

PRESS RELEASE

Lagercrantz provides a general update with regard to the Corona virus pandemic.

Limited impact from Covid-19 to date

The effects of the Corona virus pandemic on Lagercrantz's operations have been limited to date. As of today, the Group has not compiled the results for the final month of the financial year (March 2020), but the assessment is that profits and cash flow continued to be good. The balance sheet is strong and liquidity and credit facilities are substantial.

However, the uncertainty ahead of the coming quarters has increased. Volatility has increased in recent weeks where some of the Group's companies still have a strong inflow of orders while others have reported a significant slowdown. Covid-19 will affect the whole of society and Lagercrantz's operations will also be affected. The extent of this is still difficult to judge but measures are now being taken within the Group to adjust to a significantly lower business volume in the next few months.

Measures being implemented include an investment and recruitment freeze, bonus and salary negotiations are being postponed to a future date, and Lagercrantz's Management team has also agreed to waive 15 percent of their salary for 3-6 months. Within every company, possibilities are being evaluated for tax relief, reductions in working hours and rescheduling of holidays and in several cases staff reductions may be in question.

CEO Jörgen Wigh says in a comment; "The health situation and our staff are our first priority in the wake of the Covid-19 pandemic. In times of great uncertainty, the Group's decentralised structure will really come into its own, where our 54 different companies in more than 100 operating locations ensure a large diversification of products, end customer markets and geographies. Given the extraordinary sense of responsibility, commitment and decision-making power I see among our local management teams, I am convinced that the Group is well-prepared and that we will handle every situation in an effective way" concludes Jörgen Wigh.

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Lagercrantz Group AB (publ)

For further information please contact:

Jörgen Wigh, President and CEO, Lagercrantz Group AB, tel +46 8 700 66 70

Kristina Elfström Mackintosh, CFO, Lagercrantz Group, tel +46 8 700 66 70,

or visit our website: <http://www.lagercrantz.com>

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LAGERCRANTZ GROUP IN BRIEF

Lagercrantz Group is a technology group that offers world-leading, value-creating technology, using either proprietary products or products from leading suppliers. The Group is comprised of approx. 50 companies, each with a focus on a specific sub-market – a niche. High value-creation is common to all the companies, including a high degree of customisation, support, service and other services. Lagercrantz Group is active in nine countries in Northern Europe, in China, India and in the USA. The Group has approximately 1,500 employees and annual revenue of almost MSEK 4,000. The Company is listed on Nasdaq Stockholm since 2001. www.lagercrantz.com