

YE | 2020

AURELIUS Equity Opportunities AB (Org.nr. 559209-9567)
Annual report 2020





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AURELIUS EQUITY OPPORTUNITIES AB (Org. Nb. 559209-9567)

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AURELIUS EQUITY OPPORTUNITIES AB

Org. Nb. 559209-9567

Annual Report for the period January 1 until December 31, 2020

The year in brief

Significant events in 2020

- In 2020, new Covid-19 virus spread all over the world and was declared as a pandemic in mid March 2020 from WHO. The macroeconomic development in 2020 was dominated by the Covid-19 pandemic and subsequent recession, which was the deepest since the Second World War. Global gross domestic product (GDP) is expected to contract by 4.5 percent in 2020, after it grew by 2.6 percent in 2019. There was no impact on the company.
- The process to change the company's accounting currency from Swedish Krona (SEK) to Euro (EUR) was registered in 2020 and needs to be adapted beginning from January 2021.
- On April 29, 2020, AURELIUS Equity Opportunities AB submitted an application to NASDAQ OMX Helsinki Ltd. to apply for the listing of the Bonds on the regulated market. The Bonds were admitted to public trading on May 4, 2020.
- The Company has chosen Finland as its home member state for the purposes of Directive 2004/109/EC of the European Parliament and its periodic disclosure obligation under the Finnish Securities Markets Act on June 8, 2020.
- Steffen Schiefer has stepped down as board member in 2020.
- Florian Winkel was appointed as new board member and chairman on November 26, 2020.

Significant events after year-end

- The company changed its accounting currency from Swedish Krona (SEK) to Euro (EUR) beginning from January 1, 2021.
- Dr. Dirk Markus, who is chair of the board, resigned on December 21, 2020, which became effective with registration on February 15, 2021.
- Nils Haase was appointed as new board member on December 21, 2020, which became effective with registration on February 15, 2021.
- No other significant events have taken place in 2021.



The company in brief

AURELIUS Equity Opportunities AB (former: Goldcup 100555 AB) is a Swedish public limited company based in Stockholm (Registration number 559209-9567). The company was incorporated in June 2019 and became a 100% subsidiary of AURELIUS Equity Opportunities SE & Co. KGaA (ISIN DE000A0JK2A8) in October 2019.

The object of the company is to issue, own, hold and transfer securities and activities compatible therewith. In this context the company placed senior unsecured 5-year floating rate bonds with a volume of EUR 75 million in December 2019. The bonds shall carry interest at EURIBOR (three months), EURIBOR floor at zero percent, plus a margin of 425 basis points and can be increased to up to EUR 200 million. The bonds are guaranteed by the German Holding AURELIUS Equity Opportunities SE & Co. KGaA.

On April 29, 2020, AURELIUS Equity Opportunities AB submitted an application to NASDAQ OMX Helsinki Ltd. to apply for the listing of the Bonds on the regulated market. The Bonds were admitted to public trading on May 4, 2020 with WKN: A2SAP3 and ISIN: NO0010861487.

The process to change the company's accounting currency from Swedish Krona (SEK) to Euro (EUR) was registered in 2020 and needs to be adapted beginning from January 2021.



Directors' Report

The Board of Directors and the Managing Director of AURELIUS Equity Opportunities AB, corporate registration number 559209-9567, hereby submit their annual report for the financial year January 1, 2020 to December 31, 2020.

Unless otherwise stated, all amounts are stated in Swedish krona (SEK). Due to the incorporation within the fiscal year 2019 the corresponding period of the preceding year is not fully comparable to full year figures for financial year 2020.

Information about the operations

AURELIUS Equity Opportunities AB (former: Goldcup 100555 AB) is a Swedish public company based in Stockholm (Registration number 559209-9567). The company was incorporated in June 2019 and its object is to issue, own, hold and transfer securities and activities compatible therewith. In this regard the company placed senior unsecured 5-year floating rate bonds with a volume of EUR 75 million in December 2019. The bonds shall carry interest at EURIBOR (three months), EURIBOR floor at zero percent, plus a margin of 425 basis points and can be increased to up to EUR 200 million. The bonds are guaranteed by the German parent company AURELIUS Equity Opportunities SE & Co. KGaA.

In December 2019, the company signed an intercompany loan agreement with the AURELIUS Equity Opportunities SE & Co. KGaA and transferred an amount of 71.5m EUR to the Holding.

AURELIUS Equity Opportunities SE & Co. KGaA, Grünwald (Germany), is a German partnership limited by shares. The company's registered head office is located on Ludwig-Ganghofer-Strasse 6 in 82031 Grünwald. The company is registered with the Munich Registry Court (record HRB221100). AURELIUS today is a holding company with a long-term investment horizon, which specializes in acquiring companies with development potential. By providing operational and financial support, the Company offers its subsidiaries a GOOD HOME for innovation, long-term growth and a secure future. Sustainable business concepts and responsible actions provide a stable environment for the subsidiaries, in the interest of all stakeholders. When selecting target objects, AURELIUS does not pursue a certain industry focus, but has its main focal points of activity in the following areas: IT & business services, industrial enterprises & chemicals, and lifestyle & consumer goods.

The company does not have any employees.

Ownership structure

AURELIUS Equity Opportunities AB became a 100% subsidiary of AURELIUS Equity Opportunities SE & Co. KGaA (ISIN: DE000A0JK2A8) in October 2019.

Corporate Governance

AURELIUS Equity Opportunities AB is a Swedish public limited company based in Stockholm (Registration number 559209-9567). The company is a 100% subsidiary of AURELIUS Equity Opportunities SE & Co. KGaA (ISIN DE000A0JK2A8).

In November 2019, AURELIUS Equity Opportunities AB (AURELIUS AB) announced that the company successfully placed senior unsecured 5-year floating rate bonds with a volume of EUR 75 million. The bonds shall carry interest at EURIBOR (three months), EURIBOR floor at zero percent, plus a margin of 425 basis points and can be increased



to up to EUR 200 million. The bonds were listed on the Open Market in Germany with WKN: A2SAP3 and ISIN: NO0010861487 since December 5, 2019. Since May 2020, the bonds are listed on the regulated market in Finland (NASDAQ Helsinki Ltd) as well.

Due to the listing on a regulated market the company must prepare a corporate governance report in accordance with the Annual Accounts Act.

