Long-term and active ownership

storskogen

ANNUAL AND SUSTAINABILITY REPORT 2023

Inge Fasnacht,
BR Solutions


Vasileios Botsios,
Julian Bowen Ltd

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The annual accounts and consolidated accounts can be found on pp. 57–128.

The statutory sustainability statement can be found on pp. 32–46 and 136–160.
The Sustainability Report pursuant to GRI is summarised in the GRI index on pp. 158-159.
The official version of the Annual and Sustainability Report is prepared in Swedish in the European single electronic format (Esef).

The Annual Report is submitted by the Board of Directors of Storskogen Group AB (publ), corporate identity number 559223-8694.

Cover: John Hellström, employed by Wibe Group. Photo: Kristian Pohl

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About Storskogen

Storskogen is an international group of businesses across trade, industry and services. As a long-term owner, Storskogen is positioned to identify, acquire, and develop market leaders with sustainable business models. Storskogen creates value by providing access to capital and strategic direction combined with active governance and a decentralised operational model.

3
business areas and 14 verticals

12,077
employees

36,006
SEK m in net sales in 2023

3,238
SEK m in adjusted EBITA in 2023

The year in brief

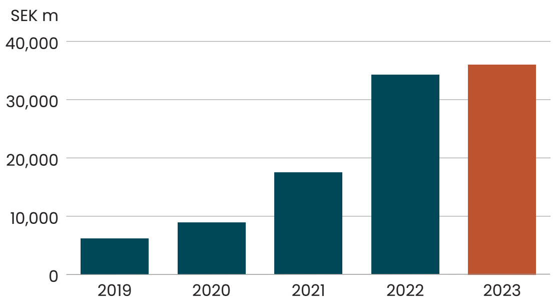
Significant events in 2023

- Net sales increased by 5 percent to SEK 36,006 million (34,250). Organic sales growth was -3 percent.
- Adjusted EBITA increased by 3 percent to SEK 3,238 million (3,143), corresponding to an adjusted EBITA margin of 9.0 percent (9.2). Organic EBITA growth was -13 percent.
- Profit for the year decreased by 41 percent to SEK 944 million (1,592).
- Basic earnings per share amounted to SEK 0.47 (0.86) and diluted earnings per share amounted to SEK 0.46 (0.86).
- Cash flow from operating activities increased to SEK 3,361 million (1,628).
- Twelve acquisitions were completed, with combined annual sales in 2023 of SEK 690 million. Eleven divestments were completed, with combined annual sales of SEK 1,875 million.
- Storskogen initiated preparatory work to follow the EU's new directive for sustainability reporting, CSRD, and prepared a new, double materiality assessment.
- A sustainability committee was established, which will be responsible for reviewing and monitoring sustainability issues.
- The Board of Directors proposes a dividend of SEK 0.09 per share (0.08).

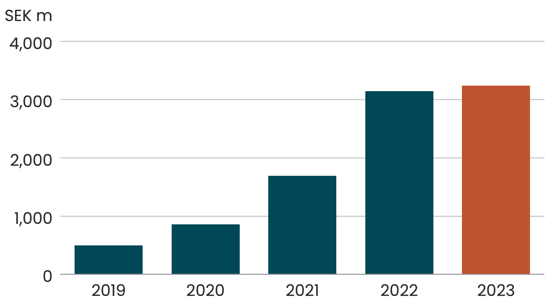
Key performance indicators

SEK m	2023	2022	2021
Net sales	36,006	34,250	17,496
Adjusted EBITA	3,238	3,143	1,688
Adjusted EBITA margin, %	9.0	9.2	9.6
Basic earnings per share, SEK	0.47	0.86	0.60
Diluted earnings per share, SEK	0.46	0.86	0.60
Cash flow from operating activities	3,361	1,628	1,376
Interest-bearing net debt/adjusted RTM EBITDA, x	2.5	2.6	0.5
Return on capital employed, %	7.7	10.1	9.1
Adjusted cash conversion, %	104	59	73
Emission intensity, tCO_2e/SEK m	1.2	1.4	1.6

Net sales



Adjusted EBITA



Distribution of net sales by business area[1]

1) The total figure includes SEK -50 million for Group operations.

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Adaptability and resilience in an uncertain world

In Storskogen's 12th financial year, net sales increased by 5 percent to SEK 36 billion. In the face of the uncertainty around us, we kept focusing on our balance sheet and reduced our interest-bearing debt by SEK 2.8 billion. As we look ahead, we are determined to navigate the changing economic climate and continue our efforts to develop the Group.

It is with humility that I assume the role of Interim CEO of Storskogen. Having been a part of the Company since 2016, most recently as the Head of Business Area Trade and a member of Group management, I have profound knowledge of the operations and an understanding of the challenges and opportunities we face.

Global uncertainty – some signs of improvement

2023 was yet another year of geopolitical unrest, characterised by the conflicts in Ukraine and the Middle East and an uncertain macroeconomic landscape with higher food and energy prices. Nevertheless, in the midst of these global challenges, there are signs of reduced inflation. They give rise to a certain optimism regarding more stable conditions for companies and economies worldwide, including for Storskogen's diversified group of companies.

Financial stability

In the face of the uncertain situation in the world, the efforts to strengthen Storskogen's financial position continued over the year. Continuous improvements in the business units' operational efficiency, including determined efforts to reduce working capital, resulted in a strengthened balance sheet on the Group level. In turn, this allowed us to reduce our interest-bearing debt by SEK 2.8 billion. The average maturity of our debt portfolio was also extended, and no loans are due for repayment in 2024.

It was largely the formidable efforts of the business units to free up cash flow that allowed us to reduce debt and through continued good profits, we have also strengthened our equity position.

Diversification in the Group

At the beginning of the year, inventory levels were high in all parts of the supply chain for our trade companies. These fell gradually, which contributed to a reduction in working capital over the year, and we believe the conditions are right for better development in the business area in 2024. For Storskogen's industrial companies, 2023 was a strong year, and the Services business area ranked somewhere between the two other business areas, as the first six months were strong but the last six months were somewhat weaker. Towards year-end, margin pressure was noted, primarily in Services and Trade. But over the whole year, both sales and margins remained on a relatively good level.

All in all, the varied performance of the business areas highlights the strength of owning a diversified group of companies. Owning companies with a wide range of operations, characteristics and results balances the risks that owning companies within a single industry could entail.

The Group's development

The development of the Group lies at the heart of Storskogen – creating both organic and acquired growth. Several recent investments, for example in ERP and inventory systems, have created the conditions needed for growth, and we have carried out several initiatives to improve efficiencies and reduce costs. One example is Båstadgruppen, a distributor that has the capacity to handle twice the sales with the same warehousing costs, thanks to its modernised warehouse system. In Storskogen's largest business unit, the industrial company LNS, the product offering is being rationalised to reduce complexity, thus increasing profitability and reducing capital tied up. I also see conditions for higher sales and profitability in the Group, such as through price optimisation initiatives.

We strengthened our sustainability efforts over the year by preparing for the Corporate Sustainability Reporting Directive (CSRD), which will soon become a legal requirement. We also integrated climate targets in the Group management's incentive programme, which clearly signals our commitment to sustainability and to creating commercial value. By linking our business strategies to sustainability targets, we strengthen Storskogen's long-term sustainability and competitiveness.

Our journey ahead

Looking ahead, we are determined to navigate the changing economic climate. Strengthening our financial position remains a top priority. In 2024 Storskogen's acquisition agenda will remain restrained and focus will be organic growth.

However, an important component in Storskogen's long-term strategy is to use generated cash flows to acquire stable small and medium-sized businesses to strengthen and develop our verticals and business units. In the Storskogen model, the ambition to manage the existing Group to create organic growth goes hand in hand with efforts to create acquired growth.

Decentralisation – balanced with central governance

Storskogen was founded more than 12 years ago, but as a listed company, it is still relatively young and our business sometimes raises questions. These include how we are able to manage such an extensive group of companies with varying business areas. The importance of decentralisation for our operations cannot be emphasised enough – through a balance between governance and independence, the acquired companies keep their operational independence and their entrepreneurial spirit, which are often key to their ability to realise their potential. At the same time, Storskogen's overarching strategy and financial management are safeguarded centrally by continuously monitoring the operations and providing support adapted to the needs of the business units.

Ultimately, individuals determine our success. This is why I'd like to thank all Group employees: your commitment and hard work are the cornerstones of our business.

To conclude, our strategic priorities remain: to strengthen cash flows, reduce leverage and maintain solid profitability. On this basis, we will be in a position to increase our focus on organic growth and to empower businesses to realise their full potential.

Christer Hansson,
Interim CEO

"I look forward to continuing the work on our strategic priorities and gradually increasing our focus on organic growth."

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Strategy and business model

Mission

We empower businesses to realise their full potential

Vision

To be the leading international owner of small and medium-sized businesses

Business model

Storskogen owns and develops small and medium-sized businesses to create profitable growth and resilience.

1. Opportunity

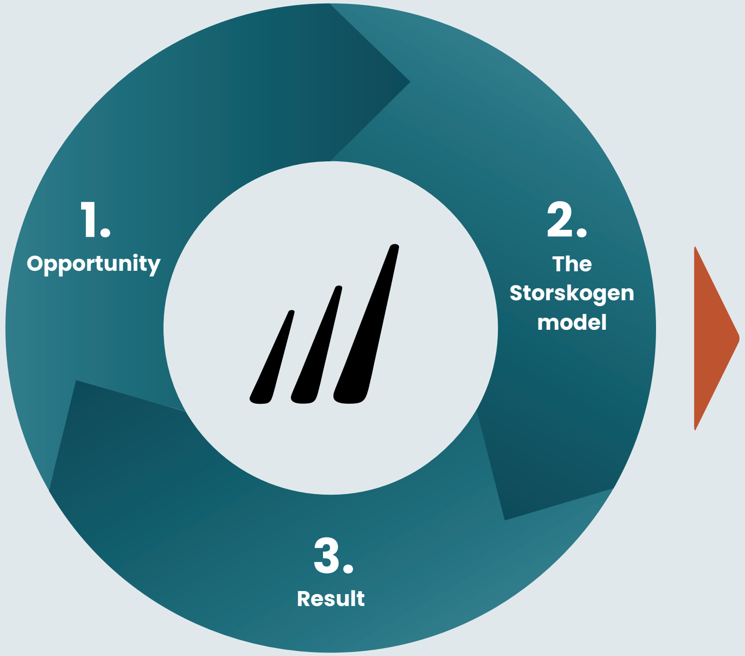
- **Evergreen opportunity** to acquire profitable companies with proven business models.
- **Attractive valuations.**
- **Value-creation opportunities** through professional and business development and synergies.

2. The Storskogen model

- **Long-term perspective and stability** ensure companies' future competitiveness.
- **Decentralisation** promotes entrepreneurship.
- **Active ownership and financial governance** enable businesses to realise their full potential.
- **Diversification** is ensured through organic and acquired growth.

3. Result

- **Resilience:** Group diversification, geographically and industrially, creates endurance over business cycles and mitigates risks.
- **Profitable growth:** Cash flows are reinvested to achieve long-term growth.



Value creation

- **Shareholders**
  Exposure to a diversified group of small and medium-sized businesses creating profitable growth and resilience.
- **Business sellers/business units**
  Long-term, decentralised ownership model that empowers businesses to realise their full potential.
- **Employees**
  Opportunities for development and knowledge sharing within the business group.
- **Society**
  Commitment to entrepreneurship supports local society.

The possibilities of owning small and medium-sized businesses

The foundational idea behind Storskogen is to own and develop profitable small and medium-sized businesses. The value that is generated from the business group enables continued profitable growth and strengthens resilience.

Evergreen opportunity
Small and medium-sized companies play a vital role in the world economy by promoting growth, creating jobs and contributing to local development. Some businesses are at the forefront of innovation while others rely on proven business models that have stood the test of time, for decades and sometimes even centuries.

From Storskogen's perspective, small and medium-sized businesses often have attractive valuations and thus constitute good investment opportunities. Looking at the number of potential acquisitions, Storskogen sees an evergreen opportunity to identify, acquire and develop profitable companies with stable business models to achieve long-term growth and improved resilience for the business group.

Attractive valuations
Small and medium-sized businesses are generally valued lower than large companies due to a number of risks such as greater sensitivity to market changes, fluctuations in the economy and greater dependence on key individuals, customers or suppliers. Investors typically pay a premium for investing in companies where it is easy to buy and sell shares at any given time, and the opposite is generally true for unlisted companies.

Even well-managed companies with proven business models can experience difficulties in attracting suitable buyers. This may be due to the business not suiting industrial buyers or being geographically located too far from potential stakeholders.

In sum, many factors can explain why privately held smaller companies generally have attractive valuations, which creates good conditions for high returns in the long term.

Value creation opportunities
Small and medium-sized businesses tend to have untapped potential that can be realised by becoming part of a larger business environment and context, such as Storskogen. Examples of specific areas that can be challenging for smaller companies are digitalisation, internationalisation, recruitment of competence and sustainability requirements.

Storskogen provides access to capital, expertise and knowledge sharing – areas that can be critical in order to improve operational excellence and carry out growth initiatives that increase profitability and empower companies to realise their potential.

For example, by gaining access to capital and expertise, companies belonging to fragmented industries can acquire competitors and create growth through industrial consolidation and expansion of their operations.

The Storskogen model

The Storskogen model is based on decentralised, long-term and active ownership that provides the business units with the opportunity to retain their entrepreneurial spirit while benefiting from the support of a larger business group.

Long-term perspective and stability
Privately held small and medium-sized companies often reach a point where a new owner is required to ensure future competitiveness. Beyond financial aspects of a sale, company sellers tend to look for buyers who share their vision of nurturing the business and its employees to realise its long-term potential. Storskogen's approach aligns with these preferences, which is reflected in Storskogen's ambition to remain as a long-term owner.

Decentralisation, entrepreneurship, scalability
To achieve the vision of becoming the leading international owner of small and medium-sized businesses, Storskogen's organisation is designed for scalability. This is achieved through Storskogen's decentralised operational model which gives the management in each business unit decision-making power. They have the experience needed to manage their business, take advantage of market opportunities, address customer needs and effectively runt the day-to-day operations. The model also ensures that management have incentives and a clear responsibility for operational decision-making and target achievement – which promotes Storskogen's ambition to maintain the entrepreneurial spirit of each business unit.

Active ownership and financial governance
Storskogen's central business area organisation plays a crucial role in developing the business units with strategic and operational support in issues such as investment decisions, succession planning, sustainability initiatives and corporate governance. Support is provided through board-level work and is supplemented by monthly follow-up and other activities adapted to the needs of the business units. A key aspect of this process is Storskogen's shared framework for financial governance, which ensures reliable financial reporting and forecasting.

The strength of Storskogen's network of business units enables both internal and external synergies. Internal synergies include cross-purchasing among business units and utilisation of collective capabilities and resources. External synergies can

Jonas Mjärling and Simon Myhrberg, ARAT Group

The Storskogen model cont.

for example entail utilising the business units' collective purchasing power through framework agreements, optimising purchasing processes and procurement.

Some of the synergies are enabled through *Storskogen Knowledge Exchange*, KX, a platform aiming to increase cooperation and knowledge sharing within the business group. KX is structured into several areas: pricing, HR, procurement, digital channels, finance, ESG, supply chain and logistics. Through a range of tools including regular educational events, a shared repository, discussion forums and other activities, KX promotes cooperation and exchange of knowledge and experiences.

To enable long-term value creation, Storskogen places strategic emphasis on guiding the business units in their work to manage sustainability related demands and opportunities – areas that can be particularly challenging for small businesses to manage on their own. This is done through ongoing support, board-level work, trainings and common tools. The sustainability work is structured into three focus areas, based on the Group's materiality analysis: *Minimise environmental impact, A good employer and neighbour* and *Responsible business.*

Diversification and efficient capital allocation

Storskogen's growth comes from efficient capital allocation in both investments in organic growth and acquisitions. The acquisitions are divided into two main types:

- Platform acquisitions, forming individual business units. Platform acquisitions do not necessarily have to generate synergies but can contribute to the business group on an individual basis. However, they can, for example, have potential to consolidate industries through roll-up strategies.
- Add-on acquisitions, where an existing business unit acquires and integrates a business for strategic purposes, for example to expand its offer, competence or geographical presence.

The acquisition process is governed by carefully developed practices to ensure that the acquired companies are of high quality, aligning with Storskogen's overarching strategy. The proprietary *Case Assessment Tool*, CAT, systematically evaluates potential acquisitions, assessing their fit with the current business group and potential compared to other investment alternatives. This approach ensures that the acquired companies are likely to contribute to the profitability, diversification and resilience of the business group.

Ellen Günther-Hanssen, Scandinavian Cosmetics

Value creation for all stakeholders

Storskogen's strategy of owning and developing business units in several sectors and markets creates endurance and profitable growth. Generated cash flows are used to further strengthen the business group and create long-term value for Storskogen's stakeholders.

Resilience
As a business group, Storskogen mitigates the risks usually associated with owning individual small and medium-sized businesses. A diversified group of companies creates resilience and lower risk because different parts of the group are affected differently by trends, drivers and economic fluctuations. The challenges that may arise in individual businesses are balanced by the characteristics of the Group as a whole. The risks are also mitigated through operational excellence initiatives in the business units, which strengthens both their operations and the Group.

Profitable growth
Through the work that is carried out in Storskogen's business areas and underlying verticals, conditions for synergies, cooperation, structural transactions, mergers and other network effects are created. Generated cash flows are reinvested into the Group to enable additional initiatives for organic growth as well as add-on and platform acquisitions.

Value creation for stakeholders
Storskogen's business model delivers benefits for several stakeholder groups:

- **Shareholders:** Small and medium-sized businesses account for more than 50 percent of GDP in many high-income countries, according to OECD. However, for investors, accessing the significant value these businesses generate within society can be challenging. Storskogen addresses this gap by offering shareholders exposure to small and medium-sized businesses with a unique potential to contribute to the diversification of the investor's portfolio and create profitable growth.
- **Business sellers/business units:** Storskogen is a long-term owner, providing stability, support and conditions for growth – for example in areas such as digitalisation, internationalisation and sustainability. Not only does this ensure the businesses' survival, but it empowers them to realise their full potential.
- **Employees:** Storskogen works actively to ensure the well-being and motivation of its employees. This includes offering them development opportunities within the broader business group. Storskogen also strives to contribute to the employment in local communities in which the business units operate.
- **Society:** Storskogen promotes entrepreneurship and supports local businesses, contributing positively to the societies in which Storskogen operates. Storskogen is dedicated to enhancing sustainability across the business units, ensuring the operations benefit all stakeholders, from local communities to investors.

In summary, Storskogen's approach not only fosters financial growth but also supports a healthy ecosystem of businesses, employees and communities, underpinning the Group's commitment to sustainable business practices.

Targets and target fulfilment

Over the year, Storskogen met its adjusted cash conversion target, and net debt/adjusted RTM EBITDA was also in the target range. The complex and challenging year with weaker consumer demand and a weak construction market had a negative impact on Storskogen's organic EBITA growth and margin targets.

Storskogen's adjusted EBITA growth was 3 percent in 2023, which was below the historical average. This was primarily due to the Company's focus on decreasing interest-bearing debt, which affected the number of acquisitions made over the year. Organic EBITA growth was -13 percent, which fell short of the target of alignment with the real GDP growth in the markets in which Storskogen operates plus 1–2 percentage points.

Growth was strongly affected by continued cost inflation, which was gradually offset by price increases over the year, as well as a weakening of the Swedish krona. Business units exposed to new construction and weaker consumer demand were the primary reasons for the negative organic growth. These factors also impacted the adjusted EBITA margin, which was 9.0 percent compared with the target of 10 percent over time. Storskogen strives to raise the margin by way of cost control, synergies and improved profitability in business units with a low margin.

The business areas' focus on improved working capital contributed to a strong cash flow and adjusted cash conversion of 104 percent in 2023, which exceeded the 70 percent target.

Interest-bearing net debt/adjusted RTM EBITDA decreased from 2.6x to 2.5x at the end of the year, which is within the target range of 2–3x. Due to continued high interest rates and associated high financing costs, Storskogen aims to keep reducing its leverage to the lower part of the range.

Medium-term financial targets

	Organic EBITA growth[1]	Adjusted EBITA growth, including acquisitions	Adjusted EBITA margin (over time)	Adjusted cash conversion[3] (annual basis)	Interest-bearing net debt/ adjusted RTM EBITDA[4]
Targets	Real GDP growth[2] +1–2 percentage points	In line with historical levels	10%	>70%	2.0–3.0x
Outcome 2023	-13%	3%	9.0%	104%	2.5x

1) Calculated as a change in EBITA, excluding acquisition and divestment effects from acquisitions, compared with the same period in the previous year.
2) In existing markets.
3) Calculated as operating cash flow in percent of adjusted EBITDA.
4) Calculated as interest-bearing net debt compared with adjusted RTM EBITDA.

Sustainability targets

	Environmental: Minimise environmental impact	Social: A good employer and neighbour	Governance: Responsible business
Under-taking	To halve emissions by 2030 compared with 2020 and reach net zero by 2045.	We strive to be a gender-equal and inclusive organisation.	To identify, stop, prevent, mitigate and account for any negative impact on human rights and the environment in the supply chains.
Targets	**2030** • Emission intensity, 0.95 tCO_2e/SEK m[1)] • 100 percent fossil-free energy[2)] • Offset any remaining emissions **2045** • Net zero	• Gender distribution of 40–60 percent among employees in senior roles in Storskogen's central organisation • Gender distribution of 40–60 percent among the individuals appointed by Storskogen to the business units' boards (on an aggregated level)	**2023** • All business units must map their supply chain to identify any high-risk suppliers • All business units that have high-risk suppliers must include requirements in agreements **2025** • Evaluation of high-risk suppliers' compliance with the Business Partner Code of Conduct
Outcome 2023	• 1.2 tCO_2e/SEK m • 73 percent fossil-free energy[2)]	• 40 percent women and 60 percent men among employees in senior roles in Storskogen's central organisation • 29 percent women and 71 percent men among the individuals appointed by Storskogen to the business units' boards (on an aggregated level)	• 89 percent of the business units have mapped their supply chain, of which 48 percent have high-risk suppliers • 74 percent of business units with high-risk suppliers have included requirements in agreements

1) Scopes 1 and 2.
2) Applies only to purchased electricity (not district heating, district cooling).

Read more about Storskogen sustainability initiatives on pp. 32-46.

Storskogen as an investment

Storskogen offers unique exposure with a focus on sustainable growth.

Unique exposure
An investment in Storskogen offers unique exposure to small and medium-sized unlisted companies, which are generally difficult to access as an investor. Storskogen's business units have sales just below SEK 280 million on average, are market leaders in their segments, generate good cash flows and create positive and sustainable developments in their respective industry.

Long-term value creation
Storskogen's long-term ownership requires the business units to be persistently profitable and able to adapt to changing conditions in society, for example in terms of legislation, customer and consumption patterns, as well as to global challenges such as climate change. Storskogen has an active but decentralised ownership model, which means that its business units retain a great deal of responsibility and independence while Storskogen provides expertise, funding and opportunities for knowledge sharing.

Diversification
Through its 129 business units, Storskogen has a presence in three business areas and 30 countries. Historically, the business units have been resilient in economic downturns, and the operational and geographical diversification provides the Group with good conditions for endurance and stability also in the future.

56%
Annual average net sales growth, 2019–2023

Proven acquisition model
Storskogen has a proven acquisition model with clear acquisition criteria that consider the Group's overarching financial and sustainability targets. This creates a large and qualitative acquisition deal flow, which in turn allows for diversification in the Group and good opportunities for profitable growth. Storskogen's selective and systematic evaluation of acquisition candidates ensures high quality of the acquired companies.

Collective expertise
Storskogen's central business area organisation employs people with expertise in various sectors, often with previous experience as CEO or CFO. The business areas are supported by other central functions with expertise in areas such as M&A, corporate development, sustainability, finance, human resources, legal and communication. The central organisation's local presence in four geographical markets also provides excellent local and market knowledge.

Sustainable financial development
Storskogen has strong growth and earnings trends. Between 2019 and 2023, net sales and adjusted EBITA had a compound annual growth rate (CAGR) of 56 percent and 60 percent, respectively. Storskogen's ability to generate strong cash flows that can be reinvested in the business units and in new acquisitions allows for sustained growth over time.

60%
Annual average adjusted EBITA growth, 2019–2023

Storskogen's financial strategy

A properly balanced capital structure is of major importance, both for shareholders' risk exposure and returns, and for the continued development of the business operations.

Financial operations
Storskogen's financial operations are conducted in accordance with the Company's Finance Policy and financial targets. Storskogen's capital structure shall be balanced with regards to equity and debt. According to the Finance Policy, the equity-to-assets ratio shall be at least 25 percent. The Company's financial risk management is mainly centralised to leverage economies of scale and limit financial and operational risks at a Group level.

As at 31 December 2023, Storskogen's assets were SEK 44,169 million, with an equity-to-assets ratio of 46 percent and an interest coverage ratio of 2.5x.

Financing strategy
Storskogen works continuously with its financial profile to obtain financing on competitive terms. This is achieved by maintaining close and long-term relations with lenders, enabling them to have deep knowledge of Storskogen's operations and performance. Storskogen strives to have a diversified debt portfolio, both in terms of type of debt and maturities. Storskogen regularly follows up and monitors current and future financing needs to ensure proper planning ahead of potential upcoming refinancing activities and sufficient time for long-term decisions.

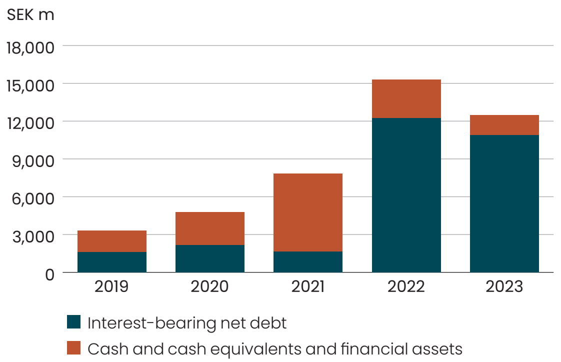
Net debt and leverage
Storskogen aims for an interest-bearing net debt/adjusted RTM EBITDA of 2.0–3.0x. To ensure long-term high returns to the Company's shareholders, the level is adapted to the economic cycle and the interest rate environment. The leverage may temporarily fall below 2.0x or exceed 3.0x, but it must never exceed 3.5x, depending on the timing of acquisitions. As at 31 December 2023, the Company's interest-bearing net debt was SEK 10,902 million and the leverage ratio (interest-bearing net debt/adjusted RTM EBITDA) was 2.5x.

Events in 2023
In 2023, Storskogen carried out several activities to extend the maturity profile and adapt the debt portfolio to the current interest rate environment. Interest-bearing debt was reduced by SEK 2.8 billion over the year. This was possible due to a strong cash flow from the business units, but also due to the more effective cash management and completed divestments. By extending bank loans, repurchasing bonds maturing in 2024 and issuing a new smaller bond with a longer duration, the average maturity was improved. At the end of 2023, it was 23 months. The rapidly rising interest rates were to some extent managed through interest rate hedging, but primarily by reducing the total loan volume.

After year-end, Storskogen refinanced both outstanding unsecured facility agreements, by which Storskogen extended the average maturity of its debt portfolio and reduced the scope of its bank financing.

For more information, see Events after year-end, p. 61.

Debt structure, 31 December 2023[1)]



SEK m	Maturity	Carrying amount
RCF[1)]	2025–2026	3,908
Term loan[1)]	2025	1,276
Bond 1	2027	1,985
Bond 2	2025	2,987
Hire/purchase agreements		293
Leases		1,652
Provisions for pensions		247
Other		177
Financial assets		-63
Cash and cash equivalents		-1,560
Total interest-bearing net debt		**10,902**

1) After year-end, Storskogen refinanced the RCF and the Term loan. For more information, see Events after year-end, p. 61.

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Organisation and culture

Identifying, acquiring and developing companies in a sustainable manner places demands on the corporate culture, employee skills and commitment, and the way Storskogen is organised to manage the Group. Storskogen strives to ensure effective resource allocation, good corporate governance and operational excellence, as well as to encourage innovation.

Organisational structure
Storskogen's skills and organisation are key to successfully executing the strategy of identifying, acquiring and developing companies. Storskogen's central organisations in the Nordic region, DACH, United Kingdom and Asia combine great industrial expertise with local presence and market knowledge. Storskogen's business units are supported by the three business area organisations that include both generalists and specialists.

In 2023, a review of the central organisation was carried out. Considering the continued low pace of acquisitions, resources were reduced and redistributed. Certain employees were transferred from central operations to operational management positions in the business units, such as CEO. This is expected to have a positive effect on the development of employees and business units alike.

Storskogen's values
Storskogen's four values are deeply rooted in the Group's history: entrepreneurial, respectful, a long-term approach and professional. These values guide Storskogen's employees in their strategic and daily work and form the basis of Storskogen's recruitment processes.

Work environment and business ethics in the central organisation
Storskogen has a long-term view when it comes to relations with employees and therefore takes an active approach to ensuring employees' well-being and motivation. Storskogen places great importance on offering employees a good work environment and beneficial employment conditions. All employees in the central organisation are white-collar workers. None of them are subject to collective bargaining agreements, but their working conditions and terms of employment correspond to collective bargaining agreements in similar organisations.

Employee dialogue
Employees are invited to express their views and opinions in employee surveys, performance reviews and regular team debriefings. In 2023, a process to appoint an employee safety representative was initiated. This work is expected to be completed in 2024.

Performance reviews and quarterly follow-up sessions are held by each manager to discuss topics such as satisfaction, performance, personal goals and development. In 2023, performance reviews were held with all employees.

Storskogen's values

Entrepreneurial
- We focus on business opportunities and cost-efficiency.
- We dare to make decisions even when we don't have all facts on the table.
- We are driven and solution and action-oriented.
- We are innovative, open to new ideas and fuelled by the mindset of never giving up.

Professional
- We make fact-based decisions based on essential information.
- We invest time in developing ourselves, always striving for improvement.
- We are honest and transparent.
- We aim to establish clear expectations and deliver on our promises.

A long-term approach
- We focus on long-term success.
- We invest in people and long-term relationships.
- We develop our companies to secure long-term competitiveness.
- We are sustainable and strive to be relevant in 100 years.

Respectful
- We adapt ourselves to every context and situation.
- We help our colleagues.
- We meet on equal terms in all our interactions.
- We respect other people's competence and are open and curious to learn more.

Continuous anonymous employee surveys are performed to obtain regular information on employee well-being and the work environment. The results are handled by each manager and also form the basis for strategic HR initiatives. The areas measured include motivation, the ability to influence daily work, workload and work-life balance. In 2023, the employee surveys had a high response rate and indicated great commitment and confidence in Storskogen's strategy and leadership.

Health and safety risks

The main health and safety risks in Storskogen's central organisation are work-related stress, risks associated with the psychosocial work environment and ergonomics. Employee surveys are the main tool for identifying, preventing and managing such risks. From the start of the surveys, the results have indicated low stress levels. If improvement measures are required, an action plan is prepared by the manager in question and HR. Read more on p. 42.

Insurance and benefits

In addition to compliance with each country's local laws and regulations on employment conditions, health and safety, etc., all employees are offered parental pay, private healthcare insurance, health insurance, preventive health insurance, accident insurance and non-life insurance. Health-promoting activities are encouraged, and in some countries, health checks and common exercise opportunities are provided along with an extended wellness subsidy. Other benefits offered in the central organisation include incentive programmes to motivate and retain staff.

Structure and governance documents

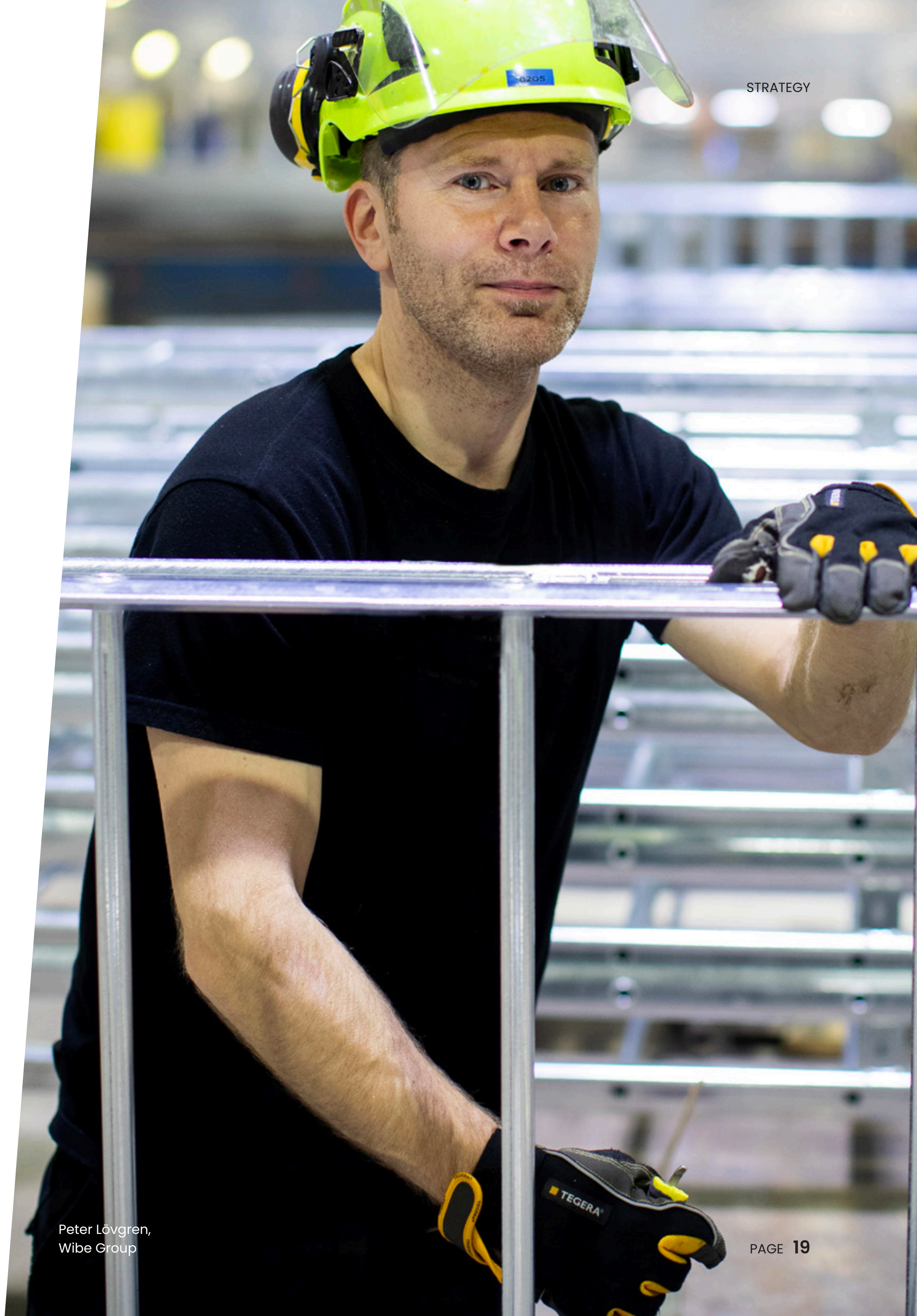
Over the year, an HR system for the central organisation was implemented to collect employee and employment information on a common digital platform.

Storskogen's HR system and Intranet contain governance documents such as the Code of Conduct, Work Environment Policy and Gender Equality and Diversity Policy. Storskogen also has a digital whistleblowing function. These policies have been adopted by Storskogen's Board and cover the entire central organisation.

Strengthening position as an attractive employer

The project to strengthen Storskogen's position as an attractive employer that was initiated in 2022 continued in 2023. It mainly involves the areas workplace, inclusion and benefits. As part of the project, training with the Allbright foundation was carried out, focus on employee development opportunities was increased and extended health check benefits were implemented.

For further information on employees, see Note H6, p. 145



Peter Lövgren, Wibe Group

EMPLOYEE INTERVIEW

Chris Pullen has served as an officer in the British Army and CEO of several service companies. Today he holds the role of Investment Director at Storskogen in the UK, where he is the chair of the boards of the British business units in the Services and Industry business areas. In 2023, Chris was appointed Acting CEO of the business unit Stop Start Transport.

Chris Pullen,
Investment Director,
Storskogen UK

What is your professional background?

My career started as a British Army Officer, which I think gave me a great grounding in leadership and exposed me to some interesting situations. After the military, my experience has been mainly in CEO roles across various services businesses including parking, serviced offices and real estate, recruitment and training. A common theme has been large businesses with either a strategic growth agenda to develop or a turnaround situation.

What do you do at Storskogen?

I spend most of my time working as the chair of boards of the UK business units in the Services and Industry business areas. I also work with our M&A team, supporting the deal process and building relationships with the selling founders.

Tell us about your role as Acting CEO of Stop Start Transport.

2023 was an interesting year for me as I stepped into one our business units, Stop Start Transport, as acting CEO, replacing the founder. During the year we accelerated the growth potential of the business unit by completing a digital transformation, some operational investments and a facility move. This is a good example of how Storskogen has the breadth and depth of experience to directly support business units as and when needed.

What challenges do you typically face in your job?

The challenges are wide and varied and differ from business to business. Often the challenge is around growth strategy – when and how much to invest. Having had experience running larger companies where I have made these decisions many times before, and sometimes made mistakes, I enjoy helping the business units to find the right solution.

What do you like best about working at Storskogen?

I really enjoy the opportunity to work with a broad range of people from across varied industries and sectors. It is a unique privilege to be able to work alongside successful entrepreneurs and to help steer the future of already highly successful organisations. No two businesses are alike and each requires a tailored approach. At the same time, I feel at home with Storskogen's values-based culture.

What was the most exciting thing that happened at Storskogen in 2023?

It was a busy year with two competing highlights. The acquisition of AC Electrical was the culmination of a year's work and it was great to finally add this leading company to the UK portfolio. But above all, running Stop Start Transport provided fun and excitement throughout the year!

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Business areas

A well-diversified group of companies

Storskogen's business units operate in a wide range of sectors, forming a Group that is well-diversified with regard to trends, drivers and sensitivity to economic fluctuations.

Diversified business areas with specialised verticals
Storskogen's business units are divided into three business areas, Services, Trade and Industry, with 14 underlying and specialised verticals. The business units contribute to good operational and geographical diversification, creating stability and resilience. The business units all have a strong market position, a proven business model, long-term profitability and an entrepreneurial spirit in common.

Long-term development and growth
The business areas work actively with the business units to enable long-term development and growth. The work is adapted to the operations, conditions and objectives of each business unit and performed on both a strategic and operational level.

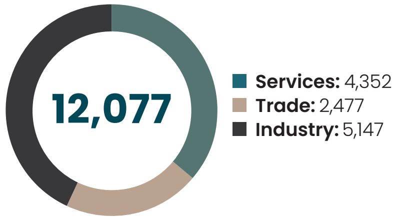
The business units are divided into verticals in each business area, based on the type of operations they carry out and on the industry in which they are active. Each vertical contains similar business units and people from Storskogen's central organisation that have expertise in that specific industry. This allows for knowledge sharing, collaboration and economies of scale – both within and outside of the verticals.

Drawing benefits from macro trends
Due to the business areas' diversification, they are affected by and draw benefits from a wide spectrum of macro trends. Large overarching trends, such as the green energy transition, digitalisation and urbanisation, affect all business areas, while others are specific to each area. The business areas are also affected by and address various sustainability issues. All business areas comply with the Group-wide sustainability targets and therefore focus on issues such as climate, gender equality, diversity, inclusion and sustainable supply chains.

Net sales[1], SEK m

Adjusted EBITA[2], SEK m

Number of employees[3]



Emission intensity tCO_2e/sales, SEK m

1) The total figure includes SEK -50 million for Group operations.
2) The total figure includes SEK -270 million for Group operations.
3) The total figure includes 101 employees in the central organisation.

Business area Services

The business area consists of service companies with strong positions in selected B2B niches. The business units are divided into seven verticals: Contracting Services, Infrastructure, Installation, Logistics, Engineering Services, Digital Services, as well as HR and Competence.

Strategy and trends

The business area works actively with the business units on strategic and operational issues to help them develop and achieve greater profitability in the long term. The focus is on operational improvements and resource and machine optimisation. Many of the business units are labour-intensive, which makes it increasingly important to be prepared for rapid adjustments to changes in the macroeconomic environment. To remain profitable and minimise risk, the business area strives to strengthen the business units' skills in areas such as calculations, pricing, price indexation and project reporting further.

The business area is affected by and benefits from trends such as digitalisation and increased e-commerce, which is driving demand for transport and logistics services. Other trends include an increased focus on lifelong learning, which benefits the business units in HR and Competence, and the green energy transition, which drives new customers and business. Examples include certain business units in the Contracting Services vertical, which used to only be active in petrol stations but have now expanded to charging infrastructure and gained hydrogen companies as customers.

The business area's portfolio includes most of the companies with major impact on Storskogen's climate targets. These are primarily logistics and infrastructure companies that own their own lorries and machinery. The business plans of the business units include activities aimed at contributing to the transition to lower emissions both in the short and long term, and making it possible for Storskogen to meet its climate targets. For example, the business unit's largest logistics company has begun the transition to fossil-free fuel, and a portion of the owned fleet is now powered exclusively by electricity and biofuel. Investments have also been made in battery storage to prepare for the electric lorries of the future.

Events during the year

The year started with generally good conditions, where the full effect of price adjustments made and continued strong demand contributed to revenue growth and increased profitability in the first six months of the year. Nonetheless, growing concerns about a weaker economic situation had a dampening effect on the latter part of the year, and several business units had to adapt their organisations. Sales and EBITA were also affected by the divestment of several business units, whose revenue was no longer received.

Business units with exposure to the construction industry were affected negatively due to fewer construction projects being started, while the HR and Competence vertical was impacted by continued low unemployment rates, low participant numbers and few allocated training programmes. On the other hand, the Installation vertical, which faced a couple of challenging years after the pandemic, benefited from strong demand.

Transactions

Two platform acquisitions were made over the year, both of which were outside of Sweden. The acquisition of the British electrical contracting company AC Electricals expanded the expertise and geographical scope of the Installation vertical. The acquisition of the education company The Physics Café in Singapore expanded the range of services in the HR and Competence vertical and was fortified by the clear trend in education in Singapore. In addition to these platform acquisitions, four add-on acquisitions were made by existing business units.

Over the year, seven divestments were made. The painting group Dextry Group was divested at the end of the first six months, and in the autumn, the three electrical installation firms El & Projektering i Vetlanda AB, Växjö Elmontage AB and EVIAB Gruppen AB were divested, as well as the contracting services firm Svenska Tungdykargruppen AB. During the second half of the year, parts of Brunner-Anliker and a subsidiary within the business unit Såg & Betong were also divested.

▶ For a complete list of transactions made in 2023, see Notes 5 and 6, pp. 88–94.

Peter Ahlgren,
Head of Business Area Services

Business area Services

Key performance indicators

SEK m	2023	2022	2021
Net sales	11,346	11,351	6,906
Adjusted EBITA	1,057	1,079	695
Adjusted EBITA margin, %	9.3	9.5	10.1
Adjusted EBITA excl. transaction costs	1,062	1,101	712
Adjusted EBITA margin excl. transaction costs, %	9.4	9.7	10.3
Emission intensity tCO_2e/sales, SEK m	2.1	2.6	2.6
Number of employees	4,352	5,140	4,297

Despite a weaker macroeconomic environment and divestments carried out during the year, net sales for the business area were unchanged and amounted to SEK 11,346 million (11,351) in 2023. Organic sales growth was -3 percent. Adjusted EBITA decreased by 2 percent to SEK 1,057 million (1,079) and adjusted EBITA margin was 9.3 percent (9.5). The business area had organic EBITA growth of -18 percent. The adjusted EBITA margin excluding transaction costs was 9.4 percent (9.7). Emission intensity was 2.1 tCO_2e/SEK m (2.6).

Net sales, %
By vertical

- Installation 31%
- Engineering Services 14%
- HR and Competence 9%
- Logistics 10%
- Digital Services 6%
- Contracting Services 9%
- Infrastructure 21%

Net sales growth

0%

Adjusted EBITA growth

–2%

VERTICALS IN THE BUSINESS AREA

Installation comprises business units in plumbing, ventilation, cooling, chimney sweeping, and electrical and technical installations. Customers are mainly municipal and private property companies as well as both small and large construction companies.

11 business units and 1,252 employees

Engineering Services comprises business units that provide technical engineering services in areas such as architecture, engineering services, fire safety, environment and advanced measurement technology. Customers include construction companies, private property owners and public sector entities.

8 business units and 465 employees

HR and Competence comprises business units in the areas of education, such as adult education, labour market training, corporate training, temping agency services and job matching. Customers are primarily private companies, individuals and Swedish authorities on various levels.

6 business units and 775 employees

Digital Services comprises business units that provide IT-related and digital services and products to corporate customers in the private and public sectors.

9 business units and 343 employees

Contracting Services comprises business units that include service providers and contractors for the construction and civil engineering market. Customers include construction companies, property and plant owners and industrial companies.

5 business units and 450 employees

Infrastructure comprises business units that carry out heavy land-related or railway infrastructure projects, often using heavy equipment such as demolition, excavation and foundation work. Customers are companies in the private and public sectors.

13 business units and 828 employees

Logistics comprise business units active in freight services, freight forwarding, last-mile deliveries and third-party logistics with national and international operations. Customers include companies such as freight forwarders, cargo owners and ports.

6 business units and 239 employees

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Business area Services

DEEP DIVE: DIGITAL SERVICES

Business development enables long-term growth

The business units in the Digital Services vertical offer IT-related and digital services in selected B2B niches and reported total net sales of SEK 715 million (643) in 2023.

Network for digital expertise

The Digital Services vertical includes business units with their own digital service platforms and consulting companies in various digital niches. The companies are all being driven and impacted by the increasing digitalisation, automation and societal changes in digital services.

Some business units benefit from additional sales due to the vertical network. Other business units operate in their own niches but benefit from knowledge sharing regarding the application of new technology, which can be evaluated in one business unit and implemented in others if it is found to add value. Storskogen relies on extensive industry knowledge in its focus on creating growth at the vertical and business unit levels.

Growth through business development

The Viametrics business unit is the Nordic leader in automated people-counting solutions and analyses of visitor traffic in stores. Viametrics' digital platform makes it possible for its customers, chiefly store owners and office premises, to analyse and optimise their operations and make them more effective.

Through focused and methodical work on the board, Storskogen has helped Viametrics visualise its strategy and business plan. In 2022, Storskogen also assisted Viametrics in the add-on acquisition of mAnalyze, which consolidated the market and created a more extensive service offering and better coverage in Sweden. This has helped the company grow through new customers, higher revenue and greater profits with lower working capital. Since Storskogen acquired Viametrics in 2021, the company's net sales have increased by 34 percent to SEK 85 million and its adjusted EBITA has increased by 29 percent to SEK 23 million.

Martin Fägersten, Viametrics

Business area Trade

The business area comprises business units with expertise in distribution and experience in developing and marketing physical products under their own and external brands. The business units are divided into four verticals: Home and Living, Health and Beauty, Sports, Clothing and Accessories and Niche Businesses.

Strategy and trends

The business area takes a methodical approach to creating synergies and economies of scale in the Group, aiming to increase the competitiveness and profitability of the business units. This is partly achieved through an acquisition strategy, where both the individual company's performance and its contributions to the Group are considered, and partly through continuous business development efforts. For example, several companies in the Health and Beauty vertical are working to make their operations more effective by upgrading their system infrastructure (read more on p. 28).

The business area comprises a high proportion of companies that provide consumer products, an area where sustainability is becoming increasingly important to retailers and consumers alike. To remain competitive, it is therefore important to be at the forefront of product development. Outdoor planters made of recycled cars and second-hand bicycles and furniture made of sustainably produced wood are examples of sustainable product development that is appreciated by customers. As distributors, the business units have close relationships with their producers. They are therefore able to influence their business partners on social sustainability issues such as working conditions. Business units that design their own products can also make other choices to reduce environmental impact in the entire supply chain, such when selecting colouring agents or packaging volumes.

To improve profitability, the business units take an active approach to optimising their product offerings, cash flows and business models. Focus is on initiatives to reduce capital tied up and currency risk as well as to create the conditions required to act fast on changes in the external environment and any new business opportunities to which they may give rise.

Events during the year

Higher costs of living had a negative impact on private consumption over the year, which was characterised by declining demand for durable consumer goods. To compensate for the lower demand, the business area made significant efforts to reduce costs and adapt operations to the new market conditions. There were major differences between verticals, as developments were much better in the Health and Beauty and Niche Businesses verticals than in the Home and Living and Sports, Clothing and Accessories verticals, which had greater exposure to durable consumer goods.

As sales were in Swedish kronor but purchases were in US dollars and euros, the weakening of the Swedish krona had a negative effect on the business area. To balance risks and opportunities, the business area has adopted clear processes for purchasing and currency hedging.

Inventory levels at all levels of the supply chain were very high in the beginning of the year but fell gradually toward year-end, which facilitated inventory management and created conditions for improved sales in 2024.

Transactions

No platform acquisitions were made in the business area over the year, but two add-on acquisitions to existing business units were made.

Four divestments were made during the year: the house manufacturer Skidstahus and Delikatesskungen in Sweden and Hilpert Electronics and an associated subsidiary in Switzerland.

For a complete list of transactions made in 2023, see Notes 5 and 6, pp. 88-94.

Åsa Murphy,
Interim Head of
Business Area Trade

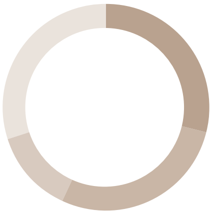
Business area Trade

Key performance indicators

SEK m	2023	2022	2021
Net sales	10,048	9,637	5,410
Adjusted EBITA	804	923	582
Adjusted EBITA margin, %	8.0	9.6	10.8
Adjusted EBITA excl. transaction costs	806	950	596
Adjusted EBITA margin excl. transaction costs, %	8.0	9.9	11.0
Emission intensity tCO_2e/sales, SEK m	0.5	0.6	0.8
Number of employees	2,477	2,417	1,555

Despite a challenging year from an economic standpoint with falling demand, net sales in the business area increased by 4 percent to SEK 10,048 million (9,637) in 2023. Organic sales growth was -5 percent. Adjusted EBITA decreased by 13 percent to SEK 804 million (923). The adjusted EBITA margin was 8.0 percent (9.6), negatively affected by the weak Swedish krona. Organic EBITA growth was -25 percent. The adjusted EBITA margin excluding transaction costs was 8.0 percent (9.9). Emission intensity was 0.5 tCO_2e/SEK m (0.6).

Net sales, %
By vertical



- Home and Living 29%
- Health and Beauty 28%
- Sports, Clothing and Accessories 13%
- Niche Businesses 30%

Net sales growth

4%

Adjusted EBITA growth

–13%

VERTICALS IN THE BUSINESS AREA

Home and Living comprises business units that design, produce and distribute home furnishing items such as pots and furniture as well as construction-related products such as awnings, flooring and holiday homes. The business units generally have a stable network of resellers in Europe with sales both online and in bricks-and-mortar stores and a minor proportion of direct sales to end customers. Suppliers are located all over the world.

12 business units and 629 employees

Health and Beauty comprises business units active in haircare, skincare, fragrances and cosmetics. For the most part, they are distributors of well-known brands, but they also have proprietary brands that are offered to hairdressers, e-commerce companies and other resellers. The business units are generally prominent in quality assurance, logistics and brand building and have strong relationships with the brand owners.

5 business units and 1,098 employees

Sports, Clothing and Accessories comprises business units that offer products for end-customers' activities, including equipment, clothing and accessories. Several of the business units are active in cycling and outdoor recreational activities. The group includes both units that sell directly to customers and those that sell through resellers, but all business units have strong brands in their niche in common.

8 business units and 217 employees

Niche Businesses comprise business units with corporate end-customers. They are generally market leaders in their niche and are known for their long-term customer relationships and excellent service levels. The business units use a combination of traditional commerce and e-commerce to sell products such as work clothing, equipment and input products for various sectors.

7 business units and 533 employees

Business area Trade

DEEP DIVE: HEALTH AND BEAUTY

A leading health and beauty player in the Nordic region

From its first acquisition in 2019, the Health and Beauty vertical has grown into a leading provider of health and beauty products in the Nordic region, chiefly through the distribution of professional haircare, skincare, perfume and cosmetics.

Expertise on many levels of the value chain
Distinctive for the Health and Beauty vertical is that the business units are active on many levels of the value chain. For example, they constitute brand owners of ByWe's haircare brand *Björk*, brand-building distributors through ByWe, Session MAP and Scandinavian Cosmetics, a consumer facing e-commerce business through Perfect Hair, and owners of hair salons. Consequently, the understanding and knowledge of the industry and the market are extensive, both among the business units and in Storskogen's central team. This promotes knowledge sharing and synergies between the businesses, which has enabled the vertical's robust growth.

Enabling operational excellence and synergies
Operational excellence initiatives and synergy realisation largely focus on digitalisation of IT infrastructure, working capital improvement and logistic efficiencies.

Scandinavian Cosmetics previously upgraded and coordinated its system infrastructure and automated its central warehouse. Thanks to knowledge sharing in the vertical and capital and expertise from Storskogen, similar projects are now carried out in Session MAP and ByWe to improve efficiencies in the same way. Both business units will upgrade to more suitable ERP and warehouse optimisation systems. They will also strengthen their B2B web platform solutions to improve the customer journey and offer their customers a smooth experience.

Storskogen's initiatives to strengthen the vertical through collaboration, business development and acquisitions have turned Health and Beauty into a leading provider of health and beauty products in the Nordic region, with sales that increased by 50 percent to SEK 2,802 million (1,866) in 2023.

Business area Industry

The business area focuses on traditional B2B industrial companies in heavy or medium-heavy industry, manufacturing and automation. The business units are divided into three verticals: Automation, Industrial Technology and Products.

Strategy and trends

The business area's strategy of acquiring and further developing small and medium-sized, high-quality industrial companies in different industries and geographical areas aims to increase long-term profitability. Initiatives to develop the business units include adding expertise and financing and creating the conditions required for knowledge sharing and collaboration between business units. Examples include the collaboration in the Industrial Technology vertical, which has made it possible to submit bids and win deals linked to major investments in Northern Sweden (read more on p. 31).

The business area gains exposure to various underlying drivers and trends through its diversified strategy. For example, business units may benefit from the strong digitalisation and automation trends in the industrial sector through increased business opportunities and enhanced competitiveness. Automation solutions, online production systems and increased data mining improve productivity, quality and energy efficiency. This benefits most business units in the Automation vertical that develop advanced automation solutions, as well as other business units that are transforming their production through automation. This allows for increased competitiveness through more efficient flows and better salary levels.

Another long-term trend in automation that offers financial and sustainability benefits for industrial companies is the reshoring of production from low-cost countries to Sweden and Europe. Automation solutions allow higher productivity, which, together with reduced transport costs, offsets the higher production costs. At the same time, the geographical proximity and shorter transport routes result in reduced emissions, increased control of suppliers and supply chains and better working conditions.

