



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 915 229 115
Organisasjonsform: Aksjeselskap
Foretaksnavn: POLYGON AS
Forretningsadresse: Enebakkveien 307
1188 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

Konsern

Mørselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: -

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Grete Sagegg
Dato for fastsettelse av årsregnskapet: 30.06.2022

Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 21.07.2023



Resultatregnskap

Beløp i: NOK	Note	2021	2020
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1,2	575 650 000	569 265 000
Annen driftsinntekt		25 000	151 000
Sum inntekter		575 675 000	569 416 000
Kostnader			
Varekostnad		223 183 000	233 990 000
Lønnskostnad	4,5	251 798 000	231 294 000
Driftsmidler	6	3 675 000	4 303 000
Goodwill	6	5 288 000	5 288 000
Andre driftskostnader	4	110 804 000	109 037 000
Restruktureringskostnader		12 000 000	
Sum kostnader		606 748 000	583 912 000
Driftsresultat		-31 073 000	-14 496 000
Finansinntekter og finanskostnader			
Annen finansinntekt		37 000	54 000
Sum finansinntekter		37 000	54 000
Nedskrivning av finansielle eiendeler	7		1 500 000
Rentekostnad til foretak i samme konsern	9	32 000	2 182 000
Annen finanskostnad		105 000	532 000
Sum finanskostnader		137 000	4 214 000
Netto finans		-100 000	-4 160 000
Ordinært resultat før skattekostnad		-31 173 000	-18 656 000
Skattekostnad på ordinært resultat	11	-2 994 000	-1 668 000
Ordinært resultat etter skattekostnad		-28 179 000	-16 988 000
Årsresultat		-28 179 000	-16 988 000
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		-28 179 000	-16 988 000



Resultatregnskap

Beløp i: NOK	Note	2021	2020
Sum overføringer og disponeringer		-28 179 000	-16 988 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	11	9 233 000	6 239 000
Goodwill	6	5 875 000	11 163 000
Sum immaterielle eiendeler		15 108 000	17 402 000
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	6	648 000	693 000
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	6	9 216 000	10 527 000
Sum varige driftsmidler		9 864 000	11 220 000
Finansielle anleggsmidler			
Investering i datterselskap	7	6 500 000	0
Investeringer i tilknyttet selskap	7	2 500 000	2 500 000
Sum finansielle anleggsmidler		9 000 000	2 500 000
Sum anleggsmidler		33 972 000	31 122 000
Omløpsmidler			
Varer			
Fordringer			
Kundefordringer	1,12	104 790 000	75 507 000
Andre fordringer		14 360 000	8 686 000
Sum fordringer		119 150 000	84 193 000
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	3	186 000	61 948 000
Sum bankinnskudd, kontanter og lignende		186 000	61 948 000
Sum omløpsmidler		119 336 000	146 141 000
SUM EIENDELER		153 308 000	177 263 000



Balanse

Beløp i: NOK	Note	2021	2020
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital		23 485 000	23 485 000
Overkurs		39 965 000	39 965 000
Sum innskutt egenkapital		63 450 000	63 450 000
Opptjent egenkapital			
Annen egenkapital		-59 444 000	-31 265 000
Sum opptjent egenkapital		-59 444 000	-31 265 000
Sum egenkapital	13	4 006 000	32 185 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld			28 300 000
Øvrig langsiktig gjeld	8	1 084 000	1 265 000
Sum annen langsiktig gjeld		1 084 000	29 565 000
Sum langsiktig gjeld		1 084 000	29 565 000
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	3	13 604 000	
Leverandørgjeld		60 617 000	49 776 000
Skyldige offentlige avgifter		25 748 000	26 118 000
Annen kortsiktig gjeld		48 249 000	39 619 000
Sum kortsiktig gjeld		148 218 000	115 513 000
Sum gjeld		149 302 000	145 078 000
SUM EGENKAPITAL OG GJELD		153 308 000	177 263 000



POLYGON AS

Noter til regnskapet for 2021

(Beløp i 1 000 kr.)

Note 1 - Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapslovens bestemmelser og god regnskapskikk.

Konsolideringsprinsipper

Regnskapet består av Polygon AS. Som heleid datterselskap av morselskap tilhørende i en EØS-stat, er det etter Regnskapslovens § 3-7 ikke utarbeidet konsernregnskap for morselskap i underkonsern. Konsernregnskapet kan fås utlevert ved henvendelse til Polygon AB i Stockholm.

Salgsinntekter

Selskapet leverer tjenester innen skadebegrensning og inntektsføring skjer basert på en vurdering av tjenestenes verdi på opptjeningstidspunktet. Endring i opptjente, ikke fakturerte inntekter innregnes i salgsinntektene for perioden.

Selskapet har franchiseavtaler med i alt fem Franchisetakere som leverer tjenester i geografiske områder der selskapet ikke driver egen virksomhet. Som Franchisegeber er selskapet avtalepart ovenfor kunde for alle Polygonoppdrag, men kontroll og risiko knyttet til utførelsen av egne oppdrag og betalingsevne hos kunde er fullt Franchisetakers ansvar. For franchiseoppdrag er det netto franchiseavgift i prosent av omsetning som presenteres som driftsinntekt i årsregnskapet. Kundefordringer knyttet til franchiseoppdrag er utlignet mot tilhørende leverandørgjeld mot Franchisetaker.

Vurdering og klassifisering av balanseposter

Omløpsmidler og kortsiktig gjeld omfatter poster som forfaller til betaling innen ett år etter anskaffelsestidspunktet, samt poster som knytter seg til varekretsløpet. Øvrige poster er klassifisert som anleggsmiddel/langsiktig gjeld. Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi.

Fordringer

Kundefordringer og andre fordringer er oppført i balansen til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av individuelle vurderinger av de enkelte fordringene. I tillegg gjøres det for øvrige kundefordringer en uspesifisert avsetning for å dekke antatt tap. Opptjente, ikke fakturerte inntekter per 31.12 er vurdert til salgspris.

Investering i datterselskap

Investering i datterselskap og tilknyttet selskap regnskapsføres etter kostmetoden i selskapsregnskapet. Det er foretatt nedskrivning til virkelig verdi når verdifall skyldes årsaker som ikke kan antas å være forbigående og det må anses nødvendig etter god regnskapskikk.

Valuta

Pengeposter i utenlandsk valuta er vurdert etter kursen ved regnskapsårets slutt.



POLYGON AS

Noter til regnskapet for 2021

(Beløp i 1 000 kr.)

Note 1 - Regnskapsprinsipper - forts.

Varige driftsmidler

Varige driftsmidler balanseføres og avskrives over driftsmidlets forventede levetid dersom de har levetid over 3 år og har en kostpris som overstiger kr 15 000. Direkte vedlikehold av driftsmidler kostnadsføres løpende under driftskostnader, mens påkostninger eller forbedringer tillegges driftsmiddelets kostpris og avskrives i takt med driftsmiddelet. Leie av driftsmidler som defineres som finansiell leasing balanseføres til verdien av vederlaget i leieavtalen. Anskaffelseskost for eiendelen medtas i balansen som varig driftsmiddel.

Pensjoner

For selskapets innskuddsbaserte pensjonsordning resultatføres pensjonpremie etter hvert som den påløper og ingen fremtidig forpliktelse fremkommer i balansen pr 31/12.

Selskapet deltar i LO/NHO-ordningen som innebærer at alle ansatte kan velge å gå av med Avtalefestet Pensjon (AFP) fra og med 62 år. Den nye AFP-ordningen er en ytelsesbasert flerforetakspensjonsordning som regnskapsmessig blir behandlet som en innskuddsbasert pensjonsordning hvor premiebetalingen kostnadsføres løpende.

Skatt

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22 % på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reverseres i samme periode er utlignet og nettoført. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli nyttiggjort.

Leasing

Leieavtaler vurderes som finansiell eller operasjonell leasing etter en konkret vurdering av den enkelte leieavtale. Driftsmidler i leieavtaler vurdert som finansiell leasing balanseføres og avskrives som ordinære driftsmidler. Avdragsdelen av leieforpliktelsen vises som langsiktig gjeld. Forpliktelsen reduseres med betalt leie etter fradrag for beregnet rentekostnad. Ved operasjonelle leasingavtaler foretas oppføring i balansen kun i den grad det er foretatt forskuddsbetaling til utleier. Leien klassifiseres som driftskostnader og fordeles lineært over leieperioden.

Kontantstrømoppstilling

Kontantstrømoppstillingen er satt opp etter den indirekte metode.



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Noter til regnskapet for 2021

(Beløp i 1 000 kr.)

Note 2 - Salgsinntekter

Fordeling av salgsinntektene på virksomhetsområder:

	2021	2020
Skadesanering inkludert håndverk	534 021	534 017
Andre tjenester *)	41 654	35 399
Sum salgsinntekter	<u>575 675</u>	<u>569 416</u>

*) Andre tjenester omfatter i hovedsak, men er ikke utelukkende begrenset til: asbestsanering, ventilasjonsrens, byggtørk, samt franchiseavgift

Alt salg er i Norge.

Franchisetakeres brutto omsetning 304 855 er ikke inkludert her.

Note 3 - Bankinnskudd

Selskapets bankkonto i Nordea inngår i konsernets konsernkontoordning. Netto innskudd på denne kontoen blir i selskapsregnskapet presentert som bankinnskudd, trekk blir presentert som kortsiktig gjeld til kredittinstitusjoner.

Selskapet har bankgaranti som dekker selskapets ansvar for skattetrekkmidler, og har av denne grunn ingen bundne bankinnskudd knyttet til skattetrekkmidler.

Note 4 - Lønn, godtgjørelser, lån til ansatte m.v.

	2021	2020
<i>Lønnskostnader</i>		
Lønninger	205 810	190 704
Arbeidsgiveravgift	28 301	24 783
Pensjonskostnader	9 606	8 103
Andre ytelser	8 081	7 704
Sum	<u>251 798</u>	<u>231 294</u>
Gjennomsnittlig antall årsverk	426	388

	Lønn	Andre godtgjørelser
<i>Godtgjørelser</i>		
Styret	0	0
Administrerende direktør	1 769	313

Administrerende direktør har en bonusavtale som kan gi utbetaling inntil 50 % av fast årslønn.

Administrerende direktør har en etterlønsavtale som kan gi inntil 12 måneders etterlønn.

Honorar til revisor

Honorarer for lovpålagte revisjonstjenester	741
Honorarer for andre tjenester utenfor revisjonen	185



POLYGON AS

Noter til regnskapet for 2021

(Beløp i 1 000 kr.)

Note 5 - Pensjonskostnader og forpliktelser

Selskapet er pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon.

Innskuddsordningen omfatter 442 personer. Ytelsene i ordningen er høyere enn minstekravene i OTP. Det er betalt og kostnadsført 6 359 knyttet til innskuddspensjonsordningen, arbeidsgiveravgift kommer i tillegg.

I tillegg til de overnevnte pensjonsordningene, har selskapet pensjonsforpliktelser som ikke er sikret gjennom forsikringsordninger. Dette gjelder avtalefestet pensjon (AFP).

Kostnadsført pensjonsinnskudd	6 359
Kostnadsført premie AFP	3 434

Note 6 - Varige driftsmidler og immaterielle eiendeler

Varige driftsmidler	Bygninger og tomter	Maskiner, inventar og transp.midler	SUM
Anskaffelseskost 01.01.2021	1 490	51 566	53 056
Tilgang	0	2 394	2 394
Avgang	0	-115	-115
Anskaffelseskost 31.12.2021	1 490	53 845	55 335
Akk. avskr./nedskr. 01.01.2021	797	41 039	41 836
Akk. avskr./nedskr. 31.12.2021	843	44 628	45 471
Bokført verdi 31.12.2021	647	9 217	9 864
Årets avskrivninger	45	3 630	3 675
Økonomisk levetid	33 år	3 - 10 år	
Avskrivningsplan	Lineær	Lineær	

Immaterielle eiendeler	Goodwill fusjon P Nord	Goodwill fusjon Buskerud Skadeb	Goodwill fusjon P Kongsberg	SUM
Anskaffelseskost 01.01.2021	20 580	4 892	971	26 443
Tilgang	0	0	0	0
Avgang	0	0	0	0
Anskaffelseskost 31.12.2021	20 580	4 892	971	26 443
Akk. avskr./nedskr. 01.01.2021	12 348	2 446	486	9 991
Akk. avskr./nedskr. 31.12.2021	16 464	3 424	680	20 568
Bokført verdi 31.12.2021	4 116	1 468	291	5 875
Årets avskrivninger	4 116	978	194	5 288
Økonomisk levetid	5 år	5 år	5 år	
Avskrivningsplan	Lineær	Lineær	Lineær	



POLYGON AS

Noter til regnskapet for 2021

(Beløp i 1 000 kr.)

Note 7 - Datterselskap, tilknyttet selskap m.v.

	Eierandel	Egenkapital siste år (100 %)	Resultat siste år (100 %)	Balanseført verdi
Rengjøringsbyrået AS Renas	100,00 %	-8 178	-9 118	6 500
Polygon Innlandet AS	49,02 %	1 850	-597	2 500

Investeringer i datterselskap og tilknyttet selskap balanseføres etter kostmetoden. Det er foretatt regnskapsmessig nedskrivning til virkelig verdi ved verdifall som ikke anses å være forbigående.

Note 8 - Langsiktig gjeld

Det er inngått en langsiktig leieavtale for selskapets hovedkontor med en varighet til 31.12.2027, gjeldsposten Øvrig langsiktig gjeld er knyttet til periodisering av leiefritak i 2012.

Det er gitt bankgarantier på 18 484, ingen med varighet over 3 år.

Note 9 - Mellomværende med selskap i samme konsern m.v.

	Kundefordringer		Kortsiktige fordringer	
	2021	2020	2021	2020
Polygon Norway Holding AS	0	0	342	273
Rengjøringsbyrået AS Renas	3 162	0	3 000	0

	Leverandørgjeld	
	2021	2020
Rengjøringsbyrået AS Renas	4 139	0
Kaph Entreprenør AS	1 419	0

Selskapet har blitt belastet fra morselskap med royalty, kostnader for drift av felles IT-løsninger samt viderefakturerer for andre forhold av mindre beløpsstørrelse

	2021	2020
Royalty, felles IT-drift, mv.	22 131	26 866

I forbindelse med finansieringen av Polygon Group er alle anleggsmidler, kundefordringer og varelager pantsatt til fordel for Nordea Bank AB.

Note 10 - Finansiell markedsrisiko

Selskapet er i liten grad eksponert for valutarisiko. Selskapet benytter ikke finansielle instrumenter som en del av sin operative virksomhet.



POLYGON AS

Noter til regnskapet for 2021

(Beløp i 1 000 kr.)

Note 11 - Skatt

<i>Årets skattekostnad fremkommer slik:</i>	2021	2020
Betalbar skatt på årets resultat	0	0
Endring i utsatt skatt	-2 994	-1 665
For lite avsatt i fjor	0	-3
Årets totale skattekostnad på ordinært resultat	<u>-2 994</u>	<u>-1 668</u>

Årets skattegrunnlag fremkommer slik:

	2021	2020
Resultat før skattekostnad	-31 173	-18 656
Permanente forskjeller	454	1 826
Endring i midlertidige forskjeller	13 616	8 438
Årets skattegrunnlag (underskudd til fremføring)	<u>-17 103</u>	<u>-8 392</u>

Oversikt over midlertidige forskjeller:

	2021	2020
Anleggsmidler	1 795	7 393
Arbeid under utførelse	0	-1 948
Fordringer	-1 133	-2 142
Gjeld	-4 221	-5 886
Forpliktelser ifm restrukturering	-13 800	-2 558
Gevinst- og tapskonto	5 593	6 991
Netto midlertidige forskjeller	<u>-11 766</u>	<u>1 850</u>
Underskudd til fremføring	<u>-88 401</u>	<u>-71 298</u>
Grunnlag utsatt skatt	<u>-100 167</u>	<u>-69 448</u>
Beregnet utsatt skatt/(utsatt skattefordel)	<u>-22 037</u>	<u>-15 279</u>
Ikke oppført utsatt skatt	<u>12 804</u>	<u>9 041</u>
Utsatt skatt / (Utsatt skatte fordel) i regnskapet	<u>-9 233</u>	<u>-6 239</u>

Avstemming av årets skattekostnad

	2021
Årets totale skattekostnad	-2 994
22 % av resultat før skatt	<u>-6 858</u>
Differanse	<u>3 864</u>
<i>- som består av:</i>	
Endring i ikke-bokført utsatt skattefordel	3 764
Tillegg i inntekt for rentekostnader innen konsernet	0
Permanente forskjeller	100
Endring i skattesats for utsatt skatt pr 31.12	0
	<u>3 864</u>



POLYGON AS

Noter til regnskapet for 2021

(Beløp i 1 000 kr.)