The consolidated financial statements of the parent company, AURELIUS Equity Opportunities SE & Co. KGaA, are prepared in accordance with the International Financial Reporting Standards as applicable in the European Union and the German commercial regulations to be applied additionally in accordance with Section 315e (1) of the German Commercial Code (HGB) in conjunction with Section 315e (3) HGB. The consolidated financial statements cover the German parent company and its subsidiaries including AURELIUS Equity Opportunities AB. AURELIUS Equity Opportunities SE & Co. KGaA is a holding company with a long-term investment horizon, which specializes in acquiring companies with development potential. By providing operational and financial support, the Company offers its subsidiaries a “good home” for innovation, long-term growth and a secure future. Sustainable business concepts and responsible actions provide a stable environment for the subsidiaries, in the interest of all stakeholders. When selecting target objects, AURELIUS Equity Opportunities SE & Co. KGaA does not pursue a certain industry focus, but has its main focal points of activity in the following areas: IT & business services, industrial enterprises & chemicals, and lifestyle & consumer goods.

In the period from June 26, 2006, to April 9, 2012, the shares of AURELIUS Equity Opportunities SE & Co. KGaA were traded in the Open Market section of the Frankfurt Stock Exchange. Effective April 10, 2012, the shares have been listed in the small and medium-sized enterprises segment m:access (open market) of the Munich Stock Exchange, which is not an organized market within the meaning of Section 2(5) WpHG. Thus, the German Company is not a capital markets-oriented company within the meaning of this legal requirement. As a consequence, AURELIUS Equity Opportunities SE & Co. KGaA is not engaged to prepare a corporate governance report.

The risk management at AURELIUS has a systematic, multi-level risk management system in place to avoid, mitigate and manage significant risks arising from the business activities of the corporate group to best effect. It is used to identify, track and subsequently evaluate existing and potential risks. The risk management system is designed to provide a comprehensive overview of the risk position of the corporate group. Events with significant negative financial effects on the corporate group must be identified promptly so that measures can be defined and taken to mitigate, avoid and manage such risks.

Potential risks are classified by different risk fields like (1) financial risks, (2) sales risks, (3) production risks, (4) procurement risks, (5) IT risks, (6) personnel risks and (7) external risks. AURELIUS SE has set up an internal control system which defines rules and regulations for managing the company activities (internal control system) and for monitoring compliance with these rules and regulations (internal monitoring system). The parts of the internal control system geared to the company’s business activities are designed to ensure their effectiveness and efficiency and to protect the company’s assets. It is also the task of the internal control system to ensure the orderliness and reliability of the internal and external reporting and ensure compliance with the regulations and laws applicable to the portfolio company. We refer to note 2 (Risk Management) for further information.

There is a continuous process for identifying, evaluating and managing the significant risks faced by the company. This process has been in place throughout the year and up to date of approval of the Annual Report and Financial Statements. The process includes, among other things, the review on the company’s overall framework for internal control over financial reporting, the company’s overall framework for risk management with particular emphasis on financial risks, the accounting policies and practices of the company, the annual and quarterly financial



reporting carried out by the company. The board of directors of AURELIUS AB shall perform the duties of an audit committee. They shall monitor the company's financial reporting and make recommendations and proposals to ensure the reliability of the reporting. The board of directors shall in relation to the financial reporting, monitor the efficiency of the company's internal controls, internal audits and risk management. Additionally they shall keep itself informed about the audit of the annual report and group accounts and about the conclusions of the quality controls performed by the Swedish Supervisory Authority of Public Accountants. The board of directors shall be informed about the result of the audit and the way the audit contributed to the reliability of the financial reporting, and also about the function of the audit committee. They shall review and monitor the impartiality and independence of the auditor, paying particular attention to whether the auditor provides the company with services other than auditing services and assist in preparing draft resolutions for election of auditors to be passed at a general meeting.

There are no restrictions at a general meeting on votes of shareholders.

The Annual General Meeting elects and, if necessary, dismisses the Board of Directors and the Chairman of the Board, adopts the company's balance sheet and profit and loss account, decides on the distribution of profits and decides on the discharge from liability of the Board members and the CEO. The Annual General Meeting also elects the company's auditors and decides on the remuneration of the Board of Directors and the auditors' fees. The AGM also decides on any changes to the Articles of Association.



Board of Directors

Leif Lupp, Managing Director

Leif Lupp, Head of AURELIUS Nordics, joined AURELIUS in 2017. He studied business administration at Johann-Wolfgang-Goethe University in Frankfurt am Main and started his business career at Barclays Capital in Frankfurt and London. Afterwards he became Head of Corporate Finance at Vestas Wind Systems. Before he started at AURELIUS he was Partner at Swiss IMCap Partner AG.

Florian Winkel, Chair of the board (beginning November 26, 2020 as board member)

Florian Winkel, Vice President Finance of the AURELIUS Group, joined AURELIUS in 2008 and studied business administration at University of Osnabrück.

In 2005 he started his business career at PricewaterhouseCoopers Germany and was in charge of the audit of a DAX-listed financial investor. During this time he accompanies two IPOs. In 2019 he passed his exam as Certified Valuation Analyst.

Florian is chair of the Board with effective date February 15, 2021 and at AURELIUS responsible for Accounting, Valuation, Controlling and Treasury.

Nils Haase (beginning with registration at February 15, 2021)

Nils Haase, Vice President Operations, joined Aurelius in 2008. He holds a degree in Engineering and Business Administration from the University of Hamburg. During his time at AURELIUS Nils Haase was responsible for the successful turn around, development and exits of several portfolio companies. Today he is also responsible for Conaxess Trade. Prior to joining AURELIUS he was leading the Corporate Development Department of Computer Sciences Corporation in Germany and was executing venture capital investment for a well known German Entrepreneur.

Dr. Dirk Markus, Chair of the board (until registration at February 15, 2021)

Dr. Dirk Markus, CEO and Founder of AURELIUS Equity Opportunities SE & Co. KGaA, has overseen more than 80 private equity transactions since buying his first business in 2002. Previously he was with McKinsey & Company, where as a project manager he focused on process optimization and digitization as well as restructuring topics.

Dirk was born in Regensburg, Germany, and grew up in Austria. He studied business administration in St. Gallen, Switzerland, and Copenhagen as a scholar of the German Academic Scholarship Foundation (Studienstiftung) and was awarded a PhD by St. Gallen. During his PhD studies, he spent a term as Visiting Research Fellow at Harvard University.

Dirk is a member of the board of Trustees of the START Foundation, providing scholarships to gifted children with a migration background.



Steffen Schiefer (until September 4, 2020)

After studying business administration at Johann-Wolfgang-Goethe University in Frankfurt am Main, Steffen Schiefer, CFO of AURELIUS Equity Opportunities SE & Co. KGaA, worked for DAX-listed Metallgesellschaft AG in Frankfurt am Main. In 1996, he joined ProSiebenSat.1 Media AG as part of the IPO team. As Vice President Group Accounting, he was responsible for setting up the group accounting. He also served as Chief Financial Officer of wetter.com AG, a subsidiary of the ProSiebenSat.1 Group.

