



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	983 350 062
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	SCANDINAVIAN COSMETICS NORWAY HOLDING AS
Forretningsadresse:	Lilleakerveien 10 0283 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022
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Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Trond Vidar Skjesol
Dato for fastsettelse av årsregnskapet:	28.04.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert
År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 16.06.2023



Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Inntekter			
Annen driftsinntekt		92 063	
Sum inntekter		92 063	
Kostnader			
Annen driftskostnad	1	288 077	116 705
Sum kostnader		288 077	116 705
Driftsresultat		-196 014	-116 705
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap		32 791 563	1 886 493
Sum finansinntekter		32 791 563	1 886 493
Rentekostnad til foretak i samme konsern	2	1 855 549	1 769 788
Sum finanskostnader		1 855 549	1 769 788
Netto finans		30 936 014	116 705
Ordinært resultat før skattekostnad		30 740 000	0
Skattekostnad på resultat	3		
Ordinært resultat etter skattekostnad		30 740 000	0
Årsresultat	4	30 740 000	0
Årsresultat etter minoritetsinteresser		30 740 000	
Totalresultat		30 740 000	
Overføringer og disponeringer			
Avsatt til (fra) annen egenkapital		30 740 000	
Sum overføringer og disponeringer		30 740 000	



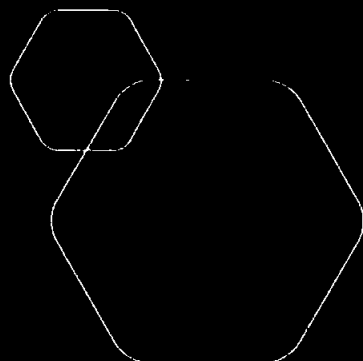
Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	3		
Finansielle anleggsmidler			
Investering i datterselskap	5	120 974 820	120 974 820
Lån til foretak i samme konsern	2		
Sum finansielle anleggsmidler		120 974 820	120 974 820
Sum anleggsmidler		120 974 820	120 974 820
Omløpsmidler			
Varer			
Fordringer			
Andre kortsiktige fordringer	2		
Konsernfordringer		32 883 626	1 886 493
Sum fordringer		32 883 626	1 886 493
Sum omløpsmidler		32 883 626	1 886 493
SUM EIENDELER		153 858 446	122 861 313
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	6	12 000 000	12 000 000
Beholdning av egne aksjer	6		
Overkurs		54 800 915	54 800 915
Sum innskutt egenkapital		66 800 915	66 800 915
Opptjent egenkapital			
Annen egenkapital		54 925 072	24 185 072



Balanse

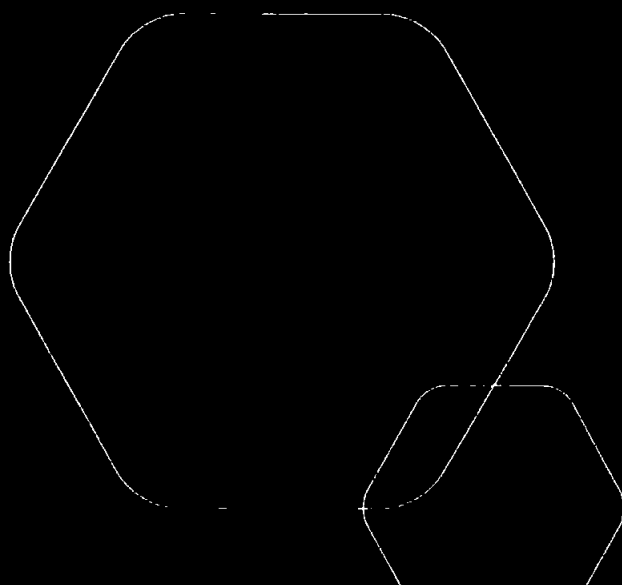
Beløp i: NOK	Note	2022	2021
Sum opptjent egenkapital		54 925 072	24 185 072
Sum egenkapital	4	121 725 987	90 985 987
Gjeld			
Langsiktig gjeld			
Utsatt skatt	3		
Annen langsiktig gjeld			
Sum langsiktig gjeld		0	0
Kortsiktig gjeld			
Betalbar skatt	3		
Kortsiktig konserngjeld	2	32 087 759	31 823 826
Annen kortsiktig gjeld		44 700	51 500
Sum kortsiktig gjeld		32 132 459	31 875 326
Sum gjeld		32 132 459	31 875 326
SUM EGENKAPITAL OG GJELD		153 858 446	122 861 313



Årsregnskap 2022

Scandinavian Cosmetics Norway Holding AS

Resultatregnskap
Balanse
Noter til regnskapet



Org.nr.: 983 350 062



RESULTATREGNSKAP

SCANDINAVIAN COSMETICS NORWAY HOLDING AS

DRIFTSINNTEKTER OG DRIFTSKOSTNADER	Note	2022	2021
Annen driftsinntekt		92 063	0
Sum driftsinntekter		92 063	0
Annen driftskostnad	1	288 077	116 705
Sum driftskostnader		288 077	116 705
Driftsresultat		-196 014	-116 705
FINANSINNTEKTER OG FINANSKOSTNADER			
Inntekt på investering i datterselskap		32 791 563	1 886 493
Rentekostnad til foretak i samme konsern	2	1 855 549	1 769 788
Resultat av finansposter		30 936 014	116 705
Ordinært resultat før skattekostnad		30 740 000	0
Skattekostnad på ordinært resultat	3	0	0
Ordinært resultat		30 740 000	0
Årsresultat	4	30 740 000	0
OVERFØRINGER			
Avsatt til (fra) annen egenkapital		30 740 000	0
Sum overføringer		30 740 000	0

SCANDINAVIAN COSMETICS NORWAY HOLDING AS

SIDE 2



BALANSE

SCANDINAVIAN COSMETICS NORWAY HOLDING AS

EIENDELER	Note	2022	2021
ANLEGGSMIDLER			
IMMATERIELLE EIENDELER			
VARIGE DRIFTSMIDLER			
FINANSIELLE ANLEGGSMIDLER			
Investeringer i datterselskap	5	120 974 820	120 974 820
Sum finansielle anleggsmidler		120 974 820	120 974 820
Sum anleggsmidler		120 974 820	120 974 820
OMLØPSMIDLER			
FORDRINGER			
Konsernfordringer		32 883 626	1 886 493
Sum fordringer		32 883 626	1 886 493
Sum omløpsmidler		32 883 626	1 886 493
Sum eiendeler		153 858 446	122 861 313



BALANSE

SCANDINAVIAN COSMETICS NORWAY HOLDING AS

EGENKAPITAL OG GJELD	Note	2022	2021
EGENKAPITAL			
INNSKUTT EGENKAPITAL			
Aksjekapital	6	12 000 000	12 000 000
Overkurs		54 800 915	54 800 915
Sum innskutt egenkapital		66 800 915	66 800 915
OPPTJENT EGENKAPITAL			
Annen egenkapital		54 925 072	24 185 072
Sum opptjent egenkapital		54 925 072	24 185 072
Sum egenkapital	4	121 725 987	90 985 987
ANNEN LANGSIKTIG GJELD			
KORTSIKTIG GJELD			
Konserngjeld	2	32 087 759	31 823 826
Annen kortsiktig gjeld		44 700	51 500
Sum kortsiktig gjeld		32 132 459	31 875 326
Sum gjeld		32 132 459	31 875 326
Sum egenkapital og gjeld		153 858 446	122 861 313

Oslo, 28.04.2023

Styret i Scandinavian Cosmetics Norway Holding AS

Ragne Joakim Johnsson
styreleder

Lars Johan Ahlgren
styremedlem



Note 0 Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapsloven og god regnskapsskikk for små foretak.

Konsolidering

Konsernregnskap er ikke utarbeidet i henhold til regnskapslovens §3-7 da konsernspiss i Sverige, Storskogen Group AB, utarbeider konsernregnskap som omfatter Scandinavian Cosmetics Norway Holding AS og dets datterselskaper. Konsernregnskapet kan fås ved henvendelse til følgende selskapsadresse: c/o Scandinavian Cosmetics, Box 9078, 20039 Malmö, Sverige.

SKATT

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt/skattefordel er beregnet med 22% på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli nyttiggjort.

KLASSIFISERING OG VURDERING AV BALANSEPOSTER

Omløpsmidler og kortsiktig gjeld omfatter normalt poster som forfaller til betaling innen ett år etter balansedagen, samt poster som knytter seg til varekretsløpet. Omløpsmidler vurderes til laveste verdi av anskaffelseskost og virkelig verdi.

Kortsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

Anleggsmidler vurderes til anskaffelseskost, men nedskrives til virkelig verdi ved verdifall som ikke forventes å være forbigående. Anleggsmidler med begrenset økonomisk levetid avskrives planmessig. Langsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

AKSJER I DATTERSELSKAP

Investeringer i datterselskap er vurdert etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det er foretatt nedskrivning til virkelig verdi når verdifall skyldes årsaker som ikke kan antas å være forbigående og det må anses nødvendig etter god regnskapsskikk. Nedskrivninger er reversert når grunnlaget for nedskrivning ikke lenger er til stede.



Scandinavian Cosmetics Holding Norway AS

Noter til årsregnskapet 2022

Note 1 Ansatte, styrehonorar og godtgjørelse til revisor

Det er ingen ansatte i selskapet.

Selskapet er således ikke pliktig til å ha tjenstepensjonsordning etter lov om obligatorisk tjenstepensjon.

Kostnadsført revisjon er fordelt på følgende:

	2022	2021
Lovpålagt revisjon inkl mva	40 528	31 003
Andre tjenester inkl mva	0	4 796

Note 2 Mellomværende med selskap i samme konsern

	2022	2021
Fordringer		
Lån til foretak i samme konsern	0	0
Kundefordringer konsern	0	0
Andre kortsiktige fordringer konsern	32 883 626	1 886 493
Sum	32 883 626	1 886 493

Andre kortsiktige fordringer konsern inkluderer bl.a. konsernbidrag fra datterselskapet Scandinavian Cosmetics AS.

Gjeld		
Gjeld konsernkontoordning	-1 198 418	-31 823 826
Annen kortsiktig gjeld konsern	-30 889 341	0
Sum	-32 087 759	-31 823 826

Gjeld konsernkontoordning relaterer seg til negativ saldo i konsernets cash pool, der det er Storskogen AB som er cash pool leder. Det er i 2022 kostnadsført kr 1 855 549 for renter internlån og negativ cash pool.



Scandinavian Cosmetics Holding Norway AS

Noter til årsregnskapet 2022

Note 3 Skatt

Årets skattekostnad	2022	2021
Resultatført skatt på ordinært resultat:		
Betalbar skatt	0	0
Endring i utsatt skattefordel	0	-10 243
Skattekostnad ordinært resultat	0	-10 243
Skattepliktig inntekt:		
Ordinært resultat før skatt	30 740 000	0
Permanente forskjeller herunder konsernbidrag uten skatteeffekt	-32 791 563	-1 886 493
Mottatt konsernbidrag med skatteeffekt	2 051 563	1 886 493
Skattepliktig inntekt	0	0
Betalbar skatt i balansen:		
Betalbar skatt på årets resultat	-451 344	-415 028
Betalbar skatt på mottatt konsernbidrag	451 344	415 028
Sum betalbar skatt i balansen	0	0

Skatteeffekten av midlertidige forskjeller som har gitt opphav til utsatt skatt og utsatte skattefordeler, spesifisert på typer av midlertidige forskjeller

	2022	2021	Endring
Andre midlertidige forskjeller	0	0	0
Grunnlag for utsatt skatt	0	0	0
Utsatt skatt (22 %)	0	0	0

Note 4 Egenkapital

	Aksjekapital	Overkurs	Annen egenkapital	Sum egenkapital
Egenkapital Pr. 01.01.2022	12 000 000	54 800 915	24 185 072	90 985 987
Årets resultat			30 740 000	30 740 000
Avgitt konsernbidrag netto			0	0
Pr. 31.12.2022	12 000 000	54 800 915	54 925 072	121 725 987

Note 5 Datterselskap

Scandinavian Cosmetics Norway Holding AS eier 100% av aksjene i Scandinavian Cosmetics AS som har forretningskontor i Oslo. Anskaffelseskost for aksjene er kr 120 974 820. Pr 31.12.2022 er bokført verdi av aksjene kr 120 974 820.

	Stemmeandel	Resultat 2022	Egenkapital 31.12.2022
Scandinavian Cosmetics AS	100%	13 807 156	78 600 381



Scandinavian Cosmetics Holding Norway AS

Noter til årsregnskapet 2022

Note 6 Aksjonærer

AKSJEKAPITALEN I SCANDINAVIAN COSMETICS NORWAY HOLDING AS PR. 31.12 BESTÅR AV:

	Antall	Pålydende	Bokført
Ordinære aksjer	100 000	120,0	12 000 000
Sum	100 000		12 000 000

EIERSTRUKTUR

De største aksjonærene i % pr. 31.12 var:

	Ordinære	Eierandel	Stemmeandel
Scandinavian Cosmetics Group Holding AB	100 000	100,0	100,0



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Lars Johan Ahlgren

Styremedlem

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IP: 84.216.xxx.xxx

2023-04-30 13:18:11 UTC



JOAKIM JOHNSON

Styreleder

Serienummer: 19630121xxxx

IP: 90.230.xxx.xxx

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Statsautoriserte revisorer
Ernst & Young AS

Gudbrandsdalsvegen 188
2619 Lillehammer

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

UAVHENGIG REVISORS BERETNING

Til generalforsamlingen i Scandinavian Cosmetics Norway Holding AS

Konklusjon

Vi har revidert årsregnskapet for Scandinavian Cosmetics Norway Holding AS som består av balanse per 31. desember 2022, resultatregnskap for regnskapsåret avsluttet per denne datoen og noter til årsregnskapet, herunder et sammendrag av viktige regnskapsprinsipper.

Etter vår mening oppfyller årsregnskapet gjeldende lovkrav og gir et rettviseende bilde av selskapets finansielle stilling per 31. desember 2022 og av dets resultater for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjon

Vi har gjennomført revisjonen i samsvar med International Standards on Auditing (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet nedenfor under *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med kravene i relevante lover og forskrifter i Norge og *International Code of Ethics for Professional Accountants* (inkludert internasjonale uavhengighetsstandarder) utstedt av International Ethics Standards Board for Accountants (IESBA-reglene), og vi har overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Innhentet revisjonsbevis er etter vår vurdering tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

Andre forhold

Årsregnskapet for perioden som ble avsluttet 31. desember 2021 ble revidert av en annen revisor som ga uttrykk for en ikke-modifisert konklusjon om årsregnskapet den 28. juni 2022.

Ledelsens ansvar for årsregnskapet

Styret (ledelsen) er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet med mindre ledelsen enten har til hensikt å avvikle selskapet eller virksomheten, eller ikke har noe annet realistisk alternativ.

Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan skyldes misligheter eller feil og er å anse som vesentlig dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg:



Building a better
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- identifiserer og vurderer vi risikoen for vesentlig feilinformasjon i årsregnskapet, enten det skyldes misligheter eller feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av intern kontroll.
- opparbeider vi oss en forståelse av den interne kontrollen som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll.
- evaluerer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige.
- konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape betydelig tvil om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det eksisterer vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet, eller, dersom slike tilleggsopplysninger ikke er tilstrekkelige, at vi modifiserer vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapet ikke kan fortsette driften.
- evaluerer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.

Vi kommuniserer med styret blant annet om det planlagte omfanget av og tidspunktet for revisjonsarbeidet og eventuelle vesentlige funn i revisjonen, herunder vesentlige svakheter i den interne kontrollen som vi avdekker gjennom revisjonen.

Lillehammer, 3. mai 2023
ERNST & YOUNG AS

Revisjonsberetningen er signert elektronisk

Rune J. Baukhol
statsautorisert revisor



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The annual accounts and consolidated accounts can be found on p. 55–126.
The statutory sustainability statement can be found on p. 32–44 and 134–150.
Sustainability reporting pursuant to GRI is summarised in the GRI Index on p. 148–149.
The Annual Report is submitted by the Board of Directors of Storskogen Group AB (publ.), corporate identity number 559223-8694.

Cover: Kajsa Skog, employee at Scandinavian Cosmetics. Photo: Kristian Pohl

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About Storskogen

Storskogen is an international group of businesses across Trade, Industry, and Services. We are uniquely positioned to identify, acquire, and develop market leaders with sustainable business models over an infinite ownership horizon. Storskogen creates value by combining access to capital and strategic direction with active governance and a decentralised operational model.



Storskogen's offices
Operational presence of business units

business areas and 14 verticals

employees

34,250

SEK m in net sales in 2022

3,143

SEK m in adjusted EBITA in 2022

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The year in brief

Significant events in 2022

- Net sales for the Group increased by 96 percent to SEK 34,250 million (17,496). Organic sales growth was 12 percent.
- Adjusted EBITA increased by 86 percent to SEK 3,143 million (1,688), corresponding to an adjusted EBITA margin of 9.2 percent (9.6). Organic EBITA growth was -6 percent.
- Profit for the year increased by 68 percent to SEK 1,592 million (947).
- Earnings per share before/after dilution amounted to SEK 0.86 (0.60).
- Cash flow from operating activities increased by 18 percent to SEK 1,628 million (1,376). Adjusted cash conversion was 59 percent (73).
- 54 acquisitions were completed over the year with combined annual sales of SEK 11,916 million for the full year 2022.
- The Board of Directors proposes a dividend of SEK 0.08 per share (0.07) for 2022.
- Storskogen signed the UN Global Compact, the world's largest corporate sustainability initiative.
- Storskogen adopted a Group-wide programme for sustainable supply chains.

Key performance indicators

SEK m	2022	2021
Netsales	34,250	17,496
EBITA	3,305	1,688
Adjusted EBITA	3,143	1,688
Adjusted EBITA margin, %	9.2	9.6
Earnings per share before/after dilution, SEK	0.86	0.60
Cash flow from operating activities	1,628	1,376
Interest-bearing net debt/adjusted RTM EBITDA, x	2.6	2.6
Return on capital employed, %	10.1	10.1
Adjusted cash conversion, %	59	73
Emission intensity, tCO ₂ e/SEK m ³	1.4	1.4

1) For further information see Note H2, p. 135.

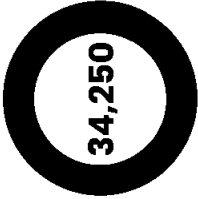
Net sales



Adjusted EBITA



Distribution of net sales by business area¹⁾



1) The total figure includes SEK -28 m for Group formations.

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A resilient business group in times of change



In barely a decade, Storskogen has grown into a business group that had sales of SEK 34.3 billion in 2022 – almost compared with 2021. Due to the increasingly challenging macroeconomic environment, a series of activities were initiated over the year to strengthen Storskogen's balance with good results so far. Once our leverage has been the aim is to increase acquisition-driven growth.

Årsrapport 2022
Storskogen Regnskapshäfte 2022
983350062

Storskogen's first year as a listed company coincided with significant macroeconomic and geopolitical changes. Russia's war of aggression against Ukraine has created a humanitarian crisis and caused widespread suffering for those immediately affected. Accelerated inflation, interest rate hikes, disrupted supply chains, shortages of labour and goods, exchange rate fluctuations and falling demand in individual industries also contributed to the complexity of 2022.

To counteract the effects of the operational challenges, a series of activities were initiated over the year to manage the new situation and to ensure development that is sustainable for the long term. Central resources were reduced and redistributed from M&A to operational roles. The plan to increase Storskogen's geographic presence was put on hold and the acquisition pace slowed. Over the year, 54 acquisitions

were completed, one of which was the second half of the year. We continued our work on operational excellence, synergies and retaining or increasing business units, for example in the areas of organic growth and margins.

Our primary short-term focus was on reducing leverage, thereby reducing costs and improving financial initiatives to improve the company's ability to raise capital. Gradually reducing working capital in earnest in the third quarter effects already in the following quarter when Storskogen generated SEK 1.3 billion in operating cash flow. This was a result of systematic efforts to improve operational KPIs, processes and internal controls, combined with professional development. Both the pace and the transition were good in our

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Infinite ownership horizon

Storskogen has the ambition to acquire companies with an infinite ownership horizon and act as a long-term owner of companies that contribute to a profitable growth and making the Group more resilient.

Our business units are continuously evaluated based on performance and compatibility with Storskogen's long-term strategy. We work diligently, systematically and patiently with the management teams of underperforming companies to turn them around. If these efforts do not lead to a satisfactory outcome, a divestment may be considered. If a business unit is incompatible with Storskogen's long-term strategy in terms of sustainability or margin and growth potential, for example, it may also be reviewed for divestment.

Strategic direction

Considering the higher financing costs and the more uncertain macroeconomic situation, the goal for 2023 is to continue the initiated efforts to reduce leverage and strengthen the balance sheet. The acquisition pace will be kept on a more restrained level with smaller and strategic acquisitions. The objective is to increase acquisition-driven growth gradually while retaining a lower leverage. In the long term, an accelerated acquisition pace requires a better financing climate and a more stable external environment.

The Group's development

Our three business areas and underlying verticals now employ nearly 13,000 people, and in 2022, net sales grew by 96 percent to SEK 34.3 billion. Despite the challenging environment, profits have remained sizeable. Storskogen's 20 largest business units have leading positions in their respective niches and markets. These business units are quality companies with proven business models that have been in operation for 47 years on average, which means that they have resisted macroeconomic fluctuations.

The development of our existing Group lies at the very core of Storskogen. By strategic work, such as on mergers and add-on acquisitions, the business units' market positions are strengthened. Examples include ByWe, where three Nordic professional haircare distributors came together under a common brand, allowing the companies to benefit from economies of scale to improve their offering.

Systematic add-on acquisitions are underway in around twenty business units, where we are transforming industries with the ambition of increasing the customer value and creating sustainable and competitive companies.

Storskogen is further supporting the group companies in their efforts to meet the Group-wide sustainability targets, manage risks and pursue opportunities for increased competitiveness. Over the year, Storskogen adopted targets for sustainable

supply chains and signed the UN Global Compact, the world's largest corporate sustainability initiative.

Operational risk decreased over the year, with increased diversification and average net sales growth of 24 percent in our business units. Larger business units reduce the dependence on key individuals and result in less customer and supplier concentration. While our business units and sales have grown, we have also made our organisation more efficient, reducing central costs as a proportion of sales.

Eventful years

When looking back on 2022, it is clear that Storskogen had another eventful year with operational progress. Nonetheless, it was necessary to calibrate our strategy and tactics in response to changes in the external environment. That said, Storskogen has been in a state of change and development since its inception, and the organisation has extensive experience in taking on new challenges with energy and inventiveness in a professional and entrepreneurial manner.

I look forward to working with our team in 2023. We will continue to build Storskogen for the future and strive, as always, to empower our businesses to realise their full potential.

Daniel Kaplan
CEO

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Strategy and business model



Mission
We empower businesses to realise their full potential



Vision
To be the leading international owner of medium-sized businesses

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Business model

Storskogen's core values permeate the company's operations and business model. By developing small and medium-sized businesses in Services, Trade and Industry, and empowering them to realise their full potential, Storskogen creates long-term value for its stakeholders.

Values: Entrepreneurial Respectful Long-term approach Professional

Empowering businesses

Active, value-driven ownership model
Decentralised business model
Growth initiatives, acquisitions and economies of scale
Knowledge-sharing and cooperation

Financial governance, stability and follow-up
Sustainability strategy
Infinite ownership horizon
Planned successions

Small and medium-sized businesses

Value creation

- Shareholders**
Profitable growth and return on investment
- Business units**
Long-term ownership, profitability and business development
- Society**
Strengthened entrepreneurship and business ecosystem
- Employees**
Professional development and knowledge-sharing

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Value-creating strategy

Storskogen owns and develops a well-diversified business group across Industry, Trade and Services. By empowering businesses to realise their full potential, the conditions required for profitable and sustainable growth are created, in the pursuit of becoming the leading international owner of small and medium-sized companies.

The idea behind Storskogen
Privately-held small and medium-sized companies often reach a stage where a new, long-term owner is required to ensure the company's future competitiveness and ability to realise its full potential. Usually, these companies are underpinned by entrepreneurs who seek to sell their life's work, or they are family-owned businesses that are facing a generational change. In addition to the financial considerations associated with a sale, many sellers of companies find it valuable if the new owner focuses on the continued development of the business rather than fast and radical change.
Even well-managed companies with proven business models may find it difficult to attract suitable buyers. This may be because the company is too small for in-

dustrial buyers or located in a geographical area that is too remote for potential buyers. This is where the idea behind Storskogen originated – to be the next generational owner of profitable and market leading small and medium-sized companies.

Infinite ownership horizon and entrepreneurship
Storskogen's mission is to empower businesses to realise their full potential. This driver is deeply rooted in Storskogen's history and reflected in the Company's values: entrepreneurial, respectful, a long-term approach, and professional. The long-term approach is reflected in Storskogen's infinite ownership horizon, both with regard to acquisitions and development efforts in the Company's three business areas: Industry, Trade and Services. As a result, emphasis

is placed on ensuring that the companies have sustainable business models, and sustainability is regarded as a competitive advantage.

Diversification creates resilience
Investments in privately-held companies may be regarded as risky due to the risks associated with a dependence on key individuals, customers or suppliers and other circumstances, such as the limitations in trading of shares in unlisted companies. This means that privately-held companies generally have attractive valuations, which creates good conditions for high returns in the long term.
As a Group, Storskogen has exposure to several sectors and geographical areas, which mitigates the risks that are generally associated with the ownership of individual

Profitable growth
The work performed in Storskogen's business areas and underlying economies of scale and other network effects, which create conditions for synergies, also contribute to organic growth. Also, the Group strives to achieve growth through add-on and platform acquisitions. Storskogen's business areas have opportunities for an effective allocation of resources, which results in profitable growth – organic and acquired growth.

Storskogen's value creation

Investment opportunity in small and medium-sized companies

Resilience



Economies of scale

Profitable growth

Value-driven ownership

Decentralised business model



Investors

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Business



Årsregnskap

Regnskapsåret 2022 for 983350062

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Systematic corporate development

Storskogen's active ownership model combined with a decentralised business model makes it possible to successfully keep the Group together, develop it and create economies of scale that contribute to continued organic and acquired growth.

Decentralised business model

Storskogen's decentralised business model ensures that the business units in industry, Services and Trade are provided with incentives and a clear responsibility for operational decision-making and meeting their targets. The decentralised business model is also vital for Storskogen's ambition to safeguard the entrepreneurial spirit.

Value-driven support from the business area organisation

To empower the business units to realise their full potential, they are supported by Storskogen's business area organisation, which offers strategic advice, tools, capital and a platform for network effects. The central organisation has industrial expertise and a local presence and is therefore able to support the subsidiaries in an effective manner. In the three business areas and their underlying verticals, there are team members in place with cutting-edge expertise and extensive experience in their respective areas. They are actively involved in the business units' boards of directors and work with both strategic and operational issues. The support provided to the companies includes strategic issues such as investment decisions, succession plan-

ning, sustainability efforts, corporate governance and acquisition strategy. The work on the boards of directors is supplemented by monthly follow-up, company-specific initiatives and other activities.

Financial governance

The business units in Storskogen share a common financial framework and annual wheel. They report results, KPIs and other financial information monthly. This makes it possible for Storskogen to follow-up and support the financial work of the business units. It also ensures reliable financial reporting and forecasting.

Sustainability efforts

Storskogen places great strategic emphasis on guiding the subsidiaries in their work to manage sustainability-related demands and opportunities – areas that can be challenging for small entities to handle on their own. This guidance takes the form of continuous support, work on the boards of directors, training and shared tools. The sustainability efforts are structured into three focus areas, based on the Group's materiality analysis: *Minimise environmental impact, A good employer and neighbour,* and *Responsible business.*

Simon Myrberg,
Atvislanda APAT Group



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These can be categorised as follows:

- **Platform acquisitions** – independent business units that are acquired with no requirement for direct synergies. These contribute to the Group's resilience and may lead to add-on acquisitions and economies of scale in the long term.
- **Add-on acquisitions** – an existing business unit acquires a subsidiary for strategic reasons, such as to expand its offering or to obtain expertise or geographical presence.
- **Roll-up acquisition** – an industry is consolidated through a large number of acquisitions to create synergies, such as through joint purchasing, shared resources and knowledge-sharing.
- **Clusters** – companies that are active in the same vertical and sector with a potential to achieve synergy gains, knowledge-sharing and joint business projects.

Storskogen's positioning and expertise in its verticals allow for a selective acquisition process. Clear criteria and carefully developed processes ensure that the acquired companies are of high quality and have operations that are aligned with the Group's overarching strategy. The Group's proprietary tool, *Case Assessment Tool*, CAT, allows for a systematic evaluation of the acquisition targets' profiles, conditions and attractiveness in relation to other investment opportunities.

Knowledge-sharing network

Storskogen's extensive network of companies in various sectors forms an important platform for knowledge-sharing. To this end, Storskogen arranges regular training sessions and meetings for its subsidiaries. In 2022, *Storskogen knowledge exchange (KX)* was launched, an initiative aimed at achieving increased cooperation and knowledge-sharing in the Group.

KX is structured into six main areas: pricing, HR, procurement, digital channels, finance and ESG. Through regular events, a shared repository, discussion forums and other activities, KX allows Group companies to collaborate, exchange knowledge and experience, and create internal and external synergies. Internal synergies may include Group companies purchasing products from one another, while external synergies may involve purchasing framework agreements, where procurements benefit from the entire Group's purchasing power.

Acquisitions as a part of development

Operational initiatives aimed at developing the Group and creating organic growth are supplemented by acquired growth opportunities. The acquisition agenda is driven both by the central business area organisation and by the business units.

More than half of the business units in the Group have their own acquisition strategy or are part of a corporate structure with the ambition of generating economies of scale.

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Long-term value creation

Storskogen's three diversified business areas create resilience and opportunities for profitable growth. By developing and strengthening the Group, Storskogen empowers its companies to realise their full potential, creating value for stakeholders.

Empowering businesses to realise their full potential

As part of Storskogen's value-driven ownership, the business units are given access to capital, expertise and governance, adapted to each company's specific needs and situation. The Group cooperates to create synergies, share knowledge and to achieve economies of scale. Combined with Storskogen's decentralised business model, through which each subsidiary remains responsible for its own business performance and decision-making, this makes the companies and their operations stronger.

Storskogen's resources and organisation provide the Group companies with better opportunities for growth, financing, financial stability and investments. That way, Storskogen empowers the companies to realise their full potential.

Resilience and profitable growth

Operational and geographical diversification, as well as acquisitions based on corporate intelligence and macro factors, contribute to making Storskogen a resilient business group. Historically, the companies

in Storskogen's business areas have shown endurance, particularly in times of turbulence (as illustrated in the chart to the right).

Effective capital allocation and profitable growth are made possible, partly by developing the existing business units and partly by additional platform and add-on acquisitions. Taken together, the Group constitutes an opportunity for investors to gain exposure to an attractive portfolio of small and medium-sized companies that would otherwise be difficult to access. All in all, Storskogen creates long-term value for its stakeholders – investors, business units, society and employees.

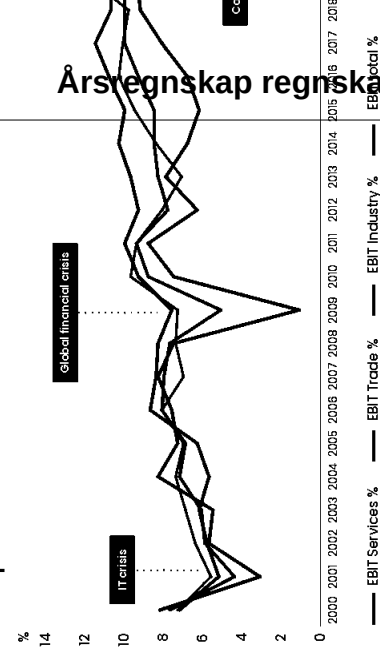
Long-term vision

Storskogen's long-term approach and ambition have created a unique positioning for identifying, acquiring and developing companies with sustainable business models. The continued work on developing the Group and making it even more resilient and profitable is central to achieving Storskogen's vision: to be the leading international owner of small and medium-sized businesses.

Diversification creates resilience

A diverse portfolio increases resilience during economic downturns

Historic performance for +100 business units



Source: Value&A, AllidBolog, the companies' accounts. Companies with inconsistent data are excluded.

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Targets and target fulfilment

Storskogen met its EBITA growth target for 2022, and net debt/adjusted RTM EBITDA was also in the target range. Global disruptions to the logistics chains caused inventory build-up and a temporarily lower cash conversion, which gradually improved during the latter part of the year.

Storskogen's adjusted EBITA growth was 86 percent in 2022. After a strong 2021 with organic EBITA growth of 36 percent, organic EBITA growth in 2022 amounted to -6 percent. This fell short of the target of alignment with the real GDP growth in the markets in which Storskogen operates plus 1-2 percentage points. The growth was affected by cost inflation, which was gradually offset by price increases over the year, and a weakening of the Swedish krona. These factors also impacted the adjusted EBITA margin, which was 92 percent compared with the target of 10 percent over time. Storskogen strives to raise the margin by way of price increases, synergies and improved profitability in business units with a low margin.

Adjusted cash conversion was 59 percent in 2022, and it was impacted over the year by increased working capital caused by problems in the logistics and supply chains. Storskogen gradually reduced its inventory levels and working capital, improving cash conversion towards the end of the year. Storskogen takes structured action to reduce working capital in the business units and expects good cash generation in 2023.

Interest-bearing net debt/adjusted EBITDA decreased from 2.7x at the end of the year, which is within the target range of 2-3x. Due to rising interest rates and associated financing costs, Storskogen has the ambition to reduce leverage to the lower part of the target range.

Medium-term financial targets

	Target	Organic EBITA growth ¹⁾	Real GDP growth ²⁾ + 1-2 percentage points	Adjusted EBITA growth, including acquisitions In line with historical levels	Adjusted EBITA margin (over time)	Adjusted cash conversion ³⁾ (annual basis)	Interest-bearing net debt/adjusted RTM EBITDA ⁴⁾
Outcome 2022		-6%		86%	10%	>70%	2.0-3.0x
							2.6x

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

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Sustainability targets

	Environmental: Minimise environmental impact	Social: A good employer and neighbour	Governance: Responsible business
Undertaking	To halve emissions by 2030 compared with 2020 and reach net zero by 2045.	We strive to be a gender-equal and inclusive organisation.	To identify, stop, prevent, mitigate and account for any negative impact on human rights and the environment in the supply chain.
Target	2030 - Emission intensity, 0.95 tCO₂e/(SEK m³) 100 percent fossil-free energy²⁾ - Offset any remaining emissions 2045 - Net zero <i>The Scope 3 target is under development</i>	- Gender distribution of 40–60 percent among employees in senior roles in Storskogen's central organisation - Gender distribution of 40–60 percent among the representatives of Storskogen's central organisation on the business units' boards of directors (on an aggregated level)	2023 - Identify high-risk suppliers in supply chain - Include requirements in agreements 2025 - All suppliers have been evaluated
Outcome 2022	1.4 tCO₂e/(SEK m 77 percent fossil-free energy	Target fulfilment will be followed up in 2023	Target fulfilment will be followed up in 2023

1) Scopes 1 and 2.

2) Updated from renewable to include nuclear power.

► Read more about Storskogen's sustainability initiatives

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Storskogen as an investment

An investment in Storskogen is an investment in a diversified and resilient portfolio comprising well-managed small and medium-sized companies that are not generally available to the market.

Long-term value creation

Storskogen's infinite ownership horizon requires the subsidiaries to be profitable in the long term and able to adapt to changing conditions in society in terms of legislation, customer and consumption patterns, as well as to global challenges such as climate change and other sustainability aspects. Storskogen has an active but decentralised ownership model, which means that its business units retain a great deal of responsibility and independence while Storskogen provides industrial expertise, funding and a platform on which

the companies can exchange experiences and grow – all with the aim of giving the companies the best conditions possible for realising their potential.

Unique asset class

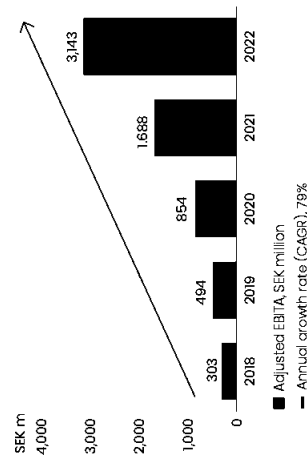
Small and medium-sized companies form the basis of the business community and account for the majority of all jobs created in society. They also drive innovations, sound competition and social development in local communities. An investment in Storskogen's portfolio enables exposure to a part of the business community that

is generally hard for investors to access, consisting of thriving companies that are creating positive change in their respective markets.

Proven acquisition model

Storskogen has a proven acquisition model with extensive and clear acquisition criteria. This creates a large and qualitative acquisition deal flow, which in turn allows for diversification in the portfolio of companies and good opportunities for continued expansion. Storskogen's selective and systematic evaluation of acquisition candidates ensures high quality in the acquired companies.

Strong growth over time



Collective industrial expertise

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

Risk management through diversification
Storskogen's portfolio companies are divided into three business units: 14 horizontal, 14 vertical, and 14 diagonal. The operational and financial diversification provides the company with good conditions for resilience. Historically, Storskogen have been resilient in crises and considers itself well prepared for challenging macroeconomic conditions.

Strong earnings trend

Storskogen has a strong earnings trend. Between 2018 and 2022, Storskogen's adjusted EBITA had a compound annual growth rate (CAGR) of 79 percent.

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Storskogen's financial strategy

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

Financial operations

Storskogen's financial operations are conducted in accordance with the Company's Finance Policy and financial targets. Storskogen's capital structure shall be balanced with regards to equity and debt. According to the Finance Policy, the equity/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 the Group level.

As at 31 December 2022, Storskogen's assets were SEK 47,482 million, with an equity/assets ratio of 41,3 percent and an interest coverage ratio of 4.5x.

Financing strategy

Storskogen strives to obtain financing on competitive terms. This is achieved by maintaining close and long-term relations with lenders, with the aim for all lenders to have deep knowledge of Storskogen's operations and performance. Storskogen strives for its debt portfolio to be diversified, regarding both the type of debt and maturities. Storskogen regularly follows up and monitors current and future financing needs to ensure proper advance planning and the upcoming refinancing and sufficient time for long-term decisions.

Net debt and leverage

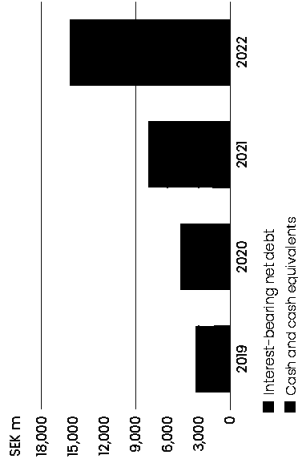
Storskogen aims for an interest-bearing net debt/adjusted RTM EBITDA of 2.0–3.0x. Depending on the timing of acquisitions, the leverage may temporarily exceed 3.0x, but it must never exceed 3.5x. As at 31 December 2022, the Company's interest-bearing net debt was SEK 12,260 million and the leverage (interest-bearing net debt/adjusted RTM EBITDA) was 2.6x.

