Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	916 591 144
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	A/S SØRENSEN OG BALCHEN
Forretningsadresse:	Rosenholmveien 12 1252 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
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:	Lillian Strøm
Dato for fastsettelse av årsregnskapet:	11.04.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 18.06.2025

Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1,2	555 639 633	490 350 269
Annen driftsinntekt	2	35 790 312	31 271 612
Sum inntekter		**591 429 945**	**521 621 881**
Kostnader			
Varekostnad		308 487 059	253 790 690
Lønnskostnad	3	65 441 745	54 673 367
Avskrivning av driftsmidler og immaterielle eiendeler	4	1 335 060	1 227 606
Annen driftskostnad	6	86 164 716	77 817 009
Sum kostnader		**461 428 580**	**387 508 672**
Driftsresultat		**130 001 365**	**134 113 209**
Finansinntekter og finanskostnader			
Inntekt på inv i datterselskap		14 174 129	8 959 071
Renteinntekt fra foretak i samme konsern		6 685 347	4 484 579
Annen renteinntekt		1 116 486	727 155
Annen finansinntekt		9 905 616	5 609 817
Sum finansinntekter		**31 881 578**	**19 780 622**
Annen rentekostnad		559 477	43 805
Annen finanskostnad		126 047	112 172
Sum finanskostnader		**685 524**	**155 977**
Netto finans		**31 196 054**	**19 624 645**
Ordinært resultat før skattekostnad		**161 197 419**	**153 737 854**
Skattekostnad	7	34 855 333	33 331 271
Ordinært resultat etter skattekostnad		**126 342 086**	**120 406 583**
Årsresultat		**126 342 086**	**120 406 583**
Overføringer og disponeringer			
Ordinært utbytte	8	100 000 000	120 000 000

Resultatregnskap

Beløp i: NOK	Note	2023	2022
Overføringer til/fra annen egenkapital		26 342 086	406 583
Sum overføringer og disponeringer		**126 342 086**	**120 406 583**

Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	7	2 271 746	2 409 565
Goodwill	5	833 333	
Sum immaterielle eiendeler		**3 105 079**	**2 409 565**
Varige driftsmidler			
Driftsløsøre, inventar o.a utstyr	4	3 422 644	4 043 658
Sum varige driftsmidler		**3 422 644**	**4 043 658**
Finansielle anleggsmidler			
Investering i datterselskap	9	136 446 674	123 678 844
Lån til foretak i samme konsern	10	100 976 586	107 799 815
Investering i aksjer og andeler	11	50 000	50 000
Andre langsiktige fordringer	12	3 578 725	2 943 248
Pensjonsmidler	12,13	3 247 980	2 861 792
Sum finansielle anleggsmidler		**244 299 965**	**237 333 699**
Sum anleggsmidler		**250 827 688**	**243 786 922**
Omløpsmidler			
Varer			
Lager av varer og annen beholdning	14	150 401 742	122 454 238
Sum varer		**150 401 742**	**122 454 238**
Fordringer			
Kundefordringer	10	108 016 098	90 010 598
Andre kortsiktige fordringer		27 527 122	20 432 578
Konsernfordringer	10	25 814 530	53 143 914
Sum fordringer		**161 357 750**	**163 587 090**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l	15	2 872 171	2 851 547
Sum bankinnskudd, kontanter og lignende		**2 872 171**	**2 851 547**

Balanse

Beløp i: NOK	Note	2023	2022
Sum omløpsmidler		**314 631 663**	**288 892 875**
SUM EIENDELER		**565 459 351**	**532 679 797**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Aksjekapital	8,16	75 920 000	75 920 000
Sum innskutt egenkapital		**75 920 000**	**75 920 000**
Opptjent egenkapital			
Annen egenkapital	8	251 971 879	226 285 321
Sum opptjent egenkapital		**251 971 879**	**226 285 321**
Sum egenkapital		**327 891 879**	**302 205 321**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Leverandørgjeld	10	63 829 898	41 396 948
Betalbar skatt	7	30 935 753	29 788 469
Skyldige offentlige avgifter		14 000 657	13 387 968
Utbytte	8	100 000 000	120 000 000
Kortsiktig konserngjeld	10	16 349 397	15 574 934
Annen kortsiktig gjeld		12 451 767	10 326 157
Sum kortsiktig gjeld		**237 567 472**	**230 474 476**
Sum gjeld		**237 567 472**	**230 474 476**
SUM EGENKAPITAL OG GJELD		**565 459 351**	**532 679 797**

Brønnøysundregistrene

ÅRSREGNSKAP FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Journalnummer:	2024 631846

Enheten

Organisasjonsnummer:	916 591 144
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	A/S SØRENSEN OG BALCHEN
Forretningsadresse:	Rosenholmveien 12 1252 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
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:	Lillian Strøm
Dato for fastsettelse av årsregnskapet:	11.04.2024

Grunnlag for avgivelse

År 2023: Årsregnskap er elektronisk innlevert.
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023.

