



DEAR ALL,

For the third year in a row we have decided to give you the X-MAS greetings through the net. The physical post does continue to function worse and worse. "Snail Post" we used to say. Probably we have to change to "No Post".

We were optimistic in our letter last year about the prospects for this year. That has not been the case due to Covid-19. However, we have managed fairly well. Projects where you have to meet people have been dead but transactions, M&A, has been fairly good. Furthermore, the climate has changed. Before it was mandatory to meet people physically before you could do business with them. That has changed. Now we have sold projects over the net and closed deals without having met anybody physically at all.

This we think will, permanently, change how we will do business in the future. Many of our clients have had video conference rooms since long but the usage has been growing slowly. Mostly it has been used for internal communication in the company – that of course also have saved money and time. Now we are sure that we will see a major difference also after the Covid-19 hopefully is over. Many of our clients are very happy over how much time and money they are saving through video conferences and video talks. And they all say they will continue with that. The figures from ZOOM, Teams etc. tells us that around 500 000 000 people are on-line in videoconferences/talks all the time. We have estimated that this will increase the world's GNP growth with 1,5 – 2 % or more.

The handling of Covid-19 in Sweden has got some bad publicity in international news media. We think our Public Health Agency of Sweden has done a good job. Sweden together with Belgium has had the best statistics of people infected and deaths of all countries in the world. We have counted each and every case. Many countries are only counting those who dies in the hospitals and those who have been tested. The undertaker industry is now telling us that the last two months the number of deaths in Sweden has been 20% lower than we have normally in these months on average. They think that the number of deaths totally will be lower than last year. What happened during March to May was that people who was old and had other deceases died one or two months earlier than they perhaps should have done.

As we mentioned last year Donald Trump killed our business in Iran after we have had a good start. Now it will probably pick up again if Biden revitalize the treaty with Iran. We think and

hope it can be a boom. As said, our perception is that Iran is the last large virgin market in the world with 100 million inhabitants of which 50% is a reasonably well off and well-educated middle class. As in many societies business and politics are living separate lives, so also in Iran.

We have also started to do more business with Israel that has a very vibrant economy with a lot of good start ups in the ITC sector and the health care sector. We think we can work with both Iran and Israel – future will show.

As we learned in the military service. If you don't know where you are on the map it is useless take a compass direction. The same goes for business. It is amazing how many companies and even more state and regional entities know little about where they stand in the landscape, they are active. This is good for us as a large part of what we do is to help orientate our clients in their competitive landscape. The political sector is however not so interested to learn.

When it comes to companies the development of the energy sector, energy prices etc. has been interesting for us where we have had a better perception of what is the status and what will happen than many of the companies themselves. The same goes for how fast consolidation is taken place in many industries. The reason we have been fairly good at this is not because we are smarter than our clients but because it has been easier for us to have a "birds eye view" on things and processes. Companies have often been forced to focused on their day to day handling of things as the competition is so hard.

Cannot avoid to also mention the public sector. Here, our perception, the actors are not always willing to take in facts. One example. The equality between the sexes has for long been a strong political issue in Sweden. Now we can see that many traditional macho companies have got female CEOs. Epiroc – the mining division spin off from Atlas Copco – and Stora Enso (a forest industry company – one of the oldest incorporated companies in the world), Södra (a large pulp and sawn timber company), Setra Group (one of the largest sawn timber companies) has female CEOs and Setra has also a female Production Director. Just to take a few examples. Still this is an important issue in politics in Sweden. As one of our clients said. Look at the figures. Soon we have to start a men's movement when the women has taken over. In Sweden we have 247 665 women between 25 and 34 years of age that have university education of 3 years or more. We have 161 200 men in the same category.

The Covid-19 will also have positive effects as said. Increased productivity in companies, much faster development of vaccines and health care systems, a more cautious public that can lessen the total days of sick leave for nations.

We are optimists and we look forward for you and us to have a good and dynamic 2021.

Merry Christmas and a Happy New Year!

LAGERKVIST & PARTNERS

Magnus Lagerkvist