Control and follow-up

Storskogen's financing strategy shall support the Company's targets and be reflected in Storskogen's Finance Policy, which

aims to ensure that the financial operations are conducted with proper risk management and regular follow-up. At least every year, the Board of Directors receives information on the Company's financial position, including the financing needs and confirmed bank's terms are met. Financial risk management, as interest rate risk, currency risk, refinancing risk and counterparty risk, are managed in accordance with the Company's Finance Policy and continuously. The Board of Directors reviews the Finance Policy annually, and the Policy shall be reviewed more frequently if need arise. The Board of Directors monitors the effectiveness of the Company's financial risk management.

Debt structure, 31 December 2022



SEK m	Maturity	Carrying value
RCF ¹⁾	2025–2028	3,700
Term loan ¹⁾	2025	3,337
Bond 1	2024	2,981
Bond 2	2025	2,980
Hire/purchase agreement		283
Leases		1,654
Pension provisions		205
Other		162
Cash and cash equivalents		-3,022
Total interest-bearing net debt		12,260

¹⁾ The RCF and Term loan were extended on 23 February 2023. The specified term refers to the extension as of this date.

► For further information on Storskogen's risks and risk management, see the Sustainability Report.

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Organisation and culture

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

Organisational structure

Storskogen's skills and organisation are key to successfully execute the strategy of identifying, acquiring and developing companies. The Storskogen Group's central organisations in the Nordic region, DACH, United Kingdom and Asia combine great industrial expertise with local presence and market knowledge. Storskogen's subsidiaries are supported by the three business area organisations that include both generalists and specialists. The central functions provide support to the business areas and business units in several areas, including M&A, corporate development, sustainability, finance, human resources, legal, and communication. Support is also provided through the knowledge-sharing platform, *Storskogen knowledge exchange (KX)*. In 2022, certain central resources were redistributed from M&A to portfolio companies in roles such as CEO or CFO. This is expected to have a positive impact on the companies' development.

Storskogen's values

Storskogen has four values that are deeply rooted in the Group's history: entrepreneurial, respectful, a long-term approach, and professional. These values guide Storsko-

Storskogen's values



Entrepreneurial

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

Professional

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



A long-term approach

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

Respectful

- We adapt ourselves to every situation.
- We help our colleagues.
- We meet on equal terms in all situations.
- We respect other people's contributions and are open and curious to



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To obtain regular information on employee well-being and commitment, continuous employee surveys were also introduced in 2022. The results from the surveys are handled by each manager, but they also form the basis for strategic Group-level HR initiatives. Some of the areas measured include motivation, the ability to influence daily work, workload, and work-life balance. Due to the Company's decentralised model, the degree of influence is high, and employees have good opportunities to influence their work situation, which contributes to a high level of commitment. Collaboration between different geographical areas and parts of the operations results in knowledge-sharing and continuous learning in the daily work.

In 2022, a week-long *Bootcamp* was introduced, where new employees are introduced to Storskogen's strategy and working methods in all areas, such as in M&A, finance and the business areas. The employees are also provided with the opportunity to get to know people in other roles and teams in Storskogen. The purpose is to provide the employees with a solid foundation of knowledge and a contact network to help them find their feet quickly in their roles and in the operations.

Working conditions and business ethics in the central organisation

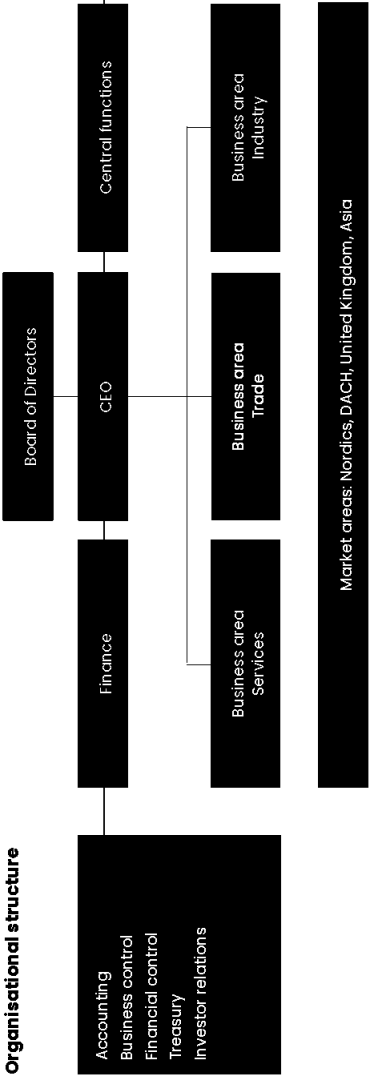
Storskogen places great importance on offering its employees a good work environment and beneficial working conditions. None of Storskogen's employees in the central organisation are covered by collective bargaining agreements. All employees are office workers, and their working conditions and terms of employment are similar to those provided in collective bargaining agreements in similar organisations.

In addition to compliance with each country's local laws and regulations on working conditions, health and safety, etc., there are agreements in place with local occupational health services, both with a preventative and a rehabilitating purpose.

Health-promoting activities are organised, and in some countries exercise opportunities are provided with an extended wellness service. Storskogen strives to maintain a business climate and high standards comes to business ethics and a Code of Conduct, Work Environment Policy, Gender Equality and a digital whistleblowing. At the end of the year, a project initiated to strengthen Storskogen as an attractive employer for project mainly involves the inclusion and benefits. Connected to this project will come 2023.

► For further information on environment see Note H4, p. 13

Organisational structure



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Employee interview



Åsa Murphy has a background in the tech and e-commerce industries and is now Investment Director in Storskogen's Trade business area. She is active on several boards of directors of subsidiaries, which she supports and guides on strategic and operational issues.

What did you do before you joined Storskogen?

I spent a large part of my career in the tech industry. One of my previous jobs was at Expedia, where I worked for ten years and was part of an amazing growth journey. At Expedia, I created the Nordic unit, and our various brands were very successful in the Nordic market.

I also created an e-commerce organisation for a leading hotel chain in the Nordic region, was the CEO of Bookatable (a B2B2C company that we sold just before the pandemic) and ran my own consultancy, where I assisted companies with digitalisation and getting established in new markets.

What do you do at Storskogen?

I spend most of my time working on the boards of directors in a portfolio of companies in the Trade business area. I also work with our M&A team in acquisitions of new companies, where I mostly focus on the commercial element and on assisting our companies when they make add-on acquisitions.

What is your collaboration with the portfolio companies like?

It's important to me that we work with our companies on the right level – that we can support them but also challenge them

from time to time. Some companies are self-motivated, and in those, I mostly act as a sounding board for the CEO. Discussions are then more strategic, such as identifying growth potential. Other companies need more operational support, ranging from the recruitment for leading positions and negotiations with major customers to supporting them on improving their working capital.

What challenges do you typically face in your job?

It differs from day to day and depending on the type of company. It can be everything from organisational challenges to a website crashing. 2022 was a challenging year in general for companies in trade, with soaring freight prices and non-deliveries (or deliveries that arrive all at once). We also faced a rising dollar rate and weaker consumer confidence. The ability to work in an agile manner is very important in such a scenario.

What is the best aspect of working at Storskogen?

At Storskogen, I have the privilege of working with excellent colleagues, under good leadership, and in a corporate culture that suits me. In my previous roles, I worked a lot with building and developing teams. This means that values are important to

me, respect being the guiding principle. I also think it's very important to work. You must be able to lead the going gets tough – I think commitment and motivation are important for those employees.

What was the most exciting thing that happened at Storskogen in 2022?

A lot of exciting things happened, but to mention a few: the acquisition of Map, which was acquired in the year and of which I'm on the Board, was appointed B Year in Uddevalla Sweden. I'm immensely proud of the proof of an excellent job.

During the year, we also launched skogen Knowledge Exchange, that allows our portfolio companies to share experiences and knowledge in different areas. I'm responsible for the sales area. I therefore got to a lot of interaction with various kinds of companies. I don't normally work with, with a digital nature, such as a CEO.

We also held several CEO events the year where Storskogen met CEOs of our companies in various nations. This was a beneficial experience for those of companies and for those of with them.

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Åsa Murphy, Investment Director, Trade
 Storskogen AS
 2022 for 983350062



Business leads

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A well-diversified group of companies

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

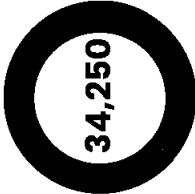
Stable and diversified business areas
Storskogen's companies are divided into three business areas: Services, Trade and Industry, with 14 underlying verticals. The companies contribute to good operational and geographical diversification, which creates stability and conditions for growth. The companies all have a strong market position, a proven business model, long-term profitability and an entrepreneurial spirit in common.

Long-term development and growth
The business area management cooperates actively with the companies to enable long-term development and growth. Their work with the companies is adapted to suit each company's operations, conditions and targets. The people working in the business areas have extensive industrial expertise in various sectors and support the companies both strategically and with their operating activities. The business areas also facilitate

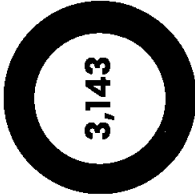
cooperation and knowledge transfer between Group companies, creating synergies and economies of scale.
Drawing benefits from macro trends
Due to the business areas' diversification, they are affected by and draw benefits from a wide spectrum of macro trends. Some major trends, such as the green energy transition, digitalisation and urbanisation, affect all business areas, while others are

specific to each area. The business areas are also affected by and address sustainability issues. All business areas comply with the Group-wide targets and therefore focus on climate, gender equality, diversity, and sustainable supply

Net sales¹⁾, SEK m



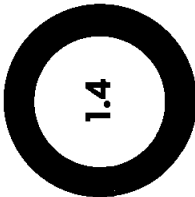
Adjusted EBITA²⁾, SEK m



Number of employees³⁾



Emission intensity tCO₂-e/sales, SEK m



■ Services: SEK 11,351 m
■ Trade: SEK 9,637 m
■ Industry: SEK 13,288 m

■ Services: SEK 1,079 m
■ Trade: SEK 923 m
■ Industry: SEK 1,460 m

■ Services: 5,140
■ Trade: 2,417
■ Industry: 5,276

■ Services: 2.6 tCO₂-e/SEK m
■ Trade: 0.6 tCO₂-e/SEK m
■ Industry: 1.2 tCO₂-e/SEK m

1) The total figure includes SEK -28 million for Group functions.
2) The total figure includes SEK -319 million for Group functions.
3) The total figure includes employees in the central organisation.

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Business area Services

Business area Services

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

Strategy and trends

The business area works actively with the companies on strategic and operational issues to help them develop and achieve long-term profitability. Some of this work involves enabling joint projects and synergies between companies with similar operations, such as achieving cost savings through joint procurement and purchasing, initiatives to improve capital efficiency, and knowledge-sharing when switching support systems.

The business area is affected by and benefits from several trends, such as digitalisation and increased e-commerce, which is driving demand for transport and logistics services. Other trends include an increased focus on life-long learning, which benefits the companies active in HR and Competence, and the green energy transition.

The business area's portfolio includes most of the companies with major impact on Storskogen's climate targets, primarily haulage, contracting and infrastructure companies that own their own lorries and machinery. The companies' business plans are adopted by their boards of directors and include short-term and long-term initiatives aimed at helping the companies transition and reduce their emissions, thus making it possible for Storskogen to reach its climate target. Such initiatives include investments in the vehicle fleet as a first step in the transition to fossil-free fuel and a more climate-friendly vehicle fleet.

Another sustainability-related focus area is work environment. Several of the companies carry out work that may

entail a risk to employee health and safety. SoVent, one of Sweden's leading chimney sweeping groups, has come far in the transition from traditional chimney sweeping from rooftops to a more modern method where rods are used from the bottom. Modern chimney sweeping methods reduce the risk of falls as there is no need for the chimney sweep to climb roofs. They also prevent the chimney sweep from inhaling hazardous particles.

Good governance and control is another focus area which is supported in the companies by the use of an annual wheel for the work on the boards of directors and structured processes for succession planning, which is an important part of the long-term work with the companies.

The Services business area focuses strongly on operational excellence in its companies, including preparations for a more challenging economy.

Events during the year

The year began with difficult circumstances for many of the business area's companies: high sickness absence rates after the fourth wave of the pandemic, turbulence in the external environment and rising inflation. After the turbulent first six months of the year, the cost increases for raw materials such as steel and fuel began to level out while price adjustments for customers began to have effect. The EBITA margin gradually grew stronger in the final months of the year.

The year was otherwise characterised by high demand, which was reflected in the organic sales growth of 14 percent. The companies in Logistics had a good year due to high demand and relatively low price sensitivity in the market, which resulted in rising sales and an improving EBITA margin. Digital Services also benefited from good market conditions and delivered growth with a continued high margin. The HR and Competence vertical, which started the year backed by a strong 2021, was impacted by the low unemployment rate among other things, and did therefore

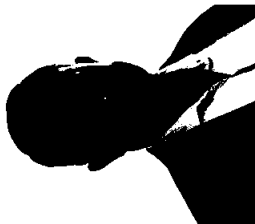
not meet the high expectations. Companies and infrastructure experienced challenging sickness absence rates in the beginning of the year, and prices on fuel and materials and problems in the chain, which affected profitability.

Acquisitions in 2022

Many of the acquisitions over the year were in Sweden, and the business area made its first acquisition in the United Kingdom, Denmark, Germany and Norway. The acquisition of the Norwegian industrial construction company Thermica, one of Norway's specialist entrepreneurs, reinforced Storskogen's position in industrial building construction. The acquisition of Personal in Switzerland expanded the HR and Competence vertical. Vokus Personal is specialised in providing temporary healthcare employees for elderly care and nursing homes and is supported by the underlying ageing population.

A total of 12 business units were acquired and 12 add-on acquisitions were made.

► For a complete list of acquisitions made in 2022, see Note 3, p. 85.



Peter A. Heggren
Head of Business Services

Årsregnskap regnskapsåret 2022 for 983350062

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Business area – Services

Key performance indicators

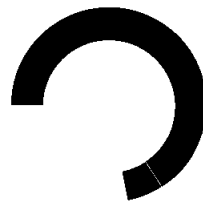
SEK m	2022	2021	2020
Net sales	11,351	6,906	3,837
Adjusted EBITA	1,079	695	382
Adjusted EBITA margin, %	9.5	10.1	10.0
Adjusted EBITA excl. transaction costs	1,101	712	387
Adjusted EBITA margin excl. transaction costs, %	9.7	10.3	10.1
Emission intensity tCO ₂ e/sales, SEK m	2.6	2.6	2.6
Number of employees	5,140	4,297	1,822

Due to high demand and expanding volumes, net sales in the business area increased by 64 percent (80) to SEK 11,351 million (6,906) in 2022. Organic sales growth was 14 percent (10). Adjusted EBITA increased by 55 percent (82) to SEK 1,079 million (695); consequently, the adjusted EBITA margin was 9.5 percent (10.1). The business area had organic EBITA growth of -5 percent (21). The adjusted EBITA margin excluding transaction costs was 9.7 percent (10.3). Emission intensity was 2.6 tCO₂e/SEK m (2.6).

Net sales, %
By vertical

Net sales growth

64%



- Installation, 32%
- Engineering Services, 15%
- HR and Competence, 8%
- Logistics, 11%
- Digital Services, 8%
- Contracting Services, 20%

Adjusted EBITA growth

55%

Business area verticals

- **Installation** comprises business units in plumbing, ventilation and cooling, painting and chimney sweeping, and electrical and technical installations. Customers are mainly municipal and private property companies as well as both small and large construction companies. The vertical includes 14 business units and 2,042 employees.
- **Engineering Services** comprises business units that provide technical engineering services in areas such as architecture, engineering services, fire safety, environment and advanced measurement technology. Customers include construction companies, private property owners and public sector entities. The vertical includes 8 business units and 503 employees.
- **HR and Competence** comprises business units in the areas of adult education, labour market training, corporate training, temporary agency services, recruitment and support to/matching of positions for private companies and Swedish authorities. The vertical includes 5 business units and 780 employees.

- **Logistics** comprises business units in freight services, freight forwarding, mile deliveries and third-party logistics. Customers include companies with national and international freight forwarders, cargo owners. The vertical includes 6 business units and 238 employees.
- **Digital Services** comprises business units that provide IT-related and digital services to corporate customers in the public sectors. The vertical includes 9 business units and 342 employees.
- **Contracting Services** comprises business units that include service provision, construction and civil engineering contractors for the construction engineering market. Customers include construction companies, private property owners and industrial companies. The vertical includes 6 business units and 423 employees.
- **Infrastructure** comprises business units that carry out heavy infrastructure projects, such as railway infrastructure projects, heavy equipment such as dredging, excavation and foundation work. Customers are companies in the private sectors. The vertical includes 14 business units and 812 employees.

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Business area – Services

Skaraslättnens Transport grows with support from Storskogen

When Skaraslättnens Transport was acquired by Storskogen in 2018, the business unit's sales were approximately SEK 345 million. In 2022, sales were SEK 736 million, with an adjusted EBITA of SEK 65 million. The adjusted EBITA margin was 8.9 percent, an excellent level for this sector.

Skaraslätten Transport, a leading provider of sea transport container services, is making important investments to offer its customers more climate-friendly services while successfully increasing sales and profitability.

Initiatives enable development

Since Skaraslättnens Transport became part of Storskogen, the company has carried out several significant initiatives to develop its operations, and it is currently the largest provider of container transports in Sweden. The company has also made gradual investments in a modern vehicle fleet powered by electricity, gas and diesel, and according to the company's long-term strategy, the entire fleet shall be operating on fossil-free fuel by 2030.

In these uncertain times, when other actors have not wanted or had the ability to make investments, the security of having an owner with sufficient capital has been key. It has enabled both the establishment of new offices and a continued rate of investments with the aim of achieving a sustainable and modern vehicle fleet.

Extended offering

In 2022, with Storskogen's help, Skaraslätten Transport acquired Contilog, a company specialised in container transports between Sweden and European ports and locations served by railways. The acquisition allows the company to widen its offering to Swedish customers and fortify its position in container transports while taking an important step onto the continent, with the aim of creating additional growth.

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► Facts about Skaraslättnens Transport

Skaraslättnens Transport is Sweden's leading provider of domestic sea container transports. The company owns approximately 350 tractor units every day, 40 of which are owned and operated by the company's haulage division. Approximately 850 containers are delivered to customers, mainly shipping companies and freight forwarders, on a daily basis.

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Business area Trade

Business area Trade

The business area comprises companies that sell physical products. Most of them are distributors and wholesalers that market their own and external brands. The companies have been divided into four verticals: Home and Living, Health and Beauty, Sports, Clothing and Accessories, and Niche Businesses.

Strategy and trends

The business area takes a methodical approach to creating synergies and economies of scale in the group, aiming to increase the competitiveness and profitability of all companies. This is partly achieved through an acquisition strategy, where both the individual company's deliveries and its usefulness to the Group are considered, and partly through continuous work on operational optimisation. For example, the companies' collective purchasing of container freight has created conditions for a centrally negotiated freight agreement that significantly reduces costs for all Storskogen companies while improving the service level. The project also allows for easier access to actual emission data from the transport category, which is estimated to be one of the largest Scope 3 emission categories in the business area.

The business area has a high proportion of consumer products, an area where sustainability is becoming increasingly important. Resellers have increasingly high requirements and companies gain competitive advantages by being at the forefront of sustainability issues. Outdoor plant pots made of recycled car bodies and second-hand bicycles and furniture made of sustainably produced wood are examples of products that are appreciated by customers and the environment alike. As distributors, the companies have close relationships with their producers. They are therefore able to influence their global partners on social sustainability issues such as working conditions.

Companies that design their own products can also make other choices to reduce environmental impact in the entire supply chain, such as when selecting colouring agents or packaging volumes.

Several companies in the business area are active in haircare and cosmetics and have obvious synergies and close cooperation across national borders. This is the result of an acquisition strategy spanning several years that has turned the Trade business area into one of the largest haircare players in the Nordic region. Examples of this are the companies Alba, Baldacci and Friends, three strong players in the Nordic market for professional haircare products, which have come together under a common brand, ByWe. This has paved the way for coordination gains and other synergies.

The companies in the business area also take an active approach to optimising their product offerings, cash flows and business models in preparation for the uncertain market situation that is expected in the near future. Proactive initiatives are specifically taken to reduce capital tied up and currency risk and create the conditions required to act fast on the opportunities that are expected to arise.

Events during the year

The year was initially characterised by the continuing pandemic, followed by the war in Ukraine. Taken together, this meant high cost for materials, freight, fuel and energy as well as disruptions in the supply chain. In the final six months of the year, the Swedish krona was further weakened, while freight costs began to normalise from previously high levels. The year's cost increases and the weaker Swedish krona were largely offset by price increases, but profitability was affected by fixed prices in some individual companies, and the delay before the effect of the higher prices was noticeable.

Demand was generally high over the year, even if missing deliveries, weaker e-commerce and the economic situation had a negative impact. Demand was strongest in

companies with corporate customers, i.e., companies in the Niche Businesses vertical, and for sellable durable consumer goods, such as companies in Health and Beauty vertical.

Acquisitions in 2022

The acquisition pace remained high in the first half of 2022. Scandinavian Cosmetics was one of the most important acquisitions over the year, as it strengthened and created synergies with the other companies in the Health and Beauty vertical. The company 2 active in gardening and interior design products added to the Home and Living vertical in a similar way as the company's strategic focus on sustainability leading the way for other companies. The business continued its expansion outside Sweden with acquisitions in the United Kingdom, Germany and Poland. Storskogen's ownership model is highly applicable. A total of 10 business units were acquired and 6 add-on acquisitions were made.

► For a complete list of acquisitions made in 2022, see Note 5, p. 85.



Christoffer Hansson
Head of Business
Trade

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Business area – Trade

Key performance indicators

SEK m	2022	2021	2020
Net sales	9,637	5,410	2,584
Adjusted EBITA	923	582	257
Adjusted EBITA margin, %	9.6	10.8	9.9
Adjusted EBITA excl. transaction costs	950	596	261
Adjusted EBITA margin excl. transaction costs	9.9	11.0	10.1
Emission intensity tCO ₂ e/sales, SEK m	0.6	0.8	1.4
Number of employees	2,417	1,555	666

Due to the underlying positive organic sales growth in combination with several acquisitions, net sales in the business area increased by 78 percent (109) to SEK 9,637 million (5,410) in 2022. Organic sales growth was 10 percent (20). Adjusted EBITA increased by 59 percent (127) to SEK 923 million (582); consequently, the adjusted EBITA margin was 9.6 percent (10.8). Organic EBITA growth was SEK -14 percent (35). The adjusted EBITA margin excluding transaction costs was 9.9 percent (11.0). Emission intensity was 0.6 tCO₂e/SEK m (0.8).

Net sales, %
By vertical

Net sales growth

78%

- Home and Living, 35%
- Health and Beauty, 18%
- Sports, Clothing and Accessories, 15%
- Niche Businesses, 31%

Adjusted EBITA growth

59%

Business area verticals

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

The vertical includes 13 business units and 734 employees.

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

The vertical includes 7 business units and 894 employees.

► **Sports, Clothing and Accessories** comprises business units that produce products for the end-customer, including equipment and merchandise of clothing and accessories. The companies are active in outdoor recreational activities and includes both units that sell to customers and those that sell to resellers, but all business units are brands in their niche in commercial markets. The vertical includes 8 business units and 238 employees.

► **Niche Businesses** comprises business units with corporate and consumer products. They are generally in well-known markets and have a strong focus on their niche and quality. The business term customer relations and service levels. The business combination of traditional and e-commerce and sell products as work clothing, equipment and products for various sectors. The vertical includes 7 business units and 551 employees.

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Business area – Trade

Partnerships key to sustainable development

Storskogen became an owner of Ecochange, a supplier of employee benefit products, in June 2021. Opportunities for growth were good, but the organisation and the systems needed to be scaled up to increase capacity and future-proof the operations.

Ecochange offers employee benefit products, including bicycles. This allows employers to contribute to public health and improve the environment while making their employees happy. Strong partnerships with suppliers, customers and Storskogen have allowed Ecochange to grow rapidly.

Business development

When Storskogen acquired Ecochange in 2021, a needs analysis was immediately initiated. It resulted in the investment in a new ERP system and initiatives to improve the business' procedures and digital services. In 2022, Storskogen managed the succession of the management team while increasing the company's sales from SEK 192 million in 2021 to SEK 348 million in 2022, with a retained margin. Together with Ecochange's new management team, the strategy was honed, with a full focus on widening the customer segment and continuing to build on a corporate culture imbued with collaboration, service and sales, also when growth is strong.

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Facts about Ecochange AB

Ecochange AB in Norrtälje, Sweden, has worked with employee benefit products since 1987. Eight years ago, bicycles were launched as a gross salary deduction for help companies and organisations with their health-related initiatives. Ecochange developed a service that has allowed approximately 65,000 employees to take their car at home and instead take the bike to work. Ecochange's partner throughout the process is Cycleurope, which owns the brand name 'Crescent and Monark'.



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Business area Industry

Business area Industry

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

The business area treats sustainability issues as an integral part of the work on the boards of directors to ensure a strong focus on sustainability, not least to find solutions for lower emissions, increased energy efficiency and proper control and follow-up of supply chains. Also, continuous improvements are being made in health and safety to ensure a good and safe work environment, which is an important issue for industrial companies.

Events during the year

The industry business area performed well operationally and financially in 2022 despite the strained business situation in a precarious external environment. The underlying market remained strong in general, with high demand, particularly in the engineering and wood industries, but new orders decreased somewhat in general in the last quarter. All companies were affected by high cost inflation, even if certain prices on raw materials, especially steel, dropped in the last six months of the year. Also, several companies were affected by continued materials and component shortages due to continued problems in the supply chain.

The companies took an active approach to continuous improvements, such as productivity-increasing measures and measures to increase resource efficiency, to lower costs and CO₂ emissions alike. An example of this is Swedstyle, which was able to reduce both materials costs, emissions and energy consumption through successful product development (read more on p. 42). Improvement measures combined with price increases to customers largely offset the increased costs.

Acquisitions in 2022

The high rate of acquisitions from 2021 continued in 2022, particularly during the first six months of the year. One of the companies acquired was LNS, a global market leader in automation solutions. Through the acquisition,

Storskogen reinforced its position further in automation and increased its presence in the region. Another important acquisition was Pierce, a leading specialist in the manufacturing of logistics and data centres in the United Kingdom, which was an important in Storskogen's expansion in the country. Also, the business area made its first acquisition in Singaporean company CMti, a manufacturer of cables for the medical technology industry. A total of 9 business units were acquired. 5 add-on acquisitions were made to strengthen develop existing companies further.

► For a complete list of acquisitions made in 2022 see Note 5, p. 85.

Årsregnskap regnskapsåret 2022 for 983350062



Fredrik Berge
Head of Business Industry

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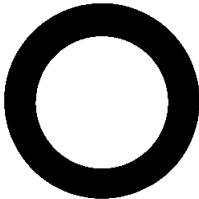
Business area – Industry

Key performance indicators

SEK m	2022	2021	2020
Net sales	13,288	5,186	2,519
Adjusted EBITA	1,460	626	242
Adjusted EBITA margin, %	11.0	12.1	9.6
Adjusted EBITA excl. transaction costs	1,484	674	243
Adjusted EBITA margin excl. transaction costs	11.2	13.0	9.6
Emission intensity tCO ₂ e/sales, SEK m	1.2	1.2	1.6
Number of employees	5,276	2,786	1,050

Good development in the existing portfolio, despite a challenging business environment, in combination with several acquisitions, resulted in an increase in net sales for the business area of 156 percent (106) to SEK 13,288 million (5,186) in 2022. Organic sales growth was 11 percent (22). Adjusted EBITA grew by 133 percent (159) to SEK 1,460 million (626); consequently, the adjusted EBITA margin was 11.0 percent (12.1). Organic EBITA growth was 1 percent (53). The adjusted EBITA margin excluding transaction costs was 11.2 percent (13.0). Emission intensity was 1.2 tCO₂e/SEK m (1.2).

Net sales, %
By vertical



- Automation, 31%
- Industrial Technology, 36%
- Products, 33%

Net sales growth

156%

Adjusted EBITA growth

133%

Business area verticals

- **Automation** comprises business units that develop and manufacture high-tech automation solutions. The companies are exposed to the strong automation and digitalisation trend, which is expected to grow increasingly important along with heavier requirements on productivity, quality and sustainability.
The vertical includes 9 business units and 1,852 employees.
- **Industrial Technology** comprises business units in the field of heavy technology such as cutting and welding of steel structures, foundries and contract manufacturing of machine parts. The companies offer high-quality manufacturing with high production efficiency.
The vertical includes 17 business units and 1,800 employees.
- **Products** comprises business units in their own range of products. The companies develop and produce trailers, custom-built hotel frames and cable ladders.
The vertical includes 13 business units and 1,624 employees.

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Business area – Industry

Strategic add-on acquisitions create a wide offering and synergies

Storskogen acquired ARAT Group in 2018 and has since assisted the company with four add-on acquisitions. The ARAT Group companies are active in sawmill automation but operated as separate companies with a parent company that ensures that the subsidiaries have the conditions needed to develop in their respective niches.

ARAT Group was established in 2012 when ARAT, the parent company, acquired Almab. It expanded in 2016 with the acquisitions of Renholmen and ArVislanda. After Storskogen became the owner in 2018, Hedlunds and Militech were also acquired. In January 2023, two additional add-on acquisitions were made, of Høga Kusten and Loginor.

Through these strategic acquisitions, ARAT Group has strengthened its position with a full-service offering for the entire sawmill processing chain. The subsidiaries are complementary in the production chain, which allows them to take on larger business deals.

With Storskogen as the owner and guarantor, ARAT Group also has financial security which has been crucial in larger business deals.

Key recruitments

As the owner, Storskogen has also helped with succession planning and key recruitments aimed at identifying and developing

Full-service offering creates growth

In 2022, ARAT Group had sales of SEK 769 million, an increase of 80 percent since 2020¹⁾.

The Group has a strong position in a favourable market. Due to climate change, wood is expected to play an increasingly important role in future urban planning, which indicates continued growth in the industry. With a properly developed full-service offering, ARAT Group is well positioned with excellent growth opportunities, both nationally and internationally.

1) In 2020, Storskogen had owned all ARAT companies (excl. Høga Kusten and Loginor) for at least 12 months.



► Facts about ARAT Group

ARAT Group provides high-tech automation equipment for the sawmill industry with offices all over the world, with an emphasis in the Nordics. With 100 years of experience in the industry, the group offers qualitative, technologically advanced and customised automation solutions aimed at maximising value. At year-end 2022, the group had approximately 150 employees and offices in Byske, ArVislanda, Storskogen and Våxjö. In 2023, ARAT Group acquired Høga Kusten and Loginor, with an additional 35 employees and offices in Kramfors and Sundsvall.

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Sustainability Report

This report covers Storskogen's sustainability results from 1 January to 31 December 2022 and constitutes the statutory Sustainability Report for 2022.

Storskogen reports sustainability information in accordance with the following reporting initiative:

- GRI Universal Standards 2021 (General Disclosures and Sector Disclosures – Textile and Apparel). The GRI report was prepared in accordance with the GRI's most recently updated standards and quality requirements, and is subject to external assurance by Storskogen's central organisation. See Note H12.
- GHG protocol (Greenhouse Gas Reporting). The climate impact of operations and indirect emissions of greenhouse gases are reported and divided into three different categories: Scopes 1–3.

Reporting, calculation and compilation of sustainability information from Storskogen's central organisation and all subsidiaries takes place in the SAP Sustainability platform. The EU taxonomy is reported separately. All calculations are compiled in the Sustainability Report consolidation system. This report is reviewed by an external party. Numbers in parentheses refer to figures from previous years.

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About Storskogen's sustainability initiatives

Storskogen's efforts for sustainable development are based on the sustainability areas **Environmental, Social and Governance (ESG)**. In a materiality analysis performed in 2019, three focus areas were identified for Storskogen's sustainability initiatives: Minimise environmental impact, A good employer and neighbour, and Responsible business.

Storskogen supports the subsidiaries' sustainability initiatives	Storskogen's initiatives are based on external frameworks	
Sustainability issues are important to all Storskogen's subsidiaries. Nevertheless, the most material topics differ between companies depending on sector and geographical location. Storskogen supports the companies in their efforts to reach Group-wide sustainability targets, manage	In 2022, Storskogen signed the UN Global Compact, and the Company's sustainability initiatives are based on the Ten Principles of the UN Global Compact for companies. These are based on internationally recognised conventions and agreements on human rights, labour, environment and anti-corruption, including	the Universal Declaration of the International Labour Organisation, the Declaration on Fundamental and Rights at Work, the Rio and the UN Convention agenda and the UN Convention agenda. Based on Storskogen's materiality analysis and focus areas, relevant and strategies were established with the Ten Principles and Agenda for Sustainable Development.

Sustainability area	Material topics	Ambitions	Selected targets from UN's 2030 Agenda	Targets	Outcomes
Environmental	Minimise environmental impact - Climate impact - Environmental management	- We use scientifically-based environmental targets that are aligned with the goals of the Paris Agreement. - We are taking action to avoid negative impact on the environment.	Target 12.6 – Encourage companies to adopt sustainable practices and sustainability reporting. Target 13.3 – Build knowledge and capacity to meet climate change.	- Storskogen will halve its emission intensity by 2030 compared with 2020, in line with the Paris Agreement, and achieve net zero emissions by 2045. 80% fossil-free energy by 2025 100% of Storskogen's companies must set climate targets that are aligned with the Group target by 2025.	14% of employees in senior roles in Storskogen's central organisation. - Gender distribution of 40–60% among representatives of Storskogen's central organisation on the business units' boards of directors (on an aggregated level).
Social	A good employer and neighbour - Attracting and retaining employees - Gender equality and diversity - Health and safety - Thriving communities	- We aim to be an attractive employer that offers professional development and exciting careers. - We aim to be a gender-equal and inclusive organisation. - We strive continuously to ensure safe and healthy workplaces. - We contribute to a thriving local community.	Target 5.5 – Ensure women's full participation in leadership and decision-making. Target 10.3 – Ensure equal opportunities and end discrimination.	- Gender distribution of 40–60% among employees in senior roles in Storskogen's central organisation. - Gender distribution of 40–60% among representatives of Storskogen's central organisation on the business units' boards of directors (on an aggregated level).	Target to follow
Governance	Responsible business - Returns and good corporate governance - Business ethics and anti-corruption - Responsible supply chain	- We have a strong focus on professionalism and business ethics. - We aim to be a responsible owner by supporting our businesses with skills and knowledge. - We integrate sustainability into our value chain.	Target 4.7 – Education for sustainable development and global citizenship. Target 8.3 – Promote policies to support job creation and growing enterprises. Target 8.8 – Protect labour rights and promote safe working environments.	Storskogen shall ensure compliance with the Business Partner Code of Conduct later than by 2025.	The target to follow

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Proper sustainability expertise is key to value creation

Over the year, support is provided for the implementation of Storskogen's sustainability process, both continuously and through the work of the board of directors. Any Storskogen employees who support the companies – investment managers, investment directors and board members – must therefore have relevant sustainability expertise. To increase the level of knowledge, employees at Storskogen's head offices must undergo mandatory sustainability training, which has also been made available to Storskogen's board. To increase the skills in the subsidiaries, this training is also mandatory for the companies' CEOs and dedicated sustainability employees. To increase expertise further and highlight good examples in the Group, the companies meet several times per year

through Storskogen's sustainability network. The companies can use the network to obtain information, training and inspiration, exchange experiences and collaborate on practical implementation.

Storskogen employees who are also board members are offered board member training, and in 2022, a special training session for board members with a sustainability focus was provided to the same target group.

- The Code of Conduct has been signed by 100 percent Storskogen's employees. The Code of Conduct is signed at the same time as the employment contract.
- The Code of Conduct has been signed by 76 percent of the mandatory target groups in Storskogen's subsidiaries.
- Sustainability training has been completed by 85 percent of Storskogen's employees.

- Sustainability training has been completed by 64 percent of the mandatory target groups in Storskogen's subsidiaries.

Sustainability assessment of subsidiaries

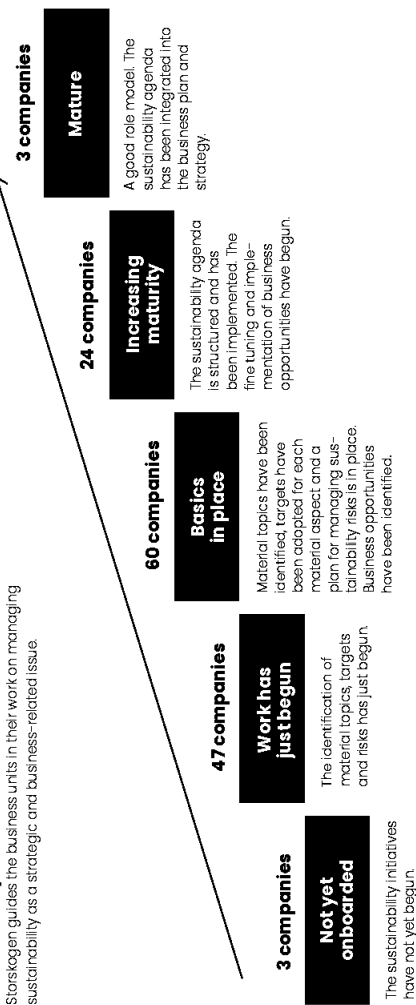
Over the year, Storskogen introduced the *sustainability ladder* – an assessment of the subsidiaries' sustainability initiatives. The purpose is to assess and monitor the companies' sustainability status and development under Storskogen's ownership. The evaluation also works as a governance indicator to ensure compliance with the adopted sustainability process. The assessment is conducted by the investment manager of each business unit.

Stakeholder dialogues

Storskogen has identified customers, employees, potential subsidiaries,

Sustainability ladder, 2022

Storskogen guides the business units in their work on managing sustainability as a strategic and business-related issue.



owners, the local community, companies are located, and their most important stakeholders. Storskogen engaged in several major shareholder dialogues. The Company lives up to its sustainability status with regard to the sustainability status was expressed as one of the reasons for the sustainability ladder.

Readiness assessment

In 2022, Storskogen's audit readiness assessment to evaluate Storskogen was ready for a Company's sustainability report scope was limited to the macro areas, and the assessment of interviews regarding the own processes at each of the selected companies in each assessment showed that Storskogen's subsidiaries are knowledgeable about their own operations, but the reporting procedures could be improved. This is partly because the companies, mostly with the resources and support held several training sessions to improve their knowledge, data collection, and reporting requirements. In connection with these training sessions, Storskogen clarified its expectations in the sustainability ladder. At the Group level, Storskogen the process for reviewing and improving the process, training held and more resources were work on improvement measures in 2023.

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Sustainability area – Environmental

Minimise environmental impact

Storskogen has a responsibility to reduce its operations' negative impact on the environment, take action by reducing any emissions that affect the climate and use resources efficiently. As most impact is from the subsidiaries, Storskogen has adopted Group-wide targets and provides support to and follows up with the subsidiaries.

Storskogen's Code of Conduct and Sustainability Policy describe Storskogen's commitment to take action to minimise its direct and indirect environmental impact. This means that the environmental perspective must be considered in all important decisions. As an owner, Storskogen shall ensure that material environmental topics are addressed and followed up in the subsidiaries' strategies and procedures. Storskogen shall also ensure systematic measurement, follow-up and reporting of targets and outcomes related to relevant environmental topics.

