

The cover features a large, dark, abstract shape on the left side, resembling a stylized 'M' or a silhouette of a person's head and shoulder. The background is a photograph of a city street scene with historic buildings and trees. The title 'Annual Report 2022' is written in white serif font on the dark shape.

Annual Report 2022

MANNHEIMER
SWARTLING

Annual Report 2022

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A message from our Managing Partner

Lawyers have a special respon- sibility in a troubled world

2022 was a tragic year in many ways. Circumstances which we previously took for granted were suddenly threatened. First of all – peace – which had long ensured security and development in our part of the world. By extension – globalisation – which had given rise to more open societies, technological advances and deeper international cooperation. And lastly, the steady growth and prosperity that this development had generated, and the political and social balance that results from economic stability.

LAW PLAYS A CENTRAL ROLE in maintaining peace and stability. Human rights, the rule of law, justice and trust are fundamental. The events of 2022 therefore especially concern lawyers. At Mannheimer Swartling, we remain optimistic about the role of law in ensuring peaceful, free and open societies. And we still believe in the incredible opportunities that follow. We are therefore convinced that the stability that we previously took for granted will ultimately prevail.

Until we get there, however, we cannot ignore the tragedies that have occurred. First and foremost, of course, are all those who have suffered from Russia's brutal invasion of Ukraine. The consequences of the invasion have been far-reaching, affecting many of us in different ways. On 25 February – the day after the invasion began, we took the decision to close down Mannheimer Swartling's operations in Russia, as an immediate result.

It was a difficult and yet very simple decision. Mannheimer Swartling opened its Moscow office back in the Soviet era. When we closed the office, after more than 30 years in the country, we were the oldest non-Russian firm there. We were even involved in writing parts of the new Russian legislation after the walls came down. It's safe to say that we and our Nordic clients had a long history in Russia. And we had many brilliant employees in Moscow who were suddenly faced with a new and brutal reality. However, with the way Russia has developed in recent years – a development accentuated by the invasion of Ukraine – it was a straightforward decision to leave the country.

Developments in Iran have also concerned us. When unrest broke out in Iran in the autumn, we were one of the few Swedish companies to put out a statement on social media to condemn the Iranian regime's aggression against its people. We saw it as our duty, as lawyers, to stand up for the rule of law. And this situation was especially significant given that many of our staff and clients have their roots in Iran.

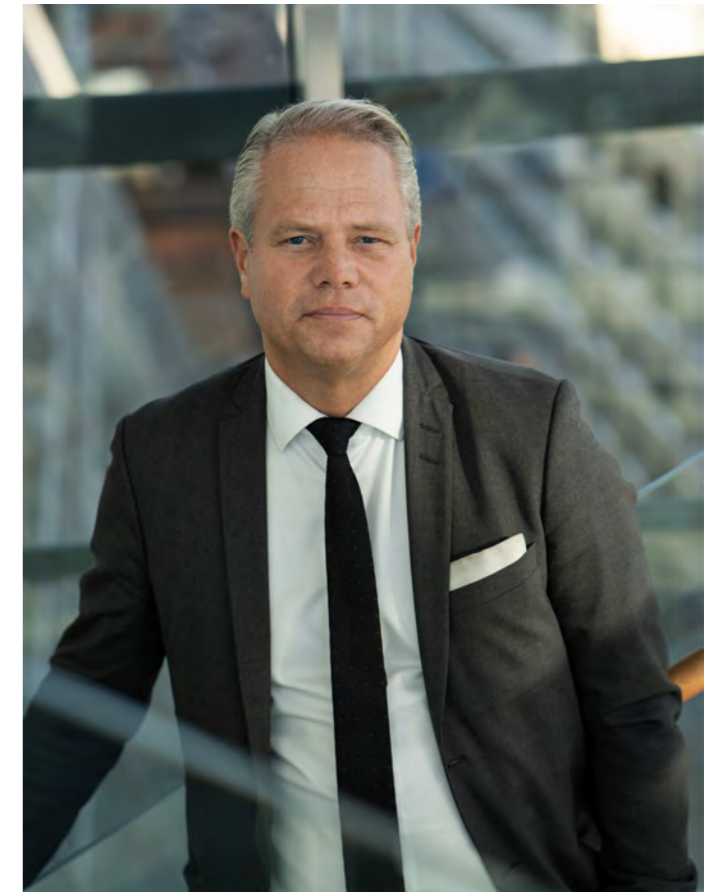
Together with 21 other leading law firms around the world, we launched the Business and Human Rights Lawyers Association in 2022. A legal industry initiative to promote the principle that business also has a responsibility to respect human rights.

While 2022 was an intensive year, Mannheimer Swartling's employees delivered fantastic results. For us, success is above all about quality. Our goal – whatever the circumstances and in everything we do – is always to deliver the highest quality service. Ultimately, this is made possible by our unique “we” culture. We are 600 employees with different opinions and backgrounds, but we share three fundamental values of quality, business focus and team spirit. Together, we continue to develop the highest quality business law advice at the most attractive law firm.

The firm is playing a part in making the

entire Swedish business community even more innovative. Stockholm has produced more unicorns (i.e. startups valued at over a billion dollars) per capita than any other region in the world besides Silicon Valley, and Mannheimer Swartling has worked with many of the most prominent unicorns and led the largest capital fundraisings in Sweden. We have also formed a new practice group – Emerging and Growth Companies – which works with smaller startups with the potential to become the next big tech success.

We also contribute to Sweden's leading position in the green transition which, in the coming years, will account for most of society's – and Mannheimer Swartling's – growth. These projects are vital for the climate, and our society, and also incredibly fun to work on, spanning all possible areas of law. →



Most indications unfortunately point to the political and economic turmoil in the world continuing in 2023. However, we run the firm with a long-term approach and continuity. We recruit around 70 new lawyers every year, regardless of the state of the economy. The demand for our services continues throughout difficult times and, when times get better, it's important to have a strong and experienced team ready to step in.

This team is constantly being replenished with the best talent. Mannheimer Swartling was once again named the most attractive law firm among Swedish law students according to Universum – Sweden's largest student survey – meaning that we received the award for the twentieth (!) consecutive year.

With size and leadership comes, of course, a great deal of responsibility.

