6 |
| Amortization | –1.9 | –11.0 | –12.3 | –17.8 | –43.0 |
| Reversed amortization on disposals/sales | | | 46.9 | | 46.9 |
| Impairment | –0.4 | | –0.8 | | –1.2 |
| **Closing carrying amount** | **7.7** | **105.5** | **89.7** | **126.1** | **329.1** |
| **On 31 December 2020** | | | | | |
| Cost | 18.9 | 188.9 | 193.1 | 259.6 | 660.3 |
| Accumulated amortization | –10.8 | –83.4 | –102.5 | –133.4 | –330.1 |
| Accumulated impairment | –0.4 | | –0.8 | 0.0 | –1.2 |
| **Carrying amount** | **7.7** | **105.5** | **89.7** | **126.1** | **329.1** |

Patents, licences mainly refer to patients and amounted to SEK 7.7 million on 31 December 2020. Amortization takes place according to plan over 20 years and the remaining amortisation period is 14 years.

Technology refers to technologies acquired on the acquisitions of CTEK (2011) and Chargestorm (2018) and refers to technology for premium low voltage chargers and technology for EV charging and accessories and amounted to SEK 105.5 million on 31 December 2020. Amortization is performed according to plan between 10 and 15 years and the average remaining amortisation period is 11 years.

Capitalised development expenditure refers to internally generated technology with an amortization period of 3–5 years and amounted to SEK 89.7 million on 31 December 2020.

Customer relationships arose in connection with the acquisitions of CTEK (2011) and Chargestorm (2018), and the acquisition of distribution rights in Germany (2017). These totalled SEK 126.1 million on 31 December 2020. An amortization plan has been set at between 6 and 20 years and the remaining amortization period is 17 years.

## NOTE 13 INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

| SEK million<br>Group | Goodwill | Brands | Total |
|---|---|---|---|
| **On 1 January 2018** | | | |
| Cost | 375.4 | 234.0 | 609.4 |
| Accumulated impairment | –17.5 | | –17.5 |
| **Carrying amount** | **357.9** | **234.0** | **591.9** |
| **2018 financial year** | | | |
| **Opening carrying amount** | 357.9 | 234.0 | 591.9 |
| Increase through business combinations | 113.3 | 25.5 | 138.8 |
| **Closing carrying amount** | **471.3** | **259.5** | **730.8** |
| **On 31 December 2018** | | | |
| Cost | 488.8 | 259.5 | 748.3 |
| Accumulated impairment | –17.5 | | –17.5 |
| **Carrying amount** | **471.3** | **259.5** | **730.8** |
| **2019 financial year** | | | |
| **Opening carrying amount** | 471.3 | 259.5 | 730.8 |
| Acquisitions for the year | | | |
| Impairment for the year | –15.5 | | –15.5 |
| **Closing carrying amount** | **455.8** | **259.5** | **715.3** |
| **On 31 December 2019** | | | |
| Cost | 488.8 | 259.5 | 748.3 |
| Accumulated impairment | –33.0 | | –33.0 |
| **Carrying amount** | **455.8** | **259.5** | **715.3** |
| **2020 financial year** | | | |
| **Opening carrying amount** | 455.8 | 259.5 | 715.3 |
| **Closing carrying amount** | **455.8** | **259.5** | **715.3** |
| **On 31 December 2020** | | | |
| Cost | 488.8 | 259.5 | 748.3 |
| Accumulated impairment | –33.0 | | –33.0 |
| **Carrying amount** | **455.8** | **259.5** | **715.3** |

Goodwill and brands are attributable to the acquisition of the CTEK Group by Altor Fund III GP Ltd in 2011 and the additional acquisition of Chargestorm AB by the CTEK Group in 2018.

In the original acquisition of CTEK Group, goodwill of SEK 375.4 million and brands corresponding to SEK 234.0 million arose in the acquisition analysis. Goodwill of SEK 113.3 million and brands corresponding to SEK 25.5 million arose in the acquisition of Chargestorm AB in 2018.

### IMPAIRMENT TESTING OF ASSETS WITH INDEFINITE USEFUL LIVES

Intangible assets with indefinite useful lives are tested every year or when there are indications of impairment. The carrying amounts of goodwill and brands are tested on 31 December every year or earlier if there are indications that there is an impairment requirement. Brands are deemed to have an indefinite useful life based on the stable position that CTEK has in the market, and management's intention to continue to market and develop these brands. According to management, there is no predictable limit for the period in time when the brands can be expected to generate net inflows for the Group, which is why the useful life is indefinite.

Goodwill and brands with indefinite useful lives are allocated to the Group's cash-generating units (CGU), which are defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

In prior years, management has deemed CTEK Sweden AB and CTEK E-Mobility AB to be the cash-generating units to which these assets are to be allocated since the sale took place individually by the two companies and independently of each other.

Internal restructuring of the Company took place in the 2020 financial year, dividing it into three business areas: Aftermarket, Original Equipment and Energy & Facilities.

The Aftermarket and Original Equipment business areas primarily comprise the business that was named CTEK in previous years and mainly involve the sale of premium low voltage chargers. Energy & Facilities primarily comprises the business that was named CTEK E-Mobility AB in previous years and mainly involves the sale of EV chargers and accessories. These three business areas are essentially independent of other assets or groups of assets. They are now the Group's cash-generating units.

### Note 13 Intangible assets with indefinite useful lives, cont.

Intangible assets with indefinite useful lives were allocated based on information in previous acquisition analyses and a relative distribution between cash-generating units. A summary of the how the intangible assets with indefinite useful lives are allocated between the cash-generating units (CGU) is provided below.

| SEK million<br>Intangible assets per CGU, 31 Dec 2020 | Goodwill | Brands | Total |
|---|---|---|---|
| Aftermarket | 311.4 | 212.8 | 524.2 |
| Original Equipment | 31.1 | 21.2 | 52.3 |
| Energy & Facilities | 113.3 | 25.5 | 138.8 |
| **Group total** | **455.8** | **259.5** | **715.3** |

| SEK million<br>Intangible assets per CGU, 31 Dec 2019 | Goodwill | Brands | Total |
|---|---|---|---|
| CTEK E-Mobility AB | 113.3 | 25.5 | 138 .8 |
| CTEK | 342.4 | 234.0 | 576.4 |
| **Group total** | **455.8** | **259.5** | **715.3** |

| SEK million<br>Intangible assets per CGU, 31 Dec 2018 | Goodwill | Brands | Total |
|---|---|---|---|
| Chargestorm | 113.3 | 25.5 | 138.8 |
| Creator | 15.5 | | 15.5 |
| CTEK | 342.4 | 234.0 | 576.4 |
| **Group total** | **471.3** | **259.5** | **730.8** |

The recoverable amount of goodwill and brands according to IAS 36 was tested by calculating the value in use. Impairment testing of cash-generating units is based on management's expectations of the earnings trend over the next few years by preparing forecasts for these periods. The assessment requires estimates about return requirements, growth, earnings trend, investments and other factors. The forecasts for the three cash-generating units are approved by management and updated every year or more frequently if there are indications of significant changes. The assumptions required for these estimates are the long-term growth rate after the forecast period, the discount rate and the operating margin, which are the three main assumptions that have an individual material impact on the value in use.

### 2020

The two cash-generating units Aftermarket and Original Equipment are deemed to have both stable operating margins in the forecast period and a more cautious growth rate in the forecast period. Future cash flows were discounted using a rate of 14.9 percent before tax and 12.5 percent after tax. The long-term growth rate after the forecast period is 2 percent. The calculation of value in use was tested for sensitivity for one commitment at a time. The discount rate was raised by 2 percentage points, the operating margin in the forecast period was reduced by 10 percentage points and the long-term growth rate after the forecast period was halved. Management's assessment is that no reasonable changes in signification assumptions will result in the expected value in use falling below the carrying amount.