Storskogen's climate targets

Base year 2020, with an intensity measure of 1.9 tCO₂e/SEK million

2025	2030	2045
KPI: 80 percent fossil-free energy	Emission intensity 0.95 tCO₂e/SEK million	Net Zero
KPI: 100 percent of Storskogen's companies shall have business plans that are aligned with the Group target	KPI: 100 percent fossil-free energy. Offset any remaining emissions.	Strive for net zero emissions to the extent possible (at least 85 percent) and offset the remainder.

► **STORSKOGEN'S CLIMATE IMPACT**
Climate change is one of the major challenges of our time. Storskogen's climate strategy was adopted by the Group management in early summer 2021. Storskogen's targets are to reach net zero by 2045 and halve its emission intensity for direct and indirect emissions (Scopes 1 and 2) by 2030. These targets are aligned with the Paris Agreement and Storskogen joined the Science Based Targets initiative (SBTi) in October 2021.

In 2022, Storskogen engaged an external party to conduct a Scope 3 survey of each of Storskogen's verticals and central functions, based on the Scope 3 categories defined by the Greenhouse Gas Protocol (GHG Protocol). The work to supplement data and create a base year continues in 2023.

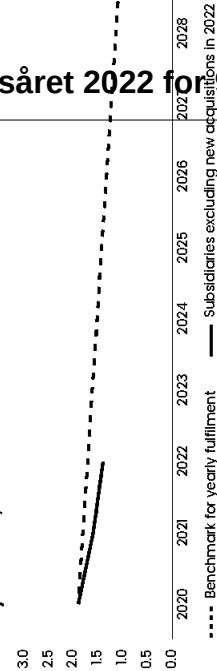
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When the climate strategy was adopted, action plans were developed for the companies with the highest CO₂ emissions (Scopes 1 and 2) in the Group. These mainly include haulage, contracting and infrastructure companies with their own machinery and energy-intensive companies with production in countries that use coal energy. The action plans focus on the transition to low-carbon vehicles and machinery, fossil-free energy for fuel and electricity, and energy efficiency.

Follow-up

The total emission intensity has dropped since last year. Subsidiaries owned by Storskogen prior to 2022 also reduced their total emission intensity, and Storskogen is on the right path to achieve the target of halving its emission intensity 2030. The most significant reduction in previously owned subsidiaries was in the industry business area, and it was

Intensity measures, 2022



--- Benchmark for yearly fulfillment

--- Subsidiaries excluding new acquisitions in 2022

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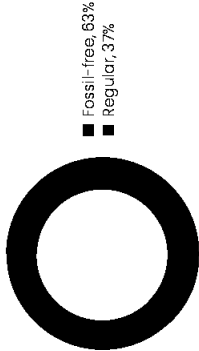
Sustainability area – Environmental

Storskogen's electricity consumption

Over the year, electricity prices have soared, particularly for renewable energy. When nuclear power was included as a transitional activity in the EU taxonomy, Storskogen reviewed its renewable energy target. The conclusion was that it is currently most important that the electricity be fossil-free, but that it should be renewable eventually, and Storskogen has updated its target accordingly. In 2022, Storskogen's electricity consumption was 7.7 percent fossil-free electricity in any companies owned by the Group before 2022. For new companies, the consumption was 23 percent. This showcases Storskogen's active efforts to transition all subsidiaries to fossil-free energy post-acquisition. Storskogen is fast approaching its target of 80 percent fossil-free energy by 2025.

► For further information, see Note H3, p. 137.

Electricity consumption in 2022



► IMPACT OF CLIMATE ON STORSKOGEN

The transition to a low-carbon economy creates new business opportunities, but also risks. The effects of global warming and the transition itself both create risks. Addressing fossil-fuel dependence requires developing enough renewable energy solutions to meet everyone's needs. Potential risks associated with climate change are the most material risks for the subsidiaries. It is therefore important to assess climate risks during the due diligence process and manage and mitigate risks during the ownership, focusing on future-proofing all subsidiaries. Continuous risk evaluations, including climate risks, are conducted annually with the subsidiaries through the work on their boards of directors.

The taxonomy assessment of all subsidiaries has provided Storskogen with a good understanding of which subsidiaries are taxonomy-eligible and therefore subject to the greatest climate-related risks. Based on the taxonomy's criteria, Storskogen understands what is required to transition and become sustainable (taxonomy-aligned). Storskogen has also gained an understanding of which subsidiaries are suppliers to

taxonomy-eligible companies. This may also constitute a risk, if such companies do not meet the requirements and expectations and therefore become less competitive.

Most subsidiaries that are taxonomy-eligible are enablers. In practice, this means that their own operations are not subject to climate-related risks; on the contrary, they have business opportunities as they offer solutions. Consequently, Storskogen can use the taxonomy to gain an understanding of what services will increasingly be in demand from the subsidiaries' customers. This provides good support for strategic discussions in the board of directors of the subsidiaries.

Storskogen's work on the TCFD (Taskforce on Climate-Related Financial Disclosures) framework will be conducted in 2023–2024.

► ENVIRONMENTAL MANAGEMENT Governance

All subsidiaries must comply with regulatory and regulatory requirements to their operations. Storskogen has no deviations in the subsidiary board meetings. Each subsidiary is responsible for adopting a risk management system. Storskogen also aims for all subsidiaries to be certified to ISO 14001 or similar. The other subsidiaries must implement environmental management systems if it is deemed necessary.

Follow-up

There were no instances of non-compliance with applicable laws or rules. The subsidiaries' environmental management systems were reported during the year.

At year-end, 75 percent of subsidiaries or central organisations owned before 2022 in the Inland area were ISO 14001-certified. Remaining companies are in the process of becoming certified. The companies acquired in their way to becoming certified in the companies acquired in the certification process.

► For further information, see Note H3, p. 137.

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A good employer and neighbour

Storskogen and its companies have a direct impact on their employees' working day and are responsible for ensuring their physical and psychosocial health. To be successful, Storskogen must be an attractive employer that offers exciting career and development opportunities in safe and healthy workplaces.

The Company's ambitions and commitments to be a good employer and neighbour are described on p. 18–19 and in Storskogen's Code of Conduct (available at storskogen.com).

▶ **DIVERSITY, GENDER EQUALITY AND INCLUSION**

Storskogen still has a way to go before achieving gender equality in leading

positions. For this reason, the Company engaged Allbright, a foundation promoting gender equality and diversity in leading positions. Allbright has trained Storskogen's Group management and helped the Company define what diversity, gender equality and inclusion mean for Storskogen. In this context, targets for increased gender equality among employees in senior roles and representatives on the board of directors of the subsidiaries were adopted.

Governance

In 2021, Storskogen's Board of Directors established a Gender Equality and Diversity Policy. According to the policy, Storskogen does not accept discrimination of any kind. Storskogen shall strive for a gender-equal

workplace with an even gender distribution and employees of diverse backgrounds. Employees are recruited, promoted and paid solely based on their qualifications and skills, regardless of age, ethnicity, social and cultural background, gender, transgender identity or expression, sexual orientation, religion or other belief, political belief, union membership, marital status or disability. Working conditions, salaries, benefits and other terms of employment are designed with the aim of promoting a work culture where it is possible to combine a career with parenthood. Storskogen's gender equality targets are illustrated in the image below on the left.

Follow-up

At year-end, the proportion of the entire Group was 27 percent. The proportion of men was 73 percent. In the central organisation, the proportion of women was 43 percent and the proportion of men was 57 percent. In the management, the proportion of women was 12.5 percent and the proportion of men was 87.5 percent. In the Board of the Group, the proportion of women was 40 percent and the proportion of men was 60 percent. Of the subsidiaries, 60 percent have adopted gender equality targets. No cases of discrimination were reported during the year.

▶ For further information, see Note 19.

▶ Storskogen's gender equality targets

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

▶ Diversity, gender equality and inclusion at Storskogen

Diversity is who we are, gender equality is what we do, inclusion is how we act.

Diversity	Gender equality	Inclusion
Who we are Storskogen's ambition is to have a great variety of identities and perspectives represented in the Company. With diverse teams and the representation and strengthening of additional voices, we can accelerate our growth and profitability and become even better at what we do.	What we do Storskogen takes an active approach to ensuring our employees' right to reach their potential, regardless of gender or identity. We are aware of the effects of inequality and are taking active measures to counteract them.	How we act Storskogen uses the talent strategy to ensure the talented employees are included. For this inclusion everyone feels welcomed and associated. Storskogen is the open and safe place where different perspectives, and people, are developed as a group.

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▶ HEALTH AND SAFETY

StorskoGen shall have a work environment where the individual employee is satisfied and able to develop, both professionally and individually. StorskoGen does not accept any form of bullying or harassment in its business, and all employees shall be ensured a work environment characterised by openness and equality, where every individual is treated with respect.

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

The risks in the subsidiaries vary depending on their operations, but the most common risks are work-related stress and occupational accidents. Subsidiaries in the Infrastructure verticle in Services as well as Industry, have the highest number of serious occupational injuries.

Governance

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

All companies must comply with national health and safety laws and provisions included in concluded agreements and/or collective bargaining agreements.

The companies' CEOs are responsible for ensuring that all employees are aware of and comply with the health and safety rules, policies and processes in their area of work. It is also the CEO's responsibility to provide relevant training and required protective equipment. For companies with material health and safety risks, this area is followed up through the work on their boards of directors. StorskoGen also encourages companies to certify their occupational health and safety systems according to ISO 45001.

Follow-up

Over the year, no fatalities were reported from occupational accidents or illnesses. In total, 134 serious occupational accidents were reported in the Group, and the injury frequency rate was 1.2 percent. In Sweden,

serious accidents are reported to the Swedish Work Environment Authority. No fines were reported.

▶ For further information, see Note H6, p. 140.

▶ THRIVING COMMUNITIES

StorskoGen often acquires entrepreneurial companies with operations in smaller towns. It is essential for the Group's survival to safeguard the acquired companies' history, entrepreneurship and local know-how. Many of the companies acquired by

StorskoGen are important local businesses and generally the acquired companies always continue their operations at the location. If StorskoGen is to attract employees outside the region, it is important to take care of communities and keep them alive. In 2022, StorskoGen's subsidiaries contributed to the creation of new jobs. This calculation is based on companies owned by StorskoGen in 2021 and the number of new jobs created during StorskoGen's



Inge Farnacht,
BR Solutions

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Sustainability area – Governance

Responsible business

Storskogen's very existence depends on continued great trust from customers, employees, owners, potential subsidiaries, local communities where our companies are located and other potential stakeholders. Trust must be earned through professionalism, integrity and high requirements on ethics. This does not only apply to Storskogen, but throughout the entire supply chain. Storskogen is responsible for posing clear requirements on suppliers and they, in turn, are responsible for complying with these requirements. In practice, this means that Storskogen at all times must make decisions that are both commercially sound and ethical, seek to achieve continuous improvements and measure, follow up and communicate the Company's development in a transparent and credible manner. This is established in Storskogen's Code of Conduct and applies to Storskogen and subsidiaries alike.

► GOOD CORPORATE GOVERNANCE

Storskogen's sustainability initiatives cover the entire business and are managed via a management system that consists of common policies, guidelines, overarching measurable targets and detailed action plans for the companies with a material impact on the business' focus areas. The starting point in these efforts is to follow up, document, evaluate and improve. Storskogen applies the precautionary principle,

which is integrated into Storskogen's Sustainability Policy and business processes. The Board of Directors is ultimately responsible for sustainability initiatives, which includes the Group identifying and acting on material sustainability-related risks and opportunities. Storskogen's Head of Sustainability drives and develops the sustainability initiatives for the Group and reports to the Head of Corporate Development, who is a member of Storskogen's Group management and Board of Directors. Storskogen's Board of Directors is responsible for the Company's sustainability strategy, including making sustainability an integral part of the Company's value creation.

► BUSINESS ETHICS AND ANTI-CORRUPTION

Over the year, an e-learning course on anti-corruption was launched. This is mandatory for all employees in Storskogen's central organisation, for CEOs of subsidiaries and for selected key people.

Governance

Storskogen's Anti-corruption Policy applies to the entire Group and has been adopted by the Board of Directors. The policy establishes the company's zero tolerance for corruption and describes the guidelines for unauthorised benefits and actions. The Anti-corruption Policy describes the Group's basic business ethics guidelines, core



Atleida Andreassen,
Storskogens Transport

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Sustainability area – Governance

values and behaviour towards stakeholders, customers, society, suppliers, partners and authorities. The CEO of each company is ultimately responsible for ensuring that the policy is communicated to the employees and that they comply with it. Any deviations from policies are included as a standing item on the agenda at all board meetings held in the subsidiaries.

Follow-up

Over the year, no violations of the Anti-corruption Policy were reported. The e-learning course was completed by 66 percent of Storskogen's employees in the mandatory target group. Of Storskogen's subsidiaries, 65 percent reported that their employees in the mandatory target groups have completed the e-learning course.

► REGULATORY COMPLIANCE

Whistleblowing system

The Group has a Group-wide external web-based whistleblowing system through which employees, business partners and others can report suspected violations of the Code of Conduct anonymously. Any matters reported through the system are handled confidentially and investigated pursuant to a clear procedure described in Storskogen's Whistleblowing Policy.

Reported whistleblowing cases are communicated to the affected company's board of directors. If the case reported involves members of the board of directors, the case is handled in a different, more suitable manner. Matters reported through the whistleblowing system are submitted

to Storskogen's General Counsel for assessment. With regard to complaints or similar that have been reported, the procedure is adapted based on the case in question. In 2022, any Group companies with more than 250 employees implemented their own whistleblowing function linked to the EU Whistleblowing Directive (2019/1937).

Follow-up

In 2022, ten matters were reported through the system. Of the matters reported, none were legal whistleblower cases.

► For further information, see Note H7, p. 141.

► **RESPONSIBLE SUPPLY CHAIN**
Storskogen strives to only work with suppliers, agents, consultants and other partners that comply with the principles in Storskogen's Code of Conduct. This is stated in Storskogen's Business Partner Code of Conduct. Over the year, Storskogen's management team also adopted a Group-wide strategy for sustainable supply chains. The programme contains targets and tools such as training, a Business Partner Code of Conduct, a risk assessment questionnaire and a self-assessment questionnaire. Implementation of the programme

in the subsidiaries will start in 2023, with their first board meeting in 2023.
Governance
Prioritised high-risk suppliers with framework agreements in the Code of Conduct. The programme mentions the subsidiaries' work in the board.
Follow-up
The programme is being implemented in 2023.
► For further information, see Note H7, p. 141.

Storskogen's strategy for sustainable supply chains

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

Implementation in 2023			
What	Learning	Assessment	Agreement
	Procurement professionals shall receive sustainability training by completing Storskogen's sustainability e-learning course.	Storskogen shall map its supply chain to identify where the highest risks of negatively impacting the environment and human rights are to be found. High-risk suppliers in the value chain shall be identified and prioritised.	Storskogen shall use a Business Partner Code of Conduct based on the Ten principles of the UN Global Compact as a minimum requirement in supplier agreements.
Targets	100% of the selected target groups, such as sales and procurement professionals, shall have completed the training by the end of 2023	Supply chain survey and a list of prioritised high-risk suppliers shall be completed by the end of 2023.	100% of high-risk suppliers' agreements shall include Storskogen's Business Partner Code of Conduct or similar.
Tools	E-learning provided by Sustademy	Risk assessment instruction and list	Business Partner Code of Conduct

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Sustainability strengthens Swedstyle's business model

By reshoring parts of production and investing in product development, Swedstyle has streamlined its manufacturing process and reduced the use of materials in its products.

"Sustainability has always been part of our work process – after all, we're from the thrifty province of Småland – and we see no conflict between profitability and sustainability. Storskogen's sustainability ambitions have inspired us to take our work to the next level", says Swedstyle's CEO, Jörgen Ekdal.

Swedstyle has adopted a target that reaches even further than Storskogen's target of halving its Scope 1 and 2 emissions. The company is already striving to reduce its Scope 3 emissions, which it believes account for over 90 percent of the company's emissions. These mostly come from the purchase of steel and transports.

In 2022, Swedstyle reshored its production of an important steel component from China. Chinese steel is manufactured using a high proportion of coal energy and results in much higher emissions than steel produced in Sweden, which is produced with a high proportion of renewable energy. Accordingly, the reshoring has reduced emissions from production. It is also estimated to have saved the company from transporting at least 25 40-foot containers from China to Sweden. The end-product is now produced from Swedish steel bars in a fully automated manufacturing process, with the help of a fellow Storskogen subsidiary, PV Systems. This also involved relieving the employees of several monotonous tasks.

"We see that quality is increasing and costs are decreasing, while at the same time, we've reduced our CO₂ emissions sig-

nificantly, which shows that our sustainability initiatives are profitable in many ways," says Jörgen Ekdal. "The ability to cooperate with our sister company, PV Systems, is another great advantage, as their system solutions have helped us rationalise our production."

"By considering sustainability in our business processes, not least early in the product development stage, sustainability is top of mind for us over time," says Ola Haraldsson, Head of Product Development and Procurement.

Over the year, Swedstyle also developed a new design for its worktables, which reduced their weight and the use of materials by 4.5–9 kg steel per table. When fully implemented, 3,200 tonnes less steel will be used to produce the same number of tables per year. A new table made of 100 percent European materials was also launched, with most of the processing done in Europe (mainly Sweden). The table is operated by a gas spring, so it requires no electricity or cables to operate. The table is optimised from a weight and performance perspective and will be finished in an entirely new powder coating on Swedstyle's own premises, which are powered by fossil-free energy.

"This gives us the confidence to take on new sustainable and profitable business. Such major changes in our offering are challenging and require significant investments and long-term business acumen, which Storskogen and Swedstyle both have", says Jörgen Ekdal.

► Facts about Swedstyle

Swedstyle develops, manufactures and sells height-adjustable worktables and battery-operated locks, with annual volumes of some 600,000 tables and 125,000 locks. The company originated in Småland, Sweden, and is currently the market leader in the Nordic region, with excellent opportunities to become the dominant player in the European market.



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Taxonomy reporting

The purpose of the EU taxonomy is to help investors identify and compare environmentally sustainable investments through a common classification system. The taxonomy is a tool for reaching the EU's climate goals and the objectives within the EU's green growth strategy, the European Green Deal.

Storskogen's approach to the taxonomy
Most subsidiaries that are taxonomy-eligible are eligible because they are enablers, not due to high emissions in their own operations. The great value of the taxonomy for Storskogen, is to show how the product and service offering can be developed. The offering may include advice to a customer on how a construction project that a subsidiary is involved in can be taxonomy-aligned, or how a firm of installation engineers can increase their offering to include the installation of solar cells or charging stations. Where there is deemed to be a value of the taxonomy linked to the companies' strategic conditions to influence the outcome, discussions are held through board work.

Considering Storskogen's diversified portfolio, the assessment is that most subsidiaries will not be taxonomy-eligible or taxonomy-aligned for the foreseeable future.

Assessment of subsidiaries
Even if some subsidiaries were considered to be taxonomy-eligible in 2021, Storskogen considers that due to the way the taxonomy's technical screening criteria are designed, the subsidiaries' do not always have the control to make a substantial contribution to climate change mitigation (environmental objective 1); such control lies a step away in the value chain.

All taxonomy-eligible subsidiaries are small and medium-sized companies with routines and procedures that are proportionate to their size and risk profile. Consequently, it is not always possible to determine if an economic activity meets the Do No Significant Harm requirement or the minimum safeguards.

According to the guidance provided in the Final Report on Minimum Safeguards, the requirements on small and medium-sized companies must be proportionate to their risk, leverage and size. Small and

medium-sized companies in Europe that comply with applicable law already do a considerable amount to comply with the UN's Guiding Principles. However, risks remain, for example in the supply chain of Storskogen's subsidiaries that are taxonomy-eligible have their operations in Sweden. A few have operations in Norway, Denmark, Finland and Germany, which are located in the EU.

Storskogen has not yet evaluated the subsidiaries' processes in a systematic manner (read more about ongoing efforts on p. 43) and cannot state with certainty that these are fully compliant. Accordingly, based on the guidance in the report, Storskogen cannot state that its subsidiaries are considered to meet the requirements. However, the subsidiaries do meet the requirement that they have not been found to be in breach of human rights, labour rights or consumer rights, been convicted of corrup-

storskogen's taxonomy-eligible and taxonomy-aligned activities in 2022, total (SEK m)

2022	Total (SEK m)	Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	Environmentally sustainable activities (Taxonomy-aligned)	Proportion of taxonomy-non-eligible activities
Turnover	34 250	0.8%	3.2%	96.0%
Capital expenditure (CapEx) ¹⁾	6 750	1.7%	0.7%	97.6%
Operating expenditure (OpEx)	307	1.2%	3.4%	95.4%

¹⁾ Note that total CapEx includes acquired property, plant and equipment and intangible assets (excluding goodwill), which includes surplus values. Additions from business combinations (excluding goodwill) totals SEK 4989 million, i.e. 74% of total CapEx, while only a few of the companies that were acquired in 2022 were taxonomy-eligible and taxonomy-aligned. This affects the outcome of the key performance indicator.

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tion or tax evasion in court or in breach of competition law

Economic activities
Storskogen's taxonomy-eligible activities are in the transportation and real estate, information and communication sectors and – new for professional, scientific and technical – to identify taxonomy-eligible environmental objectives. Activities has considered and analysed descriptions provided in Annex of the EU Taxonomy Climate Delegated Act. The assessment has been made based on the data not based on NACE codes since identified activities relate to objective 1.

► For further information, see N



Amel
Head

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Corporate governance

Storskogen needs good corporate governance to create long-term value. For this, it means compliance with applicable regulations, clear internal procedures, guidelines, systems for internal control, management and accurate and transparent financial reporting.

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Corporate Governance Report

COMMENT FROM THE CHAIR

Focus on costs and value creation in an uncertain world

Ensuring good corporate governance is one of the Board of Directors' most important duties. Clear procedures and internal routines make it possible to create long-term shareholder value. Clear guidelines and control activities also provide our companies with the conditions they need to realise their long-term potential; both time and resources are required. We must also ensure that Storskogen's central costs are properly balanced in relation to the Group's acquisition pace and development, not least considering the uncertain market conditions that are predicted for 2023.

The Board of Directors' work in 2022 was largely characterised by external factors that affected our operations. The global status quo changed rapidly when Rus-

sia invaded Ukraine. The war has devastated Ukraine and greatly increased risks in Europe and the world. The geopolitical situation has affected us as individuals, and it has inevitably also impacted the business community and the market at large.

The Board of Directors' focus areas over the year included ensuring financing, cost savings and operational measures aimed at ensuring that our companies can maintain strong balance sheets in 2023, even if the macroeconomic development is difficult to predict.

The Audit Committee also spent much time ensuring that the subsidiaries have proper internal control procedures in place and that internal control systems are implemented throughout the Group. It is gratifying to note that companies that

have been owned by Storskogen for some time have proper procedures in place, which is a good indication of the value we add to our companies regarding a clear structure for reporting and follow-up.

In 2022, Storskogen continued its efforts on implementing interactive and digital training programmes in our newly acquired companies and new geographical markets. The aim was to ensure that our employees, subsidiaries and senior executives have a good understanding of good corporate governance, business ethics and sustainability.

I feel highly confident that the above-mentioned measures will create the conditions needed for long-term value creation in Storskogen's companies, among our employees and shareholders



Annette Brodin Ramo
Chair of the Board

Storskogen Group AB is a Swedish limited liability company that has been listed on Nasdaq Stockholm since 6 October 2021. As at 31 December 2022, the Group had operations in 28 countries and 12,945 employees. In Storskogen's head offices in Stockholm and local offices in Denmark, Norway, the United Kingdom, Germany, Switzerland, Singapore and Finland, 112 people were employed in specialist areas such as law, finance, M&A and operational management at year-end.

The Board of Directors' responsibility for corporate governance and internal control is governed by Swedish legislation, supplemented by external frameworks. Primary frameworks for Storskogen's corporate governance in 2022 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 Audit Regulation. Storskogen also complies with the Swedish Corporate

Governance Code ("Code"). The Code is available on www.bolagsstyrelse.se, and also includes a description of the Swedish corporate governance model. No deviations from the Code were made in 2022.

SHAREHOLDERS AND THE ANNUAL GENERAL MEETING

At year-end, Storskogen had a total of 37,764 shareholders. The Company has A shares and B shares. Each A share confers a right to ten votes and each B share confers a right to one vote. As at 31 December 2022,

the ten largest owners account for 42.1 percent of the votes and 42.1 percent of the share capital. Storskogen's A shares are held by Daniel Kaplan, Ronnie Bergström, Björk and Peter Ahlgren, direct or indirect holding that together account for more than 10 percent of the share capital. No other shareholder owns more than 10 percent of the share capital or votes. Information on the holder structure can be found in the Annual Report.

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STORSKOGEN ANNUAL AND SUSTAINABILITY REPORT 2022

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▶ CORPORATE GOVERNANCE REPORT	46	Shareholders may submit proposals to the Nomination Committee in accordance with the instructions published on Storskogen's website. No fees were paid to the Nomination Committee.
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GOVERNANCE MODEL		
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 Annual General Meeting regarding the chair of
Annual General Meeting 2022		
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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 fair and accurate description of the Company. The auditor shall report its observations to the Board, without the management present, at least once a year and attend Audit Committee meetings. After the end of each financial year, the auditor shall submit an auditor's report and an auditor's report for the Group to the Annual General Meeting. In 2022, Storskogen Group's auditor was Ernst & Young AB with Asa Lundvall as the auditor in charge. The Audit Committee evaluates the auditors' work and independence annually. Fees to auditors are paid once the invoice has been approved. Read more in Note 9.

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 Annual General Meeting for the period until the end of the next Annual General Meeting. The Board, which was appointed at the 2022 Annual General Meeting, consists of five Board members, four of whom are considered independent of the Company, its major shareholders and its management.

Alexander Bjårgård is not considered to be independent of the Company, its management or its major shareholders; he should be considered as a working Board member. The Board meets the Code's requirements on a majority of independent members. Information on the members of the Board is provided on page 50.

Responsibilities of the Board of Directors

The Board is tasked with determining the Company's overarching goals and strategy and responsible for decisions on certain major corporate acquisitions, follow-up and operational control, financial development, risk assessments and ensuring regulatory compliance. At the annual statutory Board meeting, the Board adopts Rules of Procedure that govern the responsibilities of the Board members and the Chair of the Board. The Board is also responsible for issuing instructions to the Audit Committee and the Remuneration Committee and for delegating authorisations to the Investment Committee. The Board also adopts instructions to the CEO, including the division of work between the Board and the CEO, and an instruction to the CEO on financial reporting. The Chair of the Board leads and organises the work of the Board so it meets its obligations to the shareholders in a manner that is fit for purpose and ensures that the Board receives satisfactory information and supporting documents for its work. The Chair of the Board engages in an 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. From time to time, other employees may be invited to attend Board meetings to report on their areas.

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

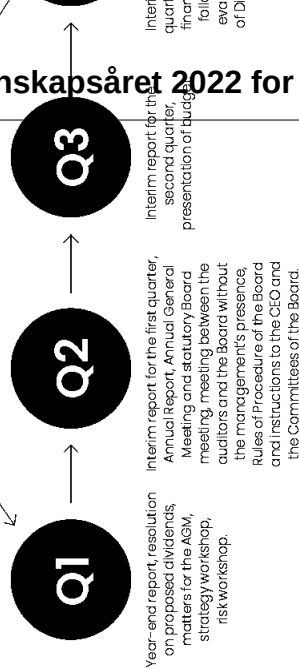
- evaluating, developing and determining the Company's overarching goal and strategic direction;
- making annual evaluations and updating and adopting relevant financial, operational and sustainability-related targets as and when needed;
- appointing, making annual evaluations of and, if necessary, dismissing the CEO;
- identifying how sustainability issues affect the Company's risks and business opportunities and the Company's impact on

people, society and the environment, preparing relevant strategies and establishing the guidelines for the Company's actions and to ensure its ability to create value in the long term;

- ensuring that there are appropriate terms for monitoring and controlling business and the risks associated with the business, including risks to the Company's impact on society, roundings, people and the environment;
- ensuring that there is satisfactory compliance with the Company's statutory and its compliance guidelines and policy documents;
- ensuring that the principles of financial reporting and internal control are applied and that the Company's reports, including sustainability reports, are prepared and published in accordance with applicable laws, applicable accounting standards and other requirements for listed companies and

Board of Directors' annual wheel

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



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• 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 Annual General Meeting regarding the composition of the Board. In 2022, an evaluation was carried out by the Board and CEO using an external evaluation tool. Conclusions were then presented to the Nomination Committee.

Board meetings and main subject areas
The Board held 31 meetings over the year, of which seven were regular Board meetings, including the inaugural Board meeting. In addition, 24 extra meetings were held to deal with issues such as decisions on financing, new issues, incentive programmes and certain major acquisitions. Fifteen of these were per capsulam.

Audit Committee
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 committees are appointed at the statutory Board meeting for one year. In 2022, the Committee held five meetings and comprised Elisabeth Thand Ringqvist, Chair, and Johan Thorell until Elisabeth Thand Ringqvist resigned from the Board at the Annual General Meeting on 17 May 2022. Thereafter, the Audit Committee comprised Johan Thorell (Chair) and Annette Brodin Rampe. The Company's external auditor attended all meetings.

Remuneration Committee
The Board Remuneration Committee shall prepare proposals for resolutions on terms of employment for the CEO, guidelines for remuneration to senior executives, a remuneration report and incentive programmes, which shall be submitted to the Annual General Meeting for approval. The members of the committees are appointed at the statutory Board meeting for one year, and the Committee's work is governed by the instructions to the Remuneration Committee, which are adopted by the Board. In 2022, the Committee held six meetings and consisted of Elisabeth Thand Ringqvist, Chair, and Louise Hedberg until the Annual General Meeting held on 17 May 2022, after which it consisted of Annette Brodin Rampe (Chair) and Louise Hedberg.

CEO AND GROUP MANAGEMENT
The Board appoints the CEO and adopts instructions for the CEO's work. The CEO is responsible for the Company's daily operations and for producing information and supporting documentation for the Board and, in dialogue with the Chair of the Board, the agendas for Board meetings. The CEO ensures the implementation of the stra-

tegic direction adopted by the Board and compliance with the Company's commitments to society, the environment, people and the financial market, in accordance with the Company's Code of Conduct and other policy documents. The CEO is responsible for implementing the policy documents adopted by the Board and reports any deviations to the Board. The CEO is supported in his work by other members of the Group management. The Group management meets regularly and deals with issues such as corporate governance, reporting, organisation and strategy. The Group management shall prepare matters that must be decided by the Board according to the Rules of Procedure for the Board and assist the CEO in implementing the resolutions of the Board. In addition to their individual area of responsibility, each member of Group management has a collective responsibility for the management of the Company. Storskogen's Group management consists of the CEO, the CFO, the Head of M&A and Corporate Development, the heads of the business areas Trade, Industry and Services, and the heads of Storskogen DACH and Storskogen UK, all of whom are presented in more detail on page 51.

Remuneration to Group management
According to the Guidelines for Remuneration to Senior Executives adopted at the Annual General Meeting on 17 May 2022, remuneration to the CEO and the Group management shall consist of fixed and short-term variable cash remuneration and long-term variable cash remuneration, other benefits and pension. Pursuant to a resolution passed at the 2022 Annual General Meeting, the Board shall prepare proposals to the Annual General Meeting on new guidelines at least every four years. The Board has prepared a Remuneration Report

that will be presented to the General Meeting. It describes the remuneration to the CEO in more detail, account of outstanding share incentive programmes and states the Company's Guidelines for Remuneration. Senior Executives have been and implemented. The Remuneration Report will be available on Storskogen's website later than three weeks before the General Meeting.

Investment Committee
Storskogen's Investment Committee consists of the Head of M&A and Corporate Development, the CEO and the relevant business area (Trade and Services) and the head of the relevant business area (Industry and Services). The Board has the authority to request the Committee to evaluate and decide on new acquisitions or decisions on acquisitions of companies and merge number of functions and merge corporate acquisitions, depending on the company's valuation and size of the company's value. In 2022, the Investment Committee has approved SEK 600 million, the Investment Committee has approved the Board's decision on whether to acquire decisions and reports to the Board on completed acquisitions.

Insider Committee
To identify, evaluate and manage insider information and make decisions on whether publishing insider information should be postponed, Storskogen has established an Insider Committee. The Insider Committee consists of the CEO, the General Counsel and the Head of IR.

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for 983350062

Board of Directors



JOHAN THORELL
Board Member
Chair of the Audit Committee
Elected to Board of Directors: 2019
Attendance at Board meetings in 2022: 3/31
Attendance at Audit Committee meetings in 2022: 6/6
Year of birth: 1970
Education: MSc in Business and Economics,
Stockholm School of Economics
Employment history: CEO of Eyringuskust Holding,
active in property management since 1986.
Assignments in the Company and other significant assignments: board member of Sto Group AB, CEO and Board member of Eyringuskust Holding AB, subsidiaries of Eyringuskust Holding AB (KVA) and Eyringuskust AB (EAB), and of KVA and Kalleborg. Property invest AB, Board member of AB Sjögo, Hermös Fastigheter AB and Niccocalo Holding AB (publ).
Shareholding, own or held by related parties as at 31 December 2022: 14,879,331 B shares
Independent in relation to the Company, its management and its largest shareholders. Yes

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

AUDITOR

Ernst & Young AB
Åsa Lundvall, auditor in charge
Authorised Public Accountant
Year of birth: 1970
Significant assignments outside Storskogen:
Auditor in charge of Dustin Group and Reijers,
auditor of Svenska Handelsbanken.

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Group management



DANIEL KAPLAN
CEO, Founder
Employed since: 2012
Year of birth: 1971
Education: MSc in Business and Economics, Stockholm School of Economics
Employment history: CEO, founder and chair of some 40 companies such as Tradegiant, Bofill, Firm Factory Network and Mobengo. Senior Advisor at Nasdaq OMX and consultant at Accenture.
Shareholding, own or held by related parties as at 31 December 2022: 38,270,140 A shares and 37,035,122 B shares. Participates with 21,816 savings shares in the share savings programme, 236,690 warrants and 556,270 employee stock options.



LENA GLADER
CFO
Employed since: 2019
Year of birth: 1978
Education: Master of Business Administration, Hanken School of Economics
Employment history: CFO of Eastline, SVP of Diplomat Communications, IKO at Telia2. Partner at Shared Value, stock analyst at Alfred Berg ABN AMRO.
Shareholding, own or held by related parties as at 31 December 2022: 722,870 B shares. Participates with 11,220 savings shares in the share savings programme, 12,122 warrants and 284,448 employee stock options.



ALEXANDER BJÄRGGÅRD
Head of M&A and Corporate Development, Founder
Employed since: 2012
Year of birth: 1974
Education: LL.M., Uppsala University and studies in business and other subjects at Boise State University, IFAPES and FFL
Employment history: Partner and serial entrepreneur at Firm Factory Network, General Counsel and Purchasing Manager at Tradimus, associate at Mannheim Swartling Advokatbyrå.
Shareholding, own or held by related parties as at 31 December 2022: 375,930,70 A shares and 27,591,998 B shares. Participates with 11,220 savings shares in the share savings programme, 12,122 warrants and 284,448 employee stock options.



PETER AHLGREN
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 Capble Capital, COO of Sparbo, Head of Service Factory, consultant at Accenture.
Shareholding, own or held by related parties as at 31 December 2022: 33,921,910 A shares and 15,714,607 B shares. Participates with 11,220 savings shares in the share savings programme, 12,122 warrants and 284,448 employee stock options.



FREDRIK BERGEGÅRD
Head Business Area Industry
Employed since: 2021
Year of birth: 1971
Education: MBA, IMD in Switzerland and MSc in Industrial Engineering and Management, Chalmers University of Technology in Gothenburg
Employment history: Sales Director at Ahlsvell, VP Sales at Gunnebo Industrial, Business Area Manager at Electrallux and Strategic Consultant at Accenture.
Shareholding, own or held by related parties as at 31 December 2022: 650,986 B shares. Participates with 11,220 savings shares in the share savings programme, 12,122 warrants and 284,448 employee stock options.



CHRISTER HANSSON
Head of Business Area Trade
Consultant since: 2016 and employee since 2021.
Year of birth: 1972
Education: MBA in Finance, Stockholm University
Employment history: Country Manager and Nordic Service & Solution Director at Dustin, Senior Sales Manager at Tella Company
Shareholding, own or held by related parties as at 31 December 2022: 34,670,488 B shares. Participates with 11,220 savings shares in the share savings programme, 12,122 warrants and 284,448 employee stock options.



MIKAEL NEGLÉN
Head of Storskogen UK
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 2022: 2,400,000 B shares. Participates with 11,220 savings shares in the share savings programme, 12,122 warrants and 402,966 employee stock options.



PHILIP LÖFGREN
Head of Storskogen UK
Employed since: 2020
Year of birth: 1982
Education: MSc in Business and Economics, Stockholm School of Economics
Employment history: CEO of Kivik, COO of Kivik, Director at Paragon Capital, COO of Sparbo, Co-founder of Madras Tech (now Zedco).
Shareholding, own or held by related parties as at 31 December 2022: 224,342 B shares. Participates with 11,220 savings shares in the share savings programme, 559,989 employee stock options.

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Guidelines for remuneration to the senior executives

Adopted at the Annual General Meeting on 17 May 2022

The following guidelines cover the Company's CEO and other members of the Group management. After adoption by the Annual General Meeting, the guidelines shall be applied to any remuneration agreed upon and to changes of 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 made possible by these guidelines.

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

Remuneration components and other terms and conditions

Total remuneration shall be on market terms and may comprise the following components: a fixed cash salary, short-term variable cash remuneration, long-term variable cash remuneration, other benefits and

pension. In addition to the provisions in the guidelines, the general meeting may resolve on share-based remuneration or remuneration linked to the share price.

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

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

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

Termination of employment

The notice period for a member of the Group management shall be no more than twelve 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 the payment of variable cash remuneration

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

When the performance criteria measurement period for the payment of variable cash remuneration has ended, an evaluation of the outcome 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 for employees

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.

The decision-making process establishing, evaluating and updating guidelines

The Board of Directors' Remuneration Committee is tasked with preparing Directors' decisions on proposed lines for remuneration to senior executives. The Board of Directors shall propose for new guidelines at least every two years and submit a proposal to the Annual General Meeting. The guidelines shall apply until new guidelines are adopted by the Annual General Meeting.

The Remuneration Committee shall monitor and evaluate progress towards the Company's business strategy and the application of the guidelines in terms of remuneration level and remuneration structures. Members of the Group management must not be present during Director's deliberations and remuneration-related matters affected by the issues.

Deviations from the guidelines

The Board of Directors may resolve to deviate from the whole or in part, if there are for a deviation in the individual term interests including its s to ensure the Company's financial interests. As stated above, the Remuneration Committee is tasked with preparing resolutions on related matters, which include deviation from the guidelines.

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Board of Directors' report on internal control

Internal control, which must be appropriate and effective, aims to provide reliable documentation and ensure that Storskogen complies with laws and regulations. Storskogen has an established control function that works methodically to onboard subsidiaries in the internal control framework for financial reporting. In addition, an annual self-assessment is made of the organisation's and the subsidiaries' internal control in the financial reporting process in order to ensure that there is a functioning finance department with sufficient resources to provide good and reliable financial reporting. All in all, the Board of Directors is of the view that the Company and its subsidiaries are managing internal control adequately and that there is no need for an internal audit function.

The internal control process 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 as well as monitoring activities.