Note 12 - Varer i arbeid

	31.12.2021	31.12.2020
Inntektsført på igangsatte prosjekter	174 121	86 941
Kostnader på igangsatte prosjekter	-147 720	-80 690
Resultatført igangsatte prosjekter	<u>26 401</u>	<u>6 251</u>
Levert ikke fakturert inkl i kundefordringer	53 391	25 073

Note 13 - Egenkapital

	Aksjekapital	Overkurs	Annen egenkapital	Sum
Egenkapital 01.01.2021	23 485	39 965	-31 265	32 185
Årsresultat	0	0	-28 179	-28 179
Egenkapital 31.12.2021	23 485	39 965	-59 444	4 006

Note 14 - Aksjekapital og aksjonærinformasjon

Aksjekapitalen i POLYGON AS består av 34 500 aksjer a NOK 680,71 som i sin helhet eies av Polygon Norway Holding AS.

Note 15 - Hendelser etter balansedagen/Covid-19

COVID-19 har påvirket Polygon AS til en viss grad også i 2021. Den største innvirkningen på drift av virksomheten har vært fraværet av ansatte på grunn av sykdom og/eller karantene-reglene, noe som har ført til mindre utnyttelse av ansatte og dermed lavere produksjon av Polygon sine tjenester. COVID-19 har i en viss grad bidratt til et negativt avvik fra budsjettet i 2021.

Når det gjelder Covid-19 i 2022, ser vi fortsatt en svært negativ effekt på sykefraværet. I tillegg kan planlegging av oppdragene bli påvirket av sykdom hos kunden som fører til uutnyttet produktiv tid for våre ansatte. Effekten forventes gå ned fra andre kvartal i 2022.

Verdifall på kundefordringer eller øvrige balanseposter pr 31.12.2021 på grunn av Covid-19 anses ikke som sannsynlig, og på tidspunktet for regnskapsavleggelsen er det ingen usikkerhet om fortsatt drift.



POLYGON AS

Kontantstrømoppstilling 01.01 - 31.12.2021

(Beløp i 1 000 kr.)

	2021	2020
Resultat før skattekostnad	-31 173	-18 656
Periodens betalte skatt	0	0
Gevinst ved salg av anleggsmidler	-25	-151
Ordinære avskrivninger	8 963	9 591
Nedskrivning anleggsmidler	0	1 500
Endring i kundefordringer	-29 283	50 026
Endring i leverandørgjeld	10 841	-4 111
Endring i andre tidsavgrensninger	2 405	-5 507
Netto kontantstrøm fra operasjonelle aktiviteter	-38 272	32 692
Innbetalinger ved salg av varige driftsmidler	100	396
Utbetalinger ved kjøp/tilvirkning av varige driftsmidler	-2 394	-1 994
Utbetalinger ved kjøp av aksjer og andeler i andre foretak	-6 500	0
Netto kontantstrøm fra investeringsaktiviteter	-8 794	-1 598
Utbetaling ved nedbetaling av langsiktig gjeld	-28 300	0
Innbetaling av kapital	0	40 000
Trekk konsernkontoordning	13 604	-11 739
Netto kontantstrøm fra finansieringsaktiviteter	-14 696	28 261
Netto endring i likvider i året	-61 762	59 355
Likvide midler pr. 1.1.	61 948	2 593
Likvide midler pr. 31.12.	186	61 948



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POLYGON AS - ÅRSBERETNING FOR 2021

Virksomhetens art og hvor den drives

Polygon sitt hovedprodukt er tjenesteleveranser innenfor områdene skadebegrensning og restverdiredning i forbindelse med brann- og vannskader. Virksomheten drives i Norge.

Polygon har i tillegg knyttet til seg et nett av franchisetakere som representerer Polygon i områder der Polygon ikke er representert med egen virksomhet.

Fortsatt drift

I samsvar med regnskapsloven § 3-3a bekreftes det at forutsetningene om fortsatt drift er til stede. Til grunn for antagelsen ligger resultatprognoser fram til og med 2024 og selskapets langsiktige strategiske planer for årene fremover. Utover det har selskapet mottatt morselskapsgaranti av Polygon International AB. På bakgrunn av dette mener styret at fortsatt drift kan legges til grunn.

Arbeidsmiljø og personale

Etter styrets oppfatning er arbeidsmiljøet godt. Bedriften gjennomfører årlig en medarbeiderundersøkelse. Bedriften har innrettet seg etter og følger de lover og forskrifter som gjelder innenfor området helse, miljø og sikkerhet.

I 2021 utgjorde sykefraværet 9,32% av total arbeidstid i selskapet.

Polygon har etablert et system for rapportering av ulykker, nestenulykker og andre hendelser som kan medføre personskader på arbeidsplassen. Rapporterte hendelser av typen personskader og potensielt farlige hendelser blir behandlet i arbeidsmiljøutvalget. I 2021 er det ikke rapportert om alvorlige hendelser som har medført personskader.

Likestilling og ikke-diskriminering m.v.

Av selskapets ansatte er 15% kvinner og 85% menn. Styret består av 5 medlemmer, hvorav ingen kvinne. Selskapets personalpolitikk anses å være kjønnsnøytral på alle områder.

Kvinnens lønnsandel i forhold til menns lønn i selskapet er 80%, basert på total snitt lønn kvinner opp mot snitt lønn menn (brutto årslønn). Polygons lønnspolitikk bygger på prinsippet om lik lønn for likt arbeid, og for arbeid av tilsvarende verdi.

Bedriften har en rekrutterings- og personalpolicy som skal sikre like muligheter og rettigheter og hindre diskriminering på grunn av etnisitet, nasjonal opprinnelse, avstamning, hudfarge, språk, religion og livssyn.

Bedriften har ansatte med nedsatt funksjonsevne der arbeidsforholdene er tilpasset hver enkelt ansattes funksjonsevne. I den grad det er mulig, vil bedriften også i fremtiden søke å tilpasse arbeidsforholdene slik at personer med nedsatt funksjonsevne kan ta arbeid i bedriften.

Bedriftens redegjørelse for arbeidet med likestilling og ikke-diskriminering finnes offentlig tilgjengelig på selskapets hjemmesider.

Miljørapportering og sertifisering

Ved gjennomføringen av sine oppdrag benytter Polygon godkjente produkter som etter styrets vurdering har en ubetydelig forurensende effekt på det ytre miljø. Bedriftens hovedkontor er sertifisert som Miljøfyrtårn, i tillegg er bedriften sertifisert i henhold til ISO 9001 og ISO 14001.

Fremtidig utvikling

Markedet for Polygons tjenester svinger i takt med utviklingen i brann- og vannskader i samfunnet. De årlige svingningene for denne type skader vil ofte være betydelige, vi jobber derfor aktivt mot nye kundesegmenter som kan bidra til en mer stabil omsetningsutvikling.

Polygon har i mange år vært en av de ledende leverandørene av skadebegrensningstjenester i Norge og selskapets mål er å styrke denne posisjonen. I september 2021 kjøpte selskapet 100%



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av aksjene i franchiseselskapet Rengjøringsbyrå Renas AS, organisasjonsnr. 915 365 450. Det er med virkning fra 05.04.2022 gjennomført mor-datter-fusjon med selskapet.

Kundene setter stadig større krav til sine leverandører og gjennom sin desentrale landsdekkende organisasjon, dokumenterte kompetanse og gode økonomi oppfyller Polygon kravene for også å være en foretrukket samarbeidspartner fremover.

Effekt av COVID-19

COVID-19 har påvirket Polygon AS til en viss grad også i 2021. Den største innvirkningen på drift av virksomheten har vært fraværet av ansatte på grunn av sykdom og/eller karantene-reglene, noe som har ført til mindre utnyttelse av ansatte og dermed lavere produksjon av Polygon sine tjenester. COVID-19 har i en viss grad bidratt til et negativt avvik fra budsjettet i 2021.

Når det gjelder Covid-19 i 2022, ser vi fortsatt en svært negativ effekt på sykefraværet. I tillegg kan planlegging av oppdragene bli påvirket av sykdom hos kunden som fører til utnyttet produktivitet hos våre ansatte. Effekten forventes gå ned fra andre kvartalet i 2022.

Resultat, kontantstrøm, investeringer, finansiering og likviditet

Driftsresultatet i selskapet var på kr -31,1 mill. sammenlignet med -14,5 mill. i 2020.

Samlet kontantstrøm fra operasjonelle aktiviteter i selskapet var på kr 38,3 mill.

De samlede investeringene i selskapet i 2021 var kr 2,4 mill., hovedsakelig vannutstyr.

Selskapets likviditetsbeholdning var kr 0,2 mill. per 31.12.21. Selskapets evne til egenfinansiering er god.

Totalkapitalen var ved utgangen av året kr 153,3 mill., sammenlignet med kr 177,3 mill. året før. Egenkapitalandelen pr 31.12.21 var 2,6%, sammenlignet med 18,2% året før.

Finansiell risiko

Markedsrisiko

Selskapet kunder består hovedsakelig av de største aktørene innenfor norsk forsikring. Risikoen for tap knyttet til disse vurderes som lav.

Kreditrisiko

Risiko for at motparten ikke har økonomisk evne til å oppfylle sine forpliktelser anses lav, da det historisk sett har vært lite tap på fordringer.

Likviditetsrisiko

Styret vurderer likviditeten i selskapet som tilfredsstillende, og det arbeides løpende for å bedre likviditeten i selskapet gjennom å redusere kapitalbindingen.

Resultatdisponering

Styrets forslag til resultatdisponering for 2021 (tusen kroner):

Avsatt Utbytte	:	0
Til Annen egenkapital	:	<u>-28 179</u>
Sum	:	-28 179

Forsikring for styrets medlemmer og daglig leder

Gjennom morselskapet Polygon International AB er det tegnet styreforsikring for styrets medlemmer og daglig leder for deres mulige ansvar overfor foretaket og tredjepersoner med en forsikringsdekning på 20 mill. EUR. Styreansvarsforsikringen dekker alle datterselskaper til Polygon International AB.

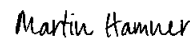


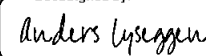
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Oslo 30.06.2022

DocuSigned by:

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Axel Jörg Gränitz
Styrets leder

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Martin Per Hamner
Styremedlem

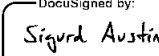
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Anders Lyseggen
Styremedlem

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Dan-Cato Bjørnsand
Styremedlem

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Kai Roger Kalstveit Andersen
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Daglig Leder



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Medlemmer av Den norske revisorforening

UAVHENGIG REVISORS BERETNING

Til generalforsamlingen i Polygon AS

Konklusjon

Vi har revidert årsregnskapet for Polygon AS som består av balanse per 31. desember 2021, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening oppfylder årsregnskapet gjeldende lovkrav og gir et rettviseende bilde av selskapets finansielle stilling per 31. desember 2021 og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjon

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med kravene i relevante lover og forskrifter i Norge og *International Code of Ethics for Professional Accountants* (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Øvrig informasjon

Øvrig informasjon omfatter informasjon i selskapets årsrapport bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Styret og daglig leder (ledelsen) er ansvarlig for den øvrige informasjonen. Vår konklusjon om revisjonen av årsregnskapet dekker ikke den øvrige informasjonen, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese den øvrige informasjonen med det formål å vurdere om årsberetningen inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav og hvorvidt det foreligger vesentlig inkonsistens mellom den øvrige informasjonen og årsregnskapet eller kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon. Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon eller ikke inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav, er vi pålagt å rapportere det.

Vi har ingenting å rapportere i så henseende, og vi mener at årsberetningen er konsistent med årsregnskapet og inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet med mindre ledelsen enten har til hensikt å avvikle selskapet eller virksomheten, eller ikke har noe annet realistisk alternativ.



Building a better
working world

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan skyldes misligheter eller feil og er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:

- identifiserer og vurderer vi risikoen for vesentlig feilinformasjon i årsregnskapet, enten det skyldes misligheter eller feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av intern kontroll.
- opparbeider vi oss en forståelse av den interne kontrollen som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimater og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape betydelig tvil om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon om årsregnskapet og årsberetningen. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke kan fortsette driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.

Vi kommuniserer med styret blant annet om det planlagte omfanget av og tidspunktet for revisjonsarbeidet og eventuelle vesentlige funn i revisjonen, herunder vesentlige svakheter i den interne kontrollen som vi avdekker gjennom revisjonen.

Oslo, 4. juli 2022
ERNST & YOUNG AS

Revisjonsberetningen er signert elektronisk

Håvard Norstrøm
statsautorisert revisor

Uavhengig revisors beretning - Polygon AS 2021

A member firm of Ernst & Young Global Limited

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Håvard Norstrøm

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Polygon Group AB

Annual Report and consolidated financial statements

2021

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POLYGON GROUP AB, CORP. REG. NO. 559324-6548

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POLYGON GROUP AB, CORP. REG. NO. 559324-6548

Administration report

The Board of Directors and the CEO of Polygon Group AB, corporate identity number 559324-6548, hereby present the Annual Report and consolidated financial statements for the 2021 financial year.

Operations

Polygon Group AB and its subsidiaries perform services primarily in the area of water and fire damage restoration and also offer other services such as temporary climate solutions, leak detection and moisture investigations.

The Polygon Group's customers are insurance companies as well as commercial and private property owners. The Polygon Group conducts business in Europe, North America and Asia and has a strong local presence through its more than 300 service depots. Through professional and secure claims processing on behalf of the insured using efficient technology, costs are minimised and the extent of the damage is limited.

The Polygon Group consists of the Parent Company Polygon Group AB, which was formed on 17 June 2021, and 51 subsidiaries. The Group was established in the beginning of October 2021 when AEA Investors Fund and Co-Investors, via Polygon Group AB, acquired 100% of the shares in Polygon Holding AB.

Ownership structure

Polygon Group AB is under the controlling influence of PolyStorm Jersey Limited, of which AEA Investors Fund VII LP is the majority shareholder.

2021 financial year

Consolidated sales for the financial year amounted to EUR 282.5 million - SEK 2,860.3 million and operating income to EUR -12.8 million - SEK -129.4 million. Operating income was charged with items affecting comparability of EUR 19.3 million - SEK 195.5 million.

Thousand	2021	
	EUR	SEK
EBIT (operational profit/(loss))	-12.8	-129.4
Amortization and depreciation of assets in connection with acquisition	9.1	91.1
IAC (items affecting comparison)	19.3	195.5
Adjusted EBITA	15.6	157.2
Adjusted EBITA Margin	5.5%	5.5%
Depreciation of operational assets	13.2	134.4
Adjusted EBITDA	28.8	291.6
Adjusted EBITDA Margin	10.2%	10.2%

Adjusted EBITDA and Adjusted EBITA margins were diluted by a higher use of subcontractors in connection with major weather events in Germany.

In the beginning of October, Polygon Group AB completed the acquisition of Polygon Holding AB with annual sales of EUR 950 million and 5,976 employees, establishing the Group. In December, Polygon Sweden completed the acquisition of BM Fuktteknik AB with annual sales of EUR 1 million and 11 employees, see Note 3 Business combinations.

The total cash expenditure for acquisitions amounted to EUR 766.2 million - SEK 7,870.4 million 2021. Most of this amount pertains to the acquisition of Polygon Holding AB.

Items affecting comparability comprise the following expenses (revenue):

Thousand	2021	
	EUR	SEK
Transaction costs, acquisition	-16,351	-165,850
Monitoring fee	-717	-7,260
Restructuring cost	-1,562	-15,816
Others	-645	-6,541
Total	-19,275	-195,467

Acquisition costs include directly attributable costs such as lawyer and other consulting fees. Monitoring fee pertains fee to AEA for review of Polygon's management and financial information. Restructuring costs include costs for significant changes to operations and major personnel changes.