The Energy & Facilities cash-generating unit is deemed to have an improved operating margin in the forecast period compared with prior periods and a significant growth rate in the forecast period according to management's forecasts for the underlying business area. Future cash flows were discounted using a rate of 19.7 percent before tax and 16.0 percent after tax. The long-term growth rate after the forecast period is 2 percent. The calculation of value in use was tested for sensitivity for one commitment at a time. The discount rate was raised by 2 percentage points, the operating margin in the forecast period was reduced by 10 percentage points and the long-term growth rate after the forecast period was halved. The calculation of the value in use for Energy & Facilities is most sensitive as regards the assumption on operating margin and growth rate in the forecast period. Management's assessment is that no reasonable changes in signification assumptions will result in the expected value in use falling below the carrying amount.

### 2019

The CTEK cash-generating unit is deemed to have both stable operating margins in the forecast period and a more cautious growth rate in the forecast period. Future cash flows were discounted using a rate of 14.9 percent before tax and 12.5 percent after tax. The long-term growth rate after the forecast period is 2 percent. The calculation of value in use was tested for sensitivity for one commitment at a time. The discount rate was raised by 2 percentage points, the operating margin in the forecast period was reduced by 10 percentage points and the long-term growth rate after the forecast period was halved. Management's assessment is that no reasonable changes in signification assumptions will result in the expected value in use falling below the carrying amount.

The CTEK E-Mobility cash-generating unit is deemed to have both stable operating margins in the forecast period and a more cautious growth rate in the forecast period. Future cash flows were discounted using a rate of 19.7 percent before tax and 16.0 percent after tax. The long-term growth rate after the forecast period is 2 percent. The calculation of value in use was tested for sensitivity for one commitment at a time. The discount rate was raised by 2 percentage points, the operating margin in the forecast period was reduced by 10 percentage points and the long-term growth rate after the forecast period was halved. Management's assessment is that no reasonable changes in signification assumptions will result in the expected value in use falling below the carrying amount.

The impairment testing performed did not result in any impairment of CTEK or CTEK E-Mobility. For the Creator cash-generating unit, remaining goodwill was impaired at a total amount of SEK 15.4 million attributable to the successive discontinuation of the Creator operations. Past impairment of goodwill of SEK 17.5 million also pertains to this cash-generating unit in prior years.

### 2018

The Chargestorm, Creator and CTEK cash-generating units are deemed to have both stable operating margins in the forecast period and a more cautious growth rate in the forecast period. Future cash flows were discounted using a rate of 14.9 percent before tax and 12.5 percent after tax. The long-term growth rate after the forecast period is 2 percent. The calculation of value in use was tested for sensitivity for one commitment at a time. The discount rate was raised by 2 percentage points, the operating margin in the forecast period was reduced by 10 percentage points and the long-term growth rate after the forecast period was halved. Management's assessment is that no reasonable changes in signification assumptions will result in the expected value in use falling below the carrying amount.

## NOTE 14 TANGIBLE ASSETS

| SEK million<br>Group | Lands and buildings | Equipment, tools, fixtures and fittings | Total |
|---|---|---|---|
| **On 1 January 2018** | | | |
| Cost | 12.5 | 51.2 | 63.7 |
| Accumulated depreciation | –7.7 | –31.0 | –38.7 |
| **Carrying amount** | **4.8** | **20.2** | **25.0** |
| **2018 financial year** | | | |
| Opening carrying amount | 4.8 | 20.2 | 25.0 |
| Purchases | 1.2 | 5.7 | 6.9 |
| Divestments/disposals | | –0.2 | –0.2 |
| Increase through business combinations | | 0.6 | 0.6 |
| Translation differences | 0.0 | –0.2 | –0.2 |
| Depreciation | –0.7 | –5.9 | –6.6 |
| **Closing carrying amount** | **5.3** | **20.2** | **25.6** |
| **On 31 December 2018** | | | |
| Cost | 13.7 | 57.5 | 71.2 |
| Accumulated depreciation | –8.4 | –37.3 | –45.7 |
| **Carrying amount** | **5.3** | **20.2** | **25.6** |
| **2019 financial year** | | | |
| Opening carrying amount | 5.3 | 20.2 | 25.6 |
| Purchases | 0.6 | 5.7 | 6.3 |
| Divestments/disposals | | –0.1 | –0.1 |
| Translation differences | 0.0 | 0.0 | 0.0 |
| Depreciation | –0.6 | –6.3 | –6.9 |
| **Closing carrying amount** | **5.4** | **19.6** | **25.0** |
| **On 31 December 2019** | | | |
| Cost | 14.3 | 63.1 | 77.4 |
| Accumulated depreciation | –8.9 | –43.5 | –52.4 |
| **Carrying amount** | **5.4** | **19.6** | **25.0** |
| **2020 financial year** | | | |
| Opening carrying amount | 5.4 | 19.6 | 25.0 |
| Purchases | | 5.0 | 5.0 |
| Divestments/disposals | | –0.1 | –0.1 |
| Reclassification | –1.5 | 1.4 | –0.2 |
| Translation differences | | –0.1 | –0.1 |
| Depreciation | –0.5 | –6.5 | –7.0 |
| **Closing carrying amount** | **3.4** | **19.3** | **22.6** |
| **On 31 December 2020** | | | |
| Cost | 11.9 | 66.7 | 78.6 |
| Accumulated depreciation | –8.6 | –47.4 | –56.0 |
| **Carrying amount** | **3.4** | **19.3** | **22.6** |

## NOTE 15 INVENTORIES

| SEK million<br>Group | 2020 | 2019 | 2018 |
|---|---|---|---|
| Finished goods | 138.0 | 95.8 | 95.7 |
| Components | 3.8 | 1.6 | |
| –Less obsolescence finished goods | –8.6 | –2.9 | –2.4 |
| –Less obsolescence components | –0.9 | | |
| **Group total** | **132.3** | **94.5** | **93.3** |

Impairment of obsolescence of inventories is based on the age of the items, the rate of turnover and other similar factors. Most impairment and reversal of previous years' impairment pertains to the obsolescence assessment performed at the end of every period end. No significant part of inventories is measured at net realisable value.

# NOTE 16 FINANCIAL INSTRUMENTS PER CATEGORY

## FAIR VALUE

The carrying amount, after any impairment, of accounts receivable and other receivables plus accounts payable and other liabilities, is assumed to correspond to these items' fair value, since they are current by nature.

Financial assets in the Group pertaining to derivatives are measured at fair value at Level 2 of the fair value hierarchy. The recognized earnout also comprises a financial instrument measured at fair value. This measurement takes place at Level 3 of the fair value hierarchy. Currency forward contracts were measured at fair value, taking into account current interest rates and exchange rates on the balance-sheet date. Most of the interest-bearing liabilities carry interest at a variable rate. CTEK assess that the book value of interest-bearing liabilities corresponds in all material respects to the fair value as the debt has a market interest rate.