Risk assessment

Storskogen's risk assessment aims to identify and assess risks associated with subsidiaries, financing and liquidity, strategy, sustainability and the risk of errors in the Company's financial reporting. The risk assessment forms the basis for the work on ensuring that the Company's control func-

tions are adequate. Storskogen conducts ongoing risk analyses of subsidiaries and once a year, the Group management holds a comprehensive risk workshop to identify the Group's significant risks, their probability and their possible impact, and then prepares action plans to manage the identified risks. The risk assessment is reported to the Board of Directors annually and when necessary. Read more about Storskogen's risk management on p. 60–62.

Control environment

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

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

- Code of Conduct
- Anti-Corruption Policy
- Internal Control Policy
- Instructions for financial reporting
- Information and Insider Policy
- Finance Policy

- Authorisation Rules
- Sustainability Policy
- Anti-Money Laundering Policy
- Policy on Trade Sanctions and Embargoes
- Whistleblowing Policy
- Risk Policy
- Information Security Policy
- Privacy policies
- Related Party Policy

Control activities

Storskogen's most significant risks are managed via control structures in the Group. Risks management can take the form of acceptance, mitigation through mitigating measures or complete elimination of risks. In 2022, several control activities were implemented. Companies that were acquired between 1 July 2021 and 30 September 2022 have initiated, and often completed, the surveying of their internal financial controls and procedures.

A statistical sample of these companies also performed self-assessments. In the surveys, Group companies were divided into two scopes – smaller and larger companies – based on sales and other relevant circumstances. The smaller companies implemented up to 24 key controls, including accounting manuals, accounting and authorisation rules and processes for invoice handling.

The larger companies' internal control was more advanced, with additional control activities and processes. If shortcomings were identified in the surveying, an action plan was prepared with subsequent reporting to the board of directors of the subsidiary in question. During the surveying of

processes in the larger companies, Storskogen assisted subsidiaries when needed. Any deviations from control processes are followed up in annual self-assessments.

The control structure measures identified during the surveying are reported to the board of directors subsidiary in question and to internal control functions, which report to the Audit Committee at an aggregated level.

A self-evaluation of Storskogen's internal processes and control activities was formed. Whenever deviations from action plans were identified, the self-assessment made of the self-assessment was reported to the Audit Committee.

Follow-up on control activities

To ensure the effectiveness of the control, it is followed up by the Directors, Audit Committee, management, the finance department and the Group's subsidiaries.

The follow-up includes reviewing financial reports against target demand-driven financial evaluation, business areas and verticals, the results of any internal audit up also includes follow-up on reported by Storskogen's subsidiaries.

Information and communication

External financial information is accurate, complete and reliable. Provision of information is based on Company's information and which meets the requirements

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Directors' report

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Directors' Report

The Board of Directors and the CEO of Storskogen Group AB (publ), corporate identity number 559223-8694, with its registered office in Stockholm, Sweden, hereby submits its annual accounts and consolidated accounts for the financial year 2022.

- The Group's financial year refers to 1 January to 31 December 2022.
- The Parent Company's financial year refers to 1 January to 31 December 2022.

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 companies with operations in the business areas Trade, Industry and Services. The Company's business concept is to identify, acquire, and develop market leaders with sustainable business models over an infinite ownership horizon.

Storskogen's mission is to empower businesses to realise their full potential. The Company has a long-term and sustainable perspective when it acquires and operates its companies. The Group companies have a shared focus on profitability, stable cash flows and a strong market position.

On 31 December 2022, the Company had 136 (105) business units with registered offices in Sweden, Denmark, Norway, Germany, Switzerland, Singapore and the United Kingdom. Storskogen's existing Group companies are divided into the three business areas: Services, Trade and Industry, with underlying verticals as illustrated on the right.

Business area

Vertical

Services

Contracting Services
Infrastructure
Installation
Digital Services
Engineering Services
Logistics
HR and Competence

Trade

Home and Living
Niche Businesses
Health and Beauty
Sports, Clothing and Accessories

Industry

Automation
Industrial Technology
Products

FIVE-YEAR SUMMARY

	2022	2021	2020
Net sales, SEK m	34,250	17,496	8,933
Operating profit, SEK m	2,613	1,406	774
Profit before tax, SEK m	2,111	1,233	673
Profit for the year, SEK m	1,592	947	574
Total assets, SEK m	47,482	32,223	12,172
Operating margin, %	7.6	8.0	6.7
Return on equity, %	8.8	10.4	13.2
Equity/assets ratio, %	41.3	51.5	47.8
Average number of employees	11,263	5,760	3,014

► For additional information on corporate governance and sustainability, see the Corporate Governance Report on p. 46–54 and the Sustainability Report on p. 32–44 and 134–150, which are separate from the Annual Report.

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STORSKOGEN ANNUAL AND SUSTAINABILITY REPORT 2022

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MARKET TRENDS

Demand in the market was strong across the board for all Storskogen's business areas in 2022, despite challenging external factors. Nonetheless, market conditions were affected by the continued Covid-19 pandemic, the war in Ukraine and the rising inflation and subsequent interest-rate hikes. These factors contributed to higher sickness absence rates, disruptions in supply chains and higher costs for many of the companies in the Group, particularly during the first six months of the year. Over the final six months, many cost increases levelled off and were somewhat compensated for by increased prices.

In the Services business area, the verticals Logistics and Digital Services benefited from good market conditions, while HR and Competence, Installation and Infrastructure faced challenges. In the Trade business area, demand was generally high over the year, even if missing deliveries, weaker e-commerce and the economic situation had a negative impact. Consumer demand fell during the second half of the year.

In the industry business area, the underlying market remained strong in general, with good demand, especially in the engineering and wood industries, but all companies were affected by cost inflation. All in all, the diversification in all Storskogen's business areas contributed to a relatively stable development.

Macroeconomic factors, such as high inflation with subsequent interest rate hikes, contributed to a cooling down of the acquisition market in the second half of 2022.

As a step in this development, and given the uncertain market outlook, Storskogen chose to adjust its short-term priorities with a focus on strengthening the Company's balance sheet and cash flow to allow the

return to an increased acquisition pace in the long term.

Over the year, acquisitions were made in Sweden, Norway, Denmark, Germany, Switzerland, Singapore and the United Kingdom.

OWNERSHIP STRUCTURE

On 31 December 2022, Storskogen had a total of 37,764 (16,608) shareholders. The Company has two types of shares, A shares and B shares. Each A share confers a right to ten votes and each B share confers a right to one vote. The ten largest owners accounted for approximately 68.2 percent (66.3) of the votes and approximately 42.7 percent (39.5) of the capital. Storskogen's B shares have been listed on Nasdaq Stockholm since 6 October 2021.

SIGNIFICANT EVENTS IN

THE FINANCIAL YEAR

Net sales for the Group grew by 96 percent to SEK 34,250 million (17,496). Organic sales growth was 12 percent (17) for the full year and the remaining growth was attributable to acquisitions. Operating profit increased by 86 percent to SEK 2,613 million (1,406), corresponding to an operating margin of 7.6 percent (8.0). Profit for the year increased by 68 percent to SEK 1,592 million (947). Cash flow from operating activities grew by 18 percent to SEK 1,628 million (1,376). Basic/diluted earnings per share totalled SEK 0.86 (0.60). For developments per vertical, see Note 3, Operating segments.

The improved performance during the year compared with the previous year is due to the stable underlying profitability in the Company's operations and positive contributions from acquired entities in all business areas.

Storskogen made 31 platform acquisitions (40) over the year and 23 add-on acquisitions (25), with combined annual sales of approximately SEK 11.9 billion (12.2). The acquisitions were made in several geographical areas spread across Storskogen's 14 verticals. The largest acquisitions in 2022 in the Services business area were of Thermanica and Vokus Personal. In the industry business area, the largest acquisitions were of LNS Holding and J&D Pierce. In the Trade business area, the largest acquisitions in 2022 were of Scandinavian Cosmetics Group and Acreto. For further information on acquisitions completed in 2022, see Note 5, Business combinations.

Over the year, additional financing was secured through the issue of SEK 1,000 million in additional bonds under an existing framework, a short-term bank facility agreement of EUR 500 million and an unsecured syndicated term facility agreement of EUR 300 million. A total of SEK 167 million (10,999) after transaction costs was contributed through issues of new shares over the year, of which SEK 167 million (86) were non-cash issues.

To adapt the Company to uncertain market conditions and ensure long-term sustainable development, several activities were initiated over the year. As part of this process, certain central resources were reduced and redistributed from M&A to operational roles, supporting the portfolio companies.

FUTURE DEVELOPMENT

Storskogen focuses on generating long-term adjusted EBITA growth in its existing business units and continuing its growth by acquiring profitable companies with stable cash flows and strong market positions. Storskogen's operations are diversified in

that the subsidiaries are spread across various sectors throughout the world and services sectors in the Nordic region, DACH, Asia and the UK.

To achieve its long-term strategic goals in the best possible manner, Storskogen focuses on its cash flow and balance sheet, while also increasing its focus on operational excellence and ensuring an optimal capital structure.

Storskogen does not provide official forecasts for next year's financial performance. The assessment is that Storskogen is financially strong and has the financial capacity to continue its growth according to its adopted strategy and targets.

PROPOSED APPROPRIATION

When proposing a dividend, the Board of Directors considers equity, financing needs, acquisition plans and other significant growth plans and the sign-off of the Board of Directors. The Board of Directors proposes a free funds of SEK 2,382,205,800 (1,406,000,000) to be carried over to the Annual General Meeting.

The Board of Directors proposes a dividend of SEK 17,105,104,727 (17,105,104,727) to be carried over to the Annual General Meeting. The Board of Directors' proposal entails a dividend of SEK 0.08 (0.07) per Series A share, SEK 0.08 (0.07) per Series B share, SEK 0.08 (0.07) per Series C share, SEK 0.08 (0.07) per Series D share, SEK 0.08 (0.07) per Series E share, SEK 0.08 (0.07) per Series F share, SEK 0.08 (0.07) per Series G share, SEK 0.08 (0.07) per Series H share, SEK 0.08 (0.07) per Series I share, SEK 0.08 (0.07) per Series J share, SEK 0.08 (0.07) per Series K share, SEK 0.08 (0.07) per Series L share, SEK 0.08 (0.07) per Series M share, SEK 0.08 (0.07) per Series N share, SEK 0.08 (0.07) per Series O share, SEK 0.08 (0.07) per Series P share, SEK 0.08 (0.07) per Series Q share, SEK 0.08 (0.07) per Series R share, SEK 0.08 (0.07) per Series S share, SEK 0.08 (0.07) per Series T share, SEK 0.08 (0.07) per Series U share, SEK 0.08 (0.07) per Series V share, SEK 0.08 (0.07) per Series W share, SEK 0.08 (0.07) per Series X share, SEK 0.08 (0.07) per Series Y share, SEK 0.08 (0.07) per Series Z share, SEK 0.08 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The Company after the proposed dividend is \$0.78, or \$780,780,727. After the dividend is paid, the Parent Company's equity/assets ratio will be approximately 51.3 percent (64.8%) and the Group's will be approximately 41.2 percent (51.4). The Board of Directors has assessed the Company's financial position and considers that the dividend is compatible with the requirements that the nature, scope and risks place on the size of the Company's equity as well as on the Company's consolidation needs, liquidity and position in general.

The Company's financial position remains strong after the proposed dividend and is deemed to be fully sufficient for the Company to be able to fulfil its obligations both in the short term and the long term and to make any necessary investments.

**GUIDELINES FOR REMUNERATION
TO THE SENIOR EXECUTIVES**

At the Annual General Meeting held on 17 May 2022, new guidelines for remuneration to senior executives were adopted, which apply to the CEO and other members of the Company's management. The guidelines include remuneration components, benefits and other components, terms and

conditions of termination and criteria for the payment of variable cash remuneration. The guidelines must be presented for resolution by the Annual General Meeting at least every four years. No changes to the guidelines will be proposed to the Annual General Meeting on 12 May 2023.

For more information on remuneration to senior executives, see Note 8, Employees, staff costs and remuneration to senior executives.

EVENTS AFTER YEAR-END

After the end of the financial year, Storöskogen completed three acquisitions, all of which were add-on acquisitions.

The Services business area completed an add-on acquisition through SoVent Group, which acquired HSV Häsleholm with the aim of extending and developing the existing offering of chimney sweeping and ventilation services. The acquisition included two fellow subsidiaries with combined annual sales of SEK 12 million.

The Industry business area completed two add-on acquisitions, both made by ARAT Group: Hega Kusten Resurs Teknik and Logimor were acquired with the aim of expanding the Group's expertise and offering in

the sawmill and wood processing industry. These acquisitions had combined annual sales of SEK 83 million.

Through the subsidiary Hilpert Electronics, the Trade business area has divested the company Medkoh AG in Switzerland, which had annual sales of approximately SEK 50 million. The reason for the divestment was that the Company's operations and size were incompatible with Storskogen's long-term strategy.

On 28 March, the Trade business area, via Vox Hair, signed an agreement to acquire 100 percent of the shares in Modern Design AS. The acquisition is subject to competition approval and is expected to be completed in the second quarter 2023. Modern Design is a Norwegian chain of hair salons with annual sales of SEK 110 million.

On 23 February, it was announced that Storskogen extended both of its outstanding unsecured facility agreements in full, by one year each. The extension included both the revolving credit facility of EUR 1 billion that was entered into on 24 September 2021, which was extended until 24 September 2025, and the unsecured syndicated term facility agreement of EUR 300 million

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Risks and risk management		
Storskogen's operations and companies are exposed to risks that may affect the Group. Storskogen applies a decentralised organisational model, which means that the Group companies are largely responsible for running their operations independently. The decentralised organisation places high demands on financial reporting, good corporate governance and internal control. The Group management governs,		controls and monitors the activities of the business units and is represented on the boards of directors of all business units. The boards of directors of the business units perform annual risk assessments, and Storskogen performs its own quarterly risk assessments of the business units. Storskogen's Group management conducts an annual risk workshop with input from other representatives from the Company.
Storskogen's operations and companies are exposed to risks that may affect the Group. Storskogen applies a decentralised organisational model, which means that the Group companies are largely responsible for running their operations independently. The decentralised organisation places high demands on financial reporting, good corporate governance and internal control. The Group management governs,		It regularly monitors risks and weighs the likelihood of impact as part of Storskogen's ownership responsibility in the subsidiaries and Group level corporate governance. Group management reports to the Board of Directors on the outcome from the risk workshop and the implementation of any mitigating measures that are deemed necessary. Storskogen's risks can be divided into five areas: strategic risks, operational
Storskogen's operations and companies are exposed to risks that may affect the Group. Storskogen applies a decentralised organisational model, which means that the Group companies are largely responsible for running their operations independently. The decentralised organisation places high demands on financial reporting, good corporate governance and internal control. The Group management governs,		risks, financial risks, regulatory risks and sustainability risks. Storskogen presents a selection of Storskogen's highly prioritised risks and the risks taken by the Company to the Board of Directors. For further information on Storskogen's risks and risk management, see page 111.
Strategic risks		
Strategic risks are risks that may prevent Storskogen from achieving its vision and targets and are often associated with operating in specific industries. These include changes in the economic cycle, structural changes, competition, acquisitions and growth strategy.		
Risks		
Budget and forecast process		
The risk of an inadequate budget and forecast process may lead to incorrect documentation on which to base decisions, incorrect working capital requirements, incorrect revenue recognition and inaccurate signals to the stock market.		
Strategic long-term approach		
The risk of Storskogen being governed by short-term decisions to meet market and stakeholder expectations, which may worsen conditions in the long term.		
Recruiting		
The risk that employees or key individuals leave Storskogen, causing the Company to lose skills or the ability to instil trust or making recruitment more difficult.		
Market dynamics		
Risk of macroeconomic trends such as a recession or inflation, which could impact profits in portfolio companies negatively.		
Communication and relationships		
Risks associated with a failure to handle media publicity in a credible way, which in turn may affect confidence, capital raising and business opportunities.		
Storskogen		
Annual and Sustainability Report 2022		
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INTRODUCTION	4	Strategic risks, cont.	Medium		
STRATEGY AND BUSINESS MODEL	8	Risks	Risk management		
BUSINESS AREAS	21	Financial communication	In 2022, Storskogen made a significant alteration of the Group's communication strategy, which includes internal and external communications as well as communication to the media, with the aim of ensuring that the Company's financial communication is reliable, uniform and complete.		
SUSTAINABILITY REPORT	32	Operational risks	Operational risks include risks associated with effectiveness, internal processes and activities, the use of resources and system and the Group's employees.		
CORPORATE GOVERNANCE	45	Risks	Risk management		
DIRECTORS' REPORT	55	Data and information security	Implementation of an IT Policy, Information Security Policy, a Contingency Policy and a mandatory risk analysis of the IT environments in Storskogen's business units in connection with onboarding or the completion of acquisitions.		
DIRECTORS' REPORT	56	IT systems, which may cause the leaking of trade secrets, money or sensitive customer/supplier information.	Continuous information is provided to new Storskogen employees regarding IT and IT security. In 2022, an employee training programme for employees at Storskogen's head office was launched, aimed at raising awareness of security issues.		
RISK AND RISK MANAGEMENT	60	Personnel and HR	Employee surveys assess employee well-being and engagement and allow each manager to take specific measures to maintain Storskogen's culture and entrepreneurial spirit. When recruiting, Storskogen has a strong focus on maintaining the entrepreneurial spirit and consensus on values among its employees.		
FINANCIAL STATEMENTS	63	Group due to the implementation of new formal and onerous procedures or if Storskogen's governance becomes too centralised.	Unforeseen events are generally difficult to predict and must be managed based on the specific situation.		
SUSTAINABILITY NOTES	134	Unforeseen events	In the event of war, a trade war or material shortages, Storskogen's business units would be affected to varying degrees due to their geographical dependencies and the location of their customers. One way of mitigating this risk is to identify alternative suppliers.		
STORSKOGEN'S SHARE	151	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.		
Financial risks			Risk management		
Risks			Storskogen performs data-driven forecasting to ensure future capital requirements. In 2022, Storskogen adjusted its acquisition pace and increased its focus on cash flow and operational excellence in the business units. Storskogen also proceeds with particular caution and ensures that there are sufficient buffers in the case of decisions that require significant capital.		
Financing			Storskogen's financing and financial risks are managed in accordance with the Company's Finance Policy. The aim is to achieve a diversified debt portfolio in the long term as regards maturities and types of debt, and to have an interest-bearing net debt of 2–3x RTM EBITDA. Interest rate risk is managed by enabling the use of interest rate derivatives. Exchange rate fluctuations are managed through diversification and by subsidiaries hedging some of their purchases in foreign currencies.		
Market			Storskogen has an active approach to the business units' working capital and cash flows to prevent increased leverage. To manage EBITA risks, contingency plans have been developed that include cost savings, increased prices and limits on high purchase orders.		
Capital structure and leverage					
The risk of too-high leverage in Storskogen or that committed measures to reduce the leverage do not succeed. The risk of unplanned increases in leverage, such as due to weakened cash flows.					
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Financial statements

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			1 January–31 December, SEK million	Note	2021	2022
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CONSOLIDATED INCOME STATEMENT						
1 January–31 December, SEK million	Note	2021	2022		2021	2022
Net sales	3, 4	17,496	34,250		17,496	
Cost of goods sold	6–9	–13,792	–27,475		–13,792	
Gross profit		3,704	6,775		3,704	
Selling expenses	6–9	–1,408	–2,890		–1,408	
Administrative expenses	6–9	–1,171	–2,032		–1,171	
Other operating income	10	539	1,393		539	
Other operating expenses	10	–257	–634		–257	
Operating profit		1,406	2,613		1,406	
Financial income		152	479		152	
Financial expenses		–325	–980		–325	
Net financial items	11	–173	–502		–173	
Profit before tax		1,233	2,111		1,233	
Tax	12	–286	–519		–286	
Profit for the year		947	1,592		947	
Profit for the year attributable to:						
Owners of the Parent Company		856	1,436		856	
Non-controlling interests		91	157		91	
Basic and diluted earnings per share, SEK	Note	2021	2022		2021	2022
Basic and diluted earnings per share, Series A shares	32	0.60	0.86		0.60	
Basic and diluted earnings per share, Series B shares	32	0.60	0.86		0.60	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME						
1 January–31 December, SEK million	Note	2021	2022		2021	2022
Profit for the year		947	1,592		947	
Other comprehensive income		70	2,298		70	
Comprehensive income for the year, net of tax		2,298	2,298		2,298	
Comprehensive income for the year, net of tax, attributable to:						
Owners of the Parent Company		2,088	2,222		2,088	
Non-controlling interests		210	76		210	
Comprehensive income for the year, net of tax		2,298	2,298		2,298	

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CONSOLIDATED BALANCE SHEET

SEK million	Note	31 Dec 2022	31 Dec 2021
Assets			
Intangible assets	13	25,566	15,344
Property, plant and equipment	14	3,604	2,123
Right-of-use assets	27	1,701	1,209
Financial assets		8	8
Non-current receivables		72	26
Pension obligation assets	21	9	-
Deferred tax assets	12	133	62
Total non-current assets		31,093	18,771
Inventories	15	5,203	2,924
Tax assets		475	253
Trade receivables	17	4,940	2,925
Contract assets	4	1,651	424
Prepaid expenses and accrued income	16	622	397
Other receivables		474	360
Current investments	25	1	1
Cash and cash equivalents	18	3,022	6,167
Total current assets		16,389	13,452
Total assets		47,482	32,223

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FINANCIAL STATEMENTS	SEK million	Note	31 Dec 2022
	Equity		
	Share capital	19	13,101
	Other contributed capital		56
	Reserves	19	5,922
	Retained earnings including profit for the year		19,559
	Equity attributable to owners of the Parent Company		38,148
	Non-controlling interests		
			3
	Total equity		19,622
Liabilities			
Interest-bearing non-current liabilities		20	13,222
Non-current lease liabilities		20, 27	1,222
Provisions for pensions		21	20
Other non-current liabilities		23	23
Provisions		22	4
Deferred tax liabilities		12	1,816
Total non-current liabilities			18,910
Interest-bearing current liabilities		20	20
Current lease liabilities		20, 27	42
Contract liabilities		4	13
Trade payables			2,566
Tax liabilities			85
Other liabilities		23	1,611
Accrued expenses and deferred income		24	1,833
Provisions		22	4
Total current liabilities			8,944
Total liabilities			27,854
Total equity and liabilities			47,482

1) In 2021, equity was restated through a reallocation between equity attributable to owners of the Parent Company and non-controlling interests. For further information, see the consolidated statement of changes in equity.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEKm	Equity attributable to owners of the Parent Company					Non-controlling interests
	Share capital	Other contributed capital	Translation reserve	Hedging reserve	Retained earnings incl. profit for the year	
Opening balance, 1 January 2022	1	12,939	77	6	2,373	1,183
Adjustment of opening balance, equity	-	-	-	-	1,169	-1,169
Opening balance, equity, after correction	1	12,939	77	6	3,542	24
Comprehensive income for the year						
Profit for the year	-	-	-	-	1,436	1,436
Remeasurements of defined benefit pension plans	-	-	-	-	148	148
Other comprehensive income for the year	-	-	498	-16	-	67
Comprehensive income for the year	-	-	498	-16	1,584	226
Transactions with the Group's owners						
Contributions from and value transfers to owners						
Dividends paid	-	-	-	-	-116	-116
Share issue, non-cash	0	168	-	-	-	168
Transaction costs of issue of shares, after tax	-	0	-	-	-	0
Share-based payment transactions	-	-	-	-	30	30
Put options attributable to non-controlling interests	-	-	-	-	1,050	-1,739
Total contributions from and value transfers to owners	0	167	-	-	964	-1,862
Changes in ownership of subsidiaries						
Acquisition of non-controlling interest, existing control	-	-	-	-	-169	-17
Acquisition of affiliate, existing non-controlling interest	-	-	-	-	-	1,622
Divestment of non-controlling interest, control remains	-	-	-	-	2	42
Total changes in ownership of subsidiaries	-	-	-	-	-168	1,646
Total transactions with the Group's owners	0	167	-	-	796	-216
Closing balance, 31 December 2022	1	13,106	575	-10	5,923	34

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, CONT.

	Equity attributable to owners of the Parent Company					Non-controlling interests
	Share capital	Other contributed capital	Translation reserve	Hedging reserve	Retained earnings incl. profit for the year	Total
Storskogen Group based on joint control, SEK million						
Opening balance, 1 January 2021	1	1,929	-10	11	2,977	4,909
Adjustment of opening equity attributable to owners of the Parent Company due to correction of errors ¹⁾	-	-	-	-	344	344
Opening equity attributable to owners of the Parent Company after correction of errors ¹⁾	1	1,929	-10	11	3,321	5,253
Comprehensive income for the year						9
Profit for the year	-	-	-	-	856	856
Remeasurements of defined benefit pension plans	-	-	-	-	-19	-19
Other comprehensive income for the year	-	-	87	-6	-	81
Comprehensive income for the year	-	-	87	-6	837	918
Transactions with the Group's owners						102
Contributions from and value transfers to owners						-32
Dividends paid	-	-	-	-	-536	-536
Share issue, cash	0	10,319	-	-	-	10,319
Share issue, non-cash	0	861	-	-	-	861
Transaction costs on issue of shares, after tax	-	-181	-	-	-	-181
Contributed capital from issued share options	-	10	-	-	-	10
Share-based payment transactions	-	-	-	-	5	5
Shareholder contribution from minority/non-controlling interest	-	-	-	-	-	-
Put options attributable to non-controlling interests ¹⁾	-	-	-	-	-65	-65
Total contributions from and value transfers to owners	0	11,009	-	-	-596	10,413
Changes in ownership of subsidiaries						-840
Acquisition of non-controlling interest, existing control	-	-	-	-	-30	-30
Acquisition of affiliate, existing non-controlling interest	-	-	-	-	-	-
Divestment of non-controlling interest, control remains	-	-	-	-	10	10
Total changes in ownership of subsidiaries	-	-	-	-	-20	-20
Total transactions with the Group's owners	0	11,009	-	-	-616	10,393
Closing balance, 31 December 2021	1	12,939	77	6	3,542	16,564

1) The distribution of the opening balance as at 1 January 2021 was adjusted due to the correction of an error from the previous year. Several of Storskogen's subsidiaries have put options for buying out non-controlling interests. These put options were not recognised in Other liabilities in the consolidated balance sheet. As the minority's share of the Group's total equity is reflected in the reported liability, this liability should also not be included in the item Non-controlling interests. This adjustment was made retroactively, which involved a transfer from non-controlling interests to equity attributable to owners of the Parent Company. As at 1 January 2021, equity attributable to owners of the Parent Company grew from SEK 4,808 million to SEK 5,253 million, and equity attributable to owners of the Parent Company was reduced by the same amount, from SEK 353 million to SEK 8 million. The closing balance for equity attributable to owners of the Parent Company at 31 December 2021 rose by SEK 1,169 million, from SEK 15,395 million to SEK 16,564 million, and non-controlling interests as at 31 December 2021 decreased by the same amount, from SEK 1,193 million to SEK 24 million. This correction has no effect on the Group's total equity or on the other financial statements.

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CONSOLIDATED CASH FLOW STATEMENT

SEK million	Note	2022	2021
Operating activities			
Profit before tax		2,111	1,233
Adjustment for non-cash items	31	1,351	757
Income tax paid		-690	-348
Cash flow from operating activities before changes in working capital		2,772	1,641
Increase (-)/decrease (+) in inventories		-882	-527
Increase (-)/decrease (+) in operating receivables		-583	-308
Increase (+)/decrease (-) in operating liabilities		122	570
Cash flow from operating activities		1,628	1,376
Investing activities			
Purchase of property, plant and equipment		-665	-407
Proceeds from sale of property, plant and equipment		74	57
Purchase of intangible assets		-63	-25
Acquisition of subsidiary/business, net effect on liquidity	5	-9,047	-7,825
Acquisition of minority interests		-187	-40
Proceeds from sale of minority interests/subsidiaries		41	16
Acquisition of financial assets		-	0
Disposals of financial assets		44	759
Cash flow from investing activities		-9,802	-7,465

SEK million	Note	2022
Financing activities		
Proceeds from issues of shares		10,833
Transaction costs on issue of shares		-511
Contributed capital from issued share options		-53
Borrowings		-11
Repayment of loans		-12
Repayment of lease liability		
Dividends to owners of the Parent Company		
Dividends to non-controlling interests		
Cash flow from financing activities		4,933
Cash flow for the year		-3,233
Cash and cash equivalents at the beginning of the year	18	616
Exchange rate difference in cash and cash equivalents		9
Cash and cash equivalents at end of year		3,022

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PARENT COMPANY STATEMENT OF PROFIT OR LOSS

	1 January–31 December, SEK million	Note	2022	2021
Net sales		34	156	104
Administrative expenses			-323	-258
Other operating income			0	3
Other operating expenses			0	-16
Operating profit			-166	-168
Profit/loss from participations in Group companies		42	-	397
Interest income and similar items		43	1,469	283
Interest expenses and similar profit/loss items		44	-775	-239
Profit/loss after financial items			527	273
Appropriations		45	0	392
Profit before tax			527	665
Tax		38	-43	-56
Profit for the year			485	608

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

	1 January–31 December, SEK million	Note	2022	2021
Profit for the year				485
Comprehensive income for the year				485

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PARENT COMPANY BALANCE SHEET

SEK million	Note	31 Dec 2022	31 Dec 2021
Assets			
Non-current assets			
Intangible assets		0	0
Property, plant and equipment		1	1
Financial assets			
Participations in Group companies	47	4,777	4,006
Receivables from Group companies	35, 49	23,526	12,999
Other non-current receivables	41	–	–
Total financial assets		28,343	17,005
Total non-current assets		28,344	17,006
Current assets			
Current receivables			
Receivables from Group companies	35, 49	3,918	3,535
Other receivables		30	50
Prepaid expenses and accrued income		8	6
Total current receivables		3,956	3,591
Cash and bank balances		1,168	4,976
Total current assets		5,124	8,567
Total assets		33,469	25,573

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SEK million	Note	31 Dec 2022	
Equity and liabilities			
Equity			
Restricted equity			
Share capital			
Unrestricted equity			
Shareholder contributions			
Retained earnings			
Share premium reserve			
Profit for the year			
Total equity		17,234	17,234
Untaxed reserves			
Accumulated accelerated amortisation/depreciation			
Total untaxed reserves			
Provisions			
Other provisions for pensions and similar commitments			
Total provisions			
Non-current liabilities			
Liabilities to credit institutions			
Total non-current liabilities		12,940	12,940
Current liabilities			
Liabilities to credit institutions			
Trade payables			
Liabilities to Group companies			
Tax liabilities			
Other current liabilities			
Accrued expenses and deferred income			
Total current liabilities		3,286	3,286
Total equity and liabilities		33,460	33,460

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PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK million	Restricted equity		Unrestricted equity		Profit for the year
	Share capital	Ongoing new issue	Shareholder contribution ¹⁾	Retained earnings	
Opening balance, 1 January 2022	1	-	3,140	607	12,938
Comprehensive income for the year	-	-	-	-	-
Profit for the year	-	-	-	-	485
Comprehensive income for the year	-	-	-	-	485
Shareholder contributions	-	-	-3,140	3,140	-
Dividends paid	-	-	-	-116	-
Set-off issue	0	-	-	-	168
Share-based payment transactions	-	-	-	17	-
Closing balance, 31 December 2022	1	-	-	3,647	13,106

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

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SEK million	Restricted equity		Unrestricted equity		Profit for the year
	Share capital	Ongoing new issue	Shareholder contribution ¹⁾	Retained earnings	
Opening balance, 1 January 2021	1	0	3,140	534	1,929
Comprehensive income for the year	-	-	-	-	-
Profit for the year	-	-	-	-	608
Comprehensive income for the year	-	-	-	-	608
Dividends paid	-	-	-	-536	-
Share issue, cash	0	0	-	-	10,319
Share issue, non-cash	0	-	-	-	861
Transaction costs on issue of shares, after tax	-	-	-	-	-181
Contributed capital from issued share options	-	-	-	-	10
Closing balance, 31 December 2021	1	-	3,140	-2	12,938

1) The shareholder contribution of SEK 3,140 million is an unconditional shareholder contribution that was received by Storskogen Group AB in connection with the Group's formation in 2018. The contribution comprises shares in the three Storskogen Groups.

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PARENT COMPANY CASH FLOW STATEMENT

SEK million	Note	2022	2021 ¹⁾
Operating activities			
Profit before tax		527	665
Adjustment for non-cash items	51	-524	-713
Dividends received from subsidiaries		502	406
Income tax paid		-5	-
		500	357
Increase (-)/decrease (+) in operating receivables		-43	-33
Increase (+)/decrease (-) in operating liabilities		-4	-84
Cash flow from operating activities		453	240
Investing activities			
Shareholders' contributions provided		-628	-5
Purchase of property, plant and equipment		-1	-1
Lending to Group companies		-9,211	-10,162
Net change in deposits/borrowings, cash pool		-1,163	1,027
Disposals of financial assets		-	744
Other change in financial assets		-1	-
Cash flow from investing activities		-11,005	-8,397
Financing activities			
Proceeds from issues of shares		-	10,329
Transaction costs on issue of shares		0	-227
Borrowings		10,660	8,642
Repayment of loans		-3,800	-6,200
Dividends paid		-116	-536
Cash flow from financing activities		6,744	12,008
Cash flow for the year		-3,808	3,851
Cash and cash equivalents at the beginning of the year		4,976	1,125
Cash and cash equivalents at end of year		1,168	4,976

1) An adjustment of the Parent Company's cash flow statement was made for 2021. Dividends received was separated into its own line item in cash flows. In the previous year, the net effect of dividends received and an adjustment for expected dividends that had not been paid were presented as an adjustment in non-cash items. Cash flow from operating activities and total cash flows were not affected by the adjustment. Also, the net change in deposits/borrowings, cash pool was separated into its own line item in the Parent Company's cash flows. The adjustment affected Borrowings to Group companies by SEK +1,629 million and Deposits from Group companies by SEK -2,857 million. Total cash flows were not affected.

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SUSTAINABILITY REPORT	The consolidated accounts were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations by the IFRS Interpretations Committee (IFRIC), as adopted by the European Union (the EU). The Group also applies the Swedish Annual Accounts Act (1995:155-4) and IFRS 1 'Supplementary Accounting Rules for Groups', issued by the Swedish Financial Reporting Board.	32
CORPORATE GOVERNANCE	The Board of Directors adopted this document on 24 March 2023. The financial statements will be adopted at the Annual General Meeting to be held on 12 May 2023.	45
DIRECTORS' REPORT	The preparation of reports in accordance with IFRS requires the use of key accounting estimates. It also requires the Management Team to exercise its judgement in the application of the Group's accounting policies. Areas that involve a higher degree of judgement or complexity and areas where assumptions and estimates are significant for the consolidated financial statements are provided in Note 2. Significant estimates and assumptions in the financial statements.	55
FINANCIAL STATEMENTS	On 15 November 2018, Storskogen Group acquired the following three groups: Storskogen Industrier AB, Storskogen Utveckling AB and Storskogen 3 Invest AB. These groups were all under the control of four individuals. Through shareholder's agreements and other agreements, the four of them jointly controlled the essential activities of the three groups, and since 2014, they had joint control of 60–80 percent of the votes in each group. The transaction was made in the following manner: The shareholders of Storskogen Industrier AB, Storskogen Utveckling AB and Storskogen 3 Invest AB received shares in the newly formed Storskogen Group AB. Directly after, they transferred their shares in each investment company to Storskogen Group AB as an unconditional shareholder contribution. Hence, the formation of the Storskogen Group was a joint control transaction and therefore not covered by any IFRS standard. This means that a suitable accounting policy shall be applied in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. An established and generally accepted policy is to use the carrying amounts that were previously used (predecessor basis), which is the policy that Storskogen chose to apply. The financial statements for 2019 and up to the Group's formation in November 2019 and 2018 are aggregations of the financial information for the above-mentioned groups and are presented as if these entities were a group during the comparative years for these periods.	63
	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 2022. 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.	64
CERTIFICATION BY THE BOARD OF DIRECTORS	The German subsidiaries listed below, which either have the legal form of a company or a partnership, make use of the exemptions according to the above description, which are provided in Sections 264 Abs 3 and 264b HGB.	126
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Company/Business	Registered office
ÅSK Die Fische Küche GmbH	Recklinghausen
Brünnler-Anliker GmbH	Waldshut-Tiengen
Casino Menuservice GmbH	Wuppertal
Christ & Wirth Haustechnik GmbH	Zwenkau
DIMABAY Digital GmbH	Berlin
DIMABAY GmbH	Berlin
DS SafetyWear Arbeitsschutzprodukte GmbH	Lohmar
Eppstein Technologies GmbH	Eppstein
EppsteinFalls GmbH	Eppstein
EppsteinFalls Holding GmbH	Eppstein
Fallturm Holding GmbH	Eppstein
Hans Kammerer GmbH	Wachtendank
HK Immobilien GmbH	Munich
LNS Deutschland GmbH	Leonberg
Nutritum GmbH	Cuxhaven
PBT Germany GmbH	Siegen
Raleff GmbH & Co KG	Altbach
Schaufler GmbH	Altbach
Schaufler Tooling GmbH & Co KG	Laichingen
SF Tooling Group GmbH	Laichingen
SO-CON Leit- und Steuerungstechnik GmbH	Laichingen
Stahlbau Verwaltungs-GmbH	Bannheim
Storskogen Deutschland GmbH	Altbach
SudWind Lebensmittel GmbH	Munich
Weldinger GmbH	Cuxhaven
Wingert Foods Export GmbH	Malsach
Wingert Foods GmbH	Cuxhaven

Unless otherwise stated, the accounting policies described below have been applied consistently over the periods and for all companies that are included in the financial statements. Unless otherwise stated, 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 Company and the Group. This means that the financial statements are presented in Swedish kronor in this report are expressed in million Swedish kronor (SEK million) unless otherwise stated. Roundings may occur.

OPERATING SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which revenues and incur expenses and for which discrete financial information is available. The reporting segment is further reviewed by the entity's highest executive decision maker to assess its performance and make decisions about resources to be allocated to the segment. See Note 3 for an additional division into and presentation of operating segments.

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Note 1: Significant accounting policies, cont.

CONSOLIDATION POLICIES AND BUSINESS COMBINATIONS
Subsidiaries

A subsidiary is a company that is under the control of Storskogen Group AB, hereinafter referred to as Storskogen or the Group. Storskogen controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The assessment of whether there is control considers potential voting shares or whether there is de facto control.

Subsidiaries are recognised in accordance with the acquisition method of accounting. According to this method, the acquisition of a subsidiary is regarded as a transaction by which the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The fair value of the identifiable assets acquired and liabilities assumed and any non-controlling interests on the acquisition date are determined in the purchase price allocation. Transaction costs except for transaction costs that are related to the issue of equity instruments or debt instruments are reported directly in operating profit or loss.

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

Contingent considerations are measured at fair value on the acquisition date. Contingent consideration classified as equity is not to be remeasured and its subsequent settlement is to be accounted for within equity. Other contingent considerations are remeasured at each reporting date and the change is recognised in profit or loss.