Events during the year

In 2023, the business area performed well from an operational and financial standpoint. The year started off strong but was followed by an increasingly weak economy that affected most business units in the last six months of the year. Despite uncertainty in the external environment, the underlying market was generally good.

Industrial companies were affected by generally high cost inflation, and some business units suffered from continued shortages of certain components. Implemented price increases and focus on rationalisation and continuous productivity improvements largely offset the higher costs.

The year was also characterised by intensified efforts to reduce the capital tied up in the business units in the long term, such as by reducing complexity in the operations, optimising inventory levels and improving the terms for customers and suppliers.

Transactions

Over the year, four add-on acquisitions were made to existing business units. No platform acquisitions or divestments were made in the business area over the year.

For a complete list of transactions made in 2023, see Notes 5 and 6, pp. 88-94.

Fredrik Bergegård,
Head Business Area Industry

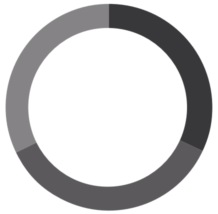
Business area Industry

Key performance indicators

SEK m	2023	2022	2021
Net sales	14,662	13,288	5,186
Adjusted EBITA	1,646	1,460	626
Adjusted EBITA margin, %	11.2	11.0	12.1
Adjusted EBITA excl. transaction costs	1,649	1,484	674
Adjusted EBITA margin excl. transaction costs, %	11.2	11.2	13.0
Emission intensity tCO_2e/sales, SEK m	1.2	1.2	1.2
Number of employees	5,147	5,276	2,786

Net sales in the business area increased by 10 percent to SEK 14,662 million (13,288) in 2023. Organic sales growth was -1 percent. Adjusted EBITA grew by 13 percent to SEK 1,646 million (1,460); consequently, the adjusted EBITA margin was 11.2 percent (11,0). Organic EBITA growth was -1 percent. The adjusted EBITA margin excluding transaction costs was 11.2 percent (11.2). Emission intensity was 1.2 tCO_2e/SEK m (1.2).

Net sales, %
By vertical



■ Automation 32%
■ Industrial Technology 36%
■ Products 32%

Net sales growth

10%

Adjusted EBITA growth

13%

VERTICALS IN THE BUSINESS AREA

Automation comprises business units that develop and manufacture high-tech automation solutions. The companies are exposed to the strong automation and digitalisation trend, which is expected to grow increasingly important along with more stringent requirements on productivity, quality and sustainability.

9 business units and 1,726 employees

Industrial Technology consists of business units in the field of heavy engineering such as cutting and welding of steel structures, foundries and contract manufacturing of machine parts. The companies offer high-quality manufacturing with high production efficiency.

17 business units and 1,768 employees

Products comprises business units with their own range of products and brands. The companies develop and manufacture trailers, custom-built hotel interiors, table frames and cable ladders.

13 business units and 1,653 employees

CONTENTS

Business area Industry

DEEP DIVE: INDUSTRIAL TECHNOLOGY

Cooperation creates business opportunities

The Industrial Technology vertical comprises business units with industrial customers in the automotive, forest, construction, processing, mechanical engineering and mining industries. Storskogen has enabled for business units to come together and create a joint services offering to strengthen their market positions and business opportunities.

Conditions for value creation

Storskogen's employees in Industrial Technology have extensive and solid experience from leading positions in the industrial sector and are active in creating the conditions required for value-creating cooperation and knowledge sharing between business units in the vertical.

Cooperation strengthens market positions

One example is related to the major industrial investments that are currently being made in Northern Sweden. These investments are closely linked to the green transition in areas such as electrification, wind farms and hydrogen storage facilities, and they are expected to total approximately SEK 1,000 billion.

Through cooperation in the vertical, Storskogen has enabled the business units to be eligible these projects. The business units have created a joint service offering where they can perform work at different stages of a project or collaborate at the same stage of a project. For example, VINAB and Stål & Rörmontage, who manufacture steel constructions for the processing industry, can be active in the manufacturing and construction phase, while JD Pierce, who has a highly automated production of steel constructions, can manufacture large quantities of steel for assembly.

The expanded joint service offering has resulted in several bids and deals for projects in which these small and medium-sized companies would not otherwise be considered, but in which Storskogen, as an international Group, can offer the customer security, stability and an extensive offering. This is believed to be beneficial to the vertical's future growth and has contributed to strong sales in the vertical, which increased by 12 percent in 2023, to SEK 5,348 million (4,782).

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Sustainability Report

Storskogen's sustainability initiatives

Storskogen's efforts for sustainable development are built on the sustainability areas **Environmental, Social** and **Governance** (ESG). The three focus areas of Storskogen's sustainability initiatives – Minimise environmental impact, A good employer and neighbour and Responsible business – are based on Storskogen's materiality assessment.

Storskogen supports business units' sustainability initiatives
Various sustainability issues are important to all Storskogen's business units. The most material topics differ between business units depending on sector and geographical location. Storskogen supports the business units in their efforts to reach Group-wide sustainability targets, manage risks and pursue opportunities for increased competitiveness. These efforts are central to Storskogen's value creation and involve ongoing support, training, shared tools, networking and several other initiatives.

Initiatives based on external frameworks
In 2022, Storskogen signed the UN Global Compact, and the Group's sustainability initiatives are based on the Ten Principles of the UN Global Compact for companies. These principles are founded on internationally recognised and accepted conventions and agreements on human rights, labour, environment and Anti-Corruption, including the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration and the United Nations Convention against Corruption.

Based on Storskogen's materiality assessment and focus areas, relevant targets and strategies were established in line with the Ten Principles and the UN's 2030 Agenda for Sustainable Development.

Sustainability areas	Material topics	Ambitions	Selected targets from UN's 2030 Agenda	Targets	Outcome 2023
Environmental	**Minimise environmental impact** • Climate impact • Environmental management	• We use scientifically-based environmental targets that are aligned with the goals of the Paris Agreement. • We are taking action to avoid negative impact on the environment.	**Target 12.6** – Encourage companies to adopt sustainable practices and sustainability reporting. **Target 13.3** – Build knowledge and capacity to meet climate change.	• In line with the Paris Agreement, Storskogen will halve its emission intensity by 2030 compared with 2020 and achieve net zero emissions by 2045. • 80 percent fossil-free energy by 2025.	• 1.2 tCO_2e/SEK m. • 73 percent fossil-free electricity.
Social	**A good employer and neighbour** • Attracting and retaining employees • Gender equality and diversity • Health and safety	• We aim to be an attractive employer that offers professional development and exciting careers. • We aim to be a gender-equal and inclusive organisation. • We strive continuously to ensure safe and healthy workplaces.	**Target 5.5** – Ensure women's full participation in leadership and decision-making. **Target 10.3** – Ensure equal opportunities and end discrimination.	• Gender distribution of 40–60 percent among employees in senior roles in Storskogen's central organisation. • Gender distribution of 40–60 percent among the individuals appointed by Storskogen to the business units' boards (on an aggregated level).	• 40 percent women and 60 percent men in senior roles. • 29 percent women and 71 percent men on the boards.
Corporate governance	**Responsible business** • Returns and good corporate governance • Business ethics and Anti-Corruption • Responsible supply chain	• We have a strong focus on professionalism and business ethics. • We aim to be a responsible owner by supporting our businesses with skills and knowledge. • We integrate sustainability into our value chain.	**Target 4.7** – Education for sustainable development and global citizenship. **Target 8.3** – Promote policies to support job creation and growing enterprises. **Target 8.8** – Protect labour rights and promote safe working environments.	• All business units must map their supply chain in 2023. • All business units that have identified high-risk suppliers must include requirements in agreements in 2023. • High-risk suppliers' compliance with Business Partner Code of Conduct evaluated in 2025.	• 89 percent of the business units have completed the mapping, of which 48 percent have identified high-risk suppliers in their supply chain. • 74 percent of these have included requirements in agreements.

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Preparations for CSRD

Over the year, Storskogen initated preparatory work for compliance with the guidelines in the new EU directive on sustainability reporting, the Corporate Sustainability Reporting Directive (CSRD). The directive represents a new era in sustainability reporting and increases the requirements on transparency, accuracy and accountability.

Storskogen has allocated significant resources to the adaptation of reporting processes to ensure credible, accurate and meaningful sustainability reporting in line with the new requirements. Preparations have included a double materiality assessment, an updated stakeholder dialogue and close cooperation with Storskogen's auditors to plan the external review.

Materiality assessment

In 2019, Storskogen carried out its first materiality assessment. This has been evaluated internally on annual basis without major changes. In 2023, a new CSRD-compliant double materiality assessment was prepared. The work will continue in 2024, and it can already be stated that resource use and circular economy will be added as new focus areas. The previously identified material area, Thriving communities, is under revaluation, and will therefore not be included in the 2023 Annual Report. The new double materiality assessment was adopted by Storskogen's Group management and Board in the beginning of 2024.

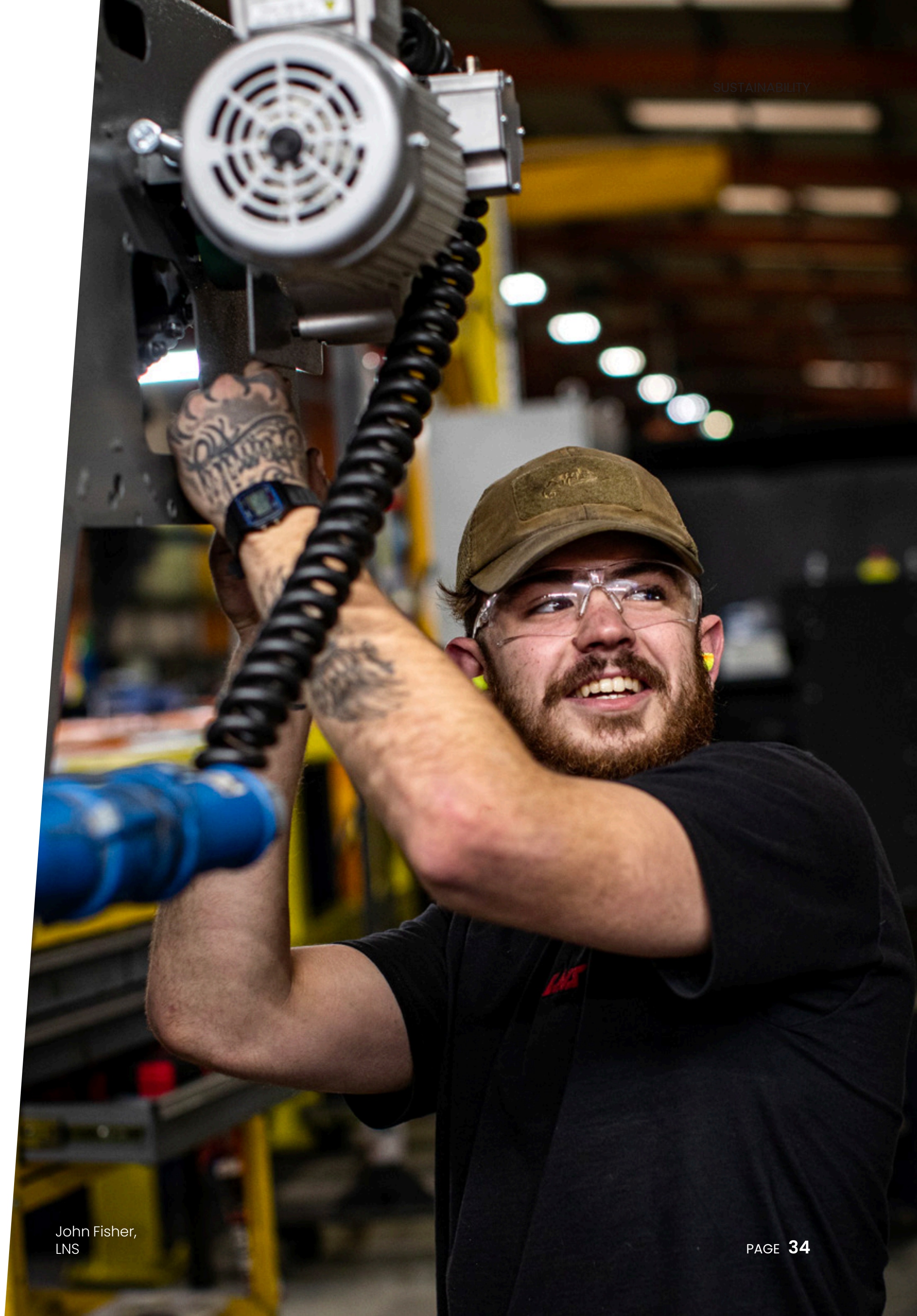
Stakeholder dialogues

Storskogen has identified customers, employees, potential business units, owners and investors, the local communities where the business units are located, and suppliers as its most important stakeholders. Members of Group management are included in the new double materiality assessment to ensure that their perspectives are represented. The result will be reported jointly with the double materiality assessment in the next Annual Report.

Over the year, Storskogen engaged in dialogues with several major shareholders and creditors to ensure that Storskogen lives up to their expectations.

Preparations for external review

As part of CSRD, Storskogen's Sustainability Report will be reviewed externally when the legislation comes into force. To prepare the Company for this review and ensure consistent sustainability reporting of adequate proc quality, Storskogen performed a preparatory review of the Group's sustainability esses in 2022. The evaluation showed that Storskogen's business units have good knowledge of their operations' sustainability impact, but that the documentation and quality of the sustainability processes vary. To manage these variations, Storskogen provided directed training to the business units and established clear guidelines for the business units' sustainability reporting over the year. Storskogen also works continuously on process descriptions and the integration of sustainability reporting aspects in internal controls.



John Fisher, LNS

Sustainability efforts in Storskogen's business units

Storskogen does not expect all business units to meet all of the Group's sustainability-related requirements directly upon completion of an acquisition. However, they must have the ability and conditions to meet expectations over time. Supporting development of the business units' sustainability initiatives is an important element of Storskogen's value creation as an owner.

Sustainability issues related to the business units are handled by the management of each business unit and determined by its board. As the business units operate in different sectors, the material challenges and opportunities faced differ.

The governance model is decentralised, but Storskogen expects all business units to:

(a) monitor, identify and act on any material risks and opportunities in relevant sustainability areas. This includes areas that affect or are expected to affect the business unit's business model, competitiveness and/or financial position in the short, medium and long term;

(b) adopt relevant and measurable targets for the most material sustainability topics and implement measures to reach them;

(c) develop and implement any relevant governance documents/instructions, in addition to the Group-wide governance documents/instructions required to support the business unit's sustainability initiatives and meet the targets adopted;

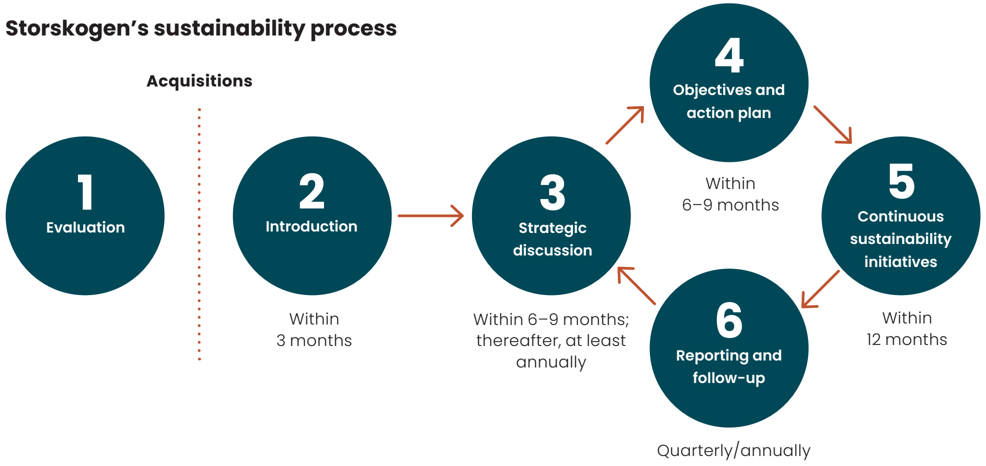
(d) act in accordance with the principles in Storskogen's Code of Conduct and other policies and support all Group-wide targets.

Ownership through good corporate governance and sustainability process

When the acquisition of a new business unit has been completed, Storskogen's sustainability process and governance documents are presented to the business unit's management. During the business unit's first year as a Storskogen company, management shall prepare a sustainability action plan that includes a materiality assessment, targets, key performance indicators, governance documents and instructions. The management team and board of each business unit are responsible for ensuring that the sustainability initiatives are implemented in the operations. The initiatives are followed up at least annually by the boards.

1. **Evaluation:** Analysis of the intended acquisition's most material sustainability aspects and an assessment of the business unit's ability to handle these in a value-creating manner in the long term.
2. **Introduction:** After completion, a special briefing is held with the business unit's management to present Storskogen's sustainability process and governance documents.
3. **Strategic discussion:** Within 6–9 months after completion, and thereafter at least annually, the board of each business unit has a strategic sustainability discussion as an agenda item. This discussion focuses on the business unit's material sustainability topics, developments in the business unit's external environment and their effect on the business model, products and services, as well as making decisions on strategic prioritisation and the way forward.
4. **Objectives and action plan:** To support the continued work at the business unit level, an appropriate action plan is drawn up, including any goals and key figures that are relevant in addition to the Group's. Thereafter, the action plan is updated as necessary, based on the outcome of the annual strategic discussion.
5. **Continuous sustainability initiatives:** Initiatives according to the action plan, including implementation of any supplementary control documents and instructions.
6. **Reporting and follow-up:** Each board follows up on current sustainability issues and projects. Group-wide sustainability data are reported annually, policy compliance is reviewed and new or updated governance documents are adopted.

Storskogen's sustainability process



Sustainability expertise key to creating value

Support for implementing Storskogen's sustainability process is provided to the business units, both continuously and through the work of the board. Any Storskogen employees who support the business units – investment managers, investment directors and members of the boards of the business units – must therefore have relevant sustainability expertise. To increase the level of knowledge, employees at Storskogen's head offices must undergo mandatory sustainability training, which has also been made available to Storskogen's Board. To increase the skills in the business units, this training is also mandatory for the business units' CEOs and dedicated sustainability employees. To increase the level of knowledge further in

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the Group and highlight good examples, the business units meet several times per year through Storskogen's sustainability network. The business units can use the network to obtain information, training and inspiration, share experiences and collaborate on practical implementation.

Storskogen's Code of Conduct and sustainability training have been signed and completed as below:

- The Code of Conduct has been signed by 100 percent of Storskogen's employees in the central organisation. The Code of Conduct is signed at the same time as the employment contract.
- The Code of Conduct has been signed by 82 percent of Storskogen's business units.
- Sustainability training has been completed by 93 percent of Storskogen's employees in the central organisation.
- Sustainability training has been completed by 65 percent of the mandatory target groups in Storskogen's business units.

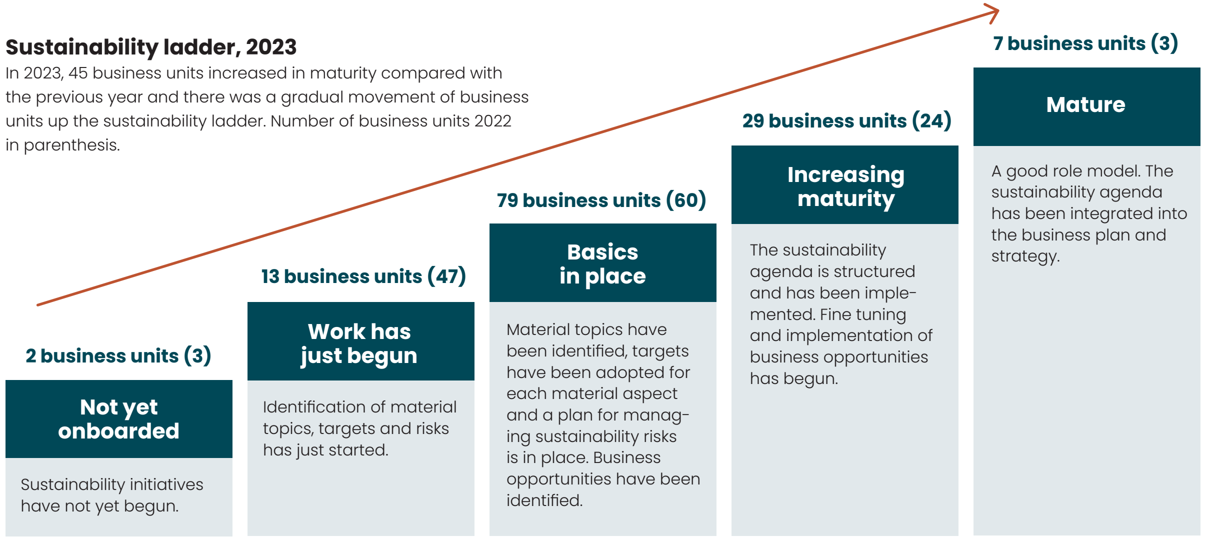
Development of sustainability efforts in business units

Storskogen guides the business units in their work on managing sustainability as a strategic and business-related issue. As part of these initiatives, the business units and the Head of Sustainability developed a sustainability framework for the verticals over the year. The framework aims to explain in simple terms what the business units in each vertical are expected to have in place, measure and improve. Based on the framework, the head of each vertical has developed a sustainability plan for their business units.

Over the year, Storskogen continued its work on the sustainability ladder, the structure that was introduced in 2022 to assess and monitor the business units' sustainability status and development under Storskogen's ownership. The sustainability ladder also works as a governance indicator to ensure compliance with the adopted sustainability process.

Sustainability ladder, 2023

In 2023, 45 business units increased in maturity compared with the previous year and there was a gradual movement of business units up the sustainability ladder. Number of business units 2022 in parenthesis.



EMPLOYEE INTERVIEW

How does the business area support the business units on sustainability issues?

To help the business units with concrete objectives, key figures and activities, we have developed an ESG framework that has been adapted to the operations in each business area. We used the industry-specific sustainability factors in the SASB Conceptual Framework as a starting point and have supplemented it with additional aspects that we want to prioritise. The framework has been divided into, and covers, different aspects in each sustainability area – environmental, social and governance – and explains in simple terms what each business unit must put in place, measure and improve to reach the 'Basics in place' level of Storskogen's sustainability ladder.

The framework includes roughly twenty aspects, including objectives, key figures and activities. Some of the objectives are Group-wide whereas others are individually adapted to each business unit. In 2023, the business units worked on determining a baseline for many of the key figures, and in 2024, the framework and the measurements will be followed up quarterly as a standing item at board meetings.

Wilhelm Scholander,
Senior Investment Manager,
Business area Trade

Sustainability area – Environmental

Minimise environmental impact

Storskogen has a responsibility to reduce its operations' negative impact on the environment. As most impact is from the business units, Storskogen has adopted Group-wide targets and provides support to and follows up with each business unit. Storskogen's Code of Conduct and Sustainability Policy describe Storskogen's commitment to take action to minimise its direct and indirect environmental impact.

STORSKOGEN'S CLIMATE IMPACT

Storskogen's climate strategy was adopted by the Group management in early summer 2021. Storskogen's targets are to reach net zero by 2045 and halve its emission intensity for direct and indirect emissions (Scopes 1 and 2) by 2030. These targets are aligned with the Paris Agreement.

Storskogen joined the Science Based Targets initiative (SBTi) in October 2021 but has not yet validated the targets. The reason for this is the great complexity in meeting the requirement that the objective for Scope 3 shall cover at least 90 percent of the Scope 3 emissions. In 2023, Storskogen supplemented its climate report with Scope 3.[1] This is required to proceed with SBTi's validation process, which will be done in 2024.

Governance

When Storskogen's climate strategy was adopted, transitional plans were developed for the business units with the highest Scope 1 and 2 emissions in the Group. These mainly include haulage, contracting and infrastructure companies with their own machinery and energy-intensive companies with production in countries that use coal energy. The transitional plans focus on the transition to low-carbon vehicles and machinery, fossil-free energy for fuel and electricity and energy efficiency.

Follow-up

In 2023, the total emission intensity was reduced compared with the previous year. The total emission intensity of the business units owned by Storskogen before 2023 also fell, which means that Storskogen is in line with the 2030 target of halving emission intensity in Scopes 1 and 2. Climate emissions have decreased with fewer kilometres driven and better climate calculations by an external partner, as well as some impact from company divestments that reduced emissions by around 2,000 tonnes of CO_2.

Emissions are low in most of Storskogen's business units, and the business units with emissions above 500 tCO_2e account for 75 percent of all emissions. Of business units with emissions above 500 tCO_2e that were owned by Storskogen before 2023, 100 percent have incorporated the Group's climate targets in their business plans. One of Storskogen's focus areas is to increase this to meet the 2025 target of 100 percent.

Number of companies at each emission level, 2023

Absolute emissions, tCO_2e	Number of companies	% of CO_2
>3,000	2	17
>1,000	10	39
>500	13	19
>100	41	21
<100	64	4

For further information, see Note H3, p. 139.

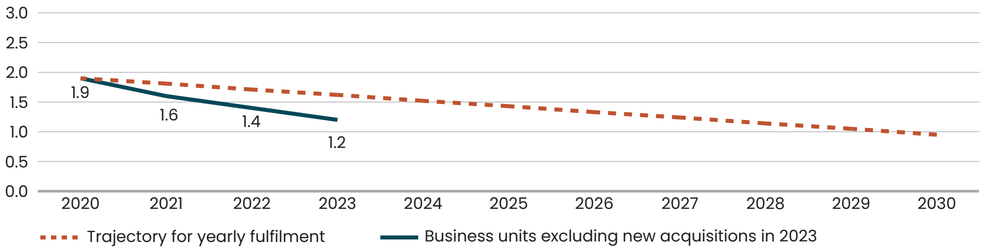
1) During the year, Storskogen prepared a full climate report, which will be available separately on Storskogen's website.

Storskogen's climate targets

Base year 2020, with an intensity measure of 1.9 tCO_2e/SEK million

2025	2030	2045
KPI: 80 percent fossil-free energy. **KPI:** 100 percent of Storskogen's companies shall have business plans that are aligned with the Group target.	**Emission intensity 0.95 tCO_2e/SEK million** **KPI:** 100 percent fossil-free energy. Offset any remaining emissions.	**Net zero** Strive for net zero emissions to the extent possible (at least 85 percent) and offset the remainder.

Emission intensity - outcome 2023



Sustainability area – Environmental

Energy

Storskogen's Code of Conduct and Sustainability Policy state that Storskogen and its business units shall ensure optimised energy consumption. Storskogen's target is for 80 percent of the Group's energy consumption to be fossil-free by 2025 and 100 percent by year 2030.

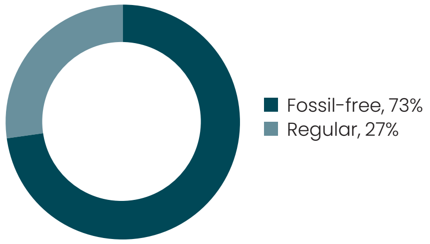
Targets and activities to reduce energy consumption are determined in the business units where this is relevant. Storskogen has several energy-intensive business units, mostly in the Industry business area but also in the Trade business area, due to the management of large warehouses/buildings, and in the Services business area due to the use of heavy machinery powered by electricity.

The most energy-intensive business units carry out energy mapping and report the results to the Swedish Energy Agency, as required by law. The report from the energy mapping forms the basis for budget decisions and business plan discussions, where suitable options to increase energy efficiency are discussed and adopted by the boards.

In 2023, 73 percent of the electricity consumption in the business units that were owned by Storskogen before 2023 consisted of fossil-free electricity, while newly acquired companies reported 0 percent fossil-free electricity consumption. Despite a certain increase in electricity consumption, this has not led to a negative impact on climate emissions, which can be attributed to an updated and lower emission factor. In Sweden, the percentage of fossil-free electricity is high, up to 90 percent, but the figure is significantly lower internationally. Storskogen continues its efforts to ensure the availability of fossil-free electricity across all its operating markets, with the ambition of achieving the goal of 80 percent fossil-free electricity by 2025.

▶ For further information, see Note H4, p. 141.

Electricity consumption in 2023



EMPLOYEE INTERVIEW

Many of Storskogen's passenger cars and light lorries belong to the Installation vertical. What are your emission and climate-related challenges?

We face a relatively large challenge. Of the 800 vehicles in the vertical, roughly 80 percent are powered by fossil fuel. The solution is simple: We need to reduce fossil fuels and use more electricity. For passenger cars (some 25 percent of the fleet), the transition is fast, but it's more difficult to electrify service vehicles (light lorries and vans). We're limited by the fact that car dealers cannot offer any functioning alternatives with the range required. There are also practical challenges involving charging – both in terms of night charging and availability during working hours, particularly in the countryside.

What are you doing to reduce emissions and meet Storskogen's climate targets?

The target to halve our emission intensity by 2030 is a prioritised issue in the board room and for the CEOs. Discussions are more frequent and the transition plans more detailed in business units with large vehicle fleets. What's important here is that all companies have a strategy and targets based on their own unique situations. Negative deviations from the plan are noted and queried.

Will you be able to halve emissions by 2030?

For the Installation vertical, the answer is yes. If we consider Storskogen's entire vehicle fleet, I also feel confident that we'll reach the target. However, we're dependent on the continued development of charging infrastructure and the development and improvement of electric light lorries and vans. We can keep pace with developments and strengthen the requirements on the business units gradually. Based on my experience, I don't think discussions will be difficult – overall, the transition is more of a hygiene factor.

Thomas Larsson,
Investment Director,
Installation vertical,
Business area Services

Sustainability area – Environmental

ENVIRONMENTAL MANAGEMENT

Storskogen takes systematic action to reduce the Group's negative climate impact and increase its positive impact. Of the business units, 43 percent have an environmental management system, and all Storskogen's business units must comply with all statutory and regulatory requirements that apply to their operations and their environmental impact.

Governance

Storskogen follows up on any environmental deviations in the business units at quarterly board meetings.

Each business unit is responsible for adopting a relevant environmental management system. The ambition is that all subsidiaries in the Industry business area shall be certified according to ISO 14001 or similar. The other business areas must implement environmental management systems if it is deemed material.

Follow-up

No instances of non-compliance with applicable laws and regulations and no fines were reported during the year in the business units or central organisation.

At year-end, 68 percent of all business units owned before 2023 in the Industry business area were ISO 14001-certified, and the remaining business units are now well on their way to becoming certified.

For further information, see Note H11, p. 150.

Climate-related risks and opportunities pursuant to TCFD

Global warming and its physical impacts affect all parts of our society and cause business risks. The necessary transition to a low-carbon economy entails new business opportunities, but also risks. Climate-related risks and opportunities are therefore included in the due diligence process and the governance of the business units. Continuous risk evaluations, including climate risks, are conducted annually by all business unit boards.

Over the year, we conducted a financial risk assessment pursuant to TCFD for all verticals in the short term. It identified many business opportunities linked to the necessary transition. In 2024, the risk assessment will be supplemented with medium-term and long-term perspectives.

Yvonne Smångs, Wibe Group

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Disclosures pursuant to the EU taxonomy

Several of Storskogen's business units are to some extent subject to the EU taxonomy, particularly in environmental objective 1: Climate change mitigation. Most taxonomy-eligible business units are *enablers*. This means that their own operations do not generate major emissions and do not need to undergo major change to adapt to a low-carbon economy; instead, they offer solutions and opportunities to other companies. Their offering may include advice to a customer on how a construction project that a business unit is involved in can be taxonomy-aligned, or how a firm of installation engineers can increase their offering to include the installation of solar cells or charging stations. Consequently, Storskogen can use the taxonomy to predict what services will increasingly be in demand from the business unit's customers. This provides a solid basis for strategic discussions in the boards of the business units.

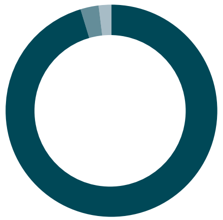
Disclosures on remaining environmental objectives

On 13 June 2023, the European Commission approved a new set of criteria for the EU taxonomy for economic activities for the remaining four environmental objectives. Storskogen has identified applicable economic activities that are linked to the environmental objective: Transition to a circular economy.

For further information, see Note H12, p. 151.

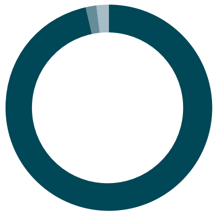
Storskogen's operations, distributed pursuant to the taxonomy

Turnover



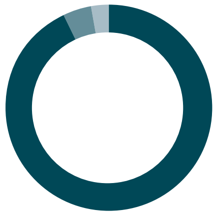
- Non-eligible, 95.3%
- Eligible and aligned, 2.8%
- Eligible but not aligned, 1.9%

Capital expenditure (CapEx)



- Non-eligible, 96.6%
- Eligible and aligned, 1.5%
- Eligible but not aligned, 1.9%

Operating expenditure (OpEx)



- Non-eligible, 93.0%
- Eligible and aligned, 4.3%
- Eligible but not aligned, 2.7%

Gabriella Lindberg
Scandinavian Cosmetics

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Sustainability area – Social

A good employer and neighbour

Storskogen is responsible for work environment and its employees' physical and psychosocial health. To be successful, Storskogen must be a good employer that can attract employees by offering exciting career and development opportunities and a safe and healthy workplace.

Storskogen's ambitions and commitments to be a good employer and neighbour are described on pp. 18–19 and in Storskogen's Code of Conduct (available on Storskogen's website).

DIVERSITY, GENDER EQUALITY AND INCLUSION

With assistance from Allbright, a foundation that promotes gender equality and diversity in leading positions, Storskogen has set targets for diversity, gender equality and inclusion. Allbright has trained Storskogen's Group management and helped the Company define what diversity, gender equality and inclusion mean for Storskogen. In this context, targets for increased gender equality among employees in senior roles in the central organisation and members of the boards of business units were adopted.

Governance

In 2021, Storskogen's Board adopted a Gender Equality and Diversity Policy. The policy includes zero tolerance for discrimination and states that Storskogen shall strive to be an equal and diverse workplace.

Storskogen shall recruit, promote and pay employees solely based on their qualifications and skills, regardless of age, ethnicity, social and cultural background, gender, transgender identity or expression, sexual orientation, religion or other belief, political belief, union membership, marital status or disability. Storskogen shall also ensure that working conditions, salaries, benefits and other terms of employment are designed to promote a work culture where it is possible to combine work and parenthood.

Follow-up

Storskogen is just short of its targets for gender equality, which are illustrated in the image below to the left. The target is a gender distribution in the range from 40 to 60 percent, both for employees in senior roles and for individuals on the boards of the business units that are appointed by Storskogen. The outcome was 40 percent

Storskogen's gender equality targets

Area	Targets
Gender distribution among employees in senior roles in Storskogen's central organisation	In the range of 40–60%
Gender distribution among the individuals appointed by Storskogen to the business units' boards	In the range of 40–60% (on an aggregated level)

Diversity, gender equality and inclusion

Diversity	Gender equality	Inclusion
Who we are Storskogen's ambition is to have a great variety of identities and perspectives represented in the Company. With diverse teams and the representation and strengthening of additional voices, we can accelerate our growth and profitability and become even better at what we do.	**What we do** Storskogen takes an active approach to ensuring our employees' right to reach their potential, regardless of gender or identity. We are aware of the effects of inequality and are taking measures to counteract them.	**How we act** Storskogen uses inclusion to safeguard the talents of every employee. For us, inclusion is a context where everyone feels welcome, respected and appreciated. We give all employees the opportunity to think differently and share their experiences and perspectives, so that we can develop as a group.

Sustainability area – Social

women and 60 percent men for employees in senior roles and 29 percent women and 71 percent men for individuals that Storskogen appoints to the boards. To meet the targets, Storskogen is reviewing gender distribution and ensuring that there are candidates from the underrepresented gender every time someone is recruited for a senior role or a role on a business unit board.

At year-end, the proportion of women in the entire Group was 29 percent and the share of men was 71 percent. In Storskogen's central organisation, the proportion of women was 49 percent and the proportion of men was 51 percent. In the Group management, the proportion of women was 13 percent and the proportion of men was 87 percent. In the Board of the Group, the proportion of women was 40 percent and the proportion of men was 60 percent. Of the business units, 38 percent have adopted targets for gender equality and diversity. No cases of discrimination were reported during the year.

For further information, see Note H7, p. 147.

HEALTH AND SAFETY

Storskogen shall have a work environment where individual employees are satisfied and able to develop, both professionally and individually. Storskogen does not accept any form of bullying or harassment in its business, and all employees shall be ensured a work environment characterised by openness and equality, where each person is treated with respect. The main risks regarding health and safety in Storskogen's central organisation are work-related stress and risks associated with the psychosocial work environment and ergonomics.

The CEO is ultimately responsible for Storskogen's work environment, with responsibility delegated to each manager. The main tool to prevent and manage health and safety-related risks is regular employee surveys, where any problem areas are identified through questions linked to issues such as health and stress. The surveys are conducted anonymously, and the results are measured at both the team and company level. When improvement measures are required, an action plan is devised through cooperation between the manager in question and HR. The plan is followed up regularly. To ensure a good physical work environment, every office has an office manager.

The risks in the business units vary depending on their operations, but the most common are work-related stress and occupational accidents. Business units in the Industry business area and the Infrastructure vertical, in the Services business area, have the highest number of serious occupational injuries.

Governance

In 2020, Storskogen's Board adopted a Work Environment Policy for the central organisation. According to the policy, Storskogen shall, as a minimum, comply with applicable work environment legislation and provisions from the Swedish Work Environment Authority. In addition, Storskogen shall strive to improve the work environment from an organisational, social and physical perspective. The policy covers all employees and trainees and, where applicable, contracted workers who work on Storskogen's premises or remotely on behalf of Storskogen.

All business units must comply with national health and safety laws and provisions included in agreements and/or collective bargaining agreements. The CEOs of the business units are responsible for ensuring that all employees are aware of and comply with the health and safety rules, policies and processes in their areas of work. It is also the CEO's responsibility to provide training and required protective equipment. For business units with material health and safety risks, this is followed up through the work on their boards. Storskogen also encourages business units to certify their occupational health and safety systems according to ISO 45001.

Follow-up

Over the year, no fatalities were reported from occupational accidents or illnesses. In total, 103 serious occupational accidents were reported in the Group, and the injury frequency rate was 0.9 which is lower than the previous year's frequency of 1.2. In Sweden, serious accidents are reported to the Swedish Work Environment Authority. No fines were reported.

For further information, see Note H8, p. 149.


Martin Fägersten, Viametrics

Sustainability area – Governance

Responsible business

Agnes Balcer,
Scandinavian Cosmetics

Storskogen's very existence depends on continued great trust from customers, employees, owners, potential business units and the local communities where our companies are located. Trust must be earned through professionalism and high requirements on ethics and integrity. This does not only apply to Storskogen, but throughout the entire supply chain, where Storskogen is responsible for posing clear requirements on suppliers.

Storskogen's Sustainability Policy describes how Storskogen shall integrate sustainability throughout its operations, from considering sustainability topics in the acquisition process to expectations on business units. Along with Storskogen's Code of Conduct, the Sustainability Policy provides the most important principles for Storskogen's responsibility, expected behaviour and daily conduct. The Sustainability Policy and the Code of Conduct are available on Storskogen's website.

GOOD CORPORATE GOVERNANCE

Storskogen's sustainability initiatives are managed via a management system that consists of common policies, guidelines, main measurable targets and detailed action plans for the business units with a material impact on the business' focus areas. The starting point in Storskogen's sustainability initiatives is to follow up, document, evaluate and improve its work. Storskogen applies the precautionary principle, which is integrated into Storskogen's Sustainability Policy and business processes.

Storskogen's Board is responsible for Storskogen's sustainability initiatives and overarching sustainability strategy, including making sustainability an integral part of Storskogen's value creation. Over the year, the Board established a Sustainability Committee, which is responsible for reviewing and monitoring the relevance and outcome of sustainability targets, strategy and sustainability reporting, managing sustainability risks and ensuring compliance with legal requirements, the Sustainability Policy and the Code of Conduct.

Storskogen's Head of Sustainability drives and develops the sustainability initiatives for the Group and reports to the Head of Corporate Development, who is a member of Storskogen's Group management and Board.

Governance

Storskogen shall, without exception, comply with applicable laws and regulations in all countries where Storskogen operates and ensure compliance with existing policies in all business units.

Storskogen has a Group-wide external web-based whistleblowing system through which employees, business partners and others can report suspected violations of the Code of Conduct or breaches of the law anonymously. Any matters reported through the system are handled confidentially and investigated pursuant to a clear procedure described in Storskogen's Whistleblowing Policy and Whistleblowing Guidelines. Any whistleblowing matters received are communicated to the board of the affected business unit. If the case reported involves board members, the case is handled in a different, more suitable manner. Matters reported through the whistleblowing system are submitted to Storskogen's General Counsel and the HR Director for assessment. With regard to complaints or similar that have been reported, the procedure is adapted based on the case in question.

Follow-up

In 2022, any Storskogen business units with more than 250 employees implemented their own whistleblowing function, and in December 2023, business units with between 50 and 249 employees established internal whistleblowing channels based on the implementation of the EU Whistleblowing Directive (2019/1937).

Over the year, there were no significant breaches of laws and regulations, and no fines were paid during the reporting period. In 2023, 15 matters were reported through the whistleblowing system. Of the matters reported, none were legal whistleblower cases.

For further information, see Note H9, p. 149.

Sustainability area – Governance

BUSINESS ETHICS AND ANTI-CORRUPTION

Storskogen has a mandatory course for all employees in its central organisation and for CEOs and selected key people in the business units.

Governance

Storskogen's Anti-Corruption Policy applies to the entire Group and has been adopted by the Board. The policy includes zero tolerance for corruption and describes the guidelines for unauthorised benefits and actions. The Anti-Corruption Policy describes the Group's basic business ethics guidelines, core values and behaviour towards stakeholders, customers, society, suppliers, partners and authorities. The CEO of each business unit is ultimately responsible for ensuring that the policy is communicated to the employees and that they comply with it. Any deviations from the policy are included as a standing item on the agenda at all board meetings held in the business units.

Follow-up

Over the year, no violations of the Anti-Corruption Policy were reported. The e-learning course was completed by 84 percent of Storskogen's employees in the mandatory target group. Of Storskogen's business units, 62 percent reported that their employees in the mandatory target groups had completed the e-learning course.

RESPONSIBLE SUPPLY CHAIN

Storskogen shall only work with suppliers, agents, consultants and other partners that comply with the principles in Storskogen's Code of Conduct. This is stated in Storskogen's Business Partner Code of Conduct. Storskogen's strategy for sustainable supply chains is a Group-wide programme in four steps that contains targets, tools, training courses, the Code of Conduct, a risk assessment template and a self-assessment questionnaire. Implementation of the programme began at the first board meeting held in each business unit in 2023 and is carried out continuously.

Governance

Prioritised high-risk suppliers and suppliers with framework agreements shall sign the Code of Conduct. The programme's implementation in the business units is monitored through the work in the boards.

Follow-up

89 percent of the business units have mapped their supply chain, of which 48 percent have identified high-risk suppliers. 74 percent of these have included requirements in agreements through Storskogen's Business Partner Code of Conduct.

65 percent of the selected target groups have completed the procurement training.

For further information, see Note H10, p. 150.

Storskogen's strategy for sustainable supply chains

A Group-wide programme in four steps with the ambition to ensure sustainable supply chains

	Implementation in 2023			Implementation in 2025
	Learning	**Assessment**	**Agreement**	**Compliance**
What	Procurement professionals shall receive sustainability training by completing Storskogen's sustainability e-learning course.	Storskogen shall map its supply chain to identify the highest risks of negatively impacting the environment and human rights. High-risk suppliers in the supply chain shall be identified and prioritised.	Storskogen shall use a Business Partner Code of Conduct based on the Ten principles of the UN Global Compact as a minimum requirement in supplier agreements.	Storskogen Group shall engage with high-risk suppliers to assess compliance with the Code of Conduct to prevent and mitigate potential or actual environmental or human rights violations.
Targets	100% of the selected target groups, such as sales and procurement professionals, shall have completed the training by the end of 2023.	Supply chain survey and a list of prioritised high-risk suppliers shall be completed by the end of 2023.	100% of high-risk suppliers' agreements shall include Storskogen's Business Partner Code of Conduct or equivalent.	100% of high-risk suppliers on the list shall be assessed no later than the end of 2025 and where deviations have been identified, action plans shall be in place.
Tools	E-learning provided by Sustademy.	Risk assessment instruction and list.	Business Partner Code of Conduct.	Self-assessment questionnaire (SAQ).

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Sustainable supply chain – working only with the very best

Furniture provider Julian Bowen Ltd sets an inspiring example for Storskogen's pursuit of a sustainable supply chain. With over 30 years of experience in the furniture business, Julian Bowen Ltd is a not only a pioneer in sustainability, the company has also had the courage to be innovative.

Over the years, Julian Bowen Ltd has been strongly committed to providing high-quality, sustainable furniture, particularly for children. Through its structured approach to the supply chain that includes a scorecard for evaluations, a quality team to ensure compliance with sustainability requirements and independent reviewers of social and ethical aspects, the company has a proven ability to maintain high standards with regard to sustainability issues.

As a central principle, Julian Bowen Ltd only cooperates with the best, most professional suppliers. This has not only resulted in strong relationships over time, but it has also enabled Julian Bowen Ltd to influence manufacturing processes, standards and the materials choices, which is critical to meet the demands of sustainability-conscious customers.

By seeking new ways of reducing its climate footprint, Julian Bowen Ltd strives to achieve 100 percent plastic-free packaging materials for all new products. The company is also researching new materials such as bamboo, which have a lower climate impact. The company's commitment to improving and driving sustainability in the industry reflects Storskogen's overarching target for a sustainable supply chain.

Facts about Julian Bowen Ltd

Julian Bowen Ltd is a leading designer and supplier of furniture. Its services include freight, storage, marketing materials, customer services and home deliveries. The company has nearly SEK 500 million in sales, and the team comprises approximately 100 people at the head office outside of Nottingham, England. Julian Bowen Ltd has received the Best Furniture Wholesaler and Best Customer Service (Furniture) awards for ten consecutive years.

Storskogen's commitment to human rights issues

Storskogen shall respect and protect fundamental human rights. This means that as a minimum, Storskogen shall comply with the UN Global Compact and the Universal Declaration of Human Rights and assess human rights issues to identify, counteract and mitigate any negative impact in Storskogen's organisation and value chain.

Due diligence process

Storskogen's due diligence process is based on: the UN Guiding Principles on Business and Human Rights as well as the OECD Guidelines for Multinational Enterprises. The procedure helps Storskogen identify, prevent, limit and report any negative impact on human rights.

The work on developing and implementing a systematic due diligence process was initiated in 2021 after surveying Storskogen's greatest risks related to human rights. To date, Storskogen's efforts have focused on incorporating corporate responsibility in Storskogen's policies and management systems, the Code of Conduct and the Business Partner Code of Conduct and implementing continuous risk evaluations for Storskogen and the business units. The efforts also included a mandatory e-learning course and a process for identifying risks during acquisition processes. All risks management efforts are integrated into Storskogen's risk management.

Ownership responsibility and business units

As owner, Storskogen is responsible for supporting the business units in their due diligence processes and for evaluating whether their processes are satisfactory through the work on their boards. Business units are responsible for adopting proportionate risk management processes that are appropriate to their size and profile.

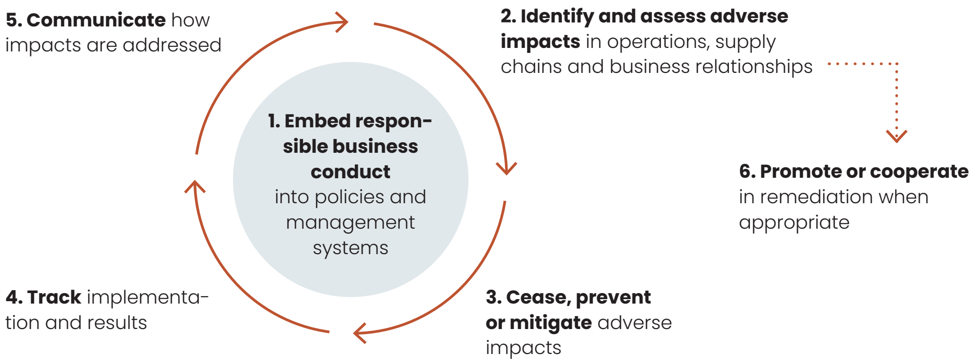
Key risks and measures

Storskogen has identified risks related to employee health and safety, employment terms for temporary employees, contractors and guest workers and the risk of discrimination related to recruitments and promotions. The fact that many of these risks are present in the supply chain has contributed significantly to Storskogen prioritising a Group-wide programme for sustainable supply chains. Storskogen's impact on human rights is followed up by requirements on and evaluations of suppliers.

Follow-up

Over the year, neither Storskogen nor any of its business units received any complaints, fines or similar that would indicate a failure to respect human rights.

Human rights due diligence is an internationally accepted procedure for identifying, preventing, limiting and reporting a company's negative impact on human rights.



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Corporate governance

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Corporate Governance Report

COMMENT FROM THE CHAIR

Challenging times require stable owners

In 2023, the situation in the world remained complex and strained, with devastating conflicts in Ukraine and the Middle East. Geopolitical tensions affected supply chains and trade, and coupled with inflationary pressure and interest rate hikes, they continued to cause volatility on financial markets around the world. In Sweden, the weak Swedish krona, repeated interest rate increases and a declining consumer sentiment also created challenging conditions.

Over the year, the Board worked closely with Group management to evaluate the external situation and ensure that Storskogen can continue strengthening its position. Measures were taken to strengthen the Group's balance sheet and improve cash flow and we carried out a strategic overview of the portfolio based on Storskogen's long-term goals. We have a clear ambition to protect margins and market shares and to increase focus on organic growth initiatives. We continued to work actively on reestablishing confidence in the Company and our ability to deliver in line with our strategy in the economically challenging climate. This remains a priority for the Board going into the new year.

The Audit Committee spent considerable time on quality-assuring the business units' control environments and following up on the digitalisation of our processes by ensuring that adequate internal control procedures have been adopted. It is gratifying to note that business units that have been owned by Storskogen for some time have proper procedures, which is a good indication of the value we add to our companies regarding clear guidelines for and requirements on financial reporting. We also followed up regularly on material risks and measures intended to mitigate these risks.

Over the year, Storskogen launched a Business Partner Code of Conduct, which will help our business units pose the requirement that their suppliers comply with the Ten Principles of the UN Global Compact and that they maintain a minimum level that is acceptable to Storskogen. We also established a Sustainability Committee and work to adapt our sustainability initiatives in accordance with new upcoming Swedish legislation on sustainability reporting.

After year-end, in February 2024, Daniel Kaplan, Storskogen's co-founder and CEO, resigned after having consulted with the Board and coming to the conclusion that the time was right for new leadership. Daniel Kaplan has been central in developing Storskogen from an idea to an international group of companies with SEK 3.2 million in adjusted EBITA and more than 12,000 employees, and he will remain an important part of the Company's DNA and culture.

When we look ahead towards 2024, we note that market conditions are still uncertain and have low visibility. The Board is therefore maintaining its focus on ensuring an adapted and well-functioning organisation, careful consideration of costs and reduced leverage. I am convinced that the need for active owners that contribute a long-term approach and stability is greatest in challenging times. We have now established the foundation for a more stable company with clear ambitions and I look forward to continuing these efforts in 2024.

Annette Brodin Rampe
Chair of the Board

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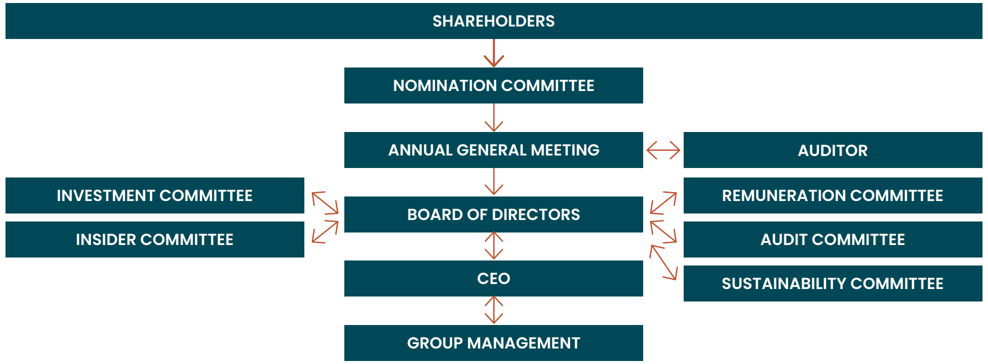
Storskogen Group AB is a Swedish limited liability company that has been listed on Nasdaq Stockholm since 6 October 2021. As at 31 December 2023, the Group had operational activities in 30 countries and about 12,000 employees. In Storskogen's central organisation in Sweden, Denmark, Norway, the United Kingdom, Germany, Switzerland and Singapore, 101 people were employed in the business area organisation and specialist areas such as law, finance, M&A and operational management at year-end.

The Board of Directors' responsibility for corporate governance and internal control is governed by Swedish legislation, supplemented by external frameworks. Primary frameworks for Storskogen's corporate governance in 2023 were the Swedish Companies Act, the Swedish Annual Accounts Act, the Nasdaq Nordic Main Market Rulebook for Issuers of Shares, the UN Global Compact, the Market Abuse Regulation ("MAR"), IFRS and the EU Audit Regulation. Storskogen also complies with the Swedish Corporate Governance Code (the "Code"). The Code is available on www.bolagsstyrning.se, and also includes a description of the Swedish corporate governance model. There were no deviations from the Code in 2023.

GOVERNANCE MODEL



SHAREHOLDERS AND THE ANNUAL GENERAL MEETING

At year-end, Storskogen had a total of 37,638 shareholders. The Company has A shares and B shares. Each A share confers a right to ten votes and each B share confers a right to one vote. As at 31 December 2023, the ten largest owners accounted for 67.3 percent of the votes and 41.2 percent of the share capital. Storskogen's A shareholders, Daniel Kaplan, Ronnie Bergström, Alexander Bjärgård and Peter Ahlgren, each have a direct or indirect holding that corresponds to more than 10 percent of the votes in Storskogen. No other shareholders hold more than 10 percent of the Company's share capital or votes. Information on the shareholder structure can be found on p. 162 in the Annual Report.

The shareholders' influence is exercised at the Annual General Meeting (AGM) and, if applicable, at Extraordinary General Meetings, which constitute Storskogen's highest decision-making body. The AGM is held within six months of the end of the financial year. Each shareholder has the right to attend a general meeting and exercise their right to vote. A shareholder who cannot attend in person may exercise their right by proxy. Regardless of the size of their shareholding, all shareholders have the right to have a matter addressed at the meeting if the request is submitted to the Board sufficiently in advance of the general meeting for the matter to be included in the notice of the meeting.

