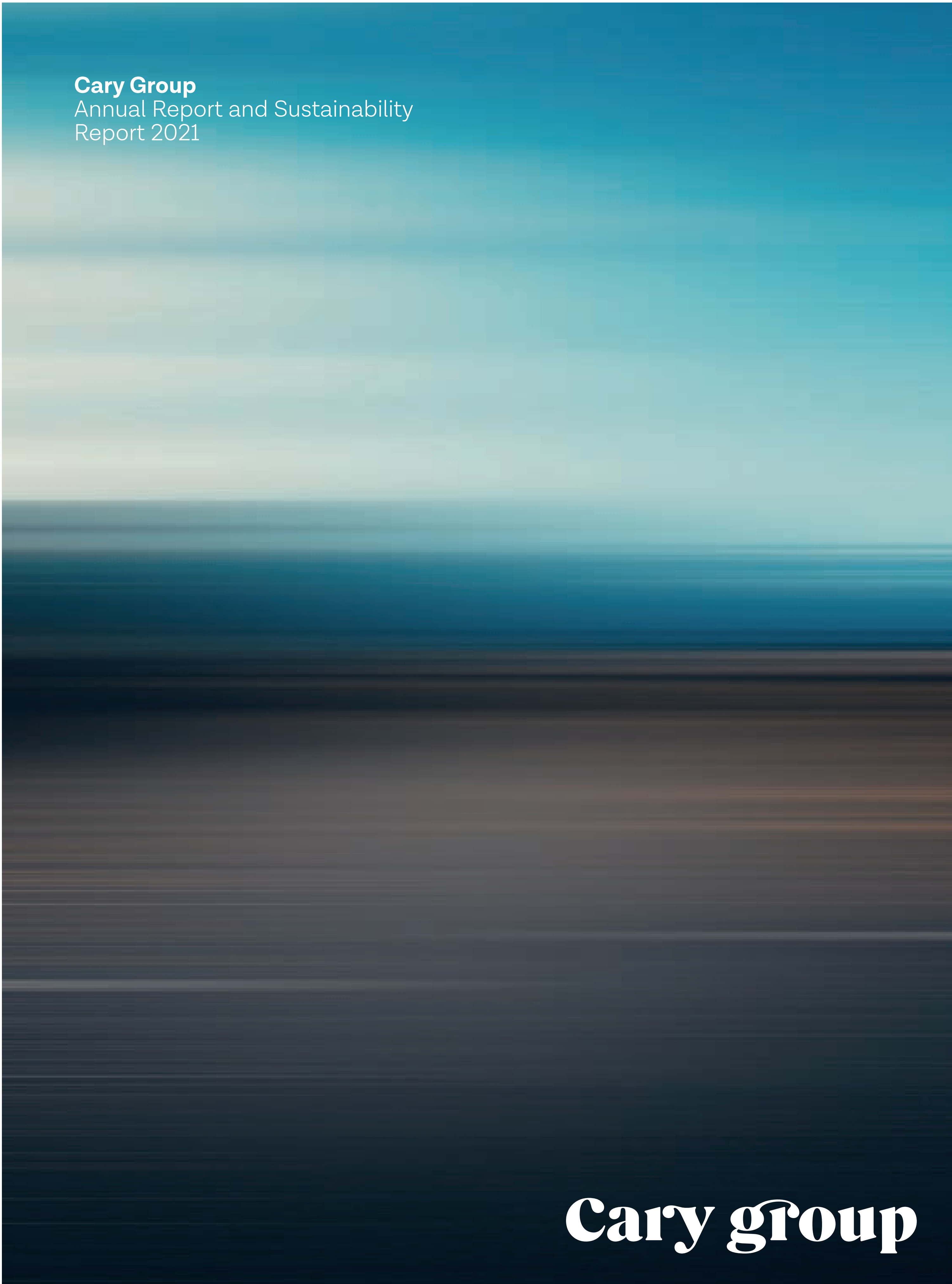
Cary Group
Annual Report and Sustainability Report 2021



Cary group

Introduction

Srategy and operations

Sustainability Report

Directors' Report

Financial reports and notes

Other

The complete sustainability report comprise pages 40–59 and 118–121.

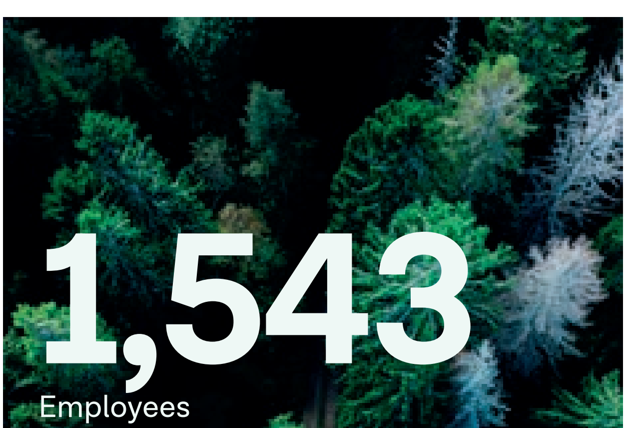
One of the European market leaders in the repair, replacement and calibration of vehicle glass

Cary Group specialises in sustainable solutions for repair and replacement of vehicle glass, with a complementary offering in auto body repair. With convenient locations, high-quality products and smart solutions, we help our customers make simplified and sustainable choices. We call it ”Smarter solutions for sustainable car care”.

About Cary Group

Cary Group is one of the market leaders in Sweden, Denmark, Norway, the UK and Spain in the repair and replacement of vehicle glass, with a complementary offering in auto body repair and SMART repair (Small to Medium Area Repair Techniques).

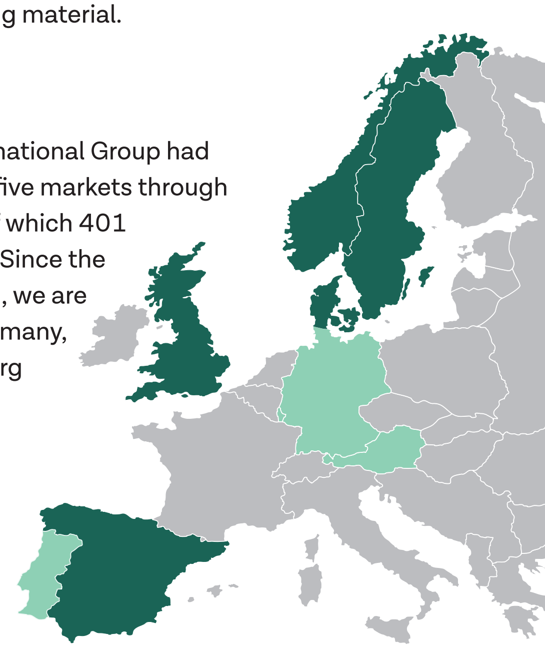
Cary Group has national reach on all our markets, bringing us close to our end customers. Our decentralised business model emphasises entrepreneurial spirit at the workshops. The local workshop managers are the heroes of the company and are supported by central functions to ensure they have the tools they need to provide high-quality services in an efficient manner.



Cary Group is a problem-solver for both insurance companies and end customers. Thank to efficient operations, geographical accessibility and outstanding reputation for quality and customer satisfaction, the group has grown and become a strong partner for insurance companies.

Cary Group has a sustainable strategy. With good local accessibility, high-quality products and smart solutions, we help our customers make simplified and sustainable choices. Wherever possible we strive to repair windscreens, resulting in a high repair rate. When there is no option but to replace a windscreen, Cary Group uses recycled glass and the major part of scrapped windscreens are recycled and reused, primarily as building material.

In 2021, our international Group had local presence on five markets through 929 workshops, of which 401 were mobile units. Since the beginning of 2022, we are also present in Germany, Austria, Luxembourg and Portugal.

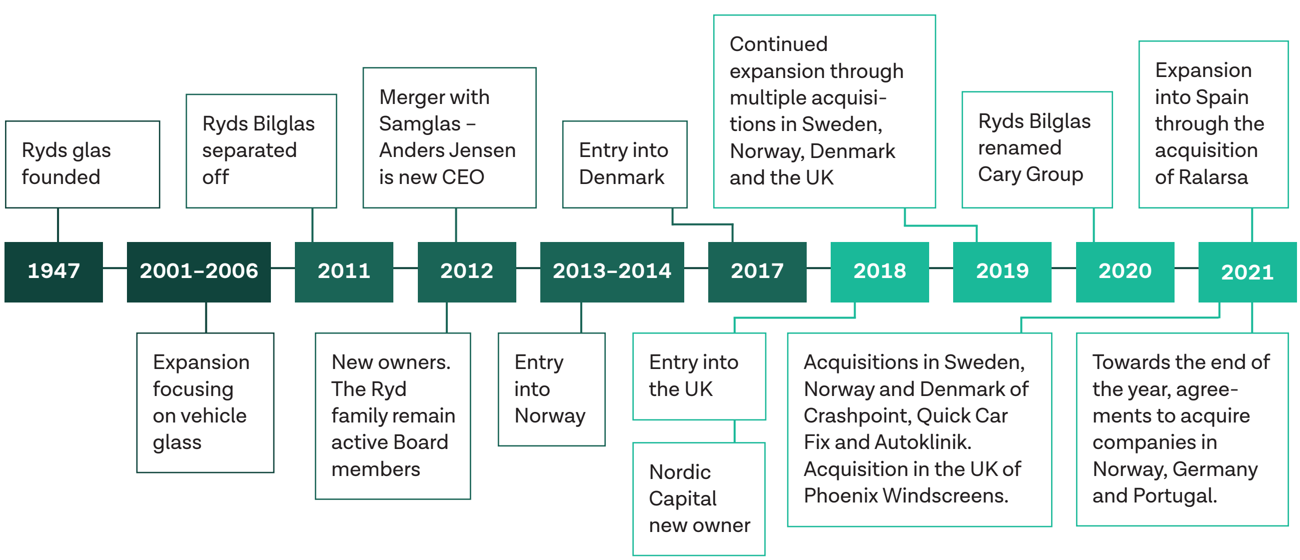


Millions of repairs later

Ryds Bilglas was founded in Sundsvall by the Ryd family in 1947 as part of Ryds Glas and has a family legacy of more than 70 years. The company then became part of Cary Group.

The company began life as a glazing firm in 1947 and has since developed and grown to become a leading corporate group in vehicle glass repair and replacement in Scandinavia, the UK and Spain, with a complementary range of services in auto body repair. The company was separated out under the name Ryds Bilglas in 2011. In 2020, the group was renamed Cary Group in preparation for broader international expansion, with several local brands keeping their names.

The Group has grown strongly in recent years but has not lost its entrepreneurial spirit. There is a strong sense of belonging and the company strives to use centralised processes and systems throughout the organisation, without sacrificing the legacy of a family company with a strong local grounding.



Beginnings

Ryds Glas was founded in Sundsvall in 1947 by the Ryd family. The company worked with all things glass for many years. During 2001–2006, there was a rapid expansion with a clear focus on vehicle glass.

Nordic expansion

In 2011, Ryds Bilglas was separated off to continue its expansion in vehicle glass.

Ryds Bilglas was merged with Samglas and Anders Jensen (CEO of Cary Group) was appointed Group President. A Nordic expansion began with the company launching on then Norwegian market, and a few years later on the Danish market.

International expansion

Broader international expansion began, including entry into the UK market.

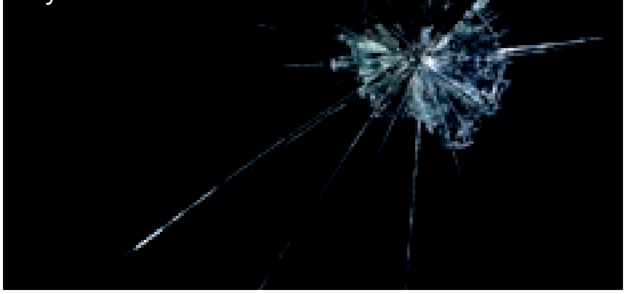
The continued expansion on the Nordic market involves acquisitions in areas such as auto body repair, while in Europe the process of expansion is primarily within vehicle glass.

In 2021, the company was listed on the Stockholm Stock Exchange under the new name Cary Group, formed from Car Care by Ryds.

The year in brief

IPO

In 2021, we reached an important milestone with our listing on Nasdaq Stockholm. The company's shares have been traded on the Mid Cap market since 24 September under the ticker symbol "CARY".



+30%

In 2021, net revenue increased to SEK 2,141 million

Key performance indicators

SEK million	**2021**	**2020**
Net revenue	2,141	1,651
- organic growth	100	-84
- acquisitions and divest-ments	392	130
Adjusted EBITA	294	247
Adjusted EBITA margin, %	13.7	15.0
Cash flow from operating activities	175	205

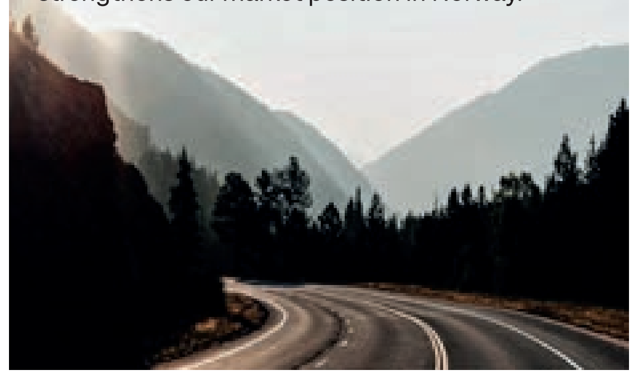
Nordic expansion targeting complementary offerings

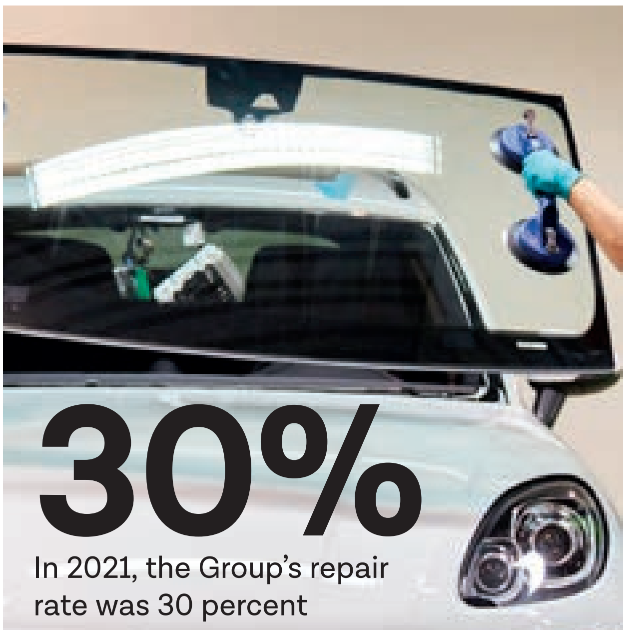
In March, the Group acquired 80 percent of Crashpoint, Denmark's largest car body shop centre, which specialises in repairing damage and auto repair, including Tesla vehicles, whose advanced engineering requires specialist technical expertise.

In April, the Group acquired 80 percent of Quick Car Fix in Norway. With 14 workshops in strategic locations around the country, such as airports, shopping centres and car parks, it specialises in SMART Repair to offer cost-effective, fast and sustainable car repairs within the field of cosmetic damage.

In July, the Group acquired 90 percent of Autoklinik i Malmö AB, a service and repair workshop in Malmö, which specialises in vehicle servicing and auto body repair for various brands.

In December, the Group signed an agreement to acquire 100 percent of the Norwegian company MPS Bilskade AS, which operates within both minor and major vehicle damage repair. The acquisition represents an expansion on the Norwegian market for existing customers and strengthens our market position in Norway.





30%

In 2021, the Group's repair rate was 30 percent

+19%

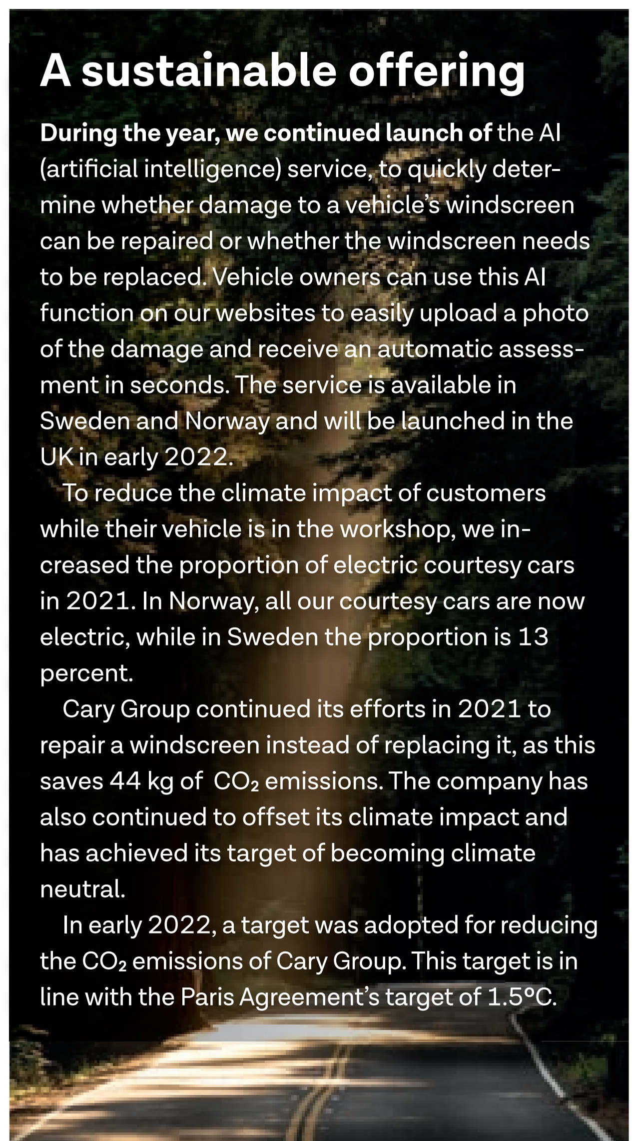
In 2021, adjusted EBITA rose to SEK 294 million

European expansion focuses on glass

In July, the Group acquired 100 percent of Spanish company Auto Cristal Ralarsa. The acquisition of Spain's second-largest vehicle glass repair and replacement company sees us establishing a presence on another geographical market. Ralarsa specialises in the repair and replacement of vehicle glass, including calibration of advanced driver-assistance systems (ADAS).

In December, an agreement was signed to acquire 75 percent of Zentrale Autoglas GmbH, one of Germany's leading providers of vehicle glass repair and replacement, primarily for buses and campervans. The acquisition represents an important step in our European expansion.

An agreement was also signed in December to acquire 100 percent of Portuguese company GlassCo S.A., owner of "ExpressGlass". ExpressGlass specialises in the repair and replacement of vehicle glass in Portugal, including ADAS calibration.



A sustainable offering

During the year, we continued launch of the AI (artificial intelligence) service, to quickly determine whether damage to a vehicle's windscreen can be repaired or whether the windscreen needs to be replaced. Vehicle owners can use this AI function on our websites to easily upload a photo of the damage and receive an automatic assessment in seconds. The service is available in Sweden and Norway and will be launched in the UK in early 2022.

To reduce the climate impact of customers while their vehicle is in the workshop, we increased the proportion of electric courtesy cars in 2021. In Norway, all our courtesy cars are now electric, while in Sweden the proportion is 13 percent.

Cary Group continued its efforts in 2021 to repair a windscreen instead of replacing it, as this saves 44 kg of CO_2 emissions. The company has also continued to offset its climate impact and has achieved its target of becoming climate neutral.

In early 2022, a target was adopted for reducing the CO_2 emissions of Cary Group. This target is in line with the Paris Agreement's target of 1.5°C.

CEO'S COMMENTS

Strong performance from newly listed Cary Group

Sales increased by 30 percent in 2021, driven mainly by new acquisitions. Organic sales development was 6 percent. At the same time, EBITA increased by 19 percent. This demonstrates Cary Group's continued strong performance during its early days as a listed company.

When summing up 2021 – and our early days as a listed company – it is clear that the business has continued to develop strongly. Sales continued to rise, mainly thanks to the acquisitions made. Despite the ongoing pandemic, with lockdowns in countries including Norway and the UK, the organic growth increased by 6 percent. It is pleasing to report strong organic growth in sales for the year, despite the impact of Covid-19. This has made me happy with our performance for the year as a whole, as we were able to achieve good results despite challenging conditions on some markets. It should be added that the stock exchange listing was a large-scale project that required a great deal of time and resources. I consider it an indication of the strength of Cary Group that we were still able to take our opportunities to increase growth, both overall and organically.

Leading European player

We now have workshops and mobile units all over Europe, specialising in vehicle glass repair and replacement. We hold a market-leading position in Sweden and are the second-largest or third-largest operator in Norway, Denmark, the UK and Spain. We will continue to grow from these strong positions and will do so with the aim of becoming one of the market leaders in Western Europe. We believe there is a need for another major player that can develop the offering and help to consolidate a market that remains highly fragmented.

Cary Group is well suited to drive this development and expand its operations. Over the years, we have built up comprehensive and sustainable services for the replacement of vehicle glass and we have the most satisfied customers on the market. Our other strengths include well advanced digitisation and our strong partnerships with insurance companies, leasing companies and other key players. These are partners who want to have fewer but larger suppliers within vehicle glass, which is entirely compatible with our own growth plans.

The stock exchange listing is also a driving force in our growth plans, as access to capital can help us continue our expansion. It is also stimulating to operate in a listed environment, where the requirements for transparency and disclosure are more extensive and help us to develop – both as individuals and as a company.

Acquisition-led expansion

As it has been in the past, future expansion is based on a combination of acquisitions and organic growth. The strategies on the Nordics and Rest of Europe markets differ, however, on one important point. In the Nordics, we have chosen to broaden our offering to include minor auto bodywork repairs and what are known as SMART repairs. This not only gives us greater geographical coverage on these markets, but also enables us to offer complementary services that deepen our relationship with customers.

Over 50 add-on acquisitions have been made in Sweden in recent years, as well as a handful in each of Norway and the UK. Further evidence of the ongoing importance of acquisitions came in Spain in late summer, as Ralarsa joined Cary Group. This platform acquisition lays the foundation for our continued growth in Spain, where Ralarsa is the second-largest operator in vehicle glass repair and replacement. Several other acquisitions were made during the year and just after the turn of the year 2021/2022 – including platform acquisitions in Germany and Portugal. This establishes conditions for our expansion and growth into more countries, where our services and working methods will make a difference to customers.

”2021 was an acquisition-intensive year for Cary Group, with total growth of 30 percent and 6 percent organic growth. It was also the year that Cary Group was listed on the stock exchange, making it an intensive year on every level.”

Achieving economies of scale

The add-on acquisitions that we make strengthen us on our current markets and are often individual workshops and sometimes smaller chains. It is important that new workshops are well integrated and create added value. This means retaining the local identity of the workshops while at the same time exploiting economies of scale and achieving the improvements in margin that we also target when making add-on acquisitions. We have a well proven process for this kind of integration, which includes managing purchasing, marketing initiatives and IT support centrally in order to achieve synergies. We also establish an exchange of information and knowledge so that new acquisitions can benefit from all the best practice that there is within Cary Group.

We know that Cary Group has a lot of trust capital out on the market, which makes new acquisitions easier. Often we are acquiring family companies, which want to retain their corporate culture even after they become part of a larger group. This is something we encourage and our emphasis on local entrepreneurship helps us find attractive acquisitions that are able to continue to grow within our Group. We have also been on the market for a long time and we have a strong international network of contacts, which also makes it easier for us to expand through more acquisitions.

Calibration is driving organic growth

Cary Group operates on a market with underlying growth of 6 percent annually. Organic growth is mainly driven by a number of external factors, such as an increasing number of kilometres driven, larger glass surfaces on vehicles and more advanced technology used in vehicles. We need to understand these factors and adapt our services to them. This includes everything from encouraging vehicle owners to have a stone chip repaired quickly to investing in workshops so that we can offer the technical services required. A specific example is the calibration of the ADAS systems that are found in many modern vehicles – a calibration that is necessary for safety reasons when vehicle glass is replaced. The advances being made in vehicle technology are increasing the demand for calibration, so offering this kind of service is vital for competitiveness, as well as for boosting organic growth.

Sustainable Cary Group

Our vision is to lead the way in our industry when it comes to sustainability. Repairing instead of replacing material is fundamental to us. We integrate sustainability in every step of the repair or replacement process to minimise environmental impact. Digital services play a key role, enabling customers to handle most of their claim without needing to drive to a workshop. Our focus on sustainability is right, as demonstrated by industry statistics which show that our repair rate is higher than the market average.

In 2022, we are taking the next major step in our sustainability work by making the entire Cary Group climate neutral on all markets. We are doing this by offsetting all carbon emissions in the value chain that we are part of. Climate neutrality is important and shows that we are prepared to turn words into action on climate issues. In early 2022, a target was adopted for reducing the CO_2 emissions of Cary Group and this target is in line with the Paris Agreement's target of 1.5^{o}C.

In focus in 2022

Following an acquisition-intensive year in 2021, there is now greater focus on the consolidation of the businesses we have acquired. At the same time, we will put more energy into improving our margins in both existing and newly acquired operations. Although some of the acquisitions we make have profitability below that of Cary Group, we envisage opportunities to achieve improved margins through synergies. The current strong growth of our Rest of Europe segment gives us new opportunities for economies of scale. We are also considering specific measures in some countries where profitability is lower and we are working to improve the operational efficiency of our workshops.

The results we achieved during the year are the product of hard work throughout the Group. I would therefore like to thank all employees for their efforts, which are setting us on the road to strong development over the years to come.

Anders Jensen, CEO Cary Group

MARKET OVERVIEW

A fragmented growth market

The vehicle glass repair and replacement market is growing. To take part of this growth, companies that offer these services need to be close to customers, keep up with technological advances and have strong relationships with insurance companies and leasing companies.

Vehicle glass market

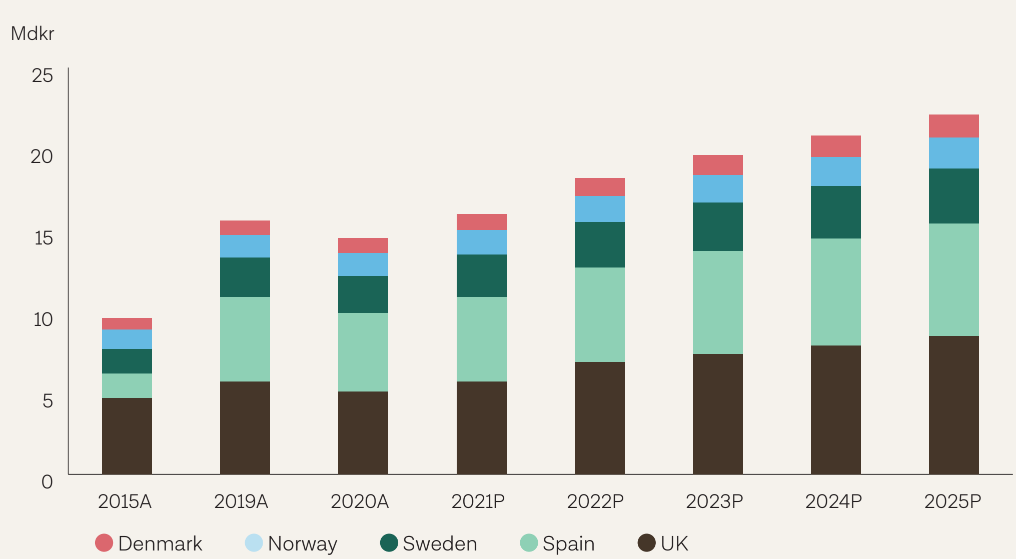
The repair and replacement of vehicle glass consists of three services – repair, replacement and the calibration of safety equipment in vehicles that are equipped with advanced driver-assistance systems (ADAS). These services are offered either via workshops or through mobile units. The preferred choice of customers between mobile services and workshops varies from country to country. Mobile units dominate the European markets outside the Nordics.

In 2019, the total market for Western Europe was valued at around SEK 78 billion., while the value of Cary Group's existing markets totalled approximately SEK 15 billion.

Dominant players

The European market is highly fragmented with many small local or regional companies. Alongside specialists in vehicle glass repair and replacement, there are also garages, car dealers and independent workshops who are replacing glass. The biggest players on Cary Group's markets are Carglass, Glaskedjan, Riis Bilglass, Dansk

Total market size on the markets on which Cary Group operates



Source: Market report before the Cary Group listing.

Bilglas, Autoglass and Auto Windscreens. Including Cary Group, the three largest players have 50–60 percent of the market in Sweden, 60–70 percent of the market in Norway, 30–45 percent of the market in Denmark and 80–90 percent of the total market in the UK. Belron (Carglass/Autoglass) is the largest operator in all countries except Sweden.

Consolidation trend

The current trend is for specialists in vehicle glass to be taking significant market shares from smaller, independent workshops. This is partly because insurance companies prefer working with large-scale suppliers who are able to offer efficient solutions for handling compensation claims as well as acting as a general problem-solver. Technological advances also favour larger operators and contribute to increased consolidation. This is because workshops need to invest heavily in technological solutions and in training technicians, in order to offer specialist calibration services for example. Large specialists also offer cheaper and more efficient service with the same quality as branded workshops and use the original glass that insurers require.

Strong customer relationships

Insurance companies play a key role in the market, so a glass supplier needs to offer services both to the vehicle owner who is the end customer and to the insurance companies. Two-thirds of end customers choose the supplier for vehicle glass repair and replacement themselves, while three-quarters of all glass repairs in Europe are paid for by insurance companies.

Whatever the customer chooses, the supplier needs to work with the insurance companies in order to be paid for its services. A supplier's ability to attract new customers largely depends on the effectiveness of their

Underlying factors driving market growth

The repair and replacement of vehicle glass is a non-cyclical market that is growing at a rate of over 6 percent per year. Growth is linked to the following underlying driving forces:

- **The total distance driven and an increasing number of kilometres driven per vehicle**, where a growing vehicle fleet covering more and more kilometres increases the volume of glass on the roads. The longer distances travelled per vehicle, glass damage become more common and more serious.
- **The mix in the vehicle fleet**, where more modern vehicles have larger glass surfaces and glass that is thinner, more complex and advanced. This drives rising volumes and prices, as this type of glass is more frequently and more seriously damaged and is also more expensive to repair and replace.
- **Technological advances and calibration requirements**, where vehicles that are equipped with ADAS increase the cost of replacing glass. To ensure that ADAS functions properly, the glass must be replaced correctly and the equipment calibrated. This is a growing service as ADAS-equipped vehicles are increasing in number on all geographical markets.
- **General cost increases**, based on the fact that vehicle glass suppliers raise their net prices every year, primarily as a result of higher energy and material costs. These price increases are passed on to the end customer.

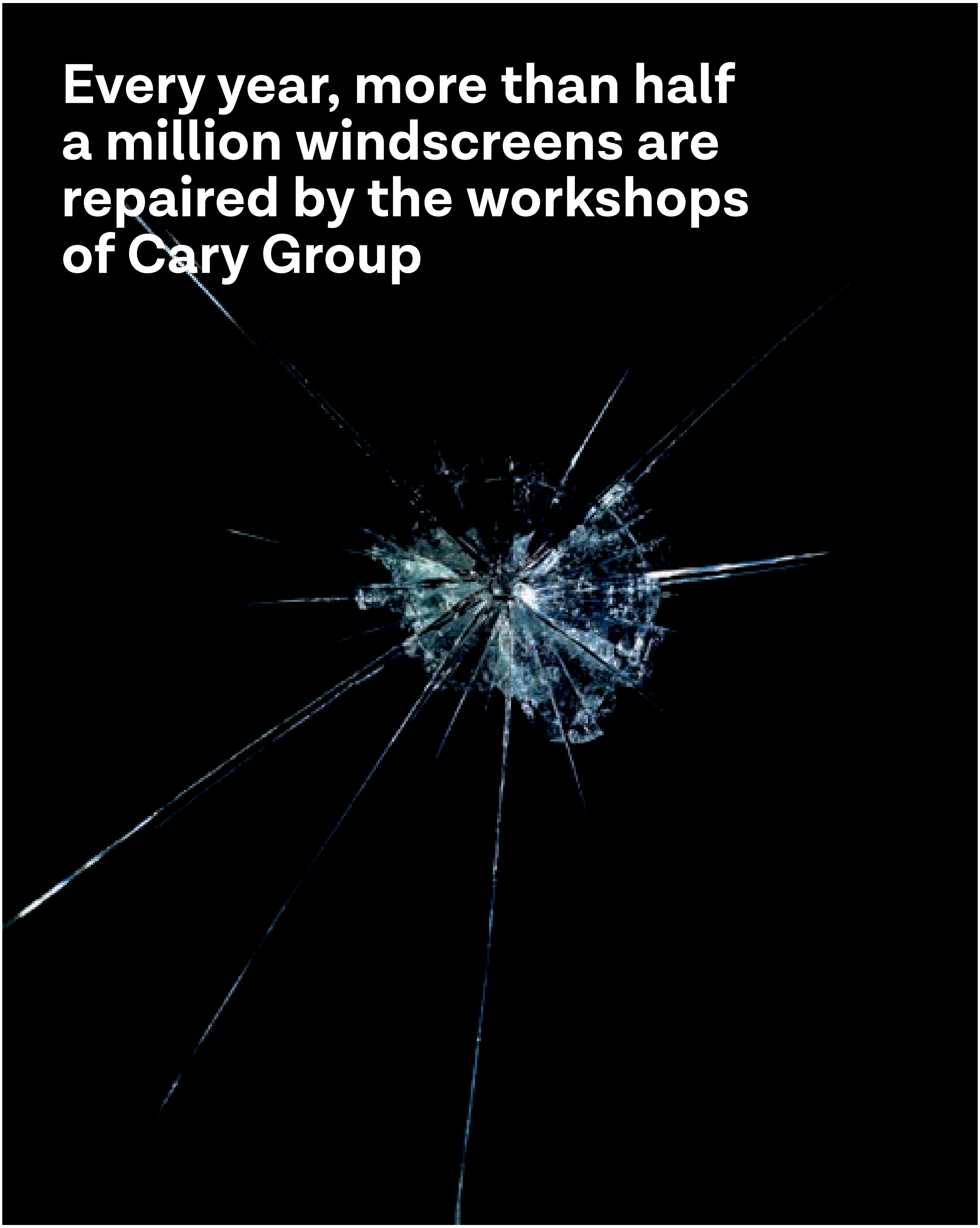
Increased calibration

As vehicles are equipped with increasingly advanced driver-assistance systems, calibration is becoming an important part of windscreen replacement, for safety reasons.

cooperation with the insurance companies in damage insurance cases. This effectiveness is partly dependent on companies that offer vehicle glass and damage repair services also being able to offer digital services that make everyday life easier. Leasing companies that manage vehicle fleets also have a key role to play – as decisions on vehicle servicing are generally made centrally. For a company that provides vehicle glass and damage repair services, cooperation with leasing companies and insurance companies is similar.

In both cases, proximity to workshops is important, including access to mobile repair services. Ease of booking, speed of repair or replacement, safety and quality, professional staff and a sustainable and climate-smart offering are all important to these customers. Insurers want to be able to deliver a trouble-free service experience to their customers, so they prefer suppliers who have national or regional service offering and high levels of customer satisfaction and which offer a uniform customer experience at all workshops. Suppliers must also have an efficient claims handling and invoicing process and be able to focus on sustainability issues.

Every year, more than half a million windscreens are repaired by the workshops of Cary Group



STRATEGY, GOALS AND ACHIEVEMENTS

Cary Group's strategy for sustainable growth

VISION

Sustainable mobility – of and for people

Cary Group will be the driving force of change in the car care sector.

MISSION

To make sustainable choice for vehicle care easier

By offering services that sustain the life, value and safety features of vehicles, Cary Group is helping customers to make simplified, sustainable choices.

BUSINESS CONCEPT

Smarter solutions for sustainable car care

Cary Group specialises in sustainable solutions for vehicle glass repair and replacement and has a complementary offering in vehicle damage repair.

Business model

Cary Group strives to sustain the life and safety features of vehicles and is a problem-solver for both end customers and insurance companies. Its efficient operations, an integrated and digitised back-end, geographical accessibility and outstanding reputation for quality and customer service have helped Cary Group to become one of the best choices for over 136 insurance companies on its markets.