If less than 100 percent of the subsidiary is acquired, it may be deemed to constitute a non-controlling interest. For each acquisition, it is determined whether any non-controlling interests shall be measured at fair value or as a proportionate share in the recognised amounts of the acquiree's identifiable net assets. Other liabilities measured at fair value include put/call options to purchase non-controlling interests and the changes are recognised in equity.

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. 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 in profit or loss when a divestment causes a loss of control.

Transactions eliminated on consolidation

Intra-Group receivables and liabilities, income or expenses and unrealised gains or losses arising from intra-Group transactions between Group companies are eliminated in full when the consolidated accounts are prepared.

FOREIGN CURRENCY

Foreign currency transactions

Foreign currency transactions are translated into the functional currency at the exchange rate on date of the transaction. The functional currency is the currency of the primary economic environments in which the Group's companies carry out their business. Monetary assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate in force on the balance sheet date. Exchange rate differences arising from the transactions are recognised in profit/loss for the year. Non-monetary assets and liabilities recognised at their historical costs are translated at the exchange rate applicable at the time of the transaction. Non-monetary assets and liabilities recognised at fair value are translated to the functional currency at the rate in effect at the time of the fair value assessment.

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Financial statements of foreign operations

Assets and liabilities of foreign operations, including goodwill and other Group-related surplus, are translated from the foreign operations' functional currency to the Group's reporting currency, translated from the record date. Income and expenses of foreign operations are translated into SEK at the rate that is an approximation of the foreign exchange rates that applied on each transaction date. 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 and translation differences are reclassified from the translation reserve in equity to profit or loss.

REVENUE

The Group's revenue is chiefly derived from the sale of goods and from service engagements. It recognises revenue when it satisfies a performance obligation by transferring a promised good or service to the customer and the customer obtains control of the good or service. A performance obligation is satisfied 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 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 separable from other promises in the contract. The revenue consists of the amount that the Company exchanges for goods or services transferred. The Group's customer contracts are analysed in a five-step model found in IFRS:

Step 1: Identify a contract between two or more parties that creates enforceable rights and obligations.
Step 2: Identify the separate promises (performance obligations) in the contract and determine whether they are separately identifiable and shall be recognised separately.

Step 3: Determine the transaction price, i.e., the consideration that the company expects to receive for the promised goods or services. The transaction price shall be adjusted for variable elements, such as discounts or rebates.

Step 4: Allocate the transaction price to separate performance obligations. If a contract contains multiple performance obligations, the transaction price is allocated to each distinct performance obligation on a stand-alone selling price. The stand-alone selling price is the price that would be charged if the performance obligation was sold separately. The transaction price can be set in several ways. If there is an observable stand-alone selling price, the transaction price is set at that price. Otherwise, the standard allows three ways of calculating the stand-alone selling price:

- Determined market prices
- Estimated manufacturing cost plus a margin
- Residual approach (only allowed under certain limited circumstances)

Step 5: Recognise revenue when (or as) each performance obligation is satisfied, i.e., when control of the goods or services is transferred to the customer. This occurs at a point in time or over time depending on whether the criteria for the recognition of revenue are met. The amount recognised as revenue is the amount of the transaction price allocated to the performance obligation in question.

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 costs would have been recognised in one year or less.

The Group's main revenue streams and their recognition are described below.

Revenue from the sale of goods

The Group's contracts for the sale of goods to customers comprise both framework agreements and specific orders. The Group's customers are private individuals, companies and business entities. Under 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

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Note 1 Significant accounting policies, cont.

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 on a straight-line basis over the lease term.

FINANCIAL INCOME AND EXPENSES

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

Interest income from financial instruments is recognised according to the effective interest method (see the Results below). 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.

through profit or loss, and each loss of an asset or liability is reported from profit or loss. The following 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.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of a financial asset or liability to the net carrying amount of the financial asset or liability. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate transaction costs and all other premiums or discounts.

TAX

Income taxes consist of current tax and deferred tax. Income taxes are recognised in profit or loss for the year, except if the underlying transaction is recognised in other comprehensive income or in equity, in which case the related tax effects are recognised in other comprehensive income or equity.

Current tax is tax due for payment or receipt in respect of the financial year using tax rates decided upon or virtually decided upon at the reporting date. Any adjustment of current tax attributable to previous periods is also included in current tax.

Deferred tax is calculated in accordance with the balance sheet method based on temporary differences between the carrying amounts and taxable values of assets and liabilities. Temporary differences are neither taken into consideration in Group-wide goodwill nor in differences arising on the initial recognition of assets and liabilities that are not business combinations and that do not affect either the reported or taxable profit at the time of the transaction. Nor are temporary differences taken into account that are related to participations in subsidiaries and associated companies which are not expected to be reversed in the foreseeable future. The value-added tax is based on how carrying amounts of assets or liabilities are expected to be realised or settled. Deferred tax is calculated by applying the tax rates and regulations decided upon or virtually decided upon at the balance sheet date.

Deferred tax assets for tax-deductible temporary differences and tax loss carryforwards are recognised only to the extent it is likely that they can be utilised. The value of deferred tax assets is derecognised when it is no longer deemed likely that they can be utilised. Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset tax assets and tax liabilities and the deferred tax relates to the same Group entity and the same taxation authority.

Any additional liability.

FINANCIAL INSTRUMENTS

A financial instrument is every form of agreement that gives rise to a financial asset for one counterparty and a financial liability for another company. Financial instruments that are reported as assets on the balance sheet include shares, trade receivables, other receivables and cash and cash equivalents. Those that are reported as liabilities include trade payables, contingent considerations and other liabilities. Recognition and measurement of financial instruments is based on the classification of the financial instrument in the following categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss
- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit or loss
- Financial assets and liabilities at fair value through other comprehensive income

Fair value is determined according to the description in Note 25.

Recognition and derecognition

Financial assets and liabilities are reported when the Group becomes a party according to the contractual terms and conditions. Transactions in financial assets are reported on the trade date, presents the day on which the company undertakes to acquire or dispose of the assets. Trade receivables are included on the balance sheet when the invoice has been sent and the Group intends to consider the receivable as a contractual obligation. Liabilities are included on the balance sheet when the counterparty has fulfilled its obligation to the company, or when the company has accepted a contractual obligation to pay, even if an invoice has not yet been received. Trade payables, when the invoice has been received.

A financial asset is derecognised from the balance sheet (wholly or in part) when the rights to receive cash or other financial assets have been realised or matured or when the Group no longer has control over it. When the balance sheet contains a financial asset, the balance sheet must also contain a liability for the obligations arising from the contract. If the contract has been discharged, the financial assets and financial liabilities are offset on the balance sheet only if the financial assets and financial liabilities are of the same nature and are subject to the same risks. If the contract has not been discharged, the recognised amounts and there is an intention to settle on a net basis, the asset and liability are offset. Gains and losses from derecognition from the balance sheet and modifications are recognised in the profit or loss.

Classification and measurement

Financial assets

Debt instruments: Financial assets that are debt instruments are classified according to the model for managing the asset and the contractual cash flow characteristics of the asset. The assets are classified in one of the following categories:

- Amortised cost
- Fair value through profit or loss
- Fair value through other comprehensive income

Financial assets that are measured at amortised cost are held within the business model of cash flows, where those cash flows solely represent payments of principal and interest at fixed or determinable amounts. Financial assets that are measured at amortised cost are initially measured at fair value less transaction costs. After initial recognition, the assets are measured using the effective interest method. The assets are subject to a loss allowance for expected credit losses. Those of the group's financial instruments include trade receivables, financial investments and cash and cash equivalents classified at amortised cost. Derivative instruments are recognised at fair value less transaction costs applied.

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		FINANCIAL STATEMENTS	
INTRODUCTION	4	The recoverable amount is the higher of fair value less selling expenses and value in use. Upon value in use, future cash flows are discounted at a discount rate that takes into account risk for risk associated with the specific asset.	
STRATEGY AND BUSINESS MODEL	8	Reversal of impairment Impairment losses on assets covered by IAS 36 shall be reversed if there is an indication that the no longer exists and that there has been a change in the assumptions which formed the basis of the recoverable amount. However, impairment losses on goodwill are never reversed. A reversal to the extent that the asset's carrying value after reversal does not exceed the carrying value it have had with a deduction for amortisation or depreciation, if no impairment loss had been recognised.	
BUSINESS AREAS	21	Impairment of financial assets Financial assets, other than those that are classified at fair value through profit or loss and equity measured at fair value through other comprehensive income, are subject to impairment related credit losses. Contract assets that are not measured at fair value through profit or loss are also subject to impairment. Impairment related to credit losses according to IFRS 9 are forward-looking, and be made if there is exposure to credit risk, generally upon initial recognition of an asset or receivable. Credit losses reflect the present value of all cash shortfalls related to default, either for the next expected remaining maturity of the financial instrument, depending on the asset class and or since initial recognition. The simplified approach is applied to trade receivables, lease receivables and contract assets. The simplified approach, a loss allowance is recognised for the lifetime expected credit losses on the asset. Other items that are included in expected credit losses are subject to an impairment made initially, and on every reporting date, a loss allowance is recognised for the next 12 months, or for depending on the remaining maturity (stage 1). If there has been a significant increase in credit recognition that results in a rating below investment grade, investments with a high or the high loss allowance is recognised for the remaining maturity of the asset (stage 2). For assets that are credit-impaired, a loss allowance for expected credit losses will be made for the remaining maturity of credit-impaired assets and receivables, the calculation of interest income is based on the gross amount net after the loss allowance, as opposed to the gross amount used at the previous stage. Assets were deemed to be at stage 1 in 2022, which means that there has not been any significant credit risk. The measurement of expected credit losses is based on different methods, see the Group's notes on risks. An individual assessment is made of credit-impaired assets and receivables that consider and forward-looking information. The measurement of expected credit losses takes into account and other credit enhancements in the form of guarantees. Financial assets measured at amortised cost are recognised net of the gross amount and changes in the loss allowance are recognised in operating profit or financial performance, depending on the nature of the underlying asset.	
SUSTAINABILITY REPORT	32	DIVIDENDS Dividends are recognised as a liability once the general meeting has resolved on the dividend.	
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Note 1 Significant accounting policies, cont.

a cost in profit or loss for the year as they arise. In the balance sheet, development costs are recognised at cost less accumulated amortisation and impairment.

Other intangible assets
Other intangible assets that have been acquired by the Group comprise customer relations, 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. Goodwill and other intangible assets with an indefinite useful life or that are not yet ready for use are tested for possible impairment annually and as soon as indications arise that the asset in question has decreased in value. Intangible assets with a definite useful life are depreciated from the point at which they are available for use.

- The estimated useful lives are:
- Goodwill Indefinite
 - Trademarks (trademarks with finite useful lives are appreciated over their useful lives) Indefinite or 3–10 years
 - Rights 3–10 years
 - Customer relations 2–15 years
 - Capitalised development costs 5–7 years
 - Technology 3–10 years

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 or 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.

IMPAIRMENT
The Group's recognised assets are tested for impairment on each reporting date. IAS 36 is applied to impairment testing of assets other than financial assets, which are recognised in accordance with IFRS 9, assets held for sale and disposal groups that are recognised in accordance with IFRS 5, inventories and deferred tax assets.

Impairment of tangible and intangible assets
If an impairment loss is indicated, the recoverable amount of the asset is calculated (see below). The recoverable amounts of goodwill, other intangible assets with an indefinite useful life and intangible assets that are not yet ready for their intended use are calculated annually and as soon as indications arise that the asset in question has decreased in value. If largely independent cash flows cannot be established for an individual asset and its fair value less selling expenses cannot be used, assets that are tested for impairment are grouped at the lowest level at which largely independent cash flows can be identified – this is known as a cash-generating unit.

An impairment loss is recognised when an asset's or cash-generating unit's (group of units') carrying value exceeds the recoverable amount. Impairment losses are expensed in profit or loss. 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).

CONTENTS		FINANCIAL STATEMENTS
INTRODUCTION	4	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. ESTIMATION UNCERTAINTY The most material sources of estimation uncertainty in the estimates and assumptions made when the consolidated accounts were prepared are presented below. Changes in accounting estimates may have significant effect on the financial reports in the period when the accounting estimate was changed. Recognition of deferred tax assets The assessment of the extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable profit will be available against which the unused tax losses or cumulated tax credits can be utilised, see Note 12. Critical assessments are also required when assessing the impact of certain legal or financial limitations or uncertainties in various tax jurisdictions. Impairment of non-financial assets and goodwill When testing for impairment, the recoverable amount of each asset or cash-generating unit is calculated based on expected future cash flows and an appropriate discount rate for the cash flow. There are uncertainties related to the assumptions of future cash flows and the determination of an appropriate discount rate, see Note 13. Option to purchase non-controlling interests Initial recognition is based on an appropriate discount rate. This is remeasured at every reporting date. The uncertainty in this remeasurement is related to the discount rate used and the future profitability, see Note 23. The useful life of depreciable assets Each reporting date, a review is made of the determined useful lives of depreciable or amortisable assets based on the period of time over which an asset is expected to be used by the Group. The uncertainty in these assessments is due to technical obsolescence that may change the use of the asset. Inventories Each balance sheet date, the net realisable value of the inventories is calculated, considering the most reliable information available. The future selling price may be affected by future technology and other market-driven changes that may reduce future selling prices. Business combinations <i>Measurement of acquired intangible assets</i> When the fair value is calculated, valuation techniques are used for the specific assets and liabilities that were acquired in a business combination, see Note 5. Most importantly, the fair value of contingent considerations depends on the outcome of several variables, including the profitability of the acquired company.
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DIRECTORS' REPORT	55	NOTE 3 OPERATING SEGMENTS The Group's operations are divided into different business areas depending on the operations and structure. These business areas are Trade, Industry and Services. The Group management as the chief operating decision maker who reviews the operations' performance and makes a allocation of resources based on the goods produced and sold and the services provided by the business areas constitute the Group's operating segments. The Trade business area focuses on companies with strong brands in their markets, mostly wholesalers with their own and external brands. Trade is divided into four verticals: Home and Beauty, Sports, Clothing and Accessories and Niche Businesses. Trade comprises 35 business units, accounted for 28 percent (31) of the sales in 2022. The Industry business area focuses on traditional B2B industrial companies in heavy or medium manufacturing and automation. Industry is divided into three verticals: Automation, Industrial Products. Industry comprises 39 business units (30) and accounted for 39 percent (30) of the sales in 2022. The Services business area focuses on service companies with strong positions in specific services and HR and Competence Services, infrastructure, logistics, engineering services and the sales in 2022. 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 Accounting policies.
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Note 3 Operating segments, cont.	
FOLLOW-UP BY SEGMENT, 2022	
SEK million	Group operations and eliminations
Revenue from external customers	34,250
Cost of goods and services sold	-27,475
Gross profit	6,775
Selling expenses	-2,880
Administrative expenses	-2,032
Other operating income	1,393
Other operating expenses	-534
Operating profit	2,613
Amortisation and impairment of intangible assets	693
Segment profit/loss (EBITA)	3,305
Reconciliation of profit/loss before tax	
Segment profit/loss (EBITA)	3,305
Amortisation and impairment of intangible assets	-693
Financial income	478
Financial expenses	-880
Profit before tax	2,111
Net sales by geographical market, SEK m	Revenue from external customers
Sweden	18,264
Denmark	868
Finland	667
Germany	2,530
Other countries within the EU	2,309
Norway	2,489
Switzerland	1,551
United Kingdom	2,782
USA	1,727
Other countries outside the EU	1,053
Total	34,250

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FINANCIAL STATEMENTS

As at 31 December 2021, significant current assets were primarily located in Sweden, but also in where StorskoGen's subsidiaries are domiciled.

Investments by segment, SEK m

Investments in intangible assets

Investments in property, plant and equipment

Total

Amortisation and depreciation by segment, SEK m

Amortisation of intangible assets

Depreciation of property, plant and equipment

Total

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

Assets and liabilities, SEK m

Assets

Liabilities

Trade

Industry

Services

Group of operations and eliminations

9,535

2,488

7,904

1,751

9,585

2,947

115

128

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		Installation			
		Logistics			
		Engineering Services			
		Digital Services			
		HR and Competence			
		Elimination within business area			
		Total, Services segment			
		Intra-Group sales, segment			
		Total			
		On 1 January 2022, a change was made in the Group's verticals to clarify and make the classification and follow-up of the business units more uniform, based on how they are connected. The new verticals form the Group's cash-generating units. In the table above, comparative figures are presented according to the new division into verticals.			
		For the Services segment, this change means that the previous vertical Contracting Services and Infrastructure was divided into two separate verticals. Trade replaced their previous verticals with four new ones that visualise the segment's different areas of activity and operational niches. Industry reallocated a few business units between verticals in the segment. Due to the changes in the verticals in the industry segment, the comparative figures have changed as follows: Sales in Automation grew by SEK 111 million, Industrial Technology grew by SEK 413 million and Products decreased by SEK 524 million.			
		All changes were made internally, within each operating segment. See Note 13 for further information on the reallocation of verticals.			

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STORSKOGEN ANNUAL AND SUSTAINABILITY REPORT 2022

NOTE 4 REVENUE FROM CONTRACTS WITH CUSTOMERS

Information per vertical, SEK m	2022	2021
Home and Living	3,378	2,067
Niche Businesses	3,021	2,015
Health and Beauty	1,866	803
Sports, Clothing and Accessories	1,385	534
Elimination within business area	-22	-10
Total, Trade segment	9,637	5,410
Automation	4,133	1,412
Industrial Technology	4,782	1,670
Products	4,432	2,152
Elimination within business area	-59	-47
Total, Industry segment	13,288	5,186
Contracting Services	913	640
Infrastructure	2,273	1,701
Installation	3,635	2,162
Logistics	1,257	901
Engineering Services	1,772	778
Digital Services	643	379
HR and Competence	879	351
Elimination within business area	-20	-6
Total, Services segment	11,351	6,906
Intra-Group sales, segment	-26	-6
Total	34,250	17,496

On 1 January 2022, a change was made in the Group's verticals to clarify and make the classification and follow-up of the business units more uniform, based on how they are connected. The new verticals form the Group's cash-generating units. In the table above, comparative figures are presented according to the new division into verticals.

For the Services segment, this change means that the previous vertical Contracting Services and Infrastructure was divided into two separate verticals. Trade replaced their previous verticals with four new ones that visualise the segment's different areas of activity and operational niches. Industry reallocated a few business units between verticals in the segment. Due to the changes in the verticals in the industry segment, the comparative figures have changed as follows: Sales in Automation grew by SEK 111 million, Industrial Technology grew by SEK 413 million and Products decreased by SEK 524 million.

All changes were made internally, within each operating segment. See Note 13 for further information on the reallocation of verticals.

FINANCIAL STATEMENTS	2022	FINANCIAL STATEMENTS			
		2022	2021	2020	2019
Time of revenue recognition, SEK m					
Goods and services transferred at a point in time		9,157	10,940	6,480	
Goods and services transferred over time		480	2,348	4,861	
Total		9,637	13,288	11,351	
Time of revenue recognition, SEK m					
Goods and services transferred at a point in time		5,015	3,795	3,412	
Goods and services transferred over time		395	1,391	3,493	
Total		5,410	5,186	6,906	
Performance obligations					
The Group's sales, both related to the sale of goods and service engagements, are generally in payment term between 30 and 90 days. The Group's performance obligations are part of an original expected duration of one year or less, in accordance with the rules in IFRS 15/21, the Group to disclose the transaction price of these unsatisfied obligations.					
Contract assets, SEK m					
Opening balance					
Significant changes in the contract balances due to business combinations					
Changes attributable to ordinary activities					
Closing balance					
Contract assets comprise accrued revenue to which the Company's right is conditional upon the performance under the contract. Once the Company's right to consideration becomes unconditional, it is recognised as a trade receivable.					
Contract liabilities, SEK m					
Opening balance					
Significant changes in the contract balances due to business combinations					
Changes attributable to ordinary activities					
Closing balance					
A contract liability refers to advance payments from customers where performance obligations are not yet satisfied. Contract liabilities are recognised as revenue once the performance obligations in the contract have been satisfied.					
Storskogen applies the exemption not to disclose revenue that is part of a contract that is completed within a year nor revenue that is recognised with the amount that the Group has transferred when the Group has the right to consideration from a customer with an amount that directly or indirectly has value to the customer of the Group's performance to date.					

CONTENTS				FINANCIAL STATEMENTS
INTRODUCTION	4	Note 5 Business combinations, cont.		Net sales, which year SEK
STRATEGY AND BUSINESS MODEL	8	Acquisitions	Operations	Total assets, SEK m¹⁾
BUSINESS AREAS	21	Danborring A/S, including subsidiaries	Specialist in trenchless pipe installations in Denmark, Norway, Sweden and Germany	43
SUSTAINABILITY REPORT	32	Golv o Mattvaruhuset i Göteborg AB	Reseller of floors and carpets	9
CORPORATE GOVERNANCE	45	Fabco Sanctuary Ltd	Manufacturer of steel windows, doors, screens and partitions	70
DIRECTORS' REPORT	55	Scandinavian Cosmetics Group, including subsidiaries	Sales, marketing and distribution of beauty products in the Nordic region	596
FINANCIAL STATEMENTS	63	Thermica AS	Specialist in construction of logistic buildings in Norway	166
► FINANCIAL STATEMENTS AND NOTES	64	Contain Svenska AB (Contilog)	Container logistics in the Nordic region and Europe	18
CERTIFICATION BY THE BOARD OF DIRECTORS	126	Elfabriken Sverige AB	Electrical installation services	9
AUDITOR'S REPORT	127	Acreto AB	Distributor, marketer and reseller of various brands	239
DEFINITIONS	131	Projekstrateg Sverige AB	Services in design, measurement technology, digital twins and VR/AR applications	6
SUSTAINABILITY NOTES	134	Hogandas Traptröffler AB	Wholesaler of painted and veneered wooden mouldings for indoor use	13
STORSKOGEN'S SHARE	151	J&D Pierce (Contracts) Ltd, including subsidiaries	Fabrication and site erection of structural steelwork in the United Kingdom	1,071
		Vox Hair Concept AS, including subsidiaries	Chain of hair salons	80
		XoodBox Pte Ltd, including subsidiaries	Provider of digital marketing and graphic design	27
		Lucky Harpoon AB	Contractors in construction, welding and repair work	0
		Hans Lofqvist Engineering AB	Automation company that manufactures robot solutions for Swedish industry	40
		CMTI Pte. Ltd. (CMTI), including subsidiaries	Installation of wire harnesses, cable assemblies and electro-mechanical assemblies	218
		Enegiststyret i Kronoberg AB	Provider of control systems to property owners to optimise energy consumption and comfort	2
		Cutrin Gruppen Norge AS, including subsidiaries	Distributor of haircare products and the exclusive Norwegian distributor of brands such as Cutrin, MoroccanOil, RE', Paul Mitchell and Special 1	155
		VIFAB Verkstadsindustri Fastighet AB	Company that owns a building	15
		Eneran Oy	Software for collecting, measuring and analysing energy consumption in buildings	0
		Divestment of Thermo-Fasad AB	Façade renovations	-
		Total		6,961
		1) In 2022 and 2021, this refers to total assets at the carrying value at the acquisition date.		11,8

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Net sales, which year, SEK

Total assets, SEK m¹⁾

Completion

Operations

The Group's acquisitions and divestments in 2021, cont.

Acquisitions

Operations

Completion

Total assets, SEK m¹⁾

Net sales, which year, SEK

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17

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6,116

121

Manufacturing of metal frames and parts thereof

Wholesale trade in sports and leisure items

Wholesale trade in clothing and shoes

Civil engineering works of benefit to the public in heating, water and sewage.

Swiss group that invests in well-managed and profitable small and medium-sized companies

Recruitment services, temporary agency services, sale of training and training materials.

Manufacture and letting of bodywork for motor vehicle, manufacture of trailers and semi-trailers

Wholesale trade in haircare and beauty products

Installation and maintenance of cooling and air conditioning systems

Manufacturing of lifting and freight handling devices

Software publisher

Chimney sweeping and ventilation services

Electrical installations

Ventilation work

Manufacturing of paper and cardboard products

Demolition of houses and buildings

E-commerce, warehousing and delivery of interior design products

Painters

Various other specialised construction and civil engineering work

Earthworks and contracting services

Manufacturing, assembly, repairs and maintenance to heavy industry

Earthworks and foundation work

Rental and leasing of construction machinery

Wholesale trade and wholesale on a commission basis in spare parts and accessories for motor vehicles except motorcycles

Municipal adult education, etc.

Construction of railways and rapid transit systems

Manufacturing of high-pressure die-casting dies and tools for the automotive and aerospace industries

Kitchenware stores for commercial and domestic kitchens.

Manufactures and repairs wear and spare parts and complete components, chiefly for the steel and metalworking industry.

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1) In 2022 and 2021, this refers to total assets at the carrying value at the acquisition date.

2) FE Primulator Brest is a minor Belarusian subsidiary of Primulator AS that was divested according to plan in the fourth quarter of 2021.

For a summary of the holding in percent that was acquired, see Note 30 Participations in Group companies. In all instances, StorskoGen obtained control in all acquired companies on the acquisition date.

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Note 5 Business combinations, cont.

PURCHASE PRICE ALLOCATIONS, ACQUISITIONS MADE IN 2022

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

	Fair value on the acquisition date		
SEK million	Trade	Industry	Services
Intangible assets	1,240	1,730	832
Other non-current assets	72	1,038	142
Deferred tax assets	5	34	13
Inventories	728	773	17
Other current assets	619	1,482	1,027
Cash and cash equivalents	387	408	303
Deferred tax liabilities	-280	-433	-242
Liabilities to creditors	-523	-442	-37
Other liabilities	-827	-1,056	-1,084
Acquired net assets	1,431	3,544	971
Goodwill	2,053	2,282	2,024
Non-controlling interests	-527	-655	-439
Total	2,957	5,180	2,555
Purchase price, including contingent consideration but excluding transaction costs			
consisting of			
Cash payment	2,437	4,981	2,314
Contingent consideration, not yet paid	440	189	73
Share issue, non-cash	-	-	168
Payment in the form of convertibles	80	-	-
	2,957	5,180	2,555
Cash flow from the acquisition of subsidiaries			
Cash payment (included in investing activities)	-2,437	-4,981	-2,314
Acquired cash and cash equivalents (included in investing activities)	397	408	303
Total effect on investing activities	-2,040	-4,583	-2,012
Transaction costs from acquisitions (included in operating activities)	-26	-24	-22
Net outflow, cash and cash equivalents	-2,066	-4,607	-2,033
			-8,707

SIGNIFICANT ACQUISITIONS IN 2022

Fair value on the acquisition date

SEK million	UNS Holding SA - Included in industry	Scandinavian Cosmetics Group - Included in Trade	J & P Pierce - Included in industry
Intangible assets	529	458	279
Other non-current assets	422	32	366
Deferred tax assets	21	3	-
Inventories	519	163	26
Other current assets	391	205	607
Cash and cash equivalents	182	149	71
Deferred tax liabilities	-142	-97	-85
Liabilities to creditors	-256	-419	-61
Other liabilities	-407	-252	-324
Acquired net assets	1,260	243	889
Goodwill	668	667	420
Non-controlling interests	-	-38	-262
Total	1,928	872	1,048
Purchase price, including contingent consideration but excluding transaction costs			
consisting of			
Cash payment	1,792	872	1,048
Contingent consideration, not yet paid	136	-	-
Payment in the form of convertibles	-	-	-
Cash flow from the acquisition of subsidiaries	1,928	872	1,048
Cash payment (included in investing activities)	-1,792	-872	-1,048
Acquired cash and cash equivalents (included in investing activities)	182	149	71
Total effect on investing activities	-1,610	-723	-976
Transaction costs from acquisitions (included in operating activities)	-9 ¹⁾	-10	-5
Net outflow, cash and cash equivalents	-1,619	-733	-982

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

i) Of which, SEK 8 million refers to costs that affected the income statement and cash flow in 2010.

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	The purchase price for the period's acquisitions total SEK 10,692 million, SEK 6,368 million of which was recognised in goodwill. The effect of business combinations on the Group's cash and cash equivalents was SEK 8,635 million. Cash and cash equivalents were also affected by SEK 187 million for the acquisition of minority interests over the year, the divestment of minority interests for a purchase price of SEK 44 million, payments of SEK 412 million in contingent considerations for acquisitions made in previous years, and the divestment of operations reduces cash and cash equivalent by SEK 3 million, mostly through divested cash and cash equivalents. If the year's acquisitions were completed on 1 January 2022, the contribution to the Group's net sales would have been approximately SEK 1,916 million and the effect on the Group's profit after tax would have been approximately SEK 922 million. No significant changes were made in the Group's purchase price allocations regarding the previous year's acquisitions.	
BUSINESS AREAS	Measurement of trade receivables	
	No significant difference was identified between the fair value of the trade receivables in relation to contract amounts.	
SUSTAINABILITY REPORT	Non-controlling interests	
	The Group recognised non-controlling interests at fair value based on full goodwill based on the market value, which was deemed to be the same as the purchase price in each acquisition.	
CORPORATE GOVERNANCE	Acquisition-related disclosures	
	All acquisitions over the year were acquisitions of shares; no net asset acquisitions were made on the holdings in the acquired companies, see Note 30.	
DIRECTORS' REPORT	Acquisitions after year-end	
	For information on acquisitions made after the end of the financial year 2022, see Note 33.	
FINANCIAL STATEMENTS	Effect of the acquisitions on the consolidated income statement and the consolidated statement of comprehensive income, SEK m	
	Effect after the acquisition date, included in the Group's profit or loss	
► FINANCIAL STATEMENTS AND NOTES	Sales	
	Profit for the year	
CERTIFICATION BY THE BOARD OF DIRECTORS	Effect if the acquisitions had been completed on 1 January	
	Sales	
AUDITOR'S REPORT	Profit for the year	
	Trade	
DEFINITIONS	Indirect	
	Share	
SUSTAINABILITY NOTES	Effect of the acquisitions on the consolidated income statement and the consolidated statement of comprehensive income, SEK m	
	Effect after the acquisition date, included in the Group's profit or loss	
STORSKOGEN'S SHARE	Sales	
	Profit for the year	
STORSKOGEN	Trade	
	Indirect	
	Share	

Note 5 Business combinations, cont.

Purchase price and assessments

The purchase price for the period's acquisitions total SEK 10,692 million, SEK 6,368 million of which was recognised in goodwill. The effect of business combinations on the Group's cash and cash equivalents was SEK 8,635 million. Cash and cash equivalents were also affected by SEK 187 million for the acquisition of minority interests over the year, the divestment of minority interests for a purchase price of SEK 44 million, payments of SEK 412 million in contingent considerations for acquisitions made in previous years, and the divestment of operations reduces cash and cash equivalent by SEK 3 million, mostly through divested cash and cash equivalents. If the year's acquisitions were completed on 1 January 2022, the contribution to the Group's net sales would have been approximately SEK 1,916 million and the effect on the Group's profit after tax would have been approximately SEK 922 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 2022 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.

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 Dec 2022, the Group's total goodwill was SEK 18,989 million (12,184). The Group's goodwill is tested for impairment when needed, but at least annually, per cash-generating unit. Impairment testing was performed in the fourth quarter, and no impairment losses were identified. For more information about impairment testing, see Note 13, Intangible assets.

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

Changes in the Group's goodwill	Opening balance	Acquisitions	Impairment	Divestments	Currency effects	Closing balance
Goodwill	12,184	6,368	–	–3	428	18,989

Other identified surplus values

Any values that have been allocated to intangible assets, such as customer relations, trademarks and technology, were measured at the discounted value of future cash flows. Customer relations are amortised over a period between two and 15 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 when they have a definite useful life. Trademarks that are not amortised regularly are tested for impairment every year in accordance with IAS 36. Other surplus values that were identified in acquisitions over the year comprise buildings, inventories and technology. Buildings are generally depreciated over 25 years, technology is generally depreciated over a period of three to ten years, while inventories are depreciated based on the turnover rate of the inventories.

The annual estimated amortisation of intangible assets for the year's acquisitions was approximately SEK 252 million (130).

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 and other comprehensive income. Total acquisition-related expenses for acquisitions that were completed over the year was SEK 72 million (88).

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Note 5 Business combinations, cont.

PURCHASE PRICE ALLOCATIONS, ACQUISITIONS MADE IN 2021

The acquisitions are presented at an aggregated level, by segment, as the relative amounts for the individual acquisitions are not deemed to be material, except for the acquisitions of SoVent, Artium, Brenderup and Wide, which are therefore presented both separately and as part of the Trade, Industry and Services segments.

	Fair value on the acquisition date			
BEK million	Total	Industry	Services	Total
Intangible assets	807	1,293	723	2,823
Other non-current assets	281	614	259	1,153
Deferred tax assets	8	31	3	42
Inventories	627	778	80	1,485
Other current assets	523	805	715	2,143
Cash and cash equivalents	576	387	448	1,411
Deferred tax liabilities	-194	-331	-214	-739
Liabilities to creditors	-254	-842	-522	-1,617
Other liabilities	-724	-1,204	-667	-2,615
Acquired net assets	1,750	1,531	806	4,086
Goodwill	2,370	2,520	2,540	7,431
Non-controlling interests	-421	-136	-191	-748
Total	3,699	3,915	3,155	10,769
Purchase price, including contingent consideration				
but excluding transaction costs				
consisting of				
Cash payment	3,381	3,054	2,753	9,188
Contingent consideration, not yet paid	193	304	198	694
Share issue, non-cash	100	557	204	861
Payment to minority shareholders using promissory note	8	-	-	8
Financing through contingent consideration from the minority interest	17	-	-	17
	3,699	3,915	3,155	10,769
Cash flow from the acquisition of subsidiaries				
Cash payment (included in investing activities)	-3,381	-3,054	-2,753	-9,188
Acquired cash and cash equivalents (included in investing activities)	576	387	448	1,411
Total effect on investing activities	-2,805	-2,667	-2,305	-7,778
Transaction costs from acquisitions (included in operating activities)	-14	-48	-17	-79
Net outflow, cash and cash equivalents	-2,819	-2,715	-2,322	-7,857

SIGNIFICANT ACQUISITIONS IN 2021

Fair value on the acquisition date

SEK million	Artum – Included in Industry, Services and Trade	Brenderup – Included in Industry	Wibe – Included in Industry	Scoed – Included in ser
Intangible assets	509	475	238	
Other non-current assets	173	162	145	
Deferred tax assets	13	10	7	
Inventories	339	360	89	
Other current assets	405	333	80	
Cash and cash equivalents	220	82	18	
Deferred tax liabilities	-123	-119	-50	
Liabilities to creditors	-418	-26	-250	
Other liabilities	-480	-314	-188	
Acquired net assets	629	563	100	
Goodwill	1028	375	745	
Non-controlling interests	-4	-12	-	
Total	1,653	926	535	
Purchase price, including contingent consideration but excluding transaction costs				
consisting of				
Cash payment	825	926	674	
Contingent consideration, not yet paid	67	-	801	
Share issue, non-cash	761	-	-	
	1,653	926	1,475	
Cash flow from the acquisition of subsidiaries				
Cash payment (included in investing activities)	-825	-926	-674	
Acquired cash and cash equivalents (included in investing activities)	220	82	18	
Total effect on investing activities	-605	-844	-656	
Transaction costs from acquisitions (included in operating activities)	-8	-10	8	
Net outflow, cash and cash equivalents	-613	-853	-668	

Total	1,653	926	727
Purchase price, including contingent consideration but excluding transaction costs			
consisting of			
Cash payment	825	926	1,074
Contingent consideration, not yet paid	67	-	(67)
Share issue, non-cash	761	-	-
	1,653	926	1,044
Cash flow from the acquisition of subsidiaries			
Cash payment (included in investing activities)	-825	-926	-1,044
Acquired cash and cash equivalents (included in investing activities)	220	82	18
Total effect on investing activities	-605	-844	-1,066
Transaction costs from acquisitions (included in operating activities)	-8	-10	-8
Net outflow, cash and cash equivalents	-613	-853	-1,084

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Note 5 Business combinations, cont.

NOTE 7 OPERATING EXPENSES

Effect of the acquisitions on the consolidated income statement and the consolidated statement of comprehensive income, SEK m	Trade	Industry	Services	Group operations	Total
Effect after the acquisition date, included in the Group's profit or loss					
Sales	2,219	2,072	2,084	11	6,385
Profit for the year	261	204	181	-35	610
Effect if the acquisitions had been completed on 1 January					
Sales	3,870	4,704	3,599	20	12,193
Profit for the year	464	491	349	-24	1,280

NOTE 6 AMORTISATION AND DEPRECIATION

Amortisation and depreciation by function, SEK m	2022	2021
Cost of goods and services sold	-1348	-873
Selling expenses	-248	-118
Administrative expenses	-32	-19
Total amortisation and depreciation	-1,628	-810
Amortisation and depreciation by asset class, SEK m	2022	2021
Intangible assets	-683	-249
Land and buildings	-60	-32
Machinery, cars and equipment	-345	-207
Right-of-use assets	-531	-322
Total amortisation and depreciation	-1,628	-810

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NOTE3 EMPLOYEES, STAFF COSTS AND REMUNERATION TO SENIOR EXECUTIVES

SALARIES AND OTHER REMUNERATION, BY SENIOR EXECUTIVES AND OTHER EMPLOYEES

2022, TSEK	CEO, Board and senior executives	Other employees	Total
Salaries and remuneration (of which bonuses, etc.)	46,387 (4,348)	5,689,280 (135,973)	5,744,667 (140,321)
Social security costs (of which pension costs)	18,414 (6,556)	1,782,333 (397,021)	1,800,547 (403,577)
Total	64,801	7,480,413	7,545,214

2021, TSEK	CEO, Board and senior executives	Other employees	Total
Salaries and remuneration (of which bonuses, etc.)	34,011 (5,881)	2,820,371 (95,712)	2,854,382 (102,593)
Social security costs (of which pension costs)	16,378 (5,310)	1,042,842 (210,551)	1,059,220 (215,861)
Total	50,389	3,863,213	3,913,602

Average number of employees, number of persons and gender distribution

	2022	2021
Sweden	6,815	986
In the EU, excluding Sweden	1,885	581
Outside the EU	2,663	390
Total	11,263	5,760

Number of people and gender distribution on the Board and in the Group management

	31 Dec 2022	31 Dec 2021
Board	5	5
Other senior executives	8	7
Total	13	12

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Remuneration to the Board and senior executives, 2022, SEK thousand	Basic salary and bonus	Share-based remuneration	Pension costs
Elisabeth Thand Ringqvist, Chair of the Board ¹⁾	-	425	-
Annette Brodin Rampe, Chair of the Board	-	1,075	-
Alexander Bjärgård, Board member (included in senior executives)	3,639	-	762
Bengt Braun, Board member	-	415	-
Louise Hedberg, Board member	-	465	-
Johan Thorell, Board member	-	615	-
Daniel Kaplan, CEO	7,075	-	1,440
Other senior executives, 6 people ²⁾	25,248	-	4,354
Total remuneration to the Board and senior executives	35,963	2,995	6,556

1) Annette Brodin Rampe replaced Elisabeth Thand Ringqvist as the Chair of the Board on the 2022 Annual General Meeting held on 16 May 2021.
2) Philip Löfgren is included in senior executives as of 7 October 2022.

