

# Interim Report

## January-March 2024

Röko AB, Org.nr 559195-4812

### January-March

- Net sales increased 12% to MSEK 1,556 (1,387)
- Operating profit increased 24% to MSEK 288 (232)
- Adj. EBITA increased 21% to MSEK 347 (288)
- Adj. EBITA margin was 22% (21%)
- Net profit increased 30% to MSEK 211 (162)
- Earnings per share\* increased 27% to SEK 15.27 (12.00)
- One acquisition with an annual sale of MSEK 103 was completed during the quarter

### Events after the period

After the end of the period, Snowminds Group, a B2C group company, has acquired Snowlife B.V., a Dutch company that provides ski instructor trainings with annual sales of MEUR 2.

### Rolling twelve months - RTM<sup>1</sup>

During the last twelve months, the companies that were consolidated in the Röko Group at the end of the period (referred to as RTM), generated RTM net sales of MSEK 5,991 and RTM Adj. EBITA of MSEK 1,136.

### Summary of financial performance

MSEK	Q1		Full year
	2024	2023	2023
Net sales	1,556	1,387	5,614
Operating profit	288	232	821
Earnings per share (SEK)*	15.27	12.00	38.78
Adj. EBITA	347	288	1,047
Adj. EBITA margin	22%	21%	19%
Net profit for the period	211	162	541

\* Per share data for the historical periods have been re-stated based on the 1,000:1 share split. 2023 numbers after the new share issue completed in Q3 2023 have been calculated with the average number of shares for the respective periods.

Röko is a perpetual owner of European small and medium-sized businesses and today we own 25 companies in a variety of industries across Europe. 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 our group companies remain invested in their own entity. We believe in empowering local management teams with autonomy and sharing incentives for local management to safeguard alignment of interest.

<sup>1</sup> See definitions on page 23

# Comments from the CEO

For the quarter, net sales increased 12% from MSEK 1,387 to MSEK 1,556, driven by acquisitions, organic growth, and exchange rate differences. The companies' organic sales development increased 3% in SEK and increased 2% in local currency.

During the quarter ending 31 March 2024 Adj. EBITA increased from MSEK 288 to MSEK 347. The Adj. EBITA margin increased during the period. We always work with improving margins in all our business units. Cash flow from operational activities increased to MSEK 281 (222) in the first quarter.

The relation between interest-bearing net debt and Adj. EBITDA was 0.3x RTM at the end of the period. Financial net debt (including put / call option debt and deferred considerations) amounted to 2.2x RTM Adj. EBITDA at the end of the period, which is low in relation to our target of not exceeding 3.0x over a twelve-months period, Röko has a strong financial position with ample opportunities to complete further acquisitions.

Return on capital employed was 13% for the quarter, which is in line with last year, and is low relative to comparable companies that have been active longer than we have. The lower return is a result of Röko being a new company with high growth, mainly through acquisitions. In the scenario that organic growth amounts to 2% per year, ROCE will increase to above 20% in ten years.

During the period, Röko has completed one acquisition, Baymax B.V. with the operating company Siderius Zeepfabriek B.V. ("Siderius"), which was mainly financed with cash from Röko AB and acquired shares in two subsidiaries from non-controlling shareholders in accordance with a put/call option agreement of MSEK 37.

Earnings per share increased by 27% in period and amounted to SEK 15.27.

Fredrik Karlsson  
CEO  
Stockholm, 24 April 2024

# Group performance in January-March

Net sales increased to MSEK 1,556 (1,387) during the quarter, driven by acquisitions and exchange rate differences. The companies' organic sales development increased 3% in SEK and increased 2% in local currency. Earnings per share for the quarter increased to SEK 15.27 (12.00). Operating profit increased to MSEK 288 (232) during the period. Adj. EBITA was MSEK 347 (288). The Adj. EBITA margin increased to 22% (21%).

Net financial items decreased to MSEK -17 (-31). Income tax increased to MSEK 60 (39). The effective tax rate was 22% (20%). Net profit for the period increased to MSEK 211 (162).

Capital employed increased by 4% during the quarter to MSEK 8,640 (8,313), largely driven by acquisitions that were completed in the period. Return on Capital Employed\* (ROCE) amounted to 13% in Q1 2024. The lower return is a result of Röko being a new company with high growth, mainly through acquisitions. The lower return is a result of Röko being a new company with high growth, mainly through acquisitions. In the scenario that organic growth amounts to 2% per year, ROCE will increase to above 20% in ten years.

From 2023-12-31 to 2024-03-31, the Group's interest-bearing net debt increased by MSEK 198 to MSEK 365. In the period, the Group's put/call option debt for shares relating to non-controlling interests and earn-out obligation increased to MSEK 2,506 (2,440) driven by acquisitions and revaluations and partially counteracted by the acquisition of shares in two subsidiaries from non-controlling shareholders in accordance with a put/call option agreement of MSEK 37.