COVID-19

The COVID-19 pandemic had a limited negative impact on the Group's sales and earnings during the year. Sick ratios increased significantly during the fourth quarter. Only minor government support was received.

Financing and liquidity

In connection with the acquisition of Polygon Holding AB the Group raised new borrowing and repaid a shareholder loan and the Corporate Bond listed on NASDAQ in Stockholm. The new borrowing consists of two EUR loans, First Lien Facility EUR 430 million which matures in October 2028 and Second Lien Facility EUR 120 million which matures in October 2029. The weighted average interest rate on external loans and borrowings, including margins, was 4.65% per annum.

Cash and cash equivalents at 31 December 2021 amounted to EUR 26.1 million - SEK 267.1 million. Cash flow from operating activities in 2021 was EUR 16.1 million - SEK 162.8 million. Operating cash flow amounted to EUR 20.9 million - SEK 211.4 million.

Capital expenditures

The Group's capital expenditure on property, plant and equipment for the period amounted to EUR 5.9 million - SEK 59.4 million. In addition, the Group upgraded its IT systems for EUR 0.2 million - SEK 2.0 million. Total depreciation and amortisation excluding right-of-use assets amounted to EUR 14.3 million - SEK 144.5 million during the period, of which EUR 5.2 million - SEK 52.8 million pertained to depreciation of property, plant and equipment and EUR 9.1 million - SEK 91.7 million to amortisation of intangible assets. Capital expenditure on right-of-use assets amounted to EUR 11.9 million SEK 120.7 million for the year. Depreciation of right-of-use assets amounted to EUR 8.1 million - SEK 82.4 million.

Amortisation of intangible assets mainly refers to orderbacklog and customer relations in connection with business combinations, amortisation of capitalised costs for development of the Group's IT systems and amortisation of right-of-use assets.

Research and development

The Group's development work primarily focuses on services, including investments in the digitalisation and development of the service delivery process.

The development work is mainly conducted as an integrated part of daily operations and development costs are recognised directly in the income statement under operating expenses.



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POLYGON GROUP AB, CORP. REG. NO. 559324-6548

Employees

The average number of employees in the Group during 2021 was 5,773. For more information, see Note 8 Salaries, social security expenses and employee benefits.

Significant risks and uncertainties and risk management

Polygon is a leader in quality and technology, with a strong brand and a comprehensive service offering. The Group's strength lies in its broad local presence in geographically dispersed markets and flexible cost structure. The risks faced by the Group consist of variations in revenue resulting from changes in the weather and temperature, and the related damage frequency. The Group's operations also have extensive exposure to the insurance industry, which leads to a mutual dependency.

Competition comes from a few larger operators, but mainly from a large number of local players.

Risks

Polygon is exposed to a number of risks: market risk (primarily currency risk and interest rate risk), liquidity risk, credit risk and operational risk.

Currency risk

Since the Group's registered functional currency have been changed as per 1 January 2022 from SEK to EUR financial risks in the Group are managed in relation to EUR.

The Group's currency exposure is divided into transaction exposure (exposure in foreign currency related to contractual cash flows) and translation exposure (equity in foreign subsidiaries). The Group's currency exposure arises from inter-company financing and from translation of the income statements and balance sheets of foreign subsidiaries to EUR. At year-end, the Group had no hedging products to minimise its currency exposure.

Currency risk refers to the risk of changes in foreign exchange rates that could negatively affect the Group's earnings. The Group's transaction exposure is considered low since the extent of the flows between currency zones is limited. The Group's translation exposure relates primarily to translation from Swedish kronor (SEK), Danish kroner (DKK), Norwegian kroner (NOK), Canadian dollars (CAD), US dollars (USD), British pounds (GBP) and Swiss francs (CHF).

Interest rate risk

Interest rate risk refers to the risk of changes in market interest rates that could affect cash flow, earnings and/or the fair value of financial assets and liabilities. At year-end, the Group had significant exposure to floating interest rates. No hedging is in place based on current hedging policy.

Liquidity risk

Liquidity risk refers to risk that the Group will be unable to meet its short-term payment obligations. The Group carries out continuous liquidity monitoring and forecasts to manage the liquidity fluctuations that are expected to arise. At 31 December 2021, the Group had EUR 130.6 million - SEK 1,335.6 million in unutilised loan commitments.

Credit risk

Credit risk refers to the risk that the counterparty in a transaction will not fulfil its obligations under the agreement and that any collateral will not cover the Group's receivable. For commercial counterparties where the Group has a large exposure, an individual credit assessment is carried out. The Group also works regularly to shorten the effective credit period.

Credit risk is limited, since no individual customer accounts for more than 5% of the Group's total revenue, meaning that credit risk is

dispersed both geographically and among a large number of customers. For further information, see Note 16 Accounts receivable.

Operational risk

Polygon is a service company and, as such, is dependent on the skills, experience and commitment of its employees and its ability to recruit and retain new competent employees. Polygon's operations are characterised by a low dependency on individual customers combined with strong relationships with large insurance companies. These key partners account for approximately two thirds of the company's business operations. Polygon is dependent on maintaining and developing strong relationships with these partners as well as ensuring the operation, security and development of the Group's business-critical IT systems. Acquisitions remain an important part of Polygon's development agenda and efficient, satisfactory integration is key to the Group's success in this regard.

Sustainability report in accordance with the Swedish Annual Accounts Act

According to Chapter 6, Sections 10–14 of the Swedish Annual Accounts Act, large companies are required to prepare a sustainability report. This sustainability report is to contain the sustainability disclosures required to provide an accurate understanding of the company's development, position and earnings and the impact of the operations, including disclosures concerning environmental issues, social conditions, employees, respect for human rights and anti-corruption measures. The sustainability report was submitted to the company's auditors on the same date as the Annual Report.

Parent Company

Polygon Group AB's operations include ownership and management of shares in Group companies. Polygon Group AB had no employees during the year. Income before tax amounted to EUR -22.1 million SEK -223.8 million. Cash and cash equivalents at the end of the year amounted to EUR 1.5 million - SEK 14.9 million, which was included in the Group's cash pool. The Parent Company's assets amounted to EUR 1,270.4 million - SEK 12,897.1 million and equity to EUR 528.7 million - SEK 5,379.6 million.

Proposed appropriation of earnings

Proposed appropriation of the Parent Company's earnings:

The Board of Directors propose that the loss for the year of SEK 223,784,431, together with retained earnings of SEK 5,603,372,001, amounting to a total of SEK 5,379,587,570, to be carried forward.





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Consolidated financial statements

Consolidated income statement

Thousand	Note	2021	
		EUR	SEK
Sale of services	4	282,494	2,860,340
Cost of sales	5,7,8	-224,603	-2,274,180
Gross profit		57,891	586,160
Selling and administrative expenses	5,6,7,8	-44,952	-455,154
Other operating income and expenses	5	-25,690	-260,404
Operating income		-12,751	-129,398
Financial income	9	699	7,077
Financial expenses	9	-8,337	-84,503
Income after financial items		-20,389	-206,824
Income taxes	10	-1,779	-18,011
Net income for the year		-22,168	-224,835

Consolidated statement of comprehensive income

Thousand	Note	2021	
		EUR	SEK
Net income for the year		-22,168	-224,835
Consolidated statement of comprehensive income	20		
<i>Items that can not be reclassified to profit or loss</i>			
Actuarial gains and losses on defined benefit plans		10	102
Income tax effects on other comprehensive income		-7	-67
<i>Items that later can be reclassified to profit or loss</i>			
Translation difference		275	61,784
Various comprehensive income		278	61,819
Total comprehensive income for the year, net of tax		-21,890	-163,016

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Consolidated balance sheet

Thousand	Note	2021	
		EUR	SEK
ASSETS			
Non-current assets			
Goodwill	11,13	789,000	8,069,021
Other intangible assets	12,13	186,579	1,908,121
Right-of-use assets	14	89,863	919,022
Property, plant and equipment	15	78,933	807,241
Deferred tax assets	10	14,735	150,696
Other financial fixed assets		614	6,284
Total non-current assets		1,159,724	11,860,385
Current assets			
Account receivables	16,29	132,667	1,356,770
Contract assets	17	99,858	1,021,242
Current tax receivables	10	2,205	22,545
Other current financial assets	29	5,332	54,535
Prepaid expenses	18	8,676	88,728
Cash and cash equivalents	19,29	26,117	267,092
Total current assets		274,855	2,810,912
TOTAL ASSETS		1,434,579	14,671,297
EQUITY AND LIABILITIES			
Equity			
Issued capital	20	2	25
Translation reserve		275	61,786
Retained earnings including net result for the year		528,719	5,378,597
Total equity		528,996	5,440,408
Non-current liabilities			
Non-current interest-bearing liabilities	29,30,31	534,216	5,432,954
Non-current lease liability	21,29,30,31	64,222	656,792
Post-employment benefit provisions	22	7,004	71,629
Other provisions	3,23,29,31	26,689	272,949
Deferred tax liabilities	10	58,767	601,004
Total non-current liabilities		690,898	7,035,328
Current liabilities			
Account payables	29	66,124	676,249
Current lease liability	21,29,30,31	31,851	325,734
Other provisions	3,22,24,29	9,787	100,095
Current income tax liabilities	10	2,935	30,013
Other current liabilities	17,25,29	34,869	356,601
Accrued expenses	26,29,31	69,119	706,869
Total current liabilities		214,685	2,195,561
TOTAL EQUITY AND LIABILITIES		1,434,579	14,671,297

Pledged assets and contingent liabilities are stated in 27 and 28.



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Consolidated statement of cash flow

Thousand	Note	2021	
		EUR	SEK
Operating activities			
Operating income		-12,751	-129,400
Adjustments for non cash items included in operating income	33	23,971	242,714
Income tax paid		-1,816	-18,388
Cash flow from operating activities before changes in working capital		9,404	94,926
Cash flow from changes in working capital:			
Changes in operating receivables		2,812	28,472
Changes in work in progress		-14,208	-143,869
Changes in operating liabilities		18,095	183,297
Cash flow from operating activities		16,103	162,826
Investing activities			
Acquisition of a subsidiary, net of cash acquired	3	-766,187	-7,870,418
Purchase of property, plant and equipment	15	-5,870	-59,436
Purchase of intangible fixed assets	12	-246	-2,491
Sale of fixed assets		166	1,681
Net cash flows used in investing activities		-772,137	-7,930,664
Cash flow before financing activities		-756,034	-7,767,838
Cash flows from financing activities			
New share issue and capital contribution		550,884	5,603,397
New borrowings		550,000	5,594,490
Repayment of borrowings		-277,964	-2,814,469
Lease payments		-8,068	-81,691
Financial income received		41	415
Financial costs paid*		-32,236	-328,228
Net cash flows from financing activities		782,657	7,973,914
Cash flow for the year		26,623	206,076
Translation difference in cash and cash equivalents		-506	61,016
Cash and cash equivalents, closing balance		26,117	267,092

*of which paid interest expenses EUR 12.9 million - SEK 130.2 million



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Consolidated statement of changes in equity

EUR thousand	Share capital	Translation reserve	Retained earnings	Total equity
Net income for the year	-	-	-22,168	-22,168
Actuarial gains/losses	-	-	10	10
Other comprehensive income	-	181	-	181
Tax related to items in other comprehensive income	-	94	-7	87
Total comprehensive income for the year	-	275	-22,165	-21,890
Transactions with shareholders				
Shareholder's contribution	-	-	550,884	550,884
New issues of shares	2	-	-	2
Closing balance, 31 December 2021	2	275	528,719	528,996

SEK thousand	Share capital	Translation reserve	Retained earnings	Total equity
Net income for the year	-	-	-224,835	-224,835
Actuarial gains/losses	-	-	102	102
Other comprehensive income	-	60,832	-	60,832
Tax related to items in other comprehensive income	-	952	-67	885
Total comprehensive income for the year	-	61,784	-224,800	-163,016
Transactions with shareholders				
Shareholder's contribution	-	-	5,603,397	5,603,397
New issues of shares	25	-	-	25
Closing balance, 31 December 2021	25	61,784	5,378,598	5,440,408

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Notes to the consolidated financial statements

Note 1 Corporate information

These consolidated financial statements include the Parent Company Polygon Group AB, corporate identity number 559324-6548, and its subsidiaries. The postal address of the head office is Sveavägen 9, SE-111 57 Stockholm, Sweden.

Polygon Group AB is a wholly owned subsidiary of PolyStorm Pledgeco AB, corporate identity number 559324-6530, domiciled in Stockholm, Sweden. PolyStorm Pledgeco AB is 100 % owned by PolyStorm Midco AB, which in turn is 100 % owned by PolyStorm Topco AB, which in turn is 97.1 % owned by PolyStorm Jersey Limited. PolyStorm Jersey Limited corporate identity number 136636 and domiciled in Jersey is the highest level at which consolidated financial statements are prepared. PolyStorm Jersey Limited is under the controlling influence of AEA Investor Fund.

Note 2 Accounting policies for the consolidated financial statements

Note 2.1 Significant accounting policies

Rules and regulations applied

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU for financial years beginning on or after 17 June 2021. In addition, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied.

The Parent Company applies the same accounting policies as the Group, with the exception of those cases specified in Note 1 to the Parent Company financial statements.

Presentation currency

The presentation currency of the Group is Swedish kronor (SEK), which is the functional currency of the Parent Company. The parent Company has changed the functional currency to euro (EUR) as per 1 January 2022, therefore the financial statements are presented in Swedish kronor (SEK) and in euro (EUR), rounded off to the nearest thousand, unless otherwise specified. All individual figures (including totals and sub-totals) are rounded off to the nearest thousand. From a presentation standpoint, certain individual figures may therefore differ from the computed totals.

Reporting period

The reporting period is the financial year from 17 June 2021 to 31 December 2021, and all balance sheet items refer to 31 December 2021.

Basis of presentation

The consolidated financial statements have been prepared based on the assumption of a going concern. Assets and liabilities are

measured at historical cost with the exception of contingent considerations, which are measured at fair value.

Basis of consolidation

The consolidated financial statements include the Parent Company and its subsidiaries. The financial statements of the Parent Company and the subsidiaries that are a part of the consolidated financial statements refer to the same period and are prepared in accordance with the same accounting policies.

All inter-company items are eliminated in full and are consequently not included in the consolidated financial statements.

Definition of subsidiary

The term "subsidiary" includes all companies over which Polygon Group AB holds a controlling influence. Controlling influence means that Polygon has the ability to govern the subsidiary, is entitled to the return that it generates and can use its influence to control the activities that impact this return. The consolidated financial statements are prepared according to the acquisition method.

Translation of financial statements of foreign subsidiaries

Subsidiaries with a functional currency other than SEK are translated to SEK, since this is the presentation currency of the Group and the functional currency of Polygon Group AB. Income statement items are translated at the average exchange rate and balance sheet items are translated at the closing day rate. All surplus values recognised in connection with the acquisition of a foreign subsidiary, such as goodwill and other previously unrecognised intangible assets, are regarded as belonging to the respective unit and are therefore translated at the closing day rate. Translation differences are recognised in other comprehensive income. On the divestment of a subsidiary, the accumulated translation differences are reversed to profit or loss.

The exchange rates applied for foreign currency translation are as follows:

SEK	Closing balance rate Dec 31 2021	Average rate 2021-Q4
CAD	7.0636	7.0255
CHF	9.8545	9.6004
DKK	1.3753	1.3613
EUR	10.2269	10.1253
GBP	12.1790	11.9331
NOK	1.0254	1.0145
SGD	6.6806	6.5227
USD	9.0437	8.8543

Gross accounting

Gross accounting is applied consistently in the recognition of assets and liabilities, with the exception of cases when there is both a receivable and a liability against the same counterparty and Polygon has a legally enforceable right to offset these and intends to do so. Unless otherwise stated, gross recognition is also applied for revenue and expenses.

Classification of assets and liabilities

Non-current assets, non-current liabilities and provisions are expected to be recovered or settled more than 12 months after the balance sheet date. Current assets and current liabilities are expected



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to be recovered or settled within 12 months after the balance sheet date.

Note 2.2 Changes in accounting policies

IFRS adopted by the EU that came into effect in 2021

None of the IFRS adopted by the EU during the year impacted the company.