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, 12.08.2024

Brønnøysundregistrene
Postadresse: Postboks 900, 8910 Brønnøysund
Telefon: 75 00 75 00
E-post: firmapost@brreg.no Internett: www.brreg.no
Organisasjonsnummer: 974 760 673

Organisasjonsnr: 916 591 144
A/S SØRENSEN OG BALCHEN

RESULTATREGNSKAP

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	1,2	555 639 633	490 350 269
Annen driftsinntekt	2	35 790 312	31 271 612
Sum inntekter		**591 429 945**	**521 621 881**
Kostnader			
Varekostnad		308 487 059	253 790 690
Lønnskostnad	3	65 441 745	54 673 367
Avskrivning av driftsmidler og immaterielle eiendeler	4	1 335 060	1 227 606
Annen driftskostnad	6	86 164 716	77 817 009
Sum kostnader		**461 428 580**	**387 508 672**
Driftsresultat		**130 001 365**	**134 113 209**
Finansinntekter og finanskostnader			
Inntekt på inv i datterselskap		14 174 129	8 959 071
Renteinntekt fra foretak i samme konsern		6 685 347	4 484 579
Annen renteinntekt		1 116 486	727 155
Annen finansinntekt		9 905 616	5 609 817
Sum finansinntekter		**31 881 578**	**19 780 622**
Annen rentekostnad		559 477	43 805
Annen finanskostnad		126 047	112 172
Sum finanskostnader		**685 524**	**155 977**
Netto finans		**31 196 054**	**19 624 645**
Ordinært resultat før skattekostnad		**161 197 419**	**153 737 854**
Skattekostnad	7	34 855 333	33 331 271
Ordinært resultat etter skattekostnad		**126 342 086**	**120 406 583**
Årsresultat		**126 342 086**	**120 406 583**
Overføringer og disponeringer			
Ordinært utbytte	8	100 000 000	120 000 000
Overføringer til/fra annen egenkapital		26 342 086	406 583
Sum overføringer og disponeringer		**126 342 086**	**120 406 583**

Organisasjonsnr: 916 591 144
A/S SØRENSEN OG BALCHEN

BALANSE

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	7	2 271 746	2 409 565
Goodwill	5	833 333	
Sum immaterielle eiendeler		**3 105 079**	**2 409 565**
Varige driftsmidler			
Driftsløsøre, inventar o. a utstyr	4	3 422 644	4 043 658
Sum varige driftsmidler		**3 422 644**	**4 043 658**
Finansielle anleggsmidler			
Investering i datterselskap	9	136 446 674	123 678 844
Lån til foretak i samme konsern	10	100 976 586	107 799 815
Investering i aksjer og andeler	11	50 000	50 000
Andre langsiktige fordringer	12	3 578 725	2 943 248
Pensjonsmidler	12,13	3 247 980	2 861 792
Sum finansielle anleggsmidler		**244 299 965**	**237 333 699**
Sum anleggsmidler		**250 827 688**	**243 786 922**
Omløpsmidler			
Varer			
Lager av varer og annen beholdning	14	150 401 742	122 454 238
Sum varer		**150 401 742**	**122 454 238**
Fordringer			
Kundefordringer	10	108 016 098	90 010 598
Andre kortsiktige fordringer		27 527 122	20 432 578
Konsernfordringer	10	25 814 530	53 143 914
Sum fordringer		**161 357 750**	**163 587 090**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter o.l	15	2 872 171	2 851 547
Sum bankinnskudd, kontanter og lignende		**2 872 171**	**2 851 547**
Sum omløpsmidler		**314 631 663**	**288 892 875**
SUM EIENDELER		**565 459 351**	**532 679 797**

BALANSE - EGENKAPITAL OG GJELD

Egenkapital			
Innskutt egenkapital			
Aksjekapital	8,16	75 920 000	75 920 000
Sum innskutt egenkapital		**75 920 000**	**75 920 000**
Opptjent egenkapital			
Annen egenkapital	8	251 971 879	226 285 321
Sum opptjent egenkapital		**251 971 879**	**226 285 321**
Sum egenkapital		**327 891 879**	**302 205 321**
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Leverandørgjeld	10	63 829 898	41 396 948
Betalbar skatt	7	30 935 753	29 788 469
Skyldige offentlige avgifter		14 000 657	13 387 968
Utbytte	8	100 000 000	120 000 000
Kortsiktig konserngjeld	10	16 349 397	15 574 934
Annen kortsiktig gjeld		12 451 767	10 326 157
Sum kortsiktig gjeld		**237 567 472**	**230 474 476**
Sum gjeld		**237 567 472**	**230 474 476**
SUM EGENKAPITAL OG GJELD		**565 459 351**	**532 679 797**

Organisasjonsnr: 916 591 144
A/S SØRENSEN OG BALCHEN

NOTEOPPLYSNINGER - SELSKAP

- alle poster oppgitt i hele tall

Sum	Beløp

Balanseført verdi 31.12.	Varige driftsmidler	Immaterielle eiend.

Samlet beløp - tilknyttet selskap	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