In 2008, Steffen joined AURELIUS as Director Finance and was CFO since 2012. He was responsible for internal and external accounting as well as valuation, taxes, treasury and internal auditing.

Steffen Schiefer passed away on September 4, 2020 following a serious illness.



Financial overview

AURELIUS Equity Opportunities AB was initially incorporated during 2019. Due to the incorporation within the fiscal year 2019 the corresponding period of the preceding year is not fully comparable to full year figures for financial year 2020. Additionally the issuing of the bond was done on December 5, 2019, whereas the related figures (e.g. interest expenses) cannot be compared to fiscal year 2020.

Economical development of the company's business, results and position	in kSEK	in kSEK
Economical overview	2020	2019
Earnings before taxes (EBT)	1,722	-1,207
Total assets	733,909	749,138
Equity ratio	1.7%	1.5%

Financial development

Interest income for the fiscal year amounted to kSEK 36,371 (PY: kSEK 1,582) and consists of the Intercompany loan agreement with the German parent company AURELIUS Equity Opportunities SE & Co. KGaA.

Interest and similar expenses are related to the accrued interest expenses regarding the bonds placed by the company in December 2019.

FX gains amounted to kSEK 3,472 net (PY: loss of kSEK 149 net).

Net income for the year amounted to kSEK 1,386 (PY: net loss of kSEK 1,207).

The cash and cash equivalents as of December 31 amounted to kSEK 8,950 (PY: kSEK 4,426).

As of December 31, 2020, the equity ratio was 1.7 per cent (PY: 1.5 %) and total equity amounted to kSEK 12,293 (PY: kSEK 10,907).

Total assets at year end 2020 amounted to kSEK 733,909 (PY: kSEK 749,138).

The cash flows are as follows:

- Cash flow from operating activities is kSEK -3,411 (PY: kSEK -84).
- Cash flow from investing activities is kSEK 0 (PY: kSEK -744,555).
- Cash flow from financing activities is kSEK 9,030 (PY: kSEK 754,841).
- Cash flow for the financial year 2020 is kSEK 4,524 (PY: kSEK 4,426).

Unconditional Shareholders Contribution

In November 2019 an unconditional shareholders' contribution in the aggregate amount of kSEK 11,614 was received. This contribution provided cash to run operations in 2020.



Significant events during the year

In 2020, new Covid-19 virus spread all over the world and was declared as a pandemic in mid March 2020 from WHO. The macroeconomic development in 2020 was dominated by the Covid-19 pandemic and subsequent recession, which was the deepest since the Second World War. Global gross domestic product (GDP) is expected to contract by 4.5 percent in 2020, after it grew by 2.6 percent in 2019. There was no impact on the company.

The process to change the company's accounting currency from Swedish Krona (SEK) to Euro (EUR) was registered in 2020 and needs to be adapted beginning from January 2021.

On April 29, 2020, AURELIUS Equity Opportunities AB submitted an application to NASDAQ OMX Helsinki Ltd. to apply for the listing of the Bonds on the regulated market. The Bonds were admitted to public trading on May 4, 2020.

The Company has chosen Finland as its home member state for the purposes of Directive 2004/109/EC of the European Parliament and its periodic disclosure obligation under the Finnish Securities Markets Act on June 8, 2020.

Steffen Schiefer stepped down as board member in 2020.

Florian Winkel was appointed as new board member on November 26, 2020.

The company was not affected by the Covid-19 pandemic as the object of the company is the issuing of the bonds, which already took place in December 2019 and mature in December 2024. As there is no operating business besides of the bond issuing, which could have been affected by Covid-19 pandemic, the company does not face any negative impacts in relation to this.

On the level of German parent company, AURELIUS management analyses the situation of the Group companies in a timely manner and in close coordination with the local operational management. Due to the close proximity to the Group companies, it was thus possible to develop and implement extensive action plans at the various levels - holding companies and Group companies - directly after the outbreak of the Covid-19 pandemic to protect the health of employees, minimize risks to business processes and cushion the challenging external conditions. For example, all employees can work from home office and, where necessary, emergency services have been established in the holding company, offices and Group companies to deal with urgent requests. Furthermore, safety distances have been introduced at production sites and continuous disinfection of workplaces has been ensured. The safety of all employees and the maintenance of supply chains and production capacities remain a top priority. Measures such as short-time work and other financial support from the government in various European countries are helping to secure the financing of ongoing business and compensate for short-term liquidity shortfalls and needs.

AURELIUS has responded quickly to the changing conditions and has thus come through the Corona crisis better than initially assumed. However, renewed lockdowns, including local lockdowns, store closures, the introduction of travel restrictions and restrictions on freight traffic, and thus possible supply bottlenecks and disruptions in the logistics chains, could have a negative impact on the net assets, financial position, results of operations and corporate planning of individual Group companies and thus also of the AURELIUS Group.



Significant events following year-end

The company changed its accounting currency from Swedish Krona (SEK) to Euro (EUR) beginning from January 1, 2021.

Dr. Dirk Markus, who is chair of the board, resigned on December 21, 2020, which became effective with registration on February 15, 2021.

Nils Haase was appointed as new board member on December 21, 2020, which became effective with registration on February 15, 2021.

Florian Winkel was appointed as chair of the board on February 15, 2021.

No other significant events have taken place in 2021.

Organisation

The number of employees as of December 31, 2020 was zero (PY: 0).

Board of Directors

The Board of Directors overall mission is to be responsible for the company's organisation and the administration of the company's affairs. When conducting its mission, the Board has to satisfy the interests of all shareholders. The Board comprised Florian Winkel (chairman), Leif Lupp (managing director) and Nils Haase.

Steffen Schiefer stepped down as board member in 2020 and Dr. Dirk Markus stepped down as board member in 2021.

Proposed allocation of profit

The Board of Directors propose that no dividend be paid for the fiscal year 2020.

Proposed allocation of profit

Funds available for distribution by the AGM	in SEK
Profit carried-forward	10,406,852
Profit for the FY 2020	1,385,653
Total	11,792,505

The Board of Directors proposes that the whole amount shall be carried forward.

Regarding the company's earnings and position in other respects, reference is made to the following income statements and balance sheets, the statement of changes in equity, the cash-flow statement and the accompanying notes and comments to the accounts.