Note 2.3 Summary of key accounting policies

Recognition of foreign exchange effects

Transactions denominated in a currency other than the Group's functional currency are restated at the rate prevailing on the transaction date. Assets and liabilities denominated in a currency other than the Group's functional currency are restated at the closing day rate. Exchange differences are recognised in profit or loss as they arise.

Receivables and liabilities in foreign currency

Receivables and liabilities denominated in foreign currency have been restated at the closing day rate. Exchange gains and losses pertaining to operating receivables and liabilities are recognised in operating income. Exchange differences related to financial assets and liabilities are recognised among financial items. Exchange differences related to inter-company financial assets and liabilities are recognised in other comprehensive income, together with the related deferred tax effect.

Intangible assets

An intangible asset is an identifiable non-monetary asset that lacks physical substance. Intangible assets that are identified and measured separately from goodwill from business combinations may include trademark-related, customer-related, contract-related and/or technology-related assets. Typical marketing and customer-related assets are trademarks and customer relationships. Customer contracts and customer relationships are attributable to expected customer loyalty and the cash flow that is expected to arise over the remaining useful lives of these assets. The cost for this type of intangible asset consists of the fair value on the acquisition date, calculated according to established valuation methods.

Development costs are recognised as an intangible asset only if it is sufficiently probable that the development project will generate economic benefits in the future and the cost of the asset can be measured reliably. The cost of capitalised development costs includes only expenses directly attributable to the development project. Other internally generated intangible assets are not recognised as assets. Instead, the costs are recognised as an expense in the period in which they arise.

Separately acquired intangible assets are recognised at cost less accumulated amortisation and impairment.

All intangible assets are amortised on a straight-line basis over their estimated useful lives and are reviewed on every balance sheet date. Amortisation begins when the asset is available for use. Certain trademarks have an unlimited lifetime and are not amortised at all.

Depreciation is calculated as follows:

	Years
Patent, licenses and software	3-8
Customer relations	10-12

Where appropriate, order value is amortised over a period of one to three months.

Business combinations and goodwill

Business combinations are recognised according to the acquisition method. When a business combination occurs, the company's assets (including previously unrecognised intangible assets) and liabilities (including contingent liabilities and excluding future restructuring costs) are identified and measured at fair value.

If the consideration paid by the Group is greater than the fair value of the identified net assets, the difference is recognised as consolidated goodwill. Goodwill is continuously measured at cost less accumulated impairment. Since it is not possible to individually test goodwill for impairment, goodwill is allocated to one or more cash-generating units, depending on how the goodwill is monitored for internal control purposes. Polygon has allocated goodwill to three cash-generating units: Nordics & UK, Continental Europe, and North America & Asia.

Goodwill is not amortised, but is instead tested for impairment annually.

See Note 11 Goodwill and Note 13 Impairment testing of goodwill and trademarks.

Right-of-use assets

Lease payments per lease are calculated at present value and a right-of-use asset arises. The depreciation period amounts to the term of the lease, including any extension options that will be exercised by Polygon. The asset is checked continuously, and impairment requirements are identified as soon as such a change arises. For further information, see below under Impairment of intangible assets and property, plant and equipment. If payment or other terms and conditions are amended, the asset is remeasured, and this also applies if the term is extended. Polygon has chosen to apply the exemption rules for short-term leases and low-value leases (EUR 5 thousand or the corresponding amount in the currency concerned). These leases are not included in the right-of-use asset or the liability but are recognised in profit or loss.

Depreciation is calculated as follows:

	Years
Rents	3-13
Vehicles	1-5
Other equipment	1-4

For further information, see Note 21 Leases.

Property, plant and equipment

Property, plant and equipment are physical assets that are used in the Group's operations and have an expected useful life exceeding one year. Property, plant and equipment are initially measured at cost and are depreciated on a straight-line basis over their estimated useful lives. When property, plant and equipment are recognised, any residual value is taken into account when the depreciable amount of the asset is determined. Depreciation begins when the asset is ready to be taken into use. Land is not depreciated.



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Property, plant and equipment are derecognised from the balance sheet on divestment or when no future economic benefits are expected from either their use or their sale. Any gains or losses are calculated as the difference between the sale proceeds and the asset's carrying amount. The gain or loss is recognised in profit or loss as other expenses or other income in the accounting period when the asset was divested.

The residual value, useful life and depreciation rate of an asset are reviewed at the end of each financial year and adjusted, if necessary, for subsequent periods.

Customary costs for maintenance and repairs are expensed as incurred. However, costs related to significant renewals and improvements are recognised in the balance sheet and depreciated over the remaining useful life of the underlying asset.

Depreciation is calculated as follows:

	Years
Improvements in rented premises	6-9
Dehumidifiers and similar equipment	5-10
Buildings	20-25
Equipment	3-6

Impairment of intangible assets and property, plant and equipment

If the Polygon Group sees internal or external indications that the value of an asset has declined, the asset is to be tested for impairment. For goodwill and trademarks, with indefinite useful lives, such impairment testing is to be carried out at least annually regardless of whether there is evidence of impairment or not. If an asset cannot be tested separately, it is assigned to a cash-generating unit to which identifiable cash flows can be allocated.

An impairment loss is to be recognised for an asset or a group of assets (cash-generating units) if the carrying amount is higher than the recoverable amount. The recoverable amount is the higher of value in use and net realisable value. Impairment losses are recognised in profit or loss.

For all assets except goodwill and intangible assets with indefinite useful lives, an assessment is made on each balance sheet date as to whether there is an indication that an earlier impairment loss, in whole or in part, is no longer justified. If the assumptions underlying the calculation of an asset's recoverable amount have changed, the carrying amount of the asset or assets is increased to its recoverable amount. Such a reversal is not to exceed the amount the company would have recognised after depreciation and amortisation if the impairment had not been recognised. The reversal is recognised in profit or loss unless the asset is recognised in a restated amount in accordance with another standard.

Goodwill is allocated to different cash-generating units. If the allocation of goodwill cannot be completed before the end of the year during which the acquisition was carried out, the initial allocation should then be carried out before the end of the financial year following the year when the acquisition was carried out. In such cases, amounts relating to non-allocated goodwill and the reason why they have not been allocated should be stated. Impairment of goodwill and intangible assets with indefinite useful lives is not reversed.

Financial instruments

A financial instrument is any type of contract that gives rise to a financial asset in one company and a financial liability or equity instrument in another company. Financial instruments recognised in

the balance sheet include account receivables, other current assets, cash and cash equivalents, loans payable, lease liability, account payables, other current liabilities and other provisions (contingent considerations).

A financial asset or financial liability is recognised in the balance sheet when the company becomes a party in accordance with the contractual terms of the instrument. Financial assets and loans are recognised on the settlement date. Account receivables and account payables are recognised in the balance sheet once the invoice has been sent or received respectively. A liability is recognised when the counterparty has performed and a contractual obligation to pay exists, even if an invoice has not yet been received.

A financial asset is derecognised from the balance sheet when the contractual rights have been realised, mature or the company loses control over them. The same applies for a portion of a financial asset. A financial liability is derecognised from the balance sheet when the contractual obligation has been fulfilled or otherwise extinguished. The same applies for a portion of a financial liability. Gains and losses on derecognition from the balance sheet and modifications are recognised in profit or loss.

Classification and measurement

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

Amortised cost

Financial assets classified at amortised cost are held for the purpose of collecting the contractual cash flows, which exclusively comprise payments of the principal and interest on the outstanding principal. In accordance with the business model all of Polygons financial assets are classified at amortised cost. Account receivables and lease receivables are initially recognised at their invoiced amount. Other financial assets classified at amortised cost are initially measured at fair value plus transaction costs. After initial recognition, the financial assets are measured according to the effective interest method.

The main rule is that financial liabilities are measured at amortised cost. All of Polygon financial liabilities, with the exception of contingent considerations, are measured at amortised cost.

Financial liabilities recognised at amortised cost are initially measured at fair value less transaction costs. After initial recognition, they are measured at amortised cost according to the effective interest method.

Fair value through profit or loss

Some of the Group's acquisitions include contingent considerations. These are recognised as a financial liability measured at fair value through profit or loss. Contingent considerations are based on an assessment made by executive management concerning the probable outcome and have been classified at level 3 since there is no observable market data to apply. Fair value is determined according to the description in Note 29 Financial instruments and financial risk management

Impairment of financial assets

The Group's financial assets measured at amortised cost are continuously reviewed according to the expected credit loss model to assess need for credit loss provisions. Impairment is recognised in profit or loss. Accounts receivable are the most important financial asset subject to this model. Account receivables mainly pertain to large and well-established customers (insurance companies) with good ability to pay, which is taken into consideration in the loss



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allowance for expected credit losses. Credit terms are normally short-term, in the range of ten to 60 days with a standard of 30 days. The credit losses incurred by the Group over the past three years have been minor. The loss allowance for expected credit losses as of 31 December 2021 is presented in Note 16 Accounts receivable.

Since all of Polygon's financial assets that are subject to a loss risk are more current in nature, the simplified method is used for impairment testing. In accordance with IFRS 9, impairment losses are recognised prospectively and a loss allowance is recognised when there is exposure to credit risk, usually on initial recognition.

Cash and bank balances

Cash and current bank balances in the balance sheet consist of bank deposits, available cash and demand deposits with a maturity of three months or less from the date of acquisition. Cash and bank balances are subject to the requirements for a loss allowance for expected credit losses.

Provisions

A provision is recognised when the Group has a present obligation, either legal or informal, as a result of a past event, it is probable that a payment will be required to settle the obligation and the amount of the obligation can be reliably measured. When the company expects some or all of the expenditure required to settle an obligation to be reimbursed by another party, for example within the framework of an insurance agreement, the expected reimbursement is recognised as a separate asset, but only when it is virtually certain that reimbursement will be received.

If the time value is material, the present value of the future payment is calculated using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The increase in the obligation due to the time value is recognised as an interest expense.

Employee benefits including salary, bonuses and other benefits

The Group's employees receive a fixed salary based on their employment contract and performance and, in certain cases, bonuses are also paid mainly based on earnings targets, which are followed up annually. Other benefits include company car benefits, car allowances and health insurance.

Remuneration of employees in respect of pensions and other non-current remuneration

The Group has both defined-benefit and defined-contribution pension plans as well as other long-term employee benefits.

Provisions for defined-benefit plans are calculated using the projected unit credit method. In addition to taking the pensions and statutory rights that are known on the balance sheet date into consideration, assumptions are made regarding expected pension and salary increases and other significant factors. The calculation is based on actuarial computation methods.

Items attributable to the vesting of defined-benefit pensions during the current period and net interest on the defined-benefit net liability (asset) are recognised in profit or loss. Costs for service in earlier periods that are attributable to a change in the pension plan or a reduction are also recognised in profit or loss, as are any gains or losses that arise on settlement of the pension liability. Remeasurements, which are recognised in other comprehensive income under the heading "Items that will not be reclassified to profit or loss", comprise actuarial gains and losses, the difference between actual return and interest income on plan assets and the effect of

changes in asset caps excluding net interest. Actuarial gains and losses arise due to changes in actuarial assumptions and differences between previous actuarial assumptions and the actual outcome.

A net liability or net asset comprising the net of the present value of the defined-benefit pension obligations and the fair value of the plan assets is recognised in the balance sheet for each pension plan. The carrying amount of the net asset is limited to the asset ceiling, which comprises the present value of repayments from the plan or reduced future payments to the plan.

The total net obligation for all plans is recognised in the consolidated balance sheet. The net obligation is divided into a current and a non-current portion.

The Group's costs for defined-contribution pension plans are charged to profit or loss in the year to which they are attributable.

Termination benefits

A provision is recognised in conjunction with the termination of employment only if the company is obligated to either terminate the employment of an employee or group of employees before the normal point in time or to pay remuneration upon termination through an offer of voluntary resignation. In the latter case, a liability and expense are recognised if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

Revenue

Polygon provides services in the area of preventing, controlling and mitigating the effects of water, fire and climate.

The customer base includes insurance companies, companies in the private and public sectors, and households.

The scope and complexity of the projects vary from simple leak detection to large restoration projects, with most of the projects being small (under EUR 2 thousand - SEK 20 thousand) and short-term (with a duration of under three months). Typical examples of services that Polygon provides are repair and restoration of equipment, restoration services for everything from documents to buildings, leak detection and moisture control as well as keeping certain climate conditions at a constant level.

Polygon's operations are characterised by a local presence and strong ties to local customers. International cooperation has become increasingly significant in the major & complex claims service lines.

Payment terms are determined according to industry practices and vary from country to country and project to project (from advance and partial payments to payments due after performance obligations are satisfied). Polygon's payment terms do not include financial components; nor are they subject to any type of variable or restricting conditions.

Warranties are provided according to business practices and legal requirements in the country where the project is performed.

The allocation of performance obligations is straightforward due to the nature of Polygon's business – one job is considered one performance obligation, which makes it easy to allocate the price to the performance obligation, regardless of whether it is a fixed price or current account.

Polygon's revenue is generated from the sale of services in the area of preventing, controlling and mitigating the effects of water, fire and climate.

Most of Polygon's revenue is generated from performance obligations that are satisfied over time since Polygon performs



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restoration and humidity control services on assets controlled by the customer. Revenue from such projects is recognised over the period during which the performance obligation is carried out. For consulting services, equipment rental and other services billable by the hour or other fixed time periods, the practical expedient is used and revenue is recognised at the amount at which Polygon has a right to invoice during the current accounting period.

The exception from the above is leak detection projects where the performance obligation is satisfied upon receipt of a leak detection report. Revenue for these jobs is recognised at a specific point in time.

See the below breakdown by geographical market :

Thousand	2021	
	EUR	SEK
Nordics & UK	74,735	756,714
Revenue recognised at one point in time	3,210	32,502
Revenue recognised over time	67,660	685,078
Revenue recognised according to practical exemption at invoicing	3,865	39,134
Continental Europé	195,098	1,975,426
Revenue recognised at one point in time	11,031	111,692
Revenue recognised over time	180,866	1,831,323
Revenue recognised according to practical exemption at invoicing	3,201	32,411
North America & Asia	13,106	132,702
Revenue recognised at one point in time	3	30
Revenue recognised over time	3,516	35,601
Revenue recognised according to practical exemption at invoicing	9,587	97,071
Intercompany sales	-445	-4,506
Total	282,494	2,860,340

Polygon uses the portfolio approach for revenue recognition, which allows bundling of similar agreements and performance obligations for more effective handling. The portfolio approach is applied to the large amount of small (under EUR 2 thousand - SEK 20 thousand) and short-term (under three months) obligations that make up the bulk of the Group's business. The remaining obligations with a longer duration are recognised using the percentage of completion method.

Polygon uses costs incurred to determine the percentage of completion of the performance obligation (based on costs incurred to date). In certain projects where the degree of invoicing reflects the progress of the performance obligation, actual outgoing invoicing is used for revenue recognition. Combined, these two methods provide a fair presentation of the transfer of goods and services and show the Group's completion of the promised deliveries to the customer.

In loss-making projects where it is not likely that the customer will compensate Polygon for services rendered, the loss is recognised immediately.

In addition to exchange gains on accounts receivable and trade payables, other operating income includes capital gains on property, plant and equipment sold. Financial income is allocated using the effective interest method.

Commission fees from the franchise part of the business are recognised at the amount to which Polygon has the right to invoice the franchisee during the current accounting period.

In Norway, the Group has agreements with franchisees under which Polygon receives commission on sales to end customers. Polygon issues an invoice for the entire amount to the end customer and receives an invoice from the franchisee for services rendered. The difference corresponds to the commission. These transactions are

recognised net as sales revenue, meaning that the commission is recognised in sales revenue. Because revenue from the franchise business is not material, the Group has decided not to report this separately in Note 4 Sales of service.

Income tax

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount that is expected to be recovered from or paid to the respective tax authorities. The Group's current tax is calculated using the tax rates and tax laws enacted or substantively enacted on the balance sheet date.

Current tax attributable to items recognised in equity and in other comprehensive income is recognised in equity and in other comprehensive income and not in profit or loss.

