CTEK

# ANNUAL REPORT AND SUSTAINABILITY REPORT

# 2021

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The statutory annual report can be found on pages 38-88. The corporate governance report on pages 17-28 and also the information on pages 7-16 are part of the management report of the statutory annual report.

# CTEK 2021 – Overview

SEK **922** million
NET SALES

**52.9** percent
GROSS MARGIN

SEK **151** million
ADJUSTED EBITA

**34.2** percent
ORGANIC GROWTH

**17.7** percent
EVSE SHARE OF NET SALES

**2.6x**
NET DEBT/ADJUSTED EBITDA

- Net sales increased to SEK 922 million (706), an increase of 31%. Adjusted for currency effects, growth was 34%.
- Adjusted EBITA increased to SEK 151 million (126), a margin of 16.3% (17.8).
- EBIT was SEK 82 million (143). Items affecting comparability were SEK -40 million (46).
- Profit after tax was SEK 4 million (82) and earnings per share after dilution amounted to SEK 0.10 (0.19).
- Cash flow from operating activities amounted to SEK -28 million (93).
- Net debt in relation to adjusted EBITDA was 2.6 (4.8).

## PERFORMANCE MEASURES, GROUP

| Amounts in SEK million | 2021 | 2020 |
|---|---|---|
| Net sales | 921.8 | 706.3 |
| Organic growth (%)* | 34.2 | 13.1 |
| Net sales EVSE | 163.2 | 85.2 |
| EVSE share of net sales (%) | 17.7 | 12.1 |
| Gross margin (%) | 52.9 | 53.3 |
| EBITA | 110.3 | 171.9 |
| Adjusted EBITA* | 150.7 | 126.0 |
| Adjusted EBITA margin (%) | 16.3 | 17.8 |
| EBIT | 81.8 | 142.7 |
| Operating margin (%) | 8.9 | 20.2 |
| Earnings after tax, for the period | 4.4 | 82.0 |
| Earnings per share after dilution (SEK) | 0.1 | 0.2 |
| Cash flow from operating activities | -28.4 | 92.9 |
| Net debt/Adjusted EBITDA* | 2.6x | 4.8x |

*) For definitions of key figures, see page 96.

# Highlights throughout the year

## Q1

CS FREE is launched – The world's first portable battery charger with maintenance charging of 12-Volt batteries without a connection to an electrical outlet. The product is based on CTEK's revolutionary Adaptive Boost technology, which quickly restarts the battery even after a full discharge. CS FREE was named "Product of the Year" by British magazine Auto Express.

NJORD GO is launched – A portable charger for electric and hybrid cars with the performance of a stationary charging box.

## Q2

The Board is expanded with 2 new members - Pernilla Valfridsson, CFO of Nobina AB (publ) and Jessica Sandström, Senior Vice President, Product & Vehicle Sales at Volvo Lastvagnar AB, are elected to the Board.

## Q3

The company's shares are listed on Nasdaq Stockholm – 24 September 2021 was the first day of trading in CTEK shares on the Stockholm Stock Exchange. The IPO was well received and the stock got off to a flying start, increasing its value by 125 percent.

CS ONE is launched – A revolutionary and powerful new battery and maintenance charger with Adaptive Charging Technology (APTO). The groundbreaking APTO technology handles everything, so you don't have to worry about the type or size of battery or which clamp goes where - making CS ONE extremely safe, unique and easy to use.

## Q4

The company opens an EVSE business in Germany, Europe's largest car market.

Partnership with General Motors (GM) – At the end of October, CTEK announced a long-term strategic partnership with GM for their Dealer Community Charging Program and Ultium Chargers for residential and commercial electric vehicle chargers. Together with GM, we are developing and designing three different versions of electric car chargers, one basic and two premium versions, to be offered to GM's approximately 4,000 dealers with up to 10 units per station. The financial impact of the cooperation is already reflected in our current strategic plan and long-term financial targets. The revenue will be reported within the Original Equipment division.

Chief Financial Officer Marcus Lorendal leaves CTEK to assume a position with a non-competing business.

Mathias Sandh is appointed interim CFO and will temporarily be part of the company's management group. Mathias Sandh assumed the position on 17 January. The process of recruiting a permanent CFO continues.

Björn Lenander is elected to the Board – Björn Lenander, CEO of Latour Industries, was elected, in accordance with a proposal by shareholder Investment AB Latour, as an ordinary Board member, replacing Board member Andreas Källström Säfweräng, who thereby resigned from his position.

# Message from our CEO

As I look back on the financial year 2021, it's clear that it has been a very eventful year for CTEK. The single biggest event for us as a company was, of course, the listing on Nasdaq Stockholm on 24 September. Leading up to the IPO was a lot of hard work to prepare the company to operate in a listed environment. We now see the positive effects of this work, with several improved and measurable internal processes, enhanced internal controls and supporting policies and guidelines.

During the second half of the year, we faced tough challenges in the supply chain with component shortages, increased logistics costs and a higher proportion of purchases outside framework agreements. In spite of this, our net sales grew 31, to SEK 922 million. Organic growth was 34 percent.

I am particularly proud that we increased the share of EVSE products – i.e. products and systems for charging electric vehicles – in our net sales from 12 percent to 18 percent. This also means that we are on track to meet one of our financial mid-term targets, to have most of our net sales be EVSE products.

At the same time that the EVSE share increased, we also saw strong growth in the Low Voltage segment – meaning 12 and 24-Volt battery charging. During the year, our sales grew by a whopping 22% in a market that normally grows at the pace of the economy as a whole – impressive!

### Successful IPO

After the summer, our Board of Directors resolved to list the company's shares on Nasdaq Stockholm, in order to further strengthen our profile and brand awareness, and not least to support the journey towards our strategic and financial goals. The listing is a logical and important step in the company's development to establish ourselves as a global player within EVSE as well. I look forward to embarking on this new era with Latour as our new principal owner. We are also pleased to note a generally very positive interest in CTEK and would like to welcome some 23,000 new shareholders to the company.

### New and unique products

2021 also featured a number of exciting product launches. At the beginning of the year, we launched CS FREE, the world's first portable battery charger with maintenance charging of 12-Volt batteries without the need to be connected to an electrical outlet. The product is based on CTEK's revolutionary Adaptive Boost technology, which quickly restarts the battery even after a full discharge. CS FREE has been very well received by our customers and has also been favourably recognised by the international trade press and was named "Product of the Year" by the British magazine Auto Express.

During the year, we also launched NJORD GO, a portable charger for electric and hybrid cars with the performance of a stationary charging box. NJORD GO is app controlled with bluetooth and wifi connectivity for efficient, ecologically smart use. Again, we are very pleased with the reception from customers and we plan to continuously launch NJORD GO in more and more geographic markets.

A third product launched in 2021 was CS ONE, our next-generation Low Voltage charger. CS ONE is a revolutionary, powerful new battery and maintenance charger with Adaptive Charging Technology (APTO). The groundbreaking APTO technology handles everything, so you don't have to worry about the type or size of battery or which clamp goes where – making CS ONE extremely safe, unique and easy to use.

### Strategic partnership with GM

At the end of October, we announced a long-term strategic partnership with General Motors (GM) for their Dealer Community Charging Program and Ultium Chargers electric vehicle chargers. Together with GM, we are developing and designing three different versions of electric vehicle chargers, one basic and two premium versions, to be offered to GM's approximately 4,000 dealers with up to 10 units per station. The financial impact of the cooperation is already reflected in our current strategic plan and long-term financial targets. The revenue will be reported within the Original Equipment division.

### Product development is at the heart of everything we do

Since the founding of the company, product development has been a hallmark of CTEK. Our investment in product development continues with a focus on functionality, safety and sustainability. Our strategic partnership with GM is a testament to the fact that we are making the right decisions. GM tested a range of electric vehicle supply solutions currently on the market and selected CTEK because our solution meets the high safety, reliability and technical performance standards that a leading car manufacturer expects from its suppliers. Over the course of the year, our Original Equipment division has intensified our collaborations with several premium manufacturers regarding the future of electrified vehicle fleets.

### Well-positioned

Overall, we look back on a financial year characterised by a very high demand for our products, successful product launches and a well-filled order book. We have strengthened our existing customer relationships and further advanced our positions in a number of markets, not least in online channels.

The global market has been impacted by Russia's invasion of Ukraine. It is not possible at this time to assess how the situation will develop, or how the security situation in Europe will change. We do not currently see a significant impact on our financial position or performance. CTEK has no operations or employees in the countries concerned (Russia, Belarus and Ukraine) and we have very limited sales. As a result of the invasion, all deliveries to Russia and Belarus have been suspended.

The long-term growth in our industry is driven by global electrification of the vehicle fleet. As the climate debate intensifies and politicians and industry alike strive to reduce the negative impacts of climate change, the transition to more sustainable transport is likely to accelerate further. We are continuing to invest in our organisation and in the fourth quarter alone we have increased our workforce by almost 20 percent. This ensures future growth, particularly in product development and customer support as we expand into an increasing number of export markets.

Together with an already highly competitive product portfolio and strong trends that favour us and our industry, CTEK is well-positioned for profitable growth in both EVSE and Low Voltage in the long term.

**Jon Lind,** President and CEO

# This is CTEK

## BACKGROUND

CTEK is the leading global supplier of battery chargers for various premium segment vehicles and one of Sweden's largest suppliers of chargers and accessories for electric vehicle charging. The company is defined by a strong innovation culture and works continuously to improve and develop new products to suit customer needs. CTEK was founded in 1997 in Vikmanshyttan and has sales in over 70 countries. With a history of innovation and technology leadership, the company proactively meets new customer needs by continuously evolving its product range and operations. Through its technology leadership, CTEK has established strong, long-standing customer relationships with over 50 of the world's most prestigious vehicle manufacturers. In addition to vehicle manufacturers, CTEK offers products to vehicle repair shops, distributors, retailers, charging point operators and property owners, among others.


## PRODUCT DEVELOPMENT

CTEK secures its market position through technical excellence and a focus on innovation throughout the entire development process. Approximately one-third of the Company's employees work in research and development at the company's three centres of excellence in Vikmanshyttan, Norrköping and Shenzhen. Internal research and development and software development are conducted in Vikmanshyttan and Norrköping. Production and quality control take place in Shenzhen. The facilities are integrated and the staff at 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 when needed. CTEK has full control throughout the development process by ensuring the quality of all products with respect to product, regulatory and safety requirements. Furthermore, quality testing is carried out after each stage of the development process.

To enable continued technology leadership and offer competitive products, CTEK emphasizes the protection of the Company's brands, designs and products.

## MARKET OVERVIEW

CTEK is the largest global supplier of 12-Volt battery chargers for various premium segment vehicles ("premium battery chargers") and a leading supplier of chargers, load balancing systems, back-end solutions and accessories for electric vehicle charging.

The European market for electric vehicle chargers and accessories is expected to see strong growth in the coming years, mainly driven by tightening regulations, new technology and charging infrastructure, and changing consumer behaviour.

The global market for premium battery chargers is expected to see continued good growth in the coming years, mainly driven by more advanced technology in car batteries and the vehicle fleet as a whole, as well as a changing product mix. CTEK estimates that it is the global market leader in premium battery chargers with a market share of approximately 10 percent.

## CTEK's SUSTAINABILITY WORK

Sustainability is a top priority for CTEK and permeates the whole business. The Company has a clearly defined sustainability strategy with several concrete initiatives and targets monitored on a continuous basis. The sustainability strategy is designed according to environmental factors, social factors and corporate governance. The Company also requires its suppliers to meet sustainability standards, such as compliance with the Company's Code of Conduct by key suppliers. Through solid sustainability work, we meet our customers' increasingly stringent sustainability requirements. For more information about our sustainability work, please see our Sustainability Report on pages 29-36.

## DIVISIONS

CTEK's operations are conducted in three divisions, which also represent accounting segments: Aftermarket, Original Equipment and Energy & Facilities. The divisions are based on the Company's defined consumer groups and enables efficient management of the business. The divisions share centralised functions, such as IT, HR, product realisation, marketing, finance and global service, which includes customer service, installation support and customer training.

## AFTERMARKET

Through the Aftermarket division, the company offers electric vehicle chargers and accessories as well as premium battery chargers. CTEK is an Aftermarket pioneer with high-tech solutions based on patented technology. Within Aftermarket, there is a wide range of more than 200 different products applicable in many vehicle types and applications. The company believes that the range includes flexible, simple and safe solutions with features that work to maximise battery performance and extend battery life, while ensuring safe and easy charging of electric vehicles.

Aftermarket net sales increased by 25 percent to SEK 644 million (516). Organic growth was 29 percent. The increase is explained by generally high demand after last year's more subdued market activity due to the pandemic, as well as a positive sales trend in online channels. The products launched during the year – CS FREE, a portable battery charger and NJORD GO, a portable charger for electric cars – were well received by the end-user market.

Segment profit (adjusted EBITDA) increased by 18 percent to SEK 247 million (209), a margin of 38.4 percent (40.4). The segment margin was negatively impacted by higher logistics costs and a higher share of purchases outside framework agreements.

## ORIGINAL EQUIPMENT

CTEK is a well-known brand with over 50 of the largest and most prestigious vehicle manufacturers worldwide as customers. Our high-quality products are tailored to customer needs, such as design and custom software to offer tailor-made charging programs for specific batteries, among other things.

The Original Equipment Division offers more than 200 different products: electric vehicle chargers and accessories, as well as premium battery chargers. The products are mainly sold to vehicle manufacturers, but also to powersports manufacturers and as integrated solutions.

Original Equipment net sales increased by 20 percent to SEK 103 million (86). Organic growth was 25 percent. This development is explained by generally higher demand from a number of leading car manufacturers in different geographies after a weak 2020 due to the pandemic, though deliveries varied somewhat during the year.

Segment profit (adjusted EBITDA) increased by 205 percent to SEK 20 million (6), a margin of 19.2 percent (7.6).

## ENERGY & FACILITIES

In Energy & Facilities, CTEK is leveraging its extensive experience and expertise in technological innovation, and has developed a strong product portfolio with market-leading capabilities in electric vehicle charging and accessories with over 100 different products. By offering safe, user-friendly solutions, CTEK is today a well-known brand with over 500 customers in the Energy & Facilities division.

The Energy & Facilities division exclusively offers electric vehicle chargers and accessories. The products are mainly sold to charging point operators, but also to electrical wholesalers, installers/electricians and property and car-park owners, among others.

Energy & Facilities net sales increased by 75 percent to SEK 148 million (85). Organic growth was 76 percent. The growth is mainly attributable to increased domestic sales, including sales to charging point operators, combined with increased demand for electric car charging systems and Chargestorm Connected 2, a new version of the electric car charger launched earlier in the year. The export share also continues to develop positively in line with the division's increased focus on internationalisation.

Segment profit (adjusted EBITDA) was SEK -24 million (-8), a margin of -16.1 percent (-9.5). Higher volumes have had a positive impact on earnings, but are offset by increased costs for new market development and product launches. Also, the business still has a relatively high share of fixed costs compared to current volumes.

## CENTRAL

Central includes Group-wide income and expenses not allocated to the divisions. Group-wide revenues and expenses also include individual component sales to suppliers.

Adjusted for items affecting comparability, an EBITDA result of SEK -53 million (-53) was reported in 2021.


## SALES AND MARGIN PER SEGMENT

| Amounts in SEK million | 2021 | 2020 |
|---|---|---|
| Aftermarket | 643.9 | 516.3 |
| Original Equipment | 103.2 | 85.9 |
| Energy & Facilities | 148.3 | 84.9 |
| Central | 26.5 | 19.2 |
| **Net sales, Group** | **921.8** | **706.3** |
| | | |
| **Segment margin (adjusted EBITDA margin)** | | |
| Aftermarket % | 38.4 | 40.4 |
| Original Equipment % | 19.2 | 7.6 |
| Energy & Facilities % | -16.1 | -9.5 |

## SEGMENT PROFIT (ADJUSTED EBITDA)

| Amounts in SEK million | 2021 | 2020 |
|---|---|---|
| Aftermarket | 247.4 | 208.7 |
| Original Equipment | 19.9 | 6.5 |
| Energy & Facilities | -23.9 | -8.1 |
| **Total segment profit** | **243.4** | **207.1** |
| Central, excluding items affecting comparability | -52.7 | -53.0 |
| **Adjusted EBITDA, Group** | **190.7** | **154.1** |
| | | |
| *Depreciation/amortisation, non-M&A related fixed assets* | *-40.0* | *-28.1* |
| **Adjusted EBITA, Group** | **150.7** | **126.0** |
| *Items affecting comparability* | *-40.4* | *45.8* |
| **EBITA, Group** | **110.3** | **171.9** |

### GROWTH. AFTERMARKET

| Amounts in SEK million | 2021 | 2020 |
|---|---|---|
| Organic growth (%) | 28.5 | 19.3 |
| Currency effect (%) | -3.8 | -2.3 |
| **Sales growth (%)** | **24.7** | **17.0** |

### GROWTH. ORIGINAL EQUIPMENT

| Amounts in SEK million | 2021 | 2020 |
|---|---|---|
| Organic growth (%) | 25.1 | -17.8 |
| Currency effect (%) | -5.0 | -1.3 |
| **Sales growth (%)** | **20.1** | **-19.1** |

### GROWTH. ENERGY & FACILITIES

| Amounts in SEK million | 2021 | 2020 |
|---|---|---|
| Organic growth (%) | 76.0 | 26.3 |
| Currency effect (%) | -1.3 | 0.0 |
| **Sales growth (%)** | **74.6** | **26.3** |

### *STRATEGY*

Strategic targets are divided into CTEK's three divisions, Aftermarket, Original Equipment and Energy & Facilities. Aftermarket and Original Equipment include initiatives for growth in both electric vehicle chargers and accessories and premium battery chargers. Energy & Facilities' strategic initiative only includes a growth plan in electric vehicle chargers and accessories.

### *AFTERMARKET*

#### Leveraging established relationships and a strong brand to achieve growth in electric vehicle chargers and accessories

For more than 20 years, CTEK has been developing and designing some of the most advanced premium battery chargers on the market at the Company's R&D facility in Vikmanshyttan. As a result, CTEK has built a position as the global market leader in premium battery chargers with strong relationships with over 200 dealers, online retailers and Aftermarket distributors. The Company intends to leverage its market position and customer relationships in premium battery chargers for growth in electric vehicle chargers and accessories. With its market position and established customer relationships, the Company sees favourable prospects for growing its electric vehicle charger and accessories product range and its net sales both in Sweden and through geographic expansion.

#### Expanding the next-generation consumer offering in premium battery chargers

CTEK aims to expand the next-generation consumer offering with the innovative CS FREE product. CS FREE is the first premium portable battery charger that can charge without a power supply. The product is designed for maintenance charging and is equipped with Adaptive Boost technology. With the launch of CS FREE, we expect to reach new applications and new end customers.

CTEK is also meeting new customer needs with the launch of CS ONE, the next-generation Low Voltage charger. CS ONE is a revolutionary, powerful new battery and maintenance charger with Adaptive Charging Technology (APTO). The groundbreaking APTO technology handles everything, so you don't have to worry about the type or size of battery or which clamp goes where – making CS ONE extremely safe, unique and easy to use.

#### Strengthening the Company's position with professional users by expanding the product range

The product range for professional users includes some of CTEK's most powerful and high-tech chargers, and the Company estimates its current penetration rate 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 both consumers and business customers.

We also expect to achieve higher growth by driving additional volume from upgrades of existing products combined with new product launches.

#### Growth in existing markets and new geographic areas in premium battery chargers

CTEK operates in over 70 countries, and enjoys a strong global market share in the premium battery charger segment. We see continued opportunities to increase penetration in existing markets and expansion into new geographic markets through established local business operations.

### *ORIGINAL EQUIPMENT*

#### Maintaining a strong position in electric vehicle chargers and accessories and premium battery chargers within the Client Brand product range

Since CTEK was founded, R&D has been the Company's top priority. As a technology pioneer, CTEK has created high-quality products and built strong relationships with over 50 of the world's largest vehicle manufacturers. We attach great importance to maintaining established relationships with vehicle manufacturers, while also evaluating new potential customer relationships. A key element of the Company's strategy for maintaining existing relationships and creating new ones is the transition to electric vehicles, whereby the Company intends to support vehicle manufacturers with its electric vehicle chargers and accessories. We also intend to expand our main focus to more vehicle categories through an extended product range and the launch of new products.

#### Developing existing contracts and winning new contracts in electric vehicle chargers and accessories and premium battery 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. Through existing relationships and our strong brand, we believe there are good opportunities to deliver on this strategy.

### *ENERGY & FACILITIES*

#### Geographic expansion

CTEK is active in Energy & Facilities in Norway, Sweden, the UK, Germany and the Netherlands. The European market for electric vehicle chargers and accessories is expected to continue its strong growth. We see great potential for growth as the market expands, both in countries with existing operations and in countries where we have no EVSE operations. We intend to expand our geographic reach by following a clearly defined expansion strategy. The Company believes that CTEK's product leadership combined with its geographic presence in other divisions are key factors for succeeding with the expansion strategy in Energy & Facilities. By executing the Company's defined strategy, CTEK intends to gain market share and thus grow faster than the market.

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

A key factor for CTEK's success is to continue to offer a broad, sustainable and relevant product range. The company thereby intends to continuously improve customer satisfaction by optimising its product offering and adapting it to its customers' needs. Our Chargestorm Connected and NJORD GO electric vehicle chargers have replaced previous products and will be developed further with new technologies and features to meet changing customer needs and reach new application areas.

The Company also intends to expand its existing EVSE product range by launching a number of new products, including a pedestal-mounted charger and the NJORD Home AC charger. These products till strengthen CTEK's offering to charging point operators and property and car park owners through a more complete product portfolio.

In addition to expanding its hardware range, the Company also intends to develop the software platform. By continuing to optimise its product offering, the Company expects to provide a better complete solution for customers and thereby enhance the customer experience. At present, the software platform consists of the Charge Portal and CTEK's user app, and the Company is endeavouring to extend 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 solutions provider.

### Increasing profitability by achieving operational economies of scale

CTEK aims to increase profitability by achieving operational economies of scale, both through a focus on cost optimisation in product development, and through the launch of new AC chargers that are expected to reduce the cost of goods for resale. Furthermore, the Company expects that through economies of scale, it will be able to reduce the cost of components and other costly materials. CTEK expects to achieve economies of scale and efficiency optimisation in its service operations as net sales increase. To leverage 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 structures and processes, a higher level of employee experience and more efficient case management are also expected to improve efficiency.

#### AM STRATEGY

**EVSE**
- Grow through established relationships

**Low voltage**
- Develop the next-generation consumer offering
- Grow the professional range
- Grow in priority geographies

#### OE STRATEGY

- Maintaining a strong position in the client brand segment
- Developing existing contracts and winning new contracts

#### E&F STRATEGY

- Expanding the geographic footprint
- Expanding the hardware range
- Developing the backend platform and services range
- Achieving profitability from operational economies of scale

#### M&A STRATEGY

**M&A opportunities**
- Fragmented EVSE market
- Expanding the value chain
- Geographic expansion
- Product expansion

**CTEK is an attractive buyer**
- Well-known brand
- Global distribution force

## *MISSION*

To realise its vision, CTEK will 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 electric vehicles.

## *FINANCIAL TARGETS*

The Board has adopted the following financial targets and dividend policy:

### Sales growth

CTEK's target is to achieve net sales of SEK 2 billion on an annual basis in the medium term, with the majority of sales expected to be electric vehicle chargers and accessories.

### 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 a negative impact in the short term.

### Capital structure

Net debt must be less than 3.0x adjusted EBITDA on a rolling twelve-month basis. Strategic decisions such as acquisitions can have a temporary impact on the Company's indebtedness.

## *DIVIDEND POLICY*

CTEK invests its resources in growth and business development. In addition, CTEK's objective is to distribute 30% of the year's profit to shareholders.

# CTEK shares

## Listing and share

At the beginning of 2021, the Company had 423,595,500 shares (two classes of shares, series A and series B). On 6 September, a reverse split (1:10) was approved, reducing the number of shares to 42,359,550 and converting all classes of shares in the Company to ordinary shares. Ordinary shares entitle their holders to one vote and an equal share in the Company's assets and profits.

On 24 September, the shares were listed on Nasdaq Stockholm, in the MidCap segment. In connection with the listing, a new issue of 4,347,827 shares was made at a subscription price of SEK 69. The shares were fully subscribed corresponding to an issue amount of SEK 300 million. In connection with the listing, the Group received an additional amount of approximately SEK 72 million as a result of issues made in connection with the listing of the Company's shares. The total number of shares issued at the end of the year was 49,292,936.

## Market capitalisation and share price

CTEK's share price on 31 December 2021 was SEK 202.10, a market capitalisation of SEK 9,962 million.

## Dividend

According to the dividend policy adopted by the Board of Directors, CTEK aims to distribute 30% of the year's profit.
For the 2021 financial year, it is proposed that no dividend be paid.

## Ownership structure

At the end of the period, the company had a total of 23,037 shareholders. The table below shows the ten largest shareholders and their holdings as of 31 December 2021.

| Owner | Shares | Capital & votes |
|---|---|---|
| INVESTMENTAKTIEBOLAGET LATOUR | 15,280,810 | 31.0% |
| ALTOR FUND III GP LIMITED | 10,004,562 | 20.3% |
| FJÄRDE AP-FONDEN | 2,540,000 | 5.2% |
| ODIN SMALL CAP | 1,700,000 | 3.5% |
| AMF AKTIEFOND SMÅBOLAG | 1,694,000 | 3.4% |
| AMF TJÄNSTEPENSION AB | 1,500,000 | 3.0% |
| STATE STREET BANK AND TRUST CO, W9 | 1,441,505 | 2.9% |
| SEB MICRO CAP FUND SICAV-SIF | 1,270,000 | 2.6% |
| FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION | 1,243,262 | 2.5% |
| FAUSTINA LIMITED | 1,108,123 | 2.3% |
| **Total, 10 largest shareholders** | **37,782,262** | **76.6%** |
| Other | 11,510,674 | 23.4% |
| **Total** | **49,292,936** | **100.0%** |

Source: Euroclear as of 31 December, 2021

# Corporate Governance Report

## Corporate Governance

CTEK is a Swedish public limited company. In 2021, the Company was listed on Nasdaq Stockholm and complies with Nasdaq Stockholm's rules for issuers and the application of the Swedish Corporate Governance Code (the "Code"). The Code applies to all Swedish companies whose shares are listed on a regulated market in Sweden and is in full force from the date of listing. The Company does not need to comply with all the rules in the Code, since the Code itself allows for deviations from the rules, provided that any such deviations and the alternative solution selected are described and their reasons are explained in the Corporate Governance Report (according to the so-called "comply or explain principle").

CTEK applies the Code from the date of listing of its shares on Nasdaq Stockholm on 24 September 2021. Any deviations from the Code are disclosed in this Corporate Governance Report, which is prepared for the first time for the 2021 financial year. The Company does not report any deviation from the Code in the Corporate Governance Report.

## General Meeting

Under the Swedish Companies Act (2005:551), the general meeting is the company's highest decision-making body. At the general meeting, shareholders exercise their voting rights on key issues, such as the adoption of profit and loss statements and balance sheets, the appropriation of the company's profits, the discharge of the members of the Board of Directors and the Chief Executive Officer, the election of directors and auditors and the remuneration of the Board of Directors and the auditors.

