Long-term and active ownership

storskogen

ANNUAL AND SUSTAINABILITY REPORT 2024


WORK
HARD


ARAT Group, Sweden

CONTENTS

The annual accounts and consolidated accounts can be found on pp. 59–128.
The statutory sustainability statement can be found on pp. 23-48 and 136–159.
The Sustainability Report pursuant to GRI is summarised in the GRI index on pp. 157–158.
The official version of the Annual and Sustainability Report was prepared in Swedish in the European Single Electronic Format (ESEF).
This report is also published in Swedish. In case of discrepancies between the Swedish and English versions, the Swedish version shall prevail.
The Annual Report is submitted by the Board of Directors of Storskogen Group AB (publ), corporate identity number 559223-8694.
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About Storskogen

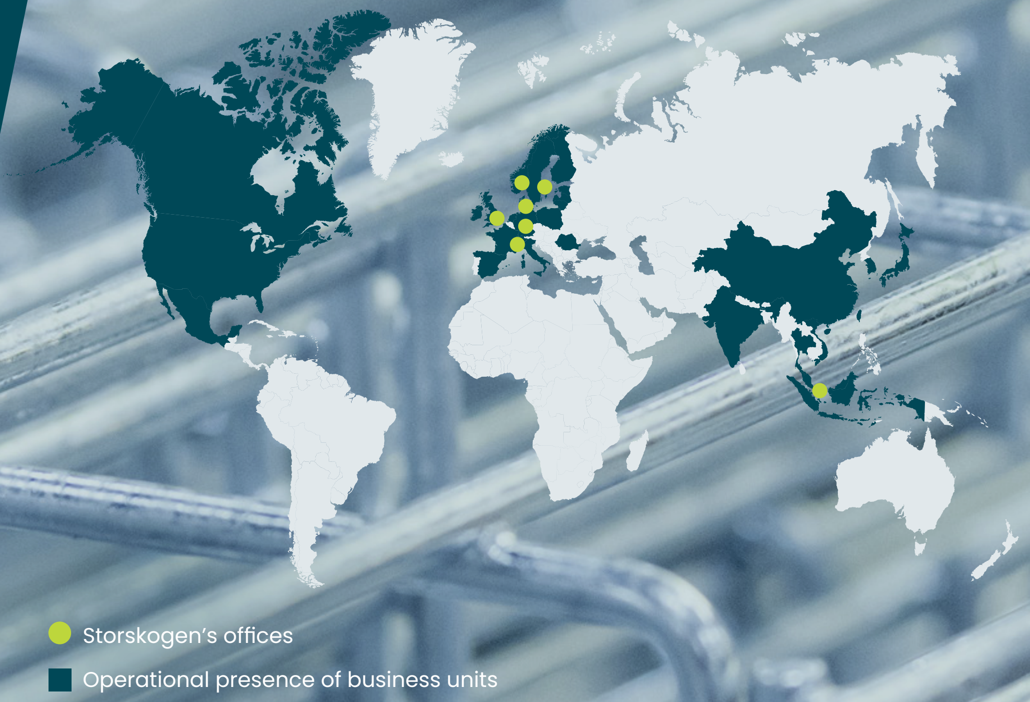
Storskogen is an international group of businesses across Trade, Industry and Services. With a long-term ownership horizon, Storskogen acquires and develops leading small and medium-sized businesses across selected industries.

3
business areas

10,807
employees

34,182
SEK m in net sales in 2024

3,229
SEK m in adjusted EBITA in 2024



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The year in brief

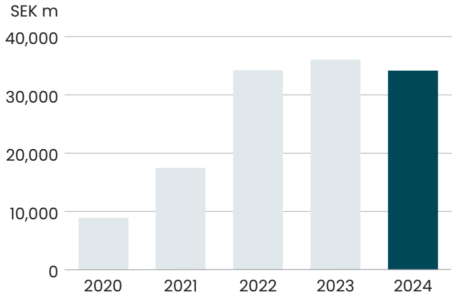
Significant events in 2024

- Net sales decreased by 5 percent to SEK 34,182 million (36,006). Organic sales growth was 0 percent.
- Adjusted EBITA was SEK 3,229 million (3,238), corresponding to an adjusted EBITA margin of 9.4 percent (9.0). Organic EBITA growth was -3 percent.
- Profit for the period decreased to SEK 116 million (944), including items affecting comparability of SEK -1,019 million (11)[1].
- Basic earnings per share amounted to SEK -0.03 (0.47). Diluted earnings per share amounted to SEK -0.03 (0.46). Adjusted diluted earnings per share amounted to SEK 0.57 (0.46).
- Cash flow from operating activities was SEK 3,098 million (3,361).
- Five add-on acquisitions were completed with combined annual sales of SEK 27 million.
- Eleven divestments were completed, with combined annual sales of SEK 2,024 million.
- Storskogen set new climate targets, including Scope 3, and established a transition plan to achieve them.
- Storskogen published a TCFD Report and a Climate Report, available on Storskogen's website.
- The Board of Directors proposes a dividend of SEK 0.10 per share (0.09).

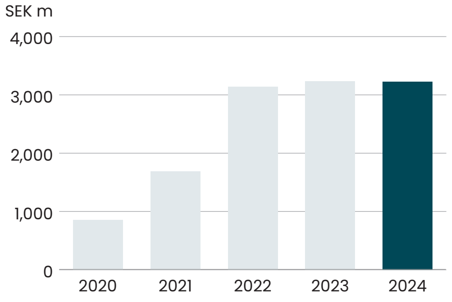
Key performance indicators

SEK m	2024	2023	2022
Net sales	34,182	36,006	34,250
Adjusted EBITA	3,229	3,238	3,143
Adjusted EBITA margin, %	9.4	9.0	9.2
Basic earnings per share, SEK	-0.03	0.47	0.86
Diluted earnings per share, SEK	-0.03	0.46	0.86
Cash flow from operating activities	3,098	3,361	1,628
Interest-bearing net debt/adjusted RTM EBITDA, x	2.3	2.5	2.6
Return on capital employed, %	4.7	7.4	8.6
Adjusted cash conversion, %	97	104	59

Net sales



Adjusted EBITA



Distribution of net sales by business area[2]

1) For more information about items affecting comparability, see p. 134.

2) The total figure includes SEK -64 million for Group functions.

A strategy for growth

During the year, Storskogen intensified its focus on organic profit growth and financial stability. The combination of our strategic review and successful operational initiatives within the business group creates a solid foundation for future growth.

In 2024, we continued to navigate many of the global challenges that also characterised 2023. Inflation, subdued consumer demand, geopolitical concerns and continued high interest rates challenged many of our business units.

As a result, a sharpened focus on organic profit growth, financial stability and strong cash flows has defined the year. This required taking several necessary measures, including the divestment of underperforming business units and a determined effort to streamline operations.

The business units have successfully adapted their operations through initiatives that enhanced profitability. Our financial results over the past year, with sales of SEK 34,182 million, adjusted EBITA of SEK 3,229 million and an adjusted EBITA margin of 9.4 percent, demonstrate that we are taking steps in the right direction.

The initiatives for operational excellence that were implemented in the business units provide us with a strong starting point for solid development as market sentiment and demand improve. Additionally, we are well on our way to creating conditions for a return to acquisition-driven growth.

Strategic review

During the year we reviewed our strategic direction. The core elements of the Storskogen model – diversification, decentralisation, active ownership and a long-term perspective – remain unchanged. However, we have learned from past experiences.

During our accelerated growth phase in 2021–2022, our focus was on broadening our geographic presence and achieving balance across our business areas. While this expansion created a larger platform, experiences from this period have underscored the importance of maintaining a healthy balance between organic and acquired growth, carefully managing leverage and better considering the business group's exposure to end-markets. Going forward, we will primarily focus on companies in less cyclical industries. Geographically, our acquisition efforts will be directed towards markets where we already have a presence, except for Sweden which accounts for about half of our sales. We will also aim for a consistent pace of acquired growth over business cycles, enabled by a more balanced leverage ratio.

While acquisitions of large business units or portfolios of businesses can add scale, they often come at higher valuations and complexity. Our sweet spot will therefore be well-managed businesses with an EBITA in the SEK 20–50 million range.

New financial targets
Another key outcome of our strategic review is Storskogen's new financial targets for the period 2025 to 2027. These targets reflect both the resilience of our business model and our focus on achieving sustainable and profitable growth. Our new financial targets include an average annual EBITA growth rate of 15 percent, consisting of both organic and acquired growth. We also seek to maintain a margin exceeding ten percent over a twelve-month period (LTM). Through several initiatives over the past two years, our margin has strengthened. Continued operational efforts and acquisitions are expected to contribute to further margin expansion, forming the basis for our increased ambitions. Our strategic review also resulted in new climate targets aimed at preparing our companies for the transition to a fossil-free future and strengthening Storskogen's long-term competitiveness.

Balanced capital allocation and clear investment priorities remain central to our strategy. Ensuring the strong development of our existing businesses is essential for driving organic profit growth. Once we reach a satisfactory leverage ratio and see an improved market environment, we will gradually reintroduce acquisition-driven growth. Our acquisition efforts will focus on well-managed small and medium-sized companies aligned with the strategic themes presented at our Capital Markets Day in November, including automation and digitalisation.

A committed team
A highlight of the year has been witnessing the dedication, energy and innovative contributions from both our business unit teams and Storskogen's central organisation. During my visits to business units across our various business areas and geographies, I have personally seen the entrepreneurial spirit, professional pride and adaptability that define Storskogen. These teams have secured important deals and strengthened their profitability, but some have also had to navigate challenging market conditions by implementing cost-saving measures. Collectively, they have prepared us well for the future and demonstrated the strength of our decentralised model.

In the near term, operational initiatives will continue to be front and centre – refined product offerings, optimised pricing, improved digital capabilities and enhanced sustainability performance. In time, we will draw on our solid financial position and our ability to generate cash flows to resume our acquisition agenda, with a focus on sustainable profit growth. I look forward to taking a joint step into the next phase of Storskogen in 2025, with confidence that the strength of our model and the quality of our business group provide ample conditions for Storskogen's success.

Christer Hansson,
CEO

"In time, we will draw on our solid financial position and our ability to generate cash flows to resume our acquisition agenda, with a focus on sustainable profit growth."

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 resilience and profitable growth.

1. Opportunity

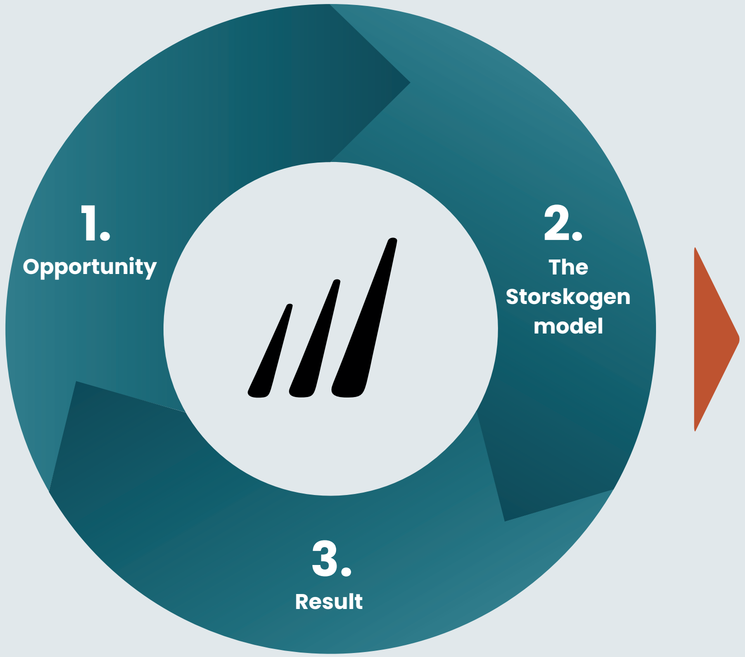
- **Evergreen opportunity** to acquire profitable companies with proven business models in select industries.
- **Attractive return potential** driven by lower valuation of small and medium-sized businesses.
- **Value-creation opportunities** through professional-isation, business development and synergies.

2. The Storskogen model

- **Long-term perspective and stability** ensure com-panies' future competitiveness.
- **Decentralisation** promotes entrepreneurship.
- **Active ownership** enables businesses to realise their full potential.
- **Diversification** is central to spread risks and take advantage of opportunities.

3. Result

- **Profitable growth** is generated by reinvesting cash flows into both new acquisitions and organic growth initiatives.
- Geographic and industry diversification creates **resilience** over business cycles.



Value creation

- **Shareholders**
  Exposure to 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 benefits local society.

The opportunity to own small and medium-sized businesses

Storskogen was founded on the principle of being a next-generation owner of stable small and medium-sized businesses. Returns generated from the business group are reinvested for continued profitable growth.

Evergreen opportunity
Entrepreneurial businesses are the backbone of local communities and the global economy by creating growth and employment opportunities. Many successful small and medium-sized companies with proven business models eventually require a long-term owner to secure their competitiveness and to realise their full potential. Storskogen aims to bridge this gap.

The market for acquiring and developing such businesses represents an evergreen opportunity. In Europe alone, there are an estimated 230,000 businesses with between 50 and 250 employees and less than EUR 50 million in sales, with many more globally.

Attractive return potential
Small and medium-sized businesses are typically valued lower than large companies due to risks such as increased sensitivity to market changes and a higher dependency on a few key individuals, suppliers or customers. Even well-managed companies with proven business models can struggle to attract buyers, especially if they are located far away from potential buyers. These factors create favourable conditions for Storskogen, making them an attractive and scalable investment opportunity.

Value-creation opportunities
Small and medium-sized businesses often have untapped potential that can be unlocked by joining a larger group like Storskogen. Areas that are commonly challenging for smaller companies include digitalisation, internationalisation, talent recruitment and sustainability requirements. By providing access to capital, expertise and knowledge sharing, Storskogen supports its business units in improving operational efficiency, driving growth and realising their full potential.

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The Storskogen model

Storskogen's model is built on decentralised, long-term and active ownership, enabling business units to retain their entrepreneurial spirit while benefiting from the support and scale of a larger, diversified business group.

Long-term perspective and stability
When small and medium-sized companies reach a stage where new ownership is essential to ensure future competitiveness, sellers typically look for buyers who share their vision for the company's future. Key concerns for sellers include the continued development of the business and the well-being of its employees. This aligns with Storskogen's business model, which aims to create long-term growth and stability for its companies.

Decentralisation, entrepreneurship, scalability
Decentralisation is fundamental to achieving scalability, and Storskogen encourages independence and an entrepreneurial mindset. This ensures that the businesses, which are closest to their customers, suppliers and markets, can manage day-to-day operations efficiently and seize growth opportunities.

Active ownership
Storskogen's central organisation provides strategic and operational support in areas such as investment decisions, succession planning, sustainability initiatives and corporate governance. Support is provided through board work and supplemented with monthly follow-up and other activities tailored to the needs of the business units. A key part of this process is Storskogen's common framework for financial governance, which ensures reliable financial reporting.

Storskogen's network of business units enables both internal and external synergies. Internal synergies include business transactions between companies and the use of shared resources. Examples of external synergies include framework agreements to optimise procurement processes and purchasing.

Storskogen Knowledge Exchange, KX, is a shared digital platform for the Group, offering an extensive document repository, webinars and streamlined communication channels. Through KX and other initiatives such as events, discussion forums and networking activities, collaboration and knowledge exchange between companies are promoted.

Diversification
A central aspect of the Storskogen model is diversification, both to mitigate risks and to seize opportunities for developing the business group through investments in areas with the best expected returns. Diversification is achieved by operating across different geographies and business sectors, providing exposure to various trends, drivers and economic cycles. Storskogen considers diversification in all investment decisions – whether through organic initiatives or acquisitions.

Stable growth and resilience

Storskogen's strategy for owning and developing its business units is designed to generate profitable growth and resilience. Cash flows are reinvested to create long-term value for stakeholders through balanced capital allocation and clear investment priorities.

Profitable growth
Within Storskogen's business areas, conditions for increased profitability are created through operational improvements, synergies, collaboration and other network effects. The generated cash flows are reinvested in both new acquisitions and organic growth initiatives, creating a cycle of growth and profitability.

Resilience
Beyond profitable growth, Storskogen aims to build a resilient business group with stable and consistent financial development through economic cycles. Historically, the business units have demonstrated solid performance even during downturns, a result of the geographical and operational diversification described in the previous section.

Capital allocation
Storskogen follows a clear capital allocation strategy, investing cash flows in areas expected to deliver the best potential long-term returns.

Investments focus on either organic expansion within the existing business group or growth through acquisitions. Acquired growth is divided into two main types: platform acquisitions, which create standalone business units, and add-on acquisitions, where an existing business unit acquires a company for strategic reasons, such as achieving economies of scale or expanding its offerings, expertise or geographical presence.

Capital allocation for both organic initiatives and acquisitions is based on five investment themes:

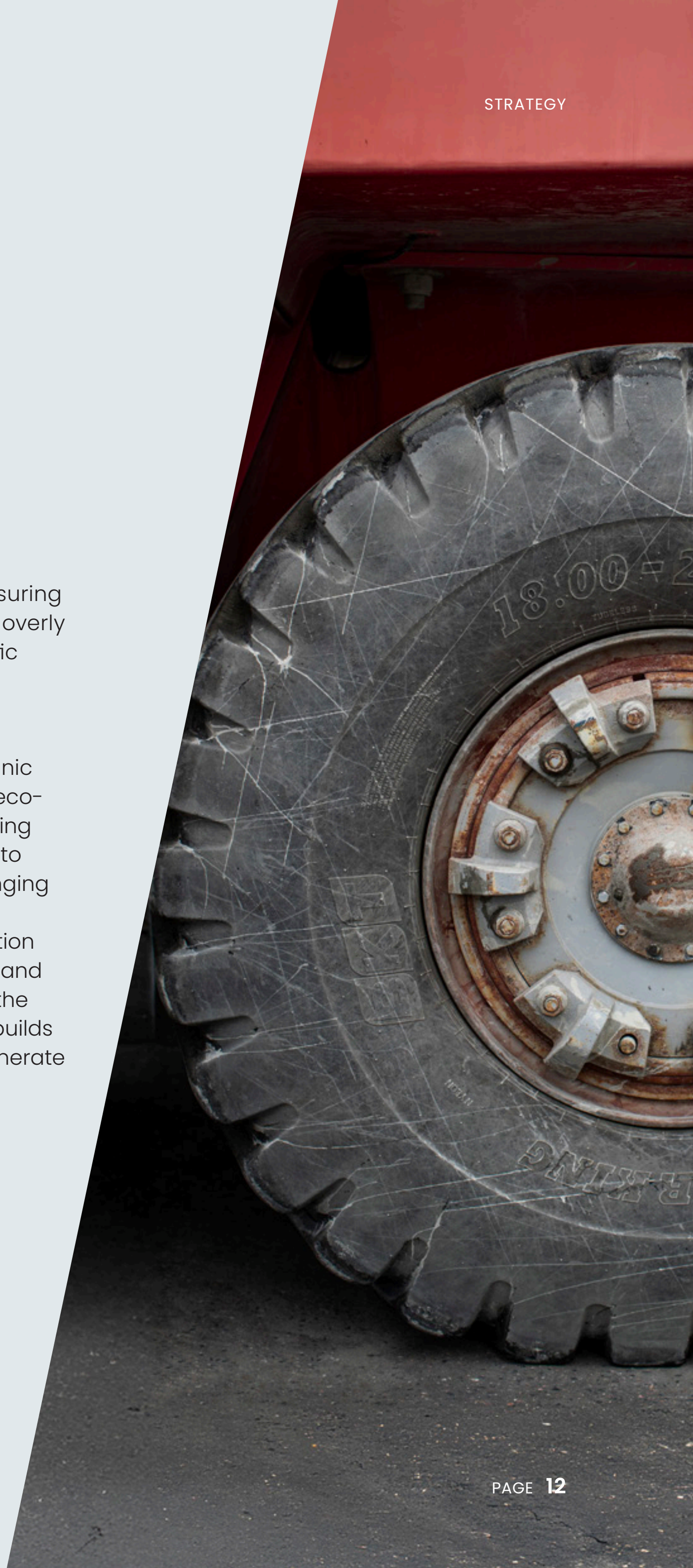
- Health and well-being
- Automation
- Energy and sustainability
- Digitalisation
- Infrastructure

These themes already characterise a significant part of the existing business group and have strong growth potential, supported by a number of long-term macro trends.

Investment decisions also consider exposure to different end markets, ensuring that the three business areas are not overly dependent on demand from a specific customer segment or industry.

Balanced expansion
Storskogen aims to achieve both organic and acquired growth throughout the economic cycles. To enable this, maintaining a balanced leverage ratio is essential to ensure financial flexibility even in changing market conditions.

By combining a clear capital allocation strategy, focused investment themes, and financial stability, Storskogen creates the foundation for profitable growth and builds a resilient business group that can generate long-term value for all stakeholders.



Targets and target fulfilment

With a sharpened focus on organic profit growth and a slightly improved market sentiment, Storskogen achieved its targets for adjusted cash conversion, adjusted EBITA growth and interest-bearing net debt/ adjusted RTM EBITDA during the year.

Storskogen's adjusted EBITA for 2024 was in line with the previous year, positively impacted by strategic divestments of unprofitable companies. Storskogen has maintained its focus on cash flow and reducing its interest-bearing debt while also prioritising organic profit growth. Organic EBITA growth was -3 percent and strengthened sequentially throughout the year as operational efforts took effect and market sentiment improved slightly. This level is somewhat below the target of aligning with real GDP growth in Storskogen's markets plus 1–2 percentage points.

Continued subdued demand in certain segments, primarily related to the consumer and construction sectors, had some impact on growth and EBITA margin. However, Storskogen's efforts to improve margins were effective, resulting in a margin of 9.4 percent for the full year. These initiatives are expected to further strengthen the margin as demand recovers, which serves as the foundation for increasing the margin target to over 10 percent (LTM) from 2025.

The business areas' focus on strong cash flow resulted in an adjusted cash conversion of 97 percent for 2024, exceeding the target of 70 percent.

Interest-bearing net debt/adjusted RTM EBITDA was reduced to 2.3x at the end of the year from 2.5x the previous year, which is within the target range of 2–3x. This improvement was driven by continued debt reduction, enabled by strong cash flow, and that organic profit growth stabilised.

During the year, Storskogen established new financial targets for the period 2025 to 2027, as illustrated below.

For Storskogen's sustainability targets, see the Sustainability Report on p. 23.

Financial targets for 2024

	Adjusted EBITA margin (over time)	Adjusted cash conversion (LTM)[1]	Adjusted EBITA growth, including acquisitions	Organic EBITA growth[2]	Interest-bearing net debt/ adjusted RTM EBITDA[4]
Targets	10%	>70%	In line with historical levels	Real GDP growth[3] +1–2 percentage points	2.0–3.0x
Outcome	9.4%	97%	0%	–3%	2.3x

Financial targets for the period from 2025–2027

	Adjusted EBITA margin (LTM)[5]	Adjusted cash conversion (LTM)[1]	Adjusted EBITA growth (CAGR)	Interest-bearing net debt/ adjusted RTM EBITDA[4]
Targets	>10%	>70%	15%	2.0–3.0x

1) Calculated as operating cash flow in relation to adjusted EBITDA. LTM refers to the last twelve months.
2) Calculated as a change in EBITA, excluding acquisition and divestment effects from acquisitions, compared with the same period in the previous year.
3) In existing markets.
4) Calculated as interest-bearing net debt in relation to adjusted RTM EBITDA. RTM refers to rolling twelve months (adjusted for acquisitions and divestments).
5) Calculated as adjusted EBITA in relation to net sales. LTM refers to the last twelve months.

Storskogen as an investment

Storskogen offers unique exposure to small and medium-sized companies with the potential to create long-term sustainable growth.

Unique exposure
An investment in Storskogen offers unique exposure to small and medium-sized unlisted companies, which is generally hard to get as an investor. Storskogen's business units have sales of approximately SEK 300 million (RTM) on average, are market leaders in their segments, generate strong cash flows and create positive and sustainable developments in their respective industries.

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

Diversification
Through its 115 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 resilience and stability also in the future. As communicated at Storskogen's 2024 Capital Markets Day, future acquisitions will focus on five investment themes: health and well-being, automation, energy and sustainability, digitalisation, and infrastructure.

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 the 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 finance, sustainability, M&A, business development, communication and legal. The central organisation's local presence in four geographical market areas also provides excellent local and market knowledge.

Strong cash flows enable sustainable profit growth
Storskogen has demonstrated persistently strong cash flows, illustrated in 2024 by an adjusted cash conversion of 97 percent and cash flow from operating activities of SEK 3,098 million. Storskogen's ability to generate solid cash flows that can be reinvested in its businesses and new acquisitions allows for sustainable profit growth over time, while also strengthening the Company's financial resilience and flexibility.

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 Company's 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 regard to equity and debt. According to the Finance Policy, the equity/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 2024, Storskogen's assets were SEK 43,180 million, with an equity/assets ratio of 48.2 percent.

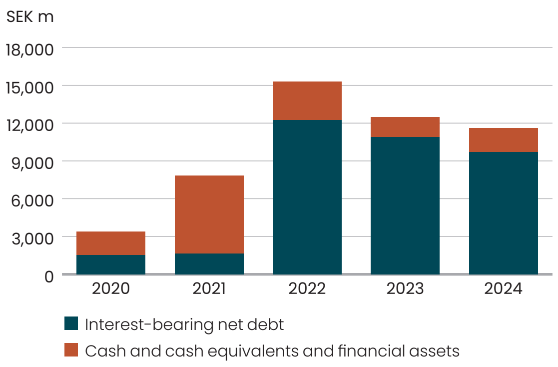
Financing strategy
Storskogen works continuously with its financial profile to obtain financing on competitive terms. This is achieved through close and long-term relations with lenders with the aim to give them a deep knowledge of Storskogen's operations and performance. Storskogen strives to have a diversified debt portfolio both in terms of debt type, maturities as well as a balanced distribution of variable and fixed interest that may vary depending on the current macroeconomic environment. Storskogen tracks both current and future financing needs to support effective planning.

Net debt and leverage ratio
Storskogen aims for an interest-bearing net debt/adjusted RTM EBITDA (leverage ratio) of 2.0–3.0x. The level is adapted to the economic cycle and the interest rate environment to ensure good long-term shareholder return. The leverage ratio may fall below 2.0x or temporarily exceed 3.0x, but it must never exceed 3.5x, depending on the timing of acquisitions. As at 31 December 2024, the Company's interest-bearing net debt was SEK 9,693 million, and the leverage ratio was 2.3x.

Events in 2024
Over the year, the Company continued its debt portfolio optimisation efforts, including an additional extension of the debt portfolio's maturity profile and a considerable reduction of the scope of the bank financing. By extending bank financing, repurchasing a bond loan with an original maturity in 2025 and issuing two new smaller bonds with longer durations, the average maturity was improved to 27 months at the end of 2024.

Interest-bearing debt was reduced by SEK 670 million over the year. The reduction was possible due to continued strong cash flows from the business units and effective cash management in the Group.

Debt structure, 31 December 2024



SEK m	Maturity	Carrying amount
RCF	2027–2029[1]	950
Term loan	2026	3,435
Bond 1	2025	840
Bond 2	2027	1,990
Bond 3	2027	1,241
Bond 4	2028	1,241
Hire/purchase agreements		267
Leases		1,606
Pension provisions		251
Other		33
Financial assets		-263
Cash and cash equivalents		-1,899
Total interest-bearing net debt		**9,693**

1) Including a two-year extension option, until 2029.

Organisation and expertise

Acquiring and developing companies places demands on the corporate culture and employees' skills and commitment. Storskogen strives to ensure effective resource allocation, good corporate governance and operational excellence while encouraging innovation.

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

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.

Workplace environment and employment conditions in Storskogen's central organisation
Storskogen has a long-term view of its relations with its employees and, consequently, takes an active approach to ensuring their well-being and motivation. According to Storskogen, offering employees a good work environment and attractive employment conditions is essential. All employees in the central organisation are white-collar workers. None 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 share their views in employee surveys, performance reviews and regular team debriefings.

In 2024, performance reviews were held with all employees. Quarterly follow-up sessions were also held. Topics discussed include job satisfaction, performance, personal goals and development.

Regular anonymous employee surveys are conducted to obtain regular information on employee well-being and the work environment. The results are handled by each manager and form the basis for HR initiatives. The areas measured include motivation, the ability to influence daily work, workload and work-life balance. In 2024, the employee surveys indicated continued strong commitment and an increased understanding of Storskogen's strategy. Employee Net Promoter Score (eNPS), one of the year's focus areas, improved.

Storskogen's values

Entrepreneurial
- We focus on business opportunities and cost-efficiency.
- We are driven, solution and action-oriented.
- We are innovative, open to new ideas and fuelled by the mindset of never giving up.
- We appreciate and understand entrepreneurs.

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

A long-term approach
- We focus on long-term success.
- We invest in people and long-term relations.
- We are sustainable and strive to be relevant from a hundred-year perspective.

Professional
- We make disciplined and fact-based decisions.
- We invest time in our own development – always striving for improvement.
- We are honest and transparent.
- We aim to set clear expectations and deliver on established targets.

Diversity

The current team is considered in all recruitment processes, and the need for supplementary skills is evaluated to increase diversity. This factor is then used when recruiting.

In its employee surveys, Storskogen follows up on issues related to diversity and discrimination to ensure that all employees' skills are utilised based on their specific circumstances.

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. Health-promoting activities are encouraged; in some countries, health checks and common exercise opportunities are provided along with an extended wellness subsidy.

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.

Other benefits offered in the central organisation include incentive programmes to motivate and retain staff.

Structure and governance documents

Storskogen has an HR system for the central organisation that collects 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. These policies have been adopted by Storskogen's Board and cover the entire central organisation. Storskogen also has a digital whistleblowing function.

An attractive employer through skills development

Storskogen continuously carries out initiatives aimed at strengthening its position as an attractive employer. In 2024, these initiatives focused on harnessing expertise and ensuring employee development. Storskogen clarified career paths and made it easier for employees to work in other teams, primarily in the business area organisation where expertise can be used and developed across areas.

For further information, see p. 40.

Inge Fasnacht,
BR Solutions, Sweden

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Business areas

BR Solutions, Sweden

A well-diversified group of companies

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

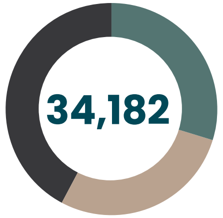
Diversified operations
Storskogen's business units are divided into three business areas, Services, Trade and Industry. The business areas contribute to good operational and geographical diversification, which creates stability and resilience. Regardless of the industry in which they operate, the business units all have a strong market position, a proven business model, long-term profitability and an entrepreneurial spirit in common.

Long-term growth and cooperation
Storskogen's business areas are managed by staff from the central organisation with expertise from relevant sectors. They work actively with the business units to ensure solid profitability and long-term growth. The work is adapted to each business unit's operations, conditions and objectives and is carried out on both a strategic and an operational level. The shared context of the business units allows for knowledge sharing, collaboration and economies of scale.

Drawing benefits from macro trends
Thanks 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 individual areas. 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.

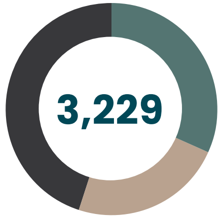
Additional information about Storskogen's business areas
Storskogen's website features dedicated pages for each business area showcasing the kind of companies included and how they are supported, case studies, news, video content and more. Visit Storskogen's website:
storskogen.com.

Net sales[1], SEK m



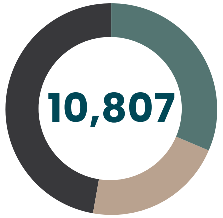
Services: SEK 10,254 m
Trade: SEK 9,576 m
Industry: SEK 14,416 m

Adjusted EBITA[2], SEK m



Services: SEK 1,097 m
Trade: SEK 801 m
Industry: SEK 1,548 m

Number of employees[3]



Services: 3,395
Trade: 2,280
Industry: 5,053

1) The total figure includes SEK -64 million for Group operations and eliminations.
2) The total figure includes SEK -217 million for Group operations.
3) The total figure includes employees in the central organisation.

Business area Services

The business area comprises service companies with strong positions in selected B2B niches.

Strategy and trends

The business area works actively with strategic and operational issues to support the business units' development and achieve greater profitability in the long term. The focus is on operational improvements and resource and machine optimisation. Many business units are labour-intensive, making it increasingly important to be prepared for rapid adjustments to changes in the economic situation. To remain profitable and enable increased growth, the companies also focus on adapting their offerings and extending their operations.

The business area is affected by and benefits from trends such as digitalisation and increased e-commerce, which drive demand for transport and logistics services. Another trend is the green energy transition, which is attracting new customers and business opportunities.

Most companies with a significant impact on Storskogen's climate targets belong to this business area. These are primarily logistics and infrastructure companies with their own lorries and machinery. The business plans of the business units include activities aimed at contributing to the transition to lower emissions in the short and long term. 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 biogas.

Events during the year

The year began with high interest rates and generally weak demand in several of the business area's markets. Later in the year, demand increased in many areas. The divestment of five unprofitable companies, efficiency-enhancing initiatives and a focus on adapting costs contributed to stronger profitability and organic profit growth.

Product and consulting companies that offer digital services continued their positive trend from the previous years with good demand and profitability. At the beginning of the year, companies in the freight and freight forwarding sector experienced increased competition and price pressure, which was later offset by good order intake and growing volumes.

As in the previous year, the weak construction market resulted in lower demand for companies offering infrastructure and contracting services. Nevertheless, early signs of an improved sentiment were noted at the end of the year. The market was stable throughout the year for companies in the installation industry, which are active later in the construction cycle.

Transactions

Over the year, five divestments were carried out. In August, the job-matching company Enrival, the education company Strigo, the electrical installation companies Bergendahls El Gruppen and Elcommunication Sweden and the infrastructure company Såg- och Betongborring i Uddevalla were divested.

Over the year, four add-on acquisitions were made to existing business units.

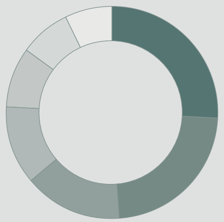
For a complete list of transactions in 2024, see pp. 89-93.

Key performance indicators

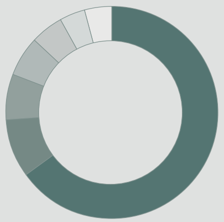
SEK m	2024	2023	2022
Net sales	10,254	11,346	11,351
Adjusted EBITA	1,097	1,057	1,079
Adjusted EBITA margin, %	10.7	9.3	9.5
Number of employees	3,395	4,352	5,140
Number of business units	53	58	62

Net sales decreased by 10 percent to SEK 10,254 million (11,346), largely explained by divestments during the year, partially offset by an organic sales growth of 1 percent and the business area's sharpened profitability focus. Adjusted EBITA increased by 4 percent to SEK 1,097 million (1,057), with the adjusted EBITA margin reaching 10.7 percent (9.3), positively impacted by divestments, efficiency-enhancing measures and a focus on higher-margin projects. The business area had organic EBITA growth of 2 percent.

Net sales, %



By vertical:
- Installation 26%
- Infrastructure 23%
- Engineering Services 15%
- Logistics 12%
- Contracting Services 9%
- Digital Services 8%
- HR and Competence 7%



By geographical area:
- Sweden 65%
- Norway 9%
- Switzerland 7%
- Denmark 6%
- Germany 5%
- United Kingdom 4%
- Other 4%

Net sales growth

–10%

Adjusted EBITA growth

4%

Business area Trade

The business area develops and distributes products from leading brands to both professional customers and consumer markets.

Strategy and trends

The business area works actively to increase profitability by optimising the business units' product ranges, cash flows and business models. The focus is on driving organic growth, reducing capital tied up and currency risk and creating the conditions required to act fast on changes in the external environment and any new business opportunities they may give rise to. Many companies in this business area provide consumer products, and sustainability is important to retailers and consumers alike. The business area strives to be at the forefront of product development and impact producers and partners on social issues such as working conditions.

The business area also strives to create synergies and economies of scale in the business group, aiming to increase the competitiveness and profitability of the business units, partly through continuous work on operational development and partly through an acquisition strategy that carefully considers the individual business unit's performance and contribution to the Group.

Events during the year

During the year, private consumption in all markets was still affected by the economic downturn and increased cost of living. In Sweden, demand was weak for companies in the sports sector and those exposed to the housing and construction industries. However, demand was strong for companies active in health and beauty.

The business area kept its focus on adapting costs and implementing measures to improve efficiency. It also focused intensely on sales and pricing initiatives to drive long-term organic profit growth. Along with these operational initiatives, the divestment of a number of unprofitable companies protected profitability and will lead to additional improvements once demand returns.

The business area remained affected by a negative currency development, as the majority of sales are in Swedish kronor, Norwegian kroner and British pounds, while purchases are in American dollars and euros. As in the previous year, current conflicts around the Suez Canal resulted in high and volatile costs for maritime transports and late deliveries, which also affected inventory levels. However, the business area's continuous focus on minimising working capital remained effective.

Transactions

In the first quarter of the year, the companies Ullmax, JO Sport, Tennis fashion, Racketdoktorn and On Target were merged into the business unit ASHE, which is now a leading Nordic distributor and brand partner in sports and active lifestyle.

Over the year, the business units Kranlyft, HOJ TWS, Dimabay and Swedfarm were divested.

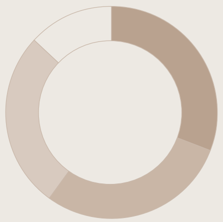
For a complete list of transactions in 2024, see pp. 89-93.

Key performance indicators

SEK m	2024	2023	2022
Net sales	9,576	10,048	9,637
Adjusted EBITA	801	804	923
Adjusted EBITA margin, %	8.4	8.0	9.6
Number of employees	2,280	2,477	2,417
Number of business units	25	32	35

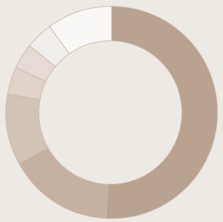
The business area's net sales decreased by 5 percent to SEK 9,576 million (10,048) in 2024, negatively impacted by divestments during the year. Organic sales growth was 1 percent. Adjusted EBITA was in line with the previous year at SEK 801 million (804), and the adjusted EBITA margin was 8.4 percent (8.0), positively affected by divestments as well as the companies' long-term efforts in sales and pricing initiatives combined with cost focus and efficiency measures. Organic EBITA growth was -3 percent, with some recovery towards the end of the year.

Net sales, %



By vertical:

- Health and Beauty 31%
- Home and Living 29%
- Niche Businesses 27%
- Sports, Clothing and Accessories 13%



By geographical area:

- Sweden 51%
- Norway 16%
- United Kingdom 11%
- Switzerland 4%
- Denmark 4%
- Germany 4%
- Other 10%

Net sales growth

–5%

Adjusted EBITA growth

0%

Business area Industry

The business area focuses on traditional B2B industrial companies in heavy or medium-heavy industries, manufacturing and automation.

Strategy and trends

The business area works strategically with developing small and medium-sized, high-quality industrial companies in different industries and geographical areas to increase long-term profitability. These efforts include adding expertise and financing and creating the conditions required for knowledge sharing and collaboration between business units.

The diversified strategy results in exposure to various underlying drivers and trends. A significant trend is the movement towards industrial digitalisation and automation, which leads to new business opportunities, increased competitiveness and improved efficiencies. Automation solutions, connected production systems and increased data mining improve productivity, quality and energy efficiency. This benefits most business units that develop advanced automation solutions and other business units that use automation to render their production more efficient.