FINANCIAL STATEMENTS

INCOME STATEMENT

of AURELIUS Equity Opportunities AB
for the period from January 1 to December 31, 2020

in kSEK	Note	1/1 - 12/31/2020	6/24 - 12/31/2019*
Other expenses		-1,637	-1
Earnings before interest, taxes, depreciation and amortization (EBITDA)		-1,637	-1
Other interest and similar income	6.1	13,189	157
Interest and similar expenses	6.2	-9,830	-1,363
<i>Net financial income/expenses</i>		3,359	-1,206
Earnings before taxes (EBT)		1,722	-1,207
Income taxes		-337	- / -
Profit/loss for the period and comprehensive income		1,386	-1,207

* The company was incorporated in June 2019. Therefore no full comparable prior-year figures are available.



STATEMENT OF FINANCIAL POSITION

of AURELIUS Equity Opportunities AB at December 31, 2020

ASSETS				
in kSEK	Note	12/31/2020	12/31/2019	
Non-current assets				
Financial assets	6.3	722,040	744,712	
Total non-current assets		722,040	744,712	
Current assets				
Other current assets		2,920	- / -	
Cash and cash equivalents		8,950	4,426	
Total current assets		11,869	4,426	
Total assets		733,909	749,138	
EQUITY AND LIABILITIES				
Equity	6.4			
Restricted Equity				
Share Capital		500	500	
Total restricted equity		500	500	
Non-restricted Equity				
Profit brought forward		10,407	11,614	
Profit/loss for the current year		1,386	-1,207	
Total non-restricted equity		11,793	10,407	
Total equity		12,293	10,907	
Non-current liabilities				
Financial liabilities	6.5	718,915	732,227	
Total non-current liabilities		718,915	732,227	
Current liabilities				
Other current liabilities		485	- / -	
Financial liabilities	6.6	2,217	6,004	
Total current liabilities		2,702	6,004	
Total equity and liabilities		733,909	749,138	



STATEMENT OF CHANGES IN EQUITY

of AURELIUS Equity Opportunities AB at December 31, 2020

in kSEK	Share capital	Profit brought forward	Total equity
June 24, 2019	500	- / -	500
Profit / loss for the period	- / -	-1,207	-1,207
Shareholder's contribution	- / -	11,614	11,614
December 31, 2019	500	10,407	10,907
Profit / loss for the period	- / -	1,386	1,386
December 31, 2020	500	11,793	12,293

STATEMENT OF CASH FLOWS

of AURELIUS Equity Opportunities AB
for the period from January 1 to December 31, 2020

in kSEK	1/1 - 12/31/2020	6/24 - 12/31/2019*
Earnings before taxes (EBT)	1,722	-1,207
Unpaid interest income	-895	-1,582
Unpaid interest expenses	87	2,556
Other non-cash income (-) / expenses (+)	2,627	- / -
Increase (+) / decrease (-) in other items of the statement of financial position	-2,771	- / -
Tax payments (-)	- / -	- / -
Foreign exchange differences	-4,181	149
Cash flow from operating activities	-3,411	-84
Cash-outflows from lending to parent company	- / -	-744,555
Cash flow from investing activities	- / -	-744,555
Free cash flow	-3,411	-744,639
Foundation of the company	- / -	500
Shareholders' contribution	- / -	11,614
Bond payment, net after taxes	9,030	742,727
Cash flow from financing activities	9,030	754,841
Cash and cash equivalents, beginning of period	4,426	- / -
Exchange rate differences in cash and cash equivalents	-1,095	-5,776
Change in cash and cash equivalents	5,619	10,202
Cash and cash equivalents, end of period	8,950	4,426

* The company was incorporated in June 2019. Therefore no full comparable prior-year figures are available.



NOTES WITH ACCOUNTING POLICIES AND VALUATION PRINCIPLES AND COMMENTS ON THE FINANCIAL STATEMENTS

Note 1 General information

AURELIUS Equity Opportunities AB is a limited liability company registered and headquartered in Sweden and with its registered head office in Stockholm. The company is a Swedish public company.

The object of the company is to issue, own, hold and transfer securities and activities compatible therewith. In this context the company placed senior unsecured 5-year floating rate bonds with a volume of EUR 75 million in December 2019. The Bonds were admitted to public trading on May 4, 2020 with WKN: A2SAP3 and ISIN: NO0010861487.

The period for the annual financial statement for financial year 2020 equals calendar year.

Note 2 Risk Management

In December 2019 the company placed senior unsecured 5-year floating rate bonds with a volume of EUR 75 million. Also in December, the company signed an intercompany loan agreement with the parent company AURELIUS Equity Opportunities SE & Co. KGaA and transferred an amount of 71.5m EUR to the Holding. Therefore the currency risk on AURELIUS Equity Opportunities AB level is very limited.

The bonds are guaranteed by the German parent company. Therefore the main and following risks are related to the business model of the parent company.

Risk management plays a key role in the AURELIUS Equity Opportunities SE & Co. KGaA (following: AURELIUS / parent company) business model, helping to identify deviations from the defined targets at an early stage and enable appropriate counter-measures to be taken promptly. These deviations may be both positive (opportunities) and negative (risks).

The specific investment focus of AURELIUS of acquiring companies in situations of transition or distress, without a secure succession plan, with poor profitability or a need for restructuring, contains a large amount of potential for increasing value. If AURELIUS proves successful in developing the acquired companies, the value of these portfolio companies may increase greatly. To this end, the portfolio companies' strengths and weaknesses are analysed in their market environment as part of the strategy for each company. The opportunities and potential for optimization which this process reveals are made available for the portfolio company to exploit.

The acquisition of companies in situations of transition or distress regularly includes a not inconsiderable business risk. Consequently, AURELIUS has experienced experts from the Finance, Legal Affairs, Mergers & Acquisitions and Taxes departments perform detailed due diligence checks on potential subsidiaries. In some cases, they are supported by external advisors. Nevertheless, it is conceivable in this context that risks in the target companies will not be recognized or be wrongly assessed. Risk notably consists of an incorrect evaluation of a given company's future prospects or ability to be restructured, or in failing to ascertain or identify the subsidiary's liabilities, obligations and other commitments at the time of acquisition despite careful checks. If the achievable market position, earnings potential, profitability, growth options or other key success factors are wrongly assessed, this has consequences for the operational development of the company and hence for the



return on investment. At the same time, the profitability of the corporate group could be depressed by impairment losses in subsequent financial years.