To live up to these expectations, we try to steer development in the wider legal industry. We drive digitalisation through MSA Innovation Lab, we work to create a fun and collegiate workplace that is sustainable and progressive for all our employees, and we are wholly committed to the climate issue.

We were the first law firm in the Nordics to join the Science Based Targets initiative, meaning that we have committed to setting science-based targets to help achieve the climate goals of the Paris Agreement. These targets were approved during 2022 after independent assessment. Similarly, we were the first Swedish law firm to sign The Green Pledge, an initiative for greener arbitration.

In line with these commitments, we have set rigorous requirements for our own internal climate work. As a services firm,

we are of course aware that our greatest opportunity to make a difference lies in our advisory. In 2022, we therefore joined the Net Zero Lawyers Alliance, a network that mobilises lawyers and law firms to accelerate the transition to net zero emissions. This involves continuous efforts to reduce the climate impact and establishing an even greater climate focus throughout the work of all our practice groups.

Despite the dark and troubling events of the past year, we are looking forward to 2023. Not least because we know that lawyers can contribute to a better world when we set to work and dare to take a stand. We lawyers can make a difference. And we will do so when necessary.

Lastly, I would like to thank all employees and clients for the past year. In the legal industry, a number of international prizes and recognitions are awarded every year. The most prestigious of these are given by Chambers, IFLR, Mergermarket and Who's Who Legal. In Sweden, the most important client survey is conducted by Kantar Sifo Prospera and the most significant survey of where Sweden's law students want to work is presented by Universum. In 2022, Mannheimer Swartling won all six of these awards. Only once before has the same law firm done so. That was 2015 and it was again Mannheimer Swartling that had that privilege. Receiving all six awards in one year is an enormous achievement. The fact that Mannheimer Swartling is now the only law firm in the world to achieve this shows what an incredible team we are together. Whether you are an associate, work in one of our support departments, or are a partner, it is our collective efforts that are visible from the outside. And this is why our clients rank us so highly, year after year – something we are eternally grateful for. Such a grand slam can never be won through individual achievement alone. It's the result of 600 employees working together under a rather simple strategy – to always deliver the absolute highest quality business law advice. ●

“Despite the dark and troubling events of the past year, we are looking forward to 2023.”



About the firm

At Mannheimer Swartling, we have a clear goal of delivering the absolute best legal advice in our market. To us, this means understanding and analysing the world around us and being proactive and responsible to our clients, employees and society.

IN A TURBULENT world and shifting business landscape, the demands and expectations of our clients and employees vary. A sharp ability to adapt to constantly evolving circumstances is essential for us to continue to be the first choice of business law firm for clients, students and employees.

Our advice covers most areas of business law within a variety of sectors and industries. We offer both scale and scope throughout our full-service practice. The best business law advice, however, includes more than just legal expertise. Companies, organisations and industries face a range of different business opportunities and challenges, each requiring carefully tailored solutions.

With our size and role comes responsibility and resolve to pursue issues that are important from a societal perspective. We are able to influence the development of society through the advice we give, while safeguarding legal certainty. Sustainability is a signification feature

within our organisation and the advice we provide to our clients.

The way we have structured our firm truly expands what we can offer our clients. We have built a longstanding corporate culture with cooperation at the core. Our unique business model of sharing profits equally between the firm's partners ensures knowledge is shared freely between employees and on to each client. We meet each client as a single adviser – but with the collective expertise of our 600 people.

The firm has three core values – quality, business focus and team spirit – which define our culture and form an integral part of our business model, Pure Lockstep. This model promotes knowledge sharing and collaboration between colleagues, practice groups and offices. It is our key tool for guaranteeing each client the highest quality advice and ensuring the best possible working environment for our employees. ●

OUR EXPERTISE

- Automotive
- Banking and Finance
- Construction
- Construction, Infrastructure and Industrial Projects
- Contentious Regulatory
- Corporate Commercial
- Corporate Investigations and Corporate Crime
- Corporate Sustainability and Risk Management
- Corporate Taxation
- Data Privacy
- Dispute Resolution
- Emerging and Growth Companies
- Employment and Pensions
- Energy
- Environment
- EU and Competition
- Financial Institutions
- Financial Regulation
- Fintech
- Funds and Investments
- Healthcare and Life Sciences
- Insurance
- Intellectual Property, Marketing and Media
- IT/Tech
- Media and Entertainment
- Mergers and Acquisitions
- Private Equity
- Public M&A and Equity Capital Markets
- Public Procurement
- Real Estate
- Restructuring and Insolvency
- Shipping and Logistics
- Sustainability and ESG
- Technology
- Trade

1.74

2022 Turnover
Billion SEK

600

Total employees

Offices



Stockholm
Gothenburg
Malmö
Brussels
Singapore
New York

Quality Business focus Team spirit



We strive for the highest quality in everything we do. We take into account the business challenges and opportunities our clients face and tailor our advice accordingly. We help each other and share knowledge and experience for the benefit of our clients, the firm and each other.

A reflection from Klas Eklund, Senior Economist

The global context

After several decades of economic growth, low inflation, rising asset prices and declining poverty, the world has been plunged into multiple simultaneous crises. War in Europe, high inflation, high interest rates, recession and falling living standards.

GEOPOLITICAL tensions are at their most dangerous level since the Cuban Missile Crisis 60 years ago. Democracy and the rule of law are deteriorating in large parts of the world. Climate politics are struggling to come together to take effective action against global warming. All this places high demands on a law firm working with clients to help them level the playing field.

2022 was the year when the world was supposed to return to some form of normality after the pandemic. That did not happen. In the West, the spread of infection was limited owing to rapid mass immunisation. China, however, maintained strict lockdowns, resulting in a faltering economy and rising protests. Inflation soared to its highest level in 30-40 years. The central banks were completely outplayed and were forced to aggressively hike policy rates. Market interest rates followed – resulting in a steep fall in stock markets, a collapsing bond market and an economic slowdown.

Inflation drastically reduced real wages. Energy and food prices soared, causing major personal finance difficulties for households with small margins. In some emerging markets, things got even worse. Several countries experienced famine, and global poverty increased for the first time in many years.