The tables below provide disclosures on how fair value is determined for financial instruments measured at fair value in the statement of financial position. Fair value is measured according to the following levels:

*Level 1:* financial instruments are measured at prices quoted in active markets.
*Level 2:* financial instruments are measured based on directly or indirectly observable market data not included in Level 1.
*Level 3:* financial instruments are measured based on unobservable inputs in the market.

| SEK million<br>Change, Level 3 | 2020 | 2019 | 2018 |
|---|---|---|---|
| **Liabilities** | | | |
| Opening balance | 50.0 | 50.0 | 50.0 |
| Recognized in operating profit, items affecting comparability | –50.0 | | |
| **Closing balance** | **0.0** | **50.0** | **50.0** |

Note 26 provides further details on the change in financial instruments in Level 3.

| SEK million<br>Group<br>Assets in balance sheet | Derivatives | Financial assets measured at amortized cost | Non-financial assets | Total |
|---|---|---|---|---|
| **31 Dec 2020** | | | | |
| Accounts receivables | | 124.8 | | 124.8 |
| Other receivables | | 1.3 | 6.2 | 7.5 |
| Derivatives (level 2) | 6.1 | | | 6.1 |
| Cash and cash equivalents | | 94.7 | | 94.7 |
| **Total** | **6.1** | **220.8** | **6.2** | **233.1** |

| SEK million<br>Group<br>Assets in balance sheet | Derivatives | Financial assets measured at amortized cost | Non-financial assets | Total |
|---|---|---|---|---|
| **31 Dec 2019** | | | | |
| Accounts receivables | | 113.8 | | 113.8 |
| Other receivables | | 2.3 | 3.4 | 5.8 |
| Derivatives (level 2) | 2.8 | | | 2.8 |
| Cash and cash equivalents | | 51.2 | | 51.2 |
| **Total** | **2.8** | **167.3** | **3.4** | **173.6** |

| SEK million<br>Group<br>Assets in balance sheet | Derivatives | Financial assets measured at amortized cost | Non-financial assets | Total |
|---|---|---|---|---|
| **31 Dec 2018** | | | | |
| Accounts receivables | | 119.5 | | 119.5 |
| Other receivables | | 2.1 | 2.5 | 4.5 |
| Derivatives (level 2) | 2.0 | | | 2.0 |
| Cash and cash equivalents | | 61.1 | | 61.1 |
| **Total** | **2.0** | **182.7** | **2.5** | **187.2** |

| SEK million<br>Group<br>Liabilities in balance sheet | Derivatives | Financial assets measured at amortized cost | Non-financial assets | Total |
|---|---|---|---|---|
| **31 Dec 2020** | | | | |
| Interest-bearing liabilities (Level 2) | | 830.2 | | 830.2 |
| Lease liabilities | | 15.4 | | 15.4 |
| Accounts payable | | 94.7 | | 94.7 |
| Other non-current liabilities (Level 3) | | | | – |
| Other liabilities | | 5.5 | 0.4 | 5.9 |
| Derivatives (level 2) | 1.8 | | | 1.8 |
| **Total** | **1.8** | **945.9** | **0.4** | **948.1** |

*Note 16 Financial instruments per category, cont.*

| SEK million<br>Group<br>Liabilities in balance sheet | Derivatives | Financial assets measured at amortized cost | Financial liabilities measured at fair value | Non-financial assets | Total |
|---|---|---|---|---|---|
| **31 Dec 2019** | | | | | |
| Interest-bearing liabilities (Level 2) | | 851.6 | | | 851.6 |
| Lease liabilities | | 12.7 | | | 12.7 |
| Accounts payable | | 74.1 | | | 74.1 |
| Other non-current liabilities (Level 3) | | | 50.0 | | 50.0 |
| Other liabilities | | 6.4 | | 2.2 | 8.7 |
| Derivatives (level 2) | 1.8 | | | | 1.8 |
| **Total** | **1.8** | **944.7** | **50.0** | **2.2** | **998.9** |

| SEK million<br>Group<br>Liabilities in balance sheet | Derivatives | Financial assets measured at amortized cost | Financial liabilities measured at fair value | Non-financial assets | Total |
|---|---|---|---|---|---|
| **31 Dec 2018** | | | | | |
| Interest-bearing liabilities (Level 2) | | 912.6 | | | 912.6 |
| Accounts payable | | 62.2 | | | 62.2 |
| Other non-current liabilities (Level 3) | | | 50.0 | | 50.0 |
| Other liabilities | | 5.0 | | 1.5 | 6.5 |
| Derivatives (level 2) | 2.5 | | | | 2.5 |
| **Total** | **2.5** | **979.7** | **50.0** | **1.5** | **1,033.8** |

The following is presented for the Group's financial liabilities on 31 December 2020: expected maturity structure, extensive undiscounted cash flows for repayment and estimated interest payments based on forward contracts or actual interest and estimated margins.

| SEK million<br>Group | Within 1 year | In 2–4 years | 5 years and later | Total |
|---|---|---|---|---|
| **31 Dec 2020** | | | | |
| Interest-bearing liabilities | 55.4 | 166.3 | 927.2 | 1,149.0 |
| Lease liabilities | 4.8 | 10.2 | 0.4 | 15 .4 |
| Accounts payable | 94.7 | | | 94.7 |
| Other non-current liabilities | | | | |
| Other liabilities | 5.9 | | | 5.9 |
| Derivatives | | | | |
| –Outflow | 1.7 | 0.2 | | 1.8 |
| –Inflow | –5.2 | –0.9 | | –6.1 |
| **Total** | **157.4** | **175.8** | **927.6** | **1,260.8** |

| SEK million<br>Group | Within 1 year | In 2–4 years | 5 years and later | Total |
|---|---|---|---|---|
| **31 Dec 2019** | | | | |
| Interest-bearing liabilities | 57.0 | 171.1 | 1,008.5 | 1,236.6 |
| Lease liabilities | 3.3 | 7 .9 | 1.5 | 12.7 |
| Accounts payable | 74.1 | | | 74.1 |
| Other non-current liabilities | | | 50.0 | 50.0 |
| Other liabilities | 6.4 | | | 6.4 |
| Derivatives | | | | |
| –Outflow | 1.4 | 0.4 | | 1.8 |
| –Inflow | –2.0 | –0.8 | | –2.8 |
| **Total** | **140.3** | **178.6** | **1,060.0** | **1,378.8** |

*Note 16 Financial instruments per category, cont.*

| SEK million<br>Group | Within 1 year | In 2–4 years | 5 years and later | Total |
|---|---|---|---|---|
| **31 Dec 2018** | | | | |
| Interest-bearing liabilities | 52.0 | 12.0 | 872.6 | 936.6 |
| Accounts payable | 62.2 | | | 62.2 |
| Other non-current liabilities | | | 50.0 | 50.0 |
| Other liabilities | 5.0 | | | 5.0 |
| Derivatives | | | | |
| –Outflow | 2.3 | 0.2 | | 2.5 |
| –Inflow | –1.2 | –0.8 | | –2.0 |
| **Total** | **120.3** | **11.4** | **922.6** | **1054.3** |

## NOTE 17 DERIVATIVE INSTRUMENTS

| | 1 Jan 2020–31 Dec 2020 | | 1 Jan 2019–31 Dec 2019 | | 1 Jan 2018–31 Dec 2018 | |
|---|---|---|---|---|---|---|
| SEK million | Assets | Liabilities | Assets | Liabilities | Assets | Liabilities |
| Currency derivatives | 6.1 | 1.8 | 2.8 | 1.8 | 2.0 | 2.5 |
| **Total** | **6.1** | **1.8** | **2.8** | **1.8** | **2.0** | **2.5** |
| Of which, non-current portion: | 0.9 | 0.2 | 0.8 | 0.4 | 0.8 | 0.2 |

The carrying amount of derivatives according to the table above amounted to a net SEK 4.3 million in 2020 (1.0 in 2019, –0.6 in 2018).

The following currency forward contracts existed at year-end, as stated in the table below and specified by hedged currency:

| | 2020 | | 2019 | | 2018 | |
|---|---|---|---|---|---|---|
| SEK million | Nominal amount local currency | Carrying amount | Nominal amount local currency | Carrying amount | Nominal amount local currency | Carrying amount |
| EUR/SEK | 9.6 | 6.1 | 17.0 | 0.2 | 3.2 | –2.1 |
| EUR/USD | 2.4 | –1.8 | 3.0 | 0.8 | 5.6 | 1.6 |
| **Total** | | **4.3** | | **1.0** | | **–0.6** |

## NOTE 18 ACCOUNTS RECEIVABLE

| SEK million<br>Group | 2020 | 2019 | 2018 |
|---|---|---|---|
| Accounts receivables | 128.7 | 115.4 | 120.4 |
| Provision for expected credit losses | –3.9 | –1.6 | –0.9 |
| **Accounts receivable – net** | **124.8** | **113.8** | **119.5** |

41 percent (32 in 2019, 36 in 2018) of accounts receivable outstanding on 31 December 2020 refer to five customers.