Deferred tax

Deferred tax is recognised on the balance sheet date in accordance with the balance sheet method for temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except when the deferred tax liability arises as a result of impairment of goodwill or when an asset or liability is recognised as part of a transaction that is not a business combination and which, at the time of the transaction, affects neither the recognised gain nor the taxable gain or loss, and

- for deductible temporary differences attributable to investments in subsidiaries, apart from cases where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

A deferred tax asset is recognised for deductible temporary differences, including loss carryforwards to the extent that it is probable that taxable income will be available against which the deductible temporary differences can be utilised.

The carrying amounts of deferred tax assets are reviewed on each balance sheet date and adjusted to the extent that it is no longer probable that sufficient taxable income will be available to allow part of or the entire deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that apply for the period when the asset is realised or the liability is settled, based on the tax rates (and laws) that have been enacted or substantively enacted on the balance sheet date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax amounts are related to the same entity in the Group and the same tax authority.



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Recognition of cash flow

Cash received and paid is recognised in the statement of cash flows. Cash flow from operating activities is recognised in accordance with the indirect method.

Events after the balance sheet date

Events after the balance sheet date that confirm the existing terms as of the balance sheet date are taken into consideration in the measurement of assets and liabilities.

Note 2.4 Key accounting assessments, estimates and assumptions

In preparing the financial statements in accordance with the applicable accounting policies, the Board and CEO are required to make certain estimates and assumptions that impact the carrying amounts of assets, liabilities, income and expenses. The areas where estimates and assumptions are of material importance to the Group and which may affect the financial statements are described below:

Lease liabilities and right-of-use assets

When calculating the present value of lease liabilities and right-of-use assets where the final date is lacking, a clear breakdown of lease payments and other payments or an implicit interest-rate component are not apparent, assumptions about these have to be made.

The interest-rate component for all of the Group's companies, adapted to the market in which they operate, has been formulated as part of the transfer pricing documentation.

Should the leases lack final dates, a period of three years is used for premises, four years for vehicles and three years for other assets. These Group-wide assumptions are based on a combination of experience and the average for the respective right-of-use asset.

When calculating the lease liability and the right-of-use asset, the lease payment is used as the basis and, should this be difficult to separate from the total payment, a standard formula established by the Group is used. The standard formula is based on an average for the Group of the proportion of lease payments in relation to the total payment. The remaining proportion of the payment is recognised continuously in profit or loss.

An assessment is made of the probability of utilising extension options, should these be included in the leases.

Impairment of intangible assets

Intangible assets other than goodwill and trademarks, with an indefinite useful life, are amortised over the period in which they will generate revenue, meaning their useful lives. If there is any indication that an asset may be impaired, the recoverable amount of the asset is calculated. The recoverable amount is determined according to management's estimates of future cash flows

Deferred tax assets

Deferred tax is recognised for temporary differences arising between the tax bases and carrying amounts of assets and liabilities as well as for unutilised loss carryforwards. A deferred tax asset is recognised only to the extent that it is probable it can be utilised against future profit. In the event that the actual outcome differs from the applied assumptions, or management adjusts these assumptions in the future, the value of the deferred tax assets could change.

Revenue recognition based on individual assessment

The Group applies the percentage of completion method on an individual basis for significant customer contracts, meaning contracts with a value of more than EUR 100 thousand and a term longer than three months. The estimate of total contract costs and revenue is critical for revenue recognition and provisions for onerous contracts and the outcome of additional invoicing may affect profit.

Provisions for expected credit losses on accounts receivable

Accounts receivable are initially recognised at transaction price in accordance with IFRS 15 and thereafter at amortised cost. A loss allowance for expected credit losses is made on every balance sheet date in an amount that corresponds to the expected credit losses for the remaining term. The assessment is based on criteria that show whether the risk has changed since the initial measurement date. Loss allowances for expected credit losses are recognised in profit or loss under other operating expenses (See Note 16 Accounts receivable).

Pension and other post-retirement benefits

Defined-benefit pension provisions are calculated based on actuarial calculations with assumptions about the discount rate, inflation, future salary increases and demographic factors. These assumptions are updated annually, which affects the recognised provisions. The most significant assumptions relate to the discount rate and future salary increases. In the Swedish pension plans, mortgage bonds are used as the basis for the discount rate. For other pension liabilities, the discount interest rate has been based on first-class corporate bonds.

Note 3 Business combinations and divestments

The fair value of assets and liabilities identified on the acquisition date is presented below.

For acquisitions of service companies, Polygon pays not only a consideration for the net asset value of the company but also a surplus value, for example, for the acquisition of new customer relationships and knowledgeable, well-educated and experienced employees. A service company's employees are its single most important value creator, but they are not recognised as an asset in the acquired businesses. Therefore, they represent the goodwill arising in the Polygon Group together with the expected synergies between existing and acquired units.

In the fourth quarter, Polygon acquired Polygon Holding AB and BM Fuktteknik AB. Polygon Holding AB has annual sales of EUR 950.0 million - SEK 9,619.0 million and 5,976 employees. BM Fuktteknik has annual sales of EUR 1,3 million - SEK 13,2 and 11 employees.

The total cash expenditure for acquisitions amounted to EUR 766.2 million - SEK 7,870.4 million for the year.

During the year, the above acquisitions contributed sales of EUR 282.5 million - SEK 2,860.3 million and, if had they been owned for the entire year, they would have contributed sales of EUR 951.3 million - SEK 9,632.2 million.

The amounts and assessments for 2021 are preliminary.



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Business combinations in 2021

Thousand	2021	
	EUR	SEK
Fair value recognised on acquisition		
Customer relationships	111,023	1,125,354
Trademarks	72,000	730,087
Tangible and intangible assets	176,711	1,791,688
Other non-current receivables	1,458	14,784
Current receivables	245,063	2,484,877
Inventory	1,238	12,553
Total identifiable assets at fair value	607,493	6,159,343
Long-term loans and other liabilities	142,680	1,446,789
Current liabilities	428,822	4,348,174
Deferred tax liabilities	56,544	573,248
Less: Cash and cash equivalents	-149	-1,483
Total identifiable liabilities less cash at fair value	627,897	6,366,728
Total identifiable net assets at fair value	-20,404	-207,385
Goodwill	786,971	7,979,813
Purchase consideration transferred	766,567	7,772,428

Thousand	2021	
	EUR	SEK
Purchase consideration		
Cash paid	765,108	7,859,176
Liability to seller	1,459	14,500
Total consideration	766,567	7,873,676
Analysis of cash flows on acquisition:		
Net cash acquired with the subsidiary	-149	-1,483
Contingent considerations	1,247	12,626
Cash paid	765,108	7,859,176
Translation difference	-19	99
Closing balance	766,187	7,870,418

Contingent considerations are included in the row "Other provisions" in the balance sheet and are divided into current and non-current liabilities. Contingent considerations totalled EUR 30.4 million - SEK 310.4 million and were distributed as follows: EUR 26.0 million - SEK 265.5 million in non-current liabilities and EUR 4.4 million - SEK 44.9 million in current liabilities.

No operations were divested during 2021.

Company	Country	Corp.ID. No.	Ownership	Closing date	Annual net sales (estimated)	Annual net sales (estimated)	No of employees*
					MEUR	MSEK	
Polygon Holding AB	Sweden	556809-3511	100%	05/10/2021	950.0	9,619.0	5,976
BM Fuktteknik AB	Sweden	556592-0146	100%	01/11/2021	1.3	13.2	11

* at the time of acquisition

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Note 4 Sales of service

The Group has three service lines which are divided by geographical market.

2021 EUR thousand	Continental			Other	Eliminations	Group Total
	Nordic & UK	Europe	North America & Asia			
Net sales per service line						
Water damage restoration	42,214	100,613	2,965	-	-445	145,347
Fire damage restoration	30,506	91,284	554	-	-	122,344
Climate control	2,015	3,201	9,587	-	-	14,803
Total net sales	74,735	195,098	13,106	-	-445	282,494

2021 SEK thousand	Continental			Other	Eliminations	Group Total
	Nordic & UK	Europe	North America & Asia			
Net sales per service line						
Water damage restoration	427,429	1,018,737	30,022	-	-4,501	1,471,687
Fire damage restoration	308,882	924,278	5,609	-	-	1,238,769
Climate control	20,402	32,411	97,071	-	-	149,884
Total net sales	756,713	1,975,426	132,702	-	-4,501	2,860,340

Sales per service in the tables above do not include franchise revenue. Sales in respect of franchise fees account for 0.2% of total sales.

The timing of revenue recognition is shown in the table in Note 2.3 – Summary of key accounting policies.

Note 5 Breakdown of expenses by category

Thousand	2021	
	EUR	SEK
Payroll expenses	91,743	928,928
Subcontractor expenses	110,059	1,114,379
Other operating expenses	43,176	437,168
Depreciations/ scrapping	22,293	225,725
Other expenses	10,537	106,682
Gains (-)/losses/write-offs of assets	134	1,362
Transaction expenses	17,303	175,494
Total	295,245	2,989,738

The expenses above are included in the cost of sales, selling and administrative expenses, and other operating income and expenses.

Note 6 Audit fees

Thousand	2021	
	EUR	SEK
<i>Ernst & Young</i>		
Audit assignment	208	2,106
Auditing besides audit assignment	38	385
Tax consultation	2	20
<i>Others</i>		
Audit assignment	38	385
Auditing besides audit assignment	7	71
Tax consultation	26	263
Other services	10	101
Total auditors' fees	329	3,331

Audit assignment refers to auditing of the annual report and financial accounts and the administration by the Board as well as other audit tasks that are incumbent upon the company's auditors.

Note 7 Lease costs

Thousand	2021	
	EUR	SEK
Amortization expense on right-of-use asset	8,136	82,377
Interest expense on lease liabilities	1,075	10,881
Expenses short-term leases*	1,628	16,487
Expenses low value items*	374	3,789
Total recognized in income statement	11,213	113,534

*Recognised in the cost of sales and administrative expenses.



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Note 8 Salaries, social security expenses and employee benefits

Average number of employees per country

	2021	
	No of employees	Whereof men
Sweden	314	80%
Norway	689	65%
Finland	390	82%
Denmark	269	77%
Belgium	64	82%
Austria	167	89%
Germany	2,473	75%
France	163	79%
Italy	48	89%
Luxembourg	20	87%
Switzerland	75	71%
United Kingdom	707	83%
Netherlands	211	69%
Singapore	5	80%
USA	149	74%
Canada	29	67%
Total Group	5,773	76%

Gender distribution of the Board and other senior executives

	2021
Distribution of men and women within the Board of Directors	
Women	-
Men	3
Distribution of men and women regarding CEO and other executives of the Group*	
Women	-
Men	6

Polygon Group AB is under the controlling influence of PolyStorm Jersey Limited. As of 1 February 2022, the Board in PolyStorm Jersey Limited consists of 7 men and 1 woman.

Salaries, social security expenses and employee benefits

Thousand	2021			2021		
	EUR			SEK		
	Salaries and other compensations	Payroll overhead	(out of which pension)	Salaries and other compensations	Payroll overhead	(out of which pension)
Chief Executive Officer	352	23	23	3,564	228	228
Other Senior Executives	762	145	25	7,719	1,472	257
Other Employees	62,006	13,459	2,166	627,828	136,275	21,928
Total Group	63,120	13,627	2,214	639,111	137,975	22,413

In 2021 executives of the Group comprised the CEO COO, CFO and three country managers.

Salaries to the CEO and other senior executives are established by the Board. Salary level is to be based on market conditions in relation to qualifications and performance. In addition to fixed salary, remuneration may include a maximum bonus of 100% of fixed salary. The outcome of the bonus is mainly based on the attainment of financial targets.

The company uses only defined-contribution pension solutions for senior executives. These pension solutions are maximum 35% of annual fixed salary. Other benefits include company car benefits, car allowances and health insurance.

The notice period for senior executives is between six and twelve months, plus six months of termination benefits that cover only fixed salary. The CEO has a notice period of six months and termination benefits are paid during this period. In the event of termination of employment on the part of the company, the notice period is six months.



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Note 9 Financial income and expenses

	2021	
	Thousand	
Finance income	EUR	SEK
Interest income	14	137
Financial exchange differences	658	6,660
Other financial income	27	280
Total financial income	699	7,077
Finance costs		
Interest expense	-6,542	-66,369
Interest expense on leased assets	-1,075	-10,881
Other financial expenses	-720	-7,253
Total finance costs	-8,337	-84,503
Net financial expenses	-7,638	-77,426

Note 10 Tax

The main components of the tax expense are as follows:

	2021	
	Thousand	
Consolidated income statement	EUR	SEK
Taxes for the year	-3,751	-37,977
Adjustments for taxes related to previous year	-250	-2,531
	-4,001	-40,508
Change of deferred tax related to temporary differences	1,452	14,697
Other	770	7,800
Total recognised tax expense in the income statement	-1,779	-18,011

Deferred tax asset/tax liability

The deferred tax asset and provision recognised in the balance sheet are attributable to the following assets and liabilities:

Thousand	2021					
	EUR			SEK		
	Deferred tax asset	Deferred tax liability	Net	Deferred tax asset	Deferred tax liability	Net
Intangible assets	840	46,134	-45,294	8,596	471,806	-463,210
Plant and machinery	610	4,635	-4,025	6,238	47,407	-41,169
Non-current receivables	-	960	-960	-	9,818	-9,818
Contract assets and liability	1,868	718	1,150	19,104	7,343	11,761
Accounts receivable	363	5,918	-5,555	3,712	60,523	-56,811
Other Provisions	709	39	670	7,251	399	6,852
Other liabilities	662	-	662	6,770	-	6,770
Loss carry-forward	7,953	-	7,953	81,330	-	81,330
Provisions for pensions	1,529	38	1,491	15,637	389	15,248
Other	201	325	-124	2,058	3,319	-1,261
Closing balance	14,735	58,767	-44,032	150,696	601,004	-450,308

	2021	
	Thousand	
Reconciliation of effective tax	EUR	SEK
Income before taxes	-20,389	-206,824
Tax according to current tax rate for Parent		
Company 20,6%	4,200	42,606
Difference related to foreign tax rates	-838	-8,486
Non-deductible expenses	-5,115	-51,851
Change in non-capitalized loss carry-forward	-417	-4,236
Tax-exempt income	535	5,417
Taxable income not recognized in Profit and Loss account	280	2,835
Tax related to previous years	-250	-2,531
Other	-174	-1,765
Total	-1,779	-18,011

The recognised effective tax rate is 8.7%. The average tax rates in the countries where the Group operates is approximately 27.1%.

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Change in deferred tax on temporary differences and loss carryforwards

2021 EUR thousand	Business combinations	Disclosed in income		Disclosed in other comprehensive income	Closing balance
		statement			
Intangible assets	-47,375	2,081	-	-	-45,294
Plant and machinery	-4,265	240	-	-	-4,025
Non-current receivables	-460	173	-673	-	-960
Contract assets and liabilities	673	478	-	-	1,150
Accounts receivables	-4,506	-1,049	-	-	-5,555
Other Provisions	555	115	-	-	670
Non-current liabilities	573	89	-	-	662
Loss carry-forward	8,299	-346	-	-	7,953
Provisions for pensions	1,493	5	-7	-	1,491
Other	-87	-37	-	-	-124
Total	-45,100	1,749	-680	-	-44,032

2021 SEK thousand	Business combinations	Disclosed in income		Disclosed in other comprehensive income	Closing balance
		statement			
Intangible assets	-480,385	17,175	-	-	-463,210
Plant and machinery	-43,251	2,082	-	-	-41,169
Non-current receivables	-4,659	1,655	-6,814	-	-9,818
Contract assets and liabilities	6,819	4,942	-	-	11,761
Accounts receivables	-45,691	-11,120	-	-	-56,811
Other Provisions	5,630	1,222	-	-	6,852
Non-current liabilities	5,808	962	-	-	6,770
Loss carry-forward	84,149	-2,819	-	-	81,330
Provisions for pensions	15,139	176	-67	-	15,248
Other	-879	-382	-	-	-1,261
Total	-457,320	13,893	-6,881	-	-450,308

Deferred tax assets related to loss carryforwards are recognised to the extent it is deemed probable that there will be sufficient future taxable income against which they can be utilised

Loss carry forward

Thousand	2021	
	EUR	SEK
Loss carry forward		
<i>Due date</i>		
4-5 year	25	256
>5 year	17,606	180,055
No due date	43,526	445,136
Total	61,157	625,447

Loss carryforwards at year-end totalled EUR 61.2 million - SEK 625.4 million, corresponding to a tax amount of EUR 14.9 million - SEK 152.5 million. Loss carryforwards for which a deferred tax asset has not been recognised amounted to EUR 27.4 million - SEK 279.9 million. Accordingly, loss carryforwards of EUR 33.8 million - SEK 345.5 are subject to recognition of deferred tax assets.

