

## The Board of Directors' report referred to in Chapter 13, Section 7 of the Companies Act on the non-cash consideration

The Board of Directors of Transcendent Group AB (publ), org. no 559005-1164 (the “**Company**”) submits the following report as referred to in Chapter 13, Section 7 of the Companies Act.

The Board of Directors have proposed that the Annual General Meeting resolves to issue 61,069 shares to Anna Nielanger, social security number 750310-6945 (the “**Seller**”). It is proposed that the newly-issued shares be paid by way of a contribution of non-cash consideration comprising of 5 000 shares in the company Transcendent Group Väst AB, org. no 556973-9484 (the “**Non-cash consideration**”).

The Board of Directors have determined the value of the Non-cash consideration on basis of a conducted cash flow valuation of Transcendent Group West AB, which is based on a forecast for 2020 and a subsequent annual growth of 10%. The discount rate used is based on the corresponding assumptions used for impairment testing of goodwill in the Group, but since Transcendent Group West AB's shares are not listed the risk premium has been increased.

The Board of Director's opinion is that the valuation of the Non-cash consideration that has been carried out is a reliable measure of the fair value of the Non-cash consideration. Based on the knowledge that the Board of Directors possesses about the assets which are to be acquired, the Board of Director's opinion is that the value of the Non-cash consideration which may be contributed to the Company as non-cash consideration is not less than the value of the consideration which is to be paid. Additionally, the Board of Directors makes the assessment that the Non-cash consideration is useful for the Company's operations.

It is estimated that the Non-cash consideration which may be contributed to the Company in exchange for consideration of newly-issued shares has a value of SEK 800,000 and will be reported at this value in the Company's balance sheet.

Documents referred to in Chapter 2, Section 9 of the Companies Act are available at the Company's address.

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[Signature page to follow]

Stockholm, 29 April 2020

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Håkan Berg

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Sigrun Hjelmqvist

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Lars-Olof Andersson

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Ingrid Nordlund

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Magnus Juvas