The annual general meeting must be held no later than six months after the close of the financial year. The 2022 Annual General Meeting is scheduled for Thursday 12 May at 3:00 PM in Vikmanshyttan. In addition to the Annual General Meeting, an Extraordinary General Meeting 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 general meeting must be registered in the shareholders' register maintained by Euroclear Sweden six banking days prior to the meeting, and notify the Company of their participation in the general meeting no later than the date stipulated in the notice convening the meeting. Shareholders may attend the general meeting in person or by proxy and may be accompanied by up to two persons. Usually, it is possible for a shareholder to register for the general meeting in several ways as indicated in the notice convening the meeting. A shareholder is entitled to vote for all shares held by the shareholder.

## Shareholder 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 should normally be received by the board of directors no later than seven weeks prior to the general meeting.

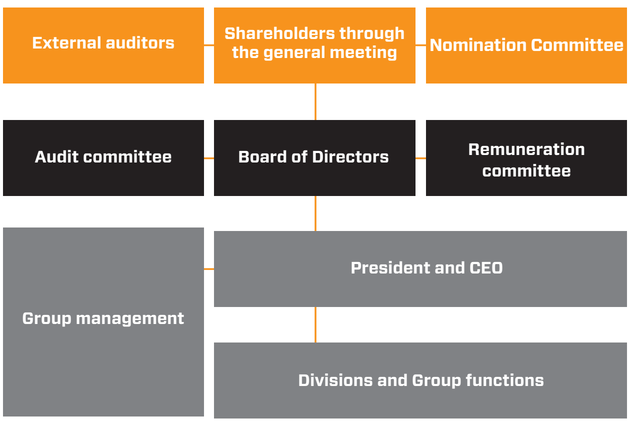
## Extraordinary General Meeting

The Extraordinary General Meeting held on 6 September 2021 resolved to adopt the following guidelines for the remuneration of the Board of Directors, the Chief Executive Officer and executive management as set out under the header "Guidelines for the remuneration of the Board of Directors, the Chief Executive Officer and executive management" below. The Meeting further resolved to authorise the Board of Directors of CTEK AB to decide on the issue of new shares, however without causing the Company's share capital to exceed the Company's maximum authorised share capital under the most recently adopted Articles of Association, SEK 120 million.

## Election of a new member of the Board of Directors, determination of the number of members of the Board of Directors and determination of the fees of the Board of Directors

The Extraordinary General Meeting held on 8 December 2021 resolved, in accordance with a proposal by shareholder Investment AB Latour, that the Board of Directors shall have seven (7) ordinary members.

## GOVERNANCE STRUCTURE




**Significant external regulations**

- Swedish legislation, such as the Companies Act and the Annual Accounts Act
- Nasdaq Stockholm's Rule Book for Issuers
- International Financial Reporting Standards (IFRS)
- Swedish Corporate Governance Code
- EU regulations

**Significant internal rules**

- Articles of Association
- Rules of Procedures of the Board of Directors and CEO Instructions with Financial Reporting Instructions
- Financial policy, attestation instructions and Group financial reporting guidelines
- Code of Conduct, Quality Policy, Environmental Policy, Risk Management Policy, Insider Policy, Communication Policy, Information Security Policy, etc.
- Governance, internal control and risk management processes and frameworks

Further, the Meeting resolved that fees to the Board of Directors shall be paid in accordance with shareholder Investment AB Latour's proposal, meaning that the Board and committee fees decided by the Extraordinary General Meeting on 23 September 2021 shall continue to apply, which means a total remuneration of SEK 2.3 million in Board and committee fees for 2021.

The Meeting also decided, in accordance with shareholder Investment AB Latour's proposal, that Björn Lenander be elected as a new member of the Board, replacing Board member Andreas Källström Säfweräng, who has announced his intention to resign from the Board in conjunction with the Extraordinary General Meeting.

Current Board members Hans Stråberg, Ola Carlsson, Michael Forsmark, Jessica Sandström, Pernilla Valfridsson and Stefan Linder will remain as Board members with Hans Stråberg as Chairman of the Board. The employee representatives for Unionen continue to be Mats Lind and Daniel Forsberg as full members and Alf Brodin as alternate.

## Nomination Committee

Companies that apply the Code shall have a nomination committee. Under the Code, the general meeting shall appoint the members of the nomination committee or specify how the members are to be appointed.

The Nomination Committee must consist of at least three members, of which a majority shall be independent of the company and of the Group management. In addition, at least one member of the nomination committee must be independent of the largest shareholder in terms of voting rights or the group of shareholders who cooperate in the management of the Company.

The extraordinary general meeting held on 6 September 2021 decided that the nomination committee for the 2022 annual general meeting shall consist of representatives from the three largest shareholders in terms of voting rights 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 one or more of the shareholders having appointed representatives to the nomination committee more than three months prior to the annual general meeting no longer are among the three largest shareholders, representatives appointed by these shareholders shall resign and the shareholders who are then among the three largest shareholders may appoint their representatives. The composition of the nomination committee for the annual general meeting shall normally be announced no later than six months before the meeting.

The following persons have been appointed to CTEK's Nomination Committee for the 2022 Annual General Meeting: Anders Mörck, Chairman (Latour), Öistein Widding (Altor), Patricia Hedelius (AMF Fonder) and the Company's Chairman, Hans Stråberg as adjunct. Shareholders wishing to submit proposals to the Nomination Committee may contact the Chairman of the Nomination Committee, Anders Mörck, via email: anders.morck@latour.se or by regular post at: CTEK AB, Att: Valberedningen [Nomination Committee], Rostugnsvägen 3, 776 70 Vikmanshyttan, Sweden.

Remuneration shall not be paid to the members of the nomination committee. The Company shall reimburse any expenses incurred by the nomination committee in its work. The term of office for the nomination committee ends when the composition of the next nomination committee has been announced.

## Board of Directors

The board of directors is the Company's highest decision-making body after the general meeting. Under the Swedish Companies Act, the board of directors is responsible for the Company's management and organisation, which means that the board of directors is responsible for, among other things, setting targets and strategies, establishing procedures and systems for evaluating set targets, continuously assessing the Company's earnings and its financial position, 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 elected by the annual general meeting for the period until the end of the next annual general meeting. According to the Company's articles of association, the board of directors as elected by the general meeting shall consist of not less than one (1) member and not more than ten (10) members with not more than three (3) alternate board members.

Under the Code, the chairman of the board of directors is elected by the annual general meeting and has a special responsibility for managing the work of the board of directors and for ensuring that the work of the board of directors is well-organised and conducted in an efficient manner.

The board of directors applies the written Rules of Procedures of the Board of Directors, which are revised annually and adopted by the inaugural meeting of the board each year. Among other things, the Rules of Procedures govern board practices, functions and the distribution of work between the board members and the CEO. In conjunction with the inaugural board meeting, the board of directors also adopts the CEO instruction, including instructions for financial reporting.

Every year, the board of directors conducts a review of the board's work, where members have the opportunity to provide their views on work arrangements and efficiency, board materials, board members' contributions and the scope of the mandate to develop the board's work arrangements.

The board of directors meets according to an annual predetermined schedule. In addition to these meetings, additional board meetings may be convened to handle matters that cannot be deferred to the next ordinary board meeting. In addition to the board meetings, the chairman of the board and the CEO have an ongoing dialogue regarding the management of the Company.

In 2021, 15 Board meetings were held with all members present and one meeting was held in September to decide on the allocation of shares for the IPO.

Currently, the Company's board of directors consists of nine ordinary members elected by the general meeting, who are presented in the section "Members of the Board of Directors."

### Audit committee

The Company has an audit committee consisting of three members: Pernilla Valfridsson (committee chair), Hans Stråberg and Ola Carlsson. The audit committee shall, without it affecting the board's other responsibilities and tasks, monitor the Company's financial reporting and the effectiveness of the Company's internal controls, internal auditing and risk management. The audit committee shall also stay informed of the auditing of the annual reports and sustainability reports, review and monitor the impartiality and independence of the auditor, paying close attention to whether the auditor provide the Company with services other than audit services, and assist in the preparation of proposals for the general meeting's resolution on the election of auditors. In 2021, the audit committee held 8 meetings with all members present.

The internal controls system is also designed to monitor compliance with Company and Group policies, principles and instructions. Internal control also includes risk analysis and monitoring of the implementation of information and business systems.

The Group identifies, assesses and manages risks based on the Group's vision and objectives. Risk assessments of strategic, compliance, operational and financial risks are performed annually and presented to the audit committee and the board of directors.

Through the audit committee, the board of directors monitors internal controls and the reliability of financial reporting and reviews recommendations for improvement. The audit committee regularly reports on its work to the board of directors. In 2021, the audit committee evaluated the need for an internal audit function and determined that there is currently no such need due to the size and structure of the Company and the Group, and because of other factors. The audit committee makes proposals on matters requiring a decision by the board of directors.

### Remuneration committee

The Company has a remuneration committee consisting of three members: Hans Stråberg (committee chair), Stefan Linder and Michael Forsmark. The remuneration committee shall prepare proposals regarding remuneration principles, remuneration and other terms of employment for the CEO and the executive management. In 2021, the committee held three committee meetings with all members present. The remuneration committee also regularly reports on its work to the board of directors.

The remuneration committee shall prepare proposals regarding CEO and executive management remuneration for the board's review. Proposed new guidelines shall be submitted at least every four years for approval by the annual general meeting. The guidelines shall remain in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate variable remuneration programmes for senior management, the application of the guidelines for remuneration of executive management and the current remuneration structures and levels in the Company. The members of the remuneration committee are independent of the Company and its management. Insofar as the Chief Executive Officer or other members of senior management are impacted by a remuneration related matter, they will not be present when the board of directors discusses and decides on such a matter.

### Guidelines for remuneration of directors, the chief executive officer and executive management

These guidelines cover the remuneration of the Chief Executive Officer ("CEO") and other members of CTEK's senior management ("executive management"). The guidelines apply to new contractual remuneration, and modifications of already contracted remuneration, after the guidelines were adopted by the extraordinary general meeting. The guidelines do not cover remuneration decided by the general meeting. For further information, please see the full description of the guidelines in the Management Report.

### CEO and other executive management

The CEO reports 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 Procedures 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 position.

The CEO must continuously keep the board of directors informed of development in the Company's operations, the development of sales, the Company's results and financial position, 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 "Group Management". The CEO and executive management are responsible for developing and deciding on the Company's operational activities and objectives. Management meets at least every month in documented management meetings where each member represents their business area and responsibility. Management responsibilities are set out in the organisational chart appearing later in this report. A detailed description of each area of responsibility can be obtained by contacting the Company's CEO.

### 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.

Under the Company's articles of association, the Company shall have one (1) or two (2) auditors and not more than two (2) deputy auditors or one registered public accounting firm. The Company's current auditor is Ernst & Young, with Erik Sandström as auditor in charge. The Company's auditor is presented in more detail at the end of this report.

# Members of the Board

CTEK's Board of Directors consists of 9 ordinary members, including the Chairman, with no alternates, elected until the end of the 2022 Annual General Meeting. The table below shows the members of the Board of Directors, when they were first elected to the Board and whether they are independent of the Company and/or the principal shareholder.

| | | | Independent in relation to | |
|---|---|---|---|---|
| Name | Position | Member since[1)] | The Company and corporate management | Major shareholders |
| Hans Stråberg | Chairman of the Board | 2011 | Yes | Yes |
| Ola Carlsson | Member of the Board | 2011 | Yes | Yes |
| Daniel Forsberg | Member of the Board (Employee Representative) | 2019 | No | Yes |
| Michael Forsmark | Member of the Board | 2013 | Yes | Yes |
| Björn Lenander | Member of the Board | 2021 | Yes | No |
| Mats Lind | Member of the Board (Employee Representative) | 2011 | No | Yes |
| Stefan Linder | Member of the Board | 2011 | Yes | No |
| Jessica Sandström | Member of the Board | 2021 | Yes | Yes |
| Pernilla Valfridsson | Member of the Board | 2021 | Yes | Yes |
| Alf Brodin | Alternate Member of the Board (Employee Representative) | 2019 | No | Yes |

1) Refers to the starting date of the CTEK Group board membership.

### ATTENDANCE AT MEETINGS IN 2021

| Name | Meetings of the remuneration committee | Meetings of the audit committee | Board meetings |
|---|---|---|---|
| Hans Stråberg | 3/3 | 8/8 | 15/15 |
| Ola Carlsson | - | 8/8 | 15/15 |
| Daniel Forsberg** | - | - | 13/15 |
| Michael Forsmark | 3/3 | - | 15/15 |
| Björn Lenander* | - | - | 1/15 |
| Mats Lind** | - | - | 14/15 |
| Stefan Linder | 3/3 | - | 15/15 |
| Jessica Sandström | - | - | 14/15 |
| Pernilla Valfridsson | - | 8/8 | 15/15 |
| Alf Brodin** | - | - | 0/15 |
| Andreas Källström Säfweräng | - | - | 14/15 |

*) Björn Lenander was elected to the Board on 8 December, 2021.
**) The Company does not require employee representatives to attend board meetings.

**HANS STRÅBERG**

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

**Education:** M. Sc. from Chalmers University of Technology.

**Other current positions:** Chairman of the Board of AB SKF, Atlas Copco AB, Roxtec AB and Anocca AB. Board member of Investor AB, Mellby Gård AB.

**Prior positions (last five years):** Chairman of the Board of Orchid Orthopedics Inc., Orchid First Holding AB, Nikkarit Holding AB and Business Challenge AB. Chairman and Vice-Chair of Tulip US Holdings Inc. Chairman of the Board of CTEK Holding AB and several of its subsidiaries. Vice-Chair 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 872,640 shares in the Company and has subscribed for 113,636 shares under the Series 3 Subscription Option and 99,129 shares under the LTIP 2026 incentive programme.

**OLA CARLSSON**

*Born 1965. Board member since 2011.*

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

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

**Prior positions (last five years):** Board member of Munters Holding AB and several of its group companies. Board member of CTEK Holding AB and several 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 122,440 shares in the company and has subscribed for 37,878 shares under the Subscription Option Series 3 and 24,782 shares under the LTIP 2026 incentive programme.

**DANIEL FORSBERG**

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

**Education:** B.A. in Marketing and Project Management from University of Kalmar.

**Other current positions:** Owner, Mountain Consult & Trading.

**Prior positions (last five years):** Board member of CTEK Holding AB and several of its subsidiaries.

**Shareholding in the Company:** Daniel Forsberg holds 0 shares in the Company.

### *MICHAEL FORSMARK*

*Born 1965. Board member since 2013.*

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

**Other current positions:** Chairman of the Board of Saturnus AB, 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.

**Prior positions (last 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 AB and Panduro Trading AB. External CEO of Panduro Förvaltning AB and several of its subsidiaries. External CEO of Fotografiska International AB.

**Shareholding in the Company:** Michael Forsmark holds 136,462 shares in the Company and has subscribed for 42,553 shares under the Series 3 Subscription Option and 24,782 shares under the LTIP 2026 incentive programme.

### *BJÖRN LENANDER*

*Born 1961. Board member since 2021.*

**Education:** M.Sc., Machine Technology from KTH Royal Institute of Technology in Stockholm.

**Other current positions:** CEO of Latour Industries AB.

Chairman of the Board of Aritco Group AB, DENSIQ AB, Latour Future Solutions AB, LSAB Group AB and MS Group AB.

Board member of CTT Systems AB, Caljan A/S, Vimec SrL and Vega SrL.

**Prior positions (last five years):** Chairman of the Board of Bemsiq AB and REAC AB.

Board member of Gaia Holding AB, NODA Intelligent Systems AB, Routal Eco AB, Bastec AB, Viby Energivägen AB, Artico Lift AB, Kabona AB, Swegon Operations AB, Terratech AB, ELVACO AB, Vialan AB and Produal Oy.

**Shareholding in the Company:** Björn Lenander holds 1,000 shares in the Company.

### *MATS LIND*

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

**Education:** –

**Other current positions:** Chairman of the Board of Örängarna Fiber Ekonomisk Förening.

**Prior positions (last five years):** Board member of CTEK Holding AB and several of its subsidiaries.

**Shareholding in the Company:** Mats Lind holds 11,363 shares in the Company and has subscribed for 3,787 shares under Subscription Option Series 3.

## *STEFAN LINDER*

*Born 1968. Board member since 2011.*

**Education:** Master's degree in Economics and Business Administration from Stockholm School of Economics.

**Other current positions:** Partner and Board Member, Altor Equity Partners AB. Chairman of the Board of QNTM Group AB. Chairman of the Board of Rotla B.V. Chairman of the Board of Ideal of Sweden. Chairman of the Board of Raw Fury AB.

**Prior positions (last five years):** Chairman of the Board of Q-MATIC Group AB.

**Shareholding in the Company:** Stefan Linder holds no shares in the Company.

## *JESSICA SANDSTRÖM*

*Born 1977. Board member since 2021.*

**Education:** M.Sc. in Technical Physics, Chalmers University of Technology.

**Other current positions:** Senior Vice President Product Management & Sustainability, Volvo Lastvagnar AB. Board member of Designwerk Technologies AG.

**Prior positions (last five years):** Senior Vice President City Mobility and Senior Vice President Global Product & Marketing, Volvo Bussar AB.

**Shareholding in the Company:** Jessica Sandström holds 8,803 shares in the Company and has subscribed for 24,782 shares under the LTIP 2026 incentive programme.

**PERNILLA VALFRIDSSON**

*Born 1973. Board member since 2021.*

**Education:** M.A. in Business Administration, Växjö University.

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

Board member of several subsidiaries of Nobina AB (publ). Chairman of the Board of NetOnNet AB.

**Prior positions (last five years):** CFO of Byggmax Group AB (publ).

Board member of several subsidiaries of Byggmax Group AB. Board member of Sortera Holding AB, Sortera Group AB and Ahlström-Munksjö Oyj.

**Shareholding in the Company:** Pernilla Valfridsson holds 8,803 shares in the Company and has subscribed for 24,782 shares under the LTIP 2026 incentive programme.

**ALF BRODIN**

*Born 1966. Alternate member of the board since 2019. Employee representative for Unionen.*

**Education:** –

**Other current positions:** –

**Prior positions (last five years):** Alternate board member of CTEK Holding AB and several of its subsidiaries. Previous experience with 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 10,172 shares in the Company and has subscribed for 3,787 shares under Subscription Option Series 3.

| Name | Base salary/ Board fee (SEK million) | Remuneration committee[1] (SEK million) | Other benefits (SEK million) | Pension costs (SEK million) | Total (SEK million) |
|---|---|---|---|---|---|
| Hans Stråberg, chairman of the board | 0.8 | 0.1 | - | - | 0.9 |
| Ola Carlsson, board member | 0.2 | 0.1 | - | - | 0.3 |
| Daniel Forsberg, board member* | - | - | - | - | - |
| Michael Forsmark, board member | 0.2 | 0.1 | - | - | 0.3 |
| Andreas Källström Säfweräng, board member | 0.1 | - | - | - | 0.1 |
| Mats Lind, board member* | - | - | - | - | - |
| Stefan Linder, board member | 0.1 | - | - | - | 0.1 |
| Jessica Sandström, board member | 0.3 | - | - | - | 0.3 |
| Pernilla Valfridsson, board member | 0.3 | 0.1 | - | - | 0.4 |
| Björn Lenander, board member** | - | - | - | - | - |
| Alf Brodin, alternate board member* | - | - | - | - | - |
| **Total** | **1.9** | **0.4** | **-** | **-** | **2.3** |

1) Audit committee and/or remuneration committee.
*) Employee representatives, no remuneration is paid.

**) Björn Lenander was elected to the board of directors on 8 December, 2021 and thus has not received any remuneration.

# Group management

### JON LIND

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

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

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

**Prior positions (last five years):** Board member of Dellner Brakes AB.

**Shareholding in the Company:** Jon Lind holds 288,154 shares in the Company and has subscribed for 92,530 shares under the Series 3 Subscription Option and 105,172 shares under the LTIP 2024 incentive programme.

### MATHIAS SANDH

*Born 1973. CFO since 2022.*

**Education:** Finance and Auditing at Jönköping University.

**Other current positions:** -

**Prior positions (last five years):** CFO DER Touristik Nordic (Apollo, Novair), CFO Confirma Software, CFO Apoteksgruppen.

**Shareholding in the Company:** Mathias Sandh holds 600 shares in the Company.

### HENK LUBBERTS

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

**Education:** M.Sc. in Automotive Engineering from University for Automotive Engineering, Apeldoorn.

**Other current positions:** –

**Prior positions (last five years):** Director Sales and Marketing Latin America, Transport Department at Midtronics Inc.

**Shareholding in the Company:** Henk Lubberts holds 18,453 shares in the Company and has subscribed for 5,575 shares under the Series 3 Subscription Option and 12,500 shares under the LTIP 2024 incentive programme.

## EVA MARTINSSON

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

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

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

**Prior positions (last five years):** Chairman of the Board of Kraftplan AB. Board member of Hinz Försäljnings AB.

**Shareholding in the Company:** Eva Martinsson holds 74,737 shares in the Company and has subscribed for 26,293 shares under the LTIP 2024 incentive programme.

## MARCUS KORSGREN

*Born 1992. Head of ESG since 2021.*

**Education:** B.A. in Business Administration and M.A. in Growth Management from Gothenburg School of Economics.

**Other current positions:** -

**Prior positions (last five years):** Business Consultant, TietoEvry

**Shareholding in the Company:** Marcus Korsgren holds 434 shares in the Company.

## STIG MATHISEN

*Born 1977. COO since 2013.*

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

**Other current positions:** Chairman of the Board and owner of Scandinavian Global Ltd.

**Prior positions (last five years):** –

**Shareholding in the Company:** Stig Mathisen holds 72,222 shares in the Company and has subscribed for 7,423 shares under the Series 3 Subscription Option and 26,293 shares under the LTIP 2024 incentive programme.

## CECILIA ROUTLEDGE

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

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

**Other current positions:** Board member of DIB Services AB. Alternate board member of Broad Oak AB.

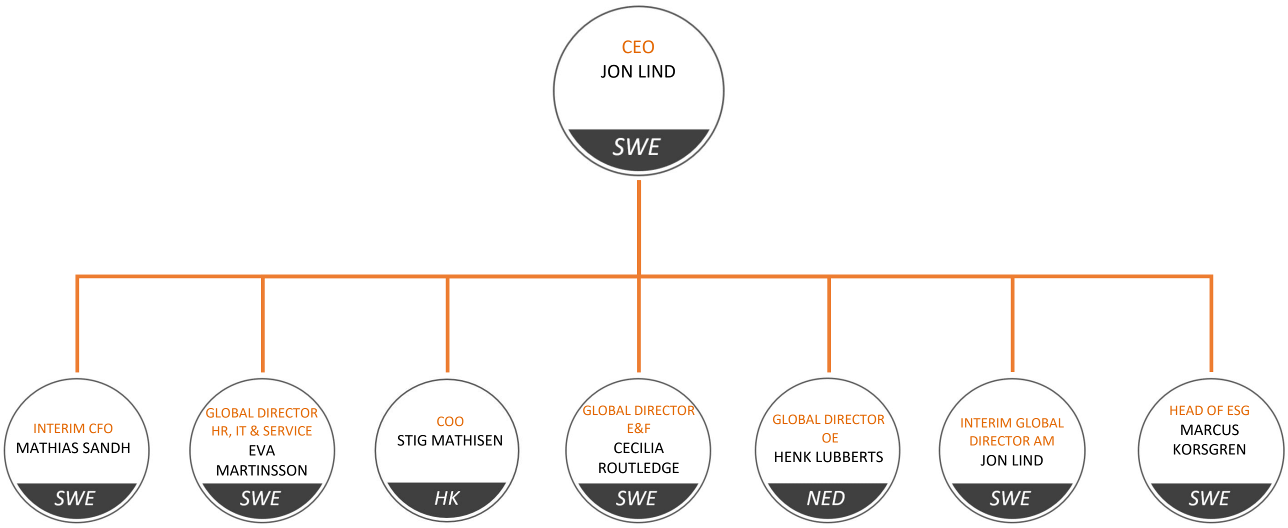
**Prior positions (last five years):** –

**Shareholding in the Company:** Cecilia Routledge holds 134,079 shares in the Company and has subscribed for 26,293 shares under the LTIP 2024 incentive programme.

| SEK million | Base salary | Variable remuneration | Other benefits | Pension costs | Total |
|---|---|---|---|---|---|
| Jon Lind, CEO* | 3.1 | 2.7 | 0.2 | 0.9 | 6.9 |
| Other executive managers** | 8.9 | 4.4 | 0.9 | 2.6 | 16.7 |
| **Total** | **12.0** | **7.0** | **1.1** | **3.5** | **23.6** |

*) During part of the 2021 financial year and all of 2020, Jon Lind was employed by a company in the Group other than the parent company.

**) Other executive managers is comprised of 6 persons as of 1 October, 2021.




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

There are no family ties between any directors and/or executive management.

There are no conflicts of interest or potential conflicts of interest between the obligations of board members and executive management of the Company and their private interests and/or other commitments. However, as stated above, a number of directors and executive management have financial interests in the Company through shareholdings.

All board members and executive management can be reached at the Company's address, Rostugnsvägen 3, 776 70 Vikmanshyttan, Sweden.

## AUDITOR

Ernst & Young AB has been the Group's auditor since 2012 and auditor for the Group's current parent company, CTEK AB, since its founding in 2019. Ernst & Young AB 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 association for authorised public accountants) and the lead auditor of Atlas Copco, Ratos, Autoliv and Mycronic, among others. Ernst & Young's office address is Hamngatan 26, 111 47 Stockholm, Sweden.

# Sustainability Report

# Message from our Head of ESG

## The year in review

As we report on the 2021 financial year, we look back on a very eventful year, with highs and also some lows.

The year was very much shaped by the Covid-19 pandemic, with a lot of remote work for CTEK employees. Ensuring the health and well-being of all employees during this time has been of paramount importance, and we feel that we have done well in this regard. As proof of this, we were named one of Sweden's 100 most attractive workplaces by Karriärföretagen.

The year was also characterised by a major global component shortage, with "semiconductor" becoming the new word on everybody's lips. Unfortunately, CTEK was also impacted by supply chain disruptions, which meant that airfreight transport increased many times over at the beginning of the year. CTEK's carbon footprint in general and our carbon emissions in particular are high on our agenda and played a major role in the ESG (Environmental, Social & Governance) strategy we developed over the course of the year. This is why it's particularly painful to see an increase in our carbon emissions in 2021, which is almost entirely attributable to our temporary increase in air transport to meet the needs of our customers. In 2022, we will work hard on the transport mix, i.e. transitioning our transport towards more sustainable alternatives, as well as working on increasing the fill rate of containers in order to optimise our transport.

For CTEK, the year 2021 will forever be defined by our successful listing on Nasdaq Stockholm. During the process of preparing the company for the stock market, I had the privilege of working with a number of stakeholders to develop a new ESG strategy, which I am proud to describe in detail below.

As recognition that our ESG work has already borne fruit in 2021, we increased our sustainability rating with Ecovadis (an internationally recognised sustainability rating company that annually evaluates and rates over 85,000 companies globally) from 43 to 58, which means that we earned a silver medal.

## CTEK's sustainability strategy

Sustainability is a top priority for CTEK and permeates the whole business. Since its founding, sustainability has been an integral part of CTEK's operations and of all decisions taken. Through CTEK's two technologies, we are contributing to a more sustainable future. Our premium battery chargers extend the life of batteries by up to three times, reducing battery replacement needs and thus reducing carbon emissions and the use of rare metals. Our new, innovative product, CS FREE, contributes even more to reducing carbon emissions when its internal battery is recharged by solar cells. Electric vehicle chargers and accessories contribute to an larger electric vehicle fleet and thus lower CO2 emissions. We continuously work to conduct business through an ethical, social, environmental and responsible approach. CTEK operates worldwide and works continuously to create long-term value and contribute to reducing waste and negative climate impact.

