Annual Report 2023

Teniralc TopCo
A part of Cary Group

Contents

Directors' Report

The Board of Directors of Teniralc Topco AB, company registration number 559303-4712 ("the company"), hereby present the following annual report and consolidated financial statements for the period from 1 January to 31 December 2023.

Business areas and organisation

The company shall directly or indirectly own and manage shares in subsidiaries and related activities.

The company and its subsidiaries, together referred to as Cary Group, are one of the European market leaders within sustainable repair and replacement of vehicle glass, with a complementary offering in vehicle damage repair. With good accessibility, high-quality products and smart solutions, Cary Group help its customers make simplified and sustainable choices.

Significant events during the financial year

In January 2023, Cary Group acquired 100% of Dansk Bilglas A/S, a leading company in the repair and replacement of veichle glass in Denmark. The acquisition means that Cary Group further strengthens its presence in its home region, the Nordic region.

In May 2023, Cary Group appointed Patrik Andersson as the new Chairman of the Board. As the former President and CEO of Loomis AB, Patrik Andersson will be able to use his extensive experience from a service-oriented business in a company that has undergone an international expansion and thereby support Cary Group's continued growth and expansion journey.

In June 2023, Cary Group acquired the Belgian companies Autoglass Clinic and Touring Glass, both active in the repair and replacement of vehicle glass. The acquisitions, which are part of Cary Group's European consolidation journey, form a strong platform in the Belgian market.

In December 2023, Cary Group signed an agreement to acquire the UK-based company J Huggins and Son Ltd. The company is one of the UK's leading suppliers of veichle glass repair and replacement, and the acquisition is an important part of consolidating Cary Group's position in the UK. J Huggins and Son Ltd is also part of the same consortium as Cary Group in the UK, National Windscreens. The acquisition means that Cary Group's operations now represent approximately 95% of the consortium's total revenues.

Cary Group's operations, performance and financial position

Total income for the period was SEK 4,853 million (930), where the revenue of the comparison year includes three months of income. Operating profit (EBIT) was SEK –333 million (–265). Net financial income was SEK –1,016 million (–195), income tax SEK –17 million (57), resulting in a net profit of SEK –1,366 million (–402). The result was negatively affected by an impairment of goodwill of SEK 623 million.

Cash flow

Cash flow from operating activities amounted to SEK 677 million (–141) during the period. Acquisition of subsidiaries, net of cash amounted to SEK –289 million (–6,283). Divestment of subsidiary shares resulted in a positive cash flow of SEK 14 million (141). After investments in property, plant and equipment and intangible non-current assets, cash flow amounted to SEK –395 million (–6,166). Investments, excluding acquisitions, totalled SEK –120 million (–24). Cash flow from financing activities consisted mainly of net of received and repaid loans of SEK 479 million (5,305), amortization of lease liabilities of SEK –182 million (–42) and interest paid of SEK –636 million (6). Cash flow for the year amounted to SEK –60 million (547).

Financial position

As at 31 December 2023, net debt totalled SEK 9,127 million (8,694). Long-term credit facilities amounted to SEK 4,954 million (4,322), shareholder loan amounted to SEK 3,610 million (3,452) and total lease liabilities to

SEK 717 million (652). Unused credit facilities amounted to SEK 2,098 million (2,809) as at 31 December 2023.

Equity, including non-controlling interests, amounted to SEK 2,910 million (4,201). Cash and cash equivalents totalled SEK 482 million (547).

Parent company

The parent company Teniralc Topco AB functions as a holding company in the group.

Significant events after the balance sheet date

In February 2024, Cary Group closed the acquisition of the UK-based company J Huggins and Son Ltd.

People

The average number of employees in the Group was 2,736 (2,675).

Sustainability

Cary Group reports sustainability in accordance with the Swedish Annual Accounts Act Chapter 6, 10–14 and Chapter 7, 31a – c. The statutory Sustainability report in accordance with the Annual Accounts Act is found on Cary groups website https://carygroup.com/sustainability/. Cary Group reports with reference to Global Reference Initiative (GRI) Standards. The new standard GRI Universal Standards 2021 is referred to non-exhaustively, together with the selected GRI Topical Standards. Greenhouse gases are reported in accordance with Greenhouse gas protocol corporate standard and aligns with ISO 14021:2017 Environmental labels and declarations – Self-declared environmental claims to be climate neutral through climate compensation.

Sustainability is at the heart of Cary Group's identity and strategy. Our vision is to be the most sustainable company in our industry, with a strong connection between business strategy, brand value and sustainability management. Our focus for our sustainability work covers three areas including environment, social and governance issues: reducing our climate footprint, being an attractive workplace with no work-related injuries, and ensuring good compliance throughout the Group.

As part of Cary Group's strategy clear and ambitious science-based targets (SBTs) for reducing its climate footprint has been set. Cary Group has committed to reduce CO_2e emissions from scope 1 & 2 by 42%, now verified by the Science Based Target initative's (SBTi) and in line with the 1.5°C scenario. Scope 3 emissions should be reduced in relation to gross profit by 52% by 2030, compared to the base year 2022. The Greenhouse Gas protocol's categories included in the Scope 3 target are Purchased goods and services; Fuel and energy related activities; Upstream transportation and distribution; waste generated in operations. The Group's climate reduction strategy is based on three key areas with actions and targets defined within each area: Sustainable procurement of goods and services with focus on glass supply chain, use of renewable energy in operations and climate-friendly transportation. Measures are implemented on all markets and are followed up as part of the strategic initiatives at Group and country level.

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.

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

Reduced profitability, significant interest rate increases in case of a refinancing, 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 business risk of terminated B2B contracts, partnership loss with suppliers and reputational damage. The Group has been working on its repair rate and other initiatives to reduce carbon emissions for some time. For example, In Sweden, the business is operated in line with a general environmental policy (ISO 14001) and most workshops are powered by renewable energy and the aim is to implement this in all markets. Transitioning to a fossil free vehicle fleet and producing energy via solar panels are other carbon reducing activities.

The climate change itself may have business critical effects on Cary Group's operations with extreme whether such as high temperatures, flooding, and storms. The extreme weather increases the risk of a forced temporary stop in operations due to for example intolerable working conditions, leading to loss of income. Mitigating action are being integrated in the contingency plan.

Apart from climate, biodiversity is a risk area as glass production requires finite raw material: sand (~73%), soda ash (~13%), limestone (~9%), dolomite (~4%), other trace materials (~1%). These finite materials are extracted from quarries which affect the local and regional biodiversity.

Sustainable supply chain

Cary Group is dependent on its suppliers for its services and thus also dependent on the suppliers to fulfil its sustainability commitments, for example reducing in line with Paris agreements 1,5°C and comply with human right and anti-corruption. Vehicle glass is energy intensive to manufacture and dependent on natural gas and oil as well as sand and silicates in the processes. To mitigate the dependence on the glass value chain, Cary Group strives for circularity with the policy to always repair instead of replacing a windscreen when possible. Replacing a windscreen has greater environmental impact than making a repair and circular resource management is important for improving and reducing consumption of material and energy. To ensure that Cary Group always repairs whenever 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 to feed the material back to the glass value chain.

Cary Group's assessment is that the greatest risk of human rights violations exists 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 Supplier's Code of Conduct and Modern Slavery Statement. A yearly supplier assessment is conducted. The assessment 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.