Proximity to end customers is crucial to the business model. Cary Group has built up an extensive, high-density network of workshops with national reach on all its markets. A powerful entrepreneurial spirit and a decentralised structure with strong local presence ensure the focus is on the customer.

Customer acquisition

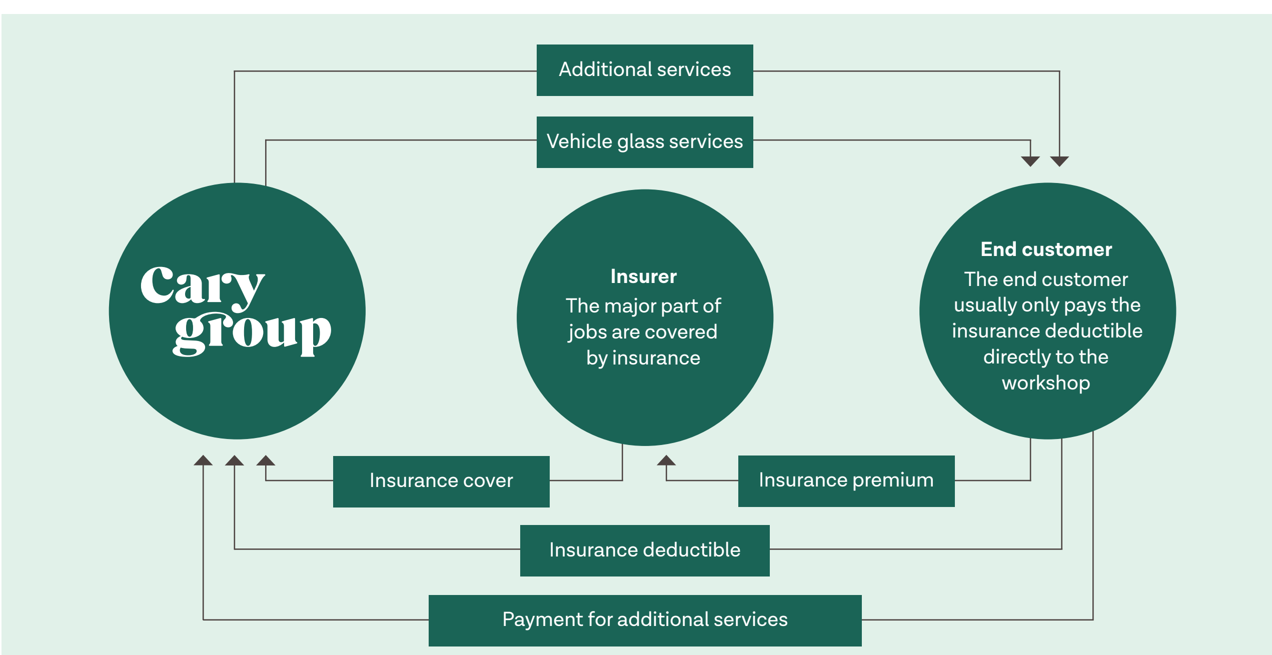
Glass damage is the most common type of insured damage to vehicles. Given the large volume but low value, the main aim of insurance companies is to settle claims as smoothly as possible, while also maintaining good relations with their end customers.

A third of Cary Group's end customers are referred by their insurance companies. Having an integrated back-end with several insurance companies provides a seamless experience for the end customer. In some cases, appointments can be booked directly through the insurance company's website, where this has been integrated with Cary Group's booking system. Sustainability issues are becoming increasingly important in the selection criteria of insurance companies and Cary Group fulfils all the criteria for being granted priority partner status.

The remaining two-thirds of end customers contact Cary Group directly. Around 77 percent of jobs are covered by insurance and the end customers only pay the insurance deductible. This means that the price is not as important as convenience, simplicity and speed of repair and replacement, having professional and friendly staff and high quality for optimal safety. Climate-friendly, sustainable solutions are also becoming increasingly important for end customers.

Flow of services and payments

Following the repair or replacement of a windscreen, the end customer usually only pays the insurance deductible directly to the workshop, while Cary Group handles the remaining portion of the payment and the documentation with the insurance company. This is a smooth process for both the end customer and the insurance company, as Cary Group handles most of the administration and offers an electronic invoicing process.



STRATEGY, GOALS AND ACHIEVEMENTS

Leading European player in sustainable vehicle glass services

Cary Group aims to be the leading company in vehicle glass repair and replacement, with a complementary offering of damage repair services. To achieve this goal, we base our strategy on always being close to customers and providing high-quality services. We also offer a superior customer experience with our simple, smart and sustainable solutions.

If we are to be the leading player in our industry, we need to be close to customers through a dense network of workshops and skilled technicians. It is equally important to offer an outstanding level of quality that is evident in our work and in everything we do. We also put a lot of energy into creating a superior customer experience using smart and accessible solutions that provide customers with easy ways of contacting us. Last but not least, Cary Group aims to be the sustainable alternative. We always strive to repair rather than replace a windscreen and we are increasingly digitising the customer journey so as to gradually reduce the environmental impact of our operations.

Tools to achieve our goals

To achieve these overall goals, we have developed a strategic framework containing six focus areas. This is our toolbox and each area is linked to a clear objective that will help us become one of the leading companies in our industry in Europe. The six areas are:

Improve the customer experience

– easy, digital and close at hand

We want to offer the greatest convenience and best service on every market and in all customer segments. To achieve this aim, we are increasingly digitising the customer journey and the various points of contact that the customer has with us. Digital services make things easier and save time at every stage. At the same time, we are improving our proximity to customers by expanding our workshop network, making us more accessible and easier to contact. We are also continuously working to improve service levels and consolidate the competence of our technicians. This means we can guarantee that the jobs we do are of a consistently high quality.

Expand operations

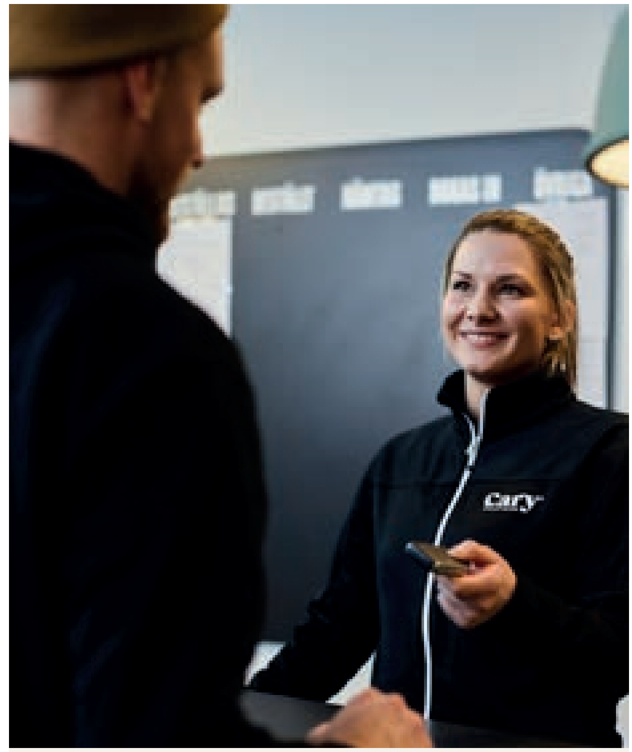
– grow organically and through acquisitions

Growth is key for us. It means that we are continually strengthening our platform and taking market share – both by concentrating and increasing sales in our current workshop network and through new acquisitions. Some of these acquisitions are made in existing markets and some in brand-new countries in Europe, opening the way for geographical expansion. At the same time, we will use the benefits of our expertise and our infrastructure to broaden the range of services we offer to selected customer groups, primarily in the Nordics. This includes, for example, offering minor bodywork repairs, initially to insurance companies and leasing companies.

The best people

– unlock local strength

Having inspired and motivated customer-facing staff is key to our success. So we are building a community where colleagues with the right skills can be ambassadors for our brand, both internally and externally. This is achieved by harnessing the entrepreneurial spirit and decentralised responsibility structure that exists at Cary Group. Over the years, we have incorporated a number of family businesses. There is a strong level of commitment in these local operations, which provides a strong foundation for further employee development. Unlike the small family businesses, we are able to offer broader individual development and exciting career paths in an incentive-driven Cary Group that rewards performance.



Excellence in everything

– support for workshop managers

We aim for excellence in everything we do and we want to be a high-quality, profitable company that constantly delivers at a consistently high level over time and everywhere we operate. The workshop managers play a key role in achieving this goal. They are our heroes and are provided extensive support, as well as being measured and followed up against common KPIs which provide motivation in their local work. Through this benchmarking – and by sharing best practice – we ensure that standardised and proven working methods are established everywhere in the organisation and help to achieve continuous improvement. The support provided by central functions at Cary Group includes IT, procurement and business development and enables structured and efficient development in line with our common strategy.

ONE Cary Group

– create a sense of belonging

Cary Group is the result of several acquisitions of local companies with diverse histories, cultures and focus areas. To grow successfully, it is important to establish a common platform and cultural identity to become ONE Cary Group. This will enable us to benefit from economies of scale and synergies and so become more professional and offer an improved customer experience. We achieve this by creating a sense of belonging and demonstrating the benefits of being part of our Group. Our common values and the Cary Group brand are important tools in this work. A sense of belonging is also created through internal networks of colleagues – alongside our shared intranet – which help to establish contact and provide opportunities for an active exchange of knowledge.

Focus on sustainability

– the green choice

Sustainability is at the heart of our identity and our strategy. Cary Group must be synonymous with a sustainable customer offering on all markets by taking active measures to address our climate impact and digitisation. We have been working on sustainability issues on the Swedish market for many years. We are now using these experiences to drive forward sustainability in all countries where we currently operate.

Our sustainability ambitions are clear to see in our efforts to repair instead of replace, as well as our increasing digitisation of the customer journey in a way that reduces environmental impact. This includes the introduction of new smart solutions, where booking, check-in and check-out and payments are now managed digitally. We have also developed an AI solution for damage assessments, which makes contact with our workshops easier for customers. We also provide vehicles from a partially electrified vehicle fleet in Sweden and Norway to those customers who require a courtesy car.

OUR ACQUISITION STRATEGY

Stronger market position and broader geographical presence

Acquisitions have long been a natural part of Cary Group's growth journey and at the same time have opened the way for the geographical expansion of operations. The acquisitions made over the past five years have contributed to increased revenue but have also established Cary Group on new markets. The acquisitions have also helped to strengthen our market position in countries such as Sweden, Norway and the UK. Our acquisitions are also contributing to consolidate the highly fragmented European vehicle glass repair and replacement market. This also means that there are many potential candidates for acquisition, providing major opportunities for further growth and expansion on this exciting market.

Three types of acquisition

We work with three types of acquisition – platform acquisitions, add-on acquisitions and the acquisition of individual workshops.

Platform acquisitions provide rapid geographical expansion and so help to accelerate Cary Group's progress towards becoming a leading pan-European player. Acquisitions focus on large Western European markets, where there is a high level of insurance penetration in vehicle glass repairs. On these markets, the acquired businesses must have nationwide coverage as well as the potential to become one of the biggest players on their market in the long term. This means, for example, that candidates for acquisition already have a broad workshop network and that the level of consolidation in the country allows a market-leading position to be established over time.

Add-on acquisitions focus on privately owned, non-chain businesses. These acquisitions strengthen our current market position and can also broaden our geographical presence on a market where we already operate. The local market position of the workshops are important factors in this type of acquisition. Equally important are the entrepreneurial approach and customer focus – alongside the history and capacity for innovation – demonstrated by the candidates for acquisition. Individual workshops are also acquired, which helps to expand our presence on selected markets.

Growth in new areas

The vehicle servicing aftermarket is in a state of change. The underlying forces driving this change include a shift in the form of ownership, through carpools for example, and the service intervals of vehicles being lengthened by electrification.

At the same time, dealers are losing their position as car manufacturers are choosing to communicate directly with end customers. Cary Group aims to take advantage of these changes by taking a larger portion of the value chain on the vehicle servicing market – initially on the Nordic market. Our strong position on this market, broad workshop infrastructure and well-functioning cooperation with insurance companies are important assets in this work.

Taking a larger portion of the value chain also influences the direction of our Nordic acquisitions, where we will be expanding into new areas on the vehicle servicing market. Examples of this include the acquisitions made in bus glass and minor bodywork repairs in Sweden and Norway in recent years. In broadening to bus glass offering, we can benefit from our high-quality vehicle glass services. Within minor bodywork repairs our Nordic workshop network can be adapted to offer more services to existing customers.

A structured process

Including small, independent workshops, Cary Group has made around 50 acquisitions over the past five years. Both the acquisitions themselves and the integration of new businesses follow a structured process. Platform acquisitions are identified and managed at Group level, while add-on acquisitions – where the local connection is important – are often handled by the country manager for the respective market. Given our sound acquisition history and extensive industry

Acquisitions 2021

In 2021, acquisitions were announced of 19 companies with a total annual revenue of SEK 1 billion.

network, we have gradually expanded our contacts, resulting in a very long list of potential candidates for acquisition. The integration of acquired businesses is also managed in a structured way, partly so as to benefit from the resulting synergies and partly to ensure that new businesses are given access to best practice, more digital tools and other support to help them develop their profitability and productivity. Our sustainability work is well developed in our Nordic operations and is an area where we can offer newly acquired businesses support that will raise them to a higher level in their own sustainability work. The local workshop managers play a central role in all integration work and we focus on providing them with the right conditions and resources so they can align the activities at their local business with Cary Group's strategies.

Attractive buyer

We see ourselves as an attractive buyer with a long history of acquisitions that means we can meet the needs of various kinds of vendors. In many cases, we are also seen as a buyer that differs from the large, vehicle glass specialists with which smaller operators have been competing for a long time. Another key strength is that Cary Group offers an entrepreneurial and family-oriented culture. This is something that many vendors appreciate, as it continues to strengthen their business and ensures that their employees are well looked after. We combine a high level of independence at all workshops with clear central governance in areas such as IT and procurement. This makes everyday life easier for the local businesses and also means that we can enjoy economies of scale that provide added value.

ORGANIC GROWTH STRATEGY

Organic growth develops and improves the customer experience

The growth of our business is affected by a number of external driving forces, such as an increasing number of kilometres driven in a growing vehicle fleet, larger glass surfaces on vehicles, glass that is thinner and more complex, a rising degree of calibration and annual price increases for glass. Alongside these market forces, organic growth is also increasing through the gradual expansion of our workshop network.

When a windscreen is damaged, the end customer has no choice other than to find a workshop to repair or replace it. Otherwise, a broken windscreen can hamper the driver's view and also have a negative impact on the safety of the vehicle. Through the service we provide, Cary Group establishes a relationship with two types of customer – end customers and insurance companies/leasing companies. Our work to drive forward organic growth requires us to improve the customer experience for both these customer groups.

Workshop heroes increase growth

A fundamental element of our growth strategy is to increase densification on existing markets by opening new workshops. This brings us closer to the end customer in a way that increases access to our services and enables workshops to develop their service levels. Local entrepreneurship is important for organic growth, however our operations are organised on the diverse local markets in Europe.

On those markets where we have our own network of workshops, the role of the workshop managers is vital

and they are our heroes. Creating a positive performance culture that supports and motivates these heroes lays way for quality improvements and add-on sales throughout the business. The support to local workshops also comprise sustainability, where we use our experience, primarily from the Swedish market, to gradually take their sustainability work forward.

Fully digitised customer journey

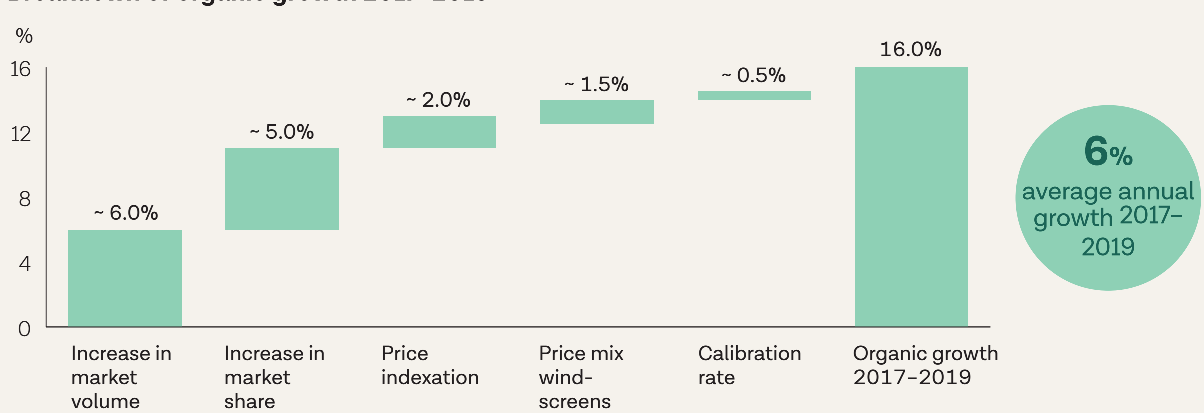
The support provided to the workshop managers is designed to ensure the same high level of competence and efficient workflows in all workshops. A good example of this is the ongoing digitisation process, which gives the workshops access to support tools. One such digital tool is our proprietary PartCheck method, which improves

Underlying market forces driving organic growth

Cary Group's growth is driven by long-term, underlying market forces that can be divided into five categories. Between 2017 and 2019, these have contributed to organic growth as follows:

- **Increase in market volume –** the underlying increase in the number of damaged windscreens on our markets.
- **Increase in market share** – driven by Cary Group gaining market share from competitors that also specialise in vehicle glass repair and replacement as well as gaining market share from other vehicle glass operators. This growth is also driven by the increasing demand for calibration.
- **Price indexation** – the underlying annual increase in the price of glass that we can pass on to customers.
- **Price mix for windscreens** – this growth is driven by larger and thinner glass surfaces with a greater degree of technology in new vehicles.
- **Calibration rate** – increased proportion of vehicles that require calibration following a windscreen replacement. This growth is driven by the proportion of the vehicle fleet that is equipped with ADAS, electronic advanced driver-assistance systems, and the number of vehicles with cameras and sensors in the windscreen.

Breakdown of organic growth 2017–2019



Source: Market report before the Cary Group listing.

efficiency and reduces errors in purchasing and invoicing. PartCheck is integrated in the local workshop calendar and allows technicians to see straight away what type of glass is required for each appointment.

New digital services also help to improve the experience for end customers. Using AI-based assessment technology that is available through Cary Group's platform, customers can analyse the damage themselves and decide whether the windscreen needs repairing or replacing. A workshop appointment can then easily be booked online, reducing the administrative burden on all involved. It is now also possible to make advance payments, sign documents and order additional services digitally, meaning that the customer journey can now be managed fully electronically.

Easier for insurance companies

We have strong relationships with insurance companies and leasing companies, which account for a significant portion of our revenue. It is therefore equally important to develop the customer experience here and this will contribute to increase organic growth. Our broad base of competent and quality-focused workshops is a strength in our relationship with insurance companies and leasing companies. As many of these have also chosen to outsource their customer service to us, our problem-solving ability and high level of service are also core.

Satisfied end customers are a natural part of our offering to insurance companies, alongside innovative solutions that make the entire claims handling process run smoothly. In many cases, we now offer integrated online booking, which save time and make things easier for insurance companies and end customers. Invoicing and other administrative tasks are also handled using integrated services, giving insurance companies a smooth digital journey and ensuring a high level of customer loyalty.

Financial targets and outcomes

GROWTH

Target	Outcome 2021
>15%	**30%**
Cary Group's target is to achieve average annual total revenue growth of more than 15 percent in the medium term, at least half of which shall be organic.	Cary Group's growth in 2021 was 30 percent, of which 6 percent was organic and 24 percent through acquisitions.

PROFITABILITY

Target	Outcome 2021
20%	**13.7%**
Cary Group's target is to achieve an adjusted EBITA margin of 20 percent in the medium term.	The adjusted EBITA margin in 2021 was 13.7 percent.

CAPITAL STRUCTURE

Target	Outcome 2021
2.5x Net debt/adjusted EBITDA	**2.5x** Net debt/adjusted EBITDA
Cary Group's capital structure shall provide a high degree of financial flexibility and allow for acquisitions. Cary Group's target is to have a maximum net debt ratio in relation to adjusted EBITDA of 2.5. However the ratio may temporarily exceed 2.5, in connection with acquisitions.	Cary Group's debt ratio in 2021 was 2.5x Net debt/adjusted EBITDA.

DIVIDEND POLICY

Target	Outcome 2021
≥20% of net profit	
Cary Group strives to pay dividends of at least 20 percent of net income. Decisions on dividends shall take Cary Group's investment opportunities and financial position into account.	Given Cary Group's high acquisition rate, it is proposed that no dividend be paid for 2021.

Eight reasons to invest in Cary Group

1

A leading European company in vehicle glass repair and replacement

Cary Group is a leader on all the markets on which the company operates

2

Problem-solver for both insurance companies and end customers

Cary Group is a problem-solver for several parties and around 77 percent of damages are covered by insurance

3

Market leading positions on a non-cyclical market

Cary Group operates on a market with structural growth that is supported by technology change

4

Highly profitable

Cary Group's growing profitability is largely the result of significant economies of scale and of business development, through extensive digitisation for among other things

5

Attractive cash flow

Cary Group's cash flow provides good opportunities to fund acquisitions

6

Historically high organic growth

Cary Group has historically grown organically on several markets, growth that is now combined with acquisitions to further expand operations

7

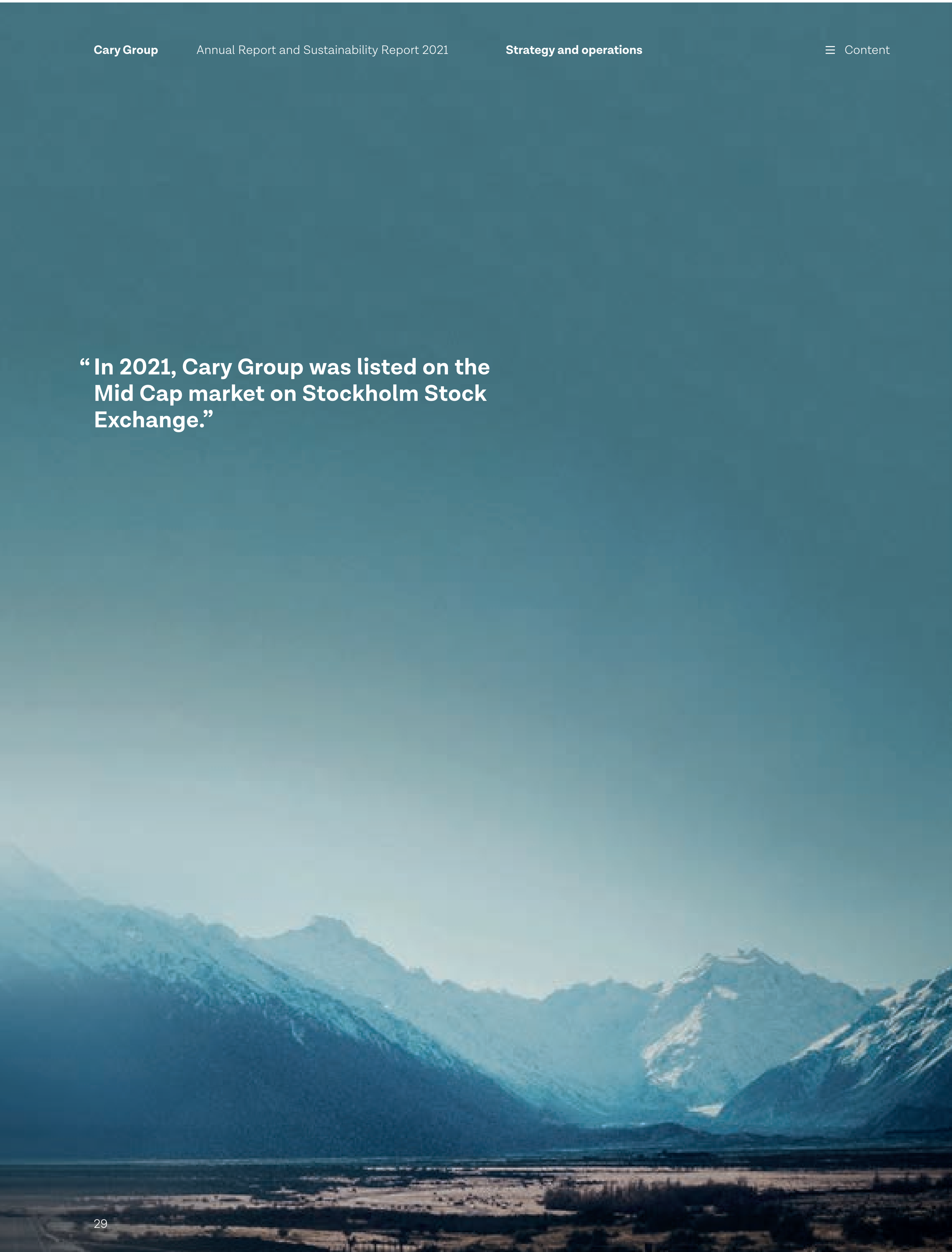
Strategic acquisitions on a fragmented market

Cary Group is a company that makes acquisitions in an industry with excellent consolidation opportunities

8

Strong focus on sustainability

Cary Group is the green choice, with industry-leading and climate-smart services that are increasingly requested by insurance providers as well as end customers



"In 2021, Cary Group was listed on the Mid Cap market on Stockholm Stock Exchange."

Cary Group – close to the customer with a smart, sustainable offering

Our conveniently located workshops provide high-quality products and smart solutions. This enhances the customer experience and helps them make simple, sustainable choices.

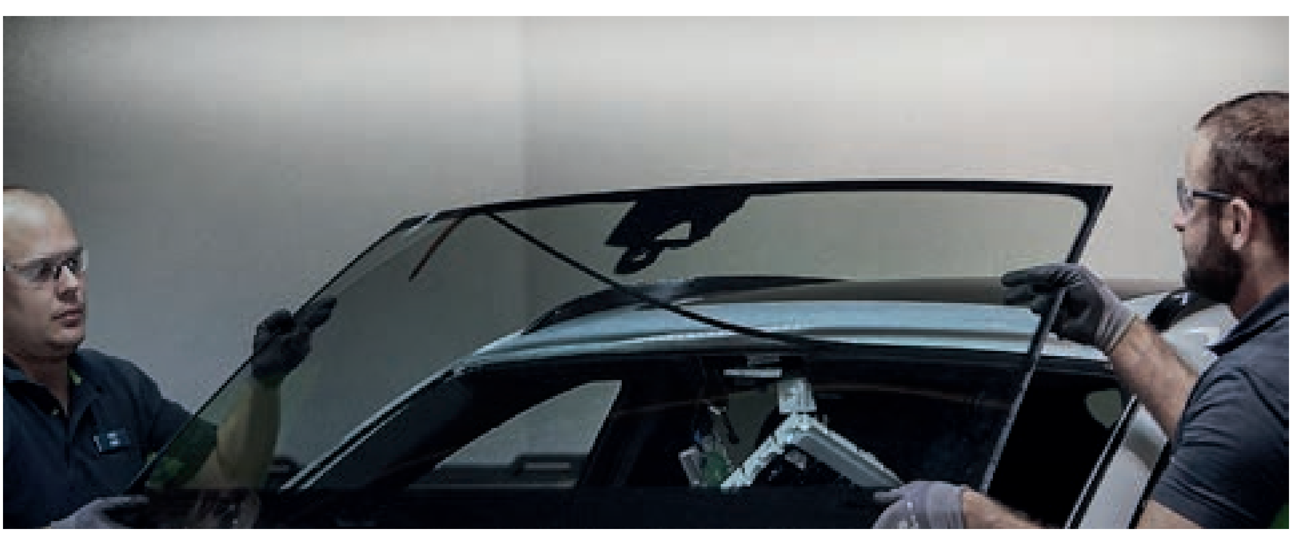
Always close to the customer
Proximity and national reach are important for all kinds of customers, whether they are insurance companies or end customers. That is why Cary Group has over 900 workshops and 400 mobile units on our markets. In the Nordics – which is the world's most developed market for vehicle glass – windscreen repairs or replacements are carried out mainly at a workshop. Mobile units, on the other hand, are more common in the UK, in Spain and to a certain extent in Denmark.

Vehicle glass and additional services
We provide customers with simple, convenient and high-quality services for vehicle glass repair and replacement. These services also include the calibration of cameras and sensors when replacing a windscreen. We minimise our climate impact by always striving to repair a windscreen instead of replacing it. Our current repair rate of 30 percent in 2021 is above market average and is a clear evidence of our efforts to be the green choice for customers.

We also offer other types of complementary services, in Sweden, for example, we offer repair and replacement services for the bus segment. On the Nordic market, we also carry out minor bodywork repairs and so called SMART repairs.

Strong brands
On all our local markets, we offer our services through local brands. This allows us to take advantage of the international reach of a large company while also benefiting from the well known identity and unique character of each local business.

The brand portfolio includes Ryds Bilglas in Sweden and Denmark, Cary in Norway, Auto Cristal Ralarsa in Spain and Mobile Windscreens, which is a member of the National Windscreens consortium and the brand in the United Kingdom. Svenska Bussglas in Sweden works with customers in the bus segment, while Quick Car Fix in Norway, Crashpoint in Denmark and Autoklinik in Sweden carry out minor bodywork repairs and SMART repairs.



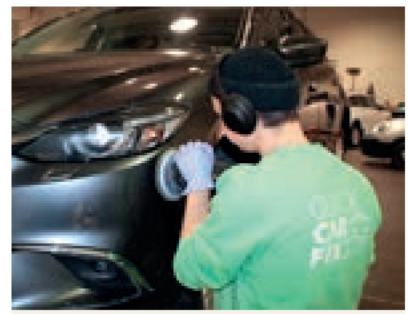
Cary Group's offering and markets

Vehicle glass repair and replacement

Cary Group provides vehicle glass repair and replacement services on all markets. Cary Group also provides calibration of cameras and sensors after replacement in order to maintain the safety features of the vehicle.

Repair and replacement of bus glass

On selected markets, Cary Group provides services for the repair and replacement of bus glass, as well as calibration of cameras and sensors in windscreens after replacement.



SMART repair and collision

On selected markets, Cary Group also provides SMART repair (Small to Medium Area Repair Techniques) after minor collisions, such as bodywork repairs.

Our markets

5

Sweden
Ryds Glas
Svenska Bussglas
Autoklinik

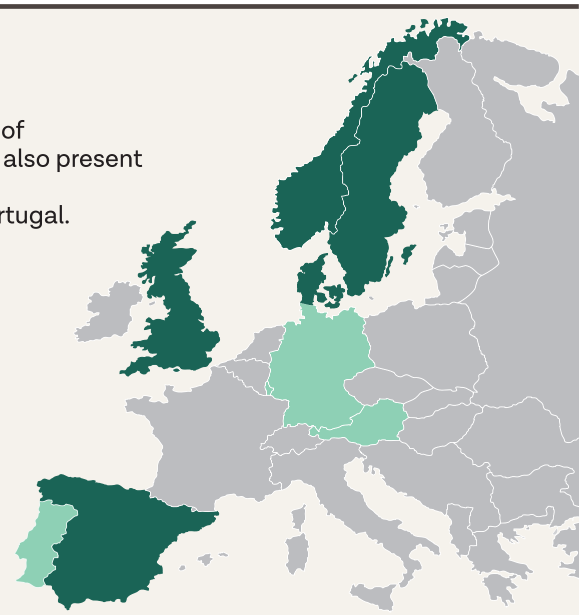
Norway
Cary Bilglas
Quick Car Fix

Denmark
Ryds Bilglas
Crashpoint

United Kingdom
Mobile Windscreens

Spain
Auto Cristal Ralarsa

Since the beginning of 2022, Cary Group is also present in Germany, Austria, Luxembourg and Portugal.



Local presence and strong market positions

Cary Group's operations are divided into Nordics and Rest of Europe and we work with local brands in both of these segments.

The European vehicle glass repair and replacement market is highly fragmented. It consists of thousands of operators, some of which are companies specialising in repair and replacement, while others include garages, car dealers and independent workshops. Cary Group – which is one of the specialist companies – is one of the three largest companies on all geographical markets and number one on the Swedish market.

Reach provides competitiveness

Our size and reach on all markets means we can be a close partner to insurance companies and leasing companies, which are important players for us. The number of insurance claims relating to vehicle glass damage is large. Being able to act as problem-solver for the customer is a major competitive advantage.

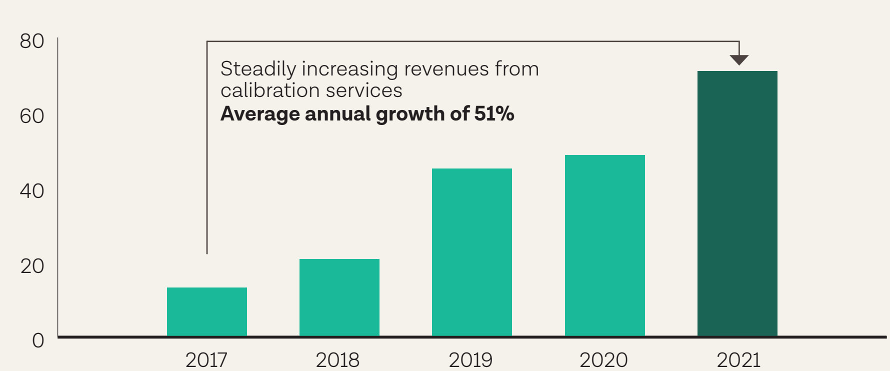
We are technology pioneers, which also makes us more competitive – for example via digital services that make customer contact with us easier.

Taking care of and repairing a windscreen instead of replacing it is the basis of our customer offering. Sustainability is integrated in every step of the process – from initial customer contact after a stone chip ocurred, through the repair or replacement process, until the windscreen is repaired or recycled.

Increasing calibration

Developments in vehicle technology mean increasing use of advanced driver-assistance systems, ADAS. As a result, the calibration of cameras and sensors in windscreens has become part of the work to provide safe, high-quality windscreen replacements. A replaced windscreen needs to be calibrated in order to function correctly. Otherwise, there is a risk to the validity of the insurance, which is increasing demand for the service. When insurers are selecting suppliers, the ability to carry out calibration is essential. Cary Group benefits from this every time a windscreen is replaced.

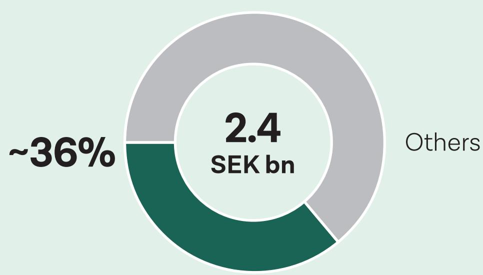
Revenues from calibration services, Cary Group 2017–2021, SEK million



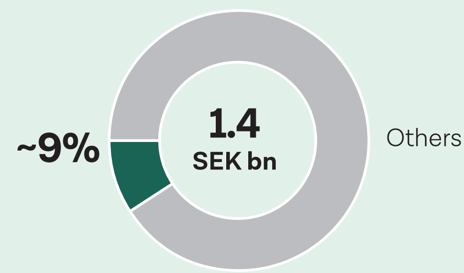
Source: The company

Cary Group occupies a strong market position on its markets

SWEDEN
Cary Group is the market leader

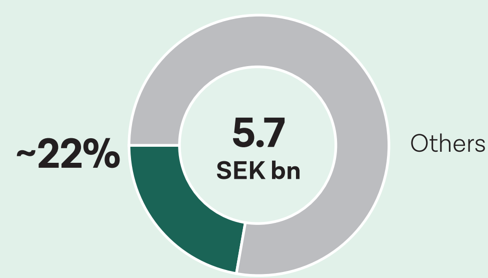


NORWAY
Cary Group is the third-largest operator

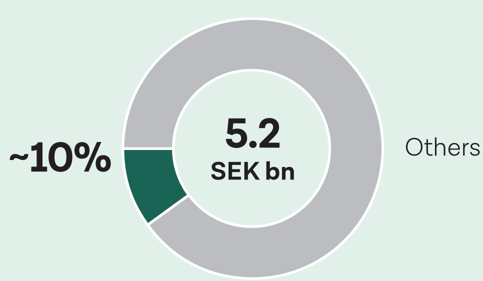


DENMARK
Cary Group is the third-largest operator

UNITED KINGDOM
Cary Group is the second-largest on the UK market



SPAIN
Cary Group is the second-largest operator on the Spanish market



The total value of the Western European market for vehicle glass repair and replacement, plus calibration, was approximately SEK 78.3 billion in 2019. That same year, the value of Cary Group's existing markets – Sweden, Norway, Denmark, the UK and Spain – totalled approximately SEK 15.6 billion.