The fundamental goal of AURELIUS is the restructuring of a portfolio company for profitability as fast as possible in order to keep the liquidity requirements and operating losses to a minimum after the acquisition and to increase the value of the acquired company in the medium term and realize earnings on dividends and gains on disposal. It is possible, however, that the measures initiated will not prove successful and the breakeven point will not be reached for any number of reasons. This could result in subsidiaries having to be sold again for less than their acquisition price or, in the worst case, being forced to file for bankruptcy as a last resort. In this instance, AURELIUS would suffer the complete loss of the capital employed, meaning that all funds that the corporate group had employed to acquire, support and possibly also finance the subsidiary. At the present time, this scenario has a low probability with regard to nearly all the corporate groups of AURELIUS. AURELIUS generally does not enter into profit-and-loss-transfer agreements or cash-pooling agreements with its subsidiaries. This policy serves to limit the effects should the restructuring of a given subsidiary fail.

AURELIUS can generate earnings by selling portfolio companies to private, institutional or strategic investors, or arranging an IPO. AURELIUS can, however, not give any guarantees regarding the timing of a possible sale or that the disposal of a portfolio company will be possible at all or with a given return. Notably the economic and industry-specific environment, the condition of the capital markets and also other unforeseeable factors have a decisive influence on the amount of possible proceeds upon disposal. In the event of a negative economic and/or industry environment and/or weak financial markets, disposals may not be possible or may only be possible with high price discounts. Even if the portfolio companies perform well, there is the risk that it will not be possible to realize a suitable price upon disposal due to a negative economic, industry and/or capital market environment. At the same time, a strong economic performance can have a positive impact on the earnings of the portfolio companies and hence on the purchase price that can be realized in the future.

The risk management at AURELIUS has a systematic, multi-level risk management system in place to avoid, mitigate and manage significant risks arising from the business activities of the corporate group to best effect. It is used to identify, track and subsequently evaluate existing and potential risks. The risk management system is designed to provide a comprehensive overview of the risk position of the corporate group. Events with significant negative financial effects on the corporate group must be identified promptly so that measures can be defined and taken to mitigate, avoid and manage such risks. Revenues, EBITDA and cash and cash equivalents are the central planning and control metric in the AURELIUS Group in this context.

Potential risks are classified by different risk fields like (1) financial risks, (2) sales risks, (3) production risks, (4) procurement risks, (5) IT risks, (6) personnel risks and (7) external risks. AURELIUS has set up an internal control system which defines rules and regulations for managing the company activities (internal control system) and for monitoring compliance with these rules and regulations (internal monitoring system). The parts of the internal control system geared to the company's business activities are designed to ensure their effectiveness and efficiency and to protect the company's assets. It is also the task of the internal control system to ensure the orderliness and reliability of the internal and external reporting and ensure compliance with the regulations and laws applicable to the portfolio company.



1) FINANCIAL RISKS

Loss of receivables

It has been observed in the past that commercial credit insurers may be inclined to withdraw from current commitments in full or in part, or subject them to intensive audits or adjust the insurance terms to the detriment of the insured. Depending on the circumstances, such behaviour could potentially lead to heightened liquidity needs on the part of individual portfolio companies. It would also increase the risk of heightened losses on receivables if commercial credits would prove to be uninsurable. AURELIUS attempts to counter these risks by conducting receivables management in a manner appropriate for the given market situation. In addition, most portfolio companies work with commercial credit insurers that cover most of the potential loss on receivables. If it would not be possible to obtain adequate insurance for the given business partner, AURELIUS would have the option of demanding payment in advance.

Changes in market interest rates

In the ordinary course of business, AURELIUS invests surplus funds in the capital markets. Changes in the level of interest rates could impair the value of the Group's financial investments, which would have a negative effect on its financial performance. Furthermore, the level and development of interest rates could also influence AURELIUS' funding costs. The extent of this risk depends on the general funding need that must be covered with borrowed funds, on the current level of interest rates, and on the fixed interest periods of borrowed loans or credits. Moreover, rising interest rates increase the funding costs of the portfolio companies, which could have a lasting negative effect on the restructuring, dividend-paying capacity and even the sale prospects of the portfolio companies.

Change in exchange rates

Currency and exchange rate risk can arise when, for instance, subsidiaries are acquired from foreign companies and paid for in foreign currency, or when the portfolio companies conduct business with international ramifications, or when the portfolio companies have foreign subsidiaries. The Corporate Finance department identifies and analyses financial risks in cooperation with the Group's operating units. A large part of the revenues, earnings and expenses of AURELIUS are still generated and incurred in the eurozone. Consequently, the Group is relatively independent of changes in exchange rates with respect to these amounts. Where appropriate, derivative financial instruments are used to hedge exchange rate risk arising on transactions that are denominated in foreign currency.

Tax risks

AURELIUS is currently not aware of any tax risks in the AURELIUS Group that would have a significant influence on the financial position, cash flows and financial performance of the Group.

Liabilities on the level of the portfolio companies

Because the portfolio companies of AURELIUS are usually in a state of transition, the financial position ratios agreed with the banks (covenants) could be missed, which would entitle the respective lenders to terminate the loan. If the portfolio company would fail to attain its budget targets, moreover, it could be impossible to repay liabilities, or such repayment could be delayed. To minimize this risk and promptly counter it where necessary, AURELIUS continually reviews the business plans of each portfolio company, in close consultation with the respective management team, and regularly analyses budget variances.

2) SALES RISKS

The introduction of new brands or product innovations is an important aspect of the restructuring of the individual portfolio companies of AURELIUS. Such product launches harbour the risk that the funds invested in product launches are not recouped by the planned cash flows and budgeted profit contributions are not at-



tained. To reduce this risk, products are developed with due care and various tests are conducted. The loss of key customers or the postponement of primarily larger orders could lead to negative effects on the financial performance, cash flows and financial position of individual AURELIUS portfolio companies. The company counters this risk by actively cultivating customer relationships and conducting systematic sales and marketing work. AURELIUS strives to enter into long-term agreements particularly with customers that make up a large percentage of the revenues of the respective AURELIUS portfolio company, as a means of enhancing planning security. In addition, periodic analyses are conducted, particularly in those companies that operate in the consumer goods and services segment, for the purpose of enhancing the effectiveness of marketing and customer retention programs.

3) PRODUCTION RISKS

The individual portfolio companies of AURELIUS are exposed to various production risks, including the risk that the production optimization and production cost reduction measures conducted after the acquisition by AURELIUS do not yield the intended effects, or only after a delay, and cost savings in production cannot be realized, or only after a delay. Quality problems and delays in the introduction of new products and developments could lead to a loss of orders and customers for the respective company. This could adversely affect the financial performance, cash flows and financial position of the respective company. AURELIUS counters these risks by deploying its own, experienced functional specialists and by closely monitoring production processes.

4) PROCUREMENT RISKS

Regarding procurement, the AURELIUS portfolio companies are exposed to risks such as the loss of suppliers, late deliveries or quality-deficient deliveries, and price fluctuations particularly of raw materials. AURELIUS counters these risks by engaging in professional procurement management and by closely monitoring the respective suppliers. Price fluctuations are neutralized by hedging transactions whenever possible.