To reduce climate impact and contribute to a sustainable future, CTEK has developed several well-defined and concrete initiatives. The initiatives are divided into three categories: Environmental Factors, Social Factors and Corporate Governance – the cornerstones of CTEK's business. The initiatives include an increased focus on innovative electric vehicle chargers and accessories that support the electrification of the vehicle fleet, planning of logistics and product warehouses to reduce carbon emissions from transport, increased diversification and an increased share of tier-1 suppliers audited by CTEK from a sustainability perspective.

| Work streams | | Overview of initiative |
|---|---|---|
| **Footprint** | **E1** | Expand the scope of the $CO_2$ baseline |
| | **E2** | Identify initiatives for reducing $CO_2$ emissions |
| | **S1** | Ensure equitable conditions throughout the entire supply chain |
| **Sustainable products** | **E3** | Continuously update and actively communicate the lifetime benefits of our products |
| | **E4** | Perform life cycle assessments on selected products |
| | **E5** | Integrate circularity and repairability into the product flow |
| | **E6** | Strengthen the focus on innovative products that support the green transition |
| **HR** | **S2** | Work actively to ensure diversity at all levels |
| | **S3** | Boost employee well-being and engagement |
| **Supply chain** | **G1** | Increase the focus on responsible supply chains |
| **Governance, risk & reporting** | **G2** | Establish ambitious but realistic targets and performance measures |
| | **G3** | Expand the scope of sustainability reporting to meet stakeholder requirements |
| | **E7** | Identify and manage climate risks and opportunities |
| **Communication** | **G4** | Assume a clearer role and educate consumers on responsible battery management |

CTEK works continuously to ensure a socially responsible supply chain and to promote diversity within the workforce with equal opportunities for all. In this way, CTEK has established a Code of Conduct based on ethical and moral business principles, implemented and approved by the Board of Directors, and available to all our stakeholders. The principles address such aspects as regulatory compliance, respect for human rights, employees, child labour, health and safety and the environment. CTEK requires all key suppliers to sign and comply with the Code of Conduct, which is evaluated annually.

As part of CTEK's sustainability strategy, we also evaluate short-term and long-term metrics for working towards a circular business model. We measure performance on an ongoing basis and use these metrics in our internal target-setting process.

*Special emphasis will be placed on reducing our carbon emissions*

## 2022 and beyond

In the coming years, the focus will be on the continued implementation of CTEK's new ESG strategy. Special emphasis will be placed on reducing our carbon emissions from transport by working hard on the transport mix, as well as working to increase fill rates to optimise all our transport. We will also present a number of new sustainability measures and related targets.

Finally, it is my ambition that the work described above will lead to a situation where, by the end of 2022, we will be able to turn in Ecovadi's silver medal for one of a more noble value.

Marcus Korsgren
Head of ESG

# The United Nations' Sustainable Development Goals

On 25 September 2015, UN's member states adopted Agenda 2030, a universal agenda for sustainable development that includes 17 global goals to be achieved by 2030. The global goals, in turn, have 169 targets and more than 230 global indicators for implementation and monitoring. The Global Goals and Agenda 2030 are the most ambitious agreement on sustainable development ever adopted by world leaders. The concept of sustainable development integrates the three dimensions of sustainability: social, economic and environmental.

CTEK supports the UN Sustainable Development Goals (SDGs) and our ESG strategy is designed with a specific focus on eight of these seventeen global goals.

- **Gender equality**
  We are committed to achieving equality and diversity in all parts of CTEK. This area was specifically highlighted in our ESG strategy under item S1 (Work actively to ensure diversity at all levels)

- **Affordable and clean energy**
  CTEK constantly strives to make our chargers more energy efficient and thus minimise energy losses.

- **Decent work and economic growth**
  Equitable working conditions and compliance in our supply chain has been a focus for CTEK for more than 20 years. We perform audits of all our tier-1 suppliers with our own staff.

- **Industry, innovation and infrastructure**
  One of CTEK's main strengths is the construction of major electric vehicle charging infrastructures where our Nanogrid load balancing system plays a crucial role. Going forward, we have an increased focus on enhancing our home charging product range.

- **Sustainable cities and communities**
  CTEK's electric vehicle chargers enable green transport in cities while we constantly strive, in collaboration with our partners, to increase the number of chargers on the streets and in parking garages.

- **Responsible consumption and production**
  CTEK's low voltage chargers are proven to be very durable with very low levels of complaints. This contributes to reducing over-consumption and thus reducing the environmental impact. Going forward, we are further strengthening our focus on repairable products and increasing their recyclability.

- **Climate action**
  Reducing our transport carbon footprint is high on our list of priorities. We are actively working on the transport mix and increasing the fill rate of our transports.

- **Partnerships for the goals**
  CTEK works with a range of stakeholders to share knowledge and experience on sustainability issues in order to contribute collectively to meeting the goals of the 2030 Agenda.

# E(nviromental)SG

CTEK currently reports its carbon footprint in CO2e according to the so-called Scope 1 (direct carbon dioxide emissions), Scope 2 (indirect emissions from electricity, district heating and cooling) and parts of Scope 3 (indirect carbon dioxide emissions, in addition to purchased energy, that occur outside the boundaries of its operations). Within Scope 3, CTEK is currently reporting carbon dioxide emissions related to the transport of products. This priority (carbon emissions from our transport) is targeted because we see a relatively large carbon footprint with an opportunity to make an impact.

In addition to the above metrics, we are also reporting the amount of waste we generated for 2021.

### Company cars

We remain at good levels compared to our targets. In 2022, we will continue to electrify our fleet of company cars to further reduce our greenhouse gas emissions.

### Energy consumption

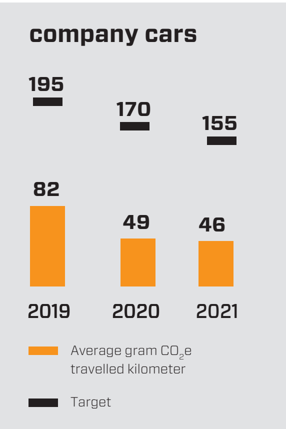
Energy consumption in our buildings in Sweden remains relatively low. 100% of the electricity we consume comes from renewable sources.

### Waste

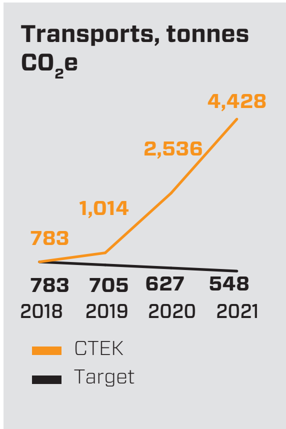
In 2021, we still generate small amounts of waste from our Swedish operations, the operations we currently measure. Most of the waste is recycled and nothing goes to landfill.

### Transports

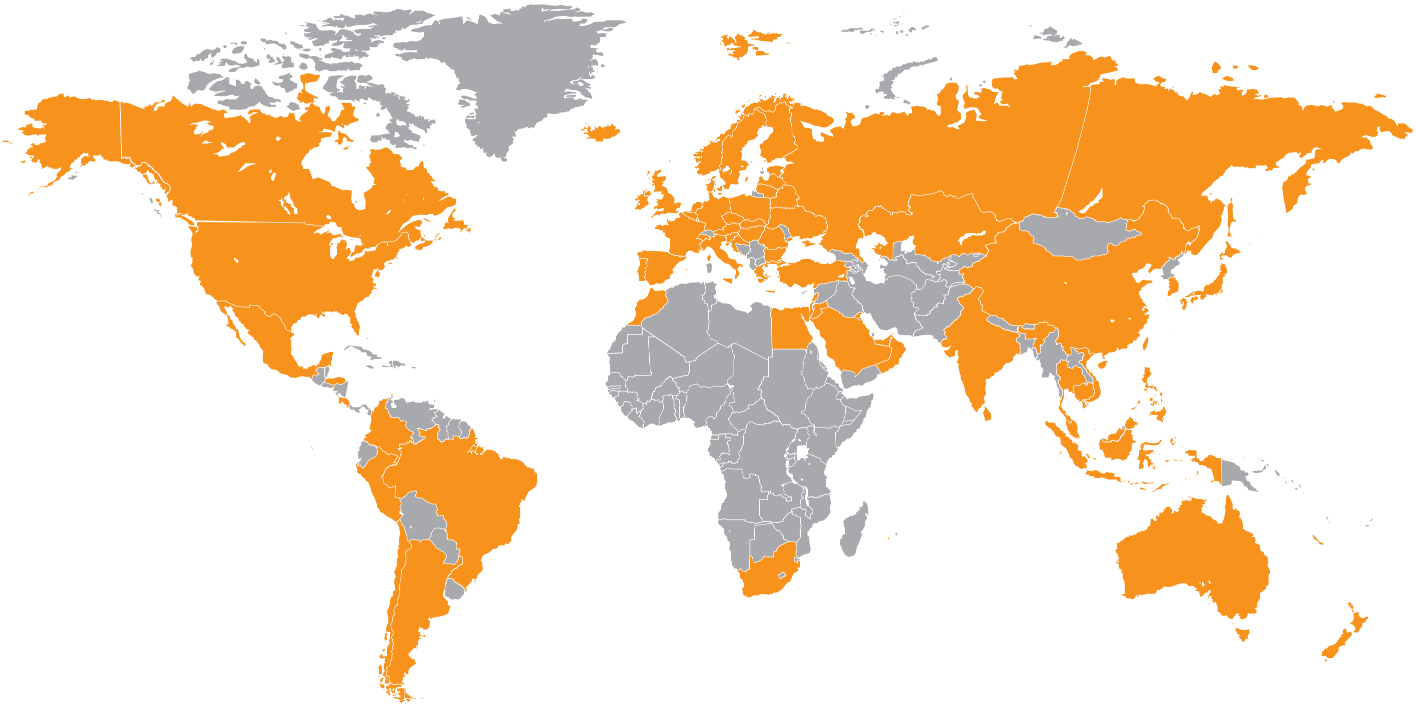
As previously mentioned, the global component shortage has caused disruptions in our supply chains. For this reason, our airfreight transports have increased many times over, as reflected in the significant deviation from the target for 2021.





# ES(ocial)G



In developing the social factor measures, CTEK's employees were the focus. We choose to highlight our work on gender equality and diversity, but also our efforts to ensure the health and well-being of our employees.

To ensure a continued focus on CTEK's employees, going forward we will work on a number of initiatives to promote health and well-being, the latter of which we will also measure and highlight as a key performance measure.

## Gender equality & Diversity

At the close of the year, CTEK had 192 employees, 48 of whom were women. At that time, CTEK had 32 managers, 5 of whom were women. At the end of the year, CTEK's Board of Directors was made up of seven ordinary members (including the chair, but not including employee representatives), two of whom were women. At the end of the year, 22 nationalities were represented among the 192 employees.

## Sick leave

During the year we saw continued low levels of sick leave. In light of this, we decided during the year to adjust our sick leave target rate from 3.5% to 2%.

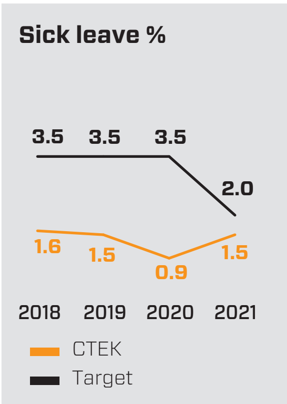
## Health and safety

We are pleased to report that in 2021 CTEK had:

- 0 incidents
- 0 accidents
- 0 deaths in the workplace

## Employee satisfaction

We continue to see high levels of employee satisfaction at CTEK. In 2022, as part of the new ESG strategy, we will also start measuring engagement and well-being.




# ESG(overnance)

Corporate governance and risk management have been a top priority for CTEK for more than 20 years, with a particular focus on codes of conduct, human rights and business ethics. CTEK is a global company with operations in over 70 countries, which highlights the need to focus on these areas.

In 2021, our focus has been on developing updated policies and guidelines in a number of areas, including:

- Code of Conduct
- Sanctions Compliance Policy
- Risk Management Policy
- Business continuity policy
- Anti-corruption guidelines regarding gifts and hospitality

A selection of CTEK's policies and guidelines is available on our website.

### Code of Conduct

The CTEK Code of Conduct has been a guiding document since 2012 and is reviewed regularly. In 2021, a comprehensive update was made with more details and requirements as well as implementation according to Training in Business Ethics. The CTEK Code of Conduct is reviewed and approved by the Board and revised and updated as required.

CTEK has chosen to have a common Code of Conduct for all direct and indirect employees and key stakeholders, i.e. not a separate code of conduct for suppliers, who are covered by CTEK's Code of Conduct.

### Training in Business Ethics

In 2021, a comprehensive training effort was carried out in the area of business ethics. Risk groups were identified, including management, sales, marketing, purchasing, HR and all new hires for these areas. Mandatory training in the area of business ethics was conducted for these areas in 2021. Other employees also underwent training, with a participation rate of over 80% in 2021.

### Anti-corruption

CTEK employees and stakeholders must not be involved in any form of corruption, bribery, extortion or embezzlement. To facilitate the flagging of discrepancies, in 2021 CTEK introduced a whistleblower channel where employees and other stakeholders can report noncompliant conduct. In 2021, no cases of corruption were reported or suspected among CTEK or its stakeholders. The identified risk is medium, high impact but low likelihood of CTEK failing to detect fraud and/or other illegal behaviour. The risk is highest in purchasing and sales.

### Antitrust

CTEK employees and stakeholders must comply with antitrust regulations, competition laws and business ethics, such as IP, confidential information, theft and fraud.

In 2021, there were no reported or suspected antitrust cases among CTEK or its stakeholders. The identified risk is medium, medium-level effect but low probability that CTEK fails to establish and communicate undesirable behaviour.

### Anti-money laundering

CTEK's employees and stakeholders must refrain from all forms of money laundering. In 2021, no cases of money laundering were reported or suspected within CTEK or its stakeholders. No significant risk identified in the area of money laundering. Many customer and supplier contracts are protected and documented in accordance with legal requirements to minimise this risk.

### Conflicts of interest

CTEK employees and stakeholders must ensure that no conflicts of interest arise between the parties, which could affect the credibility of the stakeholders.

In 2021, no cases of conflicts of interest were reported or suspected within CTEK or its stakeholders. No risk was identified in the area

### Trade regulations

CTEK employees and stakeholders are responsible for ensuring that the handling of substances, minerals, etc. that are classified as hazardous or illegal is done in compliance with applicable laws and regulations.

In 2021, no cases of noncompliance were reported or suspected within CTEK or its stakeholders. The identified risk is medium, high impact but low probability, in the area of environment but followed up and reported very closely with suppliers and customers. This includes mainly conflict minerals but also compliance regulations. Our products are 3rd party certified and CTEK performs random tests on product materials.

### Tax compliance

CTEK employees and stakeholders must comply with applicable laws and regulations as required by tax regulations.
In 2021, no cases of noncompliance were reported or suspected within CTEK. The identified risk is medium, medium impact but low likelihood, of CTEK failing to comply with all financial reporting and tax regulations.

### Labour and human rights

All CTEK employees are covered by:

- Social benefits
- Collective bargaining agreements
- Insurance coverage

# Auditor's opinion on the statutory sustainability report

### Mandate and responsibilities

The Board of Directors is responsible for the 2021 sustainability report on pages 29-36 and for ensuring that it is prepared in accordance with the Annual Accounts Act.

### Focus and scope of the audit

Our audit was conducted in accordance with FAR recommendation RevR 12 Auditor's opinion on the statutory sustainability report. This means that our audit of the sustainability report has a different focus and a significantly smaller scope compared to the focus and scope of an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We find that such an audit provides a satisfactory basis for our opinion.

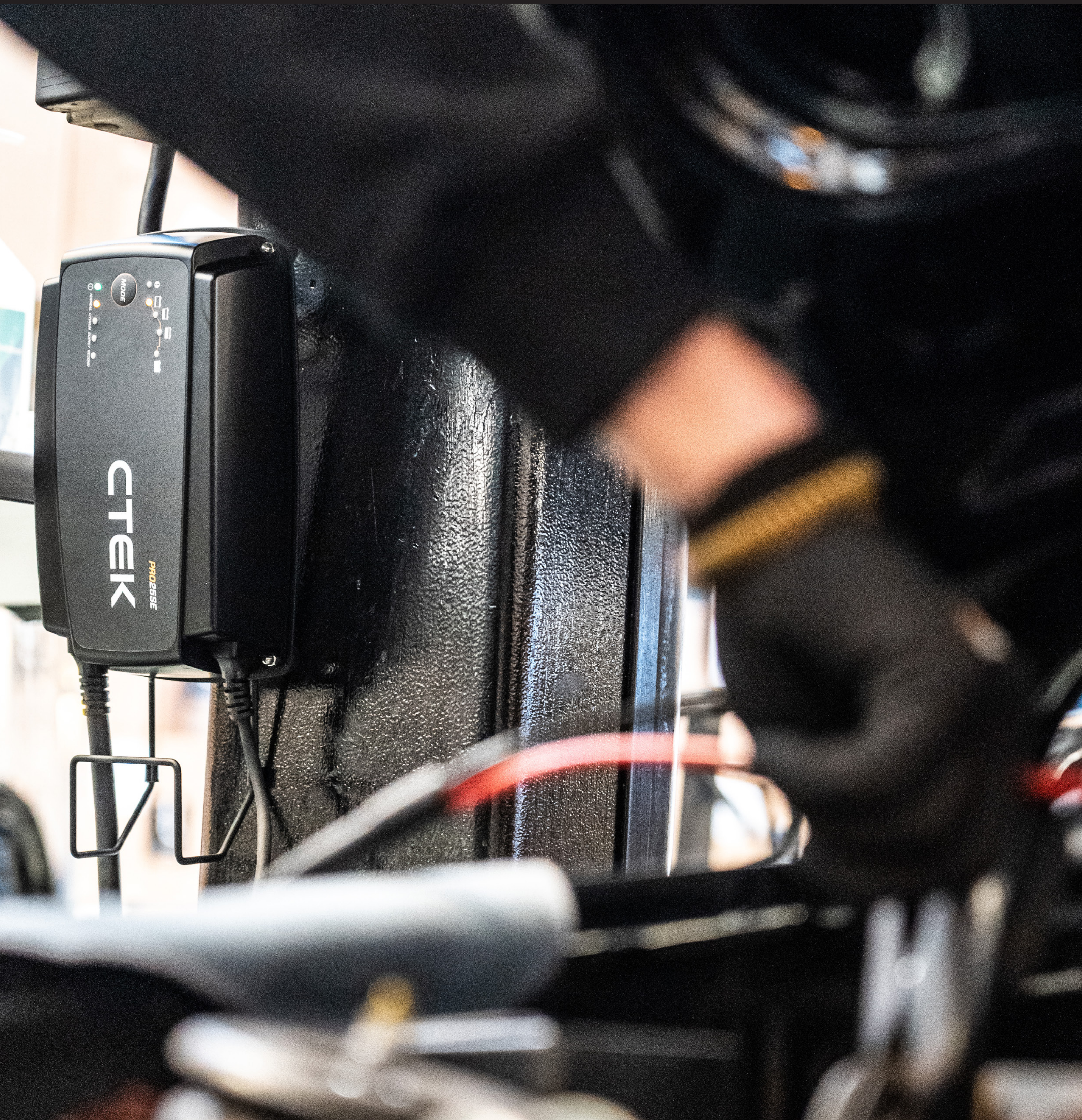
### Opinion

A sustainability report was prepared.

Stockholm, on such date as indicated by our electronic signature
Ernst & Young AB

Erik Sandström
Authorised public accountant

# Financial statements



# Management report

The Board of Directors and the CEO of CTEK AB (publ), Corporate Registration Number 559217-4659, hereby present the annual and consolidated accounts for the 2021 financial year. All amounts are listed in millions of SEK (SEK million) unless otherwise indicated.

## General information about the operations

Since 1997, CTEK has been selling, marketing and conducting technical development of battery chargers and related products, as well as products and systems for charging electric vehicles, under its own brand. CTEK's main customer group is distributors, retailers, OEMs, electricians, property owners and charging point operators, who manage charging stations.

The company operates in Sweden, U.S., U.K., Germany, France, Denmark, Norway, Australia, China and Hong Kong.

The company's registered office is in Hedemora Municipality in Dalarna County, Sweden.

## Ownership

| | |
|---|---|
| Investmentaktiebolaget Latour | 31% |
| Altor Fund III GP Ltd | 20% |
| Other owners | 49% |

## Expected future developments and material risks and uncertainties

CTEK is continuously conducting research to remain at the cutting edge and launch innovative solutions for charging low-voltage batteries and electric cars. The latest new product launches include the CS FREE and CS ONE low-voltage chargers, and the Njord Go electric car charger. The chargers are portable, which improves flexibility and agility whenever there is a need for charging. With continued solid partnerships with existing suppliers and the recruiting of new suppliers, the CTEK Group is well positioned for future investments in both new and established markets. From a sales perspective, the Group has a positive outlook for the near future, with continued strong relationships with old customers as well as the development of new customers, where GM will be an important partner. The Covid-19 has had an impact on us since the beginning of the outbreak and we expect supply chain challenges to continue, though we have taken measures to mitigate the cost increases in the form of higher prices effective in the second quarter of 2022. For information on other risks, please see Note 2.

The financial position of the parent company and the Group is solid.

## Significant events during the financial year

- At an Extraordinary General Meeting on 6 September 2021, the Company resolved to perform a reverse share split (1:10), which reduced the number of shares in the Company from 423,595,500 to 42,359,550 shares. The Extraordinary General Meeting also approved the conversion of all classes of shares in the company (Class A and Class B shares) into ordinary shares, the reorganisation of the category of company from private to public, the introduction of a reconciliation clause in the Articles of Association and the removal of the pre-emption clause in the Articles of Association.
- The company's shares were listed on Nasdaq Stockholm on 24 September 2021 and carried out a new issue of 4,347,827 shares which were fully subscribed, amounting to an issue price of SEK 300 million. In connection with the listing, the Group received an additional amount of approximately SEK 72 million as a result of issues made in connection with the listing of the Company's shares on Nasdaq Stockholm.
- In September 2021, the company entered into a new facility agreement with Swedbank AB (publ) for a multi-currency revolving credit facility (RCF) of SEK 600 million, of which SEK 100 million is a cheque facility. The previous cheque facility was SEK 50 million. In connection with the new facility agreement, the previous loans were repaid. The facility has a variable interest rate plus an applicable margin that varies based on the ratio of total net debt to adjusted EBITDA measured on a rolling twelve-month basis. The RCF runs for three years with the Company having the option to extend it for up to two years with the approval of the lender. The RCF is unsecured and contains customary guarantees and commitments for this type of financing.
- Chief Financial Officer (CFO) Marcus Lorendal decided to leave CTEK to assume up a position with a non-competing business. In December, CTEK AB (publ) appointed Mathias Sandh as interim CFO and temporary member of the management team. Mathias Sandh has extensive CFO experience in companies such as Apollo and Apoteksgruppen, as well as many years of experience in various finance positions at GE Healthcare, Pfizer and Johnson & Johnson.
- The company has agreed to sell the property Vikmanshyttan 3:32 in the latter part of 2022. According to preliminary estimates, the sale is expected to realise a profit of SEK 1.1 million.
- Björn Leander, CEO of Latour Industries, was elected, in accordance with a proposal by shareholder Investment AB Latour, as an ordinary Board member, replacing Board member Andreas Källström Säfweräng.

– Since 2016, CTEK Holding AB has been the subject of a tax proceeding relating to the deduction of interest expenses on shareholder loans for the 2014 and 2015 tax years, stemming from the Swedish Tax Agency's denial of the company's deductions under then-applicable interest deduction limitation regulations. The Administrative Court rejected the company's appeal in a ruling on 18 September 2018. The Company appealed the decision to the Administrative Court of Appeal. On 24 November 2021, the Administrative Court of Appeal issued its decision and, citing a ruling by the Supreme Administrative Court in a similar case, overturned the judgement of the Administrative Court and the Tax Agency's decision. The Administrative Court of Appeal referred the cases back to the Tax Agency for further proceedings. In previous reporting periods, a provision was made for the deductions related to the ongoing litigation totalling SEK 10.3 million. Given the ongoing proceedings resulting from the judgement concerning the right to a deduction, there has been no reversal of the provision for previous periods.

### Significant events after the close of the financial year

– Mathias Sandh assumes the position of interim CFO and becomes a temporary member of the company's management team.

– The global market has been impacted by Russia's invasion of Ukraine. It is not possible at this time to assess how the situation will develop, or how the security situation in Europe will change. We do not currently see a significant impact on our financial position or performance. CTEK has no operations or employees in the countries concerned (Russia, Belarus and Ukraine) and we have very limited sales. As a result of the invasion, all deliveries to Russia and Belarus have been suspended.

– After the balance sheet date, the Company has signed an agreement for a twelve (12) month extension of the existing SEK 100 million credit facility. The increase was made to secure the Company's strategic objectives in situations where adverse environmental factors, such as disruptions in supply chains, could lead to increased capital requirements.

### Products and markets

The work on product and market development is proceeding according to plan, with a focus on both established key markets for the Group and investments in new markets where electric car chargers will be especially important. This means that investments will be made where we think they will provide the greatest opportunity for strong returns. For key information on products, geographic expansion, risks and objectives, please also see pages 7-16 of this Annual Report.

### Sustainability Report

A statutory Sustainability Report in accordance with the Annual Accounts Act was prepared covering the whole Group separately from the statutory Annual Report and is included on pages 29-36 of this Annual Report.

### Corporate Governance Report

A Corporate Governance Report describing the work of the Board during the year was prepared in accordance with legal requirements. The Corporate Governance Report can be found on pages 17-28 of this Annual Report and is incorporated into the Management Report.

## GUIDELINES FOR REMUNERATION OF EXECUTIVE MANAGEMENT

### Salaries and other remuneration of CTEK's Board of Directors, CEO and Group management

The principles governing the remuneration of the Board of Directors and Group management are approved by the shareholders at the Annual General Meeting. The principles that were approved by the 2021 Annual General Meeting are described below.

### Guidelines for remuneration of the CEO and corporate management

The guidelines apply to new contractual remuneration, and modifications of already contracted remuneration, after the guidelines were adopted by the 2021 Annual General Meeting. The guidelines do not apply to remuneration decided by the Annual General Meeting.

The successful implementation of the company's business strategy and the safeguarding of the company's long-term interests, including its sustainability, depend on the company's ability to recruit, incentivise and retain qualified employees. This requires the company to offer competitive remuneration. These guidelines enable executive management to be offered a competitive total remuneration package.

Variable cash remuneration included in these guidelines should be aimed at promoting the company's business strategy and long-term interests, including its sustainability.

### Forms of remuneration

Remuneration shall be in line with market conditions and may consist of the following components:

- Fixed cash wage
- Variable cash remuneration
- Pensions and other benefits

Additionally, and independently of these guidelines, the Annual General Meeting may decide, for instance, on share and share-price related remuneration.

Compliance with the criteria for the payment of variable cash remuneration must be measurable over a period of one year. The variable cash remuneration may not exceed 80 percent of the total fixed cash remuneration during the measurement period for such criteria.

For the CEO, pension benefits, including health insurance, shall be defined contribution. Variable cash remuneration must not be pensionable. Pension premiums for defined contribution pensions shall not exceed 30 percent of the fixed annual cash salary.

