



Dear All,

First Covid-19 and then a war in Europe and increasing tensions in many regions in the world. It is like running a company. What you do not think can happen or have never dreamed of could happen – it happens.

However, it has been a reasonably good year for us, and we have decided that we shall have a good year ahead and we are - considering all - still optimistic.

Our perception of the future:

- The large industrial companies in Sweden, Europe and in the world, we think most of them will continue to do well and to be able to adapt to different circumstances.
- Money keeps pouring into the Private Equity industries even if the higher interest rates can change the pattern a little. Basics are however that pension funds, university funds, large philanthropic foundations etcetera are growing, and they must invest to get a good or at least reasonable return. Many PE-companies are nervous concerning their investments but at least the ones in the Nordic countries and Northern Europe – the ones we know best – have been fiercely working to adapt and prepare for a negative scenario this year.
- Smaller companies and sub suppliers to many industries will have a tough time as well as more domestic industries. The food retailers – as an example - are already having a tough time and they will continue to face downturn. However, Lidl does have a fantastic market in Sweden and Finland and growing powerfully.
- The political side of our reality is still a problem but in Sweden we are slightly optimistic. We have a new liberal Government that has its own majority in parliament. They have had a tough start due to the circumstances but also due to lack of governing experience. We think that will be sorted out.
- Germany seems to handle their energy situation etcetera better than expected even if they have tough times ahead. UK is, in our experience, at its best when it's total crisis, so let us hope. France has its 51 nuclear power plants and its wine and tourist industry, and the political community is so occupied by their

internal troubles and fighting so they will hopefully not disturb business life too much.

- A very good thing is that Sweden and Finland have applied for NATO membership that we hope will go through this year. Important is also that the idiotic idea that if you only are investing to support a sustainable society you cannot invest in weapon industries. That is totally gone now!

When I was young and dynamic, I wrote a couple of books. The last 1996. Last year I decided that I must move into the debate about our future again, so I published a book in the beginning 2022 called “SWEDEN’S DECLINE AND...” – a book about Sweden’s future and why we are where we are (SVERIGES NEDGÅNG OCH ... - en bok om Sveriges framtid och varför vi är där vi är). The book is in the Swedish language. It can be bought at Amazon, Adlibris, Bokus etc. Our plan is to translate the book this year. I have also written a new book called “THE STARS – business leaders that built and are building Sweden, Finland and the world.” (STJÄRNORNA – företagsledarna som byggde och bygger Sverige, Finland och världen). It is a 100 % positive book describing the excellent CEOs I/we have worked with. It will also be translated.

As you can see, we are optimistic. But we are also realistic. Our Russian friend and clients have been more negative about Putin from the start than anybody we have met in the west or elsewhere. We will fight back whatever will happen! Having said that, we still wish you and your family and friends and your country a **HAPPY AND PROSEPROUS NEW YEAR!**

Best Regards

Lagerkvist & Partners AB



Magnus Lagerkvist
CEO & Founder