5) IT RISKS

The business and production processes, as well as the internal and external communications of AURELIUS and its portfolio companies, are increasingly based on information technologies. A serious disturbance or even failure of these systems could result in data losses and impair the portfolio company's business and production processes. IT documentation and continuous monitoring are integral aspects of the internal control and risk management system of AURELIUS. Other measures include compliance with security guidelines, access control and data back-up concepts, and documentation of licenses and internally developed software.

6) PERSONNEL RISKS

The extensive experience of the management is crucial to the future success of AURELIUS. However, the planned growth of AURELIUS is also dependent on having a sufficiently large number of staff available to handle the acquisition, restructuring and operational management of the portfolio companies in the future. Particularly the restructuring of companies in challenging situations places the highest demands on the management. The availability of qualified personnel, whether internal or external, with industry-relevant practical experience and considerable managerial talent is critical to the success of the AURELIUS's business model. On the other hand, AURELIUS' good reputation, experience and convincing business concept increases the chances of being able to attract and retain the best workers available in the market.



7) EXTERNAL RISKS

Economic changes

The commercial success of the portfolio companies is influenced by the general economic situation and the cyclical development of the markets in which the subsidiary in question operates. A positive economic environment has a positive effect on the financial position, cash flows and financial performance, and hence on the company value, of the portfolio companies, which in the final analysis also has a positive impact on the financial position, cash flows and financial performance of AURELIUS. Economic downturns, on the other hand, generally also have a negative impact on the operational development and restructuring of the individual portfolio companies. Related to the acquisition activities of AURELIUS, it should be noted that more companies or divisions are put for sale during periods of weak economic growth. Given fewer potential buyers at the same time, this can sometimes result in lower purchase prices. However, recessionary tendencies are also reflected in significant discounts on the selling prices that can be realized on account of lower valuation levels.

Industry-specific changes

AURELIUS does not focus on any specific industries when identifying suitable acquisition targets. Instead, the ability to be restructured and the future prospects are the main criteria when selecting companies. Despite a careful selection process, there is a risk for every subsidiary that the restructuring efforts will fail, which could result in the bankruptcy of the subsidiary in extreme cases. AURELIUS does, however, make every effort to minimize the risk arising from the economic development of individual companies, industries or regions within the portfolio of subsidiaries by means of diversification.

Changes in the competitive situation

Building on its long-standing network of contacts with M&A consultants, corporate groups and other potential sellers, AURELIUS is regularly involved in disposal processes and on occasion even benefits in the form of lower purchase prices. Greater interest in companies in situations of transition or distress could lead to stronger competition for the companies that are for sale and an increase in the average purchase prices to be paid. This would reduce the return prospects on the investment in question and increase the financial risk for AURELIUS. However, the positive development that AURELIUS has demonstrated in the past from the restructuring of companies, coupled with the many years of experience boasted by management with companies in situations of transition or distress, give AURELIUS a decisive competitive advantage.

Overall assessment of the opportunity and risk situation

The AURELIUS business model continues to stand to benefit from the trend for corporate groups to concentrate on their core business and dispose of non-core operations as a result. As these peripheral activities were often neglected in the past, this yields above-average potential for AURELIUS to boost profitability and hence also the value of these companies. In addition, there will be a considerable number of company disposals going forward on account of unclear succession arrangements. To exploit these opportunities, AURELIUS employs in-house specialists in the Mergers & Acquisitions department who constantly monitor the market for company acquisitions and disposals to identify appropriate opportunities. During their restructuring, the portfolio companies benefit from the operational deployment of AURELIUS functional specialists. Active operational and financial support help to secure the future and jobs at the portfolio companies, improve their market position and hence boost the profitability and company value in the long run. Given the present circumstances, the overall risk situation of AURELIUS is limited in scope and manageable. Based on the information that is currently available, no risks can be identified which, individually or in combination, could endanger the continued existence of AURELIUS as a going concern. However, it is possible that, as a result of the still uncertain outlook for the global economy in particular, future results could deviate from the current expectations of the AURELIUS Executive Board. There is no single risk that could threaten the survival of AURELIUS as a whole.



NOTE 3 ACCOUNTING POLICIES AND VALUATION PRINCIPLES

The most important accounting policies and valuation principles applied in the preparation of this annual report are described below and are unchanged compared to the prior year period, which comprised the shortened fiscal year. The company's functional currency is SEK (Swedish krona), which is also the reporting currency for the company. This means that the financial statements are presented in SEK. All amounts, unless otherwise stated, are specified in SEK. The process to change the company's accounting currency from Swedish Krona (SEK) to Euro (EUR) was registered in 2020 and needs to be adapted beginning from January 2021.

None of new and amended IFRS standards effective from 1 January 2020 or later are expected to affect the company.

NOTE 3.1 BASIS FOR PREPARING THE FINANCIAL STATEMENTS

The annual accounts are prepared according to the Swedish Annual Accounts Act (ÅRL) and RFR 2 (Swedish Financial Reporting Board) Accounting for Legal Entities. According to RFR 2 a company must apply IFRS as adopted by the EU as far as this is possible within the framework of ÅRL and the Swedish Pension Obligations Vesting Act, and with consideration for the connection between accounting and taxation. The recommendation sets out the exceptions and additions to IFRS that may be applied.

These annual accounts are prepared in accordance with RFR 2. The comparative period only comprises a shortened fiscal year and is not fully comparable. The company has only one reportable segment.

The financial statements of the company are established with the adoption of the principle of going concern.

NOTE 3.2 FOREIGN CURRENCIES

The items presented in the income statement and balance sheet that have a different functional currency than Swedish Krona are translated to SEK as follows:

- Monetary assets and liabilities are translated at the exchange rate on the respective reporting date.
- Currency translation differences are recognized as a financial item.

Foreign currency transactions are translated at the exchange rate on the transaction date. Profits and losses that arise from such transactions are recognized in the income statement. Effective January 1, 2021, AURELIUS Equity Opportunities AB changed its functional currency to Euro.

NOTE 3.3 INTEREST INCOME AND EXPENSES

Interest income and expenses are in accordance with the effective interest method. The interest rate to be applied upon initial recognition is the rate that discounts the estimated future cash payments and receipts through the life of the financial asset to the net carrying amount of the asset.

NOTE 3.4 INCOME TAXES

Total income tax expenses are calculated as the sum of current tax and deferred taxes. Both types of tax expenses are recognized as expenses in the income statement, unless they refer to items that are recognized in equity, in which case the corresponding taxes are also recognized directly in equity.