Samlet beløp - foretak i samme konsern	Årets	Fjorårets

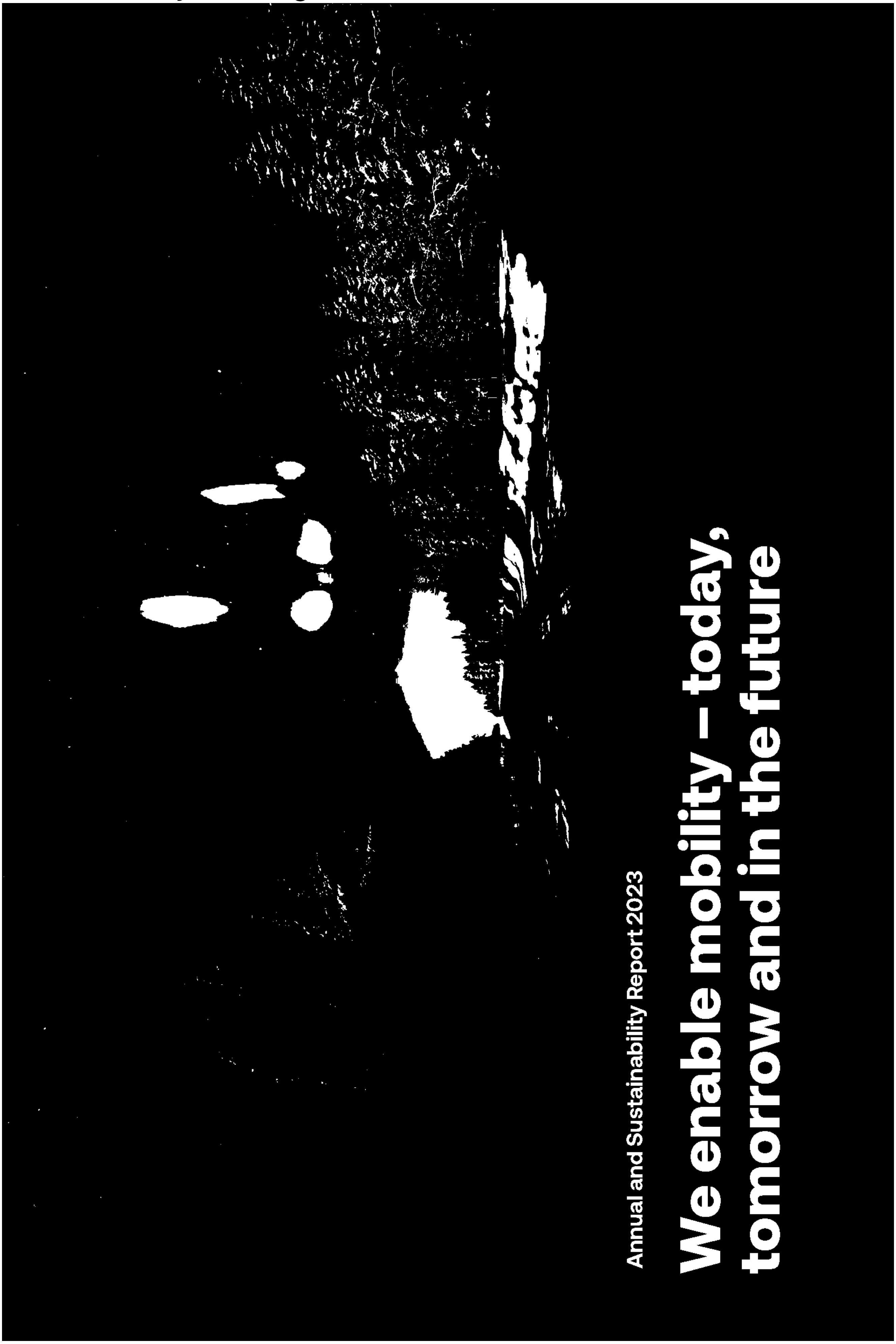
Samlet beløp - felles kontrollert virksomhet	Årets	Fjorårets

Pantstillelse	Beløp

Beholdning av egne aksjer	Antall	Pålydende	Andel av aksjek.

Note
1

Noteopplysninger ut over minimumskravene for små foretak
Det er ikke utarbeidet konsernregnskap da vi selv er datterselskap, og morselskap er en EØS-stat og de utarbeider konsernregnskap.


Annual and Sustainability Report 2023
We enable mobility – today,
tomorrow and in the future

Our role in the mobile society

Caring for and repairing as a business concept

The demand for mobility is constant. People have always had, and always will have, the need to move. Cars and other vehicles have a natural place today and tomorrow, even if driving habits change and technology becomes greener. By investing for future mobility, we want to develop our business and drive a transition in our industry toward increased sustainability. Our basic concept is to care and repair instead of buying new.

Our role is to create and address customer needs as society develops and technological advances continue. Our ambition is clear: MEKO will be the best and most complete partner for everyone who drives, repairs and maintains cars. We will continue to grow profitability and strengthen our position as the leader in the industry.

Our employees and customized full-service offerings are the greatest assets underpinning our success and continued journey.

MEKO in brief

Market leader in northern Europe

We are an international corporate group that conducts operations in the automotive aftermarket. Our business concept is timeless and is based on enabling mobility – today, tomorrow and in the future – as technology evolves.

We conduct wholesale operations with an extensive logistics network and sales through our branch and workshop concepts. Business-to-business (B2B) sales account for most of our revenue.

Net sales, SEK M

Adjusted EBIT, SEK M

Adjusted EBIT margin

Cash flow from operating activities, SEK M

Number of affiliated workshops

Number of branches

Female managers

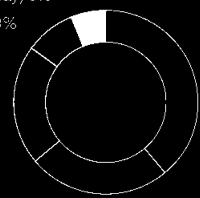
Number of employees

Our business areas

- Denmark
- Poland/the Baltics
- Finland
- Sweden/Norway
- Sørensen og Balchen (Norway)

See detailed information on pages 32–33.

Net sales by business area



of MEKO's net sales derived from the sale of goods.

Our concepts

We serve our customers through various workshop and branch concepts

MEKO has a large number of brands. These differ among markets and also the type of customer we are addressing. By using several well-established brands, we capitalize on strong customer loyalty that has been built up locally over a long period of time – while we also maximize the number of customer groups.

Our primary brands

FTZ is the leading car part distributor in the Danish market with sales of spare parts, consumables and tools to customer groups that include workshops, car dealers and other wholesalers.

Inter-Team is a well-established car part distributor in the Polish automotive aftermarket with sales of spare parts, consumables and tools to workshops, car dealers, retailers and other wholesalers.

Balti Autoosad conducts operations in Estonia, Latvia and Lithuania, through a central warehouse with sales to a broad network of business customers.

Koivunen is the leading provider of car spare parts and related services in Finland.

Fixus is Finland's leading distribution chain for spare parts, accessories and maintenance and repair services for cars in Finland.

