

Interim Report

Q1 2022

Röko AB, Org.nr 559195-4812

January-March

- Net sales increased 179 percent to MSEK 896 (321), and the organic growth was 9 percent
- Operating profit increased 205 percent to MSEK 135 (44)
- EBITA increased 209 percent to MSEK 175 (57)
- EBITA margin was 19 percent (18)
- Net profit increased 215 percent to MSEK 104 (33)
- Earnings per share increased 215 percent to SEK 15,425 (4,901)
- Two new companies were consolidated during the period, with total annual net sales of MSEK 280

RTM¹

During the last twelve months, Röko generated RTM net sales of MSEK 3,449 and RTM EBITA of MSEK 715. RTM figures include figures for twelve months for all companies that Röko has acquired up until 31 March 2022, i.e., that are in the consolidated balance sheet per 31 March 2022.

Summary of financial performance

MSEK	Q1		Full year
	2022	2021	2021
Net sales	896	321	2,083
Operating profit	135	44	312
Earnings per share (SEK)	15,425	4,901	32,238
EBITA	175	57	403
EBITA margin	19%	18%	19%
Net profit for the period	104	33	217

Röko is a Sweden-based perpetual owner with 18 companies in our group. We invest in European small- and medium-sized businesses across a wide variety of industries. Our team has more than 100 years of combined experience working with owner-managed businesses across markets and in different situations. To date, Röko has only acquired majority stakes in founder-owned companies, and the founders and management teams in said companies remain invested in their own entity. We believe in empowering local management teams with autonomy and share incentives for local management to safeguard alignment of interest.

¹ See definitions on page 17

Comments from the CEO

For the three-month period ending 31 March 2022 net sales increased 179% to MSEK 896, driven by acquisitions and organic growth of 9%. During this period Röko acquired two companies, located in England and Scotland. Exchange rates affected net sales marginally.

During the quarter ending 31 March 2022 EBITA increased 209% to MSEK 175 driven by acquisitions and organic growth. EBITA is a key performance metric for Röko to track the development of the Group and each business segment. Our group of diversified and independent businesses operates in different end markets and due to respective industry trends, the assessment of quarterly information in isolation can be misleading. The EBITA margin in the quarter increased slightly from last year due to the margin from recent acquisitions being above the group average.

The relation between Financial net debt (including put / call debt and earn-out obligations) and RTM EBITDA was 2.9x at the end of the period which is below our long-term target of 3.0x. After the end of the period, Röko's shareholders have increased their equity commitments with an additional MSEK 540 which together with our financial position provides ample room for further acquisitions.

Fredrik Karlsson
CEO
Stockholm, 31 May 2022

Group performance in Q1

Net sales increased 179 percent to MSEK 896 (321) during the quarter. Operating profit increased 205 percent to MSEK 135 (44) during the period. During the last twelve months, the group recorded an operating profit of MSEK 402. Earnings per share for the quarter increased 215 percent to SEK 15,425 (4,901).

EBITA increased 209 percent to MSEK 175 (57). The EBITA margin was 19 (18) percent. Our definition of EBITA does not include costs for acquisitions. Acquisition-related costs amounted to MSEK 9 (2).

Net profit for the period grew 215 percent to MSEK 104 (33).

Capital employed increased by 22% percent from 2021-12-31 to 2022-03-31 to MSEK 5,185 (4,259). Return on Capital Employed* (ROCE) increased from 14 percent in the 2021 full year to 15 percent in Q1 2022.

From 2021-12-31 to 2022-03-31, the Group's interest-bearing net debt increased by MSEK 92 to MSEK 889. From 2021-12-31 to 2022-03-31, the Group's put/call option debt for shares relating to non-controlling interests and earn-out obligation increased by MSEK 246 to MSEK 1,401.

Net financial items in Q1 increased 107 percent to -4 MSEK and income tax increased 193 percent to MSEK -26. The effective tax rate was 20.2% (21.4%) and declined due to recent acquisitions in the UK.

The cash flow for the group was MSEK 131, of which 117 in operational cash flow, and cash amounted to MSEK 421 at the end of the period.

Financial net debt (Including put / call option debt for non-controlling interest and earn-out obligations) to RTM EBITDA is 2.9x which is below our long-term target of 3.0x.

*) Return on capital employed for Q1 2022 and full-year 2021 has been calculated based on the opening and closing balance for each period and for the quarter by annualizing the quarterly EBITA. Please refer to Reconciliation of alternative key performance indicators on page 18.