Another important long-term trend in automation is reshoring production from low-cost countries to Sweden and Europe. Automation solutions enable higher productivity, which, together with reduced transportation costs, offsets the higher production costs. In addition, 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

Uncertainties remained in the external environment over the year, and the general sentiment was thus similar to the sentiment at the end of the previous year. Demand was somewhat weaker for companies exposed to the consumer market, particularly in the Nordic region, and parts of the construction industry, mainly in the United Kingdom. However, demand remained stable for companies offering automation solutions and for several metal applications and infrastructure companies. Some companies with exposure to Asia recovered to a certain extent at the end of the year, partly offsetting the weaker markets in Europe.

The year was characterised by a strong focus on continuous productivity improvements, rationalisations and other measures aimed at improving profitability and organic profit growth. The efforts to reduce the capital tied up in the companies continued, such as by reducing complexity, optimising inventory levels and improving the terms for customers and suppliers.

Transactions

Over the year, the business unit Smederna was divested, as well as the operational part of the business unit Vogt.

A minor add-on acquisition to an existing business unit was completed.

For a complete list of transactions in 2024, see pp. 89-93.

Key performance indicators

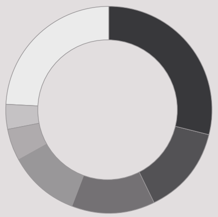
SEK m	2024	2023	2022
Net sales	14,416	14,662	13,288
Adjusted EBITA	1,548	1,646	1,460
Adjusted EBITA margin, %	10.7	11.2	11.0
Number of employees	5,053	5,147	5,276
Number of business units	37	39	39

The business area's net sales decreased by 2 percent to SEK 14,416 million (14,662) in 2024. Organic sales growth was -2 percent. Adjusted EBITA decreased by 6 percent to SEK 1,548 million (1,646), resulting in an adjusted EBITA margin of 10.7 percent (11.2). The business area's focus on operational improvements aims to contribute positively as demand recovers. Organic EBITA growth was -6 percent.

Net sales, %

By vertical:

- Industrial Technology 37%
- Products 32%
- Automation 31%



By geographical area:

- Sweden 29%
- Germany 14%
- United Kingdom 13%
- USA 11%
- Norway 5%
- Switzerland 4%
- Other 24%

Net sales growth

–2%

Adjusted EBITA growth

–6%

Sustainability Report

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General information

About the Sustainability Report

This report describes Storskogen's material sustainability issues and established targets, as well as how sustainability initiatives are governed and carried out. The Sustainability Report is included in the 2024 Annual Report and constitutes Storskogen's statutory Sustainability Report.

The report is based on regular stakeholder dialogues, Storskogen's double materiality assessment and reporting from all of Storskogen's business units. In 2024, Storskogen initiated the work to align the report with the Corporate Sustainability Reporting Directive (CSRD), which formally enters into force in the 2025 financial year. This Sustainability Report does not yet fully comply with all aspects of CSRD and ESRS.

The report includes the sustainability notes provided on pp. 136-159.

Storskogen takes a long-term approach to its sustainability initiatives and is committed to becoming a Net Zero organisation in line with the Science Based Targets initiative (SBTi).

In 2024, Storskogen took several significant steps in its climate efforts:

- **A TCFD report** was published, describing Storskogen's climate-related risks and opportunities.
- **Storskogen's climate targets were submitted for SBTi validation** to ensure that they are science-based and in line with the goals of the Paris Agreement.
- **A climate transition plan** was prepared, that shows how Storskogen shall reduce its emissions and reach its climate targets.
- **A climate report** that summarised the year's efforts, including targets, risks and plans, was published, providing a clear view of Storskogen's climate-related initiatives and progress.

Sustainability governance

Storskogen ensures that the Group's material sustainability matters are handled effectively and that the targets set in the sustainability strategy are met. On the Group level, sustainability governance includes both the Group management and the Board, which are jointly responsible for ensuring that these initiatives are carried out according to a clear structure with clear guidelines.

Storskogen's sustainability efforts are based on a management system with common policies, guidelines, overarching measurable targets, and detailed action plans. The work follows a continuous process focusing on monitoring, documentation, evaluation, and improvement, with the precautionary principle integrated into both the Sustainability Policy and operational processes.

The Board's and the Group management's roles and responsibilities

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. This includes the annual adoption of the Company's sustainability strategy and approval of the double materiality assessment. The Board's Sustainability Committee is responsible for reviewing and monitoring Storskogen's sustainability targets, strategy, Sustainability Report, sustainability risk management and compliance with statutory requirements, the Sustainability Policy and the Codes of Conduct. The Sustainability Committee ensures that the Board has suitable knowledge of the Company's sustainability initiatives. The Committee annually evaluates the Board and the organisation's expertise to identify knowledge gaps. When required, directed training is arranged to increase the knowledge.

Group management is responsible for the operational implementation and follow-up of sustainability efforts.

Storskogen's Head of Sustainability leads and develops the Group-wide sustainability work and reports to Storskogen's CEO. Through regular monitoring to ensure that all business units comply with established policies and conduct effective sustainability efforts via their respective boards, the necessary measures can be taken to minimise environmental impact. At the same time, each unit retains the flexibility to adapt its initiatives based on specific needs and statutory requirements.

Sustainability-related policies adopted by the Board

All sustainability-related Group-wide policies at Storskogen are subject to annual review and adoption by the Board. Any identified impacts, risks and opportunities are then taken into consideration.

Storskogen's Code of Conduct acts as a central guideline for how Storskogen conducts its operations in a manner compliant with business ethics and applicable laws and regulations. It applies to all of the Group's employees, boards and major suppliers and subcontractors. In addition to the Code of Conduct, Group-wide policies on anti-corruption, work environment, gender equality and diversity and the whistleblowing function provide a clear framework for sustainability initiatives.

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In line with Storskogen's decentralised governance model, the CEO of each business unit is responsible for ensuring that the operations are conducted in accordance with the Group's policies. The business units may supplement the Group-wide policies with guidelines and programmes of their own, both for Group-wide matters and for their own material sustainability issues not covered by the Group's policies. These may include stricter requirements than those that are standard in the Group or adaptations required for compliance with local statutory requirements.

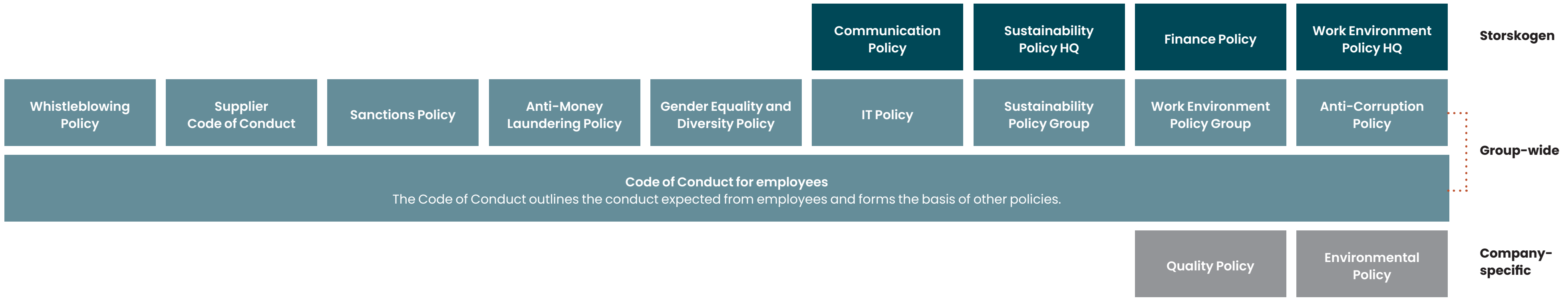
Incentive systems
Storskogen is in the process of designing an incentive system that aims to promote long-term value creation and effective sustainability initiatives throughout the Group. For example, the reduction of climate-impacting emissions is a KPI for management in the long-term incentive programme approved by the Annual General Meeting in 2022.

Due diligence process
Storskogen has established a due diligence process that covers the entire value chain and has a special focus on human rights and the environment. This process, which is based on the UN principles and OECD guidelines, aims to identify, prevent, mitigate and report negative impacts. Through regular supplier reviews and risk assessments, social and environmental risks are identified, particularly in the most affected areas of the value chain. Since 2021, Storskogen has developed this process through risk assessments, e-training programmes and integration into management systems.

Storskogen's central organisation supports the business units in their due diligence processes and ensures through the work on the board of each business unit that the management of these processes is adequate and proportionate. Storskogen's main risks include the work environment, working conditions and environmental impact, particularly in the supply chain. To manage these risks, Storskogen has introduced sustainability requirements and performs regular follow-ups, allowing responsible management of human rights and the environment.

Risk management and internal controls over sustainability reporting
To ensure reliability and transparency in its sustainability reporting, Storskogen intends to establish a risk management and internal control framework in 2025. Through this framework, risks that may affect data quality, traceability and regulatory compliance, including compliance with CSRD, will be systematically identified, assessed, and managed. The internal controls will include quality assurance of collected data, regular reviews and audits to ensure accurate reporting.

Policies adopted by Storskogen's Board of Directors



General information

Strategy, business model and value chain

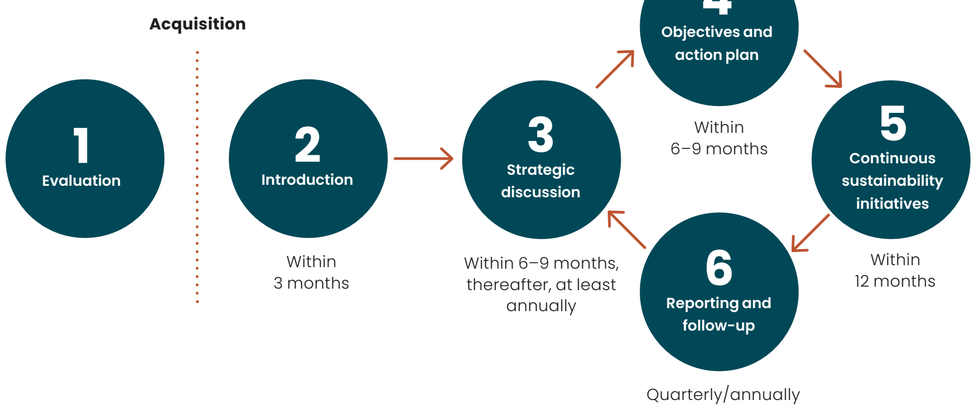
Sustainability in the business model – resilience through diversification
Storskogen owns and develops small and medium-sized businesses to create resilience and profitable growth. The Group comprises 115 business units that are active in the Trade, Industry and Services business areas.

Storskogen's geographically and industrially diversified business group creates resilience over business cycles and mitigates risks. Diversification also builds resilience in sustainability matters. For example, Storskogen has identified climate-related risks, such as increased emission costs and the introduction of new requirements and regulations, as factors that may potentially limit existing business models. While one business area may be adversely affected by climate-related impacts, other areas may benefit from opportunities related to the same. For example, there is a growing demand for emission-reducing products and services, which creates new product development opportunities.

As Storskogen aims to be a long-term owner, it is central to consider material sustainability factors in the ongoing work to acquire and develop companies. Significant global challenges such as climate change, scarcity of natural resources and the need to ensure good social conditions for a growing population have prompted a powerful process of change in society, resulting in new legislation, consumption patterns and customer preferences.

Storskogen continuously monitors and assesses how material sustainability aspects may impact its central business model and those of the business units. Apart from taking responsibility for its risks and negative impact on people and the environment, a sustainable business model offers attractive business opportunities. Storskogen's business units and their customers can jointly develop new and better solutions and products that have a positive impact on the development of society.

Storskogen's sustainability process



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

Material sustainability matters related to the business units are handled by the management of each business unit and determined by its board. Storskogen is represented on each board. As the business units operate in different sectors, the 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, including 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 terms;

(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 and instructions, in addition to the Group-wide governance documents and instructions, which are 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.

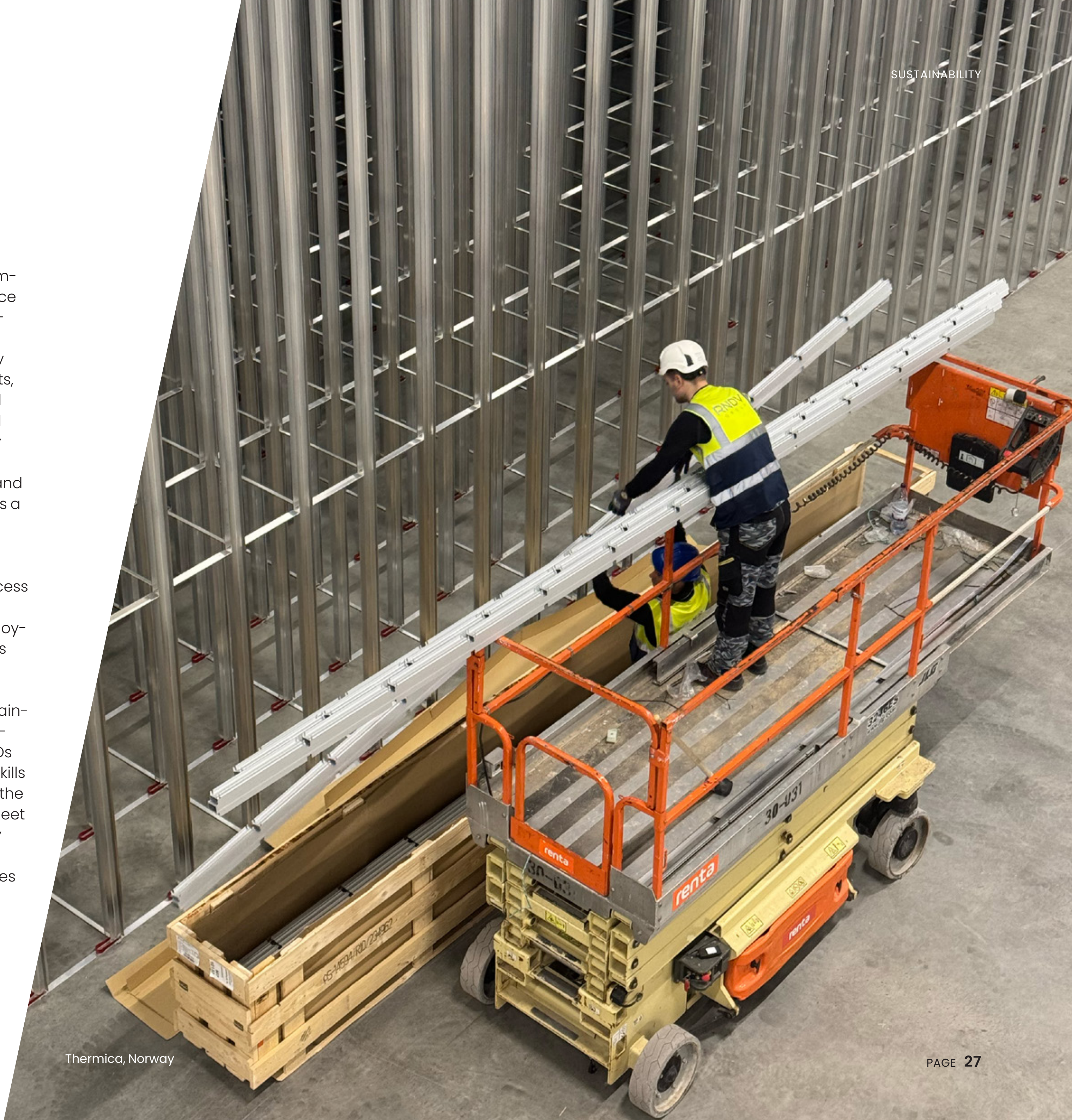
General information

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, the management shall prepare a sustainability action plan that includes a materiality assessment, targets, key performance indicators, governance documents and instructions. Each business unit's management team and board are responsible for the unit's material sustainability issues. Follow-up is conducted at least once per year at board meetings in the business unit, where the progress and challenges of the sustainability initiatives are discussed as a standing item on the agenda.

Sustainability expertise is key to creating value

Support for implementing Storskogen's sustainability process is provided to the business units, both continuously and through the board's work. Therefore, any Storskogen employees who support business units by working on their boards must have relevant sustainability expertise. Employees at Storskogen's head offices must participate in mandatory sustainability training to improve their knowledge. Such training has also been offered to Storskogen's Board. Sustainability training is also mandatory for the business units' CEOs and dedicated sustainability employees to increase the skills in the business units. To improve the knowledge further in 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, exchange experiences and collaborate on practical implementation.



Thermica, Norway

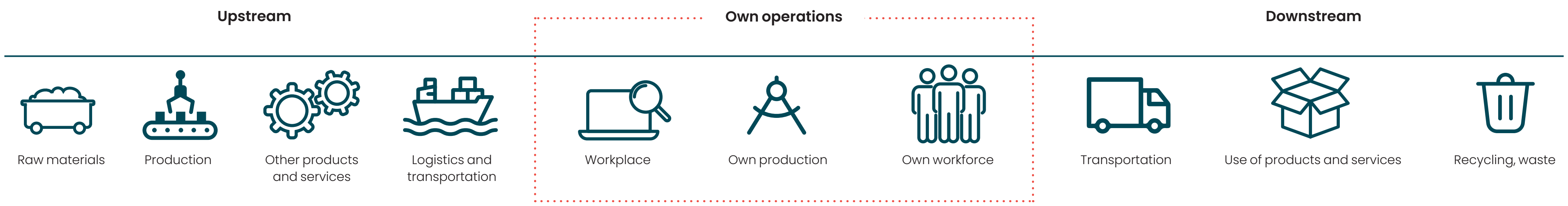
General information

Storskogen's value chain

Storskogen's business units are active in a wide range of geographies and sectors. Consequently, Storskogen's value chain entails a certain level of complexity. At this stage, activities have been identified on an overarching level to create an understanding of and identify any material impacts, risks and opportunities.

Storskogen has a negative impact on the environment, primarily through emissions and waste. Storskogen must also ensure good working conditions, without human rights violations, throughout the value chain.

Storskogen works with numerous suppliers in various areas, many of which are located in the country of operation, but several are also located in countries outside of Storskogen's geographical markets. To assess and evaluate the location of significant risks in the supply chain, Storskogen uses a risk assessment model in its work with the business units (for further information, see pp. 43–44). Storskogen's relations are largely based on long-term collaborations with good dialogues and opportunities to identify and discuss risks in the supply chain.



Upstream

In Storskogen's upstream value chain, there are social and environmental impacts related the purchasing of raw materials in each business area and collaboration with suppliers.

The Services business area comprises 53 business units that offer a wide range of services, chiefly in infrastructure, freight and freight forwarding, technical installations and digital services. Companies in the business area purchase contracting services, building materials and transportation. Of the suppliers, 95 percent are located in Sweden.

The Trade business area comprises 25 business units that offer leading brands and distribute products such as home furnishing, haircare and cosmetics, sports and outdoor recreational activities and professional equipment for industry and service companies. Purchases include a wide range of products in materials such as textiles, ceramics, plastic, iron, aluminium, glass and wood. Suppliers are primarily located in Europe and Asia.

The Industry business area comprises 37 business units that offer advanced automation solutions, high-quality manufacturing and heavy engineering. Purchases mainly include raw materials in the form of metals, such as steel, aluminium, zinc, food, various components, machinery and tools. Suppliers are primarily located in Europe and Asia.

Own operations

In its own operations, Storskogen has chiefly identified material impacts, risks and opportunities related to Storskogen's workplaces and the people who work there. Several activities, primarily in Industry, have their own manufacturing activities and, consequently, Scope 1 emissions.

Downstream

The Industry business area primarily focuses on B2B sales to traditional industrial companies in heavy or medium-heavy industry, manufacturing and automation. The Services business area is aimed at specific B2B niches with customers in the private and public sectors, with an emphasis on property companies, construction and civil engineering works, public authorities, freight forwarders and ports. Customers in Trade mainly include resellers in areas such as home furnishing, construction, sports and outdoor recreational activities, beauty and the automotive industry. Most of the sales are B2B, with a minor portion being sold directly to consumers.

Consequently, Storskogen's most significant downstream impact is related to transportation, the use of products and services and waste.

Storskogen's stakeholders

Storskogen engages in a continuous dialogue with its stakeholders to capture expectations and requirements from the Group's external environment. This dialogue also forms the basis of what sustainability issues are prioritised and how significant these issues are to different stakeholders.

Storskogen has identified customers, employees, business units, owners and investors, the local communities where the business units are located, and suppliers as its most important stakeholders.

Stakeholder dialogues

Stakeholders	Channels	Prioritised issues
Customers	Customer meetings, customer services, websites, social media, customer surveys and tradeshows.	Access to sustainability data, transparency and supply chain traceability, as well as quality and reliability.
Employees	Employee surveys, regular follow-ups with managers and colleagues, annual target and performance reviews and training.	Gender equality and equal opportunities, health and safety, skills development and career prospects.
Business units	Regular follow-up, board meetings, training and workshops, digital platforms and cooperation forums.	Clear and flexible sustainability requirements, access to the Group's network and resources and decision-making autonomy.
Owners and investors	Investor meetings, financial reports and capital markets days.	Science-based climate targets and a climate transition plan, sustainability risks and financial impacts, ESG ratings.
The business units' local communities	Dialogues with local authorities, cooperation with societal organisations, participation in industry-related events and sponsoring local projects or initiatives.	Positive social impact, sustainable development, job opportunities and local engagement.
Suppliers	Procurements and requests for proposals, self-assessment questionnaires, audits and regular project updates.	Stability and long-term business relations, compliance with sustainability requirements and the Supplier Code of Conduct, and transparent requirements and expectations.

General information

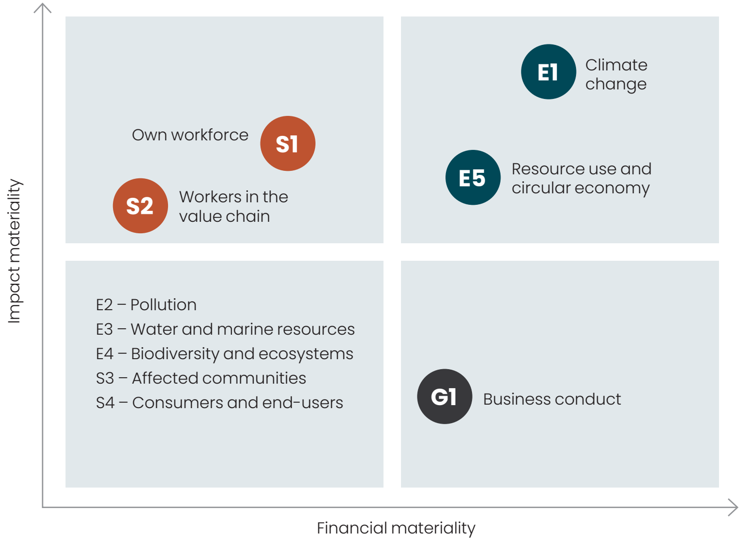
Storskogen's material sustainability matters

In 2024, Storskogen developed its materiality assessment according to CSRD. The double materiality assessment focuses on impact materiality (Storskogen's impact on people and the environment) and financial materiality (how sustainability matters impact Storskogen's financial value). In practice, this means that Storskogen must identify and account for sustainability factors that are relevant both to the operations' impact on the external world and the financial risks or opportunities associated with sustainability topics.

The analysis has determined that the following areas are material on a Group level:
E1 – Climate change
E5 – Resource use and circular economy
S1 – Own workforce
S2 – Workers in the value chain
G1 – Business conduct
These areas reflect Storskogen's most critical sustainability priorities. The most significant difference from before is that the area resource use and circular economy has been added, and the area affected communities has been removed.

On the Group level, E2 (Pollution), E3 (Water and marine resources), E4 (Biodiversity and ecosystems), S3 (Affected communities) and S4 (Consumers and end-users) have not been deemed to constitute material sustainability matters. However, these areas include matters that are material to certain business units. To provide clear support and guidelines to the business units in which these topics are relevant, Storskogen has chosen to include a commitment in its Sustainability Policy for each topic.

Storskogen's material impacts, risks and opportunities



Impacts

E1 – Emissions: Emissions through direct and indirect greenhouse gas emissions in operations and supply chains contribute to increasing global warming.

E5 – Resource use: Resource use in linear business models has a negative impact on the environment through the inefficient use of natural resources and increased waste generation.

S1 – Health and safety: Health and safety and working conditions in the operations affect employee health and well-being, which may result in work-related ill-health and reduced productivity.

S2 – Value chain: Suppliers' and subcontractors' inadequate consideration for working conditions and human rights may have a negative impact on working and social conditions in the value chain.

Risks

E1 – Transitional risks: Changes in climate-related policies or legal requirements, such as carbon pricing, may increase the cost of greenhouse gas emissions and reduce margins in the medium-term (2–6 years) and long-term (7–20 years).

E1 – Physical risks: Acute climate-related events such as floods and storms may cause delayed deliveries and increased operating costs, which has a negative impact on profitability in the medium and long term.

E5 – Raw materials shortages: Shortages of critical raw materials and products may arise due to high demand during the transition to a more sustainable economy, resulting in increased input costs, reduced revenue due to production cutbacks and increased development costs.

G1 – Business conduct: Unclear procedures and inadequate control systems may result in bribery and corruption, particularly in high-risk countries, causing increased litigation costs and a loss of revenue due to reputational damage.

Opportunities

E1 – Climate-related opportunities: No Group-wide material opportunities were identified for Storskogen. Nevertheless, there are several significant opportunities on the vertical level, such as increased demand for products and services with lower emissions and improved resource efficiency.

General information

The sections Environment and Social include a brief report on these areas, as Storskogen considers certain information to be material even if the areas are not regarded as material on the Group level.

Materiality assessment process

Storskogen reviews its materiality assessment annually to ensure that all material sustainability-related impacts, risks and opportunities are identified. As of 2024, the assessment meets the requirements of the European Sustainability Reporting Standards (ESRS).

The assessment for 2023 was performed in cooperation with 2050 Consulting. The basics of a structured method for the double materiality assessment were prepared. In 2024, the methodology was further clarified and updated. The process includes an analysis of the external environment and a continuous dialogue with Storskogen's stakeholders.

The various steps in Storskogen's double materiality assessment process are described below.

Impact materiality

Each sustainability topic that may be material to Storskogen is assigned a score between 1 and 75, where a score over 50 is considered material. In addition to this quantitative score, a qualitative assessment is made of each topic, which provides additional insights and nuance in the materiality assessment. Parameters for the assessment include scale, scope, irremediable character and likelihood of the impacts.

Financial materiality

The financial materiality assessment focuses on the estimated financial impact of sustainability risks and opportunities. Risks and opportunities are rated on a scale from 1 to 25 based on their likelihood of occurrence and their short-, medium- or long-term impacts. A result of 11 or above is considered material, which signals considerable financial risks.

Consolidation of results and final review

Separate analyses of the impact materiality and financial materiality in each business area and vertical are performed to determine materiality at the Group level. The Head of Sustainability manages the work and coordinates the process with input from the business area teams, who contribute with insights and analyses. The results from these analyses are compiled at the Group level, and an average is calculated for each sustainability topic. An average of 50 is considered to indicate materiality for the Group. The qualitative assessment also ensures that no significant aspects are disregarded.

If it emerges that a sustainability matter is material from an impact perspective and/or financial perspective, it is considered material to Storskogen.

Scandinavian Cosmetics, Sweden

Environmental information

Material matters

Climate change:
- Climate change mitigation
- Energy

Resource use and circular economy:
- Resource inflows
- Resource outflows
- Waste

Commitment

We undertake to minimise our environmental impact and contribute to preserving the planet's resources through the following actions:

Reducing greenhouse gas emissions
We strive actively to reduce our emissions throughout the value chain and adapt our operations to address climate change.

Promoting a circular economy
We strive to use resources effectively, reduce waste and promote recycling and reuse.

Targets – the UN's 2030 Agenda

Target 12.5 – Substantially reduce waste generation.

Target 12.6 – Encourage companies to adopt sustainable practices and sustainability reporting.

Target 13.3 – Build knowledge and capacity to meet climate change.

Targets

Short-term climate targets:
Scopes 1 and 2: Reduce absolute greenhouse gas emissions by 42 percent by 2030 from the base year 2023.

Scope 3: Reduce greenhouse gas emissions by 64 percent per SEK m of value added by 2034 from the base year 2023.

Long-term climate targets:
Scopes 1 and 2: Reduce absolute greenhouse gas emissions by 90 percent by 2050 from the base year 2023.

Scope 3: Reduce greenhouse gas emissions by 97 percent per SEK m of value added by 2050 from the base year 2023. Targets for resource use and circular economy will be adopted in 2025.

Outcome in 2024

Scopes 1 and 2: Increased by 9 percent.

Scope 3: Increased by 9 percent per SEK m of value added.

Environmental information

Disclosures pursuant to the EU Taxonomy

Storskogen discloses the relevance of taxonomy-eligible economic activities based on turnover, capital expenditure (CapEx) and operating expenditure (OpEx). However, taxonomy alignment will not be reported for 2024, as there is still uncertainty regarding how to prove and manage it.

Meeting of minimum safeguards pursuant to the EU Taxonomy regulations

Storskogen strives to carry out its activities in a responsible manner and comply with the ethical and social guidelines provided in the EU Taxonomy Regulation. The Company has implemented measures to ensure respect for human rights and employment law with a particular focus on gender equality and diversity in the business units. As part of its sustainability initiatives, Storskogen has also adopted clear anti-corruption and anti-bribery principles.

Storskogen ensures compliance with tax regulations through transparent and responsible tax practices. Storskogen works actively to maintain fair competition in all its business relations. Storskogen continuously strives to improve and report measures in these areas to ensure that it meets the minimum requirements set in the EU Taxonomy regulations.

Storskogen's taxonomy-eligible business units

Several of Storskogen's business units are taxonomy-eligible to some extent, particularly related to the environmental objectives Climate change mitigation ("CCM") and Transition to a circular economy ("CE"). In CCM, most taxonomy-eligible business units are "enablers", meaning that their own operations do not generate significant emissions and do not need major changes to adapt to a low-carbon economy. Instead, they offer solutions that help other companies reduce their climate impact.

The offering may include advice to a customer on how a construction project that a business unit is involved in can become 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, providing a solid basis for strategic discussions on the boards of the business units.

Taxonomy tables

For further information, see Note H11 on p. 151.

Fon Anlegg, Norway

Environmental information

Climate change

Storskogen has a responsibility to reduce the negative climate impact of its operations, both in its own operations and throughout the value chain. Most of Storskogen's emissions are in Scope 3, which includes emissions from suppliers, production, transportation and customers' use of products and services.

In 2024, Storskogen prepared a climate transition plan and identified climate-related risks and opportunities pursuant to the internationally accepted guidelines from the Task Force on Climate-related Financial Disclosures (TCFD). Through these initiatives, Storskogen strives to increase its understanding of climate-related financial risks and identify how the organisation can be strengthened by maximising the opportunities offered by the upcoming transition.

• Impacts, risks and opportunities

Storskogen's material impacts, risks and opportunities related to climate change:

Impacts

Emissions: Direct and indirect greenhouse gas emissions from Storskogen's operations and supply chains contribute to global warming.

Risks

Transition risks: Changes in climate-related policies or legal requirements, such as carbon pricing, may increase the cost of greenhouse gas emissions and reduce profitability in the medium term (2–6 years) and long term (7–20 years).

Physical risks: Acute climate-related events such as floods and storms may cause delayed deliveries and increased operating costs, which may have a negative effect on profitability in the medium and long term.

Opportunities

No Group-wide material opportunities were identified for Storskogen. Still, there are several significant opportunities on the vertical level, such as increased demand for products and services with lower life cycle emissions, improved resource efficiency and increased energy self-sufficiency.

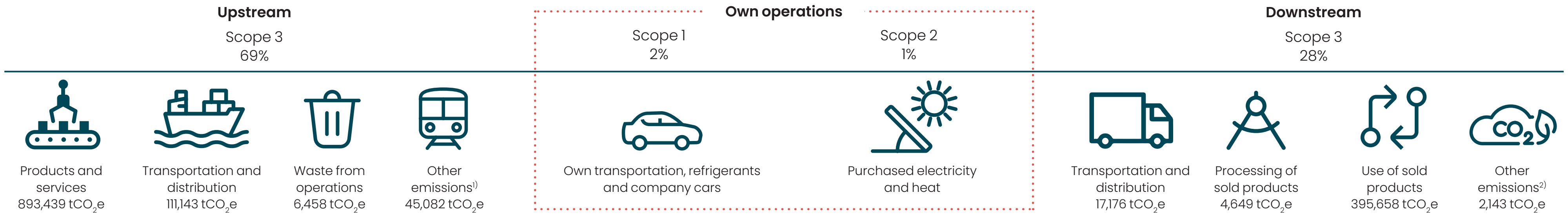
Scope 1 and 2 emissions are low in most of Storskogen's business units, and the business units with emissions above 500 tCO_2e account for 79 percent of all emissions.

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

Number of business units at each emission level, 2024

Absolute emissions, tCO_2e	Number of business units	% of CO_2
>3,000	3	25%
>1,000	11	38%
>500	10	16%
>100	37	18%
<100	54	3%

Emissions in Storskogen's value chain



Suppliers

The purchasing of products and services accounts for the most significant portion of the waste in Storskogen's value chain. At this stage, the efforts to reduce emissions chiefly involve purchasing steel with lower carbon footprint and opting for fossil-free transportation.

Storskogen's operations

To reduce its Scope 1 and 2 emissions, Storskogen focuses on transitioning to renewable energy, electrifying its vehicle fleet, and enhancing energy efficiency.

Customers

Emissions from downstream activities chiefly relate to the use of sold products. The efforts to reduce emissions at this stage primarily involve extending the longevity of the products and opting for fossil-free transportation.

1) Comprises business travel, employee commuting and leased assets.

2) Comprises leased assets and end-of-life treatment of sold products.

Environmental information

• Transition plan for climate change mitigation

Storskogen has prepared a climate transition plan aligned with the SBTi to reduce greenhouse gas emissions and manage climate-related risks. The plan focuses on reducing Scope 1 and 2 emissions while preparations are made to address Scope 3 emissions. The plan is based on individual climate transition plans prepared by all business units with annual emissions above 500 tCO_2e.

Storskogen's transition plan sets four climate-related targets, of which two are short-term and two are long-term. The short-term climate targets are to reduce absolute greenhouse gas emissions in Scopes 1 and 2 by 42 percent by 2030 and reduce greenhouse gas emissions in Scope 3 by 64 percent per SEK million of value added by 2034. The long-term climate targets are to reduce absolute greenhouse gas emissions in Scopes 1 and 2 by 90 percent by 2050 and reduce greenhouse gas emissions in Scope 3 by 97 percent per SEK million of value added by 2050. All targets have 2023 as the base year.

In principle, the following measures will help Storskogen reach these targets:

- Electric and fossil-free vehicles and transportation
- Transition to renewable energy and energy efficiencies
- Use of materials with lower emissions and increased longevity

These measures, combined with continuous monitoring of climate data and reporting to the Sustainability Committee, ensure a stable basis for advancing Storskogen's sustainability initiatives and supporting the long-term climate targets.

To ensure meticulous follow-up on these targets, business units with annual emissions above 500 tCO_2e will report quarterly from 2025. This increased reporting frequency makes it possible to supervise the progress towards meeting the short- and long-term targets and allows for rapid adaptation of the strategy as needed.

• Policies

Storskogen has a comprehensive policy framework that includes a Code of Conduct, a Sustainability Policy, a Supplier Code of Conduct and a whistleblowing function. These policies outline Storskogen's responsibilities and undertakings to reduce its climate impact and ensure responsible conduct throughout the value chain.

The Sustainability Policy lays down principles for optimising energy consumption, promoting the transition to renewable energy and ensuring that suppliers comply with local environmental legislation and implement sustainable and resource-efficient procedures.

The Code of Conduct clarifies the expectation that Storskogen's employees and business units shall comply with international standards and ethical guidelines. The Supplier Code of Conduct encourages suppliers to reduce their emissions and adopt science-based targets that are aligned with the ambitions of the Paris Agreement.

The whistleblowing function is a central part of Storskogen's policy framework and offers a safe and anonymous means of reporting suspected irregularities, including violations of policies and undertakings related to the environment and the climate. The function contributes to increased transparency and fortifies Storskogen's efforts to promote responsible conduct throughout the value chain.

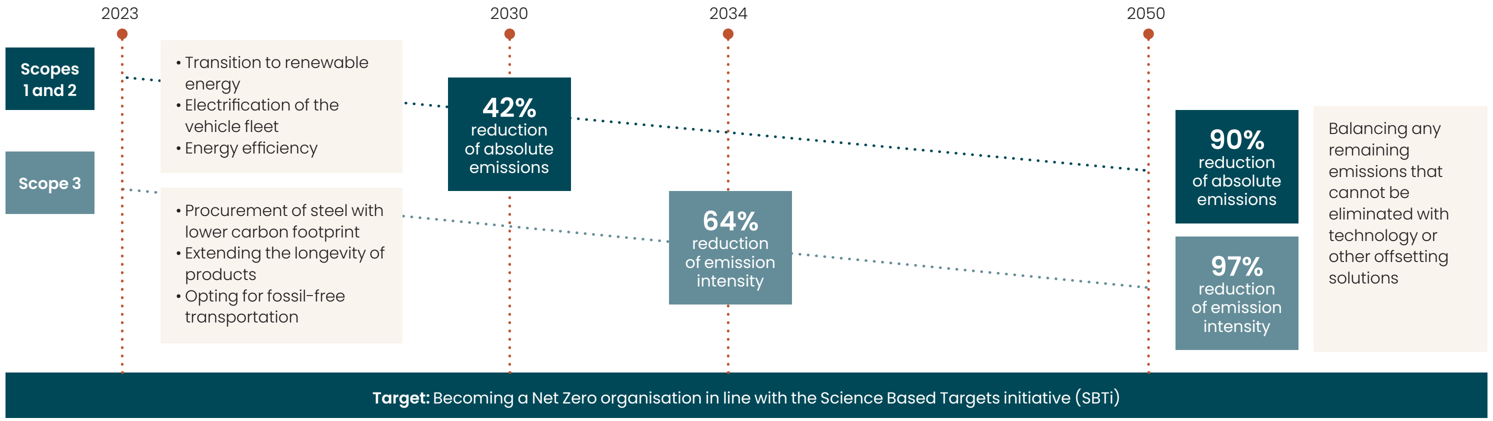
• Actions

Electric and fossil-free vehicles and transportation

To the extent feasible, Storskogen shall electrify all passenger and company cars by 2030. Consequently, existing vehicles will be replaced gradually by electric alternatives, reducing direct emissions from transportation.

For heavy equipment and processes that cannot yet be electrified, there is a transition to renewable fuels such as hydrotreated

Storskogen's climate transition plan



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vegetable oil (HVO) and biogas. This allows Storskogen to reduce the businesses' carbon dioxide emissions while investigating electrification alternatives for the long term.

Renewable energy and energy efficiency

To reduce energy consumption and emissions, Storskogen conducts energy mapping of its facilities and implements energy efficiency measures, including optimising heating, cooling and lighting and investing in energy-efficient technologies.

Energy efficiency

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

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. Suitable options to increase energy efficiency are discussed and adopted by the boards.