The cash flow from operational activities increased to MSEK 281 (222) and cash amounted to MSEK 528 at the end of the period.

\*) Return on capital employed in the quarter has been calculated based on the opening and closing balance for the period and by calculating the Adj. EBITA for the last twelve months. Please refer to Reconciliation of alternative key performance indicators on page 24-25.

## Segment Overview

Net sales MSEK	Q1		Full year
	2024	2023	2023
Segment B2B	958	874	3,698
Segment B2C	598	513	1,916
<b>Net sales</b>	<b>1,556</b>	<b>1,387</b>	<b>5,614</b>
Adj. EBITA MSEK	Q1		Full year
	2024	2023	2023
Segment B2B	189	165	696
Segment B2C	168	131	386
<b>Adj. EBITA*</b>	<b>356</b>	<b>296</b>	<b>1,082</b>
Central costs	-9	-8	-35
<b>Group Adj. EBITA*</b>	<b>347</b>	<b>288</b>	<b>1,047</b>

\*) Segmental Adj. EBITA does not include the amortization of intangible assets arising from acquisitions, acquisition costs, or other acquisition-related items which are reported as part of the operating income in the consolidated financial statements. The amortization of intangible assets related to acquisitions amounted to MSEK 56 (52), and the acquisition costs were MSEK 3 (4) in the quarter.

The Röko Group consists of 25 business units in different industries and no single customer or industry is individually significant to the group.

Quarterly Adj. EBITA increased to MSEK 189 (165) for Segment B2B and increased to MSEK 168 (131) for Segment B2C before the allocation of central group costs. Central group costs amounted to MSEK 9 (8) in the quarter.

### B2B performance in January-March

The B2B segment includes 16 business units of which one was acquired and consolidated during the period. Net sales increased to MSEK 958 (874) during the period, driven by acquisitions and with positive contribution from exchange rates. Adj. EBITA increased in the quarter, driven by acquisitions and with positive contribution from exchange differences. The B2B companies have worked with pricing initiatives to safeguard profit margins, partly at the expense of slower organic growth. The segment Adj. EBITA is stated before central costs.

### B2C performance in January-March

The B2C segment includes nine business units of which one was consolidated during the quarter. Net sales increased to MSEK 598 (513) during the period, driven by acquisitions, organic growth and with positive contribution from exchange rates. Acquisitions since 2022 have operations with seasonal variations which has affected Adj. EBITA positively during the first quarter. Some of the businesses in the segment experience weaker demand and have difficulties transferring cost increases to customers. Adj. EBITA 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 AB has 7 employees and recorded a net profit of MSEK 45 (-41) in the first quarter of 2024. The increase in net profit is mainly explained by increased dividends from the group companies. Röko AB received MSEK 139 (17) in dividends during the quarter. Röko AB received MSEK 36 (70) in repayments of loans from the companies in the group during the quarter.

## Employees

At the end of the period, the number of employees in the Group was 1,434 (1,426 in December 2023). Acquisitions have added 34 employees since the beginning of the year.

## Events after the end of the period

After the end of the period, Snowminds Group, a B2C group company, has acquired Snowlife B.V., a Dutch company that provides ski instructor trainings with annual sales of MEUR 2.

## Related party transactions

Transactions between Röko AB and the other Group companies have been eliminated in the consolidated financials as presented in this report. Any sale of goods or services between Group companies are done on market terms and at arm's length. Intragroup sales amounted to MSEK 158 in the quarter. Röko has not entered into commercial agreements with related parties to the companies in the Group. The related party transactions are mostly relating to lease of properties for the companies' facilities. Loans from related parties arising from acquisitions amount to MSEK 2.

## 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. The Röko Group is still experiencing high inflation and weaker demand for some companies in both business segments. The Röko Group has interest-bearing net debt of MSEK 365, which equals 0.3x RTM Adj. EBITDA. An increase of the interest rate with 1% on Röko's interest-bearing debt would impact our net profit with MSEK -4 for the next 12-month period. The M&A market is volatile, and the number of opportunities can be low during uncertain periods. We believe that there is a risk for lower transaction volumes in the near term. Röko is also exposed to financial risks, including currency risks, interest rate risks, credit, and counterparty risks. At the end of the period the Group had MSEK 528 in cash and an additional MSEK 250 as an undrawn revolving credit facility.

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 page 14 and Note 3 and 4 in the Annual Report for 2023.

## Seasonal variations

The group's income exhibits seasonal variations, in particular relating to the B2C segment. The first and second quarter are normally stronger, and the third quarter weaker, on a comparable basis.

## 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.

The Group's interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. In respect of the Parent Company, the report has been prepared in accordance with the Annual Accounts Act and Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board. The accounting policies have been applied in accordance with those which are presented in Note 2 on pages 24-28 in the 2022 Annual Report and should be read in conjunction with these.