Segment Overview

Net Sales	Q1		FY
	2022	2021	2021
MSEK			
Segment B2B	607	159	1,177
Segment B2C	289	162	906
Net Sales	896	321	2 083
EBITA	Q1		FY
MSEK	2022	2021	2021
Segment B2B	128	36	242
Segment B2C	53	24	190
EBITA*	181	60	432
Central costs	-6	-4	-29
Group EBITA*	175	57	403
EBITA margin	Q1		FY
MSEK	2022	2021	2021
Segment B2B	21%	22%	21%
Segment B2C	18%	15%	21%
EBITA* margin	20%	19%	21%
Group EBITA* margin	19%	18%	19%

*) Segmental EBITA does not include the amortization of intangible assets arising from the acquisition, acquisition costs, or other acquisition-related items which are reported as part of the operating income in the consolidated financial statements. They amount to MSEK 40 and MSEK 13 in total for each period respectively.

The Röko Group consists of 18 business units in different industries and no single customer or industry is of substance. No single business unit uses any percentage of completion (POC reservation).

EBITA increased 259 percent to MSEK 128 (36) for Segment B2B and 116 percent to MSEK 53 (24) for Segment B2C, before allocation of central group function costs.

B2B performance in January-March

The B2B segment includes 12 business units. Net sales increased 282 percent to MSEK 607 (159) during the period. EBITA margin for the segment decreased 1 percentage point to 21% (22%) driven by recent acquisitions in the segment with EBITA margin below the average in Q1 2021. The segment EBITA margin is stated before central costs.

B2C performance in January-March

The B2C segment includes 6 business units. Net sales increased 78 percent to MSEK 289 (162) during the period. EBITA margin for the segment increased 3 percentage points to 18% (15%) driven by recent acquisitions in the segment with EBITA margin above the average in Q1 2021. The segment EBITA margin is stated before central costs.

Other financial information

Parent Company

Röko AB is a perpetual owner of niche businesses across a variety of industries. Röko has 5 employees and recorded a net profit of MSEK 69 (92) in the first quarter of 2022. Röko AB received MSEK 46 (91) in dividends and MSEK 34 (11) in loan repayments from the companies in the group during Q1 2022.

Employees

At the end of the period, the number of employees was 962 (319). The group had 846 employees at year-end 2021. Acquisitions have added 105 employees since the beginning of the period.

Events after the end of the reporting period

Röko's shareholders signed an addendum to the Shareholders Agreement in April 2022 to increase the committed equity capital from MSEK 2,697 with an additional MSEK 540. This enables Röko to continue to acquire companies during 2022. After the end of the period, Röko has paid the earn-out obligation from an acquisition in 2020 of MSEK 119 as in the balance sheet.

Related party transactions

Save for ongoing related party transactions with local management in the subsidiaries, for example, lease of properties, no significant transactions with related parties took place during the period.

Risks and uncertainties

The risk factors which have the largest impact on Röko are the competitive situation, structural changes in the market, and general level of economic activity. Röko is also exposed to financial risks, including currency risks, interest rate risks, credit, and counterparty risks.

The Parent Company is affected by the above risks and uncertainties in its capacity as owner of the subsidiary companies. For further information on Röko's risks and risk management, Röko refers to the Annual Report for 2021.

Accounting policies

The group applies International Financial Reporting Standards (IFRS) and interpretations from IFRIC, as adopted by the European Union, the Swedish Financial Reporting Board's standard RFR 1 Supplementary Accounting Rules for Groups and related interpretations and the Swedish Annual Accounts Act.

This interim report has been prepared according to IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act and should be read together with the annual report for 2021. The most significant accounting policies under IFRS, the reporting norm applied in preparing this interim report, are set forth in Note 2 on pages 22-26 of the annual report for 2021, which were applied to the preparation of this interim report.

The interim information on pages 1-4 is an integrated part of this financial report. The parent company's financial statements are prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation, RFR 2 Accounting for Legal Entities. The interim report has not been reviewed by the company's auditors. This English report is an unofficial translation. In case of any discrepancy between the English and the Swedish version, the Swedish shall prevail.