The Russian invasion of Ukraine at the beginning of 2022 dramatically exacerbated these issues. The population of one of Europe's most populated countries has suffered death, destruction and economic collapse. Meanwhile, Western Europe has experienced serious negative consequences to the economy due to rising gas prices, trade wars, sanctions and higher food prices. Many businesses have closed down in Russia and several have had their assets seized.

A new dangerous era of great power rivalry has begun. Russia wants to expand. China has set its sights on Taiwan. Relations between Iran and Israel are worsening. War, inflation and recession characterised 2022 and will probably continue to do so in 2023. This in turn sets the framework and challenges for Mannheimer Swartling – both in terms of business and transactions concerning Russia, and in terms of economic development in general.

“We live in an era where rights are being challenged by autocrats and law is being politicised in a number of countries.”

Mannheimer Swartling reacted immediately to the Russian aggression. After more than 30 years of presence in Moscow, and also previously in St Petersburg, the firm closed down its Russian operations the day after the invasion. Throughout the year, the firm also allocated considerable resources to helping clients exit the Russian market and comply with all sanctions.

Dispute resolution was an important activity for the firm in 2022. Protectionism, trade wars and increasingly aggressive industrial policies are disrupting functioning trade relations and reducing productivity. Helping clients face an increasingly difficult environment is an important contribution to effective commercial relations.

The transaction market was busy for much of the year, despite falling stock markets and a slowing economy. Large fluctuations in interest rates and share prices, together with strong economic growth, are driving M&A and carve-outs. But the huge uncertainty about the future is likely to gradually reduce volumes.

Climate policy made no progress during the year, although, on paper at least, the UN COP 27 meeting adopted guidelines on future climate support for developing countries. Emissions increased again after the temporary reduction during the pandemic and the Russian war drove up the profitability of fossil fuel extraction. The firm was active in helping clients with green bonds and other forms of green credit. Large industrial projects for fossil-free manufacturing have been rolled out. The business community is now driving the climate transition in Sweden, and business law has an important role in this.

The main contribution that the firm, and law in general, can make to repairing this broken world is to defend the rule of law. We live in an era where rights are being challenged by autocrats and law is being politicised in a number of countries. Both democracy and the rule of law are in decline globally. Currency and trade wars create uncertainty and undermine the free movement of goods and services. Freedom of expression is threatened in a number of ways. An independent legal system, with independent courts and lawyers, is becoming increasingly important. Mannheimer Swartling is willing and able to play an active and leading role in the defence of the rule of law. ●



Working with Mannheimer Swartling should be a mark of quality. For us, that has always been an important objective and driver. Read more at mannheimerswartling.se/en/

The green revolution of the north — Swedish industry leads the transition

The need for aggressive action to limit global warming places great demands on business and industry. Northern Sweden is at the fore of the green transition as the industrial world responds to the climate emergency.

THE NECESSARY transition towards climate-neutral processes in basic industry involves both modernisation of existing operations and establishment of new industrial plants based on new technologies. Many green initiatives in turn also create a huge demand for climate-neutral energy. Climate- or environment-oriented investments span virtually all segments of industry, with a particular focus on energy efficiency, decarbonisation and “new” energy sources such as hydrogen and offshore electricity production. Moreover, the war in Ukraine and the focus on redu-

cing dependence on oil and gas have accelerated the intensity of these investments. The developments in northern Sweden can be described as a green cluster of innovation. They include everything from new companies and pioneers driving forward green production and circular activities, to cross-sectoral collaborations and existing industries tirelessly working on and investing in transition work.

– The projects recently launched in northern Sweden are now in full swing and are incredibly exciting to follow and work with. There is a fantastic commitment to innovate which is driving forward gigantic projects at such pace that implementation times have been shortened by several years. In just a few years, ideas that began on paper have progressed to fully developed companies and well underway construction projects. In some cases, they have already gone as far as full industrial production, says Johan Graneholt of Mannheimer Swartling.

Among the more notable projects is Northvolt’s “Northvolt One” factory in Skellefteå for the production of green batteries. Northvolt was founded in 2016 with the aim of building the world’s greenest battery, with a minimal carbon footprint and the highest standards for recycling, to participate in the European clean energy transition.

– We began assisting Northvolt as a startup in 2017. Within these few years, the company has developed into an industrial manufacturing company employing 3,500 staff, undertaken several equity fund-raising and project financings, and set →



up contracts, customer agreements and a host of other matters required for a project of such size and complexity to be successful, says Fredrik Lundegårdh of Mannheimer Swartling. With the enormous demand for green batteries for both the global automotive industry and other industries, the development opportunities for Northvolt are tremendous, Fredrik continues.

Another high-profile project is H2 Green Steel's plant in Boden for fossil-free steel production. Steel production currently accounts for around 7 per cent of the world's total carbon emissions and H2 Green Steel aims to accelerate the green transformation of the industry. The new steel production plant in Boden will use hydrogen as an energy source – dramatically reducing the carbon emissions that would otherwise be caused by coal or other fossil fuel sources.

– A brand new hydrogen-based steel

plant requires huge capital investment and vast amounts of electricity. This in turn creates a large demand for financing. Green projects of this kind, however, are very attractive to the financial markets, explains Susanne Fagerman of Mannheimer Swartling. Given the size of the financing, lenders have high transparency and control demands and it's important to negotiate a reasonable balance between the requirements of the lenders and the needs of the funded companies to be able to run their operations without being overly restricted, Susanne continues.

– The degree of complexity of this kind of project requires both broad and specialist legal expertise. In addition to specific experience with a large number of different agreements, an integrated approach must take into account regulatory matters, the need for a coordinated financing and investment structure, and a wide range of

“Given the size of the financing, lenders have high transparency and control demands.”



industry-specific issues, says Sara Johnsson of Mannheimer Swartling.

– In recent years, the demand for cross-disciplinary advice within the framework of complex infrastructure and industrial projects has increased significantly. All elements of a project must be managed in parallel, and each with a high degree of specialisation, says Zoran Stambolovski of Mannheimer Swartling, who has advised on a large number of high-profile infrastructure and industrial projects over the years. It is of course an advantage if all the expertise is available

in a single organisation where specialists naturally collaborate across practice groups and offices, Zoran continues.

The rapid pace of development in the North will not slow down any time soon. This is just the beginning of the green industrial revolution.