Cary Group is dependent on the use of chemicals to perform its services, which poses a risk. 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.

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.

Cary Group aims to apply equal rights, obligations and opportunities for all employees, regardless of sex, age, sexual orientation, disability, ethnicity, religion or belief. Work on equality and diversity is carried out in compliance with local country legislation and in cooperation with employees and trade unions where applicable.

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 ten 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.

Proposed appropriation of profit

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

Retained earnings	4,278,194,539
Loss for the period	-348,737,446
Total	**3,929,457,093**

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

To shareholders dividends of SEK 0 per share	
Carried forward	3,929,457,093
Total	**3,929,457,093**

Consolidated income statement

SEKm	Notes	2023-01-01 – 2023-12-31	2022-06-17 – 2022-12-31
Net revenues		4,822	915
Other operating income		31	15
Total income		**4,853**	**930**
Cost of sales		–1,628	–304
Other external expenses	4	–797	–383
Personnel expenses	5	–1,622	–391
Amortization, depreciation and impairment of tangible and intangible assets	8, 9, 10	–1,129	–112
Other operating expenses		–10	–4
Operating expenses		**–5,186**	**–1,194**
Operating profit		**–333**	**–265**
Financial income	6	57	90
Financial expenses	6	–1,073	–285
Net financial items		**–1,016**	**–195**
Profit before tax		**–1,349**	**–459**
Income tax	7	–17	57
Profit for the year		**–1,366**	**–402**
Attributable to:			
Shareholders of the parent company		–1,290	–402
Non-controlling interests		–76	0
Profit for the year		**–1,366**	**–402**

Consolidated statement of comprehensive income

SEKm	Notes	2023-01-01 –2023-12-31	2022-06-17 –2022-12-31
Profit for the year		**–1,366**	**–402**
Other comprehensive income			
Items that may be reclassified to profit/loss (net after tax)			
Translation differences on foreign operations		–10	90
Items that will not be reclassified to profit/loss (net after tax)			
Remeasurements of net pension obligation	5	–1	0
Other comprehensive income		**–11**	**90**
Total comprehensive income		**–1,377**	**–312**
Attributable to:			
Shareholders of the parent company		–1,300	–312
Non-controlling interests		–76	0
Total comprehensive income		**–1,377**	**–312**

Consolidated balance sheet

SEKm	Notes	2023-12-31	2022-12-31
ASSETS			
Non-current assets			
Goodwill	8	8,309	8,743
Other intangible assets	8	2,997	3,117
Tangible assets	9	325	274
Right-of-use assets	10	703	663
Financial assets		9	18
Deferred tax assets	7	45	2
Total non-current assets		**12,388**	**12,817**
Current assets			
Inventories	11	391	317
Trade receivables	12	491	442
Current tax receivables		30	3
Other receivables		12	22
Prepaid expenses and accrued income		159	132
Cash and cash equivalents		482	547
Total current assets		**1,565**	**1,463**
TOTAL ASSETS		**13,953**	**14,280**

SEKm	Notes	2023-12-31	2022-12-31
EQUITY AND LIABILITIES			
EQUITY	14		
Share capital		0	0
Other paid-in capital		4,447	4,365
Translation reserve		80	90
Retained earnings including net income for the year		–1,677	–376
Equity attributable to shareholders of the parent company		**2,850**	**4,079**
Non-controlling interests		60	122
TOTAL EQUITY		**2,910**	**4,201**
LIABILITIES			
Non-current liabilities			
Borrowings	19	4,954	4,322
Shareholder loan	19	3,610	3,452
Lease liabilities	10	493	504
Deferred tax liabilities	7	682	667
Additional purchase price liabilities		146	123
Other non-current liabilities		34	11
Total non-current liabilities		**9,918**	**9,079**
Current liabilities			
Trade payables		275	267
Current tax liabilities		74	0
Borrowings	19	26	18
Lease liabilities	10	224	148
Provisions	15	13	8
Additional purchase price liabilities		3	22
Other current liabilities		128	135
Accrued expenses and prepaid income		382	402
Total current liabilities		**1,125**	**1,000**
TOTAL EQUITY AND LIABILITIES		**13,953**	**14,280**

Consolidated statement of changes in equity

SEKm	Equity attributable to shareholders of the parent company					Non-controlling interests	Total equity
	Share capital	Other paid-in capital	Translation reserve	Retained earnings	Total		
Opening balance, 1 January 2023	0	4,365	90	–376	4,079	122	4,201
Profit for the year	–	–	–	–1,289	–1,289	–77	–1,366
Other comprehensive income	–	–	–10	–1	–11	–	–11
Total comprehensive income for the year	–	–	**–10**	**–1,290**	**–1,300**	**–77**	**–1,377**
Transactions with owners							
Shareholder contribution	0	82	–	–	82	–	82
Non controlling interest related to acquisition of subsidiary	–	–	–	–5	–5	15	10
Dividend	–	–	–	–5	–5	–	–5
Total transactions with owners	–	**82**	–	**–10**	**72**	**15**	**87**
Closing balance, 31 December 2023	**0**	**4,447**	**80**	**–1,677**	**2,850**	**60**	**2,910**

SEKm	Equity attributable to shareholders of the parent company					Non-controlling interests	Total equity
	Share capital	Other paid-in capital	Translation reserve	Retained earnings	Total		
Profit for the year	–	–	–	–402	–402	0	–402
Other comprehensive income	–	–	90	–	90	–	90
Total comprehensive income for the year	–	–	**90**	**–402**	**–312**	**0**	**–312**
Transactions with owners							
Shareholder contribution	0	4,365	–	–	4,365	–	4,365
Non controlling interest related to acquisition of subsidiary	–	–	–	–	–	5	5
Sale of non controlling interest in a subsidiary	–	–	–	25	25	116	142
Total transactions with owners	**0**	**4,365**	**0**	**25**	**4,390**	**122**	**4,512**
Closing balance, 31 December 2022	**0**	**4,365**	**90**	**–376**	**4,079**	**122**	**4,201**

Consolidated statement of cash flows

SEKm	Notes	2023-01-01 – 2023-12-31	2022-06-17 – 2022-12-31
Cash flows from operating activities			
Operating profit		–333	–265
Adjustments of non-cash items:			
- depreciation, amortization and impairment		1,129	112
- other items		3	8
Income taxes paid		–22	–6
Cash flow before changes in working capital		**778**	**–151**
Changes in working capital			
- inventories		–51	–25
- trade receivables		–16	24
- other operating receivables		–62	–7
- trade payables		–36	–4
- other operating liabilities		63	22
Cash flow from changes in working capital		**–101**	**10**
Cash flows from operating activities		**677**	**–141**
Cash flows from investing activities			
Acquisition of subsidiaries, net of acquired cash	18	–289	–6,283
Divestment of minority share in subsidiary		14	141
Net investments in tangible assets	9	–97	–19
Net investments in intangible assets	8	–23	–5
Cash flow from investing activities		**–395**	**–6,166**
Cash flows from financing activities			
Shareholders contribution		82	1,596
Dividend		–6	–
New borrowings	19	627	7,886
Paid borrowing costs	19	–5	–189
Amortization of borrowings	19	–225	–2,392
Amortization of lease liabilities	10	–182	–42
Realised exchange rate differences		3	–12
Interest paid		–636	6
Cash flow from financing activities		**–342**	**6,854**
Cash flow for the year		**–60**	**547**
Cash and cash equivalents at the beginning of the year		547	0
Cash flow for the year		–60	547
Exchange rate difference in cash and cash equivalents		–5	0
Cash and cash equivalents at the end of the year		**482**	**547**