NORDICS

Our most mature market

The Nordics is Cary Group's most mature market and we have been operating in Sweden since 1947, through Ryds Bilglas.

In the Nordics, we carry out repairs and replacements of vehicle glass, as well as minor bodywork repairs and SMART repairs. We do this using both workshops and mobile units under the brands Ryds Bilglas Sweden, Svenska Bussglas, Ryds Bilglas Denmark, Danglas, Crashpoint, Cary Norway and Quick Car Fix.

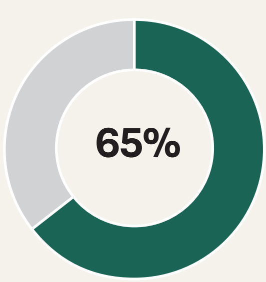
Growth through additional services

Continued expansion in the Nordics is based on a combination of acquisitions and organic growth. We are gradually expanding our workshop network through complementary acquisitions and we are also investing in existing workshops to broaden and develop their activities. To complement vehicle glass repair and replacement, the range has been expanded in recent years. These additional services make us more competitive by improving the capacity utilisation of our workshops and enabling us to offer more services to the same customer groups.

Development in 2021

The Nordics is our largest segment and in 2021 accounted for 65 percent of the Group's revenue. Sales increased by 28 percent during the year to SEK 1,371 million (1,068). More normalised demand for vehicle glass repair and replacement compared with last year, primarily in Sweden, made a positive contribution, as did acquisitions. Adjusted EBITA totalled SEK 302 million (242), an increase by 25 percent compared to the previous year, driven by higher sales.

Nordics in numbers



Nordics share of Group revenue

28% increase in revenue

25% increase in adjusted EBITA

SEK million	2021	2020
Revenue	1,371	1,068
Adjusted EBITA	302	242
Adjusted EBITA margin, %	22.0	22.7

SMART repairs close at hand to customers

Norwegian Quick Car Fix was acquired in April 2021 and is an example of the broadening of our offering that is taking place on the Nordic market. This broadening brings many advantages. It improves the degree of utilisation of workshops and also enables us to offer more services to insurance companies, leasing companies and end customers.

Quick Car Fix was founded in 2016 and specialises in SMART Repair, providing fast, cost-effective and sustainable repairs of cosmetic damage. The company has 14 workshops spread across Norway. They are located close to customers at strategic locations such as airports, shopping centres and car parks.

REST OF EUROPE

Targeting expansion

Expanding operations into markets in the rest of Europe is one of our most important goals. We believe there is room for another major player in vehicle glass on the European market – a market where we are growing primarily through acquisitions.

Operations in the rest of Europe are currently focused on vehicle glass repair and replacement. We operate through both workshops and mobile units under the brand National Windscreens in the UK – via Cary Group-owned Mobile Windscreens and subsidiaries – and via the Ralarsa company in Spain.

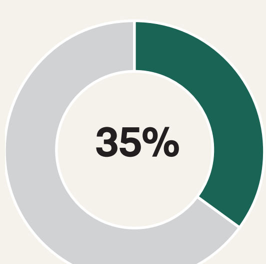
Acquisition-led expansion

Our growth on the fragmented European market is based primarily on acquisitions. We make platform acquisitions of large national workshop chains, which provide faster geographical expansion and enable us to become a leading European player. The acquisitions on large Western European markets focus on vehicle glass companies that not only have nationwide coverage, but also have the potential to become one of the very biggest players on their market in the long term. Alongside platform acquisitions, we also make add-on acquisitions that strengthen our current position and broaden our geographical presence on markets where we already operate.

Development in 2021

Rest of Europe accounted for 35 percent of Cary Group's total revenue in 2021. Sales increased by 32 percent during the year to SEK 770 million (583). The increase in sales was driven mainly by the acquisition of the Spanish company Ralarsa. Adjusted EBITA was SEK 57 million (44), which is an increase of 31 percent.

Rest of Europe in numbers



Rest of Europe share of Group revenue

32% increase in revenue

31% increase in adjusted EBITA

SEK million	2021	2020
Revenue	770	583
Adjusted EBITA	57	44
Adjusted EBITA margin, %	7.4	7.5

Platform established in Spain

Spanish company Ralarsa is a good example of a platform acquisition, made in order to quickly establish strong positions on new geographical markets in Europe. The company is Spain's second-largest vehicle glass repair and replacement company. In 2020, Ralarsa had over 235 workshops and 85 mobile units. Ralarsa is a family-owned company with strong values and has excellent relationships with insurance providers. This has given Cary Group a solid platform from which to further accelerate its European expansion.

Cary Group's share and shareholders

Cary Group's share was listed on Nasdaq Stockholm Mid Cap on 23 September 2021 with a listing price of SEK 70 per share. The share price rose by 53 percent during 2021.

Share price and trading

Cary Group's share has been listed on Nasdaq Stockholm since 23 September 2021 and is traded under the ticker "CARY". During 2021, the share price rose by 53 percent to SEK 107.20 per share, from the listing price of SEK 70 per share. The closing price on the last trading day of the year was SEK 107.20, corresponding to market capitalisation of SEK 14.1 billion. A total of 21.3 million shares were traded during the 70 trading days in 2021, at a total value of SEK 1.9 billion, corresponding to an average daily trading volume of 304,955 shares.

Share capital and capital structure

The share capital as at 31 December 2021 was SEK 706,000, divided between 131,848,996 shares. All shares are of the same class and provide the same rights in all respects. Cary Group's shares are registered at Euroclear Sweden AB, which administers the company's register of shareholders and register the shares for individuals.

Dividend and dividend policy

The Board of Directors has adopted a dividend policy, whereby Cary Group strives to pay out at least 20 percent of its net income. Decisions on dividends must take Cary Group's investment opportunities and financial position into account. Given Cary Group's high acquisition rate, the Board of Directors proposes that no dividend be paid for 2021.

Shareholders

As at 31 December 2020, there were 3,006 shareholders according to the register of shareholders maintained by Euroclear Sweden AB. Nordic Captial, Cary Group's largest owner prior to listing, remains the company's largest shareholder, with 30.0 percent of the share capital. Cary Group's ten largest shareholders account for 81.7 percent of the share capital. Of the total share capital, 34.6 percent was owned by Swedish institutional investors and share funds. Swedish private investors owned 3.1 percent and the remaining 62.3 percent was owned by foreign and undisclosed owners.

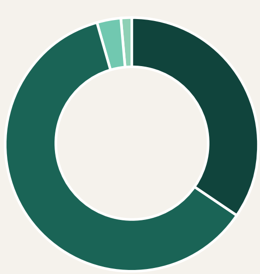
Analyst coverage

During 2021, the following analysts had active coverage of Cary Group's share:

ABG Sundal Collier	Olof Cederholm
Carnegie	Robert Redin
Danske Bank	Johan Dahl
Jefferies	Will Kirkness
SEB Enskilda	Dan Johansson
UBS	Kate Somerville

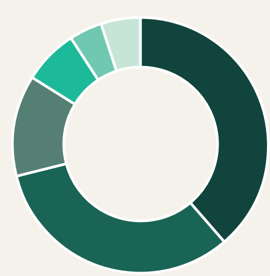
Shareholders as at 31 December 2021	Number of shares	% of capital	% of votes
Nordic Capital	39,560,593	30.0	30.0
AMF Pension&Fonder	12,949,520	9.8	9.8
Odin Fonder	10,659,295	8.1	8.1
SEB Fonder	9,840,797	7.5	7.5
Capital Group	7,857,142	6.0	6.0
Swedbank Robur Fonder	7,430,708	5.6	5.6
Futur Pension	5,577,832	4.2	4.2
Rydgruppen Sverige AB	4,858,492	3.7	3.7
Anders Jenson	4,747,404	3.6	3.6
Öhman Fonder	4,266,099	3.2	3.2
Total for 10 largest shareholders	107,747,882	81.7	81.7
Others	24,101,114	18.3	18.3
Total number of outstanding shares	131,848,996	100.0	100.0

Shareholder categories



- Swedish institutional shareholders 34
- Foreign shareholders 61.1%
- Swedish private investors 3.1%
- Others 1.2%

Shareholding by country



- Sweden 38.9%
- Luxembourg 32.7%
- the US 13.0%
- Norway 6.7%
- Ireland 3.7%
- Other countries 5.0%

Cary Group Sustainability Report

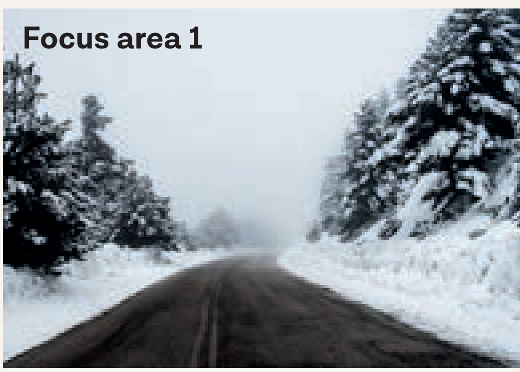
Sustainability is at the heart of Cary Group's identity and strategy. The company strives to have brands that are "top of mind" in each market when it comes to its services, and to be at the forefront of digitisation and minimising climate impact within the segment.

Our vision is to be the most sustainable company in our industry, with a strong connection between business strategy, brand value and sustainability management.

Focus on three sustainability areas

Sustainability is at the heart of our identity and our strategy. Cary Group must be synonymous with a sustainable customer offering on all markets by taking active measures to address our climate impact and digitisation.

Focus area 1



Climate

Target

To reduce our climate footprint by 41 percent

Follow-up areas

- Reduction of CO_2e
- Recycle rate
- Purchase of recycled materials
- Repair rate
- Sustainable transportation

Focus area 2

Our people

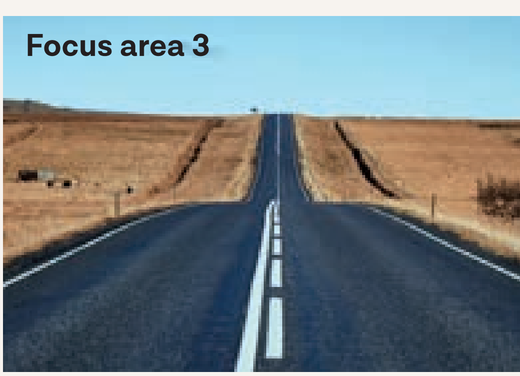
Target

To be an attractive workplace with no work-related injuries

Follow-up areas

- Work-related injuries
- Employee Satisfaction Index
- Employee Net Promoter Score
- Employee Engagement Index
- Diversity

Focus area 3



Governance

Target

To ensure good compliance throughout the Group

Follow-up areas

- Cases in whistleblowing system
- Training in Code of Conduct and anti-corruption

FOCUS AREA 1

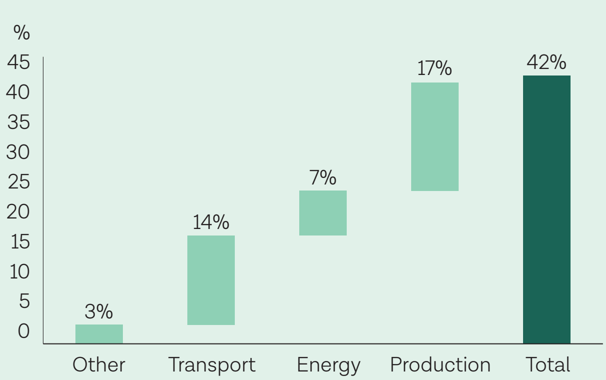
Climate

Cary Group strives to lead the way in implementing climate measures in its industry. We have therefore, as part of our strategy, drawn up clear and ambitious targets to reduce our climate footprint.

Carbon emission reduction target

Based on calculations of the Group's carbon emissions in 2020, Cary Group strives to reduce emissions by 41 percent by 2030. The goals that are followed up annually are in line with the criteria of the Science Based Targets Initiative and the calculations that form the basis for the Paris Agreement's goal of 1.5°C. Newly acquired companies receive an adjustment period of two years before they are included in the Group's figures.

Reduction areas for cutting the Group's carbon emissions



The Group's reduction targets are based on three reduction areas, where measures and targets have been defined within each area.

Measures are implemented in all markets and are followed up as part of the strategic initiatives at Group and country level. We must ensure fossil-free transport both internally and externally (Transports), continuously increase the share of renewable electricity and heat (Energy) and reduce the climate impact of the produced glass we buy (Production).

A sustainable customer offering

Sustainability is integrated in every step of our work with a windscreen, from the initial contact with the customer when a stone chip is found, through damage assessment and the entire repair or replacement process until the windscreen is repaired or recycled.

Cary Group completes 511,000 repair and replacement jobs every year. The sustainability aspect of our customer offering is therefore very important, both for reducing environmental impact and for educating and inspiring employees and customers.

Sustainability integrated in each step of the windscreen's journey

1.
A stone chip is found

2.
AI-based damage assessment and digital booking

Automatic damage assessment using artificial intelligence (AI), digital bookings and reduced paper printouts

– Reduces the number of kilometres driven to and from our workshops

3.
Proximity to customers

High density of workshops ensures proximity to customers

– Reduces the number of kilometres driven to and from our workshops

4.
Focus on repairing instead of replacing the windscreen

Every windscreen that is replaced means 44 kg of direct CO_2 emissions[1]

– Repairing a windscreen reduces the climate impact by around 98 percent

5.
Free courtesy car during servicing

Free electric courtesy car during servicing. Electric bicycles and electric cars[2] can be borrowed for free during service

– Minimises the customer's climate impact while their vehicle is being serviced

6.
Recycling of replaced glass

Glass is recycled into glass wool, for example, which is used in the construction industry

– 90 percent of the glass used in the workshops is recycled

1) Based on a calculation of direct emissions in the Nordics.
2) With a maximum environmental impact of 115 CO_2e g/km.

Our business model is based on simplicity, speed and convenience. We have high-quality services and develop smart solutions to make it easier for customers to take good care of their vehicles. With digital tools such as automatic damage assessment, digital signatures, and online payment, we make sure the business offering are as sustainable as possible.

Repairing when possible

Replacing a windscreen means direct emissions of approximately 44 kg CO_2e (carbon dioxide equivalents), including production, transport and recycling. For comparison, repairing a windscreen has a carbon footprint of close to 0 kg CO_2e. To ensure that we repair wherever possible, our technicians follow clear guidelines regarding when a windscreen can be repaired and when it has to be replaced.

In close collaboration with the insurance companies, we work to reduce the number of replaced windscreens. We strive to find new ways to inform about the benefits of repairing in time to avoid replacement. The insurance companies monitor our repair rate, which is a measure of damage repaired as a proportion of the total number of jobs, continuously to ensure that we do not replace windscreens unnecessarily. The repair rate is one of the most important sustainability measures of Cary Group and our insurance company customers. At Group level, we had a repair rate of 30 percent for 2021.

When a windscreen needs replacing, we strive to minimise the environmental impact. All windscreens are transported to recycling facilities. Around 90 percent of the material in all these replaced windscreens can be recycled and reused for other purposes.

Sustainable transportation

Cary Group operates through workshops and mobile service units. At the workshops, we offer customers free courtesy cars, courtesy bicycles or courtesy scoot-

2020 includes only the repair rates in Norway, Sweden, Denmark and the UK. The repair rate for 2021 also includes Spain.

ers while waiting for their car windscreen to be repaired or replaced.

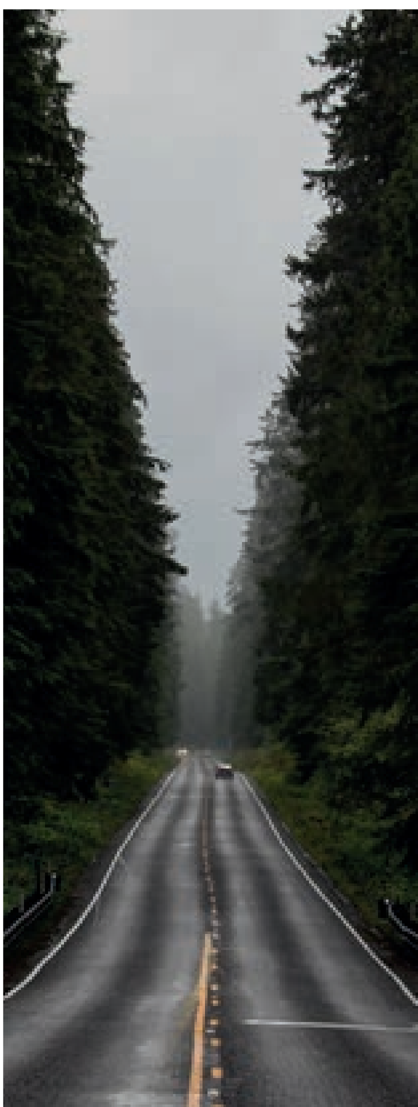
In 2021, we began work to electrify the courtesy car fleet. In Norway, all our courtesy cars are now electric, while in Sweden the proportion is 13 percent. When we are unable to offer an electric courtesy car, we make sure that the car does not have emissions that exceed 115 g CO_2e per kilometre driven.

The aim is to switch to renewable fuel vehicles in all markets in 2022. In the UK the ambition is to start using Hydrogenated Vegetable Oil (HVO) as primary fuel for mobile workshops, while also electrifying our transportation fleet.

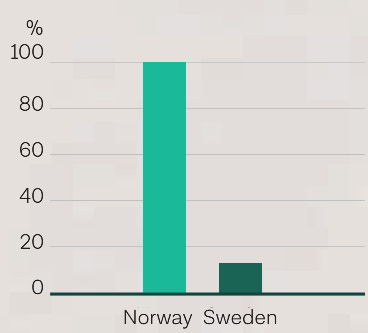
Customer satisfaction

The Net Promoter Score (NPS) is a measure of customer loyalty and customer satisfaction. The result is obtained from asking end customers how likely, on a scale of 0–100, they are to recommend the company's products or services to others. Cary Group currently measures NPS in three markets: Sweden, the UK, and Norway.

The overall NPS for the Group in 2021 was 83.



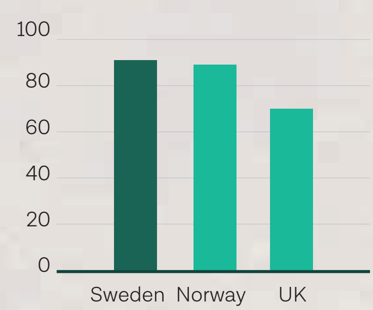
Proportion of electric vehicles in our courtesy car fleet



The total courtesy car fleet in Sweden and Norway contains 310 vehicles, of which 56 are electric.

The majority of glass replacement work in the UK and Spain is carried out using mobile units and there is therefore no need for electric courtesy cars. Denmark has a very small number of courtesy cars.

Net Promoter Score



The Net Promoter Score includes the outcomes for Sweden, Norway and the United Kingdom. Denmark and Spain will measure and follow-up NPS from 2022 onwards.

Digital customer journey – win for our customers and win for the climate

Automatic damage assessments help make the roads safer
From 2020, Cary Group provides an artificial intelligence (AI) service that shows whether a damaged windscreen can be repaired, or needs to be replaced entirely, using a photo of the damage uploaded to our company websites.

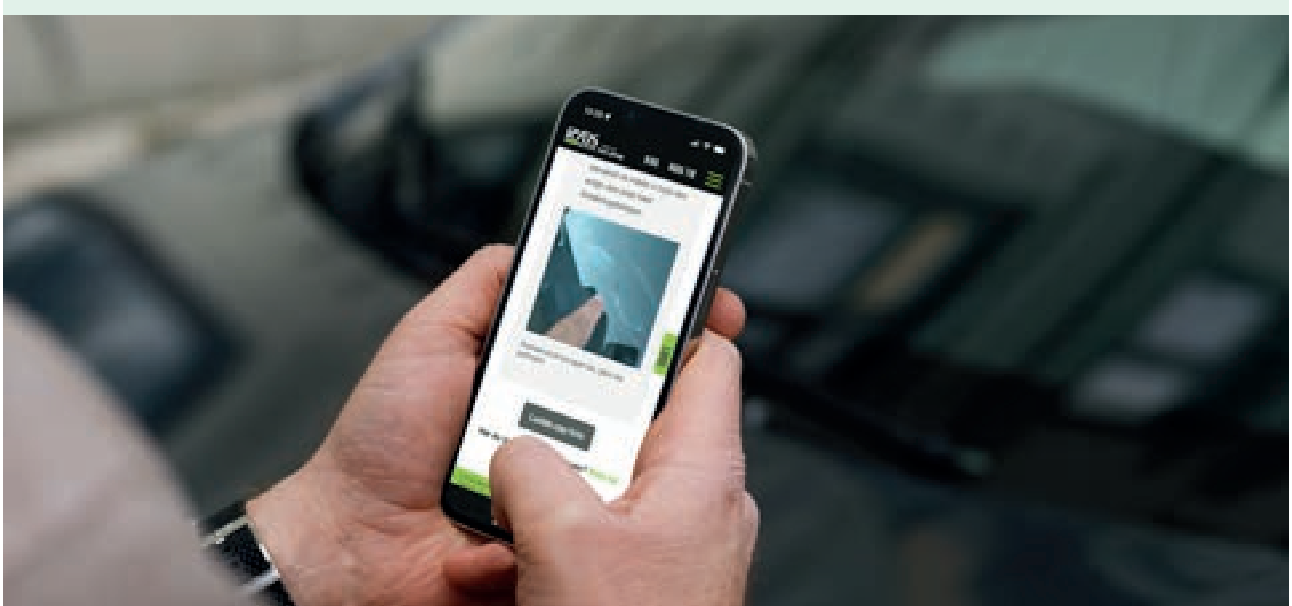
With a digital assessment using AI technology, Cary Group enables customers to make the right decision on which action to take – to have a windscreen repaired or replaced – and so reduce emissions by eliminating unnecessary trips to workshops. This also minimises the risk of incorrect orders to our suppliers, if a customer makes an appointment for a replacement and we end up repairing the windscreen, as well as the transportation of windscreens that are not needed.

Since launching our AI app in 2020, approximately 3,000 digital damage assessments have been made, saving unnecessary kilometres to our workshops as well as unnecessary returns of new windscreens when the existing one could be repaired.

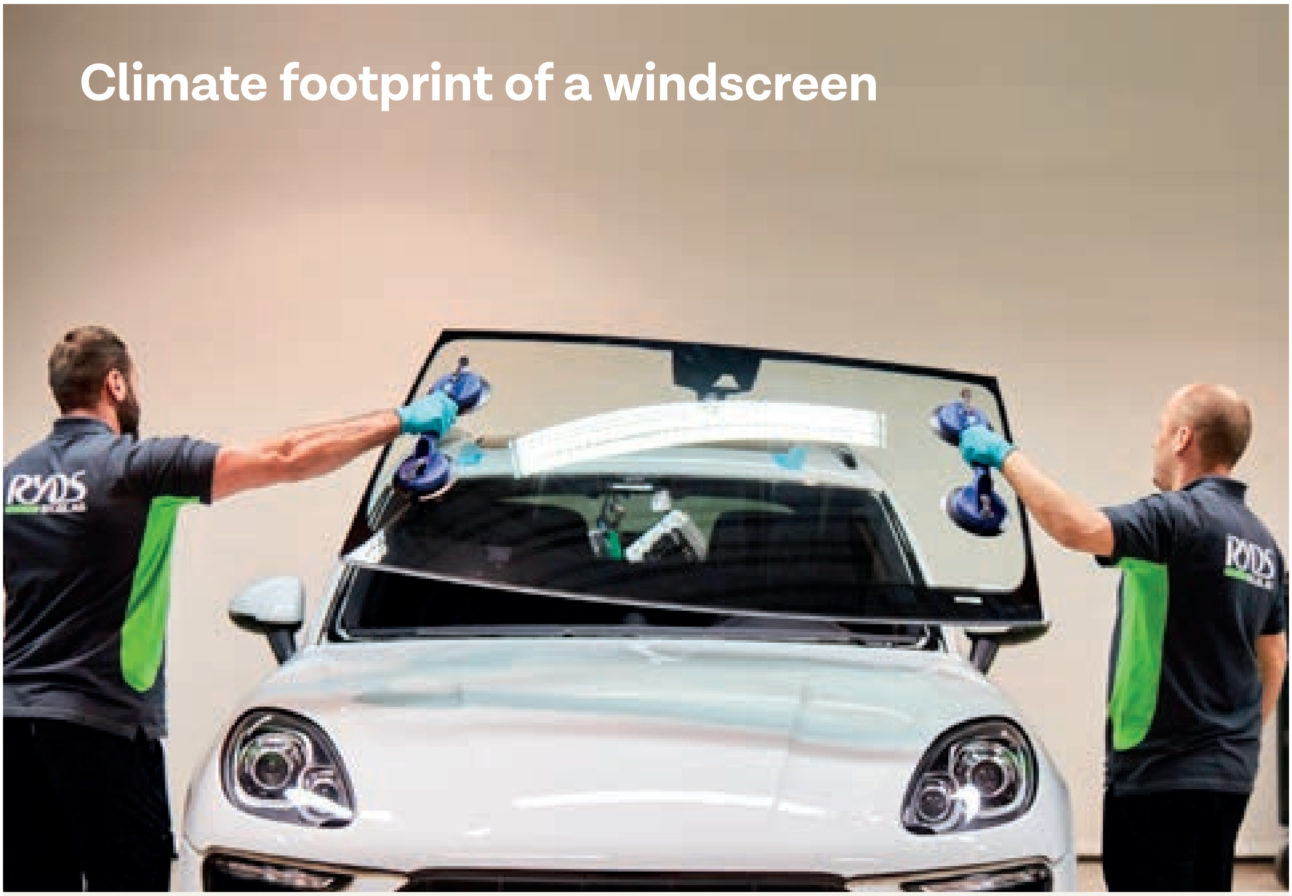
Digital damage reports and online payments
Most of our repairs and replacements are covered by insurance, which means the customer is required to sign a damage report. Enabling a digital signature of documents such as damage reports and courtesy vehicle agreements is a secure, smooth and environmentally friendly alternative to printing and signing documents at the workshop and reduces printouts by over one million per year, while at the same time bringing convenience to the customer.

Digital payments have simplified the checkout process for our customers, as receipts are sent automatically by email and no printouts are needed.

Since launching digital signature in Sweden and Norway, we have avoided printing approximately 338,000 pages. Based on the electricity consumption of the printers (2.56 g CO_2 per hour) and production (5 g per sheet of paper), we have saved around 1,690 kg CO_2 emissions so far.



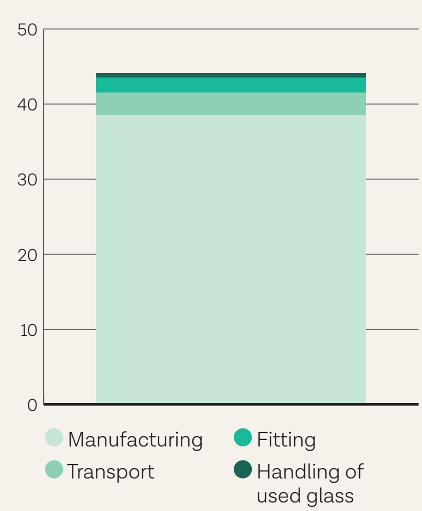
Climate footprint of a windscreen



44
kg CO_2e

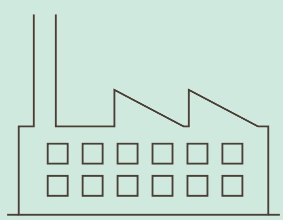
Total climate footprint
Our total carbon footprint for replacing a windscreen is estimated to be around 44 kg of CO_2e. The calculations and estimates are based on our Nordic markets and include all direct emissions from the stages of windscreen replacement.

Climate footprint of a windscreen on its journey



Carbon emissions of a windscreen

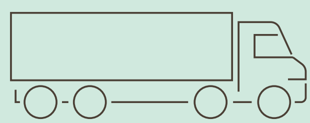
The replacement of a windscreen can be divided into four phases, all included in our total estimated carbon footprint per windscreen: manufacturing, transport to our workshops, fitting on the car and recycling of the broken glass.



Manufacturing
The manufacturing of car glass begins in float plants using the following raw materials: sand (~73%), soda ash (~13%), limestone (~9%), dolomite (~4%), other trace materials (~1%).

From the float plants, the glass is transported to and processed in various plants. The windscreens and laminated side lights are constructed using the above glass combined with PVB. Following toughening or laminating of the glass, various attachments are added for fitting to the vehicle and/or vehicle functionality, for example housing clips, mirror attachments, ADAS brackets and so on.

Based on calculations performed by our largest suppliers of glass, we estimate the carbon footprint of manufacturing a windscreen to be around 38.5 kg CO_2/windscreen (1.2m2).

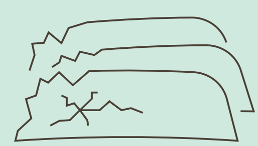


Transport
The manufactured windscreens are transported from the manufacturing plants to our workshops in the Nordics. Cary Group does not store any glass items in the Nordics. Instead they are ordered and delivered Just In Time (JIT) to our workshops the day before they are used.

This transportation is carried out by our glass suppliers and in some cases their local transport suppliers. Based on their calculations, the carbon footprint from transportation is estimated to be 3 kg CO_2 per windscreen.

Fitting
The main material used for replacing a windscreen is glue. During a replacement, we mainly use two kinds of tools: cutting tools and a glue gun – both of which are electrical. A windscreen replacement takes around two hours and includes cutting out the broken glass, cleaning the frame of the car, applying glue and fitting the new windscreen. On many modern cars, we also handle the electronics in the windscreen, such as lane assistance and rain sensors, which often need calibrating. We strive for all our workshops to run solely on green electricity originating from carbon-free power sources such as wind and hydro.

We estimate the average carbon footprint of fitting a windscreen to be around 2 kg CO_2 per replacement.



Handling of used glass
When the windscreen replacement is complete, all broken glass is transported for recycling. Currently, around 90 percent of the materials from the broken glass can be recycled – mostly becoming insulation products for the construction industry.

Based on calculations, we estimate the average carbon footprint of transporting the windscreen to recycling to be around 0.6 kg CO_2 per replacement

Circularity and handling of chemicals

Responsible and circular sourcing
An important part of our environmental work is our circular resource focus. We strive to recycle 100 percent of our replaced materials and to purchase materials that are made from recycled components to the greatest possible extent.

Glass, manufactured from finite resources such as sand and limestone, is the main raw material consumed at our workshops. Of the new glass that we purchase, around 20 percent is made from recycled materials. We expect this proportion to increase over the coming years, partly because many of our glass suppliers have sustainability targets aimed at producing more of their glass from recycled materials.

We strive to reduce glass consumption by minimising waste and recycling the glass in the windscreens we replace. Cary Group works with waste operators that specialise in recycling windscreens, to ensure that they are handled in the best possible way.

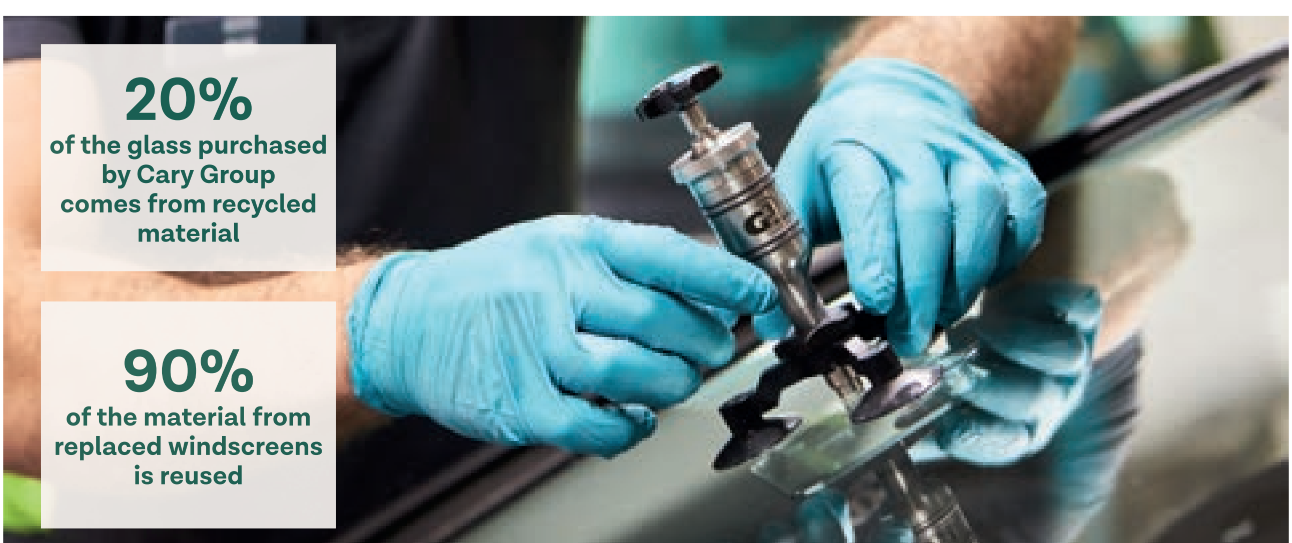
All replaced windscreens are transported to recycling facilities and around 90 percent of the material can be recycled and used for other purposes – mostly becoming insulation products for the construction industry and raw material for new glass products.

Responsible handling of chemicals
In a resource-intensive industry, it is important to constantly improve and reduce the consumption of steel and glass as well as of the chemicals needed when servicing a vehicle. We use energy-efficient and climate-friendly technology, handle waste appropriately and continue to phase out substances that are harmful to the environment and health.

A large amount of chemicals are used in the workshops in order to offer the products and services that customers demand. Chemicals that leak into the environment can potentially have a negative impact on soil, air, water, biodiversity and human health. We therefore have procedures in place to ensure proper handling of chemicals and the phasing out of hazardous chemicals.

Over the years, Ryds Bilglas in Sweden has reviewed and tried to reduce the number of chemicals used in its operations. This work continued in the Swedish and Norwegian operations in 2021, supported by an updated environmental policy.

No emissions of chemicals to soil and water have been reported from our five operating countries in 2021, which is proof that the procedures for handling chemicals in the Group are working well.



Climate neutrality

Since 2020, Cary Group has offset a portion of our emissions through Plan Vivo's tree-planting projects. In 2021, Cary Group became climate neutral in accordance with the ISO 14021 standard, meaning that we need to capture as much carbon-equivalent emissions as the company itself emits, so that the final sum of emissions becomes zero.

Being climate neutral means that Cary Group offsets all emissions including those in Scope 1, 2 and 3 – meaning that we not only take responsibility for emissions from our own services when repairing or replacing a windscreen but also include, for example, emissions from our suppliers that provide products such as windscreens and glue, customer journeys to the workshops and emissions from recycling the used broken glass.

Through the certified and renowned Plan Vivo via Zero Emission, Cary Group offsets carbon emissions in a tree-planting project, with a 10 percent margin.

FOCUS AREA 2

Our people

Cary Group has a major focus on being an attractive workplace for all. Our values guide us in our work and we place great emphasis on competence development and on having a workplace with no work-related injuries.

Attractive employer

Cary Group had almost 1,500 employees in five countries in 2021. At the same time, we are in an expansive phase, which requires that the company is perceived as a safe and attractive employer.

One of our main priorities is to develop Cary Group as a sustainable and learning-focused organisation. We need to attract new colleagues – and at the same time retain and motivate existing employees – to ensure that together we can continue to deliver the highest levels of service to customers, as one Cary Group.

Employee survey

We monitor our employees' engagement and satisfaction through EEI (Employee Engagement Index) and ESI (Employee Satisfaction Index), and our employees' loyalty through the eNPS (Employee Net Promoter Score) recommendation index. These KPIs provide an indication of how our employees perceive Cary Group as an employer. Our goal is to become the most attractive employer in our industry.