The general meeting adopts changes to the Articles of Association, appoints and dismisses Board members, the Chair of the Board and the external auditor and resolves on their fees. The AGM further adopts the income statement and balance sheet and resolves on the appropriation of profits and whether to discharge the Board members and CEO from liability. The AGM also adopts instructions for the appointment and work of the Nomination Committee and adopts guidelines for remuneration and other terms of employment for the CEO and other senior executives.

2023 Annual General Meeting

Storskogen's AGM was held on 12 May 2023. The Board of Directors passed a resolution in accordance with the provisions in Chapter 7, Section 4 a of the Swedish Companies Act and the Company's Articles of Association, allowing shareholders to exercise their voting rights by post. Consequently, shareholders could exercise their right physically, by proxy or by post.

At the AGM in Storskogen on 12 May 2023, among other things, a dividend of SEK 0.08 per share was resolved upon. Annette Brodin Rampe was re-elected as Board member and Chair of the Board, Alexander Bjärgård, Louise Hedberg and Johan Thorell were re-elected as Board members, and Robert Belkic was elected as a Board member. The AGM also resolved to re-elect Ernst & Young Aktiebolag as auditor, to adopt three incentive programmes and to authorise the Board to issue B shares and repurchase and transfer treasury shares.

The AGM resolved to pay an unchanged fee of SEK 900,000 to the Chair of the Board and fees of SEK 415,000 to the other Board members for the period until the next AGM. Board members that receive remuneration from the Company due to employment were not entitled to a fee for serving on the Board. The Chair of the Audit Committee received a fee of SEK 200,000 and the other members of the Audit Committee received SEK 100,000 in fees. The Chair of the Remuneration Committee received a fee of SEK 75,000 and the other members of the Remuneration Committee received fees of SEK 50,000. In the event that a Sustainability Committee were to be established, the Chair would receive a fee of SEK 75,000 and the other members would receive SEK 50,000 in fees. At the statutory Board meeting held after the AGM, it was resolved to establish a Sustainability Committee, with the fees as stated above.

NOMINATION COMMITTEE

The Nomination Committee represents the Company's shareholders and is appointed in accordance with the principles for appointment of the Nomination Committee that were adopted at an Extraordinary General Meeting on 24 September 2021 and apply until further notice. The Nomination Committee is tasked with submitting proposals for resolutions prior to the AGM regarding the chair of the general meeting, the number of Board members and the election of the Chair of the Board and Board members, fees to the Board and any fees to the committees of the Board, election of auditors and audit fees and criteria for appointing members of the Nomination Committee, in accordance with the Code. The Nomination Committee's objective is that the composition of the Board shall be appropriate for the Company's operations, phase of development and other relevant circumstances, it shall exhibit diversity and a breadth of qualifications, experience and background, there shall be a gender balance, and the majority of the Board members shall be independent of the Company, its executive management and major shareholders.

Shareholders may submit proposals to the Nomination Committee in accordance with the instructions published on Storskogen's website. No fees were paid to the Nomination Committee.

The Nomination Committee for the 2024 AGM was appointed based on the ownership structure on 31 August 2023 and in accordance with the instructions to the Nomination Committee that were adopted at the Extraordinary General Meeting. It consists of:

- Liv Gorosch (Chair), appointed by the A shareholders
- Ronnie Bergström, appointed by the A shareholders
- Dick Bergqvist, appointed by AMF
- Oscar Bergman, appointed by Swedbank Robur Fonder

The Nomination Committee held three meetings prior to the 2024 AGM. In addition, the Nomination Committee was in regular contact and held digital follow-up meetings for further discussions and to review the result of the evaluation of the Board of Directors that was carried out by the Board members. The Nomination Committee considered all issues that were to be considered according to the Code.

The Nomination Committee's proposals and a reasoned statement will be made available on Storskogen's website in connection with the publication of the notice to the AGM.

AUDITOR

The external auditor is an independent body that audits the Company's accounts and the management by the Board of Directors and the CEO to ensure that the Company provides a fair and accurate picture of the Company. The auditor shall report its observations to the Board, without the management present, at least once a year and attend Audit Committee meetings. After the end of each financial year, the auditor shall submit an auditor's report and an auditor's report for the Group to the AGM. In 2023, Storskogen Group's auditor was Ernst & Young AB with Åsa Lundvall as the auditor in charge. The Audit Committee evaluates the auditors' work and independence annually. Fees to auditors are paid once the invoice has been approved. Read more in Note 10.

BOARD OF DIRECTORS

The Board shall manage the Company's affairs in the interests of the Company and all shareholders and safeguard and promote a good corporate culture. The Board is tasked with determining the Company's overarching goals and strategy, evaluating and appointing the CEO, and ensuring that the Company has proper control activities for financial reporting, internal control and governance. According to the Articles of Association, the Board shall consist of no fewer than three and no more than ten Board members without deputy Board members. The Board members are appointed by the shareholders at the AGM for the period until the end of the next AGM. The Board, which was appointed at the 2023 AGM, consists of five Board members, four of whom are considered independent of the Company, its major shareholders and its management. Alexander Bjärgård is not considered to be independent of the Company, its management or its major shareholders; he should be considered as a working Board member. The Board meets the Code's requirements on a majority of independent members. Information on the members of the Board is provided on p. 53.

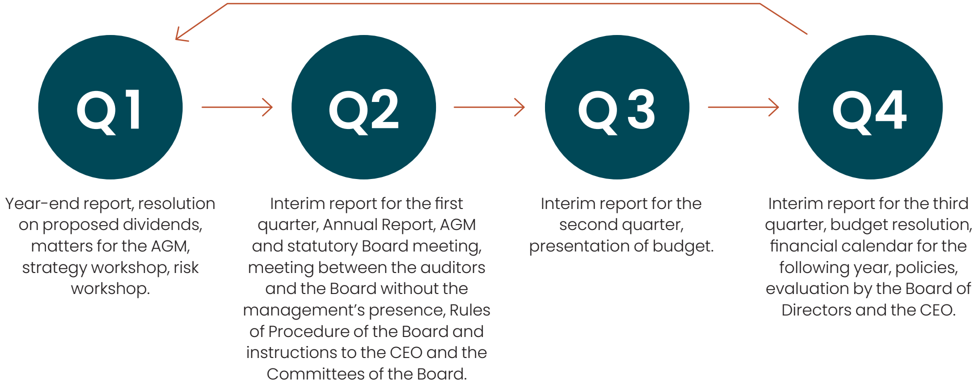
Responsibilities of the Board of Directors

The Board is tasked with determining the Company's overarching goals and strategy and responsible for decisions on certain major corporate acquisitions, follow-up and operational control, financial development, risk assessments and ensuring regulatory compliance. At the annual statutory Board meeting, the Board adopts Rules of Procedure that govern the responsibilities of the Board members and the Chair of the Board. The Board of Directors is also responsible for issuing instructions to the Audit Committee, the Remuneration Committee and the Sustainability Committee and for delegating authorisations to the Investment Committee. The Board also adopts instructions to the CEO, including the division of work between the Board and the CEO, and an instruction to the CEO on financial reporting.

The Chair of the Board leads and organises the work of the Board so it meets its obligations to the shareholders in a manner that is fit for purpose and ensures that the Board receives satisfactory information and supporting documents for its work. The Chair of the Board engages in an

Board of Directors' annual wheel

Every ordinary Board meeting includes reports from the Group management on the business areas' performance, financing and other strategic issues. If necessary, reports are also submitted by the Company's Audit, Remuneration and Investment Committees regarding any proposed acquisitions.



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ongoing dialogue with the CEO. The Chair of the Board and the CEO jointly produce the agenda and documentation for each Board meeting. Board meetings are attended by the CEO, the CFO and the Group's General Counsel as the Secretary of the Board (with certain exceptions). From time to time, other employees may be invited to attend Board meetings to report on their areas.

The Board shall monitor resolutions passed by the general meeting and loyally safeguard and protect the interests of all shareholders. The Board shall keep the Chair of the Board informed of any assignments in other companies or holdings in competitors. Each Board member shall duly notify the Board of any potential conflict of interests that may arise in a particular situation. In such cases, the Board member may not participate when the matter is dealt with. The Board's duties include:

- evaluating, developing and determining the Company's overarching goal and strategic direction;
- making annual evaluations and updating and adopting relevant financial, operational and sustainability-related targets as and when needed;
- appointing, making annual evaluations of and, if necessary, dismissing the CEO;
- identifying how sustainability issues affect the Company's risks and business opportunities and the Company's impact on people, society and the environment, and preparing relevant strategies;
- establishing the guidelines required for the Company's actions and role in society to ensure its ability to create value in the long term;
- ensuring that there are appropriate systems for monitoring and controlling the business and the risks associated with the business, including risks related to the Company's impact on society and its surroundings, people and the environment;
- ensuring that there is satisfactory control of the Company's statutory and regulatory compliance and its compliance with internal guidelines and policy documents;
- ensuring that the principles adopted for financial reporting and internal control are applied and that the Company's financial reports, including sustainability reports, are prepared and published pursuant to laws, applicable accounting principles and other requirements for listed companies; and
- ensuring that the Company's disclosures are characterised by transparency and are accurate, relevant, reliable and complete.

The Board shall annually, through a systematic and structured process, evaluate the work by the Board and the CEO to develop the working methods and effectiveness of the Board. The Chair of the Board shall present the results to the Nomination Committee to support their work on preparing proposals to the AGM regarding the composition of the Board. In 2023, an evaluation was carried out by the Board of Directors and CEO using an external evaluation tool. The results were then presented to the Nomination Committee.

Board meetings and main subject areas

The Board held 27 meetings over the year, of which seven were regular Board meetings, including the statutory Board meeting. In addition, 20 extra meetings were held to deal with issues such as decisions on new issues of convertibles and promissory notes, financing and incentive programmes. All of the Board's extra meetings were per capsulam. At Board meetings held to consider interim reports, a report on financial trends, business and market area developments and completed and planned acquisitions or divestments is always presented by the CEO, the CFO and the Head of M&A and Corporate Development.

Committees of the Board of Directors

The Board has established an Audit Committee and a Remuneration Committee, and in 2023, it also established a Sustainability Committee. The work of the committees is governed by instructions adopted by the Board, and the work of the Committees is reported to the Board at each ordinary Board meeting.

The Audit Committee has a supervisory role regarding risk management, internal control and quality assurance of the Company's financial reporting. In dialogue with the Company's auditor, the Committee ensures that the Company's internal and external accounting meets current requirements. The Committee determines the scope and focus of the audit work in collaboration with the auditor. The Audit Committee shall also evaluate the effectiveness of the internal control processes and the

	Audit Committee	Remuneration Committee	Sustainability Committee
Focus areas in 2023	Review of interim reports and the Annual Report and the associated reporting from the auditors. Review of risk and internal control activities for financial reporting and observations made by the auditors. Review of disputes and insurance and relevant policies. Proposal for the Nomination Committee regarding the election of auditors for the AGM.	Evaluation of remuneration to senior executives and employees and the Company's compliance with the adopted remuneration guidelines. Evaluation of outstanding incentive programmes and preparation of proposals for new incentive programmes. Preparation of remuneration report.	Evaluation of sustainability targets and strategies, preparations for CSRD and future reporting requirements. Materiality analysis and stakeholder dialogues. Review of relevant policies.
Attendance at meetings	Johan Thorell: 4/4 Annette Brodin Rampe: 4/4 Robert Belkic: 2/2	Annette Brodin Rampe: 5/5 Louise Hedberg: 5/5	Louise Hedberg: 2/2 Annette Brodin Rampe: 2/2

Group's risk management and financial structure. The Audit Committee is responsible for evaluating implemented audit efforts and the audit plan and also assists the Nomination Committee with proposals for and remuneration to auditors. The members of the committees are appointed at the statutory Board meeting for one year. The Committee held four meetings over the year and comprised Johan Thorell, Chair, Annette Brodin Rampe and, as of 12 May 2023, Robert Belkic. The Company's external auditor attended the Audit Committee meetings.

The Remuneration Committee shall prepare proposals for resolutions on terms of employment for the CEO, guidelines for remuneration to senior executives, a remuneration report and incentive programmes, which shall be submitted to the AGM for approval. The members of the committees are appointed at the statutory Board meeting for one year, and the Committee's work is governed by the instructions to the Remuneration Committee, which are adopted by the Board. The Committee held five meetings over the year and comprised Annette Brodin Rampe, Chair, and Louise Hedberg.

The Sustainability Committee shall review and monitor the relevance and outcomes of the sustainability goals and strategy, the Company's management of sustainability risks and ensure compliance with statutory requirements, the Sustainability Policy and the Company's Code of Conduct. The Sustainability Committee shall also monitor the sustainability reporting and, as needed, cooperate with the Audit Committee regarding the financial reporting. The Sustainability Committee was established at the statutory board meeting on 12 May 2023 and comprises Louise Hedberg, Chair, and Annette Brodin Rampe. The Committee held two meetings in 2023.

CEO AND GROUP MANAGEMENT

The Board appoints the CEO and adopts instructions for the CEO's work. The CEO is responsible for the Company's daily operations and for producing information and supporting documentation for the Board and, in dialogue with the Chair of the Board, the agendas for Board meetings. The CEO ensures the implementation of the strategic direction adopted by the Board and compliance with the Company's commitments to society, the environment, people and the financial market, in accordance with the Company's Code of Conduct and other policy documents. The CEO is responsible for implementing the policy documents adopted by the Board and reports any deviations to the Board. The CEO is supported in his work by other members of the Group management. The Group management meets regularly and deals with issues such as corporate governance, reporting, organisation and strategy. The Group management shall prepare matters that must be decided by the Board according to the Rules of Procedure of the Board and assist the CEO in implementing the resolutions of the Board. In addition to their individual area of responsibility, each member of Group management has a collective responsibility for the management of the Company. Storskogen's Group management consists of the CEO, the CFO, the Head of M&A and Corporate Development, the heads of the business areas Trade, Industry and Services, and the heads of Storskogen DACH and Storskogen UK, all of whom are presented in more detail on p. 54.

Remuneration to Group management

According to the Guidelines for Remuneration to Senior Executives adopted at the AGM on 17 May 2022, remuneration to the CEO and the Group management shall consist of fixed and short-term variable cash remuneration and long-term variable cash remuneration, other benefits and pension. Pursuant to a resolution passed at the 2022 AGM, the Board shall prepare proposals to the AGM on new guidelines at least every four years. The Board has prepared a Remuneration Report that will be presented to the 2024 AGM. It describes the remuneration to the CEO in more detail, gives an account of outstanding share-based incentive programmes and states whether the Company's Guidelines for Remuneration to Senior Executives have been complied with and implemented. The Remuneration Report will be available on Storskogen's website no later than three weeks before the AGM on 8 May 2024.

Investment Committee

Storskogen's Investment Committee consists of the Head of M&A and Corporate Development, the CEO and the head of the relevant business area (Trade, Industry and Services) and the head of the relevant market area. The Board has delegated to the Committee the power to independently evaluate and decide on the acquisition of new business units or add-on acquisitions. The number of functions and members of the Investment Committee, which decides on corporate acquisitions, depends on the size of the company's valuation. For companies with a valuation of more than SEK 600 million, the Investment Committee seeks approval from the Board. The Committee meets in connection with acquisition decisions and reports continuously to the Board on completed acquisitions.

Insider Committee

To identify, evaluate and make decisions on whether publishing insider information should be postponed, Storskogen has established an Insider Committee in accordance with the Insider Policy adopted by the Board. The Insider Committee consists of the CEO, the CFO, the General Counsel and the Head of IR.

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Board of Directors

ANNETTE BRODIN RAMPE

Chair of the Board

Chair of the Remuneration Committee

Member of the Audit Committee

Member of the Sustainability Committee

Elected to the Board of Directors: 2022

Attendance at Board meetings in 2023: 27/27

Year of birth: 1962

Education: Master of Science in Chemical Engineering, Chalmers University of Technology

Employment history: CEO of Internationella Engelska Skolan, board member of Peab AB, Enströmgruppen AB and Stillfront Group AB. Managing Partner and Senior Advisor of Brunswick Group

Assignments in the Company and other significant assignments: Chair of the Board of Storskogen Group, CEO of ImagineCare AB, board member of Poolia AB, Ferronordic AB and Episurf Medical AB

Shareholding, own or held by related parties as at 31 December 2023:
500,000 B shares

Independent in relation to the Company, its management and its largest shareholders: Yes

LOUISE HEDBERG

Board Member

Chair of the Sustainability Committee

Member of the Remuneration Committee

Elected to the Board of Directors: 2019

Attendance at Board meetings in 2023: 27/27

Year of birth: 1974

Education: MSc in Business and Economics, Stockholm School of Economics, and sustainability studies, Stockholm University and Stockholm Resilience Centre

Employment history: Sustainability Manager of East Capital, IR Manager of East Capital Explorer, Head of IR at Dometic Group, Consultant at JKL Group

Assignments in the Company and other significant assignments: Board member of Storskogen Group, Chair of the Board of Penny to Pound Aktiebolag. Board member of East Capital SICAV (Lux), East Capital (Lux), General Partner S.à r.l. Espiria SICAV (Lux), SEB Investment Management AB and P Capital Partners. Deputy Board member of Hayman AB

Shareholding, own or held by related parties as at 31 December 2023:
94,000 B shares

Independent in relation to the Company, its management and its largest shareholders: Yes

JOHAN THORELL

Board Member

Chair of the Audit Committee

Elected to the Board of Directors: 2019

Attendance at Board meetings in 2023: 27/27

Year of birth: 1970

Education: M.Sc in Business and Economics, Stockholm School of Economics

Employment history: CEO of Gryningskust Holding, active in real estate management since 1996

Assignments in the Company and other significant assignments: Board member of Storskogen Group, CEO and board member of Gryningskust Holding AB and subsidiaries. Chair of the board of Kallebäck Property Invest AB. Board member of Atrium Ljungberg AB, AB Sagax, K2A Knaust & Andersson Fastigheter AB, Hemsö Fastighets AB and Nicoccino Holding AB

Shareholding, own or held by related parties as at 31 December 2023:
14,679,331 B shares

Independent in relation to the Company, its management and its largest shareholders: Yes

ALEXANDER BJÄRGÅRD

Board Member

Elected to the Board of Directors: 2019

Attendance at Board meetings in 2023: 27/27

Year of birth: 1974

Education: LL. M., Uppsala University, and studies in business and other subjects at Boise State University, IFALPES and IFL

Employment history: Partner and serial entrepreneur at Firm Factory Network, Head of Legal and Purchasing Manager at Tradimus, legal associate at Mannheimer Swartling Advokatbyrå

Assignments in the Company and other significant assignments: Board member of Storskogen Group, Board member of Firm Factory Network AB. Deputy Board member of Kullengubben Advokat AB

Shareholding, own or held by related parties as at 31 December 2023:
37,539,070 A shares and 22,841,998 B shares. Participates with 33,470 savings shares in the share savings programme, 287,365 warrants and 284,448 employee stock options

Independent in relation to the Company, its management and its largest shareholders: No

ROBERT BELKIC

Board Member

Member of the Audit Committee

Elected to the Board of Directors: 2023

Attendance at Board meetings in 2023: 17/17

Year of birth: 1970

Education: B.Sc. Business Administration and Economics, Stockholm University

Employment history: CFO, EVP and Group Treasurer of Hexagon AB, Group Treasurer of EF Education First Ltd, Assistant Group Treasurer of Autoliv Inc, Chief Dealer at Esselte AB

Assignments in the Company and other significant assignments: Board member of Storskogen Group. CFO of Polarium Energy Solutions AB, board member of Vimian Group AB

Shareholding, own or held by related parties as at 31 December 2023:
25,000 B shares

Independent in relation to the Company, its management and its largest shareholders: Yes

AUDITOR

Ernst & Young AB

Åsa Lundvall, auditor in charge

Authorised Public Accountant

Year of birth: 1970

Significant assignments outside Storskogen: Auditor in charge of Dustin Group and Rejlers

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Group management[1]

CHRISTER HANSSON

Interim CEO

Consultant since: 2016 and employee since 2021

Year of birth: 1972

Education: MBA in Finance, Stockholm University

Employment history: Country Manager and Nordic Service & Solution Director at Dustin, Senior Sales Manager at Telia Company

Shareholding, own or held by related parties as at 31 December 2023: 33,582,988 B shares. Participates with 33,470 savings shares in the share savings programme, 287,365 warrants and 284,448 employee stock options

1) Daniel Kaplan stepped down as CEO on 19 February 2024

LENA GLADER

CFO

Employed since: 2019

Year of birth: 1976

Education: M.Sc. Business and Economics, Hanken School of Economics

Employment history: CFO of Eastnine, SVP of Diplomat Communications, IRO at Tele2, Partner at Shared Value, equity analyst at Alfred Berg ABN AMRO

Shareholding, own or held by related parties as at 31 December 2023: 722,870 B shares. Participates with 33,470 savings shares in the share savings programme, 121,212 warrants and 374,448 employee stock options

ALEXANDER BJÄRGÅRD

EVP, Head of M&A and Corporate Development, Co-founder

Employed since: 2012

Year of birth: 1974

Education: LL. M., Uppsala University, and studies in business and other subjects at Boise State University, IFALPES and IFL

Employment history: Partner and serial entrepreneur at Firm Factory Network, Head of Legal and Purchasing Manager at Tradimus, legal associate at Mannheimer Swartling Advokatbyrå

Shareholding, own or held by related parties as at 31 December 2023: 37,539,070 A shares and 22,841,998 B shares. Participates with 33,470 savings shares in the share savings programme, 287,365 warrants and 284,448 employee stock options

PETER AHLGREN

EVP, Head of Business Area Services

Employed since: 2014

Year of birth: 1972

Education: MSc in Business and Economics, Stockholm School of Economics

Employment history: Partner at Cupole Consulting Group, CFO of Service Factory, consultant at Accenture

Shareholding, own or held by related parties as at 31 December 2023: 33,921,910 A shares and 15,714,607 B shares. Participates with 33,470 savings shares in the share savings programme, 121,212 warrants and 284,448 employee stock options

FREDRIK BERGEGÅRD

EVP, Head Business Area Industry

Employed since: 2021

Year of birth: 1971

Education: MBA, IMD in Switzerland and MSc in Industrial Engineering and Management, Chalmers University of Technology in Gothenburg

Employment history: Sales Director at Ahlsell, VP Sales at Gunnebo Industrier, Business Area Manager at Electrolux and Strategic Consultant at Accenture

Shareholding, own or held by related parties as at 31 December 2023: 659,996 B shares. Participates with 33,470 savings shares in the share savings programme, 287,365 warrants and 284,448 employee stock options

ÅSA MURPHY

Interim EVP, Head of Business Area Trade

Employed since: 2021

Year of birth 1974

Education: Jönköping International Business School and Cesar Ritz Hotel and Business Management School, Switzerland

Employment history: Managing Director Bookatable Nordic & DACH, Vice President Revenue & Distribution Nordic Choice Hotels, Nordic Director Expedia

Shareholding, own or held by related parties as at 31 December 2023: Participates with 10 383 savings shares in share savings programme, 77 538 warrants and 114 844 employee options

MIKAEL NEGLÉN

EVP, Head of Storskogen DACH

Employed since: 2020

Year of birth: 1972

Education: MSc in Business and Economics, Stockholm School of Economics

Employment history: Managing Director of Porterhouse Group AG, Division Head at Barry Callebaut AG, Investment Manager at Jacobs Holding AG, Senior Associate at Investor AB

Shareholding, own or held by related parties as at 31 December 2023: 2,400,000 B shares. Participates with 44,256 savings shares in the share savings programme, 121,212 warrants and 536,591 employee stock options

PHILIP LÖFGREN

EVP, Head of Storskogen UK

Employed since: 2020

Year of birth: 1982

Education: MSc in Business and Economics, Stockholm School of Economics

Employment history: CEO and COO of Kwiff, Investment Director at Pharaoh Capital, CEO of Sparrow Aviation, CEO and Co-founder of Macho Tex-Mex (now Zocalo)

Shareholding, own or held by related parties as at 31 December 2023: 516,943 B shares. Participates with 39,162 savings shares in the share savings programme, 58,989 warrants and 429,417 employee stock options

Board of Directors' report on internal control

The purpose of good internal control is to achieve effective operations that meet their targets and to ensure reliable internal and external financial reporting and compliance with applicable laws and external and internal rules. Storskogen has adopted methodical working methods and procedures for onboarding the business units in the established framework for internal control of financial reporting. An annual self assessment of the organisation and the business unit's internal controls of financial reporting is also conducted. The purpose of the assessment is to ensure and monitor that the internal control is fit for purpose and that the organisation is structured so that the accounting, the management of funds and all other aspects of the Company's financial conditions are verified in a satisfactory manner. These efforts ensure that the finance department functions and has the resources required to provide good and reliable financial reporting. All in all, the Board of Directors is of the view that the Company and its business units are managing internal control adequately and have proper procedures in place, and that there is no need for an internal audit function.

The internal control structure is based on the internal control framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). According to COSO, the review and assessment cover five areas where the control environment creates discipline and provides a structure for the other four areas: risk assessment, control activities, information and communication and monitoring activities.

Control environment

The Rules of Procedure of the Board and the instructions to the CEO and committees of the Board of Directors ensure a clear division of roles and responsibilities for effective management of the business and its risks. The Board has adopted basic guidelines and policies as required to ensure a good control environment.

Storskogen has a common system for reporting, consolidation and follow-up on results within the Group. The Group management prepares ongoing instructions for the Group's financial reporting in addition to the policies adopted by the Board of Directors. Important components in Storskogen's control environment are reflected in the policies and instructions adopted by the Board and the Group management, including:

- Code of Conduct
- Anti-Corruption Policy
- Internal Control Policy
- Instructions for financial reporting
- Insider Policy
- Communication Policy
- Finance Policy
- Authorisation Rules
- Sustainability Policy
- Anti-Money Laundering Policy
- Policy on Trade Sanctions and Embargoes
- Whistleblowing Policy
- Risk Policy
- Information Security Policy
- Privacy policies
- Related Party Policy

Risk assessment

Storskogen's risk assessment aims to identify and assess risks associated with business units, strategy, financing and liquidity, climate impact and climate change, social sustainability risks and the risk of errors in the Company's financial reporting. The risk assessment forms the basis for the work on ensuring that the Company's control functions are adequate. Storskogen conducts ongoing risk analyses of business units and once a year, the Group management holds a comprehensive risk workshop to identify the Group's significant risks, their probability and their possible impact, and then prepares action plans to manage the identified risks. The risk assessment is reported to the Board annually and when necessary. Read more about Storskogen's risk management on pp. 65-67.

Control activities

Storskogen's most significant risks are managed via control structures in the Group. Risk management can take the form of mitigating measures, acceptance or complete elimination of risks. In 2023, several control activities were carried out. Companies that were acquired over the period have initiated, and often completed, the surveying of their internal financial controls and procedures.

Group companies are divided into two scopes – smaller and larger companies – based on sales and other relevant circumstances. The smaller companies rely on up to 24 key controls, including accounting manuals, accounting and authorisation rules and processes for invoice handling.

The larger companies' internal control is more advanced, with additional processes and key controls. During the surveying of processes in the larger companies' control structures, Storskogen assisted the companies when needed. Any deviations in the control processes are followed up in the annual self-assessments.

The annual self-assessment of Storskogen's internal processes and controls was performed in 2023. Whenever control deviations were noted, action plans were established. The result of the self-assessment made in 2023 was reported to the Audit Committee.

The control structure means that any deviations and issues identified during the internal control are reported to the board of directors of the business unit in question and to Storskogen, which in turn reports to the Audit Committee on an aggregated level.

Follow-up on control activities

To ensure the effectiveness of internal control, it is followed up by the Board, Audit Committee, CEO, Group management, finance department and the Group's business units.

The follow-up includes, for example, reviewing monthly financial reports against targets, making demand-driven financial evaluations of business areas and verticals and reviewing the results of any internal reviews. It also includes follow up on observations reported by Storskogen's external auditor.

Information and communication
External financial information must be accurate, complete and relevant. The provision of information is based, among other things, on the Company's Insider Policy, which meets the requirements on a listed company, and instructions on information security and the communication of financial information, both internally between the Board, Group management and employees, and externally, to shareholders and other stakeholders. The Company's Insider Committee is convened when necessary to determine whether information constitutes specific information. The Insider Committee also decides whether information must be disclosed without delay or whether the disclosure can be postponed. Regular information disclosed to the market includes interim reports and presentations, annual reports, regulatory press releases and other press releases about important news.

Stockholm, 25 March 2024

Storskogen Group AB (publ)
Board of Directors

Auditor's report on the corporate governance statement

To the general meeting of the shareholders of Storskogen Group AB (publ), corporate identity number 559223-8694

Engagement and responsibility
It is the Board of Directors who is responsible for the corporate governance statement for the year 2023 on pages 47-56 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit
Our examination has been conducted in accordance with FAR's standard RevR 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinion
A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, 25 March 2024

Ernst & Young AB

Åsa Lundvall
Authorised Public Accountant

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Directors' Report

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Storskogen Group AB (publ)
Corporate identity number 559223-8694

Directors’ Report

The Board of Directors and the CEO of Storskogen Group AB (publ), corporate identity number 559223-8694, with its registered office in Stockholm, Sweden, hereby submits Storskogen’s annual accounts and consolidated accounts for the 2023 financial year.

- The Group’s financial year refers to 1 January to 31 December 2023.
- The Parent Company’s financial year refers to 1 January to 31 December 2023.

GENERAL INFORMATION ABOUT THE OPERATIONS

Storskogen Group AB (publ) (“Storskogen”) was formed in November 2019 through a merger of the three previous Storskogen groups – Storskogen Industrier AB, Storskogen Utveckling AB and Storskogen 3 Invest AB. Storskogen is an international group of businesses across trade, industry and services. As a long-term owner, Storskogen is positioned to identify, acquire and develop market leaders with sustainable business models.

Storskogen’s mission is to empower businesses to realise their full potential. The Group companies have a shared focus on profitability, stable cash flows and a strong market position.

On 31 December 2023, the Company had 129 business units (136) with registered offices in Sweden, Denmark, Norway, Germany, Switzerland, Singapore and the United Kingdom. Storskogen’s existing Group companies are divided into the three business areas, Services, Trade and Industry, with underlying verticals as illustrated on the right.

Business area	Vertical
Services	Contracting Services Infrastructure Installation Logistics Engineering Services Digital Services HR and Competence
Trade	Home and Living Niche Businesses Health and Beauty Sport, Clothing and Accessories
Industry	Automation Industrial Technology Products

FIVE-YEAR SUMMARY

	2023	2022	2021	2020	2019
Net sales, SEK m	36,006	34,250	17,496	8,933	6,163
Operating profit, SEK m	2,446	2,613	1,406	774	381
Profit before tax, SEK m	1,321	2,111	1,233	673	348
Profit for the year, SEK m	944	1,592	947	574	262
Total assets, SEK m	44,169	47,482	32,223	12,002	7,923
Operating margin, %	6.8	7.6	8.0	8.7	6.2
Return on equity, %	4.6	8.8	10.4	14.2	10.0
Equity/assets ratio, %	46.3	41.3	51.5	43.8	39.2
Average number of employees	11,654	11,263	5,760	3,154	2,222

▶ For additional information on corporate governance and sustainability, see the Corporate Governance Report on pp. 47-56 and the Sustainability Report on pp. 32-46 and 136-160, which are separate from the Annual Report.

MARKET TRENDS

In 2023, demand varied in Storskogen's business areas. The beginning of the year was generally strong, while the weakening economy affected parts of the operations during the latter part of the year. Market conditions where characterised by macroeconomic uncertainty caused by the wars in Ukraine and the Middle East, high inflation and subsequent interest-rate hikes and high food and energy prices.

In the Services business area, underlying demand was generally strong in the first half of the year, but weaker in the second half of the year. Primarily business units with exposure to the construction industry were affected negatively, and the business units in the HR and Competence vertical were affected by low unemployment rates, low participant numbers and few awarded training programmes. In the Installation and Digital Services verticals, demand was strong however.

The Trade business area was largely affected by continued negative consumer demand. There were major differences between verticals, as developments were much better in the Health and Beauty and Niche Businesses verticals than in the Home and Living and Sports, Clothing and Accessories verticals, which had greater exposure to durable consumer goods and new construction.

In the Industry business area, the underlying market was strong in general with high demand. Demand was largely strong in the Automation and Industrial Technology verticals, while the business situation in Products was mixed. In the Industry business area, companies with exposure to the construction industry experienced a strained market.

All in all, the diversification in Storskogen's business areas contributed to relatively stable development.

Given the uncertainty in the world and macroeconomic factors such as high inflation and high interest rates, Storskogen maintained its focus on reducing its debt, which meant that the acquisition agenda remained restrained. Storskogen's focus on strengthening the balance sheet and cash flow remains, to eventually increase the pace of acquisitions.

Twelve acquisitions were made over the year in the United Kingdom, Singapore, Sweden, Norway, Switzerland, Germany and Malaysia. Eleven divestments were made over the year, in Sweden and Switzerland.

OWNERSHIP STRUCTURE

On 31 December 2023, Storskogen had a total of 37,638 shareholders (37,764). There were 1,669,478,053 outstanding shares in the company divided into two types of shares, 148,001,374 A shares and 1,521,476,679 B shares. Each A share confers a right to ten votes and each B share confers a right to one vote. The ten largest shareholders accounted for 67.3 percent of the votes (68.2) and 41.2 percent of the capital (42.7). Storskogen's B shares have been listed on Nasdaq Stockholm since 6 October 2021. At the Annual General Meeting, which was held on 12 May 2023, the Board was authorised to decide on issues of B shares as well as repurchases and transfers of own B shares.

SIGNIFICANT EVENTS IN THE FINANCIAL YEAR

Net sales for the Group grew by 5 percent to SEK 36,006 million (34,250). Organic sales growth was -3 percent (12) for the full year. The increase in sales was attributable to acquisitions while organic growth and divestments had a negative effect on sales. Operating profit decreased by 6 percent to SEK 2,446 million (2,613), corresponding to an operating margin of 6.8 percent (7.6).

Profit for the year decreased by 41 percent to SEK 944 million (1,592). Cash flow from operating activities grew by 106 percent to SEK 3,361 million (1,628). Basic earnings per share were SEK 0.47 (0.86) and diluted earnings per share were SEK 0.46 (0.86).

▶ For developments per segment, see Note 3, p. 84.

This year's decrease in profit compared with the previous year was mainly due to increased interest rate expenses in the Group and lower operating profit, which was primarily attributable to the Trade business area.

Storskogen made two platform acquisitions (31) and ten add-on acquisitions (23) over the year, with combined annual sales of SEK 0.6 billion (11.9). The acquisitions were made in several geographical areas spread across Storskogen's three business areas. The largest acquisitions were the two platform acquisitions, AC Electrical and The Physics Café, in the Services business area.

▶ For further information on acquisitions completed in 2023, see Note 5, p. 88.

Eleven companies were divested in 2023, with combined annual sales of approximately SEK 1.9 billion. These divestments were made in Sweden and Switzerland, in the Services and Trade business areas. The single largest divestment was of the business unit and painting group Dextry Group, in Services.

▶ For further information on divestments made in 2023, see Note 6, p. 94.

In the first quarter of 2023, Storskogen extended both of its outstanding unsecured facility agreements in full, by one year each. The extension included both the revolving credit facility of EUR 1 billion that was entered into on 24 September 2021, which was extended until 24 September 2025, and the unsecured syndicated term facility agreement of EUR 300 million that was entered into on 23 September 2022, which was extended until 24 March 2025. After the extension, the revolving credit facility has another extension option of one year. Over the year, Storskogen issued SEK 2,000 million in bonds, which will mature in 2027. At the same time, SEK 3,000 million in outstanding bonds, with maturity in 2024, were repurchased, via a voluntary repurchase offer. The strong cash flow from operating activities allowed for a SEK 2,759 million reduction in interest-bearing debt over the year.

FUTURE DEVELOPMENT

Storskogen focuses on generating long-term adjusted EBITA growth in its existing business units and continuing its growth by developing the Group and acquiring profitable companies with stable cash flows and strong market positions. Storskogen's operations are diversified in that the business units are spread across various sectors throughout the industry, trade and services sectors across the Nordic region, DACH, the UK and Asia.

To achieve its long-term strategy in the best possible manner, Storskogen remains focused on its cash flow and on maintaining a strong balance sheet. The Company has also increased its focus on operational excellence and ensuring an efficient organisation.

Storskogen does not provide any financial forecasts for next year's development. The assessment is that Storskogen is well equipped financially for 2024 and has the financial capacity to continue operating according to its adopted strategy and targets.

PROPOSED APPROPRIATION OF PROFITS

The Board proposes a dividend of SEK 0.09 (0.08) per Series A share and Series B share to the 2024 Annual General Meeting. The proposed dividend corresponds to approximately 22 percent (27) of the Parent Company's profit and approximately 16 percent (8) of the Group's profit for 2023. Based on the number of outstanding shares as at 31 December 2023, the proposed dividend corresponds to SEK 150 million (133) in dividends.

The proposed dividend constitutes 0.8 percent (0.8) of the Parent Company's equity and 0.7 percent (0.7) of the Group's equity. After the proposed dividend is paid, the Parent Company's equity/assets ratio will be approximately 53.6 percent (51.3) and the Group's equity/assets ratio will be approximately 46.1 percent (41.2). Storskogen's financial position is expected to remain solid after the proposed dividend has been paid.

SEK	
The following profits are at the disposal of the Annual General Meeting:	
Retained earnings including the share premium reserve	17,199,200,752
Profit for the year	687,311,079
Total	**17,886,511,831**
The Board proposes that the unappropriated earnings be distributed as follows:	
SEK 0.09 per share in dividends to the shareholders	150,253,025
To be carried forward	17,736,258,806
Total	**17,886,511,831**

The Board's assessment is that the dividend is compatible with the requirements that the nature, scope and risks of the business place on the size of the Company's equity and with the Company's ability to meet its future obligations.

GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

At the Annual General Meeting held on 17 May 2022, new guidelines for remuneration to senior executives were adopted, which apply to the CEO and other members of the Company's management. The guidelines include remuneration components, benefits and other components, terms and conditions of termination and criteria for the payment of variable cash remuneration. The guidelines must be presented for adoption by the Annual General Meeting at least every four years. The Board proposes changed guidelines for remuneration to senior executives to the Annual General Meeting on 8 May 2024 (see p. 63 of the Directors' Report).

▶ For more information on remuneration to senior executives, see Note 9, p. 95.

EVENTS AFTER YEAR-END

After the end of the period, three add-on acquisitions were made to the SoVent Group, Nimbus Gruppen and Nitro Consult business units in the Services business area. These acquisitions have combined annual sales of SEK 7 million and EBITA of SEK 1 million.

On 19 February 2024, Storskogen's CEO, Daniel Kaplan, resigned with immediate effect after consultation with the Board. Christer Hansson, EVP, Head of Business Area Trade, was appointed Interim CEO during the recruitment process for a new CEO. Åsa Murphy assumed the role as Interim EVP, Head of Business Area Trade.

On 16 March 2024, Storskogen entered into a binding agreement to refinance the previous revolving credit facility of EUR 1 billion (whereof EUR 357 million was utilised as of 31 December 2023) maturing on 24 September 2025, with an unutilised one-year extension option, and the unsecured syndicated term facility of EUR 300 million (whereof EUR 115 million was outstanding as of 31 December 2023) maturing on 24 March 2025. These were replaced by a smaller unsecured facility agreement with a revolving credit facility of EUR 400 million, with an accordion option of EUR 43 million, and an unsecured syndicated term facility of EUR 330 million. The revolving credit facility has a duration of approximately three years, with an extension option for up to two years, and the syndicated term facility has a two-and-a-half-year duration.

PARENT COMPANY

The operations of the Parent Company, Storskogen Group AB (publ), include Group management, consolidated reporting, management and financial management. The Parent Company was founded on 24 October 2019. Net sales for 2023 were SEK 161 million (156), profit after financial items was SEK 628 million (527) and profit for the year was SEK 687 million (485). Net sales comprised intra-Group management services. The Parent Company's profit after financial items was affected positively by intra-Group interest income.

Guidelines for remuneration to senior executives

Adopted at the AGM on 17 May 2022
The following guidelines cover the Company's CEO and other members of Group management. The remuneration guidelines were adopted at the AGM on 17 May 2022. Pursuant to a resolution passed at the 2022 AGM, the Board shall prepare proposals to the AGM on new guidelines at least every four years. After adoption by the AGM, the guidelines shall be applied to any remuneration agreed upon and to changes to already-agreed remuneration. The guidelines do not apply to any remuneration resolved upon by the AGM.

Business strategy, long-term interests and sustainability
Storskogen strives to be the leading international owner of small and medium-sized businesses. The focus is on long-term ownership, good profitability, stable cash flows and supporting companies to maintain and develop a strong position in their niche.

A prerequisite for successfully implementing the Company's strategy is that the Company is able to recruit and retain qualified senior executives, which is enabled by these guidelines.

Remuneration that is subject to these guidelines shall aim to promote the Company's business strategy, sustainability and long-term interests.

Remuneration components and other terms and conditions
Total remuneration shall be on market terms and may comprise the following components: a fixed cash salary, short-term variable cash remuneration, long-term variable cash remuneration, other benefits and pension. In addition to the provisions in the guidelines, the general meeting may resolve on share-based remuneration or remuneration linked to the share price.

The performance criteria measurement period for payment of variable cash remuneration shall be measurable over a period of one or several years. Total variable cash remuneration must not exceed 50 percent of the fixed cash salary during the measurement period.

The Group management's pension benefits shall be on market terms in relation to the common practice for comparable executives in the market in which the senior executive operates and should be based on defined contribution pension plans or be in line with general pension plans (in Sweden, the ITP plan). Subject to applicable law or mandatory provisions in collective bargaining agreements, pension benefits may not exceed 20 percent of the fixed cash salary, and variable cash remuneration shall not be pensionable.

Other benefits may include preventive healthcare and company car benefits. Premiums and other expenses relating to these benefits may not exceed 10 percent of the fixed cash salary.

Termination of employment
The notice period for a member of the Group management shall be no more than 12 months. During the notice period, the fixed cash salary and potential severance pay, including compensation for any competition restrictions, combined may not exceed an amount corresponding to the fixed cash remuneration for two years for a member of the Group management.

Criteria for variable cash remuneration
Variable cash remuneration is intended to award meeting predetermined and measurable criteria that promotes the Company's business strategy and long-term interests, including the Sustainability Policy.

When the performance criteria measurement period for the payment of variable cash remuneration has ended, an evaluation of the outcome is made. The Remuneration Committee is responsible for evaluating the CEO's outcome while the CEO is responsible for evaluating the other senior executives' outcomes.

Salary and terms of employment
When the Board of Directors' proposal for these remuneration guidelines was considered, salaries and terms of employment for the Company's employees were considered by way of assessing information on the total remuneration to employees, the components of such remuneration and the remuneration's growth and growth rate over time. This information was included in the basis for the Board of Directors decisions when evaluating the reasonableness of the guidelines and the limitations set by them.

Decision-making process for guidelines
The Board of Directors' Remuneration Committee prepares the Board of Directors' decisions on proposals for guidelines for remuneration to senior executives. The Board of Directors shall prepare a proposal for new guidelines at least every four years and submit a proposal for adoption by the AGM. The guidelines shall apply until new guidelines have been adopted by the AGM.

The Remuneration Committee shall also monitor and evaluate programmes for variable remuneration to the Group management and the application of the guidelines in terms of remuneration levels and structures. Members of the Group management must not be present during the Board of Director's deliberations and decisions on remuneration-related matters if they are affected by the issues.

Deviations from the guidelines
The Board of Directors may temporarily resolve to deviate from the guidelines, in whole or in part, if there are special reasons for such in an individual case and it is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As stated above, the Remuneration Committee prepares the Board of Directors' resolutions on remuneration-related matters, which includes any resolution to deviate from the guidelines.

Proposed guidelines for remuneration to senior executives

The Board proposes that the following guidelines for remuneration to the Company's senior executives shall apply to remuneration agreed by the Company after the 2024 Annual General Meeting (AGM).

Introduction
The following guidelines apply to the Company's CEO and other members of Group management. In addition to the Company's CEO, this includes heads of business areas, CFO, head of M&A, the heads of Storskogen DACH and UK and any of the Company's Board members who have entered into an employment agreement or consulting agreement with the Company or another Group company. After adoption by the AGM, the guidelines shall be applied to any remuneration agreed upon and to changes to already-agreed remuneration. The guidelines do not apply to any remuneration resolved upon by the AGM.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability
Storskogen strives to be the best owner of small and medium-sized businesses. The focus is on long-term ownership, good profitability, stable cash flows and supporting companies to maintain and develop a strong position in their niche.

A prerequisite for successfully implementing the Company's strategy is that the Company is able to recruit and retain qualified senior executives, which is enabled by these guidelines.

Remuneration that is subject to these guidelines shall aim to promote the Company's business strategy, sustainability and long-term interests.

Remuneration components and other terms and conditions
Total remuneration shall be on market terms and may comprise the following components: a fixed cash salary, short-term variable cash remuneration, long-term variable cash remuneration, other benefits and pension. In addition to the provisions in the guidelines, the general meeting may resolve on share-based remuneration or remuneration linked to the share price.

The performance criteria measurement period for payment of variable cash remuneration shall be measurable over a period of one or several years. Total variable cash remuneration must not exceed 50 percent of the fixed cash salary during the measurement period.

Additional variable cash remuneration may be payable under extraordinary circumstances, provided such special arrangements are limited in time and only agreed upon on the individual level to recruit or retain senior executives or as remuneration for extraordinary efforts in addition to the individual's regular work duties. Total extraordinary remuneration must not exceed 10 percent of the fixed cash salary.

The Group management's pension benefits shall be on market terms in relation to the common practice for comparable executives in the market in which the senior executive operates and should be based on defined contribution pension plans or be in line with general pension plans (in Sweden, the ITP plan).

Subject to applicable law or mandatory provisions in collective bargaining agreements, pension benefits may not exceed 20 percent of the fixed cash salary, and variable cash remuneration shall not be pensionable.

Other benefits may include preventive healthcare and company car benefits. Premiums and other expenses relating to such benefits may not exceed 10 percent of the fixed cash salary.

Repayment and adjustments
Under certain circumstances and during a certain time, senior executives who participate in the Company's short-term and long-term incentive programmes are obliged to repay any remuneration already paid, fully or in part, if the payment was made mistakenly or based on intentionally forged data or in the event of a material adjustment of the Company's financial performance. Also, under extraordinary circumstances or to adjust for unforeseen non-recurring events, the Board may resolve to change payments according to incentive plans (before such payments are made).

Termination of employment
The notice period for a member of the Group management shall be no more than 12 months. During the notice period, the fixed cash salary and potential severance pay, including compensation for any competition restrictions, combined may not exceed an amount corresponding to the fixed cash remuneration for two years for a member of the Group management.

Criteria for variable cash remuneration
Variable cash remuneration is intended to award meeting predetermined and measurable criteria that promotes the Company's business strategy and long-term interests, including the Sustainability Policy. Such criteria may be linked to the Company's profit or loss, sales, cash flows and/or sustainability targets.

When the performance criteria measurement period for the payment of variable cash remuneration has ended, an evaluation of the outcome shall be made. The Remuneration Committee is responsible for evaluating the CEO's outcome while the CEO is responsible for evaluating the other senior executives' outcomes.

Salary and terms of employment

When the Board's proposal for these remuneration guidelines was considered, salaries and terms of employment for the Company's employees were considered by way of assessing information on the total remuneration to employees, the components of such remuneration and the remuneration's growth and growth rate over time. This information was included in the basis for the Board's decisions when evaluating the reasonableness of the guidelines and the limitations set by them.

Decision-making process for guidelines

The Board's Remuneration Committee prepares the Board's decisions on proposals for guidelines for remuneration to senior executives. The Board shall prepare a proposal for new guidelines at least every four years and submit a proposal for adoption by the AGM. The guidelines shall apply until new guidelines have been adopted by the AGM.

The Remuneration Committee shall also monitor and evaluate programmes for variable remuneration to the Group management and the application of the guidelines in terms of remuneration levels and structures. Members of the Group management must not be present during the Board's deliberations and decisions on remuneration-related matters if they are affected by the issues.

Deviations from the guidelines

The Board may temporarily resolve to deviate from the guidelines, in whole or in part, if there are special reasons for such in an individual case and it is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As stated above, the Remuneration Committee prepares the Board's resolutions on remuneration-related matters, which includes any resolution to deviate from the guidelines.

Risks and risk management

Storskogen's operations and business units are exposed to risks that may affect the Group. Storskogen has a decentralised organisational model, which means that the business units are largely responsible for running their operations independently. The decentralised organisation places high demands on financial reporting, corporate governance and internal control. Group management governs, controls and monitors the activities of the business units through its representatives on the board of each business unit. The boards of the business units perform annual risk assessments, and Storskogen performs its own quarterly risk assessments of the business units.

Storskogen's Group management conducts an annual risk workshop with input from other representatives from the Company and follows up regularly on the resulting risks and action plans. According to the risk assessment method used on the Group and business unit levels, the likelihood of a specific risk occurring is balanced against the impact such an occurrence would have. Group management reports to the Board of Directors on the outcome from the risk workshop and the implementation of any action plans adopted in connection with the workshops.

Storskogen's risks can be divided into four areas: strategic risks, operational risks, financial risks and regulatory compliance. The table below presents a selection of Storskogen's most highly prioritised risks and the measures taken by the Company to limit their impact.

- For further information on Storskogen's financial risks and risk management, see Note 27, p. 113.
- For further information on climated-related risks, see Note H2, p. 138.

Strategic risks

Strategic risks are risks that may prevent Storskogen from achieving its vision and targets and are often associated with operating in specific industries. These include changes in the economic cycle, structural changes, competition, acquisitions and growth strategy.

Risks	Risk management
Value-creating acquisitions The risk that Storskogen will not meet its business plan or that acquisitions made will not provide the expected returns.	Clear guidelines and requirements on acquisitions and acquisition processes and an evaluation of the financial capacity to make new acquisitions. Storskogen has implemented a Case Assessment Tool, according to which potential acquisitions are evaluated based on several requirements on a sustainable and proven business model, earnings capacity, market position, leadership and valuation, as well as on how the acquisition will contribute to strengthening the rest of Storskogen's portfolio.
Geopolitical uncertainty The risk that geopolitical conflicts could affect the Group's supply chains and result in undesirable price volatility for input goods.	Evaluation of geographical locations for production and alternative suppliers. To ensure the ability to adapt routes and keep costs low, Storskogen has entered into a framework agreement for freight. Inventory levels were reviewed in 2023 to ensure that products can be manufactured and distributed even in the event of short-term disruptions to freight and distribution chains.
Market dynamics The risk of macroeconomic trends such as a recession or inflation, which could cause profits to drop in the business units.	Storskogen monitors the economic situation constantly and follows up the portfolio companies' performance and key performance indicators on a monthly basis and has established procedures for continuous forecasting. In the event of macroeconomic events beyond Storskogen's control, every business unit has an alternative action plan in place to handle the situation.
Climate targets The risk that Storskogen will not meet the adopted climate targets due to insufficient access to renewable energy.	In Sweden, Storskogen has a framework agreement for renewable and fossil-free energy, and the Company is investigating similar solutions in all geographical areas. There is a major renewable energy shortage in some of Storskogen's geographical areas, and potential solutions are discussed in the boards of the business unit when required.

Operational risks

Operational risks include risks associated with effectiveness, internal processes and activities, the use of resources and system and the Group's employees.

Risks	Risk management
Data and information security The risk that Storskogen could fail to prevent or detect intrusions into its IT systems.	Storskogen's business units are implementing an IT Policy, an Information Security Policy, a Contingency Policy and a mandatory risk analysis of the IT environments. In 2023, Storskogen provided comprehensive training on cyber security.
Personnel and HR The risk of weakening the entrepreneurial spirit and of not being able to recruit or retain talent.	Employee surveys assess employee well-being and engagement and allow each manager to take specific measures to maintain Storskogen's culture and entrepreneurial spirit. When recruiting, Storskogen has a strong focus on maintaining the entrepreneurial spirit and consensus on values among its employees.
Due diligence The risk of an inadequate due diligence process for acquisitions if risk factors have not been properly identified.	Storskogen has implemented a Case Assessment Tool for evaluating potential acquisitions where financial, legal and sustainability risks are considered to discover specific risks linked to the environment, the climate, human rights, the reliability of financial data and contractual undertakings.
Communication and relationships The risk that Storskogen's external communication could be inadequate.	Implementation of a communication strategy to ensure that the Company's financial and other communication is reliable, uniform and complete.

Financial risks

Financial risks include risks related to the reliability of the Company's internal and external financial reporting and financial risks such as interest rate risk, liquidity risk, credit risk and currency risk.

Risks	Risk management
Financing The risk that the availability of capital could decrease or that the cost of capital could increase.	Storskogen's financing and financial risks are managed in accordance with the Company's Finance Policy. Storskogen performs data-driven forecasting of future capital requirements to ensure adequate access to capital. Refinancing risk is reduced by diversifying the debt portfolio as regards maturities and types of debt. Leverage was reduced over the year through an improved cash flow and divestments, which allowed considerable repayments.
Cost control The risk that Storskogen could fail to maintain cost control in an environment with higher inflation.	Storskogen's business areas monitor costs monthly and take special measures when needed, such as compensating for costs by increasing prices or making other cost savings, for example by using special framework agreements for shared purchases.
Impairment The risk that goodwill and other assets could become impaired.	Every quarter, Storskogen performs simplified impairment testing with updated forecasts to identify potential impairment losses, in addition to the annual impairment testing that is reviewed by the auditor. The allocation to intangible assets other than goodwill, such as customer relations, has increased gradually, which reduces intangible assets over time due to amortisation.

Regulatory compliance

Regulatory compliance risks are risks of financial or legal sanctions due to the involvement of Storskogen or Group companies in disputes or of their failure to act in accordance with laws, rules and regulations.

Risks	Risk management
Regulatory compliance The risk that Storskogen or a business unit could fail to comply with rules and regulations such as the Market Abuse Regulation, the General Data Protection Regulation (GDPR), provisions on sanctions or work environment requirements, which could lead to costs and reputational damage.	Storskogen has implemented several policy documents and internal processes to ensure that all requirements on the Group are met. In 2023, a training programme for business units was launched on trade sanctions, embargoes and export control, and other training is also provided, such as on GDPR.
Business ethics and sustainability governance The risk that employees will not comply with laws, rules and regulations or Storskogen's Code of Conduct, which may include corruption, fraud and bribery.	All business units in the Group are adopting the Code of Conduct and policies on Anti-Corruption, anti-money laundering and sanctions. All business units participate in training on relevant policies and governance documents to increase awareness and practical application. Storskogen also has a whistleblowing function for business units with up to 250 employees which allows anonymous reporting of irregularities. Business units with more than 250 employees have their own whistleblowing functions.
Disputes The risk of significant disputes with customers, suppliers or other business partners may lead to costs and reputational damage.	Disputes are followed up on a quarterly basis and any significant disputes are followed up by the Audit Committee. Disputes are carefully evaluated to ensure that Storskogen, where appropriate, takes responsibility. All business units in the Group undertake to comply with Storskogen's Code of Conduct. If deviations from the Code of Conduct are identified, Storskogen takes all reasonable measures to ensure that the deviation ceases.