Note 11 Goodwill

Thousand	2021	
	EUR	SEK
Additions through business combinations	786,971	7,979,813
Exchange rates differences	2,029	89,208
Closing balance acquisition values	789,000	8,069,021
Net book value closing balance	789,000	8,069,021

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Note 12 Other intangible assets

2021 EUR thousand	Trademark	Order-backlog	Customer relations	Other	Total
Additions through business combinations	72,000	6,079	111,023	6,152	195,254
Acquisitions	-	-	-	246	246
Translation differences	224	20	562	48	854
Closing balance acquisition values	72,224	6,099	111,585	6,446	196,354
Depreciation according to plan	-33	-6,062	-2,614	-345	-9,054
Translation differences	-6	-22	-136	-42	-206
Closing balance accumulated depreciation	-39	-6,084	-2,750	-387	-9,260
Write-downs	-	-	-	-515	-515
Closing balance accumulated write-downs	-	-	-	-515	-515
Net book value	72,185	15	108,835	5,544	186,579

2021 SEK thousand	Trademark	Order-backlog	Customer relations	Other	Total
Additions through business combinations	730,087	61,549	1,125,354	62,294	1,979,274
Acquisitions	-	-	-	2,486	2,486
Translation differences	8,542	823	15,814	1,139	26,318
Closing balance acquisition values	738,629	62,372	1,141,168	65,919	2,008,088
Depreciation according to plan	-333	-61,382	-26,463	-3,497	-91,675
Translation differences	-60	-843	-1,654	-469	-3,026
Closing balance accumulated depreciation	-393	-62,225	-28,117	-3,956	-94,701
Write-downs	-	-	-	-5,214	-5,214
Translation differences	-	-	-	-52	-52
Closing balance accumulated write-downs	-	-	-	-5,266	-5,266
Net book value	738,236	147	1,113,051	56,687	1,908,121

In the income statement, amortisation of EUR 0.0 million - SEK 0.0 million is included in the cost of services sold, EUR 3.0 million - SEK 29.9 million in selling and administrative expenses and EUR 6.1 million - SEK 61.7 million in other operating expenses. The impairment loss primarily pertained to development costs for internal computer systems that have been put into operation and amounted to EUR 0.5 million - SEK 5.3 million.

Note 13 Impairment testing of goodwill and trademarks

Polygon Group AB has three geographical markets that comprise cash-generating units.

Goodwill and other intangible assets with indefinite useful lives acquired through business combinations are specified in the table below.

Thousand	2021			
	EUR		SEK	
	Goodwill	Trademarks	Goodwill	Trademarks
Nordic & UK	197,297	18,000	2,017,732	184,084
Continental Europe	511,058	46,800	5,226,539	478,619
North America & Asia	80,645	7,386	824,749	75,533
Total	789,000	72,186	8,069,021	738,236

Polygon makes an impairment test of Goodwill and Trademarks on annual basis. The main part of the Goodwill and Trademarks are acquired as per 5 October 2021 through the acquisition of Polygon Holding AB. As of 31 December 2021, there are no indications that changes in the key assumptions that were made in the purchase consideration would result in a need of impairment.



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Note 14 Right-of-use assets

2021 EUR thousand	Rent of premises	Vehicles	Other	Total
Additions through business combinations	58,953	25,536	1,635	86,124
Acquisitions	7,770	4,147	-	11,917
Sales/ scrapping	-1,422	-2,625	-95	-4,142
Translation differences	589	375	-9	955
Closing balance acquisition values	65,890	27,433	1,531	94,854
Deprecation according to plan	-4,244	-3,716	-176	-8,136
Sales/ scrapping	862	2,573	95	3,530
Translation differences	-234	-151	-	-385
Closing balance accumulated depreciation	-3,616	-1,294	-81	-4,991
Net book value	62,274	26,139	1,450	89,863

2021 SEK thousand	Rent of premises	Vehicles	Other	Total
Additions through business combinations	596,914	258,561	16,551	872,026
Acquisitions	78,669	41,998	-	120,667
Sales/ scrapping	-14,402	-26,583	-964	-41,949
Translation differences	12,665	6,588	69	19,322
Closing balance acquisition values	673,846	280,564	15,656	970,066
Deprecation according to plan	-42,973	-37,628	-1,778	-82,379
Sales/ scrapping	8,729	26,052	961	35,742
Translation differences	-2,737	-1,662	-8	-4,407
Closing balance accumulated depreciation	-36,981	-13,238	-825	-51,044
Net book value	636,865	267,326	14,831	919,022

In the income statement, depreciation of EUR 3.4 million - SEK 34.6million is included in the cost of services sold and EUR 4.7 million - SEK 47.7 million in selling and administrative expenses.

Note 15 Property, plant and equipment

	2021	
	Thousand	EUR SEK
Property and plant		
Additions through business combinations	1,773	17,953
Translation differences	4	225
Closing balance acquisition value	1,777	18,178
Depreciation for the year	-16	-161
Translation differences	-2	-20
Closing balance accumulated depreciation	-18	-181
Carrying amount closing balance	1,759	17,987

	2021	
	Thousand	EUR SEK
Equipment		
Additions through business combinations	76,444	774,018
Investments	5,870	59,437
Disposals	-280	-2,834
Reclassification	-1,053	-10,663
Adjustments	-223	-2,258
Translation differences	1,806	26,676
Closing balance acquisition balance	82,564	844,376
Depreciation for the year	-5,199	-52,646
Disposals	52	530
Reclassification	880	8,913
Translation differences	-1,123	-11,929
Closing balance accumulated depreciation	-5,390	-55,132
Carrying amount closing balance	77,174	789,244
Total property, plant and equipment	78,933	807,241

In the income statement, depreciation of EUR 3.8 million - SEK 38.3 million is included in the cost of services sold, EUR 0.9 million - SEK 9.1 million in selling and administrative expenses and EUR 0.5 million - SEK 5.4 million in other operating expenses.

Note 16 Accounts receivable

	2021	
	Thousand	EUR SEK
Accounts receivables	143,793	1,470,557
Provision for expected credit loss	-11,126	-113,787
Total	132,667	1,356,770

No pledged assets (collateral) have been received for accounts receivable.

Age analysis of accounts receivable

2021 EUR thousand	Account receivables gross	Provisions for expected credit loss	Accounts receivables net
	Less than 30 days overdue	30,628	-
31 to 60 days overdue	15,943	-	15,943
61 to 90 days overdue	6,853	-	6,853
91 to 180 days overdue	10,272	-	10,272
Over 181 days overdue	13,675	-11,126	2,549
Total overdue accounts	77,371	-11,126	66,245
Accounts receivables within their credit terms	66,422	-	66,422
Total	143,794	-11,126	132,667



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2021 SEK thousand	Account receivables gross	Provisions for expected credit loss	Accounts receivables net
Less than 30 days overdue	313,230	-	313,230
31 to 60 days overdue	163,049	-	163,049
61 to 90 days overdue	70,083	-	70,083
91 to 180 days overdue	105,053	-	105,053
Over 181 days overdue	139,854	-113,787	26,068
Total overdue accounts	791,269	-113,787	677,482
Accounts receivables within their credit terms			
	679,288	-	679,288
Total	1,470,557	-113,787	1,356,770

Provision for expected credit losses

Thousand	2021	
	EUR	SEK
Additions through business combinations	10,857	110,092
Current year provision	483	4,887
Utilized receivables	-188	-1,908
Recovered bad debt	-35	-358
Exchange rate differences	10	1,074
Closing balance	11,127	113,787

Note 17 Contract assets and liabilities

Thousand	2021	
	EUR	SEK
Contract assets		
Additions through business combinations	85,648	868,479
Transfers from contract assets recognised in opening balance to receivables	-51,390	-520,339
Increases as a result of changes in the measure of progress in projects	242,894	2,459,375
Transfers from contract assets recognised during the year to receivables	-177,534	-1,797,585
Revaluation	118	1,195
Translation difference	122	10,117
Closing balance	99,858	1,021,242
Contract liabilities		
Additions through business combinations	373	3,782
Revenue recognised that was included in the liability balance at the beginning of the period	-146	-1,478
Increases due to cash received, excluding amounts recognised as revenue during the period	911	9,224
Transfers from contract liabilities recognised during the year to revenue	-870	-8,809
Revaluation	20	226
Closing balance	288	2,945

Most of the assignments received by Polygon are carried out over a short period of between one and three months and the average contract amount is EUR 2 thousand - SEK 20 thousand. Polygon receives a large number of orders and manages them using the portfolio approach with an average contract margin. A small number of Polygon's projects continue for a longer period and have a higher contract amount. These projects are recognised individually on an ongoing basis using the percentage of completion method.

Note 18 Prepaid expenses and accrued income

Thousand	2021	
	EUR	SEK
Prepaid insurance	2,073	21,198
Prepaid rent	1,109	11,337
Prepaid service	2,783	28,459
Leasing	1,047	10,709
Personnel related expenses	121	1,241
Other prepaid expenses	1,543	15,784
Total	8,676	88,728

Note 19 Cash and cash equivalents

Thousand	2021	
	EUR	SEK
Cash at banks and on hand	26,117	267,092
Total	26,117	267,092

At year-end, the Group had EUR 130.6 million - SEK 1,335.6 million available in unutilised loan commitments.

Note 20 Equity

Share capital

Each share has a quotient value of EUR 0.1 per share - SEK 1 Per share. All shares are of the same class and carry the same voting rights. All shares are paid in full. All shares carry the same entitlement to the company's assets and profit. There are no restrictions on the transferability of the shares according to the law or the Articles of Association.

Foreign currency translation reserve

The foreign currency translation reserve covers all exchange differences arising on translation of the financial statements of foreign operations that are presented in a currency other than that used for presentation of the consolidated financial statements. The Parent Company and the Group present their financial statements in SEK and translation to EUR is presented for convenience of the reader.

Actuarial gains/losses

Refer to Note 22 Pension provision

Note 21 Leases

Lease liability

Thousand	2021	
	EUR	SEK
Additions through business combinations		
New lease contracts	88,535	897,757
Ended lease contracts	15,618	158,137
Interest expenses	-828	-8,381
Repayment lease liability	1,066	10,794
Exchange rate difference	-9,092	-92,059
	774	16,278
Closing balance	96,073	982,526

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Maturity dates for lease liabilities are as shown in the following table:

Thousand	2021	
	EUR	SEK
Less than 6 months	13,744	140,559
6-12 months	18,107	185,175
1 - 2 years	22,616	231,295
2 - 5 years	29,370	300,369
Over 5 years	12,236	125,128
Total	96,073	982,526

Undiscounted future lease payments

Thousand	2021	
	EUR	SEK
Less than 1 year	34,373	351,533
1-2 years	25,401	259,774
3-5 years	35,848	366,613
More than 5 years	14,912	152,508
Future lease payments	110,534	1,130,428

Lease obligations

Polygon has entered into leases that had not yet taken effect at year-end, according to the table below:

Thousand	2021	
	EUR	SEK
Rent	2,327	23,798
Vehicles	7,116	72,775
Total	9,443	96,573

Note 22 Pension provisions

The Polygon Group has established pension plans for its employees in the countries where the Group operates. The plans generally conform to local practice in the respective countries and may take the form of defined-contribution or defined-benefit plans. Polygon has defined-benefit plans in Sweden, Germany, France and the UK.

The defined-contribution plans mainly include retirement pensions, disability pensions and survivor pensions. The contributions are paid during the year by the respective Group company to separate legal entities, for example, insurance companies. The Group has no further obligations once the contributions have been paid.

The defined-benefit pension plans mainly encompass employees in Sweden, but also employees in France. In the other countries, the defined-benefit plans are closed and no new vesting is made. All pension plans are based on final salary, and provide benefits in the form of a guaranteed level of pension payments, usually as a percentage of final salary, to the plan participants during their entire lifetimes or parts thereof.

The total pension cost for 2021 amounted to EUR 2,231 thousand - SEK 22 586 thousand, of which EUR 162 thousand - SEK 1,638 thousand pertained to defined-benefit pensions. The pension cost for defined-contribution pensions amounted to EUR 2,079 thousand - SEK 21,049 thousand. Expected pension costs for defined-benefit pensions for 2022 amounted to EUR 99 thousand - SEK 1,010 thousand.

The total IAS 19 net liability increased by EUR 7,072 thousand - SEK 72,328 thousand in 2021. This increase was mainly due to IAS 19 net liability in acquired companies.

The pension plan in the UK is funded and also includes a defined-contribution component. The pension plan is closed, which means that no new vesting is made. The plan assets are exposed to market risks, among other risks.

The pension plan in Sweden consists of the collectively agreed ITP plan. This plan includes both defined-contribution and defined-benefit components. The defined-benefit pension obligation is secured through provisions in the balance sheet, combined with credit insurance in PRI Pensionsgaranti. The pension plan exposes the Group to risks such as a change in the discount rate, increased life expectancy, higher inflation and salary increases.

In France and Germany, there are unfunded pension obligations in minor amounts. The present value of these pension plans is mainly impacted by changes in the discount rate.

The tables below summarise the components of the net pension expense that are recognised in profit or loss and in other comprehensive income as well changes in the value of the defined-benefit pension obligation recognised in the balance sheet.

Thousand	2021	
	EUR	SEK
Summary of pension provisions in the Group		
Long-term defined benefit liability	7,072	72,328
Closing balance, net liability	7,072	72,328
Pension expenses		
<i>Amounts recognized in the income statement</i>		
Current service cost	85	862
Past service cost	54	547
Interest expenses	37	373
Interest income on assets	-14	-144
Expenses, defined benefit plans	162	1,638
Expenses, defined contribution plans	2,079	21,049
<i>Amounts recognized in Other Comprehensive Income</i>		
Remeasure of pension obligation	12	126
Remeasure of plan assets	-22	-227
Expenses/ (income), defined benefit plans	-10	-101
Total pension expenses	2,231	22,586

Amount recognized in the Balance sheet	EUR		SEK
Fair value of defined benefit obligation, funded plans	4,452	45,529	
Fair value of plan assets	-4,072	-41,642	
Closing balance, net liability	380	3,887	
Present value of defined benefit obligation, unfunded plans	6,692	68,441	
Closing balance, net liability	7,072	72,328	

Change in amount recognized in the Balance sheet	EUR		SEK
Current service cost	85	860	
Past service cost	54	547	
Net interest	23	233	
Remeasurements	-10	-101	
Pension payments directly from employer	-50	-506	
Employer's contribution to the pension plan assets	-58	-587	
Additions through business combinations	7,038	71,262	
Effect of changes in foreign exchange rates	-10	620	
Closing balance, net liability	7,072	72,328	

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Change in present value of defined benefit	EUR	SEK
Current service cost	85	860
Interest expenses	37	375
Remeasurements of pension obligation		
- plan amendment	54	547
- financial assumptions	-195	-1,975
- experience adjustments	207	2,096
Pension payments	-50	-506
Additions through business combinations	10,901	110,377
Effect of changes in foreign exchange rates	105	2,196
Closing balance, defined benefit obligation	11,144	113,970
Change in fair value of plan assets	EUR	SEK
Interest income	14	142
Return excluding interest income	22	222
Employer's contribution	108	1,093
Pension payments from plan assets	-50	-506
Additions through business combinations	3,863	39,115
Effect of changes in foreign exchange rates	115	1,576
Closing balance, plan assets	4,072	41,642
Fair value of plan assets	2021	
Equities	34%	
Bonds	63%	
Other, including cash and cash equivalents	3%	
Total	100%	

All plan assets are assets with a quoted market price in an active market. None of the plan assets are invested in the Group's own equity instruments, debt instruments, real estate or other assets that are used by the company.