For other executive management, pension benefits, including health insurance, shall be defined contribution unless the executive is covered by a defined benefit pension under the terms of mandatory collective bargaining agreements. The variable cash remuneration shall be pensionable to the extent that this is provided for under the terms of any mandatory collective bargaining agreements that are applicable to the executive. Pension premiums for defined contribution pensions must accord with mandatory collective bargaining agreements. Other benefits may include, but are not limited to, medical insurance and car benefits as per company guidelines.

For employment relationships subject to non-Swedish regulations, such as pension benefits and other benefits, appropriate adjustments may be made to comply with such mandatory rules or established local practice, in which case the overall purpose of these guidelines shall be met as far as possible.

### Termination of employment

In the event of termination on the part of the Company, the notice period must not exceed nine (9) months. Fixed cash remuneration during the notice period and severance pay may not in total exceed an amount equal to the fixed cash remuneration for 18 months for the CEO and 12 months for other executive management. The cash salary shall be paid monthly during the period of notice. In the event of termination on the part of the executive, the notice period may not exceed nine (9) months, without entitlement to severance pay.

Additional remuneration may be paid for a non-compete commitment, where applicable. Such remuneration shall compensate for any loss of income and shall be paid only to the extent that the former executive is not entitled to severance pay. The remuneration shall not exceed 60 percent of the monthly income at the time of termination and shall be paid for the duration of the non-competition obligation, which shall not exceed six (6) months following the termination of employment.

### Criteria for the distribution of variable cash remuneration

The variable cash remuneration shall be linked to predetermined and measurable criteria, whether financial or non-financial. They may also be personalised quantitative or qualitative targets. The criteria must be designed to promote the company's business strategy and long-term interests, including its sustainability, by, for instance, establishing a clear link to the business strategy or promoting the executive's long-term development.

Upon completion of the measurement period for compliance with the criteria for the payment of variable cash remuneration, the extent to which the criteria are met must be assessed/determined. The Remuneration Committee is responsible for assessing the CEO's variable cash remuneration. With regard to other executives' variable cash remuneration, the CEO is responsible for such assessments. For financial targets, the assessment shall be based on the latest financial information published by the company.

### Salary and terms of employment

In preparing the Board's proposed Remuneration Guidelines, the remuneration and employment terms of the Company's employees have been taken into account by providing information on the total remuneration of employees, the components of remuneration and the rate and increase of remuneration over time as part of the decision-making process of the Remuneration Committee and the Board in evaluating the reasonableness of the Guidelines and the resulting limitations.

### The decision-making process for establishing, reviewing and implementing the guidelines

The Board has established a Remuneration Committee. The Committee's tasks include preparing the Board's decision on proposed guidelines for the remuneration of executive management. The Board shall draw up proposals for new guidelines at least every four years and submit them to the Annual General Meeting for approval. The guidelines shall remain in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate variable remuneration programmes for senior management, the application of the guidelines for remuneration of executive management and the current remuneration structures and levels in the Company. The members of the remuneration committee are independent of the Company and its management. Insofar as the Chief Executive Officer or other members of senior management are impacted by a remuneration related matter, they will not be present when the board of directors discusses and decides on such a matter.

### Deviations from the guidelines

The Board of Directors may resolve to deviate temporarily from the guidelines, in whole or in part, if there are specific reasons for doing so in an individual case and where a deviation is necessary to meet the long-term interests of the Company, including its sustainability, or to ensure the Company's financial viability. As stated above, the Remuneration Committee is responsible for preparing the Board's decisions on matters relating to remuneration, including decisions on deviations from the guidelines.

# Financial overview of the Group

| SEK million | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|
| Net sales | 921.8 | 706.3 | 635.4 | 573.3 |
| Operating income | 81.8 | 142.7 | 68.3 | 102.1 |
| Operating margin, % | 9 | 20 | 11 | 18 |

# Financial development

### Net sales

Net sales were SEK 922 million (706), an increase of 31 percent from the previous year. Organic growth was 34 percent and currency effects had a negative impact of 4 percentage points on net sales. EVSE deliveries accounted for 18 percent (12) of sales for the period.

### Earnings

The gross margin was largely unchanged at 52.9 percent (53.3).

Adjusted EBITA increased by SEK 25 million, or 20 percent, to SEK 151 million (126), corresponding to an adjusted EBITA margin of 16.3 percent (17.8). The main reason for the earnings trend was increased volumes in all divisions, offset by continued investments in the organisation.

EBIT was SEK 82 million (143), with an EBIT margin of 8.9 percent (20.2). Earnings were affected by items affecting comparability of SEK -40 million (46), which for the year were entirely attributable to external expenses associated with the company's listing process. The positive amount last year was due to the revaluation of an earnout. See Note 8 for a specification of items affecting comparability.

### Financial income and expenses

Financial income (net) amounted to SEK -76 million (-41) and for the period were mainly attributable to the settlement of the previous financing of SEK -24 million and interest expenses of SEK -44 million. Net financial income was also negatively impacted by exchange differences of SEK -10 million on previous foreign currency loans.

### Tax

Tax for the year amounted to SEK -1.4 million (-20), corresponding to an effective tax rate of 24 percent. During the year, a deferred tax asset was recognised on negative net interest income which the Company believes it will be able to utilise in the future. This was not done in prior years as there was uncertainty about the ownership structure following the company's change of ownership, which could affect this assessment.

### Consolidated profit

The consolidated profit after tax was SEK 4 million (82), which equals earnings per share after dilution of SEK 0.10 (0.19).

### Cash flow and cash and cash equivalents

The cash flow from operating activities was SEK -28 million (93) for 2021, largely attributable to the costs of the IPO. The cash flow effect from changes in working capital was SEK -103 million (-5) and was impacted by a significant inventory build-up at the end of the year to secure deliveries. Cash flow from investing activities was SEK -67 million (-43). The cash flow from financing activities was SEK 50 million (-4), mainly refinancing involving raising new loans and repaying previous loans, the completion of a new share issue and issue costs. Cash and cash equivalents at the end of the year amounted to SEK 54 million (95). Available credit at the end of the year was SEK 100 million (50), of which SEK 58 million (0) has been utilised.

### Investments

CTEK's investments totalled SEK -67 million (-43) during the year, of which SEK -15 million (-5) related to investments in tangible assets and SEK -52 million (-38) related to investments in intangible assets attributable to deferred development costs for future products.

### Equity and indebtedness

CTEK's balance sheet total was SEK 1,566 million as of 31 December (1,454 as of 31 December 2020). Equity increased by SEK 369 million to SEK 655 million during the year (286 as of 31 December 2020), mainly as a result of the company's new share issue in connection with the IPO. Interest-bearing net debt was SEK 500 million at the end of the period compared with SEK 736 million on 31 December 2020. Net debt in relation to adjusted EBITDA on 31 December was 2.6x, compared with 4.8x on 31 December 2020.

# *Proposed appropriation of the company's profit*

The following amounts in SEK are at the disposal of the Annual General Meeting:

| | |
|---|---|
| Share premium reserve | 1,277,231,112 |
| Retained earnings | -760 |
| Earnings for the financial year | 5,345,154 |
| **Total** | **1,282,575,506** |

The Board of Directors proposes that available earnings and unrestricted funds be appropriated as follows:

| | |
|---|---|
| **Balance carried forward** | **1,282,575,506** |

The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the financial year 2021.

For the company's other results and its financial position generally, please see the attached financial statements and related notes.

# Consolidated statement of profit or loss

| SEK million | Note | 2021-12-31 | 2020-12-31 |
|---|---|---|---|
| **Operating income** | | | |
| Net sales | 4 | 921.8 | 706.3 |
| Other operating income | 7 | 4.8 | 4.4 |
| **Total revenues** | | **926.5** | **710.7** |
| | | | |
| **Operating expenses** | | | |
| Goods for resale | | -434.1 | -329.8 |
| Other external expenses | 5 | -134.9 | -98.2 |
| Personnel costs | 6 | -165.4 | -121.9 |
| Depreciation, amortisation and impairment of tangible and intangible assets | 12, 13, 14 | -68.5 | -57.2 |
| Other operating expenses | 7 | -1.5 | -6.7 |
| Items affecting comparability | 8 | -40.4 | 45.8 |
| **Total expenses** | | **-844.7** | **-568.0** |
| | | | |
| **Operating profit** | | **81.8** | **142.7** |
| | | | |
| **Financial items** | | | |
| Financial income | 9 | 6.6 | 28.6 |
| Financial expenses | 9 | -82.6 | -69.7 |
| **Financial items – net** | **9** | **-76.0** | **-41.1** |
| | | | |
| **Profit before tax** | | **5.8** | **101.6** |
| Income tax | 10 | -1.4 | -19.6 |
| **Profit for the year** | | **4.4** | **82.0** |
| | | | |
| Earnings, SEK per share before dilution | 11 | 0.10 | 0.19 |
| Earnings, SEK per share after dilution | 11 | 0.10 | 0.19 |

# Consolidated statement of other comprehensive income

| SEK million | Note | 2021-12-31 | 2020-12-31 |
|---|---|---|---|
| **Earnings for the financial year*** | | **4.4** | **82.0** |
| | | | |
| **Other comprehensive income** | | | |
| **Items that can be reclassified as profit or loss for the years** | | | |
| Exchange rate differences upon translation of foreign subsidiaries | | -0.3 | 1.2 |
| **Other comprehensive income for the year, after tax** | | **-0.3** | **1.2** |
| **Comprehensive income for the year, after tax** | | **4.1** | **83.2** |
| **Comprehensive income for the year attributable to** | | | |
| Parent company shareholders | | 4.1 | 83.2 |
| **Comprehensive income for the year*** | | **4.1** | **83.2** |

*) Sum of income and comprehensive income for the year is entirely attributable to the parent company shareholders.

# Consolidated statement of financial position

| SEK million | Note | 2021-12-31 | 2020-12-31 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| **Intangible assets** | 12, 13 | | |
| Goodwill | | 455.8 | 455.8 |
| Brands | | 259.5 | 259.5 |
| Patents, licenses | | 6.6 | 7.7 |
| Capitalised development expenditure | | 116.9 | 89.7 |
| Technology | | 94.5 | 105.5 |
| Customer relationships | | 108.9 | 126.1 |
| **Total intangible assets** | | **1,042.2** | **1,044.3** |
| | | | |
| **Tangible assets** | | | |
| Land and buildings | 14 | 2.3 | 3.3 |
| Equipment, tools, fixtures and fittings | 14 | 25.2 | 19.3 |
| Right-of-use assets | 25 | 17.0 | 15.1 |
| **Total, tangible assets** | | **44.5** | **37.7** |
| | | | |
| **Financial assets** | | | |
| Deferred tax assets | 10 | 9.5 | - |
| Derivatives | 16, 17 | - | 0.9 |
| **Total financial assets** | | **9.5** | **0.9** |
| | | | |
| **Total non-current assets** | | **1,096.2** | **1,083.0** |
| | | | |
| **Current assets** | | | |
| Inventories | 15 | 199.2 | 132.3 |
| Accounts receivables | 16, 18 | 188.6 | 124.8 |
| Current tax assets | | 0.1 | 0.2 |
| Other current receivables | 16 | 9.3 | 7.5 |
| Prepaid expenses and accrued income | 19 | 12.9 | 6.2 |
| Derivatives | 16, 17 | 4.9 | 5.2 |
| Cash and cash equivalents | | 53.5 | 94.7 |
| Assets held for sale | 31 | 1.7 | - |
| **Total, current assets** | | **470.3** | **370.9** |
| **TOTAL ASSETS** | | **1,566.4** | **1,453.9** |

# *Consolidated statement of financial position*

| SEK million | Note | 2021-12-31 | 2020-12-31 |
|---|---|---|---|
| **Equity** | | | |
| Share capital | 20 | 49.3 | 42.4 |
| Other contributed equity | | 977.9 | 619.5 |
| Translation reserves | | -6.4 | -6.0 |
| Retained earnings including net profit for the year | | -365.8 | -370.2 |
| **Total equity** | | **655.1** | **285.6** |
| | | | |
| **Non-current liabilities** | | | |
| Other provisions | 22 | 3.2 | 3.5 |
| Interest-bearing liabilities | 16, 21 | 495.5 | 830.2 |
| Lease liabilities | 21, 25 | 11.4 | 10.6 |
| Derivatives | 16, 17 | - | 0.2 |
| Deferred tax liabilities | 10 | 111.7 | 120.0 |
| **Total non-current liabilities** | | **621.7** | **964.5** |
| | | | |
| **Current liabilities** | | | |
| Accounts payable | 16 | 115.3 | 94.7 |
| Current component of interest-bearing liabilities | | 58.0 | - |
| Lease liabilities | 21, 25 | 6.4 | 4.8 |
| Current tax liabilities | | 37.4 | 30.6 |
| Derivatives | 16, 17 | 1.0 | 1.7 |
| Other liabilities | 16 | 10.5 | 5.9 |
| Accrued expenses and deferred income | 23 | 61.0 | 66.1 |
| **Total current liabilities** | | **289.6** | **203.8** |
| **TOTAL EQUITY AND LIABILITIES** | | **1,566.4** | **1,453.9** |

# Consolidated statement of change in equity

| SEK million | Share capital | Other contributed equity | Translation reserve | Retained earnings | Total equity |
|---|---|---|---|---|---|
| **Opening equity 1 January 2020** | **42.4** | **617.9** | **-7.2** | **-452.2** | **201.0** |
| Earnings for the financial 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 December 2020*** | **42.4** | **619.5** | **-6.0** | **-370.2** | **285.6** |
| | | | | | |
| **Opening equity 1 January 2021** | **42.4** | **619.5** | **-6.0** | **-370.2** | **285.6** |
| Earnings for the financial year | | | | 4.4 | 4.4 |
| Other comprehensive income for the year | | | -0.3 | | -0.3 |
| **Comprehensive income for the year** | | | **-0.3** | **4.4** | **4.1** |
| | | | | | |
| **Transactions with the Group's owners** | | | | | |
| New share issues | 6.9 | 365.2 | | | 372.1 |
| Issue costs | | -18.3 | | | -18.3 |
| | | | | | |
| **Other** | | | | | |
| Paid-in warrants | | 11.5 | | | 11.5 |
| **Closing equity 31 December 2021*** | **49.3** | **977.9** | **-6.4** | **-365.8** | **655.1** |

*) Equity at the end of the period is entirely attributable to the parent company shareholders.

# Consolidated statement of cash flows

| SEK million | Note | 2021-12-31 | 2020-12-31 |
|---|---|---|---|
| **Operating activities** | | | |
| Operating profit | | 81.8 | 142.7 |
| Adjustments for non-cash items | 28 | | |
| Depreciation/amortisation | | 68.5 | 57.2 |
| Changes in provisions | | -0.3 | 0.4 |
| Fair value remeasurement | | - | -50.0 |
| Other non-cash items | | -4.1 | -0.3 |
| **Cash flow before financial items** | | 145.9 | 150.1 |
| | | | |
| Interest receivable and similar items | | 3.4 | 0.0 |
| Interest paid | | -56.7 | -45.7 |
| Financial items paid | | -4.9 | -5.6 |
| Tax paid | | -13.4 | -0.7 |
| **Cash flow from operating activities before changes in working capital** | | **74.3** | **98.1** |
| | | | |
| **Cash flow from changes in working capital** | | | |
| Change in inventories | | -61.1 | -37.8 |
| Change in operating receivables | | -74.1 | -11.1 |
| Change in operating liabilities | | 32.7 | 43.7 |
| **Cash flow from operating activities** | | **-28.4** | **92.8** |
| | | | |
| **Investment activities** | | | |
| Acquisition of tangible fixed assets | 14 | -15.1 | -4.9 |
| Acquisition of intangible fixed assets | 12, 13 | -51.9 | -38.4 |
| Sale of tangible fixed assets | | 0.2 | 0.3 |
| Acquisition of subsidiaries | | 0.0 | - |
| **Cash flow from investment activities** | | **-66.8** | **-43.0** |
| | | | |
| **Financing activities** | | | |
| Paid-in new share issue | | 372.1 | - |
| Payments for new share issue costs | | -18.3 | - |
| Paid-in warrants | | 11.5 | 1.5 |
| Proceeds from borrowings | | 558.0 | - |
| Repayment of lease liability | 25 | -6.1 | -5.3 |
| Repayment of borrowings | | -867.0 | - |
| **Cash flow from financing activities** | | **50.3** | **-3.8** |
| | | | |
| **Cash flow for the year** | | **-44.9** | **46.0** |
| | | | |
| Cash and cash equivalents at the opening of the year | | 94.7 | 51.2 |
| Exchange-rate differences in cash and cash equivalents | | 3.6 | -2.5 |
| Cash and cash equivalents at the close of the year | | 53.5 | 94.7 |

# Notes

## GENERAL INFORMATION

The consolidated financial statements encompass CTEK AB (publ) (the "Company"), with corporate registration number 559217-4659 and its subsidiaries. The Group conducts sales, marketing and technical development of battery chargers and related products, as well as products and systems for charging electric vehicles.

The parent company is a limited liability company registered in Sweden and has its registered office in Hedemora Municipality in Dalarna County, Sweden. The street address of the head office is Rostugnsvägen 3, SE-776 70 Vikmanshyttan, Sweden. These financial statements were approved by the Board of Directors and the Chief Executive Officer on 7 April 2022.

All amounts are presented in millions of SEK (SEK million) unless otherwise stated.

Tables and calculations may reflect roundings, which means that the totals provided are not always the exact sum of the rounded sub-totals.

## NOTE 1 ACCOUNTING PRINCIPLES

### BASIS OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were 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 (IFRS IC) as adopted by the European Union (EU). The Group also applied the Swedish Annual Accounts Act (1995:1554) and 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. The consolidated financial statements were prepared in accordance with the purchase method of accounting whereby all subsidiaries over which control is exercised are consolidated from the date on which control is obtained.

Preparing financial statements in accordance with IFRS requires the use of some key estimates for accounting purposes. The areas involving a high degree of estimation, which are complex or where assumptions and estimates are material to the consolidated financial statements, are disclosed in Note 3. These estimations and assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual outcomes may differ from estimates made.

Unless otherwise indicated, the accounting policies stated out below were applied consistently to all periods presented in the consolidated financial statements.

### NEW AND AMENDED IFRS APPLIED BY THE GROUP

There were no new standards or amendments to standards in 2021 that required a change in accounting or valuation principles.

The Group allies the following standards and amendments for the first time for the financial year beginning 1 January 2021:

- Earnings per share - IAS 33
- Assets held for sale – IFRS 5
- Operating segment – IFRS 8

Under IFRS 5, assets held for sale are reported separately in the statement of financial position and measured as the carrying amount or net realisable value, whichever is lower. One condition that must be met for an asset to be classified as held for sale is that the sale is highly probable and that the assets (disposal group) are available for sale in their present condition.

### NEW AND AMENDED IFRS NOT YET APPLIED

Future standards, amendments and improvements to existing standards and interpretations that are not effective for the 2021 financial year have not been prospectively adopted when preparing this financial report. CTEK's assessment is that none of these changes, which are not yet in effect, are expected to have a material impact on the Group's financial statements.

### CONSOLIDATED FINANCIAL STATEMENTS

#### Subsidiaries

Subsidiaries are all companies in which the Group has a controlling interest. The Group controls an entity when it is exposed to or has the right to a variable return from its holding in the entity and has the ability to affect that return through its influence 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 on which control ceases.

The acquisition method is used to report the Group's acquisitions of subsidiaries. This method treats the acquisition of a subsidiary as a transaction whereby the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis determines the fair value on the acquisition date of the identifiable assets acquired and liabilities assumed and any non-controlling interests. Any transaction costs incurred, except for costs attributable to the issue of equity or debt instruments, are recognised directly in the net profit for the year. For business combinations where the transferred consideration exceeds the fair value of the assets acquired and liabilities assumed, which are recognised separately, the difference is recognised as goodwill. When the difference is negative, which is known as a bargain purchase, it is recognised directly in the net profit for the year. After initial recognition, goodwill is recognised at cost less any 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 whether a transaction is a business combination by evaluating whether the assets acquired and liabilities assumed constitute a business. A movement consists of inputs and processes applied to these inputs that can contribute to creating outputs. If the assets acquired are not a business, the transaction or other event is recognised as an asset acquisition.

Intra-group transactions and balance-sheet items and unrealised gains and losses on transactions between Group companies are eliminated in their entirety when preparing the consolidated financial statements.

### 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 primarily operates. The consolidated financial statements use Swedish kronor (SEK), which is the functional currency of the parent company and the presentation currency of the Group.

#### Transactions and balance-sheet items

Transactions in foreign currencies are translated to the functional currency at the exchange rates on the date of the transaction. Monetary assets and liabilities in foreign currencies 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 attributable to the settlement of such transactions and on translation of monetary assets and liabilities denominated in foreign currencies on the closing-day rate are recognised in the operating profit in profit or loss.

Exchange-rate gains and losses attributable to financial receivables and liabilities are recognised in profit and 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 other than 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, Swedish kronor, at the exchange rate applicable on the balance-sheet date. The income and expenses in each of the income statements are translated to Swedish kronor at the average exchange rate for the period. Translation differences arising from currency translation of foreign operations are recognised in other comprehensive income and accumulated in the translation reserve in equity.

Exchange rates when translating foreign Group companies;

| Currency | Average rate 2021 | Average rate 2020 | Exchange rate 2021-12-31 | Exchange rate 2020-12-31 |
|---|---|---|---|---|
| USD | 8.6 | 9.0 | 9.0 | 8.2 |
| EUR | 10.1 | 11.7 | 10.2 | 10.0 |
| HKD | 1.1 | 1.2 | 1.2 | 1.1 |
| CNY | 1.3 | 1.3 | 1.4 | 1.3 |
| AUD | 6.4 | 6.3 | 6.6 | 6.3 |
| DKK | 1.4 | 1.4 | 1.4 | 1.4 |
| GBP | 11.8 | 11.3 | 12.2 | 11.1 |
| NOK | 1.0 | - | 1.0 | - |

## ITEMS AFFECTING COMPARABILITY

Items affecting comparability refers to items in the income statement that have had an impact on the operating result and are important for understanding the underlying performance of the business. In 2021, this item referred to costs related to the company's listing process. In 2020, the largest item referred to other income attributable to the remeasurement of an earnout from a previous acquisition and the external costs of the company's listing process.

## INCOME FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME

Revenues are recognised in accordance with IFRS 15. Revenues consist mainly of sales of battery chargers and to some extent sales of accessories for battery chargers, as well as of products for charging electric vehicles.

### Sale of goods

CTEK supplies goods to customers, which is the only performance obligation. This obligation meets the criteria for recognising revenue at a certain 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 terms. This occurs, for example, when CTEK has an existing right to payment for the goods, 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

Generally speaking customer contracts contain only a few examples of 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 is recognised as a liability.

### Interest income

Interest income on long-term receivables is calculated using the effective interest method. Interest income includes accrued amounts of any discounts, premiums and other differences between the original value of the receivable and the amount that will be received at maturity.

### Dividends

Dividends are recognised as income when the right to receive payment has been established. This also applies to dividends are paid from profits accrued before the date of acquisition. As a consequence, the investment needs 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, which for CTEK is the Group's CEO. The chief operating decision maker is the function responsible for allocating resources and assessing the performance of the operating segments. The Group has three operating segments: Aftermarket, Original Equipment and Energy & Facilities. These segments consist of two technologies focusing on premium battery chargers and electric vehicle chargers and accessories. Segment reporting is recognised consistently for each year in Note 4.

### Earnings per share

Earnings per share are calculated in accordance with IAS 33. To calculate the diluted earnings per share, 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 indicated in Note 6.

## INTANGIBLE ASSETS

### Deferred development costs

An intangible asset is measured at cost when it is first recognised in the financial statements. The useful life of an intangible asset is either definite or indefinite. Intangible assets with definite useful lives are recognised at cost less amortisation and any impairment. Intangible assets with indefinite useful lives are not amortised but are instead tested for impairment every year, either individually or as part of a cash-generating unit.

Development expenditure for new or improved products, including technology, is recognised as intangible asset when it meets 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 capitalisation implemented include business plans, budgets and the company's assessments of future outcomes. The cost is the sum of the direct and indirect expenses incurred from the date on which the intangible asset meets the above criteria. Intangible assets are recognised at cost less accumulated amortisation 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 the product development.

Other development expenses that do not meet these criteria are expensed as they are incurred. Previously expensed development expenses are not recognised as an asset in the balance sheet.

## AMORTISATION PRINCIPLES

Intangible assets with finite useful lives are amortised systematically over the estimated useful life of the asset. The useful life is reviewed at each reporting period and adjusted as necessary. When the amortisable amount of the assets is determined, the residual value is taken into account where applicable. Intangible assets with definite useful lives are amortised from the date they are available for use. The estimated useful lives of intangible assets are as follows:

| | |
|---|---|
| Patents, licenses | 3-20 years |
| Technology | 10-20 years |
| Deferred development costs | 3-5 years |
| Customer Relations | 6-20 years |
| Brands , goodwill | Indefinite lives |

## TANGIBLE ASSETS

Tangible assets are recognised at cost less accumulated depreciation and any impairment. Cost includes expenditure directly attributable to the acquisition of the asset to bring it to the location and in the condition necessary for its intended use.

The carrying amount of an asset is derecognised 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. Profits and losses are recognised as other operating income/expenses in the income statement.

Any additional expenses are added to the carrying amount of the asset or recognised 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 of the asset can be reliably measured. All other repairs and maintenance are recognised as expenses in the income statement in the period in which they are incurred.

Land is not depreciated. Depreciation of other assets to reduce their cost to the estimated residual value over the estimated useful life is calculated on a straight-line basis as follows:

| | |
|---|---|
| Buildings | 20-25 years |
| Equipment, tools and installations | 3-5 years |

The residual values and useful lives of the assets are reviewed at the end of each reporting period and adjusted as necessary. If the 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 whenever there is an indication 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 recognised at the amount by which the asset's carrying amount exceeds its recoverable amount. A recoverable amount is the higher of the net realisable value and the value in use, which is 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 using a discount rate that takes into account the risk-free interest and risk related to the specific asset. An impairment is charged to the income statement.

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 recognised in prior periods. Any reversals are recognised in the income statement.

Goodwill and brands are tested for impairment annually as of 31 December and whenever there is an indication that the carrying amount may be impaired. Impairment of assets is determined by calculating the recoverable amount attributable to each cash-generating unit. When the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recognised. Impairment of goodwill cannot be reversed in subsequent periods.

## FINANCIAL INSTRUMENTS

Financial instruments are any form of contract 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 recognised in the statement of financial position when the company becomes a party to the contractual terms of the instrument. Transactions with financial assets are recognised on the transaction date, which is the date on which the Group commits to acquire or dispose of the assets.

A financial asset is derecognised from the statement of financial position (in whole or in part) when the rights under the contract are realised, expire or the company loses control of them. A financial liability is derecognised from the statement of financial position (in whole or in part) when the obligation under the contract is met or otherwise extinguished. A financial asset and a financial liability are offset and the net amount is recognised in the statement of financial position only when there is a legal right to offset the amounts 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 or modification in the balance sheet are recognised in the income statement. 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 exposures.

### Classification and measurement of financial assets

Debt instruments: the classification of financial instruments that are debt instruments is based on the Group's business model for holding the assets and the nature of the asset's contractual cash flows.