Competence development

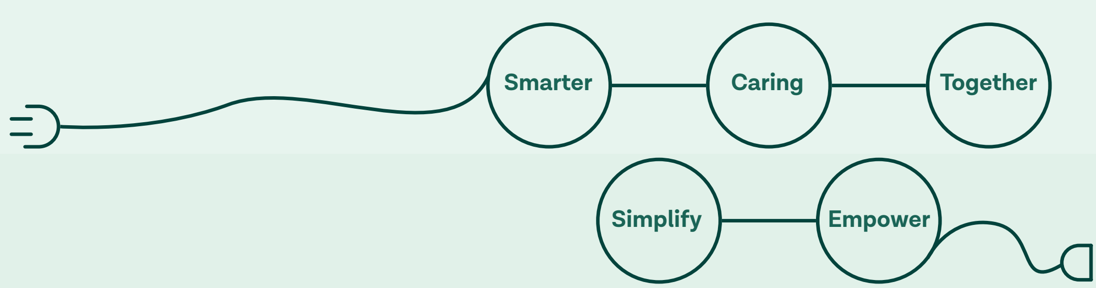
Cary Group operates in an industry where advanced technology is a natural part of everyday life. This means it is essential that our employees have a high level of competence if we are to deliver high-quality services. Our common HR Policy lays the foundations for the employee journey, from onboarding to employee review with a personal development plan.

Our values form the basis of our culture

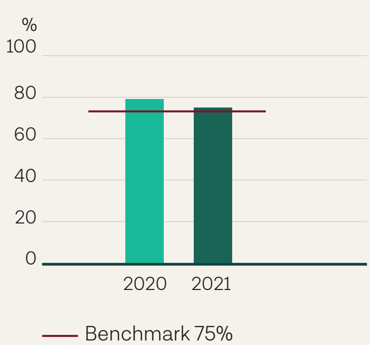
In 2021, we launched our values. These support us in building our culture together, provide us with guidance on how to treat one another and our customers and give us common rules to follow. By discussing these values, we also come closer to establishing what they mean for us in practical terms in our everyday lives.

Our values form the basis of our culture

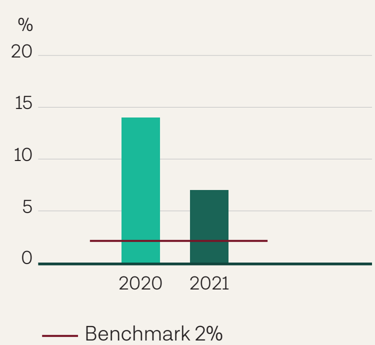
Values support us in building our culture together. They make decisions easier, they provide guidance on how to treat one another and our customers and they give us common rules to follow. By discussing these values, we also come closer to establishing what they mean for us in practical terms in our everyday lives.



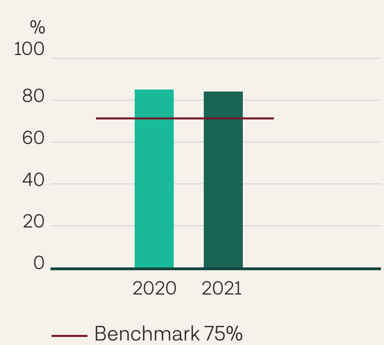
Cary Group Employee Satisfaction Index, ESI



Cary Group Employee Net Promoter Score, eNPS



Cary Group Employee Engagement Index, EEI



Cary Group ESI and eNPS include all countries in the Group. In 2021, Sweden and Spain achieved improved ESI and eNPS results, while Norway and the UK, which were hit hard by the Covid-19 pandemic, reported worse results and this had an impact on the overall Group result. The UK result was also affected by the IT incident experienced by the business in late 2021.

The Netigate benchmark for ESI and eNPS is based on Netigate's standard questionnaire for employee engagement surveys. The benchmark contains data from 9,617 employees in 91 organisations in Sweden.

The benchmark for EEI is based on a survey carried out through CINT in December 2020 and consists of around 800 responses from people working at Swedish companies who carry out annual employee surveys.

Health and safety

Our employees are our most important resource, which means that health and safety work is a top priority.

We work to prevent injuries, illness and all kinds of ill health. In 2021, a global health and safety committee was established for the Group. To ensure a high level of health and safety awareness, we work with a risk matrix based on six identified high-risk areas: Driving, Working at height, Manual handling, Car glass & tools, Chemicals and Workload. For each area, we identify hazards and risks and these are followed up in each country through annual risk assessments and safety inspections to improve and develop preventive measures. We strive to continuously learn from incidents in order to be a responsible employer and to continue to work to prevent accidents and illness.

Equality and diversity

Work on equality and diversity is carried out in compliance with local legislation and in cooperation with employees and trade unions where applicable. One of the main priorities of the equality and diversity work is to attract more women as both employees and managers. We also want to attract and have diversified working groups, with a working climate where all competences and people are welcomed.

A new recruitment campaign was developed during the year with the aim of attracting more female applicants for Cary Group's workshops. To develop the campaign, discussions were held with focus groups of women employed at Cary Group's workshops. The recruitment campaign was launched in Sweden and Norway in early 2022. The concept has been developed for all countries to use in their recruitment campaigns.

Cary Group strives to offer correct and fair equal pay to attract, retain and motivate employees, free from any kind of discrimination. Salaries can differ between countries and entities because of country legislation or collective bargain agreements but should always be based on the employee's position and performance.

Work-related injuries and illness	2020	2021
Number of reported injuries relative to the number of full-time employees	0.08	0.09
Number of injuries with serious consequences relative to full-time employees	0	0
Fatalities resulting from work-related injury/illness	0	0
Antalet skador med allvarlig konsekvens i relation till antalet heltidsanställda	0,0009	0
Dödsfall pga arbetsrelaterad skada/sjukdom	0	0

The figures for 2020 and 2021 include Sweden, Norway, Denmark and the UK.

Gender distribution in the Group	Men 2020	Women 2020	Men 2021	Women 2021
All employees, %	87	13	86	14
Managers, %	85	15	88	12
Proportion of professionals, %	n/a	n/a	98	2
Board of Directors, %	80	20	67	33
Group management, %	67	33	57	43

The numbers for 2020 include Sweden, Norway, Denmark and the UK. The numbers for 2021 also include Spain.

The numbers for 2020 include data for Sweden, Norway, Denmark and the UK. Spain is included in 2021. Employee turnover is calculated by dividing the number of people choosing to leave the company by the average number of employees.

FOCUS AREA 3

Governance

Cary Group places great emphasis on good business ethics and proactive anti-corruption work.

Sustainability management and governance
The management team at Cary Group is ultimately responsible for sustainability work. Follow-up, monitoring and decisions on strategic direction and focus areas are made by the Board. Sustainability is a central part of the company's strategy and a frequently recurring theme at management and Board meetings.

The EU taxonomy
To ensure that sustainability work always meets external requirements, Cary Group continuously monitors changes in legislation and regulations, as well as sustainability standards. relating to social, environmental, governance and economic aspects. During the year, the company has also reviewed the requirements to report in accordance with the EU taxonomy and so fulfil current and future reporting requirements. According to the taxonomy, affected companies must report, for the financial year 2021, the extent to which their activities are environmentally sustainable based on the key indicators of turnover, capital expenditure (capex) and operating expenses (opex). Cary Group is in the category of companies that currently fall outside the seven sectors chosen for reporting in accordance with the taxonomy, which is in NACE category G. The EU has not yet defined technical screening criteria for these activities. Given that the regulations have not yet been completed and Cary Group's financial activities are not classified and no additional activities have been identified in the analysis of the company's sales, investments and operating expenses linked to investment activities for the reporting period, no part of the company's sales, investments and operating costs activities in the EU taxonomy for 2021. Cary Group continues to monitor developments and will report in accordance with approved regulations.

Anti-corruption
It is important to us that the products and services we offer customers are produced, handled and distributed in a sustainable way throughout the supply chain.

In 2021, Cary Group adopted an updated Code of Conduct. Based on the UN's Global Compact principles covering human rights, labour, environment and anti-corruption, the Code of Conduct sets forth guidelines relating to suppliers and subcontractors. The Code of Conduct applies both internally and externally to Cary Group's employees, suppliers and subcontractors, who must all comply with national legislation in the countries in which they operate. If there are requirements in the Code of Conduct that differ from the national legislation, the level that is considered most strict shall apply. There was a focus in 2021 on providing information and training on the new Code of Conduct to the Group's managers. The decision was also taken to design a training course on the new Code of Conduct suitable for all employees of Cary Group. This training will be compulsory and will take place in 2022. The training is also compulsory for all new employees.

A training course on anti-corruption for the expanded management team was planned for 2021 but was postponed until 2022 because of the corona pandemic. This training will be provided in conjunction with the Swedish Anti-Corruption Institute.

Companies that choose to work with Cary Group are provided with our Code of Conduct and all parties in the supply chain are expected to comply with its requirements. Cary Group believes that the greatest risk of breach of anti-corruption lies within the supply chain. In the industry where Cary Group operates, the risk of corruption is generally low as the companies are regulated by agreements with the insurance companies. The suppliers are mostly located in Europe but in markets where corruption has occurred.

Supplier assessment

In 2021, a supplier assessment was introduced using the online tool Worldfavor. The purpose is to obtain a better overview of potential risks and hazards in the supply chain. It covers anti-corruption, environmental and social issues. The assessment has so far been performed by Cary Group's top 50 suppliers in the UK and the Nordics. This review of the assessment will be completed during the first half of 2022 and going forward it will be carried out once a year for all markets.

Cary Group's assessment is that the suppliers have the greatest risk of violating human rights. Early observations in the supply chains show that a small proportion of suppliers lack a Code of Conduct of their own and formal commitments to respect internationally proclaimed human rights and working conditions. A modern Slavery Statement and Code of Conduct is included in each agreement with contracted suppliers to minimize the risk of suppliers violating human rights and anti-corruption, in line with our procurement policy.

Policy documents

Cary Group's general sustainability work is governed by the company's sustainability policy. In addition, the Board has adopted a number of policy documents that support the work to maintain good governance and processes throughout the company. These policies are:

- Financial policies (including finance policy, liquidity policy and tax policy)
- GDPR policy
- Information policy
- Insider policy
- IT policy
- Diversity policy
- Code of Conduct

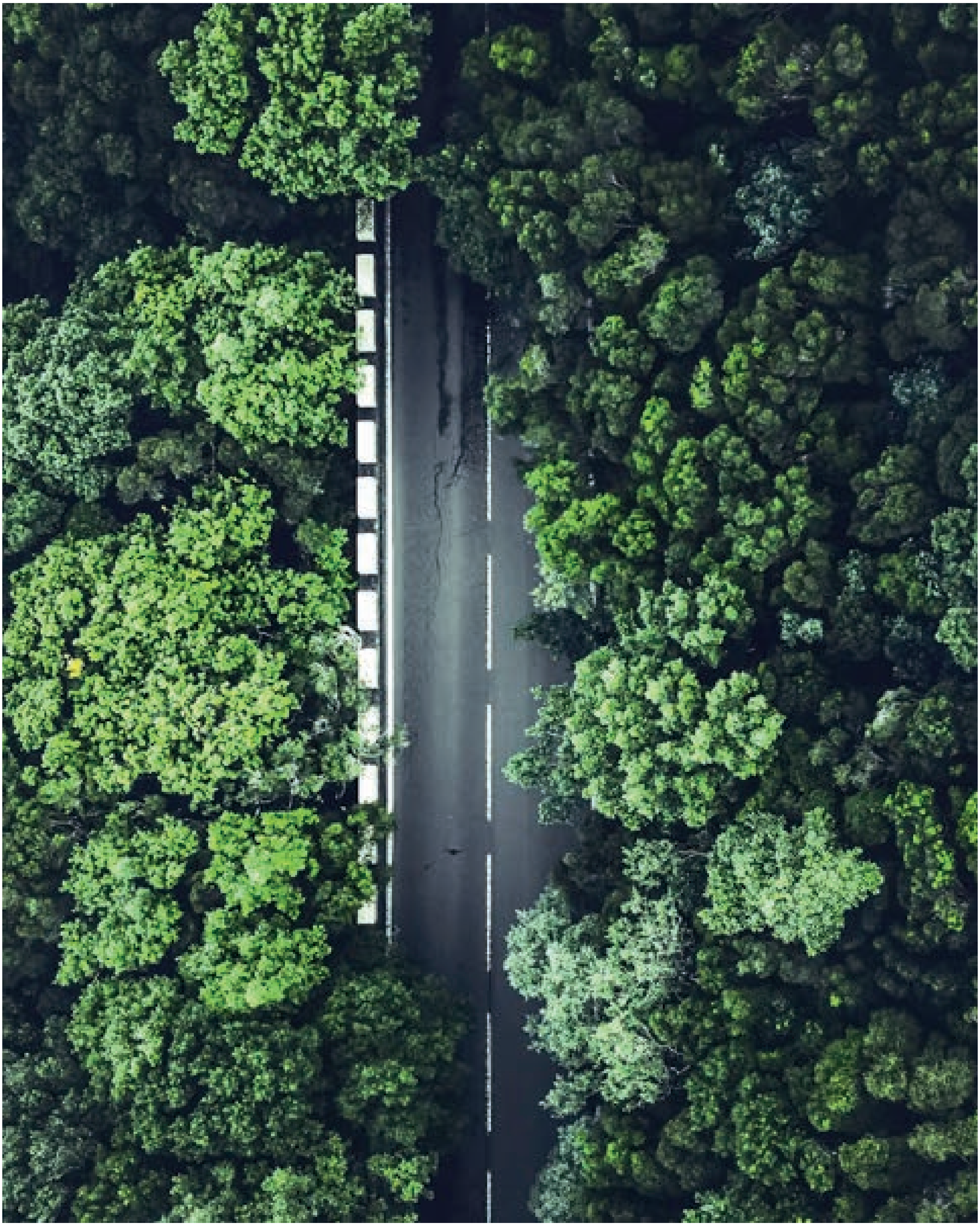
Whistleblowing system

In 2020, a Whistleblowing policy and an external system (Whistle B) were introduced to encourage employees to report suspected wrongdoing in the workplace. It is important that employees feel that their concerns are taken seriously and are investigated appropriately and that their confidentiality is respected. Employees must feel confident to raise issues without fear of retaliation. We must conduct our business with honesty and integrity and we expect all employees to maintain high standards. The company culture must be characterised by openness and accountability to prevent situations arising where our standards are challenged and to address such situations if they do occur. Three cases were reported in the whistleblowing system in 2021.

UN Sustainable Development Goals

Cary Group contributes to the UN Sustainable Development Goals (SDGs). We have defined the goals that are most relevant for us and to which we make an active contribution. Below are some examples.

Focus area	SDG	Priorities	Cary Group's contribution
Climate	13 BEKÄMPA KLIMATFÖRÄNDRINGARNA	Reduce CO_2 emissions	We have set a target of reducing our CO_2 emissions by 41 percent by 2030. This target is in line with the Paris Agreement's target of 1.5ºC.
Climate	12 HÅLLBAR KONSUMTION OCH PRODUKTION	Increase the repair rate for windscreens	Repairing a windscreen has a carbon footprint of almost 0 kg CO_2. Replacing a windscreen produces direct emissions of around 44 kg CO_2e. To ensure that we always repair when possible, our technicians follow clear guidelines regarding when a windscreen can and cannot be repaired and the repair rate is closely monitored at group level.
Climate	12 HÅLLBAR KONSUMTION OCH PRODUKTION	Circularity	90 percent of the material from replaced windscreens is reused. 20 percent of the glass purchased by Cary Group comes from recycled material.
Climate	13 BEKÄMPA KLIMATFÖRÄNDRINGARNA	Sustainable customer offering	As part of our sustainable customer offering, we provide electric courtesy cars when the customer leaves their vehicle at our workshop, thus reducing the customer's environmental impact during the repair.
Climate	8 ANSTÄNDIGA ARBETSVILLKOR OCH EKONOMISK TILLVÄXT	Sustainable supply chain	Not taking responsibility for the supply chain, would result in various kinds of risks, such as labour conditions, environmental hazards, or reputational risks.
Our people	3	Attractive employer	We need to attract new employees and retain and motivate our existing people, to ensure we can continue to deliver the highest levels of service to our customers. We measure and follow up our Employee Satifsfaction Index, Employee Net Promoter Score, Employee Engagment Index and Employee Turnover. We measure and follow up work-related injuries.
Our people	5 JÄMSTÄLLDHET	Gender equality	We want to have diversified working groups and an open work environment and we are working to attract more women to become employees and managers.
Governance	16 FREDLIGA OCH INKLUDERANDE SAMHÄLLEN	Good compliance	We ensure good compliance in the Group by providing training on our Code of Conduct and anti-corruption as well as by having an external whistleblowing system.



Directors' Report

The Board of Directors and the CEO of Cary Group Holding AB (publ), company registration number 559040-9388 ("the company"), hereby present the following annual report and consolidated financial statements for the period from 1 January to 31 December 2021.

Business areas and organisation

The company and its subsidiaries, together referred to as Cary Group, are one of the European market leaders within the repair, replacement and calibration of vehicle glass, with a complementary offering in vehicle damage repair. With good accessibility, high-quality products and smart solutions, we help our customers make simplified and sustainable choices. Cary Group has 929 workshops, of which 199 are franchised workshops and 401 mobile units. In 2021, Cary Group was organised into two regions: Nordics (Sweden, Norway and Denmark) and Rest of Europe (United Kingdom and Spain). Its head office is in Stockholm and it has 1,543 employees.

Significant events during the financial year

Stock exchange listing

On 23 September, trading began in Cary Group's shares through its listing on Nasdaq Stockholm. The offer comprised 65,527,949 shares, of which 17,857,142 were newly issued shares and 47,670,807 were shares sold by Cary Group's principal owner Cidron Legion S.à r.l, which is indirectly controlled by Nordic Capital VIII, and by the company's second-largest shareholder, Rydgruppen Sverige AB, which is controlled by the Ryd family, as well as by a number of other shareholders. The newly issued shares raised SEK 1,250 million before transaction costs. In connection with the listing, the principal owner committed to sell a further 9,829,192 existing shares in Cary Group in order to cover any over-allotment in connection with the offer. The over-allotment option was exercised in full.

Capitalisation

To enable the continued rapid implementation of the company's strategic goals, Cary Group strengthened its financial position and liquidity with a new share issue of SEK 1,250 million in connection with the stock exchange listing in September 2021. In connection with the stock exchange listing, all previous bank loans have been settled and the Group has signed a new credit facility agreement with Danske Bank and SEB. This facility consists of bank loans, acquisition loans and overdraft facilities. The new credit facility amounts to SEK 3,100 million and has a maturity of 3 years.

Acquisitions

In March, Cary Group acquired Crashpoint A/S, Denmark's largest vehicle damage and repair chain, focusing the premium segment.

In April, Cary Group acquired the Norwegian company Quick Car Fix which specialises in SMART repair.

In July, Cary Group acquired Autoklinik i Malmö AB, which specialises in auto body servicing and repair.

In August, Cary Group acquired Auto Cristal Ralarsa S.A., Spain's second-largest automotive glass repair and replacement company.

In December, Cary Group signed an agreement to acquire 75 percent of Zentrale Autoglas GmbH, one of Germany's leading providers of vehicle glass repair and replacement, primarily for buses and campervans.

In December, Cary Group signed an agreement to acquire 100 percent of Portuguese company GlassCo S.A., owner of "ExpressGlass", which operates a vehicle glass repair and replacement business in Portugal.

In December, Cary Group signed an agreement to acquire 100 percent of Norwegian company MPS Bilskade AS, which operates within both minor and major vehicle damage repair. The acquisition represents an expansion on the Norwegian market for existing customers and strengthens Cary Group's market position in Norway.

Cary Group's operations, performance and financial position

Net revenue increased by 30 percent during 2021, compared with last year, to SEK 2,141 million (1,651). Organic growth was 6 percent while growth through acquisitions totalled 24 percent. The Nordics segment increased its revenue by 28 percent during the year to SEK 1,371 million (1,068). Net revenue in the Rest of Europe segment rose 32 percent compared with the previous year to SEK 770 million (583).

Operating profit (EBIT) amounted to SEK 171 million (211). Operating profit for the period includes costs affecting comparability of SEK 79 million (8), the majority of which relate to the listing of Cary Group. Adjusted EBITA totalled SEK 294 million (247), corresponding to a margin of 13.7 percent (15.0). Adjusted EBITA for the Nordics segment amounted to SEK 302 million (242) and for the Rest of Europe segment to SEK 57 million (44). The ratio of net debt to EBITDA improved to 2.5x (4.9x). To increase the Group's profitability, specific measures have been considered in countries where profitability is lower. Work also continued during the year to improve the operational efficiency of workshops.

Net revenue

Net revenue increased by 30 percent during 2021, compared with last year, to SEK 2,141 million (1,651). Organic growth was 6 per cent while growth through acquisitions totalled 24 percent. The number of jobs performed within the Group increased by 24 percent during the period, mainly attributable to Sweden and to the acquisition of Ralarsa in Spain. The number of workdays totalled 259 (261).

Net revenue in the Nordics increased by 28 percent to SEK 1,371 million (1,068) and organic net revenue grew by 7 percent. More normalised demand for vehicle glass repair and replacement in Sweden compared with last year made a positive contribution, as did acquisitions. Net revenue in the Rest of Europe segment rose 32 percent to SEK 770 million (583). The increase in net revenue was driven by the acquired Spanish company Ralarsa.

Profit

Operating profit (EBIT) amounted to SEK 171 million (211). Operating profit for the period includes costs affecting comparability of SEK 79 million (8), the majority of which relate to the listing of Cary Group. The gross margin increased during 2021 to 65.3 percent (64.6). This improved margin was driven by a change in the geographic mix, partly as a result of acquisitions in Norway and the acquisition of Ralarsa in Spain. Calibration's share also increased compared with the previous year, with a positive impact on profitability. Adjusted EBITA totalled SEK 294 million (247) during the year, corresponding to a margin of 13.7 percent (15.0).

Adjusted EBITA for the Nordics segment totalled SEK 302 million (242), which is 25 percent higher than in the previous year, driven by higher sales. The adjusted EBITA margin increased and amounted to 22.0 percent (22.7).

Adjusted EBITA for the Rest of Europe segment increased to SEK 57 million (44) as a result of higher sales. The adjusted EBITA margin was on par with last year, at 7.5 percent (7.5).

Net financial items and income tax

Net financial items during the period totalled SEK -131 million (-139). Tax on profit for the period totalled SEK -10 million (-24). The effective tax rate was 25.3 percent (32.7).

Profit and earnings per share for the period

Profit for the period amounted to SEK 29 million (48), equivalent to earnings per share, before and after diluted, of SEK 0.21 (0.45). Adjusted for costs affecting comparability, profit for the period totalled SEK 92 million (54).

Cash flow

Cash flow from operating activities amounted to SEK 175 million (205) during the year. Cash flow has been negatively affected by payments relating to costs in connection with the company's listing. After investments in property, plant and equipment and intangible non-current assets, cash flow amounted to SEK -150 million (189). Investments, excluding acquisitions, totalled SEK 25 million (16). Depreciation of property, plant and equipment totalled SEK 128 million (101). Net cash flow after cash received in connection with acquisitions amounted to SEK 45 million (34). Contingent considerations for previous acquisitions amounted to SEK 29 million (0) as at 31 December 2021.

Financial position

As at 31 December 2021, net debt totalled SEK 1,222 million (2,155), resulting in a leverage ratio in terms of net debt/adjusted EBITDA (pro forma) of 2.5x (4.9x). Long-term credit facilities amounted to SEK 909 million and lease liabilities to SEK 419 million. Unused credit facilities amounted to SEK 1,150 million as at 31 December 2021.

Equity, including non-controlling interests, amounted to SEK 1,561 million (-106), corresponding to an equity ratio of 46 percent (-4.3). Cash and cash equivalents totalled SEK 146 million (96).

Parent company

The main functions of Cary Group Holding AB (Publ.) consist of business development, acquisitions, financing and business control and analysis. The parent company's revenues comprise internal invoicing of services. The parent company's financial assets as at 31 December 2021 consisted of shares in subsidiaries and receivables from group companies.

The parent company's total revenue in 2021 amounted to SEK 3 million (0). Other external expenses amounted to SEK -91 million (0). The increased expenses are attributable to costs related to the listing of Cary Group and to a larger central organisation.

Significant events after the balance sheet date

In January, the acquisitions of Zentrale Autoglas GmbH and MPS Bilskade AS were completed. In April, the acquisition of GlassCo S.A., owner of "ExpressGlass", was completed.

To secure access to capital for the company's continued expansion, an agreement was entered on 8 February with the company's current banks on extending the financing agreement entered into in connection with the company's listing in September 2021. The agreement extends the credit facility by a further SEK 1,050 million, to a total credit facility of SEK 3,100 million.

In March, Cary Group signed an agreement to acquire 100 percent of UK company Charles Pugh Holdings Ltd ("Charles Pugh Holding"). The company is one of the UK's market leaders in vehicle glass repair and replacement, along with related wholesale business. The acquisition is important in bolstering Cary Group's position in the UK and enables synergies to be achieved together with Cary Group's existing UK operations. Charles Pugh Holdings is also part of the same consortium as Cary Group in the UK, National Windscreens. Charles Pugh Holding's sales for 2021 were approximately GBP 56 million and the company has around 500 employees.

Future development

Cary Group has set financial targets as described below and has an action plan for the implementation of its strategy. Cary Group is not providing any financial forecast for the year. On 17 June 2021, the company adopted the following financial targets and dividend policy:

Revenue growth

Cary Group's target is to achieve average annual total revenue growth of more than 15 percent in the medium term, at least half of which shall be organic.

Profitability

Cary Group's target is to achieve an adjusted EBITA margin of 20 percent in the medium term.

Capital structure

Cary Group's capital structure shall provide a high degree of financial flexibility and enable acquisitions to be made. Cary Group's target is to have a maximum net debt ratio in relation to adjusted EBITDA of x2.5. This ratio may however temporarily exceed x2.5 in connection with acquisitions.

Dividend policy

Cary Group aims to pay out at least 20 percent of its net profit. Dividend decisions must take into account Cary Group's investment opportunities and financial position.

People

The average number of employees was 1,543 (894).

Guidelines for remuneration of the CEO and the Group management

The Swedish Companies Act stipulates that the Annual General Meeting must adopt guidelines for the remuneration of senior executives. The Extraordinary General Meeting that was held on 13 August 2021 voted to adopt the following guidelines for remuneration of senior executives for the period up to the end of the Annual General Meeting 2022.

General remuneration policies and other terms

These guidelines apply to the remuneration of the company's senior executives. In the application of these guidelines, senior executives shall include the CEO, Deputy CEO (where applicable) and certain other executives who, from time to time, are members of the Group management and who report directly to the CEO.

These guidelines do not apply to remuneration that has already been decided or approved by the Annual General Meeting and apply only to remuneration that is agreed, and to changes that are made to already agreed remuneration, after the adoption of these guidelines by the Annual General Meeting 2021.

Purpose and general remuneration policies

These guidelines provide a framework for the Board of Directors to determine the remuneration of senior executives. These remuneration guidelines are intended to ensure the company's competitiveness as an employer on all geographical markets on which the company operates.

The policies are designed to ensure responsible and sustainable decision-making that supports Cary Group's business strategy, long-term interests and sustainable business practices. If the company is to fulfil its purpose, the employment terms must enable the company to retain, develop and recruit qualified senior executives with relevant experience and expertise. Remuneration must be market-based and competitive and reflect the performance and responsibility of the individual senior executive.

Remuneration and employment terms for employees of the company have been taken into consideration in the preparation of these guidelines. Information about the total income of the employees, the various elements of the remuneration and their terms, has been taken into account by the Remuneration Committee and the Board of Directors when evaluating whether the specified guidelines and limits are reasonable.

The remuneration of senior executives shall be adjusted accordingly to fulfil all local mandatory rules within the jurisdiction where they are employed and can be duly adjusted to comply with established local practice to the extent this is possible given the overall purpose of the guidelines.

Remuneration elements

The remuneration of the senior executives covered by these guidelines can comprise basic salary, performance-related pay, pension and non-financial benefits. In addition, the Annual General Meeting may adopt long-term, share-based incentive programmes that are open to senior executives.

Principles for basic salary

The basic salary must be market-based and competitive and take into account the scope and responsibility of the position, as well as the skills, experience and performance of each individual senior executive.

Principles for performance-related pay

Performance-related pay must be based on a number of predefined and measurable criteria that reflect the key drivers for achieving the company's business strategy, long-term interests and sustainable business practices. Such criteria must relate partly to the company's overall key performance indicators and financial results and partly to individual performance. The extent to which the criteria for awarding performance-related pay have been met is evaluated after the end of the relevant measurement period for the criteria. The Remuneration Committee is responsible for the assessment of performance-related pay. Performance-related pay can total a maximum of 75 percent of the annual basic salary for the CEO of the company and a maximum of 50 percent of the annual basic salary for other senior executives.

Principles for pension benefits

Pension benefits must be based on local practice and applicable legislation. All deviations from local practice for pensions require the individual approval of the Remuneration Committee and must be documented in the committee's report to the Board of Directors. Pension benefits may not amount to more than 35 percent of the annual basic salary for each individual senior executive, unless mandatory provisions in applicable legislation require greater pension provision.

Principles for non-financial benefits

Non-financial benefits must be market-based and support the senior executive in their work. The company aims to have sufficiently competitive salaries and incentive programmes and to minimise additional non-financial benefits. All non-financial benefits, other than those which Cary Group offers to all employees, must be reviewed and approved by the Remuneration Committee. Fees and other costs relating to non-financial benefits may not exceed 10 percent of the annual basic salary for each individual senior executive. Other benefits may include, but are not limited to, health insurance, company car and/or domestic services.

Consultancy fees

The Board of Directors may decide that market-based consultancy fees are to be paid to Board members for work carried out on behalf of Cary Group in addition to their Board duties and which contributes to the company's business strategy and long-term interests, including sustainability.

Long-term, share-based incentive programmes

Remuneration that has been decided or approved by the Annual General Meeting is not covered by these guidelines. Consequently, these guidelines do not apply, for example, to long-term, share-based incentive programmes that have been decided or approved by the General Meeting. It is the Board's intention, however, to propose such programmes to the Annual General Meeting each year, as attractive, long-term, share-based incentive programmes form a significant element of the total remuneration of senior executives, which enables the company to retain and recruit the expertise necessary for further growth.

Preparation and review of these guidelines

These guidelines have been prepared by the Board's Remuneration Committee. The Remuneration Committee shall act in a preparatory capacity for the Board with regard to the remuneration policies and other employment terms for senior executives. Based on the Remuneration Committee's recommendations, the Board of Directors shall, when the need for material changes arises and at least every four years, prepare proposed guidelines for adoption by the Annual General Meeting. The Annual General Meeting shall decide on such proposal. Adopted guidelines can be amended by the resolution of shareholder meetings other than the Annual General Meeting.

Within the context and on the basis of these guidelines, the Board of Directors shall, based on the preparations and recommendations of the Remuneration Committee, decide annually on specific changes to employment terms for each individual senior executive and make other necessary decisions relating to the remuneration of senior executives. The specific employment terms for senior executives (except for the CEO) shall be prepared by the CEO and approved by the Chair of the Board in consultation with the Remuneration Committee (where necessary).

The members of the Remuneration Committee are independent of the company and the senior executives. The CEO and other senior executives are not involved in the Board's preparation of and decision on remuneration-related matters affecting them.

Termination of employment

A mutual notice period of 12 months applies for the company's CEO. The notice period of other senior executives is determined according to their position. The basic salary during the notice period and severance pay (where applicable) may not together exceed an amount equivalent to 18 months' basic salary.

Deviations from these guidelines

The Board may decide to temporarily deviate, wholly or partly, from these guidelines if there are exceptional reasons to do so in individual cases and such a deviation is necessary to safeguard the company's long-term interests, including its sustainability, or to ensure the company's financial strength.

2022

For 2022, no major changes are intended to be made to the remuneration guidelines. A complete proposal is published in the notice to the Annual General Meeting 2022.

Sustainability

Cary Group is reporting according to Global Reporting Initiative (GRI). The report is in line with GRI Standards Core level (for GRI Index, see pages 120–121). The statutory Sustainability report in accordance with the Annual Accounts Act is found on pages 40-59 and 118-121. Cary Group's Sustainability report is made in accordance with ÅRL chapter 6, 10-14 and chapter 7, 31 a-c.

Sustainability is at the heart of Cary Group's identity and strategy. Cary Group strives to lead the way in implementing climate measures in its industry. The company has therefore, as part of its strategy, drawn up clear and ambitious targets for reducing its climate footprint.

Based on calculations of the Group's carbon emissions in 2020, a target has been set to reduce these by 2030. This target involves reducing relative emissions by 41 percent by 2030. The goals that are followed up annually are in line with the criterias of the Science Based Targets Initiative and the calculations that form the basis for the Paris Agreement's goal of 1.5°C. Newly acquired companies receive an adjustment period of two years before they are included in the Group's figures, thereby the reported figures are both excluding and including new acquired companies. The Group's reduction target is based on three key areas with actions and targets defined within each area: purchase of glass, use of renewable energy and climate-friendly transport. Measures are implemented on all markets and are followed up as part of the strategic initiatives at Group and country level.

The share, shareholders and the proposed appropriation of profit

The share

Cary Group's shares have been listed on Nasdaq Stockholm since 23 September 2021 and the share capital was SEK 706,335 as at 31 December 2021, divided into 131,848,996 shares.

All shares are of the same class and provide the same rights in all respects.

At General Meetings, each share carries one vote and each shareholder is entitled to vote with the total number of shares that the shareholder owns in the company.

Shareholders

As at 31 December 2021, there were 3,006 shareholders according to the register of shareholders maintained by Euroclear Sweden AB. Of the total share capital, 36 percent was owned by Swedish institutional investors and share funds. Swedish private investors owned 3.1 percent and the remaining 61.1 percent was owned by foreign and undisclosed owners. Nordic Capital is the largest shareholder, with 30.0 percent of the share capital and of the votes. AMF Pension och fonder is the second-largest shareholder, with 9.68 percent of the share capital and of the votes. The ten largest shareholders account for around 81.95 percent of the share capital and of the votes.

Articles of Association

The Articles of Association do not contain any special provisions concerning the appointment and dismissal of Board members or additions to the Articles of Association.

Proposed appropriation of profit

The following funds (SEK) are at the disposal of the Annual General Meeting:

Retained earnings	2,958,926,076
Profit for the year	61,863,120
Total	3,020,789,196

The Board of Directors proposes that the profit be appropriated as follows:

To shareholders dividends of SEK 0 per share	
Carried forward	3,020,789,196
Total	3,020,789,196

Risks and risk management

Cary Group operates on several European markets and is therefore exposed to risks that can affect the Group's ability to achieve its strategic objectives and financial targets. Having an effective control environment at the company provides protection against risks.

Cary Group's risk management involves identifying risks and preparing for potential unknown risks. Clear risk ownership and prioritisation of risks along with continuous evaluation of the control environment are key to effective risk management.

A risk assessment is performed annually in order to identify significant risks. The company has identified risks in several risk areas: strategic, operational, financial, risks relating to sustainability and risks relating to regulations and compliance. Risks are evaluated by the Group management and the Board of Directors and risk work is led by the relevant risk owner. When identifying risks, a risk map is drawn up and then used as a basis for risk mitigation measures developed by the internal control function together with the risk owner. The risk work is presented on a regular basis to the Audit Committee and annually to the Board of Directors.

Strategic risks

Strategic risks affect Cary Group's ability to achieve its strategic objectives. Examples of strategic risks include:

- risks relating to acquisitions and integration
- risks relating to the ability to manage growth and expansion
- risks relating to the retention of key personnel

An example of the risk involved in integration following acquisitions is that the integration may become lengthy and costly. There is a risk that the integration may not be handled correctly and that the expected synergies are therefore not realised. There is also a risk of the acquired companies failing to achieve the profitability or other benefits that the company expected in the foreseeable future.

An example of risk relating to the Group's ability to manage growth and expansion is perhaps not being successful in all markets or regions where it enters, which becomes costly. Given Cary Group's decentralised structure, leadership is required throughout the organisation. If the Group can not recruit, develop, engage and retain key employees, this can have a negative impact on the Group's ability to provide its services and successfully implement its business model.