On 31 December 2020, accounts receivable of SEK 20.8 million (16.1 in 2019 and 20.3 in 2018) were overdue, but without any impairment requirement deemed to exist. The overdue receivables relate to a number of customers that have not previously had difficulties with payments.

An age analysis of these accounts receivable is presented below:

| SEK million<br>Group | 2020 | 2019 | 2018 |
|---|---|---|---|
| 1–30 days | 12.5 | 11.8 | 12.5 |
| 31–60 days | 2.1 | 1.9 | 4.5 |
| 60–90 days | 2.5 | 1.0 | 1.4 |
| > 91 days | 3.6 | 1.4 | 1.9 |
| **Total overdue accounts receivable** | **20.8** | **16.1** | **20.3** |

***Note 18 Accounts receivable, cont.***

Provisions for doubtful receivables corresponding to 3 percent (1 in 2019, 1 in 2018) of total receivables changed as follows:

| SEK million<br>Group | 2020 | 2019 | 2018 |
|---|---|---|---|
| **Opening balance** | 1.6 | 0.9 | 0.6 |
| Provision for expected credit losses | 2.6 | 0.7 | 0.3 |
| Confirmed customer losses | −0.4 | | |
| **Closing balance** | **3.9** | **1.6** | **0.9** |

Provisions for each reversal of reserves for expected credit losses are included in the item other external expenses in profit or loss. No collateral or other guarantees had been provided for outstanding accounts receivables on the balance-sheet date. The Group applies the simplified approach to recognising expected credit losses. The Group establishes loss allowances based on historical credit losses and forward-looking information. Due to the ongoing pandemic, management has assessed that credit risk will increase, which is reflected in higher provisions for credit losses.

## NOTE 19 PREPAID EXPENSES AND ACCRUED INCOME

| SEK million<br>Group | 2020 | 2019 | 2018 |
|---|---|---|---|
| Prepaid expenses | 2.6 | 0.0 | 0.5 |
| Prepaid insurance | 0.2 | 0.9 | 0.9 |
| Accrued income | 0.3 | 1.9 | 1.2 |
| Other items | 3.0 | 2.8 | 2.9 |
| **Group total** | **6.2** | **5.7** | **5.5** |

## NOTE 20 SHARE CAPITAL AND OTHER CONTRIBUTED CAPITAL

The share capital on 31 December 2020 comprised a total of 402,500,000 Series A shares and 21,095,500 Series B shares (402,500,000 Series A shares and 21,595,500 Series B shares in 2019, 134,166,667 Series A shares and 14,428,833 Series B shares in 2018). The nominal price per share amounted to SEK 0.1. Series A shares entitle the holder to one vote per share and Series B shares to one-tenth of a vote per share. All shares issued by the parent company are paid-up in full.

## NOTE 21 INTEREST-BEARING LIABILITIES

| SEK million<br>Interest-bearing liabilities<br>Group | Type of loan | Interest | Currency | 1 Jan 2020–<br>31 Dec 2020 | 1 Jan 2019–<br>31 Dec 2019 | 1 Jan 2018–<br>31 Dec 2018 |
|---|---|---|---|---|---|---|
| **Year due** | | | | | | |
| 2026 | Loans from credit institutions | Variable | EUR | 611.9 | 634.2 | |
| 2026 | Loans from credit institutions | Variable | SEK | 218.3 | 217.4 | – |
| 2020 | Loans from credit institutions | Fixed | SEK | | | 40.0 |
| 2020 | Loans from credit institutions | Variable | EUR | | | 148.2 |
| 2019 | Loans from credit institutions | Variable | SEK | | | 194.0 |
| 2020 | Loans from shareholders | Fixed | SEK | | | 490.4 |
| **Total** | | | | **830.2** | **851.6** | **872.6** |

### CHANGES IN INTEREST-BEARING LIABILITIES

| SEK million<br>Long-term loans | Amount at<br>beginning of year | Cash flow | Currency<br>effects | Non-cash<br>changes | Amount at<br>year-end |
|---|---|---|---|---|---|
| **2020** | | | | | |
| Loans from credit institutions | 657.3 | | −25.0 | | 632.4 |
| Loans from credit institutions | 225.1 | | | | 225.1 |
| Arrangement fees | −30.8 | | | 3.5 | −27.3 |
| **Total** | **851.6** | | **−25.0** | **3.5** | **830.2** |

***Note 21 Interest-bearing liabilities. cont.***

| SEK million<br>Long-term loans | Amount at beginning of year | Cash flow | Currency effects | Non-cash changes | Amount at year-end |
|---|---|---|---|---|---|
| **2019** | | | | | |
| Loans from credit institutions | | 671.9 | –14.6 | | 657.3 |
| Loans from credit institutions | | 225.1 | | | 225.1 |
| Arrangement fees | | –31.9 | | 1.1 | –30.8 |
| Loans from credit institutions | 382.2 | –387.1 | 4.9 | | |
| Shareholder loans | 490.4 | –504.9 | | 14.6 | |
| **Total** | **872.6** | **-26.9** | **-9.7** | **15.7** | **851.6** |

| SEK million<br>Long-term loans | Amount at beginning of year | Cash flow | Currency effects | Non-cash changes | Amount at year-end |
|---|---|---|---|---|---|
| **2018** | | | | | |
| Loans from credit institutions | 336.0 | 40.0 | 6.2 | | 382.2 |
| Shareholder loans | 454.0 | | | 36.3 | 490.4 |
| **Total** | **790.0** | **40.0** | **6.2** | **36.3** | **872.6** |

| SEK million<br>Current loans | Amount at beginning of year | Cash flow | Currency effects | Non-cash changes | Amount at year-end |
|---|---|---|---|---|---|
| **2019** | | | | | |
| Loans from credit institutions | 40.0 | –40.0 | | | |
| **Total** | **40.0** | **-40.0** | | | |

| SEK million<br>Current loans | Amount at beginning of year | Cash flow | Currency effects | Non-cash changes | Amount at year-end |
|---|---|---|---|---|---|
| **2018** | | | | | |
| Loans from credit institutions | | 40.0 | | | 40.0 |
| **Total** | | **40.0** | | | **40.0** |

Total interest expenses for liabilities to credit institutions amounted to SEK 60.0 million (29.0 in 2019 and 12.0 in 2018). The interest rate can amount to a maximum of 7.15 percent (7.15 in 2019). The effective rate amounted to 6.87 percent (3.94 in 2019, 3.25 in 2018).

The Group's liabilities to credit institutions are subject to covenants. The calculation of covenants is based on net debt in relation to adjusted EBITDA. All covenants were met during the year and were also met as per 31 December 2020.

## *CHANGE IN LEASE LIABILITIES*

| SEK million<br>Lease liabilities | Amount at beginning ofyear | Effects of new accounting policies | New leases for the year | Lease payments | Interest expense | Translation differences | Amount at year-end |
|---|---|---|---|---|---|---|---|
| **2020** | | | | | | | |
| Non-current interest-bearing liabilities | 9.3 | | 1.0 | | 0.4 | –0.1 | 10.6 |
| Current interest-bearing liabilities | 3.3 | | 6.7 | –5.3 | 0.2 | –0.0 | 4.8 |
| **Total** | **12.7** | | **7.7** | **-5.3** | **0.5** | **-0.2** | **15.4** |

| SEK million<br>Lease liabilities | Amount at beginning ofyear | Effects of new accounting policies | New leases for the year | Lease payments | Interest expense | Translation differences | Amount at year-end |
|---|---|---|---|---|---|---|---|
| **2019** | | | | | | | |
| Non-current interest-bearing liabilities | | 4.6 | 4.2 | | 0.4 | 0.1 | 9.3 |
| Current interest-bearing liabilities | | 2.3 | 5.0 | –4.1 | 0.2 | 0.0 | 3.3 |
| **Total** | | **6.9** | **9.2** | **-4.1** | **0.6** | **0.1** | **12.7** |

2018 was not restated since the simplified approach was chosen on initial recognition in accordance with IFRS 16.