The instruments are classified as:

- amortised 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 amortised cost. Financial assets classified at amortised cost are initially measured at fair value plus transaction costs. Accounts receivable are initially recognised at the invoiced amount. Following initial recognition, the assets are measured according to the effective interest method. Assets classified at amortised cost are held under the business model of collecting contractual cash flows that are solely payments of principal and interest on the outstanding principal.

The assets are subject to a loss reserve for expected credit losses and are measured at amortised cost.

Equity instruments are classified at fair value through profit or loss, unless they are held for trading, in which case an irrevocable election can be made to classify 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 where hedge accounting is applied.

#### Classification and measurement of financial liabilities

Financial liabilities are classified at amortised cost except for derivatives and additional earnouts. Financial liabilities recognised at amortised cost are initially measured at fair value including transaction costs. Following initial recognition, they are measured at amortised cost using the effective interest method. Derivative instruments are classified at fair value through profit or loss. 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 recognised in the operating result.

#### 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 recognised in net financial items in the income statement.

#### 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 under IFRS 9 are forward-looking, and a loss reserve 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 life of the financial instruments, depending on the type of asset and on credit impairments since initial recognition. Expected credit losses reflect an unbiased, probability-weighted outcome that takes into account multiple scenarios based on reasonable and verifiable forecasts. Measuring expected credit losses takes into account any collateral and other credit enhancements in the form of guarantees.

The simplified model is applied to accounts receivable and contract assets. In the simplified model, a loss reserve is recognised, for the expected remaining life 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 reserve is recognised for the next 12 months, or alternately for a shorter period of time depending on the remaining life (stage 1). If there has been a significant increase in credit risk since initial recognition, a loss reserve is recognised for the remaining life of the asset (stage 2). For assets deemed to be credit impaired, provisions for expected credit losses continue to be made for the remaining life (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 reserve, as opposed to the gross amount as in previous stages. The financial assets are recognised at amortised cost in the balance sheet, i.e. net of gross value and loss reserve. Changes in the loss reserve are recognised in the income statement.

### INVENTORIES

Inventories are recognised at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Inventories consist of finished goods and components (Note 15). Cost is comprised of purchase price from suppliers plus 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 on hand, bank deposits, short-term investments that are exposed to an insignificant risk of value fluctuations and with a term of less than 3 months. Utilised cheque facilities are recognised in the statement of financial position as short-term liabilities.

### SHARE CAPITAL AND OTHER EQUITY

Ordinary shares are classified as equity. Transaction costs that are directly attributable to the issue of new shares are recognised, 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 usually paid within 30 days.

Accounts payable and other liabilities are classified as short-term liabilities if they are due within one year. Otherwise they are recognised as long-term liabilities. Accounts payable and other liabilities are measured at amortised cost.

### INCOME TAX

Income tax is comprised of current and deferred tax. Income tax is recognised in net profit for the year, except when the underlying transaction is recognised in other comprehensive income or in equity, in which case the associated tax effect is also recognised in other comprehensive income or in equity. The current tax expense is calculated on the basis of the tax rules enacted or substantively enacted at the balance-sheet date in the countries in which the Parent Company and its subsidiaries operate and generate taxable income.

Deferred tax is recognised, in accordance with the balance-sheet method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Temporary differences are not taken into account in the recognition of goodwill or in the initial recognition of the acquisition of an asset because the acquisition does not affect either recognised or taxable profit. Deferred income tax is calculated using tax rates enacted or announced on the balance-sheet date and that are expected to apply in the jurisdiction in which the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are set off if there is a legal right to set off short-term tax assets against short-term tax liabilities and the deferred tax is attributable to the same Group entity and the same taxation authority.

### BORROWING

Borrowing is initially recognised at fair value, net of transaction costs. Borrowing is subsequently measured at amortised cost and any difference between the amount received (net of transaction costs) and the repayment amount is recognised in the income statement over the period of the borrowing, using the effective interest method.

### FINANCIAL ITEMS

#### Interest income and similar income

Interest income is recognised under the effective interest method. The effective interest rate discounts estimated future receipts and disbursements through the expected life of a financial instrument to the net carrying amount of the financial asset or 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 recognised in the period to which it pertains.

### Interest expenses and similar expenses

Interest expenses are recognised under the effective interest method. Interest expenses are recognised in the period to which they pertain.

## EARNOUTS

Earnouts attributable to previous business combinations are measured initially, and subsequently, at fair value in the statement of financial position. Such a change in value of SEK 50 million was recognised in 2020 as an item affecting comparability.

## REMUNERATION OF EMPLOYEES

### Short-term remuneration

Short-term employee remuneration such as salaries, social security contributions and holiday pay are expensed in the period in which the employees perform the services.

### Retirement benefit obligations

The CTEK Group's main pension plan is the ITP plan, which is secured through contributions to Alecta. The plan is recognised as a defined-contribution plan in accordance with IFRS.

A defined-contribution plan is a pension plan under which the Group pays fixed contributions to a separate legal entity. The Group has no legal or informal obligation to pay additional contributions if this legal entity does not have sufficient assets to pay all employee benefits related to the employees' service in the current or prior periods. The Group thus has no additional risk. The Group's obligations pertaining to fees for defined contribution plans are recognised as an expense in the income statement 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 through insurance with Alecta.

Under the International Financial Reporting Standard (IFRS), a company must report employee remuneration according to IAS 19. Premium-paid ITP 2 in Alecta cannot be reported according to IFRS/IAS 19. This means that companies that pay premiums for defined benefit ITP 2 Old-age pension and/or Family pension, must report the costs as defined contribution. This is according to the Swedish Financial Reporting Board. The reason that it is not possible to recognise the contributions under IFRS/IAS19 is that for most of the accrued pension benefits, 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 deficits arising is to be handled.

### Warrants

The Parent Company and the underlying holding companies have issued warrants, see Note 6. The warrants were issued on market-based terms, which means that the participants did not receive any benefit. 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 equal to the exercise price, at which point new shares will be issued and the exercise proceeds will be recognised as an increase in equity.

## PROVISIONS

Provisions are recognised in the balance sheet when the Group has, or can be considered to have, an obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be measured reliably. If the Group expects to receive a settlement equivalent to a provision made, for example under an insurance contract, the settlement is recognised as an asset in the balance sheet when it is virtually certain that the settlement 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 estimated future payment using a pre-tax discount factor that reflects the current market assessment of the time value and any risks associated with the obligation. The gradual increase in the amount of the provision resulting from the present value calculation is recognised as an interest expense in the income statement.

### Guarantee commitments

CTEK provides insurance-based warranties where the warranty is a product guarantee of quality. These types of guarantees are recognised in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets. CTEK's commitment to repair or replace defective products in accordance with normal guarantee rules is recognised as a provision.

Guarantee costs are charged to cost of goods sold. The provision for guarantee costs is calculated on a flat-rate basis at an amount equal to the average cost of guarantee costs in relation to sales over the last 12-month period, adjusted by the amount by which known warranty claims exceed the flat-rate provision. The provision for guarantee obligations is related to the guarantee period given.

## LEASES

When a contract is signed, the Group determines whether 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 specified period of time in exchange for consideration.

## THE GROUP AS LESSEE

### Right-of-use assets

The Group recognises right-of-use assets in the statement of financial position on the effective date of the lease (i.e. the date on which the underlying asset becomes available for use). Right-of-use assets are valued at cost less accumulated depreciation and any impairment, and adjusted for revaluations of the lease liability. The cost of a right-of-use asset includes the initial value recognised for the related lease liability, initial direct expenses, and any upfront payments made on or before the lease effective date, net of any incentives received. Provided that the Group is not reasonably certain that ownership of the underlying asset will pass at the end of the lease term, the right-of-use asset is depreciated on a straight-line basis over the lease term.

### Lease liabilities

At the effective date of a lease, the Group recognises a lease liability equal to the present value of the lease payments to be made during the lease term. The lease term is determined 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 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 payable upon termination under a termination option, if it is reasonably certain that such options will be exercised by the Group. Variable lease payments that do not depend on an index or a rate are recognised as an expense in the related period.

For the calculation of the present value of the lease payments, the Group uses the implicit interest rate in the contract if it is readily determinable, otherwise the incremental borrowing rate as of the effective date of the lease. After the effective date of a lease, the lease liability increases to reflect the interest rate on the lease liability and decreases with lease payments made. 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 no more than 12 months, taking into account any options to extend the lease. The Group's low-value leases are comprised of office furniture. 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 obligation arising from events that have occurred and the occurrence of which is confirmed only by one or more uncertain future events or when there is an obligation that is not recognised as a liability or provision because it is not likely that an outflow of resources will be required to settle it. From time to time, the Group is subject to litigation and legal claims arising from operating activities. If any such claim exists, it has been disclosed in Note 3.

## DISCLOSURES REGARDING RELATED PARTIES

Investmentaktiebolaget Latour is the largest shareholder in the Group, followed by Altor Fund III GP Ltd. Other related parties are all subsidiaries and executive management in the Group, i.e. the board and company management, as well as members of their families. Other companies controlled by Investmentaktiebolaget Latour and Altor Fund III GP Ltd are also parties related 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 disclosure also includes an explanation of the nature of the related party relationship and information about the effect of the relationship on the financial statements.

## EVENTS AFTER THE BALANCE-SHEET DATE

If events occur that are material but are not to be taken into account in determining the amounts in the statement of comprehensive income and the statement of financial position, disclosures of the nature of the event and, if possible, an estimate of the financial effect will be made in Note 32. Materiality is defined as the omission 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 date of the balance sheet and that occur after the date of the balance sheet but before the approval of the financial statements result in the amounts in the financial statements being adjusted.

## CASH FLOW STATEMENT

The cash flow statement was prepared using the indirect method. This means that the operating result 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

Through its operations, the Group is exposed to various financial risks: market risk (including currency risk and interest-rate risk), credit risk och liquidity risk. The Group's overall strategy focuses on reducing potential unfavourable effects on the Group's financial performance. The Group uses derivative instruments to reduce certain risk exposures.

Under the established financial policy, the CEO is responsible for compliance with the policy and the CFO is responsible for reporting to the Board on a quarterly basis.

### a) Market risk

### (i) Currency risk

### Transaction risk

Transaction risk is the risk that consolidated net profit and cash will be affected by changes in the value of the commercial flows in foreign currencies due to 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 financial policy, up to 50 percent of the expected net flow in USD and EUR within 1-12 months and 25 percent of the expected net flow in USD and EUR within 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 2021 and 31 December 2020.

The balance-sheet exposure for accounts receivable and other receivables in SEK is as follows:

| SEK million | 2021-12-31 | 2020-12-31 |
|---|---|---|
| USD | 45.2 | 17.6 |
| EUR | 82.6 | 57.4 |
| Other currencies | 13.4 | 12.4 |
| **Total** | **141.2** | **87.4** |

The balance-sheet exposure for accounts payable and other liabilities in SEK is as follows:

| SEK million | 2021-12-31 | 2020-12-31 |
|---|---|---|
| USD | 71.4 | 56.8 |
| EUR | 6.2 | 637.6 |
| Other currencies | 1.9 | 1.3 |
| **Total** | **79.5** | **695.7** |

### Sensitivity analysis - transaction risk

If the Swedish krona had weakened/strengthened by 5 percent against the euro, with all other variables remaining constant, profit before tax as of 31 December 2021 would have been SEK 3.8 million (SEK 29.0 million in 2020) lower/higher as a result of gains/losses on translation of accounts receivable, accounts payable and loans in EUR.

If the Swedish krona had weakened/strengthened by 5 percent against the US dollar, with all other variables remaining constant, profit before tax as of 31 December 2021 would have been SEK 1.3 million (SEK 2.0 million in 2020) lower/higher as a result of gains/losses on translation of accounts receivable and accounts payable in USD.

The above calculations do not take into account the Group's hedging effects through currency derivatives. See 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 are located in the US (USD), France (EUR), Germany (EUR), Australia (AUD), Hong Kong (HKD), China (CNY), Denmark (DKK), Norway (NOK) 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 - income statement

The Group has analysed its sensitivity to fluctuations in EUR and USD exchange rates.

In 2021, income was recognised in EUR at an average rate of SEK 10.1, compared with SEK 10.5 in 2020. In 2021, income was recognised in USD at an average rate of SEK 8.6, compared with SEK 9.0 in 2020. If exchange rates were unchanged, sales would have risen by approximately 34% compared to 2020.

If the Swedish krona had weakened/strengthened by 5 percent against the EUR, with all other variables remaining constant, the sales for the year would have been SEK 23.8 MILLION (SEK 17.1million in 2020) higher/lower. If the Swedish krona had weakened/strengthened by 5 percent against the EUR, with all other variables remaining constant, the total impact of the effects of the translation risk and transaction risk on net profit would have been SEK 21.0 million (SEK 17.6 million in 2020) lower/higher.

If the Swedish krona had weakened/strengthened by 5 percent against the USD, with all other variables remaining constant, the sales for the year would have been SEK 8.5 million (SEK 7.7 million in 2020) higher/lower. If the Swedish krona had weakened/strengthened by 5 percent against the USD, with all other variables remaining constant, the total impact of the effects of the translation risk and transaction risk on net profit would have been SEK 15.6 million (SEK 8.8 million in 2020) lower/higher.

### (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 consists a long-term bank loan carrying interest at a variable rate.

Interest-rate risk refers to the risk that changes in the 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. In 2020-2021, 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 the financial implication of which is that borrowing is converted from variable to fixed interest for a certain part of the borrowing. The Group takes out 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.

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/decrease of SEK 0.9 million (SEK 0.7 million in 2019, SEK 0.9 million in 2020). 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 of outstanding accounts receivable means that no credit is granted before a credit credit 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. See Note 18 for information on age distribution and reserves for unsecured receivables.

### c) Liquidity risk

Liquidity risk is the risk that the Group will have insufficient cash and cash equivalents to meet its financial debt obligations. Liquidity risk is carefully managed and the Group always seeks to ensure that it has sufficient cash and cash equivalents. At of 31 December 2021, the Group has liquidity of SEK 53.5 million (SEK 94.7 million in 2020), which comprised bank balances. In addition, the Group has a credit facility of SEK 100 million (SEK 50 million as of 2020), of which SEK 58.0 million (SEK 0 million as of 2020) has been utilised at year-end.

## 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 that are considered reasonable under the circumstances.

### Significant accounting estimates and judgements

The preparation of financial statements requires the board of directors and Group management to 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 involve a significant element of estimates and assumptions are:

### Impairment testing of intangible assets that have not been amortised

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 are based on estimated future cash flows before tax, based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using 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 and determining a discount rate. The recoverable amount 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 2021, the Group recognised goodwill of SEK 455.8 million (SEK 455.8 million in 2020) and brands of SEK 259.5 million (SEK 259.5 million in 2020).

### Deferred development costs

To determine whether an intangible asset arising through development should be recognised as an asset, assessments must be made regarding the extent to which certain established criteria are met. As regards capitalised development costs, management deems these to be technically and economically feasible. At the end of 2021, the Group recognised intangible assets for capitalised development expenditure at an amount of SEK 116.9 million (SEK 89.7 million in 2020). These assets are amortised 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

Amortisation of intangible assets is 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 326.9 million on 31 December 2021 (SEK 329.1 million on 31 December 2020).

### Provisions and contingent liabilities attributable to legal claims

There are currently no material legal claims against the Group.

## NOTE 4 DISTRIBUTION OF NET SALES AND SEGMENT ACCOUNTING

Sales of premium battery chargers and sales of electric vehicle chargers and accessories are recognised at a point in time when control of the goods has passed to the customer, which is upon delivery, and takes into account freight terms and conditions. Invoicing normally takes place in connection with sale with credit period terms 30-40 days.

Revenues from one customer amounted to SEK 142.7 million (SEK 104.8 million in 2020). The revenues are attributable to the Aftermarket segment.

Net sales by geography

| SEK million | 2021-12-31 | 2020-12-31 |
|---|---|---|
| Sweden | 200.8 | 141.0 |
| Nordics | 59.9 | 35.8 |
| DACH | 253.6 | 203.7 |
| Americas | 54.4 | 49.1 |
| Rest of Europe | 216.1 | 98.7 |
| Other | 137.0 | 178.0 |
| **Total income from contracts with customers** | **921.8** | **706.3** |

| SEK million | 2021-12-31 | 2020-12-31 |
|---|---|---|
| **Sales per segment** | | |
| Aftermarket | 643.9 | 516.3 |
| Original Equipment | 103.2 | 85.9 |
| Energy & Facilities | 148.3 | 84.9 |
| Central | 26.5 | 19.2 |
| **Net sales, Group** | **921.8** | **706.3** |
| **EBITDA per segment** | | |
| Aftermarket | 247.4 | 208.7 |
| Original Equipment | 19.9 | 6.5 |
| Energy & Facilities | -23.9 | –8.1 |
| Central | -93.1 | –7.2 |
| **EBITDA, Group** | **150.3** | **199.9** |
| Items affecting comparability | 40.4 | –45.8 |
| **Adjusted EBITDA, Group** | **190.7** | **154.1** |
| Depreciation/amortisation, non-M&A related fixed assets | -40.0 | –28.1 |
| **Adjusted EBITA, Group** | **150.7** | **126.0** |
| Items affecting comparability | -40.4 | 45.8 |
| **EBITA, Group** | **110.3** | **171.9** |
| Depreciation/amortisation, M&A driven fixed assets | -28.5 | –29.1 |
| **EBIT, Group** | **81.8** | **142.7** |

For information regarding alternative performance measures, see Definitions on page 96.

### NOTE 4 Distribution of net sales (continued)

Net sales are specified by significant type of income as follows

| Revenue from contracts with customers, 12 December 2021 SEK million | Aftermarket | Original Equipment | Energy & Facilities | Group-wide items and eliminations | Total |
|---|---|---|---|---|---|
| Sale of premium battery chargers | 629.1 | 103.0 | - | - | 732.1 |
| Sale of electric vehicle chargers and accessories | 14.8 | 0.1 | 148.3 | - | 163.2 |
| Other income | - | - | - | 26.5 | 26.5 |
| **Total** | **643.9** | **103.2** | **148.3** | **26.5** | **921.8** |

| Revenue from contracts with customers, 12 December 2020 SEK million | Aftermarket | Original Equipment | Energy & acilities | Group-wide items and eliminations | Total |
|---|---|---|---|---|---|
| Sale of premium battery chargers | 516.0 | 85.9 | - | - | 601.9 |
| Sale of electric vehicle 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** |

| SEK million | 2021-12-31 | 2020-12-31 |
|---|---|---|
| **Contract balances** | | |
| Accounts receivable | 188.6 | 124.8 |
| Accrued income | 1.3 | 0.3 |
| Other contract assets | 0.1 | - |
| **Total** | **190.0** | **125.2** |

## NOTE 5 AUDITOR'S FEES

An audit assignment refers to the statutory audit of the annual accounts and financial statements and the management by the Board of Directors and the Chief Executive Officer, other tasks to be performed by the company's auditor and advice or other assistance resulting from the findings of such auditing or the performance of such other tasks. Tax advisory services include general consultation on tax matters and tax advice in connection with transfer pricing. Other services are consultancy services that do not fall into any of the above categories. In 2021, Other services refers to work related to the company's listing process.

| SEK million | 2021-01-01 2021-12-31 | 2020-01-01 2020-12-31 |
|---|---|---|
| **Ernst & Young** | | |
| Audit assignment | 3.5 | 3.0 |
| Tax advisory services | 3.5 | 0.2 |
| Other services | 3.8 | 2.4 |
| **Total** | **10.8** | **5.7** |

# NOTE 6 REMUNERATION OF EMPLOYEES ETC.

### Salaries and other remuneration of CTEK's Board of Directors, CEO and Group management

The principles governing the remuneration of the Board of Directors and Group management are approved by the shareholders at the Annual General Meeting. The principles that were approved by the 2021 Annual General Meeting are described below.

### Guidelines for remuneration of the CEO and corporate management

The guidelines apply to new contractual remuneration, and modifications of already contracted remuneration, after the guidelines were adopted by the 2021 Annual General Meeting. The guidelines do not apply to remuneration decided by the Annual General Meeting.

The successful implementation of the company's business strategy and the safeguarding of the company's long-term interests, including its sustainability, depend on the company's ability to recruit, incentivise and retain qualified employees. This requires the company to offer competitive remuneration. These guidelines enable executive management to be offered a competitive total remuneration package.

Variable cash remuneration included in these guidelines should be aimed at promoting the company's business strategy and long-term interests, including its sustainability.

### Forms of remuneration

Remuneration shall be in line with market conditions and may consist of the following components:

- Fixed cash wage
- Variable cash remuneration
- Pensions and other benefits

Additionally, and independently of these guidelines, the Annual General Meeting may decide, for instance, on share and share-price related remuneration.

Compliance with the criteria for the payment of variable cash remuneration must be measurable over a period of one year. The variable cash remuneration may not exceed 80 per cent of the total fixed cash remuneration during the measurement period for such criteria.

For the CEO, pension benefits, including health insurance, shall be defined contribution. Variable cash remuneration must not be pensionable. Pension premiums for defined contribution pensions shall not exceed 30 percent of the fixed annual cash salary.

For other executive management, pension benefits, including health insurance, shall be defined contribution unless the executive is covered by a defined benefit pension under the terms of mandatory collective bargaining agreements. The variable cash remuneration shall be pensionable to the extent that this is provided for under the terms of any mandatory collective bargaining agreements that are applicable to the executive. Pension premiums for defined contribution pensions must accord with mandatory collective bargaining agreements.

Other benefits may include, but are not limited to, medical insurance and car benefits as per company guidelines.

For employment relationships subject to non-Swedish regulations, such as pension benefits and other benefits, appropriate adjustments may be made to comply with such mandatory rules or established local practice, in which case the overall purpose of these guidelines shall be met as far as possible.

### Termination of employment

In the event of termination on the part of the Company, the notice period must not exceed nine (9) months. Fixed cash remuneration during the notice period and severance pay may not in total exceed an amount equal to the fixed cash remuneration for 18 months for the CEO and 12 months for other executive management. The cash salary shall be paid monthly during the period of notice. In the event of termination on the part of the executive, the notice period may not exceed nine (9) months, without entitlement to severance pay.

Additional remuneration may be paid for a non-compete commitment, where applicable. Such remuneration shall compensate for any loss of income and shall be paid only to the extent that the former executive is not entitled to severance pay. The remuneration shall not exceed 60 per cent of the monthly income at the time of termination and shall be paid for the duration of the non-competition obligation, which shall not exceed six (6) months following the termination of employment.

### Criteria for the distribution of variable cash remuneration

The variable cash remuneration shall be linked to predetermined and measurable criteria, whether financial or non-financial. They may also be personalised quantitative or qualitative targets. The criteria must be designed to promote the company's business strategy and long-term interests, including its sustainability, by, for instance, establishing a clear link to the business strategy or promoting the executive's long-term development.

Upon completion of the measurement period for compliance with the criteria for the payment of variable cash remuneration, the extent to which the criteria are met must be assessed/determined. The Remuneration Committee is responsible for assessing the CEO's variable cash remuneration. With regard to other executives' variable cash remuneration, the CEO is responsible for such assessments. For financial targets, the assessment shall be based on the latest financial information published by the company.

### Salary and terms of employment

In preparing the Board's proposed Remuneration Guidelines, the remuneration and employment terms of the Company's employees have been taken into account by providing information on the total remuneration of employees, the components of remuneration and the rate and increase of remuneration over time as part of the decision-making process of the Remuneration Committee and the Board in evaluating the reasonableness of the Guidelines and the resulting limitations.

### The decision-making process for establishing, reviewing and implementing the guidelines

The Board has established a Remuneration Committee. The Committee's tasks include preparing the Board's decision on proposed guidelines for the remuneration of executive management. The Board shall draw up proposals for new guidelines at least every four years and submit them to the Annual General Meeting for approval. The guidelines shall remain in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate variable remuneration programmes for senior management, the application of the guidelines for remuneration of executive management and the current remuneration structures and levels in the Company. The members of the remuneration committee are independent of the Company and its management. Insofar as the Chief Executive Officer or other members of senior management are impacted by a remuneration related matter, they will not be present when the board of directors discusses and decides on such a matter.

### Deviations from the guidelines

The Board of Directors may resolve to deviate temporarily from the guidelines, in whole or in part, if there are specific reasons for doing so in an individual case and where a deviation is necessary to meet the long-term interests of the Company, including its sustainability, or to ensure the Company's financial viability. As stated above, the Remuneration Committee is responsible for preparing the Board's decisions on matters relating to remuneration, including decisions on deviations from the guidelines.

### *NOTE 6 Remuneration of employees (continued)*

| SEK million | 2021-01-01 2021-12-31 | 2020-01-01 2020-12-31 |
|---|---|---|
| Salaries and other remuneration | 126.5 | 96.9 |
| Social security contributions | 33.6 | 24.0 |
| Pension costs - defined-contribution plans | 14.1 | 15.3 |
| **Total** | **174.2** | **136.3** |

In addition to the above-mentioned remuneration, social security contributions and pension costs, the Group's personnel costs reported in the income statement also include other personnel-related costs totalling SEK 12.4 million. Personnel costs in the consolidated income statement are also reduced net of internally generated fixed assets in the period by SEK 18.8 million in 2021 (SEK 18.5 million in 2020). In addition, the amount above relating to variable remuneration has been reported under items affecting comparability as it relates to the completed listing process for a total of SEK 2.4 million.

### *SALARIES, OTHER BENEFITS AND SOCIAL SECURITY EXPENSES, 1 JAN 2021–31 DEC 2021*

| SEK million | Salaries and other remuneration | Social security expenses | Pension costs | Total |
|---|---|---|---|---|
| Board members, executive management and CEO | 21.2 | 6.3 | 3.5 | 31.0 |
| (of which variable remuneration) | (7.0) | - | - | (7.0) |
| Other employees | 105.3 | 27.2 | 10.7 | 143.2 |
| (of which variable remuneration) | (6.3) | - | - | (6.3) |
| **Total** | **126.5** | **33.6** | **14.1** | **174.2** |

### *SALARIES, OTHER BENEFITS AND SOCIAL SECURITY EXPENSES, 1 JAN 2020–31 DEC 2020*

| SEK million | Salaries and other remuneration | Social security expenses | Pension costs | Total |
|---|---|---|---|---|
| Board members, executive management and CEO | 14.3 | 3.3 | 3.3 | 20.9 |
| (of which variable remuneration) | (1.6) | - | - | (1.6) |
| Other employees | 82.6 | 20.7 | 12.0 | 115.3 |
| (of which variable remuneration) | (3.3) | - | - | (3.3) |
| **Total** | **96.9** | **24.0** | **15.3** | **136.2** |

### *NOTE 6 Remuneration of employees (continued)*

| Average no. of employees, Group | 2021-01-01–2021-12-31 Average no. of employees | Of whom, men | 2020-01-01–2020-12-31 Average no. of employees | Of whom, men |
|---|---|---|---|---|
| Sweden | 117 | 89 | 108 | 83 |
| Rest of Europe | 26 | 22 | 16 | 14 |
| USA | 3 | 1 | 4 | 2 |
| Asia | 30 | 18 | 27 | 15 |
| **Total** | **176** | **130** | **155** | **114** |

| No. on balance-sheet date | 2021-12-31 Number | Of whom, men | Of whom, women | 2020-12-31 Number | Of whom, men | Of whom, women |
|---|---|---|---|---|---|---|
| Members of the board | 9 | 7 | 2 | 7 | 7 | - |
| CEO | 1 | 1 | - | 1 | 1 | - |
| **Total** | **10** | **8** | **2** | **8** | **8** | **-** |

### *REMUNERATION OF BOARD OF DIRECTORS, CEO AND EXECUTIVE MANAGEMENT*

| SEK million | Base salary/ board fees/ committee compensation | Variable remuneration | Other benefits **) | Pension costs | Total |
|---|---|---|---|---|---|
| **2021** | | | | | |
| Hans Stråberg | 0.9 | - | - | - | 0.9 |
| Ola Carlsson | 0.3 | - | - | - | 0.3 |
| Michael Forsmark | 0.3 | - | - | - | 0.3 |
| Stefan Linder | 0.1 | - | - | - | 0.1 |
| Andreas Källström*** | 0.1 | - | - | - | 0.1 |
| Jessica Sandström | 0.3 | - | - | - | 0.3 |
| Pernilla Valfridsson | 0.4 | - | - | - | 0.4 |
| Björn Lenander | - | - | - | - | - |
| Jon Lind, CEO | 3.1 | 2.7 | 0.2 | 0.9 | 6.9 |
| Other executive managers* | 8.9 | 4.4 | 0.9 | 2.6 | 16.7 |
| **Total** | **14.2** | **7.0** | **1.1** | **3.5** | **25.8** |
| **2020** | | | | | |
| Hans Stråberg | 0.5 | - | - | - | 0.5 |
| Ola Carlsson | 0.3 | - | - | - | 0.3 |
| Michael Forsmark | 0.3 | - | - | - | 0.3 |
| Jon Lind, CEO | 3.0 | 0.8 | 0.2 | 0.9 | 4.9 |
| Other executive managers* | 8.8 | 0.8 | 0.3 | 2.4 | 12.3 |
| **Total** | **12.8** | **1.6** | **0.5** | **3.3** | **18.2** |

*) Other executive managers is comprised of 6 persons in 2021 and 6 in 2020.
**) Other benefits refer to car benefits and health insurance.
***) Through 7 December 2021

During part of the 2021 financial year and all of 2020, Jon Lind was employed by a company in the Group other than the parent company. Some members of the board directors were paid no fees or other remuneration in 2021 and 2020 and thus are not included above. Björn Lenander joined the board on 8 December 2021 and no remuneration was paid for 2021.