Financial statements

CONSOLIDATED INCOME STATEMENT

1 January–31 December, SEK m	Note	2023	2022
Net sales	3, 4	36,006	34,250
Cost of goods and services sold	7–10	-28,690	-27,475
Gross profit		**7,316**	**6,775**
Selling expenses	7–10	-3,247	-2,890
Administrative expenses	7–10	-2,093	-2,032
Other operating income	11	1,086	1,393
Other operating expenses	11	-616	-634
Operating profit		**2,446**	**2,613**
Financial income		198	479
Financial expenses		-1,323	-980
Net financial items	12	**-1,125**	**-502**
Profit before tax		**1,321**	**2,111**
Income tax	13	-377	-519
Profit for the year		**944**	**1,592**
Profit for the year attributable to:			
Owners of the Parent Company		778	1,436
Non-controlling interests		166	157

Basic and diluted earnings per share, SEK	Note	2023	2022
Basic earnings per share, series A and B	33	0.47	0.86
Diluted earnings per share, series A and B	33	0.46	0.86

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1 January–31 December, SEK m	Note	2023	2022
Profit for the year		**944**	**1,592**
Other comprehensive income			
Items that will not be transferred to the income statement			
Remeasurements of defined benefit pension plans		-44	150
Total items that will not be transferred to the income statement		**-44**	**150**
Items that have been or may be transferred to profit or loss for the year			
Translation differences, foreign operations		73	566
Gains/losses on holdings of derivatives for cash flow hedging		-81	-16
Total items that have been or may be transferred to profit or loss for the year		**-8**	**549**
Other comprehensive income		**-52**	**700**
Comprehensive income for the year, net of tax		**892**	**2,292**
Comprehensive income for the year, net of tax, attributable to:			
Owners of the Parent Company		736	2,066
Non-controlling interests		155	226
Comprehensive income for the year, net of tax		**892**	**2,292**

CONSOLIDATED BALANCE SHEET

SEK m	Note	31 Dec 2023	31 Dec 2022
Assets			
Intangible assets	14	24,982	25,566
Property, plant and equipment	15	3,717	3,604
Right-of-use assets	28	1,674	1,701
Financial investments		9	8
Non-current receivables		54	72
Pension obligation assets	22	4	9
Deferred tax assets	13	157	133
Total non-current assets		**30,597**	**31,093**
Inventories	16	4,522	5,203
Tax assets		474	475
Trade receivables	18	4,441	4,940
Contract assets	4	1,568	1,651
Prepaid expenses and accrued income	17	609	622
Other receivables		397	474
Current investments	26	0	1
Cash and cash equivalents	19	1,560	3,022
Total current assets		**13,572**	**16,389**
Total assets		**44,169**	**47,482**

SEK m	Note	31 Dec 2023	31 Dec 2022
Equity			
Share capital	20	1	1
Other contributed capital		13,177	13,106
Reserves	20	568	565
Retained earnings including profit for the year		6,690	5,923
Equity attributable to owners of the Parent Company		**20,435**	**19,595**
Non-controlling interests		**2**	**34**
Total equity		**20,437**	**19,628**
Liabilities			
Interest-bearing non-current liabilities	21	10,080	13,224
Non-current lease liabilities	21, 28	1,222	1,229
Pension provisions	22	251	205
Other non-current liabilities	24	1,814	2,343
Provisions	23	54	44
Deferred tax liabilities	13	1,789	1,865
Total non-current liabilities		**15,210**	**18,910**
Interest-bearing current liabilities	21	546	200
Current lease liabilities	21, 28	430	425
Contract liabilities	4	1,383	1,310
Trade payables		2,271	2,563
Tax liabilities		606	854
Other liabilities	24	1,373	1,616
Accrued expenses and deferred income	25	1,875	1,933
Provisions	23	38	43
Total current liabilities		**8,522**	**8,944**
Total liabilities		**23,732**	**27,854**
Total equity and liabilities		**44,169**	**47,482**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the Parent Company							
SEK m	**Share capital**	**Other contributed capital**	**Translation reserve**	**Hedging reserve**	**Retained earnings incl. profit for the year**	**Total**	**Non-controlling interests**	**Total equity**
Opening balance, 1 January 2023	1	13,106	575	-10	5,923	19,595	34	19,628
Comprehensive income for the year								
Profit for the year	–	–	–	–	778	778	166	944
Remeasurements of defined benefit pension plans	–	–	–	–	-45	-45	0	-44
Other comprehensive income for the year	–	–	84	-81	–	3	-11	-8
Comprehensive income for the year	**–**	**–**	**84**	**-81**	**734**	**736**	**155**	**892**
Transactions with the Group's owners								
Contributions from and value transfers to owners								
Dividends paid	–	–	–	–	-133	-133	-108	-241
Conversion of loans in connection with acquisitions of companies	0	71	–	–	–	71	–	71
Transaction costs on issue of shares, after tax	–	0	–	–	–	0	–	0
Contributed capital from issued share options	–	–	–	–	4	4	–	4
Share-based payment transactions	–	–	–	–	37	37	–	37
Put options attributable to non-controlling interests	–	–	–	–	124	124	-60	64
Total contributions from and value transfers to owners	**0**	**71**	**–**	**–**	**32**	**103**	**-167**	**-65**
Changes in ownership of subsidiaries								
Acquisition of non-controlling interest, existing control	–	–	–	–	0	0	-191	-190
Acquisition of business with non-controlling interest, no previous control	–	–	–	–	–	–	191	191
Divestment of business with non-controlling interest, loss of control	–	–	–	–	–	–	-34	-34
Divestment of non-controlling interest, control remains	–	–	–	–	1	1	14	15
Total changes in ownership of subsidiaries	**–**	**–**	**–**	**–**	**2**	**2**	**-20**	**-18**
Total transactions with the Group's owners	**0**	**71**	**–**	**–**	**33**	**104**	**-187**	**-83**
Closing balance, 31 December 2023	**1**	**13,177**	**659**	**-91**	**6,690**	**20,435**	**2**	**20,437**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONT.

	Equity attributable to owners of the Parent Company							
SEK m	**Share capital**	**Other contributed capital**	**Translation reserve**	**Hedging reserve**	**Retained earnings incl. profit for the year**	**Total**	**Non-controlling interests**	**Total equity**
Opening balance, 1 January 2022	1	12,939	77	6	2,373	15,395	1,193	16,588
Adjustment of opening balance, equity[1)]	–	–	–	–	1,169	1,169	-1,169	0
Opening balance, equity, after correction[1)]	**1**	**12,939**	**77**	**6**	**3,542**	**16,564**	**24**	**16,588**
Comprehensive income for the year								
Profit for the year	–	–	–	–	1,436	1,436	157	1,592
Remeasurements of defined benefit pension plans	–	–	–	–	148	148	2	150
Other comprehensive income for the year	–	–	498	-16	–	482	67	549
Comprehensive income for the year	**–**	**–**	**498**	**-16**	**1,584**	**2,066**	**226**	**2,292**
Transactions with the Group's owners								
Contributions from and value transfers to owners								
Dividends paid	–	–	–	–	-116	-116	-123	-239
Share issue, non-cash	0	168	–	–	–	168	–	168
Transaction costs on issue of shares, after tax	–	0	–	–	–	0	–	0
Share-based payment transactions	–	–	–	–	30	30	–	30
Put options attributable to non-controlling interests	–	–	–	–	1,050	1,050	-1,739	-689
Total contributions from and value transfers to owners	**0**	**167**	**–**	**–**	**964**	**1,131**	**-1,862**	**-731**
Changes in ownership of subsidiaries								
Acquisition of non-controlling interest, existing control	–	–	–	–	-169	-169	-17	-187
Acquisition of business with non-controlling interest, no previous control	–	–	–	–	–	–	1,622	1,622
Divestment of non-controlling interest, control remains	–	–	–	–	2	2	42	44
Total changes in ownership of subsidiaries	**–**	**–**	**–**	**–**	**-168**	**-168**	**1,646**	**1,479**
Total transactions with the Group's owners	**0**	**167**	**–**	**–**	**796**	**964**	**-216**	**748**
Closing balance, 31 December 2022	**1**	**13,106**	**575**	**-10**	**5,923**	**19,595**	**34**	**19,628**

1) The distribution of the opening balance as at 1 January 2022 was adjusted due to the correction of an error from a previous financial year. See the 2022 Annual Report for a more detailed account of the background to the correction. This correction had no impact on the Group's total equity or on the other financial statements.

CONSOLIDATED CASH FLOW STATEMENT

SEK m	Note	2023	2022
Operating activities			
Profit before tax		1,321	2,111
Adjustment for non-cash items	32	2,057	1,351
Income tax paid		-814	-690
Cash flow from operating activities before changes in working capital		**2,563**	**2,772**
Increase (-)/decrease (+) in inventories		630	-682
Increase (-)/decrease (+) in operating receivables		243	-583
Increase (+)/decrease (-) in operating liabilities		-74	122
Cash flow from operating activities		**3,361**	**1,628**
Investing activities			
Purchase of property, plant and equipment		-733	-665
Proceeds from sale of property, plant and equipment		163	74
Purchase of intangible assets		-98	-63
Acquisition of subsidiary/business, net effect on liquidity	5	-987	-9,047
Divestment of subsidiary/business, net effect on liquidity	6	770	–
Acquisition of minority interests		-190	-187
Proceeds from sale of minority interests		15	41
Disposals of financial assets		94	44
Cash flow from investing activities		**-965**	**-9,802**

SEK m	Note	2023	2022
Financing activities			
Transaction costs on issue of shares		0	0
Contributed capital from issued share options		4	–
Borrowings		2,131	10,830
Repayment of loans		-5,222	-5,118
Repayment of lease liability		-563	-533
Dividends to owners of the Parent Company		-133	-116
Dividends to non-controlling interests		-108	-123
Other financing activities		11	–
Cash flow from financing activities		**-3,879**	**4,939**
Cash flow for the year		-1,483	-3,235
Cash and cash equivalents at the beginning of the year	19	3,022	6,167
Exchange rate difference in cash and cash equivalents		21	91
Cash and cash equivalents at end of year		**1,560**	**3,022**

PARENT COMPANY STATEMENT OF PROFIT OR LOSS

1 January–31 December, SEK m	Note	2023	2022
Net sales	35	161	156
Administrative expenses		-310	-323
Other operating income		0	0
Other operating expenses		0	0
Operating profit		**-148**	**-166**
Profit/loss from participations in Group companies	43	328	–
Interest income and similar profit/loss items	44	1,655	1,469
Interest expenses and similar profit/loss items	45	-1,206	-775
Profit/loss after financial items		**628**	**527**
Appropriations	46	46	0
Profit before tax		**674**	**527**
Tax	39	13	-43
Profit for the year		**687**	**485**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

1 January–31 December, SEK m	Note	2023	2022
Profit for the year		**687**	**485**
Comprehensive income for the year		**687**	**485**

PARENT COMPANY BALANCE SHEET

SEK m	Note	31 Dec 2023	31 Dec 2022
Assets			
Non-current assets			
Intangible assets		0	0
Property, plant and equipment		1	1
Financial assets			
Participations in Group companies	48	8,878	4,777
Receivables from Group companies	36, 50	19,578	23,526
Other non-current receivables		38	41
Total financial assets		28,494	28,343
Total non-current assets		**28,495**	**28,344**
Current assets			
Current receivables			
Receivables from Group companies	36, 50	3,918	3,918
Other receivables		47	30
Prepaid expenses and accrued income		15	8
Total current receivables		3,980	3,956
Cash and bank balances		739	1,168
Total current assets		**4,719**	**5,124**
Total assets		**33,214**	**33,469**

SEK m	Note	31 Dec 2023	31 Dec 2022
Equity and liabilities			
Equity			
Restricted equity			
Share capital		1	1
Unrestricted equity			
Retained earnings		4,019	3,647
Share premium reserve		13,181	13,106
Profit for the year		687	485
Total equity		**17,887**	**17,239**
Untaxed reserves			
Accumulated excess depreciation		0	0
Total untaxed reserves		–	0
Provisions			
Other provisions for pensions and similar commitments		1	0
Total provisions		1	0
Non-current liabilities			
Liabilities to credit institutions	40	9,779	12,942
Total non-current liabilities		**9,779**	**12,942**
Current liabilities			
Liabilities to credit institutions	40	454	30
Trade payables	36	13	4
Liabilities to Group companies	36	4,788	3,060
Tax liabilities		43	52
Other current liabilities	41	142	49
Accrued expenses and deferred income	42	106	93
Total current liabilities		**5,547**	**3,288**
Total equity and liabilities		**33,214**	**33,469**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	Restricted equity		Unrestricted equity				
SEK m	**Share capital**	**Ongoing new issue**	**Shareholder contribution**	**Retained earnings**	**Share premium reserve**	**Profit for the year**	**Total equity**
Opening balance, 1 January 2023	1	–	–	4,132	13,106	–	17,240
Comprehensive income for the year							
Profit for the year	–	–	–	–	–	687	687
Comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**687**	**687**
Dividends paid	–	–	–	-133	–	–	-133
Conversion of loans in connection with acquisitions of companies	–	–	–	–	71	–	71
Contributed capital from issued share options	–	–	–	–	4	–	4
Share-based payment transactions	–	–	–	19	–	–	19
Closing balance, 31 December 2023	**1**	**–**	**–**	**4,019**	**13,181**	**687**	**17,887**

	Restricted equity		Unrestricted equity				
SEK m	**Share capital**	**Ongoing new issue**	**Shareholder contribution[1)]**	**Retained earnings**	**Share premium reserve**	**Profit for the year**	**Total equity**
Opening balance, 1 January 2022	1	–	3,140	607	12,938	–	16,686
Comprehensive income for the year							
Profit for the year	–	–	–	–	–	485	485
Comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**485**	**485**
Shareholder contribution	–	–	-3,140	3,140	–	–	–
Dividends paid	–	–	–	-116	–	–	-116
Share issue, non-cash	0	–	–	–	168	–	168
Share-based payment transactions	–	–	–	17	–	–	17
Closing balance, 31 December 2022	**1**	**–**	**–**	**3,647**	**13,106**	**485**	**17,239**

1) The unconditional shareholders' contribution of SEK 3,140 million that Storskogen Group AB received in connection with its founding was transferred to retained earnings in 2022.

PARENT COMPANY CASH FLOW STATEMENT

SEK m	Note	2023	2022
Operating activities			
Profit before tax		674	527
Adjustment for non-cash items	52	190	-524
Dividends received from subsidiaries		–	502
Income tax paid		–11	-5
		853	**500**
Increase (-)/decrease (+) in operating receivables		–5	-43
Increase (+)/decrease (-) in operating liabilities		26	-4
Cash flow from operating activities		**874**	**453**
Investing activities			
Shareholders' contributions provided		–	-628
Purchase of property, plant and equipment		–	-1
Lending to Group companies		99	-9,211
Net change in deposits/borrowings, cash pool		1,791	-1,163
Other change in financial assets		–20	-1
Cash flow from investing activities		**1,870**	**-11,005**
Financing activities			
Proceeds from issues of shares		4	–
Transaction costs on issue of shares		0	0
Borrowings		2,000	10,660
Repayment of loans		–5,044	-3,800
Dividends paid		–133	-116
Cash flow from financing activities		**–3,173**	**6,744**
Cash flow for the year		–429	-3,808
Cash and cash equivalents at the beginning of the year		1,168	4,976
Cash and cash equivalents at end of year		**739**	**1,168**

NOTE 1 MATERIAL ACCOUNTING POLICIES

The Group's accounting policies

BASIS FOR PREPARATION

The consolidated accounts were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU). The Group also applies the Swedish Annual Accounts Act (1995:1554) and RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Corporate Reporting Board.

The Board of Directors (the Board) adopted this document on 25 March 2024. The financial statements will be adopted at the Annual General Meeting to be held on 8 May 2024.

Pursuant to German provisions in Sections 264 Abs 3 and 264b of the German Commercial Code (Handelsgesetzbuch, HGB), there is no requirement to publish annual reports for individual subsidiaries (both referring to companies and partnerships) in Germany, provided the entities are consolidated on a higher level in another EU member state. To meet the requirements on companies pursuant to 264 Abs 3 of the HGB, Storskogen Group has provided a guarantee for future financial years of any commitments made by the subsidiary until 31 December 2023. This resolution will be published in official German registers in accordance with Section 325 of the HGB. It was also determined that the exemptions in Sections 264 Abs 3 and 264b of the HGB are applicable to the directors' report and the publication of the annual accounts of the subsidiaries in the official German register.

The German subsidiaries listed below, which either have the legal form of a company or a partnership, make use of the exemptions according to the above description, which are provided in Sections 264 Abs 3 and 264b HGB:

Company/business	Registered office
A&K Die Frische Küche GmbH	Recklinghausen
Brunner-Anliker GmbH	Waldshut-Tiengen
Casino Menüservice GmbH	Wuppertal
Christ & Wirth Haustechnik GmbH	Zwenkau
DIMABAY Digital GmbH	Berlin
DIMABAY GmbH	Berlin
DS SafetyWear Arbeitsschutzprodukte GmbH	Lohmar
Eppstein Technologies GmbH	Eppstein
EppsteinFoils GmbH	Eppstein
EppsteinFoils Holding GmbH	Eppstein
Foiltum Holding GmbH	Eppstein
Hans Kämmerer GmbH	Wachtendonk
HK Immobilien GmbH	Munich
LNS Deutschland GmbH	Leonberg
Nutritum GmbH	Cuxhaven
PBT Germany GmbH	Siegen
Roleff GmbH & Co. KG	Altbach
Schaufler GmbH	Laichingen
Schaufler Tooling GmbH & Co. KG	Laichingen
SF Tooling Group GmbH	Laichingen
SO-CON Leit- und Steuerungstechnik GmbH	Bönnigheim
Stahlbau Verwaltungs-GmbH	Altbach
Storskogen Deutschland GmbH	Munich
Südwind Lebensmittel GmbH	Cuxhaven
Weidinger GmbH	Maisach
Wingert Foods Export GmbH	Cuxhaven
Wingert Foods GmbH	Cuxhaven

Unless otherwise stated, the accounting policies described below have been applied consistently for all reported periods and for all companies that are included in the financial statements. Unless otherwise stated, the Group's financial statements were prepared based on the historical cost convention.

FUNCTIONAL CURRENCY AND REPORTING CURRENCY

The Parent Company's functional currency is the Swedish krona, which is also the reporting currency of the Parent Company and the Group. This means that the financial statements are presented in Swedish kronor. All amounts in this report are expressed in million Swedish kronor (SEK million) unless otherwise stated. Rounding differences may occur.

Note 1 Material accounting policies, cont.

CONSOLIDATION POLICIES AND BUSINESS COMBINATIONS

Subsidiaries

A subsidiary is a company that is under the control of Storskogen Group AB, hereinafter referred to as Storskogen or the Group.

Subsidiaries are recognised in accordance with the acquisition method of accounting. According to this method, the acquisition of a subsidiary is regarded as a transaction by which the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The fair value of the identifiable assets acquired and liabilities assumed and any non-controlling interests on the acquisition date are determined in the purchase price allocation. Storskogen uses the full goodwill method and recognises any non-controlling interests, the "minority's share," as a proportionate share of the recognised value of the subsidiary's identifiable net assets.

Option to purchase non-controlling interests

If Storskogen does not acquire 100 percent of the shares in a subsidiary, Storskogen and the minority shareholders will enter into a shareholders' agreement. The shareholders' agreement includes provisions, terms and conditions regarding the company and its operations and, if applicable, provisions, terms and conditions related to put and call options for acquiring non-controlling interests, i.e. minority options. After a period of three to five years after the shareholders' agreement was entered into, the minority options give the parties the right to sell or acquire all or some of the minority's shares on an annual basis. If this right has not been exercised at maturity, it will usually be extended by one year.

The purchase price when the option is exercised is generally based on an agreed performance measure multiplied by a valuation multiple that is adjusted to reflect the net indebtedness of the entity.

As most of the minority holdings in the Group must be acquired (if the option is exercised) pursuant to the terms and conditions described above, the value of the undertaking to acquire the minority shares will be recognised in Other non-current and current liabilities, instead of as a minority interest in equity. Changes in undertakings are recognised gross in equity.

Contingent considerations

Contingent considerations are recognised at fair value at the time of the acquisition and remeasured on each reporting date. The change in value is recognised in profit or loss as Other operating income or Other operating expenses. Contingent considerations are generally calculated based on the company's average EBIT or EBITA (pursuant to the terms agreed between the parties) multiplied by a valuation multiple.

Transaction costs

Transaction costs, except for transaction costs related to the issue of equity instruments or debt instruments, are reported directly in operating profit or loss.

Goodwill

In business combinations where the consideration transferred, any non-controlling interest and the fair value of a previously held equity interest (in the case of business combinations achieved in stages) exceeds the fair value of any assets acquired and liabilities assumed that are reported separately, the difference is recognised as goodwill. In the event of a bargain purchase, i.e. when the difference is negative, the difference is recognised directly in profit or loss.

In a business combination achieved in stages, goodwill is recognised on the date when control is obtained. Previously held interests are measured at fair value and the change in value is recognised in profit or loss as Other operating income or Other operating expenses. If additional interests are acquired after control has been obtained, this is recognised as a transaction between owners in equity.

Any remaining holdings are valued at fair value and the value change is recognised as Other operating income or Other operating expenses in profit or loss when a divestment causes a loss of control.

FOREIGN CURRENCY

Foreign currency transactions

In the Group, the functional currency is the currency used where a company conducts is primary operations, and foreign currency transactions are translated into the functional currency at the exchange rate on date of the transaction and recognised as Other operating income or Other operating expenses, or financial income or financial expenses.

Financial statements of foreign operations

Assets and liabilities of foreign operations, including goodwill and other Group-related surplus or under values, are translated from the foreign operations' functional currency to the Group's reporting currency, SEK, at the exchange rate on the record date. Income and expenses of foreign operations are translated into SEK at the annual average rates that are published monthly by the Riksbank.

Translation differences arising out of currency translations of foreign operations are reported in Other comprehensive income and accumulated in the translation reserve in equity. When control of foreign operations ceases, the associated translation differences are reclassified from the translation reserve in equity to profit or loss.

REVENUE

The Group's revenue is chiefly derived from the sale of goods and from service engagements. The Group recognises revenue when it satisfies a performance obligation by transferring a promised good or service to a customer and the customer obtains control of the good or service. A performance obligation is satisfied either over time or at a point in time. It is assessed each time whether the service is included in the performance obligation related to the sale of the good or if it constitutes a separate performance obligation. The service is a separate performance obligation if the customer can benefit from the service either on its own or together with other resources that are available and the promise to transfer the service to the customer is separately identifiable from other promises in the contract. The revenue consists of the amount that the Company expects to receive in exchange for goods or services transferred. The Group's customer contracts are analysed in accordance with the five-step model found in IFRS.

For the incremental costs of obtaining a contract with a customer, the Group uses the practical expedient of recognising the incremental costs as an expense if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

Storskogen applies the exemption not to disclose revenue that is part of a contract that is expected to be completed within a year nor revenue that is recognised with the amount that the Group has the right to invoice, when the Group has the right to consideration from a customer with an amount that directly corresponds to the value to the customer of the Group's performance to date.

Revenue from the sale of goods

The Group's contracts for the sale of goods to customers comprise both framework agreements and individual agreements. The Group's customers are private individuals, companies and public sector entities. In the case of framework agreements, the purchase order in combination with the framework agreement constitutes the contract with the customer. The Group's performance obligations comprise providing the goods that are specified in the contracts. Every good generally constitutes a separate performance obligation that is satisfied when control is transferred to the customer. When goods are sold, control is transferred at a point in time that generally occurs when the product is delivered. If there are specific terms of delivery (including a warranty or a right of return) in the contract, control is transferred to the customer when the risk passes according to such terms. The transaction price essentially consists of a fixed price per quantity sold. Variable transaction price elements only occur to a negligible extent. The total transaction price is estimated at the value that the Group determines will be received by the Company when the contract is concluded. The transaction price is updated continuously if the circumstances on which the estimate is based should change. Invoices are usually issued upon delivery with a payment term of 30 to 90 days.

Revenue from service engagements

The Group's revenue from service engagements refers to longer and shorter assignments, including consultancy, contracting and transport services. There are both framework agreements and individual agreements. In the case of framework agreements, the purchase order in combination with the framework agreement constitutes the contract with the customer. As the Group's contracts include both goods and services, these are generally not deemed to be distinct within the context of the contract, as they are highly interdependent or highly interrelated or because the Group integrates the promised goods and services into a bundle that is purchased by the customer. Consequently, such contracts are generally considered to include a single performance obligation. The exception is if the contract includes the sale of a good and the installation of the same good, in which case these are handled as separate performance obligations. Performance obligations are either satisfied over time or at a point in time depending on the nature of the contract. Service engagements are recognised over time, as the customer simultaneously receives and consumes the benefits provided by the service as the entity performs. Revenue is also recognised over time if the Group creates or enhances an asset that the customer already controls, which is common for the Group's contracting services. Revenue from services that are recognised over time is based on the progress towards completion of each performance obligation. This revenue is then based on the proportion of costs spent compared with the total estimated costs for each performance obligation. The transaction price may comprise both fixed and variable elements. In some cases, the Group does not create an asset with an alternative use, as it is customised. If the Group is entitled to consideration for its performance, including a margin, during the entire process, revenue is recognised over time also for these obligations. If part of the transaction price is variable, only the part of the amount for which there is no significant risk of a reversal at a later stage will be included. The transaction price is updated continuously if the circumstances on which the estimate is based should change.

Onerous contracts must be dealt with when an expected loss arises and it is probable that the total costs of the contract will exceed the total revenue; this loss will then be expensed immediately.

Service engagements that are recognised over time in accordance with the above are invoiced during the month when the work is performed and generally has a payment term of 30 to 90 days. Other assignments for which revenue is recognised over time are invoiced based on agreed milestones, which are achieved upon completion of certain steps. The invoice generally has a payment term from 30 to 90 days.

Variable remuneration

Certain contracts with customers may contain a right of return, dealer discounts or quantity discounts. If it is not possible to make a reliable calculation of the revenue, the Group will postpone the revenue until the uncertainty has been resolved. Such liabilities are estimated when the contract is concluded and updated thereafter.

Variable consideration is recognised to the extent that it is highly probable that a significant reversal in the amount will not occur in the future. Such an assessment can be based on historical data and forecasts.

Right of return

When a contract with a customer includes the right to return the product within a certain period, the Group recognises this right of return based on the expected value method. The revenue that refers to the expected return will be postponed and recognised in the balance sheet, under Other liabilities. A corresponding adjustment will be in Cost of goods sold and recognised in the balance sheet, under Inventories.

LEASES

The Group as lessee

Right-of-use assets

Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and are adjusted for any remeasurement of the lease liability, except for currency translations. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any initial direct costs incurred and any prepayments made at or before the commencement date of the lease, less any incentives received. The right-of-use asset will be depreciated over the shorter of the lease term and the determined useful life of the asset, which ranges from one to 20 years. Provided the Group is not reasonably certain that the ownership of the underlying asset will be assumed at the end of the lease, the right-of-use asset will be depreciated on a straight-line basis over the lease term. The Group determines the useful life of a right-of-use asset based on the determined period during which the asset will generate income. The Group management considers various factors when determining economic life and depreciation periods, such as historical experiences, the nature of the asset, market conditions and the selling price that may be received if the asset is divested.

Lease liabilities

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are to be paid during the lease term. The cost of variable lease payments is included in operating profit. The lease term is the non-cancellable period as well as any periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option.

To calculate the present value of the lease payments, the Group uses the interest rate implicit in the lease, if that rate can be readily determined, and if not, an assessment of the incremental borrowing rate as at the commencement date is used.

Application of practical exemptions

The Group applies the practical exemptions for short-term leases and leases for which the underlying asset is of low value. Short-term leases are defined as leases with an initial lease term of 12 months or less after consideration of any options to extend the lease. In the Group, leases of low value assets include leases of office equipment. Lease payments for short-term leases and leases of low-value assets are expensed in operating profit on a straight-line basis over the lease term.

FINANCIAL INCOME AND EXPENSES

Financial income consists of interest income from invested funds, dividend income, value gains from financial assets measured at fair value in profit or loss, as well as such profits from hedging instruments that are recognised in profit or loss for the year.

Interest income from financial instruments is recognised according to the effective interest method. Dividend income is recognised when the right to receive the dividend has been established.

Financial expenses include interest expenses on loans and lease liabilities, the effect of a reversal of prepaid income related to borrowings that were allocated to periods over the term of the loan, the effect of a reversal of a present value calculation for provisions, losses from value changes on financial assets valued at fair value through profit or loss, and such losses on hedging instruments that are reported in profit or loss for the year. Borrowing costs are recognised in profit or loss using the effective interest method except to the extent that they are directly attributable to the purchase, construction or production of assets that take considerable time to complete for the intended use or for sale, in which case they are included in the cost of the assets.

Exchange rate gains and losses are reported net.

FINANCIAL INSTRUMENTS
A financial instrument is any form of agreement that gives rise to a financial asset for one company and a financial liability for another company. Financial instruments that are reported as assets in the balance sheet include shares, trade receivables, other receivables and cash and cash equivalents. Those that are reported as liabilities include trade payables, contingent considerations and other liabilities.

Classification and measurement
Financial assets
The Group's financial assets are recognised at amortised cost, except for derivative instruments, which are recognised at fair value in net financial income, unless hedge accounting is applied. See Note 27, Financial assets and liabilities. Fair value is determined according to the description in Note 26.

Equity instruments: classified at fair value through profit or loss if held for trading. In such cases, remeasurements are recognised in net financial items.

Financial liabilities
The Group's financial liabilities are classified at amortised cost or at fair value through profit or loss. Financial liabilities recognised at amortised cost are initially measured at fair value including transaction costs. After initial recognition, they are measured using the effective interest method. The Group's financial assets are recognised at amortised cost, except for liabilities related to contingent consideration, which are recognised at fair value, and derivative instruments, which are recognised at fair value in net financial income, unless hedge accounting is applied. See Note 27, Financial assets and liabilities. Fair value is determined according to the description in Note 26.

Derivatives and hedge accounting
To ensure future contracted cash flows in projects where the revenue is in a foreign currency, i.e. a currency other than the company's functional currency, the company has entered into currency forward contracts to hedge the currency risk. The Group applies hedge accounting in the form of cash flow hedges. The effective portion of the changes in the fair value of the hedging instrument is recognised in Other comprehensive income and accumulated in the hedging reserve in equity. The gain or loss associated with any ineffective portion shall be recognised immediately in operating profit or loss. Any accumulated amounts in equity are reclassified to profit or loss via Other comprehensive income in the periods when the hedged item affects profit or loss, such as when the revenue is recognised, and it is recognised as part of the revenue. When a hedging instrument expires or is sold or when the hedge no longer meets the requirements for hedge accounting, accumulated gains or losses remain in equity. These are entered in profit or loss when the hedged transaction is finally recognised in profit or loss. If a hedged transaction is no longer anticipated, the accumulated gains or losses are immediately reclassified from equity to profit or loss.

Storskogen has entered into ISDA (International Swaps and Derivatives Association) master agreements with the counterparties to the Group's derivative contracts. This means that in the event of a serious financial event, such as default, the parties to the agreement are allowed to offset receivables against liabilities. Derivatives that have been concluded with ISDA counterparties are accounted for gross in the balance sheet.

Impairment of financial assets
Financial assets, other than those that are classified at fair value through profit or loss and equity instruments measured at fair value through Other comprehensive income, are subject to impairment related to expected credit losses. The simplified approach is applied to trade receivables, lease receivables and contract assets. According to the simplified approach, a loss allowance is recognised for the lifetime expected credit losses for the receivable or asset. Other items that are included in expected credit losses are subject to an impairment model in three stages. For more details on the methods applied when calculating expected credit losses, see note 27, Financial risks. Financial assets measured at amortised cost are recognised net of the gross amount and the loss allowance. Changes in the loss allowance are recognised in operating profit or financial performance, depending on the nature of the underlying asset.

PROPERTY, PLANT AND EQUIPMENT
The Group recognises property, plant and equipment at cost less accumulated depreciation and impairment losses. Gains or losses arising from the disposal of an asset constitute the difference between the sale price and the asset's carrying value, less direct selling expenses. Gains and losses are recognised as other operating income/expenses. The following depreciation policies are applied:

Depreciation is carried out on a straight-line basis over the asset's estimated useful life. Land is not depreciated. Every part of an item of property, plant or equipment with an acquisition value that is significant in relation to the total cost of the asset is depreciated separately. For the Group, this chiefly refers to buildings, which are divided into elements such as structure, pipework, façades, roofs, lifts, ventilation equipment, etc.

The estimated useful lives are:

• Buildings	20–50 years
• Machinery, fixtures and fittings and cars	3–10 years
• Other equipment, furniture and fittings	3–10 years
• Art	Indefinite

The depreciation methods used, residual values and useful lives are reviewed annually.

INTANGIBLE ASSETS
Goodwill
Goodwill is stated at cost less any accumulated impairment. Goodwill is allocated to cash-generating units and tested for impairment at least annually, in connection with the end of the financial year. The Group's cash-generating units are referred to as verticals; further information on impairment testing and the Group's verticals is available in Note 14.

Other intangible assets
Other intangible assets that have been acquired by the Group comprise customer relationships, trademarks, licences, technology, patents and rights and are recognised at cost less accumulated amortisation (see below) and impairment.

Amortisation policies
Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the intangible assets unless the useful lives are considered indefinite. The useful lives of assets are reassessed at least once a year. Intangible assets with a definite useful life are amortised from the point at which they are available for use.

The estimated useful lives are:

• Goodwill	Indefinite
• Trademarks	Indefinite or 3–10 years
• Rights	3–10 years
• Customer relationships	2–15 years
• Capitalised development costs	5–7 years
• Technology	3–10 years

Note 1 Material accounting policies, cont.

Impairment of tangible and intangible assets

The Group's recognised assets are tested for impairment on each reporting date. Goodwill and other intangible assets with an indefinite useful life or that are not yet ready for use are tested for impairment at year-end and as soon as indications arise that the asset in question has decreased in value. If an impairment loss is indicated, the recoverable amount of the asset is calculated.

An impairment loss is recognised when an asset or cash-generating unit's (group of units') carrying value exceeds the recoverable amount. Impairment losses are recognised in Other operating expenses. If an impairment loss has been identified for a cash-generating unit (group of units), the impairment loss shall primarily be allocated to goodwill. Then, the impairment loss will be allocated pro rata to the other assets of the unit (group of units).

INVENTORIES

Inventories are recognised based on the first-in, first-out (FIFO) formula. Raw materials and purchased finished and semi-finished goods are stated at the lower of cost and net realisable value. Produced finished and semi-finished goods are stated at the lower of production cost (including an appropriate proportion of indirect costs of production) and net realisable value.

Market terms are applied to intra-Group trade. If the estimated net realisable value is lower than cost, a provision is made for stock obsolescence.

REMUNERATION TO EMPLOYEES

The Group has several pension plans, both defined benefit plans and defined contribution plans. The present value of the pension obligation and the cost of the Group's defined benefit pension plans are determined based on advice from an independent, professionally qualified actuary, based on the projected unit credit method. Defined benefit-related obligations are recognised net as a provision in the balance sheet, i.e. after deductions for the value of any plan assets.

Other pension systems in the Group are defined contribution plans and mainly refer to old-age pension. These pension premiums are salary-related and expensed regularly. See also Note 22.

Incentive programmes

The Company has an outstanding warrant programme for certain senior executives and other key individuals in the Group. The warrants were issued to the participants at a market value determined according to the Black-Scholes formula. If the warrants are exercised in the future, the Parent Company will receive proceeds corresponding to the strike price. New shares will be issued, and the proceeds will be reported as an increase in equity.

The Company also has a share savings programme and an employee stock option programme, which give certain senior executives and other key individuals the opportunity to acquire shares in Storskogen. The share savings programme is recognised in accordance with IFRS 2 Share-based Payment. The compensation costs reported during the vesting period is based on the fair value of the Storskogen share at the grant date, taking into account performance and market conditions, with a corresponding adjustment of equity. At every reporting date during the vesting period, the expected number of granted shares is estimated, and the effect of a possible change in the previous assessment of the performance conditions and the development of the Storskogen share (market conditions) is reported in profit or loss with a corresponding adjustment of equity. Thereafter, a provision is made for estimated social security contributions related to the share programme.

For further information on the incentive programmes, see Note 9.

NEW STANDARDS AND INTERPRETATIONS IN 2023

Amendments to IAS 1 Presentation of Financial Statements (Disclosure of accounting policies)

The changes mean that the requirement in IAS 1 to disclose significant accounting policies has been replaced by a requirement to disclose material accounting policies. The IASB's IFRS Practice Statement 2: Making Materiality Judgements was updated at the same time with guidelines and examples intended to illustrate the application of materiality to accounting policy disclosures. The purpose is to achieve real change in practice towards better and more effective communication in financial reports.

These changes have resulted in a reduction of the amount of text related to standardised and insignificant accounting policy disclosures and the addition of more company-specific disclosures.

Amendments to IAS 12 Income taxes

The changes clarify that the exemption, which states that deferred tax is not recognised for temporary differences that arise on the initial recognition of an asset or liability, does not apply to transactions that simultaneously give rise to an asset and a liability, such as right-of-use assets and lease liabilities.

These amendments mean that deferred tax related to right-of-use assets and lease liabilities is disclosed gross. The amounts for deferred tax liabilities related to right-of-use assets and deferred tax assets related to lease liabilities are provided in Note 13 Tax.

Amendments to IAS 12 Income Taxes (the OECD's Pillar Two rules)

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published the framework 'Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (Pillar Two): Inclusive Framework on BEPS.' These rules were devised to ensure that large multinational enterprises that are subject to the rules pay a minimum level of tax on the income arising during a specific period in each of the jurisdictions where they operate. The rules must be transposed into national legislation based on each country's approach.

The amendments include:

- a mandatory temporary exemption for reporting and disclosing deferred tax assets and liabilities related to income taxes pursuant to Pillar Two;
- Disclosure requirements for affected companies that helps users of financial statements understand the company's exposure to Pillar Two income taxes arising from that legislation. Disclosures on known or reasonably estimable exposure to Pillar Two income taxes are required for financial years starting 1 January 2023 or later.

The Group applies the exemption for reporting and disclosing deferred tax assets and liabilities related to income taxes pursuant to Pillar Two.

Other than that, a number of limited amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, according to which companies should differentiate between changes in accounting policies and changes in accounting estimates and assumptions, and the new standard IFRS 17 Insurance Contracts, have been published and entered into force on 1 January 2023. These amendments do not have a significant impact on the Group's financial reports.

NEW STANDARDS AND INTERPRETATIONS YET TO BE APPLIED BY THE GROUP

Amendments to IAS 1 Presentation of Financial Statements (Classification of liabilities)

In January 2020, the IASB published amendments to IAS 1 regarding the classification of liabilities as current or non-current, particularly if there are covenants. The purpose of the amendments is to clarify:

- the meaning of the right to defer settlement of a liability;
- that this right must exist at the end of the reporting period;
- that classification is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability; and
- when the terms and conditions of a convertible debt instrument do not affect classification due to embedded derivatives.

The amendments to IAS 1 also clarify that circumstances on the reporting date form the basis for the classification of a liability and that management's expectations on whether a covenant will be breached in the future are irrelevant to the classification.

According to the IASB, both amendments shall be applied retrospectively for financial years beginning on 1 January 2024 or later. These amendments have been adopted by the EU.

The Group has financial covenants in the agreement for the credit facility and actively monitors the space for these covenants. The Group is expected to comply with its financial covenants as at 31 Dec 2024. Consequently, this amendment is not expected to affect the Group's financial statements in the period when it is initially applied. However, the Group will consider and evaluate these amendments when entering into new credit agreements.

Limited amendments to IFRS 16 Leases have been published and will enter into force in or after January 2024, regarding the recognition of a lease liability in a sale and leaseback transactions, and IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Information on disclosure requirements for supply chain finance arrangements. The Group does not believe that these amendments will affect the Group or the Parent Company's financial reports.

The Parent Company's accounting policies

The Parent Company prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Corporate Reporting Board's recommendation RFR 2 – Accounting for legal entities. Statements issued by the Swedish Financial Reporting Board regarding listed companies are also applied. RFR 2 means that the Parent Company in the annual report for the legal entity shall apply all EU-approved IFRS standards and statements as far as possible within the framework of the Annual Accounts Act and the Pension Obligations Vesting Act *(Tryggandelagen)* while taking into consideration the relationship between accounting and taxation. The recommendation stipulates which exceptions and additions to IFRS shall be applied.

DIFFERENCES BETWEEN THE ACCOUNTING POLICIES OF THE GROUP AND PARENT COMPANY

The differences between the Group and the Parent Company's accounting policies are shown below. The accounting policies described below for the Parent Company have been applied consistently to all periods presented in the Parent Company's financial statements.

Classifications and presentation

For the Parent Company, a statement of profit or loss and a statement of other comprehensive income are presented, whereas for the Group, these two reports, taken together, constitute an income statement and a statement of other comprehensive income. Also, the reports that for the Group are referred to as the balance sheet and cash flow statement are referred to as the balance sheet and the cash flow statement for the Parent Company. For the Parent Company, the statement of profit or loss and the balance sheet are presented according to the layout provided in the Swedish Annual Accounts Act, whereas the statement of other comprehensive income, the statement of changes in equity and the cash flow statement are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows. The differences in the Parent Company's statements compared with the Group's statements chiefly comprise the recognition of financial income and expenses, non-current assets, equity and the existence of provisions as its own heading in the balance sheet.

Subsidiaries, associates and joint ventures

in the Parent Company, participations in subsidiaries, associates and joint ventures are recognised according to the historical cost convention. This means that transaction costs are included in the recognised value of participations in subsidiaries, associates and joint ventures. In the consolidated accounts, transaction costs attributable to subsidiaries are recognised directly in profit or loss.

Contingent considerations are measured based on the probability that the consideration will be paid. Any changes in the provision/receivable are added to/deducted from the cost. In the consolidated accounts, contingent considerations are recognised at fair value with value changes recognised in profit or loss.

Bargain purchases that correspond to future expected losses and costs are reversed in the expected periods when such losses and costs arise. Bargain purchases arising for other reasons are recognised as provisions to the extent they do not exceed the fair value of acquired identifiable non-monetary assets. The part that exceeds this value is taken up as income immediately. The part that does not exceed the fair value of acquired identifiable non-monetary assets is taken up as income in a systematic manner over a period that is estimated as the remaining weighted useful life of the acquired identifiable assets that can be amortised or depreciated. In the consolidated accounts, bargain purchases are recognised directly in profit or loss.

Financial instruments, hedge accounting and derecognition from the balance sheet

Due to the connection between reporting and taxation, the Parent Company as a legal entity does not comply with the rules on financial instruments in IFRS 9. Instead, the Parent Company applies the historical cost convention pursuant to the Swedish Annual Accounts Act. In the Parent Company, non-current financial assets are therefore measured at cost and current financial assets are measured according to the lower of cost or market method, except for SEK 17 million (0) in unrealised gains on foreign exchange derivatives that were used to hedge some of the intra-Group transactions and were recognised as such, with the application of an impairment for expected credit losses according to IFRS 9 for assets that are debt instruments. For other financial assets, impairment is based on market values.

Anticipated dividends

Anticipated dividends from subsidiaries are recognised if the Parent Company has the sole right to determine the size of the dividend and has determined the size of the dividend before publishing its financial statements.

Assets being leased

In the Parent Company, all lease payments are expensed on a straight-line basis over the term of the lease.

Borrowing costs

In the Parent Company, borrowing costs are charged to profit or loss in the period to which they refer. No borrowing costs are capitalised for assets.

Tax

In the Parent Company, untaxed reserves are recognised in the balance sheet without any division into equity and deferred tax liabilities, unlike in the consolidated accounts. Similarly, the Parent Company does not allocate any part of the appropriations to deferred tax expenses.

Group contributions

Group contributions are recognised as appropriations.

Net sales

The Parent Company's net sales comprise only management services invoiced within the Group.

NOTES – GROUP

NOTE 2 ESTIMATES AND ASSUMPTIONS IN THE FINANCIAL STATEMENTS

Preparation of the financial statements in accordance with IFRS requires the Board and Group management to make assessments, estimates and assumptions that affect the application of the accounting policies and figures reported for assets, liabilities, income and expenses. The actual outcome may deviate from these estimates and judgements. Estimates and assumptions are reviewed regularly. Changes in estimates are reported in the period in which they are made if they only affect that period, or in the period in which they are made and in future periods, if the change affects both the period concerned and future periods.

SIGNIFICANT JUDGEMENTS

If Storskogen does not acquire 100 percent of the shares in a subsidiary, Storskogen and the minority shareholders enter into a put and call option agreement for purchasing any non-controlling interests, i.e. minority options. The purchase price when the option is exercised is generally based on an agreed future performance measure multiplied by a valuation multiple that is adjusted to reflect the net indebtedness of the entity. This value is recognised in Other non-current and current liabilities.

The Company does not consider that the uncertainty in estimates and judgments entail a significant risk of a material adjustment of the carrying amount of the asset or liability within the next financial year.

OTHER ESTIMATION UNCERTAINTIES

The most material sources of estimation uncertainty in the judgements and assumptions made when the consolidated accounts were prepared are presented below. Changes in assumptions may have significant effect on the financial reports in the period when the assumptions were changed.

Recognition of deferred tax assets

The assessment of the extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable profit will be available against which the unused tax losses or cumulated tax credits can be utilised, see Note 13. Critical assessments are also required when assessing the impact of certain legal or financial limitations or uncertainties in various tax jurisdictions.

Impairment of non-financial assets and goodwill

When testing for impairment, the recoverable amount of each asset or cash-generating unit is calculated based on expected future cash flows and an appropriate discount rate for the cash flow. There are uncertainties related to the assumptions of future cash flows and the determination of an appropriate discount rate, see Note 14.

Option to purchase non-controlling interests

Initial recognition is based on an appropriate discount rate. This is remeasured at every reporting date. The uncertainty in this remeasurement is related to the discount rate used and the future profitability, see Note 24.

The useful life of depreciable or amortisable assets

Each reporting date, a review is made of the determined useful lives of depreciable or amortisable assets based on the period of time over which an asset is expected to be used by the Group. The uncertainty in these assessments is due to technical obsolescence that may change the use of the asset.

Inventories

Each balance sheet date, the net realisable value of the inventories is calculated, considering the most reliable information available. The future selling price may be affected by future technology and other market-driven changes that may reduce future selling prices.

Business combinations

Measurement of acquired intangible assets

When the fair value is calculated, valuation techniques are used for the specific assets and liabilities that were acquired in a business combination, see Note 5. Most importantly, the fair value of contingent considerations depends on the outcome of several variables, including the profitability of the acquired company.

NOTE 3 OPERATING SEGMENTS

The Group's operations are divided into different business areas depending on the operations' internal follow-up and structure. These business areas are Trade, Industry and Services. The Group management has been identified as the chief operating decision maker that reviews the operations' performance and makes decisions about the allocation of resources based on the goods produced and sold and the services provided by each business area. The business areas constitute the Group's operating segments.

The Trade business area focuses on companies with strong brands in their markets, mostly distributors and wholesalers with their own and external brands. Trade is divided into four verticals: Home and Living, Health and Beauty, Sports, Clothing and Accessories, Niche Businesses. Trade comprises 32 business units (35) and accounted for 28 percent (28) of sales in 2023.

The Industry business area focuses on traditional B2B industrial companies in heavy or medium heavy industry, manufacturing and automation. Industry is divided into three verticals: Automation, Industrial technology and Products. Industry comprises 39 business units (39) and accounted for 40 percent (39) of the sales in 2023.

The Services business area focuses on service companies with strong positions in specific B2B niches. It is divided into seven verticals: Contracting Services, Infrastructure, Installation, Logistics, Engineering Services, Digital Services, as well as HR and Competence. Services comprises 58 business units (62) and accounted for 32 percent (33) of sales in 2023.

Transfer pricing in the Group is on market terms. The accounting policies used in the various segments are the same as those described in Note 1 Material accounting policies.

Note 3 Operating segments, cont.

FOLLOW-UP BY SEGMENT, 2023

SEK m	Trade	Industry	Services	Group operations and eliminations	Group Total
Revenue from external customers	10,048	14,662	11,346	-50	36,006
Cost of goods and services sold	-8,079	-11,406	-8,981	-225	-28,690
Gross profit	**1,969**	**3,257**	**2,365**	**-275**	**7,316**
Selling expenses	-1,107	-1,088	-977	-74	-3,247
Administrative expenses	-443	-971	-746	67	-2,093
Other operating income	318	447	310	11	1,086
Other operating expenses	-188	-287	-140	-1	-616
Operating profit	**549**	**1,357**	**812**	**-272**	**2,446**
Amortisation and impairment of intangible assets	237	324	300	1	861
Segment profit/loss (EBITA)	**786**	**1,681**	**1,111**	**-271**	**3,307**
Reconciliation of profit/loss before tax					
Segment profit/loss (EBITA)	786	1,681	1,111	-271	3,307
Amortisation and impairment of intangible assets	-237	-324	-300	-1	-861
Financial income					198
Financial expenses					-1,323
Profit before tax					**1,321**

Net sales by geographical market, SEK m	Trade	Industry	Services	Group operations and eliminations	Revenue from external customers
Sweden	5,129	4,029	8,234	-50	17,341
Denmark	317	371	512	–	1,200
Finland	236	248	78	–	562
Germany	469	2,022	409	–	2,900
Other countries within the EU	678	1,753	83	–	2,513
Norway	1,525	685	906	–	3,116
Switzerland	552	587	732	–	1,870
United Kingdom	1,122	2,029	269	–	3,420
USA	0	1,775	14	–	1,789
Other countries outside the EU	20	1,164	110	–	1,294
Total	**10,048**	**14,662**	**11,346**	**-50**	**36,006**

Assets and liabilities, SEK m	Trade	Industry	Services	Group operations and eliminations	Group Total
Assets	12,058	17,738	13,360	1,012	44,169
Liabilities	2,582	4,352	3,930	12,868	23,732

Assets by geographical location, SEK m	Trade	Industry	Services	Group operations and eliminations	Group Total
Sweden	7,753	7,092	8,666	932	24,442
Switzerland	445	3,271	1,057	10	4,783
United Kingdom	1,541	2,352	552	39	4,485
Germany	836	1,610	401	19	2,865
Norway	1,121	380	860	1	2,361
Denmark	66	620	1,549	12	2,247
Other countries	298	2,414	275	0	2,987
Total	**12,058**	**17,738**	**13,360**	**1,012**	**44,169**

Investments by segment, SEK m	Trade	Industry	Services	Group operations and eliminations	Group Total
Investments in intangible assets	50	37	11	–	98
Investments in property, plant and equipment	72	418	244	0	734
Total	**121**	**455**	**255**	**0**	**832**

Amortisation and depreciation by segment, SEK m	Trade	Industry	Services	Group operations and eliminations	Group Total
Amortisation of intangible assets	-237	-324	-300	-1	-861
Depreciation of property, plant and equipment	-68	-228	-172	-2	-470
Total	**-305**	**-552**	**-471**	**-3**	**-1,331**

External revenue is based on where the customers are located, and the recognised values of fixed assets are based on where the assets are located.

Note 3 Operating segments, cont.

FOLLOW-UP BY SEGMENT, 2022

SEK m	Trade	Industry	Services	Group operations and eliminations	Group Total
Revenue from external customers	9,637	13,288	11,351	-26	34,250
Cost of goods and services sold	-7,808	-10,489	-8,940	-237	-27,475
Gross profit	**1,829**	**2,798**	**2,411**	**-263**	**6,775**
Selling expenses	-910	-969	-939	-72	-2,890
Administrative expenses	-419	-863	-742	-9	-2,032
Other operating income	561	613	205	14	1,393
Other operating expenses	-178	-366	-89	-1	-634
Operating profit	**884**	**1,214**	**846**	**-330**	**2,613**
Amortisation and impairment of intangible assets	188	257	246	1	693
Segment profit/loss (EBITA)	**1,072**	**1,471**	**1,092**	**-329**	**3,305**
Reconciliation of profit/loss before tax					
Segment profit/loss (EBITA)	1,072	1,471	1,092	-329	3,305
Amortisation and impairment of intangible assets	-188	-257	-246	-1	-693
Financial income					479
Financial expenses					-980
Profit before tax					**2,111**

Net sales by geographical market, SEK m	Trade	Industry	Services	Group operations and eliminations	Revenue from external customers
Sweden	5,297	3,910	9,083	-26	18,264
Denmark	256	297	315	–	868
Finland	249	347	72	–	667
Germany	416	1,823	291	–	2,530
Other countries within the EU	617	1,610	82	–	2,309
Norway	1,067	646	786	–	2,499
Switzerland	582	415	554	–	1,551
United Kingdom	1,143	1,562	77	–	2,782
USA	1	1,711	15	–	1,727
Other countries outside the EU	10	967	76	–	1,053
Total	**9,637**	**13,288**	**11,351**	**-26**	**34,250**

Assets and liabilities, SEK m	Trade	Industry	Services	Group operations and eliminations	Group Total
Assets	13,328	18,403	14,241	1,509	47,482
Liabilities	2,875	4,761	4,073	16,145	27,854

Assets by geographical location, SEK m	Trade	Industry	Services	Group operations and eliminations	Group Total
Sweden	8,469	6,943	9,895	1,282	26,589
Switzerland	871	3,104	1,219	165	5,359
United Kingdom	1,732	2,929	235	27	4,924
Germany	659	1,696	408	8	2,771
Norway	1,197	476	856	1	2,529
Denmark	85	644	1,520	8	2,258
Other countries	316	2,611	108	17	3,052
Total	**13,328**	**18,403**	**14,241**	**1,509**	**47,482**

Investments by segment, SEK m	Trade	Industry	Services	Group operations and eliminations	Group Total
Investments in intangible assets	27	32	4	–	63
Investments in property, plant and equipment	93	365	200	7	665
Total	**120**	**396**	**204**	**7**	**728**

Amortisation and depreciation by segment, SEK m	Trade	Industry	Services	Group operations and eliminations	Group Total
Amortisation of intangible assets	-188	-257	-246	-1	-693
Depreciation of property, plant and equipment	-62	-184	-157	-2	-405
Total	**-250**	**-441**	**-403**	**-3**	**-1,098**

NOTE 4 REVENUE FROM CONTRACTS WITH CUSTOMERS

Information per vertical, SEK m	2023	2022
Home and Living	2,949	3,378
Niche Businesses	2,969	3,021
Health and Beauty	2,802	1,866
Sport, Clothing and Accessories	1,340	1,395
Elimination within business area	-11	-22
Total, Trade segment	**10,048**	**9,637**
Automation	4,714	4,133
Industrial Technology	5,348	4,782
Products	4,631	4,432
Elimination within business area	-31	-59
Total, Industry segment	**14,662**	**13,288**
Contracting Services	969	913
Infrastructure	2,400	2,273
Installation	3,529	3,635
Logistics	1,184	1,257
Engineering Services	1,610	1,772
Digital Services	715	643
HR and Competence	967	879
Elimination within business area	-27	-20
Total, Services segment	**11,346**	**11,351**
Intra-Group sales, segment	**-50**	**-26**
Total	**36,006**	**34,250**

	2023				
Time of revenue recognition, SEK m	**Trade**	**Industry**	**Services**	**Group functions**	**Group total**
Goods and services transferred at a point in time	9,740	11,972	7,200	-50	28,861
Goods and services transferred over time	308	2,690	4,146		7,144
Total	**10,048**	**14,662**	**11,346**	**-50**	**36,006**

	2022				
Time of revenue recognition, SEK m	**Trade**	**Industry**	**Services**	**Group functions**	**Group total**
Goods and services transferred at a point in time	9,157	10,940	6,490	-26	26,562
Goods and services transferred over time	480	2,348	4,861		7,688
Total	**9,637**	**13,288**	**11,351**	**-26**	**34,250**

Performance obligations

The Group's sales, both related to the sale of goods and service engagements, are generally invoiced with a payment term between 30 and 90 days. The Group's performance obligations are part of contracts with an original expected duration of one year or less. In accordance with the rules in IFRS 15:121, the Group has chosen not to disclose the transaction price of these unsatisfied obligations.