Declaration of the Board of Directors

The Board of Directors and the Chief Executive Officer warrant and declare that this three-month report gives a true and fair view of the Parent Company's and the Group's operations, financial positions and results, and that it describes significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, 31 May 2022

Tomas Billing
Chairman of the Board

Peter Sterky
Director

Fredrik Karlsson
CEO

Lilian Biner
Director

Stina Andersson
Director

Financial statements

Consolidated Income Statement

MSEK	Q1	
	2022	2021
Net sales	896	321
Cost of goods and services sold	-553	-198
Gross profit	343	123
Sales and marketing expenses	-105	-36
Administrative expenses	-98	-37
Other operating income and expenses	29	1
Other operating expenses	-34	-6
Operating profit	135	44
Financial income	31	11
Financial expenses	-35	-13
Profit before tax	130	42
Tax	-26	-9
Net profit for the period	104	33
Profit attributable to:		
Parent Company shareholders	104	33
Non-controlling interests	-	-
Profit for the period	104	33
Earnings per share before and after dilution for the period, attributable to Parent Company shareholders (SEK)	15,425	4,901

Specification of leasing in the income statement

MSEK	Q1	
	2022	2021
Reported in the income statement		
The following amounts related to leasing agreements are reported in the income statement		
Depreciation on right of use assets	24	3
Interest expense for leasing	17	13

Consolidated Statement of Comprehensive Income

MSEK	Q1	
	2022	2021
Net profit for the period	104	33
Other comprehensive income		
<i>Items that can later be reclassified to profit or loss:</i>		
Translation differences	-16	25
Other comprehensive income	-16	25
Total comprehensive income for the period	88	58
<i>Comprehensive income attributable to:</i>		
Parent Company shareholders	88	58

Consolidated Balance Sheet

MSEK	2022-03-31	2021-12-31
ASSETS		
Intangible assets	4,519	3,984
Tangible assets	622	506
Other Long-Term Securities and receivables	15	14
Total non-current assets	5,156	4,504
Current assets		
Inventories	563	424
Current receivables	431	370
Other current receivables	41	54
Prepaid expenses/accrued Income	39	43
Cash and cash equivalents	421	290
Total current assets	1,495	1,180
TOTAL ASSETS	6,650	5,684
EQUITY AND LIABILITIES		
Share capital	1	1
Other contributed capital	2,234	1,838
Translation reserve	14	30
Non-restricted equity inc. net income	219	122
Equity attributable to parent company shareholders	2,468	1,991
Non-controlling interest	–	–
Total equity	2,468	1,991
Non-current interest-bearing liabilities incl. leasing	332	285
Other non-current liabilities, put / call debt and earn-out payment	1,282	1,050
Deferred tax liability	412	365
Other provisions, non-current	4	1
Total non-current liabilities	2,029	1,702
Current interest-bearing liabilities incl. leasing	1,405	1,118
Accounts payable	326	256
Advance from customer	20	15
Current tax liabilities	72	89
Other current liabilities, put / call debt and earn-out payment	213	382
Accrued expenses/prepaid Income	116	132
Total current liabilities	2,153	1,992
TOTAL EQUITY AND LIABILITIES	6,650	5,684

Specification of leasing in the balance sheet

MSEK	Q1	
	2022	2021
Reported in the balance sheet		
The following amounts related to leasing agreements are reported in the balance sheet:		
Right of use assets (reported as rights of use assets in the Balance Sheet)	427	316
Leasing liabilities		
Long term (reported as non-current liabilities in the Balance Sheet)	316	266
Short term (reported as current liabilities in the Balance Sheet)	111	50
Total leasing liabilities	427	316

Consolidated Statement of Changes in Equity

MSEK	Share capital	Other contributed capital	Translation reserve	Non. Restr equity	Total
Opening balance per 2021-12-31	1	1,838	30	122	1,991
Net profit for the period	-	-	-	104	104
Other comprehensive income					
<i>Items which can later be reclassified to profit or loss:</i>					
Translations difference	-	-	-16	-	-16
Total other comprehensive income	-	-	-16	-	-16
Total comprehensive income for the period	-	-	-16	104	88
Transactions with owners					
Shareholder's contribution	-	403	-	-	403
Transaction costs	-	-6	-	-	-6
Revaluation of liabilities to non-controlling interests	-	-	-	-7	-7
Closing balance per 2022-03-31	1	2,234	14	219	2,468

*Revaluation of put / call options for shares relating to non-controlling interests and earn-outs