### Long-term incentive programme (LTIP 2024)

On 23 September 2021, following a proposal by the Board of Directors, the Annual General Meeting approved a long-term incentive programme for the Company's executive management. LTIP 2024 comprises a maximum of 262,930 warrants with a vesting period of three years. Each warrant entitles the holder to subscribe for one share in the company. 196,551 warrants out of a total of 262,930 have been subscribed by five individuals in two categories as executive manager of CTEK as follows: The CEO has received 105,172 warrants through an investment of SEK 1 million and two executive managers have received 26,293 warrants each through an investment of SEK 0.25 million each. After 30 September 2021, the remaining two executive managers have received 26,293 and 12,500 warrants each through an investment of SEK 0.25 million and SEK 0.12 million each. The warrants were subscribed by one of the company's subsidiaries and transferred under the LTIP 2024 to executive managers, on market terms at a price of SEK 9.51 per option determined on the basis of an estimated market value using the Black & Scholes valuation model.

### Long-term incentive programme (LTIP 2026)

On 23 September 2021, following a shareholder proposal, the Annual General Meeting approved a long-term incentive programme for the Company's board of directors. LTIP 2026 comprises a maximum of 198,257 warrants with a vesting period of five years. Each warrant entitles the holder to subscribe for one share in the company. In September 2021, 198,257 warrants were subscribed by five members of the Board of Directors of CTEK as follows: Chairman of the Board received 99,129 warrants through an investment of SEK 1 million, the remaining four individuals received 24,782 warrants each through an investment of SEK 0.25 million each. The warrants were subscribed by one of the company's subsidiaries and transferred under the LTIP 2026 to the Board of Directors, on market terms, at a price of SEK 10.09 per warrant based on an estimated market value, using the Black & Scholes valuation model.

### Previous stock option programmes and issue in kind

All previous option programmes, with the exception of one remaining option series, "Series 3", were exercised in connection with the IPO on 24 September 2021. The option programmes that were exercised increased the number of shares in the company by a total of 1,930,294 shares, of which 1,380,295 were registered with the Swedish Companies Registration Office in September 2021 and 549,999 were registered with the Swedish Companies Registration Office in October 2021. The holders included former principal owners, board members and executive management.

In connection with the IPO, the company also carried out a rights issue of 655,265 shares due to a change in shareholder ownership from indirect to direct. The holders included former principal shareholders and executive managers.

As the warrant conditions for the remaining option series, "Series 3", were fulfilled in December, it has been fully exercised by all option holders. Consideration for the options was paid in full in December 2021. The options are held in the subsidiary CTEK Holding AB and will be proposed at the Annual General Meeting to be replaced by shares in CTEK AB through an issue in kind. If the proposal is approved at the Annual General Meeting, the number of shares will increase by 690,149 shares, the equivalent of a dilution of 1.4 percent. The holders include former principal shareholders, board members and executive managers.

### OUTSTANDING WARRANTS TO BOARD MEMBERS AND EXECUTIVE MANAGERS

| Holder | 2021-12-31 | 2020-12-31[1] |
|---|---|---|
| Hans Stråberg | 212 765 | 450 799 |
| Ola Carlsson | 62 660 | 113 636 |
| Michael Forsmark | 67 335 | 127 660 |
| Jessica Sandström | 24 782 | - |
| Pernilla Valfridsson | 24 782 | - |
| Jon Lind | 197 702 | 277 591 |
| Other executive managers | 104 377 | 479 107 |
| **Total** | **694 403** | **1 448 792** |

1) Comparative figures have been restated due to a reverse split (1:10).

Of the 694,403 warrants outstanding to directors and executive managers as of 31 December 2021, 394,808 related to warrants issued by the Extraordinary General Meeting in September 2021 and 299,595 related to Series 3 warrants issued by the Annual General Meeting in 2012.

Of the 1,448,792 warrants outstanding as of 31 December 2020, all have been fully exercised in connection with a new issue in September 2021 except for 299,595 Series 3 warrants which expire on 31 December 2021.

### MATURITY STRUCTURE AND OPTION TERMS FOR OUTSTANDING WARRANTS, TOTAL IN THE GROUP

| | 2021-12-31 | | 2020-12-31 | | 2021-12-31 | 2020-12-31 |
|---|---|---|---|---|---|---|
| Maturity date | Option price | Exercise price | Option price | Exercise price | Number of warrants | Number of warrants |
| 2021-12-31 | 1.3 | 11.09 | 1.1 | 10.1 | 690,149 | 2,070,446 |
| 2025-03-31 | 9.51 | 82.80 | 2.8 | 20.5 | 196,551 | 549,999 |
| 2027-03-31 | 10.09 | 96.60 | - | - | 198,257 | - |
| **Total** | | | | | **1,084,957** | **2,620,445** |

The above table shows the company's total number of warrants issued to the Board of Directors, executive managers and also former executives and other employees of the company. All options give the right to subscribe for one (1) share per option. The option prices and exercise prices shown are weighted averages at the balance-sheet date for each active programme by maturity date. All warrants have been acquired at market value by the option holders based on a calculation according to the Black & Scholes valuation formula and there is no benefit to the holders. The warrants expire according to agreed terms.

### PENSION INSURANCE WITH ALECTA

Obligations for old-age and family pensions for salaried employees in Sweden are secured through insurance with Alecta. According to an opinion by the Swedish Financial Reporting Council, UFR 3, this is a defined benefit multi-employer plan. For the 2020-2021 financial year, 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 recognised as a defined-contribution plan. The contributions for the year for pension insurance taken out with Alecta was SEK 4.8 million (SEK 3.5 million for 2020) for the financial year 2021.

Alecta's surplus can be distributed to policy holders and/or the insured. At the close of 2021, Alecta's surplus was equal to the collective funding ratio of 172 percent (148 percent in 2020). 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.

For Alecta accounting policies, see the additional information in Note 1, under Pension obligations.

The Company's share of total ITP 2 savings premiums with Alecta is 0.02 percent (0.01 in 2020). The Company's share of the total number of active ITP 2 policyholders is 0.01 per cent for the year (0.01 in 2020).

The Company's forecast for ITP2 premiums for 2021 is: SEK 4.4 million.

## NOTE 7 OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

| SEK million | 2021-01-01<br>2021-12-31 | 2020-01-01<br>2020-12-31 |
|---|---|---|
| **Other operating income** | | |
| Exchange rate gains | 4.1 | 1.6 |
| Other income | 0.7 | 2.8 |
| **Total** | **4.8** | **4.4** |
| | | |
| **Other operating expenses** | | |
| Exchange-rate losses | -0.9 | -6.7 |
| Other operating expenses | -0.6 | 0.0 |
| **Total** | **-1.5** | **-6.7** |

## NOTE 8 ITEMS AFFECTING COMPARABILITY

| SEK million | 2021-01-01<br>2021-12-31 | 2020-01-01<br>2020-12-31 |
|---|---|---|
| Remeasurement of earnout | - | 50.0 |
| Expenses related to the listing process | -40.4 | -4.2 |
| **Total** | **-40.4** | **45.8** |

## NOTE 9 FINANCIAL INCOME AND EXPENSES

| SEK million | 2021-01-01<br>2021-12-31 | 2020-01-01<br>2020-12-31 |
|---|---|---|
| **Financial income:** | | |
| Interest income on bank balances | 0.0 | 0.1 |
| Other financial income | 0.1 | 0.0 |
| Exchange rate gains | 6.5 | 28.4 |
| **Total** | **6.6** | **28.6** |
| | | |
| **Financial expenses:** | | |
| Interest expenses on borrowing | -44.3 | -59.8 |
| Interest expenses, leases | -0.7 | -0.5 |
| Exchange-rate losses | -9.9 | -4.6 |
| Other financial expenses on borrowing | -27.7 | -4.8 |
| **Total** | **-82.6** | **-69.7** |
| **Financial items – net** | **-76.0** | **-41.1** |

# NOTE 10 INCOME TAX

| SEK million | 2021-01-01<br>2021-12-31 | 2020-01-01<br>2020-12-31 |
|---|---|---|
| **Current tax** | | |
| Current tax on net profit for the year | -19.2 | –19.3 |
| **Total** | **-19.2** | **-19.3** |
| Deferred tax | 17.8 | –0.3 |
| **Total** | **17.8** | **-0.3** |
| **Total income tax** | **-1.4** | **-19.6** |

The income tax on consolidated profit differs from the theoretical amount that would have resulted from applying the weighted average tax rate to the profits of the consolidated companies as follows:

| SEK million | 2021-01-01<br>2021-12-31 | 2020-01-01<br>2020-12-31 |
|---|---|---|
| **Reconciliation of effective tax** | | |
| Profit before tax | 5.8 | 101.6 |
| Income tax according to applicable tax rate for parent company | -1.2 | –21.7 |
| Tax effects of: | | |
| –Effect of different tax rate in foreign companies | 0.0 | –1.5 |
| –Non-deductible expenses | 0.0 | 10.7 |
| –Non-deductible expenses | -9.4 | –7.4 |
| –Change in tax rate in measurement of deferred tax on temporary differences | - | 0.3 |
| –Other | -0.3 | 0.0 |
| –Change in measurement of deferred tax on deficits and similar items | 9.5 | - |
| **Tax recognised in net profit for the year** | **-1.4** | **-19.6** |
| **Effective tax rate** | **23.9%** | **19.3%** |

The Group has no significant unutilised loss carryforwards. The Group has no tax items recognised directly against equity.

| SEK million | 2021-01-01<br>2021-12-31 | 2020-01-01<br>2020-12-31 |
|---|---|---|
| **Deferred tax** | | |
| Deferred tax expense attributable to temporary differences | -7.1 | –5.2 |
| Deferred tax on temporary differences, deficits and similar items | 24.9 | 4.9 |
| **Total deferred tax in profit or loss** | **17.8** | **-0.3** |

The change in temporary differences for the year recognised in profit or loss refers to the following items.

| SEK million | 2021-01-01<br>2021-12-31 | 2020-01-01<br>2020-12-31 |
|---|---|---|
| **Change in deferred tax** | | |
| **Opening carrying amount** | **-120.0** | **-119.7** |
| Intangible assets | 6.3 | –1.0 |
| Tangible assets | - | 0.0 |
| Untaxed reserves | 1.9 | 1.3 |
| Derivatives | 0.1 | –0.7 |
| **Total deferred tax liabilities - net** | **-111.7** | **-120.0** |

### *NOTE 10 Income tax (continued)*

| SEK million | 2021-01-01<br>2021-12-31 | 2020-01-01<br>2020-12-31 |
|---|---|---|
| **Change in deferred tax liability** | | |
| **Opening carrying amount** | **-** | **-** |
| Carryforwards and similar items | 9.5 | - |
| **Total deferred tax assets - net** | **9.5** | **-** |

Deferred tax assets mainly relate to non-deductible interest expenses that are expected to be recovered in the future. Deferred tax liabilities mainly relate to the excess values identified in connection with previous acquisitions, see Notes 12 and 13, and are calculated at a tax rate of 20.6 percent.

| SEK million | 2021-12-31 | 2020-12-31 |
|---|---|---|
| **Deferred tax liabilities and assets** | | |
| Intangible assets | -105.3 | -111.7 |
| Untaxed reserves | -5.5 | -7.4 |
| Derivatives | -0.8 | -0.9 |
| Other provisions | 9.4 | 0.0 |
| **Total deferred tax liabilities and assets - net** | **-102.2** | **-120.0** |

## NOTE 11 EARNINGS PER SHARE

Earnings per share were calculated as follows:

| Earnings per share | 2021-01-01<br>2021-12-31 | 2020-01-01<br>2020-12-31 |
|---|---|---|
| Income for the year attributable for the parent company's owner (SEK million) | 4.4 | 82.0 |
| **Used in calculating the earnings per share before dilution (SEK million)** | **4.4** | **82.0** |
| Weighted average number of shares | 44,227,712 | 42,359,550 |
| Total number of ordinary shares | 44,227,712 | 42,359,550 |
| **Weighted average number before dilution** | **44,227,712** | **42,359,550** |
| Warrants | 807,840 | 1,487,554 |
| **Weighted average number after dilution** | **45,035,552** | **43,847,104** |
| Earnings per share before dilution (SEK) | 0.10 | 0.19 |
| Earnings per share after dilution (SEK) | 0.10 | 0.19 |

## NOTE 12 INTANGIBLE ASSETS WITH A DEFINITE USEFUL LIVES

| SEK millions | Patents, licenses | Technology | Capitalised development expenditure | Customer relationships | Total |
|---|---|---|---|---|---|
| **2020 financial year** | | | | | |
| **Opening carrying amount** | **10.0** | **116.5** | **65.2** | **144.0** | **335.6** |
| | | | | | |
| **Accumulated amortisation** | | | | | |
| At the beginning of the year | 18.9 | 188.9 | 202.3 | 259.6 | 669.6 |
| Investments for the year | - | - | 38.4 | - | 38.4 |
| Disposals | - | - | -47.6 | - | -47.6 |
| **Closing accumulated amortisation** | **18.9** | **188.9** | **193.1** | **259.6** | **660.4** |
| | | | | | |
| **Accumulated impairment** | | | | | |
| Impairments at the beginning of the year | -8.9 | -72.4 | -137.1 | -115.6 | -334.0 |
| Impairments | -1.9 | -11.0 | -12.3 | -17.8 | -43.0 |
| Reversed impairments on disposals | - | - | 46.9 | - | 46.9 |
| **Closing accumulated impairment** | **-10.8** | **-83.4** | **-102.5** | **-133.4** | **-330.1** |
| | | | | | |
| **Accumulated depreciation** | | | | | |
| At the beginning of the year | | | | | |
| Depreciations | -0.4 | - | -0.8 | - | -1.2 |
| **Closing accumulated depreciations** | **-0.4** | **-** | **-0.8** | **-** | **-1.2** |
| | | | | | |
| **Closing carrying amount as of 31 December 2020** | | | | | |
| Acquisition cost | 18.9 | 188.9 | 193.1 | 259.6 | 660.3 |
| Accumulated impairment | -10.8 | -83.4 | -102.5 | -133.4 | -330.1 |
| Accumulated depreciation | -0.4 | - | -0.8 | - | -1.2 |
| **Carrying amount** | **7.7** | **105.5** | **89.7** | **126.1** | **329.1** |
| | | | | | |
| **2021 financial year** | | | | | |
| **Opening carrying amount** | **7.7** | **105.5** | **89.7** | **126.1** | **329.1** |
| | | | | | |
| **Accumulated amortisation** | | | | | |
| At the beginning of the year | 18.9 | 188.9 | 193.1 | 259.6 | 660.4 |
| Investments for the year | - | - | 51.9 | - | 51.9 |
| Disposals | -2.0 | - | -1.6 | - | -3.6 |
| **Closing accumulated amortisation** | **16.9** | **188.9** | **243.4** | **259.6** | **708.7** |
| | | | | | |
| **Accumulated impairment** | | | | | |
| Impairments at the beginning of the year | -10.8 | -83.4 | -102.5 | -133.4 | -330.1 |
| Impairments | -1.1 | -11.0 | -23.6 | -17.2 | -52.9 |
| Reversed impairments on disposals | 2.0 | - | 0.5 | - | 2.5 |
| **Closing accumulated impairment** | **-9.9** | **-94.4** | **-125.7** | **-150.6** | **-380.5** |
| | | | | | |
| **Accumulated depreciation** | | | | | |
| At the beginning of the year | -0.4 | - | -0.8 | - | -1.2 |
| Depreciations | - | - | - | - | - |
| **Closing accumulated depreciations** | **-0.4** | **-** | **-0.8** | **-** | **-1.2** |
| | | | | | |
| **As of 31 december 2021** | | | | | |
| Acquisition cost | 16.9 | 188.9 | 243.4 | 259.6 | 708.7 |
| Accumulated impairment | -9.9 | -94.4 | -125.7 | -150.6 | -380.5 |
| Accumulated depreciation | -0.4 | - | -0.8 | - | -1.2 |
| **Carrying amount** | **6.6** | **94.5** | **116.9** | **108.9** | **326.9** |

Patents, licenses mainly refer to acquired patents and amounted to SEK 6.6 million as of 31 December 2021. Amortisation is scheduled over 20 years and the remaining amortisation period is 13 years.

Technology refers to technologies acquired through the acquisition of CTEK (2011) and Chargestorm (2018) and refers to technology for premium battery chargers and technology for electric vehicle charging and accessories and amounted to SEK 94.5 million as of 31 December 2021. Amortisation is scheduled over 10–20 years and the remaining amortisation period is 10 years.

Capitalised development expenses refers to internally generated technology with an amortisation period of 3-5 years and amounts to SEK 116.9 million as of 31 December 2021.

Customer relationships were established through the acquisition of CTEK (2011), Chargestorm (2018), and the acquisition of distributor rights in Germany (2017). These totalled SEK 108.9 million as of 31 December 2021. An amortisation schedule has been set at between 6-20 years and the remaining amortisation period is 16 years.

## NOTE 13 INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIVES

| SEK million | Goodwill | Brands | Total |
|---|---|---|---|
| **2020 financial year** | | | |
| **Opening carrying amount** | **455.8** | **259.5** | **715.3** |
| | | | |
| **Accumulated amortisation** | | | |
| At the beginning of the year | 488.8 | 259.5 | 748.3 |
| **Closing accumulated amortisation** | **488.8** | **259.5** | **748.3** |
| | | | |
| **Accumulated depreciation** | | | |
| At the beginning of the year | -33.0 | - | -33.0 |
| **Closing accumulated depreciations** | **-33.0** | **-** | **-33.0** |
| | | | |
| **Closing carrying amount** | | | |
| **As of 31 december 2020** | | | |
| Acquisition cost | 488.8 | 259.5 | 748.3 |
| Accumulated depreciation | -33.0 | - | -33.0 |
| **Carrying amount** | **455.8** | **259.5** | **715.3** |
| | | | |
| **2021 financial year** | | | |
| **Opening carrying amount** | **455.8** | **259.5** | **715.3** |
| | | | |
| **Accumulated amortisation** | | | |
| At the beginning of the year | 488.8 | 259.5 | 748.3 |
| **Closing accumulated amortisation** | **488.8** | **259.5** | **748.3** |
| | | | |
| **Accumulated depreciation** | | | |
| At the beginning of the year | -33.0 | - | -33.0 |
| **Closing accumulated depreciations** | **-33.0** | **-** | **-33.0** |
| | | | |
| **Closing carrying amount** | | | |
| **As of 31 december 2021** | | | |
| Acquisition cost | 488.8 | 259.5 | 748.3 |
| Accumulated depreciation | -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 additional acquisition by the CTEK Group of Chargestorm AB in 2018.

In the original acquisition of the CTEK Group, goodwill of SEK 375.4 million and brands of SEK 234.0 million arose in the acquisition. The acquisition of Chargestorm AB in 2018 resulted in goodwill of SEK 113.3 million and brands of SEK 25.5 million.

### 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 for impairment on 31 December or earlier every year if there are indications of impairment requirements. Brands are deemed to have an indefinite useful life based on CTEK's stable position in the market and management's intention to continue marketing and developing these brands. In management's opinion, there is no foreseeable limit for the period of time when brands can be expected to generate net cash 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 (CGUs), which are defined as the smallest identifiable groups of assets that generates cash inflows that are largely independent of other assets or groups of assets.

The Aftermarket and Original Equipment business areas primarily comprise the business previously named CTEK and mainly involve the sale of premium battery chargers. Energy & Facilities is primarily the business known as CTEK E-Mobility AB in previous years and mainly involves to the sale of electric vehicle chargers and accessories. These three businesses are essentially independent of other assets or groups of assets. They are the Group's cash-generating units.

### *NOTE 13 Intangible assets with indefinite useful lives (continued)*

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 how the intangible assets with indefinite useful lives are allocated between the cash-generating units (CGUs) is provided below.

| SEK millions<br>Intangible assets per CGU, 31 December 2021 | 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 |
| **Total** | **455.8** | **259.5** | **715.3** |

| SEK millions<br>Intangible assets per CGU, 31 December 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 |
| **Total** | **455.8** | **259.5** | **715.3** |

The recoverable amount of goodwill and brands under 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 material changes. The assumptions required for these estimates are the long-term growth rate beyond 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 calculation.

The two cash-generating units, Aftermarket and Original Equipment, are both expected to have stable operating margins in the forecast period and a more cautious growth rate in the forecast period. Future cash flows were discounted using an interest rate of 14.9% before tax and 12.5% after tax. The long-term growth rate beyond the forecast period is 2 percent. The value-in-use calculation was tested for sensitivity for one commitment at a time. The discount rate was increased by 2 percentage points, the operating margin in the forecast period was reduced by 10 percentage points and the long-term growth rate beyond the forecast period was halved. Management's assessment is that no reasonable changes in the significant assumptions will cause the expected value in use to fall below than the carrying amount.

The Energy & Facilities cash-generating unit is expected to have an improved operating margin in the forecast period compared with prior periods and a significant growth rate in the forecast period in line with management's forecast for the underlying business area. Future cash flows were discounted using an interest rate of 19.7% before tax and 16.0% after tax. The long-term growth rate beyond the forecast period is 2 percent. The value-in-use calculation was tested for sensitivity for one commitment at a time. The discount rate was increased by 2 percentage points, the operating margin in the forecast period was reduced by 10 percentage points and the long-term growth rate beyond 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 the significant assumptions will cause the expected value in use to fall below than the carrying amount.

## NOTE 14 *TANGIBLE ASSETS*

| SEK million | Buildings and land | Equipment, tools and installations | Total |
|---|---|---|---|
| **2020 financial year** | | | |
| **Opening carrying amount** | **5.4** | **19.6** | **25.0** |
| | | | |
| **Accumulated amortisation** | | | |
| At the beginning of the year | 14.3 | 63.1 | 77.4 |
| Investments for the year | - | 4.9 | 4.9 |
| Disposals/divestments | -0.9 | -2.5 | -3.4 |
| Reclassification | -1.5 | 1.4 | -0.2 |
| Translation differences | - | -0.2 | -0.2 |
| **Closing accumulated amortisation** | **11.9** | **66.7** | **78.6** |
| | | | |
| **Accumulated impairment** | | | |
| At the beginning of the year | -9.0 | -43.5 | -52.5 |
| Impairments | -0.5 | -6.5 | -7.0 |
| Disposals/divestments | 0.9 | 2.4 | 3.3 |
| Translation differences | - | 0.1 | 0.1 |
| **Closing accumulated impairment** | **-8.6** | **-47.4** | **-56.0** |
| | | | |
| **Closing carrying amount** | | | |
| As of 31 december 2020 | | | |
| Acquisition cost | 11.9 | 66.7 | 78.6 |
| Accumulated impairment | -8.6 | -47.4 | -56.0 |
| **Carrying amount** | **3.3** | **19.3** | **22.6** |
| | | | |
| **2021 financial year** | | | |
| **Opening carrying amount** | **3.3** | **19.3** | **22.6** |
| | | | |
| **Accumulated amortisation** | | | |
| At the beginning of the year | 11.9 | 66.7 | 78.6 |
| Investments for the year | 0.1 | 15.0 | 15.1 |
| Disposals/divestments | -1.6 | -7.6 | -9.2 |
| Reclassification of amortised costs, assets held for sale | -1.5 | -4.8 | -6.3 |
| Translation differences | 0.1 | 0.2 | 0.3 |
| **Closing accumulated amortisation** | **8.9** | **69.5** | **78.5** |
| | | | |
| **Accumulated impairment** | | | |
| At the beginning of the year | -8.6 | -47.4 | -56.0 |
| Impairments | -0.3 | -7.5 | -7.8 |
| Disposals/divestments | 1.1 | 7.3 | 8.4 |
| Reclassification of accumulated amortisation, assets held for sale | 1.1 | 3.4 | 4.5 |
| Translation differences | 0.0 | -0.1 | -0.1 |
| **Closing accumulated impairment** | **-6.7** | **-44.3** | **-50.9** |
| | | | |
| **Closing carrying amount** | | | |
| **As of 31 december 2021** | | | |
| Acquisition cost | 8.9 | 69.5 | 78.5 |
| Accumulated impairment | -6.7 | -44.3 | -50.9 |
| **Carrying amount** | **2.3** | **25.2** | **27.5** |

# NOTE 15 INVENTORIES

| SEK million | 2021-12-31 | 2020-12-31 |
|---|---|---|
| Finished goods | 188.9 | 138.0 |
| Components | 20.4 | 3.8 |
| –Less obsolescence finished goods | -9.9 | –8.6 |
| –Less obsolescence components | -0.2 | –0.9 |
| **Total** | **199.2** | **132.3** |

Impairment of obsolescence of inventories is based on the age of the items, the turnover rate 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. During the year, impairment of inventories impacted the income statement by SEK -0.6 million (SEK -6.6 million)

# 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 short-term by nature.

Financial assets in the Group pertaining to derivatives are measured at fair value at Level 2 of the fair value hierarchy. The recognised 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 concludes 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 table below provides information 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 millions<br>Change, Level 3 | 2021-12-31 | 2020-12-31 |
|---|---|---|
| **Liabilities** | | |
| Opening balance | - | 50.0 |
| Recognised in operating profit, items affecting comparability | - | –50.0 |
| **Closing balance** | **-** | **0.0** |

Note 26 provides further details on the change in financial instruments in Level 3.

| SEK million<br>Assets in balance sheet | Derivatives | Financial assets measured at amortised cost | Non-financial assets | Total |
|---|---|---|---|---|
| **2021-12-31** | | | | |
| Accounts receivable | - | 188.6 | - | 188.6 |
| Other receivables | - | 1.4 | 7.9 | 9.3 |
| Derivatives (level 2) | 4.9 | - | - | 4.9 |
| Cash and cash equivalents | - | 53.5 | - | 53.5 |
| **Total** | **4.9** | **243.5** | **7.9** | **256.2** |

| SEK million<br>Assets in balance sheet | Derivatives | Financial assets measured at amortised cost | Non-financial assets | Total |
|---|---|---|---|---|
| **2020-12-31** | | | | |
| Accounts receivable | - | 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** |

### NOTE 16 Financial instruments per category (continued)

| SEK million<br>Liabilities in balance sheet | Derivatives | Financial liabilities measured at amortised cost | Non-financial liabilities | Total |
|---|---|---|---|---|
| **2021-12-31** | | | | |
| Interest-bearing liabilities (Level 2) | - | 553.5 | - | 553.5 |
| Lease liabilities | - | 17.7 | - | 17.7 |
| Accounts payable | - | 115.3 | - | 115.3 |
| Other liabilities | - | 9.7 | 0.9 | 10.5 |
| Derivatives (level 2) | 1.0 | - | - | 1.0 |
| **Total** | **1.0** | **696.2** | **0.9** | **698.1** |

| SEK million<br>Liabilities in balance sheet | Derivatives | Financial liabilities measured at amortised cost | Non-financial liabilities | Total |
|---|---|---|---|---|
| **2020-12-31** | | | | |
| Interest-bearing liabilities (Level 2) | - | 830.2 | - | 830.2 |
| Lease liabilities | - | 15.4 | - | 15.4 |
| Accounts payable | - | 94.7 | - | 94.7 |
| Other liabilities | - | 5.5 | 0.4 | 5.9 |
| Derivatives (level 2) | 1.8 | - | - | 1.8 |
| **Total** | **1.8** | **945.9** | **0.4** | **948.1** |

The following is presented for the Group's financial liabilities on 31 December 2021: 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 | Within 1 year | Within 2-4 years | 5 years and later | Total |
|---|---|---|---|---|
| **2021-12-31** | | | | |
| Interest-bearing liabilities | 69.1 | 519.0 | - | 588.1 |
| Lease liabilities | 6.4 | 11.0 | 0.4 | 17.7 |
| Accounts payable | 115.3 | - | - | 115.3 |
| Other liabilities | 10.5 | - | - | 10.5 |
| Derivatives | | | | |
| –Outflow | 1.0 | - | - | 1.0 |
| –Inflow | -4.9 | - | - | -4.9 |
| **Total** | **197.4** | **530.0** | **0.4** | **727.7** |

| SEK million | Within 1 year | Within 2-4 years | 5 years and later | Total |
|---|---|---|---|---|
| **2020-12-31** | | | | |
| 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 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** |

# NOTE 17 DERIVATIVE INSTRUMENTS

| SEK million | 2021-12-31 Assets | 2021-12-31 Liabilities | 2020-12-31 Assets | 2020-12-31 Liabilities |
|---|---|---|---|---|
| Currency derivatives | 4.9 | 1.0 | 6.1 | 1.8 |
| **Total** | **4.9** | **1.0** | **6.1** | **1.8** |
| Of which, long-term portion: | - | - | 0.9 | 0.2 |

The carrying amount of derivatives according to the table above amounted to a net SEK 3.9 million in 2021 (SEK 4.3 million in 2020).