Transition to renewable energy

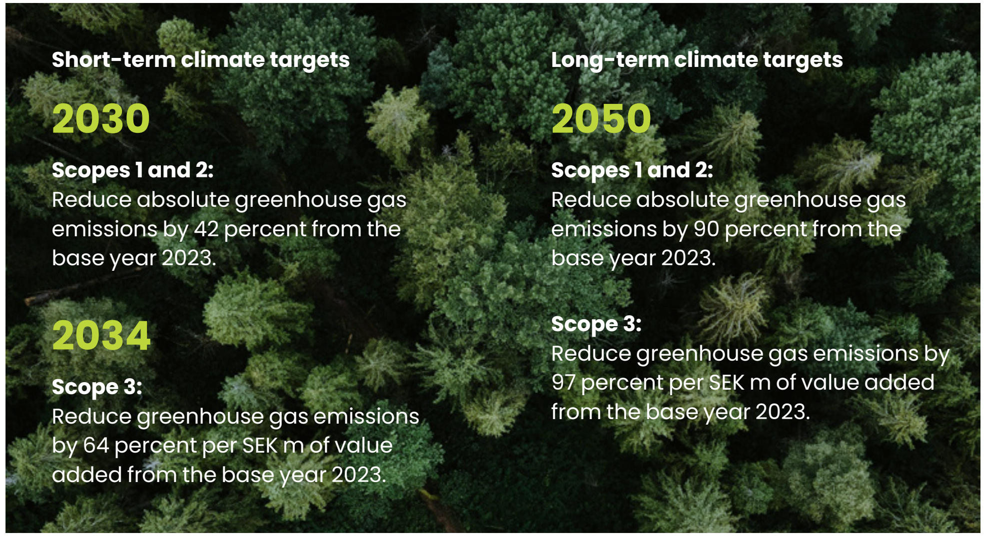
Storskogen prioritises the use of renewable energy. By ensuring that the energy supply is renewable, Storskogen supports its long-term emission reduction targets. Storskogen is striving to transition to 100 percent renewable energy in its operations.

Use of materials with lower emissions and increased longevity

In Scope 3, the purchasing of steel, transportation and the customers' use of products were identified as the largest sources of emissions. It is often complex to measure and manage Scope 3 emissions. Hence, Storskogen is gradually taking measures to collect more specific data to increase the understanding of these emissions and enable effective measures in the area. Examples of such measures include evaluating and choosing suppliers that offer materials with a lower emission factor and cooperating with customers and partners to reduce the negative climate impact throughout the value chain.

Storskogen also poses climate work requirements on its suppliers in its supplier programme.

▶ For more information, see Note H9 p. 149.



• Metrics and targets

Emissions

Storskogen has updated its climate targets for Scopes 1 and 2 by moving from intensity targets to absolute emissions reductions, as provided in the latest guidelines from the Science Based Targets initiative (SBTi). This change emphasises concrete emissions reductions and ensures that the Group's climate strategy leads to real reductions, regardless of growth. To reach Net Zero emissions by 2050, Storskogen has adopted a target of reducing Scope 1 and 2 emissions by at least 42 percent by 2030. In 2024, a Scope 3 target was also introduced. Consequently, the entire value chain is now included in Storskogen's climate ambitions.

In 2024, Scope 1 and 2 emissions rose by 9 percent compared with the base year 2023, chiefly due to the abolition of the Swedish greenhouse gas reduction mandate. This change caused a reduction in the amount of biofuels used in transportation, leading to higher emission levels.

For Scope 3, Storskogen has reported its second year of emissions calculations, where the largest sources of emissions were identified as purchases of steel, transportation and the use of products. In 2024, total Scope 3 emissions were 1,475,748 tCO_2e, which gives a more comprehensive view of Storskogen's climate impact.

Environmental information

All targets were designed according to the SBTi and were submitted for validation. The base year was updated to 2023 to ensure uniform reporting and improved data quality.

Storskogen's climate strategy and targets are aligned with the Paris Agreement's ambition to limit global warming to 1.5°C. To strengthen the incentives for reducing remaining emissions, Storskogen plans to begin carbon offsetting by 2030, thus clarifying the Group's long-term commitment to minimise its climate impact.

Energy

In 2024, 23 percent of purchased electricity was fossil free from nuclear power and 54 percent was renewable. Despite energy consumption increasing slightly, it did not have a negative impact on climate-related emissions due to an updated lower emission factor. In Sweden, the proportion of fossil-free energy (incl. nuclear power) is high, nearly 99 percent, but this figure is considerably lower internationally. Storskogen is continuing its efforts to ensure access to fossil-free energy in all its markets.

Electricity consumption in 2024

Facts:

Environmental management
Storskogen takes systematic action to reduce the Group's negative climate impact and increase its positive impact. Of the business units, 47 percent have an environmental management system, and all Storskogen's business units are responsible for ensuring that they 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 for all subsidiaries in the Industry business area to be certified according to ISO 14001 or similar. The other business areas shall implement environmental management systems if deemed material.

Follow-up
No instances of non-compliance with applicable laws and regulations and no fines were brought to Storskogen's attention during the year. At the end of the year, 66 percent of the business units in the Industry business area were ISO 14001 certified.

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

Wibe Group, the Netherlands

Resource use and circular economy

For Storskogen, resource efficiency and reduced waste are central areas for becoming a sustainable business. The circular economy is a new and important focus area for Storskogen and a priority in many business units.

Resource use and circular economy are especially material to the industrial companies that manufacture products and for the trade companies that place products in the market. Product inflows largely comprise steel and other metals, as well as plastic, wood and packaging materials.

• Impacts, risks and opportunities

Storskogen's material impacts, risks and opportunities related to resource use and circular economy are presented below:

Impacts

Resource use: In linear business models, resource use often entails inefficient use of natural resources and increased waste production, which has environmental impacts. Storskogen's emissions largely come from the purchase of materials and products, as well as their material extraction and manufacturing (59 percent). In this category, steel accounts for approximately 39 percent. By integrating circular principles such as recycling and resource-efficient product design, Storskogen can reduce its carbon dioxide emissions and support its Net Zero target while creating a sustainable system for waste management.

Risks

Raw materials shortages: Shortages of critical raw materials and products may arise due to high demand related to the transition to a more sustainable economy, resulting in increased input costs, reduced revenue due to production cutbacks and increased development costs.

Opportunities

Even if no material opportunities have been identified at the Group level, there are significant opportunities on the vertical level, such as increased demand for products and services with a sustainability profile.

• Policies

To strengthen its commitment to a circular economy, Storskogen updated its Sustainability Policy, Code of Conduct and Supplier Code of Conduct during the year. These policies clarify Storskogen's undertaking to use resources efficiently, reduce waste and promote reuse and recycling, both in its own operations and the supply chain.

Through these guidelines, Storskogen encourages its suppliers to actively reduce their environmental impact by optimising resource use, complying with local environmental laws and implementing sustainable working methods. The Sustainability Policy integrates circularity in all parts of Storskogen's operations and value chain, strengthening the Company's long-term sustainability and resource-efficiency strategy.

• Actions

To promote resource efficiency and circular economy, Storskogen actively prepares and implements concrete actions. By identifying the flows of resources and waste using data reported in the Scope 3 category Purchase of products and services, Storskogen has begun to identify and implement resource-intensive and waste-generating processes.

Storskogen's overarching purpose is to reduce the climate impact from materials and resources and increase resource efficiency. Examples of identified actions include integrating circular principles in the operations, such as the reuse and recycling of materials, optimised waste management and cooperation with suppliers that offer sustainable solutions.

Storskogen is also preparing any business units covered by the EU's Ecodesign for Sustainable Products Regulation (ESPR) for the implementation of digital product passports. These passports include data on repairability, recyclability and chemicals content, improving product governance and adaptation to sustainability requirements. Training and awareness related to the circular economy are an essential part of the strategy, where employees and suppliers alike are offered support to drive behavioural change and strengthen sustainable working methods.

Storskogen also poses requirements on its suppliers according to its supplier programme. For further information on how Storskogen strives to ensure a sustainable supply chain, see Note H9 on p. 149.

• Metrics and targets

Group-wide metrics and targets for circular economy will be adopted when it is practically possible and Storskogen has reliable data to set relevant targets. In 2024, estimated levels of material inflows and waste were reported:

Material inflow, steel: 187,537 tonnes, based on Scope 3 data. The presented figure is based on reported quantity of steel (in various units), and the actual material inflow of steel is likely higher.

Waste: 342,017 tonnes, of which 7,945 tonnes for landfill.

These key figures will be monitored and reported as a basis for developing future targets.

Other environmental aspects

Certain sustainability topics are material to specific Storskogen business units, even if they have not been considered material to the entire Group. To provide clear support and guidelines to the business units in which these topics are relevant, Storskogen has chosen to include a commitment in its Sustainability Policy for each topic. This commitment acts as a minimum requirement level or guideline for these companies. The information that is considered most material for these companies is described below.

Pollution

Access to clean air and land is an important societal issue, and Storskogen commits to striving for reduced pollution in air, water and land through sustainable processes. Even if pollution is not a material matter on the Group level for Storskogen, there is some impact from specific business units.

Business units where pollution is a material aspect are responsible for complying with environmental legislation and taking action to reduce this impact. For example, companies with high diesel consumption that contribute to SOx and NOx emissions have modernised their vehicle fleet by introducing Euro 6 diesel cars and electric cars. By reducing the use of diesel and increasing electrification, these companies contribute to reducing their climate impact and hazardous air pollution.

The textile-related trade companies strive to reduce pollution from microplastics that may arise during the products' lifecycles through improved processes and the use of alternative materials whenever possible.

Approximately 30 percent of Storskogen's companies, primarily in the industrial sector, handle hazardous substances such as solvents, paints and varnishes. These companies have strict procedures for handling, storing and using such materials.

In addition to the above, several of Storskogen's companies in Industry and Trade are subject to the EU's chemicals legislation (REACH and RoHS). These are not only manufacturing companies but also companies that import products to the EU market. These companies must ensure that their products are free from prohibited substances and comply with all applicable provisions to minimise risks to health and the environment. By maintaining traceability and performing due diligence in their supply chains, these companies ensure compliance with REACH and RoHS, which increases their responsibility for the sustainable management of chemicals and product safety.

Water

Access to water is an issue of increasing importance to society. Even if water usage is not considered a material sustainability aspect at the Group level at Storskogen, it may still be important to individual companies that are active in areas of high water stress. Storskogen has compared the business units' geographical locations with the WWF's risk map to identify areas of water stress and companies where the use of water is a critical matter.

Few manufacturing companies are located in areas of water stress. These companies implement water efficiency measures and monitor their use of water and emissions to water where relevant. As a minimum, all processes that entail a risk of, or actual, unsustainable water use comply with applicable laws and guidelines to ensure responsible and sustainable water management.

Biodiversity

The global reduction in biodiversity is a serious challenge, and Storskogen supports the efforts aimed at protecting and promoting nature's biodiversity in line with the EU's biodiversity strategy for 2030. Storskogen commits to preserve and strengthen biodiversity by reducing its impact on nature and the ecosystems in the areas where the Group operates. Even if biodiversity is not a material matter on the Group level, there may be some impact from specific business units.

Several of Storskogen's companies in Trade and Industry are subject to the EU Deforestation Regulation due to their use of wood and wood-based products. Consequently, biodiversity is a material aspect for these companies. These companies are taking action to ensure traceability and transparency in their supply chains to minimise the risk of deforestation and take measures to protect the ecosystems where the raw materials originate.

In 2024, a few of Storskogen's companies in Sweden, Poland and the Netherlands were active in or near environmentally protected areas, which requires extra care to avoid negative impacts on the local biodiversity. Storskogen ensures that these companies comply with strict guidelines and take the requisite measures to safeguard sensitive ecosystems.

Social information

Material matters	Commitment	Targets – the UN's 2030 Agenda	Targets	Outcome in 2024
Own workforce • Working conditions • Equal treatment and opportunities for all. **Workers in the value chain** • Working conditions • Equal treatment and opportunities for all workers in the value chain.	Storskogen is committed to promoting social justice, safety and well-being, both internally and outside of its own operations, through the following actions: **Fair and safe working conditions** Storskogen ensures that its own employees and workers in the value chain have fair, safe and inclusive working conditions. **Respect for human rights** Storskogen respects and protects workers' rights and human rights throughout the value chain.	**Target 5.5** – Ensure women's full participation in leadership and decision-making. **Target 8.8** – Protect labour rights and promote safe working environments. **Target 10.3** – Ensure equal opportunities and end discrimination.	• Gender distribution in the range of 40–60 percent among employees in senior roles in Storskogen's central organisation. • Gender distribution in the range of 40–60 percent among the people appointed by Storskogen to business units' boards (on an aggregated level). • 100 percent of purchasers shall undergo relevant training. • All business units shall make risk assessments of their suppliers. • High-risk suppliers shall sign the Supplier Code of Conduct and be evaluated.	• 41 percent women and 59 percent men in senior roles. • 27 percent women and 73 percent men on the boards. • 81 percent of purchasers completed relevant training. • 73 percent of the business units carried out the surveying, of which 35 percent identified potential high-risk suppliers. • 87 percent of these included requirements in agreements.

Social information

Own workforce

Storskogen's employees are the Company's most important resource, and the Group is committed to creating a safe, fair and stimulating work environment. The operations are primarily based in the Nordic region, the DACH region and the United Kingdom, where strong legislation protects safe and fair working conditions. A positive work environment promotes engagement, productivity and sustainability in the operations. By proactively addressing these aspects, Storskogen promotes engagement and productivity and contributes to the Group's long-term success.

• Impacts, risks and opportunities

Storskogen's material impacts, risks and opportunities related to the own workforce are presented below:

Impacts

Storskogen's working conditions affect the employees' health, safety and mental health. Good working conditions promote job satisfaction, engagement and motivation, while shortcomings may cause ill-health, accidents and reduced work capacity. As the Group is active in countries where working conditions are heavily regulated, the negative impact is limited.

Risks

Poor working conditions may entail a risk of accidents, ill-health and reduced employee retention, which may have a negative impact on the operations. However, strong legislation in the main markets limits the scope of these risks.

Opportunities

By offering good working conditions, an inclusive and engaging work environment is created that contributes to attracting and retaining essential talents. This increases productivity and the Company's reputation, reduces sick leave and promotes long-term sustainability.

• Policies

For its own workforce, Storskogen has a policy framework that includes a Code of Conduct, an Equality and Diversity Policy, a Work Environment Policy and a whistleblowing function.

The Code of Conduct sets minimum requirements for protecting labour rights, ensuring fair working conditions and preventing discrimination and harassment. The Equality and Diversity Policy ensures equal opportunities and fair conditions regardless of gender, age, ethnicity or other background. The Work Environment Policy aims to promote a safe and healthy workplace by identifying and managing risks and preventing accidents and ill-health. Storskogen's whistleblowing function allows anonymous reporting of irregularities and ensures that employees may raise issues without fear of reprisals.

• Actions

Good working conditions for safety and well-being

Storskogen strives to ensure safe employment and fair salaries in accordance with international human rights standards, including the UN Guiding Principles and ILO's core conventions.

Through compliance with collective bargaining agreements and industry standards, employees are guaranteed fair wages, pensions and social benefits as provided in local laws. Flexible forms of work and the opportunity to work from home are offered to promote a positive work-life balance, strengthening employee well-being and commitment.

The business units perform regular risk assessments and implement preventive actions to minimise occupational accidents and health risks. Several companies have implemented recognised management systems, such as ISO 45001, to ensure systematic and high safety standards.

Storskogen has a zero-tolerance policy for violence, harassment and discrimination. The business units implement locally adapted measures, such as training and clear reporting channels, to identify and manage potential incidents.

A whistleblowing function makes it possible for employees to report irregularities, including suspected human rights violations, anonymously. Storskogen ensures that no reprisals are aimed at those who raise issues related to the work environment, rights or unethical business practices.

Equal treatment and opportunities for all

To promote equality and diversity, the companies performs salary surveys and analyses to ensure fair salaries and prevent gender discrimination. The business units also take action to integrate diversity perspectives in recruitment and promotions to create inclusive workplaces.

Storskogen strives to protect the right to join a union, prevent forced and child labour and eliminate discrimination in the workplace. Risks related to human rights violations are identified and managed through regular risk assessments and training courses in line with Storskogen's codes of conduct and international guidelines.

Storskogen is committed to promoting a culture of continuous learning and skills development. The business units are encouraged to invest in training programmes and initiatives aimed at improving employee skills, thus contributing to the businesses' long-term success. By providing formal training, learning at work and regular performance reviews, Storskogen offers tools to support career development. The performance reviews make it possible to adopt personal targets and follow up on performance, thus creating the conditions required for employees to develop in their roles and face new challenges.

Social information

• Metrics and targets

Working conditions

Storskogen has a policy of zero occupational accidents and strives to eliminate all work-related incidents. Each business unit is encouraged to adopt specific work environment targets that are adapted to their conditions. These are followed up through the Group's overarching governance. Over the year, the occupational injury frequency rate increased to 0.8, a deterioration compared to the previous year's level of 0.5. The total number of serious occupational injuries was 83, but no fatalities or occupational illnesses were reported.

No fines related to occupational health and safety were brought to Storskogen's attention in the year, which highlights Storskogen's continued commitment to ensuring a safe and secure work environment throughout the Group.

For further information, see Note H7 on p. 149.

Equal treatment and opportunities

Storskogen's central organisation has adopted concrete targets, which are shown below. Each business unit is responsible for adopting specific targets based on its particular conditions.

The gender equality target for Storskogen's central organisation is to achieve a gender distribution in the range of 40–60 percent among employees in senior roles and for the people appointed by Storskogen to the business units' boards. As Storskogen's Board is not appointed by Storskogen, it is not relevant to adopt a target for its gender distribution. In 2024, the gender distribution was 41 percent women in senior roles and 27 percent women among the people appointed by Storskogen to the business units' boards, while Storskogen's Board achieved a distribution of 40 percent women and 60 percent men.

In the entire Group, the gender distribution was 28 percent women and 72 percent men, while the central organisation had a more even gender distribution with 52 percent women and 48 percent men.

39 percent of the business units have set targets for gender equality and diversity. One case of discrimination was reported in the year. No human rights violations were reported. All employees in the central organisation had performance reviews to promote development and dialogue.

For further information, see Note H6 on p. 147.

Storskogen's gender equality targets

Area	Targets	Outcome 2024
Gender distribution among employees in senior roles in Storskogen's central organisation	In the range of 40–60 percent	41 percent women and 59 percent men
Gender distribution among the people appointed by Storskogen to business units' boards	In the range of 40–60 percent (on an aggregated level)	27 percent women and 73 percent men

Workers in the value chain

Storskogen has a responsibility for ensuring good working conditions, including human rights, throughout the entire value chain, especially regarding employees of suppliers and business partners. Storskogen's work aims to ensure that all employees in the value chain are treated fairly and have safe working conditions.

In Storskogen's business units, which are active in various industries and geographical areas, the risk level in the supply chain varies with regard to working conditions, safety standards and social protection. The global supply chain, including suppliers and subcontractors, can have a material negative impact on working conditions for workers in the value chain. The risk of poor working conditions and inadequate social protection is higher in regions with weaker regulations and labour-intensive processes. Requirements must, therefore, be posed regarding social rights and good working conditions. At the same time, a strong focus on good working conditions and social responsibility contributes to improved delivery reliability.

• Impacts, risks and opportunities

Storskogen's material impacts, risks and opportunities related to workers in the value chain are presented below:

Impacts

Through long and complex supply chains, Storskogen has a potential negative impact on working conditions for workers in the value chain. This impact may increase through price and delivery time negotiations. To reduce the impact, it is crucial to understand and plan the purchase process to avoid putting severe stress on suppliers.

Storskogen may have a positive impact on its suppliers by posing requirements on them regarding better working conditions and development, both from an economic and a skills perspective.

Risks

Suppliers' poor safety and working conditions may affect workers in the value chain, and the use of child and forced labour among suppliers in high-risk countries may have severe ethical impacts. Failure to comply with laws and regulations may result in legal consequences and sanctions.

Opportunities

Through good cooperation with its suppliers, Storskogen can not only pose requirements but also have a positive impact regarding strengthened relationships and increased delivery reliability, better working conditions, safer workplaces and compliance with laws and regulations.

• Policy

Storskogen's shared Supplier Code of Conduct sets minimum requirements for sustainability and social responsibility throughout the value chain. Each business unit adapts its compliance efforts to its specific risks and the size of the operations to align with the Supplier Code of Conduct, which includes basic requirements on working conditions, environmental considerations and social standards. Storskogen evaluates its suppliers based on price, quality and delivery capacity, as well as social and environmental risks, particularly in high-risk regions.

Storskogen's programme for sustainable supply chains

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

	Learning	Assessment	Agreement	Compliance
What	Purchasers shall receive sustainability training by completing Storskogen's sustainability e-learning course.	Storskogen shall map its supply chain to identify the highest risks of negative social and environmental impact, including impact on human rights. High-risk suppliers in the value chain shall be identified and prioritised based on risk.	Storskogen shall use a Supplier 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 percent of purchasers shall undergo relevant training.	Storskogen shall regularly evaluate its suppliers' potential risks based on the risk tool and actual risks to identify high-risk suppliers and prioritise actions based on risk.	100 percent of high-risk suppliers' agreements shall include Storskogen's Supplier Code of Conduct or similar.	100 percent 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	Risk assessment instruction and list.	Supplier Code of Conduct.	Self-assessment questionnaire (SAQ).

• Actions

To ensure that all employees in the value chain are treated fairly and have safe working conditions, Storskogen has developed a Group-wide programme for sustainable supply chains. The programme is based on a risk evaluation model that considers factors such as geographical location, industry, handling of raw materials, and supply chain structure to identify potential high-risk suppliers. The model helps identify regions with weak governance, considerable corruption and political instability, as well as sectors with particular challenges, such as construction, agriculture and the handling of raw materials. The analysis identifies potential, rather than actual, risks. The business units are responsible for assessing and verifying their actual risks based on their local knowledge of the suppliers.

Suppliers that are considered to be high risk must sign Storskogen's Supplier Code of Conduct, which contains precise requirements on fair working conditions, a safe work environment and respect for human rights, as well as specific measures to prevent human rights violations, such as in connection with conflict minerals. Compliance is evaluated using tools such as self-assessment forms, audits and, if required, site visits. Any identified deviations require rectifying measures. In case of serious violations, the cooperation is terminated.

The business units adapt the programme's implementation based on their size, operations and risk profile. The Group's programme for sustainable supply chains contains objectives, training programmes, risk assessment templates and tools for follow-up. The implementation of the programme was initiated at the first board meeting held in each business unit in 2023 and is carried out continuously. The boards of the business units follow up on these efforts to ensure that the suppliers meet Storskogen's requirements and contribute to a sustainable and responsible supply chain.

• Metrics and targets

Storskogen's targets for maintaining sustainable working conditions in the supply chain are included in the table on the previous page. It involves posing requirements, conducting regular evaluations and ensuring that all those who work in purchasing have the skills required to identify and manage sustainability risks. Transparency and surveying of the suppliers' geographical spread encourage transparency throughout the supply chain, which contributes to creating a responsible and sustainable supply chain.

73 percent of the business units carried out the surveying, of which 35 percent identified potential high-risk suppliers. 87 percent of these included requirements in their agreements through Storskogen's Supplier Code of Conduct.

81 percent of the selected target groups participated in the procurement training programme.

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

Other social aspects

Certain sustainability topics are material to specific Storskogen business units, even if they have not been considered material to the entire Group. To provide clear support and guidelines to the business units in which these topics are relevant, Storskogen has chosen to include a commitment in its Sustainability Policy for each topic. This commitment acts as a minimum requirement level or guideline for the affected companies. The information that is considered most material for these companies is described below.

Affected communities

For Storskogen, which is chiefly active in the B2B sector and countries with strong legislation related to social protection and working conditions, these factors are not material at the Group level. Most of Storskogen's business units operate in regions where local communities are not affected to the same extent as those in more vulnerable areas. There are also established systems and legislation to manage these risks. Consequently, these risks are not considered material to Storskogen.

Consumers and end-users

Storskogen is primarily active in the B2B sector. Consequently, the Group's impact on consumers and end-users can be regarded as limited. Most business units sell products and services to other companies, and consumer issues are often handled indirectly via the customers. According to Storskogen's materiality assessment, impacts, risks and opportunities related to consumers and end-users are limited at the Group level. Consequently, this area is not considered material to the entire Group.

Some business units, particularly in Trade and parts of Industry, have products that reach end customers via corporate customers. These companies use quality management systems such as ISO 9001 and comply with EU regulations and directives such as REACH and RoHS to ensure quality and safety. In 2024, 52 percent of Storskogen's business units were ISO 9001 certified. Several of the companies also engage in sustainable product development, including recycled materials and energy-efficient solutions, and use digital product passports to promote transparency regarding the products' life cycles and chemical content. That way, they contribute to sustainability in the value chain and strengthen the customers' ability to make conscious choices.

Storskogen operates in regions with strong legislation and robust supervisory systems, such as the Nordic region, the DACH region and the United Kingdom. Combined with the business units' established procedures, this reduces the risk of negative impacts and risks and strengthens responsible product governance. Although the area is not material at the Group level, Storskogen supports relevant business units with guidelines and resources to manage product-related matters and ensure long-term customer confidence.

Governance information

Material matters	Commitment	Targets – the UN's 2030 Agenda	Targets	Outcome in 2024
Corruption and bribery	We commit to maintaining high business ethics and governance standards through the following actions: **Zero tolerance for corruption** We have zero tolerance for corruption and unethical conduct throughout our operations. **Business conduct and anti-corruption training** All employees in risk-exposed roles shall participate in business conduct and anti-corruption training.	**Target 4.7** – Education for sustainable development and global citizenship.	• 0 cases of corruption and bribery. • 100 percent of employees in risk-exposed roles shall participate in business conduct and anti-corruption training.	• 0 cases of corruption and bribery. • 72 percent completed the training.

Governance information

Business conduct

Storskogen's long-term viability is built on sustained confidence from the Company's stakeholders – confidence earned through professionalism and high requirements on ethics and integrity. This does not only apply to Storskogen but to the entire supply chain, where the Group is responsible for setting clear business conduct requirements for suppliers.

Some sectors in the industries and areas where Storskogen is active are more exposed to corruption and bribery. According to Transparency International's Corruption Perceptions Index, the risk is generally low in Storskogen's main geographical markets. Nevertheless, the exposure risk is higher in project-based business and supplier-heavy sectors such as construction and industrial services. Poor procedures and control systems may increase the risk of bribery and corruption, leading to increased legal costs and a loss of revenue through negative reputational impact.

• Impacts, risks and opportunities

Storskogen's material impacts, risks and opportunities related to business conduct are presented below:

Impacts

Storskogen is chiefly active in the EU, where the risk of corruption and bribery is generally considered low. Strict regulations and strong institutions reduce the risk in the own operations. However, there is a potential negative impact from corruption and bribery throughout the value chain, especially in the supply chain and in project-based operations in high-risk sectors such as construction, industrial services and the public sector. In these sectors, poor procedures among suppliers and partners may contribute to a risk of corruption, which could harm Storskogen's credibility.

Risks

Even if the risk of corruption and bribery is low within the EU, certain risks remain in businesses with high risk exposure. Poor transparency and a lack of control in the supply chain may enable corrupt business methods, particularly in sectors with complex supplier structures or in geographical high-risk areas outside the EU. Project-based transactions involving several participants and dependencies also entail a greater risk of bribery or irregularities, particularly related to public procurement. The discovery of corruption in the value chain may harm Storskogen's reputation and lead to a loss of revenue and business opportunities. Finally, a failure to comply with anti-corruption laws may result in considerable fines and legal consequences, further emphasising the importance of effective control systems and clear guidelines.

Opportunities

A strong focus on business conduct and transparency contributes to maintaining the confidence of customers, investors and other stakeholders. Even if it may primarily be considered a hygiene factor rather than a strategic opportunity, a clear stance against corruption and bribery is key to ensuring long-term stability and good business conduct.

• Policies for business conduct and corporate culture

Storskogen's Sustainability Policy lays down principles for business conduct, including clear guidelines on business ethics and anti-corruption. The policy emphasises the importance of integrating ethical and sustainable business principles throughout the Group. This means that Storskogen and its business units shall act in accordance with international standards and regulations and prioritise transparency and accountability in its business relationships.

Storskogen's Code of Conduct supplements the Sustainability Policy by clearly defining the Company's expectations of employees and business units regarding business ethics and responsible conduct. The Code of Conduct emphasises the importance of combatting corruption and bribery and acting honestly and transparently in all business situations. It also highlights the importance of reporting violations to maintain high ethical standards.

Storskogen's Anti-Corruption Policy is a central part of the Company's anti-corruption and anti-bribery efforts. The Policy applies to the entire Group and contains guidelines to identify, prevent and manage risks related to corruption. It also contains requirements on regular business conduct and anti-corruption training for employees in the central organisation as well as for relevant roles in the business units.

Storskogen's Supplier Code of Conduct includes business conduct and anti-corruption requirements for the Company's suppliers. It requires suppliers to comply with legislation, respect human rights and have zero tolerance for corruption and bribery. Including these aspects in the Supplier Code of Conduct ensures that Storskogen's supply chains meet the same high ethics and accountability standards as the Group.

Storskogen's whistleblowing function is essential for improving business conduct and combating corruption. The function allows for anonymous reporting of suspected violations and contributes to the early identification and rectification of issues. It can be used by employees and external stakeholders, such as suppliers and customers, and constitutes a part of the Company's commitment to uphold transparency and ethical business methods.

• Anti-corruption and anti-bribery measures

Storskogen engages in systematic efforts to prevent, discover and manage corruption and bribery in the Group and its business units. Preventative action includes regular risk assessments and reviews to identify potential risks. Employees in risk-exposed roles participate in mandatory business conduct and anti-corruption training to ensure that they have the knowledge required and comply with Storskogen's guidelines.

In the event of suspected cases of corruption or irregularities, impartiality is ensured, as incidents are managed by an independent body that reports directly to the Board. Compliance with the Anti-Corruption Policy is a standing item in business unit board meetings to ensure continuous monitoring.

Governance information

Storskogen's whistleblowing system acts as a confidential channel where employees can safely and anonymously report suspected cases of corruption and bribery. Reports are reviewed and monitored to ensure that action is taken when needed.

• Metrics and targets

According to Storskogen's business conduct target, 100 percent of employees in risk-exposed roles shall participate in regular training, and the whistleblowing function shall be used effectively to discover potential violations. All high-risk suppliers shall also comply with Storskogen's Supplier Code of Conduct. The target fulfilment related to the Supplier Code of Conduct is provided under Metrics and targets in the Workers in the value chain section.

Target fulfilment is followed up annually and reported in the Sustainability Report to ensure continuous improvements and strengthen the Group's work on responsible and ethical business methods.

Storskogen measures its progress through key performance indicators such as:

- The proportion of employees in risk-exposed roles who have participated in business conduct and anti-corruption training.
- The number of cases managed by the whistleblowing function.
- Risk assessments performed, high-risk suppliers reviewed and cases of suspected corruption that have been reported and handled.

In 2024, 88 percent of the employees in the central organisation participated in business conduct and anti-corruption training, an increase of 84 percent from the previous year. The whistleblowing function was used to report a total of ten matters, which were all reviewed and handled according to Storskogen's Whistleblowing Policy. Supply chain risk analyses had been performed by 73 percent of the business units, and 40 percent of the identified high-risk suppliers had signed and complied with Storskogen's Supplier Code of Conduct at year-end. Zero instances of confirmed corruption or bribery were reported in the Group over the year.

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

Martin Fägersten, Viametrics, Sweden

Ambitious climate efforts enhance business value

Storskogen's business unit J&D Pierce, a specialist in design, fabrication, painting and site erection of structural steelwork in the United Kingdom, has committed to reaching net zero by 2050 and to reducing their emissions by 50 percent from the base year 2023 to 2030. Their ambitious climate efforts should lead to competitive advantages and enhanced business value.

As part of their commitment to reach net zero, J&D Pierce has identified focus areas covering selection of sustainable materials in projects, participating in a transition programme, and expanding the use of electric and hybrid fuels. Together, these actions will support the company's long-term growth and strengthen resilience.

Innovative material choices

In certain projects, J&D Pierce uses steel produced with electric arc furnaces (EAF). The electric arc furnace melts scrap steel by generating intense heat through electric arcs created between carbon electrodes, which melts the metal quickly for refining. This energy-efficient and recycling-friendly process significantly reduces Scope 3 emissions compared to traditional ore-based steel production in a blast furnace. In addition, the complete traceability of the material ensures precise reporting of CO_2 emissions.

Determined transition

J&D Pierce's participation in the Net Zero Nation Accelerator, a programme to help small and medium-sized organisations transition to net zero, underscores their commitment to reduce emissions. Within the framework of the programme, they collaborate with other companies, sharing experiences and encouraging climate action within the industry, supply chain and local economy.

Using renewable fuels

J&D Pierce has already converted most of its gas and electrical supply to renewable sources. To minimise their footprint, they are trialling fuels with lower climate impact in their facilities. They are also investigating the use of electric Mobile Elevating Work Platforms (MEWPs) on sites.

J&D Pierce's ambitious climate efforts enhance business value, serving as a strong example for other small and medium-sized businesses within and outside Storskogen.

Facts about J&D Pierce

J&D Pierce (Contracts) Ltd is a leading specialist in design, fabrication, painting and site erection of structural steelwork in the United Kingdom. The company was founded in 1975 and is headquartered in Glengarnock, Scotland. In 2024, J&D Pierce had approximately 500 employees and net sales of SEK 1,320 million.

Corporate governance

Wibe Group, Sweden

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Corporate Governance Report

Comment from the Chair

Equipped for growth and solid profitability

In 2024, the situation in the world remained uncertain with prolonged conflicts in Ukraine and the Middle East. Nevertheless, in several markets an improvement in the inflation rate led to initial interest-rate cuts, and signs of an economic upturn can be discerned. Globally, climate change and related issues are increasingly relevant, resulting in both challenges and opportunities.

Despite the volatile external situation, Storskogen made significant progress in its prioritised areas over the year, with strong cash flows and improved profitability. The Board worked closely with the Group management to ensure that Storskogen remains properly equipped for growth also in the future. We maintained a close dialogue with Storskogen's CEO, Christer Hansson, who was appointed in February and has shouldered the role with great tenacity and dedication. The results of the Board and the Group management's cooperation were presented on Storskogen's Capital Markets Day in November and include a strategic focus on organic and acquired profit growth and solid profitability, underpinned by new and forward-looking financial targets.

The Audit Committee's work over the year included the management of divestments in the Company's accounts, particularly the divestment of nine unprofitable companies that was completed in the third quarter. Time was also devoted to ensuring adequate internal control procedures in Storskogen's business units. It is gratifying to note that the control activities in the business units remain of high quality and that efforts to develop additional procedures are continuous. The Audit Committee also regularly follows up on the Group-wide risk assessment and the measures taken to manage and limit the effect of the risks.

The Sustainability Committee's efforts to support Storskogen's sustainability initiatives and ensure the implementation of the strategy continued over the year. Storskogen set new absolute climate targets aligned with the Science Based Targets initiative (SBTi) and adopted a climate transition plan to meet these targets. The preparations to adapt the sustainability efforts according to future Swedish legislation on sustainability reporting continue, and as a step in these efforts, Storskogen's double materiality assessment was updated.

Despite the unpredictable global situation, I am convinced that Storskogen, with its diversified business group and strategic priorities, is well-equipped for the future and to seize the opportunities ahead. With confidence and determination, we continue our efforts to drive growth and create value for our shareholders.

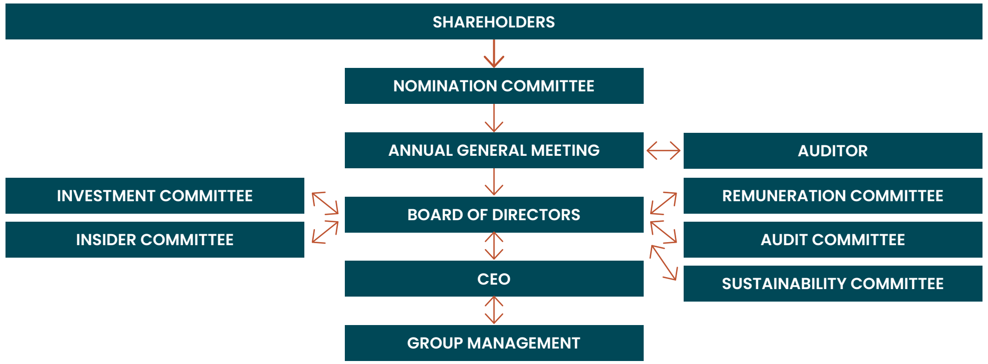
Annette Brodin Rampe
Chair of the Board

CONTENTS

Storskogen Group AB is a Swedish limited liability company that has been listed on Nasdaq Stockholm, Large Cap, since 6 October 2021. As at 31 December 2024, the Group had operational presence in 30 countries and 10,807 employees. At year-end, the central organisation in Sweden, Denmark, Norway, the United Kingdom, Germany, Switzerland and Singapore had 79 employees in the business area organisation and specialist areas such as finance, sustainability, M&A, business development, communication and legal.

The Board's responsibility for corporate governance and internal control is governed by Swedish legislation, supplemented by external frameworks. Primary frameworks for Storskogen's corporate governance in 2024 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. The website also includes a description of the Swedish corporate governance model. There were no deviations from the Code in 2024.

GOVERNANCE MODEL



SHAREHOLDERS AND THE ANNUAL GENERAL MEETING

Storskogen had a total of 36,225 shareholders at year-end. 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 2024, the ten largest owners accounted for 66.3 percent of the votes and 40.8 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 corresponding 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. 161 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 guidelines for remuneration and other terms of employment for the CEO and other senior executives.

Annual General Meeting 2024

Storskogen's AGM was held on 8 May 2024. The Board passed a resolution in accordance with the provisions in Chapter 7, Section 4 a of the Swedish Companies Act, allowing shareholders to exercise their voting rights by post. Consequently, shareholders could exercise their rights physically, by proxy or by post.

At the AGM in Storskogen on 8 May 2024, a dividend of SEK 0.09 per share was resolved on. Annette Brodin Rampe was re-elected as Board member and Chair of the Board, and Alexander Bjärgård, Louise Hedberg, Johan Thorell and Robert Belkic were re-elected as Board members. The AGM also resolved to re-elect Ernst & Young Aktiebolag as auditor, adopt two incentive programmes and authorise the Board to issue B shares and repurchase and transfer treasury B shares.

The AGM resolved to pay unchanged fees of SEK 900,000 to the Chair of the Board and SEK 415,000 to the other Board members for the period until the next AGM. Board members who 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. The Chair of the Sustainability Committee received a fee of SEK 75,000, and the other members of the Sustainability Committee received SEK 50,000 in fees.

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 breadth of qualifications, experience and background. The Nomination Committee shall strive for a good gender balance on the Board 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 members of the Nomination Committee.

The Nomination Committee for the 2025 AGM was appointed based on the ownership structure on 31 August 2024 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 Class A shareholders
- Ronnie Bergström, appointed by the Class A shareholders
- Dick Bergqvist, appointed by AMF
- Oscar Bergman, appointed by Swedbank Robur Fonder.

As of 7 March 2025, the Nomination Committee has held three meetings prior to the 2025 AGM. In addition, the Nomination Committee maintained ongoing contact for further discussions and review of the results of the Board evaluation carried out by the Board members, as well as interviews with selected members of the Board. The Nomination Committee considered all issues that were to be considered according to the Code.