– There is still great development potential in the north of Sweden. I also believe that new facilities and other major green investments will extend throughout the country. This is a transition that simply must take place, in all parts of industry, concludes Johan. ●

Putting the “M” in “M&A”

Instabee, a merger of equals transaction in startup land

In a fiercely competitive market, two Swedish last-mile delivery companies Instabox and Budbee have thrived thanks to their consumer-centric and sustainable focus. These founder-led companies have now joined forces as Instabee. Mannheimer Swartling advised Instabox in a rare merger of equals – a unique opportunity for our lawyers to help create an even stronger actor on track to become Europe’s leading e-commerce platform.

MANY SWEDES will recall when online shopping involved impatiently awaiting a letter advising that a parcel was available to collect at the local post office. If only we could get there in time before closing and remember to bring a valid ID card. Eventually, parcel collection points were expanded to include local convenience stores. But shopping physically in-store was still the fastest and easiest way to shop.

Fast forward to today, consumers can choose between a range of distributors and delivery options. Home delivery with live tracking, evening slots, soft-knock so as not to wake sleeping kids, leave on the doorstep, parcel lockers in shops, gyms and gas stations. No more queuing with your ID card. Lightning-fast delivery

“Lightning-fast delivery as a given.”

as a given.

Two companies which have helped to transform the e-commerce and logistics industries are Instabox and Budbee. When the pandemic dramatically drove up parcel volumes and created enormous demand for last-mile delivery, the growth of these two companies exploded. In 2022, Mannheimer Swartling had the privilege of advising Instabox on its combination with Budbee to form Instabee, following earlier work on Instabox’s financing rounds.

Instabox, founded in Sweden in 2015, provides fast, uncomplicated and fossil-free delivery to smart automated parcel lockers, as well as home delivery. Backed by EQT Ventures, Creades, Verdane and others, the company →



was named as Europe's third fastest growing technology company in 2022 in the FT 1000 Special Report and became one of Sweden's "unicorns" in April 2022 following a USD 190 financing round valuing Instabox at USD 1 billion. Their striking red parcel lockers and same-day delivery options serve the likes of Apotea, Kicks, Lyko, Clas Ohlson and more.

Budbee, another Swedish-founded company, began its journey in 2016 as a grocery delivery service, before quickly shifting its focus to e-commerce. The company rapidly expanded outside of Stockholm, attracted Kinnevik as its first largest investor and became Sweden's largest home delivery company in 2018, backed also by AMF, Stena Sessan and H&M. Today, the company serves thousands of retailers including ASOS, Zalando, Inditex and H&M.

At the time of the merger, both companies were extremely successful, offered both parcel lockers and home delivery, had expanded throughout Europe, committed to green delivery and invested heavily in technology for continuous optimisation. What brought them together?

– These two competing founder-led operators had common values and a similar growth journey. They saw the benefit of joining forces and combining their expertise to build an even stronger market actor, explains Linn Roberts of Mannheimer Swartling, who had a key role in the transaction.

– The most common type of M&A we handle tends to be a sale or acquisition. The fact that this was a true "merger of equals", with each party being of approximately the same size and valuation, and neither party "acquiring" the other, but instead using a new joint holding company structure, absolutely made the matter stand out, explains Ali Gjerqek of Mannheimer Swartling, who was project leader in the transaction.

Linn was responsible for handling the negotiations surrounding the long-term governance of the combined company.



– The dynamics in this transaction were really interesting. I typically work with agreements between existing shareholders and new investors. But here we had two founders working closely together to ensure common ground between each other and their respective sets of existing investors.

– Aside from the unique transactional aspects, it was especially fun to work with successful Swedish companies that you come across yourself in everyday life, concludes Ali.

In connection with the transaction,

it was agreed that the Instabox founder Alexis Priftis would serve as Chairman of the joint company, while Budbee founder Fredrik Hamilton would serve as CEO. The personal synergies between the two founders, and the business synergies between the two companies, were both key elements in making this deal a success. As a single entity, Instabee will continue to challenge other players in the industry, create a more efficient operations flow with fewer vehicles and terminals and accelerate the pace towards a minimal carbon footprint. ●

“The fact that this was a true “merger of equals” ... absolutely made the matter stand out.”

MERGER OF EQUALS

Where two businesses of approximately similar size combine to create a single company

UNICORN

A privately held startup with a valuation of at least USD 1 billion

MANNHEIMER SWARTLING'S EMERGING AND GROWTH COMPANIES PRACTICE GROUP

- Sweden's most prominent practice advising unicorn-class companies
- Focused on founder-led companies in the mid to late stage phases of their growth journeys
- Experts on governance models, capital structures, fundraisings, equity incentive programmes and exit strategies
- An important partner to many of the region's most successful growth companies: Spotify, Klarna, Kry, H2 Green Steel, Northvolt, Instabox, Lysa, Svea Solar, Alight, Candela and Polarium

International arbitration at a crossroads

The international arbitration system has been important for the growth and stability of global trade. However, the world is now moving towards an era of geopolitical polarisation. In some regions, such polarisation is already at an advanced state. This risks deglobalisation of economic value chains and cooperation. Will these developments present – or have they indeed already presented – a crisis for arbitration?

ON THIS TOPIC, Mannheimer Swartling held a seminar in connection with the International Bar Association's annual conference in Miami in 2022. Cross-border trade has been a key prerequisite for globalisation in recent decades. This globalisation has long been considered a major contribution to the development of peace and prosperity in large parts of the world.

Arbitration ensures legal certainty and a norm-based trading system. International arbitration has therefore served its purpose well. In an era when globalisation was promoted ideologically in both the

West and other parts of the world, the frequency of arbitration as a method of dispute resolution has also been high. The question is whether this will continue given the developments we see today.

– The system has clearly been disrupted. Russia's invasion of Ukraine being the most obvious disruption: a rules-based system is undoubtedly damaged when an actor, who once committed to upholding those rules, chooses to completely ignore them, says Fredrik Ringquist of Mannheimer Swartling. The invasion has highlighted how sanctions have become



“These developments are likely to lead to a more fragmented and opaque international arbitration system than the world has today.”

an increasingly important foreign policy tool. But an even more interesting development is perhaps that many Western companies terminated their operations in Russia for ESG reasons – independently, at least in part, of sanctions, Fredrik continues.