The interim information on pages 1-6 is an integrated part of this financial report. This English report is an unofficial translation. In case of any discrepancy between the English and the Swedish version, the Swedish shall prevail. This interim report has not been reviewed by the company's auditors.

## Declaration of the Board of Directors

The Board of Directors and the Chief Executive Officer warrant and declare that this interim 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, 24 April 2024

Tomas Billing  
Chairman of the Board

Peter Sterky  
Director

Fredrik Karlsson  
Director and CEO

Lilian Biner  
Director

Angela Langemar Olsson  
Director

# Financial statements

## Condensed Consolidated Income Statement

MSEK	Q1		Full year
	2024	2023	2023
Net sales	1,556	1,387	5,614
Cost of goods and services sold	-852	-813	-3,343
<b>Gross profit</b>	<b>704</b>	<b>574</b>	<b>2,271</b>
Sales and marketing expenses	-181	-155	-634
Administrative expenses	-200	-157	-714
Other operating income and expenses	0	1	2
Other operating expenses	-36	-30	-105
<b>Operating profit</b>	<b>288</b>	<b>232</b>	<b>821</b>
Financial income	12	28	26
Financial expenses*	-24	-54	-110
Interest expenses for leasing	-5	-5	-21
<b>Profit before tax</b>	<b>271</b>	<b>201</b>	<b>716</b>
Tax	-60	-39	-175
<b>Net profit for the period</b>	<b>211</b>	<b>162</b>	<b>541</b>
<b>Profit attributable to:</b>			
Parent Company shareholders	211	162	541
Non-controlling interests	-	-	-
<b>Profit for the period</b>	<b>211</b>	<b>162</b>	<b>541</b>
Earnings per share before and after dilution for the period, attributable to Parent Company shareholders (SEK)**	15.27	12.00	38.78

\* Excludes interest on leasing obligations

\*\* Per share data for the historical periods have been re-stated based on the 1,000:1 share split. 2023 numbers after the new share issue completed in Q3 2023 have been calculated with the average number of shares for the respective periods.

## Consolidated Statement of Comprehensive Income

MSEK	Q1		Full year
	2024	2023	2023
Net profit for the period	211	162	541
<b>Other comprehensive income</b>			
Items that can later be reclassified to profit or loss:			
Hedge of net investments	6	-	-52
Hedge of debt	-28	-44	-24
Translation differences	197	55	-4
<b>Other comprehensive income</b>	<b>174</b>	<b>11</b>	<b>-80</b>
<b>Total comprehensive income for the period</b>	<b>386</b>	<b>173</b>	<b>461</b>
<b>Comprehensive income attributable to:</b>			
Parent Company shareholders	386	173	461

## Condensed Consolidated Balance Sheet

MSEK	2024-03-31	2023-03-31	2023-12-31
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	7,865	7,466	7,481
Tangible assets	284	231	228
Right of use leasing assets	463	527	469
Other long-term securities and receivable	35	15	38
<b>Total non-current assets</b>	<b>8,646</b>	<b>8,239</b>	<b>8,216</b>
<b>Current assets</b>			
Inventories	922	903	874
Accounts receivable	689	637	642
Other current receivables	78	32	59
Prepaid expenses/accrued Income	86	55	84
Cash and cash equivalents	528	375	744
<b>Total current assets</b>	<b>2,303</b>	<b>2,002</b>	<b>2,403</b>
<b>TOTAL ASSETS</b>	<b>10,949</b>	<b>10,241</b>	<b>10,619</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	1	1	1
Other contributed capital	4,443	3,254	4,443
Translation reserve	267	184	93
Non restricted equity incl. net income	575	376	406
<b>Equity attributable to parent company shareholders</b>	<b>5,285</b>	<b>3,815</b>	<b>4,942</b>
Non-controlling interest	–	–	–
<b>Total equity</b>	<b>5,285</b>	<b>3,815</b>	<b>4,942</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	13	12	14
Non-current leasing liabilities	401	451	403
Other non-current liabilities, put/call debt and earn-out liabilities	2,414	2,112	2,346
Deferred tax liability	776	736	742
Other provisions, non-current	6	4	3
<b>Total non-current liabilities</b>	<b>3,610</b>	<b>3,315</b>	<b>3,507</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	879	2,070	896
Current leasing liabilities	83	77	80
Accounts payable	344	333	321
Advances from customers	114	96	261
Current tax liabilities	72	39	83
Other current liabilities, put/call debt and earn-out liabilities	320	315	276
Accrued expenses and prepaid Income	241	184	251
<b>Total current liabilities</b>	<b>2,054</b>	<b>3,112</b>	<b>2,169</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,949</b>	<b>10,241</b>	<b>10,619</b>