The following currency forward contracts existed at year-end, as stated in the table below and specified by hedged currency:

| SEK million | 2021-12-31 Nominal amount local currency | 2021-12-31 Carrying amount | 2020-12-31 Nominal amount local currency | 2020-12-31 Carrying amount |
|---|---|---|---|---|
| EUR/SEK | 11.0 | -0.2 | 9.6 | 6.1 |
| EUR/USD | 5.7 | 4.1 | 2.4 | –1.8 |
| **Total** | | **3.9** | | **4.3** |

# NOTE 18 ACCOUNTS RECEIVABLE

| SEK million | 2021-12-31 | 2020-12-31 |
|---|---|---|
| Accounts receivable | 192.4 | 128.7 |
| Provision for expected credit losses | -3.8 | –3.9 |
| **Accounts receivable – net** | **188.6** | **124.8** |

39 percent (41 percent in 2020) of accounts receivable outstanding on 31 December 2021 refer to 5 customers.

On 31 December 2021, accounts receivable of SEK 48.0 million (SEK 20.8 million in 2020) were past due but not considered to be impaired. The past due receivables relate to a number of customers who have not previously had difficulties with payments.

An age analysis of these accounts receivable is presented below:

| SEK million | 2021-12-31 | 2020-12-31 |
|---|---|---|
| 1–30 days | 14.9 | 12.5 |
| 31–60 days | 9.5 | 2.1 |
| 60–90 days | 13.9 | 2.5 |
| > 91 days | 9.7 | 3.6 |
| **Total past due accounts receivable** | **48.0** | **20.8** |

Provisions for unsecured receivables equal to 2 percent (3 percent in 2020) of total receivables changed as follows:

| SEK million | 2021-12-31 | 2020-12-31 |
|---|---|---|
| **Opening balance** | 3.9 | 1.6 |
| Provision for expected credit losses | 0.2 | 2.6 |
| Confirmed customer losses | -0.3 | –0.4 |
| **Closing balance** | **3.8** | **3.9** |

Provisions for each reversal of reserves for expected credit losses are included in the item, Other external charges in the income statement. There is no collateral or other guarantees for outstanding accounts receivable 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.

## NOTE 19 PREPAID EXPENSES AND ACCRUED INCOME

| SEK million | 2021-12-31 | 2020-12-31 |
|---|---|---|
| Prepaid expenses | 6.5 | 2.6 |
| Prepaid insurance | 3.8 | 0.2 |
| Accrued income | 1.4 | 0.3 |
| Other items | 1.2 | 3.0 |
| **Total** | **12.9** | **6.2** |

## NOTE 20 SHARE CAPITAL AND OTHER CONTRIBUTED EQUITY

As of 31 December 2021, the share capital is 49,292,936 ordinary shares (402,500,000 A shares and 21,095,500 B shares in 2020). Nominal value per share is SEK 1.0 (0.1 in 2020). The shares entitle the holder to one 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 | Type of loan | Interest | Currency | 2021-12-31 | 2020-12-31 |
|---|---|---|---|---|---|
| **Year due** | | | | | |
| 2026 | Loans from credit institutions | Variable | EUR | - | 611.9 |
| 2026 | Loans from credit institutions | Variable | SEK | - | 218.3 |
| 2024 | Loans from credit institutions | Variable | SEK | 495.5 | - |
| **Total** | | | | **495.5** | **830.2** |

In addition to the above interest-bearing liabilities, the company has a short-term cheque facility of SEK 100 million (SEK 50 million), of which SEK 58 million (SEK 0 million) had been utilised by year-end.

| SEK million<br>Short-term loans | Amount at beginning of year | Cash flow | Currency effects | Non-cash changes | Amount at year-end |
|---|---|---|---|---|---|
| **2021** | | | | | |
| Cheque facility | - | 58.0 | - | - | 58.0 |
| **Total** | **-** | **58.0** | **-** | **-** | **58.0** |

### CHANGE, INTEREST-BEARING LIABILITIES

| SEK million<br>Long-term loans | Amount at beginning of year | Cash flow | Currency effects | Non-cash changes | Amount at year-end |
|---|---|---|---|---|---|
| **2021** | | | | | |
| Loans from credit institutions | 632.4 | -641.9 | 9.5 | - | - |
| Loans from credit institutions | 225.1 | 274.9 | - | - | 500.0 |
| Arrangement fees | -27.3 | -4.9 | - | 27.7 | -4.5 |
| **Total** | **830.2** | **-371.9** | **9.5** | **27.7** | **495.5** |

| SEK million<br>Long-term loans | Amount at beginning of year | Cash flow | Currency effects | Non-cash changes | Amount at 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** |

Total interest expenses for liabilities to credit institutions amounted to SEK 44.3 million (SEK 60.0 million in 2020). The maximum interest rate is 7.15% (7.15 in 2020). The effective interest rate was 6.4% (6.9% in 2020).

**NOTE 21 Interest-bearing liabilities (continued)**

## CHANGE, LEASE LIABILITIES

| SEK millions<br>Lease liabilities | Amount at start of year | New contracts during the year | Terminated/ reappraised contracts | Lease payments | Interest expenses | Translation differences | Amount at year-end |
|---|---|---|---|---|---|---|---|
| **2021** | | | | | | | |
| Long-term interest-bearing liabilities | 10.6 | 7.1 | -7.2 | - | 0.5 | 0.3 | 11.4 |
| Short-term interest-bearing liabilities | 4.8 | 2.9 | 5.1 | -6.8 | 0.3 | 0.2 | 6.4 |
| **Total** | **15.4** | **10.0** | **-2.2** | **-6.8** | **0.8** | **0.5** | **17.7** |

| SEK millions<br>Lease liabilities | Amount at start of year | New contracts during the year | Terminated/ reappraised contracts | Lease payments | Interest expenses | Translation differences | Amount at year-end |
|---|---|---|---|---|---|---|---|
| **2020** | | | | | | | |
| Long-term interest-bearing liabilities | 9.3 | 1.0 | - | - | 0.4 | -0.1 | 10.6 |
| Short-term interest-bearing liabilities | 3.3 | 6.7 | - | -5.3 | 0.2 | - | 4.8 |
| **Total** | **12.7** | **7.7** | **-** | **-5.3** | **0.5** | **-0.2** | **15.4** |

## MATURITY ANALYSIS LEASE LIABILITIES

The undiscounted lease payments outstanding fall due as follows:

| SEK millions<br>Undiscounted lease liabilities | 2021-12-31 | 2020-12-31 |
|---|---|---|
| Remaining term, less than 1 year | 6.4 | 4.8 |
| Remaining term, 1-5 years | 11.3 | 10.2 |
| Remaining term, more than 5 years | - | 0.4 |
| **Total** | **17.7** | **15.4** |

## NOTE 22 PROVISIONS

| SEK million | 2021-12-31 | 2020-12-31 |
|---|---|---|
| Guarantee commitment | 3.2 | 3.5 |
| **Total, Group** | **3.2** | **3.5** |
| | | |
| **Group** | | |
| **Guarantee commitment** | | |
| Carrying amount at beginning of year | 3.5 | 3.1 |
| Reclassification | - | - |
| Change in guarantee commitments during the year | -0.3 | 0.4 |
| **Total** | **3.2** | **3.5** |

## NOTE 23 ACCRUED COSTS AND DEFERRED INCOME

| SEK million | 2021-12-31 | 2020-12-31 |
|---|---|---|
| Accrued salaries | 13.9 | 4.4 |
| Accrued holiday pay | 10.5 | 9.5 |
| Accrued social security contributions | 6.7 | 4.6 |
| Accrued interest expenses | 2.5 | 14.2 |
| Accrued customer discounts | 17.1 | 8.8 |
| Accrued expenses | 6.8 | 6.8 |
| Other not individually significant items | 3.5 | 17.9 |
| **Total** | **61.0** | **66.1** |

## NOTE 24 PLEDGED ASSETS

| SEK million | 2021-12-31 | 2020-12-31 |
|---|---|---|
| Assets pledged for own liabilities and provisions | | |
| Floating charges | - | 18.8 |
| Net assets in subsidiaries* | | |
| Pledged assets and collateral | - | 439.7 |
| **Total** | **-** | **458.5** |

*) There are no pledged assets in the company as of 31 December 2021.

## NOTE 25 LEASES

The Group's material leases comprise lease agreements for 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.

| | Right-of-use assets | | | |
|---|---|---|---|---|
| SEK million | Vehicles | Premises | Total | Lease liabilities |
| **Opening balance 1 January 2021** | **5.2** | **9.9** | **15.1** | **15.4** |
| Additional leases | 4.0 | 6.0 | 10.0 | 10.0 |
| Impairments | -3.2 | -3.4 | -6.7 | - |
| Terminated contracts | -0.5 | -1.4 | -1.9 | -2.2 |
| Translation differences | 0.0 | 0.5 | 0.5 | 0.5 |
| Interest expenses | - | - | - | 0.7 |
| Lease payments | - | - | - | -6.8 |
| **Closing balance, 31 December 2021** | **5.6** | **11.5** | **17.0** | **17.7** |

| | Right-of-use assets | | | |
|---|---|---|---|---|
| SEK million | Vehicles | Premises | Total | Lease liabilities |
| **Opening balance 1 January 2020** | **2.7** | **10.0** | **12.7** | **12.7** |
| Additional leases | 5.4 | 2.3 | 7.7 | 7.7 |
| Impairments | −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 December 2020** | **5.2** | **9.9** | **15.1** | **15.4** |

The amounts recognised in the consolidated income statement for the year attributable to leasing activities are presented below:

| SEK million | 2021-12-31 | 2020-12-31 |
|---|---|---|
| Depreciation of right-of-use assets | -6.7 | −5.2 |
| Interest expenses on lease liabilities | -0.7 | −0.5 |
| Expenses for short-term leases | -1.2 | -1.4 |
| Expenses for low-value leases | -0.4 | −0.4 |
| Expenses for variable lease payments | -0.4 | −0.4 |
| **Total** | **-9.4** | **-7.8** |

The cash outflow for leases recognised in the balance sheet was SEK 6.8 million (5.3) for the 2021 financial year. The cash outflow is recognised as interest and lease payments. For a maturity analysis of the Group's lease liabilities, see Note 21.

## NOTE 26 OTHER FINANCIAL LIABILITIES

An earnout arose in connection with a previous acquisition. During the 2020 financial year, the earnout was revalued at SEK 50 million and the agreement was terminated in connection with the IPO. See further under Note 8.

## NOTE 27 TRANSACTIONS WITH RELATED PARTIES

In 2021, the company completed an IPO which has led to some changes in the environment of related parties in which the company operates. Investmentaktiebolaget Latour is the largest shareholder in the Group, followed by Altor Fund III GP Ltd. Other related parties are all Group subsidiaries and executive management in the Group, i.e. the board and company management, as well as members of their families. Other companies controlled by Investmentaktiebolaget Latour and Altor Fund III GP Ltd are also parties related to the CTEK Group.

Remuneration and employment terms for executive management are presented in Note 6. CTEK has not provided any guarantees or sureties to or for the benefit of executive managers. In 2021, the Group enlisted 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 of the Company. As Sole Global Coordinator and Joint Bookrunner and under common ownership in Altor Fund III GP Ltd, Carnegie was a key partner for CTEK during the listing process. Remuneration to Carnegie was based on a predetermined share of the issue amount.

## NOTE 28 SUPPLEMENTARY DISCLOSURES ON CASH FLOW

| SEK million | 2021-01-01<br>2021-12-31 | 2020-01-01<br>2020-12-31 |
|---|---|---|
| **Non-cash items** | | |
| Depreciation and amortisation | 68.5 | 57.2 |
| Remeasurement of earnout | - | -50.0 |
| Capital gains/losses | 0.6 | -0.3 |
| Changes provisions | -0.3 | 0.4 |
| Unrealised currency effects | -4.6 | 0.0 |
| Other | -0.1 | 0.0 |
| **Total** | **64.1** | **7.4** |

## NOTE 29 SHARES IN GROUP COMPANIES

The Group has the following subsidiaries:

| Name | Corp. Reg. No. | Registered office | Capital share |
|---|---|---|---|
| CTEK Holding AB | 556853-7558 | Vikmanshyttan | 100 % |
| CC Group Co-Invest AB | 556865-8156 | Stockholm | 100 % |
| CTEK Group AB | 556853-7541 | Vikmanshyttan | 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-China | 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 % |
| CTEK Norway AS | 928126560 | Drobak-Norway | 100 % |

## NOTE 30 PROPOSED PROFIT DISTRIBUTION

| | |
|---|---|
| **The following amounts in SEK are at the disposal of the Annual General Meeting** | |
| Share premium reserve | 1,277,231,112 |
| Retained earnings | -760 |
| Earnings for the financial year | 5,345,154 |
| **Total** | **1,282,575,506** |

| | |
|---|---|
| **The Board of Directors proposes that available earnings and unrestricted funds be appropriated as follows:** | |
| Balance carried forward | 1,282,575,506 |

## NOTE 31 ASSETS HELD FOR SALE

| SEK million | 2021-12-31 | 2020-12-31 |
|---|---|---|
| Buildings and land | 1.7 | - |
| **Total** | **1.7** | **-** |

## NOTE 32 EVENTS AFTER THE BALANCE-SHEET DATE

The global market has been impacted by Russia's invasion of Ukraine. It is not possible at this time to assess how the situation will develop, or how the security situation in Europe will change. We do not currently see a significant impact on our financial position or performance. CTEK has no operations or employees in the countries concerned (Russia, Belarus and Ukraine) and we have very limited sales. As a result of the invasion, all deliveries to Russia and Belarus have been suspended.

After the balance sheet date, the Company has signed an agreement for a twelve (12) month extension of the existing SEK 100 million credit facility. The increase was made to secure the Company's strategic objectives in situations where adverse environmental factors, such as disruptions in supply chains, could lead to increased capital requirements.

# Parent Company income statement

| SEK million | Note | 2021-12-31 | 2020-12-31 |
|---|---|---|---|
| Net sales | 2 | 9.7 | - |
| Other operating income | | 0.1 | - |
| **Gross profit** | | **9.7** | **-** |
| | | | |
| **Operating expenses** | | | |
| Other external expenses | 3 | -6.0 | -0.1 |
| Personnel costs | 4 | -11.1 | - |
| Items affecting comparability | 5 | -26.5 | - |
| **Total expenses** | | **-43.6** | **-0.1** |
| | | | |
| **Operating profit** | | **-33.8** | **-0.1** |
| | | | |
| **Financial items** | | | |
| Financial income | 6 | 0.0 | - |
| Financial expenses | 6 | -2.9 | - |
| **Financial items – net** | | **-2.9** | **-** |
| | | | |
| Appropriations | 7 | 43.5 | 0.1 |
| **Profit before tax** | | **6.7** | **0.0** |
| Income tax | 8 | -1.4 | - |
| **Net profit and comprehensive income for the year** | | **5.3** | **0.0** |

# Parent Company balance sheet

| SEK million | Note | 2021-12-31 | 2020-12-31 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| | | | |
| **Financial assets** | | | |
| Shares in Group companies | 9 | 1,031.3 | 890.8 |
| Receivables from Group companies | | 841.8 | - |
| **Total financial assets** | | **1,873.0** | **890.8** |
| | | | |
| **Total non-current assets** | | **1,873.0** | **890.8** |
| | | | |
| **Current assets** | | | |
| Receivables from Group companies | | 4.3 | 0.1 |
| Other short-term receivables | | 4.2 | - |
| Prepaid expenses and accrued income | | 3.8 | - |
| Cash and cash equivalents | | 0.7 | 1.6 |
| **Total, current assets** | | **13.1** | **1.7** |
| | | | |
| **TOTAL ASSETS** | | **1,886.2** | **892.5** |

# Parent Company balance sheet

| SEK million | Note | 2021-12-31 | 2020-12-31 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| | | | |
| **Equity** | | | |
| **Restricted equity** | | | |
| Share capital | 10 | 49.3 | 42.4 |
| **Total restricted equity** | | **49.3** | **42.4** |
| | | | |
| **Unrestricted equity** | | | |
| Share premium reserve | | 1,277.2 | 850.0 |
| Retained earnings | | 0.0 | 0.0 |
| Profit for the year | | 5.3 | 0.0 |
| **Total unrestricted equity** | | **1,282.6** | **850.0** |
| | | | |
| **Total equity** | | **1,331.9** | **892.3** |
| | | | |
| **Non-current liabilities** | | | |
| Interest-bearing liabilities | 11 | 495.5 | - |
| **Total non-current liabilities** | | **495.5** | **-** |
| | | | |
| **Current liabilities** | | | |
| Accounts payable | | 1.9 | - |
| Liabilities to Group companies | | 45.2 | - |
| Current tax liabilities | | 1.2 | - |
| Other current liabilities | | 2.5 | 0.1 |
| Accrued expenses and deferred income | | 8.1 | 0.1 |
| **Total current liabilities** | | **58.8** | **0.2** |
| | | | |
| **TOTAL EQUITY AND LIABILITIES** | | **1,886.2** | **892.5** |

# Parent Company's statement of change in equity

| SEK million | Share capital | Share premium reserve | Retained earnings | Total equity |
|---|---|---|---|---|
| **Opening equity 1 January 2020** | **42.4** | **848.4** | **0.0** | **890.8** |
| | | | | |
| Earnings for the financial year | | | 0.0 | 0.0 |
| | | | | |
| **Transactions with the shareholders** | | | | |
| Reduction of share capital | -0.1 | - | - | -0.1 |
| Paid-in warrants | - | 1.5 | - | 1.5 |
| **Closing equity 31 December 2020** | **42.4** | **850.0** | **0.0** | **892.3** |
| | | | | |
| **Opening equity 1 January 2021** | **42.4** | **850.0** | **0.0** | **892.3** |
| | | | | |
| Allocation of surplus | | | 0.0 | 0.0 |
| Net profit for the year | | | 5.3 | 5.3 |
| | | | | |
| **Transactions with the shareholders** | | | | |
| New share issue | 4.9 | 307.2 | - | 312.1 |
| New share issue in kind | 2.0 | 138.4 | - | 140.5 |
| New share issue costs | - | -18.3 | - | -18.3 |
| **Closing equity 31 December 2021** | **49.3** | **1,277.2** | **5.3** | **1,331.9** |

# Parent Company's statement of cash flows

| SEK million | Note | 2021-12-31 | 2020-12-31 |
|---|---|---|---|
| **Operating activities** | | | |
| Operating income | | -33.8 | 0.0 |
| Adjustment for non-cash items | | - | - |
| | | | |
| **Cash flow before financial items** | | **-33.8** | **0.0** |
| Interest paid | | - | |
| Financial items paid | | -4.9 | - |
| Tax paid | | -0.2 | - |
| **Cash flow from operating activities before changes in working capital** | | **-39.0** | **0.0** |
| | | | |
| **Cash flow from changes in working capital** | | | |
| Change in short-term receivables | | -10.8 | -0.1 |
| Change in short-term liabilities | | 9.8 | 0.1 |
| **Cash flow from operating activities** | | **-40.0** | **0.0** |
| | | | |
| **Financing activities** | | | |
| Paid-in new share issue | | 312.1 | - |
| Payments for new share issue costs | | -18.3 | - |
| Paid-in warrants | | - | 1.5 |
| Change in intra-group loans | | -754.6 | |
| Proceeds from issuing new loan | | 500.0 | - |
| **Cash flow from financing activities** | | **39.1** | **1.5** |
| | | | |
| **Cash flow for the year** | | -0.9 | 1.5 |
| Cash and cash equivalents at the opening of the year | | 1.6 | 0.1 |
| **Cash and cash equivalents at the close of the year** | | **0.7** | **1.6** |

# Notes to the Parent Company's financial statements

## NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The Parent Company's financial statements was prepared in accordance with the Swedish Annual Accounts Act and in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. This means that IFRS is applied with such deviations and additions as are indicated below.

### FINANCIAL STATEMENTS

In accordance with the requirements of RFR 2, the financial statements of the Parent Company differ from those presented for the Group. This means that the Parent Company has five statements in the annual accounts: income statement, statement of comprehensive income, balance sheet, cash flow statement and statement of change in equity.

### LEASES

The Parent Company applies the exemption in RFR 2 for leases. Lease payments are recognised on a straight-line basis over the lease term unless another systematic basis better reflects the economic benefits to the company over time.

### SHARES IN SUBSIDIARIES

Investments in subsidiaries are reported for the Parent Company using the cost model. If there is an indication that investments in subsidiaries are impaired, a calculation of the recoverable amount is made. If this amount is less than the carrying amount, an impairment loss is recognised. Impairment losses are recorded under "Result from investments in group companies".

### INTRA-GROUP TRANSFERS AND SHAREHOLDER CONTRIBUTIONS

Intra-group transfers, whether received or paid, are reported as adjustment results.

Shareholder contributions made by the Parent Company are recognised directly in the equity of the recipient and capitalised in the shares of the Parent Company provided there is no impairment.

## NOTE 2 PARENT COMPANY SALES TO AND PURCHASES FROM GROUP COMPANIES

During the year, the Parent Company invoiced its subsidiaries SEK 9.7 million (0) for Group-wide services. The Parent Company has not purchased any services from subsidiaries.

## NOTE 3 AUDITORS' FEES

An audit assignment refers to the statutory audit of the annual accounts and financial statements and the management of the Board of Directors, other tasks to be performed by the company's auditor and advice or other assistance resulting from the findings of such auditing or the performance of such other tasks. Tax advisory services include general consultation on tax matters and tax advice in connection with transfer pricing. Other services are consultancy services that do not fall into any of the above categories. In 2021, Other services refers to work related to the company's listing process.

| SEK million | 2021-01-01<br>2021-12-31 | 2020-01-01<br>2020-12-31 |
|---|---|---|
| Ernst & Young | | |
| -Audit assignment | 2.5 | - |
| -Tax advisory services | 3.3 | - |
| -Other services | 3.9 | - |
| **Total** | **9.7** | **-** |

## NOTE 4 REMUNERATION OF EMPLOYEES ETC.

| SEK million | 2021-01-01<br>2021-12-31 | 2020-01-01<br>2020-12-31 |
|---|---|---|
| Salaries and other remuneration | -7.5 | - |
| Social security contributions | -2.5 | - |
| Pension costs - defined-contribution plans | -1.1 | - |
| **Total** | **-11.1** | **-** |

## NOTE 5 ITEMS AFFECTING COMPARABILITY

| SEK million | 2021-01-01 2021-12-31 | 2020-01-01 2020-12-31 |
|---|---|---|
| Expenses related to the listing process | -26.5 | - |
| **Total** | **-26.5** | **-** |

## NOTE 6 FINANCIAL INCOME AND EXPENSES

| SEK million | 2021-01-01 2021-12-31 | 2020-01-01 2020-12-31 |
|---|---|---|
| **Financial income** | | |
| Interest income | - | - |
| **Financial income** | **-** | **-** |
| | | |
| **Financial expenses** | | |
| Interest expenses on borrowing | -2.5 | - |
| Other financial expenses on borrowing | -0.4 | - |
| **Financial expenses** | **-2.9** | **-** |
| | | |
| **Financial items – net** | **-2.9** | **-** |

## NOTE 7 APPROPRIATIONS

| SEK million | 2021-01-01 2021-12-31 | 2020-01-01 2020-12-31 |
|---|---|---|
| Received group contribution | 43.5 | 0.1 |
| **Total** | **43.5** | **0.1** |

## NOTE 8 TAX ON NET PROFIT FOR THE YEAR

| SEK million | 2021-01-01 2021-12-31 | 2020-01-01 2020-12-31 |
|---|---|---|
| Current tax on net profit for the year | -1.4 | - |
| **Total current tax** | **-1.4** | **-** |
| | | |
| **Total income tax** | **-1.4** | **-** |
| | | |
| Profit before tax | 6.7 | 0 |
| Income tax according to applicable tax rate 20.6% (21.4%) | -1.4 | - |
| Tax effects of: | | |
| - Non-deductible expenses | 0.0 | - |
| **Tax recognised in net profit for the year** | **-1.4** | **-** |

## NOTE 9 SHARES IN GROUP COMPANIES

| SEK million | 2021-01-01<br>2021-12-31 | 2020-01-01<br>2020-12-31 |
|---|---|---|
| Opening balance | 890.8 | 890.8 |
| Acquisitions | 140.5 | - |
| **Closing balance** | **1031.3** | **890.8** |

Acquisitions during the financial year relate to shares in CTEK Holding AB and CC Group Co-Invest AB.

| Name | Corp. Reg. No. | Registered office | Capital share | Number of shares | Carrying amount 2021 | Carrying amount 2020 |
|---|---|---|---|---|---|---|
| **Direct holdings** | | | | | | |
| CTEK Holding AB | 556853-7558 | Vikmanshyttan | 100% | 437,398,450 | 1,031.3 | 890.8 |
| CC Group Co-Invest AB | 556865-8156 | Stockholm | 100% | 2,440,270 | | |
| **Indirect holdings** | | | | | | |
| CTEK Group AB | 556853-7541 | Vikmanshyttan | 100% | 137,500,000 | | |
| CTEK E-Mobility AB | 556787-6270 | Norrköping | 100% | 1,225 | | |
| Charge Holding AB | 556734-5979 | Vikmanshyttan | 100% | 273,042,662 | | |
| Creator Teknisk Utveckling AB | 556378-0161 | Vikmanshyttan | 100% | 2,500 | | |
| CTEK HK | 11132386 | Hong Kong | 100% | 10,000 | | |
| CTEK Smart Chargers China | 440301503395546 | Shenzhen-China | 100% | | | |
| Faluator Management AB | 556250-6468 | Vikmanshyttan | 100% | 1,000 | | |
| Hedemorabladet Fastighetsförvaltning AB | 556410-7661 | Vikmanshyttan | 100% | 1,000 | | |
| CTEK Sweden AB | 556540-3234 | Vikmanshyttan | 100% | 100,000 | | |
| CTEK Power Inc | F04000004301 | Tallahassee-USA | 100% | 100 | | |
| CTEK France SARL | 520 351 589 R.C.S Paris | Paris-France | 100% | 100 | | |
| CTEK Smart Chargers Gmbh | 342 042 412 | Berlin-Germany | 100% | 25,000 | | |
| CTEK Australia Pty Ltd | 161 473 098 | Sydney-Australia | 100% | 100 | | |
| CTEK Denmark | 35532633 | Fjerritslev-Denmark | 100% | 80,000 | | |
| CTEK Battery Management UK Ltd | 9704471 | Dorset- UK | 100% | 1 | | |
| CTEK Norway AS | 928126560 | Drobak-Norway | 100% | 30 | | |

Voting shares correspond to capital shares

## NOTE 10 SHARE CAPITAL AND OTHER CONTRIBUTED EQUITY

As of 31 December 2021, the share capital is 49,292,936 ordinary shares (402,500,000 A shares and 210,950,500 B shares in 2020). Nominal value per share is SEK 1.0 (0.1). The shares entitle the holder to one vote per share. All shares issued by the parent company are paid-up in full.