Deferred taxes represent the tax liabilities or assets expected to result from differences between the carrying and taxable amounts of assets and liabilities. The balance sheet method is applied for that purpose. Deferred tax liabilities are recognized in respect of all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available in the future for which the deductible temporary differences can be utilized. Such deferred tax assets and deferred tax liabilities are not recognized if the tempo-



rary differences from goodwill or from the initial recognition of other assets and liabilities arise as a result of events that affect neither taxable income nor the annual financial statements.

NOTE 3.5 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are to be recognized initially on the transaction date when the company becomes a party to the contractual provisions of the financial instrument. Receivables and issued bonds are recognized at the time when they are issued. A financial asset is measured at fair value upon initial recognition. Trade receivables without a significant financing component are measured at the transaction price upon initial recognition. Transactions costs that are directly allocable to the acquisition or issuance of a financial instrument are added to financial instruments that are not measured at fair value. The carrying amounts of financial assets and liabilities are a reasonable approximation of fair value.

Other financial liabilities, loans, trade payables, and other liabilities, are measured at amortized costs. Trade payables are amounts owed as consideration for goods or services provided to the company in the normal course of business. In the normal business cycle, all liabilities are due in one year or less and are therefore classified as current; otherwise, they are presented as non-current liabilities. For current liabilities, that means they are measured at their repayment or settlement amount, while non-current liabilities and long-term debts are measured at amortized cost in accordance with the effective interest method. The effective interest method is used to calculate the amortized cost of a financial liability and to allocate interest expenses to the respective periods. The effective interest rate is the interest rate that is necessary to discount the estimated future cash outflows, including all fees and remuneration paid and received that are an integral component of the effective interest rate, transaction costs and other premiums or discounts, through the expected life of the financial instrument, or a shorter period to equal the net carrying amount upon initial recognition. In subsequent periods, other financial liabilities are measured at amortized cost by application of the effective interest method. Interest expenses and currency translation gains or losses are recognized in profit or loss. The company derecognizes a financial liability when the related obligation has been paid, cancelled, or has expired. The difference between the carrying amount of the derecognized financial liability and the consideration received or to be received is recognized in the statement of comprehensive income.

For subsequent measurement, financial assets are assigned to different categories. The company's financial assets are measured at amortized cost.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or been transferred and the company has transferred substantially all the risks and rewards of ownership.

NOTE 3.5.1 CLASSIFICATION

The company measures its financial assets at amortised cost.

Contractual cash flows consist solely of payments of principal and interest, for which reason the assets are measured at amortised cost. Interest is defined as the compensation for the time value of money and the default risk associated with an outstanding principal amount over a certain period of time, and for other fundamental credit risks, costs, and a profit margin.

In performing this analysis, the company considers the contractual provisions of the instrument. It also considers contractual provisions that could modify the timing or amounts of contractual cash flows in such a way that they would no longer meet the requirements. The following additional factors are considered in the analysis:



- Certain events that could modify the amount or timing of cash flows,
- Conditions that would adjust the fixed or variable interest rate,
- Early repayment and extension options, and
- Conditions that could limit the right of AURELIUS to cash flows from a certain asset.

In performing this analysis, contractually fixed early repayment options meet the criterion when the repayment amount mainly consists of payments of principal and interest on the outstanding principal.

NOTE 3.5.2 SUBSEQUENT MEASUREMENT OF FINANCIAL LIABILITIES

The company assigns its debt instruments to:

- Amortised costs (AC): Debt instruments that are held for the purpose of collecting the contractual cash flows and are solely payments of principal and interest are measured at amortized cost. Interest income on these financial assets are presented in net financial income/expenses by application of the effective interest method. Gains or losses on derecognition are recognized directly in profit or loss and presented within other income or other expenses after consideration of currency translation gains or losses.

NOTE 3.5.3 IMPAIRMENT OF FINANCIAL ASSETS

The company assesses the expected credit losses associated with its debt instruments measured at amortized cost according to the model for expected credit losses.

In determining whether the default risk of a financial asset has increased significantly since initial recognition and in estimating the expected credit losses, AURELIUS evaluates all appropriate and reliable information that is relevant and available at a reasonable cost of time and money. This includes both quantitative and qualitative information and analyses that are based on past experience and reasoned judgments, including forward-looking information.

Expected lifetime credit losses are expected credit losses that will result from all default events over the expected life of the financial instrument. Twelve-month expected credit losses are the credit losses that will result from default events in the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period to be considered in estimating expected credit losses is the maximum contractual term during which AURELIUS is exposed to credit risk.

Loss allowances are measured on the basis of probability-weighted estimates of credit losses. This is done on the basis of historical data or forward-looking data. The amount of the credit loss is determined as the difference between the payments owed to the company under the corresponding contractual provisions and the payments that are actually collected. The resulting amount is discounted to present value by application of the effective interest rate for the financial asset in question.

As of every balance sheet date, AURELIUS AB determines whether financial assets measured at amortized cost are credit-impaired. This is the case when one or more events occur that have detrimental effects on the future cash flows from the financial asset. The following indications may be considered in making this determination:

- Significant financial difficulties of the issuer or borrower,
- A breach of contract, such as a default or past-due event,
- Restructuring of a loan or credit facility,
- Probable assumption of imminent insolvency or other financial reorganization proceedings of the borrower, or
- The disappearance of an active market for the financial asset because of financial difficulties.



A financial asset is classified as in default when it is improbable that the debtor can completely satisfy its credit obligation without AURELIUS AB having to resort to the execution of collateral.

Impairments of financial assets measured at amortized cost are deducted from the gross carrying amount.

Assumptions that the default risk of a financial asset has increased significantly or that defaults of financial assets will occur are made by reference to average, probability-oriented weighting factors and are based on estimates of the company. A financial asset is completely derecognized when AURELIUS AB cannot reasonably expect that the gross carrying amount of the asset is recoverable in full or in part.

NOTE 3.6 LIQUID FUNDS

Liquid funds comprise cash, demand deposits and other current, highly liquid financial assets with an original maturity of no more than three months. Such assets are measured at face value

NOTE 3.7 EQUITY

The shares of the company are classified as equity. An equity instrument is a contract that evidences a residual interest in the assets of a company after deducting all of its liabilities. Equity instruments are measured at the amount of issue proceeds collected, minus directly allocable issuance costs.

NOTE 3.8 CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method. The recognised cash flow only includes transactions resulting in cash inflows and cash outflows.

NOTE 4 ESTIMATES AND ASSESSMENTS

Preparing the financial statements in accordance with RFR 2 requires that company management make judgments, estimates and assumptions that affect the carrying amounts of assets and liabilities, other information provided in the annual report and the income and expenses recognised during the period. Estimates assessments and assumptions are reviewed regularly. The actual outcome may differ from these assessments, estimates and assumptions. At the moment there are no estimates or assumptions with a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities shown in the annual report.