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

AUDITOR

The external auditor is an independent body that audits the Company's accounts and the management by the Board and the CEO to ensure that the Company provides a true and fair view 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 for the Company and an auditor's report for the Group to the AGM. In 2024, 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 about fees 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 2024 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 independent of the Company, its management or its major shareholders; he should be regarded as an inside 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. 55.

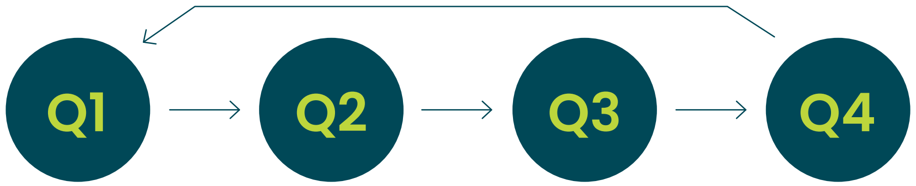
Responsibilities of the Board of Directors

The Board is tasked with determining the Company's overarching goals and strategy. It is also 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 is also responsible for issuing instructions to the Audit Committee, the Remuneration Committee and the Sustainability Committee and 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 that it meets its obligations to the shareholders in a manner that is fit for purpose and ensures that the Board receives satisfactory information and

Board of Directors' annual wheel

Every ordinary Board meeting includes reports from the Group management on finance, the business areas' performance and other strategic issues. Reports from the Company's Audit Committee, Remuneration Committee, Sustainability Committee and Investment Committee are also submitted.



Q1: Year-end report, resolution on proposed dividends, matters for the AGM, risk workshop, Annual Report, meeting between the auditors and the Board without the management's presence.

Q2: Interim report for the first quarter, statutory board meeting, Rules of Procedure of the Board and instructions to the CEO and the Committees of the Board.

Q3: Interim report for the second quarter.

Q4: Interim report for the third quarter, budget resolution, financial calendar for the following year, policies, evaluation of the Board and the CEO.

supporting documents for its work. The Chair of the Board engages in an 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). Occasionally, 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 interest 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 and members of the Board. In 2024, an evaluation was carried out of the Board and CEO using an evaluation tool. The results were then presented to the Nomination Committee.

Board meetings and main subject areas

The Board held 26 meetings over the year, seven of which were regular Board meetings, including the statutory Board meeting. In addition, 19 extra meetings were held to deal with issues such as resolutions regarding the replacement of the CEO, new bond issues, divestment of companies, funding and incentive programmes. The majority 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 Chair of the Investment Committee. The Company's Audit Committee, Remuneration Committee, Sustainability

	Audit Committee	Remuneration Committee	Sustainability Committee
Focus areas in 2024	Review of interim reports, the Annual Report and the associated reporting from the auditors. Management in the accounts of the divestment of nine unprofitable companies that was completed in the third quarter. 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 to the Nomination Committee regarding the election of auditors for the AGM.	Evaluation of the 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 the Remuneration Report and remuneration guidelines.	Evaluation of sustainability targets and strategies, preparations for CSRD and future reporting requirements. Materiality assessment and stakeholder dialogues. Review of relevant policies.
Attendance at meetings	Johan Thorell: 5/5 Annette Brodin Rampe: 5/5 Robert Belkic: 5/5	Annette Brodin Rampe: 5/5 Louise Hedberg: 5/5	Louise Hedberg: 5/5 Annette Brodin Rampe: 5/5

Committee and Investment Committee also present their reports. These reports include any issues addressed at the last committee meetings, any decisions that should be referred to the Board and the Committee's recommended decision.

Committees of the Board of Directors

The Board has established an Audit Committee, a Remuneration Committee and a Sustainability Committee. The work of the committees is governed by instructions adopted by the Board and 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 accounts meet 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 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 Committee are appointed at the statutory Board meeting for one year. The Committee held five meetings over the year and comprised Johan Thorell (Chair), Annette Brodin Rampe and Robert Belkic. The Company's external auditor attended the Audit Committee meetings.

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

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 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, strategy and the organisation's development. 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 specific 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, 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. 56.

Remuneration to Group management

According to the Guidelines for Remuneration to Senior Executives adopted at the AGM on 8 May 2024, 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 2024 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 2025 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 7 May 2025.

Investment Committee

In 2024, the Investment Committee consisted of the Head of M&A and Corporate Development, the CEO and the head of the relevant business area (Trade, Industry and Services) or 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 SEK 500 million or more, 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.

As of 2025, Storskogen's Investment Committee consists of Group management, and Alexander Bjärgård serving as the Chair.

Insider Committee

To identify, evaluate and decide whether the publishing of 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.

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 2024: 26/26

Year of birth: 1962

Education: MSc in Chemical Engineering, Chalmers University of Technology

Employment history: CEO of Internationella Engelska Skolan, board member of Peab AB, Ernströmgruppen 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 Pion Group AB (formerly Poolia AB), Ferronordic AB and Episurf Medical AB

Shareholding, own or held by related parties, as at 31 December 2024: 1,000,000 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 2024: 26/26

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: Head of Sustainability at East Capital, Head of IR at 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, CEO and chairman 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, P Capital Partners and RCO Security Group AB, deputy board member of Hayman AB

Shareholding, own or held by related parties as at 31 December 2024: 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 2024: 26/26

Year of birth: 1970

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

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

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

Shareholding, own or held by related parties as at 31 December 2024: 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 2024: 25/26

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 2024: 37,539,070 A shares and 22,856,471 B shares of which 22,250 are savings shares in the share savings programme. 166,153 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 2024: 26/26

Year of birth: 1970

Education: BSc Business Administration and Economics, Stockholm University

Employment history: Interim CFO of Polarium Energy Solutions AB, CFO, EVP and Group Teasurer 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, board member of Vimian Group AB

Shareholding, own or held by related parties as at 31 December 2024: 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 Rejlers.

Group management

CHRISTER HANSSON

CEO

Consultant since: 2016 and employee since 2021, CEO since 2024

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 2024: 33,762,461 B shares of which 22,250 are savings shares in the share savings programme. 737,531 warrants and 284,448 employee stock options

LENA GLADER

CFO

Employed since: 2019

Year of birth: 1976

Education: Master of Business Administration, 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 2024: 737,343 B shares of which 22,250 are savings shares in the share savings programme. 315,477 warrants and 374,448 employee stock options

JOHAN EKSTRÖM

EVP, Head of M&A

Employed since: 2021

Year of birth: 1970

Education: PhD in Business Administration with focus on M&A, Lund University

Employment history: Partner at EY, Head of Business Area Consumer at Volati AB, Business Area Head at Skandia, Partner at Accenture

Shareholding, own or held by related parties as at 31 December 2024: 224,426 B shares of which 14,277 are savings shares in the share savings programme. 308,961 warrants and 157,911 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 2024: 33,921,910 A shares and 16,113,267 B shares of which 22,250 are savings shares in the share savings programme. 0 warrants and 284,448 employee stock options

FREDRIK BERGEGÅRD

EVP, Head of 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 2024: 674,469 B shares of which 22,250 are savings shares in the share savings programme. 481,630 warrants and 284,448 employee stock options

ÅSA MURPHY

EVP, Head of Business Area Trade

Employed since: 2021

Year of birth: 1974

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

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

Shareholding, own or held by related parties, as at 31 December 2024: 28,900 B shares of which 10,383 are savings shares in the share savings programme. 382,838 warrants and 114,844 employee stock 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 Manager 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 2024: 2,433,660 B shares of which 33,036 are savings shares in the share savings programme. 0 warrants and 849,482 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

Shareholding, own or held by related parties as at 31 December 2024: 886,548 B shares of which 33,702 are savings shares in the share savings programme. 0 warrants and 699,582 employee stock options

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Board of Directors' report on internal control

The purpose of good internal control is to achieve effective operations that meet their targets. The internal control shall further ensure reliable internal and external financial reporting and compliance with applicable internal and external laws and regulations. Storskogen has adopted methodical working methods and structured procedures for adopting the 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 function is functional and has the resources required to provide good and reliable financial reporting. All in all, the Board 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 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. 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
- Work Environment Policy
- Gender Equality and Diversity Policy
- Anti-Money Laundering Policy
- Policy on Sanctions and Export Control
- Whistleblowing Policy
- Risk Policy
- Information Security Policy
- IT Policy
- Contingency 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 and 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. Once a year, the Group management holds a comprehensive risk workshop to identify the Group's significant risks, their probability and possible impact, and prepares action plans to manage any identified risks. The work on risks is reported to the Audit Committee and the Board annually and when necessary. Read more about Storskogen's risk management on p. 66.

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 2024, several control activities were carried out. Companies that were acquired over the period 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 33 standardised key controls related to the accounts preparation and revenue process, information security, taxes and payroll management. The larger companies' internal control is more advanced, with additional processes and key controls. When processes in the larger companies' control structures are surveyed, Storskogen's central function assists the companies when needed. Any deviations in the control processes are followed up in the annual self-assessments.

In 2024, Storskogen's business units performed the annual self-assessment of their respective key controls. Whenever control deviations were noted, action plans were established. The result of the self-assessment is 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 the business unit in question and to Storskogen's central function, which in turn reports to the Audit Committee on an aggregated level.

Information and communication

External financial information must be accurate, complete and relevant. The provision of information is based 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. Storskogen'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.

Follow-up on control activities

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

The follow-up includes reviewing monthly financial reports against targets, making demand-driven financial evaluations of business areas and sub-segments and reviewing the results of internal audits.

The follow-up also includes observations reported by Storskogen's external auditor.

Stockholm, 25 March 2025

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 2024 on pages 49-58 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 2025

Ernst & Young AB

Åsa Lundvall
Authorised Public Accountant

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 submit Storskogen's annual accounts and consolidated accounts for the 2024 financial year.

- The Group's financial year refers to 1 January to 31 December 2024.
- The Parent Company's financial year refers to 1 January to 31 December 2024.

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. With a long-term ownership horizon, Storskogen acquires and develops leading small and medium-sized businesses across selected industries.

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 2024, the Company had 115 (129) business units with registered offices in Sweden, Denmark, Norway, Germany, Switzerland, Singapore and the United Kingdom. Storskogen's business units are divided into three business areas, Services, Trade and Industry, with underlying verticals in each business area. In the 2024 financial year, the vertical structure was as listed in the table below. The verticals will be regrouped in the first quarter of 2025. More information about these changes will be presented in the interim report for the first quarter of 2025.

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

	2024	2023	2022	2021	2020
Net sales, SEK m	34,182	36,006	34,250	17,496	8,933
Operating profit, SEK m	1,492	2,446	2,613	1,406	774
Profit before tax, SEK m	493	1,321	2,111	1,233	673
Profit for the year, SEK m	116	944	1,592	947	574
Total assets, SEK m	43,180	44,169	47,482	32,223	12,002
Operating margin, %	4.4	6.8	7.6	8.0	8.7
Return on equity, %	0.6	4.6	8.8	10.4	14.2
Equity/assets ratio, %	48.2	46.3	41.3	51.5	43.8
Average number of employees	10,815	11,654	11,263	5,760	3,154

For additional information on corporate governance and sustainability, see the Corporate Governance Report on pp. 49-58 and the Sustainability Report on pp. 23-48 and 136-159, which are separate from the Annual Report.

MARKET TRENDS

The market trend for Storskogen's business areas varied in 2024. The year began slightly weaker in general, with high interest rates, moderate demand and an economic downturn in some of the business areas' markets. Hence, operational initiatives such as price adjustments, efficiency enhancements and cost control were priorities in all business areas, counteracting the weak demand in certain segments. These initiatives also allow for improved profitability once demand returns to regular levels. In the latter part of the year, demand increased, and the economy showed signs of improvement in some areas, partly due to reduced interest rates.

In the second half of the year, demand grew stronger in the Services business area, following the weaker start of the year. Market conditions were particularly good for business units in freight and freight forwarding, installations and product and consulting companies offering digital services. Business units offering infrastructure and engineering services were affected by the feeble construction market, but signs of an improved sentiment were noted at the end of the year.

The Trade business area remained impacted by weak consumer demand. The sentiment was subdued, primarily for business units in the sports sector and the housing and construction industries. However, demand remained strong for business units active in haircare and cosmetics. At the end of the year, consumer confidence was cautiously optimistic but remained apprehensive.

In the Industry business area, order intake was generally stable over the year but slightly lower during the last six months. The market remained stable for business units in automation solutions, metalworking and infrastructure. Like in other business areas, demand was weaker for business units exposed to the construction industry and the consumer market.

Considering the uncertainties in the external world and macroeconomic factors such as high interest rates, Storskogen focused on organic profit growth, continued strong cash flows and a reduced leverage ratio, which resulted in a highly restrictive acquisition agenda. These focus areas remain, with the aim to increase the acquisition pace eventually.

Five add-on acquisitions were made in Sweden over the year. Eleven divestments were made over the year in Sweden, Germany and Switzerland.

OWNERSHIP STRUCTURE

On 31 December 2024, Storskogen had 36,225 shareholders (37,638) in total. There were 1,686,725,219 outstanding shares in the Company, divided into two share classes. There were 142,001,374 A shares and 1,544,723,845 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 66.3 percent of the votes (67.3) and 40.8 percent of the capital (41.2). Storskogen's B shares have been listed on Nasdaq Stockholm since 6 October 2021. At the Annual General Meeting held on 8 May 2024, the Board was authorised to issue shares, warrants and convertibles and repurchase own shares.

SIGNIFICANT EVENTS IN THE FINANCIAL YEAR

Net sales for the Group fell by 5 percent to SEK 34,182 million (36,006). Organic sales growth was 0 percent (-3) for the full year. The reduction in net sales was primarily due to completed divestments.

Operating profit decreased by 39 percent to SEK 1,492 million (2,446), corresponding to an operating margin of 4.4 percent (6.8). The decrease was due to non-recurring costs, primarily related to the completed divestments. Items affecting comparability amounted to SEK -947 million (69) over the year.

Profit for the year fell by 88 percent to SEK 116 million (944) due to items affecting comparability of SEK -1,019 million (11). Cash flow from operating activities fell by 8 percent to SEK 3,098 million (3,361). Basic earnings per share totalled SEK -0.03 (0.47), and diluted earnings per share amounted to SEK -0.03 (0.46).

▶ For developments per segment, see Note 3 on p. 85.

Storskogen did not make any platform acquisitions over the year (two in 2023) but made five add-on acquisitions (10 in 2023). These acquisitions had total annual sales of SEK 27 million (597). They were made in Sweden in the Services and Industry business areas.

▶ For further information on acquisitions made in 2024, see Note 5 on p. 89.

In 2024, 11 divestments were made, with total annual sales of approximately SEK 2,000 million (1,900). The divestments were made in Sweden, Germany and Switzerland, in all three of the Group's business areas.

▶ For further information on divestments made in 2024, see Note 6 on p. 93.

Daniel Kaplan resigned as the CEO of Storskogen in the first quarter and was replaced by Christer Hansson, the former EVP Head of Business Area Trade.

Storskogen continuously strives to optimise its balance sheet, including its credit and debt portfolios. Over the year, the scope of the credit facilities was adapted to the Company's needs and reduced. The average maturity was extended, and bonds of SEK 2,500 million were issued to fund a partial repurchase of outstanding bonds maturing in 2025.

The bonds issued in the second quarter have a floating rate of 3m Stibor + 375 basis points per year with maturity in December

2027. The bonds issued in the third quarter (with 3 October as the settlement date) have a floating rate of 3m Stibor + 325 basis points, with maturity in October 2028. The strong cash flow from operating activities enabled a SEK 670 million reduction in interest-bearing debt over the year.

New financial targets for the Group for 2025–2027 were presented at the capital markets day in November. For more information on the new financial targets, see p. 13.

FUTURE DEVELOPMENT

Storskogen aims to generate long-term profit growth in the business units and continue growing by developing the existing group of companies and acquiring profitable companies with solid cash flows and strong market positions. Storskogen's operations are diversified with business units in several sectors and regions, and the ambition is to create resilient and stable growth throughout the economic cycle.

To fulfil its long-term strategy, Storskogen focuses on organic profit growth, continued strong cash flows and a stable leverage ratio with the aim of eventually increasing the acquisition pace.

Storskogen does not provide any financial forecasts for 2025. The assessment is that Storskogen is well equipped financially for the year 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 0.10 (0.09) per Series A share and Series B share to the 2025 Annual General Meeting. The proposed dividend corresponds to approximately 41 percent (22) of the Parent Company's profit and 145 percent (16) of the Group's profit for 2024. Based on the number of outstanding shares as at 31 December 2024, the proposed dividend corresponds to SEK 169 million (150).

The proposed dividend constitutes 0.9 percent (0.8) of the Parent Company's equity and 0.8 percent (0.7) of the Group's equity. After the proposed dividend is paid, the Parent Company's equity/assets ratio will be 52.8 percent (53.6), and the Group's equity/assets ratio will be 48.0 percent (46.1). Storskogen is expected to retain a strong financial position after the proposed dividend.

The parent company's unappropriated earnings:

SEK	
The following profits are at the disposal of the Annual General Meeting:	
Retained earnings, including the share premium reserve	17,847,351,615
Profit for the year	411,769,529
Total	**18,259,121,143**
The Board proposes that the unappropriated earnings be distributed as follows:	
SEK 0.10 per share in dividends to the shareholders	168,672,522
To be carried forward	18,090,448,621
Total	**18,259,121,143**

The Board considers 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 8 May 2024, the current 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 shall be presented for adoption by the Annual General Meeting at least every four years.

▶ The guidelines are included in their entirety on p. 64. For further information on Storskogen's remuneration to senior executives, see Note 9 on p. 94.

EVENTS AFTER YEAR-END

A minor add-on acquisition was made in the Services business area. This company has annual sales of SEK 6 million and EBITA of SEK 1 million.

Alexander Bjärgård, former EVP, Head of M&A and Corporate Development, left the Group management to focus on managing Storskogen's Investment Committee. He was succeded by Johan Ekström, former Head of M&A in Sweden and Finland, who became Group Head of M&A and a new member of the Group management.

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 2024 were SEK 182 million (161), profit after financial items was SEK 473 million (628), and profit for the year was SEK 412 million (687). Net sales comprised intra-Group management services. The Parent Company's profit after financial items was affected positively by intra-Group interest income over the year.

Guidelines for remuneration to senior executives

Introduction
The following guidelines apply to the Company's CEO and other members of Group management. In addition to the Company's CEO, management refers to the heads of business areas, the CFO, the 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 annual general meeting, 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 annual general meeting.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability
Storskogen strives to be the best owner for small and medium-sized enterprises. 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 of directors 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 promote 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 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 annual general meeting. The guidelines shall apply until new guidelines have been adopted by the annual general meeting.

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 directors' 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.

Risks and risk management

Storskogen's operations and business units are exposed to risks that may affect the Group. Storskogen has a decentralised organisation, 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 Company representatives and follows up regularly on the resulting risks and action plans. According to the risk assessment method used at 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 on the outcome of the risk workshop and the implementation of any action plans adopted in connection with the workshop.

Storskogen's risks can be divided into four areas: strategic, operational, financial and regulatory compliance risks. 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 on p. 113.
- For further information on climate-related risks, see Note H2 on p. 138.

Strategic risks

Strategic risks are those that could 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
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, follows up on performance and key performance indicators monthly and has established procedures for continuous forecasting. This way, Storskogen can adapt costs, pricing and growth to the economic situation and expected trends. In the event of macroeconomic events beyond Storskogen's control, every business unit has adopted an alternative action plan to handle the situation.
Value-creating acquisitions The risk that Storskogen cannot meet its financial targets or that acquisitions made will not provide the expected returns.	Using a Case Assessment Tool, Storskogen has implemented clear guidelines and requirements on acquisitions and acquisition processes. This tool is used to evaluate potential acquisitions based on criteria such as a sustainable and proven business model, earnings capacity, market position, leadership, valuation, and how the acquisition will contribute to strengthening and diversifying the rest of Storskogen's portfolio. The management team evaluates the financial and organisational acquisition capacity continuously.
Digital transformation The risk of Storskogen's business units becoming less competitive if they fall behind in digital transformations such as automation and the use of AI.	Digitalisation is one of Storskogen's prioritised themes for future acquisitions. In 2024, a central AIX platform was developed, and several general and customised training courses have been held for business units and the central organisation to increase the knowledge of and use of AI and automation tools for various processes such as customer service, purchasing, route planning, reporting and follow-up.
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 renewable energy shortage in some of Storskogen's geographical areas, and potential solutions are discussed on 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 systems 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 their IT environments. Risks are managed through cyber security training, introducing conditional access and contingency plans for recovering information systems.
Geopolitical uncertainty The risk that geopolitical conflicts and trade barriers could affect the Group's supply chains and result in undesirable price volatility for input goods.	Geographical locations for production and alternative suppliers are evaluated regularly. To ensure the ability to adapt routes and keep costs low, Storskogen has entered into a framework agreement for freight. Active inventory and pricing strategies ensure that products can be manufactured and distributed despite short freight and supply chain disruptions, minimising their impact on profitability.
Personnel The risk of not being able to attract and retain talents and leaders.	Employee surveys assess employee well-being and engagement and allow each manager to take specific measures to maintain Storskogen's culture and offer development opportunities. When recruiting, Storskogen has a strong focus on maintaining the consensus on values and increasing diversity among key people in the business units and central organisation.

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 in the market 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. Forecasting of future capital requirements ensures adequate access to capital. Refinancing risk is reduced by diversifying the debt portfolio in terms of maturities and types of debt. Leverage was reduced over the year through improved cash flows and divestments. Storskogen strives to build long-term confidence in the equity and credit markets through ongoing dialogues with capital market players, good availability, transparent accounts and clear financial and sustainability targets.
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 joint 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. A full impairment test is conducted annually. 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 relate to the risk of financial or legal sanctions due to the involvement of Storskogen or its business units in disputes or 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 requirements on the Group are met and offers regular training programmes for business units on trade sanctions, embargoes, export control and the 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 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 for anonymous reporting of irregularities.
Disputes The risk of significant disputes with customers, suppliers or other business partners may lead to costs and reputational damage.	Disputes are followed up quarterly, 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 the deviation ceases.

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Financial statements

Scandinavian Cosmetics, Sweden

CONSOLIDATED INCOME STATEMENT

1 January–31 December, SEK m	Note	2024	2023
Net sales	3, 4	34,182	36,006
Cost of goods and services sold	7–10	-27,738	-28,690
Gross profit		**6,444**	**7,316**
Selling expenses	7–10	-3,301	-3,247
Administrative expenses	7–10	-2,012	-2,093
Other operating income	11	714	1,086
Other operating expenses	11	-353	-616
Operating profit		**1,492**	**2,446**
Financial income		276	198
Financial expenses		-1,275	-1,323
Net financial items	12	**-999**	**-1,125**
Profit before tax		**493**	**1,321**
Income tax	13	-376	-377
Profit for the year		**116**	**944**
Profit for the year attributable to:			
Owners of the Parent Company		-52	778
Non-controlling interests		168	166

Basic and diluted earnings per share, SEK	Note	2024	2023
Basic earnings per share, series A and B	33	-0.03	0.47
Diluted earnings per share, series A and B	33	-0.03	0.46

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1 January–31 December, SEK m	Note	2024	2023
Profit for the year		**116**	**944**
Other comprehensive income			
Items that will not be transferred to the income statement			
Remeasurements of defined benefit pension plans		-13	-44
Total items that will not be transferred to the income statement		**-13**	**-44**
Items that have been or may be transferred to profit or loss for the year			
Translation differences, foreign operations		501	73
Gains/losses on holdings of derivatives for cash flow hedging		9	-81
Total items that have been or may be transferred to profit or loss for the year		**510**	**-8**
Other comprehensive income		**497**	**-52**
Comprehensive income for the year, net of tax		**613**	**892**
Comprehensive income for the year, net of tax, attributable to:			
Owners of the Parent Company		344	736
Non-controlling interests		269	155
Comprehensive income for the year, net of tax		**613**	**892**

CONSOLIDATED BALANCE SHEET

SEK m	Note	31 Dec 2024	31 Dec 2023
Assets			
Intangible assets	14	23,937	24,982
Property, plant and equipment	15	3,781	3,717
Right-of-use assets	28	1,591	1,674
Financial investments		37	9
Non-current receivables		270	54
Pension obligation assets	22	13	4
Deferred tax assets	13	169	157
Total non-current assets		**29,797**	**30,597**
Inventories	16	4,346	4,522
Tax assets		555	474
Trade receivables	18	4,063	4,441
Contract assets	4	1,673	1,568
Prepaid expenses and accrued income	17	519	609
Other receivables		328	397
Current investments	26	0	0
Cash and cash equivalents	19	1,899	1,560
Total current assets		**13,383**	**13,572**
Total assets		**43,180**	**44,169**

SEK m	Note	31 Dec 2024	31 Dec 2023
Equity			
Share capital	20	1	1
Other contributed capital		13,268	13,177
Reserves	20	976	568
Retained earnings including profit for the year		6,561	6,690
Equity attributable to owners of the Parent Company		**20,806**	**20,435**
Non-controlling interests		**0**	**2**
Total equity		**20,807**	**20,437**
Liabilities			
Interest-bearing non-current liabilities	21	8,575	10,080
Non-current lease liabilities	21, 28	1,114	1,222
Pension provisions	22	263	251
Other non-current liabilities	24	1,167	1,814
Provisions	23	33	54
Deferred tax liabilities	13	1,663	1,789
Total non-current liabilities		**12,815**	**15,210**
Interest-bearing current liabilities	21	1,423	546
Current lease liabilities	21, 28	492	430
Contract liabilities	4	1,545	1,383
Trade payables		2,311	2,271
Tax liabilities		572	606
Other liabilities	24	1,428	1,373
Accrued expenses and deferred income	25	1,739	1,875
Provisions	23	48	38
Total current liabilities		**9,558**	**8,522**
Total liabilities		**22,373**	**23,732**
Total equity and liabilities		**43,180**	**44,169**

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 2024	1	13,177	659	-91	6,690	20,435	2	20,437
Comprehensive income for the year								
Profit for the year	–	–	–	–	-52	-52	168	116
Remeasurements of defined benefit pension plans	–	–	–	–	-13	-13	0	-13
Other comprehensive income for the year	–	–	400	9	–	409	101	510
Comprehensive income for the year	**–**	**–**	**400**	**9**	**-65**	**344**	**269**	**613**
Transactions with the Group's owners								
Contributions from and value transfers to owners								
Dividends paid	–	–	–	–	-152	-152	-78	-229
Conversion of loans in connection with acquisitions of companies	0	91	–	–	–	91	–	91
Transaction costs on issue of shares, after tax	–	0	–	–	–	0	–	0
Contributed capital from issued share options	–	–	–	–	11	11	–	11
Share-based payment transactions	–	–	–	–	24	24	–	24
Put options attributable to non-controlling interests	–	–	–	–	-11	-11	65	53
Total contributions from and value transfers to owners	**0**	**91**	**–**	**–**	**-128**	**-37**	**-13**	**-50**
Changes in ownership of subsidiaries								
Acquisition of non-controlling interest, existing control	–	–	–	–	76	76	-260	-183
Acquisition of affiliates, existing non-controlling interest	–	–	–	–	–	–	2	2
Divestment of affiliates, loss of control	–	–	–	–	–	–	-23	-23
Divestment of non-controlling interest, control remains	–	–	–	–	-13	-13	25	12
Total changes in ownership of subsidiaries	**–**	**–**	**–**	**–**	**64**	**64**	**-257**	**-193**
Total transactions with the Group's owners	**0**	**91**	**–**	**–**	**-64**	**27**	**-270**	**-243**
Closing balance, 31 December 2024	**1**	**13,268**	**1,059**	**-83**	**6,561**	**20,806**	**0**	**20,807**

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 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 affiliates, existing non-controlling interest	–	–	–	–	–	–	191	191
Divestment of affiliates, 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**

CONSOLIDATED CASH FLOW STATEMENT

SEK m	Note	2024	2023
Operating activities			
Profit before tax		493	1,321
Adjustment for non-cash items	32	2,896	2,057
Income tax paid		-661	-814
Cash flow from operating activities before changes in working capital		**2,728**	**2,563**
Increase (-)/decrease (+) in inventories		-9	630
Increase (-)/decrease (+) in operating receivables		-47	243
Increase (+)/decrease (-) in operating liabilities		427	-74
Cash flow from operating activities		**3,098**	**3,361**
Investing activities			
Purchase of property, plant and equipment		-675	-733
Proceeds from sale of property, plant and equipment		129	163
Purchase of intangible assets		-104	-98
Acquisition of subsidiary/business, net effect on liquidity	5	-301	-987
Divestment of subsidiary/business, net effect on liquidity	6	101	770
Acquisition of minority interests		-183	-190
Proceeds from sale of minority interests		12	15
Acquisitions/divestments of financial assets		-98	94
Cash flow from investing activities		**-1,121**	**-965**

SEK m	Note	2024	2023
Financing activities			
Transaction costs on issue of shares		0	0
Contributed capital from issued share options		11	4
Borrowings		4,509	2,131
Repayment of loans		-5,391	-5,222
Repayment of lease liability		-568	-563
Dividends to owners of the Parent Company		-152	-133
Dividends to non-controlling interests		-78	-108
Other financing activities		0	11
Cash flow from financing activities		**-1,668**	**-3,879**
Cash flow for the year		309	-1,483
Cash and cash equivalents at the beginning of the year	19	1,560	3,022
Exchange rate difference in cash and cash equivalents		31	21
Cash and cash equivalents at end of year		**1,899**	**1,560**

PARENT COMPANY STATEMENT OF PROFIT OR LOSS

1 January–31 December, SEK m	Note	2024	2023
Net sales	35	182	161
Administrative expenses		-307	-310
Other operating income		1	0
Other operating expenses		0	0
Operating profit		**-124**	**-148**
Profit/loss from participations in Group companies	43	74	328
Interest income and similar profit items	44	1,482	1,655
Interest expenses and similar loss items	45	-959	-1,206
Profit/loss after financial items		**473**	**628**
Appropriations	46	-46	46
Profit before tax		**427**	**674**
Tax	39	-15	13
Profit for the year		**412**	**687**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

1 January–31 December, SEK m	Note	2024	2023
Profit for the year		**412**	**687**
Comprehensive income for the year		**412**	**687**

PARENT COMPANY BALANCE SHEET

SEK m	Note	31 Dec 2024	31 Dec 2023
Assets			
Non-current assets			
Intangible assets		0	0
Property, plant and equipment		1	1
Financial assets			
Participations in Group companies	48	10,373	8,878
Receivables from Group companies	36, 50	18,237	19,578
Other non-current receivables		242	38
Total financial assets		28,851	28,494
Total non-current assets		**28,852**	**28,495**
Current assets			
Current receivables			
Receivables from Group companies	36, 50	4,221	3,918
Other receivables		50	47
Prepaid expenses and accrued income		19	15
Total current receivables		4,290	3,980
Cash and bank balances		1,259	739
Total current assets		**5,548**	**4,719**
Total assets		**34,400**	**33,214**

SEK m	Note	31 Dec 2024	31 Dec 2023
Equity and liabilities			
Equity			
Restricted equity			
Share capital		1	1
Unrestricted equity			
Retained earnings		4,565	4,019
Share premium reserve		13,283	13,181
Profit for the year		412	687
Total equity		**18,260**	**17,887**
Untaxed reserves			
Accumulated accelerated depreciation		0	0
Total untaxed reserves		0	0
Provisions			
Other provisions for pensions and similar commitments		1	1
Total provisions		1	1
Non-current liabilities			
Liabilities to credit institutions	40	8,403	9,779
Total non-current liabilities		**8,403**	**9,779**
Current liabilities			
Liabilities to credit institutions	40	1,321	454
Trade payables	36	7	13
Liabilities to Group companies	36	6,319	4,788
Tax liabilities		–	43
Other current liabilities	41	11	142
Accrued expenses and deferred income	42	78	106
Total current liabilities		**7,736**	**5,547**
Total equity and liabilities		**34,400**	**33,214**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	Restricted equity	Unrestricted equity			
SEK m	Share capital	Retained earnings	Share premium reserve	Profit for the year	Total equity
Opening balance, 1 January 2024	1	4,706	13,181	–	17,887
Comprehensive income for the year					
Profit for the year	–	–	–	412	412
Comprehensive income for the year	**–**	**–**	**–**	**412**	**412**
Dividends paid	–	-151	–	–	-151
Conversion of loans in connection with acquisitions of companies	0	–	91	–	91
Contributed capital from issued share options	–	–	11	–	11
Share-based payment transactions	–	10	–	–	10
Closing balance, 31 December 2024	**1**	**4,565**	**13,283**	**412**	**18,260**

	Restricted equity	Unrestricted equity			
SEK m	Share capital	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**

PARENT COMPANY CASH FLOW STATEMENT

SEK m	Note	2024	2023
Operating activities			
Profit before tax		427	674
Adjustment for non-cash items	52	295	190
Income tax paid		-35	-11
		686	**853**
Increase (-)/decrease (+) in operating receivables		-20	-5
Increase (+)/decrease (-) in operating liabilities		-63	26
Cash flow from operating activities		**604**	**874**
Investing activities			
Lending to Group companies		-27	99
Net change in deposits/borrowings, cash pool		919	1,791
Other change in financial assets		-64	-20
Cash flow from investing activities		**828**	**1,870**
Financing activities			
Proceeds from issues of shares		11	4
Transaction costs on issue of shares		0	0
Borrowings		4,509	2,000
Repayment of loans		-5,280	-5,044
Dividends paid		-152	-133
Cash flow from financing activities		**-912**	**-3,173**
Cash flow for the year		520	-429
Cash and cash equivalents at the beginning of the year		739	1,168
Cash and cash equivalents at end of year		**1,259**	**739**

NOTE 1 SIGNIFICANT 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 adopted this document on 25 March 2025. The financial statements will be adopted at the Annual General Meeting to be held on 7 May 2025.

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 2024. 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 exemptions are provided in Sections 264 Abs 3 and 264b HGB:

Company name	Head office
A&K Die Frische Küche GmbH	Recklinghausen
Casino Menüservice GmbH	Wuppertal
Christ & Wirth Haustechnik GmbH	Zwenkau
DS SafetyWear Arbeitsschutzprodukte GmbH	Lohmar
Eppstein Technologies GmbH	Eppstein
EppsteinFoils GmbH	Eppstein
EppsteinFoils Holding GmbH	Eppstein
Foiltum Holding GmbH	Eppstein
Hans Kämmerer GmbH	Duesseldorf
HK Immobilien GmbH	Munich
LNS Deutschland GmbH	Leonberg
Möller Klima-Kälte GmbH	Schkeuditz
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
WF Plan Gesellschaft für Gebäudeplanung und Service mbH	Zwenkau
Wingert Foods GmbH	Cuxhaven

Unless otherwise stated, the accounting policies described below have been applied consistently for all reported periods and companies 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. Consequently, the financial statements are presented in Swedish kronor. Unless otherwise stated, all amounts in this report are expressed in million Swedish kronor (SEK million). Rounding differences may occur.

Note 1 Significant accounting policies, cont.

CONSOLIDATION POLICIES AND BUSINESS COMBINATIONS

Subsidiaries

A subsidiary is a company 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, 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, which after a period of three to five years after the shareholders' agreement was entered into, give the parties the annual right to sell or acquire the minority's shares, wholly or in part. 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 (for acquisitions made in stages) the fair value of a previously held equity interest exceed 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 its primary operations. Foreign currency transactions are translated into the functional currency at the exchange rate on the transaction date 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 balance sheet 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 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 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 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 continuously updated 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.

Note 1 Significant accounting policies, cont.

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 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 continuously updated 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 have 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 specific steps. The invoice generally has a payment term of 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 reasonably certain that the ownership of the underlying asset will not 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 to be paid during the lease term. The cost of variable lease payments is included in the 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, and 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.

Note 1 Significant accounting policies, cont.

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 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 items, unless hedge accounting is applied. See Note 27 Financial risks and risk management. 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 items, unless hedge accounting is applied. See Note 27 Financial risks and risk management. 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 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. Consequently, in the event of a serious financial event, such as default, the parties to the agreement are allowed to offset receivables against liabilities. Derivatives 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 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 and risk management. 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 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 Significant 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. See also Note 14.

An impairment loss is recognised when an asset or cash-generating unit's (group of units') carrying value exceeds the recoverable amount. Impairment expenses are divided between the Cost of goods and services sold and Selling 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 are 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 2024

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

In January 2020, the International Accounting Standards Board (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.

The Group has financial covenants in the agreement for the credit facility and actively monitors the space for these covenants. The Group complied with its financial covenants as at 31 December 2024. Consequently, the amendments did not affect the Group's financial statements.

Limited amendments to IFRS 16 *Leases* have been published and entered into force in or after January 2024 regarding the recognition of a lease liability in a sale and leaseback transaction, and IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* regarding disclosure requirements for supplier finance arrangements. The amendments have not had any impact on the Group's financial reports.

NEW STANDARDS AND INTERPRETATIONS YET TO BE APPLIED BY THE GROUP

Several new and amended accounting standards have not yet entered into force. These have not been applied early in the preparation of the Group's and the Parent Company's financial reports. The Group intends to comply with these new and amended standards when they enter into force.

IFRS 18 *Presentation and disclosures in financial statements*

In April 2024, the IASB published the new standard IFRS 18 *Presentation and disclosures in financial statements*. IFRS 18 will replace IAS 1 *Presentation of Financial Statements*.

The new standards introduce three areas of requirements aimed at increasing the comparability, transparency and usefulness of financial reports. The first area involves new requirements on the structure of the statement of profit or loss by introducing categories and requiring companies to present two newly defined sub-totals ("Operating profit" and "Profit before financing and income taxes"). The second area aims to give companies increased guidance on the aggregation and disaggregation of information in financial statements and notes. The standard also provides guidance on how to determine whether an item should be included in the primary financial statements or a note. The third area introduced by IFRS 18 involves new requirements on certain key figures used by the Company, referred to as management-defined performance measures (MPMs).

The implementation of IFRS 18 will result in amendments to other standards as well, such as IAS 7 *Statement of Cash Flows*, IAS 34 *Interim Financial Reporting* and IAS 33 *Earnings per Share*.

If adopted by the EU, IFRS 18 will enter into force on 1 January 2027, and it shall be applied retroactively in the annual and interim reports. Storskogen has initiated a preliminary assessment of the effects of IFRS 18 and will continue to evaluate its effects in 2025. The introduction of IFRS 18 will require a change in the structure of the Consolidated income statement and an assessment of how items should be grouped in the financial statements and the notes. IFRS 18 will also require the identification of MPMs of relevance to the Group and a compilation of disclosures regarding the MPMs in a note.

Limited amendments have been published and will enter into force in or after January 2025 related to IAS 21 *The Effects of Changes in Foreign Exchange Rates*, referring to situations where there is a lack of exchangeability between currencies, and IFRS 9 *Financial instruments* and IFRS 7 *Financial instruments: Disclosures*, including clarifications and further guidance regarding the time when a financial liability is settled using an electronic payment system. The Group does not believe these amendments will affect the Group or the Parent Company's financial reports.

Other than that, no new or amended standards are expected to have a material impact on the Group's 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 the cash flow statement are, for the Parent Company, referred to as the balance sheet and the cash flow statement. 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 a separate 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. Hence, 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 systematically 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.

Leased assets

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

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.

Useful lives 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.

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 a significant effect on the financial reports in the period when the assumptions were changed.