Parent company income statement

SEKm	Note	2023-01-01 – 2023-12-31	2022-06-17 – 2022-12-31
Other external expenses		0	0
Operating profit		**0**	**0**
Financial income		4	–
Accrued interest expense		–353	–87
Net financial items		**–349**	**–87**
Profit before tax		**–349**	**–87**
Income tax		–	–
Profit for the year		**–349**	**–87**

Parent company statement of comprehensive income

SEKm	2023-01-01 – 2023-12-31	2022-06-17 – 2022-12-31
Profit for the year	–349	–87
Other comprehensive income	0	0
Total comprehensive income	**–349**	**–87**

Parent company balance sheet

SEKm	Note	2023-12-31	2022-12-31
ASSETS			
Non-current assets			
Financial assets			
Participations in Group companies	P2	7,663	7,677
Total non-current assets		**7,663**	**7,677**
Current assets			
Cash and cash equivalents		49	141
Total current assets		**49**	**141**
TOTAL ASSETS		**7,712**	**7,817**
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity			
Share capital		0	0
Total restricted equity		**0**	**0**
Non-restricted equity			
Share premium fund		4,447	4,365
Retained earnings		–87	–
Profit for the year		–349	–87
Total non-restricted equity		**4,011**	**4,278**
TOTAL EQUITY		**4,011**	**4,278**
LIABILITIES			
Non-current liabilities			
Shareholder loan		3,610	3,452
Total non-current liabilities		**3,610**	**3,452**
Current liabilities			
Other liabilities		0	0
Accrued interest		91	87
Total current liabilities		**91**	**87**
TOTAL EQUITY AND LIABILITIES		**7,712**	**7,817**

Parent company statement of changes in equity

	Restricted equity	Unrestricted equity			
SEKm	Share capital	Share premium fund	Retained earnings	Profit/loss for the year	Total equity
Opening balance, 1 January 2023	0	4,365	–87	–	4,278
Profit for the year		–	–	–349	–349
Other comprehensive income	–	–	–	–	–
Total comprehensive income for the year	–	**4,365**	**–87**	**–349**	**3,929**
Transactions with owners					
Shareholder contribution	0	82	–	–	82
Total transactions with owners	–	**82**	–	–	**82**
Closing balance, 31 December 2023	**0**	**4,447**	**–87**	**–349**	**4,011**

	Restricted equity	Unrestricted equity			
SEKm	Share capital	Share premium fund	Retained earnings	Profit/loss for the year	Total equity
Profit for the year	–	–	–	–87	–87
Other comprehensive income	–	–	–	–	–
Total comprehensive income for the year	–	–	–	**–87**	**–87**
Transactions with owners					
Shareholder contribution	–	4,365	–	–	4,365
Total transactions with owners	–	**4,365**	–	–	**4,365**
Closing balance, 31 December 2022	**0**	**4,365**	–	**–87**	**4,278**

Parent company cash flow statement

SEKm	Note	2023-01-01 – 2023-12-31	2022-06-17 – 2022-12-31
Cash flows from operating activities			
Operating profit		0	0
Cash flow before changes in working capital		**0**	**0**
Changes in working capital			
- operating receivables		0	0
- operating liabilities		0	0
Cash flow from changes in working capital		**0**	**0**
Net cash flow from operating activities		**0**	**0**
Cash flows from investing activities			
Divestment of minority share in subsidiary		14	141
Net cash flow from investing activities		**14**	**141**
Cash flows from financing activities			
Shareholder contribution received		82	1,596
Shareholder contribution provided		–	–5,048
Shareholder loan		–	3,452
Amortization of shareholder loan		–187	–
Net cash flow from financing activities		**–105**	**0**
Cash flow for the year		**–91**	**141**
Cash and cash equivalents at the beginning of the year		141	0
Cash flow for the year		–91	141
Cash and cash equivalents at the end of the year		**49**	**141**

Group notes

NOTE 1 GENERAL INFORMATION

These financial statements are consolidated financial statements for the group consisting of Teniralc Topco AB, corporate no. 559303-4712, and its subsidiaries. A list of the subsidiaries is included in Note 17.

Teniralc Topco AB (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.

Teniralc Topco AB 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 28 April 2024.

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 million.

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 the Swedish tax legislation.

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 earnout debts and derivatives, which have been valued at fair value.

Basis of consolidation

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

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

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

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

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

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership 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 effective from 2023

IAS 12 Deferred tax

On 23 May, 2023, IASB issued certain amendments to IAS 12 Income taxes, with these amendments introducing a temporary exemption from accounting for deferred tax according to the OECD; s Model Rules under Pillar II. As a result of the exemption, the Group may be liable to pay additional tax on the difference between the effective tax rate and the minimum tax rate of 15%. For Cary Group, all subsidiaries within the Group have an effective tax rate exceeding 15%, which means that the Group is not exposed to the legislation in Pillar II.

New standards and interpretations not yet applied

Cary Group has made the assessment that new or changed standards and interpretations will not have any significant effect on the group's financial reports.

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.

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:

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, cont.

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet date
- 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 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.

Assets and liabilities arising from leasing agreements are initially reported at present value:

- fixed fees, after deduction of any benefits in connection with the signing of the leasing agreement to be received
- 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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, cont.

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.

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 2023 is allocated to and coincide with the reporting segments Nordics and Rest of Europe per currency. For further information see Note 8.

Intangible assets

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.

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	10 years
IT systems	5–10 years

Brands

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. The impairment tests resulted in a write-down of SEK 623 million (0), see Note 8. 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 for the majority of the subsidiaries in the group. One subgroup uses average value due to current system support. 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, cont.

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, except for derivates that are measured at fair value.

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.

The Group's earnout liabilities and derivates are measured at fair value.

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 13.

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 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.

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.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES, cont.

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, Spain, Germany and Portugal are defined contribution plans. 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 2023 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 2.0 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 2023 financial year, Alecta's provisional collective funding surplus was 158 percent.

The Group also has a defined benefit pension plan in the UK. For further information, see note 5.

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.

Rounding differences

Sometimes, the total amount in tables and statements do not add up due to rounding differences. The purpose is that each sub-line equals its source of origin and therefore rounding differences can occur.

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 section i) Repair Services.

For estimates and judgements in relation to carried-forward tax losses, see Note 7.

For significant estimates and assessments of business combinations, see Note 2, section Basis of consolidation.

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).

To establish the base interest rate, market rates for all relevant durations and currencies have been collected. Short term rates consist of IBOR-rates, while swap rates are utilized for longer tenors. To assess the creditworthiness of the Group, spreads over the base rate which the Group borrows to are calculated based on the current external financing. To assess the credit spreads for the subsidiaries on a stand-alone basis, spreads over the base rate to which the subsidiaries borrow are calculated based on intra-group loan agreements. To calculate the total interest rate, the base rate and the two credit spreads are simply added together. The rate range is 6.94–10.46 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 Gorup 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 not 8 Intangible assets.