MECA and Mekonomen are leading players in the Swedish and Norwegian aftermarket for car spare parts, tools and workshop equipment.

Sørensen og Balchen sells spare parts and car accessories and operates the branch and workshop concept BilXtra in the Norwegian market.

Business model

Stable business with constant demand

Workshops, companies and private motorists – everyone needs products and services that extend the service life of their vehicles. We meet the needs of several customer groups simultaneously, which creates a strong and sustainable business model.

Through workshops, branches and digital platforms, we offer spare parts, repairs and service that meet the requirements of today and of tomorrow. Most of our sales are business-to-business, primarily workshops.

Caring and repairing are at the core of our business – and sustainability is an equally obvious part of our business development. We are a complete service partner for electric car manufacturers and are leading the green transition in the independent automotive aftermarket.

Customer groups

Companies

- Vehicle workshops that are affiliated with our workshop concepts
- Companies that operate workshops under own brands
- Companies and authorities that require repair and service of their car fleets
- Other spare parts wholesalers

Private individuals

- Motorists who repair and maintain their vehicles themselves
- Motorists seeking affordable, high-quality services

Net sales by customer group

- Affiliated workshops 29%
- Other business customers 54%
- Private customers 12%
- Partner branches 5%

Our offering in brief

- Full-scale assortment of spare parts for electric cars and for cars with combustion engines.
- Attractive branch and workshop concepts with strong brands.
- Servicing all vehicle brands – both electric cars and conventional cars.
- Complete service partner to new electric car manufacturers establishing operations in northern Europe.
- Expanding offering for heavy vehicles.
- Ongoing development of complementary offerings, such as car glass repairs and tires.
- Direct sales of spare parts to private individuals.
- Industry-leading availability through digital booking and communication.
- Mobile service – vehicle technicians directly on-site at the customer.

of sales is conducted to companies through our e-commerce marketplaces

MEKO's strengths

- Stable business model with strong cash flows.
- The industry's most comprehensive geographic presence.
- Central purchasing organization that creates economies of scale.
- Strategic acquisitions that enable us to expand to adjacent product areas and geographies.
- Industry-leading e-commerce marketplaces.
- At the forefront of creating new services for the modern car life.
- Future-proofing competitiveness through continuous training in electric and hybrid technology and expanding the assortment and equipment for electric cars.

Read more about MEKO as an investment on page 22.

of demand for spare parts is driven by day-to-day needs and is supported by efficient logistics solutions

Geographical overview

Strength of our geographic presence

MEKO is represented in the Nordic region, Baltics and Poland. Our largest markets are the three Scandinavian countries. The automotive aftermarkets are fragmented in northern Europe, which means there is significant potential for continued growth.

	Denmark	Sweden	Norway	Poland	Finland	Estonia	Latvia	Lithuania
Net sales SEK M	4,267	4,103	3,408	2,809	1,462	467	155	91
Number of branches:	48	190	129	89	172	33	6	7
Number of affiliated workshops:	1,003	932	1,062	1,072	343	34	0	0
Wholesaler brands	FTZ	MECA, Mekonomen	MECA, Mekonomen Sørensen og Balchen	Inter-Team	Koivunen Mekonomen	Balti Autoosad	Balti Autoosad	Balti Autoosad
Workshop concepts:	AutoMester, HELLA ServicePartner, Din Bilpartner, CarPeople	MECA, Mekonomen, MekoPartner, Speedy	MECA, Mekonomen, MekoPartner, BilXtra	O.K. Serwis, Inter Data Service	Fixus, Mekonomen	Fixus	Fixus	Fixus

Market share of spare parts sales to workshops:

25% 15% 25% 25% 8% 8% 28% 8% 4%

Contents

MEKO's formal Annual Report comprises pages 31–75. Only the original version of the formal Annual Report has been reviewed by the company's auditors. Regarding the Sustainability Report, the auditors have made a statement that a report has been prepared, see page 97.

The Annual Report is published in Swedish and English, the Swedish version is the original version and has been translated into English. The Group's remuneration report is published separately on our website www.meko.com.

CEO's comments

Building a stronger and more profitable MEKO

In 2023, MEKO demonstrated stability even when the economy faltered. We grew significantly, strengthened our financial position and entered into new strategic partnerships for the future. In parallel, we increased the pace of efforts to improve our profitability. We are now building a stronger MEKO – with more energy to drive the green transition of our industry.

When times are good, most people can afford to service and repair their cars. When times are tough, this is also an option many people take because they cannot afford to buy a new car. This behavior creates stable demand that is also the backbone of MEKO's business model.

This was also the case in 2023, which was a macroeconomic challenge with high interest rates, rising inflation, weak purchasing power and unfavorable exchange rates. During the year, the Polish and Finnish markets were weaker compared with, for example, Norway and Sweden. In this environment, our net sales increased 19 percent, of which 8 percent was organic growth.

Cash flow strengthened and we reduced debt, which indicates the strength of our earnings capacity. Overall, EBIT rose to SEK 872 M (759) and adjusted EBIT to SEK 963 M (945). The adjusted EBIT margin was 5.6 percent (6.6).

Increasing profitability and building a stronger MEKO
We have higher ambitions for our profitability and are focused on improving it. In November, we therefore launched a targeted initiative "Building a stronger MEKO".

In the fourth quarter, we launched a comprehensive efficiency program in Norway and introduced a similar initiative in Sweden. We also implemented measures in Finland to create a better platform for increased profitability in the future. These included the impairment of inventory value, and costs associated with conducting management changes in parts of the business area. This impacted EBIT in 2023 but will strengthen us in the long term.