Contract assets, SEK m	2023	2022
Opening balance	1,651	424
Significant changes in the contract balances due to business combinations	11	1,324
Changes attributable to ordinary activities	-95	-97
Closing balance	**1,568**	**1,651**

Contract assets comprise accrued revenue to which the Company's right is conditional upon continued performance under the contract. Once the Company's right to consideration becomes unconditional, the asset is recognised as a trade receivable.

Contract liabilities, SEK m	2023	2022
Opening balance	1,310	513
Significant changes in the contract balances due to business combinations	42	680
Changes attributable to ordinary activities	32	117
Closing balance	**1,383**	**1,310**

A contract liability refers to advance payments from customers where performance obligations have not been satisfied. Contract liabilities are recognised as revenue once the performance obligations in the contract are (or have been) satisfied.

Storskogen applies the exemption not to disclose revenue that is part of a contract that is expected to be completed within a year nor revenue that is recognised with the amount that the Group has the right to invoice, when the Group has the right to consideration from a customer with an amount that directly corresponds to the value to the customer of the Group's performance to date.

NOTE 5 BUSINESS COMBINATIONS

The Group's acquisitions in 2023

Acquisition	Operations	Completion	Total assets, SEK m[1]	Net sales, whole year 2023, SEK m	Segment
2023					
Höga Kusten Teknik Resurs AB	Provider of consulting services, equipment and technologies for the wood processing industry	January	33	86	Industry
Loginor AB	Construction, planning, manufacturing and sales of automation and measurement equipment for the sawmill industry	January	40	49	Industry
HSV Hässleholms Sot & Vent AB, including fellow subsidiaries	Chimney sweeping and ventilation services	January	5	12	Services
AC Electrical Services Group Ltd, including subsidiaries	Offers a range of electrical services to commercial, industrial and domestic customers	April	326	225	Services
Modern Design AS, including subsidiaries	Chain of hair salons	April	36	103	Trade
Guardio Safety AB	Distributor of helmets and hearing protection	May	8	7	Trade
Align Products Sdn. Bhd	Add-on acquisition to Wibe Group	June	0	–	Industry
Swiss Medical Jobs GmbH	Add-on acquisition to recruitment agency Vokus Personal	July	8	28	Services
Möller Klima-Kälte GmbH	Ventilation, add-on acquisition to Christ & Wirth	July	25	90	Services
Go Tele AS	Fibre installation	October	8	20	Services
The Physics Café Pte. Ltd.	Private tuition services in Singapore	October	29	54	Services
Nolyx AB	Development and implementation of electric control equipment for the sawmill industry	December	13	16	Industry
Total			**532**	**690**	

1) In 2023 and 2022, this refers to total assets at the carrying value on the acquisition date.

Note 5 Business combinations, cont.

The Group's acquisitions in 2022

Acquisition	Operations	Completion	Total assets, SEK m[1]	Net sales, whole year 2022, SEK m	Segment
2022					
Fremco A/S, including subsidiaries	Development and production of optic fibre blowing machines	January	41	102	Industry
Trollskes Maskinservice AB	Industrial services and maintenance	January	8	15	Industry
2M2 Group AB, including subsidiaries	Trade in products in the House & Garden segment with several own brands	January	73	246	Trade
Budettan AB	Logistics services in Skåne, Småland and Blekinge, Sweden	January	27	55	Services
L.J. Sot Aktiebolag	Chimney sweeping and ventilation services	January	2	8	Services
Markbyggarna i Skellefteå AB	Digging and excavation work, chiefly within fibre and power solutions	January	21	29	Services
Dansforum i Göteborg AB, including subsidiaries	Post-secondary education other than universities	January	19	19	Services
EVIAB Gruppen AB, including subsidiaries	Installation work in electricity, plumbing, safety and electrical technology	January	54	253	Services
Tornado Group Ltd, including subsidiaries	Supplier of premium animal fences	January	251	396	Industry
A&K Die Frische Küche GmbH, including subsidiaries	Manufacturer and distributor of meals on wheels for food service institutions	January	125	235	Industry
LNS Holding SA, including subsidiaries	Automation solutions for feeding and removal of raw materials on production lines	January	1,382	2,444	Industry
Nimbus Gruppen AS, including subsidiaries	Complete solutions for fibre networks	February	54	261	Services
El & Nätverksmontage i Stockholm AB (ENAB)	Maintenance and contracting services in electrical installations	February	9	7	Services
Hudikhus AB	House manufacturer that designs and sells prefabricated timber houses	February	25	150	Trade
ViaAnalyze AB	Seller of tools for visitor counting, sales reporting and visualisation to resellers	February	2	8	Services
Brandprojektering Sverige AB, including subsidiaries	Consulting company in fire protection and risk management	February	15	33	Services
Karriärkonsulten Sverige AB	Recruitment services, temping agency services, sale of training and training materials	February	22	56	Services
Christ & Wirth Haustechnik GmbH	Full-service provider of building installation services. Specialist in heating, ventilation and air conditioning (HVAC) and sanitary systems	February	86	311	Services
Hedson Technologies International AB, including subsidiaries	Markets premium products in hardening, lifting and washing systems for the automotive industry	March	177	270	Industry
Nitro Consult Aktiebolag	Supplier and developer of consulting services in blasting technology, environmental monitoring and support software in Sweden	March	193	131	Services
Extra UK Ltd, including subsidiaries	Distributor of premium bicycle parts and accessories	March	236	260	Trade
Stop Start Transport Ltd	Logistics, warehousing and distribution in the United Kingdom	March	30	90	Services
Vokus Personal AG	Recruitment of healthcare professionals in Switzerland	March	82	303	Services
Dimabay GmbH, including subsidiaries	German marketing agency that offers marketing services, more specifically coupons and media inserts	March	124	202	Trade
INGENIØR'NE A/S, including subsidiaries	Danish full-service engineering consultancy	March	580	231	Services
VSH Holding AB (Swedwise), including subsidiaries	Consulting services and software licenses in IT automation	April	45	84	Services
PR Home of Scandinavia AB, including subsidiaries	Trade in products in home lighting and home textiles	April	58	110	Trade
Session MAP AB	Distributor of haircare products	April	55	164	Trade
DETABECOMAT Automation AB (DETAB)	Development and sale of systems for feeding products to packaging processes, robots and other process machines	April	10	12	Industry
Dafra Försäljning Aktiebolag	Distributor and wholesaler of brands in kitchen supplies	April	16	30	Trade
Tysse Mekaniske Verksted AS, including fellow subsidiaries	Norwegian manufacturer and supplier of trailers and boat trailers	April	171	283	Industry
Matterhorn Sverige AB	Sale of outerwear under its own brand, Matterhorn	April	36	47	Trade
JO Sport i Hudiksvall AB	Distributor within the alpine, outdoor, cycling and sports segments to resellers in Sweden	April	121	180	Trade

Note 5 Business combinations, cont.

Acquisition	Operations	Comple-tion	Total assets, SEK m[1]	Net sales, whole year 2022, SEK m	Segment
Racketdoktorn AB	Wholesaler of sports and leisure items	May	35	68	Trade
Danboring A/S, including subsidiaries	Specialist in trenchless pipe installations in Denmark, Norway, Sweden and Germany	May	43	107	Services
Golv o Mattvaruhuset i Göteborg AB	Reseller of floors and carpets	May	9	28	Trade
Fabco Sanctuary Ltd	Manufacturer of steel windows, doors, screens and partitions	May	70	148	Industry
Scandinavian Cosmetics Group, including subsidiaries	Sales, marketing and distribution of beauty products in the Nordic region	May	596	1,053	Trade
Thermica AS	Specialist in construction of logistic buildings in Norway	May	166	673	Services
Contain Svenska AB (Contilog)	Container logistics in the Nordic region and Europe	June	18	50	Services
ElFabriken Sverige AB	Electrical installation services	June	9	22	Services
Acreto AB	Distributor, marketeer and reseller of various brands	June	239	210	Trade
Projektstrateg Sverige AB	Services in design, measurement technology, digital twins and VR/AR applications	June	6	19	Services
Höganäs Träprofiler AB	Wholesaler of painted and veneered wooden mouldings for indoor use	June	13	27	Trade
J&D Pierce (Contracts) Ltd, including subsidiaries	Fabrication and site erection of structural steelwork in the United Kingdom	June	1,071	1,730	Industry
Vox Hair Concept AS, including subsidiaries	Chain of hair salons	July	80	208	Trade
XodBox Pte Ltd, including subsidiaries	Provider of digital marketing and graphic design	July	27	45	Services
Lucky Harpan AB	Contractors in construction, welding and repair work	July	0	3	Industry
Hans Löfqvist Engineering AB	Automation company that manufactures robot solutions for Swedish industry	July	40	51	Industry
CMTi Pte. Ltd. (CMTi), including subsidiaries	Installation of wire harnesses, cable assemblies and electro-mechanical assemblies in South-East Asia	October	218	235	Industry
EnergiStyret i Kronoberg AB	Provider of control systems to property owners to optimise energy consumption and comfort	October	2	5	Services
Cutrin Gruppen Norge AS, including subsidiaries	Distributor of haircare products and the exclusive Norwegian distributor of brands such as Cutrin, Moroccanoil, REF, Paul Mitchell and Special 1	October	155	204	Trade
VIFAB, Verkstadsindustri Fastighet AB	Company that owns a building	October	15	1	Industry
Eneron Oy	Software for collecting, measuring and analysing energy consumption in buildings	November	0	1	Services
Total			**6,961**	**11,916**	

1) In 2023 and 2022, this refers to total assets at the carrying value on the acquisition date.

For a summary of the holding in percent that was acquired, see Note 31 Participations in Group companies. In all instances, Storskogen obtained control in all acquired companies on the acquisition date.

Note 5 Business combinations, cont.

PURCHASE PRICE ALLOCATIONS, ACQUISITIONS MADE IN 2023

The acquisitions are presented at an aggregated level, by segment, as the relative amounts for the individual acquisitions are not deemed to be material, except for the acquisitions of AC Electrical Services and The Physics Café, which are therefore presented both separately and as part of the Services segment.

	Fair value on the acquisition date			
SEK m	**Trade**	**Industry**	**Services**	**Total**
Intangible assets	23	56	303	383
Other non-current assets	8	8	10	25
Deferred tax assets	0	–	–	0
Inventories	11	22	2	35
Other current assets (excluding inventories and cash and cash equivalents)	6	23	196	225
Cash and cash equivalents	17	33	200	250
Deferred tax liabilities	-4	-14	-71	-90
Liabilities to creditors	-3	–	-6	-9
Other liabilities	-30	-49	-77	-155
Acquired net assets	**28**	**79**	**557**	**664**
Goodwill	48	75	217	340
Non-controlling interests	-4	-17	-170	-191
Total	**71**	**138**	**603**	**812**
Purchase price, including contingent consideration but excluding transaction costs				
consisting of				
Cash payment	42	120	437	599
Contingent consideration, not yet paid	30	17	34	80
Payment in the form of convertibles	–	–	133	133
	71	**138**	**603**	**812**
Cash flow from the acquisition of subsidiaries				
Cash payment (included in investing activities)	-42	-120	-437	-599
Acquired cash and cash equivalents (included in investing activities)	17	33	200	250
Total effect on investing activities	**-25**	**-87**	**-237**	**-349**
Transaction costs from acquisitions (included in operating activities)	-1	-2	-5	-9
Net outflow, cash and cash equivalents	**-26**	**-90**	**-242**	**-358**

SIGNIFICANT ACQUISITIONS IN 2023

	Fair value on the acquisition date		
SEK m	**AC Electrical Services Group Ltd – included in Services**	**The Physics Café Pte. Ltd. – included in Services**	**Total**
Intangible assets	212	41	253
Other non-current assets	4	1	5
Deferred tax assets	–	–	–
Inventories	1	–	1
Other current assets (excluding inventories and cash and cash equivalents)	172	0	172
Cash and cash equivalents	149	28	177
Deferred tax liabilities	-54	-7	-61
Liabilities to creditors	–	–	–
Other liabilities	-22	-11	-33
Acquired net assets	**462**	**52**	**514**
Goodwill	90	119	209
Non-controlling interests	-111	-60	-170
Total	**442**	**111**	**553**
Purchase price, including contingent consideration but excluding transaction costs			
consisting of			
Cash payment	309	79	388
Contingent consideration, not yet paid	–	32	32
Payment in the form of convertibles	133	–	133
	442	**111**	**553**
Cash flow from the acquisition of subsidiaries			
Cash payment (included in investing activities)	-309	-79	-388
Acquired cash and cash equivalents (included in investing activities)	149	28	177
Total effect on investing activities	**-161**	**-51**	**-211**
Transaction costs from acquisitions (included in operating activities)	-2	-1	-3
Net outflow, cash and cash equivalents	**-162**	**-52**	**-214**

Note 5 Business combinations, cont.

Purchase price and assessments

The purchase price for the year's acquisitions totalled SEK 812 million, SEK 340 million of which was recognised in goodwill, including adjustments of preliminary purchase price allocations from the previous year. The effect of business combinations on the Group's cash and cash equivalents was SEK 349 million. In addition to the business combinations mentioned above, cash flows from Acquisition of subsidiary/business in the Cash flow statement, which were SEK 986 million, were also affected by the payment of SEK 636 m in contingent considerations for acquisitions made in previous years. If all the year's acquisitions had been completed on 1 January 2023, the contribution to the Group's net sales would have been SEK 690 million and the effect on the Group's profit after tax would have been SEK 105 million. No significant changes were made in the Group's purchase price allocations regarding the previous year's acquisitions.

Purchase price allocations for acquisitions made as of the first quarter 2023 and up to and including the fourth quarter 2023 are preliminary, as the Group has not yet obtained final information from the acquired companies. The acquisition method of accounting was used for all acquisitions.

Origin of the amounts in the item Acquisition of subsidiary/business, net effect on liquidity in the Consolidated cash flow statement

SEK m	
Impact of acquisitions made on investing activities in 2023	-349
Payment of contingent consideration, acquisitions made in previous years	-636
Acquisition of subsidiary/business, net effect on liquidity	**-986**

Goodwill

In business combinations where the consideration transferred exceeds the fair value of the acquired assets and liabilities that are reported separately, the difference is recognised as goodwill. The goodwill value is primarily justified by the companies' future earnings capacity. On 31 December 2023, the Group's total goodwill was SEK 18,763 million (18,989). The Group's goodwill is tested for impairment when needed, but at least annually, per cash-generating unit. Impairment testing was performed in the fourth quarter, and no impairment losses were identified. For more information about impairment testing, see Note 14, Intangible assets.

No part of the Group's goodwill is deemed to be tax deductible.

Changes in the Group's goodwill	Opening balance	Acquisitions	Impairment	Divestments	Currency effects	Closing balance
Goodwill	18,989	340	–	-612	45	18,763

Other identified surplus values

Any values that have been allocated to intangible assets, such as customer relationships and trademarks, were measured at the discounted value of future cash flows. Customer relationships are generally amortised over a period between three and ten years. The amortisation period is based on historical information on customer turnover, competition in the market, the degree of interaction with the customer's operations and the significance of aftermarket services, such as maintenance and guarantees. Trademarks are not amortised regularly unless they have a definite useful life. Trademarks that are not amortised regularly are tested for impairment annually and whenever there is an indication of impairment, in accordance with IAS 36. Other surplus values identified in acquisitions, over the year or in previous years, comprise buildings, technology, licences and inventories. Buildings are generally depreciated over 25 years, technology and licences are generally amortised over a period of three to ten years, while inventories are depreciated based on the turnover rate of the inventories.

The annual estimated amortisation of intangible assets for the year's acquisitions was approximately SEK 23 million (252).

Acquisition-related expenses

Acquisition-related expenses refer to fees to advisers in connection with due diligence. These expenses were included in administrative expenses in profit or loss. Total acquisition-related expenses for acquisitions that were completed over the year was SEK 9 million (72).

Contingent considerations

Contingent considerations or earnouts are consideration that is generally based on the performance of the acquired company in the next few years, either as a binary outcome if a certain performance level is reached, or as a ladder, where the outcome increases with the level of profits achieved in the acquired unit over a predetermined future accounting period. In general, contingent consideration is paid when the conditions are met, within one to three years of the acquisition date. On the transaction date, the contingent consideration is recognised at fair value by calculating the present value of the probable outcome, using a discount rate of 11.2 percent (10.6). The probable outcome is based on the Group's forecasts for each entity and is dependent on the future performance of the companies, with a fixed maximum level. The discounted value of contingent considerations not yet paid for the year's acquisitions was SEK 80 million (702), and the total liability for discounted contingent considerations was SEK 320 million (997) on 31 December 2023.

Measurement of trade receivables

No significant difference was identified between the fair value of the trade receivables in relation to the gross contract amounts.

Non-controlling interests

The Group recognised non-controlling interests at fair value based on full goodwill based on the latest known market value, which was deemed to be the same as the purchase price in each acquisition.

Acquisition-related disclosures

All acquisitions over the year were acquisitions of shares; no net asset acquisitions were made. For information on the holdings in the acquired companies, see Note 31.

Acquisitions after year-end

For information on acquisitions made after the end of the financial year 2023, see Note 34.

Effect of acquisitions on the Consolidated income statement and the Consolidated statement of comprehensive income, SEK m	Trade	Industry	Services	Total
Effect after the acquisition date, included in the Group's profit or loss				
Sales	82	136	248	**466**
Profit for the year	-6	20	46	**59**
Effect if the acquisitions had been completed on 1 January				
Sales	110	150	430	**690**
Profit for the year	-9	24	90	**105**

Note 5 Business combinations, cont.

PURCHASE PRICE ALLOCATIONS, ACQUISITIONS MADE IN 2022

The acquisitions are presented at an aggregated level, by segment, as the relative amounts for the individual acquisitions are not deemed to be material, except for the acquisitions of LNS holding, Scandinavian Cosmetics, J & D Pierce and Acreto, which are therefore presented both separately and as part of the Trade, Industry and Services segments.

	Fair value on the acquisition date			
SEK m	**Trade**	**Industry**	**Services**	**Total**
Intangible assets	1,240	1,730	832	3,802
Other non-current assets	72	1,038	142	1,252
Deferred tax assets	5	34	13	52
Inventories	728	773	17	1,518
Other current assets (excluding inventories and cash and cash equivalents)	619	1,492	1,027	3,138
Cash and cash equivalents	397	408	303	1,108
Deferred tax liabilities	-280	-433	-242	-956
Liabilities to creditors	-523	-442	-37	-1,002
Other liabilities	-827	-1,056	-1,084	-2,967
Acquired net assets	**1,431**	**3,544**	**971**	**5,946**
Goodwill	2,053	2,292	2,024	6,368
Non-controlling interests	-527	-655	-439	-1,622
Total	**2,957**	**5,180**	**2,555**	**10,692**
Purchase price, including contingent consideration but excluding transaction costs				
consisting of				
Cash payment	2,437	4,991	2,314	9,743
Contingent consideration, not yet paid	440	189	73	702
Share issue, non-cash	–	–	168	168
Payment in the form of convertibles	80	–	–	80
	2,957	**5,180**	**2,555**	**10,692**
Cash flow from the acquisition of subsidiaries				
Cash payment (included in investing activities)	-2,437	-4,991	-2,314	-9,743
Acquired cash and cash equivalents (included in investing activities)	397	408	303	1,108
Total effect on investing activities	**-2,040**	**-4,583**	**-2,012**	**-8,635**
Transaction costs from acquisitions (included in operating activities)	-26	-24	-22	-72
Net outflow, cash and cash equivalents	**-2,066**	**-4,607**	**-2,033**	**-8,707**

SIGNIFICANT ACQUISITIONS IN 2022

	Fair value on the acquisition date				
SEK m	**LNS Holding SA – included in Industry**	**Scandinavian Cosmetics Group – included in Trade**	**J & D Pierce – included in Industry**	**Acreto – included in Trade**	**Total**
Intangible assets	529	458	279	239	1,505
Other non-current assets	422	32	366	0	821
Deferred tax assets	21	3	–	–	24
Inventories	519	163	26	131	839
Other current assets (excluding inventories and cash and cash equivalents)	391	205	607	95	1,297
Cash and cash equivalents	182	149	71	11	413
Deferred tax liabilities	-142	-97	-85	-49	-373
Liabilities to creditors	-256	-419	-51	–	-726
Other liabilities	-407	-252	-324	-168	-1,151
Acquired net assets	**1,260**	**243**	**889**	**259**	**2,651**
Goodwill	668	667	420	328	2,083
Non-controlling interests	–	-38	-262	-117	-417
Total	**1,928**	**872**	**1,048**	**470**	**4,317**
Purchase price, including contingent consideration but excluding transaction costs					
consisting of					
Cash payment	1,792	872	1,048	215	3,927
Contingent consideration, not yet paid	136	–	–	175	311
Payment in the form of convertibles	–	–	–	80	80
	1,928	**872**	**1,048**	**470**	**4,317**
Cash flow from the acquisition of subsidiaries					
Cash payment (included in investing activities)	-1,792	-872	-1,048	-215	-3,927
Acquired cash and cash equivalents (included in investing activities)	182	149	71	11	413
Total effect on investing activities	**-1,610**	**-723**	**-976**	**-204**	**-3,513**
Transaction costs from acquisitions (included in operating activities)	-9[1]	-10	-5	-1	-25
Net outflow, cash and cash equivalents	**-1,619**	**-733**	**-982**	**-205**	**-3,538**

1) Of which SEK 8 million refers to costs that affected the income statement and cash flow in 2021.

Note 5 Business combinations, cont.

Effect of acquisitions on the Consolidated income statement and the Consolidated statement of comprehensive income, SEK m	Trade	Industry	Services	Total
Effect after the acquisition date, included in the Group's profit or loss				
Sales	2,073	4,616	2,089	**8,779**
Profit for the year	145	399	245	**789**
Effect if the acquisitions had been completed on 1 January				
Sales	3,189	5,924	2,803	**11,916**
Profit for the year	190	467	266	**922**

NOTE 6 BUSINESS DIVESTMENTS

The Group's divestments in 2023. There were no significant divestments in 2022.

Divestments	Month of divestment	Annual net sales, SEK m	Number of employees at divestment	Business area
Medkoh AG	February	50	15	Trade
Skidstahus AB, including subsidiaries	May	285	69	Trade
Hilpert Electronics AG, including subsidiaries	May	167	19	Trade
Delikatesskungen AB	May	27	2	Trade
Dextry Group AB, including subsidiaries	June	743	612	Services
Operations in the subsidiary Brunner-Anliker	August	87	32	Services
EVIAB Gruppen AB, including subsidiaries	September	216	81	Services
El & Projektering Vetlanda AB	September	102	54	Services
Växjö Elmontage AB, including subsidiaries	September	128	59	Services
Svenska Tungdykargruppen AB	September	44	16	Services
PerGus Maskinförmedling AB	December	25	-	Services
Total		**1,875**	**959**	

Divestments

In 2023, 11 divestments were made of subsidiaries and business units in the Trade and Services business areas. The divested businesses had combined annual sales of SEK 1,875 m.

From 1 January 2023 to the divestment date, the divested businesses contributed net sales of SEK 947 m and an operating loss of SEK 110 m to the Group's profit for 2023. The total purchase price received was SEK 925 million, of which the part received as cash and cash equivalents was SEK 588 million. The net effect on the Group's cash flow including repayment of loans and divested cash and cash equivalents was SEK 770 million. The capital loss had an effect of SEK -41 million on the Group's operating profit.

SEK m	2023
Carrying value of divested assets and liabilities	
Goodwill and other intangible assets	678
Buildings, land and equipment	67
Deferred tax assets and other non-current receivables	8
Inventories and other current receivables	613
Cash and cash equivalents	153
Non-controlling interests	-34
Deferred tax liabilities and other non-current liabilities	-51
Current liabilities	-469
Divested net assets	**966**

NOTE 7 AMORTISATION AND DEPRECIATION

Amortisation and depreciation by function, SEK m	2023	2022
Cost of goods and services sold	-1,587	-1,348
Selling expenses	-294	-248
Administrative expenses	-36	-32
Total amortisation and depreciation	**-1,916**	**-1,628**

Amortisation and depreciation by asset class, SEK m	2023	2022
Intangible assets	-861	-693
Land and buildings	-66	-60
Machinery, cars and equipment	-404	-345
Right-of-use assets	-585	-531
Total amortisation and depreciation	**-1,916**	**-1,628**

NOTE 8 OPERATING EXPENSES

SEK m	2023	2022
Raw materials and consumables	-19,422	-19,003
Other external expenses	-1,160	-1,161
Staff costs	-6,495	-5,937
Amortisation and depreciation	-1,587	-1,348
Impairment of other intangible assets	0	0
Loss allowance for expected credit losses	-26	-26
Included in the cost of goods and services sold	**-28,690**	**-27,475**
Other external expenses	-1,414	-1,236
Staff costs	-1,539	-1,405
Amortisation and depreciation	-294	-248
Impairment of other intangible assets	0	0
Included in selling expenses	**-3,247**	**-2,890**
Other external expenses	-1,535	-1,513
Staff costs	-523	-487
Amortisation and depreciation	-36	-32
Included in administrative expenses	**-2,093**	**-2,032**
Other external expenses	-616	-634
Included in other operating expenses	**-616**	**-634**

NOTE 9 EMPLOYEES, STAFF COSTS AND REMUNERATION TO SENIOR EXECUTIVES

SALARIES AND OTHER REMUNERATION, BY SENIOR EXECUTIVES AND OTHER EMPLOYEES

2023, SEK thousand	CEO, Board and senior executives	Other employees	Total
Salaries and remuneration	55,896	6,298,775	6,354,671
(of which bonuses, etc.)	(1,632)	(165,139)	(166,771)
Social security costs	22,931	1,908,968	1,931,899
(of which pension costs)	(8,659)	(432,402)	(441,062)
Total	**78,827**	**8,207,743**	**8,286,570**

2022, SEK thousand	CEO, Board and senior executives	Other employees	Total
Salaries and remuneration	46,387	5,698,280	5,744,667
(of which bonuses, etc.)	(4,348)	(135,973)	(140,321)
Social security costs	18,414	1,782,133	1,800,547
(of which pension costs)	(6,556)	(397,021)	(403,577)
Total	**64,801**	**7,480,413**	**7,545,214**

Average number of employees, number of persons and gender distribution, by country	2023 Total	2023 Of which women	2023 Of which men	2022 Total	2022 Of which women	2022 Of which men
Sweden	6,429	1,636	4,793	6,915	1,642	5,273
United Kingdom	1,029	137	891	737	103	633
Germany	938	184	755	844	169	675
Norway	868	489	379	508	262	246
Switzerland	453	121	332	510	136	373
USA	347	59	288	400	71	329
Poland	315	113	202	344	115	230
Denmark	297	79	218	225	62	163
Other countries	978	325	654	780	196	583
	11,654	**3,142**	**8,512**	**11,263**	**2,756**	**8,506**
In the EU, excluding Sweden	1,833	420	1,413	1,685	387	1,298
Outside the EU	3,391	1,086	2,305	2,663	728	1,935

Number of people and gender distribution on the Board and in the Group management	31 Dec 2023	31 Dec 2023 Women/men	31 Dec 2022	31 Dec 2022 Women/men
Board of Directors	5	2/3	5	2/3
Other senior executives	7	1/6	8	1/7
Total	**12**		**13**	

Note 9 Employees, staff costs and remuneration to senior executives, cont.

Remuneration to the Board and senior executives, 2023, SEK thousand	Basic salary and bonus	Board fees[3]	Share-based remuneration	Pension costs	Social security costs	Total
Annette Brodin Rampe, Chair of the Board	–	656	–	–	206	862
Alexander Bjärgård, Board member (included in senior executives)	4,366	–	1,110	900	1,778	8,154
Bengt Braun, Board member[1]	–	175	–	–	18	193
Louise Hedberg, Board member	–	515	–	–	162	677
Johan Thorell, Board member	–	584	–	–	183	767
Robert Belkic, Board member[1]	–	300	–	–	94	395
Daniel Kaplan, CEO[2]	7,311	–	2,164	1,471	3,014	13,959
Other senior executives, 6 people	32,016	–	6,699	6,289	8,815	53,820
Total remuneration to the Board and senior executives	**43,693**	**2,230**	**9,972**	**8,659**	**14,271**	**78,827**

Remuneration to the Board and senior executives, 2022, SEK thousand	Basic salary and bonus	Board fee[3]	Share-based remuneration	Pension costs	Social security costs	Total
Elisabeth Thand Ringqvist, Chair of the Board	–	425	–	–	133	558
Annette Brodin Rampe, Chair of the Board	–	1,075	–	–	338	1,413
Alexander Bjärgård, Board member (included in senior executives)	3,639	–	866	762	1,329	6,596
Bengt Braun, Board member	–	415	–	–	42	457
Louise Hedberg, Board member	–	465	–	–	146	611
Johan Thorell, Board member	–	615	–	–	193	808
Daniel Kaplan, CEO	7,075	–	1,687	1,440	2,573	12,775
Other senior executives, 6 people[4]	25,249	–	4,877	4,354	7,104	41,584
Total remuneration to the Board and senior executives	**35,963**	**2,995**	**7,429**	**6,556**	**11,858**	**64,801**

1) Robert Belkic was elected to, and Bengt Braun resigned from, the Board at the 2023 AGM.
2) Daniel Kaplan resigned as CEO on 19 February 2024. Pursuant to the employment agreement, full salary, pension and other employment benefits are payable during the notice period of 12 months. Compensation for the non-compete provision is payable for six months after the end of the employment. The cost is recognised in the interim report for the first quarter 2024.
3) Expensed Board fees. In 2022, part of the Board fees for 2023 were prepaid (and expensed).
4) Philip Löfgren is included in senior executives as of 7 October 2022.

POLICIES FOR REMUNERATION TO THE BOARD AND GROUP MANAGEMENT

Board members

According to a resolution by the shareholders, the Board received remuneration in 2023 and 2022 for their assignments on the Board and the Committees.

President and CEO

Remuneration to the CEO consists of a fixed salary, pension and benefits. No variable remuneration was paid to the CEO in 2023 and 2022. Daniel Kaplan resigned as CEO on 19 February 2024. Pursuant to the employment agreement, full salary, pension and other employment benefits are payable during the notice period of 12 months. Compensation for the non-compete provision is payable for six months after the end of the employment.

Group management

Remuneration to Group management consists of fixed and variable salary, pension and benefits and share-based incentive programmes. Variable remuneration consists of bonuses based on work performance.

Incentive programmes

As of 2021, the Company has implemented several share-based remuneration programmes for senior executives and key individuals in the Group: warrant programmes (2021 and 2023), share savings programmes (2021, 2022 and 2023, respectively) and employee stock option programmes (2022 and 2023). The programmes have terms of approximately three years. The purpose of the incentive programmes includes encouraging wide-spread shareholding among the Company's employees, facilitating recruitment, retaining skilled employees, increasing the common interest between employees and the Company's shareholders, promoting the Company's long-term value creation and increasing the motivation to meet or exceed the Company's goals.

The maximum number of B shares that can be subscribed for by the participants in the warrant programme and the share savings programmes was 25,323,809 as at the reporting date, corresponding to approximately 1.5 percent of the share capital and 0.8 percent of the votes in the Company. The options were valued according to the Black-Scholes formula and the share savings programme was valued according to Monte Carlo simulation. This year's cost of the employee stock option and share savings programmes was SEK 36,8 (30.0) million. As at the reporting date, the accumulated cost of the outstanding employee options and the share savings programme was SEK 71.8 million (35.0).

Warrant programme

Storskogen's warrant programmes are intended for certain senior executives and other key individuals in the Group. There are 83 participants in total. The number of warrants offered to each participant depends on the participant's position and responsibilities at Storskogen. The maximum investment permitted in warrants corresponds to ten percent of each participant's annual basic salary. Each warrant can be exercised to subscribe for one B share in the Company during the subscription period. Participants are offered the warrants at market value, which is determined based on the Black-Scholes formula. The subscription price when exercising the warrants is provided in the table below. The complete terms and conditions of the warrants also include customary translation provisions. The Company reserves the right to repurchase warrants, such as if the participant's employment with the Company is terminated.

Employee stock option programme

The employee stock option programme is aimed at senior executives and other key employees in the Group. The number of employee stock options offered to each participant depends on the participant's position and responsibilities at Storskogen, and the number of options available depends on how well the performance requirement has been met, i.e. an increase between 50 and 100 percent in adjusted EBITA for the minimum to maximum exercise ration during the vesting period. The options are subject to continued employment and a maximum value of 100 to 200 percent of the participant's annual salary at the inception of the programme. The participant is offered the opportunity acquire one B share in Storskogen per employee stock option at price corresponding to the volume-weighted average price of the Company's B share on Nasdaq Stockholm on the trading days that occur within a period of ten banking days immediately before the options are granted. 100 senior executives and other key individuals at Group level participate in the employee stock option programme. To ensure the delivery of shares pursuant to the employee stock option programme and cover the cost of social security contributions, 19,663,017 warrants were issued to the Company.

Note 9 Employees, staff costs and remuneration to senior executives, cont.

The table below presents the most important parameters, including fair value and the assumptions used in the calculation, in the warrant and employee stock option programmes (the weighted average of two issue dates in 2022). Volatility was determined based on the historical volatility for comparable companies over a period of one to five years.

Option, series	Warrants 2021/2024	Warrants 2023/2026	Employee stock options 2022/2025	Employee stock options 2023/2026
Issue date	**6 Oct 2021**	**16 Jun 2023**	**10 Jun 2022 & 30 Nov 2022**	**16 Jun 2023**
Share price on grant date (SEK)	38.50	10.21	15.75	10.21
Strike price per share (SEK)	57.75	17.47	16.95	17.47
Number of participants when granted	70	50	120	28
Number of warrants outstanding	3,275,758	2,651,783	10,952,329	1,651,943
Expiry date	12 Dec 2024	31 Jan 2027	10 Sep 2025 & 28 Feb 2026	31 Jan 2027
Expected term (months)	38	38	36	38
Risk-free interest (percent)	-0.17	3.08	1.57	3.08
Expected volatility (percent)	30.0	45.0	39.0	45.0
Fair value per option, grant date (SEK)	2.97	1.76	4.01	1.76
Recognised cost of the employee stock option programme, 2023 (SEK thousand)	–	–	12,692 (7,987)	442

	Warrants (TO) 2021/2024		Warrants 2023/2026			
	Number	**Average cost per warrant (TO) (SEK)**	**Number**	**Average cost per warrant (TO) (SEK)**	**Employee stock options 2022/2025, number**	**Employee stock options 2022/2025, number**
Daniel Kaplan, President and CEO	235,690	2.97	269,230	1.76	558,270	–
Other senior executives	786,261	2.97	498,459	1.76	2,118,303	359,945
Total	**1,021,951**		**767,689**		**2,676,573**	**359,945**

Share savings programmes

The share savings programmes are intended for certain senior executives and other key individuals in the Group. No more than 198 individuals may participate in the share savings programme. To participate, the employees must make their own investments in the Company's B shares (savings shares) at the market price at Nasdaq Stockholm or allocate B shares already held to the share savings programme.

Participants who retain their savings shares for the duration of the three-year term of the share savings programme and remain employed by Storskogen for the entire period can, at the end of the period, receive additional B shares (performance shares) free of charge, if the two predetermined performance criteria (total shareholder return (TSR) and EBITA development) have been met.

The performance criteria of the outstanding programmes differ to some extent. For the 2021 programme, the programme has a term of three years, and any participants who retain their savings shares and remain Storskogen employees for the entire term will be entitled to additional B shares ("Performance shares") free of charge if two predetermined performance criteria have been met at the end of the term. These criteria are related to total return and EBITA development. The total return criteria means that the total shareholder return for shareholders in Storskogen must exceed 15 percent during the vesting period (45 percent or higher for a full grant). The EBITA criteria means that the EBITA growth in the last twelve months as stated in the financial statements for the period from 1 January to 30 September 2021 compared with EBITA for the last 12 months as stated in the financial statements for the period from 1 January to 30 September 2024 must exceed 15 percent from 2021 to 2024 (45 percent or more for a full grant). For each savings share held, between two and six Performance Shares may be granted, depending on the participant's category. The maximum investment allowed in savings shares was based on an amount corresponding to no more than 12 percent of each participant's fixed annual salary.

The 2022 share savings programme is aimed at CEOs and other key individuals in subsidiaries or business areas, and the programme has a term of three years. The participants in the share savings programme were offered the opportunity to acquire or allocate already held shares in Storskogen as savings shares. The savings share must not already be designated as savings shares under the 2021 share savings programme. If the participants hold their savings shares for a period of three years, and if the total return on Storskogen's B shares and the key performance figure adjusted EBITA develops in accordance with predetermined criteria, the participants may be granted up to two or three Performance Shares per savings share. The total return criteria means that the total shareholder return for shareholders in Storskogen must exceed 50 percent during the vesting period (100 percent or higher for a full grant). The EBITA criteria means that the EBITA growth in the last 12 months as stated in the financial statements for the period must exceed 50 percent (100 percent or more for a full grant). Performance Shares are B shares and granted free of charge. To ensure the delivery of shares pursuant to the share savings programme and cover the cost of social security contributions, 3,140,164 warrants were issued to the Company.

The 2023 share savings programme is aimed at CEOs and other key individuals in subsidiaries or business areas, and the programme has a term of three years. The participants in the share savings programme were offered the opportunity to acquire or allocate already held shares in Storskogen as savings shares. The savings shares must not already be designated as savings shares under the 2021 or 2022 share savings programmes. If the participants hold their savings shares for a period of three years, and if the total return on Storskogen's B shares and the key performance figure adjusted EBITA develops in accordance with predetermined criteria, the participants may be granted between two and six Performance Shares per savings share. The total return criteria means that the total shareholder return for shareholders in Storskogen must be 9 percent or higher during the savings period. The EBITA criteria means that the EBITA growth in the last 12 months as stated in the financial statements for the period must exceed 9 percent. In addition to the provisions above, for one category of participants, 10 percent of the Performance Shares are subject to a performance requirement related to the Company's carbon dioxide intensity. The carbon dioxide intensity of a fixed portfolio of companies will be measured in the 2025 financial year and compared with the carbon dioxide intensity in the 2022 financial year. In the 2025 financial year, if the carbon dioxide intensity has: (i) been reduced by less than 7 percent per annum on average, LTIP participants in this category will not receive any Performance Shares; (ii) been reduced by more than 7 percent per annum on average, LTIP participants in categories 1 and 2 will be granted 10 percent of the maximum number of Performance Shares. No more than 5,804,232 Performance Shares in total may be granted to the LTIP participants. Performance Shares are B shares and granted free of charge. To ensure the delivery of shares pursuant to the share savings programme and cover the cost of social security contributions, 5,804,232 warrants were issued to the Company.

A full grant of performance shares would mean a total number of B shares within the scope of the share savings programmes of no more than 6,791,966 B shares, corresponding to approximately 0.4 percent of the share capital and 0.2 percent of the votes in the Company on the reporting date. The cost recognised for the share savings programme was SEK 23.7 million (22.2) in 2023.

Programme overview, this year's change in the number of instruments	Number of instruments, (shares), 31 Dec 2022	Granted in 2023	Revoked in 2023	Exercised in 2023	Number of instruments, (shares), 31 Dec 2023
Share savings programme, maximum number of shares	3,861,025	3,470,247	-539,276	–	6,791,996
Employee stock options	12,151,839	1,651,943	-1,199,510	–	12,604,272
Warrants	3,373,535	2,781,064	-227,058	–	5,927,541
Total	**19,386,399**	**7,903,254**	**-1,965,844**	**–**	**25,323,809**

NOTE 10 REMUNERATION TO THE AUDITORS

SEK m	2023	2022
Ernst & Young AB		
Audit assignment	32	31
Audit activities outside the audit assignment	1	1
Tax advice	–	1
Other assignments	3	8
Total	**36**	**41**
Other auditors		
Audit assignment	11	14
Other assignments	9	7
Total	**20**	**21**

The audit assignment includes the statutory audit of the annual accounts and consolidated accounts as well as the administration of the company by the Board and CEO and other audits and reviews carried out under an agreement or contract. This includes other duties that it is incumbent upon the Company's auditor to perform as well as advice and other assistance prompted by observations during such a review or in the performance of other such duties.

NOTE 11 OTHER OPERATING INCOME AND EXPENSES

SEK m	2023	2022
Other operating income		
Gains from the sale of non-current assets	61	39
Foreign exchange gains	277	310
Revaluation of contingent considerations	194	581
Received Government/public grants	36	67
Capitalised costs	4	19
Invoiced expenses	38	86
Freight revenue	106	131
Capital gains from divestment of subsidiary	148	–
Advertising revenue	19	13
Other	203	147
Total	**1,086**	**1,393**
Other operating expenses		
Foreign exchange losses	-311	-284
Capital loss on divestment of subsidiary	-189	-5
Loss on the sale of non-current assets	-7	-6
Revaluation of contingent considerations	-71	-325
Other	-38	-14
Total	**-616**	**-634**

NOTE 12 NET FINANCIAL ITEMS

SEK m	2023	2022
Assets at amortised cost		
Interest income, other financial assets	77	24
Total interest income according to the effective interest method	**77**	**24**
Other financial income		
Exchange rate fluctuations	143	376
Other	-22	79
Financial income	**198**	**479**
Liabilities at amortised cost		
Interest expense, liabilities for bank and bond loans and to other credit institutions	-911	-519
Interest expense, lease liabilities	-90	-63
Interest expense, other financial liabilities	-4	-41
Total interest expenses according to the effective interest method	**-1,004**	**-624**
Other financial expenses		
Exchange rate fluctuations	-199	-357
Other	-120	–
Financial expenses	**-1,323**	**-980**
Net financial items	**-1,125**	**-502**

NOTE 13 TAX

Recognised in the consolidated income statement and consolidated statement of comprehensive income

SEK m	2023	2022
Current tax expense (–)		
Tax expense for the year	-565	-630
Adjustment of tax related to previous years	33	-8
Total	**-532**	**-639**
Deferred tax expense (–) / tax income (+)		
Deferred tax relating to temporary differences	165	176
Deferred tax due to changed tax rates	0	-57
Deferred tax income in taxable values in loss carryforwards capitalised during the year	11	13
Deferred tax expense due to the utilisation of previously capitalised taxable values in loss carryforwards	-18	-12
Adjustment of deferred tax related to previous years	-4	-1
Total	**155**	**119**
Total recognised tax expense in the Group	**-377**	**-519**

Reconciliation of effective tax

	2023		2022	
	%	SEK m	%	SEK m
Profit before tax		1,321		2,111
Tax at the tax rate applicable to the Parent Company	20.6%	-272	20.6%	-435
Effect of other tax rates for foreign subsidiaries	0.9%	-12	0.3%	-7
Net non-deductible expenses/non-taxable income	6.1%	-81	-0.9%	20
Utilisation of previous/new unmeasured loss carryforwards	2.8%	-37	2.2%	-47
Tax related to previous years	-2.2%	29	0.5%	-10
Effect of changes in tax rates/and tax rules[1]	0.0%	–	2.7%	-57
Tax reduction for equipment	-0.1%	1	-0.5%	11
Other	0.4%	-6	-0.3%	6
Reported effective tax	**28.6%**	**-377**	**24.6%**	**-519**

1) In 2022, changes in tax rates had an effect of SEK -57 million on profit or loss related to the tax rate change in the United Kingdom that was enacted in October 2022.

Change in deferred taxes on temporary differences and loss carryforwards

2023, SEK m	Balance as at 1 Jan 2023	Recognised in profit for the year	Recognised in other comprehensive income	Business combinations/ divestments	Exchange rate differences	Balance as at 31 Dec 2023
Property, plant and equipment	-268	-10	–	6	-4	-275
Right-of-use assets	-341	8	–	–	0	-334
Intangible assets	-1,342	173	–	-76	-13	-1,258
Financial assets	1	–	–	–	0	1
Inventories	1	-6	–	0	-1	-5
Trade receivables	0	-1	–	0	0	-1
Interest-bearing liabilities	–	-10	23	–	–	13
Pension provision	-7	-2	13	0	0	4
Provisions	-7	7	0	5	-1	5
Untaxed reserves	-99	10	–	-6	–	-95
Lease liabilities	353	-3	–	–	0	350
Other	-58	-4	-2	0	2	-62
Capitalisation/utilisation of tax loss carryforwards	34	-7	–	-2	0	26
	-1,732	**155**	**34**	**-73**	**-16**	**-1,632**

Note 13 Tax, cont.

Change in deferred taxes on temporary differences and loss carryforwards

2022, SEK m	Balance as at 1 Jan 2022	Recognised in profit for the year	Recognised in other comprehensive income	Business combinations/ divestments	Exchange rate differences	Balance as at 31 Dec 31 2022
Property, plant and equipment	-143	-19	–	-98	-8	-268
Right-of-use assets	-216	-122	–	–	-3	-341
Intangible assets	-614	77	1	-755	-51	-1,342
Financial assets	1	–	–	0	0	1
Inventories	0	11	–	-8	-1	1
Trade receivables	-2	2	–	1	-1	0
Pension provision	28	1	-38	1	2	-7
Provisions	-10	2	0	3	-1	-7
Untaxed reserves	-122	37	–	-14	–	-99
Lease liabilities	222	128	–	–	4	353
Other	-5	1	3	-57	-1	-58
Capitalisation of tax loss carryforwards	8	1	–	24	1	34
	-855	**119**	**-34**	**-903**	**-59**	**-1,732**

Tax losses carryforward amounted to SEK 704 million (541), of which SEK 22 million are expected to expire in four years, SEK 427 million are expected to expire in five to ten years, and SEK 256 million can be carried forward indefinitely.

Tax loss carryforward primarily pertains to companies in Switzerland and Japan, where no deferred tax asset has been recognised for the majority of the tax loss carryforwards.

Unrecognized deferred tax assets amounted to SEK 113 million, of which SEK 7 million are expected to expire in four years, SEK 83 million are expected to expire in five to ten years, and SEK 24 million is not limited in time.

Top-up tax

Through a new law, Lag (2023:875) om tilläggsskatt för företag i stora koncerner, Sweden implemented Council Directive (EU) 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union. The Act enters into force with effect on the financial year beginning after 31 December 2023.

The rules aim to ensure that Groups with revenue in excess of EUR 750 million shall have a minimum effective tax rate of at least 15 percent in each tax jurisdiction in which it operates, including Sweden.

Transitional safe harbour rules has been introduced based on the Group's country-by-country reporting obligations. If the criteria are met, no top-up tax will be charged for the tax jurisdiction in question, and there is no need to make a full calculation, otherwise required under the rules.

The Group has aggregate revenues in excess of EUR 750 million. Based on the preliminary country-by-country reporting for 2023, it has been assessed that one minor jurisdiction may fall outside the scope of the transitional safe harbour rules. However, the top-up tax is not expected to have a material impact on the Group in 2024.

Recognition of deferred tax

Pursuant to Article 88A of the reporting standard IAS 12 Income Taxes, which was introduced in May 2023 and applies until further notice, deferred items related to top-up tax shall not be recognised. This is an exception from the otherwise applicable principles for the recognition of deferred tax. The Group will apply this exception, and will therefore not recognise deferred items related to top-up tax to the extent that such items arise.

NOTE 14 INTANGIBLE ASSETS

Accumulated cost, SEK m	Capitalised expenditure	Rights and other	Goodwill	Trademarks	Customer relationships	Total
Opening balance, 1 Jan 2022	83	168	12,266	1,031	2,353	15,900
Business combinations	30	235	6,368	1,089	2,448	10,170
Investments	33	26	0	0	3	63
Divestment of subsidiary/business	–	–	-4	–	–	-4
Disposals and retirements	-18	-15	–	–	0	-34
Reclassifications	14	-6	0	–	–	8
Exchange rate differences for the year	7	32	430	79	158	705
Closing balance, 31 Dec 2022	**148**	**440**	**19,061**	**2,198**	**4,962**	**26,809**
Opening balance, 1 Jan 2023	148	440	19,061	2,198	4,962	26,809
Business combinations	2	31	340	59	290	722
Investments	40	57	–	0	–	98
Divestment of subsidiary/business	-22	-16	-645	-9	-71	-762
Disposals and retirements	0	-6	0	–	–	-6
Reclassifications	3	7	0	–	0	10
Exchange rate differences for the year	0	10	54	27	23	114
Closing balance, 31 Dec 2023	**172**	**524**	**18,809**	**2,275**	**5,205**	**26,985**

Accumulated amortisation and impairment, SEK m	Capitalised expenditure	Rights and other	Goodwill	Trademarks	Customer relationships	Total
Opening balance, 1 Jan 2022	-26	-24	-72	-10	-424	-556
Impairment for the year	0	–	–	–	–	0
Amortisation for the year	-26	-67	–	-8	-592	-693
Divestments	18	14	–	–	–	32
Reclassifications	-2	12	–	–	0	10
Exchange rate differences for the year	-6	-12	-1	-1	-17	-37
Closing balance, 31 Dec 2022	**-42**	**-76**	**-72**	**-19**	**-1,033**	**-1,242**
Opening balance, 1 Jan 2023	-42	-76	-72	-19	-1,033	-1,242
Impairment for the year	0	–	–	–	–	0
Amortisation for the year	-27	-89	–	-10	-734	-861
Divestment of subsidiary/business	16	10	25	6	27	84
Disposals and retirements	–	4	–	0	0	4
Reclassifications	12	-5	0	0	6	14
Exchange rate differences for the year	0	-4	0	-1	4	-2
Closing balance, 31 Dec 2023	**-41**	**-160**	**-47**	**-24**	**-1,730**	**-2,003**

Carrying amounts, SEK m	Capitalised expenditure	Rights and other	Goodwill	Trademarks	Customer relationships	Total
As at 31 Dec 2022	106	364	18,989	2,179	3,929	25,566
As at 31 Dec 2023	131	364	18,762	2,251	3,474	24,982

Note 14 Intangible assets, cont.

IMPAIRMENT TESTING OF CASH-GENERATING UNITS THAT INCLUDE GOODWILL

Goodwill and other intangible assets with an indefinite useful life are tested for impairment by cash-generating unit, which in 2023 comprised 14 verticals (14) that were aggregated into segments according to the following:

Goodwill and trademarks

	2023		2022	
Carrying amount, SEK m	**Goodwill**	**Trademarks**	**Goodwill**	**Trademarks**
Contracting Services	465	7	521	8
Infrastructure	1,453	11	1,474	11
Installation	1,367	177	1,682	165
Logistics	833	4	832	4
Engineering Services	1,200	54	1,215	55
Digital Services	941	44	942	44
HR and Competence	926	147	832	66
Total, Services segment	**7,185**	**444**	**7,498**	**352**
Automation	1,910	277	1,781	300
Industrial Technology	2,077	131	2,068	130
Products	2,269	783	2,247	783
Total, Industry segment	**6,256**	**1,191**	**6,096**	**1,213**
Home and Living	1,714	284	1,773	284
Niche Businesses	1,055	102	1,097	105
Health and Beauty	1,534	148	1,506	143
Sport, Clothing and Accessories	1,020	81	1,018	81
Total, Trade segment	**5,322**	**614**	**5,395**	**613**
Total	**18,763**	**2,250**	**18,989**	**2,178**

When tested for impairment in 2023, the Group's recognised goodwill and other intangible assets with an indefinite useful life were allocated to 14 verticals with subsidiaries that were considered to constitute cash-generating units. As at the end of 2023, the Trade segment had four verticals, the Industry segment had three verticals and the Services segment had seven verticals. Goodwill and other intangible assets with an indefinite useful life are tested annually for impairment, per cash-generating unit, and their recoverable amounts, i.e. their value in use, are calculated.

VALUE IN USE

The value in use is the Group's share of the present value of the future cash flows expected to be generated by the units. The cash flow projections are based on reasonable and supportable assumptions that represent Storskogen's best estimate of the range of economic conditions that will exist, and great weight is given to external evidence. The cash flow projections are based on the most recent forecasts approved by the Group management, which are based on the subsidiaries' budgets and forecasts and aggregated per vertical. These include the budget for the following year and a forecast for a period of four years. Cash flows after the forecast period are calculated based on an assumption of a long-term growth rate of 2 percent per year after the forecast period. Projected future cash flows do not include payments made or received in the financing activities. The estimated value in use is compared with the unit's carrying value. Important assumptions in this calculation include the discount rate, growth rate, adjusted EBITA margin, development of working capital and investment needs. Various assumptions were used, as each vertical in itself is an independent unit with unique conditions.

Important assumptions are described below.

IMPORTANT ASSUMPTIONS IN THE CALCULATION OF THE VALUE IN USE PER VERTICAL

The present value of future cash flows, after tax, per vertical was calculated using a discount rate. Storskogen chose to calculate the present value of free cash flow. The discount rate reflects current market assessments of the time value of money and the specific risks specific to each vertical. The discount rate does not reflect any risks that were considered when the future cash flows were estimated. The calculation of the discount rate is based on the Company's weighted average cost of capital, its incremental borrowing rate and other market borrowing rates, independently of Storskogen's capital structure.

The discount rate (pre-tax) used varies between segments. In the Industry segment, it was 9.5 percent (9.0), in the Trade segment it was 9.5 percent (9.0), and in the Services segment, it was 9.0 percent (8.4). A tax rate of 20.6 percent was used for all segments. A long-term growth rate of 2 percent was assumed for all three segments. For the forecast periods, an adjusted EBITA margin was assumed for each vertical that was adapted to the outcome in previous periods and to specific expectations.

The calculation shows that the value in use exceeds the carrying value in all verticals. No impairment was identified.