Operational risks

Operational risks affect Cary Group's ability to operate its business in line with its business model. Examples of operational risks include:

- travel patterns
- oil prices
- environmental issues
- IT risks

Examples of changes to travel patterns include people working from home to a greater extent or using public transport instead of their cars. Rising oil prices involve a risk of consumers reviewing their use of their vehicles, which in turn leads to a reduction in the number of kilometres driven.

Cary Group's operations may be affected by changes in behaviour relating to environmental issues, where customers review the way they use their vehicles in favour of a "greener" alternative, for example making greater use of public transport, car sharing or cycling.

There is also a risk relating to the general IT environment and cyber security. Errors in IT systems, including system errors at suppliers or other third parties, inadequate maintenance, human error, cyber attacks or other malicious hacking can result in transaction errors, unavailability of data or systems, loss or corruption of data and ineffective processing. This kind of problem can lead to the loss of customers or valuable business assets and result in other disruption to operations.

Financial risks

Financial risks affect Cary Group's ability to finance its operations and implement its business plan. Examples of financial risks include:

- financing and liquidity risks
- interest rate risks
- currency risks

An example of financing risk is Cary Group being unable to obtain financing or only being able to obtain financing on unfavourable terms.

A lower credit rating or reduced profitability, significant interest rate increases, reduced financing options or stricter terms from lenders may restrict the Group's access to funding, including its ability to raise further loans, and so limit Cary Group's ability to implement its strategy.

Liquidity risk refers to the risk of Cary Group having insufficient funds to pay expected or unforeseen expenses.

Interest rate risk refers to the risk of being adversely affected by changes in market interest rates.

Cary Group's international operations mean that the Group has significant assets and liabilities and generates revenues and incurs costs in currencies other than the presentation currency, which is SEK. Cary Group is therefore exposed to currency risks in the form of translation risks and transaction risks.

Sustainability risks

Cary Group has identified a number of sustainability risks in the business. Examples of sustainability risks include:

- climate impact
- sustainable supply chain
- health and safety
- equality and diversity

Climate impact

Cary Group operates in an industry that requires resource-intensive goods such as steel and glass, as well as chemicals, which causes greenhouse gas emissions. If Cary Group does not work to reduce its climate impact, there is a risk that the Group may lose customers. The Group has been working on its repair rate and other initiatives to reduce carbon emissions for some time. In Sweden, all workshops are powered by renewable energy and the aim is to implement this in all markets. The business is operated in line with a general environmental policy (ISO 14001).

Sustainable supply chain

Replacing a windscreen has greater environmental impact than making a repair. Circular resource management is important for improving and reducing consumption. To ensure that Cary Group always repairs wherever possible, its technicians follow clear guidelines regarding whether or not a windscreen can be repaired. If a replacement is needed, Cary Group works with waste operators who specialise in recycling windscreens. Chemicals that leak into the environment can have a negative impact on soil, air, water, biodiversity and human health, therefore there are routines in place to ensure correct handling of chemicals and that hazardous chemicals are phased out. Cary Group's assessment is that the greatest risk of human rights violations exist at supplier level. Cary Group maintains a continuous dialogue with its suppliers and all suppliers are expected to sign and live up to Cary Group's Code of Conduct and Modern Slavery Statement. In 2021, a supplier assessment was introduced which includes human rights, labour and anti-corruption to be able to identify, follow-up and take possible actions on suppliers with an assessed elevated risk.

Health and safety

Inadequate health and safety work at the workplace can lead to:

- work-related injuries, illness, ill-health or, in the worst-case scenario, loss of life
- reputational risk
- fines for compliance failures

Risks are identified and analysed and, where necessary, measures are implemented in accordance with a predefined process. The Group's risk management is supported by its HR policy, health and safety regulations and OHSAS 18001 certification.

Equality and diversity

Failing to offer equal opportunities or exposing employees to discrimination or segregation (both within the Group and in the supply chain) involves risks. If the Group is unable to address this, Cary Group's brand may be affected.

There is a risk of the Group failing to comply with current legislation, which may jeopardise Cary Group's goal of being an attractive employer. Work on equality and diversity is carried out in compliance with local country legislation and in cooperation with employees and trade unions where applicable. Cary Group aims to apply equal rights, obligations and opportunities for all employees, regardless of sex, age, sexual orientation, disability, ethnicity, religion or belief. The Group's HR policy is a general policy that supports the business in ensuring equal treatment.

Risks relating to regulations and compliance

Risks relating to compliance with laws and rules refer to both the internal application of policy documents and the external application of laws, rules and regulations. Examples of such risks include:

- changes to laws and rules relating to the repair of motor vehicles
- tax risks
- labour law risks

Regulations concerning the conditions that apply to the repair of vehicle glass, for example, may change.

Through its international operations, the Group is exposed to tax risks. Cary Group conducts business through subsidiaries in five different jurisdictions and there is a risk that the Group's understanding and interpretation of tax laws, tax treaties and other regulations is not correct in all respects. As international expansion continues, there is a greater focus on internal pricing between the Group's units and on issues relating to tax deductions.

As Cary Group operates on several markets, the Group has to comply with a range of labour laws and other regulations with varying levels of employment protection. If negotiations on collective agreements with various trade unions break down or if an agreement is unable to be reached, this may have an adverse effect on Cary Group's business.

Cary Group risk environment

The table is a summary of main risks by category.

Risk area	Identified risks
Strategic risks	• Acquisitions and integration • Managing growth and expansion • Retaining key personnel
Operational risks	• Travel patterns • Oil prices • Environmental issues • IT risks
Financial risks	• Financing and liquidity risk • Interest rate risk • Currency risk
Sustainability risks	• Climate impact • Sustainable supply chain • Health and safety • Equality and diversity
Laws and compliance	• Changes in laws relating to vehicles • Taxes • Labour law

Corporate Governance Report

Corporate governance at Cary Group is based on Swedish legislation and good practice on the securities market. Cary Group applies the Swedish Code of Corporate Governance, the Code, complies with the Code and has not deviated from it in 2021.

Cary Group Holding AB is a Swedish public company with its registered office in Stockholm and is listed on Nasdaq Stockholm. The governance of the company is based on both internal and external regulations. The Board of Directors has drawn up and adopted a number of policy documents designed to establish guidelines for the company's operations. These provide guidance for the organisation and employees based on the values and principles that should characterise operations and conduct.

Governance structure at Cary Group

Shareholders through General Meeting

Highest decision-making body. Decisions on the adoption of the income statement and balance sheet, discharge from liability, appropriation of profit, Articles of Association, Board of Directors, auditor, remuneration of the Nomination Committee and remuneration policies for management (including remuneration report) as well as other important issues.

Auditor

Examines the company's annual report, accounts and administration

Audit Committee

Ensures financial reporting and internal control

Nomination Committee

Shareholder body that, among other things, nominates Board members and auditors and proposes their fees.

Board of Directors

Overall responsibility for the organisation and administration of the company. Appoints the CEO. Adopts strategies and goals. Handles and makes decisions on Group-level issues.

Remuneration Committee

Prepares matters relating to the remuneration and employment terms of the CEO and senior executives

CEO and management team

Responsible for the ongoing operations in accordance with the Board's guidelines and instructions. The CEO leads the work of the management team.

This corporate governance report aims primarily to describe the corporate governance of Cary Group Holding AB. The company's auditors have performed a statutory review of the corporate governance report.

More about Cary Group's corporate governance
Read more about Cary Group's corporate governance on our website under Corporate Governance:

- Articles of Association
- Nomination Committee
- The Board of Directors and its committees
- Management team
- Incentive scheme
- Auditor

SHAREHOLDERS AND GENERAL MEETINGS

Share capital and shareholders

Cary Group's shares have been listed on Nasdaq Stockholm since 23 September 2021. The number of shareholders as at 31 December 2021 was 3,006, according to Euroclear. The ten largest shareholders accounted for 81.95 percent of the votes and 81.95 percent of the capital. More information about Cary Group's share and shareholders can be found on pages 38–39. The share capital at year-end was SEK 706,335, divided between 131,848,996 shares.

General Meetings

The shareholders of Cary Group exercise their right to make decisions regarding the company's affairs at the Annual General Meeting, or where applicable at an Extraordinary General Meeting, which constitutes the highest decision-making body. A General Meeting is usually held once a year, the Annual General Meeting, and is convened in Stockholm before the end of May. Notice is issued through publication in Post- och Inrikes Tidningar and on Cary Group's website. The issuing of notice is advertised in Svenska Dagbladet. All AGM documents are published on Cary Group's website (www.carygroup.com) in Swedish and in English.

Each shareholder has the right to participate in the Annual General Meeting, either in person or through an authorised proxy. Each shareholder has the right to have a matter discussed at the meeting. Shareholders with at least one-tenth of the votes in Cary Group have the right to request an Extraordinary General Meeting. The Board of Directors and the company's auditors can also convene an Extraordinary General Meeting.

Shareholders wishing to have a matter discussed at an Annual General Meeting must submit a written request to the Board of Directors in such good time that the matter can be included in the notice convening the Annual General Meeting, usually around seven weeks before the Annual General Meeting.

A summary of the main decisions made by the Annual General Meeting is given in Cary Group's Articles of Association on the company's website.

Annual General Meeting 2021

Cary Group's Annual General Meeting 2021 took place on 2 June 2021 in Stockholm. All of the company's shareholders took part in the meeting, representing 100 percent of the company's votes and capital. Among other things, the Annual General Meeting resolved the following:

Significant external regulations

- Swedish Companies Act
- Accounting legislation and recommendations
- Nasdaq Stockholm's Rulebook for Issuers
- Swedish Code of Corporate Governance

Significant internal rules and documents

- Articles of Association
- Rules of procedure of the Board of Directors and Board committees
- Decision-making structure/authorisation instructions
- CEO instructions and reporting instructions
- Internal guidelines, policy documents and manuals that provide guidance for the Group's operations

- to adopt the income statement and balance sheet contained in the annual report.
- to appropriate the profit for the year in accordance with the proposal of the Board of Directors, meaning that the profit for the year was carried forward.
- to discharge the Board members and the CEO from liability for the 2020 financial year.
- to re-elect Joakim Andreasson and elect Magnus Lindquist, Leif Ryd, Ragnhild Wiborg, Juan Vargues and Magdalena Persson as Board members for the period until the next Annual General Meeting. Magnus Hammarström was relieved of his position as deputy board member.
- that a fee shall be paid in the amount of SEK 600,000 per year to the Chair of the Board and in the amount of SEK 300,000 per year to each of the other Board members. A fee shall be paid to the Chair of the Audit Committee in the amount of SEK 125,000 per year and to the members of the Audit Committee in the amount of SEK 60,000 per year. A fee shall be paid to the Chair of the Remuneration Committee in the amount of SEK 75,000 per year and to the members of the Remuneration Committee in the amount of SEK 50,000 per year. It was resolved that a fee shall be paid to the company's auditor at an amount according to a time and materials/approved basis in line with standard charging practices.
- the registered audit firm Ernst & Young AB (EY) was re-elected as auditor for the period up to and including the Annual General Meeting 2022, with Stefan Andersson-Berglund as Auditor in charge.
- the Annual General Meeting resolved to adopt new Articles of Association as proposed by the Board of Directors.

Extraordinary General Meeting on 1 July 2021

An Extraordinary General Meeting was held on 1 July 2021, which resolved the following:

- to carry out a bonus issue, increasing share capital by SEK 366,717.
- to adopt new Articles of Association changing the form of the company from private to public limited company, introducing a record date provision and changing the share capital limits.
- to authorise the Board of Directors, on one or more occasions during the period up to the next Annual General Meeting, to approve a new share issue and issue of warrants, with or without preferential rights for shareholders. The issue can be made for cash and/or with provision for non-cash issue or offsetting or for subscription to take place on other terms.

Extraordinary General Meeting on 13 August 2021

An Extraordinary General Meeting was held on 13 August 2021, which resolved the following:

- a division of the company's ordinary shares, or share split, with one (1) ordinary share being divided into seven hundred (700) ordinary shares. Following the share split, the number of ordinary shares was 93,333,100.
- to adopt new Articles of Association changing the company's name to Cary Group Holding AB.
- to adopt the proposed instructions for the Nomination Committee.
- to adopt the Board's proposed guidelines for remuneration of senior executives.
- to ratify the Board's election of Magnus Lindquist as Chair of the Board at the Board meeting of 3 June 2021. It was resolved that Magnus Lindquist shall continue to be the Chair of the Board of Directors of the company.

Extraordinary General Meeting on 22 September 2021

An Extraordinary General Meeting was held on 22 September 2021, which resolved the following:

- with the authorisation of the Extraordinary General Meeting held on 13 August 2021, to approve a targeted new share issue of a maximum of 17,857,142 ordinary shares.
- the reclassification of the company's class 1–10 preference shares to ordinary shares.
- to adopt new Articles of Association removing the preference share classes 1–10.
- in accordance with the proposal of the Board of Directors, to increase the company's equity through a non-cash issue of 13,888,294 shares and through an offset issue of 6,093,139 shares, giving an overall increase in the company's equity of SEK 1,398,701.

- The meeting resolved in favour of the Board's proposal for a targeted emission of a maximum of 2,351,122 warrants in series 2021/2024, increasing share capital, if fully exercised, by a maximum of SEK 12,595.32.

Extraordinary General Meeting on 7 December 2021

- At the Extraordinary General Meeting, Juan Vargues was elected new Chair of the Board in line with the proposal. The former Chair of the Board, Magnus Lindquist, continues as an ordinary Board member.

Nomination Committee

At the Extraordinary General Meeting of Cary Group held on 13 August 2021, an instruction on the composition and mandate of the Nomination Committee was adopted and shall apply until otherwise decided by the General Meeting. In advance of the General Meeting, the Nomination Committee shall consist of

(i) representatives of the three largest shareholders in terms of voting rights, according to the register of shareholders maintained by Euroclear Sweden AB, on the last banking day of August each year, and
(ii) the company's Chair of the Board, who shall convene the first meeting of the Nomination Committee.

The Nomination Committee shall fulfil the composition requirements specified in the Code. The first choice of a larger shareholder shall take precedence over that of a smaller shareholder if the larger shareholder is entitled to appoint members to the Nomination Committee and wishes to appoint persons in a way that fulfils the composition requirements of the Code. When a new member is to be appointed, the shareholder who is to appoint the new member shall take the existing composition of the Nomination Committee into account.

If one of the three largest shareholders waives the right to appoint a member to the Nomination Committee, the right shall pass to the next shareholder that is not already entitled to appoint a member to the Nomination Committee. This procedure shall only continue, however, until the earlier of the following:

(i) five further shareholders have been asked, or
(ii) the Nomination Committee is complete.

Principles for the appointment of the Nomination Committee and instructions for the Nomination Committee can be found on the company's website. The Nomination Committee comprises the following members:

- Andreas Näsvik, appointed by Nordic Capital, Chair of the Nomination Committee
- Patricia Hedelius, appointed by AMF
- Patrik Jönsson, appointed by SEB
- Juan Vargues, Chair of the Board of Directors of Cary Group

Together, the Nomination Committee represents 48.32 percent of the voting rights for all shares in the company. A summary of the tasks of the Nomination Committee can be found in Cary Group's Nomination Committee instructions on the company's website.

Work of the Nomination Committee ahead of the Annual General Meeting 2022

The Nomination Committee has held three meetings ahead of the Annual General Meeting 2022 and has maintained ongoing contact in the interim. In its work, the Nomination Committee has applied rule 4.1 of the Code as its diversity policy. The Nomination Committee believes that the proposed Board of Directors represents a well-balanced composition in terms of expertise and experience, as well as breadth and diversity of qualifications which together are complementary. The Nomination Committee also believes that the proposed Board members have sufficient time to perform their duties as Board members of Cary Group.

Independence

According to the Code, the majority of the Board members elected by the General Meeting must be independent of the company and its executive management. At least two of the Board members shall also be independent of the company's major shareholders. Cary Group's Board of Directors is deemed to fulfil the Code's independence requirements, as five of the Board members elected by the General Meeting are considered independent of the company and its executive management and of the company's major shareholders. All Board members elected by the General Meeting have been independent of the company, its executive management and the company's major shareholders in 2021, with the exception of Board member Joakim Andreasson, who is not independent of the company's major shareholders.

BOARD OF DIRECTORS

Composition of the Board of Directors

According to the Articles of Association, the Board of Directors of Cary Group shall consist of at least three and at most ten members and no more than five deputies elected by the Annual General Meeting. The Board of Directors is appointed by the shareholders at each Annual General Meeting. The mandate period is therefore one year.

Cary Group's Board of Directors consists of six members elected by the Annual General Meeting. At the Extraordinary General Meeting held on 2 June, Ragnhild Wiborg, Magdalena Persson and Juan Vargues were elected Board members. Joakim Andreasson and Leif Ryd were already members of the Board and Magnus Lindqvist was the Chair. At an Extraordinary General Meeting on 7 December 2021, Juan Vargues was elected Chair, as the company's former Chair, Magnus Lindquist, chose to leave the post of Chair and become an ordinary Board member. The composition of the Board of Directors is shown on pages 77–78.

Responsibilities and duties of the Board of Directors

The Board of Directors has overall responsibility for Cary Group's organisation and administration in the interests of both the company and its shareholders. It is therefore responsible for the organisation, management and guidelines having the appropriate structure. The Board of Directors is also responsible for the company being organised in such a way as to ensure appropriate internal control and appropriate systems for monitoring the business and its risks and for compliance with laws, regulations and internal guidelines. The Board of Directors is additionally responsible for the development and monitoring of the company's strategies through plans and targets, decisions on acquisitions and divestments of operations, major investments, appointments and remuneration of members of the management and ongoing monitoring throughout the year. The Board of Directors adopts the budget and the annual accounts. The principal task of the Chair of the Board is to lead the work of the Board and to ensure that the Board members perform their respective duties.

The work of the Board of Directors follows the rules of procedure adopted for the delegation of work between the Board, the CEO, the Board committees and within the Board, as well as the instructions for financial reporting. The Board's rules of procedure contain separate CEO instructions.

Composition of the Board of Directors

					Meeting attendance in 2021		
	Year elected	Independent of the company	Independent of major shareholders	Total fee, SEK thousand	Remuneration Committee	Audit Committee	Board meetings
Juan Vargues, Chair[1]	2021	Yes	Yes	150	-	-	14/15
Joakim Andreasson	2017	Yes	No[4]	180	-	7/7	18/18
Magnus Lindquist[2]	2021	Yes	Yes	338	6/6	-	18/18
Magdalena Persson[3]	2021	Yes	Yes	175	6/6	-	14/15
Leif Ryd	2021	Yes	Yes	150	-	-	18/18
Ragnhild Wiborg[3]	2021	Yes	Yes	213	-	7/7	14/15

1) Chair from 7 December 2021. Board member from 2 June 2021.
2) Chair up to and including 7 December 2021, Board member from 7 December 2021.
3) Board member from 2 June 2021.
4) Considered not to be independent of one of the largest shareholders, Nordic Capital.

Work of the Board of Directors in 2021

There were 18 Board meetings held in 2021, of which nine were ordinary meetings, one was the inaugural meeting and eight were extraordinary Board meetings. The Board of Directors has a regular structure with specific main elements. Documentation containing information and a basis for decision-making ahead of the Board meetings is generally sent out around one week before each meeting. Cary Group's CFO is the Board's minute-taker.

At all meetings, information is presented about the company's financial position and significant events affecting the company's operations. Matters discussed during the year include Cary Group's listing, acquisition strategy and specific acquisitions, sustainability strategy and the company's general strategy. Senior executives of Cary Group have attended Board meetings and reported on specific issues.

Evaluation of the Board's work

The Board of Directors undergoes systematic evaluation once a year, where the Board members are given the opportunity to provide their views on working methods, Board material, their own efforts and those of other Board members, in order to develop the work of the Board and to provide the Nomination Committee with a relevant basis for decision-making ahead of the Annual General Meeting. The evaluation for 2021 was carried out internally through the Board members completing a questionnaire anonymously. The results of the evaluation have been presented to the Chair of the Board and subsequently discussed by the Board of Directors. The evaluation shows that the work of the Board has functioned well.

Board committees

The Board of Directors has a full overview of and responsibility for all matters on which the Board is to make decisions. However, work has also been carried out in two committees appointed by the Board of Directors: the Remuneration Committee and the Audit Committee.

Remuneration Committee

The Remuneration Committee consists of at least two representatives of the Board of Directors. The main tasks of the committee are to prepare decisions on matters relating to remuneration policies; remuneration and other terms of employment for the company management; to monitor and assess variable remuneration schemes for the company management that are ongoing or have ended during the year; to monitor and assess the application of the guidelines for remuneration of senior executives on which the Annual General Meeting must decide by law, as well as current remuneration structures and remuneration levels at the company.

The remuneration of the CEO is decided by the Board of Directors, in accordance with the remuneration guidelines adopted by the General Meeting. Remuneration for other senior executives is decided by the CEO in consultation with the Chair of the Remuneration Committee, within the parameters adopted by the Board of Directors and the Annual General Meeting.

Since the Annual General Meeting 2021, the Remuneration Committee has consisted of Magnus Lindquist and Magdalena Persson. The committee has held six meetings during 2021 and has maintained ongoing contact in the interim. The Board of Directors has received the minutes from the meetings. The Remuneration Committee provides oral reports to the Board of Directors on an ongoing basis and submits proposals on matters that require the decision of the Board of Directors. In 2021, the Remuneration Committee performed a thorough assessment of Cary Group's remuneration structures and incentive systems. This has resulted in the remuneration guidelines being reviewed and in a long-term incentive scheme for senior executives being discussed.

Audit Committee

The Audit Committee consists of at least two representatives of the Board of Directors and its tasks include, prior to a decision by the Board of Directors, preparing the work of the Board on the quality assurance of the company's financial reporting, monitoring and submitting recommendations and proposals to ensure the reliability of reporting with regard to matters such as the effectiveness of the company's internal control and risk management, supporting the Nomination Committee in procuring audit services and preparing the election and remuneration of auditors, examining the scope and focus of the audit assignment, preparing questions about the audit, evaluating audit measures, establishing guidelines for the procurement of permitted services other than auditing from the company's auditor and where appropriate approving such services in accordance with the guidelines, monitoring and examining the application of current accounting policies and the introduction of new accounting policies as well as other reporting requirements set out by law, good accounting practice, current stock exchange rules or otherwise.

The company's Auditor in charge and representatives of the audit firm are called to the majority of the Audit Committee's meetings. Senior executives are called to meetings where appropriate. The committee consists of Board members Ragnhild Wiborg, as Chair, and Joakim Andreasson.

The Audit Committee held seven meetings during 2021 and the Board of Directors receives the minutes from the meetings on an ongoing basis. The auditors have been present at all Audit Committee meetings.

Remuneration of Board members

The Annual General Meeting 2021 resolved that remuneration is to be paid to the ordinary Board members in the amount of SEK 300,000 per member per year. Remuneration is to be paid to the Chair of the Board in the amount of SEK 600,000 per year. It was also decided to pay SEK 125,000 per year to the Chair of the Audit Committee and SEK 60,000 per year to the other members of the committee. It was decided to pay SEK 75,000 per year to the Chair of the Remuneration Committee and SEK 50,000 per year to the other members of the committee.

Auditor

Cary Group's auditors are elected at the Annual General Meeting. At the Annual General Meeting 2021, Ernst & Young AB (EY), with Authorised Public Accountant Stefan Andersson-Berglund as Auditor in charge, was elected for the period up to and including the Annual General Meeting 2022. Cary Group's Articles of Association do not specify a mandate period for the auditor. This means that Cary Group's auditor is elected annually at the Annual General Meeting in accordance with the Swedish Companies Act.

Auditor's fees

The fee paid to the audit firm for 2021 (including the fee for consultancy services) is reported in note 5 in the annual report.

CEO and Group management

The CEO is appointed by the Board of Directors and is responsible, together with the Group management, for the day-to-day management of Cary Group in accordance with the instructions of the Board. The CEO provides the Board of Directors with continuous updates on the business and ensures that it receives the information it needs to make well-considered decisions.

In 2021, the Group management consisted of CEO Anders Jensen and a further six people: Linda Wikström, COO and Deputy CEO; Joakim Rasiwala, CFO; Maria Dillner, Director HR; Helene Gustafsson, Head of IR & Corporate Communication; Daniel Mukka, IT Director; and Mats Green, Regional Manager Nordics. Information about the CEO and Group management is provided on pages 80-81 of the annual report. The Group management holds regular operational reviews led by the CEO, often in connection with visits to the Group's various units.

Remuneration of senior executives

Guidelines for the remuneration of senior executives were adopted by the Annual General Meeting 2021. More information about fixed and variable remuneration is provided in note 6 and the remuneration guidelines can be found on Cary Group's website.

INTERNAL CONTROL

Cary Group has established an internal control procedure that aims to ensure an effective organisation that achieves the goals set by the Board. This procedure involves work to ensure that Cary Group's business is operated properly and effectively, that laws and regulations are complied with and that financial reporting is accurate and reliable and in accordance with applicable laws and regulations.

Risk assessment
Cary Group has established a risk assessment procedure whereby the company performs a risk analysis and risk assessment annually. Risks are identified and classified into the following four categories:
- strategic risks
- operational risks
- sustainability risks
- compliance risks
- financial risks.

The aim of the risk analysis for Cary Group is to identify the greatest risks that may prevent the company from achieving its goals or pursuing its strategy. It also aims to evaluate these risks based on the likelihood of them occurring in the future and the extent to which the risks could affect Cary Group's goals should they occur.

Each individual risk has a risk owner. This risk owner has a mandate and is responsible for ensuring that measures and controls are drawn up and implemented. The risk owner is also responsible for monitoring, following up and reporting changes in Cary Group's risk exposure in relation to identified risks. The company's CFO reports annually on identified risks to the Audit Committee and the Board of Directors.

Control activities
Control activities within Cary Group are designed to mitigate the identified risks in order to ensure accurate and reliable financial reporting as well as efficient processes. These control activities include detailed controls designed to prevent, identify and correct errors and other deviations. The control activities are important tools that enable the Board of Directors to manage and evaluate information from the senior executives as well as to take responsibility for identified risks. Cary Group focuses on documenting and evaluating the greatest risks in relation to financial reporting in order to ensure that Cary Group's reporting is accurate and reliable. In connection with the company's listing on Nasdaq Stockholm, a review of all of the company's processes was performed along with a summary of the company's risks, together with all process owners in the organisation. To ensure effective internal control, continuous follow-ups and reviews of the control environment are carried out, based on the company's high growth rate and the current market situation. Reporting to the Group management and the Audit Committee takes place quarterly.

Monitoring and follow-up
A self-assessment of the effectiveness of internal control is to be performed annually by process owners throughout the organisation. The company's CFO is responsible for presenting the results to the Audit Committee and the Board of Directors.

Internal audit
The Board of Directors annually reviews whether there is a need to establish an internal audit function. It is the Board's assessment that, given the size and complexity of the Group, there is no need for such a function within the context of current operations. Employees in Cary Group's finance department regularly monitor compliance with the systems for governance and internal control developed by the company.

The Board's control of financial reporting
The Board of Directors monitors the quality of financial reporting through instructions relating to this and through instructions to the CEO. It is the duty of the CEO, together with the CFO, to examine and ensure the quality of all external financial reporting, including year-end reports, interim reports, annual reports, press releases with financial content and presentation material in connection with meetings with the media, shareholders and financial institutions.

The Audit Committee helps to ensure accurate, high-quality financial reporting that is ultimately approved by the Board of Directors and published. The Board receives monthly financial reports and the financial situation of the company and the Group is discussed at every Board meeting. The Board also discusses interim reports and the annual report.

To meet the Board's information needs, the company's auditors, in addition to reporting to the Audit Committee, also report to the Board of Directors every year on their observations from the audit review and the assessment of the company's internal control.

Board of Directors

JUAN VARGUES

Born 1959
Position: Chair of the Board of Directors (since 2021).
Nationality: Swedish and Spanish.
Education: Executive Master of Business Administration from Lund University (EFL). Studies in business management at the International Institute for Management Development (IMD) in Lausanne. Studies in business administration at the University of Barcelona. Engineering studies at the Upper Technical School of Agricultural Engineers (ETS) of Madrid.
Current engagements: Board member of Munters Group AB. Group President and CEO of Dometic Group AB.
Previous engagements/experience: Deputy CEO of ASSA ABLOY Group. President of ASSA ABLOY Entrance Systems. Group President and CEO of Besam Group.
Shareholding in the company: 182,162 shares.
Independent of Cary Group and its executive management and of the company's major shareholders.

JOAKIM ANDREASSON

Born 1982
Position: Board member (since 2017).
Nationality: Swedish.
Education: Master of Science in Economics from the Stockholm School of Economics and Lund University.
Current engagements: Principal at NC Advisory AB and Nordic Capital Investment Advisory AB. Board member of Consilium Safety TopCo AB and KSG Holding AB.
Previous engagements/experience: Board member of Handicare Group AB.
Shareholding in the company: 0
Independent of Cary Group and its executive management.

MAGNUS LINDQUIST

Born 1963
Position: Board member (since 2021).
Nationality: Swedish.
Education: Studies in marketing and finance at Stockholm School of Economics.
Current engagements: Managing Partner at Cordet. Chair of the Board of Munters Group AB. Board member of Trust Payments Ltd.
Previous engagements/experience: More than 20 years of experience in senior positions at global industrial companies, principally as Group Vice President at Autoliv Inc. and Perstorp AB. Many years of experience as a Senior Partner at Triton Advisers (Nordic) AB. Chair of the Board of Norma AS, Ambea AB, Alimak Hek Group Ltd. and Polygon AB. Board member of Bravida Holding AB, Mycronic AB, Ovako AB and Trust Payments Ltd.
Shareholding in the company: 2,359,329 shares.
Independent of Cary Group, its executive management and the company's major shareholders.

Shareholding as at 31 December 2021

MAGDALENA PERSSON

Born 1971
Position: Board member (since 2021).
Nationality: Swedish.
Education: Licentiate of Science in Business and Economics from Linköping University and Master of Business Administration from Linköping University.
Current engagements: Board member of Intrum AB, NCAB Group AB and Recover Nordic A/S. Partner and Board member at Myrtel Management AB. Industrial Advisor to EQT Partners AB. Board member of Qarlbo AB.
Previous engagements/experience: Chair of the Board of Affecto Plc, Chair of the Board of Iver Holding AB and Nexon Asia Pacific Plc. Board member of Fortnox AB. CEO of Interflora AB.
Shareholding in the company: 69,993 shares.
Independent of Cary Group and its executive management and of the company's major shareholders.

LEIF RYD

Born 1941
Position: Board member (since 2021).
Nationality: Swedish.
Education: Master of Philosophy from Stockholm University.
Current engagements: Board member of Araslöv Invest AB, Dörrakuten i Stockholm AB, PZA Sverige AB, Nybergs Sweden AB, Fönsterrenovering Syd AB, and LR Capital AB. Chair of the Board of Norretull Fastigheter AB.
Previous engagements/experience: –
Shareholding in the company: 0
Independent of Cary Group, its executive management and the company's major shareholders.

RAGNHILD WIBORG

Born 1961
Position: Board member (since 2021).
Nationality: Swedish.
Education: Master of Science in Business and Economics from Stockholm School of Economics. Master's studies at Fundação Getulio Vargas.
Current engagements: Board member and chair of the audit committee of Intrum AB (publ). Chair of the Board of EAM Solar AS and Papershell AB. Chair and member of the audit committee of Bank Norwegian ASA and Board member of Rana Gruber AS. Board member of EWS Stiftelsen and Kistefos AB.
Previous engagements/experience: Board member and chair of the audit committee of REC Silicon ASA. Chair and member of the audit committee of Gränges AB, Sbanken ASA and Borregaard ASA. Co-founder and CIO of Odin Fund Management.
Shareholding in the company: 69,993 shares.
Independent of Cary Group and its executive management and of the company's major shareholders.

Shareholding as at 31 December 2021

Group management

ANDERS JENSEN

Born 1977
Position: CEO.
Nationality: Swedish.
Education: Studies in Marketing at IHM Business School.
Current engagements: Member of the Board of Jensen of Stockholm AB. Deputy member of the Board of Nicklas Kulti Aktiebolag and Förvaltnings AB Sigrum 15.
Previous engagements/ experience: CEO of Ryds Bilglas. Founder, Chair of the Board and owner of Samglas AB.
Shareholding in the company: 4,747,404 shares and 338,074 warrants.

MARIA DILLNER

Born 1978
Position: Director HR.
Nationality: Swedish.
Education: Master of Science in Psychology from Gothenburg University.
Current engagements: –
Previous engagements/ experience: HR Director at Veolia Nordic AB. Head of HR and Business Development at Jernhuset AB. HR Manager at Bring Citymail AB.
Shareholding in the company: 27,531 shares and 169,037 warrants.

MIA EJENDAL

Born 1980
Position: COO, appointed 2022.
Nationality: Swedish.
Education: Master of Laws specialising in international trade law from Stockholm University and University of Hong Kong.
Current engagements: Founding Director of Twopresents Limited, Board member of Ludwig Boltzmann Institute for Digital Health and Prevention.
Previous engagements/ experience: 10 years of experience from management consulting at McKinsey&Co and OPX Partners, including strategy, transformation programmes and operational excellence. Four years of experience from driving transformation at Karolinska University Hospital (PMO and advisor to CEO).
Shareholding in the company: 0 shares and 0 warrants.

MATS GREEN

Born 1967
Position: Regional Manager Nordics.
Nationality: Swedish.
Education: Higher Market Economist from Berghs School of Communication.
Current engagements: Board member of Sällskapet Skärgårdsbröderna and 1Ekonom AB.
Previous engagements/ experience: Commercial Manager at NSG Pilkington Automotive Sweden.
Shareholding in the company: 214,551 shares and 169,037 warrants.

Shareholding as at 31 December 2021

HELENE GUSTAFSSON

Born 1982
Position: Director IR & Corporate Communication.
Nationality: Swedish.
Education: Bachelor of Science
in Business and Economics from Lund University.
Current engagements: –
Previous engagements/ experience: Head of IR & Press at Ratos AB (publ) as well as Investor Relations Sandvik and Client Relations Manager Principal Global Investors.
Shareholding in the company: 0 shares and 149,675 warrants.

DANIEL MUKKA

Born 1981
Position: Director Digitalization.
Nationality: Swedish.
Education: Bachelor of Science
in Informatics from Växjö University.
Current engagements: –
Previous engagements/ experience: Head of Technical IT at SOS Alarm Sverige AB, CISO & Head of IT Operations at Clas Ohlson AB, Head of IT Architecture & Security at Scandic Hotels Group AB.
Shareholding in the company: 39,977 shares and 28,922 warrants.

JOAKIM RASIWALA

Born 1970
Position: CFO.
Nationality: Swedish.
Education: Master of Science in Finance and Economics from Stockholm School of Economics.
Current engagements: –
Previous engagements/ experience: Corporate Finance Consultant at UBS and SEB Enskilda. CFO at Lexington Company AB and Allianceplus AB.
Shareholding in the company: 984,939 shares and 169,037 warrants.

LINDA WIKSTRÖM

Born 1975
Position: COO, on parental leave.
Nationality: Swedish.
Education: Master of Science in Mechanical Engineering from the University of Colorado.
Current engagements: Member of the Board of Consilium Marine & Safety AB.
Previous engagements/ experience: COO at AniCura TC AB and Desenio AB. More than 10 years of experience in strategy and finance from Private Equity (Triton) and Investment Banking (JP Morgan).
Shareholding in the company: 498,225 shares and 169,037 warrants.