NOTE 5 FINANCIAL RISK MANAGEMENT

The company is exposed to very limited types of financial risks that could give rise to variations in profit/loss for the year, cash flow and shareholders' equity. In addition, the company is exposed to financing and liquidity risk. The financial risks can primarily be divided into the following categories: market risk (including currency risk, interest-rate risk and price risk), credit risk as well as financing and liquidity risk.

Currency risk

Future transactions may be denominated in both Swedish Krona and Euro (or another foreign currency). At present, the company is not exposed to any significant currency risk and has no activities designed to delay the effects of currency fluctuations. The bonds paid in Euro results in a currency risk that seems to be very manageable, as the intercompany loan agreement with the parent company is also in Euro.

Interest-rate risk

The bonds issued by AURELIUS Equity Opportunities AB in 2019 are interest bearing. The bonds shall carry interest at EURIBOR (three months), EURIBOR floor at zero percent, plus a margin of 425 basis points. An increase in interest rates could result in financial income on the cash. At present the EURIBOR is zero percent. The interest rate in the loan agreement with the parent company is fixed.



Price risk

The company has no investments that could give rise to price risk.

Credit risk

The company has one receivable against the German Parent company. The company considers that the credit risk for this loan is slight. The loan is categorised in step 1 (12 months) and the assessment is that there is no anticipated loss.

Financing and liquidity risk

Financing risk is defined as the risk that costs will increase and financing opportunities will be limited, and that payment obligations cannot be met due to insufficient liquidity or difficulties in obtaining funding. The company works continuously to address liquidity and supply of capital. The bonds are guaranteed by the parent company AURELIUS Equity Opportunities SE & Co. KGaA. The interest payment from the parent company regarding the intercompany loan is made at the same time as the interest payment to the bond issuers, which are paid on a quarterly basis. Both have the same interest payment schedule and maturity.

NOTE 6 DESCRIPTION OF MAIN BALANCE SHEET AND PROFIT AND LOSS ITEMS

Note 6.1. Interest income from securities

in kSEK	1/1 - 12/31/2020	6/24 - 12/31/2019
Interest income	36,371	1,582
Foreign exchange differences	-23,182	-1,425
Total interest income from securities	13,189	157

Note 6.2. Interest expenses and similar items

in kSEK	1/1 - 12/31/2020	6/24 - 12/31/2019
Interest expenses	-36,449	-2,556
Foreign exchange differences from bonds	27,749	7,052
Bank expenses	-35	-84
Foreign exchange differences from bank	-1,095	-5,775
Total interest expenses and similar items	-9,830	-1,363

NOTE 6.3. FINANCIAL ASSETS

The financial assets are related to the loan agreement with the German parent company and are due on December 5, 2024.

NOTE 6.4. EQUITY

Share capital remains unchanged with kSEK 500. The company's share capital is divided into 500,000 shares, each representing a proportional share of capital equal to 1 SEK. The shareholders' contribution remains also unchanged with kSEK 11,614.

NOTE 6.5. NON-CURRENT FINANCIAL LIABILITIES

The financial liabilities are related to the senior unsecured 5-year floating rate bonds with a volume of EUR 75 million placed in December 2019. The bonds are due on December 5, 2024. Of the issued EUR 75 million AURELIUS AB holds EUR 2.2 million (PY: EUR 3.0 million) as own bonds at December 31, 2020.



Interest on the Bonds will be payable quarterly in arrears on March 5, June 5, September 5, and December 5 of each year, beginning on March 5, 2020. The Bonds will mature on December 5, 2024.

AURELIUS Equity Opportunities AB will be entitled at its option to redeem the Bonds, in whole but not in part, (a) at any time prior to the date falling 48 months after the First Issue Date (the “First Call Date”) at a price equivalent to the sum of (i) 100 percent plus 10 percent of the Floating Rate Margin percent of the Nominal Amount; and (ii) the remaining interest payments up to but not including the First Call Date; (b) at any time from the date falling 48 months after the First Issue Date at a price as set out in the term sheet relating to the Bonds (the “Term Sheet”), in each case plus accrued and unpaid interest. Subject to the terms and conditions of the Bonds to be entered into prior to the Issue Date between the Issuer and Nordic Trustee & Agency AB (publ) as Agent on behalf of the Bondholders (the “Terms and Conditions”), upon the occurrence of certain events constituting a Change of Control or De-Listing Event (as defined in the Terms and Conditions), the Issuer will be required to offer to repurchase the Bonds at 101 percent of the principal amount thereof, plus accrued and unpaid interest.

The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least pari passu with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.

NOTE 6.6. ACCRUED EXPENSES AND DEFERRED INCOME

in kSEK	1/1 - 12/31/2020	6/24 - 12/31/2019
Accrued interest expenses	2,217	2,304
Accrued expenses for outstanding invoices	0	3,700
Total accrued expenses and deferred income	2,217	6,004

NOTE 7 PARENT COMPANY

The company is a wholly owned subsidiary of AURELIUS Opportunities SE & Co KGaA, which also prepares consolidated accounts where the company is included.

NOTE 8 EVENTS AFTER BALANCE SHEET DATE

The company changed its accounting currency from Swedish Krona (SEK) to Euro (EUR) beginning from January 1, 2021.

Dr. Dirk Markus, who is chair of the board, resigned on December 21, 2020, which became effective with registration on February 15, 2021.

Nils Haase was appointed as new board member on December 21, 2020, which became effective with registration on February 15, 2021.

Florian Winkel was appointed as chair of the board on February 15, 2021.

No other significant events have taken place in 2021.

There are no indications that the company will be affected by Covid-19 pandemic for financial year 2021, as its solely object was to issue bonds and to hold these until maturity in 2024. These bonds are guaranteed by its German parent company.



The annual report will be presented for adoption by the Annual General Meeting on March 31, 2021.

The Board of Directors affirm that the annual accounts have been prepared in accordance with the provisions of the Swedish Annual Accounts Act and RFR 2 (Swedish Financial Reporting Board) and provide a true and fair view of the company's earnings and financial position.

The Directors' Report for the company provides a fair review of the development of the company's operations, earnings and financial position, and describes material risks and uncertainties facing the company.

Stockholm, March 30, 2021

Florian Winkel
Chairman of the Board

Leif Lupp
Managing Director

Nils Haase
Board member

Our Auditors' Report was submitted on March 31, 2021.
Grant Thornton Sweden AB

Nilla Rocknö
Authorized Public Accountant