Remuneration to the Board and senior executives, 2021, SEK thousand	Salary	Board fee	Pension costs
Elisabeth Thand Ringqvist, Chair of the Board	-	950	-
Peter Ahlgren, Board member (included in senior executives) ¹⁾	3,633	-	33
Alexander Bjärgård, Board member (included in senior executives)	3,639	-	762
Bengt Braun, Board member	-	400	-
Louise Hedberg, Board member	-	450	-
Johan Thorell, Board member	-	500	-
Daniel Kaplan, CEO	7,075	-	1,440
Other senior executives, 4 people ²⁾	17,364	-	4,354
Total remuneration to the Board and senior executives	31,711	2,300	6,556

1) Peter Ahlgren resigned from the Board in connection with the Annual General Meeting held on 16 May 2021.
2) Mikael Næglén has been included in senior executives since 1 July 2021.

For part of 2021, remuneration to one of the senior executives was invoiced and paid through the company, before the executive became an employee of the Company. Remuneration total in 2021 was invoiced.

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Note 8 Employees, staff costs and remuneration to senior executives, cont.

POLICIES FOR REMUNERATION TO THE BOARD AND GROUP MANAGEMENT

Board members

According to a resolution by the shareholders, the Board received remuneration in 2022 and 2021 for their assignments on the Board and the Committees.

President & CEO

The remuneration consists of a fixed salary, pension and benefits. No variable remuneration was paid to the CEO in 2022 and 2021. There is no agreement with the CEO regarding severance pay, but there is a mutual notice period of 12 months.

Group management

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

Incentive programmes

As of 2021, the Company has implemented several share-based remuneration programmes for senior executives and key individuals in the Group: a warrant programme (launched in 2021) and two share savings programmes (launched in 2021 and 2022, respectively) and an employee stock option programme (launched in 2022). The programmes have term of approximately three years. The purpose of the incentive programmes includes encouraging wide-spread shareholding among the Company's employees, facilitate recruitment, retain skilled employees, increase the common interest between employees and the Company's shareholders, promote the Company's long-term value creation and increase 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 19,386,389 as at the reporting date, corresponding to approximately 12 percent of the share capital and 0.6 percent of the votes in the Company. The options were valued according to the Black-Scholes formula and the share savings programme was valued according to Monte Carlo simulation. This year's cost of the employee stock option and share savings programmes was SEK 30.0 million. As at the reporting date, the reserved value for outstanding employee stock options and the share savings programme was SEK 35.0 million (5.0).

Warrant programme

The warrant programme is intended for certain senior executives and other key individuals in the Group. The number of warrants offered to each participant depends on the participant's position and responsibilities at Storstocken. 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. When the warrants are exercised, the subscription price for Class B shares has been set at SEK 57.75, corresponding to 150 percent of the share's value at the IPO, which was SEK 38.50. The complete terms and conditions of the warrants also include customary translation provisions. The Company reserves the right to purchase warrants, such as if the participant's employment with the Company is terminated.

Employee stock option programme

The employee stock option programme is aimed at senior executives and other key employees in the Group. The number of employee stock options offered to each participant depends on the participant's position and responsibilities at Storskogen, and the number of options available depends on how well the performance requirement has been met, an increase between 50 and 100 percent in adjusted EBITA for the minimum to maximum exercise period during the vesting period. The options are subject to continued employment and a maximum value of 100 to 200 percent of the participant's annual salary at the inception of the programme. The participant is offered to acquire 18 share in Storskogen per share at Nasdaq Stockholm at price corresponding to the volume-weighted average price on the Company's B-share at Nasdaq Stockholm on the trading days that occur within a period of

Note 8 Employees, staff costs and remuneration to senior executives, cont.

POLICIES FOR REMUNERATION TO THE BOARD AND GROUP MANAGEMENT
board members

Comments on the Board and the Committees.

President & CEO

The remuneration consists of a fixed salary, pension and benefits. No variable remuneration was paid to the CEO in 2021. There is no agreement with the CEO regarding severance pay, but there is a mutual notice period of 12 months.

Group management

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

Incentive programs

As at 31 December 2022, the Company has implemented several share-based remuneration programmes for senior executives and key individuals in the Group: a warrant programme (launched in 2021) and two share savings programmes (launched in 2021 and 2022, respectively) and an employee stock option programme (launched in 2022). The programmes have a term of approximately three years. The purpose of the incentive programmes includes encouraging wide-spread shareholding among the Company's employees, facilitate recruitment, retain skilled employees, increase the common interest between employees and the Company's shareholders, promote the Company's long-term value creation and increase 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 19,386,393 as at the reporting date, corresponding to approximately 1.2 percent of the share capital and 0.6 percent of the votes in the Company. The options were valued according to the Black-Scholes formula and the share savings programme was valued according to Monte Carlo simulation. This year's cost of the employee stock option and share savings programmes was SEK 0.9 million. As at the reporting date, the reserved value for outstanding employee stock options and the share savings programme was SEK 35.0 million (5.0).

Warrant programme

The warrant programme is intended for certain senior executives and other key individuals in the Group. The number of warrants offered to each participant depends on the participant's position and responsibilities at Storagen. 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. When the warrants are exercised, the subscription price for Class B shares has been set at SEK 37.75, corresponding to 150 percent of the share's value at the IPO, which was SEK 38.50. The complete terms and conditions of the warrants also include customary translation provisions. The Company reserves the right to repurchase warrants, such as if the participant's employment with the Company is terminated.

Employee stock option programme

The employee stock option programme is aimed at senior executives and other key employees in the Group. The number of employee stock options offered to each participant depends on the participant's position and responsibilities at Storskogen, and the number of options available depends on how well the performance requirement has been met, an increase between 50 and 100 percent in adjusted EBITA for the minimum to maximum exercise period, an increase between 50 and 100 percent in adjusted EBITA for the minimum to maximum exercise period during the vesting period. The options are subject to continued employment and a maximum value of 100 to 200 percent of the participant's annual salary at the inception of the programme. The participant is offered to acquire a B share in Storskogen per employee stock option at price corresponding to the volume-weighted average price per share in the Company's B share at Nasdaq Stockholm on the trading days that occur within a period of

FINANCIAL STATEMENTS	ten banking days immediately before the options are granted. 120 senior executives and other key individuals in the Group level participated in the employee stock option programme. To ensure the delivery of its purpose, the employee stock option programme and cover the cost of social security contributions, 163 warrants were issued to the Company. The table below presents the most important parameters, including fair value and the associated calculation, in the warrant and employee stock option programmes (the weighted average of 2022). Volatility was determined based on the historical volatility for comparable companies or to five years.				
	Option, series	Warrants 2021/2024	Employee		
	Issue date	6 Oct 2021			
	Share price at grant date (SEK)	38.50			
	Strike price per share (SEK)	57.75			
	Number of participants when granted	70			
	Number of warrants outstanding	3,373,535			
	Expiry date	12 Dec 2024			
	Expected term (months)	38			
	Risk-free interest (percent)	3.0%			
	Expected volatility (percent)	22			
	Fair value per option, grant date (SEK)				
	Recognised cost of the programme, 2022 (SEK thousand)				
				Warrants 2021/2024, number	Average cost per warrant (SEK)
				235,680	2.97
				Other senior executives	2.97
				Total	1,021,951
	Share savings programmes				
	The share savings programmes are intended for certain senior executives and other key individuals. No more than 210 individuals are part of the share savings programme. To participate, the employee must have made their own investments in the Company's B-shares (savings shares) at the market price at Nasdaq. Participants who keep their savings shares for the duration of the share savings programme and remains employed by Storskogen for the entire period can, at the end of the period, receive B-shares (performance shares) free of charge, if the two predetermined performance criteria (return (TSR) and EBITA development) have been met. The performance criteria of the outstanding programmes differ to some extent. 2021 programme has a term of three years, and any participants who keep their savings shares and remain employees for the entire term will be entitled to additional B-shares (performance shares) free of charge. The predetermined performance criteria have been met at the end of the term. These criteria are				

Share savings programmes

The share savings programmes are intended for certain senior executives and other key individuals. No more than 219 individuals are part of the share savings programme. To participate, the employee must be a full-time employee of the Company, have been employed by the Company for at least 12 months, and have been employed by the Company for at least 12 months prior to the date of the share savings programme. The share savings programmes are intended for certain senior executives and other key individuals. No more than 219 individuals are part of the share savings programme. To participate, the employee must be a full-time employee of the Company, have been employed by the Company for at least 12 months, and have been employed by the Company for at least 12 months prior to the date of the share savings programme.

Participants who keep their savings shares for the duration of the share saving program and remains employed by Storskogen for the entire period can, at the end of the period, receive B-shares (performance shares) free of charge, if the two predetermined performance criteria (TSR and EBITA development) have been met.

The performance criteria of the outstanding programmes differ to some extent. The 2021 programme has a term of three years, and any participants who keep their savings shares and reinvest them in the programme will be entitled to additional B shares (performance shares) free of charge at the end of the term. These shares are determined by the performance criteria. The 2022 programme has a term of three years, and any participants who keep their savings shares and reinvest them in the programme will be entitled to additional B shares (performance shares) free of charge at the end of the term. These shares are determined by the performance criteria.

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NOTE 12 TAX

Recognised in the statement of profit or loss and other comprehensive income/Income statement

SEK million	2022	2021
Current tax expense (-)		
Tax expense for the year	-630	-384
Adjustment of tax related to previous years	-8	1
Total	-639	-383
Deferred tax expense (-) / tax income (+)		
Deferred tax relating to temporary differences	176	93
Deferred tax due to changed tax rates	-57	0
Deferred tax income in taxable values in loss carryforwards capitalised during the year	13	5
Deferred tax expense due to the utilisation of previously capitalised taxable values in loss carryforwards	-12	-
Adjustment of deferred tax related to previous years	-1	0
Total	119	97
Total recognised tax expense in the Group	-519	-286

Change in deferred taxes on temporary differences and loss carryforwards

2022, SEK m	Balance, 1 Jan 2022	Recognised in profit/loss for the year	Recognised in other comprehensive income	Business combination/divestment	Exchange rate differences
Property, plant and equipment	-137	-13	-	-88	8
Intangible assets	-614	77	1	-755	51
Financial assets	1	-	-	0	0
Inventories	0	11	-	-8	-1
Trade receivables	-2	2	-	1	1
Pension provision	28	1	-38	1	2
Provisions	-10	2	0	3	-1
Un taxed reserves	-122	37	-	-14	10
Other	-5	1	3	-57	-1
Capitalisation of tax loss carryforwards	8	1	-	24	1
	-855	119	-34	-803	89

Reconciliation of effective tax

	2022	%	SEK million
Profit before tax			2,111
Tax at the tax rate applicable to the Parent Company		20.6%	-435
Effect of other tax rates for foreign subsidiaries		0.3%	-7
Net non-deductible expenses/non-taxable income		-0.9%	20
Utilisation of previous/new unmeasured loss carryforwards		2.2%	-47
Tax related to previous years		0.5%	-10
Effect of changes in tax rates and tax rules		2.7%	-57
Standard interest on tax allocation reserve		-0.5%	11
Other		-0.3%	6
Reported effective tax		24.6%	-519

In 2022, changes in tax rates had an effect of SEK -57 million (0) on profit or loss related to the the United Kingdom, enacted in October 2022.

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Note 12 Tax, cont.

Change in deferred taxes on temporary differences and loss carryforwards, cont.

2021, SEK m	Balance, 1 Jan 2021	Recognised in profit/loss for the year	Recognised in other comprehensive income	Business combination/divestment	Exchange rate differences
Property, plant and equipment	-49	-7	0	-81	0
Intangible assets	-109	47	-	-549	-4
Financial assets	-	0	-	1	0
Inventories	0	16	-	-16	0
Trade receivables	-	0	-	-2	0
Pension provision	-	-1	5	24	0
Provisions	-	1	0	-11	0
Untaxed reserves	-98	27	-	-51	-
Other	-3	10	2	-14	0
Capitalisation of tax loss carryforwards	0	5	-	3	0
	-258	97	7	-697	-4

Deferred tax assets are recognised for tax loss carryforwards to the extent that it is probable that they can be utilised through future taxable profits. Tax loss carryforwards totalled SEK 155 million (36). It was deemed that it will be possible to utilise them gradually in future financial years.

Unrecognised tax losses in the Group were approximately SEK 386 million (127). Of these, losses of SEK 51 million in Japan are limited in time to ten years and losses of SEK 190 million in Switzerland are limited in time to seven years. Other losses of SEK 145 million are not limited in time.

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NOTE 13 INTANGIBLE ASSETS

Accumulated cost, SEK m	Capitalised expenditure	Rights and other	Goodwill	Trademark	Customer relations
Opening balance, 1 Jan 2021	46	18	4,724	48	621
Business combinations	15	137	7,431	968	1,703
Investments	13	12	-	-	-
Disposals and retirements	-	-2	-	-	-
Reclassifications	7	0	0	-	-
Exchange rate differences for the year	1	2	111	15	29
Closing balance, 31 Dec 2021	83	168	12,266	1,031	2,353
Opening balance, 1 Jan 2022	83	168	12,266	1,031	2,353
Business combinations	30	235	6,368	1,089	2,448
Investments	33	26	0	0	3
Divestment of subsidiary	-	-	-4	-	-
Disposals and retirements	-18	-15	-	-	0
Reclassifications	14	-6	0	-	-
Exchange rate differences for the year	7	32	430	79	158
Closing balance, 31 Dec 2022	148	440	19,061	2,198	4,962

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Accumulated amortisation and impairment, SEK m	Capitalised expenditure	Rights and other	Goodwill	Trademark	Customer relations
Opening balance, 1 Jan 2021	-13	-8	-71	-8	-12
Amortisation for the year	-	-	-	-	-
Amortisation for the year	-11	-17	-	-1	-21
Divestments	-	2	-	-	0
Reclassifications	-1	-	-	-	-
Exchange rate differences for the year	-1	-1	0	0	-2
Closing balance, 31 Dec 2021	-26	-24	-72	-10	-34
Opening balance, 1 Jan 2022	-26	-24	-72	-10	-34
Amortisation for the year	0	-	-	-	-
Amortisation for the year	-26	-67	-	-8	-22
Divestments	18	14	-	-	-
Reclassifications	-2	12	-	-	0
Exchange rate differences for the year	-6	-12	-1	-1	9
Closing balance, 31 Dec 2022	-42	-76	-72	-19	-133

Carrying amounts, SEK m	Capitalised expenditure	Rights and other	Goodwill	Trademark	Customer relations
As at 31 Dec 2021	57	144	12,194	1,021	1,928
As at 31 Dec 2022	106	364	18,989	2,179	3,289

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STORSKOGEN'S SHARE	When tested for impairment in 2021, the Group's recognised goodwill and other intangible assets with an indefinite useful life were allocated to 12 verticals with subsidiaries that were considered to constitute cash-generating units. As at the end of 2021, the Trade segment had three verticals, the Industry segment had three verticals and the Services segment had six verticals. Goodwill and other intangible assets with an indefinite useful life are tested annually for impairment, per cash-generating unit, and their recoverable amounts are calculated. The recoverable amounts are either the value in use or the fair value less selling expenses.	
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Note 13 Intangible assets, cont.

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 9.0 percent (8.5), in the Trade segment it was 9.0 percent (8.3), and in the Services segment, it was 8.4 percent (7.7). A tax rate of 20.6 percent was used for all segments. A long-term growth rate of 2 percent was assumed for all three segments. For the forecast periods, an adjusted EBITA margin was assumed for each vertical that was adapted to the outcome in previous periods and to specific expectations.

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

SENSITIVITY ANALYSIS

The value in use in each vertical depends on assumptions made in the calculation of discounted cash flows. The margin between the value in use and the carrying value was approximately SEK 15,700 million based on the above assumptions. A sensitivity analysis shows that the value of goodwill and other intangible assets with an indefinite useful life can be defended for all verticals, even if the long-term growth would be 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 3,100 million, and a corresponding change in the adjusted EBITA margin affects it by approximately SEK 2,600 million, and a corresponding change in the discount rate would have an effect of approximately SEK 6,500 million. If all these effects would simultaneously deteriorate with one percentage point, the value in use would decrease by SEK 10,500 million and the remaining margin between the value in use and the carrying amount would be approximately SEK 5,100 million.

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	Carrying amounts, SEK m				
	As at 31 Dec 2021				
	As at 31 Dec 2022				
	1) The net value of assets in business combinations was SEK 1,187 million (122) in 2022.				
	1) The net value of assets in business combinations was SEK 1,187 million (122) in 2022.				
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NOTE 15

INVENTORIES

SEK million

31 Dec 2022

31 Dec 2021

Raw materials and consumables

Work in progress

Finished goods and goods for resale

Advance payments to suppliers

Total

2,901

229

1,884

89

5,203

1,763

267

851

44

2,924

Fair value measurements for business combinations had a negative effect of SEK 5.6 million (50) on profit for the year, of which SEK 0 million (20) was attributable to the Trade segment and SEK 5.6 million (30) was attributable to Industry.

NOTE 16

PREPAID EXPENSES AND ACCRUED INCOME

SEK million

31 Dec 2022

31 Dec 2021

Prepaid insurances

Prepaid expenses for computers and software

Prepaid goods and services

Accrued, non-invoiced income

Accrued supplier bonus

Other prepaid expenses and accrued income

Total

36

33

58

289

94

112

622

16

17

64

132

83

85

397

NOTE 17

TRADE RECEIVABLES

SEK million

31 Dec 2022

31 Dec 2021

Trade receivables

Allowance for expected credit losses

Total

5,009

-69

4,940

2,974

-49

2,925

For a description of the allowance for expected credit losses, see Note 26.

NOTE 18

CASH AND CASH EQUIVALENTS

SEK million

31 Dec

Cash and cash equivalents

Total according to the balance sheet

1,763

267

851

44

2,924

Cash and cash equivalents are subject to a allowance for expected credit losses. Loss allowance unless the amounts are considered to be immaterial. See Note 2.6.

NOTE 19

EQUITY

SHARE CAPITAL

As at 31 December 2022, the registered share capital was 148 million A shares (with a quota value of SEK 0.0005) and 1316 million B shares with a quota value of SEK 0.0005) per share (0.0005). The ten votes per share and the B shares confer one vote per share.

As at 31 December 2022, the registered share capital was SEK 848,519 (836,382).

Number of shares

Subscribed for and paid shares

Issued as at 1 Jan

Share issue, cash

Share issue, non-cash

Conversion of A shares to B shares

Reduction through cancellation of shares

Reduction through redemption of treasury shares

Issued as at 31 December

31 Dec 2022

31 Dec 2021

148,001,374

1524,761,151

-

7,848

-

-

-

-

148,000,374

1,515,762,389

148,000,374

Pursuant to provisions in the Company's articles of association there are no pre-emptive rights to share in series A and series B confer the same right to a share of the Company's profits and dividends.

At the beginning of 2022, Storskogen had 17 million treasury shares. These were shares that were repurchased by the company in connection with the IPO. In 2022, all treasury shares were redeemed for the over-allotment option in connection with the IPO.

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NOTE 18 CASH AND CASH EQUIVALENTS

SEK million

31 Dec 2022

Cash and cash equivalents

Total according to the balance sheet

Cash and cash equivalents are subject to a allowance for expected credit losses. Loss allowance is calculated on the basis of the expected credit losses, unless the amounts are considered to be immaterial. See Note 26.

NOTE 19 EQUITY

SHARE CAPITAL

As at 31 December 2022, the registered share capital was 148 million A shares with a quota value of SEK 0.00051 per share (0.00051) and 1,516 million B shares with a quota value of SEK 0.00051 per share (0.00051). The ten votes per share and the B shares confer one vote per share.

As at 31 December 2022, the registered share capital was SEK 848,319 (836,382).

Number of shares

Subscribed for and paid shares

Issued as at 1 Jan

Share issue, cash

Share issue, non-cash

Conversion of A shares to B shares

Reduction through cancellation of shares

Reduction through redemption of treasury shares

Issued as at 31 December

Pursuant to provisions in the Company's articles of association there are no pre-emptive rights to subscribe for new shares in series A and series B confer the same right to a share of the Company's profits and dividends. At the beginning of 2022, Storskogen had 17 million treasury shares. These were shares that were issued in connection with the IPO. In 2022, all treasury shares were redeemed for the over-allotment option in connection with the IPO.

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Note 21 Pensions, cont.

Amounts recognised in the consolidated income statement, defined benefit pensions

SEK million	31 Dec 2022				31 Dec 2021			
	Sweden	Switzerland	Other	Total	Sweden	Switzerland	Germany	
Costs related to service in the current period	3	34	2	39	0	9	0	0
Costs related to service in previous periods	–	–3	–	–3	0	–1	–	–
Redemption/reclassification to defined contribution pensions	–2	–	–	–2	–4	–	–	–
Net interest income	3	1	0	4	1	0	0	0
Recognised in profit or loss	5	32	2	39	–1	8	0	0
Recognised in other comprehensive income	–50	–130	–7	–187	29	–6	1	1

Change in the present value of defined benefit obligations

SEK million	31 Dec 2022				31 Dec 2021			
	Sweden	Switzerland	Other	Total	Sweden	Switzerland	Germany	
Defined benefit pension obligation at the beginning of the period	189	456	26	671	10	–	–	–
Adjustment of the opening balance according to IFRS	–	–	–	–	2	–	–	–
Business combinations/divestments	1	263	30	284	151	445	27	27
Costs related to service in the current period	4	32	2	38	2	8	0	0
Costs related to service in previous periods	–	–3	–	–3	0	–1	–	–
Interest expense	3	3	0	7	1	0	0	0
Actuarial losses (+)/gains (–)	–50	–172	–7	–229	29	–6	1	1
Contributions from the plan's participants	–	21	–1	20	–	6	–	–
Payments from the plan	–7	–19	0	–26	–4	–17	–	–2
Redemption/reclassification to defined contribution pensions	–2	–	–	–2	–2	–	–	–
Settlement	–	–	–	–	–	–	–	–
Exchange rate difference	–	76	3	79	–	20	0	0
Defined benefit pension obligation at the end of the period	139	657	52	848	189	456	26	26

Of the total actuarial gains and losses, the change due to demographic assumptions is SEK 2 million (2), financial assumptions SEK –232 million (3), experience-based adjustments SEK 0 million (9).

Årsregnskap regnskapsåret 2022 for 983350062

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Note 21 Pensions, cont.

Changes in the fair value of plan assets

SEK million	31 Dec 2022				31 Dec 2021			
	Sweden	Switzerland	Other	Total	Sweden	Switzerland	Germany	
Fair value of assets at the beginning of the period	1	383	7	391	-	-	-	-
Business combinations	1	201	5	207	3	369	6	6
Return beyond expectations	-	-22	0	-21	-	3	0	0
Interest income	-	2	0	3	-	0	0	0
Contribution from employer	-	24	1	25	0	7	-	-
Fees paid by the employees	-	21	-	21	-	-	6	-
Payments from the plan	-	-19	0	-19	0	-17	-	-
Administrative fees	-	-2	-	-1	-	-	-	-
Redemption/reclassification to defined contribution pensions	1	-	-	-	-1	-	-	-
Exchange rate difference	-	70	1	70	-	16	0	0
Fair value of assets at the end of the period	3	659	13	675	1	383	7	7

Plan assets comprise the following:

%	31 Dec 2022				31 Dec 2021			
	Sweden	Switzerland	Other	Total	Sweden	Switzerland	Germany	
Assets invested with insurance companies	0	23	1	25	0	33	2	2
Assets invested in shares	-	23	-	23	-	19	-	-
Assets invested in bonds	-	25	-	25	-	23	-	-
Assets invested in real estate	-	17	-	17	-	15	-	-
Assets invested in cash and cash equivalents	-	3	1	4	-	5	-	-
Other investments	-	7	-	7	-	3	-	-
Total	0	98	2	100	0	98	2	2

Of the assets, SEK 223 million (2021) are listed assets.

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Important actuarial assumptions

Main actuarial assumptions used on the reporting date:

Discount rate, %

Inflation, %

Expected salary increases, %

Mortality assumptions

Actuarial tables used

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

WIBE (Sweden), life expectancy at the age of 65:

Current pensioners, born in the 1950s

Future pensioners, born in the 1970s

Artum (Switzerland), life expectancy at retirement age, men at the age of 65, women at the age of 64:

Current pensioners, men currently at the age of 65, women currently at the age of 64

Future pensioners, men currently at the age of 45, women currently at the age of 44

Sensitivity analysis

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

SEK million

WIBE (Sweden)

Discount rate

Future salary increases

Inflation

Life expectancy

Artum (Switzerland)

Discount rate

Future salary increases

Inflation

Life expectancy

31 Dec 2022

31 Dec 2021

Sweden

Switzerland

Other

Sweden

Switzerland

Effect on SEK assumption

Change in assumption, %

Effect on SEK assumption

2022

2021

18

0.3

2.2

3.5

3.5

1.8

2.3

2.0

0.8

2.2

1.0

3.3

13–15

100% x BVG 2020 G

100% x BVG 2020 G

Primarily DUS21, but also DUS21_Obt11M

Primarily DUS14, but also DUS21_Obt11M

Primarily RT Heubeck 2018 G but also RG 48 and Taiwan Individual Annuity Table

100% x BVG 2020 GT

100% x BVG 2020 G

2018 G but also RG 48 and Taiwan Individual Annuity Table

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NOTE 22

PROVISIONS

SEK million

31 Dec 2022

31 Dec 2021

Provisions that are non-current liabilities

Restructuring costs

Severance pay, furlough pay

Guarantee commitments

Restoration costs

Onerous contracts

Other

Total

1

1

61

6

1

17

87

–

–

39

6

–

42

87

NOTE 23

OTHER LIABILITIES

SEK million

31 Dec

Other non-current liabilities

Contingent considerations¹

Option to purchase non-controlling interests

Other

Total

Other current liabilities

VAT liability

Employee withholding tax

Factoring

Contingent considerations¹

Option to purchase non-controlling interests

Liability grants received

Liability to employees

Convertible

Other

Total

1

1

61

6

1

17

87

–

–

39

6

–

42

87

NOTE 24

ACCRUED EXPENSES AND DEFERRED INCOME

SEK million

31 Dec

Accrued personnel costs

Accrued pension costs

Accrued social security contributions

Accrued interest expenses

Accrued remuneration auditors

Accrued customer bonuses

Accrued cost of materials

Deferred income

Other accrued expenses

Total

1

1

61

6

1

17

87

–

–

39

6

–

42

87

Årsregnskap

regnskapsåret 2022 for 9833500

1) For more information on contingent considerations, see Note 25, Financial Instruments.

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NOTE 25 FINANCIAL INSTRUMENTS

MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

As at 31 Dec 2022

SEK million

Financial assets

Financial investments

Non-current receivables

Trade receivables

Other receivables

Current investment

Cash and cash equivalents

Total

Financial lia

Contingent considerations

liabilities to credit institutions

Other non-current

—hire/purchase agree

Trade payables

Other current liabilities

Total

The assets' maximum credit risk consists of the net am

As at 31 Dec 2021

100 million

[illegible]

Financial assets

...municipalities in the

Transdermal drug delivery

Other recent studies

Current investment

Cash and cash equivalents

Total

1

Financial liabilities

Contingent consideration

Liabilities to credit in

Other non-current

Hire/purchase agree

Trade payables

Owner

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 the net financial assets.

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Note 25 Financial instruments, cont.

FAIR VALUE MEASUREMENT

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

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 Observable inputs for the asset or liability other than the quoted market prices included in level 1, either directly (i.e., as quoted market prices) or indirectly (i.e., derived from quoted market prices)
- Level 3 Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs)

FAIR VALUE FOR DISCLOSURE PURPOSES

For assets and liabilities measured at amortised cost, the carrying value is considered to be a good approximation of the fair value.
Considering the short interest rate fixation periods and maturities of the items, estimates show that there is no significant difference between amortised cost and fair value.

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

As at 31 Dec 2022

SEK million	LEVEL 1	LEVEL 2	LEVEL 3	OTHER ¹⁾	Difference between fair and carrying value, related to quoted bonds	TOTAL
Financial assets						
Financial investments	-	-	-	8	-	8
Non-current receivables	-	39	-	33	-	72
Trade receivables	-	-	-	4,940	-	4,940
Other receivables	-	40	-	1,056	-	1,096
Current investments	1	-	-	-	-	1
Cash and cash equivalents	3,022	-	-	-	-	3,022
Total	3,023	79	-	6,037	-	9,139
Financial liabilities						
Contingent consideration	-	-	997	-	-	997
Liabilities to credit institutions	-	4,817	-	7,134	1,208	13,158
Other non-current liabilities	-	-	-	26	-	26
Hire/purchase agreements	-	-	-	263	-	263
Trade payables	-	-	-	2,563	-	2,563
Other current liabilities	-	43	-	2,836	-	2,878
Total	-	4,859	997	12,822	1,208	19,886
As at 31 Dec 2021						

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FINANCIAL STATEMENTS

Difference between carrying value and quoted value

SEK million	LEVEL 1	LEVEL 2	LEVEL 3	OTHER ¹⁾	Difference between carrying value and quoted value
Financial assets					
Financial investments	-	-	-	8	8
Non-current receivables	-	0	-	26	26
Trade receivables	-	-	-	2,925	2,925
Other receivables	-	11	-	746	746
Current investments	1	-	-	-	-
Cash and cash equivalents	6,167	-	-	-	-
Total	6,168	11	-	3,705	
Financial liabilities					
Contingent consideration	-	-	936	-	-
Liabilities to credit institutions	-	5,029	-	1,162	1,162
Other non-current liabilities	-	-	-	11	11
Hire/purchase agreements	-	-	-	224	224
Trade payables	-	-	-	1,730	1,730
Other current liabilities	-	-	-	18,760	18,760
Total	-	5,029	936	5,005	

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 documented information from the market. 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	Acquisitions	Paid	Revaluation/ discounting
Contingent considerations, 2022	936	702	-412	257
Contingent considerations, 2021	259	789	-48	-69

1) Acquisitions in 2021 included SEK 84 million that were added to the balance sheet through business combinations.

Considering that the Group has numerous contingent considerations and that there are considerations in terms and conditions, forecasts for the future and maturities, a sensitivity analysis does not represent a representation of potential changes in the valuation. A change in the discount rate by one percentage point for the contingent considerations by SEK +/- 7 million.

The fair value of the contingent considerations was calculated based on the expected outcome set in the contracts, given a discount rate of SEK 10.6 percent (9.6). See Note 5 regarding changes due to acquisitions.

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FINANCIAL STATEMENTS												
Hedge accounting												
To ensure future contracted cash flows in projects where the revenue is in a foreign currency, the Group entered into currency forward contracts to hedge the currency risk. Since April 2020, the Group has accounted for these contracts 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 determination of whether a hedging transaction is a hedge is based on the hedge ratio of the hedging instrument to the hedged item. 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 between the hedging instrument and the hedged item, and the changes in the fair value of the hedging instrument are expected to offset changes in the fair value of the hedged item. If there is a currency risk in the hedged item, the relationship is preferably established through a qualitative assessment of critical terms in the hedging instrument and the hedged item. Sources of hedge ineffectiveness comprise the effect of the parties' credit standing in the hedging instrument and imperfectly matched cash flows between the hedging instrument and the hedged item. The Group determines that the sources of hedge ineffectiveness are not significant, and the standing of the parties and as agreed cash flows in projects are hedged.												
Changes in fair value of the hedging instrument due to the effectiveness over the period												
Hedging instruments identified in hedging relationships at year-end												
Carrying amount												
Balance sheet item												
Hedging instrument												
2022												
Currency forward contracts, sold EUR, purchased SEK												
2021												
Currency forward contracts, sold EUR, purchased SEK												
Currency forward contracts, sold SEK, purchased USD												
Maturity analysis												
Hedging instruments at year-end (cash flow hedging)												
2022												
Currency forward contracts, nominal amounts, SEK m												
Average hedged forward rate, EUR/SEK												
2021												
Currency forward contracts, nominal amounts, SEK m												
Average hedged forward rate, EUR/SEK												
Average hedged forward rate, USD/SEK												
Reconciliation of hedge reserve and translation reserve in equity												
SEK million												
Opening carrying amount												
Items added over the period, recognised in other comprehensive income												
Tax												
Total items added over the year, recognised in other comprehensive income												
Closing book value												
Of which, ongoing hedges												

Hedge accounting

To ensure future contracted cash flows in projects where the revenue is in a foreign currency, the Group entered into currency forward contracts to hedge the currency risk. Since April 2020, the Group has accounted in the form of cash flow hedges.

When a hedging transaction is entered into, the relationship between the hedging instrument and the item is documented, along with the risk management objective and strategy. The determined relationship between the hedging instrument and the hedged item is based on the hedge ratios of the actual hedge ratio is 1:1 for all hedges.

Hedges are designed to be effective, i.e., there is an expectation of an economic relationship between the hedging instrument and the hedged item, and the changes in the value of the hedging instrument offsets changes in fair value or cash flows of the hedged item. The effectiveness of the relationship is preferably established through a qualitative assessment of critical terms in the relationship. Sources of hedge ineffectiveness comprise the effect of the parties' credit standing in the hedging instrument and imperfectly matched cash flows between the hedging instrument and the hedged item. The Group determines that the sources of hedge ineffectiveness are not significant, considering the standing of the parties and as agreed cash flows in projects are hedged.

Hedging instruments identified in hedging relationships at year-end		Changes in fair value for the effectiveness over the year	
Nominal amount	Carrying amount	Balance sheet item	Hedging instrument
SEK million			
2022	170	-14	-14
2021	329	-3	-3
	108	-4	-4

Maturity analysis		Reconciliation of hedge reserve and translation reserve in equity	
Hedging instruments at year-end (cash flow hedging)		SEK million	2022 Hedge reserve
2022			
Currency forward contracts, nominal amounts, SEK m	70		7
Average hedged forward rate, EUR/SEK	10.13		
2021			
Currency forward contracts, nominal amounts, SEK m	62		-14
Average hedged forward rate, EUR/SEK	10.03		
Average hedged forward rate, USD/SEK	8.75		-2
Total items added over the year, recognised in other comprehensive income			-16
Closing book value			-10
Of which, ongoing hedges			-14

Maturity		Reconciliation of hedge reserve and translation reserve in equity	
Hedging instruments at year-end (cash flow hedging)		SEK million	2022 Hedge reserve
2022			
Currency forward contracts, nominal amounts, SEK m	70		7
Average hedged forward rate, EUR/SEK	10.13		
2021			
Currency forward contracts, nominal amounts, SEK m	62		-14
Average hedged forward rate, EUR/SEK	10.03		
Average hedged forward rate, USD/SEK	8.75		-2
Total items added over the year, recognised in other comprehensive income			-16
Closing book value			-10
Of which, ongoing hedges			-14

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Note 26 Financial risks and risk management, cont.

Liquidity risk and refinancing risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk through continuous follow-up of the operations and by maintaining a cash pool structure that ensures that the companies' credit needs are met. The Group continuously forecasts future cash-flows based on various scenarios to ensure that financing occurs in a timely fashion.

The risks are mitigated by the Group's good liquidity reserves, which are readily available. In addition to equity, the Group's operations are essentially financed via bonds and credit facilities totalling SEK 20,094 million (16,446). The Group's covenants refer to interest-bearing net debt adjusted RTM EBITDA, which was consistent with the reporting facility by a good margin. At the end of the year the total credit amount consisted of SEK 11,128 million (10,446) in a revolving credit facility, of which SEK 7,000 million (9,200) was unutilised, and SEK 5,961 million (5,246) in bond loans. The total liquidity reserve, consisting of cash and cash equivalents, short-term investments and overdraft facilities, was SEK 10,022 million (15,367) as at the reporting date. The total liquidity reserve, consisting of cash and cash equivalents, short-term investments and overdraft facilities, was SEK 10,022 million (15,367) as at the reporting date.

Refinancing risk refers to the risk that financing for acquisitions or development cannot be retained, extended, re-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 raised in the loan portfolio over time: the average period of capital tied-up is currently 23 years.

The Group's contractual and undiscounted interest payments and repayments of financial liabilities are shown in the table below. Financial instruments with variable interest rates were calculated using the interest rate as at the reporting date. Liabilities were included in the period when repayment can be demanded at the earliest.

	31 Dec 2022	Amount	Utilised	Amount
SEK million				
Revolving credit facility		11,128	4,112	10,016
Total		11,128	4,112	10,016

The agreement for the syndicated loan includes covenants regarding interest-bearing debt (including debt in the form of convertible preferred stock) and net income or loss (adjusted RTM EBITDA) and equity/assets ratio that must be satisfied to avoid an increase in the interest-bearing debt to total capitalization. The interest-bearing debt to total capitalization ratio must not exceed 35%. Starsight has not been able to determine whether the covenants in 2022 or before

Storskogen's credit agreements/lines of credit:

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Note 26 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 keeps the confidence of investors, creditors and other stakeholders, and lays the foundation for the continued development of the operations. Based on a balancing of return and financial stability, the long-term target for interest-bearing net debt/adjusted RTM EBITDA was set at 2.0–3.0. The adjustment to this target forms part of the strategic planning and the level of indebtedness is monitored on an ongoing basis in the internal reporting to management and the Board. According to the Group's bank covenants, interest-bearing net debt is measured in relation to adjusted RTM EBITDA, i.e. as if Storskogen had owned all companies for the last 12 months. For further information on the Group's Adjusted RTM EBITDA, see Definition of key performance indicators on pages 131–133.

Adjusted RTM EBITDA

SEK million	2022	2021
Adjusted RTM EBITDA	4,658	3,115

Interest-bearing net debt

Interest-bearing liabilities	15,282	7,833
Less cash and cash equivalents and current investments	–3,022	–6,168

Interest-bearing net debt¹⁾

	12,260	1,666
--	--------	-------

Leverage ratio

Leverage ratio (Interest-bearing net debt/adjusted RTM EBITDA)	2.6	0.5
--	-----	-----

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 contractually acquired by the Group in that 12-month period. The purpose is to assess the Group's operating activities. EBITDA serves as a complement to operating profit. Adjusted EBITDA facilitates comparisons of EBITDA between periods.

SEK million

	2022	2021
Operating profit	2,905	2,197
Items affecting comparability	–118	33
RTM amortisation and depreciation	1,870	885
RTM impairment of intangible assets	0	0
Adjusted RTM EBITDA	4,658	3,115

1) Items affecting comparability in 2022 and 2021 include the remeasurement of contingent considerations and amortisation or depreciation of revaluations at fair value of acquisitions to facilitate comparisons between periods. Items affecting comparability in 2022 also include items affecting comparability such as stamp duty on foreign business combinations, central restructuring costs and capital gains or losses on the disposal of operations. Items affecting comparability in 2021 includes non-recurring costs related to the IPO.