SENSITIVITY ANALYSIS

The value in use in each vertical depends on assumptions made in the calculation of discounted cash flows. The margin between the value in use and the carrying value was approximately SEK 15,200 million based on the above assumptions. A sensitivity analysis shows that the value of goodwill and other intangible assets with an indefinite useful life can be defended for all verticals, even if the long-term growth were one percentage point lower, the adjusted EBITA margin would be one percentage point lower or the discount rate would be one percentage point higher. An isolated change in long-term growth by one percentage point would affect the total value in use by approximately SEK 2,800 million, and a corresponding change in the adjusted EBITA margin would affect it by approximately SEK 2,300 million, and a corresponding change in the discount rate would have an effect of approximately SEK 5,900 million. If all these effects simultaneously deteriorated by one percentage point, the value in use would decrease by SEK 9,500 million and the remaining margin between the value in use and the carrying amount would be approximately SEK 5,700 million.

NOTE 15 PROPERTY, PLANT AND EQUIPMENT

Accumulated cost, SEK m	Land & buildings	Machinery, vehicles and equipment	Construction in progress	Art	Total
Opening balance, 1 Jan 2022	1,576	3,614	115	1	5,305
Business combinations	931	1,110	9	–	2,050[1]
Investments	52	374	239	0	665
Reclassification	27	142	-161	–	7
Divestments	-3	-234	4	0	-232
Translation differences	111	122	0	0	234
Closing balance, 31 Dec 2022	**2,694**	**5,128**	**207**	**1**	**8,030**
Opening balance, 1 Jan 2023	2,694	5,128	207	1	8,030
Business combinations	–	31	1	–	32[1]
Investments	32	467	235	0	734
Reclassification	47	195	-265	–	-22
Divestment of subsidiary/business	-21	-161	-3	0	-185
Disposals and retirements	-75	-297	0	–	-372
Translation differences	34	0	0	0	34
Closing balance, 31 Dec 2023	**2,711**	**5,364**	**175**	**1**	**8,251**

Accumulated depreciation, SEK m	Land & buildings	Machinery, vehicles and equipment	Construction in progress	Art	Total
Opening balance, 1 Jan 2022	-582	-2,600	–	–	-3,183
Business combinations	-282	-602	–	–	-883[1]
Depreciation for the year	-60	-345	–	–	-405
Reclassification	-10	-14	–	–	-24
Disposals and retirements	2	196	–	–	198
Translation differences	-34	-96	–	–	-129
Closing balance, 31 Dec 2022	**-965**	**-3,460**	**–**	**–**	**-4,426**
Opening balance, 1 Jan 2023	-965	-3,460	–	–	-4,426
Business combinations	–	-14	–	–	-14[1]
Depreciation for the year	-66	-404	–	–	-470
Reclassification	1	4	–	–	5
Divestment of subsidiary/business	7	110	–	–	117
Disposals and retirements	19	243	–	–	262
Translation differences	-9	0	–	–	-9
Closing balance, 31 Dec 2023	**-1,013**	**-3,522**	**–**	**–**	**-4,534**

Carrying amounts, SEK m	Land & buildings	Machinery, vehicles and equipment	Construction in progress	Art	Total
As at 31 Dec 2022	1,729	1,668	207	1	3,604
As at 31 Dec 2023	1,699	1,842	175	1	3,717

1) The net value of assets in business combinations was SEK 18 million (1,167) in 2023.

NOTE 16 INVENTORIES

SEK m	31 Dec 2023	31 Dec 2022
Raw materials and consumables	2,459	2,901
Work in progress	244	229
Finished goods and goods for resale	1,724	1,984
Advance payments to suppliers	95	89
Total	**4,522**	**5,203**

Fair value measurements for business combinations had an effect of SEK 0 million (56) on profit for the year, of which SEK 0 million (56) was attributable to the Industry segment.

NOTE 17 PREPAID EXPENSES AND ACCRUED INCOME

SEK m	31 Dec 2023	31 Dec 2022
Prepaid insurance	35	36
Prepaid expenses for computers and software	45	33
Prepaid licence costs	19	11
Prepaid goods and services	66	58
Accrued, non-invoiced income	277	289
Accrued supplier bonus	56	94
Other prepaid expenses and accrued income	111	101
Total	**609**	**622**

NOTE 18 TRADE RECEIVABLES

SEK m	31 Dec 2023	31 Dec 2022
Trade receivables	4,511	5,009
Allowance for expected credit losses	-70	-69
Total	**4,441**	**4,940**

For a description of the allowance for expected credit losses, see Note 27.

NOTE 19 CASH AND CASH EQUIVALENTS

SEK m	31 Dec 2023	31 Dec 2022
Cash and cash equivalents	1,560	3,022
Total according to the balance sheet	**1,560**	**3,022**

Cash and cash equivalents are subject to an allowance for expected credit losses. Loss allowances are recognised unless the amounts are considered to be immaterial. See Note 27.

NOTE 20 EQUITY

SHARE CAPITAL

As at 31 December 2023, the registered share capital was 148 million A shares with a quotient value of SEK 0.00051 per share (0.00051) and 1,521 million B shares with a quotient value of SEK 0.00051 per share (0.00051). The A shares confer ten votes per share and the B shares confer one vote per share.

As at 31 December 2023, the registered share capital was SEK 851,434 (848,519).

	31 Dec 2023		31 Dec 2023	
Number of shares	**A shares**	**B shares**	**A shares**	**B shares**
Subscribed for and paid shares				
Issued as at 1 Jan	148,001,374	1,515,762,394	148,001,374	1,524,761,814
Share issue, non-cash	–	–	–	7,848,641
Reduction through a redemption of treasury shares	–	–	–	-16,848,061
Conversion of loans in connection with acquisitions of companies	–	5,714,285	–	–
Issued as at 31 December	**148,001,374**	**1,521,476,679**	**148,001,374**	**1,515,762,394**

Pursuant to provisions in the Company's Articles of Association, there are no preferential rights to dividends; every share in series A and series B confers the same right to a share of the Company's assets and profits.

At the beginning of 2022, Storskogen had 17 million treasury shares. These were B shares that were not required for the overallotment option in connection with the IPO in 2021. In 2022, all treasury shares were redeemed.

Note 20 Equity, cont.

Dividends
After the reporting date, the Board proposed a dividend of SEK 150 million to the Company's shareholders for the financial year 2023, which is SEK 0.09 per share for A and B shares. The dividend is subject to approval at the Annual General Meeting to be held on 8 May 2024.

RESERVES

SEK m	31 Dec 2023	31 Dec 2022
Translation reserve		
Opening translation reserve	575	77
Translation effects for the year	84	498
Closing translation reserve	**659**	**575**
Hedging reserve		
Opening hedging reserve	-10	6
Revaluations recognised in Other comprehensive income, the majority share	-102	-20
Tax attributable to revaluations for the year, the majority share	21	4
Closing hedging reserve	**-91**	**-10**
Total reserves	**568**	**565**

Translation reserve
The translation reserve includes all exchange rate differences that arise when translating financial statements from foreign operations that prepared their financial statements in a currency other than the currency in which the consolidated financial statements are presented. The Parent Company and the Group present their financial statements in Swedish kronor.

Hedging reserve
The hedging reserve comprises the effective portion of the cumulative net change in the fair value of an instrument used for cash flow hedging related to hedged transactions that have not yet occurred.

Retained earnings including profit for the year
Retained earnings comprise the previous year's retained earnings and profit after the deduction of dividends paid during the year and options to repurchase own shares. Retained earnings also include value changes related to the remeasurement of defined benefit pension plans and associated tax.

NOTE 21 INTEREST-BEARING LIABILITIES

The Group's interest-bearing liabilities are listed below. For additional information on the maturity structure and the Company's exposure to interest rate risk and the risk of exchange rate fluctuations, see Note 27.

SEK m	31 Dec 2023	31 Dec 2022
Non-current liabilities		
Interest-bearing liabilities, carrying amount	10,080	13,224
Maturity within 2 years	7,973	3,073
Maturity within 2–5 years	2,101	10,146
Maturity in 5 years or later	6	6
Lease liabilities, carrying amount	1,222	1,229
Maturity within 2–5 years	857	828
Maturity in 5 years or later	365	401
Total carrying amount	**11,302**	**14,453**
Current liabilities		
Liabilities to credit institutions	469	126
Hire/purchase agreements	77	74
Lease liabilities	430	425
Total	**976**	**625**

NOTE 22 PENSIONS

The Group has both defined benefit and defined contribution pension plans. The most significant defined benefit plans are in Sweden and Switzerland and chiefly refer to old-age pension. The present value of the pension obligation and the cost of the Group's defined benefit pension plans are determined based on advice from an independent, professionally qualified actuary based on the projected unit credit method. Other pension systems in the Group are defined contribution plans and mainly refer to old-age pension. These pension premiums are salary-related and expensed regularly.

DEFINED BENEFIT PENSIONS

Defined pension plans primarily include old-age pension, but disability pensions and various insurance policies are also included. In Sweden, pension commitments are secured through PRI, which is a mutual insurance company that provides credit insurance and pension administration services. The size of the pension depends on final salary and years in the plan. Pension obligations in Switzerland are secured through funds in retirement benefit plans. Benefits are earned based on age, salary and years in the plan. The plan is financed by contributions made by the employee and the employer. The plan's assets are invested in eligible insurance policies, bonds, shares, real estate and cash.

The defined benefit plans are not the Group's main solution; they merely supplement the defined contribution plans. Of the Group's current subsidiaries, WIBE has the largest defined benefit pension obligation in the Group, and its net pension liability is SEK 101 million (95) and refers to provisions in Sweden. Artem's net pension liability is SEK 22 million (14) in Switzerland. WIBE and Artum in Switzerland account for 50 percent (55) of the Group's defined benefit pension liability. In 2024, it is expected that the costs for all defined benefit pension plans will be SEK 55 million (38).

The pension obligation for white-collar workers in Sweden (ITP) is partly secured through insurance policies in Alecta. The pension plan that is secured in Alecta is reported as a defined contribution plan, as it is not possible for the Group to obtain sufficient data to report its share of the pension plan as a defined benefit plan. Alecta's surplus may be distributed to the policyholders and/or the insured. At the end of 2023, Alecta's surplus in the form of its collective consolidation ratio was preliminary set to 157 percent (172). The collective consolidation ratio is the market value of Alecta's assets as a percentage of the insurance obligations calculated according to Alecta's actuarial calculations and assumptions, which are not consistent with IAS 19. Premiums paid to Alecta this year amounted to SEK 38 million (49). In 2024, it is estimated that SEK 26 million (51) will be paid in premiums to Alecta.

As at 31 December 2023, the average duration of the pension obligations in WIBE was 16.7 years (17.2), and in Artum, it was 15.6 years (16.9).

Amounts recognised in the consolidated balance sheet

	31 Dec 2023				31 Dec 2022			
SEK m	**Sweden**	**Switzerland**	**Other**	**Total**	**Sweden**	**Switzerland**	**Other**	**Total**
Present value of pension obligation	149	712	43	904	139	657	52	848
Fair value of plan assets	-3	-657	-7	-667	-3	-659	-13	-675
Limitation of recoverable surplus	–	10	–	10	–	22	–	22
Net liability presented in the balance sheet	**145**	**69**	**36**	**251**	**136**	**30**	**39**	**205**
Net asset presented in the balance sheet	**–**	**-4**	**–**	**-4**	**–**	**-9**	**–**	**-9**

Net change in pension obligation

	31 Dec 2023				31 Dec 2022			
SEK m	**Sweden**	**Switzerland**	**Other**	**Total**	**Sweden**	**Switzerland**	**Other**	**Total**
Net at the beginning of the year	136	21	39	195	188	73	20	280
Business combinations/divestments	–	-6	–	-6	–	62	25	87
Net cost	9	24	2	35	5	32	2	39
Payments	-7	-24	-5	-36	-7	-24	-2	-33
Actuarial gains/losses in Other comprehensive income	8	48	0	57	-50	-130	-7	-187
Exchange rate difference	–	2	0	1	–	8	2	10
Net at year-end	**145**	**65**	**36**	**247**	**136**	**21**	**39**	**195**

Note 22 Pensions, cont.

Amounts recognised in the consolidated income statement, defined benefit pensions

	31 Dec 2023				31 Dec 2022			
SEK m	**Sweden**	**Switzerland**	**Other**	**Total**	**Sweden**	**Switzerland**	**Other**	**Total**
Costs related to service in the current period	3	24	1	29	3	34	2	39
Costs related to service in previous periods	–	0	–	0	–	-3	–	-3
Redemption/reclassification to defined contribution pensions	–	–	–	–	-2	–	–	-2
Net interest income	5	0	1	6	3	1	0	4
Recognised in profit or loss	**9**	**24**	**2**	**35**	**5**	**32**	**2**	**39**
Recognised in Other comprehensive income	**8**	**48**	**0**	**57**	**-50**	**-130**	**-7**	**-187**

Change in the present value of defined benefit obligations

	31 Dec 2023				31 Dec 2022			
SEK m	**Sweden**	**Switzerland**	**Other**	**Total**	**Sweden**	**Switzerland**	**Other**	**Total**
Defined benefit pension obligation at the beginning of the period	139	657	52	848	189	456	26	671
Business combinations/divestments	–	-68	–	-68	1	263	30	294
Costs related to service in the current period	3	23	1	27	4	32	2	38
Costs related to service in previous periods	–	0	–	0	–	-3	–	-3
Interest expense	5	13	1	20	3	3	0	7
Actuarial losses (+)/gains (–)	8	57	0	65	-50	-172	-7	-229
Contributions from the plan's participants	–	23	-1	22	–	21	-1	20
Payments from the plan	-7	-32	-10	-49	-7	-19	0	-26
Redemption/reclassification to defined contribution pensions	–	–	–	–	-2	–	–	-2
Exchange rate difference	–	40	-1	40	–	76	3	79
Defined benefit pension obligation at the end of the period	**149**	**712**	**43**	**904**	**139**	**657**	**52**	**848**

Of the total actuarial gains and losses, the change due to demographic assumptions was SEK 0.3 million (2.2), financial assumptions was SEK 64 million (-232) and experience-based adjustments was SEK 1.4 million (0.4).

Note 22 Pensions, cont.

Changes in the fair value of plan assets

	31 Dec 2023				31 Dec 2022			
SEK m	**Sweden**	**Switzerland**	**Other**	**Total**	**Sweden**	**Switzerland**	**Other**	**Total**
Fair value of assets at the beginning of the period	3	659	13	675	1	383	7	391
Business combinations	–	-63	–	-63	1	201	5	207
Return beyond expectations	–	-6	0	-6	–	-22	0	-21
Interest income	–	14	0	14	–	2	0	3
Contribution from employer	–	24	0	23	–	24	1	25
Contributions from employees	–	23	–	23	–	21	–	21
Payments from the plan	–	-32	-6	-38	–	-19	0	-19
Administrative fees	–	-2	–	-2	1	-2	–	-1
Exchange rate difference	–	40	0	40	–	70	1	70
Fair value of assets at the end of the period	**3**	**657**	**7**	**667**	**3**	**659**	**13**	**675**

Plan assets comprise the following:

	31 Dec 2023				31 Dec 2022			
%	**Sweden**	**Switzerland**	**Other**	**Total**	**Sweden**	**Switzerland**	**Other**	**Total**
Assets invested with insurance companies	0	15	0	15	0	23	1	25
Assets invested in shares	–	28	–	28	–	23	–	23
Assets invested in bonds	–	26	–	26	–	25	–	25
Assets invested in real estate	–	19	–	19	–	17	–	17
Assets invested in cash and cash equivalents	–	3	1	4	–	3	1	4
Other investments	–	8	–	8	–	7	–	7
Total	**0**	**99**	**1**	**100**	**0**	**98**	**2**	**100**

Of the assets, SEK 442 million (443) are listed assets.

Note 22 Pensions, cont.

Important actuarial assumptions

	31 Dec 2023			31 Dec 2022		
	Sweden	**Switzerland**	**Other**	**Sweden**	**Switzerland**	**Other**
Main actuarial assumptions used on the reporting date:						
Discount rate, %	3.5	1.5	2.74	4.0	2.2	3.5
Inflation, %	1.8	1.25	2.16	2.1	1.8	2.3
Expected salary increases, %	3.4	1.7	1.55	3.5	2.2	1.0
Mortality assumptions						
Actuarial tables used	DUS23	100% x BVG 2020 GT	Primarily RT Heubeck 2018 G but also RG 48 and Taiwan Individual Annuity Table	Primarily DUS21, but also DUS21_OblTjM	100% x BVG 2020 GT	Primarily RT Heubeck 2018 G but also RG 48 and Taiwan Individual Annuity Table

The assumptions for Other are shown as weighted average values based on the closing balance of the net liability.

Mortality assumptions in the most significant plans

	31 Dec 2023		31 Dec 2022	
	Women	**Men**	**Women**	**Men**
WIBE (Sweden), life expectancy at the age of 65:				
Current pensioners, born in the 1950s	24.4	22.3	24.4	22.2
Future pensioners, born in the 1970s	25.6	24.3	26.4	23.8
Artum (Switzerland), life expectancy at retirement age, men at the age of 65, women at the age of 64:				
Current pensioners, currently 65 years old	24.6	22.8	25.5	22.7
Future pensioners, currently 45 years old	26.6	25.1	27.5	25.0

Sensitivity analysis

The table below shows the effect on the value of the pension obligations in the most significant plans and in the event of an isolated change in each assumption.

SEK m	Change in assumption, %	Effect SEK m	Change in assumption, %	Effect SEK m
WIBE (Sweden)				
Discount rate	-0.5	8	+0.5	-7
Future salary increases	-0.5	-1	+0.5	1
Inflation	-0.5	-7	+0.5	8
Life expectancy	-1 year	4	+1 year	-4
Artum (Switzerland)				
Discount rate	-0.5	25	+0.5	-22
Future salary increases	-0.5	-3	+0.5	2
Inflation	-0.5	0	+0.5	0
Life expectancy	-1 year	-6	+1 year	6

NOTE 23 PROVISIONS

SEK m	31 Dec 2023	31 Dec 2022
Provisions that are non-current liabilities		
Restructuring costs	–	1
Severance pay, furlough pay	1	1
Guarantee commitments	63	61
Restoration costs	8	6
Onerous contracts	1	1
Other	19	17
Total	**92**	**87**

SEK m	31 Dec 2023	31 Dec 2022
Total carrying amount at the beginning of the period	87	87
Acquisitions	-1	29
Provisions made during the period	34	31
Amounts claimed during the period	-12	-32
Unused amounts reversed during the period	-15	-34
Increase in discounted amounts during the period	–	2
Translation difference	-1	5
Total carrying amount at the end of the period	**92**	**87**
Of which non-current portion of provisions	54	44
Of which current portion of provisions	38	43

Guarantees and restoration costs
Provisions made for guarantees for products and services are based on calculations made using historical data or, in specific cases, based on individual assessments.

Other
Includes provisions that are not classified as guarantees and restoration expenses, such as remuneration to employees.

NOTE 24 OTHER LIABILITIES

SEK m	31 Dec 2023	31 Dec 2022
Other non-current liabilities		
Contingent considerations[1]	55	381
Option to purchase non-controlling interests	1,716	1,936
Other	42	26
Total	**1,814**	**2,343**
Other current liabilities		
VAT liability	462	498
Employee withholding tax	112	121
Factoring	11	57
Contingent considerations[1]	265	616
Option to purchase non-controlling interests	221	55
Liability, grants received	5	5
Liability to employees	41	46
Convertibles	132	43
Advance payments from customers	84	55
Other	41	121
Total	**1,373**	**1,616**

1) For more information on contingent considerations, see Note 26, Financial instruments.

Changes in options to purchase non-controlling interests, SEK m

2023 Opening balance	Acquisitions	Divestments	Paid	Revaluation/fx	Closing balance
1,991	113	-25	-180	38	1,937

See Note 1 for further information on the measurement methodology for options to purchase non-controlling interests. For a maturity analysis of current and non-current liabilities, see note 27.

NOTE 25 ACCRUED EXPENSES AND DEFERRED INCOME

SEK m	31 Dec 2023	31 Dec 2022
Accrued personnel costs	721	730
Accrued pension costs	11	8
Accrued social security contributions	356	357
Accrued interest expenses	69	59
Accrued consultancy fees	63	28
Accrued customer bonuses	239	246
Accrued cost of materials	95	95
Deferred income	101	102
Other accrued expenses	220	308
Total	**1,876**	**1,933**

NOTE 26 FINANCIAL INSTRUMENTS

MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

As at 31 Dec 2023 SEK m	Financial assets/liabilities at amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through Other comprehensive income	Total carrying amount
Financial assets				
Financial investments	–	9	–	9
Non-current receivables	52	–	2	54
Trade receivables	4,441	–	–	4,441
Other receivables	975	–	32	1,007
Current investments	–	0	–	0
Cash and cash equivalents	1,560	–	–	1,560
Total	**7,027**	**9**	**35**	**7,071**
Financial liabilities				
Contingent consideration	–	320	–	320
Liabilities to credit institutions	5,281	–	79	5,359
Bonds	4,972	–	–	4,972
Other non-current liabilities	42	–	–	42
Hire/purchase agreements	293	–	–	293
Trade payables	2,271	–	–	2,271
Other current liabilities	2,763	–	–	2,763
Total	**15,622**	**320**	**79**	**16,021**

The assets' maximum credit risk consists of the net amounts of the reported values in the table above. The Group has not received any pledged collateral for net financial assets.

As at 31 Dec 2022 SEK m	Financial assets/liabilities at amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through Other comprehensive income	Total carrying amount
Financial assets				
Financial investments	–	8	–	8
Non-current receivables	33	–	39	72
Trade receivables	4,940	–	–	4,940
Other receivables	1,056	–	40	1,096
Current investments	–	1	–	1
Cash and cash equivalents	3,022	–	–	3,022
Total	**9,051**	**9**	**79**	**9,139**
Financial liabilities				
Contingent consideration	–	997	–	997
Liabilities to credit institutions	7,133	–	64	7,197
Bonds	5,961	–	–	5,961
Other non-current liabilities	26	–	–	26
Hire/purchase agreements	263	–	–	263
Trade payables	2,563	–	–	2,563
Other current liabilities	2,836	43	–	2,878
Total	**18,782**	**1,040**	**64**	**19,886**

The assets' maximum credit risk consists of the net amounts of the reported values in the table above. The Group has not received any pledged collateral for net financial assets.

For information on the Group's lease liabilities, see Note 28.

FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The table below shows financial instruments measured at fair value, based on how the classification in the fair value hierarchy was made. The different levels are defined as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 Observable inputs for the asset or liability other than the quoted market prices included in level 1, either directly (i.e. as quoted market prices) or indirectly (i.e. derived from quoted market prices)

Level 3 Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs)

FAIR VALUE FOR DISCLOSURE PURPOSES

For assets and liabilities measured at amortised cost, the carrying value is considered to be a good approximation of the fair value.

Considering the short interest rate fixation periods and maturities of the items, estimates show that there is no significant difference between amortised cost and fair value.

THE GROUP'S MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

As at 31 Dec 2023

SEK m	LEVEL 1	LEVEL 2	LEVEL 3	OTHER[1]	Difference between fair and carrying value, related to quoted bonds	TOTAL
Financial assets						
Financial investments	–	–	–	9	–	9
Non-current receivables	–	2	–	52	–	54
Trade receivables	–	–	–	4,441	–	4,441
Other receivables	–	32	–	975	–	1,007
Current investments	0	–	–	–	–	0
Cash and cash equivalents	1,560	–	–	–	–	1,560
Total	**1,560**	**35**	**–**	**5,476**	**–**	**7,071**
Financial liabilities						
Contingent consideration	–	–	320	–	–	320
Liabilities to credit institutions	–	79	–	5,281	–	5,359
Bonds	–	5,065	–	–	-93	4,972
Other non-current liabilities	–	–	–	42	–	42
Hire/purchase agreements	–	–	–	293	–	293
Trade payables	–	–	–	2,271	–	2,271
Other current liabilities	–	–	–	2,763	–	2,763
Total	**–**	**5,144**	**320**	**10,650**	**-93**	**16,021**

As at 31 Dec 2022

SEK m	LEVEL 1	LEVEL 2	LEVEL 3	OTHER[1]	Difference between fair and carrying value, related to quoted bonds	TOTAL
Financial assets						
Financial investments	–	–	–	8	–	8
Non-current receivables	–	39	–	33	–	72
Trade receivables	–	–	–	4,940	–	4,940
Other receivables	–	40	–	1,056	–	1,096
Current investments	1	–	–	–	–	1
Cash and cash equivalents	3,022	–	–	–	–	3,022
Total	**3,023**	**79**	**–**	**6,037**	**–**	**9,139**
Financial liabilities						
Contingent consideration	–	–	997	–	–	997
Liabilities to credit institutions	–	64	–	7,133	–	7,197
Bonds	–	4,753	–	–	1,208	5,961
Other non-current liabilities	–	–	–	26	–	26
Hire/purchase agreements	–	–	–	263	–	263
Trade payables	–	–	–	2,563	–	2,563
Other current liabilities	–	43	–	2,836	–	2,878
Total	**–**	**4,859**	**997**	**12,822**	**1,208**	**19,886**

1) To allow a reconciliation between items in the balance sheet, financial instruments that were not measured at fair value and other assets and liabilities that were included the balance sheet items were included in Other.

Derivatives included in level 2 were measured at fair value based on documentation from the issuing institutions.

Bonds and convertibles in level 2 were measured at fair value as derived from quoted market prices.

Changes in financial liabilities in Level 3, SEK m	Opening balance	Acquisi-tions	Paid	Revaluation/ discounting	Currency effect	Closing balance
Contingent considerations, 2023	997	80	-636	-123	3	320
Contingent considerations, 2022	936	702	-412	-257	28	997

Considering that the Group has numerous contingent considerations and that there are considerable differences in terms and conditions, forecasts for the future and maturities, a sensitivity analysis does not provide a fair representation of potential changes in the valuation. A change in the discount rate by one percent would affect the liability for the contingent considerations by SEK +/-1 million.

The fair value of the contingent considerations was calculated based on the expected outcome of the targets set in the contracts, given a discount rate of SEK 11.2 percent (10.6).

See Note 5 regarding changes due to acquisitions.

NOTE 27 FINANCIAL RISKS AND RISK MANAGEMENT

The Group strives for structured and effective financial risk management in accordance with the Finance Policy adopted by the Board. Nevertheless, the Company's profit and cash flow are affected both by changes in the external environment and by the Group's own actions. The Company's risk management aims to visualise and analyse the risks faced by the Group and, to the extent possible, prevent and limit any negative effects.

Through its operations, the Group is exposed to various kinds of financial risks – credit risk, market risk (interest rate risk, currency risk and other price risk), liquidity risk and refinancing risk. The Group's finance function has the overarching responsibility for the Group's risk management efforts, which includes financial risks. Risk management includes identifying, assessing and evaluating the risks faced by the Group. Priority is given to the risks that are determined to have the most negative impact on the Group according to an overall assessment of potential impacts, probability and consequences. The Group's overarching goals for financial risks are to ensure the short-term and long-term supply of capital, a capital structure that is stable in the long term and has a granulated maturity structure, and low risk exposure.

CREDIT RISK

Credit risk is the risk that the Group's counterparty to a financial instrument defaults on its obligations, causing a financial loss for the Group. The Group's credit risk is primarily caused by receivables from customers, advance payments to suppliers and investments of cash and cash equivalents. On every reporting date, the Group evaluates the credit risk of existing exposures while considering forward-looking factors. An assessment is made when the Group is exposed to credit risk.

The Group has made an allowance for expected credit losses from trade receivables. In addition to trade receivables, the Group monitors the need for provisions for other financial instruments, such as cash and cash equivalents. If the amounts are deemed to be significant, an allowance for expected credit losses is made also for these financial instruments.

Credit risk related to trade receivables and contract assets (simplified method for credit risk allowance)

The Group is chiefly exposed to credit risk in connection with trade receivables. The Group aims to monitor this credit risk continuously. Credit risks arise both in the daily operating activities and in financial transactions. Trade receivables are spread across numerous customers, which reduces the credit risk. Credit risk related to operating activities is managed locally, at the company level. Financing activities are also exposed to some counterparty risk. The reasons for this exposure include investment of liquidity, borrowings and derivative instruments. The Group has adopted guidelines to ensure that products and services are sold to customers with an appropriate credit rating and that the credit risk if possible is mitigated when needed, such as through advance payments, guarantees or other credit enhancements. Payment terms are generally between 30 and 90 days, depending on the counterparty. Historic credit losses are small compared with the Group's sales: 0 percent (0).

The Group applies the simplified approach to measuring expected credit losses for trade receivables. This means that an allowance is made for expected credit losses for the remaining maturity, which is expected to be less than one year for all receivables. The Group applies a "historical loss rate" to all trade receivables. The method is applied in combination with other known information and forward-looking factors, including information on individual customers and the management's assessment of the impact from economic cycle in the industry.

If factors indicate a suspension of payments, an individual assessment will be made to measure the expected credit loss in addition to the loss rate. The Group will write off a receivable if it no longer expects to be paid and active measures to collect payment have ended.

Age analysis, trade receivables

	31 Dec 2023			31 Dec 2022		
	Gross	**Impairment**	**Net**	**Gross**	**Impairment**	**Net**
Not past due trade receivables	3,596	–	3,596	4,069	–	4,069
Past due trade receivables:						
1–90 days	767	–	767	768	–	768
>91 days	148	-70	78	172	-69	103
Total	**4,511**	**-70**	**4,441**	**5,009**	**-69**	**4,940**

The credit quality of receivables that are less than 90 days past due is considered to be good based on historically low credit losses.

Expected credit losses for trade receivables (according to the simplified method), SEK m	2023	2022
Opening carrying amount	-69	-49
Acquisition of subsidiaries	–	-22
Reversal of previous allowances	21	7
Impairment	-3	2
Amounts written off (confirmed credit losses)	5	15
Credit loss allowance for the year	-23	-25
Recovered amounts, previously written off	–	1
Translation/exchange rate differences	-1	2
Closing carrying amount	**-70**	**-69**

CASH AND CASH EQUIVALENTS

The Group's credit losses also arise from investments of cash and cash equivalents. The Group aims to monitor credit risk related to investments continuously. For deposits to be made in bank accounts, the counterparty must have a credit rating of at least A/A2 according to Standard & Poor or Moody's.

Allowance for expected credit losses (general model)

Financial assets that are subject to a loss allowance for expected credit losses according to the general model include other receivables and cash and cash equivalents. According to the general model, credit risk is measured for the next 12 months. The Group applies a ratings-based method where expected credit losses are measured as the product of the probability of default, loss given default and exposure in the event of default. Other known information and forward-looking factors for assessing expected credit losses are also considered. As at the reporting date, no significant increase in credit risk was deemed to exist for any receivable or asset. The assessment is based on whether there is a significant deterioration in credit ratings. In the event of a significant increase in credit risk, the credit risk is measured for the remaining term of the exposure.

Credit risk exposure

The Group's trade receivables are spread across several different customers, and there is no significant credit risk concentration to individual counterparties. The Company's significant credit risk concentrations regarding assets that are subject to the loss allowance for expected credit losses are presented below.

Credit risk exposure (gross) as at 31 Dec 2023

The Group's credit risk exposure consists of trade receivables and cash and cash equivalents. Trade receivables with a gross value of SEK 4,511 million (5,009) comprise receivables from companies without a credit risk rating. SEK 1,560 million (3,022) in cash and cash equivalents are deposited with financial institutions with a high credit rating (AA-). It is deemed that there has not been any significant increase in credit risk for any of the Group's financial assets.

MARKET RISK

Market risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes in market prices. According to IFRS, market risk comprises three types of risk: interest rate risk, currency risk and other price risk. The market risks that mainly affect the Group are interest rate risk and currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is chiefly exposed to market rate risk related to the Group's borrowings at variable interest. At the end of the reporting date, the most significant loans from credit institutions had variable interest. To manage interest rate risk, interest rate derivatives are used to change the fixed interest periods of borrowings. According to the current policy, the aim is for the average fixed interest period of borrowings to be between six months and three years. As at 31 December 2023, the average fixed interest period was 15.8 months (7.7).

Considering the loan structure as at the reporting date and the interest rate hedges that had been entered into, a change in interest rates of 1 percentage point would have an effect of SEK +/-90 on the profit before tax.

The table below specifies the terms, conditions and repayment terms of each interest-bearing liability:

SEK m	Currency	Maturity	Interest rate	%	31 Dec 2023	31 Dec 2022
Liabilities to credit institutions	SEK	2024–2025	Variable/STIBOR 3M	Margin: 2.8–3.75%	5,281	7,133
Bond loans	SEK	2025, 2027	Variable/STIBOR 3M	Margin: 3.0–6.9%	4,972	5,961
Hire/purchase agreements	SEK	2023–2027	Variable/fixed	Margin: 1.3–5.0%	293	263
Lease liabilities	SEK	[1]	Variable/fixed	[1]	1,652	1,654
Total					**12,198**	**15,012**

1) The Group leases production equipment under a number of different leases with varying interest rates and maturity structures.

Note 27 Financial risks and risk management, cont.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. To ensure future contracted cash flows in projects where the revenue is in a foreign currency, the Group has entered into currency forward contracts to hedge the currency risk. The Group is exposed to various types of currency risks, including from the Group's sales and purchases in foreign currencies. These currency risks consist partly of the risk of fluctuations in the value of financial instruments, trade receivables or trade payables, and partly of the currency risk in expected and contracted payment flows. These risks are referred to as transaction exposure. The Group's profit for the year includes exchange rate differences of SEK -34 million (+27) in operating profit and SEK -56 million (19) in net financial items.

Of the year's reported operating profit of SEK 2,446 million (2,613), approximately 44 percent (37) was in a functional currency other than SEK. The exposure in EUR was the greatest, at 11 percent (10), which means that a change of 1 percent in the Euro exchange rate compared to the Swedish krona would have an effect of SEK +/-3 million (3) on the operating profit.

Currency risks also arise from the translation of assets and liabilities in foreign subsidiaries into the Group's functional currency, which is referred to as translation exposure. An effect of SEK 73 million (566) is included in comprehensive income. The greatest translation exposure is to CHF (20 percent of the net assets), to NOK (6 percent) and to GBP (5 percent), while 53 percent of the net assets are found in companies that have SEK as their reporting currency. According to a sensitivity analysis, a change of 1 percent in CHF, all other things being equal, would have an effect of SEK 41 SEK million on the translation reserve. The corresponding figure is SEK 12 million for NOK and SEK 9 million for GBP.

DERIVATIVES THAT ARE SUBJECT TO HEDGE ACCOUNTING, CASH FLOW HEDGE

The Group applies hedge accounting in the form of cash flow hedges. When a hedging transaction is entered into, the relationship between the hedging instrument and the hedged item is documented, along with the risk management objective and strategy. The determined hedge ratio between the hedging instrument and the hedged item is based on the hedge ratios of the actual hedges; the hedge ratio is 1:1 for all hedges. Hedges are designed to be effective, i.e. there is an expectation of an economic relationship as the hedging instrument offsets changes in fair value or cash flows if there is a risk in the hedged item. The economic relationship is preferably established through a qualitative assessment of critical terms in the hedging relationship. Sources of hedge ineffectiveness comprise the effect of the parties' credit standing in the valuation of the hedging instrument and imperfectly matched cash flows between the hedging instrument and the hedged cash flows. The Group has determined that the sources of hedge ineffectiveness are not significant, considering the credit standing of the parties and as agreed cash flows in projects are hedged.

Currency derivatives

To ensure future contracted cash flows in projects where the revenue is in a foreign currency, the Group has entered into currency forward contracts to hedge the currency risk. Since April 2020, the Group applies hedge accounting in the form of cash flow hedges in relation to currencies. Per the reporting date on 31 December 2023, the accumulated effect on the cash flow hedged currency derivatives in the hedging reserve in equity was SEK -1 million (-10) after tax.

Interest rate derivatives

When the Group borrows at variable interest and changes the interest rate exposure by entering into interest rate swaps, according to which it is agreed that variable interest will be received and fixed interest be paid, the hedging relationship is classified as a cash flow hedge. When hedge accounting is applied, the effective portion of the change in the value of the hedging instrument is recognised in Other comprehensive income. Interest rate derivatives that constitute hedged transactions are matched to individual loans. The Group started using hedge accounting in October 2023. Per the reporting date on 31 December 2023, the accumulated effect on the cash-flow-hedged interest rate derivatives in the hedging reserve in equity was SEK -90 million after tax. An analysis shows that a change of +/- 1 percent in variable market rates would have an impact of approximately SEK +/- 74 million on the hedging reserve in equity after tax.

Hedging of future cash flows (cash flow hedging)

	Hedging instruments identified in hedging relationships at year-end			Changes in fair value for measuring the effectiveness over the year	
SEK m	**Nominal amount**	**Carrying amount**	**Balance sheet item**	**Hedging instrument**	**Hedged item**
2023					
Currency forward contracts, sold EUR, purchased SEK	21	-2	Interest-bearing current liabilities	2	-21
Interest rate derivatives, variable to fixed interest, SEK	3,250	-64	Interest-bearing non-current liabilities	-114	-3,250
2022					
Currency forward contracts, sold EUR, purchased SEK	170	-14	Interest-bearing current liabilities	14	-170

Maturity analysis

Hedging instruments at year-end (cash flow hedging)	Maturity -1 year	1–3 years	3–5 years	Total
2023				
Interest rate derivatives, variable to fixed interest, SEK, nominal amount	–	1,500	1,750	3,250
Average fixed interest	–	3.63%	2.75%	3.16%
Currency forward contracts, nominal amounts, SEK m	21	–	–	21
Average hedged forward rate, EUR/SEK	10.26	–	–	10.26
2022				
Currency forward contracts, nominal amounts, SEK m	149	–	21	170
Average hedged forward rate, EUR/SEK	10.31	–	10.26	10.30

Reconciliation of hedging reserve and translation reserve in equity

SEK m	2023 Hedging reserve	2023 Translation reserve	2022 Hedging reserve	2022 Translation reserve
Opening carrying amount	-10	653	7	87
Items added over the period, recognised in Other comprehensive income	-103	97	-14	566
Tax	21	-24	-2	–
Total items added over the year, recognised in Other comprehensive income	**-81**	**73**	**-16**	**566**
Closing book value	**-91**	**726**	**-10**	**653**
Of which, ongoing hedges	-92	–	-14	–

Liquidity risk and refinancing risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk through continuous follow-up of the operations and by maintaining a cash pool structure that ensures that the companies' credit needs are met. The Group continuously forecasts future cash-flows based on various scenarios to ensure that financing occurs in a timely fashion.

The risk is mitigated by the Group's good liquidity reserves, which are readily available. In addition to equity, the Group's operations are essentially financed via loans and credit facilities totalling SEK 17,118 million (20,094). The Group's covenants refer to interest-bearing net debt/adjusted RTM EBITDA, which was satisfied on the reporting date by a good margin. At year-end. the total credit amount consisted of SEK 11,096 million (11,128) in a revolving credit facility, of which SEK 6,572 million (7,000) was unutilised, and SEK 4,972 million (5,961) in bond loans. The total liquidity reserve, consisting of cash and cash equivalents, current investments and overdraft facilities, was SEK 8,132 million (10,022) as at the reporting date.

Refinancing risk refers to the risk that financing for acquisitions or development cannot be retained, extended, expanded or refinanced, or that such financing can only occur on terms that are unfavourable to the Group. The need for refinancing is regularly reviewed by the Group and the Board to ensure financing of the Company's expansion and investments. The goal is to ensure that the Group has continuous access to external borrowing without a significant increase in the cost of borrowing. The refinancing risk is reduced by ensuring that the refinancing process is structured and begins in a timely fashion. For larger loans, the process begins no later than three to nine months before the due date. The refinancing risk is also limited by spreading the terms of the capital tied up in the loan portfolio over time. The average period of capital tied-up is currently 1.9 years.

The Group's contractual and undiscounted interest payments and repayments of financial liabilities are shown in the table below. Financial instruments with variable interest rates were calculated using the interest rate as at the reporting date. Liabilities were included in the period at the earliest point when repayment can be demanded.

Maturity analysis, SEK m	31 Dec 2023 <1 years	1–5 years	>5 years	Total, including interest	Carrying amount
Liabilities to credit institutions (including bonds)	867	11,530	6	12,404	10,546
Lease liabilities	546	951	461	1,958	1,652
Other non-current liabilities	–	1,814	–	1,814	1,814
Trade payables	2,271	–	–	2,271	2,271
Other current liabilities	1,373	–	–	1,373	1,373
Total	**5,057**	**14,294**	**467**	**19,819**	**17,656**

Maturity analysis, SEK m	31 Dec 2022 <1 years	1–5 years	>5 years	Total, including interest	Carrying amount
Liabilities to credit institutions (including bonds)	730	13,698	7	14,435	13,357
Lease liabilities	425	915	435	1,775	1,654
Other non-current liabilities	–	2,343	–	2,343	2,343
Trade payables	2,563	–	–	2,563	2,563
Other current liabilities	1,616	–	–	1,616	1,616
Total	**5,334**	**16,956**	**442**	**22,732**	**21,534**

The agreement for the syndicated loan includes covenants regarding interest-bearing net debt/operating profit or loss (adjusted RTM EBITDA) and equity/assets ratio that must be satisfied to avoid an increased cost of borrowing. Interest-bearing net debt/adjusted RTM EBITDA must not exceed 3.5 x. Storskogen has not been in breach of the covenants in 2023 or before.

Storskogen's credit agreements/lines of credit:

SEK m	31 Dec 2023 Amount	31 Dec 2023 Utilised	31 Dec 2022 Amount	31 Dec 2022 Utilised
Revolving credit facility	11,096	4,524	11,128	4,128
Total	**11,096**	**4,524**	**11,128**	**4,128**

Note 27 Financial risks and risk management, cont.

CAPITAL MANAGEMENT

According to the Finance Policy adopted by the Board, the Group shall manage its financing activities with proper control and orderly financing conditions. This ensures that Storskogen retains the confidence of investors, creditors and other stakeholders, and lays the foundation for the continued development of the operations. Based on a balancing of return and financial stability, the long-term target for interest-bearing net debt/adjusted RTM EBITDA was set at 2.0–3.0 x. The adjustment to this target forms part of the strategic planning and the level of indebtedness is monitored on an ongoing basis in the internal reporting to management and the Board. According to the Group's bank covenants, interest-bearing net debt is measured in relation to Adjusted RTM EBITDA, i.e. as if Storskogen had owned all companies that were owned as at 31 December 2023 for the last 12 months. For further information on the Group's Adjusted RTM EBITDA, see the section Definition of key performance indicators.

Adjusted RTM EBITDA

SEK m	2023	2022
Adjusted RTM EBITDA	4,305	4,658
Interest-bearing net debt		
Interest-bearing liabilities	12,525	15,282
Less cash and cash equivalents, current investments and financial assets	-1,623	-3,022
Interest-bearing net debt[1)]	**10,902**	**12,260**
Leverage ratio		
Leverage ratio (interest-bearing net debt/adjusted RTM EBITDA)	2.5	2.6

1) In this calculation, financial liabilities only refer to non-current and current interest-bearing liabilities, excluding future minority options and contingent considerations.

Adjusted RTM EBITDA

Operating profit (EBIT) before amortisation, depreciation and impairment, but excluding items affecting comparability. Adjusted RTM EBITDA is calculated as adjusted EBITDA recorded in the previous 12-month period adjusted for the contribution from businesses contractually acquired by the Group in that 12-month period. The purpose is to assess the Group's operating activities. EBITDA serves as a complement to operating profit. Adjusted EBITDA facilitates comparisons of EBITDA between periods.

SEK m	2023	2022
Operating profit	2,465	2,905
Items affecting comparability[1)]	-69	-118
RTM amortisation and depreciation	1,910	1,870
RTM impairment of intangible assets	0	0
Adjusted RTM EBITDA	**4,305**	**4,658**

1) Items affecting comparability in 2023 and 2022 include the remeasurement of contingent considerations, amortisation or depreciation of revaluations at fair value of acquisitions, stamp duty on foreign business combinations, central restructuring costs and capital gains/losses on business divestments. Items affecting comparability are excluded to facilitate comparisons between periods. For a compilation of items affecting comparability, see the section Definition of key performance indicators.

NOTE 28 LEASES

RIGHT-OF-USE ASSETS

	Right-of-use assets			
SEK m	**Premises**	**Machinery and vehicles**	**Total**	**Lease liabilities**
Opening balance, 1 Jan 2022	893	316	1,209	1,166
New leases	779	274	1,053	1,049
Depreciation of right-of-use assets	-335	-196	-531	–
Terminated leases	-38	-15	-53	-52
Revaluation of leases	-19	8	-10	-10
Interest expense on lease liabilities	–	–	–	63
Lease payments	–	–	–	-596
Translation differences	27	6	33	34
Closing balance, 31 Dec 2022	**1,307**	**393**	**1,701**	**1,654**
New leases	388	247	635	627
Depreciation of right-of-use assets	-377	-208	-585	–
Terminated leases	-60	-39	-99	-89
Revaluation of leases	23	18	42	42
Interest expense on lease liabilities	–	–	–	90
Lease payments	–	–	–	-653
Translation differences	-15	-3	-19	-18
Closing balance, 31 Dec 2023	**1,266**	**408**	**1,674**	**1,652**

The amounts recognised in the consolidated income statement for the year for lease activities are presented below:

SEK m	2023	2022
Depreciation of right-of-use assets	-585	-531
Interest expense on lease liabilities	-90	-63
Expense related to short-term leases	-19	-30
Expense related to leases of low-value assets	-4	-6
Effect on profit or loss of terminated leases	-10	-1
Total	**-708**	**-630**

Cash outflow related to leases was SEK 676 million (632). For a maturity analysis of leases, see Note 27.

Note 28 Leases, cont.

The Group's leases and their recognition

The Group primarily leases premises, vehicles and machinery.

The Group is exposed to potential future increases in variable lease payments that depend on an index or a rate, which are not included in the lease liability until they take effect. When adjustments to lease payments that depend on an index or a rate take effect, the lease liability is remeasured and adjusted against the right-of-use asset.

Lease payments are allocated between repayments of the principal and interest. Interest is recognised in profit or loss over the term of the lease in a way that results in a fixed interest rate on the lease liability recognised in each period.

Right-of-use assets are measured at cost, which corresponds to the amount of the initial measurement of the lease liability. Right-of-use assets are depreciated on a straight-line basis over the useful life, which corresponds with the lease term.

Options to extend or terminate leases

Several leases in the Group, primarily leases of premises, have extension options. Options to extend and terminate leases are included in several of the Group's leases of premises and machinery. An assessment is made regarding each individual lease as to whether these extension options will be exercised with reasonable certainty. Leases that will be used with reasonable certainty are included in the lease period.

Charges associated with short-term leases and leases of low-value assets

Short-term leases and leases of low-value assets are expensed on a straight-line basis in profit or loss. Short-term leases are leases that have a lease term of 12 months or less after options to extend have been considered.

NOTE 29 ASSETS PLEDGED AND CONTINGENT LIABILITIES

SEK m	31 Dec 2023	31 Dec 2022
Assets pledged		
Assets pledged as security for own liabilities and provisions		
Property mortgages	10	14
Floating charges	20	23
Assets with retention of title	283	227
Other	41	111
Total	**354**	**375**
Other pledged assets and collateral		
Bank guarantee with the client as the beneficiary	173	136
Total	**173**	**136**
Total assets pledged	**527**	**511**
Contingent liabilities		
Suretyships, other	30	19
Total contingent liabilities	**30**	**19**

The predominant portion of the bank guarantees were issued to clients in construction projects. Based on historical information, the risk that the guarantees will be used is low.

NOTE 30 TRANSACTIONS WITH RELATED PARTIES

A list of the Group's subsidiaries, which are also related parties to the Group, is provided in Note 31 Participations in Group companies. All transactions between Storskogen Group AB (publ) and its subsidiaries were eliminated in the consolidated accounts. All transactions with related parties were on market terms.

For information on remuneration to senior executives, see Note 9, Employees, staff costs and remuneration to senior executives.

NOTE 31 PARTICIPATIONS IN GROUP COMPANIES

Storskogen Group AB (publ)'s holdings in direct and indirect subsidiaries that are included in the consolidated accounts are listed below:

Specification of Group holdings

Company	Corporate identity number	Registered office	Share of capital/votes 31 Dec 2023	Share of capital/votes 31 Dec 2022
Storskogen Group AB (publ)	559223-8694	Stockholm, Sweden	Parent company	Parent company
Storskogen Group International AB	559248-2144	Stockholm, Sweden	100.0%	100.0%
Storskogen Schweiz AG	CHE-348.450.254	Zurich, Switzerland	100.0%	100.0%
Storskogen Schweiz Management AG	CHE-252.503.539	Zurich, Switzerland	100.0%	100.0%
LNS Holding SA	CHE-116.025.868	Neuchâtel, Switzerland	100.0%	100.0%
PerfectHair AG	CH-020.3.032.319-8	Wallisellen, Switzerland	84.1%	75.0%
Vokus Personal AG	345.876.556	Zurich, Switzerland	85.7%	85.7%
Storskogen Deutschland GmbH	HRB 276478	Munich, Germany	100.0%	100.0%
A&K Die Frische Küche GmbH	HRB 7911	Recklinghausen, Germany	100.0%	100.0%
Christ & Wirth Haustechnik GmbH	HRB 17814	Zwenkau, Germany	80.0%	80.0%
DIMABAY GmbH	HRB 155446	Berlin, Germany	100.0%	74.9%
Hans Kämmerer GmbH	HRB 1753	Wachtendonk, Germany	85.0%	85.0%
HK Immobilien GmbH	HRB 95212	Hamburg, Germany	100.0%	100.0%
Roleff GmbH & Co. KG	212,148	Altbach, Germany	95.1%	95.1%
SF Tooling Group GmbH	98 699 675	Laichingen, Germany	95.0%	95.0%
Weidinger GmbH	811 262 551	Gernlinden, Germany	100.0%	100.0%
Storskogen Danmark ApS	42 150 290	Copenhagen, Denmark	100.0%	100.0%
Danboring AS	19 623 106	Kjellerup, Denmark	90.1%	90.1%
Danmatic Automated Bakery Systems A/S	12 509 707	Viborg, Denmark	75.0%	75.0%
Fremco A/S	30 815 416	Frederikshavn, Denmark	84.0%	84.0%
INGENIØR´NE A/S	78 015 217	Esbjerg, Denmark	82.0%	82.0%
Storskogen Suomi Oy	3267436-8	Espoo, Finland	100.0%	100.0%
Storskogen Nederland B.V.	85 849 774	Amsterdam, Netherlands	100.0%	100.0%
Storskogen Norge AS	927 075 113	Oslo, Norway	100.0%	100.0%
Fon Anlegg AS	915 557 368	Sandefjord, Norway	90.1%	90.1%
Nimbus Gruppen AS	927 950 731	Fredrikstad, Norway	90.1%	90.1%
THERMICA AS	997 933 273	Lierstranda, Norway	80.0%	80.0%
Vox Hair Concept AS	996 589 129	Porsgrunn, Norway	80.0%	80.0%

Company	Corporate identity number	Registered office	Share of capital/votes 31 Dec 2023	Share of capital/votes 31 Dec 2022
Storskogen Singapore Pte. Ltd	202141432Z	Singapore, Singapore	100.0%	100.0%
CMTi Pte. Ltd	199407655W	Singapore, Singapore	70.0%	70.0%
The Physics Cafe Pte Ltd	201404177D	Singapore, Singapore	65.0%	–
XOD Box Pte Ltd	200406647E	Singapore, Singapore	65.0%	65.0%
Storskogen UK Limited	13 142 215	London, United Kingdom	100.0%	100.0%
AC Electrical Services Group Ltd	09 989 395	Blackpool, United Kingdom	80.0%	–
Extra UK Ltd	30 019 18	Northampton, United Kingdom	80.0%	80.0%
Fabco Sanctuary Ltd	06 552 850	London, United Kingdom	80.0%	80.0%
J&D Pierce Ltd	SC 174,690	Glengarnock, United Kingdom	80.0%	80.0%
Julian Bowen Ltd	2 108 701	Kirky-in-Ashfield, United Kingdom	80.0%	80.0%
SGS Tool Group Ltd	12 071 237	Derby, United Kingdom	80.0%	80.0%
Stop Start Transport Ltd	13 763 831	Worcester, United Kingdom	80.0%	80.0%
Tornado Group Ltd	05 240 005	Millom, United Kingdom	80.0%	80.0%
Storskogen US LLC	32-0678895	Delaware, USA	100.0%	100.0%
Storskogen Industrier AB	556803-3012	Stockholm, Sweden	100.0%	100.0%
Berco Produktion i Skellefteå AB	556393-7969	Skellefteå, Sweden	100.0%	100.0%
Gullängets Mekaniska Verkstad AB	556474-2764	Örnsköldsvik, Sweden	100.0%	100.0%
IMS Maskinteknik AB	556244-8349	Enköping, Sweden	100.0%	100.0%
Innovative Logistics Umeå AB	556582-9420	Holmsund, Sweden	100.0%	100.0%
PV System AB	556671-1437	Tidaholm, Sweden	100.0%	100.0%
TK Logistik AB	556707-8356	Gothenburg, Sweden	100.0%	100.0%
ÅMV Production AB	556627-2927	Åsele, Sweden	100.0%	100.0%
Storskogen 3 Invest AB	559080-4273	Stockholm, Sweden	100.0%	100.0%
Storskogen Holding AB	559090-6763	Stockholm, Sweden	100.0%	100.0%
2M2 Group AB	556688-3772	Båstad, Sweden	90.1%	90.1%
A Lot Decoration Sweden AB	556698-0131	Falköping, Sweden	100.0%	95.0%
Acreto AB	556681-5469	Gothenburg, Sweden	80.0%	80.0%
AE5 2012 Holding AB (Brenderup)	556951-8011	Jönköping, Sweden	98.7%	98.7%

Note 31 Participations in Group companies, cont.