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

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

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.

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 for more information.

Inventories

On 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 assets

When the fair value is calculated, valuation techniques are used for the specific assets and liabilities 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 who 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, mainly 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 and Niche Businesses. Trade comprises 25 business units (32) and accounted for 28 percent (28) of sales in 2024.

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 37 business units (39) and accounted for 42 percent (40) of the sales in 2024.

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, and HR and Competence. Trade comprises 53 business units (58) and accounted for 30 percent (32) of sales in 2024.

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, 2024

SEK m	Trade	Industry	Services	Group operations and eliminations	Group Total
Revenue from external customers	9,576	14,416	10,254	-64	34,182
Cost of goods and services sold	-7,983	-11,283	-8,283	-188	-27,738
Gross profit	**1,593**	**3,133**	**1,971**	**-252**	**6,444**
Selling expenses	-1,214	-1,122	-897	-68	-3,301
Administrative expenses	-461	-977	-657	83	-2,012
Other operating income	240	371	98	5	714
Other operating expenses	-102	-173	-75	-3	-353
Operating profit	**56**	**1,231**	**440**	**-235**	**1,492**
Amortisation and impairment of intangible assets	623	322	576	0	1,521
Segment profit/loss (EBITA)	**679**	**1,553**	**1,016**	**-234**	**3,013**
Reconciliation of profit/loss before tax					
Segment profit/loss (EBITA)	679	1,553	1,016	-234	3,013
Amortisation and impairment of intangible assets	-623	-322	-576	0	-1,521
Financial income					292
Financial expenses					-1,291
Profit before tax					**493**

Net sales by geographical market, SEK m	Trade	Industry	Services	Group operations and eliminations	Revenue from external customers
Sweden	4,898	4,180	6,704	-64	15,717
Denmark	374	376	568	–	1,318
Finland	266	135	84	–	485
Germany	348	1,983	541	0	2,872
Other countries within the EU	695	1,781	247	–	2,724
Norway	1,500	766	913	–	3,180
Switzerland	428	551	701	0	1,680
United Kingdom	1,046	1,937	364	–	3,347
USA	2	1,647	5	–	1,653
Other countries outside the EU	21	1,059	127	–	1,207
Total	**9,576**	**14,416**	**10,254**	**-64**	**34,182**

Assets and liabilities, SEK m	Trade	Industry	Services	Group operations and eliminations	Group Total
Assets	11,452	17,615	12,331	1,783	43,180
Liabilities	2,584	4,304	3,406	12,079	22,374

Non-current assets by geographical location, SEK m	Trade	Industry	Services	Group operations and eliminations	Group Total
Sweden	5,025	5,046	5,984	2	16,057
United Kingdom	1,099	2,116	522	3	3,740
Switzerland	362	2,609	839	3	3,812
Germany	255	822	275	3	1,355
Norway	664	226	610	1	1,502
Denmark	19	476	716	1	1,212
Other countries	235	871	526	0	1,632
Total	**7,658**	**12,167**	**9,472**	**12**	**29,309**

Investments by segment, SEK m	Trade	Industry	Services	Group operations and eliminations	Group Total
Investments in intangible assets	54	35	15	–	104
Investments in property, plant and equipment	66	388	221	–	675
Total	**120**	**423**	**236**	**–**	**779**

Amortisation and depreciation by segment, SEK m	Trade	Industry	Services	Group operations and eliminations	Group Total
Amortisation and impairment of intangible assets	-623	-322	-576	0	-1,521
Depreciation and impairment of property, plant and equipment	-174	-261	-189	-2	-626
Total	**-797**	**-583**	**-765**	**-2**	**-2,147**

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

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

Non-current assets by geographical location, SEK m	Trade	Industry	Services	Group operations and eliminations	Group Total
Sweden	5,353	5,184	6,784	10	17,331
United Kingdom	1,037	1,913	513	1	3,464
Switzerland	349	2,681	898	3	3,932
Germany	603	832	282	4	1,722
Norway	725	239	639	0	1,603
Denmark	16	475	710	0	1,202
Other countries	120	780	219	0	1,119
Total	**8,203**	**12,105**	**10,046**	**19**	**30,373**

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 and impairment of intangible assets	-237	-324	-300	-1	-861
Depreciation and impairment of property, plant and equipment	-68	-228	-172	-2	-470
Total	**-305**	**-552**	**-471**	**-3**	**-1,331**

NOTE 4 REVENUE FROM CONTRACTS WITH CUSTOMERS

Information per vertical, SEK m	2024	2023
Home and Living	2,810	2,949
Niche Businesses	2,570	2,969
Health and Beauty	3,006	2,802
Sport, Clothing and Accessories	1,202	1,340
Elimination within business area	-11	-11
Total, Trade segment	**9,576**	**10,048**
Automation	4,434	4,714
Industrial Technology	5,404	5,348
Products	4,613	4,631
Elimination within business area	-35	-31
Total, Industry segment	**14,416**	**14,662**
Contracting Services	977	969
Infrastructure	2,365	2,400
Installation	2,676	3,529
Logistics	1,211	1,184
Engineering Services	1,557	1,610
Digital Services	778	715
HR and Competence	729	967
Elimination within business area	-38	-27
Total, Services segment	**10,254**	**11,346**
Intra-Group sales, segment	**-64**	**-50**
Total	**34,182**	**36,006**

	2024				
Time of revenue recognition, SEK m	**Trade**	**Industry**	**Services**	**Group functions**	**Group total**
Goods and services transferred at a point in time	9,470	11,480	6,756	-64	27,642
Goods and services transferred over time	107	2,936	3,498		6,540
Total	**9,576**	**14,416**	**10,254**	**-64**	**34,182**

	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**

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	2024	2023
Opening balance	1,568	1,651
Significant changes in the contract balances		
due to business combinations	–	11
due to business divestments	-15	-74
Changes attributable to ordinary activities	120	-21
Closing balance	**1,673**	**1,568**

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	2024	2023
Opening balance	1,383	1,310
Significant changes in the contract balances		
due to business combinations	–	42
due to business divestments	-159	-36
Changes attributable to ordinary activities	322	67
Closing balance	**1,545**	**1,383**

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 2024

Acquisition	Operations	Completion	Total assets, SEK m[1]	Net sales, whole year 2024, SEK m	Segment
2024					
OFM Sotning AB	Add-on acquisition to SoVent Group	January	1	3	Services
Nimbus Direct AB (formerly ACC Kundkommunination AB)	Add-on acquisition to Nimbus Gruppen	January	0	7	Services
IHAB Ingemar Holmberg AB	Add-on acquisition to Nitro Consult	February	1	0	Services
Sörmlandskustens Sotning och Ventilation AB	Add-on acquisition to SoVent Group	September	6	11	Services
Nord Svets Mek AB	Add-on acquisition to VINAB, Verkstadsindustri i Norr AB	October	4	6	Industry
Total			**12**	**27**	

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 2024 and 2023, this referred to total assets at the carrying value on the acquisition date.

For a summary of the holding acquired in percent, 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 2024

The acquisitions are presented at an aggregated level by segment, as the relative amounts for the individual acquisitions are not deemed material.

	Fair value on the acquisition date			
SEK m	**Trade**	**Industry**	**Services**	**Total**
Intangible assets	–	–	–	–
Other non-current assets	–	1	0	1
Deferred tax assets	–	–	–	–
Inventories	–	–	–	–
Other current assets (excluding inventories and cash and cash equivalents)	–	3	5	8
Cash and cash equivalents	–	0	3	3
Deferred tax liabilities	–	0	0	0
Liabilities to creditors	–	–	–	–
Other liabilities	–	-2	-3	-5
Acquired net assets	**–**	**2**	**5**	**7**
Goodwill	–	9	14	23
Non-controlling interests	–	-2	–	-2
Total	**–**	**10**	**19**	**29**
Purchase price, including contingent consideration but excluding transaction costs				
consisting of				
Cash payment	–	10	15	25
Contingent consideration, not yet paid	–	–	4	4
	–	**10**	**19**	**29**
Cash flow from the acquisition of subsidiaries				
Cash payment (included in investing activities)	–	-10	-15	-25
Acquired cash and cash equivalents (included in investing activities)	–	0	3	3
Total effect on investing activities	**–**	**-9**	**-12**	**-21**
Transaction costs from acquisitions (included in operating activities)	–	–	0	0
Net outflow, cash and cash equivalents	**–**	**-9**	**-12**	**-22**

Purchase price and assessments

The purchase price for the year's acquisitions totalled SEK 29 million, SEK 23 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 -21 million. In addition to the business combinations mentioned above, cash flows from Acquisition of subsidiary/business in the Cash flow statement, which were SEK 301 million, were also affected by the payment of SEK 279 million in contingent considerations for acquisitions made in previous years. If all the year's acquisitions had been completed on 1 January 2024, the contribution to the Group's net sales would have been SEK 27 million, and the effect on the Group's profit after tax would have been SEK 2 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 and up to and including the fourth quarter of 2024 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 2024	-21
Payment of contingent consideration, acquisitions made in previous years	-279
Acquisition of subsidiary/business, net effect on liquidity	**-301**

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 2024, the Group's total goodwill was SEK 18,455 million (18,763).

The Group's goodwill is tested for impairment when needed, but at least annually, per cash-generating unit. Over the year, an impairment loss of SEK 550 million was recognised. The impairment loss was the result of impairment testing in connection with the divestment of nine business units, which divestment was completed in the third quarter. The impairment loss was divided between Cost of goods and services sold (SEK 445 million) and Administrative expenses (SEK 105 million) in the Consolidated income statement. 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**	**Acquisition**	**Impairment**	**Divestments**	**Currency effects**	**Closing balance**
Goodwill	18,763	23	-550	-40	259	18,455

Other identified surplus values

Any values 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

Note 5 Business combinations, cont.

the year or in previous years comprise buildings, technology, licences and inventories. Buildings are generally depreciated over 25 years. Technology and licences are typically amortised over 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 0 million (23).

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 completed over the year was SEK 0 million (9).

Contingent considerations

Contingent considerations or earnouts are considerations that are 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 10.2 percent (11.2). 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 1 million (80), and the total liability for discounted contingent considerations was SEK 57 million (320) on 31 December 2024.

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 2024, 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				
Turnover	–	0	14	**14**
Profit for the year	–	-1	0	**0**
Effect if the acquisitions had been completed on 1 January				
Turnover	–	6	21	**27**
Profit for the year	–	0	1	**2**

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 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**

Note 5 Business combinations, cont.

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**

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				
Turnover	82	136	248	**466**
Profit for the year	-6	20	46	**59**
Effect if the acquisitions had been completed on 1 January				
Turnover	110	150	430	**690**
Profit for the year	-9	24	90	**105**

NOTE 6 BUSINESS DIVESTMENTS

The Group's divestments in 2024

Divestments	Month of divestment	Annual net sales, SEK m	Number of employees at divestment	Business area
AB Kranlyft, including subsidiaries	April	196	31	Trade
Dimabay GmbH, including subsidiaries	August	128	20	Trade
Bergendahls El Gruppen AB, including subsidiaries	August	242	123	Services
Elcommunication Sweden AB	August	156	98	Services
Swedfarm AB, including subsidiaries	August	214	48	Trade
HOJ TWS AB, including subsidiaries	August	119	29	Trade
Smederna Sverige AB	August	154	80	Industry
Såg- och Betongborrning i Uddevalla Aktiebolag	August	83	33	Services
EnRival AB, including subsidiaries	August	154	226	Services
Strigo AB, including subsidiaries	August	261	306	Services
Divestment of the operations of Vogt AG Oberdiessbach	December	316	63	Industry
Total		**2,024**	**1,057**	

The Group's divestments in 2023

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 2024, 11 divestments were made of subsidiaries and business units. The divested businesses had combined annual sales of SEK 2,024 million.

From 1 January 2024 to the divestment date, the divested businesses contributed net sales of SEK 1,182 million and an operating loss of SEK 174 million to the Group's profit for 2024. Prior to the divestment of the nine business units that were divested in the third quarter, impairment testing was performed. It resulted in SEK 550 million in impairment of goodwill, SEK 181 million in impairment of intangible assets and SEK 135 million in impairment of property, plant and equipment. The total purchase price received for the year's divestments was SEK 401 million, of which the part received as cash and cash equivalents was SEK 246 million. According to the sale agreement for the nine business units that were divested in the third quarter, Storskogen is entitled to, in the form of dividends on preferential shares, a significant portion of the profit from the divested companies and the proceeds of sale from any future sale of the companies to a third party. No fair value has yet been recognised in this respect. The net effect on the Group's cash flow, including the assumption of loans and divested cash and cash equivalents, was SEK 101 million. The capital loss had an effect of SEK -50 million on the Group's operating profit.

SEK m	2024	2023
Carrying value of divested assets and liabilities		
Goodwill and other intangible assets	45	678
Buildings, land and equipment	4	67
Deferred tax assets and other non-current receivables	6	8
Inventories and other current receivables	792	613
Cash and cash equivalents	145	153
Non-controlling interests	-23	-34
Deferred tax liabilities and other non-current liabilities	-257	-51
Current liabilities	-310	-469
Divested net assets	**402**	**966**

NOTE 7 AMORTISATION AND DEPRECIATION

Amortisation and depreciation by function, SEK m	2024	2023
Cost of goods and services sold	-1,548	-1,587
Selling expenses	-281	-294
Administrative expenses	-36	-36
Total amortisation and depreciation	**-1,865**	**-1,916**

Amortisation and depreciation by asset class, SEK m	2024	2023
Intangible assets	-790	-861
Land and buildings	-65	-66
Machinery, cars and equipment	-426	-404
Right-of-use assets	-583	-585
Total amortisation and depreciation	**-1,865**	**-1,916**

For information on the Group's impairment of non-current assets, see Notes 8, 14 and 15.

NOTE 8 OPERATING EXPENSES

SEK m	2024	2023
Raw materials and consumables	-18,349	-19,422
Other external expenses	-1,032	-1,160
Staff costs	-6,083	-6,495
Amortisation and depreciation	-1,548	-1,587
Impairment of non-current assets	-701	0
Loss allowance for expected credit losses	-23	-26
Included in the cost of goods and services sold	**-27,738**	**-28,690**
Other external expenses	-1,416	-1,414
Staff costs	-1,440	-1,539
Amortisation and depreciation	-281	-294
Impairment of non-current assets	-165	0
Included in selling expenses	**-3,301**	**-3,247**
Other external expenses	-1,481	-1,535
Staff costs	-495	-523
Amortisation and depreciation	-36	-36
Included in administrative expenses	**-2,012**	**-2,093**
Other external expenses	-353	-616
Included in other operating expenses	**-353**	**-616**

NOTE 9 EMPLOYEES, STAFF COSTS AND REMUNERATION TO SENIOR EXECUTIVES

SALARIES AND OTHER REMUNERATION, BY SENIOR EXECUTIVES AND OTHER EMPLOYEES

2024, SEK thousand	CEO, Board and senior executives	Other employees	Total
Salaries and remuneration	69,953	5,875,229	5,945,182
(of which bonuses, etc.)	(2,028)	(129,954)	(131,982)
Social security costs	29,321	1,796,938	1,826,259
(of which pension costs)	(10,904)	(430,395)	(441,299)
Total	**99,274**	**7,672,168**	**7,771,442**

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**

	2024			2023		
Average number of employees, number of persons and gender distribution, by country	**Total**	**Of which women**	**Of which men**	**Total**	**Of which women**	**Of which men**
Sweden	5,538	1,302	4,236	6,429	1,636	4,793
United Kingdom	1,082	135	947	1,029	137	891
Germany	932	175	758	938	184	755
Norway	853	486	367	868	489	379
Switzerland	447	132	315	453	121	332
USA	333	58	275	347	59	288
Denmark	322	98	224	297	79	218
Poland	317	112	205	315	113	202
Other countries	990	305	685	978	325	654
	10,815	**2,803**	**8,012**	**11,654**	**3,142**	**8,512**
In the EU, excluding Sweden	1,859	431	1,428	1,833	420	1,413
Outside the EU	3,418	1,070	2,348	3,391	1,086	2,305

	31 Dec 2024		31 Dec 2023	
Number of people and gender distribution on the Board and in the Group management		**Women/ men**		**Women/ men**
Board of Directors	5	2/3	5	2/3
Other senior executives	7	2/5	7	1/6
Total	**12**		**12**	

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

Remuneration to the Board and senior executives, 2024, SEK thousand	Basic salary and bonus	Board fees[3]	Share-based remunera-tion[4]	Pension costs	Social security costs	Total
Annette Brodin Rampe, Chair of the Board	–	1,125	–	–	353	1,478
Alexander Bjärgård, Board member (included in senior executives)	4,512	–	969	918	1,669	8,068
Louise Hedberg, Board member	–	540	–	–	170	710
Johan Thorell, Board member	–	615	–	–	193	808
Robert Belkic, Board member	–	515	–	–	162	677
Christer Hansson, CEO	7,379		2,705	1,350	3,212	14,646
Daniel Kaplan, CEO[1]	8,172	–	–	1,567	3,027	12,766
Other senior executives, six people	34,224	–	9,197	7,069	9,631	60,121
Total remuneration to the Board and senior executives	**54,287**	**2,795**	**12,871**	**10,904**	**18,417**	**99,274**

Remuneration to the Board and senior executives, 2023, SEK thousand	Basic salary and bonus	Board fees[3]	Share-based remunera-tion[4]	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[2]	–	175	–	–	18	193
Louise Hedberg, Board member	–	515	–	–	162	677
Johan Thorell, Board member	–	584	–	–	183	767
Robert Belkic, Board member[2]	–	300	–	–	94	395
Daniel Kaplan, CEO	7,311	–	2,164	1,471	3,014	13,959
Other senior executives, six 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**

1) Daniel Kaplan resigned as CEO on 19 February 2024. Remuneration during the notice period was paid from 31 December 2024 with SEK 7,052 thousand in basic salary and SEK 1,339 thousand in pension costs. The notice period and the non-compete agreement expired on 31 December 2024, and no additional remuneration is payable in 2025.

2) Robert Belkic was elected to, and Bengt Braun resigned from, the Board at the 2023 AGM.

3) Expensed Board fees. In 2022, part of the Board fees for 2023 were prepaid (and expensed).

4) The cost for 2024 also included a subsidy for participation in the warrant programme 2024.

POLICIES FOR REMUNERATION TO THE BOARD AND GROUP MANAGEMENT

Board members

According to a resolution by the shareholders, the Board received remuneration in 2024 and 2023 for their assignments on the Board and the Committees.

President and CEO

Remuneration to the CEO consists of a fixed salary, pension and benefits. In 2024, subsidised remuneration was paid out in case of participation in the warrant programme 2024. No variable cash remuneration was paid to the CEO in 2024 and 2023. Daniel Kaplan resigned as CEO on 19 February 2024. Remuneration during the notice period was paid until 31 December 2024. The notice period and the non-compete agreement expired on 31 December 2024, and no additional remuneration is payable.

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. In 2024, subsidised remuneration was paid out in case of participation in the warrant programme 2024.

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, 2023 and 2024), share savings programmes (2021, 2022 and 2023, respectively) and employee stock option programmes (2022, 2023 and 2024). 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 24,313,929 as at the reporting date, corresponding to approximately 1.4 percent of the share capital and 0.8 percent of the votes in the Company. The options were valued according to the Black-Scholes valuation 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 27,2 (36.8) million. As at the reporting date, the accumulated cost of the outstanding employee options and the share savings programme was SEK 98.8 million (71.8).

Warrant programme

Storskogen's warrant programmes are intended for certain senior executives and other key individuals in the Group. There are 59 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 for 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. The warrants in Series 2021/2024 expired in 2024 without any warrants being exercised.

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, an increase between 50 and 100 percent in adjusted EBITA for the minimum to maximum exercise

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

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 programme's inception. The participant is offered the opportunity to acquire one B share in Storskogen per employee stock option at a 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. 88 senior executives and other key individuals at the 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, 16,891,002 warrants were issued to the Company.

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

Option, series	**Warrants 2024/2027**	**Warrants 2023/2026**	**Employee options 2022/2025**	**Employee options 2024/2027**	**Employee options 2023/2026**
Issue date	**7 Jun 2024**	**16 Jun 2023**	**10 Jun 2022 & 30 Nov 2022**	**7 Jun 2024**	**16 Jun 2023**
Share price on the grant date (SEK)	8.47	10.21	15.75	8.47	10.21
Strike price per share (SEK)	11.90	17.47	16.95	11.90	17.47
Number of participants when granted	45	50	120	21	28
Number of outstanding warrants as at the reporting date	4,659,901	2,364,027	8,945,057	2,738,712	1,514,754
Expiry date	1 Jul 2027	31 Jan 2027	10 Sep 2025 & 28 Feb 2026	10 Jul 2027	31 Jan 2027
Expected term (months)	37	38	36	37	38
Risk-free interest (percent)	2.59	3.08	1.57	2.59	3.08
Expected volatility (percent)	60.0	45.0	39.0	60.0	45.0
Fair value per option, grant date (SEK)	2.59	1.76	4.01	2.60	1.76
Recognised cost of the employee stock option programme, 2023 (SEK thousand)	–		8,455 (12,692)	1,107	767 (442)

	Warrants 2024/2027		Warrants 2023/2026				
	Number	**Average cost per warrant (TO) (SEK)**	**Number**	**Average cost per warrant (TO) (SEK)**	**Employee options 2024/2027, number**	**Employee options 2023/2026, number**	**Employee options 2022/2025, number**
Christer Hansson, President & CEO	571,378	2.59	166,153	1.76	–	–	284,448
Other senior executives	936,254	2.59	409,844	1.76	583,056	359,945	1,948,699
Total	**1,021,951**		**575,997**		**583,056**	**359,945**	**2,233,147**

Share savings programmes

The share savings programmes are intended for certain senior executives and other key individuals in the Group. No more than 144 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. In 2021, it was decided to introduce a long-term incentive programme in the form of a share savings programme for senior executives and other key individuals in the Group. This programme was terminated in 2024. To participate in the share savings programme, the employees must invest their own funds in the Company's B share at market price on Nasdaq Stockholm or allocate already held B shares to the share savings programme ("Savings Shares"). 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 share savings programme had a term of three years, and any participants who retained their Savings Shares and remained Storskogen employees for the entire term were entitled to additional B shares ("Performance Shares") free of charge if two predetermined performance criteria related to total return and EBITA development were met at the end of the term. The total return criterion meant that the total return for shareholders in Storskogen must exceed 15 percent during the vesting period (45 percent or higher for a full grant) (the "Total Return Criterion"). The EBITA criterion meant 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) (the "EBITA Criterion"). For each Savings Share held, two to six Performance Shares could be granted, depending on the participant's category. The outcome related to the Total Return Criterion did not exceed 15 percent, so the participants in the share savings programme were not entitled to a grant of Performance Shares pursuant to the Total Return Criterion. The outcome related to the EBITA Criterion did exceed 45 percent, which, according to the terms and conditions of the programme, conferred an entitlement to a grant of 50 percent of the maximum number of Performance Shares (a full grant pursuant to the EBITA Criterion). A total of 683,791 Performance Shares were granted to participants of the share savings programme.

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

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 criterion 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 criterion 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 are 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 criterion means that the total shareholder return for shareholders in Storskogen must be 9 percent or higher during the savings period. The EBITA criterion 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 are 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 4,016,731 B shares, corresponding to approximately 0.2 percent of the share capital and 0.1 percent of the votes in the Company on the reporting date. The cost recognised for the share savings programme was SEK 16.9 million (23.7) in 2024.

Programme overview, this year's change in the number of instruments	Number of instruments, (shares), 31 Dec 2023	Granted in 2024	Lapsed and withdrawn in 2024	Exercised in 2024	Number of instruments, (shares), 31 Dec 2024
Share savings programme, maximum number of shares	6,791,996	–	-1,889,450	-885,815	4,016,731
Employee stock options	12,604,272	2,738,712	-2,144,461	–	13,198,523
Warrants	5,927,541	4,659,901	-3,488,767	–	7,098,675
Total	**25,323,809**	**7,398,613**	**-7,522,678**	**-885,815**	**24,313,929**

NOTE 10 REMUNERATION TO THE AUDITORS

SEK m	2024	2023
Ernst & Young AB		
Audit assignment	30	32
Audit activities outside the audit assignment	1	1
Other assignments	–	3
Total	**31**	**36**
Other auditors		
Audit assignment	14	11
Total	**14**	**11**

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	2024	2023
Other operating income		
Gains on the sale of non-current assets	58	61
Foreign exchange gains	229	277
Revaluation of contingent considerations	11	194
Received Government/public grants	47	36
Capitalised costs	13	4
Invoiced expenses	10	38
Freight revenue	98	106
Capital gains on divestment of subsidiary	51	148
Advertising revenue	18	19
Other	180	203
Total	**714**	**1,086**
Other operating expenses		
Foreign exchange losses	-216	-311
Capital loss on divestment of subsidiary	-101	-189
Loss on the sale of non-current assets	-3	-7
Revaluation of contingent considerations	-23	-71
Other	-10	-38
Total	**-353**	**-616**

NOTE 12 NET FINANCIAL ITEMS

SEK m	2024	2023
Assets at amortised cost		
Interest income, other financial assets	51	77
Total interest income according to the effective interest method	**51**	**77**
Other financial income		
Exchange rate fluctuations	216	143
Other	9	-22
Financial income	**276**	**198**
Liabilities at amortised cost		
Interest expense, liabilities for bank and bond loans and to other credit institutions	-819	-911
Interest expense, lease liabilities	-107	-90
Interest expense, other financial liabilities	-9	-4
Total interest expenses according to the effective interest method	**-935**	**-1,004**
Other financial expenses		
Exchange rate fluctuations	-231	-199
Other	-109	-120
Financial expenses	**-1,275**	**-1,323**
Net financial items	**-999**	**-1,125**

NOTE 13 TAX

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

SEK m	2024	2023
Current tax expense (–)		
Tax expense for the year	-508	-565
Adjustment of tax related to previous years	21	33
Total	**-487**	**-532**
Deferred tax expense (–) / tax income (+)		
Deferred tax relating to temporary differences	124	165
Deferred tax due to changed tax rates	0	0
Deferred tax income in taxable values in loss carryforwards capitalised during the year	15	11
Deferred tax expense due to the utilisation of previously capitalised taxable values in loss carryforwards	-6	-18
Adjustment of deferred tax related to previous years	-22	-4
Total	**111**	**155**
Total recognised tax expense in the Group	**-376**	**-377**

Reconciliation of effective tax

	2024		2023	
	%	**SEK m**	**%**	**SEK m**
Profit before tax		493		1,321
Tax at the tax rate applicable to the Parent Company	20.6%	-101	20.6%	-272
Effect of other tax rates for foreign subsidiaries	2.5%	-12	0.9%	-12
Net non-deductible expenses/non-taxable income	49.9%	-246	6.1%	-81
Utilisation of previous/new unmeasured loss carryforwards	2.9%	-14	2.8%	-37
Tax related to previous years	0.2%	-1	-2.2%	29
Effect of changes in tax rates/and tax rules	0.0%	0	0.0%	–
Tax reduction for equipment	0.0%	–	-0.1%	1
Other	0.4%	-2	0.4%	-6
Reported effective tax	**76.4%**	**-376**	**28.6%**	**-377**

Note 13 Tax, cont.

Change in deferred taxes on temporary differences and loss carryforwards

2024, SEK m	Balance as at 1 Jan 2024	Recognised in profit for the year	Recognised in other comprehensive income	Acquisition/divestment of business	Exchange rate differences	Balance as at 31 Dec 2024
Property, plant and equipment	-275	-28	–	12	-10	-302
Right-of-use assets	-334	5	–	–	1	-327
Intangible assets	-1,258	168	–	50	-27	-1,067
Financial assets	1	0	–	–	0	1
Inventories	-5	0	–	–	0	-5
Trade receivables	-1	6	–	0	0	5
Interest-bearing liabilities	13	-11	-2	–	–	0
Pension provision	4	-1	3	-4	0	3
Provisions	5	-1	–	–	1	5
Untaxed reserves	-95	-32	–	3	3	-120
Lease liabilities	350	-2	–	–	0	348
Other	-62	7	0	2	-4	-58
Capitalisation/utilisation of tax loss carryforwards	26	-2	–	-1	1	23
	-1,632	**111**	**1**	**61**	**-35**	**-1,494**

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	Acquisition/divestment of business	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**

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Note 13 Tax, cont.

Unrecognised deferred tax

Deferred tax assets related to loss carryforwards are recognised to the extent that it is probable that the associated tax benefit can be realised through future taxable profits.

Unrecognised deferred tax assets are expected to expire as follows:

	2024
Expiry after 1–2 years	3
Expiry after 3–4 years	5
Expiry after 5–10 years	84
No expiry date	30
Total unrecognised tax value	**122**

The Group's unrecognised deferred tax assets related to the remaining net interest expense was SEK 74 million.

Tax loss carryforwards

As at 31 December, tax loss carryforwards totalled SEK 616 million (704), of which SEK 97 million (168) was subject to recognition of deferred tax asset.

The loss carryforwards are expected to expire as follows:

	2024
Expiry after 1–2 years	11
Expiry after 3–4 years	17
Expiry after 5–10 years	348
No expiry date	240
Total	**616**

The Group's remaining net interest expense was SEK 390 million.

Top-up tax

Through Act (2023:875), Sweden transposed 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 complete computation of top-up tax.

The Group has aggregate revenues in excess of EUR 750 million. Based on the preliminary country-by-country reporting for 2024, it has been assessed that all jurisdictions are within the scope of the transitional relief rule.

Recognition of deferred tax

Pursuant to Article 88A of the reporting standard IAS 12 *Income Taxes*, which was introduced in 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 recognising 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 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
Translation effects	0	10	54	27	23	114
Closing balance, 31 Dec 2023	**172**	**524**	**18,809**	**2,275**	**5,205**	**26,985**
Opening balance, 1 Jan 2024	172	524	18,809	2,275	5,205	26,985
Business combinations	–	–	23	–	–	23
Investments	44	59	–	1	–	104
Divestment of subsidiary/business	0	-9	-40	-1	-136	-187
Disposals and retirements	–	-9	0	0	0	-9
Reclassifications	-10	2	0	0	–	-7
Translation effects	2	21	260	43	109	435
Closing balance, 31 Dec 2024	**208**	**589**	**19,052**	**2,318**	**5,178**	**27,344**

Accumulated amortisation and impairment, SEK m	Capitalised expenditure	Rights and other	Goodwill	Trademarks	Customer relationships	Total
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
Translation effects	0	-4	0	-1	4	-2
Closing balance, 31 Dec 2023	**-41**	**-160**	**-47**	**-24**	**-1,730**	**-2,003**
Opening balance, 1 Jan 2024	-41	-160	-47	-24	-1,730	-2,003
Impairment for the year	-1	-7	-550	-74	-99	-731
Amortisation for the year	-35	-92	–	-10	-653	-790
Divestment of subsidiary/business	0	5	0	1	136	143
Disposals and retirements	–	9	–	–	-1	7
Reclassifications	1	7	0	0	0	7
Translation effects	-2	-9	0	-1	-28	-40
Closing balance, 31 Dec 2024	**-77**	**-248**	**-598**	**-108**	**-2,376**	**-3,407**

Carrying amounts, SEK m	Capitalised expenditure	Rights and other	Goodwill	Trademarks	Customer relationships	Total
As at 31 Dec 2023	131	364	18,762	2,251	3,474	24,982
As at 31 Dec 2024	131	341	18,454	2,210	2,801	23,937

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 2024 comprised 14 verticals (14) that were aggregated into segments according to the following:

Goodwill and trademarks

	2024		2023	
Carrying amount, SEK m	**Goodwill**	**Trademarks**	**Goodwill**	**Trademarks**
Contracting Services	464	7	465	7
Infrastructure	1,458	11	1,453	11
Installation	1,399	179	1,367	177
Logistics	841	4	833	4
Engineering Services	1,208	55	1,200	54
Digital Services	944	44	941	44
HR and Competence	688	104	926	147
Total, Services segment	**7,002**	**404**	**7,185**	**444**
Automation	1,955	277	1,910	277
Industrial Technology	2,143	141	2,077	131
Products	2,303	789	2,269	783
Total, Industry segment	**6,400**	**1,208**	**6,256**	**1,191**
Home and Living	1,762	296	1,714	284
Niche Businesses	1,028	73	1,055	102
Health and Beauty	1,535	147	1,534	148
Sport, Clothing and Accessories	727	81	1,020	81
Total, Trade segment	**5,052**	**597**	**5,322**	**614**
Total	**18,455**	**2,209**	**18,763**	**2,250**

When tested for impairment in 2024, 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 2024, 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. Over the year, an impairment loss of SEK 300 million was recognised in the Sports, Clothing and Accessories vertical and an impairment loss of SEK 250 million was recognised in the HR and Competence vertical. The impairment loss was the result of impairment testing in connection with the divestment of nine business units, which divestment was completed in the third quarter. Impairment testing was performed in the fourth quarter, and no additional impairment losses were identified.

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 9.7 percent (9.5); in the Trade segment, it was 9.6 percent (9.5); and in the Services segment, it was 9.1 percent (9.0). 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 when calculating discounted cash flows. Based on the above assumptions, the margin between the value in use and the carrying value was approximately SEK 12,800 million. 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 2,500 million, and a corresponding change in the adjusted EBITA margin would affect it by approximately SEK 2,100 million, and a corresponding change in the discount rate would have an effect of approximately SEK 5,300 million. If all these effects simultaneously deteriorated by one percentage point, the value in use would decrease by approximately SEK 8,700 million, and the remaining margin between the value in use and the carrying amount would be approximately SEK 4,100 million.

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NOTE 15 PROPERTY, PLANT AND EQUIPMENT

Accumulated cost, SEK m	Buildings and land	Machinery, cars and equipment	Construction in progress	Art	Total
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 effects	34	0	0	0	34
Closing balance, 31 Dec 2023	**2,711**	**5,364**	**175**	**1**	**8,251**
Opening balance, 1 Jan 2024	2,711	5,364	175	1	8,251
Business combinations	–	2	–	–	2[1]
Investments	84	431	160	–	675
Reclassification	89	123	-222	–	-10
Divestment of subsidiary/business	-43	-126	–	–	-169
Disposals and retirements	-89	-218	-1	–	-309
Translation effects	75	116	2	0	192
Closing balance, 31 Dec 2024	**2,827**	**5,691**	**114**	**0**	**8,633**

Accumulated depreciation, SEK m	Buildings and land	Machinery, cars and equipment	Construction in progress	Art	Total
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 effects	-9	0	–	–	-9
Closing balance, 31 Dec 2023	**-1,013**	**-3,522**	**–**	**–**	**-4,534**
Opening balance, 1 Jan 2024	-1,013	-3,522	–	–	-4,534
Business combinations	–	-1	–	–	-1[1]
Impairment for the year	-50	-85		0	-135
Depreciation for the year	-65	-426	–	–	-491
Reclassification	0	2	–	–	2
Divestment of subsidiary/business	75	125	–	–	200
Disposals and retirements	25	180	–	–	206
Translation effects	-24	-74	–	–	-98
Closing balance, 31 Dec 2024	**-1,051**	**-3,801**	**–**	**0**	**-4,852**

Carrying amounts, SEK m	Buildings and land	Machinery, cars and equipment	Construction in progress	Art	Total
As at 31 Dec 2023	1,699	1,842	175	1	3,717
As at 31 Dec 2024	1,776	1,891	114	0	3,781

1) The net value of assets in business combinations was SEK 1 million (18) in 2024.

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NOTE 16 INVENTORIES

SEK m	31 Dec 2024	31 Dec 2023
Raw materials and consumables	2,219	2,459
Work in progress	190	244
Finished goods and goods for resale	1,849	1,724
Advance payments to suppliers	88	95
Total	**4,346**	**4,522**

NOTE 17 PREPAID EXPENSES AND ACCRUED INCOME

SEK m	31 Dec 2024	31 Dec 2023
Prepaid insurance	44	35
Prepaid expenses for computers and software	59	45
Prepaid licence costs	11	19
Prepaid goods and services	73	66
Accrued, non-invoiced income	131	277
Accrued supplier bonus	57	56
Other prepaid expenses and accrued income	145	111
Total	**519**	**609**

NOTE 18 TRADE RECEIVABLES

SEK m	31 Dec 2024	31 Dec 2023
Trade receivables	4,137	4,511
Allowance for expected credit losses	-74	-70
Total	**4,063**	**4,441**

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

NOTE 19 CASH AND CASH EQUIVALENTS

SEK m	31 Dec 2024	31 Dec 2023
Cash and cash equivalents	1,899	1,560
Total according to the balance sheet	**1,899**	**1,560**

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 2024, the registered share capital was 142 million A shares with a quotient value of SEK 0.00051 per share (0.00051) and 1,545 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 2024, the registered share capital was SEK 860,230 (851,434).

	31 Dec 2024		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	1,521,476,679	148,001,374	1,515,762,394
Conversion of loans in connection with acquisitions of companies	–	16,561,182	–	5,714,285
Warrants	–	685,984	–	–
Conversion of A shares to B shares	-6,000,000	6,000,000	–	–
Issued as at 31 December	**142,001,374**	**1,544,723,845**	**148,001,374**	**1,521,476,679**

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.

Note 20 Equity, cont.

Dividends
After the reporting date, the Board proposed a dividend to the Company's shareholders of SEK 169 million in total for the 2024 financial year, corresponding to SEK 0.10 per share for A and B shares. The dividend is subject to approval at the Annual General Meeting to be held on 7 May 2025.

RESERVES

SEK m	31 Dec 2024	31 Dec 2023
Translation reserve		
Opening translation reserve	659	575
Translation effects for the year	400	84
Closing translation reserve	**1,059**	**659**
Hedging reserve		
Opening hedging reserve	-91	-10
Revaluations recognised in Other comprehensive income, the majority share	10	-102
Tax attributable to revaluations for the year, the majority share	-2	21
Closing hedging reserve	**-83**	**-91**
Total reserves	**976**	**568**

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 2024	31 Dec 2023
Non-current liabilities		
Interest-bearing liabilities, carrying amount	8,575	10,080
Maturity within 2 years	7,254	7,973
Maturity within 2–5 years	1,318	2,101
Maturity in 5 years or later	3	6
Lease liabilities, carrying amount	1,114	1,222
Maturity within 2–5 years	704	857
Maturity in 5 years or later	411	365
Total carrying amount	**9,690**	**11,302**
Current liabilities		
Liabilities to credit institutions	1,321	469
Hire/purchase agreements	101	77
Lease liabilities	492	430
Total	**1,915**	**976**

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 pensions. 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 pensions, but disability pensions and various insurance policies are also included. In Sweden, pension commitments are secured through PRI, a mutual insurance company that provides credit insurance and pension administration services. The size of the pension depends on the final salary and the number of 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 102 million (101) and refers to provisions in Sweden. The net pension liability of LNS is SEK 60 million (41) in Switzerland. WIBE and LNS in Switzerland account for 65 percent (57) of the Group's defined benefit pension liability. In 2025, it is expected that the costs for all defined benefit pension plans will be SEK 43 million (55).

The pension obligation for white-collar workers in Sweden (ITP) is partly secured through insurance policies in Alecta. The pension plan secured in Alecta is reported as a defined contribution plan, as the Group cannot 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 2024, Alecta's surplus in the form of its collective consolidation ratio was preliminarily set to 162 percent (157). 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 inconsistent with IAS 19. Premiums paid to Alecta this year amounted to SEK 39 million (38). In 2025, it is estimated that SEK 17 million (26) will be paid in premiums to Alecta.