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INTRODUCTION	4	NOTE 28 ASSETS PLEDGED AND CONTINGENT LIABILITIES
STRATEGY AND BUSINESS MODEL	8	SEK million Assets pledged <i>These are in the form of assets pledged as security for the Group's own liabilities and provisions</i> Property mortgages Floating charges Assets with retention of title Other Total Other pledged assets and collateral Bank guarantee with the client as the beneficiary
BUSINESS AREAS	21	Total assets pledged Contingent liabilities Suretyships, other
SUSTAINABILITY REPORT	32	Total contingent liabilities
CORPORATE GOVERNANCE	45	Bank guarantees with the client as the beneficiary are mostly provided for subsidiaries engaged in construction services that must meet their commitments before project deadlines. Based on the historical information, the guarantees would be used is low.
DIRECTORS' REPORT	55	NOTE 29 TRANSACTIONS WITH RELATED PARTIES
FINANCIAL STATEMENTS	63	A list of the Group's subsidiaries, which are also related parties to the Group, is provided in Note 29. The Group's consolidated financial statements are prepared in accordance with the consolidated accounts. All transactions with related parties were on market terms. For information on remuneration to senior executives, see Note 8, Employees, staff costs and senior executives.
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NOTE 30 PARTICIPATIONS IN GROUP COMPANIES

Storskogen Group AB (pub)'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		Registered office	Corporate identity number	Company	Corporate identity number	Registered office	Share of capital/votes	31 Dec 2022	31 Dec 2021
Company		Parent company	Parent company								
Storskogen Group AB (pub)		Storskogen Group AB (pub)	Storskogen Group AB (pub)	Stockholm, Sweden	559223-8684			Stockholm, Sweden	Parent company	100.0%	100.0%
Storskogen Group International AB		Storskogen Group International AB	Storskogen Group International AB	Stockholm, Sweden	559248-2144			Stockholm, Sweden	100.0%	100.0%	100.0%
Storskogen Schweiz AG		Storskogen Schweiz AG	Storskogen Schweiz AG	Zürich, Switzerland	CHE-348 450 254			Zürich, Switzerland	100.0%	100.0%	100.0%
Storskogen Schweiz Management AG ¹⁾		Storskogen Schweiz Management AG ¹⁾	Storskogen Schweiz Management AG ¹⁾	Zürich, Switzerland	CHE-252 503 538			Zürich, Switzerland	100.0%	100.0%	100.0%
LNS Holding SA		LNS Holding SA	LNS Holding SA	Neuchâtel, Switzerland	CHE-116 025 868			Neuchâtel, Switzerland	100.0%	100.0%	100.0%
PerfectHair AG		PerfectHair AG	PerfectHair AG	Wallisellen, Switzerland	CH-020.3.032.319-B			Wallisellen, Switzerland	75.0%	75.0%	75.0%
Vokus Personal AG		Vokus Personal AG	Vokus Personal AG	Zürich, Switzerland	345 876 556			Zürich, Switzerland	85.7%	85.7%	85.7%
Storskogen Deutschland GmbH		Storskogen Deutschland GmbH	Storskogen Deutschland GmbH	Munich, Germany	HRB 276478			Munich, Germany	100.0%	100.0%	100.0%
A&K Die Frische Küche GmbH		A&K Die Frische Küche GmbH	A&K Die Frische Küche GmbH	Recklinghausen, Germany	HRB 7911			Recklinghausen, Germany	100.0%	100.0%	100.0%
Christ & Wirth Haustechnik GmbH		Christ & Wirth Haustechnik GmbH	Christ & Wirth Haustechnik GmbH	Zwenkau, Germany	HRB 17814			Zwenkau, Germany	80.0%	80.0%	80.0%
DIWABAY GmbH		DIWABAY GmbH	DIWABAY GmbH	Berlin, Germany	HRB 165446			Berlin, Germany	74.9%	74.9%	74.9%
Hans Kämmerer GmbH		Hans Kämmerer GmbH	Hans Kämmerer GmbH	Wachtendonk, Germany	HRB 1753			Wachtendonk, Germany	85.0%	85.0%	85.0%
HK Immobilien GmbH		HK Immobilien GmbH	HK Immobilien GmbH	Hamburg, Germany	HRB 95212			Hamburg, Germany	100.0%	100.0%	100.0%
Rolfert GmbH & Co. KG		Rolfert GmbH & Co. KG	Rolfert GmbH & Co. KG	Altbach, Germany	212 148			Altbach, Germany	95.1%	95.1%	95.1%
SF Tooling Group GmbH		SF Tooling Group GmbH	SF Tooling Group GmbH	Laichingen, Germany	98 669 675			Laichingen, Germany	95.0%	95.0%	95.0%
Storskogen Danmark ApS		Storskogen Danmark ApS	Storskogen Danmark ApS	Copenhagen, Denmark	42 150 290			Copenhagen, Denmark	100.0%	100.0%	100.0%
Danboring AS		Danboring AS	Danboring AS	Kjellerup, Denmark	19 623 106			Kjellerup, Denmark	90.1%	90.1%	90.1%
Danmatic Automated Bakery Systems A/S		Danmatic Automated Bakery Systems A/S	Danmatic Automated Bakery Systems A/S	Viborg, Denmark	12 509 707			Viborg, Denmark	75.0%	75.0%	75.0%
Fremco A/S		Fremco A/S	Fremco A/S	Frederikshavn, Denmark	30 81 54 16			Frederikshavn, Denmark	84.0%	84.0%	84.0%
INGENJØRNE A/S		INGENJØRNE A/S	INGENJØRNE A/S	Esbjerg, Denmark	78 01 52 17			Esbjerg, Denmark	82.0%	82.0%	82.0%
Storskogen Suomi Oy		Storskogen Suomi Oy	Storskogen Suomi Oy	Esbo, Finland	3267436-8			Esbo, Finland	100.0%	100.0%	100.0%
Storskogen Nederland BV		Storskogen Nederland BV	Storskogen Nederland BV	Amsterdam, Netherlands	85 849 774			Amsterdam, Netherlands	100.0%	100.0%	100.0%
Storskogen Norge AS		Storskogen Norge AS	Storskogen Norge AS	Oslo, Norway	927 075 113			Oslo, Norway	100.0%	100.0%	100.0%
Fon Anlegg AS		Fon Anlegg AS	Fon Anlegg AS	Sandefjord, Norway	915 557 368			Sandefjord, Norway	90.1%	90.1%	90.1%
Nimbus Gruppen AS		Nimbus Gruppen AS	Nimbus Gruppen AS	Fredrikstad, Norway	927 950 731			Fredrikstad, Norway	90.1%	90.1%	90.1%
THERMICA AS		THERMICA AS	THERMICA AS	Lierstranda, Norway	997 933 273			Lierstranda, Norway	80.0%	80.0%	80.0%
Vox Hair Concept AS		Vox Hair Concept AS	Vox Hair Concept AS	Porsgrunn, Norway	996 589 129			Porsgrunn, Norway	80.0%	80.0%	80.0%
Storskogen Singapore Pte. Ltd		Storskogen Singapore Pte. Ltd	Storskogen Singapore Pte. Ltd	Singapore, Singapore	202141432Z			Singapore, Singapore	100.0%	100.0%	100.0%

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Note 30 Participations in Group companies, cont.

Share of capital/votes

	Company	Corporate identity number	Registered office	Share of capital/votes	
				31 Dec 2022	31 Dec 2021
4	Golvgrossisten G och BI Norrköping AB	556238-8255	Norrköping, Sweden	100.0%	100.0%
8					
21	Plåthuset i Malaradalen AB	556311-2050	Enköping, Sweden	90.1%	90.1%
32	Plåthuset Syd AB ¹⁾	559059-4304	Enköping, Sweden	30.0%	30.0%
45	Smederna Sverige AB	556415-2568	Tumba, Sweden	90.1%	90.1%
55	SAMUS Holding AB	559030-3094	Skara, Sweden	100.0%	100.0%
	BR Solutions AB	556251-0817	Hälsings Karra, Sweden	90.1%	90.1%
63	Swedstyle AB	556272-5134	Vaggeryd, Sweden	100.0%	100.0%
	Enival AB	556689-0207	Lund, Sweden	86.0%	92.0%
	INBEGO AB	556294-1558	Älmhult, Sweden	90.1%	90.1%
64	IDATA AB	556618-8396	Värnamo, Sweden	100.0%	100.0%
	ARAT AB	556922-2697	Kungsbacka, Sweden	90.1%	90.1%
	Tolarp Kyckling AB	559183-5672	Linghem, Sweden	100.0%	100.0%
126	Svenska Käckler AB	559182-1334	Linghem, Sweden	100.0%	100.0%
	Elektroautomatiki Sverige AB	556100-1008	Göteborg, Sweden	92.6%	92.6%
127	Noas Snickeri i Tibro AB	556389-5290	Tibro, Sweden	100.0%	100.0%
	Båstad-Gruppen AB	556519-6135	Ängelholm, Sweden	91.0%	91.0%
131	Alan Components AB	556312-5656	Kristinehamn, Sweden	100.0%	100.0%
	NetRed AB	556596-8640	Tidahlm, Sweden	91.0%	91.0%
134	Roslagsluteriet AB	559052-2032	Herrang, Sweden	100.0%	100.0%
	Storebragluteriet AB	556525-0049	Storebro, Sweden	100.0%	100.0%
	Elcommunication Sweden AB	556582-3753	Karlskrona, Sweden	90.1%	90.1%
151	C.S.Riv och Hålltagning AB	556529-8786	Hälsings Backa, Sweden	90.1%	90.1%
	JJH Sverige AB	559135-9913	Kungälv, Sweden	90.1%	90.1%
	ByWe Group AB ²⁾	559382-6232	Västra Frölunda, Sweden	92.0%	-
	Jata Cargo AB	556542-2895	Malmö, Sweden	90.1%	90.1%
	Alfa Kvallteindustri AB	559206-3787	Alfta, Sweden	90.1%	90.1%
	Baldacci AB	556703-8624	Västra Frölunda, Sweden	95.1%	95.1%
	Urneå Golfcenter AB	556599-2004	Urneå, Sweden	100.0%	100.0%
	Riviera Markiser & Persienner AB	556432-5685	Partille, Sweden	90.1%	90.1%
	TRELLEGRAB AB	556454-9391	Trelleborg, Sweden	90.1%	90.1%
	A Lot Decoration Sweden AB	556698-0131	Falköping, Sweden	95.0%	95.0%
	Dextry Group AB ³⁾	559051-8345	Stockholm, Sweden	94.8%	94.8%
	Svenska Tungdykargruppen AB	556739-5529	Mora, Sweden	100.0%	100.0%
	Västmark Entreprenad AB	556816-5350	Göteborg, Sweden	90.1%	90.1%
	Tepac Entreprenad AB	556646-7880	Stockholm, Sweden	92.0%	92.0%

	Company	Corporate identity number	Registered office	Share of capital/votes	31 Dec 2021
	Albo Hair Group AB ³⁾	556497-8764	Malmö, Sweden	100.0%	100.0%
	Vaxjö Elmontage AB	556522-5983	Vaxjö, Sweden	90.1%	90.1%
	Freitas AS	983 978 576	Grålum, Norway	30.0%	30.0%
	Ulimax AB	556647-0307	Orebro, Sweden	90.1%	90.1%
	Stockholms International Handelskola AB	556578-6497	Stockholm, Sweden	100.0%	100.0%
	Bergendahlis El Gruppen AB	556529-8493	Göteborg, Sweden	90.1%	90.1%
	El & Projektering Veitland AB	556594-0813	Veitland, Sweden	100.0%	100.0%
	Svenska Grindmatriser AB	556258-8839	Uppsala, Sweden	92.0%	92.0%
	M J Contractor AB	556492-6904	Uppsala, Sweden	90.1%	90.1%
	IMEO AB	556791-8811	Stockholm, Sweden	100.0%	100.0%
	Pierre Entreprenad i Gävle AB	556582-9784	Gävle, Sweden	90.1%	90.1%
	Ornsberg EL Tele & Data AB	556347-0037	Trångsund, Sweden	100.0%	100.0%
	NORDIC WHEEL & AUTOSUPPLY AB	556824-1807	Kungsbacka, Sweden	92.6%	92.6%
	Ockelbo Kabelteknik AB	556675-2019	Ockelbo, Sweden	100.0%	100.0%
	Tjällmo Gravmaskiner AB	556337-3662	Borlänge, Sweden	91.0%	91.0%
	Strand i Jönköping AB	556385-9197	Jönköping, Sweden	100.0%	100.0%
	Alan Eriksson Mark AB	556437-3669	Sala, Sweden	90.1%	90.1%
	Såg- & Betongborrning i Uddevalla Aktiebolag	556226-4043	Uddevalla, Sweden	100.0%	100.0%
	Strigo AB	556921-5360	Västervik, Sweden	90.1%	90.1%
	Primulor AS	918 375 643	Oslo, Norway	90.1%	90.1%
	ASIO System och Kompetens i Skandnavien AB	556650-2968	Luleå, Sweden	90.1%	90.1%
	Bombayworks AB	556720-9357	Stockholm, Sweden	90.1%	90.1%
	Scandia Steel Sweden AB	559272-9320	Stockholm, Sweden	90.1%	90.1%
	Herrysson Entreprenad Aktiebolag (HEAB)	556273-9762	Hallsberg, Sweden	90.1%	90.1%
	Lindberg Stenbergs Arkitekter AB	556250-6609	Stockholm, Sweden	95.1%	95.1%
	Värvastan AB	556880-1939	Falkenberg, Sweden	100.0%	100.0%
	Jorfab TWS AB	556231-0713	Trane, Sweden	90.1%	90.1%
	Ecochange AB	556739-4618	Norrköping, Sweden	90.1%	90.1%
	Newton Kompetensutveckling AB	556464-7989	Stockholm, Sweden	90.1%	90.1%
	Aktiebolaget Wibe	556034-6495	Mora, Sweden	95.0%	95.0%
	Zymba Logistik Contractor AB	556681-8653	Kumla, Sweden	94.8%	94.8%
	Ashe Invest AB	559059-3868	Göteborg, Sweden	100.0%	100.0%
	AES 2012 Holding AB (Brenderup)	556951-8011	Jönköping, Sweden	90.1%	90.1%
	Kumla Handtagsfabrik AB	559156-8331	Stockholm, Sweden	92.0%	92.0%

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Årsregnskap regnskapsåret 2022 for 983350062			

Company	Corporate identity number	Registered office	Share of capital/votes	
			31 Dec 2022	31 Dec 2021
DeroA AB	559088-9639	Stockholm, Sweden	84.1%	84.1%
Buildcom Group AB	559064-1410	Stockholm, Sweden	100.0%	100.0%
Viametris Group AB	559018-4155	Stockholm, Sweden	91.6%	91.6%
Solvent Group AB	559138-8789	Stockholm, Sweden	95.9%	95.9%
VINAB, Verkstadsindustri i Norr AB	556680-0832	Gällivare, Sweden	90.1%	90.1%
Vikingsun AB	556492-4362	Stockholm, Sweden	95.0%	95.0%
Nummelina AB	556508-9850	Kungsbacka	90.1%	90.1%
2V2 Group AB	556688-3772	Båstad, Sweden	90.1%	–
EVIAB Gruppen AB	556724-2267	Örebro, Sweden	90.1%	–
Hudikhus AB	556101-7715	Hudiksvall, Sweden	70.0%	–
Brandprojektering Sverige AB	556984-7444	Skövde, Sweden	70.0%	–
Hedson Technologies International AB	556450-9874	Åröv, Sweden	97.9%	–
Nitra Consult Aktieförägar AB	556131-5770	Stockholm, Sweden	100.0%	–
VSH-Holding AB (Sveawise)	556825-5423	Karlstad, Sweden	82.4%	–
PR Home of Scandinavia AB	556614-9323	Borås, Sweden	70.0%	–
Session MAP AB	556782-3888	Uddevalla, Sweden	70.0%	–
JO Sport i Hudiksvall AB	556273-2726	Hudiksvall, Sweden	80.0%	–
Scandinavian Cosmetics Group AB	559209-0533	Malmö, Sweden	95.9%	–
Acreto AB	556681-5469	Gothenburg, Sweden	80.0%	–
Hans Lofqvist Engineering AB	556196-1706	Örebro, Sweden	100.0%	–
Storskogen Utveckling AB	556870-1229	Stockholm, Sweden	100.0%	100.0%
Schalins Ringar AB	556161-6110	Östersund, Sweden	100.0%	100.0%
Tunga Lyft Sverige AB	556713-3243	Åröv, Sweden	100.0%	100.0%
Tunga Lyft Engineering i Sverige AB	556801-7726	Åröv, Sweden	100.0%	100.0%
Jacob Lindh AB	556688-6576	Lund, Sweden	97.3%	97.3%
Deikateskungen AB	556656-1360	Stockholm, Sweden	100.0%	100.0%
AB Kranlyft	556628-4534	Malmö, Sweden	100.0%	100.0%
Swedfarm AB	556498-9688	Linghem, Sweden	100.0%	100.0%

1) Novus Partners AG was merged with Artum AG, which thereafter changed its name to Storskogen Schweiz Management AG during the year

2) Canza EP Sweden AB changed its name to Alba Hair Group AB during the year

3) BAFRAL Holding AB changed its name to ByWe Group AB during the year

4) Storskogen 3 Invest AB owns 30 percent of Fildhuset Syd AB. The remaining 70 percent are owned by Fildhuset i Malaradalen AB, of which is 90.1 percent held by Storskogen 3 Invest AB.

5) Wåla i Sverige AB changed its name to Dextry Group AB during the year.

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Note 31. Specifications to the cash flow statement, cont.	
CHANGE IN LIABILITIES FROM FINANCING ACTIVITIES	
SEK million	Non-cash movements
Interest-bearing liabilities to credit institutions	5,713
Interest-bearing liabilities for hire/purchase agreements	161
Lease liabilities	1,166
Total liabilities from financing activities	7,554
SEK million	Non-cash movements
Interest-bearing liabilities to credit institutions	3,419
Interest-bearing liabilities for hire/purchase agreements	100
Lease liabilities	594
Total liabilities from financing activities	4,113
For liabilities to credit institutions, 'other' chiefly include reversals of capitalised borrowing costs and translation differences.	

NOTE 32. EARNINGS PER SHARE	
Basic earnings per share is calculated by dividing net profit attributable to the Parent Company's shareholders by the weighted average number of ordinary shares outstanding during the period.	
In the calculation of diluted earnings per share, the dilutive effect of potential ordinary shares and the weighted average of the additional shares that would have been outstanding if all potential ordinary shares were converted.	
The Group in its current form was formed through a merger of the three independent investment entities Storskogen Industrier AB, Storskogen Utveckling AB and Storskogen 3 Invest AB (the 'Investment entities') in 2019.	
Pursuant to provisions in the Company's articles of association, previously existing preferential rights to dividends were eliminated when the Company's shares were admitted to trading on the stock exchange, and every share in series A and series B confer the same right to a share of the Company's assets and profits.	
Storskogen presents its earnings per share for historical periods as if all shares had the same right to the Company's assets and profits.	
At the extraordinary general meeting held in September 2022, it was resolved to perform a subdivision of shares (a share split), whereby one existing share became ten shares (this applied to A shares and B shares alike). In the calculations of profit or loss, the number of shares has been corrected, as if the share split occurred before the earliest period included in these financial statements. In October 2021, 51,335,798 A shares were redeemed without the payment of consideration. The purpose of this was to give the remaining A shares a value that corresponded to 20 percent of the Company's value immediately before the Offering in connection with the IPO. A retroactive adjustment was made for this redemption regarding the number of ordinary shares outstanding, both in the current period and the comparative periods.	

Earnings per share	
SEK	
Basic earnings per share, series A and B	1,435
Diluted earnings per share, series A and B	1,435
Profit for the year attributable to the holders of ordinary shares in the Parent Company	
SEK thousand	
Profit for the year attributable to the holders of series A and B shares in the Parent Company	1,435
Weighted average number of shares used in the calculation of diluted earnings per share	
	2
Weighted average number of ordinary series A shares	148,000
Weighted average number of ordinary series B shares ¹⁾	151,761,614
Total weighted number of shares outstanding	1,665,614
¹⁾ Includes a dilutive effect of 4,575,282 potential shares (26,407).	

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NOTE 33 EVENTS AFTER THE REPORTING DATE

Events after the end of the financial year

After the end of the financial year, Storskogen completed three acquisitions, all of which were add-on acquisitions. The Services business area completed an add-on acquisition through SolVent Group, which acquired HSV Hasleholm with the aim of extending and developing the existing offering of chimney sweeping and ventilation services. The acquisition included two fellow subsidiaries with combined annual sales of SEK 12 million.

The industry business area completed two add-on acquisitions, both made by ARAT Group. Haga Kusten Resurs Teknik and Lognor were acquired with the aim of expanding the Group's expertise and offering in the sawmill and wood processing industry. These acquisitions had combined annual sales of SEK 83 million.

Through the subsidiary Hilpert Electronics, the Trade business area divested the company Meckon AS in Switzerland, which had annual sales of approximately SEK 50 million. The reason for the divestment was that the Company's operations and size were incompatible with Storskogen's long-term strategy.

On 28 March, the Trade business area, via Vox Hair, signed an agreement to acquire 100 percent of the shares in Modern Design AS. The acquisition is subject to competition approval and is expected to be completed in the second quarter 2023. Modern Design is a Norwegian chain of hair salons with annual sales of SEK 10 million.

On 23 February, it was announced that Storskogen extended both of its outstanding unsecured facility agreements in full, by one year each. The extension included both the revolving credit facility of EUR 1 billion that was entered into on 24 September 2021, which was extended until 24 September 2025, and the unsecured syndicated term facility agreement of EUR 300 million that was entered into on 23 September 2022, which was extended until 24 March 2025. After the extension, the revolving credit facility has another extension option of one year.

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	INTRODUCTION	4	NOTES – PARENT COMPANY	
BUSINESS AREAS	STRATEGY AND BUSINESS MODEL	8	NOTE 34 NET SALES	
		21	SEK million	
SUSTAINABILITY REPORT	CORPORATE GOVERNANCE	32	Revenue from management fees	
		45	2022 2021	
DIRECTORS' REPORT	FINANCIAL STATEMENTS	55	156 104	
		63	Total 156 104	
FINANCIAL STATEMENTS	FINANCIAL STATEMENTS AND NOTES	64	NOTE 35 FINANCIAL INSTRUMENTS	
		126	Valuation of financial assets and liabilities as at 31 December 2022	
AUDITOR'S REPORT	CERTIFICATION BY THE BOARD OF DIRECTORS	127	SEK million	
		131	2022 2021	
SUSTAINABILITY NOTES	STORSKOGEN'S SHARE	134	Financial assets	
		151	Receivables from Group companies	
STORSKOGEN'S SHARE	DEFINITIONS	151	Receivables from credit institutions	
			Cash and cash equivalents	
STORSKOGEN'S SHARE	SUSTAINABILITY NOTES	151	Other non-current receivables	
			Total 28,653 21,510	
STORSKOGEN'S SHARE	FINANCIAL STATEMENTS	151	Financial liabilities	
			Liabilities to credit institutions	
STORSKOGEN'S SHARE	DEFINITIONS	151	Liabilities to Group companies	
			Other liabilities	
STORSKOGEN'S SHARE	SUSTAINABILITY NOTES	151	Trade payables	
			Total 16,137 8,853	
STORSKOGEN'S SHARE	FINANCIAL STATEMENTS	151	The carrying amount is a good approximation of the fair value of financial assets and liabilities.	
			Intra-Group derivatives are mostly reflected in an external counterparty (a bank) through external derivatives.	
STORSKOGEN'S SHARE	DEFINITIONS	151	NOTE 36 EMPLOYEES, STAFF COSTS AND REMUNERATION TO SENIOR EXECUTIVES	
			Salaries and other remuneration broken down by the CEO, Board and other employees	
STORSKOGEN'S SHARE	SUSTAINABILITY NOTES	151	2022	
			SEK million	
STORSKOGEN'S SHARE	FINANCIAL STATEMENTS	151	Salaries and remuneration (of which bonuses, etc.)	
			Social security costs (of which pension costs)	
STORSKOGEN'S SHARE	DEFINITIONS	151	Total 13 4	
			2021	
STORSKOGEN'S SHARE	SUSTAINABILITY NOTES	151	SEK million	
			Salaries and remuneration (of which bonuses, etc.)	
STORSKOGEN'S SHARE	FINANCIAL STATEMENTS	151	Social security costs (of which pension costs)	
			Total 7 2	
STORSKOGEN'S SHARE	DEFINITIONS	151	2022	
			SEK million	
STORSKOGEN'S SHARE	FINANCIAL STATEMENTS	151	Salaries and remuneration (of which bonuses, etc.)	
			Social security costs (of which pension costs)	
STORSKOGEN'S SHARE	DEFINITIONS	151	Total 11 3	
			2021	
STORSKOGEN'S SHARE	SUSTAINABILITY NOTES	151	Average number of employees	
			Sweden 73 40	
STORSKOGEN'S SHARE	FINANCIAL STATEMENTS	151	Total 73	
			NOTE 37 REMUNERATION TO THE AUDITORS	
STORSKOGEN'S SHARE	DEFINITIONS	151	SEK million	
			Ernst & Young AB	
STORSKOGEN'S SHARE	SUSTAINABILITY NOTES	151	Audit assignment	
			Audit activities outside the audit assignment	
STORSKOGEN'S SHARE	FINANCIAL STATEMENTS	151	Other assignments	
			Total	

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NOTE 45 APPROPRIATIONS

SEK million	2022	2021
Accelerated depreciation	0	–
Group contributions received	–	392
Total	0	392

NOTE 46 ASSETS PLEDGED

SEK million	2022	2021
Assets pledged		
These are in the form of assets pledged as security for own liabilities and provisions		
Parent Company guarantees and suretyships	354	–
Total	354	–

Refers to security for liabilities to credit institutions.

NOTE 47 PARTICIPATIONS IN GROUP COMPANIES

SEK million	2022	2021
Opening cost	4,006	3,140
Acquisitions/unconditional shareholder contributions	771	866
Closing carrying amount	4,777	4,006

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 30, Participations in Group companies.

Company	Corporate identity number	Registered office	Equity, 2022	Profit/loss, 2022	Share of capital and votes	Number of shares (thousand)	Carrying amount Dec 2022
Storskogen Industrier AB	556803-3012	Stockholm, Sweden	111	26	100%	1,052	86
Storskogen 3 Invest AB	559080-4273	Stockholm, Sweden	3,579	772	100%	12,718	2,877
Storskogen Utveckling AB	556870-1229	Stockholm, Sweden	303	27	100%	2,324	350
Storskogen Group International AB	559248-2144	Stockholm, Sweden	286	2	100%	50	1,454
Carrying amount							4,777

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	The following amount in SEK million are at the disposal of the Annual General Meeting:	
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FINANCIAL STATEMENTS		
NOTE 49 RECEIVABLES FROM GROUP COMPANIES		
SEK million		
Accumulated cost	2022	2021
At beginning of the year	16,535	4,140
Trade receivables	33	3
Accrued interest income	84	4
Cash pool receivable	1,663	1,420
Loans to Group companies	9,123	10,968
Derivatives	6	–
Closing balance, 31 Dec	27,444	16,535
Carrying amount	27,444	16,535
NOTE 50 TRANSACTIONS WITH RELATED PARTIES		
Transactions with related parties include loans to subsidiaries, see Note 49, Receivables on Group remuneration to the Board and senior executives, see the Groups' Note 8, Employees, staff costs to senior executives.		
The Parent Company's other transactions with related parties		
SEK million		
Profit Intressenter AB		
Total		
There were no other transactions with related parties in 2022.		
NOTE 51 SPECIFICATIONS TO THE CASH FLOW STATEMENT		
Adjustment for non-cash items		
SEK million		
Adjustments of profit/loss before tax		
Anticipated dividends from subsidiaries		
Group contributions that have not been received		
Impairment of shares in subsidiaries		
Unrealised exchange rate differences		
Reversal of capitalised borrowing costs		
Unrealised value changes in derivatives		
Other non-cash profit/loss items		
Total		
NOTE 52 DISCLOSURES ABOUT THE PARENT COMPANY		
Storskogen Group AB (publ) is a Swedish limited company with its registered office in Stockholm. Company's shares are listed on Nasdaq Stockholm, Large Cap. The consolidated accounts for the Parent Company and its subsidiaries, collectively referred to as the Group.		
ADDRESS OF THE HEAD OFFICE		
Storskogen Group AB		
Hovslagergatan 3		
111 48 Stockholm, Sweden		
www.storskogen.com		

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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 operational position and performance and describes material risks and uncertainties to which the company and other companies in the Group are exposed.

As stated above, the annual accounts and the consolidated accounts were a publication by the Board of Directors and the CEO on 24 March 2023. The consolidated statement, statement of comprehensive income and balance sheet and the Parent income statement and balance sheet are subject to adoption at the Annual General Meeting which is planned to be held on 12 May 2023.

Stockholm, 24 March 2023

Annette Brodin Rampe
Chair of the Board

Alexander Bjärgård
Board Member

Louise Hedberg
Board Member

Bengt Braun
Board Member

Johan Thorell
Board Member

Daniel Kaplan
CEO

Our audit report was submitted on 24 March 2023
Ernst & Young AB

Åsa Lundvall
Authorised Public Accountant

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ment apply significant judgment and estimates regarding future cash flows, perpetual growth rate and discount rates. The impairment tests for 2022 did not result in any impairment charges. Disclosures related to the group's accounting principles are provided in Note 1, significant accounting estimates and judgements are provided in Note 2 and disclosures related to goodwill and the impairment test performed is provided in Note 13. Based on the significant carrying value of the goodwill and the high degree of management estimate required to perform the impairment tests, we have assessed the accounting of the valuation of goodwill as a key audit matter in our audit.

How our audit addressed this key audit matter

In the audit, we have evaluated the group's process for conducting impairment tests. Based on established criteria, we have further examined how the group identifies cash-generating units. With support from our internal valuation specialists, we have evaluated the valuation methods used. We have assessed the reasonableness of assumptions and reviewed these through conducting sensitivity analysis, comparing them to historical outcomes as well as external sources and comparing them to industry benchmarks. Finally, we have reviewed the disclosures provided in the annual report.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–54 and 131–156. The other information also includes the remuneration report and were obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's going concern. They disclose, as applicable, matters related to the going concern basis of accounting. The going concern basis of accounting, however, not applied if the Board of Directors and the Managing Director intend 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 Directors's responsibilities, in general, among other things oversee the company's financial reporting

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 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 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 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 professional scepticism 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 misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit 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 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 audit report. However, future events or conditions may cause a company to discontinue as a going concern.

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SUSTAINABILITY REPORT	32	Opinions In addition to our audit of the annual accounts and consolidated accounts, we have also audited the Board of Directors and the Managing Director of Storskogen Group for the year financial year 2022 and the proposed appropriations of the company's profit or loss. We recommend to the general meeting of shareholders that the profit be appropriated to the company's reserves. In accordance with the proposal in the statutory administration report, the members of the Board of Directors and the Managing Director be discharged from their duties for the year financial year.
CORPORATE GOVERNANCE	45	Basis for opinions We conducted the audit in accordance with generally accepted auditing standards and the Norwegian Accounting Standards. Our responsibilities under those standards are further described in the Auditor's Report. We are independent of the parent company and the group in accordance with the ethical requirements for auditors in Norway. We have otherwise fulfilled our ethical responsibilities for these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate basis for our opinions.
DIRECTORS' REPORT	55	
FINANCIAL STATEMENTS	63	Responsibilities of the Board of Directors and the Managing Director The Board of Directors is responsible for the proposal for appropriation of the profit or loss. At the proposal of a dividend, this includes an assessment of whether the company is able to distribute dividends. This includes an assessment of whether the company is able considering the requirements which the company's and the group's type of business and risks place on the size of the parent company's and the group's equity, consolidated financial statements, liquidity and position in general. The Board of Directors is responsible for the company's organization and the company's financial affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization and the group's financial situation and ensuring that the company's financial affairs are controlled in a reassuring manner. The Managing Director shall manage the company's financial affairs in accordance with the guidelines and instructions from the Board of Directors and take measures that are necessary to fulfill the company's accounting and financial obligations in a reassuring manner.
FINANCIAL STATEMENTS AND NOTES	64	Auditor's responsibility Our objective concerning the audit of the administration, and thereby our opinion on whether the company is able to distribute dividends, is to obtain audit evidence with a reasonable degree of assurance that the company's financial statements are free from material misstatement. Our objective concerning the audit of the proposed appropriations of the company's profit or loss, is to obtain audit evidence with a reasonable degree of assurance that the company's financial statements are free from material misstatement. Our objective concerning the audit of the proposed appropriations of the company's profit or loss, is to obtain audit evidence with a reasonable degree of assurance that the company's financial statements are free from material misstatement. Our objective concerning the audit of the proposed appropriations of the company's profit or loss, is to obtain audit evidence with a reasonable degree of assurance that the company's financial statements are free from material misstatement.
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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 (publ) for the financial year 2022.

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 (publ) 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 accordance with 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 the Esef report is prepared in accordance with the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed. We will always detect a material misstatement when it exists. Misstatements can arise from error or 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 ISQC 1 *Quality Control for Firms that Perform Audits and Other Assurance and Related Services Engagements* and maintains a comprehensive system of quality control, including documented procedures regarding compliance with professional ethical requirements, professional 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 consolidated accounts. The procedures selected depend on the auditor's judgment about the assessment of the risks of material misstatement in the report, whether due to fraud or error. Carrying out this risk assessment, and in order to design audit procedures that are appropriate to 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. The purpose of expressing an opinion on the effectiveness of those internal controls is not to provide assurance that the Esef report is free from material misstatements. The examination also includes an evaluation of the appropriateness and reasonableness of the Esef report made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in accordance with the XHTML format and a reconciliation of the Esef report with the audited annual consolidated accounts.

Furthermore, the procedures also include an assessment of whether the content of the Esef report is consistent with the company's financial performance, financial position, changes in equity, cash flow and other information disclosed in the Esef report have been marked with iXBRL in accordance with what follows from the Esef format.

Ernst & Young AB with Åsa Lundvall as auditor in charge, Box 7850, Kärnmorgatan 1, SE-171 08 Solna, Sweden, was appointed auditor of Storskogen Group AB (publ) by the general meeting of shareholders on the 17 May 2022 and has been the company's auditor since the 24 October 2022. Storskogen Group AB (publ) has been a company of general public interest since the 24 October 2022.

Stockholm 24 March 2023

Ernst & Young AB

Åsa Lundvall

Authorised Public Accountant

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Definition of key performance indicators

KEY PERFORMANCE INDICATORS

Storskogen presents a number of performance measures that are not defined in accordance with IFRS. The Company is of the view that these measures provide valuable supplementary information for investors and the Company's management, as they allow an evaluation of trends and the Company's performance. As not all companies calculate these measures in the same

way, they are not always comparable with those used by other companies. The 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.

	SEK million	2022	2021
Return on equity¹⁾			
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 calculated 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 the Parent Company.	Profit for the year Equity	1,592 17,989	947 9,112
	Return on equity, %	8.8	10.4
Return on working capital¹⁾			
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.	Adjusted EBITA Working capital	3,143 5,102	1,688 1,857
	Return on working capital, %	61.6	90.9
Return on capital employed¹⁾			
Operating profit (EBIT) plus financial income as a percentage of capital employed. EBIT and financial income are calculated according to the previous 12-month period, and capital employed as the average for the previous 12-month period. The purpose is to analyse profitability in relation to capital employed.	Operating profit Financial income	2,613 479	1,406 152
	Operating profit including financial income	3,091	1,558
	Capital employed	30,753	17,024
	Return on capital employed, %	10.1	9.1

1) This measure is an alternative performance measure according to the ESMA guidelines.

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INTRODUCTION	4	Organic net sales growth (organic growth)¹⁾ Change in net sales, excluding exchange rate, acquisition and divestment effects, compared with the same period the previous year. Acquired entities are included in organic growth once they have been part of the Group for the full comparison period; divested companies are excluded from both periods once they have been divested. The purpose is to analyse underlying net sales growth.	
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		Operating profit/loss (EBIT) Net sales less cost of goods and services sold, selling expenses, administrative expenses and income less other operating expenses. The purpose is to assess the Group's operating activities.	
		Debt/equity ratio¹⁾ 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.	
		Equity/assets ratio¹⁾ 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.	
		Capital employed¹⁾ 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.	
		Number of shares outstanding¹⁾ Total number of shares outstanding. Defined as the total number of shares outstanding less treasury shares. This number is primarily used to calculate performance measures.	

1) This measure is an alternative performance measure according to the ESMA guidelines.

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Sustainability notes

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H5	Gender equality and diversity
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H11	Contacts
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NOTE H1 FORMAT, REPORTING ENTITIES AND BOUNDARIES

The notes follow the format of the material topics presented in the sustainability section on pages 32–44. The notes are presented for the central organisation or at the business unit level, depending on the note. The GRI Index refers to Storskogen's central organisation, which is defined below.

REPORTING ENTITIES

Unless otherwise stated, Storskogen's central organisation and the business units with all subsidiaries report data, see the boundaries below. In texts and notes, business units are referred to as subsidiaries.

Reporting entities	2022	2021	2020
Storskogen's central organisation	9	5	1
Of which, Storskogen Sweden	1	1	1
Of which, Storskogen Norway	1	1	0
Of which, Storskogen Denmark	1	0	0
Of which, Storskogen Singapore	1	0	0
Of which, Storskogen United Kingdom	1	1	0
Of which, Storskogen Germany	1	1	0
Of which, Storskogen Switzerland	1	1	0
Of which, Storskogen Finland	1	0	0
Of which, Storskogen Netherlands	1	0	0
Business units, total¹⁾	137	103	56
Of which, Industry	38	28	16
Of which, Trade	37	26	14
Of which, Services	62	49	26

1) According to the financial statements, there are 138 units. Reason for the deviation: The companies Perfect Hair and Marwell report sustainability data as separate units (in the Trade business area), even though they are counted as a single unit in the financial statements.

BOUNDARIES

Companies that were acquired by Storskogen after 31 October and were therefore not included in the accounts:

- CMTI (separate business unit in the Industry business area)
- Energislyret i Kranaberg AB (add-on acquisition to Vaxjö Elmontage)
- Cutrin Gruppen Norge AS (separate business unit in the Trade business area)

Minimise environmental impact

NOTE H2 CLIMATE IMPACT

In the 2021 financial year, Storskogen reported emission intensity for all subsidiaries, and emissions than in 2020. The reduction was due to newly acquired subsidiaries in 2021 that had relatively low emissions in relation to higher sales compared with previously owned subsidiaries. Existing subsidiaries had a similar level of absolute emissions, but significantly higher emission factors for fuel caused a net emission intensity.

For greater transparency on the outcome of climate targets, Storskogen reports the total, directly held subsidiaries and subsidiaries acquired over the year. This division is intended to provide a view of developments in the subsidiaries during Storskogen's ownership. A clearer division has been made between Storskogen's Parent Company and the subsidiaries. The Parent Company is referred to as "organisation".

DESCRIPTION OF METHODOLOGIES USED IN CLIMATE REPORTING

Most of the data refer to the financial year 2022, in some cases, data for December 2022 were used. As of 2022, Storskogen uses Worldfavo's climate calculator to collect and calculate data from 2021. As of 2022, Storskogen uses Wordfavo's climate calculator to collect and calculate data from 2021. As of 2022, Storskogen uses Wordfavo's climate calculator to collect and calculate data from 2021. As of 2022, Storskogen uses Wordfavo's climate calculator to collect and calculate data from 2021.

Climate impact is reported as direct (Scope 1) and indirect (Scope 2 and 3) emissions in CO₂ equivalents in accordance with the guidelines in the Greenhouse Gas Protocol, the international climate calculations. Storskogen has chosen an operational control strategy. The climate impact is based on carbon dioxide equivalents (CO₂e) and include all greenhouse gases. The emission calculations were provided by Worldfavo and derived from the Department for Environment (DEFRA) in the United Kingdom.

Scope 1

This includes emissions from owned or leased cars, vans, lorries and machinery, such as trucks, fuelled equipment. In the cases where no consumption data were available, the number of kilometres reported. Stationary combustion is also included, such as combustion of diesel, kerosene and natural gas and fuel used for heating purposes, such as fuel oil and natural gas, on our own premises or of refrigerants is included.