Consolidated Statement of Cash Flows

MSEK	Q1	
	2022	2021
Operating activities		
Operating profit	135	42
Non cash items	43	16
Interest received	7	11
Interest paid	-18	-11
Tax paid	-50	0
Cash flow before changes in working capital	117	58
Changes in working capital		
Increase/decrease in inventory	-42	-5
Increase/decrease in receivables	5	2
Increase/decrease in accounts payable	38	29
Total change in working capital	0	26
Cash flow from operating activities	117	84
Investing activities		
Investments in intangible assets	-4	0
Investments in tangible assets	-13	-16
Acquisition of subsidiaries net of acquired cash	-568	-337
Divestments of subsidiaries	0	0
Cash flow from investing activities	-585	-353
Financing activities		
Shareholder's contribution	399	201
Debt issued	261	142
Debt repayment	-34	-11
Translation debt call- and put option	-7	-10
Cash flow from financing activities	618	322
Cash flow for the period	151	52
Cash and cash equivalents at beginning of period	290	192
Translation differences	-20	19
Cash and cash equivalents at end of period	421	263

Business Segments

MSEK	Q1	
	2022	2021
Segment B2B	128	36
Segment B2C	53	24
Central Group functions	-6	-4
EBITA*	175	57
Amortization of intangible assets arising from acquisitions	-31	-11
Non-recurring items	-	-
Acquisition related costs	-9	-2
Operating profit	135	44
Net financial items	-4	-2
Profit before tax	130	42

*) Segmental EBITA does not include the amortization of intangible assets arising from the acquisition, acquisition costs, and other acquisition-related items which are reported as part of the operating income in the consolidated financial statements. They amount to MSEK 40 and MSEK 13 in total for each period respectively.

The Röko Group consists of 18 business units in different industries and no single customer or industry is of substance. No single business unit uses any percentage of completion (POC reservation).

EBITA increased 259 percent to MSEK 128 (36) for Segment B2B and 116 percent to MSEK 53 (24) for Segment B2C, before allocation of central group function costs.

Recognition of Net Sales

The Röko Group's Net sales are made up of the sale of products and services. For the Group, the sale of products accounted for MSEK 791 (276) of Net sales and services MSEK 105 (45). For the B2B segment, MSEK 521 (130) came from products and MSEK 86 (29) from the sale of services. For the B2C segment, MSEK 271 (146) came from products and 19 (16) from services. The recognition of net sales is made up as shown below.

MSEK	Q1		
	B2B	B2C	Total
Over time	38	3	41
At a specific point in time	569	286	855
Net sales Q1 2022	607	289	896
MSEK	B2B	B2C	Total
Over time	10	1	11
At a specific point in time	149	161	310
Net sales Q1 2021	159	162	321

Acquisitions in Q1 2022

18 business units were consolidated as per 2022-03-31. In Q1 2022 two acquisitions were made, 70% of MCCN Holdings (with the operating company Brownell Ltd) and 65% of ETB Technologies Ltd. Brownell was acquired at the end of February and ETB Technologies at the end of February. Both companies have been consolidated from 1 March 2022. Since the respective acquisition dates, the acquired companies have added SEK 37 million to consolidated net sales and SEK 7 million to operating profit. If the companies would have been owned since 1 April 2021, net sales and operating profit for the year would have increased by a further MSEK 249 and

MSEK 60 respectively. Acquisition-related costs for the year amounted to MSEK 9 (2) and have impacted the company's profits.

The table below for acquired net assets includes all the acquisitions completed in the period, and for these acquisitions the analysis is preliminary.

The purchase price allocation includes all acquisitions made during the last three months as well as payments made for acquisitions in previous periods.

Acquired net assets

Net assets, MSEK. Preliminary analysis	Carrying amount	Value adjustment	Fair value
Trademarks, customer relationships, licences	0	256	256
Tangible assets	5	0	5
Inventories, accounts receivable and other receivables	134	0	134
Accounts payable and other liabilities	-35	0	-35
Deferred tax	-1	-49	-50
Cash and cash equivalents	96		96
Net assets	200	-	407
Goodwill		311	311
Total net assets	200	311	718
Put / call debt to non-controlling interest		-233	-233
Cash flow effect from acquisitions in the period			MSEK
Purchase price			666
<i>o/w withheld purchase price</i>			2
Cash in acquired companies			96
Total cash flow effect			568
Cash paid for acquisitions in previous periods			183

Röko has an earn-out obligation of MSEK 119 from acquisitions completed prior to the period which will be paid out during Q2 2022.