Company	Corporate identity number	Registered office	Share of capital/votes 31 Dec 2023	31 Dec 2022
AGIO System och Kompetens i Skandinavien AB	556650-2968	Luleå, Sweden	90.1%	90.1%
Agnesberg Grävtjänst i Kungälv AB[1]	556408-5677	Kungälv, Sweden	100.0%	100.0%
Aktiebolaget Wibe	556034-6495	Mora, Sweden	100.0%	100.0%
Albin Components AB	556312-5656	Kristinehamn, Sweden	100.0%	100.0%
Alfta Kvalitetsindustri AB	559206-3787	Alfta, Sweden	90.1%	90.1%
ARAT AB	556922-2697	Kungsbacka, Sweden	99.5%	90.1%
Ashe Invest AB	559059-3868	Gothenburg, Sweden	75.0%	75.0%
Bergendahls El Gruppen AB	556529-8493	Gothenburg, Sweden	90.1%	90.1%
Bombayworks AB	556720-9357	Stockholm, Sweden	90.1%	90.1%
BR Solutions AB	556251-0817	Hisings Kärra, Sweden	96.7%	90.1%
Brandprojektering Sverige AB	556984-7444	Skövde, Sweden	71.2%	70.0%
Buildercom Group AB	559064-1410	Stockholm, Sweden	100.0%	100.0%
ByWe Group AB[2]	559382-6232	Västra Frölunda, Sweden	92.0%	92.0%
Båstad-Gruppen AB	556519-6135	Ängelholm, Sweden	91.0%	91.0%
C.S Riv och Håltagning AB	556529-8766	Hisings Backa, Sweden	90.1%	90.1%
DeroA AB	559088-9639	Stockholm, Sweden	87.1%	84.1%
Dextry Group AB[3]	559051-8345	Stockholm, Sweden	–	94.8%
Ecochange AB	556239-4618	Norrköping, Sweden	90.1%	90.1%
El & Projektering Vetlanda AB[3]	556594-0813	Vetlanda, Sweden	–	83.5%
Elcommunication Sweden AB	556582-3753	Karlshamn, Sweden	90.1%	90.1%
Elektroautomatik i Sverige AB	556100-1008	Gothenburg, Sweden	100.0%	92.6%
Enrival AB	556689-0207	Lund, Sweden	86.0%	86.0%
EVIAB Gruppen AB[3]	556724-2267	Örebro, Sweden	–	90.1%
Golvgrossisten F och B i Skövde AB[3]	556850-8138	Skövde, Sweden	–	100.0%
Golvgrossisten G och B i Norrköping AB[3]	556238-8255	Norrköping, Sweden	–	100.0%
Hans Löfqvist Engineering AB	556196-1706	Örebro, Sweden	95.0%	100.0%
Harrysson Entreprenad Aktiebolag (HEAB)	556273-9762	Hallsberg, Sweden	90.1%	90.1%
Hedson Technologies International AB	556450-9874	Arlöv, Sweden	97.9%	97.9%
Hudikhus AB	556101-7715	Hudiksvall, Sweden	70.0%	70.0%
IDATA AB	556618-8396	Värnamo, Sweden	100.0%	100.0%
Imazo AB	556196-2951	Vara, Sweden	100.0%	100.0%
INBEGO AB	556294-1558	Älmhult, Sweden	100.0%	90.1%

Company	Corporate identity number	Registered office	Share of capital/votes 31 Dec 2023	31 Dec 2022
IVEO AB	556791-6811	Stockholm, Sweden	69.4%	70.0%
Jata Cargo AB	556542-2895	Malmö, Sweden	90.1%	90.1%
JO Sport i Hudiksvall AB	556273-2726	Hudiksvall, Sweden	80.0%	80.0%
Jofrab TWS AB	556231-0713	Tranås, Sweden	100.0%	100.0%
Kumla Handtagsfabrik AB	559156-8331	Stockholm, Sweden	93.4%	93.5%
Lindberg Stenberg Arkitekter AB	556250-6609	Stockholm, Sweden	90.1%	90.1%
M J Contractor AB	556492-6904	Upplands Väsby, Sweden	95.0%	95.0%
NetRed AB	556596-8640	Tidaholm, Sweden	91.0%	91.0%
Newton Kompetensutveckling AB	556464-7989	Stockholm, Sweden	100.0%	100.0%
Nitro Consult Aktiebolag	556131-5770	Stockholm, Sweden	100.0%	100.0%
Noa:s Snickeri i Tibro AB	556389-5290	Tibro, Sweden	100.0%	100.0%
NORDIC WHEEL & AUTOSUPPLY AB	556624-1807	Kungsbacka, Sweden	90.1%	90.1%
Nummelina AB	556508-9850	Kungsbacka, Sweden	90.1%	90.1%
Ockelbo Kabelteknik AB	556675-2019	Ockelbo, Sweden	100.0%	100.0%
Pierre Entreprenad i Gävle AB	556582-9784	Gävle, Sweden	90.1%	90.1%
Plåthuset i Mälardalen AB	556311-2050	Enköping, Sweden	100.0%	90.1%
Plåthuset Syd AB[4]	559059-4304	Enköping, Sweden	30.0%	30.0%
PR Home of Scandinavia AB	556614-9323	Borås, Sweden	70.0%	70.0%
Primulator AS	918,375,643	Oslo, Norway	100.0%	100.0%
Riviera Markiser & Persienner AB	556432-5685	Partille, Sweden	100.0%	90.1%
Roslagsgjuteriet AB	559052-2032	Herräng, Sweden	100.0%	100.0%
RS Fastigheter i Sölvesborg AB	556265-9143	Sölvesborg, Sweden	100.0%	100.0%
Skara Transport Group AB	559030-3094	Skara, Sweden	100.0%	100.0%
Scandia Steel Sweden AB	559272-9320	Stockholm, Sweden	95.0%	95.0%
Scandinavian Cosmetics Group AB	559209-0533	Malmö, Sweden	95.9%	95.9%
Session MAP AB	556782-3868	Uddevalla, Sweden	70.0%	70.0%
SGD Sveriges Golvdistributörer AB	556445-3529	Växjö, Sweden	100.0%	100.0%
Skidsta Hus AB[3]	556630-0587	Ullånger, Sweden	–	100.0%
Smederna Sverige AB	556415-2568	Tumba, Sweden	100.0%	90.1%
SoVent Group AB	559138-8789	Stockholm, Sweden	90.9%	95.9%
Stockholms Internationella Handelsskola AB	556578-6497	Stockholm, Sweden	100.0%	100.0%
Stockholms Rörexpress AB	556676-2711	Skarpnäck, Sweden	94.0%	94.0%
Storebrogjuteriet AB	556525-0049	Storebro, Sweden	100.0%	100.0%
Strand i Jönköping AB	556385-9197	Jönköping, Sweden	95.0%	95.0%
Strigo AB	556921-5360	Västervik, Sweden	90.2%	90.2%

Note 31 Participations in Group companies, cont.

Company	Corporate identity number	Registered office	Share of capital/votes 31 Dec 2023	Share of capital/votes 31 Dec 2022
Stål och Rörmontage i Sölvesborg AB	556292-0453	Sölvesborg, Sweden	100.0%	100.0%
Svenska Grindmatriser AB	556258-8839	Linköping, Sweden	95.0%	95.0%
Svenska Kläckerier AB	559182-1334	Linghem, Sweden	100.0%	100.0%
Svenska Tungdykargruppen AB[3]	556739-5529	Mora, Sweden	–	100.0%
Swedstyle AB	556272-5134	Vaggeryd, Sweden	100.0%	100.0%
Såg- & Betongborrning i Uddevalla Aktiebolag	556226-4043	Uddevalla, Sweden	100.0%	100.0%
Södra Infragruppen Sverige AB[5]	556815-0667	Kristianstad, Sweden	100.0%	100.0%
Tepac Entreprenad AB	556646-7980	Stockholm, Sweden	92.0%	92.0%
Tjällmo Grävmaskiner AB	556337-3652	Borensberg, Sweden	100.0%	100.0%
Tolarp Kyckling AB	559183-5672	Linghem, Sweden	100.0%	100.0%
TRELLEGRÄV AB	556454-9391	Trelleborg, Sweden	90.1%	90.1%
Ullmax AB	556647-0307	Örebro, Sweden	100.0%	100.0%
Umeå Golvcenter AB[3]	556599-2004	Umeå, Sweden	–	100.0%
Viametrics Group AB	559018-4155	Stockholm, Sweden	91.6%	91.6%
Vikingsun AB	556492-4362	Stockholm, Sweden	95.0%	95.0%
VINAB, Verkstadsindustri i Norr AB	556690-0832	Gällivare, Sweden	90.1%	90.1%
VSH Holding AB (Swedwise)	556825-6423	Karlstad, Sweden	82.4%	82.4%
Vårdväskan AB	556880-1939	Falkenberg, Sweden	90.1%	90.1%
VästMark Entreprenad AB	556816-5350	Gothenburg, Sweden	90.1%	90.1%
Växjö Elmontage AB[3]	556522-5983	Växjö, Sweden	–	90.1%
Zymbios Logistics Contractor AB	556681-8653	Kumla, Sweden	90.1%	90.1%
Örnsberg EL Tele & Data AB	556347-0037	Trångsund, Sweden	90.1%	90.1%
Storskogen Utveckling AB	556970-1229	Stockholm, Sweden	100.0%	100.0%
AB Kranlyft	556628-4534	Mölnlycke, Sweden	100.0%	100.0%
Delikatesskungen AB[3]	556656-1360	Stockholm, Sweden	–	100.0%
Jacob Lindh AB	556689-6576	Lund, Sweden	90.1%	97.3%
Tunga Lyft i Sverige AB	556713-3243	Arlöv, Sweden	100.0%	100.0%
Tunga Lyft Engineering i Sverige AB	556801-7726	Arlöv, Sweden	100.0%	100.0%
Schalins Ringar AB	556161-6110	Östersund, Sweden	100.0%	100.0%
Swedfarm AB	556498-9688	Linghem, Sweden	100.0%	100.0%

1) During the 2023 financial year, JJH i Sverige AB was merged with Agnesberg Grävtjänst i Kungälv AB
2) During the 2023 financial year, Alba Hair Group AB, Baldacci AB and Frends AS merged with ByWe Group AB
3) The Company was divested in the 2023 financial year
4) Storskogen 3 Invest AB owns 30 percent of Plåthuset Syd AB. The remaining 70 percent is owned by Plåthuset i Mälardalen AB, of which is 100 percent held by Storskogen 3 Invest AB
5) In the financial year, Södra Infragruppen Sverige AB made an intra-Group acquisition of Allan Eriksson Mark AB from the Group company Storskogen 3 Invest AB

NOTE 32 SPECIFICATIONS TO THE CASH FLOW STATEMENT

Adjustment for non-cash items

SEK m	2023	2022
Amortisation and depreciation	1,917	1,628
Fair value of inventories at acquisition	–	56
Capital gains/losses	-4	-31
Adjustment in the value of contingent considerations	-123	-255
Unrealised foreign exchange gains/losses	48	-149
Reversal of capitalised borrowing costs	193	83
Change in accrued interest	9	60
Unrealised value changes in derivatives	-39	-61
Share-based payment transactions and other items	57	20
Total	**2,057**	**1,351**

Over the year, interest received was SEK 76 million (24) and interest paid was SEK 921 million (450).

Note 32 Specifications to the cash flow statement, cont.

CHANGE IN LIABILITIES FROM FINANCING ACTIVITIES

			Non-cash movements				
SEK m	**1 Jan 2023**	**Cash flow from financing activities**	**Business combinations**	**Changes in fair value**	**New leases**	**Other**	**31 Dec 2023**
Interest-bearing liabilities to credit institutions (incl. bond loans)	13,161	-3,112	–	–	–	283	10,333
Interest-bearing liabilities for hire/purchase agreements	263	21	9	–	–	–	293
Lease liabilities	1,654	-563	–	–	627	-65	1,652
Total liabilities from financing activities	**15,078**	**-3,654**	**9**	**–**	**627**	**218**	**12,278**

			Non-cash movements				
SEK m	**1 Jan 2022**	**Cash flow from financing activities**	**Business combinations**	**Changes in fair value**	**New leases**	**Other**	**31 Dec 2022**
Interest-bearing liabilities to credit institutions (incl. bond loans)	6,227	5,713	899	–	–	322	13,161
Interest-bearing liabilities for hire/purchase agreements	161	-1	103	–	–	–	263
Lease liabilities	1,166	-533	–	–	1,049	-28	1,654
Total liabilities from financing activities	**7,554**	**5,179**	**1,002**	**–**	**1,049**	**295**	**15,078**

For liabilities to credit institutions, 'other' chiefly includes reversals of capitalised borrowing costs and translation differences.

NOTE 33 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit attributable to the Parent Company's shareholders by the weighted average number of ordinary shares outstanding during the period.

In the calculation of diluted earnings per share, the dilutive effect of potential ordinary shares and the weighted average of the additional shares that would have been outstanding if all potential ordinary shares were converted is considered.

Earnings per share

SEK	**2023**	**2022**
Basic earnings per share, series A and B	0.47	0.86
Diluted earnings per share, series A and B	0.46	0.86

Profit for the year attributable to the holders of ordinary shares in the Parent Company

SEK thousand	**2023**	**2022**
Profit for the year attributable to the holders of series A and B shares in the Parent Company	778,319	1,435,708

Weighted average number of shares used in the calculation of diluted earnings per share

	2023	**2022**
Weighted average number of ordinary series A shares	148,001,374	148,001,374
Weighted average number of ordinary series B shares[1]	1,535,455,594	1,517,612,878
Total weighted number of shares outstanding	**1,683,456,968**	**1,665,614,252**

1) Includes a dilutive effect of 16,455,105 (4,575,262) potential shares.

NOTE 34 EVENTS AFTER THE REPORTING DATE

Events after the end of the financial year

After the end of the period, three add-on acquisitions were made to the SoVent Group, Nimbus Gruppen and Nitro Consult business units in the Services business area. These acquisitions have combined annual sales of SEK 7 million and EBITA of SEK 1 million.

On 19 February 2024, Storskogen's CEO, Daniel Kaplan, resigned with immediate effect after consultation with the Board. Christer Hansson, EVP, Head of Business Area Trade, was appointed Interim CEO during the recruitment process for a new CEO. Åsa Murphy assumed the role as Interim EVP, Head of Business Area Trade.

On 16 March 2024, Storskogen entered into a binding agreement to refinance the previous revolving credit facility of EUR 1 billion (whereof EUR 357 million was utilised as of 31 December 2023) maturing on 24 September 2025, with an unutilised one-year extension option, and the unsecured syndicated term facility of EUR 300 million (whereof EUR 115 million was outstanding as of 31 December 2023) maturing on 24 March 2025. These were replaced by a smaller unsecured facility agreement with a revolving credit facility of EUR 400 million, with an accordion option of EUR 43 million, and an unsecured syndicated term facility of EUR 330 million. The revolving credit facility has a duration of approximately three years, with an extension option for up to two years, and the syndicated term facility has a two-and-a-half-year duration.

NOTES – PARENT COMPANY

NOTE 35 NET SALES

SEK m	2023	2022
Revenue from management fees	161	156
Total	**161**	**156**

NOTE 36 FINANCIAL INSTRUMENTS

Valuation of financial assets and liabilities as at 31 December 2023

SEK m	2023	2022
Financial assets		
Receivables from Group companies	23,496	27,444
Receivables from credit institutions	3	39
Cash and cash equivalents	739	1,168
Other non-current receivables	35	2
Total	**24,273**	**28,653**
Financial liabilities		
Liabilities to credit institutions	5,261	7,011
Bonds	4,972	5,961
Liabilities to Group companies	4,788	3,060
Other liabilities	186	101
Trade payables	13	4
Total	**15,220**	**16,137**

The carrying amount is a good approximation of the fair value of financial assets and liabilities.

Intra-Group derivatives are mainly reflected in an external counterparty (a bank) through external derivatives.

NOTE 37 EMPLOYEES, STAFF COSTS AND REMUNERATION TO SENIOR EXECUTIVES

Salaries and other remuneration broken down by the CEO, Board and other employees

	2023			
SEK m	CEO	Board of Directors	Other employees	Total
Salaries and remuneration	9	2	133	144
(of which bonuses, etc.)	(–)	(–)	(1)	(1)
Social security costs	4	1	68	73
(of which pension costs)	(1)	(–)	(23)	(24)
Total	**14**	**3**	**200**	**217**

	2022			
SEK m	CEO	Board of Directors	Other employees	Total
Salaries and remuneration	9	3	121	133
(of which bonuses, etc.)	(–)	(–)	(4)	(4)
Social security costs	4	1	58	63
(of which pension costs)	(1)	(–)	(22)	(23)
Total	**13**	**4**	**179**	**196**

	2023		2022	
Average number of employees		Women/ men		Women/ men
Sweden	73	39/34	73	40/33
Total	**73**		**73**	

NOTE 38 REMUNERATION TO THE AUDITORS

SEK m	2023	2022
Ernst & Young AB		
Audit assignment	5	6
Audit activities outside the audit assignment	1	1
Other assignments	3	8
Total	**9**	**15**

NOTE 39 TAX

SEK m	2023	2022
Current tax expense (–)/tax income (+)		
Tax expense/tax income for the year	–	-43
Total current tax	**–**	**-43**
Deferred tax expense (–) / tax income (+)		
Tax relating to temporary differences	21	–
Adjustment of deferred tax related to previous years	-8	–
Total deferred tax	**13**	**–**
Total tax expense recognised in the Parent Company	**13**	**-43**

Reconciliation of effective tax

	2023		2022	
SEK m	SEK m	%	SEK m	%
Profit before tax	674		527	
Tax at the tax rate applicable to the Parent Company	-139	20.6%	-109	20.6%
Non-deductible costs	-9	-1.3%	-1	-0.2%
Non-deductible income	169	-25.1%	67	-12.7%
Tax related to previous years	-8	1.2%	–	0.0%
Total reported effective tax	**13**	**-4.6%**	**-43**	**7.7%**

NOTE 40 LIABILITIES TO CREDIT INSTITUTIONS

SEK m	2023	2022
Interest-bearing non-current liabilities		
Bank loans	9,791	12,999
Capitalised borrowing costs	-78	-57
Derivatives	66	–
Total	**9,779**	**12,942**
Interest-bearing current liabilities		
Bank loans	444	–
Derivatives	10	30
Total	**454**	**30**

In 2023, capitalised borrowing costs of SEK 52 million were added. These will be allocated to periods across the term of each loan.

NOTE 41 OTHER LIABILITIES

SEK m	2023	2022
Other current liabilities		
Employee withholding tax	5	4
Convertibles	132	43
VAT liability	5	–
Other	–	2
Total	**142**	**49**

NOTE 42 ACCRUED EXPENSES AND DEFERRED INCOME

SEK m	2023	2022
Accrued salaries	12	4
Accrued social security contributions	20	14
Accrued interest expenses	69	58
Other accrued expenses and prepaid income	5	17
Total	**106**	**93**

NOTE 43 PROFIT/LOSS FROM PARTICIPATIONS IN GROUP COMPANIES

SEK m	2023	2022
Dividends	328	–
Total	**328**	**–**

NOTE 44 INTEREST INCOME AND SIMILAR PROFIT ITEMS

SEK m	2023	2022
Interest income, Group companies	1,127	691
Interest income and similar profit items, other	528	778
Total	**1,655**	**1,469**

NOTE 45 INTEREST EXPENSES AND SIMILAR LOSS ITEMS

SEK m	2023	2022
Interest expenses and similar loss items, other	1,206	775
Total	**1,206**	**775**

NOTE 46 APPROPRIATIONS

SEK m	2023	2022
Accelerated depreciation	0	0
Group contributions received	45	–
Total	**45**	**0**

NOTE 47 ASSETS PLEDGED

SEK m	2023	2022
Assets pledged		
Assets pledged as security for own liabilities and provisions		
Parent Company guarantees and suretyships	604	354
Total	**604**	**354**

Refers to security for liabilities to credit institutions.

NOTE 48 PARTICIPATIONS IN GROUP COMPANIES

SEK m	2023	2022
Opening cost	4,777	4,006
Acquisitions/unconditional shareholder contributions	4,101	771
Closing carrying amount	**8,878**	**4,777**

The list below includes shares and participations directly held by the Parent Company. For information about shares and participations indirectly held by the Parent Company, see the Group's Note 31, Participations in Group companies.

Company	Corporate Identity No. No.	Registered office	Equity, 2023	Share of capital and votes	Number of shares (thousand)	Carrying amount 31 Dec 2023	Carrying amount 31 Dec 2022
Storskogen Industrier AB	556803-3012	Stockholm, Sweden	107	100%	1,052	96	96
Storskogen 3 Invest AB	559080-4273	Stockholm, Sweden	3,568	100%	12,718	2,877	2,877
Storskogen Utveckling AB	556970-1229	Stockholm, Sweden	226	100%	2,324	350	350
Storskogen Group International AB	559248-2144	Stockholm, Sweden	1,021	100%	50	5,555	1,454
Carrying amount						**8,878**	**4,777**

NOTE 49 PROPOSED APPROPRIATION OF PROFITS

The following amounts in SEK million are at the disposal of the Annual General Meeting:

SEK m	2023	2022
Share premium reserve	13,181	13,106
Retained earnings	4,019	3,647
Profit for the year	687	485
Total	**17,887**	**17,239**

The Board proposes that the available profits and free funds be distributed as follows:

SEK m	2023	2022
Dividend SEK 13,320,124 [148,001,374 shares * SEK 0.09 per A share]	13	12
Dividend SEK 136,932,901 [1,521,476,679 shares * SEK 0.09 per B share]	137	121
To be carried forward	17,736	17,105
Total	**17,887**	**17,239**

NOTE 50 RECEIVABLES FROM GROUP COMPANIES

SEK m	2023	2022
Accumulated cost		
At beginning of the year	27,444	16,535
Trade receivables	-29	33
Accrued interest income	-40	84
Cash pool receivable	-85	1,663
Loans to Group companies	-3,796	9,123
Derivatives	2	6
Closing balance, 31 Dec	**23,496**	**27,444**
Carrying amount	**23,496**	**27,444**

NOTE 51 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties include loans to subsidiaries, see Note 50, Receivables on Group companies, and remuneration to the Board and senior executives, see the Group's Note 9, Employees, staff costs and remuneration to senior executives.

There were no other transactions with related parties in 2023.

NOTE 52 SPECIFICATIONS TO THE CASH FLOW STATEMENT

Adjustment for non-cash items

SEK m	2023	2022
Adjustments of profit/loss before tax		
Anticipated dividends from subsidiaries	-328	–
Group contributions that have not been received	-46	–
Unrealised exchange rate differences	236	-540
Reversal of capitalised borrowing costs	193	103
Unrealised value changes in derivatives	75	-61
Other non-cash profit/loss items	59	-26
Total	**190**	**-524**

NOTE 53 DISCLOSURES ABOUT THE PARENT COMPANY

Storskogen Group AB (publ) is a Swedish limited company with its registered office in Stockholm. The Parent Company's shares are listed on Nasdaq Stockholm, Large Cap. The consolidated accounts for 2023 include the Parent Company and its subsidiaries, collectively referred to as the Group.

ADDRESS OF THE HEAD OFFICE:
Storskogen Group AB
Hovslagargatan 3
111 48 Stockholm, Sweden
storskogen.com

Certification by the Board of Directors

The Board of Directors and the CEO hereby declare that the annual accounts were prepared in accordance with generally accepted accounting practices in Sweden and that the consolidated accounts were prepared in accordance with international financial reporting standards as referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The annual accounts and consolidated accounts give a fair presentation of the Parent Company's and the Group's financial position and performance. The statutory Director's Report for the Parent Company and the Group provides a fair view of the Parent Company's and the Group's operations, financial position and performance and describes material risks and uncertainties to which the Parent Company and other companies in the Group are exposed.

As stated above, the annual accounts and the consolidated accounts were approved for publication by the Board of Directors and the CEO on 25 March 2024. The consolidated income statement, statement of comprehensive income and balance sheet and the Parent Company's statement of profit or loss and balance sheet are subject to adoption at the Annual General Meeting, which is planned to be held on 8 May 2024.

Stockholm, 25 March 2024

Annette Brodin Rampe
Chair of the Board

Robert Belkic
Board Member

Alexander Bjärgård
Board Member

Louise Hedberg
Board Member

Johan Thorell
Board Member

Christer Hansson
CEO

Our audit report was submitted on 25 March 2024
Ernst & Young AB

Åsa Lundvall
Authorised Public Accountant

Auditor's Report

To the general meeting of the shareholders of Storskogen Group AB (publ), corporate identity number 559223-8694

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Storskogen Group AB (publ) for the financial year 2023. The annual accounts and consolidated accounts of the company are included on pages 57–128 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities* for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of goodwill

Description

At 31 December 2023, the total value of goodwill amounts to 18 763 million SEK and is allocated to the group's different cash generating units. Goodwill must be tested for impairment at least annually and whenever there are indicators of impairment. The test is carried out by comparing the recoverable amount to the carrying value. To calculate the recoverable amount, management apply significant judgment and estimates regarding future cash flows, perpetual growth rate and discount rates. The impairment tests for 2023 did not result in any impairment charges. Disclosures related to the group's accounting principles are provided in Note 1, significant accounting estimates and judgements are provided in Note 2 and disclosures related to goodwill and the impairment test performed is provided in Note 14. Based on the significant carrying value of the goodwill and the high degree of management estimate required to perform the impairment tests, we have assessed the accounting of the valuation of goodwill as a key audit matter in our audit.

How our audit addressed this key audit matter

In the audit, we have evaluated the group's process for conducting impairment tests. Based on established criteria, we have further examined how the group identifies cash-generating units. With support from our internal valuation specialists, we have evaluated the valuation methods used. We have assessed the reasonableness of assumptions and reviewed these through conducting sensitivity analysis, comparing them to historical outcomes as well as external sources and comparing them to industry benchmarks. Finally, we have reviewed the disclosures provided in the annual report.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–56 and 133–166. The other information also includes the remuneration report and were obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Storskogen Group AB (publ) for the financial year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

A separate list of loans and collateral has been prepared in accordance with the provisions of the Companies Act.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Storskogen Group AB for the financial year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 *Examination of the ESEF report*. Our responsibility under this recommendation is described in more detail in the *Auditors' responsibility* section. We are independent of Storskogen Group AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements*, or other *Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Ernst & Young AB with Åsa Lundvall as auditor in charge, Box 7850, Hamngatan 26 Stockholm, was appointed auditor of Storskogen Group AB (publ) by the general meeting of the shareholders on the 12 May 2023 and has been the company's auditor since the 24 October 2019. Storskogen Group AB (publ) has been a company of general public interest since 6 October 2021.

Stockholm, 25 March 2024

Ernst & Young AB

Åsa Lundvall
Authorised Public Accountant

Definition of key performance indicators

KEY PERFORMANCE INDICATORS

Storskogen presents a number of performance measures that are not defined in accordance with IFRS. The Company is of the view that these measures provide valuable supplementary information for investors and the Company's management, as they allow an evaluation of trends and the Company's performance. As not all companies calculate these measures in the same way, they are not always comparable with those used by other companies. These measures should therefore not be regarded as replacing measures that are defined in accordance with IFRS. Definitions of the measures used, most of which are alternative performance measures, are presented below.

Return on equity[1)]

Profit for the year (including profit/loss from non-controlling interests) as a percentage of total equity (including equity attributable to non-controlling interests). Profit/loss is accumulated for the most recent 12-month period and equity is calculated as the average value in the last 12-month period. The purpose is to analyse profitability in relation to equity attributable to the owners of the Parent Company.

SEK m	2023	2022
Profit for the year	944	1,592
Equity	20,322	17,999
Return on equity, %	**4.6**	**8.8**

Return on working capital[1)]

Adjusted EBITA as a percentage of working capital. Working capital is calculated as the average value in the previous 12-month period. The purpose is to analyse profitability in relation to working capital.

SEK m	2023	2022
Adjusted EBITA	3,238	3,143
Working capital	5,853	5,102
Return on working capital, %	**55.3**	**61.6**

Return on capital employed[1)]

Operating profit (EBIT) plus financial income as a percentage of capital employed. EBIT and financial income are calculated accumulated for the previous 12-month period, and capital employed is calculated as the average value in the previous 12-month period. The purpose is to analyse profitability in relation to capital employed.

SEK m	2023	2022
Operating profit	2,446	2,613
Financial income	198	479
Operating profit including financial income	**2,644**	**3,091**
Capital employed	34,142	30,753
Return on capital employed, %	**7.7**	**10.1**

EBITA[1)]

Operating profit (EBIT) before amortisation and impairment of intangible assets. The purpose is to assess the Group's operating activities.

SEK m	2023	2022
Operating profit	2,446	2,613
Amortisation of intangible assets	861	693
Impairment of intangible assets	0	0
EBITA	**3,307**	**3,305**

EBITDA[1)]

Operating profit (EBIT) before depreciation, amortisation and impairments. The purpose is to assess the Group's operating activities. EBITDA serves as a complement to operating profit (EBIT).

SEK m	2023	2022
Operating profit	2,446	2,613
Amortisation and depreciation	1,917	1,628
Impairment	0	0
EBITDA	**4,363**	**4,241**

Net financial items[1)]

The purpose of this key performance indicator is to present developments in the Group's financing activities. A new presentation of the components in net financial items has been disclosed since the fourth quarter 2023. The prior definition of financial income and expenses included currency effects reported gross. In the new table, currency effects are presented net while financial expenses are presented separately from interest expenses.

SEK m	2023	2022
Interest income	77	24
Interest expense	-1,004	-508
Financial expenses	-127	-120
Exchange rate fluctuations and other	-71	103
FINANSNETTO	**-1,125**	**-502**

1) This measure is an alternative performance measure according to the ESMA guidelines.

Adjusted EBITA[1]

Operating profit (EBIT) before amortisation and impairment of intangible assets, but excluding items affecting comparability. The purpose is to assess the Group's operating activities. Adjusted EBITA facilitates comparisons of EBITA between periods.

SEK m	2023	2022
Operating profit	2,446	2,613
Items affecting comparability	-69	-162
Amortisation of intangible assets	861	693
Impairment of intangible assets	0	0
Adjusted EBITA	**3,238**	**3,143**

Adjusted EBITA margin[1]

Adjusted EBITA as a percentage of net sales. The purpose is to provide a guide to profitability in relation to sales.

SEK m	2023	2022
Adjusted EBITA	3,238	3,143
Net sales	36,006	34,250
Adjusted EBITA margin, %	**9.0**	**9.2**

Adjusted EBITDA[1]

Operating profit (EBIT) before amortisation, depreciation and impairment, but excluding items affecting comparability. The purpose is to assess the Group's operating activities. EBITDA serves as a complement to operating profit. Adjusted EBITDA facilitates comparisons of EBITDA between periods.

SEK m	2023	2022
Operating profit	2,446	2,613
Items affecting comparability	-69	-162
Amortisation and depreciation	1,917	1,628
Impairment	0	0
Adjusted EBITDA	**4,293**	**4,079**

Adjusted cash conversion[1]

Operating cash flow as a percentage of adjusted EBITDA. The purpose is to analyse cash conversion.

SEK m	2023	2022
Adjusted EBITDA	4,293	4,079
Change in working capital	798	-1,143
Net investments in property, plant and equipment, defined as CapEx	-610	-539
Operating cash flow	**4,481**	**2,397**
Adjusted EBITDA	4,293	4,079
Adjusted cash conversion, %	**104.4**	**58.8**

Items affecting comparability[1]

Items affecting comparability such as remeasurement of contingent considerations, fair value adjustments of acquired assets (such as inventory step-up), central restructuring costs, stamp duty on certain foreign business combinations and capital gains/losses from divestments of businesses. Items affecting comparability are excluded to facilitate comparisons between periods.

SEK m	2023	2022
Remeasurement of contingent considerations	123	255
Fair value measurement of inventories at acquisition	–	-56
Stamp duty on foreign business combinations	-2	-14
Central restructuring costs	-10	-18
Capital gains/loss from divestments of businesses	-41	-5
Items affecting comparability	**69**	**162**

Net debt, interest-bearing[1]

Interest-bearing liabilities (i.e. non-current interest-bearing liabilities, non-current lease liabilities, current interest-bearing liabilities, current lease liabilities and interest-bearing pension provisions) less financial assets, current investments and cash and cash equivalents. The purpose is to provide an alternative measure of the Group's debt/equity ratio. This performance measure gives an indication of the Group's financial target with regard to net debt in relation to adjusted RTM EBITDA.

SEK m	Note	31 Dec 2023	31 Dec 2022
Interest-bearing liabilities	21	10,626	13,424
Lease liabilities	21	1,652	1,654
Pension provisions, net	22	247	205
Financial assets		-63	–
Current investments	26	0	-1
Cash and cash equivalents	19	-1,560	-3,022
Interest-bearing net debt		**10,902**	**12,260**

Interest-bearing net debt/adjusted RTM EBITDA[1]

Interest-bearing net debt in relation to adjusted RTM EBITDA provides a liquidity measure for net debt in relation to cash-generating operating profit. Net debt is based on the reporting date. Adjusted RTM EBITDA is calculated as adjusted EBITDA recorded in the previous 12-month period adjusted for the contribution from businesses contractually acquired by the Group in that 12-month period. The purpose is to provide an indication of the Group's ability to pay its debts. This performance measure gives an indication of the Group's financial target with regard to net debt in relation to adjusted RTM EBITDA.

SEK m	31 Dec 2023	31 Dec 2022
Interest-bearing net debt	10,902	12,260
Adjusted RTM EBITDA	4,305	4,658
Interest-bearing net debt/adjusted RTM EBITDA, x	**2.5**	**2.6**

1) This measure is an alternative performance measure according to the ESMA guidelines.

Net debt[1]

Interest-bearing liabilities (i.e. non-current interest-bearing liabilities, non-current lease liabilities, current interest-bearing liabilities, current lease liabilities and pension provisions), including minority options and future contingent consideration, less financial assets, current investments and cash and cash equivalents. This measure is used to calculate the Group's debt/equity ratio.

SEK m	Note	31 Dec 2023	31 Dec 2022
Interest-bearing liabilities	21	10,626	13,424
Lease liabilities	21	1,652	1,654
Pension provisions, net	22	247	205
Contingent considerations	24	320	997
Minority options	24	1,937	1,991
Financial assets		-63	–
Current investments	26	0	-1
Cash and cash equivalents	19	-1,560	-3,022
Net debt		**13,159**	**15,249**

Organic EBITA growth[1]

Change in EBITA, excluding exchange rate, acquisition and divestment effects and adjusted for Group operations, compared with the same period the previous year. Acquired entities are included in organic EBITA growth once they have been part of the Group for the full comparison period; divested companies are excluded from both periods once they have been divested. The purpose is to analyse underlying growth in operating profit.

Organic net sales growth (organic growth)[1]

Change in net sales, excluding exchange rate, acquisition and divestment effects, compared with the same period the previous year. Acquired entities are included in organic growth once they have been part of the Group for the full comparison period; divested companies are excluded from both periods once they have been divested. The purpose is to analyse underlying net sales growth.

Interest coverage ratio[1]

Operating profit plus interest income divided by interest expenses. The purpose is to present earnings in relation to interest expenses, which is a measure of the Group's capacity to cover its interest expenses. The definition of interest expenses previously included other financial expenses. According to the previous definition, the interest coverage ratio for the year would have been 2.3 x (4.5).

SEK m	2023	2022
Operating profit	2,446	2,613
Interest income	77	24
Operating profit including interest income	**2,523**	**2,636**
Interest expense	-1,004	-509
Interest coverage ratio, x	**2.5**	**5.2**

Working capital[1]

Working capital is calculated as current operating receivables (inventories, trade receivables and other non-interest-bearing current receivables) less current operating liabilities (trade payables and other non-interest-bearing current liabilities, excluding future contingent considerations). The components are calculated as the average for the previous 12-month period. The purpose is to analyse the capital tied up in the balance sheet by the Group's operating activities.

SEK m	2023	2022
Inventories	5,019	4,476
Trade receivables	4,837	4,461
Other current receivables	2,798	2,299
Trade payables	-2,675	-2,571
Other current liabilities	-4,127	-3,563
Working capital	**5,853**	**5,102**

Operating margin[1]

Operating profit (EBIT) as a percentage of net sales. The purpose is to provide a guide to profitability in relation to sales.

SEK m	2023	2022
Operating profit	2,446	2,613
Net sales	36,006	34,250
Operating margin, %	**6.8**	**7.6**

Operating profit (EBIT)

Net sales less cost of goods and services sold, selling expenses, administrative expenses and other operating income less other operating expenses. The purpose is to assess the Group's operating activities.

Debt/equity ratio[1]

Net debt divided by total equity including equity attributable to non-controlling interests. The purpose is to show the size of the debt in relation to equity, i.e. as a measure of capital strength and financial risk. A high debt/equity ratio corresponds to a low equity/assets ratio, while a low debt/equity ratio corresponds to a high equity/assets ratio.

SEK m	31 Dec 2023	31 Dec 2022
Net debt	13,159	15,249
Equity	20,437	19,628
Debt/equity ratio, x	**0.6**	**0.8**

Equity/assets ratio[1]

Total equity including equity attributable to non-controlling interests as a percentage of total assets. The purpose is to show the proportion of assets that are financed with equity.

SEK m	31 Dec 2023	31 Dec 2022
Equity	20,437	19,628
Total assets	44,169	47,482
Equity/assets ratio, %	**46.3**	**41.3**

Capital employed[1]

Total assets less non-interest-bearing liabilities and provisions. The components are calculated as the average for the previous 12-month period. The purpose of this measure is to track the amount of capital that is employed in operations and financed by shareholders and lenders.

SEK m	2023	2022
Total assets	46,412	42,400
Non-interest-bearing liabilities	-10,122	-9,772
Provisions	-2,148	-1,876
Capital employed	**34,142**	**30,753**

1) This measure is an alternative performance measure according to the ESMA guidelines.

Sustainability notes

CONTENTS

NOTE H1 ABOUT STORSKOGEN'S SUSTAINABILITY REPORT

Storskogen's Sustainability Report contains Storskogen's sustainability results from 1 January to 31 December 2023 and contains the statutory Sustainability Report for 2023 (pursuant to Chapter 6, Sections 10–14 of the Swedish Annual Accounts Act). Consequently, the reporting period is the same as the financial reporting period. This is Storskogen's fourth Sustainability Report, and figures from previous years have not been restated. This report has not been reviewed by any external party. The publishing date of the Report is 2024-04-04.

Storskogen reports sustainability data according to the following reporting initiatives:
- GRI Universal Standards 2021 (Global Reporting Initiative): The Sustainability Report is prepared according to the GRI's most recently updated principles with regard to content and quality. The GRI Index refers to Storskogen's central organisation. See Note H14.
- GHG protocol (Greenhouse Gas Protocol): The operations' climate impact in the form of direct and indirect greenhouse gas emissions, divided into three categories (Scopes 1–3). See Note H3.

In addition to the reporting initiatives mentioned above, key performance indicators are reported pursuant to Storskogen's own sustainable development targets and key performance indicators.

The notes follow the format of the material topics presented in the Sustainability Report on pp. 32-46. The notes are presented for the central organisation or at the business unit level, depending on the note.

Sustainability data for all business units and Storskogen's central organisation are reported, calculated and compiled on an external sustainability platform. Reporting and calculations related to the EU taxonomy are made in the Group's financial consolidation system.

ACCOUNTING POLICIES

Accounting policies are presented under each key performance indicator. The company's accounting policies for acquisitions and divestments are reported below. However, an assessment of whether an acquisition or divestment is significant is made in each case.

Acquisitions

Companies acquired no later than 31 October are included in this year's climate reporting. Climate calculations include the whole year. Companies acquired after 31 October are excluded from the climate reporting.

Divestments

Companies divested after 31 October are included in this year's climate reporting. Climate calculations include the whole year. Companies divested no later than 31 October are excluded from the climate reporting.

REPORTING ENTITIES

Unless otherwise stated, Storskogen's central organisation and the business units with all subsidiaries are included in data, see the boundaries below.

Reporting entities	2023	2022	2021	2020
Storskogen's central organisation	**7**	**9**	**5**	**1**
Of which, Storskogen Sweden	1	1	1	1
Of which, Storskogen Norway	1	1	1	0
Of which, Storskogen Denmark	1	1	0	0
Of which, Storskogen Singapore	1	1	0	0
Of which, Storskogen UK	1	1	1	0
Of which, Storskogen Germany	1	1	1	0
Of which, Storskogen Switzerland	1	1	1	0
Of which, Storskogen Finland	0	1	0	0
Of which, Storskogen Netherlands	0	1	0	0
Business units[1]	**130[1]**	**137[1]**	**103**	**56**
Of which, Industry	39	38	28	16
Of which, Trade	34	37	26	14
Of which, Services	57	62	49	26

1) According to the 2023 financial statements, there are 129 units. Deviations refer to the Trade and Services business areas and the following entities: Skidstahus Värmdö Hemmesta Fastighetsbolag (-1), ByWe (+2) and Perfect Hair (+1) as well as Innovate Logistics Umeå AB (-1). According to the 2022 financial statements, there were 136 units. Reason for the deviation is that the companies Perfect Hair and Marwell reported sustainability data as separate units (in the Trade business area), even though they are counted as a single unit in the financial statements.

BOUNDARIES

Companies that were acquired by Storskogen after 31 October and were not included in the Sustainability Report due to the Group's accounting policies:
- Nolyx AB (add-on acquisition to ARAT in the Industry business area)

Divestments over the year, made after 31 October, are included in this year's climate reporting according to the Group's accounting policies. Divestments made no later than 31 October, which are therefore not included in this year's Sustainability Report:
- Medkoh AG (a legal entity in the business unit Hilpert AG, in the Trade business area)
- Skidsta Hus AB, including subsidiaries (a separate business unit in the Trade business area)
- Hilpert Electronics AG, including subsidiaries (in the Trade business area)
- Delikatesskungen AB (a separate business unit in the Trade business area)
- Dextry Group AB, including subsidiaries (formerly Måla i Sverige) (a separate business unit in the Trade business area
- Operations in the subsidiary Brunner-Anliker
- EVIAB gruppen AB, including subsidiaries (a separate business unit in the Services business area)
- El & Projektering i Vetlanda AB (a separate business unit in the Services business area)
- Växjö Elmontage AB, including subsidiaries (a separate business unit in the Services business area)
- Svenska Tungdykargruppen AB (a separate business unit in the Services business area)

Minimise environmental impact

NOTE H2 CLIMATE-RELATED INFORMATION ACCORDING TO TCFD

Over the year, Storskogen performed an analysis of short-term risks as part of the Company's materiality assessment. Next year, the risk assessment will be supplemented by medium-term and long-term perspectives for more complete climate reporting. To ensure transparent reporting of risks and opportunities that affect Storskogen's profitability, the reporting complies with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The aim is to provide information on the impact of the transition to a society with lower carbon dioxide emissions. Storskogen aims to be distinct and concrete in its reporting and provide a clear picture of the challenges and necessary future-proofing that the Company is facing. The description is based on four areas: governance, strategy, risk management and metrics and targets.

BOARD RESPONSIBILITIES AND GROUP MANAGEMENT TASKS

The Board has overall responsibility for Storskogen's sustainability governance. The Board's role includes managing strategic areas, such as investments and acquisitions, where also sustainability issues are integrated and dealt with in the scope of Storskogen's overarching risks and opportunities analysis. For further information on Storskogen's governance model, see p. 49 in this report.

On the operational level, climate-related risks and opportunities are actively managed by the CEO, the Head of Sustainability, Group Management and the Group companies. The Head of Sustainability is specifically responsible for ensuring transparent reporting and following up on all aspects related to climate impact. This division of responsibilities achieves structured and effective management of sustainability issues on the strategic and operational levels of the organisation.

STRATEGY

Identified climate-related risks and opportunities

Storskogen has identified various climate-change related risks and opportunities faced by Storskogen's operations and business units. These risks and opportunities differ across the operations. A general industry-wide transition towards fossil-free alternatives create both new opportunities and risks for Storskogen.

Climate-related risks linked to the transition to a more fossil-free economy chiefly involve an increase in energy costs, costs of raw/input materials, reporting requirements for emissions and regulation of products and services. Climate-related opportunities linked to the transition mainly involve increased demand or products and services that enable lower emissions and opportunities linked to more resource-efficient product development and production processes. Most opportunities are related to the companies in the Industry and Services business area.

Impact on strategy and financial planning

Storskogen's climate-related risks and opportunities analysis is integrated into the overarching risk analysis and forms the basis for strategic decisions. When making acquisitions, Storskogen also strives to include climate analyses in the comprehensive assessment of the acquisition. Potential climate impact and climate change-related costs are incorporated in the valuation of the acquisition.

Resilient strategy and financial planning

Storskogen has not yet made climate-related scenario analyses and has therefore not analysed the resilience of its business strategy, but has nevertheless identified climate-related business opportunities within the strategy. Storskogen and its business units strive to have a positive impact on the customers' climate impact through products and services that promote energy efficiencies. Storskogen's internal focus is on efficient and climate-friendly transportation of goods, general energy efficiencies and purchasing renewable energy.

RISK MANAGEMENT

Processes to identify and evaluate climate-relate risks

The Head of Sustainability has overall responsibility for identifying transitional risks, physical risks and opportunities related to the climate. This includes keeping the CEO and Group management informed of long-term and short-term changes. Major climate-related risks are integrated and evaluated regularly as part of Storskogen's annual risk management process. The Head of Sustainability is also responsible for communicating and keeping the organisation updated on current climate-related risks and opportunities.

Processes to manage climate-related risks

Climate-related risks are managed as an integrated part of the annual risk assessment together with Storskogen's business units. When relevant risks and opportunities are identified, these are discussed in detail, and any necessary measures are taken to minimise negative impact or make use of opportunities.

Integration in the organisation's overarching risk management

Storskogen's risk management system includes a process for identifying, evaluating and managing climate-related risks. The Head of Sustainability ensures that the processes to identify, evaluate and manage climate-related risks are fully integrated into the organisation's overarching risk management structure. By integrating these processes, it is ensured that climate-related factors are considered in the same way as other business risks and opportunities.

METRICS AND TARGETS

Storskogen has adopted long-term climate targets and defined relevant key performance measures to allow careful monitoring of and reporting on the Company's climate initiatives. Storskogen's overarching climate target is to reduce carbon dioxide intensity by 50 percent by 2030, with 2020 as the base year. The business units report their sustainability data on an annual basis, which is followed-up upon regularly in the business unit boards.

To ensure reliability and objectivity in the climate reporting, Storskogen has engaged external experts to calculate and validate the results. A detailed table of Scope 1 and 2 emissions is presented on p. 140-141. In-depth information on Scope 3 emissions will be available in a separate climate report on Storskogen's website.

Storskogen reports taxonomy-eligible activities. Taxonomy reporting is used as an important key performance measure and forms the basis for strategic discussions by the boards.

NOTE H2 Climate-related information according to TCFD, cont.

The table below describes the risks and opportunities that have been identified as material for the verticals during a short-term time horizon of 1 year.

Transition risks	**Cause and potential impacts**
Policy and regulation	Changes in external climate policy and/or the legal environment that result in increased emission reporting requirements.
	Changes in external climate policy and/or the legal environment that result in mandates on and regulation of existing products and services.
Technology	Fast transition to low-carbon production in the entire economy, which leads to higher energy costs.

Physical risks	**Cause and potential impacts**
Short-term	No short-term physical risks have been evaluated as high or very high.

Opportunities	**Cause and potential impacts**
Markets and reputation	Changes in the climate-related needs and requirements of important stakeholders (such as customers, lenders, employees, etc.) that lead to increased demand for products and/or services with lower life cycle emissions than our competitors' products and/or services.
	Changes in the climate-related needs and requirements of important stakeholders (such as customers, lenders, employees, etc.) that lead to increased demand for products and/or services that directly support/facilitate customers' climate change mitigation actions.
	Changes in the climate-related needs and requirements of important stakeholders (such as customers, lenders, employees, etc.) that lead to increased demand for products and/or services that directly support/facilitate customers' climate change adaptation actions.
Use of resources	Improved resource efficiencies in product development and production processes, which result in reduced operating costs.
	Shift to decentralised energy generation (energy self-sufficiency), which results in less exposure to external price shocks.

NOTE H3 CLIMATE IMPACT

For transparent reporting of Storskogen's climate targets and outcomes, emissions from business units that were acquired over the year and previously owned business units (those owned before 2023) are reported separately. This division aims to provide a clearer picture of the business units' development under Storskogen's ownership. Reported emissions were also divided between Storskogen's Parent Company and the business units. The Parent Company is referred to as the 'central organisation'.

DESCRIPTION OF METHODOLOGIES USED IN CLIMATE REPORTING

All data refer to the 2023 financial year. In some cases, the data of individual business units in the Group may have been extrapolated or estimated for certain months. When making the calculations for 2023, Storskogen was assisted by 2050 Consulting AB, but input data was still collected through the external platform Worldfavor. Just like last year, the data reported was divided into actual and estimated data.

Climate impact is reported as direct (Scope 1) and indirect (Scope 2) emissions in carbon dioxide equivalents in accordance with the guidelines in the Greenhouse Gas Protocol (the GHG protocol), a well-established international standard for climate calculations. Storskogen has chosen to apply operational control to determine the organisational system limit. To make emissions from different greenhouse gases comparable, all emissions except carbon dioxide were multiplied using the Global Warming Potential (GWP) based on a 100-year time horizon (GWP100). The result of the climate impact is described in carbon dioxide equivalents (CO_2e), which correspond to all greenhouse gases defined in the GHG protocol. The emission factors used in the calculations were provided by 2050 Consulting AB and were chiefly derived from the Swedish Energy Agency, IVL, IPCC, AIB, IEA and DEFRA.

Scope 1

This includes direct emissions from owned or leased cars, vans, lorries, machinery, trucks, tractors and other fuelled equipment. In the cases where no consumption data were available, the number of kilometres was reported. Stationary combustion, such as combustion of diesel, gasoline and liquefied petroleum gas, is also included in Scope 1, as is fuel used for heating owned premises, such as heating oil and natural gas. Refrigerant leakage is also included.

Scope 2

This includes purchased energy and district heating in owned, leased or rented premises. The calculations are based on actual consumption in kWh or on estimates based on the size of the premises. Scope 2 is reported according to the market-based method, which means that the type of electricity purchased is considered. If the origin of the purchased electricity cannot be stated, emissions are calculated based on the emission factor for the residual mix in each country.

Scope 3

In-depth information on Scope 3 emissions will be available in a separate climate report on Storskogen's website.

Note H3 Climate impact, cont.

STORSKOGEN'S BUSINESS UNITS

Emission intensity, tCO_2e/SEK m Scopes 1 and 2

All business units	2023	2022	2021	2020
Total	**1.2**	**1.4**	**1.6**	**1.9**
Business area Industry	1.2	1.2	1.2	1.6
Business area Trade	0.5	0.6	0.8	1.4
Business area Services	2.1	2.6	2.6	2.6

Of which, previously owned	2023	2022
Total	**1.2**	**1.4**
Business area Industry	1.2	0.9
Business area Trade	0.5	0.7
Business area Services	2.1	2.8

Of which, new acquisitions	2023	2022
Total	**1.0**	**1.4**
Business area Industry	0.7	1.6
Business area Trade	0.6	0.4
Business area Services	1.4	1.9

Greenhouse gas emissions, tonnes CO_2e

All business units	2023	2022	2021	2020
Total	**43,838**	**52,699**	**37,558**	**20,132**
Scope 1	36,100	41,680	30,106	13,868
Business area Industry	11,118	9,937	3,716	1,113
Business area Trade	3,303	5,304	3,946	1,991
Business area Services	21,679	26,439	22,419	10,764
Scope 2	7,738	11,018	7,448	6,255
Business area Industry	5,953	8,028	5,524	3,186
Business area Trade	1,261	1,765	1,620	1,942
Business area Services	523	1,225	303	1,127

Of which, previously owned	2023	2022
Total	**43,120**	**35,223**
Scope 1	35,597	29,929
Business area Industry	11,075	3,382
Business area Trade	3,213	4,707
Business area Services	21,309	21,841
Scope 2	7,523	5,293
Business area Industry	5,812	3,563
Business area Trade	1,216	1,301
Business area Services	495	429

Of which, new acquisitions	2023	2022
Total	**718**	**17,476**
Scope 1	503	11,751
Business area Industry	44	6,556
Business area Trade	90	598
Business area Services	369	4,598
Scope 2	215	5,725
Business area Industry	142	4,463
Business area Trade	45	464
Business area Services	28	797

COMMENTS ON THE OUTCOME

Total emission intensity decreased since last year. The emission intensity of business units owned by Storskogen before 2023 also decreased in total. The Services business area had the largest reduction, while the Trade business area had the largest percentage reduction in emission intensity. Storskogen is in line with the target to halve its emission intensity by 2030 compared with 2020. Emissions in absolute numbers have also decreased compared to the previous year. Services accounts for the largest reduction in absolute emissions, while Trade accounts for the largest percentage reduction in absolute emissions. Contributing factors were that most divested business units were companies in Services and that the reported number of km driven was reduced.

Vehicle fuel consumption remains Storskogen's largest source of emissions, corresponding to approximately 80 percent of the Scope 1 emissions. Vehicle fuel consumption is highest in the Services business area, primarily in business units in the Infrastructure, Logistics, Contracting Services and Installation verticals. Heating with natural gas and heating oil also account for large emissions, corresponding to just over a tenth of the Scope 1 emissions. This is mainly used in business units in the Industrial Technology and Products verticals in Industry.

In Scope 2, energy consumption without Guarantees of Origin account for the majority of emissions, corresponding to 83 percent.

ADDITIONAL DISCLOSURES

The base year for environmental data is 2020. Of total emissions in Scope 1, approximately 75 percent were actual and the rest were estimated. Of total emissions in Scope 2, approximately 94 percent were actual and the rest were estimated.

Note H3 Climate impact, cont.

STORSKOGEN'S CENTRAL ORGANISATION

Greenhouse gas emissions, tonnes CO_2e

Emissions by scope	2023	2022	2021	2020
Scope 1	8	4	24	0
Scope 2	30	13	4	9

COMMENTS ON THE OUTCOME

In Storskogen's central organisation, absolute emissions in Scopes 1 and 2 increased. This was because the reporting for one of the head offices was expanded to include common areas that were not included in the previous year's calculations. The resulting change on the Group level was minor, so the base year has not been restated.

ADDITIONAL DISCLOSURES

Of emissions in Scope 1, 83 percent were actual, and the rest were estimated. Of emissions in Scope 2, 91 percent were estimated. The reason for this was that many landlords were unable to provide the actual consumption.

NOTE H4 ENERGY CONSUMPTION

STORSKOGEN'S BUSINESS UNITS

Energy intensity, MWh/SEK m

All business units	2023	2022	2021	2020
Total	**3.0**	**2.5**	**3.4**	**5.1**
Business area Industry	5.1	4.7	7.3	11.8
Business area Trade	2.0	2.1	2.2	5.6
Business area Services	1.0	1.1	0.9	1.8

Of which, previously owned	2023	2022
Total	**3.0**	**2.8**
Business area Industry	5.1	6.1
Business area Trade	2.0	1.6
Business area Services	1.1	1.1

Of which, new acquisitions	2023	2022
Total	**0.8**	**2.0**
Business area Industry	1.3	3.0
Business area Trade	0.9	0.8
Business area Services	0.3	0.9

Energy consumption, MWh

All business units	2023	2022	2021	2020
Total	**105,532**	**94,895**	**79,901**	**52,162**
Business area Industry	74,724	68,528	56,810	31,524
Business area Trade	19,574	14,820	15,656	12,269
Business area Services	11,234	11,546	7,392	8,195
Of which, renewable electricity	39,847	43,650	47,941	–
Business area Industry	32,008	35,522	39,767	–
Business area Trade	4,603	4,273	4,071	–
Business area Services	3,236	3,855	4,140	–
Of which, fossil-free energy	19,687	15,907	9,093	–
Business area Industry	13,728	10,959	–	–
Business area Trade	3,571	3,613	–	–
Business area Services	2,389	1,335	–	–
% fossil-free, incl. renewable, of the total	56	63	71	–

Note H4 Energy consumption, cont.