*Note 21 Interest-bearing liabilities. cont.*

### MATURITY ANALYSIS, LEASE LIABILITIES

The undiscounted lease payments outstanding fall due as follow:

| SEK million<br>Undiscounted lease liabilities | 2020 | 2019 | 2018* |
|---|---|---|---|
| Remaining term, less than 1 year | 4.8 | 3.3 | 3.6 |
| Remaining term, 1–5 years | 10.2 | 7.9 | 1.6 |
| Remaining term, more than 5 years | 0.4 | 1.5 | |
| **Total** | **15.4** | **12.7** | **5.2** |

**Comparative year according to IAS 17* Costs for operating leases in the Group amounted to SEK 5.7 million in the 2018 financial year.

## NOTE 22 PROVISIONS

| SEK million<br>Group | 31 Dec 2020 | 31 Dec 2019 | 31 Dec 2018 |
|---|---|---|---|
| Guarantee commitments | 3.5 | 3.1 | 2.7 |
| **Group total** | **3.5** | **3.1** | **2.7** |
| **Group** | | | |
| **Guarantee commitments** | | | |
| Carrying amount at beginning of year | 3.1 | 2.7 | |
| Reclassification | | | 2.0 |
| Change in guarantee commitments during the year | 0.4 | 0.4 | 0.7 |
| **Group total** | **3.5** | **3.1** | **2.7** |

## NOTE 23 ACCRUED EXPENSES AND DEFERRED INCOME

| SEK million<br>Group | 2020 | 2019 | 2018 |
|---|---|---|---|
| Accrued salaries | 4.4 | 2.4 | 6.7 |
| Accrued holiday pay | 9.5 | 7.3 | 6.9 |
| Accrued social security contributions | 4.6 | 2.8 | 3.8 |
| Accrued interest expenses | 14.2 | 0.2 | 0.2 |
| Accrued customer discounts | 8.8 | 7.9 | 9.2 |
| Accrued expenses | 6.8 | 3.8 | 3.0 |
| Other not individually significant items | 17.9 | 4.8 | 2.6 |
| **Group total** | **66.1** | **29.1** | **32.3** |

## NOTE 24 PLEDGED ASSETS

| SEK million<br>Group | 2020 | 2019 | 2018 |
|---|---|---|---|
| Pledged assets for own liabilities and provisions: | | | |
| Floating charges | 18.8 | 18.8 | 30.5 |
| Net assets in subsidiaries*) | | | 381.6 |
| Pledged assets and collateral | 439.7 | 445.7 | 7.7 |
| **Group total** | **458.5** | **464.5** | **419.7** |

Pledged assets and collateral refer to intra-Group receivables in the subsidiaries CTEK Holding AB, CTEK Sweden AB and CTEK Group AB.
Pledged assets and collateral for 2018 refer to pledged assets in properties.
*Net assets in subsidiaries were also pledged for own provisions and liabilities. The carrying amount for 2020 and 2019 is recognized at 0 in the table above since the net assets have a carrying amount of SEK 236.3 million (200.9 in 2019), which is less than the individually pledged assets.

## NOTE 25 LEASES

The Group's material leases comprise leases of vehicles and premises. The table below presents the Group's opening and outstanding balances for right-of-use assets, lease liabilities and changes for the year.

| SEK million | | Right-of-use assets | | |
|---|---|---|---|---|
| Group | Vehicles | Premises | Total | Lease liabilities |
| **Opening balance, 1 Jan 2020** | **2.7** | **10.0** | **12.7** | **12.7** |
| Additional leases | 5.4 | 2.3 | 7.7 | 7.7 |
| Depreciation | –2.8 | –2.4 | –5.2 | |
| Translation differences | –0.0 | –0.1 | –0.2 | –0.2 |
| Interest expenses | | | | 0.5 |
| Lease payments | | | | –5.3 |
| **Closing balance, 31 Dec 2020** | **5.2** | **9.9** | **15.1** | **15.4** |

| SEK million | | Right-of-use assets | | |
|---|---|---|---|---|
| Group | Vehicles | Premises | Total | Lease liabilities |
| **Opening balance, 1 Jan 2019** | **2.4** | **4.8** | **7.2** | **6.9** |
| Additional leases | 1.8 | 7.4 | 9.2 | 9.2 |
| Depreciation | –1.6 | –2.2 | –3.7 | |
| Translation differences | 0.0 | 0.1 | 0.1 | 0.1 |
| Interest expenses | | | | 0.6 |
| Lease payments | | | | –4.1 |
| **Closing balance, 31 Dec 2019** | **2.7** | **10.0** | **12.7** | **12.7** |

The amounts recognized in the consolidated income statement for the year attributable to leasing activities are presented below.

| SEK million<br>Group | 2020 | 2019 |
|---|---|---|
| Depreciation of right-of-use assets | –5.2 | –3.7 |
| Interest expenses on lease liabilities | –0.5 | –0.6 |
| Expenses for short-term leases | –1.4 | –1.6 |
| Expenses for low-value leases | –0.4 | – |
| Costs related to the variable lease payments | –0.4 | –0.2 |
| **Total** | **–7.8** | **–6.1** |

The total cash flow for leases recognized in the balance sheet in 2020 was SEK 5.3 million (4.3 in 2019) and are presented under financing activities as repayment of lease liabilities. For a maturity analysis of the Group's lease liabilities, refer to Note 21. 2018 was not restated since the simplified approach was chosen on initial recognition in accordance with IFRS 16.

## NOTE 26 OTHER FINANCIAL LIABILITIES

An earnout arose in connection with a previous acquisition. The maximum outcome of this earnout is SEK 50.0 million. The earnout was revalued in the 2020 financial year based on the expected outcome of a future sale. For more information, refer to Note 8.

## NOTE 27 RELATED PARTY TRANSACTIONS

Altor Fund III GP Ltd has a controlling influence over the Group. Other related parties are all subsidiaries and executive management of the Group, meaning the board of directors and executive management, and members of their families. Other companies that Altor Fund III GP Ltd have a controlling influence over are related parties of the CTEK Group.

Remuneration and employment terms for executive management are presented in Note 6. CTEK has not provided any guarantees or personal guarantees to or for the benefits of executive management. During 2019 and 2018, the Group had related party transactions with shareholders in the form of a shareholder loan with a fixed interest rate of 8%. In connection with the acquisition of Charge Holding in 2011, a subsidiary within the Group, an agreement on an earnout to sellers, and also shareholders, in CTEK Holding has been agreed upon. The Group has subsequent to the balance sheet date involved Carnegie as Sole Global Coordinator and Joint Bookrunner for the listing on Nasdaq Stockholm. Carnegie is owned by Altor Fund III GP Ltd and is considered a related party to the Group. The fee structure is based on the outcome of the transaction. The Group has not identified any transaction with any other related parties other than those stated in this Note and the Note referred to herein.