NOTE 4 DISCLOSURE ON REMUNERATION TO AUDITORS

SEKm	2023-01-01 – 2023-12-31	2022-06-17 – 2022-12-31
Ernst & Young AB		
Audit assignment	4	1
Other audit related assignments	0	0
Tax consultancy services	0	–
Other services	0	0
Total	**4**	**1**
Other auditors		
Audit assignment	5	2
Other audit assignments	0	–
Tax consultancy services	1	–
Other services	1	–
Total	**7**	**2**

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.

This includes other tasks that it is up to the auditor to carry out as well as advice or other assistance that is prompted by observations in such review or the implementation of such other tasks.

NOTE 5 EMPLOYEES AND PERSONNEL EXPENSES

Average number of employees

	2023-01-01 – 2023-12-31			2022-06-17 – 2022-12-31		
	Men	Women	Total	Men	Women	Total
Sweden	535	64	599	505	70	575
Denmark	117	21	138	53	10	63
Norway	177	31	208	93	110	203
Spain	294	58	352	328	73	401
Germany	200	13	213	196	21	217
Luxembourg	18	2	20	20	3	23
Portugal	179	46	225	156	37	193
Austria	7	1	8	8	1	9
United Kingdom	801	121	922	846	146	991
Belgium	41	9	50	–	–	–
Total	**2,369**	**367**	**2,736**	**2,205**	**470**	**2,675**

Gender distribution in Board and Group management

	2023-12-31			2022-12-31		
	Men	Women	Total	Men	Women	Total
Board of Directors	6	1	7	5	1	6
Group management	4	4	8	4	4	8
Total	**10**	**5**	**15**	**9**	**5**	**14**

NOTE 5 EMPLOYEES AND PERSONNEL EXPENSES, cont.

Remuneration and other benefits

	2023-01-01 – 2023-12-31			2022-06-17 – 2022-12-31		
SEKm	Board of Directors and Group management	Other employees	Total	Board of Directors and Group management	Other employees	Total
Base salaries and other remunerations	21	1,221	1,242	5	292	297
Bonuses	3	34	37	6	4	10
Pension expenses	4	42	46	1	13	14
Other social security expenses	7	231	238	3	41	44
Total	**35**	**1,528**	**1,563**	**15**	**350**	**365**

Net pension obligations

	2023-01-01 – 2023-12-31				
SEKm	Present value of pension obligation	Fair value of plan assets	Total	Impact of asset ceiling	Net amount
Opening balance, 1 January	**–107**	**123**	**17**	**–14**	**2**
Administration expenses	–	–2	–2	–	–2
Interest income/expense	–5	5	0	–	0
Total amount recognized in income statement	**–5**	**3**	**–2**	**0**	**–2**
Actuarial gains/losses	–7	–3	–10	–	–10
Translation differences	–1	2	1	–1	0
Reduction of asset due to asset ceiling	–	–	0	6	6
Total amount recognized in other comprehensive income	**–8**	**–1**	**–9**	**5**	**–4**
Employers contributions	–	4	4	–	4
Benefit payments	3	–3	0	–	0
Closing balance, 31 December	**–117**	**126**	**9**	**–9**	**0**

	2022-06-17 – 2022-12-31				
SEKm	Present value of pension obligation	Fair value of plan assets	Total	Impact of asset ceiling	Net amount
Acquired through business combinations	–162	204	42	–42	0
Past service cost	0	0	0	0	0
Administration expenses	0	–3	–3	0	–3
Interest income/expense	–3	4	1	0	1
Total amount recognized in income statement	**–3**	**1**	**–2**	**0**	**–2**
Actuarial gains/losses	57	–86	–28	0	–28
Translation differences	–5	7	1	–1	0
Reduction of asset due to asset ceiling	0	0	0	29	29
Total amount recognized in other comprehensive income	**52**	**–79**	**–27**	**27**	**0**
Employers contributions	0	4	4	0	4
Benefit payments	7	–7	0	0	0
Closing balance, 31 December	**–107**	**123**	**17**	**–14**	**2**

NOTE 5 EMPLOYEES AND PERSONNEL EXPENSES, cont.

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 above 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 6 NET FINANCIAL ITEMS

SEKm	2023-01-01 – 2023-12-31	2022-06-17 – 2022-12-31
Result from participations in associated companies	2	–
Interest rate swap, realised	8	–
Interest income	10	44
Net foreign exchange gains	37	46
Financial income	**57**	**90**
Interest expenses on borrowings	–537	–136
Interest expenses on lease agreement	–63	–14
Interest expenses on shareholder loan	–353	–87
Interest rate swap, unrealised	–32	–
Other financial expenses	–7	–4
Net foreign exchange losses	–81	–44
Financial expenses	**–1,073**	**–285**
Net financial items	**–1,016**	**–195**

NOTE 7 INCOME TAXES

SEKm	2023-01-01 – 2023-12-31	2022-06-17 – 2022-12-31
Current income tax on profit for the year	–61	20
Adjustments of current income tax of prior periods	–17	2
Total current tax expense	**–78**	**22**
Deferred income tax	61	35
Income tax	**–17**	**57**
Profit before tax	–1,349	–459
Tax according to current tax rate of the parent company 20.6 %	278	95
Effect of other tax rates in foreign jurisdictions	22	–1
Non-taxable income	11	3
Non-deductible expenses	–4	–52
Utilisation of previously unrecognised tax losses	5	11
Unrecognised tax losses carried forward	–19	–3
Non-deductible interest expenses carried forward	–135	6
Impairment of goodwill	–157	0
Adjustments of current income tax of prior periods	–17	2
Other	–	–4
Income tax	**–17**	**57**

Changes in deferred taxes

SEKm	2023-01-01 – 2023-12-31	2022-06-17 – 2022-12-31
Opening balance, 1 January	–665	–
Recognized in income statement	61	35
Acquired through business combinations	–17	–705
Translation differences	–16	5
Closing net balance, 31 December	**–637**	**–665**

Deferred taxes

	2023-12-31			2022-12-31		
SEKm	Assets	Liabilities	Net	Assets	Liabilities	Net
Intangible assets	0	662	–662	–	688	–688
Right-of use assets	8	–	8	–	–	–
Lease liabilities	–	–	–	2	–	2
Other receivables	3	–	3	3	–	3
Other liabilities	–	0	0	–	–	–
Pension	0	–	0	–	1	–1
Tax allocation reserves	–	28	–28	–	24	–24
Tax losses carried forward/ interest deductions carried forward	57	–	57	51	–	51
Other	0	17	–16	1	10	–9
Deferred tax assets/liabilities	**70**	**707**	**–637**	**58**	**723**	**–665**
Netting of assets/liabilities	–25	–25	–	–56	–56	–
Net deferred tax balances	**45**	**682**	**–637**	**2**	**667**	**–665**

The Group has an amount of SEK 433 million (179) 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 102 million (38). The losses have no expiry date.