Alongside Russia, other authoritarian countries have also advanced their positions. China, in particular, is causing concern with its increasingly powerful military exercises against Taiwan. In parallel with the increased geopolitical tensions between authoritarian and democratic countries, there has been a renaissance of protectionist thinking, as expressed in Brexit and the “America First” rhetoric in the US.

All this affects the conditions for arbitration. Independent trade rules go hand in hand with independent rules as to how rights can be enforced. In principle, an international arbitration award should be enforceable throughout the world. However, this only works provided that the country where the award is enforced maintains respect for international arbitration awards through its legislation and practice.

– These developments are likely to lead to a more fragmented and opaque international arbitration system than the world has today. One tendency is for companies from authoritarian countries to increasingly refuse to agree to arbitration based in the West, and instead insist on alternative arbitration in more sympathetic jurisdictions, says Kristoffer Löf of Mannheimer Swartling. In such a system, Swedish companies with international reach would need to be able to handle several different normative systems to a greater extent, which leads to increased complexity and higher costs, Kristoffer continues.

However, there are reasons for hope. The modern arbitration regime was launched in 1958. A time, even then, of deep polarisation and great change, most clearly illustrated by the Cold War. This suggests that arbitration will find new ways of meeting the shifting needs of the business world and, as such, continue to promote the rule of law even in difficult times. ●

Carbon capture and storage — new business opportunities in emissions trading



There are currently around 750 facilities in Sweden covered by the European Emissions Trading Scheme (ETS). Broadly speaking, the ETS system means that each covered facility must acquire one emission allowance for each tonne of carbon dioxide equivalent emitted into the atmosphere.

IN SWEDEN, around 48 million tonnes of carbon dioxide equivalent were emitted in 2021, of which some 40 per cent by major industrial actors. In June 2017, the price of an emission allowance in the EU was just under five euros. By the end of November 2022, it was more than 78 euros, following a 150 per cent price rise, on an annual basis, in 2021. At times, the price peaked at almost 100 euros, for instance, in February and August 2022. The higher prices for emission allowances, combined with the phasing out of the subsidy system, mean that the cost of emissions has risen significantly and is expected to climb even further for operators of ETS covered facilities. One option that many operators are now exploring is carbon capture and storage (CCS) technology.

Given the increasing costs of maintaining existing emission levels, the opportunity to implement CCS technology, even in the short term, is a matter of survival for many organisations. This is especially the case for businesses that do not have the technical ability to switch to emission-free production.

In simple terms, CCS technology involves separating carbon dioxide and feeding it into a flue gas system where it is cooled in various heat exchangers until reaching liquid form. It is then transported by ship and pumped into old oil and gas reservoirs for storage. One such example is the Northern Lights project, which will store liquid carbon dioxide in a reservoir under the North Sea. Liquid carbon dioxide can also be used for various industrial processes through carbon capture and utilisation (CCU) technology.

– The CCU market is still immature, but it is possible that facilities may be able to process significant volumes of carbon dioxide in liquid form, as a means of

disposal. The market for carbon transport and storage is also at an early stage: so far, no major industrials in Scandinavia are connected to existing transport and storage facilities, explains Jesper Silow of Mannheimer Swartling.

Sweden also has a number of plants that emit bioenergy carbon, i.e. carbon dioxide emissions from the combustion of various forest fuels. As this carbon dioxide was first sequestered – or absorbed – by forests during its growth stage, the bioenergy emissions do not represent a net addition to the atmosphere. As such, these emissions are not covered by the ETS system. A CCS facility capturing bioenergy carbon

would therefore represent a net reduction in atmospheric carbon dioxide concentration. A facility which captures bioenergy carbon according to a quality assurance scheme is able to obtain an emission reduction unit, which can then be traded in the ETS system by sale to a fossil fuel carbon emitter.

– Let us take the example of a business that emits one million tonnes of fossil fuel carbon dioxide annually. The market price – based on the cost of emission allowances purchased via the ETS system at the end of 2022 – amounts to approximately SEK 750-900 million. This is a huge operating cost for most businesses. The potential cost savings that a CCS facility can offer, →



taking into account the current existing subsidies, is approaching the point of being an interesting investment in the medium term and beyond. For a business that emits bioenergy carbon, the corresponding investment is a potential source of revenue. Given the high volume of bioenergy carbon emitted in Sweden annually, and the increasing demand for emission allowances, this is a completely new market that could be a major source of revenue for Sweden's basic

industry sector in the future, says Jesper.

There are still only a few active players in the supply and installation of CCS plants. The technology that exists has not yet been proven in the long term for normal operating conditions in industrial contexts. The projects are complex, involving risks relating to the performance and function of CCS technology, financial risks, as well as the risk of impacting the processes of existing operations. However, the

“The facility is the first of its kind in the Nordic region and also one of the first in the world.”



need from a societal perspective is huge, as are the commercial and competitive advantages of being early in the market and building CCS competence within an operator's own organisation.

The number of CCS projects at the planning or procurement stage is constantly growing and several investment decisions for additional CCS facilities are planned in the relatively near future.

– We have been entrusted to act as legal advisor in the implementation of a full-scale CCS plant in Norway with commission planned for as early as 2024/2025. The plant is the first of its kind in the Nordic region and also one of the first in the world – which makes this an extremely exciting project for the firm.

We are also legal advisors in a feasibility study for a full-scale CCS plant in Sweden, concludes Jesper. ●

Pocketlaw, *from start-up to scale-up*

Pocketlaw – with its digital solutions for legal services – continues to go from strength to strength. The company was one of the first to join Mannheimer Swartling's legal tech incubator, part of MSA Innovation Lab.

POCKETLAW BEGAN its journey in 2018 with the goal of providing small to medium-sized businesses with a legal framework in a simple and cost-effective way.

– We started Pocketlaw because we felt there was a need to modernise and streamline the management of low-complexity, repetitive legal tasks through simple digital solutions for everyday matters that the whole organisation could use. By automating these matters – something which Pocketlaw helps with – companies can free up resources for the more complex legal issues which require specialist advice from a law firm, says Kira Unger, CEO at Pocketlaw.