As at 31 December 2024, the average duration of the pension obligations in WIBE was 17.5 years (16.7), and in LNS, it was 10 years (10).

Amounts recognised in the consolidated balance sheet

	31 Dec 2024				31 Dec 2023			
SEK m	**Sweden**	**Switzerland**	**Other**	**Total**	**Sweden**	**Switzerland**	**Other**	**Total**
Present value of pension obligation	150	615	47	813	149	712	43	904
Fair value of plan assets	-3	-550	-9	-562	-3	-657	-7	-667
Limitation of recoverable surplus	–	–	–	–	–	10	–	10
Net liability presented in the balance sheet	**147**	**78**	**39**	**263**	**145**	**69**	**36**	**251**
Net asset presented in the balance sheet	**–**	**-13**	**–**	**-13**	**–**	**-4**	**–**	**-4**

Net change in pension obligation

	31 Dec 2024				31 Dec 2023			
SEK m	**Sweden**	**Switzerland**	**Other**	**Total**	**Sweden**	**Switzerland**	**Other**	**Total**
Net at the beginning of the year	145	65	36	247	136	21	39	195
Business combinations/divestments	0	-19	0	-19	–	-6	–	-6
Net cost	9	22	6	37	9	24	2	35
Payments	-7	-21	-4	-32	-7	-24	-5	-36
Actuarial gains/losses in Other comprehensive income	0	17	-1	16	8	48	0	57
Exchange rate difference	0	1	1	2	–	2	0	1
Net at year-end	**147**	**65**	**39**	**251**	**145**	**65**	**36**	**247**

Note 22 Pensions, cont.

Amounts recognised in the consolidated income statement, defined benefit pensions

	31 Dec 2024				31 Dec 2023			
SEK m	**Sweden**	**Switzerland**	**Other**	**Total**	**Sweden**	**Switzerland**	**Other**	**Total**
Costs related to service in the current period	3	22	5	31	3	24	1	29
Costs related to service in previous periods	–	–	–	–	–	0	–	0
Net interest income	5	0	1	6	5	0	1	6
Recognised in profit or loss	**9**	**22**	**6**	**37**	**9**	**24**	**2**	**35**
Recognised in Other comprehensive income	**0**	**17**	**-1**	**16**	**8**	**48**	**0**	**57**

Change in the present value of defined benefit obligations

	31 Dec 2024				31 Dec 2023			
SEK m	**Sweden**	**Switzerland**	**Other**	**Total**	**Sweden**	**Switzerland**	**Other**	**Total**
Defined benefit pension obligation at the beginning of the period	149	712	43	904	139	657	52	848
Business combinations/divestments	–	-105	–	-105	–	-68	–	-68
Costs related to service in the current period	3	21	5	29	3	23	1	27
Costs related to service in previous periods	–	–	–	–	–	0	–	0
Interest expense	5	10	1	16	5	13	1	20
Actuarial losses (+)/gains (–)	0	22	-1	21	8	57	0	65
Contributions from the plan's participants	–	18	-1	17	–	23	-1	22
Payments from the plan	-7	-20	-2	-29	-7	-32	-10	-49
Settlement	–	-52	0	-52	–	–	–	–
Exchange rate difference	–	10	1	11	–	40	-1	40
Defined benefit pension obligation at the end of the period	**150**	**615**	**47**	**813**	**149**	**712**	**43**	**904**

Of the total actuarial losses, the change due to demographic assumptions was SEK -0.5 million (0.3), the change due to financial assumptions was SEK 39 million (64), and the change due to experience-based adjustments was SEK -17 million (1.4).

Note 22 Pensions, cont.

Changes in the fair value of plan assets

	31 Dec 2024				31 Dec 2023			
SEK m	**Sweden**	**Switzerland**	**Other**	**Total**	**Sweden**	**Switzerland**	**Other**	**Total**
Fair value of assets at the beginning of the period	3	657	7	667	3	659	13	675
Business combinations	–	-92	–	-92	–	-63	–	-63
Return beyond expectations	–	-3	1	-3	–	-6	0	-6
Interest income	–	10	0	10	–	14	0	14
Contribution from employer	–	22	2	24	–	24	0	23
Contributions from employees	–	18	–	18	–	23	–	23
Payments from the plan	–	-18	-2	-20	–	-32	-6	-38
Administrative fees	–	-1	–	-1	–	-2	–	-2
Assets distributed upon settlement	–	-52	–	-52	–	–	–	–
Exchange rate difference	–	9	0	9	–	40	0	40
Fair value of assets at the end of the period	**3**	**550**	**9**	**562**	**3**	**657**	**7**	**667**

Plan assets comprise the following:

	31 Dec 2024				31 Dec 2023			
%	**Sweden**	**Switzerland**	**Other**	**Total**	**Sweden**	**Switzerland**	**Other**	**Total**
Assets invested with insurance companies	0	2	–	2	0	15	0	15
Assets invested in shares	–	35	–	35	–	28	–	28
Assets invested in bonds	–	24	–	24	–	26	–	26
Assets invested in real estate	–	22	–	22	–	19	–	19
Assets invested in cash and cash equivalents	–	6	2	7	–	3	1	4
Other investments	–	10	–	10	–	8	–	8
Total	**0**	**98**	**2**	**100**	**0**	**99**	**1**	**100**

Of the assets, SEK 423 million (442) are listed assets.

Note 22 Pensions, cont.

Important actuarial assumptions

	31 Dec 2024			31 Dec 2023		
	Sweden	**Switzerland**	**Other**	**Sweden**	**Switzerland**	**Other**
Main actuarial assumptions used on the reporting date:						
Discount rate, %	3.5	1.0	2.8	3.5	1.5	2.74
Inflation, %	1.8	1.0	2.0	1.8	1.25	2.16
Expected salary increases, %	3.4	1.5	1.6	3.4	1.7	1.55
Mortality assumptions						
Actuarial tables used	DUS23	100% x BVG 2020 G	Primarily RT Heubeck 2018 G but also RG 48 and Taiwan Individual Annuity Table	DUS23	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 2024		31 Dec 2023	
	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	22.3
Future pensioners, born in the 1970s	25.6	24.3	25.6	24.3
LNS (Switzerland), life expectancy at the age of 65:				
Current pensioners, currently 65 years old	24.7	23.0	24.6	22.8
Future pensioners, currently 45 years old	26.7	25.2	26.6	25.1

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 assump-tion, %**	**Effect SEK m**	**Change in assump-tion, %**	**Effect SEK m**
WIBE (Sweden)				
Discount rate	-0.5	10	+0.5	-9
Future salary increases	-0.5	-2	+0.5	2
Inflation	-0.5	-9	+0.5	10
Life expectancy	–1 year	-5	+1 year	5
LNS (Switzerland)				
Discount rate	-0.5	27	+0.5	-25
Future salary increases	-0.5	-7	+0.5	7
Inflation	-0.5	-14	+0.5	14
Life expectancy	–1 year	-8	+1 year	8

NOTE 23 PROVISIONS

SEK m	31 Dec 2024	31 Dec 2023
Provisions that are non-current liabilities		
Severance pay, furlough pay	1	1
Guarantee commitments	58	63
Restoration costs	7	8
Onerous contracts	3	1
Other	12	19
Total	**81**	**92**

SEK m	31 Dec 2024	31 Dec 2023
Total carrying amount at the beginning of the period	92	87
Acquisitions	0	-1
Provisions made during the period	32	34
Amounts claimed during the period	-6	-12
Unused amounts reversed during the period	-35	-15
Companies divested during the period	-3	0
Translation difference	2	-1
Total carrying amount at the end of the period	**81**	**92**
Of which non-current portion of provisions	33	54
Of which current portion of provisions	48	38

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 not classified as guarantees and restoration expenses, such as remuneration to employees.

NOTE 24 OTHER LIABILITIES

SEK m	31 Dec 2024	31 Dec 2023
Other non-current liabilities		
Contingent considerations[1]	42	55
Option to purchase non-controlling interests	1,086	1,716
Other	39	42
Total	**1,167**	**1,814**
Other current liabilities		
VAT liability	386	462
Employee withholding tax	104	112
Factoring	–	11
Contingent considerations[1]	15	265
Option to purchase non-controlling interests	797	221
Liability, grants received	4	5
Liability to employees	46	41
Convertibles	–	132
Advance payments from customers	44	84
Other	32	41
Total	**1,428**	**1,373**

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

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

2024 Opening balance	Acquisition	Divestments	Paid	Revaluation/fx	Closingbalance
1,937	29	-4	-160	81	1,883

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 2024	31 Dec 2023
Accrued personnel costs	650	721
Accrued pension costs	8	11
Accrued social security contributions	297	356
Accrued interest expenses	47	69
Accrued consultancy fees	61	63
Accrued customer bonuses	248	239
Accrued cost of materials	96	95
Deferred income	95	101
Other accrued expenses	238	220
Total	**1,739**	**1,876**

NOTE 26 FINANCIAL INSTRUMENTS

MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

As at 31 Dec 2024 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	–	37	–	37
Non-current receivables	269	–	1	270
Trade receivables	4,063	–	–	4,063
Other receivables[1)]	832	–	15	847
Current investments	–	0	–	0
Cash and cash equivalents	1,899	–	–	1,899
Total	**7,063**	**37**	**16**	**7,116**
Financial liabilities				
Contingent consideration[2)]	–	57	–	57
Liabilities to credit institutions[3)]	4,357	–	62	4,419
Bonds[3)]	5,312	–	–	5,312
Other non-current liabilities	39	–	–	39
Hire/purchase agreements[3)]	267	–	–	267
Trade payables	2,311	–	–	2,311
Other current liabilities[4)]	2,355	–	–	2,355
Total	**14,640**	**57**	**62**	**14,759**

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[1)]	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[2)]	–	320	–	320
Liabilities to credit institutions[3)]	5,281	–	79	5,359
Bonds[3)]	4,972	–	–	4,972
Other non-current liabilities	42	–	–	42
Hire/purchase agreements[3)]	293	–	–	293
Trade payables	2,271	–	–	2,271
Other current liabilities[4)]	2,763	–	–	2,763
Total	**15,622**	**320**	**79**	**16,021**

1) Refers to the lines Prepaid expenses and accrued income and Other receivables in the Consolidated balance sheet.
2) Included in the items Other non-current liabilities and Other (non-current) liabilities in the Consolidated balance sheet.
3) Taken together, the three lines constitute the total of the Group's non-current and current interest-bearing liabilities in the Consolidated balance sheet.
4) Comprises selected financial instruments from the line Other liabilities in the Consolidated balance sheet and Accrued expenses and deferred income in its entirety.

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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 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 2024

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	–	–	–	37	–	37
Non-current receivables	–	1	–	269	–	270
Trade receivables	–	–	–	4,063	–	4,063
Other receivables	–	15	–	832	–	847
Current investments	0	–	–	–	–	0
Cash and cash equivalents	1,899	–	–	–	–	1,899
Total	**1,900**	**16**	**–**	**5,201**	**–**	**7,116**
Financial liabilities						
Contingent consideration	–	–	57	–	–	57
Liabilities to credit institutions	–	62	–	4,357	–	4,419
Bonds	–	5,500	–	–	-188	5,312
Other non-current liabilities	–	–	–	39	–	39
Hire/purchase agreements	–	–	–	267	–	267
Trade payables	–	–	–	2,311	–	2,311
Other current liabilities	–	–	–	2,355	–	2,355
Total	**–**	**5,562**	**57**	**9,329**	**-188**	**14,759**

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**

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 in 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-tion	Paid	Revaluation/ discounting	Currency effect	Closing balance
Contingent considerations, 2024	320	1	-279	12	3	57
Contingent considerations, 2023	997	80	-636	-123	3	320

Considering that the Group has numerous contingent considerations from acquisitions 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 one per cent change in the discount rate 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 10.2 percent (11.2).

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 by changes in the external environment and the Group's own actions. The Company's risk management aims to visualise and analyse the risks faced by the Group and, to the greatest possible extent, 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 equivalents. If the amounts are deemed to be significant, an allowance for expected credit losses is also made 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 through 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 of the industry's economic cycle.

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 2024			31 Dec 2023		
	Gross	**Impairment**	**Net**	**Gross**	**Impairment**	**Net**
Not past due trade receivables	3,417	–	3,417	3,596	–	3,596
Past due trade receivables:						
1–90 days	578		578	767	–	767
>91 days	142	-74	68	148	-70	78
Total	**4,137**	**-74**	**4,063**	**4,511**	**-70**	**4,441**

The credit quality of receivables that are less than 90 days past due is considered to be good based on historically low credit losses.

Note 27 Financial risks and risk management, cont.

Expected credit losses for trade receivables (according to the simplified method), SEK m	**2024**	**2023**
Opening carrying amount	-70	-69
Acquisition of subsidiaries	-1	–
Reversal of previous allowances	21	21
Impairment	-3	-3
Amounts written off (confirmed credit losses)	1	5
Credit loss allowance for the year	-23	-23
Recovered amounts previously written off	2	–
Translation/exchange rate differences	-1	-1
Closing carrying amount	**-74**	**-70**

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 2024

The Group's credit risk exposure consists of trade receivables and cash and cash equivalents. Trade receivables with a gross value of SEK 4,137 million (4,511) comprise receivables from companies without a credit risk rating. SEK 1,899 million (1,560) 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: currency risk, interest rate 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 2024, the average fixed interest period was 12.5 months (15.8).

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 +/-74 on the profit before tax.

The table below specifies the terms, conditions and repayment terms of each interest-bearing liability:

					Carrying amount	
SEK m	**Currency**	**Maturity**	**Interest rate**	**%**	**31 Dec 2024**	**31 Dec 2023**
Liabilities to credit institutions	SEK	2026–2029	Variable/STIBOR 3M	Margin: 2.8–3.75%	4,357	5,281
Bond loans	SEK	2025, 2027, 2028	Variable/STIBOR 3M	Margin: 3.0–6.9%	5,312	4,972
Hire/purchase agreements	SEK	1)	Variable/fixed	1)	267	293
Lease liabilities	SEK	2)	Variable/fixed	2)	1,606	1,652
Total					**11,542**	**12,198**

1) The Group has acquired production equipment under several hire-purchase agreements with varying interest rates and maturity structures.
2) The Group leases production equipment under several leases with varying interest rates and maturity structures.

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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 +13 million (-34) in operating profit and SEK -15 million (-56) in net financial items.

Of the year's reported Operating profit of SEK 1,492 million (2,446), approximately 46 percent (44) was in a functional currency other than SEK. The exposure in NOK was the greatest, at 9 percent (11), which means that a change of 1 percent in the NOK exchange rate compared to SEK would have an effect of SEK +/-1 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 501 million (73) is included in comprehensive income. The most significant translation exposure is to CHF (21 percent of the net assets), to GBP (10 percent) and to NOK (6 percent), while 46 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 44 SEK million on the translation reserve. The corresponding figure is SEK 20 million for GBP and SEK 12 million for NOK.

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 determines that the sources of hedge ineffectiveness are not significant, considering the credit standing of the parties and that the cash flows agreed upon 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 has applied hedge accounting in the form of cash flow hedges in relation to currencies. As at the reporting date, 31 December 2024, the accumulated effect on the cash flow hedged currency derivatives in the hedging reserve in equity was SEK 0 million (-1) 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. As at the reporting date, 31 December 2024, the accumulated effect on the cash-flow-hedged interest rate derivatives in the hedging reserve in equity was SEK -83 (-90) million after tax. An analysis shows that a change of +/- 1 percent in variable market rates would have an impact of approximately SEK +/-50 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**
2024					
Currency forward contracts, sold EUR, purchased SEK	0	0	Interest-bearing current liabilities	0	0
Interest rate derivatives, variable to fixed interest, SEK	4,095	-55	Interest-bearing non-current liabilities	-105	-4,095
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

Note 27 Financial risks and risk management, cont.

Maturity analysis

Hedging instruments at year-end (cash flow hedging)	Maturity –1 year	1–3 years	3–5 years	Total
2024				
Interest rate derivatives, variable to fixed interest, SEK, nominal amount	595	3,500	0	4,095
Average fixed interest	2.66%	3.04%	0	2.98%
Currency forward contracts, nominal amounts, SEK m	–			–
Average hedged forward rate, EUR/SEK	–			–
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

Reconciliation of hedging reserve and translation reserve in equity

	2024		2023	
SEK m	Hedging reserve	Translation reserve	Hedging reserve	Translation reserve
Opening carrying amount	-91	726	-10	653
Items added over the period, recognised in Other comprehensive income	10	541	-103	97
Tax	-2	-40	21	-24
Total items added over the year, recognised in Other comprehensive income	**9**	**501**	**-81**	**73**
Closing book value	**-83**	**1,227**	**-91**	**726**
Of which ongoing hedges	-83	–	-92	–

Liquidity risk and refinancing risk

Liquidity risk is the risk that an entity will encounter difficulty 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 12,896 million (17,118). 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 4,595 million (11,096) in a revolving credit facility, of which SEK 2,960 million (6,572) was unutilised, and SEK 5,312 million (4,972) in bond loans. The total liquidity reserve, consisting of cash and cash equivalents, current investments and overdraft facilities, was SEK 4,859 million (8,132) 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 was 2,3 years at the end of 2024.

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.

	31 Dec 2024				
Maturity analysis, SEK m	<1 years old	1–5 years old	>5 years old	Total, including interest	Carrying amount
Liabilities to credit institutions (including bonds)	1,933	9,156	0	11,089	9,936
Lease liabilities	547	960	544	2,051	1,606
Other non-current liabilities		1,167	–	1,167	1,167
Trade payables	2,311	–	–	2,311	2,311
Other current liabilities	1,428	–	–	1,428	1,428
Total	**6,219**	**11,283**	**544**	**18,046**	**16,448**

	31 Dec 2023				
Maturity analysis, SEK m	<1 years old	1–5 years old	>5 years old	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**

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 2024 or before.

Storskogen's credit agreements/lines of credit:

	31 Dec 2024		31 Dec 2023	
SEK m	Amount	Utilised	Amount	Utilised
Revolving credit facility	4,595	1,635	11,096	4,524
Total	**4,595**	**1,635**	**11,096**	**4,524**

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 its operations. Based on the 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 of this target forms part of the strategic planning, and the level of indebtedness is monitored continuously 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 all companies owned by Storskogen as at 31 December 2024 had been owned 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	2024	2023
Adjusted RTM EBITDA	4,258	4,305
Interest-bearing net debt		
Interest-bearing liabilities	11,855	12,525
Less cash and cash equivalents, current investments and financial assets	-2,163	-1,623
Interest-bearing net debt[1)]	**9,693**	**10,902**
Leverage ratio		
Leverage ratio (interest-bearing net debt/adjusted RTM EBITDA)	2.3	2.5

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 acquired in the period, excluding companies divested during the entire 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	2024	2023
RTM Operating profit	1,481	2,465
Items affecting comparability[1)]	81	-69
RTM amortisation and depreciation	1,830	1,910
RTM amortisation and depreciation	866	0
Adjusted RTM EBITDA	**4,258**	**4,305**

1) Items affecting comparability in 2024 and 2023 include the remeasurement of contingent considerations, 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 alternative 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 2023	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**
New leases	496	218	715	712
Depreciation of right-of-use assets	-390	-193	-583	–
Terminated leases	-17	-15	-32	-27
Revaluation of leases	-148	-46	-194	-173
Interest expense on lease liabilities	–	–	–	108
Lease payments	–	–	–	-675
Translation differences	9	2	11	10
Closing balance, 31 Dec 2024	**1,216**	**374**	**1,591**	**1,606**

The amounts recognised in the consolidated income statement for the year for lease activities are presented below:

SEK m	2024	2023
Depreciation of right-of-use assets	-583	-585
Interest expense on lease liabilities	-108	-90
Expense related to short-term leases	-8	-19
Expense related to leases of low-value assets	-3	-4
Effect on profit or loss of terminated leases	-5	-10
Total	**-707**	**-708**

Cash outflow related to leases was SEK 686 million (676). For a maturity analysis of leases, see Note 27.

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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 lease term 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 to 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 of each individual lease to determine whether the 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 with 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 2024	31 Dec 2023
Assets pledged		
Assets pledged as security for own liabilities and provisions		
Property mortgages	9	10
Floating charges	4	20
Assets with retention of title	263	283
Other	21	41
Total	**297**	**354**
Contingent liabilities		
Suretyships, other	3	30
Total contingent liabilities	**3**	**30**

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

			Share of capital/votes	
Company	**Corporate identity number**	**Registered office**	**31 Dec 2024**	**31 Dec 2023**
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	96.2%	84.1%
Vokus Personal AG	345.876.556	Zurich, Switzerland	95.7%	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[1)]	HRB 155446	Berlin, Germany	–	100.0%
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 48	Altbach, Germany	100.0%	95.1%
SF Tooling Group GmbH	98 699 675	Laichingen, Germany	94.6%	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.[2)]	85 849 774	Amsterdam, Netherlands	–	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%

			Share of capital/votes	
Company	**Corporate identity number**	**Registered office**	**31 Dec 2024**	**31 Dec 2023**
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%	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%	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[3)]	32-0678895	Delaware, USA	–	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	99.1%	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%	100.0%
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 2024	Share of capital/votes 31 Dec 2023
AGIO System och Kompetens i Skandinavien AB	556650-2968	Luleå, Sweden	90.1%	90.1%
Agnesberg Grävtjänst i Kungälv AB	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%	99.5%
Ashe Invest AB	559059-3868	Gothenburg, Sweden	85.0%	75.0%
Bergendahls El Gruppen AB[1]	556529-8493	Gothenburg, Sweden	–	90.1%
Bombayworks AB	556720-9357	Stockholm, Sweden	90.1%	90.1%
BR Solutions AB	556251-0817	Hisings Kärra, Sweden	100.0%	96.7%
Brandprojektering Sverige AB	556984-7444	Skövde, Sweden	71.2%	71.2%
Buildercom Group AB	559064-1410	Stockholm, Sweden	100.0%	100.0%
ByWe Group AB	559382-6232	Västra Frölunda, Sweden	92.0%	92.0%
Båstadgruppen AB	556519-6135	Ängelholm, Sweden	91.0%	91.0%
C.S Riv och Håltagning AB	556529-8766	Hisings Backa, Sweden	100.0%	90.1%
DeroA AB	559088-9639	Stockholm, Sweden	96.4%	87.1%
Ebiw AB	559461-7499	Stockholm, Sweden	100.0%	100.0%
Ecochange AB	556239-4618	Norrköping, Sweden	90.1%	90.1%
Elcommunication Sweden AB[1]	556582-3753	Karlshamn, Sweden	–	90.1%
Elektroautomatik i Sverige AB	556100-1008	Gothenburg, Sweden	100.0%	100.0%
EnRival AB[1]	556689-0207	Lund, Sweden	–	86.0%
Hans Löfqvist Engineering AB	556196-1706	Örebro, Sweden	95.0%	95.0%
Harmoni Care AB[4]	559436-5677	Gothenburg, Sweden	90.2%	90.1%
Harrysson Entreprenad Aktiebolag (HEAB)	556273-9762	Hallsberg, Sweden	100.0%	90.1%
Hedson Technologies International AB	556450-9874	Arlöv, Sweden	97.9%	97.9%
HOJ TWS AB[1]	556101-7715	Hudiksvall, Sweden	–	100.0%
Hudikhus AB	556618-8396	Värnamo, Sweden	70.0%	70.0%
IDATA AB	556196-2951	Vara, Sweden	100.0%	100.0%
Imazo AB	556294-1558	Älmhult, Sweden	100.0%	100.0%
INBEGO AB	556791-6811	Stockholm, Sweden	100.0%	100.0%
IVEO AB	556542-2895	Malmö, Sweden	69.4%	69.4%
Jata Cargo AB	556231-0713	Tranås, Sweden	90.1%	90.1%
Kumla Handtagsfabrik AB	559156-8331	Stockholm, Sweden	99.9%	93.4%
Lindberg Stenberg Arkitekter AB	556250-6609	Stockholm, Sweden	90.1%	90.1%

Company	Corporate identity number	Registered office	Share of capital/votes 31 Dec 2024	Share of capital/votes 31 Dec 2023
M J Contractor AB	556492-6904	Upplands Väsby, Sweden	100.0%	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%	100.0%
Plåthuset Syd AB[5]	559059-4304	Enköping, Sweden	30.1%	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%	100.0%
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%
Smederna Sverige AB[1]	556415-2568	Tumba, Sweden	–	100.0%
SoVent Group AB	559138-8789	Stockholm, Sweden	95.8%	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[1]	556921-5360	Västervik, Sweden	–	90.2%
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[1]	559182-1334	Linghem, Sweden	–	100.0%
Swedstyle AB	556272-5134	Vaggeryd, Sweden	100.0%	100.0%
Såg- & Betongborrning i Uddevalla Aktiebolag[1]	556226-4043	Uddevalla, Sweden	–	100.0%
Södra Infragruppen Sverige AB	556815-0667	Kristianstad, Sweden	100.0%	100.0%
Tepac Entreprenad AB	556646-7980	Stockholm, Sweden	92.0%	92.0%

Note 31 Participations in Group companies, cont.

Company	Corporate identity number	Registered office	Share of capital/votes 31 Dec 2024	31 Dec 2023
Tjällmo Grävmaskiner AB	556337-3652	Borensberg, Sweden	100.0%	100.0%
Tolarp Kyckling AB[1)]	559183-5672	Linghem, Sweden	–	100.0%
TRELLEGRÄV AB	556454-9391	Trelleborg, Sweden	90.1%	90.1%
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%
Värmdö Hemmesta 17:2 AB	556408-5677	Stockholm, Sweden	100.0%	100.0%
VästMark Entreprenad AB	556816-5350	Gothenburg, Sweden	90.1%	90.1%
Zymbios Logistics Contractor AB	556681-8653	Kumla, Sweden	100.0%	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[1)]	556628-4534	Mölnlycke, Sweden	–	100.0%
Jacob Lindh AB	556689-6576	Lund, Sweden	90.1%	90.1%
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[1)]	556498-9688	Linghem, Sweden	–	100.0%

1) The company was divested in the 2024 financial year.
2) On 21 January 2025, it was registered that the company had been dissolved on 12 December 2024.
3) The company was liquidated in the first quarter of 2024.
4) Harmoni Care AB, a subsidiary in the divested Bergendahls El group, was retained and forms a directly owned business unit.
5) Storskogen 3 Invest AB owns 30.1 percent of Plåthuset Syd AB. The remaining 69.9 percent is owned by Plåthuset i Mälardalen AB, of which 100 percent is held by Storskogen 3 Invest AB.

NOTE 32 SPECIFICATIONS TO THE CASH FLOW STATEMENT

Adjustment for non-cash items

SEK m	2024	2023
Amortisation and depreciation	2,731	1,917
Capital gains/losses	11	-4
Adjustment in the value of contingent considerations	12	-123
Unrealised foreign exchange gains/losses	11	48
Reversal of capitalised borrowing costs	121	193
Change in accrued interest	-28	9
Unrealised value changes in derivatives	11	-39
Share-based payment transactions and other items	28	57
Total	**2,896**	**2,057**

Over the year, interest received was SEK 44 million (76), and interest paid was SEK 917 million (921).

Note 32 Specifications to the cash flow statement, cont.

CHANGE IN LIABILITIES FROM FINANCING ACTIVITIES

			Non-cash movements				
SEK m	**1 Jan 2024**	**Cash flow from financing activities**	**Business combinations**	**Changes in fair value**	**New leases/ hire-purchase agreements**	**Other**	**31 Dec 2024**
Interest-bearing liabilities to credit institutions (including bond loans)	10,333	-769	–	–	–	167	9,730
Interest-bearing liabilities for hire/purchase agreements	293	-112	–	–	86	–	267
Lease liabilities	1,652	-568	–	–	712	-190	1,606
Total liabilities from financing activities	**12,278**	**-1,449**	**–**	**–**	**798**	**-23**	**11,603**

			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 (including 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**

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.

When calculating 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 are considered.

Earnings per share

SEK	**2024**	**2023**
Basic earnings per share, series A and B	-0.03	0.47
Diluted earnings per share, series A and B	-0.03	0.46

Profit for the year attributable to the holders of ordinary shares in the Parent Company

SEK thousand	**2024**	**2023**
Profit for the year attributable to the holders of series A and B shares in the Parent Company	-51,637	778,319

Weighted average number of shares used in the calculation of diluted earnings per share

	2024	**2023**
Weighted average number of ordinary series A shares	147,101,374	148,001,374
Weighted average number of ordinary series B shares[1)]	1,540,207,105	1,535,455,594
Total weighted number of shares outstanding	**1,687,308,479**	**1,683,456,968**

1) Includes a dilutive effect of 583,260 (16,455,105) potential shares.

NOTE 34 EVENTS AFTER THE REPORTING DATE

Events after the end of the financial year

A minor add-on acquisition was made in the Services business area. The company has annual sales of SEK 6 million and EBITA of SEK 1 million.

Alexander Bjärgård, formerly EVP, Head of M&A and Corporate Development, left the Group management to focus on managing Storskogen's investment committee. He was replaced by Johan Ekström, former head of M&A in Sweden and Finland, who became the Group Head of M&A and joined the Group management.

The Board of Directors of Storskogen proposes a dividend of SEK 0.10/share (0.09).

NOTES – PARENT COMPANY

NOTE 35 NET SALES

SEK m	2024	2023
Revenue from management fees	182	161
Total	**182**	**161**

NOTE 36 FINANCIAL INSTRUMENTS

Valuation of financial assets and liabilities as at 31 December 2023

SEK m	2024	2023
Financial assets		
Receivables from Group companies	22,457	23,496
Receivables from credit institutions	1	3
Cash and cash equivalents	1,259	739
Other non-current receivables	241	35
Total	**23,958**	**24,273**
Financial liabilities		
Liabilities to credit institutions	5,253	5,261
Bonds	4471	4,972
Liabilities to Group companies	6,319	4,788
Other liabilities	17	186
Trade payables	7	13
Total	**16,067**	**15,220**

The carrying amount is a good approximation of the fair value of financial assets and liabilities. Intra-Group derivatives are mainly reflected against 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

	2024			
SEK m	CEO[1)]	Board of Directors	Other employees	Total
Salaries and remuneration	18	3	123	144
(of which bonuses, etc.)	(–)	(–)	(1)	(1)
Social security costs	9	1	62	72
(of which pension costs)	(3)	(–)	(22)	(25)
Total	**27**	**4**	**185**	**216**

1) Daniel Kaplan resigned as CEO on 19 February 2024. Remuneration during the notice period was paid from 31 December 2024 with SEK 7,052 thousand in basic salary and SEK 1,339 thousand in pension costs. The notice period and the non-compete agreement expired on 31 December 2024, and no additional remuneration is payable.

	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**

	2024		2023	
Average number of employees		Women/men		Women/men
Sweden	65	35/30	73	39/34
Total	**65**		**73**	

NOTE 38 REMUNERATION TO THE AUDITORS

SEK m	2024	2023
Ernst & Young AB		
Audit assignment	5	5
Audit activities outside the audit assignment	1	1
Other assignments	–	3
Total	**6**	**9**

NOTE 39 TAX

SEK m	2024	2023
Current tax expense (–)/tax income (+)		
Adjustment of tax related to previous years	-2	–
Total current tax	**-2**	**–**
Deferred tax expense (–) / tax income (+)		
Tax relating to temporary differences	0	21
Adjustment of deferred tax related to previous years	-13	-8
Total deferred tax	**-13**	**13**
Total tax expense recognised in the Parent Company	**-15**	**13**

Reconciliation of effective tax

	2024		2023	
SEK m	**SEK m**	**%**	**SEK m**	**%**
Profit before tax	427		674	
Tax at the tax rate applicable to the Parent Company	-88	20.6%	-139	20.6%
Non-deductible costs	-2	-0.4%	-9	-1.3%
Non-deductible income	90	-21.0%	169	-25.1%
Tax related to previous years	-16	3.6%	-8	1.2%
Total reported effective tax	**-15**	**2.8%**	**13**	**-4.6%**

NOTE 40 INTEREST-BEARING LIABILITIES

SEK m	2024	2023
Interest-bearing non-current liabilities		
Bank loans	3,911	4,791
Bonds	4,502	5,000
Capitalised borrowing costs	-65	-78
Derivatives	55	66
Total	**8,403**	**9,779**
Interest-bearing current liabilities		
Bank loans	474	444
Bonds	840	–
Derivatives	7	10
Total	**1,321**	**454**

In 2024, capitalised borrowing costs of SEK 37 million were added. These will be allocated to periods across the term of each loan.

NOTE 41 OTHER LIABILITIES

SEK m	2024	2023
Other current liabilities		
Employee withholding tax	7	5
Convertibles	–	132
VAT liability	4	5
Total	**11**	**142**

NOTE 42 ACCRUED EXPENSES AND DEFERRED INCOME

SEK m	2024	2023
Accrued salaries	8	12
Accrued social security contributions	18	20
Accrued interest expenses	46	69
Other accrued expenses and prepaid income	6	5
Total	**78**	**106**

NOTE 43 PROFIT/LOSS FROM PARTICIPATIONS IN GROUP COMPANIES

SEK m	2024	2023
Dividends	74	328
Total	**74**	**328**

NOTE 44 INTEREST INCOME AND SIMILAR PROFIT ITEMS

SEK m	2024	2023
Interest income, Group companies	1,228	1,127
Interest income and similar profit items, other	254	528
Total	**1,482**	**1,655**

NOTE 45 INTEREST EXPENSES AND SIMILAR LOSS ITEMS

SEK m	2024	2023
Interest expenses and similar loss items, other	959	1,206
Total	**959**	**1,206**

NOTE 46 APPROPRIATIONS

SEK m	2024	2023
Accelerated amortisation/depreciation	0	0
Group contributions provided	-46	–
Group contributions received	–	45
Total	**-46**	**46**

NOT 47 CONTINGENT LIABILITIES

SEK m	2024	2023
Contingent liabilities		
Parent Company guarantees	1,348	1,199
Total	**1,348**	**1,199**

NOTE 48 PARTICIPATIONS IN GROUP COMPANIES

SEK m	2024	2023
Opening cost	8,878	4,777
Acquisitions/unconditional shareholder contributions	1,495	4,101
Closing carrying amount	**10,373**	**8,878**

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.	Registered office	Equity, 2024	Share of capital and votes	Number of shares (thousand)	Carrying amount 31 Dec 2024	Carrying amount 31 Dec 2023
Storskogen Industrier AB	556803-3012	Stockholm, Sweden	103	100%	1,052	96	96
Storskogen 3 Invest AB	559080-4273	Stockholm, Sweden	2,652	100%	12,718	2,877	2,877
Storskogen Utveckling AB	556970-1229	Stockholm, Sweden	93	100%	2,324	350	350
Storskogen Group International AB	559248-2144	Stockholm, Sweden	2,225	100%	50	7,050	5,555
Carrying amount						**10,373**	**8,878**

NOTE 49 PROPOSED APPROPRIATION OF PROFITS

The following amounts in SEK million are at the disposal of the Annual General Meeting:

SEK m	2024	2023
Share premium reserve	13,283	13,181
Retained earnings	4,565	4,019
Profit for the year	412	687
Total	**18,259**	**17,887**

The Board proposes that the available profits and free funds be distributed as follows:

SEK m	2024	2023
Dividend SEK 14,200,137 [142,001,374 shares * SEK 0.10 per A share]	14	13
Dividend SEK 154,472,385 [1,544,723,845 shares * SEK 0.10 per B share]	154	137
To be carried forward	18,091	17,736
Total	**18,259**	**17,887**

NOTE 50 RECEIVABLES FROM GROUP COMPANIES

SEK m	2024	2023
Accumulated cost		
At the beginning of the year	23,496	27,444
Trade receivables	-1	-29
Accrued interest income	-15	-40
Cash pool receivable	579	-85
Loans to Group companies	-1,597	-3,796
Derivatives	-5	2
Closing balance, 31 Dec	**22,457**	**23,496**
Carrying amount	**22,457**	**23,496**

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 2024.

NOTE 52 SPECIFICATIONS TO THE CASH FLOW STATEMENT

Adjustment for non-cash items

SEK m	2024	2023
Adjustments of profit/loss before tax		
Anticipated dividends from subsidiaries	254	-328
Group contributions that have not been received	46	-46
Unrealised exchange rate differences	-118	236
Reversal of capitalised borrowing costs	109	193
Unrealised value changes in derivatives	3	75
Other non-cash profit/loss items	3	59
Total	**295**	**190**

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 2024 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 administration 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 2025. 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 7 May 2025.

Stockholm, 25 March 2025

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 2025
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 2024. The annual accounts and consolidated accounts of the company are included on pages 59–128 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 2024 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 2024 and their financial performance and cash flow for the year then ended in accordance with 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 2024, the total value of goodwill amounts to 18,326 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. 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 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 1–58 and 133–164. The other information also includes the remuneration report and was 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 Accounting Standards 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.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 2024 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.

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 2024.

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 8 May 2024 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 2025

Ernst & Young AB

Åsa Lundvall
Authorised Public Accountant

Definitions of alternative performance measures

KEY PERFORMANCE INDICATORS

Storskogen presents several 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

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	2024	2023
Profit for the year	116	944
Equity	20,393	20,322
Return on equity, %	**0.6**	**4.6**

Return on working capital

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	2024	2023
Adjusted EBITA	3,229	3,238
Working capital	5,169	5,853
Return on working capital, %	**62.5**	**55.3**

Return on capital employed

Operating profit (EBIT) plus interest income as a percentage of capital employed. EBIT and interest income are calculated as accumulated for the previous 12-month period, and capital employed as the average for the previous 12-month period. 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. The definition of the performance indicator was adjusted as of the second quarter of 2024. The previous definition of financial income reported currency effects gross, while the new definition only includes interest income. According to the previous definition, the return on capital employed for the year would have been 5.1 percent (7.7).

SEK m	2024	2023
Operating profit	1,492	2,446
Interest income	51	77
Operating profit, including interest income	**1,543**	**2,523**
Capital employed	32,654	34,142
Return on capital employed, %	**4.7**	**7.4**

EBITA

Operating profit (EBIT) before amortisation and impairment of intangible assets. The purpose is to assess the Group's operating activities.

SEK m	2024	2023
Operating profit	1,492	2,446
Amortisation of intangible assets	790	861
Impairment of intangible assets	731	0
EBITA	**3,013**	**3,307**

EBITDA

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	2024	2023
Operating profit	1,492	2,446
Amortisation and depreciation	1,865	1,917
Impairment	866	0
EBITDA	**4,223**	**4,363**

Net financial items

The purpose of this key performance indicator is to present developments in the Group's financing activities.

SEK m	2024	2023
Interest income	51	77
Interest expense	-934	-1,004
Financial expenses	-100	-127
Exchange rate fluctuations and other	-16	-71
Net FINANCIAL ITEMS	**-999**	**-1,125**

Adjusted EBITA

Operating profit (EBIT) before the amortisation and impairment of intangible assets, excluding items affecting comparability. The purpose is to assess the Group's operating activities. Adjusted EBITA facilitates comparisons of EBITA between periods.

SEK m	2024	2023
Operating profit	1,492	2,446
Items affecting comparability	216	-69
Amortisation of intangible assets	790	861
Impairment of intangible assets	731	0
Adjusted EBITA	**3,229**	**3,238**

Adjusted EBITA margin

Adjusted EBITA as a percentage of net sales. The purpose is to provide a guide to profitability in relation to sales.