NOTE 8 INTANGIBLE ASSETS

	2023-01-01 – 2023-12-31				
SEKm	Goodwill	Brands	Customer relations	Licenses	Total
Accumulated acquisition cost					
Opening balance, 1 January	8,743	1,573	1,560	35	11,912
Acquired through business combinations	206	35	48	6	296
Investments	–	–	–	21	21
Disposals	–3	–	–	–6	–9
Translation differences	–37	–10	–7	–1	–56
Closing balance, 31 December	**8,910**	**1,598**	**1,601**	**56**	**12,165**
Accumulated amortization and impairment					
Opening balance, 1 January	–	–	–49	–2	–52
Amortization	–	–	–202	–16	–217
Impairment	–623	–	–	–	–623
Disposals	3	–	–	6	9
Translation differences	19	–	4	–	24
Closing balance, 31 December	**–601**	–	**–248**	**–12**	**–860**
Carrying amount	**8,309**	**1,598**	**1,353**	**45**	**11,306**

	2022-06-17 – 2022-12-31				
SEKm	Goodwill	Brands	Customer relations	Licenses	Total
Accumulated acquisition cost					
Acquired through business combinations	8,649	1,564	1,545	30	11,789
Investments	–	–	–	5	5
Translation differences	94	9	15	0	119
Closing balance, 31 December	**8,743**	**1,573**	**1,560**	**35**	**11,912**
Accumulated amortization and impairment					
Amortization	–	–	–49	–2	–51
Translation differences	–	–	0	0	0
Closing balance, 31 December	–	–	**–49**	**–2**	**–51**
Carrying amount	**8,743**	**1,573**	**1,510**	**33**	**11,860**

The group performs an impairment test of goodwill and intangible assets with indefinite useful lives anually or when triggerd by events. Goodwill and Brands are the only intangible assets with indefinite useful lives. The cash generating units tested in the Group are 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.

	2023-12-31			2022-12-31		
SEKm	Nordics	Rest of Europe	Total	Nordics	Rest of Europe	Total
Goodwill	4,295	4,014	8,309	3,827	4,915	8,742
Brands	1,201	397	1,598	1,178	395	1,573

NOTE 8 INTANGIBLE ASSETS, cont.

Cary group was acquired last year and the Purchase price allocation (PPA) has been updated with a reallocation of goodwill between the cash generating units and the PPA for Cary Group is now finalized.

Below are the assumptions regarding the weighted average cost of capital (WACC) and long-term growth rate that were applied in the impairment test.

	2023-12-31		2022-12-31	
%	Nordics	Rest of Europe	Nordics	Rest of Europe
WACC	9.5	10.5	8.0	9.3
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 forecast period, which is 9 years and follows the PPA model. The long-term growth figures are considered conservatively in line with expected long-term inflation.
- Post-tax discount rates: Reflect specific risks attributable to the segments and the countries in which they operate.

The forecast period of 9 years is justified by the fact that the business model extends over this time and where the assessment is that Cary Group will not achieve a long-term sustainable margin and long-term sustainable turnover growth until after this forecast period.

The residual value exceeeds by a good margin the reported value of the goodwill in the Nordics. There are no reasonable 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. Forecasted cash flows, as approved by management, are based on an analysis of historical outcomes as well as on best assessment of the future.

For Rest of Europe, the impairment test indicated an impairment of goodwill of SEK 623 million due to increased WACC and delayed integration of the operations in UK. Goodwill is thus written down to estimated value in use. In the event of an increase in the WACC by 0.5%, the write-down requirement would increase by SEK 300 million and in the event of a reduced long-term EBITDA margin by 0.5%, the write-down requirement would increase by SEK 100 million.

NOTE 9 TANGIBLE ASSETS

	2023-01-01 – 2023-12-31				
SEKm	Buildings	Furniture, fittings and equipment	Leasehold improvements	Construction in progress	Total
Accumulated acquisition cost					
Opening balance, 1 January	68	182	41	1	292
Acquired through business combinations	25	9	2	–	36
Investments	4	72	20	7	104
Divestments and disposals	–	-55	-31	–	-86
Reclassifications	7	-1	1	-7	0
Translation differences	-1	2	-1	–	1
Closing balance, 31 December	**102**	**210**	**34**	–	**345**
Accumulated depreciation					
Opening balance, 1 January	-1	-14	-3	–	-18
Depreciation	-4	-69	-9	–	-82
Divestments and disposals	–	50	30	–	81
Reclassifications	–	–	-1	–	0
Translation differences	–	-2	–	–	-2
Closing balance, 31 December	**-4**	**-35**	**17**	–	**-20**
Carrying amount	**98**	**177**	**51**	–	**325**

	2022-06-17 – 2022-12-31				
SEKm	Buildings	Furniture, fittings and equipment	Leasehold improvements	Construction in progress	Total
Accumulated acquisition cost					
Acquired through business combinations	66	166	39	1	272
Investments	1	17	1	0	19
Divestments and disposals	–	-4	–	–	-4
Reclassifications	–	0	1	–	1
Translation differences	1	3	0	0	4
Closing balance, 31 December	**68**	**182**	**41**	**1**	**292**
Accumulated depreciation					
Depreciation	-1	-16	-2	–	-19
Divestments and disposals	–	3	–	–	3
Reclassifications	0	0	-1	–	-1
Translation differences	0	-1	0	0	-1
Closing balance, 31 December	**-1**	**-14**	**-3**	–	**-18**
Carrying amount	**67**	**168**	**38**	**1**	**274**

NOTE 10 LEASES

Amounts recognized in the balance sheet

SEKm	2023-12-31	2022-12-31
Premises	639	618
Vehicles	61	41
Parking	0	1
Machinery, equipment and tools	2	3
Total right-of-use assets	**703**	**663**
Non-current lease liabilities	493	504
Current lease liabilities	224	148
Total lease liabilities	**717**	**652**

Amounts recognized in the income statement

SEKm	2023-01-01 – 2023-12-31	2022-06-17 – 2022-12-31
Depreciation charge of premises	–179	–37
Depreciation charge of vehicles	–27	–4
Depreciation charge of parking	0	0
Depreciation charge of machinery, equipment and tools	–1	0
Total depreciation charge of right-of-use assets	**–207**	**–41**
Expenses relating to low value and short-term leases	–4	–3
Expenses relating to variable lease payments	–174	–44
Interest expenses	–63	–14
Total amount recognized in the income statement	**–448**	**–102**

Effect related to cash flows

SEKm	2023-01-01 – 2023-12-31	2022-06-17 – 2022-12-31
Total cash outflow for leases	**–182**	**–42**

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 11 INVENTORIES

SEKm	2023-12-31	2022-12-31
Finished goods measured at cost	400	326
Provision for obsolescence	–9	–9
Total	**391**	**317**

Finished goods primarily consist of replacement windscreens and associated materials.

NOTE 12 TRADE RECEIVABLES

SEKm	2023-12-31	2022-12-31
Trade receivables	505	459
Allowance for expected credit losses	–14	–17
Total	**491**	**442**

For more information, see Note 19.