## NOTE 28 SUPPLEMENTARY DISCLOSURES ON CASH FLOW

| SEK million<br>Group | 1 Jan 2020–<br>31 Dec 2020 | 1 Jan 2019–<br>31 Dec 2019 | 1 Jan 2018–<br>31 Dec 2018 |
|---|---|---|---|
| **Non-cash items** | | | |
| Depreciation, amortization and impairment | 57.2 | 67.9 | 40.9 |
| Remeasurement of earnout | –50.0 | | |
| Capital gains/losses | –0.3 | 0.1 | –4.2 |
| Changes in provisions | 0.4 | 0.4 | 0.7 |
| Other | 0.0 | | |
| **Total** | **7.4** | **68.4** | **37.4** |

## NOTE 29 BUSINESS COMBINATIONS

On 5 May 2018, the Group acquired 100 percent of the shares in the Swedish company Chargestorm AB and its subsidiary eStorm AB. The acquired company has two factories in Östergötland where it develops, manufactures and sells EV charging products and systems. The table below is stated in SEK million.

| SEK million | 2018 |
|---|---|
| **Acquisition price** | |
| Purchase consideration | 174.0 |
| **Total acquisition value** | **174.0** |
| **Fair value of acquired assets** | |
| Intangible assets | 78.5 |
| Tangible assets | 0.7 |
| Inventories | 4.4 |
| Current receivables | 6.8 |
| Cash and cash equivalents | 1.6 |
| Provisions | –0.8 |
| Liabilities to credit institutions | –4.4 |
| Deferred tax liabilities | –15.4 |
| Current liabilities | –10.8 |
| **Total fair value of acquired assets** | **60.6** |
| **Goodwill** | **113.4** |
| **Cash flow effect on acquisition** | |
| Consideration for acquisitions for the year | –174.0 |
| Of which paid using treasury shares | 20.0 |
| **Proceeds paid** | **–154.0** |
| Acquired proceeds | 1.6 |
| **Effect on cash flow recognized in investing activities** | **–152.4** |
| Loans raised for acquisition financing | 80.0 |
| Settlement of loans in acquired companies | –4.4 |
| **Effect on cash flow recognized in financing activities** | **75.6** |
| **Total effect on cash flow** | **–76.8** |

Goodwill is the result of synergies between Chargestorm and the CTEK Group, new customers, future technological advances and ChargeStorm's technical expertise, as well as estimated future increased income from the acquired operations.

Acquisition-related costs amounted to SEK 2.3 million and were recognized as other external expenses. No contingent liabilities or pledged assets arose on acquisition. The acquired operations contributed net sales of SEK 37.0 million and net profit of SEK 0.7 million to the Group for the 5 May to 31 December 2018 period.

## NOTE 30 PARTICIPATIONS IN GROUP COMPANIES

The Group has the following subsidiaries:

| Name | Corp. Reg. No. | Registered office | Share of equity |
|---|---|---|---|
| CTEK Holding AB | 556853-7558 | Stockholm | 100 % |
| CTEK Group AB | 556853-7541 | Stockholm | 100 % |
| CTEK E-Mobility AB | 556787-6270 | Norrköping | 100 % |
| Charge Holding AB | 556734-5979 | Vikmanshyttan | 100 % |
| Creator Teknisk Utveckling AB | 556378-0161 | Vikmanshyttan | 100 % |
| CTEK HK | 11132386 | Hong Kong | 100 % |
| CTEK Smart Chargers China | 440301503395546 | Shenzhen | 100 % |
| Faluator Management AB | 556250-6468 | Vikmanshyttan | 100 % |
| Hedemorabladet Fastighetsförvaltning AB | 556410-7661 | Vikmanshyttan | 100 % |
| CTEK Sweden AB | 556540-3234 | Vikmanshyttan | 100 % |
| CTEK Power Inc | F04000004301 | Tallahassee USA | 100 % |
| CTEK France SARL | 520 351 589 R.C.S Paris | Paris, France | 100 % |
| CTEK Smart Chargers Gmbh | 342042412 | Berlin, Germany | 100 % |
| CTEK Australia Pty Ltd | 161,473,098 | Sydney, Australia | 100% |
| CTEK Denmark | 35532633 | Fjerritslev, Denmark | 100% |
| CTEK Battery Management UK Ltd | 09704471 | Dorset, UK | 100% |

## NOTE 31 EVENTS AFTER THE BALANCE-SHEET DATE

At an Extraordinary General Meeting of the Company held on 6 September 2021 it was resolved on a reverse split of shares (1:10), entailing that the number of shares in the Company decreased from 423,595,500 shares to 42,359,550 shares. In addition, the Extraordinary General Meeting resolved to convert all types of shares in the Company (Series A and Series B, respectively) into ordinary shares in the Company, amendments to the Articles of Association, whereby the Company, among other things, changed the company category from private to public limited liability company and to remove the pre-emption clause in the Articles of Association. On 7 September 2021, the Company announced its intention to list its shares on Nasdaq Stockholm.

The Company has decided to enter into a new facility agreement with Swedbank AB (publ) regarding a multicurrency revolving credit facility of SEK 600,000,000, which is, and subsequent to the listing, intended to constitute the Group's main source of financing and will be used in order to refinance the Group's existing debt and finance the Company's and the Group's general company goals. The Facility carries interest based on the applicable reference rate (with a floor at zero percent in the case the reference rate is below zero) plus the applicable margin. The margin is determined by reference to the ratio of net debt to EBITDA, determined in accordance with the Facility agreement. The Company is also obliged to pay an arrangement fee, commitment fee and extension fees (if any) in accordance with the Facility agreement. The new facility agreement will be available commencing on the settlement date, which is expected to be 28 September 2021 (two banking days after on the first day of trading of the Company's shares on Nasdaq Stockholm).

In April 2021, Pernilla Valfridsson and Jessica Sandström were elected as new board members. Otherwise there are none significant events to report.

## REPORT FROM INDEPENDENT AUDITOR

To the board of directors of CTEK AB (publ), corp. reg. no. 559217-4659

### Report on the consolidated financial statements

#### Opinions

We have audited the consolidated financial statements of CTEK AB (publ) for the period of three financial years ending on 31 December 2020. The Company's consolidated financial statements are included on pages F-1–33 of this Prospectus.

In our opinion, the consolidated financial statements 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 31 December 2020, 31 December 2019 and 31 December 2018 and its financial performance and cash flow for each of the three financial years ending 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 CEO

The board of directors and the CEO are responsible for the preparation of the consolidated financial statements 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 CEO are also responsible for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors and CEO are responsible for the assessment of the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the board of directors and the CEO intend to liquidate the Group, to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of the Group's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's 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 CEO.
- conclude on the appropriateness of the board of directors' and the CEO's use of the going concern basis of accounting in preparing the consolidated financial statements. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such

disclosures are inadequate, to modify our opinion about the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our opinions.

We must inform the board of directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Stockholm, 13 September 2021