## Condensed Consolidated Statement of Changes in Equity

MSEK	Share capital	Other contributed capital	Translation reserve**	Non. Restr equity	Total
<b>Opening balance 2023-01-01</b>	<b>1</b>	<b>3,254</b>	<b>173</b>	<b>226</b>	<b>3,653</b>
Net profit for the period	-	-	-	162	162
<b>Other comprehensive income</b>					
<b>Items which can later be reclassified to profit or loss</b>					
Hedge of net investments	-	-	-44	-	-44
Hedge of debt	-	-	-	-	-
Translation differences	-	-	55	-	55
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>162</b>	<b>173</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>162</b>	<b>173</b>
<b>Transactions with owners</b>					
Revaluation of liabilities to non-controlling interests*	-	-	-	-12	-12
<b>Closing balance 2023-03-31</b>	<b>1</b>	<b>3,254</b>	<b>184</b>	<b>376</b>	<b>3,815</b>
<b>Opening balance 2024-01-01</b>	<b>1</b>	<b>4,443</b>	<b>93</b>	<b>406</b>	<b>4,942</b>
Net profit for the period	-	-	-	211	211
<b>Other comprehensive income</b>					
<b>Items which can later be reclassified to profit or loss</b>					
Hedge of net investments	-	-	6	-	6
Hedge of debt	-	-	-28	-	-28
Translation differences	-	-	197	-	197
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>174</b>	<b>211</b>	<b>386</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>174</b>	<b>211</b>	<b>386</b>
<b>Transactions with owners</b>					
Revaluation of liabilities to non-controlling interests*	-	-	-	-42	-42
<b>Closing balance 2024-03-31</b>	<b>1</b>	<b>4,443</b>	<b>267</b>	<b>575</b>	<b>5,285</b>

\*Revaluation of put/call options for shares relating to non-controlling interests

\*\*Translation differences amount to MSEK 366, hedge of net investments to MSEK -46 and hedge of debt to -52 at 2024-03-31

## Condensed Consolidated Statement of Cash Flows

MSEK	Q1		Full year
	2024	2023	2023
<b>Operating activities</b>			
Operating profit	288	232	821
Non-cash items	92	85	358
Other financial items	2	2	-13
Interest received	6	1	19
Interest paid	-23	-31	-111
Tax paid	-60	-74	-224
<b>Cash flow before changes in working capital</b>	<b>305</b>	<b>215</b>	<b>848</b>
<b>Changes in working capital</b>			
Increase/decrease in inventory	-5	23	75
Increase/decrease in receivable	-45	38	0
Increase/decrease in accounts payable	26	-54	9
<b>Total change in working capital</b>	<b>-24</b>	<b>7</b>	<b>84</b>
<b>Cash flow from operating activities</b>	<b>281</b>	<b>222</b>	<b>932</b>
<b>Investing activities</b>			
Investments in intangible assets	-1	-0	-18
Divestments of intangible assets	-	-	1
Investments in tangible assets	-18	-13	-70
Divestments of tangible assets	2	-	12
Acquisition of subsidiaries after subtracting cash	-231	-202	-339
Divestments of subsidiaries	-	-	3
Changes in non-current assets	0	0	-5
<b>Cash flow from investing activities</b>	<b>-249</b>	<b>-215</b>	<b>-416</b>
<b>Financing activities</b>			
Shareholder's contribution	-	-	1,189
Debt issued	0	-	1
Debt repayment	-47	-61	-1,267
Other financing activities	-171	-120	-74
Payments to non-controlling interests	-42	-12	-182
<b>Cash flow from financing activities</b>	<b>-260</b>	<b>-192</b>	<b>-334</b>
<b>Cash flow of the period</b>	<b>-228</b>	<b>-186</b>	<b>183</b>
Cash and cash equivalents at beginning of period	744	558	558
Translation differences	13	3	3
<b>Cash and cash equivalents at end of period</b>	<b>528</b>	<b>375</b>	<b>744</b>

## Business Segments

MSEK	Q1		Full year
	2024	2023	2023
Segment B2B	958	874	3,698
Segment B2C	598	513	1,916
<b>Net sales</b>	<b>1,556</b>	<b>1,387</b>	<b>5,614</b>
Segment B2B	189	165	696
Segment B2C	168	131	386
Central costs	-9	-8	-35
<b>Adj. EBITA*</b>	<b>347</b>	<b>288</b>	<b>1,047</b>
Amortization of intangible assets arising from acquisitions	-56	-52	-219
Acquisition related costs	-3	-4	-7
<b>Operating profit</b>	<b>288</b>	<b>232</b>	<b>821</b>
Net financial items	-17	-31	-104
<b>Profit before tax</b>	<b>271</b>	<b>201</b>	<b>716</b>

\*) Segmental Adj. EBITA does not include the amortization of intangible assets arising from acquisitions, 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 59 (56) in the quarter.

The Röko Group consists of 25 business units in different industries and no single customer or industry is individually significant to the group.