SEK m	2024	2023
Adjusted EBITA	3,229	3,238
Net sales	34,182	36,006
Adjusted EBITA margin, %	**9.4**	**9.0**

Adjusted EBITDA

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	2024	2023
Operating profit	1,492	2,446
Items affecting comparability	81	-69
Amortisation and depreciation	1,865	1,917
Impairment	866	0
Adjusted EBITDA	**4,303**	**4,293**

Adjusted cash conversion

Operating cash flow as a percentage of adjusted EBITDA. The purpose is to analyse cash conversion.

SEK m	2024	2023
Adjusted EBITDA	4,303	4,293
Change in working capital	370	798
Net investments in property, plant and equipment, defined as CapEx	-510	-610
Operating cash flow	**4,164**	**4,481**
Adjusted EBITDA	4,303	4,293
Adjusted cash conversion, %	**96.8**	**104.4**

Adjusted diluted earnings per share

The purpose is to increase the comparability of earnings per share between periods.

	2024	2023
Profit/loss attributable to the shareholders of the Parent Company, SEK m	-52	778
Items affecting comparability, SEK m	1,019	-11
Total	**967**	**767**
Total weighted average number of shares after dilution, million	1,687	1,683
Adjusted diluted earnings per share, SEK	**0.57**	**0.46**

Items affecting comparability

Items affecting comparability are excluded to facilitate comparisons between periods.

SEK m	2024	2023
Remeasurement of contingent considerations	-12	123
Stamp duty on foreign business combinations	-3	-2
Central restructuring costs	-15	-10
Capital gains/loss from divestments of businesses	-50	-41
Items affecting comparability, EBITDA	**-81**	**69**
Impairment of property, plant and equipment	-135	–
Items affecting comparability, EBITA	**-216**	**69**
Impairment of intangible assets	-731	–
Items affecting comparability, EBIT	**-947**	**69**
Non-recurring financial expenses (related to business divestments), before tax	-20	–
Non-recurring items related to the refinancing of interest-bearing liabilities, before tax	-52	-58
Items affecting comparability, profit for the period	**-1,019**	**11**

Interest-bearing net debt

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 2024	31 Dec 2023
Interest-bearing liabilities	21	9,998	10,626
Lease liabilities	21	1,606	1,652
Pension provisions, net	22	251	247
Financial assets		-263	-63
Current investments	26	0	0
Cash and cash equivalents	19	-1,899	-1,560
Interest-bearing net debt		**9,693**	**10,902**

Interest-bearing net debt/ adjusted RTM EBITA

Interest-bearing net debt in relation to adjusted RTM EBITDA is 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 acquired in the period, excluding companies divested during the entire 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 2024	31 Dec 2023
Interest-bearing net debt	9,693	10,902
Adjusted RTM EBITDA	4,258	4,305
Interest-bearing net debt/ adjusted RTM EBITDA, x	**2.3**	**2.5**

Net debt

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 2024	31 Dec 2023
Interest-bearing liabilities	21	9,998	10,626
Lease liabilities	21	1,606	1,652
Pension provisions, net	22	251	247
Contingent considerations	24	57	320
Minority options	24	1,883	1,937
Financial assets		-263	-63
Current investments	26	0	0
Cash and cash equivalents	19	-1,899	-1,560
Net debt		**11,633**	**13,159**

Organic EBITA growth

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 entire 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)

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

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.

SEK m	2024	2023
Operating profit	1,492	2,446
Interest income	51	77
Operating profit, including interest income	**1,543**	**2,523**
Interest expense	-934	-1,004
Interest coverage ratio, x	**1.7**	**2.5**

Working capital

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	2024	2023
Inventories	4,517	5,019
Trade receivables	4,596	4,837
Other current receivables	2,683	2,798
Trade payables	-2,630	-2,675
Other current liabilities	-3,996	-4,127
Working capital	**5,169**	**5,853**

Operating margin

Operating profit (EBIT) as a percentage of net sales. The purpose is to provide a guide to profitability in relation to sales.

SEK m	2024	2023
Operating profit	1,492	2,446
Net sales	34,182	36,006
Operating margin, %	**4.4**	**6.8**

Debt/equity ratio

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 2024	31 Dec 2023
Net debt	11,633	13,159
Equity	20,807	20,437
Debt/equity ratio, x	**0.6**	**0.6**

Equity/assets ratio

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 2024	31 Dec 2023
Equity	20,807	20,437
Total assets	43,180	44,169
Equity/assets ratio, %	**48.2**	**46.3**

Capital employed

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	2024	2023
Total assets	44,011	46,412
Non-interest-bearing liabilities	-9,267	-10,122
Provisions	-2,090	-2,148
Capital employed	**32,654**	**34,142**

Sustainability notes

CONTENTS

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NOTE H1 ABOUT STORSKOGEN'S SUSTAINABILITY REPORT

Storskogen's Sustainability Report covers Storskogen's sustainability performance for the period 1 January to 31 December 2024 and includes the statutory Sustainability Report for 2024 (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 fifth Sustainability Report. The year 2023 is Storskogen's base year and the recalculation of the 2023 climate figures has taken place in accordance with Storskogen's recalculation principle, which is in line with the GHG Protocol. Recalculations have been made to ensure comparability with the 2024 climate data. Adjustments and details of the restatement are presented in detail in Note H3. This report has not been reviewed by an external party. The publishing date of the Report is 2025-04-03.

Storskogen reports sustainability data according to the following reporting initiatives:
- GRI Universal Standards 2021 (Global Reporting Initiative): The Sustainability Report has been prepared in accordance with GRI's most recently updated principles regarding content and quality. The GRI index refers to Storskogen's central organisation. See Note H13.
- Greenhouse Gas Protocol (GHG): The operation's climate impact in the form of direct and indirect greenhouse gas emissions, divided into three categories, Scope 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 tables in the notes are divided and presented for the central organisation and at the business unit level.

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 presented below.

Acquisition

Companies acquired during the year are included in this year's sustainability reporting. The sustainability reporting includes the whole year.

Divestments

Companies divested during the year are not included in this year's sustainability reporting.

REPORTING ENTITIES

Reporting units	2024	2023
Storskogen's central organisation	**7**	**7**
Of which, Storskogen Sweden	1	1
Of which, Storskogen Norway	1	1
Of which, Storskogen Denmark	1	1
Of which, Storskogen Singapore	1	1
Of which, Storskogen UK	1	1
Of which, Storskogen Germany	1	1
Of which, Storskogen Switzerland	1	1
Business units[1)]	**115**	**130**
Of which, Industry	37	39
Of which, Trade	25	34
Of which, Services	53	57

1) The number of business units in the financial reporting in 2023 amounted to 129 units. The deviation is due to a reported company that is part of a business unit. The decrease in the number of business units from 2023 to 2024 was a result of divestments in all business areas, as well as the merger of business units in the Trade business area.

STRUCTURAL CHANGES

Acquisitions

Acquisitions made by Storskogen during the year, which are included in the sustainability reporting based on the Group's accounting policies, are:
- OFM Sotning AB (add-on acquisition within Services)
- Nimbus Direct AB / ACC Kundkommunikation AB (add-on acquisitions within Services)
- IHAB Ingemar Holmberg AB (add-on acquisitions in Services)
- Nord Svets Mek AB (add-on acquisition within Industry)
- Sörmlandskustens Sotning & Ventilation AB (add-on acquisition within Services)

Divestments

Divestments made by Storskogen during the year, which are not included in the sustainability reporting, based on the Group's accounting policies, are:
- AB Kranlyft, incl. subsidiaries (own business unit within the Trade business area)
- Dimabay GmbH, incl. subsidiaries (own business unit within the Trade business area)
- Bergendahls El Gruppen AB, incl. subsidiaries (own business unit within the Services business area)
- Elcommunication Sweden AB (own business unit within the Services business area)
- Swedfarm AB, incl. subsidiaries (own business unit within the Trade business area)
- HOJ TWS AB, incl. subsidiaries (own business unit within the Trade business area)
- Smederna Sverige AB (own business unit within the Industry business area)
- Såg- och Betongborrning i Uddevalla Aktiebolag (own business unit within the Services business area)
- EnRival AB, incl. subsidiaries (own business unit within the Services business area)
- Strigo AB, incl. subsidiaries (own business unit within the Services business area)
- The operational part of Vogt AG Oberdiessbach (part of business unit in the Industry business area)

Environmental information

NOTE H2 CLIMATE-RELATED INFORMATION ACCORDING TO TCFD

During the year, Storskogen published a TCFD Report on its website to transparently report risks and opportunities that affect Storskogen's profitability. The aim is to provide information on the impact of the transition to a society with lower carbon dioxide emissions. Storskogen aims to 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 of Directors has the overall responsibility for Storskogen's sustainability governance, including ensuring that sustainability matters are incorporated into the overall risk and opportunity analysis for investments and acquisitions. The Board of Directors establishes the Group's targets and strategy, makes decisions on major acquisitions, follow-up, financial development, risk assessment and ensures regulatory compliance. At the annual meeting of the Board of Directors, the rules of procedure for the members of the Board of Directors and the Chairman are established, instructions are issued to the committees and powers are delegated to the Investment Committee.

The Board of Directors follows up on Storskogen's sustainability strategy and ensures that the sustainability goals are achieved, including the targets for net-zero greenhouse gas emissions for Scope 1–3. Policies and guidelines, including the sustainability policy, are established by the Board of Directors.

At the operational level, climate-related risks and opportunities are managed by the CEO, Head of Sustainability, Group Management and the business areas. The Head of Sustainability is responsible for ensuring transparent reporting and follow-up of climate impact, which creates a structured and efficient management of sustainability issues at all levels within the organisation.

STRATEGY

Identified risks and opportunities in climate

Storskogen has identified climate-related risks, such as increased costs for emissions, as well as other new requirements and regulations that could potentially limit existing business models. However, the group's geographical and industrial diversification creates resilience across business cycles and mitigates risks. For example, while one business area might be negatively affected by climate-related impacts, other business areas can benefit from the opportunities. Storskogen sees a growing demand for products and services that contribute to decreasing emissions, driven by a trend towards more sustainable and fossil-free solutions.

Impact on strategy and financial planning

Storskogen's climate-related risk and opportunity analysis is integrated into the overall risk analysis and serves as a basis for strategic decisions. Storskogen also strives to include climate analyses in acquisitions so that company analysis and valuation also consider potential climate impact and any costs related to the climate transition.

RISK MANAGEMENT

Processes for identifying and evaluating climate-related risks

The Head of Sustainability has the overall responsibility for identifying transition risks, physical risks and opportunities linked to the climate. This includes keeping the CEO and Group Management team informed of both long-term and short-term changes. The major climate-related risks are integrated and evaluated on an ongoing basis 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 for managing climate-related risks

Climate-related risks are managed as an integral part of the annual risk assessment together with Storskogen's business units. Once relevant risks and opportunities are identified, these are carefully discussed, and necessary actions are taken to minimise negative impacts or take advantage of opportunities.

Integration into the organisation's overall 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 for identifying, evaluating and managing climate-related risks are fully integrated into the overall risk management structure of the organisation. Integrating these processes ensures that climate-related factors are taken into account in the same way as other business risks and opportunities. Climate-related material risks and opportunities are integrated into the company's risk register, which is considered annually by the Board of Directors and the management team.

METRICS AND TARGETS

Storskogen has updated its climate targets set in 2021 by transitioning from targets based on emissions per unit to absolute targets in accordance with SBTi's guidelines. Since Storskogen has now also set targets for Scope 3, the base year for these targets has been updated to 2023, with 2050 as the common target for the two long-term targets. More information about the climate targets can be found on p. 32 in the Annual Report and in Storskogen's Climate Report for 2023, available on Storskogen's website.

To ensure the reliability and objectivity of the climate reporting, Storskogen has chosen to collaborate with external experts to calculate and validate the results. A detailed table with emissions within Scope 1, 2 and 3 is presented in Note H3.

For more information, see Storskogen's TCFD Report, available on Storskogen's website.

NOTE H3 CLIMATE IMPACT

The reported greenhouse gas emissions have been divided between Storskogen's Parent Company and the three business areas Trade, Industry and Services. The Parent Company is referred to as the "central organisation". 2023 has been chosen as Storskogen's base year and has been adjusted to ensure comparability with the 2024 climate data.

DESCRIPTION OF METHODOLOGIES USED IN CLIMATE REPORTING

Climate impact is reported as direct (Scope 1) and indirect (Scope 2 and Scope 3 respectively) greenhouse gas emissions in carbon dioxide equivalents, in accordance with the guidelines of the Greenhouse Gas Protocol (GHG Protocol), a well-established and international standard for climate calculations. Storskogen has chosen to apply operational control to determine consolidation approach. To make emissions from different greenhouse gases comparable, all emissions, except carbon dioxide, have been multiplied by a so-called Global Warming Potential (GWP) based on a 100-year time horizon (GWP100). The result of 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 have been provided by 2050 Consulting AB and come mainly from Ecoinvent, EPD International, IPCC, AIB, IEA, DEFRA, IVL, The Swedish Energy Agency and the Swedish National Agency for Public Procurement.

All data refer to the 2024 financial year. In some cases, individual business units within the Group may have extrapolated or estimated data for certain months or the whole year. For the 2023 and 2024 calculations, Storskogen has enlisted the help of 2050 Consulting AB in the implementation of the calculations, and input data has been collected via Storskogen's platform for sustainability reporting. As in previous years, reported data has been divided into actual and estimated data for Scope 1 and 2.

Base year recalculation

Storskogen has applied for validation of climate targets from the Science Based Targets initiative and set climate targets for absolute reductions of greenhouse gases for Scope 1 and 2 and reduction of emission intensity for Scope 3. Storskogen has set a base year to enable comparison of greenhouse gas emissions and to be able to follow developments. On some occasions, these base year emissions may need to be recalculated to ensure meaningful and relevant comparisons over time. Storskogen has established the principles for recalculation and updating of historical climate data for Storskogen and its companies in accordance with the GHG Protocol.

Recalculation of the base year and historical figures will be carried out if any of the following occurs: Structural changes in acquisitions and divestments of companies; Changes in calculation methodology or improvements in the accuracy of emission factors or activity data that result in a significant impact on the base year emissions data; Detection of significant errors, or a number of cumulative errors that together are significant. Organic growth or decrease does not trigger recalculation of the base year. Years affected by the recalculation principle are as follows: Current year (N); Comparison year (N-1); Base year.

Scope 1

Includes direct greenhouse gas emissions from company-owned and leased passenger cars, vans, trucks, machinery, forklifts, tractors and other fuel-powered equipment. In cases where consumption data has not been available, the number of kilometres has been reported. On-site fuel combustion, such as combustion of diesel, gasoline and LPG, is also included in Scope 1, as well as fuels used for heating self-owned premises, such as heating oil and natural gas. Leakage of refrigerants is also included.

Scope 2

Includes purchased electricity and district heating consumed in owned, leased or rented premises as well as charging of electric cars. The calculations are based on the amount of energy purchased in kWh, kilometres transported, or estimates based on the size of the premises. Scope 2 is reported according to the market-based method. This ensures that the types of energy associated with purchased certificates for the cancellation of guarantees of origin are taken into account. In cases where the origin of electricity cannot be stated, the greenhouse gas emissions are calculated with an emission factor for the residual mix for each country. The exception to this method is external charging of electric cars, which is calculated with an average mix, as this is assumed to be most representative of the charging that takes place.

Scope 3

General methodology and system boundaries

Scope 3 is divided into upstream categories (1–8) and downstream categories (9–15). For Storskogen's operations, 12 of these categories have been identified as relevant for calculation of greenhouse gas emissions. Greenhouse gas emissions from the remaining three categories, 8. Upstream leased assets, 14. Franchises and 15. Investments, have limited relevance in relation to Storskogen's total climate impact or lack a connection to Storskogen's business operations.

Scope 3 covers indirect greenhouse gas emissions in Storskogen's value chain and mainly includes emissions from purchased materials and products, transport and freight from suppliers and/or to customers, as well as from the use of sold products. The calculations are largely based on primary data collected by the business units, see section below for a further description of how the calculations have been carried out for each Scope 3 category.

1. Purchased goods and services

Data has been collected into predefined product categories that aim to cover all relevant greenhouse gas emissions. Data for goods is reported in weight, quantity, or cost. Data for services is reported as cost. Each category has an associated emission factor developed by 2050 Consulting AB, with input from Storskogen and the business units to map the right factors and make the right assumptions.

2. Capital goods

Includes products, machinery or other investments that are written off in a company's income statement. The total cost of capital goods is reported in spend in several different purchasing categories. Average spend factors have been used to calculate greenhouse gas emissions for the purchases in each category.

3. Fuel and energy-related activities

Includes all upstream greenhouse gas emissions from purchased fuels and energy (in addition to those reported in Scope 1 and 2).

4. Upstream transportation and distribution

Includes all purchased transport and distribution for the following modes of transport: air, rail, sea and road. Data can be reported in different units; actual greenhouse gas emissions, weight and distance transported, fuel cost or total cost. Emission factors for each mode of transport and unit have been used to calculate greenhouse gas emissions. Where transport and distribution are included in the cost of purchased products and reported as a Category 1 cost, the greenhouse gas emissions from these transports are calculated as Category 1 product emissions. Upstream transports that are not paid for by the business units have been estimated jointly with the estimate of downstream transports and are therefore included in category 9 as it has not been possible to differentiate this estimate between upstream and downstream transports.

5. Waste generated in operations

Covers waste generated in the company's own operations, both in its own premises and external locations. Data is reported by weight distributed between different waste categories and the calculations are performed with emission factors from DEFRA.

6. Business travel

Includes business travel carried out by the companies, excluding business travel by car reported in Scope 1. The calculation is based on the number of employees in each business unit and standard rates for the average number of business trips carried out by citizens within the EU. The standard is based on Eurostat data with statistics on the number of business trips carried out in the EU for different modes of transport, whose greenhouse gas emissions have been calculated with an emission factor for each mode of transport.

Note H3 Climate impact, cont.

7. Employee commuting
Includes employees' commuting to and from work. The calculation is based on the number of employees in each business unit and a standard for the average commuting distance per person per day in Sweden from Transport Analysis (Sw. Trafikanalys). The standard includes journeys made by car, public transport, on foot or by bicycle, whose greenhouse gas emissions are calculated using the emission factor for each mode of transport.

9. Downstream transport and distribution
Includes transport and distribution of sold products that are not procured by Storskogen, for the modes of transport by air, sea and road. Rail has been excluded from the calculation as this mode of transport is used to a small extent and has a low climate impact per route. Downstream transport and distribution primarily include transports that take place from the business units' operations to the next recipient. More downstream transports outside Storskogen's control are likely to take place but have been excluded as they are difficult to measure and follow up and are considered negligible in relation to Storskogen's total climate impact. The calculations are based on the business units' estimates of transported weight and distance expressed in unit tonne-kilometres per mode of transport, whose greenhouse gas emissions are calculated using the emission factor for each mode of transport.

10. Processing of sold products
Includes energy consumption associated with the treatment, refinement, and processing of sold products after sale to third parties. The calculations are based on the reported number of products sold and the business units' own estimates of energy consumption during processing, whose greenhouse gas emissions have been calculated using the emission factor for each energy type. Products with known or assumed low energy consumption during further processing have been excluded from the calculations, as this processing is assumed to have a small climate impact in comparison to Storskogen's total greenhouse gas emissions.

11. Use of sold products
Includes greenhouse gas emissions that occur from the use of products sold, in terms of energy and fuel use, and the use of refrigerants. The calculations are based on reported number of products sold and assumptions or alternatively the business units' own estimates of energy consumption over the entire life cycle of products sold, whose greenhouse gas emissions have been calculated using emission factors for each activity. For business units in the Trade business area, the number of products sold is assumed to correspond to the number of products purchased in the same year. Products with known or assumed low greenhouse gas emissions during use have been excluded from the calculations, as this use is assumed to have a small climate impact in comparison to Storskogen's total greenhouse gas emissions.

12. End-of-life treatment of sold products
Includes disposal of sold products after the user has consumed the product. The calculations are based on the purchases that are reported as purchased goods and the weight of the purchased material or product. In cases where purchases are reported as the number of products, an average weight per product has been produced, either based on the business units' own estimates or through assumptions. The total reported weight is calculated using a weight-based emission factor for waste management from DEFRA, assuming that the products are material or energy recycled.[1)]

13. Downstream leased assets
Includes assets leased to other companies whose energy consumption is not reported in Scope 1 or 2. The calculation is based on the business unit's sales for the business that rents out equipment, and the greenhouse gas emissions from the energy consumption of the equipment are based on a spend factor from DEFRA.

1) Waste incineration where the heat is recovered for electricity and/or heat production.

Biogenic greenhouse gas emissions
Biogenic emissions of CO_2 from the combustion or biodegradation of biomass have been calculated for Scope 1 and 2 and are reported separately from Scope 1 and 2 greenhouse gas emissions, according to the GHG Protocol guidelines.

Changes in methodology adjusted for the base year
1. Purchased goods and services
The data strategy for Industry has been updated since 2023, when purchased goods and services were reported as costs that were then categorised by Storskogen and 2050 Consulting AB. In 2024, data was reported in predefined categories in Storskogen's reporting structure, which is expected to increase the uniformity and quality of the reporting but makes it difficult to compare between years. Category 1 GHG emissions are adjusted for the base year for the Industry business units based on 2024 emission intensity.

5. Waste generated in operations
Compared to the 2023 reporting, certain waste categories and associated emission factors have been updated, to better reflect Storskogen's operations. This change in method mainly affects excavated masses that are largely recycled or reused, but which in 2023 were largely assumed to be landfilled. Category 5 GHG emissions for the business units within Services have therefore been adjusted for the base year using the emission intensity of 2024.

9. Downstream transport and distribution
In 2023, the calculation was based on the business units' estimate of the proportion of downstream transports they had, based on what was reported in category 3.4 Upstream transport. This was not done by mode of transport and therefore did not consider the different emission intensities of the modes of transport. The estimate made for the 2024 calculations is assumed to be more reliable, as the risk of miscalculation is reduced and the estimate is made per transport mode, allowing the calculation to account for the varying emission intensities of different transport modes. Category 9 GHG emissions are therefore adjusted for the base year, based on 2024 emission intensity.

11. Use of sold products
For several Trade business units, purchased products per tariff code were reported in 2023. For Trade, emissions from the use of sold products are based on purchased products, but since the tariff codes have been grouped in the calculations of purchased products, it was not possible to use this basis for emission calculations of the use of sold products. By 2024, data will have been reported in predefined categories in Storskogen's sustainability reporting platform, which has enabled calculations of the use phase of the products affected. The Category 11 GHG emissions for four business units within Trade are therefore base year adjusted based on 2024 emission intensity.

Note H3 Climate impact, cont.

STORSKOGEN'S CLIMATE IMPACT

Storskogen has a clear overview and understanding of the greenhouse gas emissions in Scope 1 and Scope 2, while the greenhouse gas emissions for Scope 3 were calculated for the entire Group for the first time in 2023. It remains challenging to ensure good quality of input data in certain areas, but the reporting of emissions is expected to be more accurate in 2024.

Storskogen has updated the climate targets set in 2021, with targets for absolute emission reductions for Scope 1 and 2 and reduction of emission intensity for Scope 3, according to the guidelines of the Science Based Targets initiative. Storskogen's climate targets, which are being validated by the Science Based Targets, are presented in the table below. As Storskogen has now also set targets for Scope 3, the base year for the targets has been updated to 2023, and 2050 has been set as the joint target year for the two long-term targets. This means that Storskogen will have a uniform base year for all climate targets, while the base year will have significantly better data quality, as Storskogen has reported sustainability data for several years. The targets are designed to align with the Paris Agreement's ambition to limit the temperature increase to 1.5°C above pre-industrial levels. Storskogen has an ambition to start carbon offsetting for the remainder of greenhouse gas emissions from 2030. This is important because assigning an economic value to emissions strengthens the incentives for reducing them.

The following tables show GHG emissions for the whole of Storskogen, GHG emissions by business area and emission intensity.

Total GHG emissions Storskogen, tonnes CO_2e

	GHG emissions			Milestones and target years		
The whole of Storskogen including business areas (BA) and the central organisation	**2024**	**2023 Base year[1)]**	**Change %**	**2030**	**2034**	**2050**
Scope 1 GHG emissions					**Target Scope 1 and 2**	
Gross GHG emissions in Scope 1 (tCO_2e)	36,560	31,515	16%	Reduce absolute GHG emissions by 42% from the 2023 base year.	N/A	Reduce absolute GHG emissions by 90% from the 2023 base year.
Scope 2 GHG emissions						
Location-based[2)] gross GHG emissions in Scope 2 (tCO_2e)	8,241	9,237	–11%			
Market-based[3)] gross HG emissions in Scope 2 (tCO_2e)	8,549	9,720	–12%			
Significant Scope 3 GHG emissions					**Target Scope 3**	
Total indirect gross GHG emissions in Scope 3 (tCO_2e)	1,475,748	1,431,131	3%	N/A	Reduce GHG emissions by 64% per SEK m of value added from the base year 2023.	Reduce GHG emissions by 97% per SEK m of value added from the base year 2023.
1 Purchased goods and services	893,439	828,834	8%			
2 Capital goods	22,987	20,502	12%			
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	10,701	9,426	14%			
4 Upstream transportation and distribution	111,143	139,639	–20%			
5 Waste generated in operations	6,458	6,205	4%			
6 Business travel	1,830	2,263	–19%			
7 Employee commuting	9,564	10,275	–7%			
9 Downstream transport and distribution	17,176	15,357	12%			
10 Processing of sold products	4,649	22,224	–79%			
11 Use of sold products	395,658	374,946	6%			
12 End-of-life treatment of sold products	2,131	1,445	47%			
13 Downstream leased assets	13	14	–9%			

Note H3 Climate impact, cont.

Total GHG emissions Storskogen, tonnes CO_2e, cont.

The whole of Storskogen including business areas (BA) and the central organisation	GHG emissions 2024	2023 Base year[1]	Change %	Milestones and target years 2030	2034	2050
Total GHG emissions Scope 1–3						
Total GHG emissions (location-based[2]) (tCO_2e)	1,521,549	1,472,772	3%	N/A	N/A	N/A
Total GHG emissions (market-based[3]) (tCO_2e)	1,520,857	1,472,367	3%			
GHG emissions outside Scope 1–3						
Direct emissions of biogenic GHG[4] in Scope 1 (tCO_2e)	5,283	N/A		N/A	N/A	N/A
Direct emissions of biogenic GHG[4] in Scope 2 (tCO_2e)	4,668	N/A				

Total GHG emissions Storskogen, tonnes CO_2e

Per BA and the central organisation, market-based	2024	2023 Base year	Change %
Total	**1,520,857**	**1,472,367**	**3%**
Scope 1	36,560	31,515	16%
Business area Industry	11,791	10,912	8%
Business area Trade	2,952	2,661	11%
Business area Services	21,797	17,934	22%
Storskogen central organisation	20	8	155%
Scope 2	8,549	9,720	–12%
Business area Industry	6,291	7,933	–21%
Business area Trade	1,335	1290	3%
Business area Services	900	468	93%
Storskogen central organisation	22	30	–25%
Scope 3	1,475,748	1,431,131	3%
Business area Industry	901,544	892,712	1%
Business area Trade	371,386	336,344	10%
Business area Services	201,511	201,201	0,2%
Storskogen central organisation	1,307	874	50%

Emission intensity per net revenue, tonnes CO_2e/SEK m

Per BA and the central organisation	2024	2023 Base year	Change %
Total Scope 1 and 2 (market-based)	**1.2**	**1.2**	**0,4%**
Business area Industry	1.2	1.3	–13%
Business area Trade	0.4	0.4	0%
Business area Services	2.2	1.9	18%
Storskogen central organisation	0.2	0.2	2%
Total Scope 3 (market-based)	41	43	–5%
Business area Industry	58	63	–8%
Business area Trade	37	37	1%
Business area Services	20	21	–5%
Storskogen central organisation	5	4	35%
Total Scope 1-3 (market-based)	**42**	**44**	**–5%**
Total Scope 1-3 (location-based)	**42**	**44**	**–5%**

Emission intensity per value added[5], tonnes CO_2e/SEK m

BA and the central organisation	2024	2023 Base year	Change %
Scope 3 (market-based)	**130**	**119**	**9%**

1) The base year has been adjusted compared with the most recently reported figures, as a result of divestments and acquisitions of business units, methodological changes and adjustments made during the year.
2) Total GHG emissions including Scope 2 GHG emissions measured using the location-based methodology. Location-based emissions are based on the average emission intensity of the local energy source, which can be both local and regional.
3) Total GHG emissions including Scope 2 GHG emissions measured using the market-based methodology. Market-based emissions are based on the energy an organisation has chosen to purchase, often in the form of contracts or instruments such as Renewable Energy Certificates (RECs).
4) According to the GHG Protocol, carbon dioxide emissions from biomass combustion are net zero for direct emissions in Scope 1 and indirect emissions in Scope 2, since the amount of carbon absorbed by the biomass during the growth phase is equivalent to the amount of carbon released during combustion. Biogenic emissions are therefore reported separately.
5) The intensity measure is formulated as GHG emissions per value addition with the unit tCO2e/SEK m. Value addition corresponds to value added, which is a monetary amount that can be calculated by summing up EBITDA plus personnel costs.

Note H3 Climate impact, cont.

COMMENTS ON THE OUTCOME

Storskogen's total emission intensity has decreased by 5 percent compared with the previous year, thanks to a reduction in Scope 3 emissions intensity for the Industry business area. In absolute terms, greenhouse gas emissions have increased by 3 percent, which can mainly be attributed to increased emissions in Scope 3 for the Trade business area. 2023 has been adjusted for the base year compared with the most recently reported figures, because of divestments and acquisitions of business units, methodological changes and adjustments made during the year. The purpose of the adjustment of the base year is to increase comparability with the current year. In some cases, however, comparability remains challenging, as Storskogen has made efforts to improve the reliability of the data basis over the years, thereby enhancing data quality by 2024.

Scope 1 and 2

The direct Scope 1 GHG emissions from Storskogen's business units are relatively small compared to the total emissions. Scope 1 accounts for less than 3 percent of Storskogen's total GHG emissions and Scope 2 for less than 1 percent. The main activity is vehicle use, where diesel is the most common fuel. Carbon reduction laws for fuels are considered in the calculations for relevant countries. The Swedish reduction obligation (Sw. reduktionsplikt) has decreased from 2023 to 2024, which means that GHG emissions from fuel with a reduction obligation have increased. The second largest source of direct GHG emissions is the use of natural gas. Purchased diesel (reported in litres) and purchased natural gas together account for more than 90 percent of Storskogen's direct GHG emissions. The indirect GHG emissions in Scope 2 from purchased energy by Storskogen's business units are also small in comparison to the total GHG emissions. The calculations for Scope 2 emissions consider guarantees of origin for renewable energy and residual energy (energy that remains after all certificates are removed). As a result, electricity purchased with guarantees of origin has much lower GHG emissions per kilowatt hour than electricity purchased without these guarantees. Consequently, electricity purchases without guarantees of origin account for 85 percent of GHG emissions from purchased energy. District heating accounts for 11 percent of GHG emissions from purchased energy. Other heating is reported either as Scope 2 electricity or as Scope 1 fuel consumption.

Scope 3

Storskogen's main GHG emissions in Scope 3 derive from the purchase of goods and services (mainly steel purchases), the use of sold products and purchased transport and distribution (mainly road freight).

Purchased goods and services alone account for about 60 percent of total Scope 3 emissions. Almost half of these emissions come from the material purchase of steel and steel components. Emissions from purchased goods and services have increased compared to 2023, which can be attributed to activities within Industry and Services. The increase in emissions in Services can be explained, among other things, by the fact that one business unit reported twice as much area for completed buildings compared to the previous year. As this is an emission-intensive activity, the change generates large GHG emissions.

The second largest source of climate emissions in Storskogen is the use of sold product. Industry accounts for 75 percent of these emissions. Trade accounts for the majority of the remaining share of these emissions and has increased its emissions by 30 percent compared to 2023.

Nearly half of the GHG emissions from purchased transport and distribution are accounted for by business units in the Logistics vertical. This refers to service companies that offer freight solutions by road, sea and air. Overall, emissions from road transport account for almost 70 percent of emissions in the category. At the same time, road transport accounts for the largest reduction in emissions between years (34 percent), which is mainly due to a reduced amount of reported transport work.

One category with a large percentage change is processing of products sold. This is since a business unit has received better data on fuel use from the customers who buy their goods and that a larger proportion of renewable fuel is used in the processing than previously assumed.

ADDITIONAL DISCLOSURES

The base year 2023 has been adjusted in accordance with Storskogen's recalculation principle due to structural changes regarding acquisitions and divestments of companies as well as changes in calculation methodology (due to access to better quality data) and improvements in the accuracy of emission factors.

The data quality for climate calculations in Scope 1 and 2 is generally high. Of the total Scope 1 GHG emissions, about 87 percent are actual emissions and the rest are estimated. Of the total GHG emissions in Scope 2, about 86 percent are actual emissions and the rest are estimated. This is a clear improvement for Scope 1 but a deterioration for Scope 2 compared to 2023. The data quality for Scope 3 climate calculations varies depending on operations and the availability of data in the business units. It has not been possible to collect information on actual or estimated data for Scope 3. Some business units have reported detailed activity data such as purchased products (pieces) and transport work (tonne-km), while others have reported expenses for their activities. To enable reporting for all Storskogen's business units, a certain amount of flexibility in reporting is required. Therefore, Storskogen has decided on general levels of data quality for different business areas and has enabled different levels of data quality for transport work in both Scope 1 and 3.

There are possible shortcomings in the data basis for both 2023 and 2024. Common mistakes that have been identified for Scope 1 include double reporting and for Scope 2 incorrect reporting of energy source. For Scope 3, common errors have been incorrect assumptions about weight, reporting in incorrect units (e.g. tonnes instead of kg), incorrectly produced assumptions of tonne-km, double reporting and incomplete reporting. The data basis has been validated, and adjustments of the input data have been made, but there is still a risk of errors in the data basis and thus the calculations.

NOTE H4 ENERGY CONSUMPTION

STORSKOGEN'S ENERGY CONSUMPTION AND MIX, SCOPE 1–2

Storskogen's total energy consumption has been compiled in MWh and corresponds to the system boundaries for Scope 1 and 2 according to the GHG Protocol's definition using a market-based method. Energy consumption is reported per energy source (fossil, renewable and nuclear) as well as total energy consumption per net revenue.

Total energy consumption and mix Storskogen, MWh

Energy consumption	2024	2023	Change %
Total energy consumption (MWh)	**251,038**	**256,713**	**–2%**
From fossil sources (MWh)	149,278	178,013	–16%
Share of energy from fossil sources in total energy consumption (%)	60%	69%	
From nuclear power (MWh)	21,174	17,695	20%
Share of energy from nuclear power in total energy consumption (%)	8%	7%	
From renewable sources (MWh)	80,587	61,005	32%
Share of energy from renewable sources of total energy consumption (%)	32%	24%	
Fuel consumption from renewable sources (MWh)	19,647	14,938	32%
Purchased or acquired electricity, heating, steam and cooling from renewable sources (MWh)	60,939	46,067	32%

Energy intensity per net revenue, MWh/SEK m

Energy intensity by business area (BA) and the central organisation	2024	2023	Change %
Total	**7.0**	**7.7**	**–10%**
Business area Industry	7.7	8.6	–10%
Business area Trade	2.9	3.4	–15%
Business area Services	9.8	10.5	–6%
Storskogen central organisation	1.0	1.1	–5%

COMMENTS ON THE OUTCOME

Total energy consumption is at a similar level in 2024 as in 2023. However, the share of energy from renewable sources has increased. The amount of renewable fuels has increased due to an increased use of the fuel HVO100, while the use of fossil fuels has decreased. The GHG reduction mandate (Sw. reduktionsplikt) for diesel in Sweden has changed between 2023 and 2024, leading to a reduced mix of renewable fuels in the diesel mix. This means that the increase in renewable fuels through the switch to HVO100 is partly offset by the lower share of renewable fuel in the diesel mix due to the changed GHG reduction mandate.

Total electricity consumption was almost the same in 2023 and 2024. However, purchases of ordinary electricity have decreased in favour of renewable certified electricity. In 2024, renewable electricity accounted for 54 percent of purchased electricity, compared with 50 percent in 2023. Business units within Sweden tend use of renewable energy to a larger extent than those located in other countries, where Storskogen continues to review the availability of energy from renewable sources. District heating consumption has decreased by 13 percent between years, either due to reduced demand for heating or a change in heating source.

ADDITIONAL DISCLOSURES

Includes all energy consumption in Scope 1 and 2 for all Storskogen's business units and the central organisation. Energy consumption refers to heating, cooling, electricity use, fuel for vehicles and fuel use in the operations and has been grouped by fossil sources, renewable sources and nuclear power.

Social information

NOTE H5 EMPLOYEES

STORSKOGEN'S CENTRAL ORGANISATION

Own labour force by gender and region. The number of employees, the number of full-time employees and the number of workers that are not employees are reported at year-end.

2024	Sweden	Norway	Denmark	Singapore	United Kingdom	Germany	Switzerland	Total
Number of employees	**60**	**1**	**1**	**3**	**6**	**1**	**7**	**79**
Of which, women	34	1	0	1	1	1	3	**41**
Of which, men	26	0	1	2	5	0	4	**38**
Number of full-time employees	**60**	**1**	**1**	**3**	**6**	**1**	**5**	**77**
Of which, women	34	1	0	1	1	1	1	**39**
Of which, men	26	0	1	2	5	0	4	**38**
Number of workers that are not employees	**9**	**0**	**0**	**0**	**0**	**2**	**0**	**11**
Of which, consultants	9	0	0	0	0	2	0	**11**

2023	Sweden	Norway	Denmark	Singapore	United Kingdom	Germany	Switzerland	Total
Number of employees	**72**	**4**	**1**	**3**	**6**	**5**	**10**	**101**
Of which, women	41	1	0	1	1	2	3	**49**
Of which, men	31	3	1	2	5	3	7	**52**
Number of full-time employees	**72**	**4**	**1**	**3**	**6**	**5**	**8**	**99**
Of which, women	41	1	0	1	1	2	1	**47**
Of which, men	31	3	1	2	5	3	7	**52**
Number of workers that are not employees	**5**	**0**	**0**	**0**	**0**	**0**	**0**	**5**
Of which, consultants	5	0	0	0	0	0	0	**5**

Note H5 Employees, cont.

Number of new hires and terminated employments by age group, gender and region.