**Ernst & Young AB**

Erik Sandström
*Authorised Public Accountant*

# INTERIM REPORT JANUARY–JUNE 2021

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| Amounts in SEK million | Note | 2021 Apr–Jun | 2020 Apr–Jun | 2021 Jan–Jun | 2020 Jan–Jun | 2020 Jan–Dec |
|---|---|---|---|---|---|---|
| Net sales | 3 | 221.0 | 144.1 | 455.4 | 291.0 | 706.3 |
| Other operating income | | – | – | 2.8 | 3.6 | 4.4 |
| **Total** | | **221.0** | **144.1** | **458.3** | **294.6** | **710.7** |
| Goods for resale | | -99.6 | -69.1 | -200.0 | -135.4 | -329.8 |
| Other external expenses | | -31.6 | -17.8 | -56.3 | -40.8 | -98.2 |
| Personnel costs | | -42.7 | -30.0 | -79.6 | -60.3 | -121.9 |
| Depreciation, amortization and impairment of tangible and intangible assets | | -16.7 | -13.9 | -31.8 | -27.4 | -57.2 |
| Other operating expenses | | -0.3 | -2.0 | -0.3 | -2.0 | -6.7 |
| Items affecting comparability | 6 | -15.8 | – | -19.9 | – | 45.8 |
| **Operating profit** | | **14.5** | **11.4** | **70.4** | **28.7** | **142.7** |
| **Net financial items** | | **-7.7** | **29.0** | **-34.0** | **-34.2** | **-41.1** |
| **Profit/loss before tax** | | **6.7** | **40.3** | **36.4** | **-5.5** | **101.6** |
| Tax | | -2.9 | -7.8 | -9.8 | 1.1 | -19.6 |
| **Net profit/loss for the period** | | **3.9** | **32.5** | **26.6** | **-4.4** | **82.0** |
| **Net profit for the period attributable to:** | | | | | | |
| Parent company shareholders | | 3.9 | 32.5 | 26.6 | -4.4 | 82.0 |
| **Earnings per share (SEK)** | | | | | | |
| Earnings per share before dilution | | 0.01 | 0.08 | 0.06 | -0.01 | 0.19 |
| Earnings per share after dilution | | 0.01 | 0.07 | 0.06 | -0.01 | 0.19 |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| Amounts in SEK million | Note | 2021 Apr–Jun | 2020 Apr–Jun | 2021 Jan–Jun | 2020 Jan–Jun | 2020 Jan–Dec |
|---|---|---|---|---|---|---|
| **Net profit/loss for the period** | | **3.9** | **32.5** | **26.6** | **-4.4** | **82.0** |
| Translation differences for foreign operations for the period | | 0.1 | 1.0 | -0.3 | -0.2 | 1.2 |
| **Other comprehensive income for the period** | | **0.1** | **1.0** | **-0.3** | **-0.2** | **1.2** |
| **Comprehensive income for the period** | | **4.0** | **33.6** | **26.2** | **-4.6** | **83.2** |
| **Comprehensive income for the period attributable to:** | | | | | | |
| Parent company shareholders | | 4.0 | 33.6 | 26.2 | -4.6 | 83.2 |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| Amounts in SEK million | Note | 30 Jun 2021 | 30 Jun 2020 | 31 Dec 2020 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Intangible assets | | 1,039.9 | 1,048.4 | 1,044.3 |
| Tangible assets | | 41.5 | 37.9 | 37.7 |
| Financial assets | 4 | 2.7 | 1.9 | 0.9 |
| **Total non-current assets** | | **1,084.2** | **1,088.2** | **1,083.0** |
| Inventories | | 121.8 | 77.8 | 132.3 |
| Accounts receivable | 4 | 143.1 | 105.5 | 124.8 |
| Other current assets | 4 | 18.3 | 24.7 | 19.0 |
| Cash and cash equivalents | 4 | 95.9 | 64.1 | 94.7 |
| **Total current assets** | | **379.2** | **272.2** | **370.9** |
| **Total assets** | | **1,463.3** | **1,360.3** | **1,453.9** |
| **EQUITY** | | | | |
| Equity | | 311.9 | 197.8 | 285.6 |
| **Total equity** | | **311.9** | **197.8** | **285.6** |
| **LIABILITIES** | | | | |
| Other provisions | | 3.5 | 3.2 | 3.5 |
| Interest-bearing liabilities | 4 | 838.1 | 856.9 | 830.2 |
| Lease liabilities | 4 | 11.0 | 9.6 | 10.6 |
| Deferred tax liabilities | | 120.1 | 119.3 | 120.0 |
| Other non-current liabilities | 4 | 0.2 | 50.3 | 0.2 |
| **Total non-current liabilities** | | **972.9** | **1,039.3** | **964.4** |
| Accounts payable | 4 | 73.9 | 56.2 | 94.7 |
| Lease liabilities | 4 | 6.4 | 4.9 | 4.8 |
| Current tax liabilities | | 29.4 | 7.8 | 30.6 |
| Other liabilities | 4 | 7.0 | 4.7 | 7.6 |
| Accrued expenses and deferred income | | 61.9 | 49.6 | 66.1 |
| **Total current liabilities** | | **178.6** | **123.2** | **203.8** |
| **Total expenses** | | **1,151.5** | **1,162.5** | **1,168.3** |
| **Total equity and liabilities** | | **1,463.3** | **1,360.3** | **1,453.9** |

## CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

| Amounts in SEK million | Share capital | Other contributed capital | Translation reserves | Other contributed capital incl. net profit for the period | Total equity |
|---|---|---|---|---|---|
| **Opening equity, 1 Jan 2021** | **42.4** | **619.5** | **-6.0** | **-370.2** | **285.6** |
| **Comprehensive income for the period** | | | | | |
| Net profit for the period | – | – | – | 26.6 | -26.6 |
| Other comprehensive income for the period | – | – | -0.3 | – | -0.3 |
| **Comprehensive income for the period** | **–** | **–** | **-0.3** | **26.6** | **26.2** |
| **Closing equity, 30 Jun 2021*** | **42.4** | **619.5** | **-6.4** | **-343.6** | **311.9** |
| **Opening equity, 1 Jan 2020** | **42.4** | **617.9** | **-7.2** | **-452.2** | **201.0** |
| **Comprehensive income for the period** | | | | | |
| Net profit for the period | – | – | – | -4.4 | -4.4 |
| Other comprehensive income for the period | – | – | -0.2 | – | -0.2 |
| **Comprehensive income for the period** | **–** | **–** | **-0.2** | **-4.4** | **-4.6** |
| **Transactions with the Group's owners** | | | | | |
| Reduction of share capital | -0.1 | – | – | – | -0.1 |
| **Total transactions with the Group's owners** | **-0.1** | **–** | **–** | **–** | **-0.1** |
| **Other** | | | | | |
| Paid-in warrants | – | 1.5 | – | – | 1.5 |
| **Total other** | **–** | **1.5** | **–** | **–** | **1.5** |
| **Closing equity, 30 Jun 2020*** | **42.4** | **619.5** | **-7.4** | **-456.6** | **197.8** |

## CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS

| Amounts in SEK million | 2021 Apr–Jun | 2020 Apr–Jun | 2021 Jan–Jun | 2020 Jan–Jun | 2020 Jan–Dec |
|---|---|---|---|---|---|
| **Operating activities** | | | | | |
| Operating profit | 14.5 | 11.4 | 70.4 | 28.7 | 142.7 |
| Non-cash items: | | | | | |
| –Depreciation | 16.7 | 13.9 | 31.8 | 27.4 | 57.2 |
| –Other non-cash items | 2.4 | 0.0 | 0.2 | 0.0 | –49.9 |
| **Cash flow before financial items and tax** | **33.6** | **25.3** | **102.4** | **56.1** | **150.1** |
| Financial items paid | –0.1 | –3.5 | –28.2 | –16.9 | –51.3 |
| Income tax paid | –4.5 | –2.8 | –11.0 | –17.0 | –0.7 |
| **Cash flow from operating activities before changes in working capital** | **29.0** | **19.0** | **63.2** | **22.2** | **98.1** |
| Increase (–)/Decrease (+) in inventories | 8.1 | 3.1 | 14.3 | 16.6 | –37.8 |
| Increase (–)/Decrease (+) in operating receivables | –10.9 | 1.4 | –23.3 | 9.4 | –11.1 |
| Increase (+)/Decrease (–) in operating liabilities | 11.6 | 26.2 | –25.0 | –12.7 | 43.7 |
| **Cash flow from operating activities** | **37.8** | **49.7** | **29.2** | **35.5** | **92.9** |
| **Investing activities** | | | | | |
| Acquisition of tangible assets | 4.1 | –1.5 | –5.5 | –2.0 | –4.9 |
| Divestment of tangible assets | – | – | – | 0.1 | 0.3 |
| Acquisition of intangible assets | –18.3 | –8.1 | –21.1 | –19.1 | –38.4 |
| **Cash flow from investing activities** | **–14.2** | **–9.6** | **–26.6** | **–21.0** | **–43.0** |
| **Financing activities** | | | | | |
| Paid-in warrants | – | 0.1 | – | 1.5 | 1.5 |
| Repayment of lease liability | –1.6 | –1.3 | –3.0 | –2.6 | –5.3 |
| **Cash flow from financing activities** | **–1.6** | **–1.2** | **–3.0** | **–1.1** | **–3.8** |
| Cash flow for the period | 22.0 | 38.8 | –0.3 | 13.5 | 46 |
| Cash and cash equivalents at the beginning of the period | 73.0 | 27.9 | 94.7 | 51.2 | 51.2 |
| Exchange-rate differences in cash and cash equivalents | 0.8 | –2.6 | 1.5 | –0.5 | –2.5 |
| **Cash and cash equivalents at the end of the period** | **95.9** | **64.1** | **95.9** | **64.1** | **94.7** |

## NOTES

## NOTE 1 ACCOUNTING POLICIES

This report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Financial Reporting Board's recommendation RFR 1 and the Swedish Annual Accounts Act, and for the parent company was prepared in accordance with the Financial Reporting Board's recommendation RFR 2 and the Annual Accounts Act. The accounting policies applied correspond to those stipulated in the 2020 annual report (Note 1) except for the following.