Quarterly Adj. EBITA increased to MSEK 189 (165) for Segment B2B and increased to MSEK 168 (131) for Segment B2C, before allocation of central group function costs. Central group costs increased from MSEK 8 to MSEK 9. Central group function costs decrease as a share of Adj. EBITA.

## Recognition of net sales over time

MSEK	Q1		
	B2B	B2C	Total
Over time	75	0	75
At a specific point in time	883	598	1,481
<b>Net sales Q1 2024</b>	<b>958</b>	<b>598</b>	<b>1,556</b>

MSEK	Q1		
	B2B	B2C	Total
Over time	43	0	43
At a specific point in time	831	513	1,344
<b>Net sales Q1 2023</b>	<b>874</b>	<b>513</b>	<b>1,387</b>

MSEK	Full year		
	B2B	B2C	Total
Over time	345	0	345
At a specific point in time	3,353	1,916	5,269
<b>Net sales in Jan-Dec 2023</b>	<b>3,698</b>	<b>1,916</b>	<b>5,614</b>

## Segmentation of net sales

MSEK	Q1		
	B2B	B2C	Total
Products	889	561	1,450
Services	69	36	105
<b>Net sales Q1 2024</b>	<b>958</b>	<b>598</b>	<b>1,556</b>

MSEK	Q1		
	B2B	B2C	Total
Products	792	491	1,283
Services	82	22	104
<b>Net sales Q1 2023</b>	<b>874</b>	<b>513</b>	<b>1,387</b>

MSEK	Full year		
	B2B	B2C	Total
Products	3,394	1,756	5,150
Services	304	161	464
<b>Net sales in Jan-Dec 2023</b>	<b>3,698</b>	<b>1,916</b>	<b>5,614</b>

## Acquisitions January-March 2024

25 business units were consolidated as per 2024-03-31. During the period, one acquisition was completed. Netherlands-based Baymax B.V., with the operating company Siderius Zeepfabriek B.V. ("Siderius"), with annual sales of MEUR 9, was acquired and consolidated in the B2B segment during the first quarter of 2024. The acquisition was financed with cash from Röko AB. During the period Röko acquired shares in two subsidiaries from non-controlling shareholders in accordance with a put/call option agreement. The purchase price for these shares were MSEK 37 which equals the corresponding value of the liability for the put / call options in

the balance sheet in December 2023. Acquisition-related costs amounted to MSEK 3 (4) in the first quarter.

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 full year as well as payments made for acquisitions in previous periods.

## Acquired net assets

### Net assets, MSEK. Preliminary analysis of acquisitions

since January 1st 2024	Carrying amount	Value adjustment	Fair value
Trademarks, customer relationships, licences	-	47	47
Tangible assets	47	-	47
Inventories, accounts receivable and other receivable	25	-	25
Accounts payable and other liabilities	-19	-	-19
Deferred tax	-	-20	-20
Adjustments to previous acquisitions	-	-	-
Cash and cash equivalents	4	-	4
<b>Net assets</b>	<b>58</b>	<b>28</b>	<b>85</b>
Goodwill	-	130	130
<b>Total net assets</b>	<b>58</b>	<b>157</b>	<b>215</b>
Put/call option debt for non-controlling interests	-	15	15

### Cash flow effect

	MSEK
Purchase price	-230
<i>o/w withheld purchase price</i>	-
Cash in acquired companies	4
<b>Total cash flow effect</b>	<b>-225</b>
Cash paid for acquisitions in previous periods	-6

## Acquisitions

Consolidated in month	Acquisitions	Segment	Net Sales RTM (MSEK)	Employees	Röko ownership
February	Baymax B.V.	B2B	103	34	85%

Baymax, with operational company Siderius, is a manufacturer of cleaning products such as cleaning detergents and hand soaps. The acquisition completed during the period has added MSEK 10 of sales, MSEK 4 in Adj. EBITA and MSEK 3 of operating profit for the period. If the company had been consolidated since January 1, 2024, it would have added an additional MSEK 17 of sales, MSEK 4 of Adj. EBITA and MSEK 3 to operating profit for the period.

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 option 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 due to human resources, 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

### Specification of leasing in the balance sheet and income statement

MSEK	2024-03-31	2023-03-31
<b>Reported in the balance sheet</b>		
The following amounts related to leasing agreements are reported in the balance sheet:		
<b>Right of use assets (reported as rights of use assets in the Balance Sheet)</b>		
Properties and premises	463	527
<b>Total</b>	<b>463</b>	<b>527</b>
<b>Lease liabilities</b>		
Long term (reported as non-current liabilities in the Balance Sheet)	401	451
Short term (reported as current liabilities in the Balance Sheet)	83	77
<b>Total lease liabilities</b>	<b>484</b>	<b>527</b>

MSEK	Q1	
	2024	2023
<b>Reported in the income statement</b>		
The following amounts related to leasing agreements are reported in the income statement		
<b>Depreciation on right of use assets</b>		
Properties and premises	21	19
<b>Total</b>	<b>21</b>	<b>19</b>
Interest expense	5	5

The total cash flow regarding leasing agreements in Q1 2024 was SEK 26 million.