Acquisitions

Consolidated from month	Company	Segment	Consolidated net sales	Employees	Röko ownership
March	MCCN Holdings Ltd (Brownell)	B2B	10	40	70%
March	ETB Technologies	B2B	27	65	65%

Röko consolidates all subsidiary companies to 100% provided the contractual put and call option agreements regarding outstanding ownership with all minority shareholders in each respective company. The put / call debt with non-controlling interests is valued based on the expected cash outflow to exercise the options and is based on the metric applied in the agreements.

Goodwill arises from acquisitions as a result of future potential earnings growth under Röko's ownership and administration, key personnel experience and skill in the acquired entity as well as geographical market extension. No part of goodwill arising from acquisitions is tax deductible.

Financial Instruments

Financial assets in the balance sheet

MSEK	Financial assets at amortised costs
Per 2022-03-31	
Accounts receivables	431
Other non-current financial receivables	15
Cash and cash equivalents	421
Sum	866
Per 2021-12-31	
Accounts receivables	370
Other non-current financial receivables	14
Cash and cash equivalents	290
Sum	674

Financial liabilities in the balance sheet

MSEK	Classification in the fair value hierarchy	Liabilities valued at fair value which affect equity	Financial liabilities at amortised cost	Total
Per 2022-03-31				
Interest-bearing borrowings		–	1,310	1,310
Accounts payable - trade		–	326	326
Put / call option debt*	3	1,282	–	1,282
Deferred considerations*	3	119	–	119
Other Liabilities		–	–	–
Total		1,401	1,636	3,037

MSEK	Classification in the fair value hierarchy	Liabilities valued at fair value which affect equity	Financial liabilities at amortised cost	Total
Per 2021-12-31				
Interest-bearing borrowings		–	1,087	1,087
Accounts payable - trade		–	256	256
Put / call option debt*	3	1,050	–	1,050
Deferred considerations*	3	106	–	106
Other liabilities		–	365	365
Total		1,155	1,709	2,864

* Deferred considerations are liabilities which are recognised at fair value over the income statement and put / call option debt is valued at fair value over equity in accordance with IFRS 9.

Financial instruments are valued at their fair value depending on the classification of fair value in the hierarchy: Quoted prices (level 2) and non-observable market data points (level 3). The liabilities that Röko has which are non-observable are put / call liabilities for non-controlling shares in the subsidiary companies and earn-out obligations. No transfers between the levels have occurred during the quarter, or during last year. Changes in the value of put / call debts are made in equity over the balance sheet while changes in the value of earn-out liabilities occurs in the Income Statement.

In case the interest-rate impact is deemed to be material an amendment is made in the period. The fair value of short-term borrowing corresponds to the carrying amount, as the discounting effect is not significant.

The tables below display changes and recognitions of deferred considerations and put / call option liabilities.

Deferred considerations

MSEK	2022-03-31	2021-12-31
Opening balance	106	83
Acquisitions in the period	13	75
Paid purchase prices	–	-53
Expense/Reversal via income statement	–	–
Interest	–	–
Exchange rate differences	–	–
Closing balance	119	106

Option liabilities

MSEK	2022-03-31	2021-12-31
Opening balance	1,050	368
Acquisitions in the period	233	591
Paid purchase prices	–	5
Expense/Reversal via income statement	–	85
Interest	–	–
Exchange rate differences	-1	1
Closing balance	1,282	1,050

Parent Company performance in Q1 2022

Röko AB, 559195-4812

Condensed Parent Company Income Statement

MSEK	Q1	
	2022	2021
Other operating income	13	5
Administrative expenses	-7	-5
Operating profit	6	0
Profit from shares in group companies	46	91
Financial income	33	12
Financial expenses	-16	-11
Profit after financial items	69	92
Appropriations	-	-
Tax	-	-
Net profit for the period	69	92

* Invoicing of group-wide services

** Net financial items include MSEK 46 (91) dividends received during the three-month period.

Condensed Parent Company Balance Sheet

MSEK	2022-03-31	2021-12-31
ASSETS		
Non current assets		
Shares in group companies	4,463	3,686
Long-term receivables	6	5
Deferred tax receivables	-	-
Total non current assets	4,469	3,691
Current assets		
Receivables in group companies	689	728
Current tax receivables	-	1
Prepaid expenses/accrued Income	0	0
Cash and cash equivalents	113	87
Total current assets	802	816
TOTAL ASSETS	5,271	4,507