NOTE 13 FINANCIAL INSTRUMENTS

	2023-12-31						
SEKm	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets and liabilities							
Non-current financial assets	–	9	9	–	–	–	–
Trade receivables	–	491	491	–	–	–	–
Accrued income	–	88	88	–	–	–	–
Other current receivables	–	3	3	–	–	–	–
Cash and cash equivalents	–	482	482	–	–	–	–
Total financial assets	–	**1,073**	**1,073**	–	–	–	–
Borrowings	–	4,980	4,980	–	–	–	–
Shareholder loans	–	3,610	3,610	–	–	–	–
Other interest-bearing liabilities	–	9	9	–	–	–	–
Earnout	9	–	9	–	–	9	9
Additional purchase price liabilities	–	140	140	–	–	–	–
Non-current derivatives	23	–	23	23	–	–	23
Trade payables	–	275	275	–	–	–	–
Accrued expenses and deferred income	–	382	382	–	–	–	–
Total financial liabilities	**32**	**9,396**	**9,428**	**23**	–	**9**	**32**

	2022-12-31						
SEKm	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets and liabilities							
Non-current financial assets	–	6	6	–	–	–	–
Non-current derivates	12	–	12	12	–	–	12
Trade receivables	–	442	442	–	–	–	–
Accrued income	–	70	70	–	–	–	–
Other current receivables	–	16	16	–	–	–	–
Cash and cash equivalents	–	547	547	–	–	–	–
Total financial assets	**12**	**1,081**	**1,093**	**12**	–	–	**12**
Borrowings	–	4,340	4,340	–	–	–	–
Shareholder loans	–	3,452	3,452	–	–	–	–
Other interest-bearing liabilities	–	12	12	–	–	–	–
Earnout	13	–	13	–	–	13	13
Additional purchase price liabilities	–	132	132	–	–	–	–
Non-current derivatives	4	–	4	4	–	–	4
Trade payables	–	267	267	–	–	–	–
Accrued expenses and deferred income	–	402	402	–	–	–	–
Total financial liabilities	**17**	**8,605**	**8,622**	**4**	–	**13**	**17**

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

Liabilities for additional purchase price of SEK 140 million applies to put options to acquire the minority owner's share of the companies within a certain time horizon.

NOTE 14 EQUITY

	2023-12-31			2022-12-31		
	Number of shares	Par value (SEK)	Total (SEK)	Number of shares	Par value (SEK)	Total (SEK)
Ordinary shares	10,170,740	0.02	203,415	10,000,000	0.02	200,000
Total shares	**10,170,740**		**203,415**	**10,000,000**		**200,000**

All shares were fully paid at each of the respective reporting dates.

Exchange differences arising on translation of foreign controlled entities 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.

NOTE 15 PROVISIONS

SEKm	2023-01-01 –2023-12-31	2022-06-17 –2022-12-31
Opening balance, 1 January	**8**	–
Acquired through business combinations	–	8
Charged/credited to the income statement:		
- additional provisions recognized	4	1
Closing balance, 31 December	**13**	**8**
Current provisions	13	8

The provisions apply to the restoration of rented properties in the UK.

NOTE 16 COLLATERAL

As at 31 December 2023, guarantees provided amounted to SEK 72.4 million (37.5). Teniralc Finco AB has pledged shares in subsidiaries and assets with retention of title as security for bank loans. Group value at 31 December 2023 amounted to SEK 6,561 million (7,598).

NOTE 17 SUBSIDIARIES

Proportion of shares and voting rights held by the group, %

Name of entity	Country of incorporation	Registration number	Principal activities	**2023-12-31**
Teniralc MidCo AB	Sweden	559382-4898	Holding and financing company	92.3%
Teniralc FinCo AB	Sweden	559382-4880	Holding and financing company	100%
Teniralc BidCo AB	Sweden	559381-5581	Holding and financing company	100%
Cary Group Holding AB	Sweden	559040-9388	Holding and financing company	100%
Cary Group Pooling AB	Sweden	559260-5942	Holding and financing company	100%
Cary Group Bidco AB	Sweden	559077-0813	Holding and financing company	100%
Cary Group AB	Sweden	559023-2756	Group functions, Holding and financing company	100%
Ryds Bilglas AB	Sweden	556538-7502	Repair and replace services	100%
Ryds Bilglas i Hammarby AB	Sweden	559315-5574	Repair and replace services	100%
Ryds Bilglas i Handen AB	Sweden	559294-7179	Repair and replace services	65%
Svenska Bussglas AB	Sweden	556577-2232	Repair and replace services	100%
Ryds bilglas Strängnäs AB	Sweden	559298-6540	Repair and replace services	75.2%
Autoklinik i Malmö Aktiebolag	Sweden	556414-4763	Repair and replace services	90%
Glasbolaget i Vetlanda AB	Sweden	559344-0968	Repair and replace services	80%
Sveaplans bil, plåt och lack AB	Sweden	556411-8973	Repair and replace services	100%
Gotlands Plåt & Billack AB	Sweden	559032-1963	Repair and replace services	90%
Ryds Bilglas i Avesta AB	Sweden	559451-9323	Repair and replace services	100%
Cary Group Norway AS	Norway	926410881	Holding and financing company	100%
Cary Norway AS	Norway	913387783	Repair and replace services	100%
Quick Car Fix AS	Norway	913284976	Repair and replace services	100%
Autolakk Moss AS	Norway	826788062	Repair and replace services	100%
MPS Bilskade AS	Norway	986478396	Repair and replace services	100%
MPS Bilskade Ensjø AS	Norway	979952937	Repair and replace services	100%
MPS Bilskade Ensjø Torg AS	Norway	917520429	Repair and replace services	100%
MPS Bilskade Fornebu AS	Norway	924393459	Repair and replace services	100%
MPS Bilskade Rud AS	Norway	992376767	Repair and replace services	100%
MPS Bilskade Trondheim AS	Norway	911660334	Repair and replace services	90%
MPS Bilskade Åsane AS	Norway	915622321	Repair and replace services	100%
MPS Felg AS	Norway	928299759	Repair and replace services	25%
MPS Fleet AS	Norway	916584822	Repair and replace services	100%
MPS Bilskade Haugesund AS	Norway	916973012	Repair and replace services	49%
Mps Felg Oslo AS	Norway	825230912	Repair and replace services	100%
Cary Bussglass AS	Norway	928549216	Repair and replace services	100%
Hellestø Karosseri AS	Norway	885785492	Repair and replace services	100%
Cary Group Denmark Holding A/S	Denmark	38985868	Holding and financing company	100%
Crashpoint Skadecenter ApS	Denmark	42177571	Holding Company, Repair and replace services	80%
Ryds Bilglas A/S	Denmark	38138820	Repair and replace services	100%
Dansk Busglas ApS	Denmark	78007311	Repair and replace services	100%
Dansk Bilglas A/S	Denmark	84364711	Repair and replace services	100%
Cary UK Holding Ltd	United Kingdom	11349793	Holding and financing company	100%
Mobile Windscreens Ltd	United Kingdom	01 37 01 75	Holding Company, Repair and replace services	100%