Important steps to increase our availability
MEKO aims to be the most complete and available partner for everyone who drives, repairs or maintains

vehicles. We will do this by delivering several times a day to enable workshops and branches to efficiently do their job and become more profitable. But also by broadening our offering and satisfying new needs.

We passed several milestones along this path in 2023, which are also described in this Annual Report.

One important event was the decision to improve service to our customers in Norway. We are building a new, high-tech warehouse that will streamline and merge logistics for this market. This will provide quicker delivery times, reduced transport emissions and have a positive impact on the bottom line for MEKO.

We also strengthened our offering to customers in the heavy vehicles segment. In addition, we expanded our car glass initiative by launching a new, more climate-friendly offering in Sweden. In parallel, more companies are engaging us to manage their leased vehicles, which we refer to as fleet customers.

We will lead the transition
During the year, we held a capital markets day that focused on this specifically – how we are strengthening our core business and positioning ourselves for future growth. In conjunction with this, we also presented adjusted financial targets that reflect our strategy.

We have a clear ambition: To strengthen our position and also lead the industry's transition toward more sustainable mobility with greener vehicle technology. A part of this work involves trying to increase the circular aspect of our business, where we reuse parts and materials that have been previously used. Another part is to continue to strengthen our expertise in electric vehicles.

For some years now, we have been able to service electric cars with the same high precision as traditional cars – the new partnerships with the electric car manufacturers ZEEKR and HiPhi in 2023 is clear confirmation of our ability.

We also want to become a more sustainable company at the same time as we drive the transition of our industry. Among other things, we support the UN's Global Compact initiative, and we have joined the so-called Science Based Target initiative to reduce our emissions. In 2023, we also linked our bank loans to sustainability goals.

Activities to improve sustainability are in progress at all levels of the company.

Increased dividend and symbolic anniversary
Our stronger financial position has created an opportunity to increase the dividend. The Board of Directors proposes that the Annual General Meeting resolves on the distribution of SEK 3.70 (3.30) per share in two payments, which I consider a sign of strength.

Another sign of strength is that the Mekonomen brand celebrated its 50th anniversary in 2023. We can look back on half a century of work enabling vehicles to stay on the road longer, regardless of shifts in technology or new types of fuels. We will now invest all of our energy in the next chapter. MEKO is well positioned for continued growth – and to become an even stronger and more profitable company.

Pehr Oscarson,
President and CEO

Events during the year

Updated financial targets
In March, updated financial targets and priorities to further strengthen our position were presented at a capital markets day. The targets are aligned with MEKO's strategy for continued profitable growth.

Changes in Group Management
In April, Petra Bendelin was appointed new Chief Operating Officer and in October Anders Oxelström was appointed new Director of Communication of MEKO. In November, Christer Johansson was appointed new CFO of MEKO, assuming his new role in February 2024.

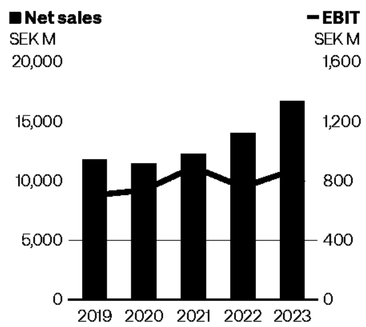
Investments and divestments
During the financial year, a decision was taken to invest in new high-tech warehouses in Norway, to increase efficiency in logistics and improve service to customers. Properties in Denmark and Finland were divested to reduce the debt/equity ratio.

New strategic partnerships
During the year, MEKO signed partnership agreements with the electric car manufacturers ZEEKR and HiPhi. In addition, a strategic partnership began with Malte Månson Verkstäder in heavy vehicles in Sweden.

Financial developments

Strong growth and improved earnings
Net sales rose 19 percent during the financial year. Growth was driven by a combination of a positive development in most of our markets, the full-year impact of the acquisition of Koivunen and a high rate of inflation. EBIT increased slightly, but was adversely impacted by currency fluctuations and the resulting higher purchase prices as well as clear cost inflation.

Solid financial position
MEKO has a solid financial position with a debt/equity ratio measured as net debt/EBITDA of 2.7 times. The business model creates strong cash flow and a stable working capital despite strong growth. It also offers an opportunity for increased dividends over time.



Strategy

Strategy for sustainable and profitable growth

Society is undergoing a transformation toward increased sustainability and new behaviors. MEKO's strategy is tried-and-tested but also tailor-made for these developments. The strategy has four focus areas: Better operations, Better workshops, Better mobility and Sustainable growth. The strategy permeates the entire business with the aim of providing sustainable and profitable growth – organically and through acquisitions.

Our strategy for the years ahead is to focus on four strategic priorities:

Better operations
– unbeatable availability of products and services and a cost-efficient core business
Read more →

Better workshops
– leading workshop concepts for workshops and vehicle owners
Read more →

Better mobility
– attractive offerings for vehicle owners and drivers
Read more →

Sustainable growth
– profitable growth, organically and through acquisitions
Read more →

Market and trends

Stable growing market in Europe

There is a stable growth for automotive market in northern Europe. Demand for service and repairs is driven by the number of vehicles in circulation and how far these are driven.

There is constant demand for repairs and service of vehicles. The need for maintenance and repair increases when the cars reach an age of five years.

Growth in the number of vehicles and mileage remained stable in all of MEKO's markets in 2023.

Demand for our products and services increased in several customer groups and the market conditions were favorable in Sweden, Norway and Finland. General market conditions were more challenging in Poland, the Baltics and Denmark.