2021 EUR thousand	Defined benefit		
	obligation	Plan assets	Net liability
Break-down per country			
<i>Funded plan</i>			
United Kingdom	4,452	4,072	380
<i>Unfunded plan</i>			
Sweden	6,252	-	6,252
Other countries*	440	-	440
Total	11,144	4,072	7,072
2021 SEK thousand	Defined benefit		
	obligation	Plan assets	Net liability
Break-down per country			
<i>Funded plan</i>			
United Kingdom	45,529	41,642	3,887
<i>Unfunded plan</i>			
Sweden	63,939	-	63,939
Other countries*	4,502	-	4,502
Total	113,970	41,642	72,328

* France and Germany

The most important financial actuarial assumptions that have been used to determine the pension obligations for the Group's significant pension plans are as follows:

Significant actuarial assumptions	2021
United Kingdom	
Discount rate	1.80%
Inflation	3.30%
Future wage increase	N/A
Future pension increase	N/A
Sweden	
Discount rate	1.60%
Inflation	1.80%
Future wage increase	2.80%
Future pension increase	1.80%

Assumptions about life expectancy are based on official statistics and experience from life expectancy surveys in the respective countries and are determined after consultation with experts in the actuarial field. The discount rate is determined based on high-quality corporate bonds that are traded in a deep market with consideration given to the duration of the pension obligation. In Sweden, the discount rate is based on the discount rate on covered mortgage-backed bonds.

An increase in the discount rate of 0.5 percentage points would reduce the pension obligation by EUR 994 thousand - SEK 10,166 thousand, corresponding to a debt reduction of 8.8%. A decrease in the discount rate of 0.5 percentage points would increase the pension obligation by EUR 1,120 thousand - SEK 11,455 thousand corresponding to a debt increase of 10.0%.

An increase in inflation of 0.5 percentage points would increase the pension obligation by EUR 774 thousand - SEK 7,911 thousand, corresponding to a debt increase of 7.1%. A decrease in inflation of 0.5 percentage points would reduce the pension obligation by EUR 684 thousand - SEK 6,995 thousand, corresponding to a debt reduction of 6.3%.

The sensitivity analysis is carried out by changing one actuarial assumption while the other assumptions remain constant. This method shows the obligation's sensitivity to an individual assumption. This is a simplified method, since the actuarial assumptions are normally correlated.

The weighted average duration of the pension obligation is approximately 19 years.

The Group's expected contributions to defined-benefit pension plans as well as pension payments directly from the employer for the next annual reporting period amount to EUR 350 thousand - SEK 3,579 thousand.

Note 23 Other provisions, non-current

Thousand	2021	
	EUR	SEK
Contingent considerations	25,961	265,496
Other taxes	57	585
Other provisions	671	6,868
Total	26,689	272,949

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Note 24 Other Provisions, current

Thousand	2021	
	EUR	SEK
Contingent considerations	4,392	44,919
Warranties and claims	2,877	29,427
Restructuring provision	2,142	21,903
Defined benefit plans	68	699
Other provisions	308	3,147
Total	9,787	100,095

Note 25 Other liabilities

Thousand	2021	
	EUR	SEK
VAT	20,748	212,188
Employee withholding taxes	6,517	66,649
Advance payments from customers	422	4,312
Contract liabilities	288	2,945
Other liabilities	6,894	70,507
Total	34,869	356,601

Note 26 Accrued expenses and deferred income

Thousand	2021	
	EUR	SEK
Accrued salary-related expenses	20,731	212,014
Accrued vacation pay	16,442	168,151
Accrued expenses contracts with customers	14,738	150,724
Accrued non-received invoices	10,905	111,524
Accrued audit expenses	736	7,527
Accrued interest expenses	146	1,493
Other accrued expenses and prepaid income	5,421	55,435
Total	69,119	706,869

Note 27 Pledged assets

Cash pool accounts of EUR 1,457 thousand - SEK 14,900 thousand are pledged as collateral for the Group's loans.

Note 28 Contingent liabilities

The Group has no contingent liabilities.

Note 29 Financial instruments and financial risk management

Polygon is exposed to a number of financial market risks that the Group is responsible for managing under the finance policy approved by the Board of Directors. The overall objective is to have cost-effective funding in the Group. Since the Group's registered functional currency have been changed as per 1 January 2022 to EUR financial, risks in the Group are managed in relation to EUR. The impact of the financial risks on the Group's earnings is managed through exchange of non-EUR cash into EUR. The main risk exposures for the Group are liquidity risk, interest rate risk, currency risk, credit risk and counterparty risk.

The table below shows the Group's significant assets and liabilities.

Thousand	2021			
	EUR		SEK	
	Carrying amounts	Fair value	Carrying amounts	Fair value
Financial assets measured at amortised cost				
Accounts receivables	132,667	132,667	1,356,770	1,356,770
Other current assets	5,332	5,332	54,525	54,525
Cash and cash equivalents	26,117	26,117	267,092	267,092
Total financial assets	164,116	164,116	1,678,397	1,678,397
Financial liabilities measured at amortised cost				
Non-current interest-bearing liabilities	534,216	550,266	5,432,954	5,597,209
Lease liability	96,073	96,073	982,526	982,526
Account payables	66,124	66,124	676,249	676,249
Other current liabilities	6,894	6,894	70,507	70,507
Accrued expenses	146	146	1,493	1,493
Financial liabilities at fair value through profit or loss				
Other provisions	30,353	30,353	310,415	310,415
Total financial liabilities	733,806	749,856	7,474,144	7,638,399



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Breakdown of financial liabilities measured at fair value:

Thousand	2021	
Valuation category level 3	EUR	SEK
LIABILITIES		
Long-term liabilities		
Other provisions	25,961	265,496
Current liabilities		
Other provisions	4,392	44,919
Total financial liabilities	30,353	310,415

The Group categorises financial assets and financial liabilities that are measured at fair value in a fair value hierarchy based on the inputs that are used to measure each asset and liability.

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Quoted prices in markets that are not active, quoted prices for similar assets or liabilities, inputs other than quoted prices that are observable, directly or indirectly, for essentially the instrument's entire duration as well as the inputs used in valuation techniques that have been derived from observable market data.

Level 3 – Inputs that are essential for the fair value of the asset or liability are not observable, and the Group's own assessments are instead applied.

Financial liabilities at level 3 consist of contingent considerations for acquired operations, the main incurred in acquisitions before Polygon Group ABs acquisition of Polygon Holding AB. The measurement of this is based on the acquired operations' expected future financial performance, which has been assessed by management.

Breakdown of liabilities measured at fair value:

Thousand	2021	
	EUR	SEK
Financial liabilities		
Change contingent considerations	30,353	310,415
Closing balance	30,353	310,415

Maturity dates for financial liabilities are as follows:

Thousand	2021			
	Book value		Undiscounted cash flow	
	EUR	SEK	EUR	SEK
Within 1 year	109,407	1,118,901	137,204	1,403,173
Between 2 and 5 years	78,216	799,901	186,458	1,906,891
After 5 years	546,183	5,555,344	618,392	6,293,923
Total	733,806	7,474,146	942,054	9,603,987

The carrying amounts above include financial liabilities. The non-discounted cash flows above include financial liabilities and interest payments. All amounts in currencies other than SEK are translated at the closing day rate and interest payments on loans with variable interest have been calculated at the closing day rate.

The weighted average interest rate on external loans and borrowings, including margins, was 4.65% per annum.

Currency risk

Currency risk primarily impacts the Group's financial statements through the translation of capital employed and interest-bearing net liability as well as through the translation of earnings in foreign

subsidiaries. The Group's interest-bearing net liability is mainly denominated in EUR (see the table below for a breakdown of interest-bearing net liability by currency).

Interest-bearing net liability by currency

Thousand	2021	
	EUR	SEK
EUR	567,329	5,771,596
SEK	10,368	106,035
USD	-3,141	-32,122
NOK	16,003	163,658
GBP	9,303	95,142
Other currencies	4,310	44,079
Total	604,172	6,148,388

Transaction exposure

The Polygon Group's operations are local in nature and most transactions take place in local markets in the local currency. Since the flow of services between countries is highly limited, the earnings effect is not material for the Group.

Translation exposure

Polygon's assets in foreign subsidiaries are financed through loans or equity. If a foreign subsidiary that has a reporting currency other than EUR is financed through equity, a translation risk arises in connection with the translation of the subsidiary's balance sheet. Translation risk is the risk that changes in foreign exchange rates will negatively impact Polygon's net assets in foreign operations in connection with the translation of the foreign units' income statements and balance sheets. Currency effects arising on translation are recognised in the consolidated statement of other comprehensive income.

Since many significant subsidiaries have EUR as their functional currency, the Group's translation risk is limited. The table below shows the impact of changes in foreign exchange rates on the net assets of subsidiaries in each currency:

Thousand	2021	
	EUR	SEK
Change in USD rate		
+10/-10%	4,277	43,737
Change in NOK rate		
+10/-10%	2,837	29,013
Change in GBP rate		
+10/-10%	5,146	52,624
Change in DKK rate		
+10/-10%	4,526	46,282

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The table below shows the impact of a 10-percent of changes in foreign exchange rates against the Group's main currencies on consolidated income before tax.

Thousand	2021	
	EUR	SEK
Change in USD rate		
+10/-10%	837	8,473
Change in NOK rate		
+10/-10%	274	2,776
Change in GBP rate		
+10/-10%	75	762
Change in DKK rate		
+10/-10%	145	1,469

Interest rate risk

Fluctuations in interest rates impact the Group's interest expenses. Polygon's policy for interest rate risk is designed to reduce the impact of interest rate changes on earnings. In the case of interest-bearing assets, the fixed interest period is to be short and matched against repayment of loans. On the balance sheet date, Polygon had no interest rate hedges in the form of interest rate swaps or interest rate caps.

At 31 December 2021, a simultaneous change in interest rates of +/- 1 percentage point, would have impacted annual net interest expenses by EUR 3.2 million - SEK 32.9 million, assuming that the Group's duration and funding structure remain constant throughout the year.

The variable rate interest-bearing net liability position for the Group as a whole, including cash and bank balances, was EUR 604.2 million - SEK 6,148.4 million.

Customer credit risk

Management's assessment is that there is no significant concentration of credit risk with any individual customer, counterparty or geographical region for Polygon. An age analysis of accounts receivable is presented in Note 16 Accounts receivable

Liquidity and refinancing risk

Financing risks refer to the risk of difficulty in obtaining financing for operations at a given point in time. Polygon's finance policy states that the Group's external loan portfolio is to have a maturity structure that guarantees that Polygon will not be exposed to refinancing risks.

Polygon is also subject to covenants that are specified in the terms and conditions of the loan and in the terms and conditions of the bank overdraft facility, such as key ratios and performance measures linked to the consolidated income statement and balance sheet. These covenants were fulfilled for 2021.

Capital risk management

The Group's capital structure should be maintained at a level that ensures the ability to advance the business in order to generate returns for the shareholders and benefits for other stakeholders, while at the same time maintaining an optimal capital structure to reduce capital costs.

To maintain or adjust the capital structure, the Group may, upon approval by the shareholders and external lenders when appropriate, vary the dividend that is paid to the shareholders, reduce the share capital to enable payments to the shareholders, issue new shares or sell assets to reduce its debt. The Group continuously analyses the relationship between debt and equity.

Thousand	2021	
	EUR	SEK
Interest-bearing net liabilities (A)	604,172	6,148,388
Total equity (B)	528,996	5,440,408
Relation between liabilities and equity (A/B)	1.1	1.1

Note 30 Interest-bearing loans and borrowings

The table below shows the Group's various loans and borrowings.

Thousand	2021	
	EUR	SEK
Non-current:		
First Lien Facility (floating interest rate)	430,000	4,373,874
Second Lien Facility (floating interest rate)	120,000	1,220,616
Bond and other loans (floating interest rate)	266	2,719
Capitalized finance costs*	-16,050	-164,255
Leasing liability (long-term part)	64,222	656,792
Total non-current liabilities	598,438	6,089,746
Current:		
Leasing liability (short-term part)	31,851	325,734
Total current liabilities	31,851	325,734
Amount of borrowings	630,289	6,415,480

* Financing costs are allocated over the duration of the loans.



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Note 31 Changes in financial liabilities

Reconciliation of opening and closing balances of financial liabilities and their movement in cash flow are presented in the table below:

2021 EUR thousand	Business		Changes in fair		31 December 2021
	combinations	Cashflows	values	Other	
Non-current interest-bearing liabilities	10,112	523,353	-	751	534,216
Current interest-bearing liabilities	268,118	-268,118	-	-	-
Leasing liabilities*	88,535	-9,092	-	16,630	96,073
Contingent considerations	31,153	-1,247	447	-	30,353
Accrued interest expenses	7,815	-14,411	-	6,742	146
Total liabilities	405,733	230,548	384	24,123	660,787

2021 SEK thousand	Business		Changes in fair		31 December 2021
	combinations	Cashflows	values	Other	
Non-current interest-bearing liabilities	102,537	5,322,584	-	7,833	5,432,954
Current interest-bearing liabilities	2,718,743	-2,714,775	-	-3,968	-
Leasing liabilities*	897,757	-92,059	-	176,828	982,526
Contingent considerations	315,895	-12,626	3,888	3,258	310,415
Accrued interest expenses	79,245	-143,207	-	65,455	1,493
Total liabilities	4,114,177	2,359,917	3,888	249,406	6,727,388

* See Note 21 Leases for details.



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Note 32 Related party transactions and list of Group companies

For information on the Parent Company's transactions with related parties, see Note 13 Related party transactions in the Parent Company. For information concerning remuneration to senior executives and the Board of Directors, see Note 8 Salaries, social security expenses and employee benefits.

PolygonVatro HoldCo GmbH, PolygonVatro GmbH, RecoSan GmbH, POLYGONVATRO Abbruch Services GmbH, SMD Sanierungs-Management GmbH & Co. KG and TKL GmbH are included as German subsidiaries in the consolidated financial statements of Polygon Group AB and, as a result, makes use of the exemption provision of section 264 (3) HGB (German Commercial Code).

Group subsidiaries

Subsidiaries	Country	Corporate Identity	Number of shares	Share of capital
Company name				
Polygon Holding AB	Sweden	556809-3511	50,100	100.0%
Polygon AB	Sweden	556816-5855	5,600	100.0%
Polygon Finland Holding Oy	Finland	2354769-0	2,500	100.0%
Polygon Finland Oy	Finland	0892371-5	50,000	100.0%
Tehokuivaus OY	Finland	1767199-4	45	100.0%
Danotec OY	Finland	2493478-0	100	100.0%
Recotech s.r.l	Italy	FI-605131	119,000	100.0%
Polygon International AB	Sweden	556807-6417	50,100	100.0%
Polygon Switzerland Holding AG	Switzerland	CHE-358.912.902	100	100.0%
Polygon Switzerland AG	Switzerland	CHE-371.376.207	1	100.0%
Hiotlabs AB	Sweden	559021-1271	75,000	100.0%
Polygon DB Holding A/S	Denmark	41247576	400,000	100.0%
Polygon A/S	Denmark	42938319	470,000	100.0%
Polygon Norway Holding AS	Norway	996019381	335,500	100.0%
Polygon AS	Norway	915229115	34,500	100.0%
Rengjøringsbyrået AS	Norway	915365450	504	100.0%
Kaph Entreprenør AS	Norway	914949149	10,050	100.0%
Polygon Nederland Holding BV	Netherlands	51345706	40	100.0%
Polygon Nederlands BV	Netherlands	28030503	40	100.0%
ACI Inspectie & Preventie B.V.	Netherlands	11059881	9,000	100.0%
ACI Participaties B.V.	Netherlands	30241340	900	100.0%
ACI Reconditionering & Schladeherstel B.V.	Netherlands	11050923	900	100.0%
ACI Verhuizingen & Opslag B.V.	Netherlands	30270005	900	100.0%
Polygon Belgium NV	Belgium	440 188 077	1,250	100.0%
Asbest Cleaning Services BVBA	Belgium	BE 0671.968.983	100	100.0%
Polygon Sverige AB	Sweden	556034-6164	2,100	100.0%
BM Fuktteknik AB	Sweden	556592-0146	1,000	100.0%
Polygon Restoration Inc	Canada	103804811	81	100.0%
Polygon France SAS	France	340019180	100	100.0%
Hydrotech	France	445263734	500	100.0%
Aretch	France	379873011	20,000	100.0%
RDF Developpement	France	521982504	1,625	100.0%
Polygon Singapore Pte Ltd	Singapore	2010129902	1,317	100.0%
R3 Polygon UK Ltd	United Kingdom	402652	250,000	100.0%
Harwell Technical Services Ltd	United Kingdom	3064821	10,000	100.0%
Neways Property Care Ltd	United Kingdom	4373558	90	100.0%
The Plastic Surgeon Holdings Limited	United Kingdom	10552793	3,499,943	100.0%
TPSFF Holdings Limited	United Kingdom	06509389	26,134,457	100.0%
The Plastic Surgeon Limited	United Kingdom	03718897	11,145	100.0%
Polygon US Corporation	USA	27-2892115	1,000	100.0%
AM Restore, Inc	USA	26-0581070	1,000	100.0%
PolygonVatro HoldCo GmbH	Germany	HRB 12867	25,000	100.0%
PolygonVatro GmbH	Germany	HRB 10713	1	100.0%
RecoSan GmbH	Germany	HRB 11215	1	100.0%
POLYGONVATRO Abbruch Services GmbH	Germany	HRB 11977	1	100.0%
SMD Sanierungs-Management GmbH & Co. KG	Germany	HRA 8465	1	100.0%
TKL GmbH	Germany	HRB 12832	1	100.0%
POLYGON UTG GmbH	Luxembourg	B90664	250	100.0%
Polygon Holding GmbH	Austria	FN 542950g	75,000	100.0%
Polygon Austria Service GmbH	Austria	FN 115034v	75,000	100.0%
RENOVO Brandschaden u Wasserschaden Sanierungs Gmb	Austria	FN 230343s	1	100.0%

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Note 33 Adjustment for non-cash items in the statement of cash flows

Non-cash changes in financial liabilities are recognised in Note 31 Changes in financial liabilities.