NOTE 17 SUBSIDIARIES, cont

Name of entity	Country of incorporation	Registration number	Principal activities	**2023-12-31**
Morgans Windscreens LtD	United Kingdom	02 164 169	Repair and replace services	100%
Staffordshire Windscreens Ltd	United Kingdom	02 341 133	Repair and replace services	100%
Car Glass Limited	United Kingdom	01 331 312	Repair and replace services	100%
Phoenix Windscreens Limited	United Kingdom	04 702 106	Repair and replace services	100%
Charles Pugh (Holdings) Limited	United Kingdom	02 63 08 38	Holding and financing company	100%
Charles Pugh (Glass) Limited	United Kingdom	00 30 12 47	Wholesale services	100%
Cary UK Ltd	United Kingdom	02 09 80 07	Repair and replace services	100%
Quarterman Windscreens Ltd	United Kingdom	02 610 768	Repair and replace services	100%
A&A Windscreen Replacements LLP	United Kingdom	OC311988	Repair and replace services	100%
Cary Group Iberia Holding, SL	Spain	B05399464	Holding and financing company	100%
Ralarsa Holding S.L.U.	Spain	B65467490	Holding and financing company	100%
Ralarsa, S.L.U.	Spain	B08539603	Repair and replace services	100%
Ralarsa Expansión S.L.U.	Spain	B66119140	Repair and replace services	100%
Armelux International S.L.U.	Spain	B08539637	Repair and replace services	100%
Cary Group Deutschland GmbH	Germany	HRB 95583	Holding and financing company	100%
Zentrale Autoglas GmbH	Germany	HRB 17254	Repair and replace services	75%
Zentrale Autoglas GmbH (Branch)	Austria	352201v	Repair and replace services	100%
Glassco, S.A.	Portugal	513895604	Holding and financing company	100%
Expressglass –Vidros Para Viaturas, S.A.	Portugal	506749495	Repair and replace services	100%
Diveraxial - Importação E Distribuição De Vidros Auto, S.A.	Portugal	508343003	Wholesale services	100%
Autoglas Luxembourg, Import-Export S.À.R.L.	Luxembourg	B39730	Repair and replace services	75%
Busglas Luxembourg S.à.r.l.	Luxembourg	B226130	Repair and replace services	50%
Cary Group Belgium NV	Belgium	0802.131.503	Holding and financing company	80%
Cary Autoglass NV	Belgium	0845.791.005	Repair and replace services	100%
Autoglass Clinic NV	Belgium	0442.459.263	Repair and replace services	100%
Care4cars NV	Belgium	0474.781.643	Repair and replace services	100%

NOTE 18 BUSINESS COMBINATIONS

Acquisitions in 2023
In January, Cary Group acquired 100% of Danskt Bilglas A/S, a leading company in the repair and replacement of automotive glass in Denmark. Danskt Bilglas has 23 workshops and 25 mobile units. The company's net sales at the time of acquisition amounted to SEK 131 million.

In June, Cary Group acquired 80% of the Belgian companies Autoglass Clinic, Care4cars and Touring Glass, all of which are active in the repair and replacement of automotive glass. The companies have a network of 27 service centres, 24 independent automotive glass specialists and 11 in-house workshops with a total of 58 employees. The companies' net sales amounted to SEK 100 million in 2022.

In August, Cary Group acquired 100% of Hellestø Karosseri AS in Stavanger, Norway. The company specializes in damage repair with the largest insurance companies as customers. Hellestø Karosseri has 25 employees and had a turnover of SEK 48 million in 2022. In addition to the aforementioned acquisitions, the table below includes a number of net asset deals. Most of the acquisition analyses are preliminary and may be adjusted in the coming quarters. The purchase price allocation analyses are preliminary, mainly related to the allocation of surplus values. The surplus value recognised as goodwill refers to the future profit generation of the acquired companies and the profit synergies that the acquisitions entail and does not meet the conditions for separate accounting.

In 2023, the total purchase price amounted to SEK 316 million (9,311).

Goodwill
The goodwill relating to 2023 mainly relates to synergies and other intangible assets that do not meet the criteria for separate reporting. Out of total goodwill, SEK 50 million (13) is deductible for tax purposes.

Acquisition related costs
Acquisition related costs of SEK 12 million (132) are recognized in other operating expenses in profit and loss and in operating activities in the statement of cash flow.

Additional purchase price
Additional purchase price, non paid, consists of an accrued purchase price of SEK 21 million (11) for the acquisitions in Belgium and Norway.

SEKm	2023-01-01 – 2023-12-31	2022-06-17 – 2022-12-31
Purchase price		
Cash	295	6,511
Share issue for non cash consideration	–	2,789
Additional purchase price and other settlements, non-paid	21	11
Total consideration	**316**	**9,311**
Recognized amounts of identifiable assets and liabilities		
Cash and cash equivalents	28	228
Net assets	17	–2,000
Deferred tax receivables/ liabilities	–24	–705
Intangible assets	89	3,140
Net identifiable assets and liabilities	**110**	**662**
Goodwill	206	8,649
Net identifiable assets and liabilities	**316**	**9,311**
Cash flow information		
Cash paid for acquisitions	295	6,511
Paid deffered consideration from prior years	11	–
Compulsory purchase	11	–
Acquired cash and cash equivalents	–28	–228
Net cash-outflow investing activities	**289**	**6,283**

NOTE 19 FINANCIAL RISK MANAGEMENT

Risk management framework
The Group's risk management is primarily controlled by the Group's finance department in accordance with guidelines for which the Group's CFO is responsible and which are approved by the Board of Directors. The CEO is responsible to the Board of Directors for risk management and for ensuring that the guidelines and risk mandates are followed and carried out in accordance with the established finance policy.

The finance policy provides principles for overall risk management, as well as policies that cover specific areas, such as currency risk, interest rate risk, credit risk and investment of excess liquidity. The finance department identifies categories of financial risks and describes how they should be managed. The Group's risk management policy has been established to identify and analyse the risks facing the Group and to monitor and monitor the Group's risk management work in a controlled manner. Cary Group is exposed to credit and counterparty risks, currency risks, liquidity and refinancing risks, and interest rate risks.

Credit and counterparty risk
Credit risk is the risk of a financial loss for Cary Group if a client or counterparty in a financial instrument fails to meet its contractual obligations. The exposure to credit and counterparty risk relates primarily to the Group's trade receivables and its cash and cash equivalents. Most of the Group's cash flows from customers come from insurance companies and credit losses have historically been low. The Group therefore considers that it runs a relatively low credit risk in this customer category. Additional accounts receivable exposure stems from customers outside the insurance industry. The Group assesses such customers prior to entering into agreements and continuously monitors their ability to fulfil their contractual commitments.

The Group applies the simplified method for calculating expected credit losses, which uses expected losses over the life of the receivable as the basis for all material accounts receivable.

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

Ageing of trade receivables

SEKm	2023-12-31	2022-12-31
Not past due	315	299
Less than 30 days past due	91	94
31 to 90 days past due	39	36
More than 90 days past due	60	30
Gross carrying amount	**505**	**459**
Allowance for expected credit losses	–14	–17
Net carrying amount	**491**	**442**

Allowance for expected credit losses

SEKm	2023-01-01 –2023-12-31	2022-06-17 –2022-12-31
Opening balance, January 1	–17	–
Increase of allowance recognized in income statement	0	–
Receivables written off during the year as uncollectible	3	–
Increased through business combinations	0	–17
Translation differences	0	–
Closing balance, 31 December	**–14**	**–17**

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.

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 in the first instance. In case of acquisitions, bank accounts in smaller local banks may be added.

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 EUR, GBP, NOK, DKK 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 currency risk exposure is related to external loans in foreign currencies of certain Swedish companies. This risk is naturally counteracted by partly matching external loans through intra-group loans in the same currency to foreign subsidiaries within the Group. Currency risk is monitored regularly. The Group does not hedge any of its foreign exchange rate risks.