With that idea, Pocketlaw has grown to have 60 employees, offices in Stockholm, London and Berlin, and continues to

the potential to develop the legal industry. The collaboration also gives both parties access to unique legal expertise and new technology, which ultimately creates value for clients.

– With the example of Pocketlaw, the firm’s ambitions to invest in technology and innovation and drive the legal industry forward have gone hand in hand. The combination of the firm’s experience and the innovative spirit of companies like Pocketlaw forms a creative, dynamic and progressive environment that benefits everyone involved, Elisabet explains.

As a new company, the support from mentors and advisors can mean a lot, both in terms of legal backing and strategic decisions. Being close to the userbase also means that the product can be developed

“The next step for Pocketlaw is to continue its global expansion.”

expand into new markets.

– From day one, it has been fun and educational to work with Pocketlaw and to have the opportunity to help the company realise its potential, says Elisabet Dahlman Löfgren of Mannheimer Swartling. The incubator also allows us to gain an understanding of a client’s startup journey, without doing it ourselves, Elisabet continues.

Mannheimer Swartling’s legal tech incubator supports entrepreneurs and innovators in their work and accelerates digitalisation for the benefit of the firm and its clients. Within the framework of the incubator, the firm shares knowledge and experience with companies that have

more efficiently, while MSA Innovation Lab is able influence the design of the product, without the firm needing to be an owner of the company.

– The support we have received has been very valuable and has allowed us to speed up our processes and take several development steps simultaneously, says Kira.

The next step for Pocketlaw is to continue its global expansion.

We will continue our expansion and open up the product to the whole world. Legal content for several more jurisdictions in Europe and the US will be added within the next year, concludes Olga Beck-Friis, COO at Pocketlaw. ●



MSA INNOVATION LAB

MSA Innovation Lab is a business unit established to drive innovation, accelerate digital development and help our clients to excel. We develop and invest in new technologies, improve work processes and promote the use of technological solutions. We collaborate with clients, technology providers and academia to advance this work. To support entrepreneurs and innovators, we run our legal tech incubator as part of the MSA Innovation Lab.

INCUBATOR COMPANIES

- Pocketlaw (2019)
- Wemble (2019)
- Techquity (2020)
- Eperoto (2021)
- Brackets (2022)



Sustainability is an integral part of the firm's activities. As a major business operator and advisor, we have both a responsibility and an opportunity to influence and drive issues that are important in the long term – for our clients, for society and for our employees.

Our sustainability work

Mannheimer Swartling has worked with sustainability issues for many years, within a framework of three pillars: in our legal advice, internally within the firm, and in society. It is crucial that we continue to influence developments towards a more sustainable business sector and a better life for future generations.

OUR SUSTAINABILITY WORK is based on international standards such as the Ten Principles of the UN Global Compact, Agenda 2030 and the 17 UN Sustainable Development Goals, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the eight Fundamental Conventions of the ILO, and other relevant regulations.

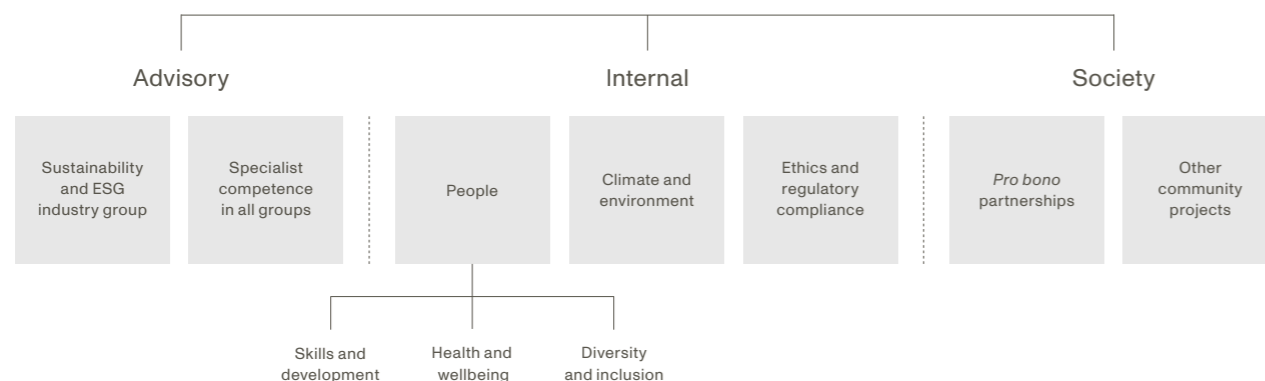
Our business legal advice is the core medium through which we can make a positive impact around sustainability. The

firm has specialist groups with particular expertise here, but sustainability-related challenges arise in all practice groups and areas of law.

Our internal sustainability work focuses on skills and development, health and well-being, diversity and inclusion, environment and climate, and ethics and compliance. In society, our contributions include free legal advice, board representation, volunteering in key *pro bono* projects, and other community initiatives. →

Bringing about change requires us to lead by example and take social responsibility for the things we can influence.

SUSTAINABILITY AT MANNHEIMER SWARTLING



“Sustainability in the business law context is not a single legal area but rather a common thread impacting all our practice groups.”

Sustainable by design

Our newly established Sustainable by design concept aims to embed the horizontal integration of the firm's sustainability values and objectives into our daily operations – through five steps.

Sustainability in legal advice

Being able to offer our clients in-depth expertise in sustainability, across all our practice groups, is an important strategy for the firm. This expertise concerns not only applicable legislation but also the broader context of understanding the ESG-related needs and risks of our clients. The better we are at helping our clients navigate and find solutions to the sustainability challenges we all face, the more we can contribute to positive development in society.

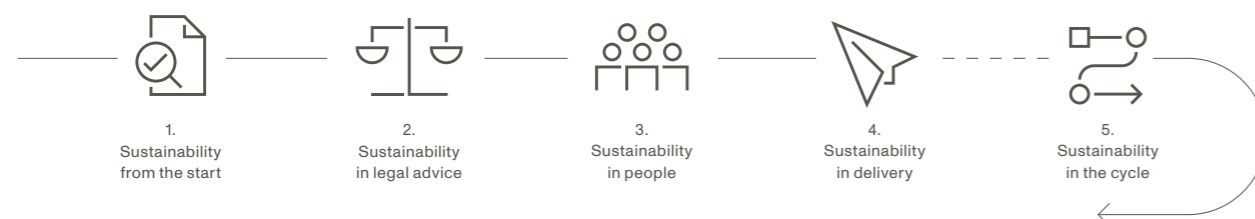
To further strengthen our work in business law and human rights, the firm co-founded the Business and Human

Rights Lawyers Association (BHRLA) during 2022, together with 21 other leading international law firms. BHRLA's activities are based on the responsibility of law firms to uphold respect for human rights in accordance with the UN Guiding Principles on Business and Human Rights.