Of which, previously owned	2023	2022
Total	**104,924**	**69,441**
Business area Industry	74,385	48,046
Business area Trade	19,376	12,375
Business area Services	11,164	8,985
Of which, renewable electricity	39,847	38,219
Business area Industry	32,008	30,680
Business area Trade	4,603	3,786
Business area Services	3,236	3,753
Of which, fossil-free energy	19,687	15,582
Business area Industry	13,728	10,755
Business area Trade	3,571	3,560
Business area Services	2,389	1,232
% fossil-free, incl. renewable, of the total	57	77

Of which, new acquisitions	2023	2022
Total	**608**	**25,454**
Business area Industry	339	20,482
Business area Trade	199	2,410
Business area Services	70	2,561
Of which, renewable electricity	–	5,431
Business area Industry	–	4,842
Business area Trade	–	488
Business area Services	–	102
Of which, fossil-free energy	–	325
Business area Industry	–	203
Business area Trade	–	17
Business area Services	–	103
% fossil-free, incl. renewable, of the total	0	23

COMMENTS ON THE OUTCOME

Over the year, emission intensity increased while the share of fossil-free energy consumption fell compared to 2022. In 2023, 57 percent of the previously owned business units used fossil-free energy. Business units located in Sweden are more likely to use fossil-free energy than those located abroad. Storskogen continues to research the availability of fossil-free energy in other countries.

Storskogen's target related to fossil-free energy is that all business units shall use at least 80 percent fossil-free electricity by 2025. This target chiefly relates to purchased electricity and not to the total energy consumption illustrated in the table above. The choice to focus on purchased electricity is due to the difficulties sourcing fossil-free alternatives for district heating and cooling. The target is designed with the possibilities for impact in mind.

ADDITIONAL DISCLOSURES

Includes electricity, district heating and district cooling for all business units. Energy consumption is divided into renewable and fossil-free electricity due to Storskogen's climate targets. In 2020 and 2021, fossil-free electricity was reported as regular electricity, which means that no comparative MWh figures are available for these years. When target fulfilment is measured, it is the previously owned companies' proportion of fossil-free and renewable electricity of the total electricity consumption that counts.

The share of fossil-free electricity incl. renewable electricity for 2021 has been updated due to previous years' reporting only including renewable electricity.

STORSKOGEN'S CENTRAL ORGANISATION

Energy consumption, MWh. Proportion in brackets.

	2023	2022	2021	2020
Total	**204**	**85**	**42**	**174**
Of which, renewable electricity	94 (46%)	41 (48%)	29 (70%)	174 (100%)
Of which, fossil-free energy	0	0	0	0

COMMENTS ON THE OUTCOME

The electricity consumption in Germany and United Kingdom is non-renewable, and emissions from this electricity contributes to the majority of the emissions in Scope 2.

ADDITIONAL DISCLOSURES

Includes electricity and district heating. Proportion in brackets.

NOTE H5 TAXONOMY REPORTING

STORSKOGEN'S BUSINESS UNITS

ENVIRONMENTAL OBJECTIVE 1: CLIMATE CHANGE MITIGATION

Sector	Activity	Description of the activity	Assessment of scope and alignment
6. TRANSPORT	6.4. Operation of personal mobility devices, cycle logistics	Selling, purchasing, financing, leasing, renting and operation of personal mobility or transport devices where the propulsion comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity. This includes the provision of freight transport services by (cargo) bicycles.	There are companies in the Group that sell or lease bicycles, electric bicycles and electric mopeds. Consequently, they contribute substantially to environmental objective 1 and cause no significant harm to any of the other environmental objectives. These activities are therefore to be taxonomy-aligned.
	6.6. Freight transport services by road	Purchase, financing, leasing, rental and operation of vehicles designated as category N1, N2 or N3 falling under the scope of EURO VI, step E or its successor, for freight transport services by road.	There are companies in the Group that offer freight transport services by road in their own vehicles and are taxonomy-eligible. Zero-emission vehicles contribute substantially to environmental objective 1 and cause no significant harm to any of the other environmental objectives. These activities are therefore deemed to be taxonomy-aligned.
	6.13. Infrastructure for personal mobility, cycle logistics	Construction, modernisation, maintenance and operation of infrastructure for personal mobility, including the construction of roads, motorways bridges and tunnels and other infrastructure that are dedicated to pedestrians and bicycles, with or without electric assist.	There are companies in the Group that constructed pavements, pedestrian and cycle lanes and pedestrian zones over the year that are taxonomy-eligible. They contribute substantially to environmental objective 1 and cause no significant harm to any of the other environmental objectives. These activities are therefore deemed to be taxonomy-aligned.
	6.14. Infrastructure for rail transport	Construction, modernisation, operation and maintenance of railways and subways as well as bridges and tunnels, stations, terminals, rail service facilities, safety and traffic management systems including the provision of architectural services, engineering services, drafting services, building inspection services and surveying and mapping services and the like as well as the performance of physical, chemical and other analytical testing of all types of materials and products.	There are companies in the Group that are active in construction and maintenance of railways and offer surveying services in the railway environment that are deemed to be included in this activity. They contribute substantially to environmental objective 1 and cause no significant harm to any of the other environmental objectives. These activities are therefore deemed to be taxonomy-aligned.
7. CONSTRUCTION AND REAL ESTATE ACTIVITIES	7.3. Installation, maintenance and repair of energy efficiency equipment	Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment.	There are companies in the Group that install additional insulation and carry out installation and replacement of energy-efficient light sources, installation, replacement, maintenance and repair of air conditioning systems and water heating systems (HVAC) and are therefore deemed to be included in the activity. They contribute substantially to environmental objective 1 and cause no significant harm to any of the other environmental objectives. These activities are therefore deemed to be taxonomy-aligned.
	7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings.	There are companies in the Group that install, maintain and repair charging stations for electric vehicles and are therefore deemed to be included in the activity. They contribute substantially to environmental objective 1 and cause no significant harm to any of the other environmental objectives. These activities are therefore deemed to be taxonomy-aligned.
	7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings.	There are companies in the Group that offer building automation services and installation, maintenance and repair of façade and roofing elements with solar shading or solar control and are therefore considered to be included in this activity. They contribute substantially to environmental objective 1 and cause no significant harm to any of the other environmental objectives. These activities are therefore deemed to be taxonomy-aligned.
	7.6. Installation, maintenance and repair of renewable energy technologies	Installation, maintenance and repair of renewable energy technologies, on-site.	There are companies in the Group that perform installation, maintenance and repair of solar photovoltaic systems, solar panels, heat pumps and heat exchangers/heat recovery systems and are therefore deemed to be included in the activity. They contribute substantially to environmental objective 1 and cause no significant harm to any of the other environmental objectives. These activities are therefore deemed to be taxonomy-aligned.

Note H5 Taxonomy reporting, cont.

Sector	Activity	Description of the activity	Assessment of scope and alignment
8. INFORMATION AND COMMUNICATION	8.1. Data processing, hosting and related activities	Storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centres, including edge computing.	There are companies in the Group that offer hosting services. The Group is therefore deemed to be included in this activity. However, the activity does not meet the 'contributes substantially to environmental objective 1' criteria and is therefore not taxonomy-aligned.
9. PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	9.3 Professional services related to energy performance of buildings	Professional services related to energy performance of buildings.	There are companies in the Group that provide services related to energy audits and optimisation, energy simulations and advice on energy performance hosting services for buildings, and it is therefore deemed that the Group is included in this activity. They contribute substantially to environmental objective 1 and cause no significant harm to any of the other environmental objectives. These activities are therefore deemed to be taxonomy-aligned.

ENVIRONMENTAL OBJECTIVE 4: THE TRANSITION TO A CIRCULAR ECONOMY

Sector	Activity	Description of the activity	Assessment of scope and alignment
3. CONSTRUCTION AND REAL ESTATE ACTIVITIES	3.3 Demolition and wrecking of buildings and other structures	The demolition and wrecking of buildings, roads and runways, railways, bridges, tunnels, waste water treatment works, water treatment works, pipelines, wells and boreholes, power generating plants, chemical plants, dams and reservoirs, mines and quarries, offshore structures, near shore works, ports, waterway works or land formation and reclamation.	There are companies in the Group that demolish and wreck buildings and other structures and are deemed to be taxonomy-eligible.
	3.4 Maintenance of roads and motorways	Maintenance of streets, roads and motorways, other vehicular and pedestrian ways, surface work on streets, roads, highways, bridges, tunnels, aerodrome runways, taxiways and aprons, defined as all actions undertaken to maintain and restore the serviceability and level of service of roads.	There are companies in the Group that maintain roads and motorways and are deemed to be taxonomy-eligible.
5. SERVICES	5.1 Repair, refurbishment and remanufacturing	Repair, refurbishment and remanufacturing of goods that have been used for their intended purpose before by a customer.	There are companies in the Group that repair products and are deemed to be taxonomy-eligible.
	5.2 Sale of spare parts	The economic activity does not include replacement of consumables, such as printer ink, toner cartridges, lubricants for moving parts or batteries and maintenance.	There are companies in the Group that sell spare parts and are deemed to be taxonomy-eligible.
	5.5 Product-as-a-service and other circular use- and result-oriented service models.	Providing customers (physical person or legal person) with access to products through service models, which are either use-oriented services, where the product is still central, but its ownership remains with the provider and the product is leased, shared, rented or pooled; or result-oriented, where the payment is pre-defined and the agreed result (i.e. pay per service unit) is delivered.	There are companies in the Group that repair products-as-a-service and are deemed to be taxonomy-eligible.

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A good employer and neighbour

NOTE H6 EMPLOYEES

STORSKOGEN'S CENTRAL ORGANISATION

Employees by type of employment, gender and region at year-end. Stated as a number.

2023	Sweden	Norway	Denmark	Singapore	United Kingdom	Germany	Switzerland	Finland	Netherlands	Total
Number of permanent employees	**72**	**4**	**1**	**3**	**6**	**5**	**10**	**0**	**0**	**101**
Of which, women	41	1	0	1	1	2	3	0	0	**49**
Of which, men	31	3	1	2	5	3	7	0	0	**52**
Number of full-time employees	**72**	**4**	**1**	**3**	**6**	**5**	**8**	**0**	**0**	**99**
Of which, women	41	1	0	1	1	2	1	0	0	**47**
Of which, men	31	3	1	2	5	3	7	0	0	**52**
Number of workers that are not employees	**5**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**5**
Of which, consultants	5	0	0	0	0	0	0	0	0	**5**

2022	Sweden	Norway	Denmark	Singapore	United Kingdom	Germany	Switzerland	Finland	Netherlands	Total
Number of permanent employees	**75**	**4**	**3**	**3**	**8**	**5**	**12**	**1**	**1**	**112**
Of which, women	41	1	1	1	1	0	3	1	1	**50**
Of which, men	34	3	2	2	7	5	9	0	0	**62**
Number of full-time employees	**75**	**4**	**3**	**3**	**8**	**5**	**9**	**1**	**1**	**109**
Of which, women	41	1	1	1	1	0	1	1	1	**47**
Of which, men	34	3	2	2	7	5	8	0	0	**62**
Number of workers that are not employees	**8**	**0**	**0**	**0**	**0**	**0**	**3**	**0**	**0**	**11**
Of which, consultants	7	0	0	0	0	0	0	0	0	**7**
Of which, facility management	1	0	0	0	0	0	3	0	0	**4**

CONTENTS

Note H6 Employees, cont.

New hires and terminated employments by age group, gender and region. Stated as a number.

2023		<30 years old: Of which, women	<30 years old: Of which, men	30–50 years old: Of which, women	30–50 years old: Of which, men	>50 years old: Of which, women	>50 years old: Of which, men	Total
Total	**New hires**	**2**	**0**	**3**	**1**	**3**	**0**	**9**
	Terminated employments	**0**	**0**	**7**	**8**	**2**	**3**	**20**
Storskogen Sweden	New hires	2	0	1	1	3	0	**7**
	Terminated employments	0	0	5	4	1	0	**10**
Storskogen Norway	New hires	0	0	0	0	0	0	**0**
	Terminated employments	0	0	0	0	0	0	**0**
Storskogen Denmark	New hires	0	0	0	0	0	0	**0**
	Terminated employments	0	0	1	1	0	0	**2**
Storskogen Singapore	New hires	0	0	0	0	0	0	**0**
	Terminated employments	0	0	0	0	0	0	**0**
Storskogen UK	New hires	0	0	0	0	0	0	**0**
	Terminated employments	0	0	0	1	0	1	**2**
Storskogen Germany	New hires	0	0	2	0	0	0	**2**
	Terminated employments	0	0	0	0	0	2	**2**
Storskogen Switzerland	New hires	0	0	0	0	0	0	**0**
	Terminated employments	0	0	0	2	0	0	**2**
Storskogen Finland	New hires	0	0	0	0	0	0	**0**
	Terminated employments	0	0	1	0	0	0	**1**
Storskogen Netherlands	New hires	0	0	0	0	0	0	**0**
	Terminated employments	0	0	0	0	1	0	**1**

2022		<30 years old: Of which, women	<30 years old: Of which, men	30–50 years old: Of which, women	30–50 years old: Of which, men	>50 years old: Of which, women	>50 years old: Of which, men	Total
Total	**New hires**	**1**	**3**	**18**	**20**	**3**	**4**	**49**
	Terminated employments	**0**	**1**	**5**	**7**	**1**	**0**	**14**
Storskogen Sweden	New hires	1	1	12	6	2	2	**24**
	Terminated employments	0	0	5	2	0	0	**7**
Storskogen Norway	New hires	0	1	0	1	0	0	**2**
	Terminated employments	0	0	0	0	0	0	**0**
Storskogen Denmark	New hires	0	0	1	1	0	0	**2**
	Terminated employments	0	0	0	0	0	0	**0**
Storskogen Singapore	New hires	0	0	1	2	1	0	**4**
	Terminated employments	0	0	0	0	1	0	**1**
Storskogen UK	New hires	0	1	1	4	0	2	**8**
	Terminated employments	0	1	0	3	0	0	**4**
Storskogen Germany	New hires	0	0	0	4	0	0	**4**
	Terminated employments	0	0	0	2	0	0	**2**
Storskogen Switzerland	New hires	0	0	1	2	0	0	**3**
	Terminated employments	0	0	0	0	0	0	**0**
Storskogen Finland	New hires	0	0	1	0	0	0	**1**
	Terminated employments	0	0	0	0	0	0	**0**
Storskogen Netherlands	New hires	0	0	1	0	0	0	**1**
	Terminated employments	0	0	0	0	0	0	**0**

COMMENTS ON THE OUTCOME

The gender distribution at Storskogen's offices in Sweden is even, i.e. in the 40 to 60 percent span, while there is an overrepresentation of men at the other offices. There are two part-time employees, both of whom are employed in Switzerland. There are no non-guaranteed hours employees in the central organisation.

In 2023, nine new employees were hired, and 20 employees left the organisation, which corresponds to an employee turnover of 19 percent (13). In 2023, Storskogen mainly recruited for replacement purposes. A review of the central organisation was carried out over the year. Considering the continued low pace of acquisitions, resources were reduced and redistributed.

EMPLOYEE TURNOVER

Storskogen's employee turnover is calculated by dividing the total number of employees who left the organisation during the specified period by the average number of employees. Turnover includes all job changes, whether due to dismissal, retirement, transfer of work or death.

NOTE H7 GENDER EQUALITY AND DIVERSITY

STORSKOGEN'S BUSINESS UNITS

Gender equality on the Board, in Group management and among the employees, at year-end.

Total	2023	2022	2021	2020
Number of employees at year-end (FTE)	11,976 (11,550)	12,833 (11,152)	8,645 (5,686)	3,565 (3,154)
Of which, women	29%	27%	23%	17%
Of which, men	71%	73%	77%	83%
Proportion of female chairs of business unit boards	25%	20%	17%	12%
Proportion of women on the Board	29%	24%	22%	25%
Proportion of female CEOs of business units (number)	5% (6)	3% (4)	2% (2)	2% (1)
Proportion of companies that have set gender equality targets	38%	23%	19%	–

Industry	2023	2022	2021	2020
Number of employees, at year-end	5,147	5,276	2,786	1,050
Of which, women	21%	22%	16%	15%
Of which, men	79%	78%	84%	85%
Proportion of female chairs of business unit boards	23%	18%	14%	25%
Proportion of women on the Board	22%	17%	24%	41%
Proportion of female CEOs of business units (number)	3% (1)	0% (0)	0% (0)	0% (0)
Proportion of companies that have set gender equality targets	33%	18%	7%	–

Trade	2023	2022	2021	2020
Number of employees, at year-end	2,477	2,417	1,555	666
Of which, women	52%	48%	37%	36%
Of which, men	48%	52%	63%	64%
Proportion of female chairs of business unit boards	35%	24%	22%	0%
Proportion of women on the Board	40%	25%	22%	3%
Proportion of female CEOs of business units (number)	6% (2)	5% (2)	0% (0)	0% (0)
Proportion of companies that have set gender equality targets	47%	22%	12%	–

Services	2023	2022	2021	2020
Number of employees, at year-end	4,352	5,140	4,297	1,822
Of which, women	25%	23%	23%	10%
Of which, men	75%	77%	77%	90%
Proportion of female chairs of business unit boards	19%	18%	20%	10%
Proportion of women on the Board	29%	30%	23%	23%
Proportion of female CEOs of business units (number)	5% (3)	3% (2)	4% (2)	4% (1)
Proportion of companies that have set gender equality targets	37%	26%	31%	–

COMMENTS ON THE OUTCOME

Men are overrepresented in all Storskogen's business units and business areas. Despite this, a positive trend in gender equality can be seen, with an increasing proportion of female employees, both this year and in previous years. This positive trend is also reflected in the number of female CEOs. All business areas now have at least one female CEO. The proportion of female chairs of boards is steadily increasing and the proportion of business units that have adopted gender equality targets has increased by as much as 15 percentage points year-on-year.

ADDITIONAL DISCLOSURES

All business units that reported that they have set gender equality targets were included in the final item regarding gender equality targets. No assessment was made of the target(s) adopted.

Total number of employees

Total number of employees stated both as the number of individuals regardless of type of employment, and recalculated to full-time employees as of 31 December 2023. The proportion of women and men was calculated based on the number of individuals and not the number of full-time employees.

Proportion of women on the boards of the business units

Proportion of women on boards that were Storskogen appointees. This figure includes Storskogen employees who serve on boards as board members or deputy board members as well as external people such as CEOs of other Storskogen companies, as of 31 December 2023. This definition is based on Storskogen's ability to impact and the resulting outcome. Previous years, deputy board members and external people were not included in the calculation. The proportion of women is calculated per business unit and not per all legal units.

Note H7 Gender equality and diversity, cont.

STORSKOGEN'S CENTRAL ORGANISATION

Gender equality on the Board, in Group management and among the employees, at year-end.

	2023	2022	2021	2020
Number of employees at year-end (FTE)	101 (99)	112 (110)	74	
Of which, women	49%	43%	46%	–
Of which, men	51%	57%	54%	–
Proportion of women in the Group management	13%	13%	14%	17%
Proportion of women on the Board	40%	40%	40%	33%

Gender equality and diversity among employees, by age and employee category, at year-end. Expressed as a percentage.

2023	Total	<30 years old	30–50 years old	>50 years old
HQ management	8%	0%	4%	4%
Of which, women	13%	-	25%	-
Of which, men	87%	-	75%	100%
HQ senior	43%	0%	29%	14%
Of which, women	40%	-	48%	21%
Of which, men	60%	-	52%	79%
HQ mid	31%	3%	28%	0%
Of which, women	48%	67%	46%	-
Of which, men	52%	33%	54%	-
HQ base	19%	5%	12%	2%
Of which, women	84%	80%	83%	100%
Of which, men	16%	20%	17%	-
Total	**100%**	**8%**	**72%**	**20%**

2022	Total	<30 years old	30–50 years old	>50 years old
HQ management	16%	0%	12%	4%
Of which, women	28%	–	38%	–
Of which, men	72%	–	62%	100%
HQ senior	33%	0%	24%	9%
Of which, women	41%	–	56%	–
Of which, men	59%	–	44%	100%
HQ mid	33%	0%	33%	0%
Of which, women	46%	–	46%	–
Of which, men	54%	–	54%	–
HQ base	18%	6%	10%	2%
Of which, women	65%	57%	64%	100%
Of which, men	35%	43%	36%	–
Total	**100%**	**6%**	**79%**	**15%**

COMMENTS ON THE OUTCOME

The HQ senior and HQ mid levels, which include the majority of all employees, have an even gender distribution, i.e. in the 40–60 percent span. The HQ management level has a lower representation of women (13 percent), and the HQ base level has a higher representation of women (84 percent).

ADDITIONAL DISCLOSURES

Unlike last year, HQ management only refers to Group management this year. For this reason, the category includes fewer individuals.

Remuneration

Ratio of the basic salary of women to men	2023	2022
HQ management	0.8	0.8
HQ senior	0.7	0.7
HQ mid	0.8	0.8
HQ base	0.7	0.8

Ratio between the basic salary of the organisation's highest paid individual and the median value for all employees	2023	2022
Annual total compensation ratio	5.4	5.1
Ratio of annual percentage increase	2.2	0

COMMENTS ON THE OUTCOME

There is a significant difference in the salary situation between Storskogen's different markets, which has a large impact on the compensation ratio.

ADDITIONAL DISCLOSURES

The organisation's highest-paid employee is the Chief Executive Officer. Unlike in 2022, a median of all employees' salaries has been calculated based on GRI's guidelines for the calculation of the key performance indicator "ratio of the basic salary of the organisation's highest-paid individual to the medial for all employees." In the previous year, only the average value was available. This has a certain effect on the comparative figures. When the previous year's ratio is calculated, it is now 5.1, instead of 4.1 as previously reported.

NOTE H8 OCCUPATIONAL HEALTH AND SAFETY

STORSKOGEN'S BUSINESS UNITS

Occupational accidents: number of serious occupational accidents and injury frequency rate

	Serious occupational accidents				Injury frequency rate (IFR)			
	2023	**2022**	**2021**	**2020**	**2023**	**2022**	**2021**	**2020**
Business area Industry	30	57	10	4	0.6	1.2	–	–
Business area Trade	5	0	1	0	0.2	0	–	–
Business area Services	68	77	33	3	1.5	1.6	–	–
Total	**103**	**134**	**44**	**7**	**0.9**	**1.2**	**–**	**–**

COMMENTS ON THE OUTCOME
The Services business area had the highest number of serious occupational accidents and the highest injury frequency rate. Business units that are exposed to significant work environment risks are generally ISO 45001 certified. The number of serious occupational accidents was reduced in the Industry business area due to structured proactive efforts to identify safety risks and to encourage employees to identify occupational risks before an accident (occupational incident or injury) occurs.

ADDITIONAL DISCLOSURES
No work-related fatalities were reported by any business unit over the year (0). Fatal accidents on the way to or from work are not included in the reporting, as we use the Swedish Work Environment Authority's definition.

Number of serious occupational accidents
Is defined as accident where one or more people have been injured at the workplace or in a place they have visited at work. Examples of serious injuries are fractures, severe bleeding or damage to internal organs (Swedish Work Environment Authority).

Injury Frequency Rate (IFR)
Is calculated as the number of serious injuries reported per 200,000 hours worked.

Responsible business

NOTE H9 CORPORATE GOVERNANCE

	2023	**2022**	**2021**	**2020**
Number of Anti-Corruption, sanctions or anti-money laundering policy violations	0	0	0	0
Number of Code of Conduct violations	0	0	0	0
Number of whistleblower cases	0	0	0	0

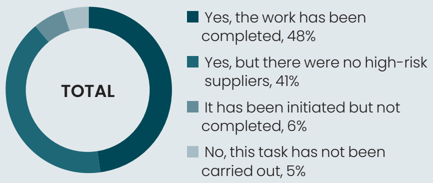
COMMENTS ON THE OUTCOME
No Anti-Corruption, sanctions, anti-money laundering policy or Code of Conduct violations were reported over the year. In 2023, 15 cases were reported via the system. None of these were legal whistleblower cases (legal whistleblower are defined as cases that constitute a breach of the whistleblower act/directive). One referred to corruption, one to discrimination, one to HR issues, nine to work environment issues and three to other issues. All cases have been closed.

ADDITIONAL DISCLOSURES
All cases were reported to an external whistleblower function. Whistleblowing may relate to any kind of grievance or irregularity that violates Storskogen's Code of Conduct. Only cases that are legal whistleblower cases were reported as whistleblower cases in the report.

NOTE H10 RESPONSIBLE SUPPLY CHAIN

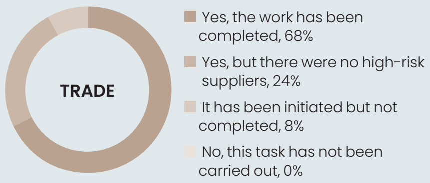
STORSKOGEN'S BUSINESS UNITS

Proportion of business units that worked on identifying high-risk suppliers in their supply chain in 2023

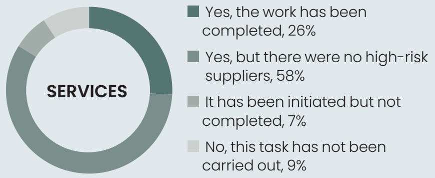


Number of high-risk suppliers for which the business unit has included the Business Partner Code of Conduct in the agreement, 74%

Number of high-risk suppliers for which the business unit has included the Business Partner Code of Conduct in the agreement, 80%



Number of high-risk suppliers for which the business unit has included the Business Partner Code of Conduct in the agreement, 86%



Number of high-risk suppliers for which the business unit has included the Business Partner Code of Conduct in the agreement, 48%

COMMENTS ON THE OUTCOME

The Group's target for 2023 was that all business units should identify any high-risk suppliers in their supply chain and include requirements in 100 percent of their agreements with high-risk suppliers. In this context, requirements refer to the inclusion of Storskogen's Business Partner Code of Conduct or similar and, as a minimum, the Ten Principles of the UN Global Compact, as a standard element for new and existing supplier agreements.

Storskogen continues to work on investigating and understanding why not all business units that have identified high-risk suppliers have included the Business Partner Code of Conduct in their agreements. Storskogen is examining what obstacles the business units see to reaching 100 percent and continues to work to reach the target.

ADDITIONAL DISCLOSURES

As this is a new disclosure that was introduced in 2023, no comparative figures are available. A high-risk supplier is a supplier operating in risky sectors or regions where there is a significant risk of impact on human rights or the environment. Key risk indicators include weak governance and high corruption. Storskogen has developed an automated tool to help companies assess their suppliers.

NOTE H11 MANAGEMENT SYSTEMS

STORSKOGEN'S BUSINESS UNITS

Number of business units with management systems. Number within brackets.

Industry	2023	Of which, previously owned	Of which, new acquisitions	2022	Of which, previously owned	Of which, new acquisitions	2021	2020
ISO 9001 (or equivalent)	80% (31)	79% (30)	100% (1)	76% (29)	79% (22)	70% (7)	75% (21)	63% (10)
ISO 14001 (or equivalent)	69% (27)	68% (26)	100% (1)	66% (25)	75% (21)	40% (4)	68% (19)	56% (9)
ISO 45001 (or equivalent)	15% (6)	15% (6)	0% (0)	13% (5)	11% (4)	10% (1)	13% (4)	0% (0)

Trade	2023	2022	2021	2020
ISO 9001 (or equivalent)	12% (4)	11% (4)	12% (3)	0% (0)
ISO 14001 (or equivalent)	12% (4)	5% (2)	4% (1)	0% (0)
ISO 45001 (or equivalent)	0% (0)	0% (0)	0% (0)	0% (0)

Services	2023	2022	2021	2020
ISO 9001 (or equivalent)	47% (27)	44% (27)	37% (18)	50% (13)
ISO 14001 (or equivalent)	44% (25)	41% (25)	33% (16)	48% (13)
ISO 45001 (or equivalent)	23% (13)	25% (15)	18% (9)	19% (5)

COMMENTS ON THE OUTCOME

The Industry business area strives for its business units to be certified according to ISO 9001 or ISO 14001 or equivalent. We note that ISO certifications are more common in the Swedish companies, where nearly all companies have certifications, whereas the German, Swiss, Danish and UK companies do not yet have ISO certifications to the same extent.

Of the business units in Industry that were owned by Storskogen in 2022, additional business units were certified after 2023 (one additional business unit is now ISO 9001 certified and another is now ISO 14001 certified).

ADDITIONAL DISCLOSURES

Proportion of companies with management systems that were certified according to ISO or equivalent as of 31 December 2023. If at least one subsidiary of a business unit was certified, the whole business unit was regarded as certified according to the current accounting policies.

NOTE H12 TAXONOMY

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023

Financial year 2023				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	**Code (a) (2)**	**Turnover (3)**	**Proportion of turnover, year 2023 (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular economy (9)**	**Biodiversity (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Biodiversity (16)**	**Minimum safeguards (17)**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2022 (18)**	**Category enabling activity (19)**	**Category transitional activity (20)**
		SEK m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Operation of personal mobility devices, cycle logistics	CCM 6.4	328	0.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	Y	–	Y	1.0%	–	–
Freight transport services by road	CCM 6.6	1	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	–	Y	Y	–	Y	0.0%	–	–
Infrastructure for personal mobility, cycle logistics	CCM 6.13	35	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	0.1%	E	–
Infrastructure for rail transport	CCM 6.14	263	0.7%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	0.7%	E	–
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	210	0.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	Y	–	–	Y	0.6%	E	–
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	20	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0.1%	E	–
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	88	0.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0.3%	E	–
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	50	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0.2%	E	–
Professional services related to energy performance of buildings	CCM 9.3	8	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0.1%	E	–
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1,003**	**2.8%**	**2.8%**	**–**	**–**	**–**	**–**	**–**	**–**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**3.2%**		
Of which enabling		673	1.9%	1.9%	–	–	–	–	–	Y	Y	Y	Y	Y	Y	Y		E	
Of which transitional		0	0%	0%						–	–	–	–	–	–	–			–

Note H12 Taxonomy, cont.

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023, cont.

Financial year 2023				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (a) (2)	Turnover (3)	Proportion of turnover, year 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		SEK m	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL								%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Demolition and wrecking of buildings and other structures	CE 3.3	202	0.6%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								–		
Maintenance of roads and motorways	CE 3.4	23	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								–		
Repair, refurbishment and remanufacturing	CE 5.1	228	0.6%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								–		
Sale of spare parts	CE 5.2	164	0.5%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								–		
Freight transport services by road	CCM 6.6	58	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Infrastructure for personal mobility, cycle logistics	CCM 6.13	4	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
Renovation of existing buildings	CCM 7.2	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Data processing, hosting	CCM 8.1	11	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Professional services related to energy performance of buildings	CCM 9.3	8	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**698**	**1.9%**	**0.2%**	**–**	**–**	**–**	**1.7%**	**–**								**0.8%**		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**1,701**	**4.7%**	**3.0%**	**–**	**–**	**–**	**1.7%**	**–**								**4.0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		34,305	**95.3%**																
Total		36,006	**100%**																

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible p er objective
CCM	3%	3%
CE	–	2%

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Note H12 Taxonomy, cont.

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023

Financial year 2023				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)	Category (enabling activity) (19)	Category transitional activity (20)
		SEK m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Operation of personal mobility devices, cycle logistics	CCM 6.4	13	0.7%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	Y	–	Y	0.1%	–	–
Freight transport services by road	CCM 6.6	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	–	Y	Y	–	Y	0.0%	–	–
Infrastructure for personal mobility, cycle logistics	CCM 6.13	3	0.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	0.0%	E	–
Infrastructure for rail transport	CCM 6.14	10	0.5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	0.1%	E	–
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	1	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	Y	–	–	Y	0.1%	E	–
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0.0%	E	–
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0.0%	E	–
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0.0%	E	–
Professional services related to energy performance of buildings	CCM 9.3	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0.3%	E	–
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**28**	**1.5%**	**1.5%**	**–**	**–**	**–**	**–**	**–**	**–**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.7%**		
Of which enabling		15	0.8%	0.8%	–	–	–	–	–	Y	Y	Y	Y	Y	Y	Y		E	
Of which transitional		0	0.0%	0.0%						–	–	–	–	–	–	–			–

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Note H12 Taxonomy, cont.

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023, cont.

Financial year 2023				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year 2022 (18)	Category (enabling activity) (19)	Category transitional activity (20)
		SEK m	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL								%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Demolition and wrecking of buildings and other structures	CE 3.3	16	0.9%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								–		
Maintenance of roads and motorways	CE 3.4	1	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								–		
Repair, refurbishment and remanufacturing	CE 5.1	4	0.2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								–		
Sale of spare parts	CE 5.2	1	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								–		
Freight transport services by road	CCM 6.6	6	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.7%		
Infrastructure for personal mobility, cycle logistics	CCM 6.13	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
Renovation of existing buildings	CCM 7.2	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Data processing, hosting	CCM 8.1	7	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Professional services related to energy performance of buildings	CCM 9.3	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**35**	**1.9%**	**0.7%**	**–**	**–**	**–**	**1.2%**	**–**								**1.7%**		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		**63**	**3.4%**	**2.2%**	**–**	**–**	**–**	**1.2%**	**–**								**2.4%**		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES		
CapEx of Taxonomy-non-eligible activities (B)	1,804	**96.6%**
Total (A + B)	1,867	**100%**

1) The Skaraslätten business unit is taxonomy-eligible, but as the eligible turnover is intra-Group (within the business unit), we cannot include it. Consequently, its CapEx and OpEx cannot be included, either. The Company is one of the highest Co_2e emitters in the Group but makes major investments to transition, which is aligned with the purpose of the taxonomy. The ambition is to become fossil-free by 2030. As the treatment of turnover, CapEx and OpEx is merely a result of the legal organisation of the business unit, we want to show the impact they would have had if they were included in the taxonomy calculation. The total amount of aligned would increase overall in the Group to 2.3 percent.

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	1%	2%
CE	–	1%

Note H12 Taxonomy, cont.

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023

Financial year 2023				**Substantial contribution criteria**						**DNSH criteria ('Does Not Significantly Harm')**									
Economic activities (1)	**Code (a) (2)**	**OpEx (3)**	**Proportion of OpEx, year 2023 (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular economy (9)**	**Biodiversity (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular economy (15)**	**Biodiversity (16)**	**Minimum safeguards (17)**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year 2022 (18)**	**Category (enabling activity) (19)**	**Category transitional activity (20)**
		SEK m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Operation of personal mobility devices, cycle logistics	CCM 6.4	0	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	Y	–	Y	0.0%	–	–
Freight transport services by road	CCM 6.6	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL		Y	–	Y	Y	–	Y	0.0%	–	–
Infrastructure for personal mobility, cycle logistics	CCM 6.13	1	0.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	0.0%	E	–
Infrastructure for rail transport	CCM 6.14	10	3.5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	2.9%	E	–
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	1	0.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	Y	–	–	Y	0.2%	E	–
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0.0%	E	–
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0.1%	E	–
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0.1%	E	–
Professional services related to energy performance of buildings	CCM 9.3	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	–	–	–	Y	0.0%	E	–
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**12**	**4.3%**	**4.3%**	**–**	**–**	**–**	**–**	**–**	**–**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**3.4%**		
Of which enabling		12	4.2%	4.2%	–	–	–	–	–	Y	Y	Y	Y	Y	Y	Y		E	
Of which transitional		0	0.0%	0.0%						–	–	–	–	–	–	–			–

Note H12 Taxonomy, cont.

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023, cont.

Financial year 2023				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2022 (18)	Category (enabling activity) (19)	Category transitional activity (20)
		SEK m	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL								%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Demolition and wrecking of buildings and other structures	CE 3.3	5	1.8%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								–		
Maintenance of roads and motorways	CE 3.4	0	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								–		
Repair, refurbishment and remanufacturing	CE 5.1	0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								–		
Sale of spare parts	CE 5.2	0	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								–		
Freight transport services by road	CCM 6.6	2	0.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.2%		
Infrastructure for personal mobility, cycle logistics	CCM 6.13	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
Renovation of existing buildings	CCM 7.2	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Data processing, hosting	CCM 8.1	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Professional services related to energy performance of buildings	CCM 9.3	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								–		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**8**	**2.7%**	**0.7%**	**–**	**–**	**–**	**2.0%**	**–**								**1.2%**		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**20**	**7.0%**	**5.0%**	**–**	**–**	**–**	**2.0%**	**–**								**4.6%**		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES		
OpEx of Taxonomy-non-eligible activities (B)	265	**93.0%**
Total (A + B)	285	**100%**

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	4%	5%
CE	–	2%

Note H12 Taxonomy, cont.

NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO

ACCOUNTING POLICIES, TAXONOMY

Below are the policies applied by Storskogen in the reporting according to the taxonomy.

KPI TURNOVER

Total turnover (the denominator) corresponds to the Group's total sales according to IFRS, see the line item net sales in the income statement on p. 69.

Eligible turnover is obtained by calculating the portion of total turnover generated by the eligible activities identified by Storskogen (see the section Taxonomy reporting), i.e. the numerator, and dividing it by the denominator. Aligned turnover (the numerator) is reported as a proportion of total turnover.

Revenue was mainly allocated to the eligible activities by way of careful estimates and assessments.

KPI CAPITAL EXPENDITURE (CAPEX)

CapEx, as defined in the taxonomy and identified by Storskogen (the denominator), includes investments in property, plant and equipment and intangible assets excluding goodwill (see the line item investments in Notes 14–15 on p. 101–103), additions from business combinations excluding goodwill (see the line item business combinations in Notes 14–15 on p. 101–103) and additional right-of-use assets (see the line item new leases in Note 28 on p. 117).

Eligible CapEx (the numerator) includes investments that support the business in the identified eligible economic activities. Total eligible CapEx was calculated on the following basis: Direct allocation to an activity was used when an investment had been acquired and used exclusively for the specific activity. Expenses attributable to common assets were allocated based on turnover (per activity) as the distribution key, where it constitutes the best judgement. Where turnover has not been deemed to constitute a suitable allocation key, another method has been used. Surplus values, including other additions to property, plant and equipment and intangible assets from business combinations, were allocated to the numerator based on turnover as the distribution key. Aligned CapEx (the numerator) was calculated in relation to total CapEx.

There are no CapEx plans in accordance with category B at present. According to the taxonomy, CapEx that do not support eligible activities but relate to the purchase of output from taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or lead to greenhouse gas reductions are also eligible (category C). Storskogen does not believe it is possible at present to obtain the information required to report this.

KPI OPERATING EXPENDITURE (OPEX)

OpEx, as defined in the taxonomy and identified by Storskogen (the denominator), includes direct costs that relate to (non-capitalised) research and development, building renovation measures, short-term leases, maintenance and repair of property, plant and equipment and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the company or a third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. Examples of this may include service agreements or the cost of electricity or diesel in connection with repairs (if they can be separated and identified).

Eligible OpEx (the numerator) are those of the above costs that relate to assets or processes that are associated with Storskogen's identified eligible economic activities. Eligible OpEx was calculated through an allocation to the activities through the use of a distribution key (turnover), which is in line with the allocation of CapEx. Aligned OpEx (the numerator) was calculated in relation to total OpEx.

As there are no CapEx plans according to category B, there is also no OpEx associated with such plans. According to the taxonomy, OpEx that do not support eligible activities but relate to the purchase of output from taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or lead to greenhouse gas reductions, as well as individual building renovation measures, are also eligible (category C). Storskogen does not believe it is possible at present to obtain the information required to report this.

OTHER INFORMATION

There is no risk of double counting because the allocation of turnover, CapEx and OpEx takes place per activity and the activities themselves are only mapped to one environmental goal each. The accounting principles for the taxonomy follows the accounting principles for the sustainability report. This means that companies divested during the year, after 31 October, is included in this year's climate reporting according to the group's accounting principles. Divestments that took place no later than 31 October are not included in this year's sustainability report.

FUTURE DEVELOPMENT AND APPLICATION OF THE TAXONOMY

As internal processes improve and there is more guidance and advice on how to interpret the Regulation, total CapEx and OpEx and the proportions of CapEx and OpEx that are taxonomy-eligible and taxonomy-aligned may be adjusted. Given the large number of companies that the Group owns and the large number of companies that are taxonomy-eligible, within several activities, there are challenges regarding how to collect and allocate turnover, CapEx and OpEx to the various activities in a reliable manner. Storskogen's work on improving processes and routines for reporting continues.

NOTE H13 CONTACTS

For additional information on Storskogen's sustainability initiatives and reporting, contact Amelie Nordin, Head of Sustainability. Contact details are provided on Storskogen's website.

NOTE H14 GRI INDEX

Statement of use Storskogen has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.
GRI 1 used GRI 1: Foundation 2021
Applicable GRI Sector Standard(s) No sector standard is available at present.

GRI standard	Disclosure	Name of disclosure	Page	Omission
GENERAL DISCLOSURES				
The organisation and its reporting practices				
GRI 2 2021	2-1	Organisational details	4, 127	
	2-2	Entities included in the organisation's sustainability reporting	137	
	2-3	Reporting period, frequency and contact point	137, 157, 163	
	2-4	Restatements of information	137	
	2-5	External assurance	50, 160	
Activities and workers				
GRI 2 2021	2-6	Activities, value chain and other business relationships	4, 9–13, 22, 24, 27, 30	
	2-7	Employees	145–146	
	2-8	Workers who are not employees	145–146	
Governance				
GRI 2 2021	2-9	Governance structure and composition	49–53, 148	
	2-10	Nomination and selection of the highest governance body	49–50	
	2-11	Chair of the highest governance body	53	
	2-12	Role of the highest governance body in overseeing the management of impacts	43, 50–51	
	2-13	Delegation of responsibility for managing impacts	43, 50-52	
	2-14	Role of the highest governance body in sustainability reporting	43, 50-51	
	2-15	Conflicts of interest	48, 51, 127	
	2-16	Communication of critical concerns	43–44, 149	
	2-17	Collective knowledge of the highest governance body	35–36	
	2-18	Evaluation of the performance of the highest governance body	50–51	
	2-19	Remuneration policies	49, 51-52 61–64	
	2-20	Process to determine remuneration	49, 51-52, 61–64	

GRI standard	Disclosure	Name of disclosure	Page	Omission
	2-21	Annual total compensation ratio	148	**Reason:** Information unavailable/incomplete. **Explanation:** The calculation is based on basic salary and does not include other remuneration. Storskogen will strive to develop this indicator next year.
Strategy, policies and practices				
GRI 2 2021	2-22	Statement on sustainable development strategy	6–7	
	2-23	Policy commitments	18–19, 35, 37–44, 46, 55	
	2-24	Embedding policy commitments	37–44, 46	
	2-25	Processes to remediate negative impacts	43–44	
	2-26	Mechanisms for seeking advice and raising concerns	43–44, 149	
	2-27	Compliance with laws and regulations	39, 43, 46	
	2-28	Membership associations	33	
Stakeholder engagement				
GRI 2 2021	2-29	Approach to stakeholder engagement	34	
	2-30	Collective bargaining agreements	18	
Material topics				
GRI 3 2021	3-1	Process to determine material topics	33–34	
	3-2	List of material topics	33	

GRI index, cont.

GRI standard	Disclosure	Name of disclosure	Page	Omission
SPECIFIC DISCLOSURES				
Focus area: Responsible business				
Material topic: Return and good corporate governance				
GRI 3 2021	3-3	Management of material topics	43–44	
Own indicator		Proportion of employees in the central organisation who has signed the Code of Conduct	36	
Material topic: Business ethics and Anti-Corruption				
GRI 3 2021	3-3	Management of material topics	43–44	
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	67	
	205-3	Confirmed incidents of corruption and actions taken	44, 149	
Material topic: Responsible supply chain				
GRI 3 2021	3-3	Management of material topics	44	
Own indicator		Proportion of companies in the Group who poses demands on their suppliers	150	
Focus area: Minimise environmental impact				
Material topic: Climate impact				
GRI 3 2021	3-3	Management of material topics	37	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	139, 141–142	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	139–141	
	305-2	Energy indirect (Scope 2) GHG emissions	139–141	
	305-3	Other indirect (Scope 3) GHG emissions	139	
	305-4	GHG emissions intensity	140	
Material topic: Environmental management				
GRI 3 2021	3-3	Management of material topics	39	
Own indicator		Proportion of companies with environmental management systems (ISO 14001 or equivalent)	150	
Focus area: A good employer and neighbour				
Material topic: Attracting and retaining employees				
GRI 3 2021	3-3	Management of material topics	18–19, 41–42	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	145–146	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	19	
GRI 404: Training and education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	18–19	

GRI standard	Disclosure	Name of disclosure	Page	Omission
Material topic: Health and safety				
GRI 3 2021	3-3	Management of material topics	42	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	42	
	403-2	Hazard identification, risk assessment, and incident investigation	42	
	403-3	Occupational health services	42	
	403-4	Worker participation, consultation and communication on occupational health and safety	42	
	403-5	Worker training on occupational health and safety	42	
	403-6	Promotion of worker health	18–19, 42	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	42	
Material topic: Equality and diversity				
GRI 3 2021	3-3	Management of material topics	41–42	
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	53–54, 148	
	405-2	Ratio of basic salary and remuneration of women to men	148	**Reason:** Information unavailable/incomplete. **Explanation:** It only includes basic salary and no other remuneration, and it is reported in total figures as not all information is available. We will strive to develop this indicator next year.
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	42	

Stockholm, 25 March 2024

Storskogen Group AB (publ)
Board of Directors

Auditor's report on the statutory sustainability statement

To the general meeting of the shareholders of Storskogen Group AB (publ), corporate identity number 559223-8694

Engagement and responsibility
It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2023 on pages 32-46 and 136-160 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit
Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability statement*. This means that our examination of the sustainability statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinion
A statutory sustainability statement has been prepared..

Stockholm, 25 March 2024

Ernst & Young AB

Åsa Lundvall
Authorised Public Accountant

CONTENTS

Storskogen's share

CONTENTS

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The share

From the first day of trading on 2 January to the last day of trading on 29 December 2023, the Storskogen share price rose by 24.4 percent to SEK 9.27. During the year, 1,333 million shares in total were traded on Nasdaq Stockholm, corresponding to a value of approximately SEK 12.1 billion. Storskogen had 37,638 shareholders at the end of 2023.

Share price performance and trading

From the first day of trading on 2 January 2023 to the last day of trading on 29 December 2023, Storskogen's share price rose by 24.4 percent. The Stockholm Stock Exchange (OMXSPI) rose by 15.5 percent during the same period. Between 2 January and 29 December, 1,333 million Storskogen shares in total were traded on Nasdaq Stockholm corresponding to a value of SEK 12.1 billion. On average, approximately 5.3 million shares were traded daily. The turnover rate for Storskogen's B shares on Nasdaq Stockholm was 88 percent between 2 January and 29 December 2023.

Ownership structure

On 29 December, Storskogen had 37,638 shareholders. The largest shareholder in terms of capital was AMF Pension & Fonder, which held 9.0 percent of the capital and 5.0 percent of the votes. The largest shareholder in terms of votes was Daniel Kaplan, who held 14.0 percent of the votes and 4.4 percent of the capital. The ten largest shareholders held 41.2 percent of the capital and 67.3 percent of the votes in Storskogen. The largest shareholder group consisted of Swedish private individuals, who held close to 38 percent of the capital and 66 percent of the votes at the end of 2023. The majority of shareholders were located in Sweden.

Data per share

Earnings per share before/after dilution (SEK)	0.47/0.46
Last closing price (SEK)	9.27
Lowest closing price (SEK)	6.15
Highest closing price (SEK)	13.12
Turnover rate, Nasdaq Stockholm (%)	88
Average daily turnover, Nasdaq Stockholm (thousand shares)	5,311
Share capital (SEK)	851,434
Quotient value[1] (SEK)	0.00051
Number of outstanding A shares	148,001,374
Number of outstanding B shares	1,521,476,679
Market capitalisation at year-end (SEK m)	15,469

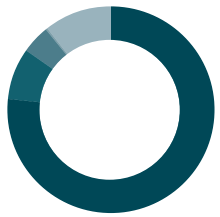
1) Of series A and B.

Largest shareholders	STOR A	STOR B	Capital	Votes
AMF Pension & Fonder		149,611,749	8.96%	4.98%
Daniel Kaplan with companies[1]	38,270,140	35,573,380	4.42%	13.94%
Futur Pension		73,507,469	4.40%	2.45%
Movestic Livförsäkring AB		70,389,813	4.22%	2.35%
Swedbank Robur Fonder		69,766,387	4.18%	2.32%
Alexander Murad Bjärgård	37,539,070	22,841,998	3.62%	13.27%
Ronnie Bergström with companies[2]	38,270,254	16,013,504	3.25%	13.28%
Vanguard		50,506,763	3.03%	1.68%
Peter Ahlgren	33,921,910	15,714,607	2.97%	11.83%
Philian (Karl-Johan Persson)		36,200,000	2.17%	1.21%
Total largest owners	**148,001,374**	**540,125,670**	**41.2%**	**67.3%**
Other	-	981,351,009	58.8%	32.7%
Total	**148,001,374**	**1,521,476,679**	**100.0%**	**100.0%**

Source: Monitor by Modular Finance AB

1) Including shares held by Firm Factory AB and Wombat Investments AB.
2) Including shares held by Ängsmon AB.

Ownership by geographical area

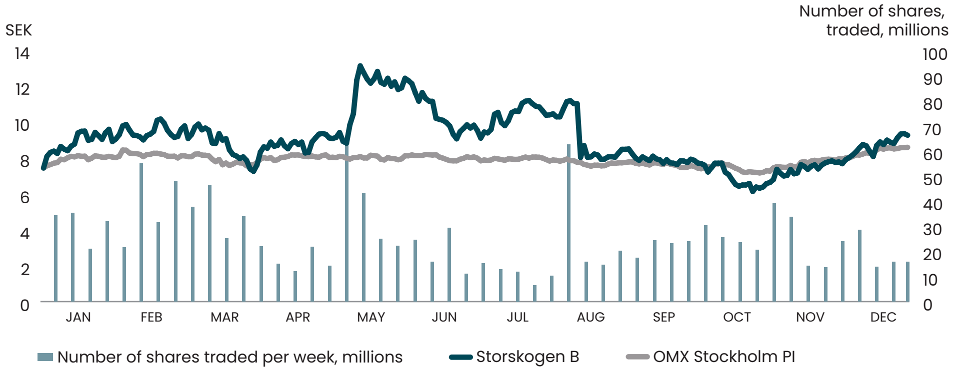


- Sweden, 76.8%
- USA, 8.1%
- Norway, 4.3%
- Switzerland, 0.3%
- Other, 10.5% (including anonymous ownership)

Ownership by type of owner

- Swedish private individuals, 38.2%
- Swedish institutional owners, 28.7%
- Foreign institutional owners, 12.4%
- Other, 11.2%
- Anonymous ownership, 9.5%

Share price performance and turnover, 2023



Share capital development, 2023

		Number of shares			
Date	**Event**	**Change in number of A shares**	**Change in number of B shares**	**Number of A shares after event**	**Number of B shares after event**
Opening balance, 1 Jan 2023		-	-	**148,001,374**	**1,515,762,394**
5 Jun 2023	Conversion of convertible		5,714,285	148,001,374	1,521,476,679
As at 31 Dec 2023				**148,001,374**	**1,521,476,679**

Share capital development

On 31 December 2023, the share capital in Storskogen was SEK 851,434. The share capital was divided into 148,001,374 A shares and 1,521,476,679 B shares. The quotient value was SEK 0.00051 per share.

Dividend policy

Storskogen's Board of Directors has adopted a dividend policy that states that dividends shall correspond to 0–20 percent of the annual profit. Holders of B and A shares are equally entitled to dividends. For the financial year 2023, a dividend of SEK 0.09 per share has been proposed. The proposed dividend corresponds to approximately SEK 150 million and 15.9 percent of the total profit for the Group in 2023.

Analysts

For information on analysts who cover Storskogen, please visit www.storskogen.com.

Investor contact

If you have queries about Storskogen or wish to receive investor information, please contact ir@storskogen.com.

2024 Annual General Meeting

The Annual General Meeting of Storskogen Group will be held on 8 May 2024 at 10:00. Information on how to register and sign up, on how shareholders can exercise their voting rights or have a matter dealt with at the Annual General Meeting and on proxies and assistants is provided in the notice of the Annual General Meeting. Information is also available on Storskogen's website, storskogen.com.

Dividends

The Board and CEO propose a dividend for 2023 of SEK 0.09 per share, corresponding to SEK 150 million. The proposed record date is 13 May and the payment will be made through Euroclear on 16 May, provided that the resolution is passed by the Annual General Meeting.

Financial calendar

4 April 2024	Annual Report 2023
7 May 2024	Interim report Q1 2024
8 May 2024	Annual General Meeting 2024
15 August 2024	Interim report Q2 2024
7 November 2024	Interim report Q3 2024

Glossary

Organisation

Central organisation
Storskogen's central operations in Sweden, Norway, Denmark, Germany, Switzerland, Singapore and the United Kingdom.

Business area
Storskogen's three business areas are Services, Trade and Industry.

Vertical
Storskogen has 14 underlying verticals in the business areas Services (7), Trade (4) and Industry (3). The verticals are specialised in various industries and operations in each business area. An vertical is a component of the Group that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available.

Business units
Storskogen's companies, including their subsidiaries, constitute business units. Storskogen has chosen to highlight business units rather than individual companies or legal entities, as it reflects the level in the organisation where Storskogen supports these companies through board level representation.

Operating segments
Accounting term used to describe Storskogen's business areas (used only in financial statements and notes).

Knowledge Exchange (KX)
Storskogen's platform for collaboration and knowledge sharing between business units.

ESG

Global Reporting Initiative (GRI)
Sustainability reporting standards based on the impacts of organisations on the economy, people and the environment. Also referred to as "impact materiality".

Greenhouse Gas Protocol (GHG)
International standards used to calculate and report on operations' climate impact in the form of direct and indirect greenhouse gas emissions, divided into three categories (Scopes 1–3).

Paris Agreement
A global climate agreement that aims to limit global warming by reducing greenhouse gas emissions.

Science Based Targets initiative (SBTi)
A framework providing guidance to companies on how to achieve future-proof growth by specifying the amount by which and how fast they need to reduce their carbon dioxide emissions to meet the targets in the Paris Agreement.

CO_2e, carbon dioxide equivalents
An amount of a specific greenhouse gas expressed as the amount of carbon dioxide that has the same greenhouse effect.

ISO 9001/14001
Internationally accepted standards. ISO 9001 includes aspects of quality management, while ISO 14001 includes aspects of environmental management.

Task Force on Climate-Related Financial Disclosures (TCFD)
A framework that helps organisations survey and mitigate climate-related financial risks.

UN Global Compact
The United Nation's international principles on human rights, labour, environment and Anti-Corruption, aimed at companies. The principles are based on the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration and the United Nations Convention against Corruption.

2030 Agenda for Sustainable Development
Action plan with targets for the transition to a sustainable society for people, planet and prosperity. It is centred around the UN's 17 Sustainable Development Goals (SDGs).

Additional information

Information on Storskogen is available on the website: storskogen.com

Annual reports, interim reports and other relevant information for shareholders is available on: https://www.storskogen.com/investors/investor-information/

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