## Financial assets in the balance sheet

<b>MSEK</b>	<b>Financial assets at amortised cost</b>
<b>Per 2024-03-31</b>	
Accounts receivable	689
Other non-current financial receivable	35
Cash and cash equivalents	528
<b>Sum</b>	<b>1,251</b>
<b>Per 2023-12-31</b>	
Accounts receivable	642
Other non-current financial receivable	38
Cash and cash equivalents	744
<b>Sum</b>	<b>1,423</b>
<b>Per 2023-03-31</b>	
Accounts receivable	637
Other non-current financial receivable	15
Cash and cash equivalents	375
<b>Sum</b>	<b>1,026</b>

## 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
<b>Per 2024-03-31</b>				
Interest- bearing borrowings		–	892	892
Accounts payable - trade		–	344	344
Put/call-option debt*	3	2,414	–	2,414
Deferred considerations*	3	92	–	92
Other liabilities**		–	776	776
<b>Total</b>		<b>2,506</b>	<b>2,012</b>	<b>4,518</b>
<b>Per 2023-12-31</b>				
Interest- bearing borrowings		–	910	910
Accounts payable - trade		–	321	321
Put/call-option debt*	3	2,346	–	2,346
Deferred considerations*	3	94	–	94
Other liabilities**		–	742	742
<b>Total</b>		<b>2,440</b>	<b>1,973</b>	<b>4,413</b>
<b>Per 2023-03-31</b>				
Interest- bearing borrowings		–	2,081	2,081
Accounts payable - trade		–	333	333
Put/call-option debt*	3	2,112	–	2,112
Deferred considerations*	3	152	–	152
Other liabilities**		–	736	736
<b>Total</b>		<b>2,264</b>	<b>3,150</b>	<b>5,415</b>

\* 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.

\*\* Other liabilities consist of acquisition related deferred tax liabilities and other deferred tax liabilities.

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 occur 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	2024-03-31	2023-12-31
<b>Per 2024-01-01</b>	<b>94</b>	<b>152</b>
Acquisitions in the period	–	37
Paid purchase prices	-6	-99
Exchange rate differences	4	4
<b>Per 2024-03-31</b>	<b>92</b>	<b>94</b>

## Option liabilities

MSEK	2024-03-31	2023-12-31
<b>Per 2024-01-01</b>	<b>2,346</b>	<b>2,034</b>
Acquisitions in the period	23	148
Divestments in the period (management purchases)	–	3
Paid purchase prices	-38	-18
Expense/Reversal via equity in the balance sheet	–	184
Exchange rate differences	82	-4
<b>Per 2024-03-31</b>	<b>2,414</b>	<b>2,346</b>

MSEK 147 of the option liabilities are to be exercised within 12 months, MSEK 1,257 between one and three years and MSEK 1,102 after more than three years.

# Condensed Parent Company Income Statement

Röko AB, 559195-4812

MSEK	Q1		Full year
	2024	2023	2023
Other operating income*	27	23	26
Administrative expenses	-8	-8	-32
<b>Operating profit</b>	<b>19</b>	<b>16</b>	<b>-6</b>
Profit from shares in group companies**	139	17	412
Financial income	32	44	309
Financial expenses	-145	-117	-475
<b>Profit after financial items</b>	<b>45</b>	<b>-41</b>	<b>240</b>
Appropriations	-	-	-
Tax	-	-	-
<b>Net profit for the period</b>	<b>45</b>	<b>-41</b>	<b>240</b>

\* Invoicing of group-wide services.

\*\* Profit from shares in group companies are dividends received from the group companies during each respective period.

Net profit for the period and total comprehensive income for the period are the same and therefore no Comprehensive Income Statement for the Parent company is presented.

## Condensed Parent Company Balance Sheet

MSEK	2024-03-31	2023-03-31	2023-12-31
<b>ASSETS</b>			
<b>Non-current assets</b>			
Shares in group companies	7,595	6,765	7,438
Long-term receivables	6	6	5
<b>Total non current assets</b>	<b>7,601</b>	<b>6,771</b>	<b>7,443</b>
<b>Current assets</b>			
Receivables in group companies	941	1,288	820
Other receivables	53	–	1
Prepaid expenses/accrued Income	1	1	3
Cash and cash equivalents	227	4	387
<b>Total current assets</b>	<b>1,222</b>	<b>1,293</b>	<b>1,210</b>
<b>TOTAL ASSETS</b>	<b>8,823</b>	<b>8,064</b>	<b>8,654</b>
<b>EGET KAPITAL OCH SKULDER</b>			
<b>Restricted equity</b>			
Equity	1	1	1
<b>Total restricted equity</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Non-restricted equity</b>			
Share premium account	708	–	708
Other contributed capital	3,735	3,254	3,735
Non restricted equity incl. net income	728	401	683
<b>Total non-restricted equity</b>	<b>5,171</b>	<b>3,655</b>	<b>5,126</b>
<b>Total equity</b>	<b>5,172</b>	<b>3,656</b>	<b>5,127</b>
<b>Non-current liabilities</b>			
Other non-current liabilities	2,062	1,860	2,080
<b>Total non-current liabilities</b>	<b>2,062</b>	<b>1,860</b>	<b>2,080</b>
<b>Current liabilities</b>			
Debt to credit institutions	871	2,057	886
Accounts payable	–	1	–
Liabilities to group companies	499	337	497
Other current liabilities	219	153	64
Accrued expenses and prepaid Income	–	–	1
<b>Total current liabilities</b>	<b>1,589</b>	<b>2,548</b>	<b>1,447</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,823</b>	<b>8,064</b>	<b>8,654</b>