EQUITY AND LIABILITIES		
Restricted equity		
Equity	1	1
Total restricted equity	1	1
Non restricted equity		
Other contributed capital	2,229	1,833
Non restricted equity incl. net income	263	194
Total non restricted equity	2,492	2,027
Total equity	2,493	2,027
Non current liabilities		
Other non current liabilities	1,278	1,045
Total non current liabilities	1,278	1,045
Current liabilities		
Debt to credit institutions	1,271	1,043
Accounts payable	2	2
Liabilities to group companies	106	91
Current tax liabilities	1	1
Other current liabilities	120	294
Accrued expenses/prepaid Income	1	5
Total current liabilities	1,501	1,435
TOTAL EQUITY AND LIABILITIES	5,271	4,507

Note: The Parent Company Income statement and Balance Sheet for 2020 differ from the Annual Report due to adjustments made for comparability.

Parent Company of changes in equity

MSEK	Share capital	Other contributed capital	Non. Restr equity	Total
Opening balance per 2021-12-31	1	1,833	194	2,027
Net profit for the period	–	–	69	69
Transactions with owners				
Shareholder's contribution	–	403	–	403
Transaction costs	–	-6	–	-6
Closing balance per 2022-03-31	1	2,229	263	2,493

Key performance indicators

	Q1		Full year
	2022	2021	2021
Net sales for the period, MSEK	896	321	2,083
RTM Net sales, MSEK	3,449	-	-
EBITA, MSEK	175	57	403
EBITA margin	19%	18%	19%
RTM EBITA, MSEK	715	-	-
RTM EBITA margin	21%	-	-
EBITDA, MSEK	211	66	462
EBITDA margin	24%	21%	22%
Capital employed, MSEK	5,185	-	4,259
Return on capital employed	15%	-	14%
Return on equity	19%	-	16%
Financial net debt*, MSEK	2,290	2,070	1,952
Interest-bearing net debt, MSEK	889	420	798
Financial net debt*/RTM EBITDA, times	2.9x	-	-
Equity/assets ratio	37%	32%	35%
Number of shares	6,742	6,742	6,742
Number of employees, end of the period	962	319	846

* See definitions on page 17,

Definitions and objectives

EBITA	Earnings before interest, taxes, and amortization as well as acquisition expenses. EBITA serves as an approximation for the cash flow before tax, under the assumption that capital expenditures mirrors depreciation, which is normally the case, as Röko invests in asset-light businesses.
EBITA margin	EBITA divided by net sales.
EBITDA	Earnings before interest, taxes, depreciation, and amortization as well as acquisition expenses. EBITDA serves as an approximation for the cash flow before capital expenditures and tax.
EBITDA margin	EBITDA divided by net sales.
RTM	RTM information of net sales and EBITA is based on the companies' reported figures from the group reporting during the period in the most recent rolling twelve months that the companies have been consolidated in the Group. For companies that have been acquired during the last twelve months the company's own monthly reporting for the months prior to consolidation is included for net sales and EBITA. The RTM metric is unaudited or otherwise reviewed (IRSE 2410). RTM net sales and EBITA is based on local GAAP for the not consolidated financial information of the last twelve months for subsidiaries owned on the balance sheet date, for the elimination of internal sales and profits. As the Röko Group is growing rapidly through acquisitions, RTM gives a better understanding of the Group's current sales and earnings potential than the IFRS accounting.
Financial net debt	Röko uses the alternative KPI total net debt. This allows users of the financial reports to assess the Group's ability to pay dividends, make strategic investments and meet its financial obligations. The KPI is defined as follows: current and non-current liabilities to credit institutions, bonds, interest-bearing pension provisions, liabilities related to put/call options for non-controlling interests and additional considerations relating to acquisitions less cash and cash equivalents.
Earnings per share	Profit after tax attributable to Parent Company shareholders, divided by the average number of shares outstanding.
Interest-bearing net debt	Röko uses the alternative KPI interest-bearing net debt. This allows users of the financial reports to assess the Group's ability to pay dividends, make strategic investments and meet its financial obligations. Röko defines the KPI as follows: current and non-current liabilities to credit institutions, bonds as well as interest-bearing pension provisions less cash and cash equivalents.
Equity/assets ratio	Equity divided by total assets (balance sheet total).
Capital employed	Capital employed is used as a base for calculating returns and for measuring efficiency for the Group. Capital employed is useful in helping users of the financial reports to understand how the Group finances itself. Röko defines capital employed as total assets less cash and cash equivalents, interest-bearing pension provisions and non-interest-bearing liabilities except for liabilities related to put/call options and additional considerations relating to acquisitions.
Return on equity	Net profit for the period divided by average equity.
Return on capital employed	EBITA divided by average capital employed for the period, calculated as the average of the last four quarters. The measure is an approximation for the pre-tax cash return.
Organic growth	Net sales for companies that have been consolidated in the group for the entire period as well as for the entire comparable period. FX from the prior period has been used for both periods and the organic growth is calculated as a geometric mean.
Net sales	Net sales are the sum of gross sales less its returns, allowances, and discounts.
Put / call options for shares relating to non-controlling interests	Put / call options for shares relating to non-controlling interests is the sum of obligations to exercise put and call options to purchase the outstanding shares held by non-controlling interest. The value of the put / call liability is the current estimate of the future outflows to acquire the shares in accordance with agreements with all non-controlling interests.