2024		<30 years Of which, women	<30 years Of which, men	30–50 years Of which, women	30–50 years Of which, men	>50 years Of which, women	>50 years Of which, men	Total
Total	**New hires**	**0**	**0**	**1**	**1**	**0**	**0**	**2**
	Terminated employments	**1**	**0**	**8**	**11**	**0**	**4**	**24**
Storskogen Sweden	New hires	0	0	1	1	0	0	**2**
	Terminated employments	1	0	7	5	0	1	**14**
Storskogen Norway	New hires	0	0	0	0	0	0	**0**
	Terminated employments	0	0	0	2	0	1	**3**
Storskogen Denmark	New hires	0	0	0	0	0	0	**0**
	Terminated employments	0	0	0	0	0	0	**0**
Storskogen Singapore	New hires	0	0	0	0	0	0	**0**
	Terminated employments	0	0	0	0	0	0	**0**
Storskogen United Kingdom	New hires	0	0	0	0	0	0	**0**
	Terminated employments	0	0	0	0	0	0	**0**
Storskogen Germany	New hires	0	0	0	0	0	0	**0**
	Terminated employments	0	0	1	2	0	1	**4**
Storskogen Switzerland	New hires	0	0	0	0	0	0	**0**
	Terminated employments	0	0	0	2	0	1	**3**

2023		<30 years Of which, women	<30 years Of which, men	30–50 years Of which, women	30–50 years Of which, men	>50 years Of which, women	>50 years Of which, men	Total
Totalt	**New hires**	**2**	**0**	**3**	**1**	**3**	**0**	**9**
	Terminated employees	**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 United Kingdom	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**

COMMENTS ON THE OUTCOME

The gender distribution at Storskogen's office in Sweden is even, i.e. in the 40–60 percent span, while there is an overrepresentation of men at the other offices. There are no non-guaranteed hours employees in the central organisation.

In 2024, two new employees were hired and 24 employees left, which corresponds to a staff turnover of 28 percent (19 percent). In 2024, Storskogen only recruited for replacement purposes.

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 H6 GENDER EQUALITY AND DIVERSITY

STORSKOGEN'S BUSINESS UNITS

Gender equality within the Board of Directors, Group Management and among employees, at year-end (FTE is reported as an average number during the year).

Total	2024	2023
Number of employees, at year-end (FTE average)	10,728 (10,121)	11,976 (11,550)
of which, women	28%	29%
of which, men	72%	71%
Proportion of female chairs of the business unit boards	21%	25%
Proportion of women on business unit boards	27%	29%
Proportion of female CEOs of business units (number)	11% (13)	5% (6)
Proportion of business units reporting that they have set gender equality targets	39%	38%

Industry	2024	2023
Number of employees, at year-end (FTE average)	5,053	5,147
of which, women	21%	21%
of which, men	79%	79%
Proportion of female chairs of the business unit boards	11%	23%
Proportion of women on business unit boards	21%	22%
Proportion of female CEOs of business units (number)	8% (3)	3% (1)
Proportion of business units reporting that they have set gender equality targets	39%	33%

Trade	2024	2023
Number of employees, at year-end (FTE average)	2,280	2,477
of which, women	54%	52%
of which, men	46%	48%
Proportion of female chairs of the business unit boards	50%	35%
Proportion of women on business unit boards	34%	40%
Proportion of female CEOs of business units (number)	28% (7)	6% (2)
Proportion of business units reporting that they have set gender equality targets	36%	47%

Services	2024	2023
Number of employees, at year-end (FTE average)	3,396	4,352
of which, women	19%	25%
of which, men	81%	75%
Proportion of female chairs of the business unit boards	13%	19%
Proportion of women on business unit boards	27%	29 %
Proportion of female CEOs of business units (number)	6% (3)	5% (3)
Proportion of business units reporting that they have set gender equality targets	40%	37%

COMMENTS ON THE OUTCOME

Storskogen's business units continue to have an overrepresentation of men in all business areas. At the same time, data shows a positive development in terms of gender equality as the number of female CEOs has increased, and each business area now has at least three female CEOs. The proportion of business units reporting that they have set gender equality targets increased compared to the previous year. In the Trade business area, there is also a steady increase in the number of female chairs of the business unit boards, which reflects a continued progress in Storskogen's gender equality efforts.

ADDITIONAL DISCLOSURES

All business units that have reported that they have set gender equality targets have been included in the last gender equality target entry. No assessment was made of the target(s) adopted.

Total number of employees

The total number of employees has been stated in both the number of individuals at the end of the year and the average number of employees during the year. The proportion of women and men was calculated on the number of individuals and not the number of full-time employees.

Proportion of women on business unit boards

This figure includes Storskogen's employees who serve on boards as members or deputies, but also external persons such as CEOs from other Storskogen companies. The definition is based on Storskogen's potential for impact and the resulting outcome. The proportion of women is calculated per business unit and not all legal units.

STORSKOGEN'S CENTRAL ORGANISATION

Gender equality within the Board of Directors, Group Management and among employees, at year-end (FTE is reported as an average number during the year).

	2024	2023
Number of employees, at year-end (FTE average)	79 (86)	101 (99)[1]
Of which, women	52%	49%
Of which, men	48%	51%
Proportion of women in the Group Management	25%	13%
Proportion of women on the Board	40%	40%

1) For 2023, Storskogen reported FTE at year-end.

Note H6 Gender equality and diversity, cont.

Gender equality and diversity among employees, by age and employee category, at year-end. Stated as a percentage.

2024	Total	<30 years	30–50 years	>50 years
HQ Management	10%	0%	4%	6%
Of which, women	25%	0%	67%	0%
Of which, men	75%	0%	33%	100%
HQ Senior	52%	0%	34%	18%
Of which, women	41%	0%	44%	36%
Of which, men	59%	0%	56%	64%
HQ Mid	25%	3%	23%	0%
Of which, women	60%	100%	56%	0%
Of which, men	40%	0%	44%	0%
HQ Base	13%	3%	8%	3%
Of which, women	100%	100%	100%	100%
Of which, men	0%	0%	0%	0%
Total	**100%**	**5%**	**68%**	**27%**

2023	Total	<30 years	30–50 years	>50 years
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%**

COMMENTS ON THE OUTCOME

The HQ Senior and HQ Mid levels, which comprise the majority of all employees, have an even gender distribution, i.e. in the 40–60 percent span. At the HQ Management level, the representation of women has increased since last year (to 25 percent). At the HQ Base level, the representation of women has increased (to 100 percent).

ADDITIONAL DISCLOSURES

HQ Management only refers to the management team.

Remuneration

Ratio of the basic salary of women to men	2024	2023
HQ Management	0.7	0.8
HQ Senior	0.7	0.7
HQ Mid	0.9	0.8
HQ Base	N/A	0.7

Ratio of the basic salary of the organisation's highest paid individual to the median value of all employees	2024	2023
Annual total compensation ratio	5.3	5.4
Ratio of annual percentage increase	0	2.2

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 CEO. A median of all employees' salaries has been calculated based on GRI's guidelines for the calculation of the key performance indicator "the ratio of the basic salary of the organisation's highest paid individual and the median of all employees".

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NOTE H7 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)	
	2024	**2023**	**2024**	**2023**
Business area Industry	49	30	1.5	0.6
Business area Trade	6	5	0.3	0.2
Business area Services	28	31	0.6	0.7
Total	**83**	**66**	**0.8**	**0.5**

COMMENTS ON THE OUTCOME
The Industry business area has the highest number of serious occupational accidents and the highest injury frequency rate, with an increase in serious occupational accidents compared to the previous year. The Industry business area works in a structured and proactive way to identify safety risks and encourages employees to identify risks at work before any accident occurs. Most business units with significant occupational health and safety risks have an ISO 45001 certification.

ADDITIONAL DISCLOSURES
No work-related fatalities were reported by any business unit during the year (0). Fatal accidents on the way to and from work are not included in the reporting, as the Swedish Work Environment Authority's definition is applied.

Number of serious occupational accidents
Is defined as an accident in which 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.

Corporate Governance Information

NOTE H8 CORPORATE GOVERNANCE

	2024	**2023**
Number of anti-corruption, sanctions or anti-money laundering policy violations	0	0
Number of Code of Conduct violations	0	0
Number of whistleblower cases	0	0

COMMENTS ON THE OUTCOME
No reported anti-corruption, sanctions or anti-money laundering policy or Code of Conduct violations occurred during the year. In 2024, 10 cases were reported via the system. None of these were legal whistleblower cases (legal whistleblower cases are defined as cases that constitute a breach of the Whistleblower Act/Directive). Of the cases received, one referred to fraud, one to discrimination, four to HR, two to work environment and two to other issues. All cases are 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 have been reported as whistleblower cases in the report.

NOTE H9 RESPONSIBLE SUPPLY CHAIN

STORSKOGEN'S BUSINESS UNITS

Percentage of business units that have worked to identify high-risk suppliers in their supply chain.

Total	**2024**	**2023**
Work has been completed – identified high-risk suppliers	35%	48%
Work has been completed – did not identify any high-risk suppliers	38%	41%
Work has been initiated	13%	6%
Work has not been completed	14%	5%
Percentage of high-risk suppliers for which the business unit has included the Supplier Code of Conduct in the agreement	**87%**	**74%**

Industry	**2024**	**2023**
Work has been completed – identified high-risk suppliers	53%	64%
Work has been completed – did not identify any high-risk suppliers	29%	31%
Work has been initiated	8%	3%
Work has not been completed	11%	2%
Percentage of high-risk suppliers for which the business unit has included the Supplier Code of Conduct in the agreement	**86%**	**80%**

Note H9 Responsible supply chain, cont.

Trade	2024	2023
Work has been completed – identified high-risk suppliers	46%	68%
Work has been completed – did not identify any high-risk suppliers	36%	24%
Work has been initiated	18%	8%
Work has not been completed	0%	0%
Percentage of high-risk suppliers for which the business unit has included the Supplier Code of Conduct in the agreement	**93%**	**86%**

Services	2024	2023
Work has been completed – identified high-risk suppliers	17%	26%
Work has been completed – did not identify any high-risk suppliers	45%	58%
Work has been initiated	13%	7%
Work has not been completed	25%	9%
Percentage of high-risk suppliers for which the business unit has included the Supplier Code of Conduct in the agreement	**77%**	**48%**

COMMENTS ON THE OUTCOME

The Group's target is that all business units should identify whether they have high-risk suppliers in their supply chain and include requirements in their agreements with high-risk suppliers. In this context, requirements mean that either Storskogen's Supplier Code of Conduct or equivalent, with at least the 10 principles of the UN Global Compact, must be included as standard in supplier agreements for new and existing suppliers.

A few business units in the Services and Industry business areas have not yet identified whether they have high-risk suppliers. Business units within Trade have a more mature process and have come further in their work to carry out risk assessments of their suppliers. The proportion of high-risk suppliers who have signed the Code of Conduct is relatively high. A common reason for not signing is that the company is either too small a customer or a large entity with its own Code of Conduct. In these cases, it is ensured that the minimum requirements in Storskogen's Code of Conduct are covered by theirs.

ADDITIONAL DISCLOSURES

A high-risk supplier is a supplier operating in high-risk sectors or regions where there is a significant risk of negative impact on human rights or the environment. Key risk indicators include poor governance and high levels of corruption, poor working conditions and weak environmental legislation. Storskogen has developed an automated tool to help the business units assess their suppliers.

NOTE H10 MANAGEMENT SYSTEM

STORSKOGEN'S BUSINESS UNITS

Percentage of business units with management systems. Number within brackets.

Industry	2024	2023
ISO 9001 (or equivalent)	79% (30)	80% (31)
ISO 14001 (or equivalent)	66% (25)	69% (27)
ISO 45001 (or equivalent)	16% (6)	15% (6)

Trade	2024	2023
ISO 9001 (or equivalent)	16% (4)	12% (4)
ISO 14001 (or equivalent)	20% (5)	12% (4)
ISO 45001 (or equivalent)	4% (1)	0% (0)

Services	2024	2023
ISO 9001 (or equivalent)	49% (26)	47% (27)
ISO 14001 (or equivalent)	47% (25)	44% (25)
ISO 45001 (or equivalent)	21% (11)	23% (13)

COMMENTS ON THE OUTCOME

The Industry business area strives for its business units to be certified according to ISO 9001 and ISO 14001 or equivalent. ISO certifications are more common in the Swedish business units, where nearly all of them have certifications, whereas the German, Swiss, Danish and UK business units do not yet have ISO certifications to the same extent. During the year, a number of business units with ISO certifications were divested, which is one of the reasons for the decrease compared to the previous year.

ADDITIONAL DISCLOSURES

Percentage of business units with management systems that are certified according to ISO or equivalent management systems as of the end of December 2024. If at least one subsidiary within the business unit is certified, it has been counted as being covered by the certification in accordance with the applicable accounting policies.

NOTE H11 TAXONOMY

STORSKOGEN'S BUSINESS UNITS

ENVIRONMENTAL OBJECTIVE 1: CLIMATE CHANGE MITIGATION

Sector	Activity	Description of the activity	Assessment of eligibility 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 and lease bicycles, electric bicycles and electric mopeds, and are taxonomy-eligible. However, taxonomy-alignment has not been verified.
	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 for goods through their own vehicles and are taxonomy-eligible. However, taxonomy-alignment has not been verified.
	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 have built pavements, pedestrian and bicycle lanes and pedestrian areas during the year, which are taxonomy-eligible. However, taxonomy-alignment has not been verified.
	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, which is taxonomy-eligible. However, taxonomy-alignment has not been verified.
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 carry out additional insulation, installation and replacement of energy-efficient light sources, installation, replacement, maintenance and repair of air conditioning systems and water heating systems HVAC and are taxonomy-eligible. However, taxonomy-alignment has not been verified.
	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 considered to be taxonomy-eligible. However, taxonomy-alignment has not been verified.
	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 as well as installation, maintenance and repair of façade and roof elements with shading or solar control and are therefore considered to be taxonomy-eligible. However, taxonomy-alignment has not been verified.
	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 carry out installation, maintenance and repair of photovoltaic systems, photovoltaic panels, heat pumps and heat exchangers/heat recovery systems and are taxonomy-eligible. However, taxonomy-alignment has not been verified.
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 and are therefore considered to be taxonomy-eligible. However, taxonomy-alignment has not been verified.
9. SPECIALISED, 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 offer services in energy auditing and optimisation, energy simulations and advice for improving the energy performance of buildings and are therefore considered to be taxonomy-eligible. However, taxonomy-alignment has not been verified.

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Note H11 Taxonomy, cont.

ENVIRONMENTAL OBJECTIVE 4: THE TRANSITION TO A CIRCULAR ECONOMY

Sector	Activity	Description of the activity	Assessment of eligibility 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, wastewater 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 dismantle buildings and other facilities and considered to be taxonomy-eligible. However, taxonomy-alignment has not been verified.
	3.4 Maintenance of roads and motorways	Maintenance of streets, roads and highways, other vehicle and pedestrian paths, surface treatment of streets, roads, highways, bridges, tunnels, airport runways, runways and platforms. It includes all measures taken to maintain and restore the road's operability and service level.	There are companies in the Group that maintain roads and motorways and are taxonomy-eligible. However, taxonomy-alignment has not been verified.
5. SERVICES	5.1 Repair, refurbishment and remanufacturing	Repair, refurbishment and remanufacturing of goods previously used by a customer for their intended purpose.	There are companies in the Group that repair products and are taxonomy-eligible. However, taxonomy-alignment has not been verified.

Note H11 Taxonomy, cont.

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2024

Financial year 2024				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code	Turnover	Proportion of Turnover, year 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguard	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2023	Category enabling activity	Category transitional activity
		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)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**		
Of which enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	E	
Of which transitional		–	–	–						–	–	–	–	–	–	–	–		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Demolition and wrecking of buildings and other structures	CE 3.3	186	0.5%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.6%		
Maintenance of roads and motorways	CE 3.4	35	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.1%		
Repair, refurbishment and remanufacturing	CE 5.1	513	1.5%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.6%		
Sale of spare parts	CE 5.2	0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.5%		
Operation of personal mobility devices, cycle logistics	CCM 6.4	239	0.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.9%		
Freight transport services by road	CCM 6.6	150	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Infrastructure for personal mobility, cycle logistics	CCM 6.13	40	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Infrastructure for rail transport	CCM 6.14	317	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	155	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.6%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	11	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	48	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	32	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Data processing, hosting and related activities	CCM 8.1	8	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	15	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,748**	**5.1%**	**3.0%**	**0.0%**	**0.0%**	**0.0%**	**2.1%**	**0.0%**								**5.0%**		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**1,748**	**5.1%**	**3.0%**	**0.0%**	**0.0%**	**0.0%**	**2.1%**	**0.0%**								**5.0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		32,434	**94,9%**																
TOTAL		34,182	**100,0%**																

1) Storskogen has made a reassessment of previous years' taxonomy reporting and thus only reports which activities that are taxonomy-eligible. This is partly due to lack of complete information to ensure that the activities are taxonomy-aligned . The 2023 comparative figures are thus also reported as not taxonomy- aligned.
2) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective. N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective. N/EL – not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.
3) EL – Taxonomy-eligible activity for the relevant objective. N/EL – Taxonomy-non-eligible activity for the relevant objective.
4) 2023 taxonomy-eligible turnover has been restated from 4.7% to 5.0% as errors were discovered in the previous year's calculations.

	Proportion of turnover /Total turnover	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0.0%	3.0%
CE	0.0%	2.1%

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Note H11 Taxonomy, cont.

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2024

Financial year 2024

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	**Code**	**CapEx**	**Proportion of CapEx, year 2024**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum Safeguard**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year 2023**	**Category enabling activity**	**Category transitional activity**
		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)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**		
Of which enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	E	
Of which transitional		–	–	–						–	–	–	–	–	–	–	–		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Demolition and wrecking of buildings and other structures	CE 3.3	11	0.7%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.9%		
Maintenance of roads and motorways	CE 3.4	1	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.1%		
Repair, refurbishment and remanufacturing	CE 5.1	8	0.5%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.2%		
Sale of spare parts	CE 5.2	0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.1%		
Operation of personal mobility devices, cycle logistics	CCM 6.4	7	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7%		
Freight transport services by road	CCM 6.6	22	1.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.7%		
Infrastructure for personal mobility, cycle logistics	CCM 6.13	2	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Infrastructure for rail transport	CCM 6.14	19	1.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5%		
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								0.1%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Data processing, hosting and related activities	CCM 8.1	1	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4%		
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								0.0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**70**	**4.7%**	**3.4%**	**0.0%**	**0.0%**	**0.0%**	**1.3%**	**0.0%**								**5.8%**		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		**70**	**4.7%**	**3.4%**	**0.0%**	**0.0%**	**0.0%**	**1.3%**	**0.0%**								**5.8%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		1,425	**95.3%**																
TOTAL		1,495	**100.0%**																

1) Storskogen has made a reassessment of previous years' taxonomy reporting and thus only reports which activities that are taxonomy-eligible. This is partly due to lack of complete information to ensure that the activities are taxonomy-aligned . The 2023 comparative figures are thus also reported as not taxonomy- aligned.
2) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective. N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective. N/EL – not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.
3) EL – Taxonomy-eligible activity for the relevant objective. N/EL – Taxonomy-non-eligible activity for the relevant objective.
4) 2023 taxonomy-eligible CapEx have been restated from 3.4% to 5.8% as errors were discovered in the previous year's calculations.

	Proportion of CapEx /Total CapEx	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0.0%	3.4%
CE	0.0%	1.3%

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Note H11 Taxonomy, cont.

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2024

Financial year 2024				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	**Code**	**OpEx**	**Proportion of OpEx, year 2024**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum Safeguard**	**Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year 2023**	**Category enabling activity**	**Category transitional activity**
		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)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**		
Of which enabling		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	E	
Of which transitional		–	–	–						–	–	–	–	–	–	–	–		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Demolition and wrecking of buildings and other structures	CE 3.3	2	0.8%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								1.9%		
Maintenance of roads and motorways	CE 3.4	0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.1%		
Repair, refurbishment and remanufacturing	CE 5.1	2	0.9%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0%		
Sale of spare parts	CE 5.2	0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.1%		
Operation of personal mobility devices, cycle logistics	CCM 6.4	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Freight transport services by road	CCM 6.6	1	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7%		
Infrastructure for personal mobility, cycle logistics	CCM 6.13	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4%		
Infrastructure for rail transport	CCM 6.14	12	4.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.7%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%		
Data processing, hosting and related activities	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								0.0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**18**	**7.1%**	**5.4%**	**0.0%**	**0.0%**	**0.0%**	**1.7%**	**0.0%**								**7.4%**		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		**18**	**7.1%**	**5.4%**	**0.0%**	**0.0%**	**0.0%**	**1.7%**	**0.0%**								**7.4%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		237	**92.9%**																
TOTAL		255	**100,0%**																

1) Storskogen has made a reassessment of previous years' taxonomy reporting and thus only reports which activities that are taxonomy-eligible. This is partly due to lack of complete information to ensure that the activities are taxonomy-aligned . The 2023 comparative figures are thus also reported as not taxonomy- aligned.
2) Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective. N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective. N/EL – not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.
3) EL – Taxonomy-eligible activity for the relevant objective. N/EL – Taxonomy-non-eligible activity for the relevant objective.
4) 2023 taxonomy-eligible OpEx have been restated from 7.0% to 7.4% as errors were discovered in the previous year's calculations.

	Proportion of OpEx /Total OpEx	
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	0.0%	5.4%
CE	0.0%	1.7%

Note H11 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, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

ACCOUNTING POLICIES, TAXONOMY

Below are Storskogen's applied policies for reporting in accordance with the taxonomy.

KPI TURNOVER

Total turnover (the denominator) corresponds to the Group's total sales according to IFRS, see the income statement on p. 70, and the line item net sales.

Eligible turnover (the numerator) is obtained by calculating the share of total turnover generated by the eligible activities identified by Storskogen.

Allocation of revenue to the eligible activities has largely been done through estimates and assessments as well as account analysis.

KPI CAPITAL EXPENDITURE (CAPEX)

CapEx (the denominator) includes investments in property, plant and equipment and intangible assets excluding goodwill (see pp. 101–103, Notes 14–15, the line item investments), additions from business combinations excluding goodwill (see pp. 101–103, Notes 14–15, the line item business combinations) and additional right-of-use assets (see p. 117, Note 28, the line item new leases).

Eligible CapEx (the numerator) are the investments that support the business in the identified eligible economic activities. Total eligible CapEx has been calculated on the following basis: Direct allocation to an activity has been used when an investment is exclusively acquired and used for that specific activity. The allocation of investments attributable to common assets has been allocated based on turnover (per activity) as the allocation key, where this constitutes the best assessment. Where turnover has not been deemed to be an appropriate allocation key, another method has been used. Surplus values, including other additions to property, plant and equipment and intangible assets from business combinations excluding goodwill, were allocated to the numerator based on turnover as the allocation key.

There are no CapEx plans in accordance with category B at present. According to the taxonomy, CapEx related 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 currently assesses that it is not possible to obtain the information required to report this.

KPI OPERATING EXPENDITURE (OPEX)

OpEx (the denominator) includes direct costs that relate to research and development (non-capitalised), 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 electricity or diesel costs in connection with repairs (where it is possible to distinguish and identify).

Eligible OpEx (the numerator) are those of the above costs that relate to assets or processes associated with Storskogen's identified eligible economic activities. Eligible OpEx have been calculated exclusively through an allocation to the activities using an allocation key (turnover) per activity, which is in line with the allocation of CapEx.

Since there are no CapEx plans in accordance with category B at present, there is also no OpEx associated with such plans. According to the taxonomy, OpEx related 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 emission reductions, as well as individual building renovation measures, are also eligible (Category C). Storskogen currently assesses that it is not possible to obtain the information required to report this.

OTHER INFORMATION

There is no risk of double counting since the allocation of turnover, CapEx and OpEx takes place per activity and the activities themselves are only mapped against one environmental objective each. The accounting policies for the taxonomy follow the accounting policies for the sustainability report in general. This means that divested companies during the year 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 as well as the proportions of CapEx and OpEx that are taxonomy-eligible and taxonomy-aligned may be adjusted. Given the large number of companies owned by the Group and the large number of companies that are taxonomy-eligible, within several activities, there are challenges regarding how Storskogen collects and allocates turnover, CapEx and OpEx to the various activities. Storskogen is actively working to strengthen its data collection and improve processes to enable future reporting in line with the requirements of the taxonomy.

NOTE H12 CONTACT

For additional information on Storskogen's sustainability initiatives and reporting, contact Amelie Nordin, Head of Sustainability. Contact details are provided on Storskogen's website.

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NOTE H13 GRI-INDEX

Statement of use	Storskogen has reported in accordance with GRI standards for the period 2024-01-01 – 2024-12-31.
GRI 1 standard	GRI 1: Foundation 2021
Applicable GRI Sector Standard	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, 61, 127	
	2-2	Entities included in the organisation's sustainability reporting	137	
	2-3	Reporting period, frequency and contact point	137, 156	
	2-4	Restatements of information	137	
	2-5	External assurance	159	
Activities and workers				
GRI 2 2021	2-6	Activities, value chain and other business relationships	4, 9–12, 19–22, 28	
	2-7	Employees	145–146	
	2-8	Workers who are not employees	145–146	
Governance				
GRI 2 2021	2-9	Governance structure and composition	51–56	
	2-10	Nomination and selection of the highest governance body	52	
	2-11	Chair of the highest governance body	55	
	2-12	Role of the highest governance body in overseeing the management of impacts	24–25, 52–54	
	2-13	Delegation of responsibility for managing impacts	24–25, 52–54	
	2-14	Role of the highest governance body in sustainability reporting	24–25, 52–54	
	2-15	Conflicts of interest	53, 127	
	2-16	Communication of critical concerns	46–47, 149	
	2-17	Collective knowledge of the highest governance body	24, 27	
	2-18	Evaluation of the performance of the highest governance body	25, 51–53	
	2-19	Remuneration policies	63–65	
	2-20	Process to determine remuneration	63–65	
	2-21	Annual total compensation ratio	148	**Reason:** Information unavailable. **Explanation:** The calculation is based on basic salary and does not include other remuneration.
Strategy, policies and practices				
GRI 2 2021	2-22	Statement on sustainable development strategy	6–7	
	2-23	Policy commitments	16–17, 24–25, 35, 38, 41, 43, 46	
	2-24	Embedding policy commitments	24–27, 35–36, 38–39, 41, 44, 46-47	
	2-25	Processes to remediate negative impacts	35–36, 38–39, 41, 44, 46-47	
	2-26	Mechanisms for seeking advice and raising concerns	46–47, 149	
	2-27	Compliance with laws and regulations	68, 149–150	
	2-28	Membership associations	29	
Stakeholder engagement				
GRI 2 2021	2-29	Approach to stakeholder engagement	29	
	2-30	Collective bargaining agreements	16	
Material topics				
GRI 3 2021	3-1	Process to determine material topics	31	
	3-2	List of material topics	30	

Not H13 GRI-index, forts.

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	24–25, 46–47	
Own indicator		Proportion of employees in the central organisation who has signed the Code of Conduct	47	
Material topic: Business ethics and Anti-Corruption				
GRI 3 2021	3-3	Management of material topics	46–47, 68	
GRI 205: Anti-Corruption 2016	205-1	Operations assessed for risks related to corruption	68	
	205-3	Confirmed incidents of corruption and actions taken	149	
Material topic: Responsible supply chain				
GRI 3 2021	3-3	Management of material topics	43–44	
Own indicator		Proportion of companies in the Group who poses demands on their suppliers	44, 149–150	
Focus area: Minimise environmental impact				
Material topic: Climate impact				
GRI 3 2021	3-3	Management of material topics	34–38	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	144	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	139–143	
	305-2	Energy indirect (Scope 2) GHG emissions	139–143	
	305-3	Other indirect (Scope 3) GHG emissions	139–143	
	305-4	GHG emissions intensity	142–143	
Material topic: Environmental management				
GRI 3 2021	3-3	Management of material topics	37	
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	16–17, 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	17	
GRI 404: Training and education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	16–17	

GRI standard	Disclosure	Name of disclosure	Page	Omission
Material topic: Health and safety				
GRI 3 2021	3-3	Management of material topics	41–44	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	41–44	
	403-2	Hazard identification, risk assessment, and incident investigation	41–44	
	403-3	Occupational health services	16–17, 41–42	
	403-4	Worker participation, consultation and communication on occupational health and safety	16–17, 41–42	
	403-5	Worker training on occupational health and safety	16–17, 41–42	
	403-6	Promotion of worker health	16–17, 41–42	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	16–17, 42–43	
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	147–148	
	405-2	Ratio of basic salary and remuneration of women to men	148	**Reason:** Information unavailable. **Explanation:** It only includes basic salary and no other remuneration, and it is reported in total figures as not all information is available.
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	41–42	

Stockholm, 25 March 2025

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 2024 on pages 23-48 and 136-159 and that it has been prepared in acordance with the Annual Accounts Act in accordance with the old version in force before 1 July 2024.

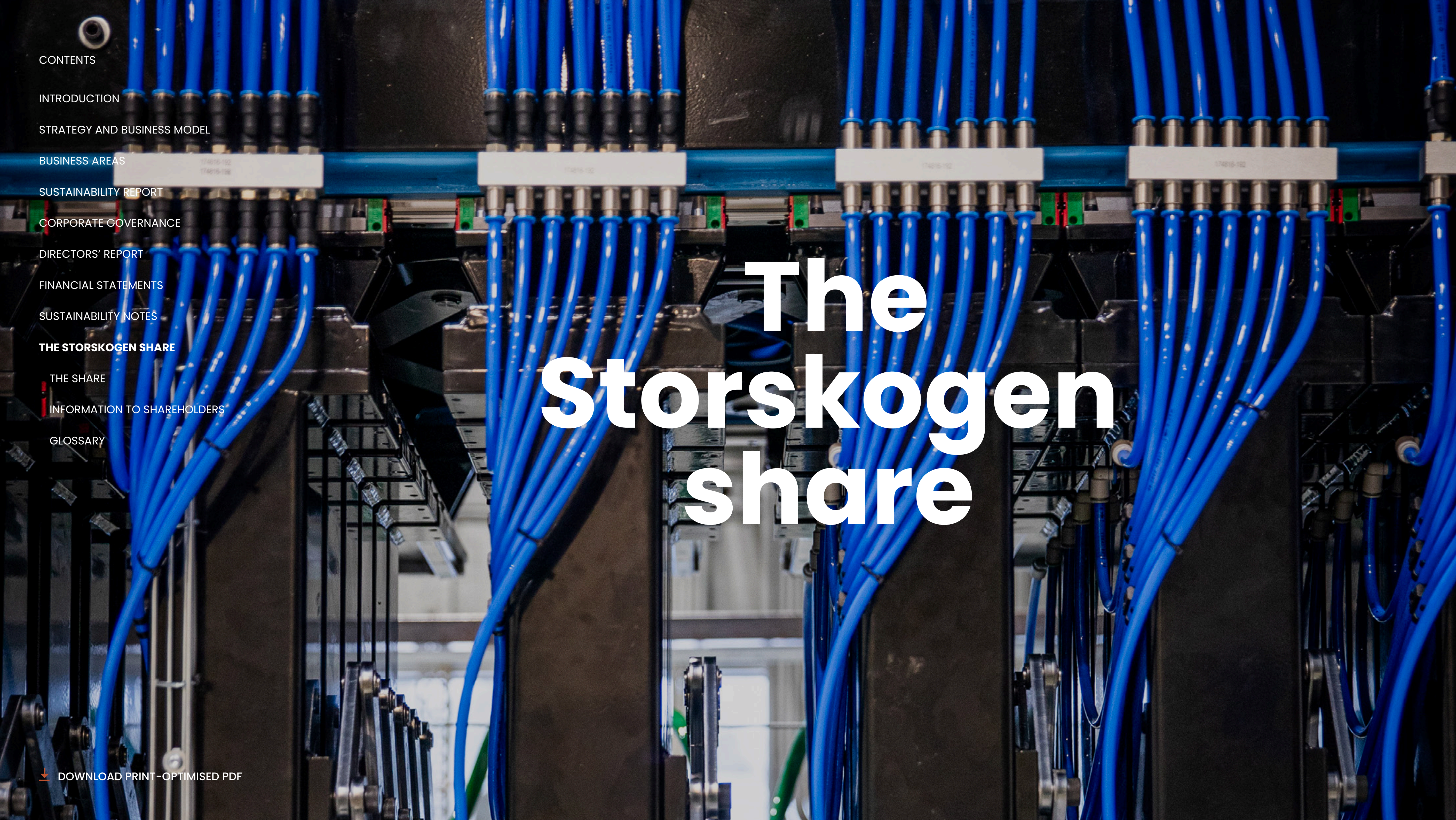
The scope of the audit
Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability statement*. This means that our examination of the sustainability statement is different and substantially less in scope than an audit 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 2025

Ernst & Young AB

Åsa Lundvall
Authorised Public Accountant



CONTENTS

The Storskogen share

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The share

From the first day of trading on 2 January to the last day of trading on 30 December 2024, Storskogen's share price rose by 24.2 percent to SEK 11.51. During the year, 1,315 million shares in total were traded on Nasdaq Stockholm, corresponding to a value of approximately SEK 10.3 billion. Storskogen had 36,225 shareholders at the end of 2024.

Share price performance and trading

In 2024, Storskogen's share price rose by 24.2 percent. The Stockholm Stock Exchange (OMXSPI) rose by 5.7 percent during the same period. Between 2 January and 30 December, 1,315 million Storskogen shares in total were traded on Nasdaq Stockholm, corresponding to a value of SEK 10.3 billion. On average, approximately 5.2 million shares were traded every day. The turnover rate for Storskogen's B shares on Nasdaq Stockholm was 78 percent between 2 January and 30 December 2024.

Ownership structure

On 30 December, Storskogen had 36,225 shareholders. The largest shareholder in terms of capital was AMF Pension & Fonder, which held 9.6 percent of the capital and 5.4 percent of the votes. The largest owner in terms of votes was Daniel Kaplan, who held 12.3 percent of the votes and 4,4 percent of the capital. The ten largest shareholders held 40.8 percent of the capital and 66.3 percent of the votes in Storskogen. The largest shareholder group consisted of Swedish private individuals, who held just over 38 percent of the capital and nearly 67 percent of the votes at the end of 2024. The majority of shareholders were located in Sweden.

Data per share

Basic and diluted earnings per share (SEK)	-0.03
Adjusted diluted earnings per share (SEK)	0.57
Last closing price (SEK)	11.51
Lowest closing price (SEK)	5.18
Highest closing price (SEK)	12.10
Turnover rate, Nasdaq Stockholm (%)	78
Average daily turnover, Nasdaq Stockholm (thousand shares)	5,238
Share capital (SEK)	860,230
Quotient value[1] (SEK)	0.00051
Number of outstanding A shares	142,001,374
Number of outstanding B shares	1,544,723,845
Market capitalisation at year-end (SEK m)	19,406

1) Of series A and B.

Largest shareholders	STOR A	STOR B	Capital	Votes
AMF Pension & Fonder		161,259,498	9.56%	5.44%
Daniel Kaplan with companies[1]	32,270,140	41,748,380	4.39%	12.29%
Swedbank Robur Fonder		70,950,916	4.21%	2.39%
Movestic Livförsäkring AB		67,453,871	4.00%	2.28%
Futur Pension		65,737,710	3.90%	2.22%
Alexander Murad Bjärgård	37,539,070	22,856,471	3.58%	13.43%
Vanguard		53,088,666	3.15%	1.79%
Ronnie Bergström with companies[2]	38,270,254	13,748,504	3.08%	13.37%
Peter Ahlgren	33,921,910	16,113,267	2.97%	11.98%
Christer Hansson with companies[3]		33,762,461	2.00%	1.12%
Total largest owners	**142,001,374**	**546,719,744**	**40.83%**	**66.31%**
Other		998,004,101	59.17%	33.69%
Total	**142,001,374**	**1,544,723,845**	**100.00%**	**100.00%**

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.
3) Including shares held by Scalata AB and Scalata Invest AB

Ownership by geographical area

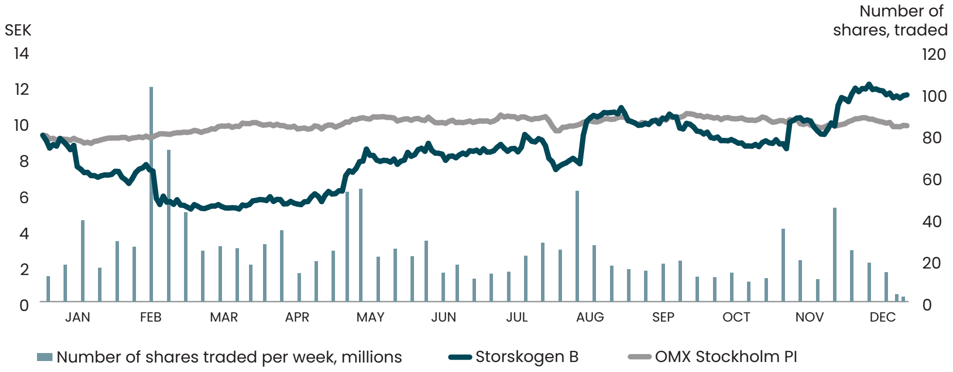
Sweden, 73.8%
USA, 10.5%
Norway, 3.2%
United Kingdom, 1.4%
Other, 11.1% (including anonymous ownership)

Ownership by type of owner

Swedish private individuals, 38.3%
Swedish institutional owners, 26.8%
Foreign institutional owners, 14.8%
Other, 11.4%
Anonymous ownership, 8.7%

Source: Modular Finance AB

Share price performance and turnover, 2024



Share capital development, 2024

		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 2024		**–**	**–**	**148,001,374**	**1,521,476,679**
3 Apr 2024	Conversion of loan at acquisition of company		16,561,182	148,001,374	1,538,037,861
19 Apr 2024	Warrants	–	52,756	148,001,374	1,538,090,617
11 Nov 2024	Conversion of Class A shares to Class B shares	-6,000,000	6,000,000	142,001,374	1,544,090,617
28 Nov 2024	Warrants	–	633,228	142,001,374	1,544,723,845
As at 31 Dec 2024				**142,001,374**	**1,544,723,845**

Share capital development

On 31 December 2024, the share capital in Storskogen was SEK 860,230. The share capital was divided into 142,001,374 A shares and 1,544,723,845 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 to 20 percent of the profit for the year. Holders of B and A shares are equally entitled to dividends. For the 2024 financial year, a dividend of SEK 0.10 per share has been proposed. The proposed dividend corresponds to approximately SEK 169 million or 15.6 percent[1] of the total profit for the Group in 2024.

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.

1) Adjusted for items affecting comparability as a result of divestments in the year. For further information, see p. 134.

Annual General Meeting 2025

The Annual General Meeting of Storskogen Group will be held on 7 May 2025 at 10:00. Information on how to register, how shareholders can exercise their voting rights or have a matter considered 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 2024 of SEK 0.10 per share, corresponding to SEK 169 million. The proposed record date is 9 May, and the payment will be made through Euroclear on 14 May, provided that the resolution is passed by the Annual General Meeting.

Financial calendar

6 May 2025	Interim report Q1 2025
7 May 2025	Annual General Meeting 2025
12 August 2025	Interim report Q2 2025
5 November 2025	Interim report Q3 2025

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, Services, Trade and Industry.

Vertical
In the 2024 financial year, Storskogen had 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. A 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.

During the first quarter of 2025, the Group's verticals will be regrouped. More information will be presented in the interim report for the first quarter of 2025.

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 of the organisation where Storskogen supports these companies through board-level representation.

Operating segments
An 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

Greenhouse Gas Protocol (GHG)
International standards used to calculate and report on the climate impact of Storskogen's operations 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 to well below 2°C by reducing greenhouse gas emissions.

Science Based Targets initiative (SBTi)
Initiative and framework that helps companies set science-based climate targets, specifying how much and how quickly they need to reduce their carbon emissions to meet the targets of the Paris Agreement.

CO_2e, carbon dioxide equivalents
Metric that, by converting various greenhouse gases into the greenhouse effect of carbon dioxide, enable comparison and aggregation of different types of greenhouse gases.

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

Annual reports, interim reports and other relevant information for shareholders is available on: https://www.storskogen.com/investors/

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