## NOTE 11 INTEREST-BEARING LIABILITIES

| SEK million<br>Interest-bearing liabilities | Type of loan | Interest | Currency | 2021-12-31 | 2020-12-31 |
|---|---|---|---|---|---|
| Year due | | | | | |
| 2024 | Loans from credit institutions | Variable | SEK | 495.5 | - |
| **Total** | | | | **495.5** | **-** |

| SEK million<br>Long-term loans | Amount at start of year | Cash flow | Currency effects | Non-cash changes | Amount at year-end |
|---|---|---|---|---|---|
| **2021** | | | | | |
| Loans from credit institutions | - | 500 | | | 500 |
| Arrangement fees | - | -4.9 | | 0.4 | -4.5 |
| **Total** | **-** | **495.1** | | **0.4** | **495.5** |

## NOTE 12 PLEDGED ASSETS

| SEK million | 2021-12-31 | 2020-12-31 |
|---|---|---|
| Assets pledged for liabilities of subsidiaries | | |
| Pledged assets and collateral | - | 890.8 |
| **Total** | **-** | **890.8** |

There are no pledges in the Company as of 31 December 2021, see Note 24 of the Consolidated financial statements for further information.

## NOTE 13 PROPOSED PROFIT DISTRIBUTION

| | |
|---|---|
| **The following amounts in SEK are at the disposal of the Annual General Meeting** | |
| Share premium reserve | 1,277,231,112 |
| Retained earnings | -760 |
| Earnings for the financial year | 5,345,154 |
| **Total** | **1,282,575,506** |
| **The Board of Directors proposes that available earnings and unrestricted funds be appropriated as follows:** | |
| Balance carried forward | 1,282,575,506 |

## NOTE 14 EVENTS AFTER THE BALANCE-SHEET DATE

No significant events to report for the Parent Company. See Note 32 of the Consolidated financial statements for further information.

The Board of Directors declares that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and that they present a true and accurate view of the Group's financial position and performance. The financial statements were prepared in accordance with generally accepted accounting principles and present a true and accurate view of the Parent Company's financial position and performance. The Group and Parent Company Management Report present a true and accurate overview of the development of the Group's and the Parent Company's business, financial position and performance, and describes the material risks and uncertainties faced by the Parent Company and its subsidiaries.

Vikmanshyttan, on such date as indicated by our electronic signature.

| | |
|---|---|
| Hans Stråberg<br>Chairman of the Board | Ola Carlsson<br>Member of the Board |
| Michael Forsmark<br>Member of the Board | Björn Lenander<br>Member of the Board |
| Stefan Linder<br>Member of the Board | Jessica Sandström<br>Member of the Board |
| Pernilla Valfridsson<br>Member of the Board | Jon Lind<br>Chief Executive Officer |
| Mats Lind<br>Employee Representative | Daniel Forsberg<br>Employee Representative |

Our audit report was submitted on such date as indicated by our electronic signature
Ernst & Young AB

Erik Sandström
Authorised public accountant

# Audit report

For the general meeting of CTEK AB (publ), Corporate Registration Number 559217-4659

## REPORT ON THE ANNUAL ACCOUNTS AND THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinions

We have audited the annual accounts and consolidated financial statements of CTEK AB (publ) for the year 2021 except the corporate governance report on pages 17-28. The Company's annual report and consolidated financial Statements are included on pages 7-16 and 38-88 of this document.

In our opinion, the financial statements have been prepared in accordance with the Annual Accounts Act and present a true and accurate view, in all material respects, of the financial position of the Parent Company as of 31 December 2021 and of its financial performance and cash flow for the year in accordance with the Annual Accounts Act. The consolidated financial statements were prepared in accordance with the Annual Accounts Act and present a true and accurate view, in all material respects, of the financial position of the Group as of 31 December 2021 and of its financial performance and cash flow for the year in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The management report is consistent with the other parts of the annual accounts and consolidated financial statements.

We therefore recommend that the General Meeting approve the income statement and balance sheet of the parent company and the consolidated income statement and statement of financial position of the group. Our opinions in this report on the annual accounts and the consolidated financial statements are consistent with the content of the supplementary report submitted to the audit committee of the parent company in accordance with Article 11 of the Audit Regulation (537/2014).

### 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 Parent Company and the Group in accordance with professional auditing practices in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes, based on our best knowledge and belief, that no prohibited services as referenced in Article 5(1) of the Statutory Audit Regulation (537/2014) were provided to the audited company or, where applicable, its parent company or its controlled undertakings in the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Areas of particular importance

Areas of particular importance to the audit are those areas which, in our professional judgement, were of most significance to the audit of the annual accounts and consolidated accounts for the period under review. These areas were addressed in the context of the audit of, and in our opinion regarding, the annual accounts and consolidated accounts as a whole, however we do not express separate opinions on these areas. The description below of how the audit was performed in these areas should be read in this context.

We have fulfilled the obligations described in the Auditor's Responsibilities section in our report on the annual accounts in these areas also. Accordingly, we performed audit procedures designed to give effect to our assessment of the risks of material misstatements in the annual accounts and consolidated financial statements. The results of our audit and the audit procedures performed to address the areas set out below form the basis of our audit report.

### Measuring the value of goodwill and brands

#### Description of the area

The value of goodwill amounts to SEK 455.8 million and the value of brands amounts to SEK 259.5 million in the Group's statement of financial position. As explained in Note 13, the value of goodwill and brands is tested annually, and whenever there is an indication that an impairment may be necessary, by calculating the recoverable amount and comparing it with the carrying amounts.

The impairment tests for 2021 did not result in any impairment.

Note 13 states that the recoverable amount is the value in use. The key assumptions used in the calculation of value in use include the long-term growth rate beyond the forecast period, discount rate, operating margin and identification of cash-generating units.

As a result of the estimates and assumptions made in the impairment tests and the size of the carrying amounts, we considered the measuring of the value of goodwill and brands for the Group to be particularly significant areas of the audit.

#### How this area was addressed in the audit

In our audit of the 2021 financial year, we evaluated the Group's process for preparing impairment tests and for identifying cash-generating units. We also reviewed the assumptions about future cash flows underlying the impairment test by comparing them with historical experience and future projections and performed a sensitivity analysis. We have further assessed the discount rate applied and assumptions about long-term growth beyond the forecast period through comparisons with equivalent companies.

We have involved internal valuation specialists in our review of material assumptions and in evaluating the valuation models used.

Finally, we examined the information provided in the annual accounts and consolidated financial statements.

### Information other than the annual accounts and consolidated financial statements

This document also contains information other than the annual accounts and the consolidated financial statements and can be found on pages 1-6 and 94-97. The remuneration report for the 2021 financial year, which will be issued after the date of this auditor's report, also constitutes other information. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our opinion concerning the annual accounts and consolidated financial statements does not cover this information and we do not provide an audit opinion concerning this other information.

In connection with our audit of the annual accounts and consolidated financial statements, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated financial statements. In performing our review, we also consider such other knowledge as we have obtained during the audit and determine whether the information otherwise appears to contain material misstatements.

If, based on the work performed concerning the other information obtained prior to the date of this audit report, we conclude that the other information contains a material misstatement, we are required to report it. We have nothing to report in this regard.

If, on reading the remuneration report, we conclude that it contains a material misstatement, we must raise this matter with the board of directors and request that it be corrected.

### Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation and accurate presentation of the annual accounts and consolidated financial statements in accordance with the Annual Accounts Act and, in the case of the consolidated financial statements, in accordance with IFRS as adopted by the EU. The Board of Directors and the Chief Executive Officer are also responsible for such internal controls as they determine are necessary to enable the preparation of annual accounts and consolidated financial statements that are free from material misstatements, whether fraudulent or by mistake.

In preparing the annual accounts and consolidated financial statements, the Board of Directors and the Chief Executive Officer are responsible for assessing the Company's ability to continue as a going concern. Where applicable, they will disclose conditions that may affect the ability to continue as a going concern and to use the going concern assumption. However, the going concern assumption does not apply if the Board of Directors and the Chief Executive Officer intend to liquidate the company, cease operations or have no realistic alternative to doing any of these things.

The Board of Director's audit committee shall, without it affecting the board's other responsibilities and tasks, monitor the Company's financial reporting.

### Auditor's Responsibilities

Our objective is to achieve a reasonable degree of certainty that the annual accounts and consolidated financial statements as a whole are free from material misstatements, whether fraudulent or by mistake, and to provide an audit report that includes our opinions. Reasonable certainty is a high degree of certainty, but is not a guarantee that an audit performed in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement if one exists. Misstatements may result from fraud or by mistake and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the financial decisions of users taken on the basis of the annual accounts and consolidated financial statements.

As part of an audit according to ISA, we use our professional judgement and maintain a professionally skeptical attitude throughout the audit.

Furthermore:

- We identify and assess the risks of material misstatements in the annual accounts and consolidated financial statements, whether fraudulent or by mistake, we design and perform audit procedures, including procedures based on those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement due to a fraud is higher than for a material misstatement due to a mistake, since fraudulent behaviour may include collusion, falsification, deliberate omissions, misrepresentation or breach of internal controls.
- We obtain an understanding of the Company's internal control relevant to our audit to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- We evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Chief Executive Officer.
- We draw a conclusion regarding the appropriateness of the use of the going concern assumption by the Board of Directors and the Chief Executive Officer in the preparation of the annual accounts and consolidated financial statements. We also draw a conclusion, based on the audit evidence obtained, whether there are any material uncertainties related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that material uncertainties exist, we must draw attention in the auditor's report to the disclosures in the financial statements concerning the material uncertainty or, if such disclosures are inadequate, modify the opinion on the annual accounts and consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may make it impossible for a company to continue operating.
- We evaluate the overall presentation, structure and content of the annual accounts and consolidated financial statements, including the disclosures, and whether the annual accounts and consolidated financial statements present a true and accurate view of the underlying transactions and events.
- We obtain sufficient appropriate audit evidence about 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 management, supervision and execution of the group audit. We are solely responsible for our opinions.

We must inform the Board of Directors of, among other things, the planned scope and focus of the audit and its timing. We must also disclose significant observations made during the audit, including any significant deficiencies in internal controls that we have identified.

We must also provide the Board with a statement that we have complied with the relevant ethical requirements regarding independence, and address any relationships and other circumstances that could reasonably be expected to affect our independence, and, where applicable, steps that have been taken to eliminate the threats or countermeasures that have been taken.

Among the areas communicated to the Board, we determine which of these areas were the most significant for the audit of the annual accounts and consolidated financial statements, including the most significant assessed risks of material misstatements, and which therefore represent the areas of particular importance for the audit. We describe these areas in the auditor's report unless disclosure of the matter is prevented by laws or regulations.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Opinions

In addition to our audit of the financial statements, we have also audited the management of CTEK AB (publ) for 2021 by the Board of Directors and the Chief Executive Officer and the proposed appropriation of the Company's profit or loss.

We recommend that the Annual General Meeting approve the appropriation of profits as proposed in the Management Report and grant discharge to the Directors and the Chief Executive Officer for the financial year.

### Basis for opinions

We have conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under these standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional auditing practices 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 audit opinions.

### Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors is responsible for the proposal of appropriation of the company's profit or loss. When proposing a dividend, this includes, among other things, an assessment of whether the dividend is justified in view of the requirements imposed by the nature, scope and risks of the Company's and Group's activities on the size of the Parent Company's and Group's equity, consolidation requirements, liquidity and general financial position.

The Board of Directors is responsible for the organisation of the company and the management of its affairs. This includes, among other things, continuously assessing the financial condition of the Company and the Group, and ensuring that the Company's organisation is designed in such a way that the accounting, cash management and other financial affairs of the Company are controlled in a satisfactory manner. The Chief Executive Officer shall carry out the day-to-day management in accordance with the guidelines and instructions of the Board of Directors and shall, among other things, take such measures as are necessary to ensure that the Company's accounts are kept in accordance with the law and that the funds are managed in a satisfactory manner.

### Auditor's Responsibilities

Our objective with respect to the audit of the management, and hence our opinion on discharge, is to obtain audit evidence to provide a reasonable degree of certainty as to whether in a material way any director or the Chief Executive Officer has:

- committed any act or omission that could give rise to a liability to pay damages on the part of the Company.
- acted in any other way contrary to the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective in auditing the proposed appropriation of the company's profit or loss, and thus our opinion thereon, is to assess with a reasonable degree of certainty whether the proposed appropriation accords with the Companies Act.
Reasonable certainty is a high degree of certainty, but is not a guarantee that an audit performed in accordance with generally accepted auditing standards in Sweden always will detect actions or omissions that may give rise to a liability for damages against the Company, or a proposed disposition of the company's profit or loss that does not accord with the Swedish Companies Act.

As part of an audit according to generally accepted auditing standards in Sweden, we use our professional judgement and maintain a professionally skeptical attitude throughout the audit. Our audit of the management and the proposed appropriation of the company's profit or loss is primarily based on the audit of the accounts. The additional audit procedures performed are based on our professional judgement according to risk and materiality. This means that we focus our audit on those measures, areas and conditions that are material to the business and where deviations and breaches would have a particular importance for the company's condition. We review and examine the decisions taken, the evidence supporting those decisions, the actions taken and other matters relevant to our opinion on discharge. As a basis for our opinion on the Board of Directors' proposed appropriation of the Company's profit or loss, we have reviewed the Board of Directors' statement of reasons and a selection of the supporting documents in order to assess whether the proposal accords with the Companies Act.

### Auditor's review of the corporate governance report

The Board of Directors is responsible for the corporate governance report on pages 17-28 and for ensuring that it is prepared in accordance with the Annual Accounts Act.
We conducted our audit in accordance with FAR Statement RevR 16 Auditor's Review of the Corporate Governance Report. This means that our audit of the corporate governance report has a different focus and a significantly smaller scope compared to the focus and scope of an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We find that such an audit provides a satisfactory basis for our opinion.

A corporate governance report was prepared. Information in accordance with Chapter 6, Section 6, second paragraph, items 2–6 of the Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same act are consistent with the other parts of the annual accounts and consolidated financial statements and in accordance with the Annual Accounts Act.

### Auditor's review of the Esef report

### Opinion

In addition to our audit of the annual accounts and consolidated financial statements, we have also verified that the annual accounts and consolidated financial statements have been prepared by the Board of Directors and the Chief Executive Officer in a format that permits consistent electronic reporting (the Esef report) according to Chapter 16, Section 4 of the Swedish Securities Market Act (2007:528) for CTEK AB (publ) för 2021.

Our review and opinion relates only to the statutory requirement.

In our view, the ESF report #(checksum) was prepared in a format that essentially allows uniform electronic reporting.

### Basis for opinion

We conducted our review in accordance with FAR recommendation RevR 18 Auditor's Review of the Esef Report. Our responsibilities under this recommendation are further described in the Auditor's Responsibilities section. We are independent of the CTEK AB (publ) in accordance with professional auditing practices in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for ensuring that the EFSE report is prepared in accordance with Chapter 16, Section 4 of the Swedish Securities Market Act (2007:528) and for the existence of such internal controls that the Board of Directors and the Chief Executive Officer deem necessary to prepare the Esef report free from material misstatements, whether fraudulent or by mistake.

### Auditor's Responsibilities

Our responsibility is to express a conclusion, with reasonable certainty, as to whether the EUSF report was prepared, in all material respects, in a form that complies with Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), on the basis of our review. RevR 18 requires us to plan and perform our audit procedures to obtain reasonable certainty that the Esef report is prepared in a format that meets these requirements.

Reasonable certainty is a high degree of certainty, but is not a guarantee that a review performed in accordance with RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement if one exists. Misstatements may result from fraud or by mistake and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the financial decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Audit Firms Performing Audits and Reviews of Financial Statements and Other Assurance and Related Services and thus has a comprehensive quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The audit includes obtaining evidence, through a variety of procedures, that the Esef report was prepared in a form that permits consistent electronic reporting of the annual accounts and consolidated financial statements. The auditor chooses which actions to take, including by assessing the risks of material misstatements, whether fraudulent or by mistake. In making these risk assessments, the auditor considers internal controls relevant to the Board's and the Chief Executive Officer's preparation of the evidence in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness and reasonableness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Chief Executive Officer.

The audit procedures mainly include a technical validation of the Esef report, i.e. whether the file containing the Esef report complies with the technical specification set out in Commission Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated financial statements.

Further, the audit also includes assessing whether the Esef report has been marked iXBRL, which enables a fair and complete machine-readable version of the Group's income statement, balance sheet, statement of changes in equity and cash flow statement.

Ernst & Young AB, Box 7850, SE-103 99 Stockholm, Sweden, was appointed as CTEK AB's auditor by the Annual General Meeting on 29 April 2021 and has been the Company's auditor since 2012.

Stockholm, on such date as indicated by our electronic signature
Ernst & Young AB

Erik Sandström
Authorised public accountant

# Alternative performance measures

**ORIGIN OF ALTERNATIVE PERFORMANCE MEASURES**

CTEK uses financial measures ("alternative performance measures"), that are not defined under IFRS. In CTEK's opinion, these financial measures provide valuable information to readers of the report since they complement the evaluation of the Company's financial performance. The performance measures that CTEK has chosen to present are relevant to the business and in relation to the financial targets for growth, margin and capital structure. The Definitions section on page 96 describes how CTEK defines the performance measures as well as the purpose of each performance measure. The data provided below is supplementary information for determining the origin of the alternative performance measures.

## ADJUSTED EBITDA/EBITA

| Amounts in SEK million | 2021 | 2020 |
|---|---|---|
| Operating income | 81.8 | 142.7 |
| | | |
| **Items affecting comparability** | | |
| -External expenses related to listing | 40.4 | 4.2 |
| -Remeasurement of earnout | - | -50.0 |
| Depreciation and amortisation (+) | 68.5 | 57.2 |
| **Adjusted EBITDA** | **190.7** | **154.1** |
| Amortisation of non-M&A-related intangible assets (-) | -25.6 | -15.6 |
| Depreciation of tangible assets (-) | -14.4 | -12.5 |
| **Adjusted EBITA** | **150.7** | **126.0** |

## GROWTH, GROUP

| Amounts in SEK million | 2021 | 2020 |
|---|---|---|
| Organic growth (%) | 34.2 | 13.1 |
| Currency effect (%) | -3.7 | -1.9 |
| **Sales growth (%)** | **30.5** | **11.2** |

## GROSS MARGIN

| Amounts in SEK million | 2021 | 2020 |
|---|---|---|
| Net sales | 921.8 | 706.3 |
| Cost of goods sold | -434.1 | -329.8 |
| Gross profit | 487.7 | 376.5 |
| **Gross margin (%)** | **52.9** | **53.3** |

## *NET DEBT*

| Amounts in SEK million | 2021 | 2020 |
|---|---|---|
| **Current assets** | | |
| -Cash and cash equivalents | -53.5 | -94.7 |
| | | |
| **Long-term liabilities** | | |
| -Interest-bearing liabilities, including lease liabilities | 506.8 | 840.8 |
| -Interest-bearing lease liabilities | -11.4 | -10.6 |
| Short-term liabilities | | |
| -Interest-bearing liabilities, including lease liabilities | 64.4 | 4.8 |
| -Interest-bearing lease liabilities | -6.4 | -4.8 |
| **Total net debt** | **500.0** | **735.5** |
| | | |
| **Operating income** | **81.8** | **142.7** |
| -Depreciation, amortisation and impairment of tangible and intangible assets | -68.5 | -57.2 |
| **EBITDA** | **150.3** | **200.0** |
| **Items affecting comparability** | **-40.4** | **45.8** |
| **Adjusted EBITDA** | **190.7** | **154.1** |
| **Net debt/adjusted EBITDA** | **2.6** | **4.8** |

## *MULTI-YEAR OVERVIEW*

| Group | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|
| Net sales, SEK million | 921.8 | 706.3 | 635.4 | 573.3 |
| Operating income, SEK million | 81.8 | 142.7 | 68.3 | 102.1 |
| Operating margin, % | 9 | 20 | 11 | 18 |
| Balance sheet, SEK million | 1,566.4 | 1,453.9 | 1,363.0 | 1,383.1 |
| Equity, SEK million | 655.1 | 285.6 | 201.0 | 179.7 |
| Equity ratio, % | 42 | 20 | 15 | 13 |

# Definitions

| Dimensions: | Definition/Calculation |
|---|---|
| **Interest-bearing net debt** | Interest-bearing liabilities adjusted for lease liabilities less interest-bearing assets and cash and cash equivalents |

| Alternative performance measures: | Definition/Calculation | Purpose |
|---|---|---|
| **EVSE share of net sales** | Sales of EV chargers and accessories as a share of total net sales | Used to measure sales of products for electrified vehicles |
| **Gross margin** | Gross profit as a percentage of net sales | Used to measure product profitability |
| **Gross profit** | Net sales less cost of goods sold, freight and duty | Used to measure product profitability |
| **EBITA** | Operating income before amortisation and impairment of M&A-driven fixed assets | Measure of the underlying earnings capacity of the business and facilitates comparison between the quarters |
| **Adjusted EBITA** | EBITA before items affecting comparability | Measure of the underlying earnings capacity of the business and facilitates comparison between the quarters |
| **Adjusted EBITA margin** | Adjusted EBITA as a percentage of net sales | This performance measure gauges the degree of profitability of the business |
| **Adjusted EBITDA** | EBIT according to the income statement before items affecting comparability, depreciation/amortisation and impairment of intangible and tangible assets | Measure of the underlying earnings capacity of the business and facilitates comparison between the quarters |
| **Items affecting comparability** | Items affecting comparability refers to material income and cost items that are recognised separately due to the significance of their nature and amounts | Recognising items affecting comparability separately increases the comparability of EBIT over time |
| **Net debt/Adjusted EBITDA** | Net debt to in relation to Adjusted EBITDA on a rolling 12-month basis | Measure showing the capacity to repay debt |
| **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 profit/loss** | Adjusted EBITDA excluding central items | Measure showing the earnings capacity of the segment |
| **Segment margin** | Earnings for the segment as a percentage of net sales for the segment | Measure showing the earnings capacity of the segment |
| **Currency effect** | Average exchange rate of the comparative period multiplied by sales in local currency for the current period | Aims to show growth excluding currency effects |

| Concept: | Definition/Calculation | Purpose |
|---|---|---|
| **Central** | Sales in Central comprise items that are not attributable to any specific segment. Also includes Groupwide income and costs that are not allocated to the segments | Items that are not directly attributable to the segments |

# Information for the shareholders

### 12 MAY 2022 ANNUAL GENERAL MEETING

The Annual General Meeting of CTEK AB (publ) will be held on Thursday 12 May 2022 at 3.00 p.m. at CTEK's premises at Industrivägen 24, 776 70 Vikmanshyttan, Sweden. Registration for the Annual General Meeting starts at 2.00 p.m.

### PARTICIPATION

Shareholders wishing to attend the Annual General Meeting must
- Be entered in the share register maintained by Euroclear Sweden AB as of Wednesday 4 May 2022; and
- Provide notice of their participation by Friday 6 May 2022.

Due to environmental considerations and for increased efficiency through the use of digital services, CTEK has opted not to send out the notice of the general meeting by post.

Notice of participation can be provided as follows:
- **Electronically:** https://anmalan.vpc.se/euroclearproxy.
- **By phone:** 08-461 58 72
- **Via e-mail:** GeneralMeetingService@euroclear.com
- **By post:** CTEK AB (publ), ”AGM”, c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden.

The notification must include the name, personal/organisation number, address, daytime telephone number and the number of assistants, if any, up to a maximum of two.

### TRUSTEE-REGISTERED SHARES

Shareholders who have had their shares registered in the name of a trustee in order to participate in the meeting and exercise their voting rights, temporarily register the shares in their own name. Such registration must be effected with Euroclear Sweden AB no later than Wednesday, 4 May 2022. This means that the shareholder must notify the nominee of this well before this date.

### DIVIDEND AND RECORD DATE

The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the 2021 financial year.

### Nomination Committee

CTEK AB
Att: Valberedningen [Nomination Committee]
Rostugnsvägen 3
SE-776 70 Vikmanshyttan, Sweden

### FOR FURTHER INFORMATION, PLEASE CONTACT:

Jon Lind, President and CEO
jon.lind@ctek.se, +46 703 972 371

Niklas Alm, Head of Investor Relations
niklas.alm@ctek.se, +46 708 244 088

CTEK AB (publ), Corporate Registration Number 559217-4659,
Rostugnsvägen 3
SE-776 70 Vikmanshyttan, Sweden

### FINANCIAL CALENDAR

- 2021 Annual Report: 8 April 2022
- Interim report, Q1, 2022: 11 May 2022
- 2022 Annual General Meeting: 12 May 2022
- Interim report, Q2, 2022: 10 August 2022
- Interim report, Q3, 2022: 2 November 2022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