Thousand	2021	
	EUR	SEK
Non-affecting cash-flow:		
Depreciation and impairment of intangible assets	17,079	172,930
Depreciation of tangible assets	5,215	52,803
Capital loss from disposal of fixed assets	135	1,367
Changes in provisions and other	1,542	15,614
Total	23,971	242,714

Note 34 Significant events after the end of the financial year

After the end of the financial year, Polygon Finland OY acquired Saneeraustekniikka Sartek Oy. Polygon France SAS acquired SAT Lux S.A.R.L., SAT France S.A.S, SARL Group BMS and employees, locations, customers, and projects from Uni Promotion. R3 Polygon UK Ltd acquired Polygon Damage Control Ltd. Polygon Sverige AB acquired Probaco Sanering i Värmland AB.

With effect from 14 April 2022, the name of the Parent company was changed from Polystorm Bidco AB to Polygon Group AB.

As from 1 January 2022, the group changed the functional currency from SEK to EUR.

Note 35 Alternative performance measures

Thousand	2021	
	EUR	SEK
Adjusted EBITDA and EBITA breakdown		
Operating income (EBIT)	-12,751	-129,398
Add back depreciations	5,219	52,843
Add back amortisations	17,059	172,729
Operating income before depreciation and amortisation (EBITDA)	9,527	96,174
Add back items affecting comparability (IAC)	19,275	195,467
Operating income before depreciation and IAC (Adjusted EBITDA)	28,802	291,641
Operational depreciations	-4,686	-47,451
Operational amortisations	-8,564	-86,711
Operating income before amortisation and IAC (Adjusted EBITA)	15,552	157,479

Thousand	2021	
	EUR	SEK
Operating cash flow breakdown		
Adjusted EBITA	15,551	157,479
Operational depreciations and amortisations	13,250	134,162
Net capital expenditure	-5,950	-60,240
Lease payments	-8,068	-81,691
Operating cash flow before change in trade working capital	14,783	149,710
Change in trade working capital, excl IAC	6,093	61,693
Operating cash flow	20,876	211,403

Thousand	2021	
	EUR	SEK
Items affecting comparability		
Acquisition-related items	-16,351	-165,850
Monitoring fee	-717	-7,260
Restructuring	-1,562	-15,816
Other, net	-645	-6,541
Total	-19,275	-195,467

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Note 36 Definitions

Sales revenue	Sales revenue excluding VAT and discounts
Organic growth	Growth generated by existing operations excluding the impact of foreign exchange
Gross profit	Sales revenue less cost of services sold
Adjusted EBITDA	Earnings before interest, tax, depreciation of property, plant and equipment, amortisation of intangible assets and items affecting comparability
Adjusted EBITA	Earnings before interest, tax, depreciation of the surplus value of property, plant and equipment, amortisation of the surplus value of intangible assets in connection with acquisitions and items affecting comparability
EBIT	Earnings before interest and tax
Adjusted EBITDA margin, Adjusted EBITA margin	Adjusted EBITDA, Adjusted EBITA as a percentage of sales revenue
Operational amortisations	Amortisation of intangible assets related to acquisitions
Operational depreciation	Depreciation of property, plant and equipment related to acquisitions
Operating cash flow	Cash flow from operating activities excluding payments attributable to items affecting comparability, paid income tax less repayment of lease liabilities and investments
Net financial items	Financial income less financial expenses including exchange differences related to financial assets and liabilities
Net debt	Interest-bearing debt (including pension and lease liabilities) less cash and bank balances
Items affecting comparability	Items attributable to capital gains/losses, impairment, restructuring, redund costs and other similar material income and expenses
Capital expenditures	Resources used to acquire intangible assets and property, plant and equipment
IFRS	The term "IFRS" as used in this document refers to the application of IAS and IFRS as well as the interpretations of these standards published by the IASB's Standards Interpretation Committee (SIC).

Polygon presents certain financial performance measures that are not defined in accordance with IFRS. Polygon believes that these performance measures provide useful supplementary information for investors and company management to enable an assessment of trends and the company's performance. Since not all companies calculate financial performance measures in the same manner, these performance measures are not always comparable with those used by other companies. The performance measures used are not to be seen as a replacement for the performance measures defined in accordance with IFRS but rather as a complement.



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Parent Company financial statements

Parent Company income statement

Thousand	Note	2021	
		EUR	SEK
Sales of services	2	-	-
Total revenue		-	-
General administration and sale expenses	3,4	-73	-745
Other operating expenses	5	-14,926	-151,417
Operating income		-14,999	-152,162
Financial expenses	6	-7,065	-71,622
Income after financial items		-22,064	-223,784
Income taxes	7	-	-
Net income		-22,064	-223,784

Parent Company statement of comprehensive income

Thousand	Note	2021	
		EUR	SEK
Net income		-22,064	-223,784
Comprehensive income		-22,064	-223,784



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Parent Company balance sheet

Thousand	Note	2021	
		EUR	SEK
ASSETS			
Non-current assets			
Non-current financial assets			
Participations in Group companies	8	1,268,153	12,874,138
Total non-current assets		1,268,153	12,874,138
Current assets			
Current receivables			
Receivables, Parent company		23	232
Other receivables		50	515
Receivables, Group companies	11	2,174	22,237
Total current receivables		2,247	22,984
Total current assets		2,247	22,984
TOTAL ASSETS		1,270,400	12,897,122
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital (25,000 shares at ratio value 1 SEK)		2	25
<i>Non restricted equity</i>			
Retained earnings		528,680	5,379,588
Total non-restricted capital		528,680	5,379,588
Total Equity		528,682	5,379,613
Non-current liabilities			
Non-current liabilities, Group companies		207,000	2,079,419
Non-current financial liabilities, interest-bearing	9,11	533,950	5,430,235
Total non-current liabilities		740,950	7,509,654
Current liabilities			
Account payables		10	103
Accrued expenses	10	758	7,752
Total current liabilities		768	7,855
TOTAL EQUITY AND LIABILITIES		1,270,400	12,897,122

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Parent Company statement of cash flows

Thousand	Note	2021	
		EUR	SEK
Operating activities			
Operating income		-14,999	-152,162
Adjustments for non cash items in operating income	12	-217	-
Cash flow from operating activities prior changes in working capital		-15,216	-152,162
Change in working capital			
Change in receivables and liabilities to Group companies		-740	-7,567
Change in other receivables		-50	-515
Changes in other liabilities		768	7,856
Cash flow used in operating activities		-15,238	-152,388
Cash flow from investing activities			
Acquisition of shares in subsidiaries		-763,468	-7,842,885
Shareholder contribution to subsidiaries		504,685	-5,031,253
Cash flow used in investing activities		-1,268,153	-12,874,138
Cash flow from financing activities			
Increase in loans		757,000	7,673,909
New shares issued and shareholder contribution received		550,884	5,603,397
Financial cost paid		-23,036	-235,075
Cash flow from financial activities		1,284,848	13,042,231
Cash flow from the year		1,457	15,705
Translation difference in cash and cash equivalents		-	-805
Cash and cash equivalents at the end of the year*		1,457	14,900

* Cash and cash equivalents is included in the cashpool of the Group and is therefore presented in Receivables from subsidiaries.

Parent Company statement of changes in equity

EUR thousand	Share capital	Retained earnings	Total equity
Net income	-	-22,064	-22,064
Exchange differences	-	-140	-140
Total comprehensive income for the year	-	-22,204	-22,204
Transactions with shareholders			
Shareholder's contribution	-	550,884	550,884
New issues of shares	2	-	2
Closing balance per 31 December 2021	2	528,680	528,682

SEK thousand	Share capital	Retained earnings	Total equity
Net income	-	-223,784	-223,784
Total comprehensive income for the year	-	-223,784	-223,784
Transactions with shareholders			
Shareholder's contribution	-	5,603,372	5,603,372
New issues of shares	25	-	25
Closing balance per 31 December 2021	25	5,379,588	5,379,613



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Notes to the Parent Company financial statements

Note 1 Basis of presentation

Rules and regulations applied

In addition to the Group's accounting policies, the financial statements of the Parent Company have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. This means that IFRS is applied with the exception of the additions presented below.

The Parent Company's bank balances are not recognised as cash since they are part of the Group's cash pool. However, the bank balances are presented as cash in the statement of cash flows.

Financial instruments

Due to the relationship between accounting and taxation, the rules concerning financial instruments under IFRS 9 are not applied in the Parent Company as a legal entity. Instead, the Parent Company applies the acquisition method in accordance with the Swedish Annual Accounts Act. Accordingly, the Parent Company measures non-current financial assets at cost and current financial assets at the lower of cost or net realisable value, applying the rules for impairment of expected credit losses in accordance with IFRS 9 with respect to assets that are debt instruments. For other financial assets, impairment is based on market value.

The Parent Company applies the exemption option not to measure financial guarantee contracts that benefit subsidiaries, associated companies and joint ventures in accordance with the rules of IFRS 9, but rather applies the measurement principles in IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Shareholder contributions

Shareholder contributions are recognised directly in equity by the recipient and are capitalised in shares and participations by the renderer insofar as impairment is not required.

Note 2 Breakdown of sales

Polygon Group AB had no external or internal sales in the period. No purchases were made from other Group companies during the period.

Note 3 Salaries, remuneration to employees and other fees

The Parent Company had no employees.

Note 4 Audit fees

Thousand	2021	
	EUR	SEK
Audit assignment (EY)	65	654
Total	65	654

Audit assignment refers to auditing of the annual report and financial accounts and the administration by the Board as well as other audit tasks that are incumbent upon the company's auditors.

Note 5 Other operating expenses

Thousand	2021	
	EUR	SEK
Acquisition-related items	14,950	151,665
Currency exchange gains/ losses	-24	-248
Total	14,926	151,417

Note 6 Interest income and interest expenses

Thousand	2021	
	EUR	SEK
Interest expenses and other similar		
Interest cost, external	-6,196	-62,863
Exchange rate differences	-79	-802
Other financial expenses	-790	-7,957
Total	-7,065	-71,622
Net financial expenses	-7,065	-71,622

Note 7 Tax

Thousand	2021	
	EUR	SEK
Income before taxes	-22,064	-223,784
Tax according to current tax rate for Parent company 20,6%	4,545	46,100
Non-deductible expenses	-3,698	-37,508
Non recognized tax loss carry forward	-847	-8,592
Total	0	0

As of 31 December 2021, Polygon Group AB had a gross accumulated loss carryforward of EUR 3.5 million - SEK 36.0 million (with no maturity date), of which EUR 0 thousand - SEK 0 thousand is recognised as a deferred tax asset.



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Note 8 Participations in Group companies

Participation in Group Companies	Country	Corporate Identity Number	Number of shares	Share of capital	2021 EUR thousand	2021 SEK thousand
Polygon Holding AB	Sweden	556809-3511	15,315,199	100.0%	1,068,125	10,864,758
PolygonVatro HoldCo GmbH	Germany	HRB12867	25,000	100.0%	200,028	2,009,380
balance					1,268,153	12,874,139
Acquisition					763,468	7,842,884
Shareholder contribution					504,685	5,031,253
Closing balance					1,268,153	12,874,138

Indirect holdings and the Group structure are described in Note 32 Related party transactions (notes to the consolidated financial statements).

Note 9 Non-current financial liabilities

Thousand	2021	
	EUR	SEK
First Lien Facility	430,000	4,373,874
Second Lien Facility	120,000	1,220,616
Capitalized finance costs*	-16,050	-164,255
Total	533,950	5,430,235

*Financing costs are allocated over the duration of the loan.

Note 10 Accrued expenses and deferred income

Thousand	2021	
	EUR	SEK
Accrued interest expenses	194	1,984
Accrued non-received invoices	500	5,113
Other accrued expenses	64	655
Total	758	7,752

Note 11 Pledged assets

The Parent Company has no pledged assets.

Note 12 Adjustment for non-cash items in the statement of cash flows

Thousand	2021	
	EUR	SEK
Non-cash flow items not included in operating profit		
Unrealised currency revaluations	-217	-
Total non-cash changes	-217	-

Note 13 Related party transactions

Material transactions with the owners during 2021 are a shareholder contribution from PolyStorm Pledgeco AB of EUR 550.9 million - SEK

5,603.4 million and a monitoring fee to AEA Investors of EUR 0.7 million - SEK 7.3 million. In addition, Polygon Group AB acquired shares in Polygon Holding AB from PolyStorm Topco AB of EUR 3.4 million - SEK 34.4 million.

During 2021 shareholder contributions of EUR 504.7 million - SEK 5,031.3 million were paid, EUR 304.7 million - SEK 3,022.2 million to the subsidiary Polygon Holding AB and EUR 200.0 million SEK 2,009.1 million to the subsidiary PolygonVatro HoldCo GmbH. In addition, Polygon Group AB raised a loan with Polygon AB of EUR 207 million - SEK 2,079.4 million.

Note 14 Proposed appropriation of earnings

Proposed appropriation of the Parent Company's earnings:

The Board of Directors propose that the loss for the year of SEK 223,784,431, together with retained earnings of SEK 5,603,372,001, amounting to a total of SEK 5,379,587,570 be carried forward.

Note 15 Significant events after the end of the financial year

With effect from 14 April 2022, the name of the company was changed from Polystorm Bidco AB to Polygon Group AB.

As from 2022, the Polygon Group AB changed the functional currency from SEK to EUR.



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Signatures of the Board of Directors and CEO

The Board of Directors and the CEO hereby certify that the annual accounts were prepared in accordance with generally accepted accounting standards in Sweden, and that the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as defined in regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, and provide a fair presentation of the Group and the Parent Company's financial position and earnings. The Board of Directors and the CEO also certify that the statutory administration report provides a fair presentation of the Group's and the Parent Company's operations, financial position and earnings and describes the material risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, 17 May 2022

Martin Hamner
/Chairman/

Axel Gränitz
/Board member & CEO/

Ulf Gimbringer
/Board member/

Our audit report concerning this annual report was submitted on 30 May 2022
Ernst & Young AB

Henrik Jonzén
/Authorised Public Accountant/





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Auditor's report

To the general meeting of the shareholders of Polygon Group AB, corporate identity number 559324-6548

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Polygon Group AB for the financial year 2021-06-29-2021-12-31.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. 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 and the Managing Director

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

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors [and the Managing Director].
- Conclude on the appropriateness of the Board of Directors' [and the Managing Director's] use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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



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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 and the Managing Director of Polygon Group AB for the financial year 2021-06-29-2021-12-31 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 and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm, May 30, 2022

Ernst & Young AB

Henrik Jonzén
Authorized Public Accountant