

## Alternative performance measures

### Reconciliations between alternative performance measures (APM) and IFRS

Ratos applies financial measures that are not defined in IFRS but are so-called alternative performance measures (APMs). The alternative performance measures presented are considered to be valuable supplementary information for analysts and other stakeholders for the evaluation and assessment of the Group's financial performance and position. The tables displayed with a tinted background are APMs. Ratos's definitions of these performance measures may differ from other companies and, accordingly, these are

not always comparable with similar performance measures used in other companies.

The following reconciliations and accounts pertain to sub-components included in the material alternative performance measures used in this report. Reconciliation is made against the most reconcilable item, subtotal or total provided in the financial statements for the corresponding period. Definitions are available at [www.ratos.com](http://www.ratos.com) and on page 29 of this report.

#### Net sales

MSEK	Q4 2020	Q4 2019	Q1-4 2020	Q1-4 2019
<b>Ratos business group, Net sales</b>	<b>5,671</b>	<b>6,227</b>	<b>24,071</b>	<b>24,499</b>
Net sales in subsidiaries, holding not owned by Ratos	1,113	1,240	4,401	4,607
Investments recognised according to the equity method	-973	-1,250	-3,846	-4,019
Eliminations	-1	-11	-12	-26
Net sales from discontinued operations	-966	-1,006	-3,673	-3,776
<b>Ratos Group, Net sales</b>	<b>4,844</b>	<b>5,200</b>	<b>20,941</b>	<b>21,286</b>

#### Organic growth, Ratos's holding

MSEK	Q4 2020	Q4 2019	Q1-4 2020	Q1-4 2019
<b>Ratos business group, Growth Net Sales, %</b>	<b>-8.9%</b>	<b>14.6%</b>	<b>-1.7%</b>	<b>13.7%</b>
<b>Ratos business group, Net sales</b>	<b>5,671</b>	<b>6,227</b>	<b>24,071</b>	<b>24,499</b>
Acquired net sales	4	45	40	150
Effects from change in currency	-381	121	-1,228	359
<b>Ratos business group, adjusted Net Sales</b>	<b>6,047</b>	<b>6,062</b>	<b>25,259</b>	<b>23,990</b>
Divested net sales in the comparison period	1	84	232	113
<b>Ratos business group, adjusted Net Sales in the comparison period</b>	<b>6,226</b>	<b>5,351</b>	<b>24,267</b>	<b>21,440</b>
<b>Ratos business group, Organic growth</b>	<b>-180</b>	<b>711</b>	<b>992</b>	<b>2,550</b>
<b>Ratos business group, Organic growth, %</b>	<b>-2.9%</b>	<b>13.3%</b>	<b>4.0%</b>	<b>11.9%</b>

## EBITDA, EBITA and Group operating profit

	Q4	Q4	Q1-4	Q1-4
MSEK	2020	2019	2020	2019
<b>Ratos business group, EBITDA</b>	<b>616</b>	<b>368</b>	<b>3,046</b>	<b>2,294</b>
Depreciation and impairment	-284	-280	-1,133	-1,096
<b>Ratos business group, EBITA</b>	<b>332</b>	<b>88</b>	<b>1,913</b>	<b>1,198</b>
<b>Ratos business group, EBITA margin</b>	<b>5.8%</b>	<b>1.4%</b>	<b>7.9%</b>	<b>4.9%</b>
EBITA in subsidiaries, holding not owned by Ratos	90	82	306	217
Capital gain from portfolio companies				31
Investments recognised according to the equity method	-6	-26	-100	-102
Income and expenses attributable to the parent company and central companies	-34	-11	-151	366
Other	1	1	3	-7
EBITA from discontinued operations	-182	-199	-504	-484
<b>Ratos Group, EBITA</b>	<b>200</b>	<b>-66</b>	<b>1,468</b>	<b>1,219</b>
Amortisation and impairment of intangible assets in connection with company acquisitions	-11	-11	-42	-48
Amortisation and impairment of intangible assets in connection with company acquisitions in discontinued operations	8	5	31	20
<b>Ratos Group, Operating profit/loss</b>	<b>198</b>	<b>-72</b>	<b>1,457</b>	<b>1,192</b>

## Cash flow from operations

	Q4	Q4	Q1-4	Q1-4
MSEK	2020	2019	2020	2019
<b>Ratos business group, Cash flow from operations</b>	<b>439</b>	<b>425</b>	<b>1,770</b>	<b>949</b>
Cash flow from operations, holding not owned by Ratos	60	94	326	158
Investments recognised according to the equity method	-145	-220	-140	-428
Acquisition and disposal, intangible assets/property, plant and equipment <sup>1)</sup>	205	243	664	670
Lease payment	228	229	932	914
Income tax paid	-33	-85	-223	-230
Attributable to the parent company and central companies	150	160	51	43
Eliminations	-179	-170	-180	-167
<b>Ratos Group, Cash flow from operating activities</b>	<b>724</b>	<b>677</b>	<b>3,201</b>	<b>1,909</b>

<sup>1)</sup> Cash flow from the sale of the Lejonet 4 property, a total of SEK 550m for 2019, is not included in this item.

## Interest-bearing net debt

MSEK	2020-12-31	2019-12-31
<b>Ratos business group, Interest-bearing net debt</b>	<b>8,168</b>	<b>9,405</b>
Interest-bearing net debt in subsidiaries, holding not owned by Ratos	758	830
Investments recognised according to the equity method	-620	-910
Attributable to the parent company and central companies	-1,061	-1,521
Other	23	22
<b>Ratos Group, Interest-bearing net debt</b>	<b>7,269</b>	<b>7,826</b>

	2020-12-31	2019-12-31
Interest-bearing liabilities, other	4,503	5,579
Interest-bearing liabilities, leasing	5,362	4,871
Provisions for pensions	629	642
Interest-bearing assets	-43	-47
Cash and cash equivalents	-3,182	-3,219
<b>Ratos Group, Interest-bearing net debt</b>	<b>7,269</b>	<b>7,826</b>