Shareholding as at 31 December 2021

Consolidated income statement

SEK thousands	Note	2021	2020
Net revenues	4	2,128,492	1,650,774
Other income	31	12,956	–
Total income		**2,141,448**	**1,650,774**
Cost of sales	12	-743,657	-585,180
Other external expenses	5	-374,818	-216,357
Personnel expenses	6	-678,684	-506,423
Amortization, depreciation and impairment of tangible and intangible assets	9, 10	-172,322	-129,032
Other operating expenses		-1,276	-2,808
Operating expenses		**-1,970,757**	**-1,439,800**
Operating profit		**170,691**	**210,974**
Financial income	7	17,905	42
Financial expenses	7	-149,326	-139,054
Net financial items		**-131,421**	**-139,012**
Profit before tax		**39,270**	**71,962**
Income tax	8	-9,950	-23,555
Profit for the year		**29,320**	**48,407**
Attributable to:			
Shareholders of the parent company		24,428	45,697
Non-controlling interests		4,892	2,710
Profit for the year		**29,320**	**48,407**
Basic earnings per share, SEK	24	0.21	0.45
Diluted earnings per share, SEK	24	0.21	0.45

Consolidated statement of comprehensive income

SEK thousands	Note	2021	2020
Profit for the year		**29,320**	**48,407**
Other comprehensive income			
Items that may be reclassified to profit/loss (net after tax)			
Translation differences on foreign operations		3,208	-9,553
Items that will not be reclassified to profit/loss (net after tax)			
Remeasurements of net pension obligation	6	-1,057	-2,936
Other comprehensive income		**2,151**	**-12,489**
Total comprehensive income		**31,471**	**35,918**
Attributable to:			
Shareholders of the parent company		25,003	34,815
Non-controlling interests		6,468	1,103
Total comprehensive income		**31,471**	**35,918**

Consolidated balance sheet

SEK thousands	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Goodwill	9	1,982,010	1,632,122
Other intangible assets	9	279,843	76,976
Tangible assets	10	91,106	69,797
Right-of-use assets	11	410,428	309,273
Financial assets	15	3,069	542
Deferred tax assets	8	21,617	2,447
Total non-current assets		**2,788,073**	**2,091,157**
Current assets			
Inventories	12	94,713	49,267
Trade receivables	13, 27	252,724	161,390
Current tax receivables		12,357	–
Other receivables	14, 27	24,541	24,417
Financial assets		14	–
Prepaid expenses and accrued income	16	98,492	62,741
Cash and cash equivalents	17	145,798	95,711
Total current assets		**628,639**	**393,526**
TOTAL ASSETS		**3,416,712**	**2,484,683**

SEK thousands	Note	31 Dec 2021	31 Dec 2020
EQUITY AND LIABILITIES			
EQUITY	18		
Share capital		706	133
Other paid-in capital		1,866,646	208,756
Translation reserve		-2,455	-4,073
Retained earnings		-307,445	-315,777
Equity attributable to shareholders of the parent company		**1,557,452**	**-110,961**
Non-controlling interests	29	3,618	4,762
TOTAL EQUITY		**1,561,070**	**-106,199**
LIABILITIES			
Non-current liabilities			
Borrowings	19, 22, 27	908,531	1,941,567
Lease liabilities	11, 22, 27	308,983	226,504
Provisions	20	–	4,809
Deferred tax liabilities	8	99,820	42,331
Other non-current liabilities	15	29,168	–
Total non-current liabilities		**1,346,502**	**2,215,211**
Current liabilities			
Trade payables	27	171,412	126,176
Current tax liabilities		11,725	24,175
Borrowings	19	11,236	–
Lease liabilities	11, 22	110,337	82,199
Other current liabilities		78,550	44,707
Accrued expenses and prepaid income	21	125,880	98,414
Total current liabilities		**509,140**	**375,671**
TOTAL EQUITY AND LIABILITIES		**3,416,712**	**2,484,683**

Consolidated statement of changes in equity

SEK thousands	Share capital	Other paid-in capital	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Equity attributable to shareholders of the parent company						
Opening balance, 1 January 2021	**133**	**208,756**	**-4,073**	**-315,777**	**-110,961**	**4,762**	**-106,199**
Profit for the year				24,428	24,428	4,892	29,320
Other comprehensive income			1,618	-1,043	575	1,576	2,151
Total comprehensive income for the year	**–**	**–**	**1,618**	**23,385**	**25,003**	**6,468**	**31,471**
Transactions with owners							
New share issue	96	1,249,904			1,250,000		1,250,000
Offset issue	33	426,487			426,520		426,520
Bonus issue	370			-370	–		–
Share exchange in connection with listing	74	1,538			1,612	-1,612	–
Transaction costs in connection with new share issue, net after tax		-39,317			-39,317		-39,317
Share-based payments		19,278			19,278		19,278
Transactions with non-controlling interests				-14,683	-14,683	-3,831	-18,514
Dividends					–	-2,169	-2,169
Total transactions with owners	**573**	**1,657,890**	**–**	**-15,053**	**1,643,410**	**-7,612**	**1,635,798**
Closing balance, 31 December 2021	**706**	**1,866,646**	**-2,455**	**-307,445**	**1,557,452**	**3,618**	**1,561,070**

SEK thousands	Share capital	Other paid-in capital	Translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Equity attributable to shareholders of the parent company						
Opening balance, 1 January 2020	**133**	**208,756**	**4,264**	**-356,794**	**-143,641**	**5,140**	**-138,501**
Profit for the year				45,697	45,697	2,710	48,407
Other comprehensive income			-8,337	-2,546	-10,883	-1,606	-12,489
Total comprehensive income for the year	**–**	**–**	**-8,337**	**43,151**	**34,814**	**1,103**	**35,918**
Transactions with owners							
New share issue	–	–	–	–	–	5,530	5,530
Transactions with non-controlling interests	–	–	–	-2,134	-2,134	-5,511	-7,645
Dividends	–	–	–	-	–	-1,500	-1,500
Total transactions with owners	**–**	**–**	**–**	**-2,134**	**-2,134**	**-1,481**	**-3,615**
Closing balance, 31 December 2020	**133**	**208,756**	**-4,073**	**-315,777**	**-110,961**	**4,762**	**-106,199**

Consolidated statement of cash flows

SEK thousands	Note	2021	2020
Profit before tax		39,270	71,962
- depreciation, amortization and impairment		172,322	129,032
- unrealized foreign exchange differences		13,818	28,483
- other items		64,159	29,954
Income taxes paid		-67,116	-55,894
Cash flow before changes in working capital		**222,453**	**203,537**
-inventories		-7,757	2,465
-other operating receivables		-2,011	73,358
-other operating liabilities		-38,030	-74,297
Cash flow from changes in working capital		**-47,798**	**1,526**
Cash flows from operating activities		**174,655**	**205,063**
Acquisition of subsidiaries	26	-528,168	-139,988
Investments in tangible assets	10	-21,451	-18,649
Investments in intangible assets	9	-4,056	-8,082
Sale of tangible assets	10	–	11,087
Cash flow from investing activities		**-553,675**	**-155,632**
Borrowings	22	1,392,307	61,690
Paid borrowing costs	22	–	-10,500
Amortization of borrowings	22	-2,097,473	–
Amortization of lease liabilities	11	-94,254	-70,869
New share issue		1,209,375	5,530
Long-term incentive program		19,279	–
Dividends paid		–	-1,500
Transactions with non-controlling interests		-5,531	400
Cash flow from financing activities		**423,703**	**-15,249**
Cash flow for the year		**44,683**	**34,182**
Cash and cash equivalents at the beginning of the year		95,711	59,783
Cash flow for the year		44,682	34,182
Exchange rate difference in cash and cash equivalents		5,405	1,746
Cash and cash equivalents at the end of the year		**145,798**	**95,711**
Interest received		1,238	136
Interest paid		-79,143	-71,846

Parent company income statement

SEK thousands	Note	2021	2020
Net revenues		3,054	–
Operating expenses			
Other external expenses		-91,353	-2
Personnel expenses	P2	-7,538	–
Total operating expenses		**-98,891**	**-2**
Operating profit		**-95,837**	**-2**
Result from financial items			
Result from participations in Group companies	P3	9,677	23,623
Financial income and expenses	P4	-23,164	-29,954
Net financial items		**-13,487**	**-6,331**
Appropriations	P5	186,001	–
Profit before tax		**76,676**	**-6,333**
Income tax	P6	-14,813	–
Profit for the year		**61,863**	**-6,333**

Parent company statement of comprehensive income

SEK thousands	2021	2020
Profit for the year	61,863	-6,333
Other comprehensive income	–	–
Total comprehensive income	**61,863**	**-6,333**

Parent company balance sheet

SEK thousands	Note	31 Dec 2021	31 Dec 2020
ASSETS			
Non-current assets			
Intangible assets	P7	426	–
Financial assets			
Participations in Group companies	P8	1,679,655	703,459
Long-term receivables from Group companies		2,091,396	–
Total non-current assets		**3,771,477**	**703,459**
Current assets			
Receivables from Group companies		214,845	–
Other receivables	P9	19,144	–
Prepaid expenses and accrued income		2,029	–
Cash and cash equivalents		6	30,854
Total current assets		**236,025**	**30,854**
TOTAL ASSETS		**4,007,502**	**734,313**
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity			
Share capital		706	133
Total restricted equity		**706**	**133**
Non-restricted equity			
Share premium fund		2,807,304	158,806
Retained earnings		151,622	178,364
Profit for the year		61,863	-6,333
Total non-restricted equity		**3,020,789**	**330,837**
TOTAL EQUITY		**3,021,495**	**330,970**
Untaxed reserves	P10	**7,464**	–
LIABILITIES			
Non-current liabilities			
Borrowings	P11	899,288	403,318
Total non-current liabilities		**899,288**	**403,318**
Current liabilities			
Trade payables		1,608	–
Liabilities to Group companies		58,639	–
Current tax liabilities		4,613	–
Other liabilities		1,499	25
Accrued expenses and prepaid income	P12	12,896	–
Total current liabilities		**79,255**	**25**
TOTAL EQUITY AND LIABILITIES		**4,007,502**	**734,313**

Parent company statement of changes in equity

SEK thousands	Restricted equity	Unrestricted equity			
	Share capital	Share premium fund	Retained earnings	Profit/loss for the year	Total equity
Opening balance, 1 January 2021	**133**	**158,806**	**172,031**		**330,970**
Profit for the year				61,863	**61,863**
Total comprehensive income for the year	**–**	**–**	**–**	**61,863**	**61,863**
Transactions with owners					
New share issue	96	1,249,904			1,250,000
Offset issue	33	426,487			426,520
Bonus issue	370		-370		–
Non-cash issue	74	972,107			972,181
Transaction costs in connection with new share issue, net after tax			-39,317		-39,317
Share-based payments			19,278		19,278
Total transactions with owners	573	2,648,498	-20,409	–	2,628,662
Closing balance, 31 December 2021	**706**	**2,807,304**	**151,622**	**61,863**	**3,021,495**

SEK thousands	Restricted equity	Unrestricted equity			
	Share capital	Share premium fund	Retained earnings	Profit/loss for the year	Total equity
Opening balance, 1 January 2021	**133**	**158,806**	**178,364**	–	**337 303**
Profit for the year				-6,333	-6,333
Total comprehensive income for the year	**–**	**–**	**–**	**-6,333**	**-6,333**
Transactions with owners					
Total transactions with owners	–	–	–	–	–
Closing balance, 31 December 2021	**133**	**158,806**	**178,364**	**-6,333**	**330,970**

Parent company cash flow statement

SEK thousands	Note	2021	2020
Cash flows from operating activities			
Profit before tax		76,676	-6,333
Adjustments of non-cash items:			
-other items		19,765	29,954
Cash flow before changes in working capital		**96,441**	**23,621**
Changes in working capital			
-operating receivables		-236,019	–
-operating liabilities		51,941	25
Cash flow from changes in working capital		**-184,077**	**25**
Net cash flow from operating activities		**-87,636**	**23,646**
Cash flows from investing activities			
Investments in tangible assets		-426	–
Acquisition of subsidiaries		-4,407	-25,133
Divestment of subsidiaries		10,069	7,415
Net cash flow from investing activities		**5,237**	**-17,718**
Cash flows from financing activities			
Borrowings		893,529	–
Borrowings to subsidiaries		-2,088,464	-
New share issue		1,209,375	-
Long term incentive program		19,277	-
Changes in liabilities subsidiaries regarding overdraft facility		17,834	-
Net cash flow from financing activities		**51,551**	**–**
Cash flow for the year		**-30,848**	**5,928**
Cash and cash equivalents at the beginning of the year		30,854	24,926
Cash flow for the year		-30,848	5,928
Cash and cash equivalents at the end of the year		**6**	**30,854**

Group notes

NOTE 1 GENERAL INFORMATION

These financial statements are consolidated financial statements for the group consisting of Cary Group Holding AB (publ), corporate no. 559040-9388, and its subsidiaries. A list of the subsidiaries is included in Note 25.

Cary Group Holding AB (publ) (the “Company” or the “Parent”) is a limited company incorporated and domiciled in Sweden. The Company’s registered office is located at Hammarby Kaj 10D, Stockholm, Sweden. The Cary Group shares are listed at Nasdaq Stockholm since 23 September 2021.

Cary Group Holding AB (publ) and its subsidiaries (together, the “Group”, “Cary”) offers car care solutions, specializing in vehicle glass repair and replacement.

The financial reports were adopted for publication by the Board of Directors on 11 April 2022.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

The accounting policies set out below have been applied to all periods presented in the consolidated financial statements. All amounts, unless otherwise noted, are in SEK thousands.

Basis of preparation

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, International Financial Reporting Standards (IFRS) adopted by the EU and RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board. The parent company applies the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. In cases where the parent company applies other accounting policies than those of the Group, this is indicated in the section “Parent company accounting policies”. The differences arising between the policies of the parent company and those of the Group are the result of limitations to the ability to apply IFRS at the parent company owing to the provisions of the Swedish Annual Accounts Act and in some cases are for tax reasons.

The preparation of consolidated financial statements in accordance with IFRS include using some important estimates for accounting purposes. This also requires management to make judgements using accounting policies. Information on areas including a higher degree of assessment or complexity, or areas where assumptions and estimates are essential for consolidated statements, is found in Note 3. Consolidation is done using the acquisition value method, with exception for some financial liabilities and assets relation to defined benefit pension plans, which have been valued at real value.

Basis of consolidation

Subsidiaries are all companies over which the Group has control. The Group has control over a company when it is exposed to or has a right to variable returns from its participation in the company and has the possibility to influence the return through its participation in the company. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for all business combinations. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are expensed as incurred.

Goodwill is initially measured as the amount by which the total consideration and any fair value for non-controlling interests on the acquisition date exceeds the fair value of identifiable acquired net assets. If the total consideration is lower than the fair value of the acquired company’s net assets, the difference is reported directly in profit or loss as other income.

Intercompany transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognized in assets are also eliminated.

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect the relative interests in the subsidiary.

New standards and interpretations not yet applied

A number of new standards and interpretations are effective for financial years beginning after 1 January 2022 and these have not been applied early in the preparation of these financial statements. These new standards and interpretations are not expected to have a material impact on the consolidated financial statements. Changes to IFRS 9 Financial Instruments and IAS 7 Financial Instruments: Disclosures (IBOR reform): The migration of interest rates from interbank rates (IBOR) to alternative reference rates is not considered to have any material effect, particularly as the Group does not have any hedges.

New and amended accounting policies that come into effect after the end of the financial year

New published amendments and interpretations of existing accounting standards that have not yet come into effect have not been applied early and are not expected to have any material effect on the company’s financial reports.

Segment reporting

The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The CEO is the chief operating decision maker and evaluates financial position and performance and makes strategic decisions. The CEO monitors the Group’s performance from a geographic perspective through the reportable segments Nordics and Rest of Europe with Regional Managers for each segment who reports to the CEO. There is no difference in services or products offered between the segments. No operating segments have been aggregated to form the reportable segments. The CEO primarily uses a measure of adjusted EBITA in order to assess the performance of the operating segments.

Foreign currency translation

Functional currency and presentation currency

The entities in the Group have the local currency as their functional currency, as the local currency has been identified as the currency used in the primary economic environment in which each entity operates. The Group’s presentation currency is Swedish Krona (SEK), which is the functional and presentation currency of the Parent.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate as of the transaction date. Foreign exchange gains and losses are recognized in profit or loss if they derive from the translation of monetary assets and liabilities denominated in foreign currencies based on year end rates.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss as financial expenses. All other foreign exchange gains and losses are presented on a net basis in the statement of profit or loss within other operating income/expenses.

Translation of foreign group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.

Goodwill and other fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Revenue recognition

The Group's principles for recognition of revenue from customer contracts are presented below.

i) Repair services

The Group's revenue is primarily generated through delivering repair services such as vehicle glass repair and replacement to customers. Revenue is measured based on the consideration specified in a contract with a customer. Revenue from providing services is recognized in the accounting period in which the services are rendered. Normally a repair service would not be ongoing for longer than overnight and thus no material performance obligations would be entered but not satisfied at the end of any reporting period. Some contracts may include multiple distinct obligations, but as the services are rendered simultaneously, this has no impact on the accounting as a whole.

While repair services are performed in accordance with a pre-agreed price list, the Group needs to consider the effects of variable consideration, which includes retroactive discounts. This retroactive component means that the price of a service rendered on the day is subject to a discount based on future purchases made by that customer during a measurement period (normally one year). As such, variable consideration is recorded as a reduction to revenue based on management's estimate of the final discount. In this, a critical judgement is required by management and it takes a prudent approach in determining the expected discount in order to ensure that only revenue is recognized to the extent that it is highly probable that no significant reversal will be required. Estimates of variable consideration is based on current spending levels, historical patterns and seasonal variations.

The Group provides warranty on its services performed, but such a warranty does not provide any additional benefits than the assurance of the work performed.

No financing component is deemed to exist at the time of sale as the credit period normally does not exceed 45 days.

In conjunction with repairs, the Group may sell goods in the form of smaller windshield peripherals such as windshield wipers. The sale of these are recognized at a point in time (the point of which the sale occurs). These product sales have a miniscule effect on the Group financials.

ii) Franchise

The Group also generates revenue through franchising agreements, where the Group company provides access to the Group's systems, intellectual property and customer agreements in return for monthly franchise fees. The services provided under franchise agreements are highly interrelated and dependent upon the franchise license and thus the services do not represent individually distinct performance obligations. The franchise obligation is satisfied over time by providing a right to use our intellectual property over the term of the franchise agreement. The revenues from these obligations are based on a percent of sales and are recognized at the time the underlying sales occur. There is a minor fee collected regardless of the sales-based fee which is recognized on a straight-line basis. The Group may also provide services or products in addition to its franchise agreement, in which case the performance obligations are determined at the start of such a contract and recognized either at a point in time or over time, whichever is the appropriate reflection.

Leases

The Group only acts as a lessee. The Group leases premises, parking spaces, vehicles, machines, IT hardware, card terminals and office equipment.

Leases - as lessee

Contracts may contain both lease and non-lease components. Should such a non-lease component be part of a lease contract, the Group separates it from the lease component and allocates the consideration based on their relative stand-alone prices.

All lease contracts are recognized as a right-of-use asset and a corresponding liability on the date which the leased asset is available for use by the Group.

Lease liabilities include the net present value of the following payments:

- fixed payments, less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option, and lease payments to be made under reasonably certain extension options.
- Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is the case for leases in the Group, the lessee's incremental borrowing rate is used, which is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.
  To determine the incremental borrowing rate, the Group:
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or a rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the initial measurement of the lease liability
- any lease payments that are made at or before the commencement date less any lease incentives received
- any initial direct costs and restoration costs

Right-of-use assets are depreciated over the shorter of the useful life of the asset and the lease term on a straight-line basis. For the Group, the depreciation periods for the right-of-use assets have been based on the lease term and are amortized on a straight-line basis over time.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases (a lease term of 12 months or less) and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Leases of low-value assets comprise office equipment, machines, IT hardware and card terminals.

Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax is recognized in the consolidated statement of profit or loss except for tax attributable to items that are recognized in other comprehensive income or directly in equity. In such cases, tax is recognized in each respective statement. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Management periodically evaluates uncertainty of positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax

Deferred tax is recognized for all temporary differences that arise between the taxable value of assets and liabilities and their carrying values in the consolidated financial statements. However, a deferred tax liability is not recognized if it arises as a result of the initial recognition of goodwill, nor is a deferred tax liability recognized if it arises as a result of a transaction that constitutes the initial recognition of an asset or a liability that is not a business combination and which, at the date of the transaction, neither impacts the carrying value nor the taxable profit (loss). Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects at the reporting date to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that there will be future taxable surpluses against which the temporary differences can be utilized.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities, and where the deferred tax balances relate to the same taxation authority.

Deferred income tax is recognized in the consolidated statement of profit or loss except for tax attributable to items that are recognized in other comprehensive income loss or directly in equity. In such cases, tax is also recognized in each respective statement other comprehensive loss and equity, respectively.

Intangible assets

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but is tested for impairment on an annual basis, or more frequently if events or changes in circumstances creates an indication that impairment may be required, and is carried at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to the relevant cash-generating unit. The allocation is made to the cash-generating unit that is expected to draw economic benefit from the business combination that created the goodwill. The unit is identified at the lowest level at which goodwill is monitored for internal management purposes.

The goodwill existing as at 31 December 2021 is allocated to and coincide with the reporting segments Nordics and Rest of Europe. For further information see Note 9.

Brands and Customer relationships

Brands and Customer relationships acquired in a business combination are recognized at fair value at the acquisition date. Customer relations are reported in subsequent periods at cost less accumulated amortization and impairment losses. Brands are reported in subsequent periods at cost less accumulated impairment losses.

IT systems

IT systems are reported at historical cost and amortized on a straight-line basis over the projected useful life. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

Amortization methods and periods

The Group amortize intangible assets with a limited useful life, using the straight-line method over the following periods:

Customer relationships	5-10 years
IT systems	5-10 years

All Brands acquired are used continuously in the business and their useful lives cannot be established with an appropriate level of certainty. Thus, Brands are classified as intangible assets with indefinite useful lives and are, instead of amortized, subject to impairment tests on an annual basis.

Tangible assets

Property, plant and equipment consist of buildings, furniture, fittings and equipment, and leasehold improvements. These are recognized at historical cost less depreciation and impairment.

Subsequent costs are added to the asset's carrying value or recognized as a separate asset, depending on which is most suitable, only when it is probable that the future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be reliably measured. The carrying value of the replaced component is derecognized from the consolidated statement of financial position. All other kinds of repairs and maintenance is recognized at cost in the consolidated statement of profit or loss in the period in which they occur.

Depreciation of assets is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over the estimated useful life of each component of an item of buildings and plant and machinery as follows:

Buildings	25 years
Furniture, fittings and equipment	5-10 years
Leasehold improvements	5 years

The assets' residual values and useful lives are assessed at the end of each reporting period and adjusted, if needed.

Profit or loss from disposals is established through a comparison of the profit from sales and carrying value and is recognized in "Other operating income and expense" in the consolidated profit or loss.

Impairment of non-financial assets

Intangible assets that have an indefinite useful life (goodwill and Brands) are not subject to amortization but are tested annually or when there is an indication for impairment. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill are reviewed for reversal of the impairment at the end of each reporting period.

Inventories

Inventories are stated at the lower of cost (measured on a First-in-First-Out basis) and net realizable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The Group reviews inventory quantities and records a provision for excess and obsolete inventory based primarily on historical demand and the age of the inventory, among other factors.

Financial instruments

Financial assets - Initial recognition and derecognition

Purchases and sales of financial assets are recognized on trade date, being the date upon which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred, and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets - Classification and measurement

The Group classifies its financial assets to be measured at amortized cost, as currently the Groups financial assets consist of financial assets measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and contractual terms of the cash flows. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

At initial recognition, the Group measures debt instruments (financial assets) at its fair value plus transaction costs that are directly attributable to the financial asset.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. All debt instruments in the Group are measured at amortized cost. The Group's financial assets measured at amortized cost consist of the items other non-current receivables, trade receivables and cash and cash equivalent.

- Amortized cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in Other operating income and expense net together with foreign exchange gains and losses.

Financial liabilities - Classification and measurement

Financial liabilities at amortized cost

At initial recognition, the Group measures a financial liability at its fair value plus transaction costs that are directly attributable to the financial liability. After initial recognition, the majority of the Group's financial liabilities are valued at amortized cost applying the effective interest method.

The Group's financial liabilities measured at amortized cost comprise liabilities to credit institutions, bank overdraft facilities, other long term and short-term liabilities, trade payables and accrued expenses.

Financial liabilities at fair value

At initial recognition, the Group measures a financial liability at its fair value. Transaction costs of financial liabilities carried at fair value are expensed in the consolidated statement of profit or loss.

The Group's financial liabilities at fair value comprise a contingent consideration. For more information see Note 15.

Derecognition of financial liabilities

Financial liabilities are derecognized from the statement of financial position when the obligations are settled, cancelled or have expired in any other way. The difference between the carrying value of a financial liability that has been extinguished or transferred to another party and the fee paid are reported in the consolidated statement of profit or loss.

Offsetting of financial instruments

Financial assets and liabilities are offset and recognized with a net amount in the statement of financial position only when there is a legal right to offset the recognized amounts and an intention to balance the items with a net amount or to simultaneously realize the asset and settle the liability.

Impairment of financial assets recognized at amortized cost

The Group assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach, i.e., the reserve will correspond to the expected loss over the lifetime of the trade receivables. In order to measure the expected credit losses, trade receivables have been grouped based on days past due and grouped based on different types of customers. The Group applies forward-looking variables for expected credit losses. Expected credit losses are recognized in the consolidated profit or loss, in other external expenses.

Accounts receivable

Accounts receivables are recognized initially at the amount of consideration that is unconditional. They are subsequently measured at amortized cost using the effective interest rate method, less allowance for expected credit losses.

Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions. Bank overdrafts are shown within Borrowings in current liabilities in the statement of financial position.

Share capital

Ordinary shares are classified as equity. Preference shares are classified as equity as both redemption and dividends are at the discretion of the Group. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Liabilities to credit institutions are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the Borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Employee benefits

Short-term obligations

Short-term obligations include salaries, benefits (including non-monetary benefits), annual leave, accumulating sick leave, other remuneration and all associated social security contributions. Short-term obligations are liabilities that are expected to be settled in full within 12 months after the end of the period in which the employees render the related service. They are measured at the amounts expected to be paid when settled.

Long-term share-based incentive programme for senior executives and other employees

Cary Group has a share-based incentive programme consisting of a warrant programme. The purposes of the programme include encouraging broad share ownership among the company's employees, facilitating recruitment, retaining competent employees, achieving an increased community of interest between the employees and the company's shareholders, and increasing motivation to achieve or exceed the company's financial targets. For further information, see Note 6.

Post-employment benefits

The Group has both defined contribution and defined benefit pension plans. A defined contribution pension plan is a pension plan in which the Group pays fixed contributions to a separate legal entity. The Group has no legal or constructive obligations to pay further contributions if this legal entity does not have sufficient assets to pay all employee benefits relating to the employees' service in current or previous periods.

The pension payments in Norway, Denmark and Spain are defined contribution. The payments are expensed in the consolidated income statement as they fall due.

The Group's pension obligations for certain employees in Sweden, which are secured through insurance with Alecta, are recognised as a defined contribution plan. According to UFR 10, this is a multi-employer defined benefit plan. For the 2021 financial year, the Group has not had access to the information required in order to report its proportional share of the plan obligation and of the plan assets and costs and has therefore been unable to report the plan as a defined benefit plan. The pension plan ITP 2, which is secured through insurance with Alecta, is therefore reported as a defined contribution plan. The premiums for defined benefit early retirement pensions and survivors' pensions are individually calculated and are dependent, among other things, on salary, pension previously earned and expected remaining period of service. The anticipated fees for the next reporting period for ITP 2 insurance arranged at Alecta amount to SEK 2.6 million.

If Alecta's collective funding level falls below 125 percent or exceeds 175 percent, measures must be taken to create the conditions for the funding level to return within the normal range. If funding is too low, possible measures include increasing the price when a new insurance contract is taken out and extending existing benefits. If funding is too high, a possible measure is to introduce lower premiums. At the end of the 2021 financial year, Alecta's provisional collective funding surplus was 172 percent.

The Group also has a defined benefit pension plan in the UK. For further information, see note 6.

Earnings per share

Basic earnings per share

Basic earnings per share are calculated by dividing:

- profit attributable to the parent company's ordinary shareholders
- With a weighted average number of outstanding ordinary shares during the period, excluding repurchased shares held as treasury shares by the parent company

Diluted earnings per share

For the calculation of diluted earnings per share, the amounts used to calculate basic earnings per share are used by taking into account:

- the weighted average of the additional ordinary shares that would have been outstanding in a conversion of all potential ordinary shares.

Currently the group does not have any potential ordinary shares that could cause any dilution.

Statement of cash flows

The statement of cash flows is prepared according to the indirect method. The reported cash flow includes transactions that resulted in inflows or outflows.

NOTE 3 SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of sales, expenses, assets, liabilities and equity in the consolidated financial statements and the accompanying disclosures. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events. Uncertainty about these assumptions and the use of accounting estimates may not equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity.

For critical estimates and judgements in relation to revenue from contracts with customers, see Note 2.

For estimates and judgements in relation to carried-forward tax losses, see Note 8.

Leases—determining the lease term of contracts with renewal and termination options—Group as lessee

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Options to extend or terminate agreements are included in the Groups leasing agreements regarding premises (offices and workshops). At inception of lease the Group determines whether to include any options depending on facts and circumstance in each contract. Generally few extension options are included primarily due to the fact that it is relatively easy to find new premises, the location is not key, no significant lease improvements have been performed and there are no major costs related to moving to new premises.

The lease term is reassessed when it is decided that an option will be exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Leases—Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term and, with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay," which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating). The rate range is 2.9 - 5.6 percent.

Test of impairment of goodwill

The Group performs tests annually and if there are any indications of impairment to determine whether there is a need for impairment of goodwill, in accordance with the accounting principle presented in Note 2. Recoverable amounts for cash generating units are established through the calculation of the value in use. The calculation of the value in use is based on estimated future cash flows. The Group has estimated that operating margin, revenue growth, the discount rate and the long-term growth rate are the most significant assumptions in the impairment test. For further information, see Note 9 Intangible assets.

NOTE 4 SEGMENT INFORMATION AND ALLOCATION OF REVENUES

Description of segments and principal activities

The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The CEO is the chief operating decision maker and evaluates financial position and performance and makes strategic decisions. The CEO monitors the Group's performance from a geographic perspective through the reportable segments Nordics and Rest of Europe with regional managers for each segment who reports to the CEO.

The CEO primarily uses adjusted EBITA as a measure to assess the performance of the segments. This excludes the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as restructuring costs, transaction costs and impairments when the impairment is the result of an isolated, non-recurring event.

Revenues of approximately 9.0 percent in 2021 and 10.6 percent in 2020 are derived from a single external customer. These revenues are attributed to the Nordics segment.

Sales between segments are carried out at arm's length and are eliminated on consolidation. The amounts provided to the CEO with respect to segment revenue are measured in a manner consistent with that of the financial statements. The sales relate to charges between UK and Sweden for a system that allows the identification/matching of the correct glass pane to the correct car. The service is developed and provided by Mobile Windscreens and used by the Swedish entities.

Non-current assets by country

SEK thousands	2021	2020
Sweden	237,683	255,701
UK	124,362	75,247
Spain	65,885	–
Norway	54,796	41,562
Denmark	18,808	6,561
Total	**501,534**	**379,070**

Revenue from external customers, broken down by location of the customers

SEK thousands	2021	2020
Sweden	1,164,400	934,413
UK	640,396	582,884
Norway	136,513	106,227
Spain	129,618	–
Denmark	70,493	27,250
Portugal	29	–
Total revenue	**2,141,449**	**1,650,774**

Revenue and adjusted EBITA

SEK thousands	2021			
	Nordics	Rest of Europe	Group functions	Total
Segment revenues	1,341,404	773,009	–	2,144,413
Inter-segment revenues	–	-2,964	–	-2,964
Revenues from external customers	**1,341,404**	**770,045**	**–**	**2,141,449**
Adjusted EBITA	301,850	57,388	-65,365	293,873
Add-back of depreciation	97,058	31,097	–	128,155
Adjusted EBITDA	**398,908**	**88,485**	**-65,365**	**422,028**

	2020			
SEK thousands	Nordics	Rest of Europe	Group functions	Total
Segment revenues	1,067,889	586,030	–	1,653,919
Inter-segment revenues		-3,145	–	-3,145
Revenues from external customers	**1,067,889**	**582,885**	**–**	**1,650,774**
Adjusted EBITA	242,226	43,775	-39,056	246,945
Add-back of depreciation	78,110	22,169	377	100,656
Adjusted EBITDA	**320,336**	**65,944**	**-38,679**	**347,601**

NOTE 5 DISCLOSURE ON REMUNERATION TO AUDITORS

SEK thousands	2021	2020
Ernst & Young AB		
Audit assignment	1,876	1,483
Other audit related assignments	3,449	–
Tax consultancy services	64	–
Other services	1,019	–
Total	**6,408**	**1,483**
Other auditors		
Audit assignment	1,440	1,301
Other services	17,118	–
Total	**18,558**	**1,301**

Audit assignment means statutory audit of the annual report and consolidated financial statements, the accounts and the administration by the Board of Directors and the CEO, as well as audit and review provided in accordance with agreement.

Other services include other assignments conducted by the auditor, as well as audit advice provided in connection with the audit assignment. Other services during 2021 regards assignments by other auditors in connection with the listing procedure.

NOTE 6 EMPLOYEES AND PERSONNEL EXPENSES

Average number of employees

	2021			2020		
	Men	Women	Total	Men	Women	Total
Sweden	481	61	542	476	72	548
Denmark	28	24	52	22	1	23
Norway	120	14	134	72	7	79
Spain	230	46	276	–	–	–
UK	458	81	539	170	74	244
Total	**1,317**	**226**	**1,543**	**740**	**154**	**894**

Gender distribution in Board and Group management

	2021			2020		
	Men	Women	Total	Men	Women	Total
Board of Directors	4	2	6	4	1	5
Group management	4	3	7	3	2	5
Total	**8**	**5**	**13**	**7**	**3**	**10**

Remuneration and other benefits

SEK thousands	2021			2020		
	Board and Group management	Other employees	Total	Board and Group management	Other employees	Total
Base salaries and other remunerations	11,986	490,761	502,747	8,753	373,335	382,087
Bonuses	–	23,472	23,472	2,552	14,028	16,580
Pension expenses	2,784	22,120	24,904	1,605	21,668	23,273
Other social security expenses	4,441	107,188	111,629	3,238	74,312	77,550
Total	**19,212**	**643,540**	**662,752**	**16,148**	**483,342**	**499,490**

Since 2 June 2021, Cary Group Holding AB (publ) has a formal Board of Directors consisting of six board members who have been remunerated. This is the Board that is referred to in the tables below for the period 2021. During previous periods Cary Group Holding AB (publ) had a formal Board of Directors consisting of two board members who received no remuneration in 2020. The operative board resided in Cidron Legion BidCo AB and is the Board referred to in the tables below for 2020.

NOTE 6 EMPLOYEES AND PERSONNEL EXPENSES, cont.

SEK thousands	2021				
Remuneration and other benefits to Board of Directors and Group management	Basic salary/ Board fee	Variable remuneration	Other benefits	Pension costs	Total
Juan Vargues, Chairman of the Board[1]	150	–	–	–	150
Magnus Lindquist[2]	338	–	–	–	338
Joakim Andreasson	180	–	–	–	180
Annette Kumlien[3]	–	–	–	–	–
Andreas Näsvik[3]	–	–	–	–	–
Magdalena Persson[4]	175	–	–	–	175
Leif Ryd	150	–	–	–	150
Ragnhild Wiborg[4]	213	–	–	–	213
Anders Jensen, CEO	2,721	–	184	573	3,478
Other members of Group management (6 persons)	7,507	–	368	2,211	10,087
Total	**11,433**	**–**	**553**	**2,784**	**14,770**

SEK thousands	2020				
Remuneration and other benefits to Board of Directors and Group management	Basic salary/ Board fee	Variable remuneration	Other benefits	Pension costs	Total
Magnus Lindquist, Chairman of the Board	450	–	–	–	450
Andreas Näsvik	100	–	–	–	100
Annette Kumlien	250	–	–	–	250
Joakim Andreasson	100	–	–	–	100
Leif Ryd	100	–	–	–	100
Anders Jensen, CEO	2,715	1,482	162	473	4,833
Other members of Group management (4 persons)	4,725	1,070	150	1,132	7,077
Summa	**8,440**	**2,552**	**312**	**1,605**	**12,910**

1) Chairman of the board from 7 December 2021.
2 Chairman of the board until 7 December 2021, member from 7 December 2021.
3) Member of the board until 2 June 2021.
4) Member of the board from 2 June 2021.

For the CEO, a mutual notice period applies of 12 months according to agreement. Should a termination of employment be initiated by the Company, salaries and other benefits is paid for a further maximum period of 6 months. There are no separate agreements for other employees, including senior executives. Termination period follows applicable collective bargaining agreements or statute.