## Parent Company Statement of changes in equity

MSEK	Share capital	Other contributed capital	Share premium account	Non. Restr equity	Total
<b>Opening balance per 2023-01-01</b>	1	–	3,254	442	3,697
Net profit for the period	–	–	–	-41	-41
<b>Other comprehensive income</b>					
<b>Closing balance per 2023-03-31</b>	1	–	3,254	401	3,656
<b>Opening balance per 2024-01-01</b>	1	708	3,735	683	5,127
Net profit for the period	–	–	–	45	45
<b>Other comprehensive income</b>					
<b>Closing balance per 2024-03-31</b>	1	708	3,735	728	5,172

## Key Performance Indicators

	Q1		Full year
	2024	2023	2023
Net sales for the period, MSEK	1,556	1,387	5,614
RTM* Net sales, MSEK	5,991	5,534	5,842
Operating profit	288	232	821
Adj. EBITA*, MSEK	347	288	1,047
Adj. EBITA* margin	22%	21%	19%
RTM Adj. EBITA*, MSEK	1,136	1,027	1,069
RTM Adj. EBITA* margin	19%	19%	18%
Adj. EBITDA*, MSEK	384	321	1,186
Adj. EBITDA* margin	25%	23%	21%
Capital employed*, MSEK	8,640	8,313	8,032
Return on capital employed	13%	11%	13%
Return on capital employed ex intangibles from acquisitions	165%	123%	179%
Return on equity	13%	14%	13%
Financial net debt*, MSEK	2,871	3,971	2,607
Interest-bearing net debt*, MSEK	365	1,707	167
Financial net debt/RTM Adj EBITDA*, times	2.2x	3.4x	2.2x
Interest-bearing net debt/RTM Adj EBITDA*, times	0.3x	1.5x	0.1x
Equity/assets ratio	48%	37%	47%
Number of shares, end of the period	14,832,500	13,484,000	14,832,500
Number of employees, end of the period	1,434	1,374	1,426

\* See definitions on page 23

# Definitions and objectives

The report includes financial key ratios that are based on IFRS (e.g. earnings per share) and in addition Röko also uses additional other key ratios (Alternative KPIN - Alternative Key Performance Indicators) to describe and assess the Group's operations. These Alternative metrics and Alternative KPIs are to be considered as a complement to the financial reporting as presented in accordance with IFRS. Note that these definitions may differ somewhat from other companies' definitions of the same terms.

Adj. EBITA	Adj. EBITA is considered a relevant metric for investors who wish to understand the earnings generated by Röko's acquired companies and is the metric used for internal tracking of performance per business segment. Adj. EBITA, defined as earnings before interest, taxes, and amortization as well as acquisition expenses. Adj. EBITA serves as an approximation for the cash flow before tax, under the assumption that capital expenditures mirror depreciation, which is normally the case, as Röko invests in asset-light businesses.
Adj. EBITA margin	Adj. EBITA divided by net sales.
Adj. EBITDA	Adj. EBITDA is considered a relevant metric for investors who wish to understand the earnings generated by Röko's acquired companies. Adj. EBITDA, defined as earnings before interest, taxes, depreciation, and amortization as well as acquisition expenses. Adj. EBITDA serves as an approximation for the cash flow before capital expenditures and tax.
Adj. EBITDA margin	Adj. EBITDA divided by net sales.
RTM	RTM information of net sales and Adj. 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 Adj. EBITA. The RTM metric is unaudited or otherwise reviewed (IRSE 2410). RTM net sales and Adj. 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 KPIN 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 KPIN 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 KPIN 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 KPIN 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 for the last twelve months divided by the average equity for the period, calculated as the average between the opening balance and closing balance for the same twelve-month period.
Return on capital employed	LTM Adj. EBITA for the period according to the consolidated income statement divided by average capital employed for the period, calculated as the average of the opening, and closing balance for the period. 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 to calculate the fixed currency growth and the organic growth is calculated as an arithmetic 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 metrics

The interim report presents alternative metrics (KPIs) for assessing the Group's performance. The primary alternative KPIs presented in this interim report are Adj. EBITA, Adj. EBITDA, net debt, and capital employed. Definitions of the alternative KPIs are presented on page 23.