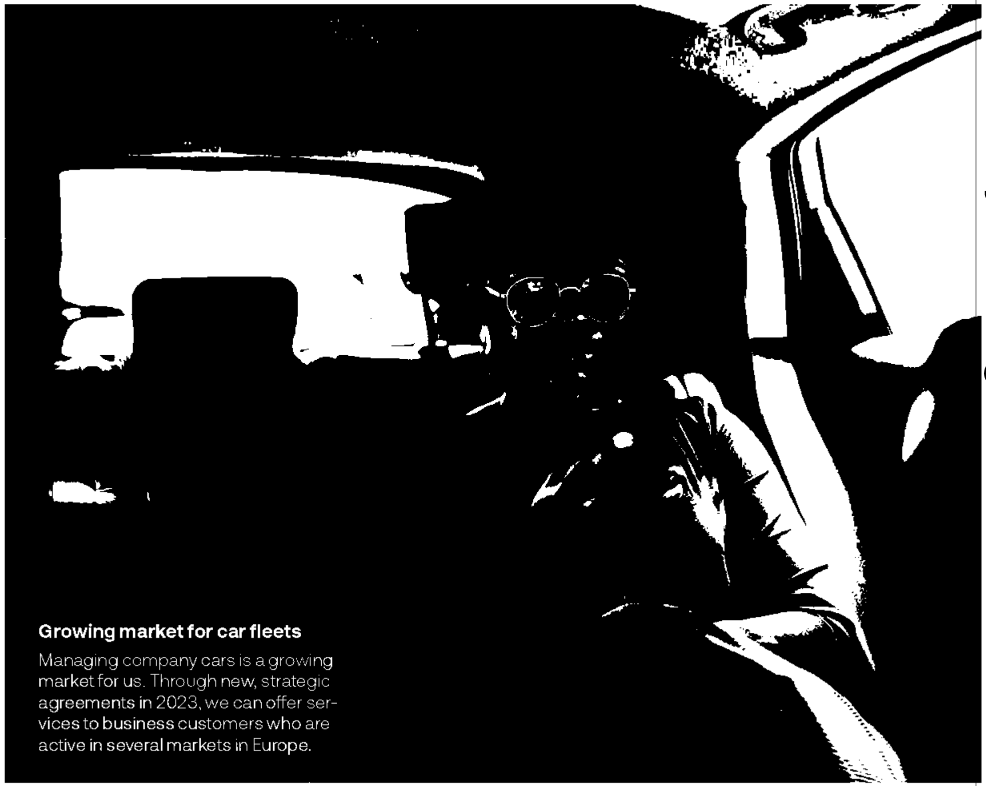
Changes in customer needs

Changes and new needs for service and repair enable more comprehensive customer offerings. Concurrently, competition is increasing as new players enter the market. As market leader, we strive to drive developments in the industry. We work strategically to gather insights into changes to the market and customer needs, which allows us to respond to and create demand for new offerings. Every year, we conduct a comprehensive survey of mobility habits in the Nordic region – the Mobility Barometer.

This year's report shows, for example, a strong belief in the car's role in the future and that cars remains by far the most popular mode of transport.

Fragmented market

The European automotive aftermarket is largely fragmented and consolidation has continued in recent years. The acquisition of new operations provide economies of scale, synergies and development of future customer offerings. For more than a decade, MEKO has taken part in the consolidation in Europe through strategic acquisitions in Sweden, Norway, Denmark, Poland, Finland, Estonia, Latvia and Lithuania. Consolidation is at different stages in different markets in northern Europe, where the Nordic market is partially consolidated and markets in Poland and the Baltics remain fragmented.



Growing market for car fleets

Managing company cars is a growing market for us. Through new, strategic agreements in 2023, we can offer services to business customers who are active in several markets in Europe.

Market with potential

MEKO is market leader in northern Europe with a presence in eight markets around the Baltic Sea, with a total of 75 million people and 35 million cars.

	Denmark	Estonia	Finland	Latvia	Lithuania	Norway	Poland	Sweden
Population, millions	5.9	1.4	5.6	1.9	2.9	5.5	36.8	10.5
GDP growth, %	1.4	2.4	1.0	2.6	2.7	1.5	2.3	0.6
Number of cars, millions	2.8	0.8	3.7	0.8	1.7	2.9	26.5	5.0
Average distance driven, km	15.5	9.5	13.2	12.5	13.0	11.1	16.5	11.5
Cars >5 years, %	74.0	89.5	86.0	92.3	93.1	76.6	91.6	81.4
Purely electric cars, %	7.1	0.4[1]	2.6	0.5	0.68	20.6[1]	0.1[1]	5.9

Source: Latest available data collected in February 2024 from Wolk, IMF, Statistics Denmark, Statistics Norway, Finnish Information Centre of Automobile Sector, Polish Investment & Trade Agency, Statistics Poland, Statistics Sweden, Statistics Estonia, Republic of Estonia Transport Administration, National Statistical System of Latvia, Regitra

1) Information on fully electric cars (%) for Norway, Poland and Estonia is in whole or in part based on data from 2022 as data is yet to be released for 2023

New digital booking system
During 2023, MEKO launched a digital and convenient booking system that will make it easier for car owners to book car service

New technology and global trends create growth opportunities

Trend: Digitalization and new technology

Digitalization and new technology create opportunities for business development and streamlining. Digitalization also creates an increased volume of data that can be analyzed to strengthen understanding of the underlying needs of customers and workshops.

MEKO's approach: We work proactively and broadly to leverage technological developments. For example, we are continuing to invest in fully automated central warehouses to optimize product distribution, broaden the product range and thereby improve availability for our customers.

One example is automated orders. Digital systems in cars provide greater access to data that can be used to create flexible solutions for planning service and maintenance, such as remote maintenance.

Trend: Electrified car fleet

The growing number of electric cars is increasing the need for new expertise, technology and calibration equipment in workshops. This transformation is also increasing the need for more flexible business models, which also creates new business opportunities.