Reconciliation of alternative key performance indicators

The interim report presents alternative key performance indicators for assessing the Group's performance. The primary alternative KPIs presented in this interim report are EBITA, EBITDA, net debt, and capital employed. Definitions of the alternative KPIs are presented on page 17.

EBITA compared with financial statements in accordance with IFRS

MSEK	TWELVE MONTHS*	TWELVE MONTHS
	31/03/2022	31/12/2021
Operating profit	402	312
Amortisation of intangible assets	87	68
Acquisition costs	32	24
EBITA	521	403

EBITDA compared with financial statements in accordance with IFRS

MSEK	TWELVE MONTHS	TWELVE MONTHS
	31/03/2022	31/12/2021
Operating profit	402	312
Depreciation of tangible assets	93	59
Amortisation of intangible assets	87	68
<i>of which Amortisation of intangible assets from acq.</i>	<i>87</i>	<i>68</i>
Acquisition costs	32	24
EBITDA	615	462

Financial net debt compared with financial statements in accordance with IFRS

MSEK	2022-03-31	2021-12-31
	Non-current interest-bearing liabilities	16
Current interest-bearing liabilities	1,294	1,068
Cash and cash equivalents	-421	-290
Interest-bearing net debt	889	797
Put / call debt for non-controlling shares and earn-out debt	1,401	1,155
Total Financial net debt	2,290	1,952

* The twelve-month period referred to in 2022 is the reported financials for the Röko Group in the period from 1 April 2021 to 31 March 2022.

RTM Net sales and EBITA

MSEK	2022-03-31
Twelve-month Net sales according to consolidated Income Statement*	2,658
Addition of non-consolidated net sales from April 1 to the acquisition date	
Segment B2B	666
Segment B2C	125
RTM Net sales	3,449
EBITA Last Twelve Months*	521
Addition of non-consolidated EBITA from April 1 to the acquisition date	
Segment B2B	169
Segment B2C	25
RTM EBITA	715

Capital employed

MSEK	2022-03-31	2021-12-31
Constituents of Capital employed		
Equity	2,468	1,991
Interest bearing debt	1,310	1,087
Leasing	427	316
Put / call debt for non-controlling shares and earn-out debt	1,401	1,155
Less cash	-421	-290
Capital employed	5,185	4,259
Average Capital employed (used for ROCE)	4,722	2,965

Organic growth

MSEK	Q1	
	2022	2021
Net sales, including sales for comparable companies**	365	321
FX impact	-16	
Organic revenue in fixed currency	349	321
<i>Organic growth</i>	<i>9%</i>	

* The twelve-month period referred to in 2022 is the reported financials for the Röko Group in the period from 1 April 2021 to 31 March 2022.

** Includes companies that were owned by Röko for the entire current period as well as for the full comparable period.

Financial calendar

Report for the second quarter 2022	31 August 2022
Report for the third quarter 2022	30 November 2022
Full-year Report 2022	28 February 2023

Questions

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Röko in brief

Röko is a Sweden-based perpetual owner with 18 companies in our group. We invest in European small- and medium-sized businesses across a wide variety of industries. Our team has more than 100 years of combined experience working with owner-managed businesses across markets and in different situations.