CTEK AB applies IFRS 8 and reports segment information. Operating segments are presented in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function that is responsible for allocating resources and assessing the Group's financial position and earnings. In CTEK, this function has been identified as the CEO. The CEO monitors the operations based on product, comprising CTEK's divisions of Aftermarket, Original Equipment and Energy & Facilities, which are also the Group's reportable segments. The same accounting policies are applied in the segments as for the Group. The Company decided to apply IFRS 8 from 2021, meaning that the information cannot be compared with the 2020 annual report.

Earnings per share in accordance with IAS 33 is applied from 2021 and in this report.

Disclosures in accordance with IAS 34 are provided, in addition to the financial statements and the accompanying notes, in the interim information on pages 1–23 that comprise an integrated part of this financial report.

## NOTE 2 ESTIMATES AND JUDGEMENTS

Preparing the interim report requires management to make judgements and estimates, and to make assumptions that impact the application of the accounting policies and the recognized amounts of assets, liabilities, income and expenses. The actual outcome may deviate from these estimates and judgements. The critical judgements and sources of uncertainty in the estimates are the same as those presented in the most recent annual report.

## NOTE 3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Sales of low-voltage chargers and accessories and sales of EV chargers are recognized at a point in time when control of the goods has passed to the customer, which is on delivery, and takes into account freight terms and conditions. Invoicing normally takes place in connection with sale with credit terms of 30–40 days.

| | Revenue from contracts with customers 2021 Jan–Jun | | | | |
|---|---|---|---|---|---|
| **Amounts in SEK million** | **Aftermarket** | **Original Equipment** | **Energy & Facilities** | **Group-wide items and eliminations** | **Group total** |
| Sale of low-voltage chargers and accessories (Low voltage) | 318.1 | 53.5 | – | | 371.5 |
| Sales of EV chargers (EVSE) | 9.7 | 0.1 | 65.6 | | 75.5 |
| Other income | | | | 8.4 | 8.4 |
| **Total** | **327.8** | **53.6** | **65.6** | **8.4** | **455.4** |

,

| | Revenue from contracts with customers 2020 Jan–Jun | | | | |
|---|---|---|---|---|---|
| **Amounts in SEK million** | **Aftermarket** | **Original Equipment** | **Energy & Facilities** | **Group-wide items and eliminations** | **Group total** |
| Sale of low-voltage chargers and accessories (Low voltage) | 208.8 | 40.1 | | | 248.9 |
| Sales of EV chargers (EVSE) | 0.1 | | 37.6 | | 37.7 |
| Other income | | | | 4.4 | 4.4 |
| **Total** | **208.9** | **40.1** | **37.6** | **4.4** | **291.0** |

*Note 3 revenue from contracts with customers, cont.*

### NET SALES SPECIFIED BY GEOGRAPHY

| Amounts in SEK million | 2021 Jan–Jun | 2020 Jan–Jun |
|---|---|---|
| Sweden | 99.8 | 61.4 |
| Nordics | 31.5 | 16.3 |
| DACH | 132.7 | 76.1 |
| Rest of Europe | 109.7 | 74.4 |
| Americas | 23.5 | 19.0 |
| Other | 58.3 | 43.7 |
| **Group total** | **455.4** | **291.0** |

### CONTRACT BALANCES

| Amounts in SEK million | 2021 Jan–Jun | 2020 Jan–Jun |
|---|---|---|
| Accounts receivable | 143.1 | 105.5 |
| Contract assets (accrued income) | 0.5 | 0.3 |
| **Group total** | **143.5** | **105.8** |

## NOTE 4 FAIR VALUE OF FINANCIAL INSTRUMENTS

The tables below provide disclosures on how fair value is determined for financial instruments measured at fair value in the statement of financial position. Fair value is measured according to the following levels:
*Level 1:* financial instruments are measured at prices quoted in active markets.
*Level 2:* financial instruments are measured based on directly or indirectly observable market data not included in Level 1.
*Level 3:* financial instruments are measured based on unobservable inputs in the market.

### FINANCIAL ASSETS

| | 30 Jun 2021 | | 30 Jun 2020 | |
|---|---|---|---|---|
| Amounts in SEK million | Carrying amount | Fair value | Carrying amount | Fair value |
| Accounts receivable | 143.1 | 143.1 | 105.5 | 105.5 |
| Other receivables | 1.1 | 1.1 | 2.8 | 2.8 |
| Derivatives (Level 2) | 5.3 | 5.3 | 4.1 | 4.1 |
| Cash and cash equivalents | 95.9 | 95.9 | 64.1 | 64.1 |
| **Total** | **245.4** | **245.4** | **176.6** | **176.6** |

### FINANCIAL LIABILITIES

| | 30 Jun 2021 | | 30 Jun 2020 | |
|---|---|---|---|---|
| Amounts in SEK million | Carrying amount | Fair value | Carrying amount | Fair value |
| Interest-bearing liabilities (Level 2)* | 838.1 | 838.1 | 856.9 | 856.9 |
| Other liabilities (Level 3) | – | – | 50.0 | 50.0 |
| Lease liability | 17.4 | 17.4 | 14.5 | 14.5 |
| Accounts payable | 73.9 | 73.9 | 56.2 | 56.2 |
| Derivatives (Level 2) | 0.6 | 0.6 | 0.8 | 0.8 |
| Other current liabilities | 5.3 | 5.3 | 3.9 | 3.9 |
| **Total** | **935.3** | **935.3** | **982.3** | **982.3** |

* CTEK believes that the carrying amount of interest-bearing liabilities essentially corresponds to the fair value since the liability bears market-based interest.

## NOTE 5 RELATED PARTY TRANSACTIONS

The same conditions for related-party transactions as those described in the 2020 annual report are applied in this report. No material related-party transactions took place during the period.

# NOTE 6 ITEMS AFFECTING COMPARABILITY

Items affecting comparability refer to remeasurement of an earnout and expenses for preparing for a potential sale of CTEK.

### ITEMS AFFECTING COMPARABILITY

| Amounts in SEK million | 2021 Apr–Jun | 2020 Apr–Jun | 2021 Jan–Jun | 2020 Jan–Jun | 2020 Jan–Dec |
|---|---|---|---|---|---|
| Expenses for potential sale of CTEK | –15.8 | – | –19.9 | – | –4.2 |
| Remeasurement of earnout | – | – | – | – | 50.0 |
| **Total** | **–15.8** | **–** | **–19.9** | **–** | **45.8** |

# NOTE 7 SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

At an Extraordinary General Meeting of the Company held on 6 September 2021 it was resolved on a reverse split of shares (1:10), entailing that the number of shares in the Company decreased from 423,595,500 shares to 42,359,550 shares. In addition, the Extraordinary General Meeting resolved to convert all types of shares in the Company (Series A and Series B, respectively) into ordinary shares in the Company. Other than the above, there are no significant events to report.

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

# REVIEW REPORT

CTEK AB, corporate identity number 559217-4659

## Introduction

We have reviewed the condensed interim report for CTEK AB as at June 30, 2021 and for the six months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden. 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 interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, August 9, 2021

**Ernst & Young AB**

Erik Sandström
*Authorized Public Accountant*

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RESET
automobili
Lamborghini
POWERED BY CTEK
BATTERY CHARGER FOR 12V BATTERIES
Warning! Explosive gases - prevent flames and sparks. Before charging, study instruction sheet. Disconnect supply before making or breaking DC connections. Provide for good ventilation. Model: 1091. Input: 100V AC, 50 ~ 60 Hz, 1.1 A
Output 12VDC, max 4.3A. Designed & Developed in Sweden by
CTEK Sweden AB. Assembled in China.
PSE
Intertek
IP65

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