All pension costs associated with senior executives are related to defined contribution plans.

Some employees have been offered to purchase shares fair value. Fair value of the shares has been calculated by an independent valuator.

Warrant programme

An Extraordinary General Meeting held on 22 September 2021 decided to issue warrants to certain senior executives and key personnel in the Group ("the participants") as part of an investment programme. The investment programme covers a maximum of 30 individuals and a maximum of 2,351,122 warrants. If the warrants are fully subscribed and fully exercised, the company's share capital is not expected to increase by more than SEK 12,595. Assuming that the warrants are fully exercised, the maximum number of warrants that can be subscribed by the participants corresponds to approximately 1.8 per cent of the total number of shares in the company.

The warrants have been issued to the participants in one (1) series at market value, calculated using a valuation according to the Black-Scholes model.

The number of warrants offered to each participant depends on the position and responsibility of the participant within the Group. The number of warrants held by each of the senior executives is stated on the company's website.

The warrants can be exercised during a subscription period of six months from the third anniversary of the admission of the company's shares to trading on Nasdaq Stockholm. Each warrant can be exercised to subscribe for one share in the company during the subscription period.

The redemption price will correspond to 135 per cent of the share price on Cary Group's listing (SEK 70), but will be no lower than the quotient value of the share. The full terms of the warrants also contain standard conversion provisions for distributions made before the exercise date for the warrants and for the consolidation or split of shares.

The company has reserved the right to repurchase the warrants, for example if the Participant's employment at the company ends. Cary Group's costs for the investment programme, other than the administrative costs of operating the programme, are limited to the costs of social security contributions for participants in countries where the investment programme is subject to income tax. These costs will be dependent on Cary Group's share price at the time the warrants are exercised and at a share price, for example, of 200 per cent of the offer price of SEK 70 per share would amount to approximately SEK 1.2 million.

NOTE 6 EMPLOYEES AND PERSONNEL EXPENSES, cont.

Net pension obligations

SEK thousands	2021				
	Present value of pension obligation	Fair value of plan assets	Total	Impact of asset ceiling	Net amount
Opening balance, 1 January	-168,948	193,840	24,892	-24,892	-
Administration expenses		-3,057	-3,057	–	-3,057
Interest income/expense	-2,502	2,868	366	–	366
Total amount recognized in come statement	**-2,502**	**-189**	**-2,691**	**–**	**-2,691**
Actuarial gains/losses	11,153	1,582	12,735	–	12,735
Translation differences	-15,914	18,815	2,901	-2,901	–
Reduction of asset due to asset ceiling	–	–	–	-13,797	-13,797
Total amount recognized in other comprehensive income	**-4,761**	**20,397**	**15,636**	**-16,698**	**-1,062**
Employers contributions	–	3,753	3,753	–	3,753
Benefit payments	13,950	-13,950	–	–	–
Closing balance, 31 December	**-162,261**	**203,851**	**41,590**	**-41,590**	**–**

SEK thousands	2020				
	Present value of pension obligation	Fair value of plan assets	Total	Impact of asset ceiling	Net amount
Opening balance, 1 January	-158,227	190,974	32,747	-32,747	–
Past service cost	-71	–	-71		-71
Administration expenses	–	-1,180	-1,180		-1,180
Interest income/expense	-3,115	3,775	660	-213	447
Total amount recognized in income statement	**-3,186**	**2,595**	**-591**	**-213**	**-804**
Actuarial gains/losses	-25,260	16,966	-8,294		-8,294
Translation differences	16,227	-18,937	-2,710		-2,710
Reduction of asset due to asset ceiling	–	–	–	8,068	8,068
Total amount recognized in other comprehensive income	**-9,033**	**-1,971**	**-11,004**	**8,068**	**-2,936**
Employers contributions	–	3,740	3,740		3,740
Benefit payments	1,498	-1,498	–		–
Closing balance, 31 December	**-168,948**	**193,840**	**24,892**	**-24,892**	**–**

The Group has a defined benefit pension plan in the UK. The plan is based on final salary, giving employees covered by the plan benefits in the form of a life-long guaranteed level of pension payments. The level of the benefit is based on length of service and salary at the time for retirement. The Group is part of a fund and from 31 December 2017 the employer ceased to accumulate further benefits under the plan and all participating members became inactive. The table shows the current assets from the plan.

The excess from the plan is not accounted for in the balance sheet as future economic benefits are not available for the entity in form of a decrease of future contribution or a cash refund.

NOTE 7 NET FINANCIAL ITEMS

SEK thousands	2021	2020
Interest income	1,238	42
Net foreign exchange gains	16,667	–
Financial income	**17,905**	**42**
Interest expenses on borrowings	-105,271	-63,212
Interest expenses on lease agreement	-15,036	-12,931
Interest expenses on shareholder loan	-23,201	-29,954
Other financial expenses	-2,970	-17,102
Net foreign exchange losses	-2,848	-15,855
Financial expenses	**-149,326**	**-139,054**
Net financial items	**-131,421**	**-139,012**

NOT 8 INCOME TAX

SEK thousands	2021	2020
Current tax on profit for the year	-29,357	-23,585
Adjustments of current tax for prior periods	-3,856	2,180
Total current tax expense	**-33,213**	**-21,405**
Deferred income tax	23,263	-2,150
Total income tax	**-9,950**	**-23,555**
Profit before tax	39,270	71,962
Tax according to current tax rate of the parent company 20,6 % (21,4%)	-8,096	-15,400
Effect of other tax rates in foreign jurisdictions	-208	771
Non-taxable income	1,026	3,367
Non-deductible expenses	-4,430	-18,618
Utilized tax losses not recognized earlier	3,261	5,558
Unrecognized tax loss carried forward	-2,726	–
Recognized interest deductions carried forward	3,484	–
Adjustments of current tax for prior periods	-3,856	2,180
Effect of altered tax rates	240	
Other	1,355	-1,414
Total income tax	**-9,950**	**-23,555**

Changes in deferred taxes

SEK thousands	2021	2020
Opening net balance, 1 January	-39,884	-37,272
Recognized in income statement	23,265	-2,150
Acquired through business combinations	-58,039	-1,203
Other	–	801
Reclassification[1]	-1,359	–
Translation differences	-2,186	-60
Closing net balance, 31 December	**-78,203**	**-39,884**

1) Refers to reclassification of misclassified items in the 2020 annual report. The item has no effect on earnings.

NOT 8 INCOME TAX, cont

Deferred taxes

SEK thousands	2021		
	Assets	Liabilities	Net
Intangible assets	85	74,143	-74,058
Lease liabilities	3,570	–	3,570
Other receivables	546	–	546
Other liabilities	88	–	88
Pension	377	565	-188
Tax allocation reserves		25,252	-25,252
Other	20,040	2,609	17,431
Deferred tax assets/ liabilities	**24,706**	**102,909**	**-78,203**
Netting of assets/liabilities	-3,809	-3,809	–
Net deferred tax balances	**21,617**	**99,820**	**-78,203**

SEK thousands	2020		
	Assets	Liabilities	Net
Intangible assets	–	19,421	-19,421
Right-of-use assets	–	4	-4
Lease liabilities	2,447	–	2,447
Tax allocation reserves	–	22,891	-22,891
Other	–	15	-15
Deferred tax assets/ liabilities	**2,447**	**42,331**	**-39,884**
Netting of assets/liabilities	–	–	–
Net deferred tax balances	**2,447**	**42,331**	**-39,884**

The Group has an amount of SEK 86 940 (59 497) thousands of carried-forward tax losses for which no deferred tax asset has been recognized due to management's assessment that there will not be sufficient taxable income to benefit from these carried-forward losses within the forecasted period. This has a net tax effect of SEK 19 127 (13 083) thousands. The losses have no expiry date.

In 2018, it was decided that the corporate tax rate in Sweden was going to be lowered in two steps. The corporate tax rate was lowered from 22.0 percent to 21.4 percent for financial years commencing after 31 December, 2018. In the next step, the corporate tax rate will be lowered to 20.6 percent for financial years commencing after 31 December, 2020.

NOTE 9 INTANGIBLE ASSETS

SEK thousands	2021				
	Goodwill	Brands	Customer relations	IT systems	Total
Accumulated acquisition cost					
Opening balance, 1 January	1,632,122	7,200	121,110	24,712	1,785,144
Acquired through business combinations	327,405	126,203	111,127	255	564,990
Investments				3,756	3,756
Translation differences	22,483	2,081	2,869	106	27,539
Closing balance, 31 December	**1,982,010**	**135,484**	**235,106**	**28,829**	**2,381,429**
Accumulated amortization and impairment losses					
Opening balance, 1 January			-67,918	-8,128	-76,046
Amortization			-37,518	-4,737	-42,255
Reclassifications			41		41
Translation differences			-547	-769	-1,316
Closing balance, 31 December			**-105,942**	**-13,634**	**-119,576**
Carrying amount	**1,982,010**	**135,484**	**129,164**	**15,195**	**2,261,853**

SEK thousands	2020				
	Goodwill	Brands	Customer relations	IT systems	Total
Accumulated acquisition cost					
Opening balance, 1 January	1,550,973	7,200	118,474	17,085	1,693,732
Acquired through business combinations	108,344	–	5,980	–	114,324
Adjustments to purchase price allocations	86	–		–	86
Investments		–		8,082	8,082
Reclassifications	–	–	-2,733	24	-2,709
Translation differences	-27,281	–	-611	-479	-28,371
Closing balance, 31 December	**1,632,122**	**7,200**	**121,110**	**24,712**	**1,785,144**
Accumulated amortization and impairment losses					
Opening balance, 1 January	–	–	-44,415	-3,629	-48,044
Amortization	–	–	-24,398	-3,980	-28,378
Reclassifications	–	–	595	-532	63
Translation differences	–	–	300	13	313
Closing balance, 31 December	**–**	**–**	**-67,918**	**-8,128**	**-76,046**
Carrying amount	**1,632,122**	**7,200**	**53,192**	**16,584**	**1,709,098**

The group performs an impairment test of goodwill and intangible assets with indefinite useful lives. The cash generating units coincide with the group's operating segments, being Nordics and Rest of Europe.

A summary of the group's book value in relation to goodwill and brands per cash generating unit is presented below.

NOTE 9 INTANGIBLE ASSETS, cont

SEK thousands	31 Dec 2021			31 Dec 2020		
	Nordics	Rest of Europe	Total	Nordics	Rest of Europe	Total
Goodwill	1,583,972	398,038	1,982,010	1,401,500	230,622	1,632,122
Brands	30,355	105,129	135,484	7,200	–	7,200

The Group tests whether goodwill for any impairment on an annual basis during the third quarter. For the 2021 and 2020 reporting periods, the recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Below are the assumptions regarding the weighted average cost of capital (WACC) and long-term growth rate that were applied for each respective year:

	31 Dec 2021		31 Dec 2020	
	Nordics	Rest of Europe	Nordics	Rest of Europe
WACC	7.4%	8.2%	7.6%	8.1%
Long-term growth rate	2.0%	2.0%	2.0%	2.0%

Management has determined the values assigned to each of the above key assumptions as follows:

- Long-term growth rate: This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.
- Post-tax discount rates: Reflect specific risks relating to the segments and the countries in which they operate.

The residual value exceeds the carrying amount of goodwill. There are no reasonably possible changes in the key assumptions that would result in the carrying amount exceeding the recoverable amount. Other key assumptions, apart from those mentioned above, are operating-margin and revenue growth.

NOTE 10 TANGIBLE ASSETS

SEK thousands	31 Dec 2021				31 Dec 2020			
	Buildings	Furniture, fittings and equipment	Leasehold improvements	Total	Buildings	Furniture, fittings and equipment	Leasehold improvements	Total
Accumulated acquisition cost								
Opening balance, 1 January	400	79,765	30,522	110,687	400	77,154	29,143	106,697
Acquired through business combinations		12,513	1,423	13,936	–	10,083	–	10,083
Investments		32,554	1,874	34,428	–	16,234	2,415	18,649
Divestments and disposals	-400	-9,058	-270	-9,728	–	-7,688	–	-7,688
Reclassifications				–	–	-5,428	-4	-5,432
Translation differences		9,373	1,261	10,634	–	-10,590	-1,032	-11,622
Closing balance, 31 December	**–**	**125,147**	**34,810**	**159,957**	**400**	**79,765**	**30,522**	**110,687**
Accumulated depreciation and impairment losses								
Opening balance, 1 January	-336	-23,059	-17,498	-40,893	-320	-23,653	-12,027	-36,000
Depreciation	-11	-24,802	-5,334	-30,147	-16	-19,749	-5,788	-25,553
Impairment losses				–				–
Divestments and disposals	347	7,241	27	7,615	–	7,543	–	7,543
Reclassifications				–	–	538	-413	125
Translation differences		-4,649	-777	-5,426	–	12,262	730	12,992
Closing balance, 31 December	**–**	**-45,269**	**-23,582**	**-68,851**	**-336**	**-23,059**	**-17,498**	**-40,893**
Carrying amount	**–**	**79,878**	**11,228**	**91,106**	**64**	**56,707**	**13,024**	**69,794**

NOTE 11 LEASES

SEK thousands	31 Dec 2021	31 Dec 2020
Amounts recognized in the balance sheet		
Premises	375,112	286,764
Vehicles	34,414	21,186
Parking	902	1,322
Total right-of-use assets	**410,428**	**309,273**
Non-current lease liabilities	308,983	226,504
Current lease liabilities	110,337	82,199
Total lease liabilities	**419,320**	**308,704**
Amounts recognized in the income statement		
Depreciation premises	-86,169	-65,045
Depreciation vehicles	-13,457	-9,753
Depreciation parking	-294	-303
Total depreciation charge of right-of-use assets	**-99,920**	**-75,101**
Expenses relating to short-term leases	-238	-228
Expenses relating to leases of low-value assets	-1,399	-809
Interest expenses	-15,036	-12,931
Total amount recognized in the income statement	**-116,593**	**-89,069**
Effect related to cash flows		
Total cash outflow for leases	-94,254	-70,869

This note provides information for leases where the Group only acts as a lessee.

Extension and termination options exist, and extension options are used. The Group is not reasonably certain to use any option to terminate. For more information regarding the Group's extension options, see Note 3.

The Group has leases with a shorter lease term than 12 months and leases pertaining to assets of low value, such as office equipment, machines, IT hardware and card terminals. For these, the Group has chosen to apply the exemption rules in IFRS 16 Leases, meaning the value of these contracts are not part of the right-of-use asset or lease liability.

.

NOTE 12 INVENTORIES

SEK thousands	31 Dec 2021	31 Dec 2020
Finished goods measured at cost	102,417	55,134
Provision for obsolescence	-7,704	-5,867
Total	**94,713**	**49,267**

Finished goods primarily consist of replacement windscreens and associated materials.

NOTE 13 TRADE RECEIVABLES

SEK thousands	31 Dec 2021	31 Dec 2020
Trade receivables	261,826	169,885
Allowance for expected credit losses	-9,102	-8,495
Total	**252,724**	**161,390**

For more information, see Note 27.

NOTE 14 OTHER CURRENT RECEIVABLES

SEK thousands	31 Dec 2021	31 Dec 2020
Account with the Swedish tax authorities	3,389	21,495
Value added tax receivables	12,662	54
Other receivables	8,490	2,868
Total	**24,541**	**24,417**

NOTE 15 FINANCIAL INSTRUMENTS BY VALUATION CATEGORY

	31 Dec 2021		31 Dec 2020	
SEK thousands	Fair value through profit or loss	Amortized cost	Fair value through profit or loss	Amortized cost
Financial assets and liabilities by level				
Non-current financial assets	–	3,069	–	542
Trade receivables	–	252,724	–	161,390
Supplier discounts (accrued income)	–	64,154	–	47,968
Other current receivables	–	8,490	–	2,868
Cash and cash equivalents	–	145,798	–	95,711
Total financial assets	**–**	**474,235**	**–**	**308,479**
Borrowings	–	948,950	–	1,538,248
Shareholder loans	–	–	–	403,319
Trade payables	–	171,412	–	126,176
Accrued expenses and deferred income	–	125,881	–	45,183
Total financial liabilities	**–**	**1,246,244**	**–**	**2,112,926**

All financial instruments are measured at amortized cost, aside from a contingent consideration. The contingent consideration amounted to SEK 29,168 thousand and was measured at fair value (level 3) through profit and loss.

The value of all financial instruments measured at amortized cost are estimates of their fair value. Either because of their short-term type, or (in the case of borrowings), the interest to be paid is near current market rates. See Note 19 for further information on borrowings.

NOTE 16 PREPAID EXPENSES AND ACCRUED INCOME

SEK thousands	31 Dec 2021	31 Dec 2020
Prepaid leases	6,212	2,142
Accrued supplier discounts	64,154	47,969
Other prepaid expenses	28,126	12,630
Total	**98,492**	**62,741**

NOTE 17 CASH AND CASH EQUIVALENTS

SEK thousands	31 Dec 2021	31 Dec 2020
Cash & Bank	145,798	95,711
Total	**145,798**	**95,711**

NOTE 18 EQUITY

SEK thousands	31 Dec 2021			31 Dec 2020		
Number of shares issued	Number of shares	Par value (SEK)	Total (SEK)	Number of shares	Par value (SEK)	Total (SEK)
Ordinary shares	131,848,996	0.0054	706,335	133,333	1	133,333
8% Redeemable preference shares				50	1	50
Total shares	**131,848,996**		**706,335**	**133,383**		**133,383**

All shares were fully paid at each of the respective reporting dates. The parent, or any subsidiary, does not hold any of the shares at any of the respective reporting dates.

Exchange differences arising on translation of the foreign controlled entity are recognized in other comprehensive income, as described in Note 2, and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

NOTE 19 BORROWINGS

SEK thousands	31 Dec 2021	31 Dec 2020
Current element of bank loans	11,236	–
Shareholder loan	–	,403,319
Non-current element of bank loans	908,531	1,538,248
Total	**919,767**	**1,941,567**

For maturity and additional information, please refer to Note 27.

For the borrowings, the fair values are not materially different from the carrying amounts, since the interest payable on those borrowings are close to current market rates. The bank agreements of the group include normal covenants regarding loan-to-value ratio (interest-bearing liabilities/EBITDA 12 months/. The loan-to-value ratio only set interest levels.

NOTE 20 PROVISIONS

SEK thousands	2021	2020
Opening balance, 1 January	4,809	–
Charged/credited to the income statement:		
- additional provisions recognized	–	4,809
- unused amounts reversed	-4,809	–
Amounts used during the year	–	–
Closing balance, 31 December	**–**	**4,809**
Non-current provisions	–	4,809

NOTE 21 ACCRUED EXPENSES AND DEFERRED INCOME

SEK thousands	31 Dec 2021	31 Dec 2020
Accrued salaries and holiday pay	55,690	38,051
Accrued social charges	16,134	15,180
Accrued interest expenses	4,841	11,050
Other accrued items	49,215	34,133
Total	**125,880**	**98,414**

NOTE 22 NET DEBT RECONCILIATION

SEK thousands	2021					
	Borrowing	Shareholder loan	Leases	Liabilities, gross	Cash and cash equivalents	Liabilities, net
Opening balance, 1 January	-1,538,249	-403,319	-308,703	-2,250,270	95,711	-2,154,559
Cash flow borrowings	-1,392,307			-1,392,307		-1,392,307
Cash flow amortization	2,097,473		94,254	2,191,727		2,191,727
Transaction costs amortized	-42,672			-42,672		-42,672
Capitalized interest		-23,201		-23,201		-23,201
Offset issue		426,520		426,520		426,520
New loans through business combinations	-7,325			-7,325		-7,325
Increase other non-current liabilities	-29,168			-29,168		-29,168
New leases acquired through business combinations			-152,152	-152,152		-152,152
Changes leasing agreements			-40,424	-40,424		-40,424
Translation differences	-16,635		-8,358	-24,993	5,405	-19,588
Net changes cash and cash equivalents					44,682	44,682
Other changes	-20,053		-3,937	-23,990		-23,990
Closing balance, 31 December	**-948,936**	**–**	**-419,320**	**-1,368,255**	**145,798**	**-1,222,457**

	2020					
Opening balance, 1 January	-1,492,414	-373,836	-326,085	-2,192,336	59,783	-2,132,553
Cash flow borrowings	-61,690	–	70,869	9,180	34,182	43,362
Transaction costs paid	10,500	–	–	10,500	–	10,500
New leases acquired through business combinations	–	–	-17,339	-17,339	–	-17,339
Translation differences	13,176	–	8,084	21,260	1,746	23,006
Other changes	-7,821	-29,482	-44,232	-81,535	–	-81,535
Closing balance, 31 December	**-1,538,249**	**-403,319**	**-308,703**	**-2,250,270**	**95,711**	**-2,154,559**

NOTE 23 COLLATERAL

During 2021 all pledged net assets were redeemed, SEK 0 (599) million. As at 31 December 2021 guarantees provided amounted to SEK 2.5 million.

NOTE 24 EARNINGS PER SHARE

SEK thousands	31 Dec 2021	31 Dec 2020
Basic and diluted earnings per share, SEK	0.21	0.45
Measurements used in calculating earnings per share:		
Profit attributable to holders of ordinary shares, SEK thousands	24,428	45,697
Preference share interest	-2,566	-3,330
Total	**21,862**	**42,367**
Weighted average number of ordinary shares (units) used as the denominator in calculating basic earnings per share	**104,301,632**	**93,333,100**

The Annual General Meeting 2021 decided on a share split (1 to 700). Retrospective adjustments have been made for all reporting periods to reflect the share split.

NOTE 25 SUBSIDIARIES

Name of entity	Country of incorporation	Organisations-number	Principal activities	Proportion of shares and voting rights held by the group, % 31 Dec 2021	31 Dec 2021
Cary Group Bidco AB	Sweden	559077-0813	Holding and financing company	100	100
Cary Group Midco AB	Sweden	559040-9396	Holding and financing company	100	97
Cary Group Pooling AB	Sweden	559260-5942	Holding and financing company	100	100
Cary Group AB	Sweden	559023-2756	Group functions, holding and financing company	100	100
Ryds Bilglas AB	Sweden	556538-7502	Repair and replace services	100	100
Svenska Bussglas AB	Sweden	556577-2232	Repair and replace services	100	100
Ryds Bilglas i Halmstad AB	Sweden	556707-8554	Repair and replace services	100	50
RBG Service AB	Sweden	556910-8516	Repair and replace services	100	100
Samglas AB	Sweden	556610-2629	Repair and replace services	100	100
Autoklinik i Malmö AB	Sweden	556414-4763	Repair and replace services	90	–
Ryds bilglas i Hammarby AB	Sweden	556707-8554	Repair and replace services	75.2	–
Bilvård i Handen AB	Sweden	559294-7179	Repair and replace services	75.2	–
Ryds Bilglas Malmfälten AB	Sweden	559293-3484	Repair and replace services	75.2	–
Ryds Bilglas Strägnäs AB	Sweden	559298-6540	Repair and replace services	75.2	–
Cary Group AS	Norway	926410881	Holding and financing company	100	–
Skadevekk Holding AS	Norway	913284976	Repair and replace services	80	–
Cary Norway AS	Norway	913387783	Repair and replace services	100	100
Cary Group Denmark Holding A/S	Denmark	38985868	Holding and financing company	100	100
Crashpoint Holding Aps	Denmark	42177571	Holding and financing company	80	–
Crashpoint Nord A/S	Denmark	32553087	Repair and replace services	100	–
Crashpoint Skadecenter Syd Aps	Denmark	35249923	Repair and replace services	100	–
Crashpoint Vejlle A/S	Denmark	40157514	Repair and replace services	100	–
Danglas Autoglasservice A/S	Denmark	38138820	Repair and replace services	100	100
Cary group Iberia Holding	Spain	B05399464	Holding and financing company	100	–
Ralarsa Holding	Spain	B65467490	Holding and financing company	100	–
Armelux Internacional S.L.U	Spain	B08539637	Repair and replace services	100	–
Alboar S.L	Spain	B07300502	Repair and replace services	100	–
Bora Auto Cristal S.L.U	Spain	B62765177	Repair and replace services	100	–
Ralarsa S.L.U	Spain	B08539603	Repair and replace services	100	–
Ralarsa Exspansion S.L.U	Spain	B66119140	Repair and replace services	100	–
Vidriocar S.L.U	Spain	B58974262	Repair and replace services	100	–
Ralarsa Portugal	Portugal	516052772	Repair and replace services	100	–
Mobile Windscreens Ltd.	UK	01370175	Holding company, Repair and replace services	100	100
Staffordshire Windscreens Ltd.	UK	02341133	Repair and replace services	100	100
Morgans Windscreens Ltd.	UK	02164169	Repair and replace services	100	100
Legion UK BidCo Ltd.	UK	11349793	Holding company	100	98/77
CarGlass Ltd	UK	01331312	Repair and replace services	100	100
Quarterman Windscreen Ltd	UK	02610768	Repair and replace services	100	100
Phoenix Windscreens Ltd	UK	04702106	Repair and replace services	100	–

NOTE 26 BUSINESS COMBINATIONS

During 2021 and 2020 several acquisitions were made. Information on these acquisitions are presented aggregated.

2021

Purchase considerations paid in the period totalled SEK 642 million on a cash-free and debt-free basis, excluding any potential contingent considerations. The businesses acquired contributed revenue of SEK 326 million to the Group in the period January–December 2021.

On 1 January 2021, Cary Group acquired RG Bilglas 1 AB. The company operated an automotive glass business under licence from Ryds Bilglas at 15 locations in Sweden. The company had total revenue of approximately SEK 69 million in 2020.

On 1 March 2021, Cary Group acquired CrashPoint A/S. CrashPoint is Denmark's largest damage repair chain with a focus on higher-end vehicles. The company had total revenue of approximately DKK 33 million in 2020, corresponding to approximately SEK 47 million. CrashPoint has partnerships with several major car brands on the Danish market.

On 1 April 2021, Cary Group acquired the Norwegian company Quick Car Fix, which specialises in SMART Repair (Small to Medium Area Repair Techniques). The company had total revenue of approximately NOK 57 million in 2020, corresponding to approximately SEK 55 million. Through the acquisition, Cary Group is broadening its operations and further expanding its presence in the Norwegian car care market.

In July, Cary Group acquired Autoklinik i Malmö, which specialises in auto body repair. The company had total revenue of approximately SEK 38 million in 2020.

In July, Cary Group acquired Auto Cristal Ralarsa, Spain's second-largest automotive glass repair and replacement company. In 2020, Ralarsa operated more than 235 workshops, of which 155 are franchise-owned and 85 are mobile units. Total sales in 2020, including sales from franchise businesses, amounted to EUR 51 million, with net sales attributable to the company totalling EUR 25 million.

In August, Phoenix Windscreens Ltd was acquired. The company has revenue of GBP 1.6 million, equivalent to approximately SEK 20 million. Phoenix Windscreens operates a VGRR (Vehicle Glass Repair and Replacement) business.

Other companies and assets listed in the table above refer to acquired automotive glass workshops and businesses in the Swedish market. These acquisitions give Cary Group improved geographical coverage of the market, thereby providing better access to the company's services for customers.

The table on the right summarises the considerations paid for the acquisitions in the period and the fair value at the acquisition date of assets acquired and liabilities assumed.

2020

On 1 February, 100 percent of the shares in the UK based company Quarterman Windscreens was acquired. The main operations are sales, service, and fitting automotive windscreens or any part of it.

On 30 November, 100 percent of the UK based company Car Glass ltd was acquired. The main operations are mainly the same as Quarterman Windscreens.

Other businesses acquired are; Autoglass Business of Ryds Södertälje, Bilglas Bålstad, Harstad, Mosseporten, Autoglass Business of Mälarö and Täby.

The table below includes information about consideration paid and fair value of acquired net assets of the entities.

SEK thousands	2021	2020
Purchase price		
Cash	618,277	171,393
Contingent consideration	25,620	–
Total purchase price	**643,897**	**171,393**
Acquired assets and liabilities at fair value		
Cash and cash equivalent	110,109	31,406
Customer relations	111,127	5,980
Brands	126,203	–
Other long-term assets	2,086	–
Tangible assets	14,974	10,083
Right-of-use assets	152,149	17,339
Inventory	37,689	6,581
Trade receivables and other receivables	136,582	23,817
Assets held for sale	–	12,420
Deferred tax liabilities	-58,039	-1,203
Long-term liabilities	-8,542	–
Lease liabilities	-152,152	-17,339
Trade payables and other current liabilities	-155,694	-26,036
Total acquired assets and liabilities	**316,492**	**63,048**
Goodwill	327,405	108,344
Acquired net assets	**643,897**	**171,393**
Cash flow information		
Cash paid for acquisitions	618,277	171,393
Acquired minority shares	20,000	–
Acquired cash and cash equivalents	-110,109	-31,406
Net cash-outflow investing activities	**528,168**	**139,987**

Most of the acquisition analyses are provisional and may be adjusted in future quarters. The acquisition analyses are provisional mainly in relation to the allocation of surplus value. The surplus value recognised as goodwill relates to the future profit generation and profit synergies of the acquired companies that the acquisitions bring and does not meet the conditions for separate reporting. Other intangible non-current assets amount to SEK 237 million and are provisionally allocated mainly to brands and customer relations. As at 31 December 2021, unsettled purchase considerations relate partly to contingent considerations valued on the basis of outcomes and partly to unpaid agreed purchase considerations.

Goodwill

The goodwill relating to 2021 and 2020 mainly relate to synergies and other intangible assets that do not meet the criteria for separate reporting. Out of total goodwill, SEK 13,583 (10,708) thousands is not deductible for tax purposes.

Acquisition related costs

Acquisition related costs of SEK 10,272 (2,008) thousands are recognized in other operating expenses in profit and loss and in operating activities in the statement of cash flow.

Contingent consideration

The contingent consideration is measured at fair value and is based on certain agreed EBITDA levels to be achieved for a future period. The contingent consideration amounts to SEK 30,960 thousands.

NOTE 27 FINANCIAL RISK MANAGEMENT

Risk management framework

The Group's risk management is predominantly controlled by a Group treasury department under policies owned by the CFO and approved by the Board of Directors. The CEO is responsible towards the Board of Directors for the risk management and ensuring that the guidelines and risk mandates are followed and carried out in accordance with established treasury policy.

The treasury policy provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity. The treasury identifies categories of financial risks and describes how they should be managed. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Cary is exposed to credit risk and counterparty risk, foreign exchange risk, liquidity risk, and refinancing and interest risk.

Credit and counterparty risk

Credit risk is the risk of financial loss to Cary if a customer or another counterparty to a financial instrument fails to meet its contractual obligations to the Group. The exposure from credit risk arises mainly from the Group's accounts receivable and its holdings of cash and cash equivalents. The main part of the Group's cash flows from customers comes from insurance companies and credit losses have historically been low. Accordingly, the Group deems that it overall has a relatively low credit risk in this customer category. Additional exposure within accounts receivable is derived from non-insurance customers. The Group assesses such customers prior to entering agreements and continuously follows up on their ability to meet their contractual obligations.

The Group applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all significant accounts receivable.

The aging of the Group's trade receivables is as follows:

SEK thousands	31 Dec 2021	31 Dec 2020
Ageing of trade receivables		
Not past due	188,537	112,636
Less than 30 days past due	38,771	21,678
31 to 90 days past due	17,936	11,822
More than 90 days past due	16,583	23,748
Gross carrying amount	**261,826**	**169,885**
Allowance for expected credit losses	-9,102	-8,495
Net carrying amount	**252,724**	**161,390**

SEK thousands	2021	2020
Allowance for expected credit losses		
Opening balance, 1 January	-8,495	-9,027
Increase of allowance recognized in income statement	-1,660	-2,206
Receivables written off during the year as uncollectible	1,671	2,237
Unused amount reversed	–	–
Increased through business combinations	-436	–
Translation differences	-182	501
Closing balance, 31 December	**-9,102**	**-8,495**

Accounts receivable are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, bankruptcy, and the failure of a debtor to engage in a repayment plan with the group.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has not had any significant impairment losses relating to specific customers for any of the reported periods. The Group does not have any material concentration of credit risks in accounts receivable.

Other receivables consist mainly of positions against different tax authorities. Any risk associated with these positions are deemed to be immaterial.

In regard to cash and cash equivalents only larger banks and credit institutions with a minimum credit rate of "A" are used.

NOTE 27 FINANCIAL RISK MANAGEMENT, cont

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk. The Group has a risk exposure towards foreign currencies both from a transactional standpoint, as well as through translation of foreign subsidiaries. The main currencies that are operationally used within the group are DKK, GBP, NOK and SEK. The exposure in regards to third-party currencies are however limited and any change in exchange rate would result in insignificant effects for the Group.

The main transactional foreign exchange risk exposure is relating to external borrowings in foreign exchange currencies within some of the entities in Sweden. Mitigation of this risk occurs naturally by partially matching external loans towards intercompany loans in the same currency to foreign subsidiaries within the Group. The currency risk is monitored on a regular basis. The Group does not hedge any of its foreign exchange risk.

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

SEK thousands	31 Dec 2021				31 Dec 2020	
	EUR/SEK	GBP/SEK	DKK/SEK	NOK/SEK	GBP/SEK	NOK/SEK
Primary exposure to foreign currency risk						
Borrowings	385,088	149,194	41,154	–	129,721	–
Intercompany positions	376,446	381,961	28,704	88,869	243,268	23,071
Total	**761,533**	**531,155**	**69,858**	**88,869**	**372,989**	**23,071**

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

SEK thousands	2021	2020
Impact on net result and equity		
EUR/SEK exchange rate - increase/decrease 10 %	+/- 39,626	n/a
GBP/SEK exchange rate - increase/decrease 10 %	+/- 7,571	+/- 11,355
NOK/SEK exchange rate - increase/decrease 10 %	+/- 0	+/- 2,307
DKK/SEK exchange rate - increase/decrease 10 %	+/- 4,233	n/a

Liquidity and refinancing risk

Liquidity risk is associated with the Group's ability to meet its obligations. Group finance manages liquidity risk through its treasury function by ensuring that sufficient cash and funding through credit facilities are available in order to meet the short- and medium-term commitments at any given time.

Liquidity is defined as available cash in the bank, short-term investments and committed undrawn credit facilities. Excess liquidity is defined as liquidity not presently required to meet the need of working capital. All strategic allocation of available excess liquidity shall be the subject of consent from the Board of Directors.

Refinancing risk refers to the risk that Cary Group will not have the possibility to obtain necessary funding to fulfil committed future obligations at any given time or only with significant additional costs, or that debt financing is unavailable or available only on adverse terms.

Financing arrangements

The group had access to the following borrowing facilities at the end of the reporting period, all of which expires beyond one year. All facilities per the above table are denominated in SEK as base currency, but the Capital expenditure facility and Revolving facility may be drawn in other currencies. Any amount drawn under the Capital expenditure facility is specifically targeted towards capital expenditures undertaken by the Group, acquisitions (including fees and other expenses) or refinancing indebtedness of entities or businesses acquired pursuant to acquisitions. The facility is available until Dec 31, 2024.

In addition to above, the Group also has a Revolving facility which can be used for general corporate purposes, acquisitions and refinancing. The facility is available until Dec 31, 2024.

Loan covenants

Net debt includes total borrowings (including current and non-current liabilities to credit institutions, shareholder loans and lease liabilities as shown in the balance sheet) less cash and cash equivalents.

Under the terms of the borrowing facilities, the Group is required to comply with a financial covenant in the form of a "Leverage ratio". This is defined as Net debt less other interest-bearing debt in relation to EBITDA that must not be exceeded during a financial period. This covenant applies to all borrowings. The assessment of the leverage ratio is performed on a quarterly basis. The group has complied with these covenants throughout the reporting period.

Interest rate risk refers to the risk that changes in interest rates levels may have a negative impact on the Cary Group's net profit, future cash flows or equity ratio.

The Group's interest rate risk is relatively low due to the risk reduction as all borrowings are long-term and at an interest rate based on STIBOR. The Group's main interest rate risk arises from long-term liabilities to credit institutions with variable rates, primarily STIBOR 3 Months. Due to conservative liquidity management and a stable central bank interest rate outlook in Sweden there is equally very limited interest rate risk linked to assets.

At 31 December 2021 the nominal value of loans from credit institutes with floating interest amount to SEK 906 million (1,580). The impact on profit related to higher/lower interest expenses is presented below from a sensitivity perspective.