MEKO's approach: We are leading in training workshops to service electric and hybrid cars. We ensure a broad supply of spare parts for electric and hybrid cars and develop new services for electric car owners.

MEKO also offers workshops with high-tech workshop equipment to analyze and maintain cars using the latest technology. Cooperation agreements with new electric car manufacturers in our markets create strategic growth opportunities.

Trend: Greater focus on sustainability

A number of factors are increasing focus on sustainability issues, including climate change, the transition to a circular economy and increased regulatory requirements.

MEKO's approach: Sustainability activities are integrated into operations, where the long-term work is guided by the Group's sustainability targets. We also support the UN Global Compact and implement the initiative's principles into our operations.

Our ambition is to drive the green transition in the industry. We conduct extensive skills development training in our workshops. In addition, we develop services and the product range to address and create new demands in the transition to a fossil-free car fleet.

Strategy – Better operations

High efficiency and the industry's best availability

One important focus area in our strategy is to steadily improve our operations. This means we shall always be the industry's most available partner for our customers. We shall both be geographically close and provide the best offering in a timely manner. To retain the vanguard position, we are committed to continuous efficiency enhancements and optimizations.

An essential part of MEKO's business is the sale of spare parts, where rapid deliveries are often crucial. To address this customer need, we have built up an extensive network of branches and workshops, regional warehouses and central warehouses. The result is a strong platform where we can also capitalize on purchasing synergies and economies of scale.

The distribution network and logistics chains are continuously optimized and this allows us to open new operations in a market while we concurrently consolidate and merge operations in another market.

Another part of this continuous streamlining is the closure of unprofitable units. These efforts were further intensified during the year through the "Building a stronger MEKO" initiative, which aims to increase efficiency and improve profitability.

This included the decision to consolidate the distribution network in Norway. As a result, more local branch warehouses will be available to our customers than previously and we can moreover achieve cost-savings. The measures in Norway were followed by an efficiency program in Sweden that focuses on cost reductions.

We also continued our strategic investment in fully automated central warehouses and resolved to invest in a new facility in Norway. This warehouse will bring together product handling for the entire Norwegian market and promote sustained lower costs and improved service. A new, automated central warehouse is also being

Successful brand strategy with own-brand products

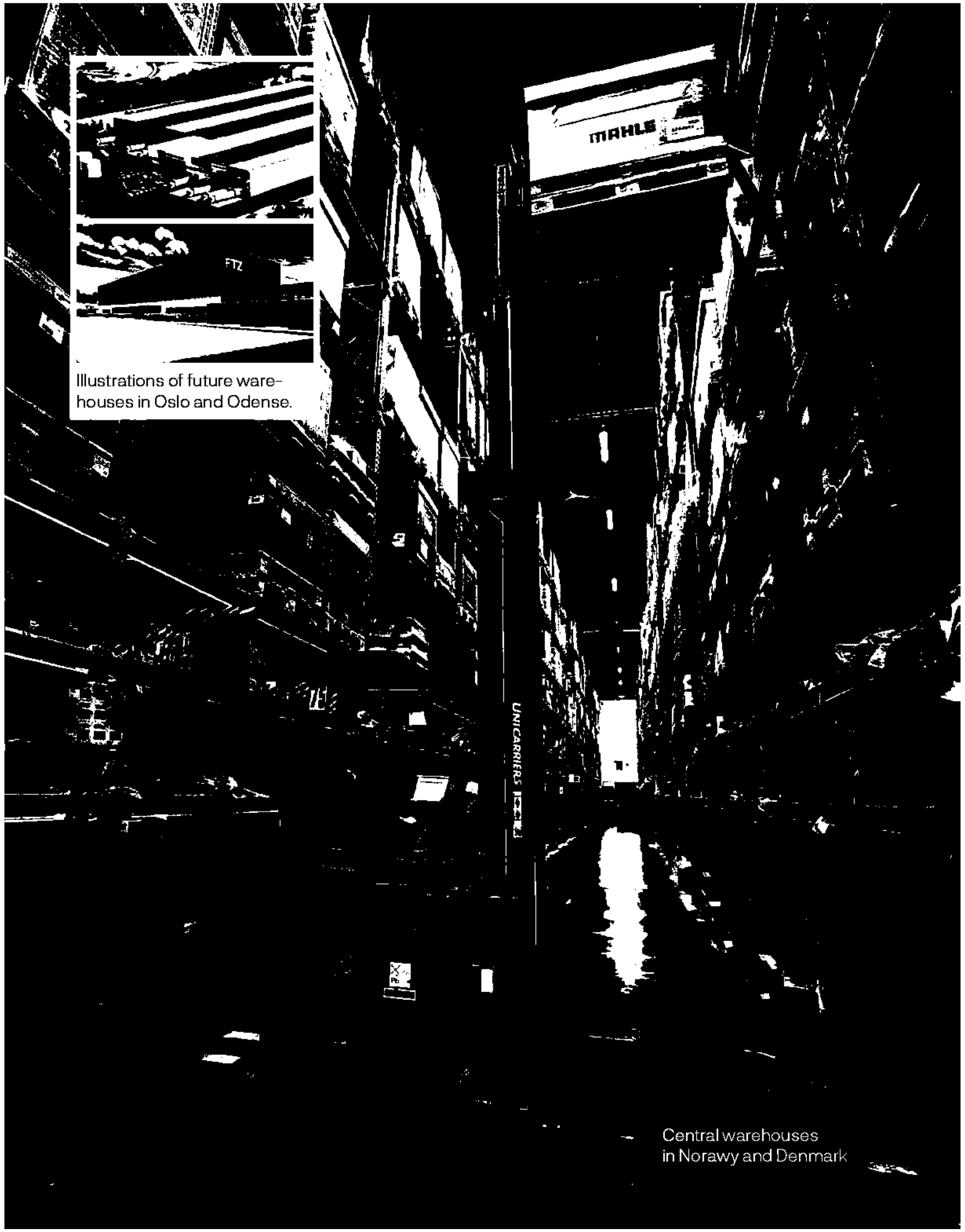
Our focus on own brands is successful with strong growth. One example is the ProMeister brand