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

Primary exposure to foreign currency risk

	2023-12-31			
SEKm	EUR/SEK	GBP/SEK	DKK/SEK	NOK/SEK
Borrowings	932	1,226	8	0
Intercompany positions	677	1,176	141	197
Total	**1,609**	**2,401**	**149**	**198**

	2022-12-31			
SEKm	EUR/SEK	GBP/SEK	DKK/SEK	NOK/SEK
Borrowings	943	1,006	0	0
Intercompany positions	702	1,158	36	344
Total	**1,644**	**2,165**	**36**	**344**

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:

Impact on net result and equity

SEKm	2023-01-01 –2023-12-31	2022-06-17 –2022-12-31
EUR/SEK exchange rate - increase/decrease 10%	93	94
GBP/SEK exchange rate - increase/decrease 10%	123	101
NOK/SEK exchange rate - increase/decrease 10%	0	0
DKK/SEK exchange rate - increase/decrease 10%	1	0

NOTE 19 FINANCIAL RISK MANAGEMENT, cont

Liquidity and refinancing risk
Liquidity risk is associated with the Group's ability to meet its obligations. Group finance manages liquidity risk 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 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
At the end of the reporting period, the Group had access to loan facilities, all of which expire for a period exceeding one year. An investment facility is specifically set aside for investments undertaken by the Group, acquisitions (including fees and other costs) or refinancing of borrowings for entities or business combinations. The facility is available until 30 September 2026.

In addition to the above, the Group also has an overdraft facility that can be used for general corporate purposes, acquisitions and refinancing. The facility is available until 14 August 2028.

At 31 December 2023 there is a significant space left within the borrowing facilities.

Loan covenants
Under the terms of the loan facilities, the Group must meet a financial condition (covenant) in the form of a "net debt/EBITDA". This is defined as Net debt adjusted for other long-term liabilities in relation to EBITDA, and may not be exceeded during a financial period. The condition applies to all loans. The indebtedness ratio is assessed quarterly. The Group has fulfilled these conditions throughout the reporting period.

Interest rate risk refers to the risk that changes in interest rates would result in negative consequences for the Group's earnings, future cash flows or equity/assets ratio.

The Group's interest rate risk is relatively low as a result of risk reduction, since all borrowings are long-term and at interest based on STIIBOR, EURIBOR or SONIA. The Group's main interest rate risk comes from long-term liabilities to credit institutions with variable interest rates, primarily STIIBOR, EURIBOR or SONIA 3 months. Interest terms for the shareholder loan are a fixed interest rate and any unpaid interest is capitalized after a 12-month period.

In view of conservative liquidity management and the fact that the Group has entered into forward start-up derivatives with maturity date in December 2025, to limit interest rate risk, interest rate risk is considered low, likewise there is a very limited interest rate risk liked to assets.

At 31 December 2023 the nominal value of loans from credit institutions with floating interest amount to SEK 4,980 million.

The impact on profit related to higher/lower interest expenses is presented below from a sensitivity perspective.

Impact on profit before tax

SEKm	2023-01-01 – 2023-12-31	2022-06-17 – 2022-12-31
Interest rate – increase/decrease by 100 basis points	+/- 95	+/– 78

Financial counterparty credit risk is managed at Group level. External financial counterparties must be safe, international banks or similar major financial market players. The creditworthiness of the financial counterparties used in 2023 was considered to be good.

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.

Cary Group classifies shareholder loans as long term based on their maturity date in 2029. The agreements however include clauses of earlier repayment under certain conditions. As of the date of approval of this annual report, management do not expect repayment of the shareholder loans to occur in the next 12 months.

Maturities of financial liabilities

	2023-01-01 – 2023-12-31						
SEKm	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	22	17	4,924	6	4,980	4,980
Shareholder loan	—	—	—	3,610	—	3,610	3,610
Lease liabilities	5	17	346	66	283	717	717
Trade payables	275	—	—	—	—	275	275
Accrued expenses	382	—	—	—	—	382	382
Total	**673**	**39**	**363**	**8,600**	**289**	**9,964**	**9,964**

NOTE 19 FINANCIAL RISK MANAGEMENT, cont

Maturities of financial liabilities. cont.

	2022-06-17 – 2022-12-31						
SEKm	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	13	5	27	4,296	–	4,341	4,341
Shareholder loan	–	–	–	–	3,452	3,452	3,452
Lease liabilities	0	3	38	320	291	652	652
Trade payables	267	–	–	–	–	267	267
Accrued expenses	402	–	–	–	–	402	402
Total	**682**	**8**	**65**	**4,616**	**3,743**	**9,114**	**9,114**

NOTE 20 RELATED PARTY TRANSACTIONS

The group has related party transactions with its subsidiaries. All related party transactions are based on market terms and negotiation on an arm's-length basis. In 2023, no transactions with related parties have taken place that materially affected the group's results or position.

NOTE 21 EVENTS AFTER THE REPORTING PERIOD

In February 2024, Cary Group acquired 100% of the UK-based company J Huggins and Son Limited. The company is one of the UK's leading suppliers of automotive glass repair and replacement, and the acquisition is an important part of consolidating Cary Group's position in the UK. J Huggins and Son Limited is also part of the same consortium as the Cary Group in the UK, National Windscreens. The acquisition of J Huggins and Son Limited means that Cary Group's operations now make up the majority of the National Windscreens consortium, thus representing approximately 95% of the consortium's total revenue.

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.

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

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 PARTICIPATIONS IN GROUP COMPANIES

					2023-12-31	2022-12-31
Subsidiary	Registered office	Registration number	Number of shares	Ownership interest	Carrying amount, SEKm	Carrying amount, SEKm
Teniralc MidCo AB	Stockholm	559382-4898	1,232,560,283	92.3%	7,663	7,677
Closing balance					**7,663**	**7,677**

NOTE P3 SHAREHOLDER LOAN

SEKm	2023-01-01 – 2023-12-31	2022-06-17 – 2022-12-31
Opening balance, January 1	3,452	–
Borrowings	–	3,452
Offset issue	-82	–
Amortization	-105	–
Capitalized interest	345	–
Closing balance, December 31	**3,610**	**3,452**

Signatures

The Board of Directors 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 on the day shown
in our electronic signature

Patrik Andersson
Chairman of the Board

Joakim Andreasson
Member of the Board

Mattias Fajers
Member of the Board

Magnus Hammarström
Member of the Board

Gustaf Martin-Löf
Member of the Board

Stockholm on the day shown in our electronic signature

Ernst & Young AB

Stefan Andersson-Berglund
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Teniralc Topco AB, corporate identity number 559303-4712

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Teniralc TopCo AB for the year 2023.

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 2023 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 2023 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. 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.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional 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

The Board of Directors is 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 is 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 is 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 intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the 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.

Report on the annual accounts and consolidated accounts, *cont.*

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.

- Conclude on the appropriateness of the Board of Directors' 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.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors of Teniralc TopCo AB for the year 2023 and the proposed appropriations of the company's profit or loss.

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 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

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.

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 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.

Report on other legal and regulatory requirements, *cont.*

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.

Stockholm on the day shown in
our electronic signature

Ernst & Young AB

Stefan Andersson Berglund
Authorized Public Accountant

Teniralc TopCo

Address
Hammarby Kaj 10 D
SE-120 32 Stockholm