SEK Thousands	2021	2020
Impact on profit before tax		
Interest rate - increase/decrease by 100 basis points	+/- 9,059	+/- 15,797

Financial counterparty credit risk is managed on a Group basis. The external financial counterparties must be high-quality international banks or other major participants in the financial markets. The rating of the financial counterparties used during 2020 and 2019 were in the range from A to AA+.

NOTE 27 FINANCIAL RISK MANAGEMENT, cont

SEK thousands	31 Dec 2021			31 Dec 2020		
	Utilized	Undrawn	Total	Utilized	Undrawn	Total
Borrowing facilities						
Capital expenditure facility				129,721	251,279	381,000
Term loan facility				1,450,000	–	1,450,000
Revolving facility	912,465	1,137,535	2,050,000	–	60,000	60,000
Total	**912,465**	**1,137,535**	**2,050,000**	**1,579,721**	**311,279**	**1,891,000**

Maturities of financial liabilities

The table below shows a maturity analysis for the remaining contractual maturities of the Group's financial liabilities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

SEK thousands	2021						
	Less than 6 months	Between 6 and 12 months	Between 1 and 2 years	Between 2 and 5 years	After 5 years	Total contractual cash flows	Carrying amount
Borrowings	11,473	11,191	20,306	957,039	–	1,000,009	919,767
Lease liabilities	67,705	67,705	122,444	217,865	56,198	531,917	419,320
Trade payables	171,412					171,412	171,412
Accrued expenses	54,056					54,056	54,056
Total	**304,646**	**78,896**	**142,750**	**1,174,904**	**56,198**	**1,757,394**	**1,564,555**

SEK thousands	2020						
Borrowings	29,621	29,621	59,243	1,752,884		1,871,369	1,538,248
Lease liabilities	44,194	59,350	181,744	120,938		406,226	308,703
Trade payables	126,176					126,176	126,176
Shareholder loan					645,767	645,767	403,319
Accrued expenses	45,183					45,183	45,183
Total	**245,174**	**88,971**	**240,987**	**1,873,822**	**645,767**	**3,094,721**	**2,421,629**

NOTE 28 CAPITAL MANAGEMENT

SEK thousands	2021	2020
Net debt	-1,222,457	-2,154,561
Adjusted EBITDA	422,027	347,601
Net debt to adjusted EBITDA ratio	**2.9**	**6.2**

Risk management

The capital structure management seeks to safeguard the ongoing business operations, to ensure flexible access to capital markets and to secure adequate funding at a competitive rate. The objective further aims to maintain a strong capital structure in order to secure customers', investors', creditors' and market confidence. The long-term objective is to obtain an efficient management of the relation between equity funding and external debt funding. The capital structure is assessed regularly by the Board of Directors and managed operationally by the CFO.

Consistent with others in the industry, the Group monitors its capital structure and takes this into account when decisions are made regarding, for example, dividends or new loans. The key ratio used by the Group management team in this effort is net debt (see Note 22) in relation to adjusted EBITDA.

Net debt includes total borrowings (including current and non-current liabilities to credit institutions, shareholder loans and lease liabilities as shown in the balance sheet) less cash and cash equivalents. Under the terms of the borrowing facilities, the Group is required to comply with a financial covenant in the form of a "Leverage ratio" defined as Net debt less shareholder loans in relation to EBITDA. Refer to Note 27 for further information regarding Loan covenants.

The Group's strategy is to maintain a reasonable level of Net debt to adjusted EBITDA ratio which over time shall be decreased to a level of approximately 2.5. Please see below table for these ratios as per the financial year end.

NOTE 29 NON-CONTROLLING INTERESTS

In connection with the listing of Cary Group Holding AB, the ordinary shares and preference shares held by non-controlling interests in the intermediate holding companies Cary Group Midco AB and Cary Group Pooling AB were converted.

The basis used for calculating non-controlling interests for these shareholdings is the terms of the preference shares, which take precedence over ordinary shares for distribution and on the liquidation or other dissolution of the company, until the total amount thus paid to the holders of such preference shares correspond to the base amount calculated using the annual interest rate in accordance with the Articles of Association. For Cary Group Midco AB, the base amount is SEK 1,000 per preference share with an annual interest rate of 10%. For Cary Group Pooling AB, the base amount is SEK 1 per preference share with an annual interest rate of 10%. The preference shares are redeemable on a discretionary basis by the Group only and are therefore recognised as equity. See table below for further information about preference shares. For ordinary shares, the remaining equity is distributed proportionally. The table below shows the development of non-controlling interests in relation to the above.

SEK thousands	2021		2020	
Preference shares	Shareholders of the parent company	Non-controlling interest	Shareholders of the parent company	Non-controlling interest
Opening balance, 1 January	703,424	3,268[1]	621,717	2,970
Interest for the period	70,436	234	63,109	298
New share issue/Shareholder contribution	–	–	18,598	–
Transactions between owners	3,502	-3,502	–	–
Closing balance, 31 December	**777,362**	**–**	**703,423**	**3,268**

1) Non-controlling interest recognized in consolidated accounts related to preference shares amount to SEK 0 (1,249) thousands since total equity of the subgroup falls short of the total preference amount. Total non-controlling interest recognized in consolidated accounts amount to SEK 3,618 (4,762) thousand and consist of direct non-controlling interest in Cary Group Bidco SEK 3,618 plus 0 (FY19: 3,513 plus 1,249) thousands.

NOTE 30 ALTERNATIVE PERFORMANCE MEASURES

SEK thousands	2021	2020
Reconciliation of Operating profit to Adjusted EBITA		
Operating profit	**170,691**	**210,974**
Amortization & Depreciation	172,322	129,032
EBITDA	**343,013**	**340,006**
Transaction costs	8,551	4,813
Consultancy costs	700	2,047
Rebranding costs	2,794	736
Non-recurring personnel costs	5,978	–
IPO costs	57,451	–
Other	3,541	–
Adjusted EBITDA	**422,028**	**347,602**
Depreciation	-128,155	-100,657
Adjusted EBITA	**293,873**	**246,945**

SEK thousands	2021	2020
Net debt/ Equity		
Net debt	1,222,457	2,154,561
Equity attributable to shareholders of the Parent company	1,557,452	-110,961
Equity attributable to non-controlling interests	3,618	4,763
Total equity	**1,561,070**	**-106,198**
Net debt in relation to Equity	**0.8**	**-20.3**

SEK thousands	2021	2020
Return on capital employed (ROCE)		
Adjusted EBITA	293,873	246,945
Equity	1,561,070	-106,198
Interest-bearing liabilities	1,368,255	2,250,270
Capital employed	**2,929,325**	**2,144,072**
ROCE, %	10.0%	11.5%

SEK thousands	2021	2020
Return on equity (ROE)		
Profit for the year	29,320	48,407
Equity attributable to shareholders of the Parent company	1,557,452	-110,961
ROE, %	**1.9%**	**-43.6%**

NOTE 31 OTHER INCOME

SEK thousands	2021	2020
Estimated insurance compensation	11,809	-
Other	1,154	-
Total	**12,956**	**-**

Related to earlier communicated IT incident in the UK during the fourth quarter 2021, the company expects to obtain compensation from the insurance company, and the amount has been recognised in profit and loss as Other income.

NOTE 32 RELATED PARTY TRANSACTIONS

No related party transactions have taken place that materially affected the consolidated statements.

NOTE 33 EVENTS AFTER THE REPORTING PERIOD

In January, the acquisitions of Zentrale Autoglas GmbH and MPS Bilskade AS were completed. In April, the acquisition of GlassCo S.A., owner of "ExpressGlass", was completed.

Zentrale Autoglas GmbH is one of Germany's leading providers of vehicle glass repair and replacement, primarily for buses and campervans. Zentrale Autoglas has 25 workshops, mainly in Germany, and annual sales of around EUR 27 million. The company has around 250 employees.

MPS Bilskade has 63 workshops, 9 of which it owns, all over Norway. Sales attributable to own workshops amount to around NOK 160 million per year. The company has approximately 55 employees.

ExpressGlass has 90 workshops in Portugal, 44 of which it owns, while 46 are operated by independent partners under the ExpressGlass brand. Total sales in 2020, including sales from franchised workshops, amounted to EUR 15 million, with net sales attributable to the company totalling around EUR 11 million. The company has around 200 employees.

In March, Cary Group signed an agreement to acquire 100 percent of UK company Charles Pugh Holdings Ltd ("Charles Pugh Holding"). The company is one of the UK's market leaders in vehicle glass repair and replacement, along with related wholesale business. The acquisition is important in bolstering Cary Group's position in the UK and enables synergies to be achieved together with Cary Group's existing UK operations. Charles Pugh Holdings is also part of the same consortium as Cary Group in the UK, National Windscreens. Charles Pugh Holding's sales for 2021 were approximately GBP 56 million and the company has around 500 employees.

In addition, seven smaller acquisitions have been made in Sweden, Spain, Norway and Denmark, which are expected to make a contribution to total sales of approximately SEK 39 million.

When the financial statements were approved for publication, the Group had not yet completed the reporting of the business combinations. Nor is it possible to provide detailed information about each type of receivable acquired and about any contingent liabilities in the acquired companies. To secure access to capital for the company's continued expansion, an agreement was entered into on 8 February with the company's current banks on extending the financing agreement entered into in connection with the company's listing in September 2021. The agreement extends the credit facility by a further SEK 1,050 million, making the total credit facility available SEK 3,100 million.

Parent company notes

NOTE P1 GENERAL INFORMATION

Parent company accounting policies
A more detailed description of the accounting policies applied can be found in Note 2 to Cary Group's consolidated financial statements. The descriptions below have been limited to the differences arising.

Classification and presentation
The parent company uses the terms income statement, balance sheet and cash flow statement for the statements which are referred to at Group level respectively as statement of comprehensive income, statement of financial position and statement of cash flows. The parent company prepares its income statement and balance sheet in accordance with the format specified in the Swedish Annual Accounts Act, while the statement of comprehensive income, the statement of changes in equity and the cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows respectively.

Appropriations
The parent company applies the alternative rule under RFR 2 Accounting for Legal Entities to the recognition of Group contributions and reports the net figure for Group contributions paid and received as appropriations.

Taxes
Tax equalisation takes place within the Group through Group contributions paid and received. The parent company applies the alternative rule under RFR 2 to the recognition of Group contributions and reports the net figure for Group contributions paid and received as appropriations. The parent company calculates the expected tax expense by multiplying the profit before tax by the current tax rate.

Leases
Leases at the parent company are expensed in the income statement on a straight-line basis over the term of the lease. Leases are not treated as an asset on the balance sheet, as neither the risks nor the rights of use in relation to the ownership of the assets have been transferred to the parent company.

Participations in Group companies
Participations in Group companies are recognised at the parent company in accordance with the cost method.

The carrying amounts for participations in Group companies are tested for impairment in accordance with IAS 36 Impairment of Assets. See also the Group's accounting policies, Impairment of financial assets, for further information. Transaction costs arising in connection with a business combination are recognised by the parent company as part of the acquisition costs and is therefore not expensed

NOTE P2 EMPLOYEES AND PERSONNEL EXPENSES

	2021			2020		
	Men	Women	Total	Men	Women	Total
Average number of employees						
Sweden	3	4	7	–	–	–
Total	**3**	**4**	**7**	**-**	**-**	**-**

	2021			2020		
	Men	Women	Total	Men	Women	Total
Gender distribution Board and Senior executives						
Board	4	2	6	–	–	–
Group management	4	3	7	–	–	–
Total	**8**	**5**	**13**	**-**	**-**	**-**

NOTE P2 EMPLOYEES AND PERSONNEL EXPENSES, cont

	2021			2020		
SEK thousands	Board and Senior executives[1]	Other employees	Total	Board and Senior executives[1]	Other e mployees	Total
Remuneration and other benefits						
Base salaries and other remunerations	-4,804	–	-4,804	–	–	–
Bonuses	-	–	0	–	–	–
Pension expenses	-835	–	-835	–	–	–
Other social security expenses	-1,884	–	-1,884	–	–	–
Total	**-7,523**	**–**	**-7,523**	**–**	**–**	**–**

1) For information regarding remuneration and other benefits for Board members, CEO and other Senior executives, see Note 6 of the consolidated financial statements.

NOTE P3 RESULT FROM PARTICIPATIONS IN GROUP COMPANIES

SEK thousands	2021	2020
Result from sale of subsidiaries	9,677	23,623
Total	**9,677**	**23,623**

NOTE P4 FINANCIAL INCOME AND EXPENSES

SEK thousands	2021	2020
Interest income from Group companies	12,693	–
Interest income	**12,693**	**-**
Other interest expenses	-30,383	-29,954
Net foreign exchange losses	-1	–
Other financial expenses	-5,474	–
Financial expenses	**-35,858**	**–**
Total	**-23,165**	**-29,954**

NOTE P5 APPROPRIATIONS

SEK thousands	2021	2020
Untaxed reserves	-7,464	–
Group contributions received	193,465	–
Total	**186,001**	**–**

NOTE P6 INCOME TAX

SEK thousands	2021	2020
Current tax on profit for the year	14,813	–
Total current tax expense	**14,813**	**–**
Deferred income tax		–
Income tax	**14,813**	**–**
Profit before tax	76,676	-6,333
Tax according to current tax rate 20,6 % (21,4%)	-15,765	1,355
Non-taxable income	1,993	–
Non-deductible expenses	-1,003	–
Unrecognized tax loss carried forward	–	-1, 355
Other	-38	–
Income tax	**-14,813**	**–**

NOT P7 INTANGIBLE ASSETS

SEK thousands	31 Dec 2021	31 Dec 2020
Accumulated acquisition cost		
Opening balance, 1 January	–	–
Investments	426	426
Closing balance, 31 December	**426**	**426**
Accumulated amortization and impairment losses		
Amortization	–	–
Closing balance, 31 December	**–**	**–**
Carrying amount	**426**	**426**

NOTE P8 PARTICIPATIONS IN GROUP COMPANIES

SEK thousands	31 Dec 2021	31 Dec 2021
Accumulated cost		
Opening balance	703,459	685,741
Investments	976,588	25,133
Divestments	-392	-7,415
Closing balance	**1,679,655**	**703,459**
Accumulated write-down	–	–
Closing balance	**1,679,655**	**703,459**

SEK thousands				31 Dec 2021		31 Dec 2021	
Subsidiary	Registered office	Registration number	Number of shares	Ownership interest	Carrying amount	Ownership interest	Carrying amount
Cary Group Midco AB	Stockholm	559040-9396	631,642	99.8%	1,594,606	97.1%	684,256
Cary Group Pooling AB	Stockholm	559260-5942	19,251,871	100%	85,049	81.2%	19,203
Closing balance					**1,679,655**		**703,459**

NOTE P9 OTHER CURRENT RECEIVABLES

SEK thousands	31 Dec 2021	31 Dec 2020
VAT receivables	12,659	–
Other receivables	6,485	–
Total other current receivables	**19,144**	**–**

NOTE P10 UNTAXED RESERVES

SEK thousands	2021-12-31	2020-12-31
Tax allocation reserve	7,464	–
Tax allocation reserve 2021	**7,464**	**–**
Total untaxed reserve		

NOTE P11 BORROWINGS

SEK thousands	31 Dec 2021	31 Dec 2020
Shareholder loan	–	403,318
Non-current element of bank loans	899,288	–
	899,288	**403,318**

NOTE P12 ACCRUED EXPENSES AND PREPAID INCOME

SEK thousands	31 Dec 2021	31 Dec 2020
Accrued salaries and holiday pay	4,553	–
Accrued social charges	1,096	–
Accrued interest expenses	4,841	–
Other accrued items	2,406	–
Total	**12,896**	**–**

Sustainability information

This section provides information that complements the description of Cary Group's sustainability work on pages 40–59.

About Cary Group's sustainability reporting
Cary Group reports according to the Global Reporting Initiative (GRI). This year's report is in line with GRI Standards Core (see pages 120–121 for GRI index). The statutory sustainability report, in accordance with the Annual Accounts Act, is found on pages 40–59 and 118–121. The report is prepared in accordance with Annual Accounts Act Chapter 6, 10–14 and Chapter 7, 31a – c.

Stakeholder dialogue and materiality analysis
Cary Group constantly works to meet our customers' and other stakeholders' demands and expectations.

Maintaining a continuous dialogue with our stakeholders is key in our sustainability work. In 2019, Cary Group carried out a materiality analysis relating to the sustainability work in which the most important sustainability areas were identified. Prior to the materiality analysis, the five most important stakeholder groups were identified.

Stakeholder dialogues were then conducted and form the basis for our company's sustainability work and strategy. Through the materiality analysis, we have set our three focus areas; Climate, our Employees and Governance.

In 2021, the dialogue continued with our stakeholders who have confirmed that currently identified areas of sustainability remain valid.

The major stakeholder groups	Representing	Channels
B2C Customers (Business to Consumer)	Cary Group's end customers, who we have daily contact with in our workshops	Daily meetings Net Promoter Score surveys
B2B Customers (Business to Business)	Business-to-business customers, represented by the largest corprorate customers - insurers and others	Net Promoter Score, interviews, individual meetings with larger corporate customers and insurers
Employees	Our employees, from different subsidiaries within Cary Group	Values, internal web, employee dialogues, appraisal process, eNPS
Shareholders/Board members	The largest shareholders include the Ryd family and Nordic Capital, who are represented on the Board	Board meetings, investor meetings, financial information, web site
Executive Management Team	The Group Management and representatives from the different markets where the Group operates	Current management meetings and discussions

Results from the materiality analysis

Ambitions
- Secure customer satisfaction through high-quality services
- Being an attractive employer
- Sustainable offerings

Three focus areas

Climate
- Circular use of resources
- Sustainable transport
- Reparationsgrad

Employees
- Secure workplaces
- Equality and diversity

Governance
- Sustainable supply chain
- Anti-corruption

Stakeholders' essential issues
- Anti-corruption
- Equality and diversity
- Handling of customers and employee data
- Reduced GHG emissions from operations
- Reduced GHG emissions from supply chain
- Energy consumption
- Responsible use of chemicals
- Emissions from use of chemicals
- Emissions to soil and water

Outcome GHG emissions Cary Group 2020 and 2021

Cary Group's target for reducing its GHG emissions by 41 percent until 2030 are based on emission levels in 2020. The outcome for 2021 (Total 2021) includes businesses that have been part of the Cary Group for more than two years and have thus been covered by the Group's measures to reduce emissions. Total, incl new companies 2021, includes businesses that are newly acquired and who are at the beginning of their climate work.

Cary Group's GHG emissions in kg CO_2e/SEK million	Total 2021[1]	Total, incl new companies 2021[2]	2020
Direct GHG emissions (Scope 1)	1,668	1,617	1,108
Indirect GHG emissions from energy (Scope 2)	868	891	1,138
Other indirect GHG emissions (Scope 3)	12,259	13,143	11,204
Total	**14,795**	**15,651**	**13,450**

SCOPE 1 – comprise emissions from direct energy. For Cary Group this include fuel being used by company cars, courtesy cars and service cars.

SCOPE 2 – comprise emissions from indirect energy, meaning electricity and heating being used in our premesis. For premesis where electricity is included in the rental agreement, we have estimated the energy consumption.

SCOPE 3 – comprise data representing Cary Group's use of cars in operations as well as business travels by airplane, taxi and train. Supplier production and transport of goods form the largest part of total footprint in Scope 3.

1) Including companies that have been part of Cary Group >2 years
2) Including also newly acquired operations in 2021

Scope 1 includes emissions from company cars. The calculation methodology was changed between 2020 and 2021 to get improved data collection. The increase is attributable to a more exact data 2021 compared to 2020.

Scope 2 includes purchased energy, that decreased as the portion of renewable energy has continuously increased.

Scope 3 includes indirect emissions throughout the value chain. 2021 also include emissions from the use of chemicals, unlike 2020. The investment in reaching a larger share of fossil-free car fleet has also led to an increase in 2021 compared to 2020.

GRI-index

Cary Group's sustainability report refer to calender year 2021. Reported numbers refer to 1 January 2021 to 31 December 2021 if not otherwise stated. The report has been prepared in accordance with GRI Standards level Core. This is the second sustainability reporting prepared according to GRI and Cary Group intends to report annually.

The auditor's statement on the statutory sustainability report is stated on page 127.

GENERAL INFORMATION

Disclosure	Description	Page/comments
Organization profile		
102-1	Name of the organization	Cary Group Holding AB (publ)
102-2	Activities, brands, products and services	Page 5, 30-31
102-3	Location of headquarters	Stockholm, Sweden
102-4	Location of operations	Page 32-33
102-5	Ownership and legal form	Page 38-39, 72
102-6	Markets served	Page 30-31, 32-33, 34-37
102-7	Scale of the organization	Page 4
102-8	Information on employees and other workers	Page 52-55
102-9	Supply chain	Page 50-57
102-10	Significant changes to the organization and its supply chain	Page 72
102-11	Precautionary principle of approach	Cary Group applies precautionary principles in accordance with Swedish and EU legislations.
102-12	External initiatives	Page 51
102-13	Membership of associations	Glasbranschföreningen (Sweden)
Strategy		
102-14	Statement from senior decision-maker	Page 8
Ethics and integrity		
102-16	Values, principles, standards and norms of behaviour	Page 52
Governance		
102-18	Governance structure	Page 60
Stakeholder engagement		
102-40	List of stakeholder groups	Page 118
102-41	Collective bargain agreements	Share of employees covered by collective bargain agreements 2019: 40%, 2020: 46%, 2021: 58 %
102-42	Identifying and selecting stakeholders	Page 118
102-43	Approach to stakeholder engagement	Page 118
102-44	Key topics and concerns raised	Page 58

Report content and boundaries

Disclosure	Description	Page/comments
102-45	Entities included in the financial statements	Page 60
102-46	Process defining report content and boundaries	Page 41
102-47	List of material sustainability topics	Page 58
102-49	Changes in reporting since previous report	N/A
102-50	Reporting period	1 January 2021 - 31 December 2021
102-51	Date of most recent report	Cary Group's first sustainability report refer to calendar year 2020
102-52	Reporting cycle	Calendar year 12 months
102-53	Contact details for questions regarding the report	Page 129
102-54	Reporting in accordance with the GRI Standards	Core
102-55	GRI content index	Page 120-121
102-56	External assurance	The auditor has commented on the statutory sustainability report
103-1	Explanation of the material topic and its boundaries	Page 41, 58
103-2	Governance	Page 56
103-3	Evaluation of the management approach	Page 56

MATERIALITIES

205-3	Confirmed incidents of corruption and actions taken	Page 57
305-1	Direct GHG emissions (Scope 1)	Page 119
305-2	Indirect, energy GHG emissions (Scope 2)	Page 119
305-3	Other indirect GHG emissions (Scope 3)	Page 119
306-2	Waste by type and disposal method	Glass: 7,069,073 kg Hazardous waste: 11,613 kg Other waste (non-hazardous: 3,751,084 kg Total amount of waste: 10,831,770 kg
308-1	New suppliers screened using environmental criteria	Page 57
401-1	Employee turnover	Page 55
403-9	Work-related injuries	Page 54
403-10	Work-related ill health	Page 54
404-1	Average hours of training per year per employee	N/A
405-1	Diversity of governance bodies and employees	Page 54
406-1	Incidents of discrimination and corrective actions taken	N/A
414-1	New suppliers screened using social criteria	Page 57
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A

Signatures

The Board of Directors and Chief Executive Officer hereby give their assurance that the consolidated annual accounts have been prepared in accordance with the international accounting standards IFRS as adopted by EU and give a true and fair view of the Group's financial position and results of operations. The Annual Report har been prepared in accordance with generally accepted accounting policies and give a true and fair view of the Parent company's financial position and results of operations. The Directors' report of the Group and the Parent company give a true and fair view of the developments of the Group and the Parent company, financial position and results and state the significant risks and uncertainties faced by the Parent company and the companies included in the Group.

Stockholm 11 April, 2022

Juan Vargues
Chairman of the Board

Joakim Andreasson
Member of the Board

Magnus Lindquist
Member of the Board

Magdalena Persson
Member of the Board

Leif Ryd
Member of the Board

Ragnhild Wiborg
Member of the Board

Our audit report was presented on 11 April, 2022

Ernst & Young AB
Stefan Andersson-Berglund
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Cary Group Holding AB, corporate identity number 559040-9388

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Cary Group Holding AB (publ) except for the corporate governance statement on pages 69-81 and the statutory sustainability report defined on page 65 for the year 2021. The annual accounts and consolidated accounts of the company are included on pages 60-117 and 122 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 69-81 and the statutory sustainability report on page 65. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till moderbolaget och koncernen enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav. Detta innefattar att, baserat på vår bästa kunskap och övertygelse, inga förbjudna tjänster som avses i Revisorsförordningens (537/2014) artikel 5.1 har tillhandahållits det granskade bolaget eller, i förekommande fall, dess moderföretag eller dess kontrollerade företag inom EU.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Impairment test of goodwill and intangible assets with an indefinite useful life

Description

As Per 31 December 2021, the company's goodwill amounts to SEK 1 982 million and intangible assets with an indefinite useful life amount to SEK 135 million. Notes 2,3 and 9 describe the impairment test to be carried out annually or when there are indications of impairment. Goodwill and intangible assets with indefinite useful lives acquired through acquisitions are allocated to the company's cash generating units (CGU). When the book value exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the highest of a CGUs net realizable value and value in use, meaning the discounted present value of future cash flows. The cash flow forecasts are based on group management's forecasts that originate in the business units next year's budgets and forecasts for another five years. As disclosed in note 9, these forecasts include assumptions concerning, inter alia, net sales growth, profit margin, terminal growth and discount rates. Note 3 and 9 describes significant assumptions used in the calculation of value. Due to the assumptions required to calculate the recoverable amount, we have assessed that the valuation of goodwill and intangible assets with an indefinite useful life is a key audit matter in our audit

How our audit addressed this key audit matter

Our review has included, among other things, the following audit procedures:

• Evaluation of the company's process to prepare and carry out impairment tests.

• Review of the company's identification of cash generating units (CGUs) and how the operations are monitored internally.

• Evaluation, using valuation experts of used valuation methods and impairment models, of each CGUs discount rate and terminal growth, and where possible by comparison with other companies active in the same industry.

• Assessed the reasonableness of assumptions, including forecast period growth and margins, for example by comparison of historical outcomes and reliability of previous forecasts.

• We also assessed whether the information disclosed is appropriate.

Business combinations

Description

The Company acquires companies on a continuous basis. As described in note 2 and 26, the Company's acquisition value is determined through a purchase price allocation in connection with the acquisition. Acquired identifiable assets and liabilities assumed are initially recognized at fair value at the time of acquisition and the difference between the acquisition value and the fair value of identifiable assets and liabilities assumed is recognized as Goodwill.

As described in note 2 and 26, management is required to make assessments and assumptions in order to estimate the fair value of acquired assets and liabilities, especially when identifying and valuing intangible assets. The fair value measurement attributable to business combinations, to a large extent management's judgment based on the company's own assumptions and therefore constitutes a key audit matter in our audit. Established fair values for the Company's acquisitions are reported in Note 26. Important assumptions used in the determination of fair value are described in note 2 and 26.

How our audit addressed this key audit matter

Our review has included, among other things, the following audit procedures;

• Review of significant acquisition agreements

• Evaluation of management's process for preparing purchase price allocations.

• Evaluation of management's assessments and valuation of identified assets and liabilities assumed

• Reconciliation of purchase price allocation to accounting records.

• Evaluating, using valuation experts, used valuation methods and management assessments and assumptions.

• We also assessed whether the information disclosed is appropriate.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-60, 69-81 and 118-132. The remuneration report for the financial year 2021 also constitutes other information. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

> Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

> Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

> Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

> Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast

significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

> Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

> Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Cary Group Holding AB (publ) for the year 2021 and the proposed appropriations of the company's profit.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with 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 ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report
Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Cary Group Holding AB (publ) for the financial year 2021.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report ffc6f9bc684d464524d10affdfe804fcafe93bca5427eba089c58db3e8ac9f74 has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Cary Group Holding AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

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

Furthermore, the procedures also include an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

The auditor’s examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 69-81 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s standard RevR 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

The auditor´s opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report defined on page 65, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR’s auditing standard RevR 12 The auditor´s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion. A statutory sustainability report has been prepared.

Ernst & Young AB, Box 7850, 103 99 Stockholm with Stefan Andersson-Berglund as auditor-in-charge, was appointed auditor of Cary Group Holding AB by the general meeting of the shareholders on June 2nd, 2021 and has been the company’s auditor since 2018. Cary Group Holding AB (publ) has been a company of public interest since September 23rd, 2021

Stockholm 11 April, 2022
Ernst & Young AB

Stefan Andersson-Berglund
Authorized Public Accountant

Definitions

EBITA	Operating profit before amortisation of intangible assets.
EBITA margin, %	EBITA as a percentage of the company's net revenue.
Adjusted EBITA	Operating profit before amortisation of intangible assets, adjusted for items affecting comparability.
Adjusted EBITA margin, %	Adjusted EBITA as a percentage of the company's net revenue.
EBITDA	Operating profit before depreciation/amortisation of property, plant and equipment and intangible non-current assets.
EBITDA margin, %	EBITDA as a percentage of the company's net revenue.
Adjusted EBITDA	Operating profit before depreciation/amortisation of property, plant and equipment and intangible non-current assets, adjusted for items affecting comparability.
Adjusted EBITDA margin, %	Adjusted EBITDA as a percentage of the company's net revenue.
Capital employed	The total of equity and interest-bearing liabilities. Average capital employed is calculated as the average of the opening balance and the closing balance for the period concerned.
Cash generation, %	Operating cash flow divided by Adjusted EBITDA.
Net debt	Interest-bearing liabilities (due to credit institutions and lease liabilities), less cash and cash equivalents.
Net debt/Adjusted EBITDA	Net debt divided by Adjusted EBITDA, pro forma.
Net revenue growth, %	Change in reported net revenue compared with the same period in the preceding year.
Organic growth, %	Net revenue growth, adjusted for net revenue attributable to businesses acquired, in the first twelve months after the acquisition date.
Return on capital employed (ROCE), %	Adjusted EBITA as a percentage of average capital employed.
Return on equity (ROE), %	Profit for the period divided by average equity attributable to the parent company's shareholders. The average is calculated as the average of the opening balance and the closing balance for the period concerned.
Number of jobs	Total number of jobs carried out in the Group.
Number of workdays	Number of workdays per country weighted by the county's share of total sales.
Number of workshops (including mobile units)	Total number of workshops owned by the Group, franchise-owned and mobile units.
Net Promoter Score (NPS)	The Net Promoter Score (NPS) is a measure of customer loyalty and customer satisfaction. The result is obtained from asking customers how likely, on a scale of 0–10, they are to recommend the company's product or service to others. Cary Group bases its NPS on Sweden and the UK, with a weighting based on its income.
R12 – Rolling 12 months	Refers to the past twelve months reported, including the period reported on in the interim report.

Shareholder information

Financial information
and other relevant company information is published on www.carygroup.com and can be ordered from Cary Group Holding AB (publ), Hammarby Kaj 10D, SE-120 32 Stockholm or via e-mail: info@carygroup.com

Calendar
Interim report January–March: 10 May 2022
Annual General Meeting: 17 May 2022
Interim report January–June: 21 July 2022
Interim report January–September: 29 October 2022

Financial reports are available on Cary Group's website directly after publication and it published in Swedish and English. The Annual report for 2021 is available to download at www.carygroup.com.

Annual General Meeting
The Annual General Meeting will be held on Tuesday 17 May, 2022. The AGM will be carried out with no physical presence of shareholders, proxies or others attending. Shareholders can use their right to vote through post voting before the AGM.

More information on voting will be available in the notice to the AGM and will also be available on the website, carygroup.com.

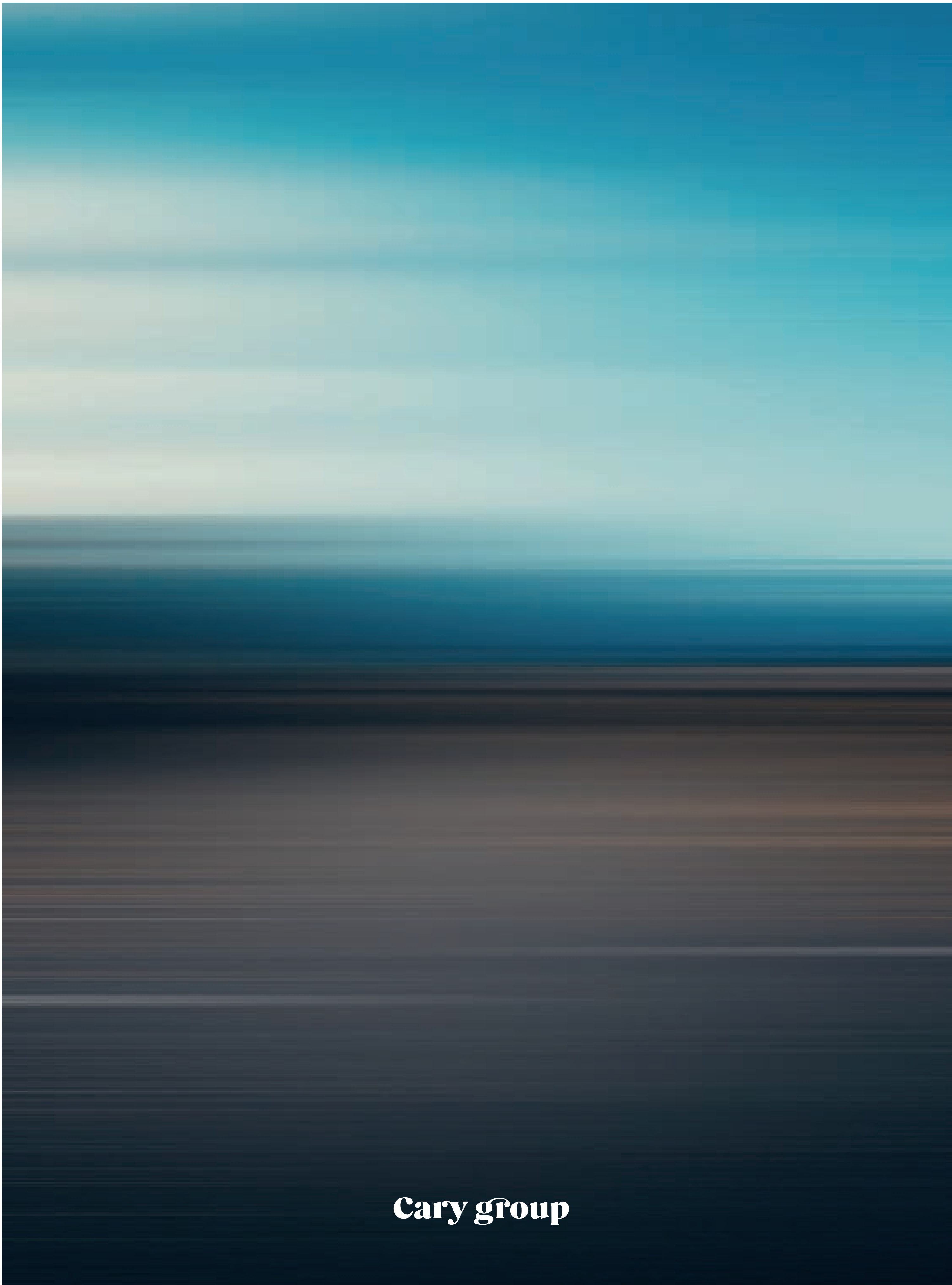
This annual report is a translation from the Swedish original. In case of any discrepancies the Swedish version shall govern.

Contact for investor relations
Helene Gustafsson
Head of IR & Corporate Communication
helene.gustafsson@carygroup.com

Contact Board of Directors and Nomination Committee
Cary Group Holding AB (publ)
Hammarby Kaj 10D, SE-120 32 Stockholm
E-mail: info@carygroup.com

Design and production: Cary Group in cooperation with Sthlm Kommunikation & IR
Photo: Daniel Olsén, Yoal Desurmont, Holde Baxter, John Towner, Danny Froese, Paul Rysz, Jason Blackeye, Vidar Nordli Mathisen, David Cohen
Print: Exakta AB, 2022
Paper: Munken Polar ID


Smarter solutions
for sustainable
car care


Cary group