Sustainability in the business law context is not a single legal area but rather a common thread impacting all our practice groups. For this reason, we have established a new industry group – Sustainability and ESG – to embed sustainability awareness and advisory capacity across all our practice groups, says Sarah Hoskins of Mannheimer Swartling. The group is a cross-firm collaboration, providing advice in six key areas: energy transition, environment and climate change, business law and human rights, sustainable finance, compliance and governance, and sustainable transactions. ●

SUSTAINABLE BY DESIGN

During the course of a matter



Mannheimer Swartling and the UN Global Goals

The 2030 Agenda comprises the UN's Sustainable Development Goals – a universal call to action based on 17 goals with a combined mission to end extreme poverty, combat inequalities and protect the planet by 2030. Although all goals can factor into our advice and our organisation, we have identified areas where we believe we can make the biggest difference.

You are welcome to read more about Mannheimer Swartling's sustainability work in the firm's sustainability report, which is available in Swedish at mannheimerswartling.se/hallbarhet.



Description

Ensure healthy lives and promote well-being for all at all ages.

Target 3.4

Promote mental health and well-being.



Description

Achieve gender equality and empower all women and girls.

Target 5.5

Ensure women's full participation in leadership and decision-making.



Description

Promote sustained, inclusive and sustainable economic growth, full and productive employment with decent work for all.

Target 8.7

End modern slavery, human trafficking and child labour.

Target 8.8

Protect labour rights and promote safe working environments.



Description

Promote sustainable consumption and production patterns.

Target 12.6

Encourage companies to adopt sustainable practices and sustainability reporting.



Description

Take urgent action to combat climate change and its impacts.

Target 13.1

Strengthen resilience and adaptive capacity to climate related disasters.

Target 13.3

Build knowledge and capacity to meet climate change.



Description

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Target 16.3

Promote the rule of law and ensure access to justice.

Target 16.5

Substantially reduce corruption and bribery.

Target 16B

Promote and enforce non-discriminatory laws and policies.



Description

Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.

Target 17.10

Promote a universal trading system under the WTO.

Target 17.16

Enhance the Global Partnership for Sustainable Development.

With *courage* as a common thread in society

What exactly does it mean to be courageous in an organisation operating in today's society? What does it mean to be a courageous person? At Mannheimer Swartling, we have recently spent time discussing exactly what "courage" is. This may seem unusual when conversations about "eternal virtues" rarely take place in today's workplaces. But, for lawyers, questions about courage are a recurring theme.

A LOOK around the world today shows that, in many authoritarian and totalitarian societies, it is lawyers who show courage with their actions. In these societies, citizens have rights on paper. But this is rarely the case in practice. Lawyers are dedicating their time to defend these rights and freedoms, and their work highlights the hypocrisy and injustice of these societies. Courage is therefore an important matter, especially for lawyers, and a significant component in upholding the rule of law, safeguarding democratic values, protecting human rights and helping the most vulnerable in society.

One organisation where the matter of courage is repeatedly raised is UNHCR, the UN refugee agency. UNHCR leads international efforts to protect people who have been forced to flee their homes due to war, conflict or persecution. The organisation provides refugees and displaced and stateless people with life-saving emergency assistance, stands up for their rights, and creates solutions for a more secure future. These activities intensified during the year due to Russia's invasion of Ukraine.

In 2022, Mannheimer Swartling formalised its collaboration with UNHCR Sweden – the Swedish partner and fundraising organisation of UNHCR – by entering into a *pro bono* partnership. We asked UNHCR Sweden's Secretary-General Åsa Widell what courage is and what it means to her.

– A courageous person dares to do things without being completely sure how they will turn out, says Åsa.

Courage can also be many other things and take different forms.

– To dare to take the risk that things may go wrong when someone really believes in an idea, to test whether it is viable. Or to raise issues that not everyone may like to hear and take the risk of becoming unpopular. Courage can also mean asking for help and recognising when someone does not know how to proceed and needs support, continues Åsa.