Scope 2

This includes electricity and district heating in owned, leased or rented premises. Data is based on summation in kWh or on estimates based on the size of the premises. In the cases where renewable, origin-marked electricity, the emissions are based on renewable sources, according to the based method. Data on fossil-free electricity was requested for the reporting. If no active choice emissions are based on a residual mix emission factor for electricity in each country.

Scope 3

For Storskogen's central organisation, some categories in Scope 3 were also reported (such as use of private cars for work, paper, purchases of IT services). Data are based on average paid, supplier reports.

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Note 12 Climate Impact, cont.

STORSKOGEN'S SUBSIDIARIES

Emission intensity, tCO₂e/SEK m Scopes 1 & 2

All subsidiaries	2022	2021	2020
Total	1.4	1.6	1.9
Business area Industry	1.2	1.2	1.6
Business area Trade	0.6	0.8	1.4
Business area Services	2.6	2.6	2.6
Of which, previously owned	2022	Of which, new acquisitions	2022
Total	1.4	Total	1.4
Business area Industry	0.9	Business area Industry	1.6
Business area Trade	0.7	Business area Trade	0.4
Business area Services	2.8	Business area Services	1.9

Greenhouse gas emissions, tonnes CO₂e

All subsidiaries	2022	2021	2020
Total	52,699	37,558	20,132
scope 1	41,690	30,106	13,868
Business area Industry	8,937	3,716	1,113
Business area Trade	5,304	3,946	1,891
Business area Services	26,439	22,419	10,764
scope 2	11,018	7,448	6,255
Business area Industry	8,028	5,524	3,186
Business area Trade	1,765	1,620	1,942
Business area Services	1,225	303	1,127
Of which, previously owned	2022	Of which, new acquisitions	2022
Total	35,223	Total	17,476
scope 1	29,929	scope 1	11,751
Business area Industry	3,382	Business area Industry	6,556
Business area Trade	4,707	Business area Trade	598
Business area Services	21,841	Business area Services	4,598
scope 2	5,293	scope 2	5,725
Business area Industry	3,563	Business area Industry	4,463
Business area Trade	1,301	Business area Trade	464
Business area Services	429	Business area Services	797

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COMMENTS ON THE OUTCOME

Total emission intensity has decreased since last year. Subsidiaries owned by Storskogen before reduced their total emission intensity, and Storskogen is on the right path to achieve the target emission intensity by 2030. The most significant reduction in previously owned subsidiaries was in the business area, and it was achieved through energy savings measures and a transition to fossil-free fuels in Scope 1 remain Storskogen's main source of emissions. Fuel consumption is predominant in the Logistics, Contracting Services, Infrastructure and Installation verticals.

ADDITIONAL DISCLOSURES

2020 is the base year for environmental data. Of total emissions in Scope 1, approximately 80 percent were estimated. Of total emissions in Scope 2, approximately 71 percent were estimated. This is because for many subsidiaries, actual and approximately 25 percent were estimated. As this year's focus was to improve the reporting in Scopes 1 and 2, the subsidiaries' Scope 3 emissions were not included in the

STORSKOGEN'S CENTRAL ORGANISATION

Greenhouse gas emissions, tonnes CO₂e

Emissions by scope and activity

Scope 1	2022
Scope 2	2
Scope 3	13
Business travel (air, taxi, trains, hotel nights, buses)	138
Purchasing of IT products and office supplies	27
Emission intensity tCO₂e/FTE	41

COMMENTS ON THE OUTCOME

Storskogen's central organisation reduced its absolute emissions in Scopes 1 and 2, despite the reason is that the Swiss office transitioned from natural gas to renewable electricity in connection with the relocation. Scope 3 emissions rose when new employees were hired.

ADDITIONAL DISCLOSURES

Of the Scope 1 emissions, 100 percent were actual. Of the Scope 2 emissions, 90 percent were actual. Of the Scope 3 emissions, 100 percent were estimated based on the size of the electricity is included in the rent in most office, and it was then calculated based on the size of the Scope 3 emissions from business travel. 80 percent were estimated, as Storskogen does not have a system or other single provider of data. Of the Scope 3 emissions from IT products and office supplies, 60 percent were estimated. Emission intensity is calculated by adding up the emissions in Scope 1 and 2, and dividing them by the number of FTEs.

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NOTE H3 ENERGY CONSUMPTION

STORSKOGEN'S SUBSIDIARIES

Energy intensity, MWh/sek m

All subsidiaries	2022	2021	2020
Total	2.5	3.4	5.1
Business area Industry	4.7	7.3	11.8
Business area Trade	2.1	2.2	5.6
Business area Services	1.1	0.9	1.8
Of which, previously owned	2.8	3.8	5.1
Total	2.8	3.8	5.1
Business area Industry	6.1	10.6	16.1
Business area Trade	1.6	1.7	6.8
Business area Services	1.1	0.9	1.8

Energy consumption, MWh

All subsidiaries	2022	2021	2020	Of which, previously owned	Of which, new acquisitions
Total	94,895	79,901	52,162	69,441	25,454
Business area Industry	68,528	56,810	31,524	48,046	20,482
Business area Trade	14,820	15,656	12,269	12,375	2,410
Business area Services	11,546	7,392	8,195	8,985	2,561
Of which, renewable electricity	43,650	47,941	-	38,218	5,431
Business area Industry	35,522	39,767	-	30,680	4,842
Business area Trade	4,273	4,071	-	3,786	488
Business area Services	3,855	4,140	-	3,753	102
Of which, fossil-free energy	15,907	9,093	-	15,582	325
Business area Industry	10,959	-	-	10,755	203
Business area Trade	3,613	-	-	3,560	17
Business area Services	1,335	-	-	1,232	103
% fossil-free, incl. renewable of the total	63	60	-	77	23

COMMENTS ON THE OUTCOME

Total energy intensity decreased due to energy savings measures. Increased costs drew extra attention to the issue, and through the sustainability network, Storskogen received training from Vattenfall on energy efficiencies. Several of the energy-intensive subsidiaries have carried out energy mapping and taken several measures. There was a small increase in the total proportion of fossil-free, but previously owned subsidiaries have largely transitioned to fossil-free, with a proportion of 77 percent. Storskogen is now close to the 2025 target of 80 percent fossil-free energy.

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STORSKOGEN ANNUAL AND SUSTAINABILITY REPORT 2022

ADDITIONAL DISCLOSURES

This includes electricity and district heating for all subsidiaries. As the area is of major importance for climate targets and becoming resource efficient, energy intensity reporting has been introduced. Developments to be tracked in the same way as for emission intensity. The division into renewable energy is also new this year due to the updated climate target. Last year, fossil-free electricity regular electricity, so there is no comparative figure for MWh. To meet the target, it is the previous companies' proportion of fossil-free and renewable electricity of the total electricity consumption.

STORSKOGEN'S CENTRAL ORGANISATION

Energy consumption, MWh. Proportion in brackets.

Total	2022	85
Of which, renewable electricity	41 (48%)	29
Of which, fossil-free energy	0	0

COMMENTS ON THE OUTCOME

The increased electricity consumption is due to an increase of the number of central organisations in renewable electricity in absolute figures is due to the central organisation in Switzerland, which consumes renewable electricity.

ADDITIONAL DISCLOSURES

Includes electricity and district heating. Proportion in brackets. The central organisations in Finland and Netherlands are not included in the accounts, as they do not have their own office premises.

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A good employer and neighbour

NOTE H4 EMPLOYEES

STORKOGEN'S CENTRAL ORGANISATION

Employee by type of employment, gender and region at year-end. Stated as a number.

2022	Sweden	Norway	Denmark	Singapore	United Kingdom	Germany	Switzerland	Finland	Netherlands
Average number of permanent employees	75	4	3	3	8	5	12	1	1
Of which, women	41	1	1	1	1	0	3	1	1
Of which, men	34	3	2	2	7	5	9	0	0
Number of full-time employees	75	4	3	3	8	5	9	1	1
Of which, women	41	1	1	1	1	0	1	1	1
Of which, men	34	3	2	2	7	5	8	0	0
Number of workers that are not employees	8	0	0	0	0	0	3	0	0
Of which, consultants	7	0	0	0	0	0	0	0	0
Of which, facility management	1	0	0	0	0	0	3	0	0

New hires and terminated employments by age group, gender and region. Stated as a number.

2022	<30 years old				30–50 years old				>50 years old	
Total	Of which, women		Of which, men		Of which, women		Of which, men		Of which, men	
New hires	1	0	1	3	18	5	20	1	3	4
Terminated employments	0	0	0	1	0	0	7	0	1	0
New hires	1	0	1	1	12	6	6	2	2	2
Terminated employments	0	0	0	0	5	2	2	0	0	0
New hires	0	0	1	1	0	0	1	0	0	0
Terminated employments	0	0	0	0	0	0	0	0	0	0
New hires	0	0	0	0	1	1	1	0	0	0
Terminated employments	0	0	0	0	0	0	0	0	0	0
New hires	0	0	0	0	0	0	2	1	1	0
Terminated employments	0	0	0	0	0	0	0	0	1	0
New hires	0	0	1	1	1	4	4	0	2	2
Terminated employments	0	0	1	1	0	3	3	0	0	0
New hires	0	0	0	0	0	4	4	0	0	0
Terminated employments	0	0	0	0	0	2	2	0	0	0
New hires	0	0	0	0	1	2	2	0	0	0
Terminated employments	0	0	0	0	0	0	0	0	0	0
New hires	0	0	0	0	1	0	0	0	0	0
Terminated employments	0	0	0	0	0	0	0	0	0	0
New hires	0	0	0	0	1	0	0	0	0	0
Terminated employments	0	0	0	0	0	0	0	0	0	0
New hires	0	0	0	0	1	0	0	0	0	0
Terminated employments	0	0	0	0	0	0	0	0	0	0

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STORKOGEN ANNUAL AND SUSTAINABILITY REPORT 2022

Note H5 Gender equality and diversity, cont.

STORSKOGEN'S CENTRAL ORGANISATION

Gender equality on the Board, in Group management and among the employees, at year-end.

	2022	2021	2020
Number of employees at year-end (FTE)	112 (10)	74	–
Of which, women	43%	46%	–
Of which, men	57%	54%	–
Proportion of women in the Group management (number)	13% (1/8)	14% (1/7)	17% (1/6)
Proportion of women on the Board	40%	40%	33%

Gender equality and diversity among employees, by age and employee category, at year-end. Expressed as a percentage.

2022	Total	< 30 years old	30–50 years old	> 50 years old
HQ management	16%	0%	12%	4%
Of which, women	28%	–	38%	–
Of which, men	72%	–	62%	100%
HQ senior	33%	0%	24%	9%
Of which, women	41%	–	56%	–
Of which, men	59%	–	44%	100%
HQ mid	33%	0%	33%	0%
Of which, women	46%	–	46%	–
Of which, men	54%	–	54%	–
HQ base	18%	6%	10%	2%
Of which, women	65%	57%	64%	100%
Of which, men	35%	43%	35%	–
Total	100%	6%	79%	15%

COMMENTS ON THE OUTCOME

The HQ senior and HQ mid categories are in the 40–60 percent span, which is regarded as an even gender distribution. However, men are increasingly represented higher up in the organisation, with a greater proportion of men at the HQ management level and a greater proportion of women at the HQ base level.

ADDITIONAL DISCLOSURES

There are no comparative figures, as gender equality and diversity among employees by age and professional category is a new note in 2022. HQ management is a remuneration level at Storskogen and should not be confused with Storskogen's Group management.

Remuneration

Ratio of the basic salary of women to men	2022
HQ management	0.8
HQ senior	0.7
HQ mid	0.8
HQ base	0.8

Ratio between the basic salary of the organisation's highest paid individual and the average value for all employees

Annual total compensation ratio	
Ratio of annual percentage increase	

COMMENTS ON THE OUTCOME

The group with the greatest differences in salary between genders is HQ senior. Differences in salary between men and women in the HQ senior category are mainly because over the last year, Storskogen recruited new employees outside Sweden, and these were mainly men. This expanded the gap, as salary levels are abroad higher than in Sweden. Also, there is a major spread across ages and roles; the men are generally older, which results in a higher salary gap.

ADDITIONAL DISCLOSURES

There are no comparative figures, as this is a new note this year. The organisation's highest-paid employee is Daniel Kaplan.

NOTE H6 OCCUPATIONAL HEALTH AND SAFETY

STORSKOGEN'S SUBSIDIARIES

Occupational accidents: the number of serious occupational accidents and the injury frequency rate

Storskogen's subsidiaries	Serious occupational accidents			Injury frequency rate		
	2022	2021	2020	2022	2021	2020
Business area Industry	57	10	4	12%	–	–
Business area Trade	0	1	0	0%	–	–
Business area Services	77	33	3	16%	–	–
Total	134	44	7	1.2%		

COMMENTS ON THE OUTCOME

The Services business area had the highest number of serious occupational injuries and the highest injury frequency rate. Subsidiaries in infrastructure account for a large portion of the reported injuries, but they are not included in this key performance indicator. (Swedish Work Environment Authority) Injuries that are exposed to significant work environment risks are ISO 45001 certified.

ADDITIONAL DISCLOSURES

No occupational deaths were reported by any subsidiary over the year (0). Fatal accidents to employees are not included in this key performance indicator. (Swedish Work Environment Authority) Injury frequency rate is a new key performance measure and has no comparative figures.

Number of serious occupational accidents

Accident where one or more people have been injured at the workplace or in a place they have visited. Examples of serious injuries are fractures, severe bleeding or damage to internal organs. (Swedish Work Environment Authority).

Injury Frequency Rate (IFR)

Calculated as the number of serious injuries reported per 200,000 hours worked.

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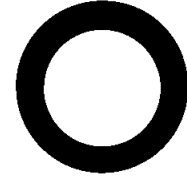
Responsible business

NOTE H7 CORPORATE GOVERNANCE

	2022	2021	2020
Number of anti-corruption, sanctions or anti-money laundering policy violations	0	0	0
Number of Code of Conduct violations	0	0	0
Number of whistleblower cases	0	0	0
COMMENTS ON THE OUTCOME No violations were reported during the year. There were no instances of whistleblowing in 2022 or 2021. In 2022, ten matters were reported via the system. Of the matters reported, none of them were legal whistleblower cases, three were work environment-related, one was health and safety-related and the remaining were related to other issues. All cases except the one that was received last have been closed.			
ADDITIONAL DISCLOSURES All cases were reported to an external whistleblower function. Whistleblowing may relate to any kind of grievance or irregularity that violates our Code of Conduct. Only cases that are legal whistleblower cases were reported as whistleblower cases.			

NOTE H8 RESPONSIBLE SUPPLY CHAIN

STORKOGEN'S SUBSIDIARIES



- Subsidiaries that place requirements on suppliers, 45%
- Subsidiaries that do not place requirements on suppliers, 55%

COMMENTS ON THE OUTCOME

Fewer than half of Storkogen's subsidiaries place sustainability requirements on suppliers, which is fewer than in the previous year. It is generally the larger companies with suppliers located outside Europe that place sustainability requirements, along with subsidiaries that are themselves subject to requirements from major customers.

ADDITIONAL DISCLOSURES

As a member of the UN Global Compact, Storkogen must comply with its ten principles throughout the value chain. As part of this, Storkogen developed a Group-wide programme in 2022 to ensure compliance.

NOTE H9 MANAGEMENT SYSTEMS

Number of subsidiaries with management systems. Number within brackets.

Industry	2022	of which, previously owned	of which, new acquisitions
ISO 9001 (or equivalent)	76% (29)	79% (22)	75% (7)
ISO 14001 (or equivalent)	66% (25)	75% (21)	40% (4)
ISO 45001 (or equivalent)	13% (5)	11% (4)	10% (1)
Trade			
ISO 9001 (or equivalent)			11% (4)
ISO 14001 (or equivalent)			5% (2)
ISO 45001 (or equivalent)			0% (0)
Services			
ISO 9001 (or equivalent)			44% (21)
ISO 14001 (or equivalent)			41% (26)
ISO 45001 (or equivalent)			25% (13)

COMMENTS ON THE OUTCOME

The industry business area strives for its subsidiaries to be certified according to ISO 9001 or ISO 14001 or ISO 45001. Of the subsidiaries in industry that were owned by Storkogen in 2021, additional subsidiaries were certified according to ISO 9001 and two according to ISO 14001 in 2022.

ADDITIONAL DISCLOSURES

Proportion of companies with management systems that were certified according to ISO or equivalent in December 2022, if a business unit submitted a consolidated report and at least one of its subsidiaries was certified, it would be regarded as certified.

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NOTE H10 TAXONOMY REPORTING

STORSKOGEN'S SUBSIDIARIES

Sector	Activity	Description of the activity	Assessment of scope and alignment
6. TRANSPORT	6.4. Operation of personal mobility devices, cycle logistics	Selling, purchasing, financing, leasing, renting and operation of personal mobility or transport devices where the propulsion comes from the physical activity of the user, from a zero-emissions motor, or a mix of zero-emissions motor and physical activity. This includes the provision of freight transport services by (cargo) bicycles.	There are companies in the Group that sell or lease bicycles, electric mopeds. Consequently, they contribute substantially to environmental objective 1 and cause no significant harm to any of the other environmental objectives. These activities are therefore deemed to be taxonomy-aligned.
	6.6. Freight transport services by road	Purchase, financing, leasing, rental and operation of vehicles designated as category N1, N2 or N3 falling under the scope of EURO VI, step E or its successor, for freight transport services by road.	There are companies in the Group that offer freight transport services for their own vehicles and are taxonomy-eligible. Zero-emission vehicles contribute substantially to environmental objective 1 and cause no significant harm to any of the other environmental objectives. These activities are therefore taxonomy-aligned.
	6.13. Infrastructure for personal mobility, cycle logistics	Construction, modernisation, maintenance and operation of infrastructure for personal mobility, including the construction of roads, motorways bridges and tunnels and other infrastructure that are dedicated to pedestrians and bicycles, with or without electric assist.	There are companies in the Group that constructed pavements, foot cycle lanes and pedestrian zones over the year that are taxonomy-aligned. They contribute substantially to environmental objective 1 and cause no significant harm to any of the other environmental objectives. These activities are therefore taxonomy-aligned.
	6.14. Infrastructure for rail transport	Construction, modernisation, operation and maintenance of railways and subways as well as bridges and tunnels, stations, terminals, rail service facilities, safety and traffic management systems including the provision of architectural services, engineering services, drafting services, building inspection services and surveying and mapping services and the like as well as the performance of physical, chemical and other analytical testing of all types of materials and products.	There are companies in the Group that are active in construction maintenance of railways and other surveying services in the railways that are deemed to be included in this activity. They contribute substantially to environmental objective 1 and cause no significant harm to any of the other environmental objectives. These activities are therefore deemed aligned.
	7.2. Renovation of existing buildings	Construction and civil engineering works or preparation thereof.	Within the Group, there are companies that carry out building renovation projects. Whether the renovation projects contribute substantially to environmental objective 1 or cause no significant harm to any of the other environmental objectives. Consequently, the activity is not deemed to be taxonomy-aligned.
	7.3. Installation, maintenance and repair of energy efficient equipment	Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment.	There are companies in the Group that install additional insulation, installation and replacement of energy-efficient lighting systems, insulation replacement, maintenance and repair of air conditioning systems, heating systems (HVAC) and are therefore deemed taxonomy-aligned. They contribute substantially to environmental objective 1 and cause no significant harm to any of the other environmental objectives. These activities are therefore deemed to be taxonomy-aligned.
7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	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 stations for electric vehicles and are therefore deemed to be included in this activity. They contribute substantially to environmental objective 1 and cause no significant harm to any of the other environmental objectives. These activities are therefore deemed to be taxonomy-aligned.
	7.5. 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 installation, maintenance and repair of facade and building element shading or solar control and are therefore considered to be included in this activity. They contribute substantially to environmental objective 1 and cause no significant harm to any of the other environmental objectives. These activities are therefore deemed to be taxonomy-aligned.
	7.6. Installation, maintenance and repair of renewable energy technologies	Installation, maintenance and repair of renewable energy technologies, on-site.	There are companies in the Group that perform installation, maintenance and repair of solar photovoltaic systems, solar panels, heat pumps and exchangers/heat recovery systems and are therefore deemed to be included in this activity. They contribute substantially to environmental objective 1 and cause no significant harm to any of the other environmental objectives. These activities are therefore deemed to be taxonomy-aligned.

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Note H10 Taxonomy reporting, cont.

Sector	Activity	Description of the activity	Assessment of scope and alignment
B. 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 centre, including edge computing	There are companies in the Group that offer hosting services. The therefore deemed to be included in this activity. However, the activity does not contribute substantially to environmental objective 1 or climate, therefore not taxonomy-aligned.
	8.3. Professional services related to energy performance of buildings	Professional services related to energy performance of buildings	There are companies in the Group that provide services related to optimisation, energy simulations and advice on energy performance for buildings, and it is therefore deemed that the Group is active in this activity. They contribute substantially to environmental objective 1 or climate, therefore deemed to be taxonomy-aligned.
A. PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES			

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Note 110 Taxonomy reporting, cont.

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2022

Substantial contribution criteria										DNHS criteria ("Does Not Significantly Harm")										Taxonomy-aligned proportion of CapEx, year 2022 (18)	Taxonomy-aligned proportion of CapEx, year 2021 (19)	Category of economic activity
Substantial contribution criteria										DNHS criteria ("Does Not Significantly Harm")												
Code(s) (2)	Absolute turnover (3)	SEK million	Proportion of turnover (4)		Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of CapEx, year 2022 (18)	Taxonomy-aligned proportion of CapEx, year 2021 (19)	Category of economic activity		
			%	%																		
Economic activities (1)																						
A. Taxonomy-eligible activities																						
A.1. Environmentally sustainable activities (Taxonomy-aligned)																						
																</						

1) Storstocken reports activities as taxonomy-aligned this year, even though a new due diligence process is under implementation. The assessment is not made per activity but for the entire Group. For further information, please see page 4.
2) The Skarstatten business unit is taxonomy-eligible, but as the applicable turnover in the legal entity Skarstatten Åkeri AB is intra-Group (within the business unit), we cannot include it. Consequently, its CapEx and OpEx cannot be included, either. The highest Co2e emitters in the Group and makes investments to transition, which is aligned with the purpose of the taxonomy. The ambition is to become fossil-free by 2030. The handling of turnover, CapEx and OpEx is a result of the business unit's Skarstatten had been included, the proportion of taxonomy-eligible had increased to approximately 2.4 percent.

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Note H10 Taxonomy reporting, cont.

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2022

Economic activities (1)		Substantial contribution criteria										DNHS criteria ("Does Not Significantly Harm")						Taxonomy-aligned proportion of OpEx, year 2022 (18)	Taxonomy-aligned proportion of OpEx, year 2021 (19)	Category of economic activity (20)	
		Absolute turnover (3)		Proportion of turnover (4)		Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)				Minimum safeguards (17)
Code(s) (2)	SEK million	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%		
A. Taxonomy-eligible activities																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Operation of personal mobility devices, cycle logistics	6.4	0	0.0%	100%	0%														0.0%	-	
Freight transport services by road ²⁾	6.6	0	0.0%	100%	0%														0.0%	-	
Infrastructure for personal mobility, cycle logistics	6.13	0	0.0%	100%	0%														0.0%	-	
Infrastructure for rail transport	6.14	9	2.9%	100%	0%														2.9%	-	
Installation, maintenance and repair of energy efficient equipment	7.3	1	0.2%	100%	0%														0.2%	-	
Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings	7.4	0	0.0%	100%	0%														0.0%	-	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	0	0.1%	100%	0%														0.1%	-	
Installation, maintenance and repair of renewable energy technologies	7.6	0	0.1%	100%	0%														0.1%	-	
Professional services related to energy performance of buildings	9.3	0	0.0%	100%	0%														0.0%	-	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																				10	3.4%
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Freight transport services by road ²⁾	6.6	4	1.2%																		
Renovation of existing buildings	7.2	0	0.0%																		
Installation, maintenance and repair of energy efficient equipment	7.3	0	0.0%																		
Data processing, hosting	8.1	0	0.0%																		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																				4	1.2%
Total (A.1 + A.2)																				14	4.6%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
OpEx of Taxonomy-non-eligible activities (B)																				293	95.4%
Total (A + B)																				307	100%

1) Storskogen reports activities as taxonomy-aligned this year, even though a new due diligence process is under implementation. The assessment is not made per activity but for the entire Group. For further information, please see page 4.

2) The Skaralätten business unit is taxonomy-eligible, but as the applicable turnover in the legal entity Skaralättern Åkeri AB is intra-Group (within the business unit), we cannot include it. Consequently, its CapEx and OpEx cannot be included, either. The highest Co2e emitters in the Group and makes investments to transition, which is aligned with the purpose of the taxonomy. The ambition is to become fossil-free by 2030. The handling of turnover, CapEx and OpEx is a result of this business unit's Skaralätten had been included, the proportion of taxonomy-eligible had increased to approximately 5.5 percent.

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Accounting policies, taxonomy

Note H10 Taxonomy reporting, cont.

Below are the policies applied by Starstogen in the reporting according to the taxonomy. This report was prepared in accordance with all known guidance that was available as at 18 December 2022. It was not possible to implement the clarifications that were published on 19 December 2022, as they were published at such a late stage and due to the sheer number of subsidiaries that were included in the reporting.

KPI TURNOVER

total sales (the denominator) correspond to the Group's total sales according to IFRS, see the line item net sales in the income statement on p. 64.

Applicable turnover is obtained by calculating the portion of total turnover generated by the applicable activities identified by Storkogen (see the section Taxonomy reporting), i.e. the numerator, and dividing it by the denominator. Aligned turnover (the numerator) is reported as a proportion of total turnover.

Revenue was mainly allocated to the applicable activities by way of careful estimates.

KPI CAPITAL EXPENDITURE (CAPEX)

Copex, as defined in the taxonomy and identified by Storskogen (the denominator), includes investments in property, plant and equipment and intangible assets excluding goodwill (see the line item investments in Notes 13–14 on p. 98–101), additions from business combinations excluding goodwill (see the line item business combinations in Notes 13–14 on p. 98–101) and additional right-of-use assets (see the line item new leases in Note 27 on p. 115).

Applicable CapEx (the numerator) includes investments that support the business in the identified applicable economic activities. Total applicable CapEx was calculated on the following basis: Direct allocation was used when an investment had been acquired exclusively and was used for the specific activity. Expenses attributable to common assets were allocated based on sales (per activity) as the distribution key, according to the Group's policies. Surplus values, including other additions to property, plant and equipment and intangible assets from business combinations, were allocated to the numerator based on turnover as the distribution key. Aligned CapEx (the numerator) was calculated in relation to total CapEx.

There are no CapEx plans in accordance with category B at present. According to the taxonomy, CapEx that does not support eligible activities but relate to the purchase of output from taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or lead to greenhouse gas reductions are also eligible (category C). Storklogen does not believe it is possible at present to obtain the information required to report this.

WORKING CAPITAL EXPENDITURE (WCE)

Opex, as defined in the taxonomy and identified by Storkogen (the denominator), includes direct costs that relate to (not capitalised) research and development, building renovation measures, short-term leases, maintenance and repair of property, plant and equipment and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the company or a third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. Examples of this may include service agreements or the cost of electricity or diesel in connection with repairs (if they can be segregated and identified).

Applicable OpEx (the numerator) are those of the above costs that relate to assets or processes that are associated with Storskogen's identified applicable economic activities. Applicable OpEx was calculated through

an allocation to the activities through the use of a distribution key (turnover), which is in line with Capix. Aligned Opix (the numerator) was calculated in relation to total Opix. As there are no Capix plans according to category B, there is also no Opix associated with it. According to the taxonomy, Opix that does not support eligible activities but relate to the purchase of taxonomy-aligned economic activities and individual measures enabling the target activities (low-carbon or lead to greenhouse gas reductions, as well as individual building renovation measures (eligible category C). Stratosgen does not believe it is possible at present to obtain the information to report this.

OTHER INFORMATION

As all activities are allocated to environmental objective 1, climate change mitigation, the risk is avoided.

FUTURE DEVELOPMENT AND APPLICATION OF THE TAXONOMY

As internal processes improve and there is more guidance and advice on how to interpret the CapEx and OpEx and the proportions of CapEx and OpEx that are taxonomy-eligible and taxable, the figures may be adjusted. For this reason, no comparative figures are provided in the tables for 2022.

NOTE H11

CONTACTS

For additional information on Storskogen's sustainability initiatives and reporting, contact Storskogen@storskogen.com. Sustainability details are provided on storskogen.com.

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NOTE H12 GRI INDEX

Statement of use
GRI 1 used
Storsteigen has reported in accordance with the GRI Standards for the period between 1 January 2022 and 31 December 2022.
GRI 1: Foundation 2021
No sector standard is available at present.

Applicable GRI sector Standard(s)

GRI standard	Disclosure	Name of disclosure	Page	Omission
GENERAL DISCLOSURES				
Organisation and reporting policies				
GRI 2 2021	2-1	Organisational details	4, 125	
	2-2	Entities included in the organisation's sustainability reporting	32, 135	
	2-3	Reporting period, frequency and contact point	32, 147, 153	
	2-4	Restatements of information	32, 136	
	2-5	External assurance	48, 150	
Activities and workers				
GRI 2 2021	2-6	Activities, value chain and other business relationships	4, 9-13, 22, 24, 27, 30	
	2-7	Employees	138	
	2-8	Workers who are not employees	138	
Governance				
GRI 2 2021	2-9	Governance structure and composition	47-50, 140	
	2-10	Nomination and selection of the highest governance body	47	
	2-11	Chair of the highest governance body	50	
	2-12	Role of the highest governance body in overseeing the management of impacts	40, 48	
	2-13	Delegation of responsibility for managing impacts	40, 49	
	2-14	Role of the highest governance body in sustainability reporting	40, 48	
	2-15	Conflicts of interest	46, 48, 125	
	2-16	Communication of critical concerns	41, 141	
	2-17	Collective knowledge of the highest governance body	35	
	2-18	Evaluation of the performance of the highest governance body	48-49	
	2-19	Remuneration policies	47, 52	
	2-20	Process to determine remuneration	49	

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GRI index, cont.

GRI standard	Disclosure	Name of disclosure	Page	Omission
SPECIFIC DISCLOSURES				
Focus area: Responsible business				
Material topic: Return and good corporate governance				
GRI 3 2021	3-3	Management of material topics	40-41	
Own indicator		Proportion of employees in the central organisation who has signed the Code of Conduct	35	
Material topic: Business ethics and anti-corruption				
GRI 3 2021	3-3	Management of material topics	40-41	
GRI 205 Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	62	
	205-3	Confirmed incidents of corruption and actions taken	41, 141	
Material topic: Responsible supply chain				
GRI 3 2021	3-3	Management of material topics	41	
Own indicator		Proportion of companies in the Group who poses demands on their suppliers	141	
Focus area: Minimise environmental impact				
Material topic: Climate impact				
GRI 3 2021	3-3	Management of material topics	36	
GRI 302 Energy 2016	302-1	Energy consumption within the organisation	135, 137	
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions	135-136	
	305-2	Energy indirect (Scope 2) GHG emissions	135-136	
	305-3	Other indirect (Scope 3) GHG emissions	135-136	
	305-4	GHG emissions intensity	136	
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)	141	
Focus area: A good employer and neighbour				
Material topic: Attracting and retaining employees				
GRI 3 2021	3-3	Management of material topics	18-19, 38	
GRI 401 Employment 2016	401-1	New employee hires and employee turnover	138-139	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	19	
GRI 404 Training and education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	18	

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GRI standard	Disclosure	Name of disclosure	Page	Omission
Material topic: Health and safety				
GRI 3 2021	3-3	Management of material topics	39	
GRI 403 Occupational Health and Safety 2018	403-1	Occupational health and safety management system	39	
	403-2	Hazard identification, risk assessment, and incident investigation	39	
	403-3	Occupational health services	39	
	403-4	Worker participation, consultation and communication on occupational health and safety	39	
	403-5	Worker training on occupational health and safety	39	
	403-6	Promotion of worker health	18-19, 39	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	39	
Material topic: Thriving communities				
GRI 3 2021	3-3	Management of material topics	39	
Own indicator		Number of jobs created in companies that the Group owned in the last reporting period	39	
Material topic: Equality and diversity				
GRI 3 2021	3-3	Management of material topics	38	
GRI 405 Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	50-51, 140	
	405-2	Ratio of basic salary and remuneration of women to men	140	
Reason: Information not available/ reported in this indicator				
GRI 406 Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	38	

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Storskogen's share

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The share

From the first day of trading on 3 January to the last day of trading on 30 December 2022, the Storskogen share fell by 87.8 percent to SEK 7.45. During the year, 1,599 million shares in total were traded on Nasdaq Stockholm, corresponding to a value of approximately SEK 23.2 billion. Storskogen had 37,764 shareholders at the end of 2022.

Share price performance and trading

From the first day of trading on 3 January 2022 to the last day of trading on 30 December 2022, Storskogen's share price fell by 87.8 percent. The Stockholm Stock Exchange (OMXSPI) fell by 24.6 percent during the same period. From the IPO on 6 October 2021 to 30 December 2022, the share fell by 80.7 percent.

Between 3 January and 30 December, 1,599 million Storskogen shares in total were traded on Nasdaq Stockholm corresponding to a value of SEK 23.2 billion. On average, approximately 6.3 million shares were traded every day. The turnover rate for Storskogen's B shares on Nasdaq Stockholm was 96 percent between 3 January and 30 December 2022.

Ownership structure

On 31 December, Storskogen had 37,764 shareholders. The largest owner in terms of capital was AMF Pension & Fonder, which held 8.5 percent of the capital and 4.7 percent of the votes.

The largest owner in terms of votes was Daniel Kaplan, who held 14.0 percent of the

votes and 4.5 percent of the capital. The ten largest shareholders held 42.7 percent of the capital and 68.2 percent of the votes in Storskogen. The largest shareholder group consisted of Swedish private individuals, who held barely 41 percent of the capital and 67 percent of the votes at the end of 2022. The majority of shareholders were located in Sweden.

Data per share

Earnings per share (SEK)	0.86
Last closing price (SEK)	7.45
Lowest closing price (SEK)	6.77
Highest closing price (SEK)	6135
Turnover rate, Nasdaq Stockholm (%)	96%
Average daily turnover, Nasdaq Stockholm (thousand shares)	6,321
Share capital (SEK)	848,519
Quotient value ¹⁾ (SEK)	0.00051
Number of outstanding A shares	148,001,374
Number of outstanding B shares	1,515,762,394
Market capitalisation at year-end (SEK m)	12,392

1) Of series A and B.

Largest shareholders	STOR A	STOR B	Cap
AMF Pension & Fonder		141,363,852	8
Futur Pension		87,150,553	5
Movestic Pension		77,884,745	4
Daniel Kaplan with companies ¹⁾	38,270,140	37,035,122	4
Swedbank Robur Fonder		73,204,287	4
Alexander Murad Bjergård	37,539,070	27,661,988	3
Ronnie Bergström with companies ²⁾	38,270,254	18,513,504	3
Peter Ahlgren	33,921,910	15,714,607	3
Vanguard		48,348,708	2
Philar (Karl-Johan Persson)		36,200,000	2

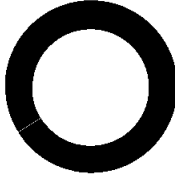
Total largest owners	148,001,374	563,120,376	42
Other	-	952,642,018	57
Shares held by Storskogen	-	-	1
Total	148,001,374	1,515,762,394	100

Source: Monitor by Modular Finance AB

1) Including shares held by Firm Factory AB and Wombat Investments AB

2) Including shares held by Angstrom AB

Ownership by geographic area



- Sweden, 78.8%
- USA, 7.2%
- Norway, 3.5%
- Cyprus, 1.8%
- Other, 8.7% (including anonymous ownership)

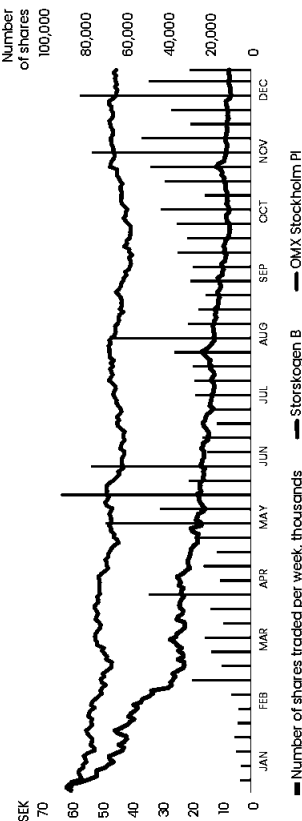
Ownership by type of



- Swedish private individuals, 28%
- Swedish institutions, 28%
- Other, 13%
- Foreign institutions, 1%
- Anonymous ownership, 10%

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Share price performance and turnover, 2022



Share capital development, 2022

Date	Event	Number of shares		
		Change in number of A shares	Change in number of B shares	Number of shares of each class
Opening balance, 1 Jan 2022		-	-	148,001.3
12 Apr 2022	Share issue, non-cash		4,158,297	148,001.3
25 May 2022	Reduction through a redemption of treasury shares		-16,848,068	148,001.3
3 Jun 2022	Share issue, non-cash		3,690,344	148,001.3
As at 31 Dec 2022				148,001.3

Share capital development

On 31 December 2022, the share capital in Storskogen was SEK 848,519. The share capital was divided into 148,001,374 A shares and 1,515,762,394 B shares. The quotient value was SEK 0.000051 per share.

Dividend policy

Storskogen's Board has adopted a dividend policy according to which dividends shall correspond to 0–20 percent of the profit for the year. Holders of B and A shares are equally entitled to dividends. For the financial year 2022, a dividend of SEK 0.08 per share has been proposed.

The proposed dividend corresponds to approximately SEK 133 million and 8.4 percent of the profit for 2022.

Analysts

For information on analysts who cover Storskogen, please visit www.storskogen.com.

Investor contact

If you have questions about Storskogen or wish to receive investor information, please contact info@storskogen.com.

Annual General Meeting 2023

The Annual General Meeting of Storskogen Group will be held on 12 May 2023 at 14.00. Information on how to register and sign up, on how shareholders can exercise their voting rights or have a matter dealt with at the Annual General Meeting, and on proxies and assistants, is provided in the notice of the Annual General Meeting. Information is also available on Storskogen's website, storskogen.com.

Dividends

The Board of Directors and CEO propose a dividend for 2022 of SEK 0.08 per share, corresponding to SEK 133 million. The proposed record date is 16 May and the payment will be made through Euroclear on 22 May, provided that the resolution is passed by the Annual General Meeting.

Financial calendar

31 March 2023	Annual Report Q1 2023
12 May 2023	Interim report Q1 2023
12 May 2023	Annual General Meeting
16 August 2023	Interim report Q2 2023
7 November 2023	Interim report Q3 2023



Additional information

Information on Storskogen is available on our website: [storskogen.com](https://www.storskogen.com).

Annual reports, interim reports and other information for shareholders is available at: <https://www.storskogen.com/en/investor-information/>

This report is also published in Swedish. In case of discrepancies between the Swedish and English versions, the Swedish version prevails.

Production: Storskogen in cooperation with

Photo: Kristian Pohl, Peter Hjalstad

Printed by: IDATA AB

Front page: Kajsa Skog

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