### Adj. EBITA compared with financial statements in accordance with IFRS

MSEK	Q1		Full year
	2024	2023	2023
<b>Operating profit</b>	<b>288</b>	<b>232</b>	<b>821</b>
Amortisation of intangible assets related to acquisitions	56	52	219
Acquisition costs	3	4	7
<b>Adj. EBITA</b>	<b>347</b>	<b>288</b>	<b>1,047</b>

### Adj. EBITDA compared with financial statements in accordance with IFRS

MSEK	Q1		Full year
	2024	2023	2023
<b>Operating profit</b>	<b>288</b>	<b>232</b>	<b>821</b>
Depreciation of tangible assets	37	33	138
<i>of which Depreciation of leasing rights</i>	21	19	77
Amortisation of intangible assets	57	52	221
<i>of which Amortisation of intangible assets from acq.</i>	56	52	219
Acquisition costs	3	4	7
<b>Adj. EBITDA</b>	<b>384</b>	<b>321</b>	<b>1,186</b>

## Net debt compared with financial statements in accordance with IFRS

MSEK	2024-03-31	2023-03-31	2023-12-31
Non-current interest-bearing liabilities	13	12	14
Current interest-bearing liabilities	879	2,070	896
Cash and cash equivalents	-528	-375	-744
<b>Interest-bearing Net Debt</b>	<b>365</b>	<b>1,707</b>	<b>167</b>
Put/call debt for non-controlling shares and earn-out debt	2,506	2,264	2,440
<b>Total Financial net debt</b>	<b>2,871</b>	<b>3,971</b>	<b>2,607</b>

## RTM Net Sales and RTM Adj. EBITA

MSEK	Q1		Full year
	2024	2023	2023
<b>LTM Net sales according to consolidated IS</b>	<b>5,783</b>	<b>4,806</b>	<b>5,614</b>
Addition of non-consolidated Net Sales from 1 April to the acquisition date			
Segment B2B	194	480	194
Segment B2C	14	248	34
<b>RTM Net sales</b>	<b>5,991</b>	<b>5,534</b>	<b>5,842</b>
<b>LTM Adj. EBITA according to consolidated IS</b>	<b>1,106</b>	<b>900</b>	<b>1,047</b>
Addition of non-consolidated Adj. EBITA from 1 April to the acquisition date			
Segment B2B	33	75	24
Segment B2C	-3	52	-2
<b>Adj. RTM EBITA</b>	<b>1,136</b>	<b>1,027</b>	<b>1,069</b>

## Capital employed

MSEK	2024-03-31	2023-03-31	2023-12-31
<b>Constituents of Capital employed</b>			
Equity	5,285	3,815	4,942
Interest-bearing debt	892	2,081	910
Leasing	484	527	483
Put/call debt for non-controlling shares and earn-out debt	2,506	2,264	2,440
Less cash	-528	-375	-744
<b>Capital employed</b>	<b>8,640</b>	<b>8,313</b>	<b>8,032</b>
Average capital employed	8,336	8,129	7,988
Goodwill, customer relations, trademarks	7,859	7,460	7,476
<b>Capital employed ex goodwill, customer relations, trademarks</b>	<b>781</b>	<b>852</b>	<b>556</b>
Average capital employed	668	732	584

## Return on capital employed

MSEK	Q1		Full year
	2024	2023	2023
<b>Constituents of ROCE</b>			
LTM Adj. EBITA	1,106	900	1,047
<b>Average capital employed</b>	<b>8,336</b>	<b>8,129</b>	<b>7,988</b>
Return on capital employed	13%	11%	13%
<b>Capital employed ex intangibles from acquisitions</b>			
	<b>668</b>	<b>732</b>	<b>584</b>
Return on capital employed ex intangibles from acquisitions	165%	123%	179%

## Organic growth

MSEK	Q1		Full year
	2024	2023	2023
Net sales, including sales for comparable companies*	1,427	1,387	3,651
FX impact	-13		-154
<b>Organic sales in constant currency</b>	<b>1,414</b>		<b>3,497</b>
<i>Growth comparable companies (actual currency)</i>	3%		-2%
<i>Organic growth constant currency</i>	2%		0%

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

## Financial calendar

Annual General Meeting	24 April 2024
Second-quarter 2024	22 Juli 2024
Third-quarter 2024	25 October 2024
Year-end quarter 2024	14 February 2025

## Questions

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## Röko in brief

Röko is a perpetual owner of European small-and medium-sized businesses and today we own 25 companies in a variety of industries across Europe. We are a Swedish company, and our team has more than 100 years of combined experience working with owner-managed businesses across markets and in different situations.