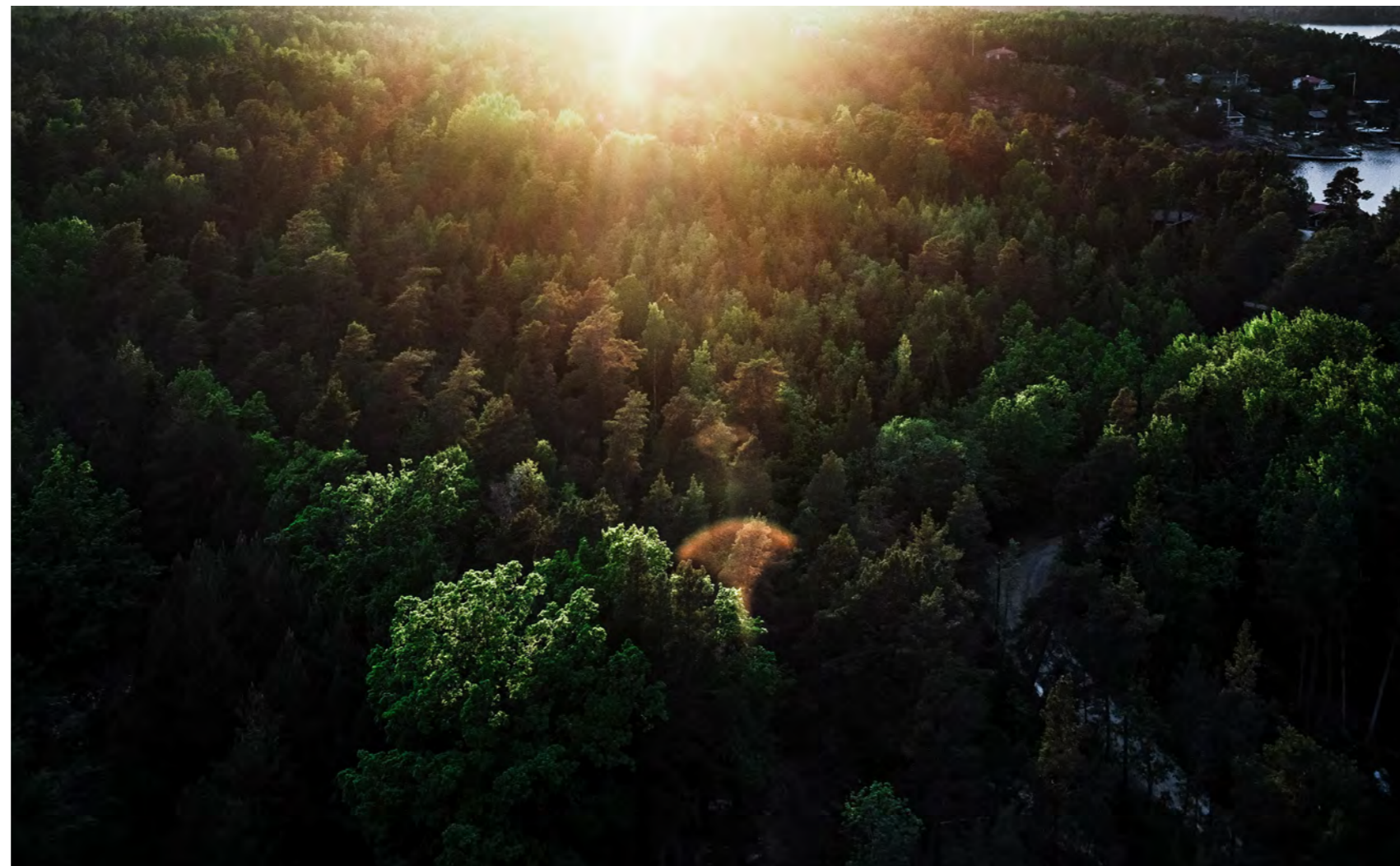
Using courage as a virtue or tool is thus a responsibility, but it also offers great opportunities.

– My colleagues here in Sweden are courageous. They dare to question ingrained patterns and established truths. They dare to try to do things in new ways. This is what enables us to drive development forward. We can even, in a way, celebrate when things go wrong. Because then we know that we have dared. If one is courageous, things will go wrong a few times – and that's okay, concludes Åsa.

The firm's *pro bono* partnership with UNHCR Sweden is one of several within the framework of Mannheimer Swartling in Society, one of our three sustainability

work pillars.

In addition to the *pro bono* partnerships, the firm is active in a number of different community projects, such as the Nobel Foundation and the Modern Museum. The firm also runs its own study and mentoring programme, Study for Life, for young people who have recently completed their first year of high school. The road to university is long and it can feel even longer if your parents did not go to university, or perhaps studied in a country other than Sweden. The aim of the Study for Life programme is to shorten the road to university and inspire young people through mentoring, study visits, lectures and training. ●



“We can even, in a way, celebrate when things go wrong. Because then we know that we have dared.”

In addition to working with UNHCR Sweden, the firm has *pro bono* partnerships with a number of other organisations, and courage is a recurring theme in their work too.

CENTRE FOR JUSTICE is a foundation that stands up for the individual in legal proceedings and participates in the public debate on human rights. Its tool is the legal protection of rights and freedoms provided by laws, constitutions, the European Convention, and EU law.

GAPMINDER is an independent Swedish foundation that works to promote a fact-based picture of the world. This is done by explaining and correcting systematic misconceptions about global trends and conditions.

GLOBAL COMPACT NETWORK SWEDEN is the Swedish network of the UN Global Compact – the world's largest business initiative for sustainability. The aim is to accelerate the exchange of sustainable solutions, tools and initiatives.

INTERNATIONAL ENTREPRENEURS IN SWEDEN, IFS, is a foundation that supports entrepreneurs with a foreign background to start, run and develop businesses. The foundation also works to ensure favourable conditions for entrepreneurship and networking.

THE CITY MISSION aims to create a more humane society for all by working on social care, education and labour integration. Its vision is a society where everyone has the power to shape their own lives, has access to housing, education and work, and experiences love and warmth.

RACE FOR THE BALTIC is a solution and business-oriented fundraising project with a mission to improve the health of the Baltic Sea. The project targets eutrophication – the biggest issue affecting the Baltic Sea – resulting in dead zones in bottom areas, algae blooms, fish mortality and low water clarity.

OPEN HOUSE is a non-profit organisation which promotes diversity through mentoring programmes, internships, employment and workplace visits. By inspiring confidence and motivation, the organisation encourages young people with a foreign background to take their first step into the labour market.

Awards

Mannheimer Swartling regularly tops both Swedish and international rankings. Sweden's law students have also repeatedly voted us as the most attractive employer among law firms. We are incredibly proud of this and work hard to live up to this honour, year after year. A selection of awards received by the firm are listed here.

Chambers Europe Awards for Excellence

Law Firm of the Year, Sweden

2009, 2011, 2012, 2015, 2016, 2018, 2020, 2022

International Financial Law Review

Law Firm of the Year, Sweden

2005, 2006, 2007, 2008, 2010, 2012, 2015, 2016, 2018, 2019, 2021, 2022

Who's Who Legal Awards

Law Firm of the Year, Sweden

2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2017, 2018, 2019, 2020, 2021, 2022

Mergermarket Europe M&A Awards

Swedish Legal Adviser of the Year

2022

Kantar Sifo Prospera

No. 1 "Overall Performance" - Tier 1, Law Firm, Sweden

2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022

Universum

Most popular law firm among Swedish law students

2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022



Board of Directors

The Board of Mannheimer Swartling works to achieve the firm's goal – to be the very best law firm in our market by delivering services of the highest possible quality while being proactive and responsible to our clients, colleagues and the community around us.



Jesper Prytz
Board Member



Jan Dernestam
Managing Partner and Board Member



Erica Wiking Häger
Chairman of the Board



Therese Strömshed
Board Member



Daniel Karlsson
Board Member