Activities 2023

- Launch of the efficiency and profitability program, "Building a stronger MEKO".
- Continued optimization of the value chain to increase cost efficiency and availability.
- Prepare for the launch of shared enterprise systems.
- Decision to set science-based climate targets aligned with the Paris Agreement's 1.5°C scenario.
- Sustainability-linked bank loans focusing on diversity and inclusion and increased use of renewable energy.

Priorities 2024

- Continued implementation of "Building a stronger MEKO" focusing on:
- Efficiency, such as the optimization of departments and automated central warehouses.
- Share enterprise systems to enable better availability, cash flow and reporting.
- Consolidation in product categories and among suppliers to enhance synergies
- More sustainable products and access to sustainability data.
- Activities to draw up science-based climate targets aligned with the Paris Agreement's 1.5°C scenario.
- Diversity training for managers.



Illustrations of future warehouses in Oslo and Odense.

Central warehouses in Norawy and Denmark

built in Denmark and is scheduled to be completed in 2025. The consolidation of inventory management enables us to create more efficient processes while broadening the product range and increasing the number of items.

Launch of joint enterprise systems
The Group's enterprise systems are being harmonized as part of "Building a stronger MEKO". The aim is to achieve a more uniform IT structure to produce similar core processes and a better overview with shared access to data. Implementation in the business areas will take place successively.

Strong offering of own-brand products
MEKO has gradually built up an attractive and broad range of products and services. The offering also includes products we have purchased and sell under our own exclusive brands. The strategy means we reach many customer groups with a unique product range. This also provides a basis for securing better purchase prices while simultaneously giving us greater control over our margins. The strategy has been successful with strong growth in recent years. Sustainability is an integral part of our business development to increase resource efficiency and reduce our climate footprint.

Today, MEKO has a market-leading concept with products and services for the electric vehicles aftermarket. We also develop various timeless and circular solutions. For example, in Denmark we offer tool and equipment leasing to workshops, and in Sweden the option exists to rent bulky equipment, such as roof boxes.

Our central purchasing function supports all five business areas and has overall responsibility for agreements and terms and conditions with Group-wide suppliers. During the year, a decision was taken to strengthen this function and develop deeper partnerships with selected suppliers. The aim is to create a more long-term approach and more attractive purchasing prices.

The inflow of goods is mainly from Europe and Asia via leading European companies. The evaluation of social, environmental and climate-related criteria is part of purchasing work and we place demands on our suppliers to manage risks linked to human rights. We also conduct factory visits, tests and quality audits of new suppliers that are to manufacture products for our range.

Motivated and committed employees
Our more than 6,000 employees are crucial to our success. The local operations are responsible for building MEKO's capacity to attract, retain and engage employees.

As part of efforts to attract, develop and retain talent in the Group, we have started a trainee program that offers participants an opportunity to rotate between different markets and participate in practical training, competency development and strategic project work. The program lasts for 15 months and strengthens the employer brand and our long-term succession planning.

Competence development among our employees takes place continuously. Several of our courses are directed at employees in workshops in response to rapid developments in such areas as vehicle electrification.

Employee surveys highlight development areas
We can see a strong link between profi tability and factors such as employee commitment, and customer satisfaction in our operations.

Every year, we conduct an employee survey to identify development areas. 78 percent (79) of invited employees took part in the autumn survey. The survey showed a few development areas, linked inter alia to our employees' experience of feedback and communication. The survey also showed a positive trend in, above all, diversity, equity and inclusion. Read more on page 89.

The work to create an even gender distribution in the Group remains a challenge since the automotive aftermarket is traditionally an industry with more men than women.

Strategic work is in progress to increase focus on diversity and unconscious bias. In 2023, internal seminars were held with Group Management and business area management teams, and efforts will continue in 2024 with recruiting managers.

Science-based targets to reduce climate footprint
As the leading player in the automotive aftermarket in Northern Europe, MEKO has a responsibility to actively push the industry in a more sustainable direction. Our direct impact on the environment and climate is through transports to branches and workshops, through chemicals and waste management, and through emissions from travel. In addition, indirect emissions take place through the purchase of products and services, energy consumption and transport of goods.
Since our core business is the sale of spare parts, we also have an indirect impact on raw materials and manufacturing processes for the products we sell.

In 2023, we resolved as one of the first companies in our industry to set science-based climate targets. The aim is to reduce our own emissions of greenhouse gases (Scope 1 and 2) in pace with the Paris Agreement's 1.5°C scenario. The process to set the new targets and receive validation from the international framework Science Based Target initiative (SBTi) is expected to take two years.

We already have specific objectives for our electricity consumption stating that this should be renewable by 2025 (premises where MEKO owns the electricity contract). We have also set a target to replace our own fossil fuel-powered vehicles with low-fossil-fuel vehicles by 2030. During 2023, our carbon emissions increased by 25 percent. The main reason for this increase was that Koivunen and the Baltic countries acquired in 2022 could report more data than last year.

We have begun drafting a new climate policy that will be an important incentive to reduce greenhouse gas emissions in pace with our set targets.

20%
the percentage of women in the Group at December 31, 2023 (19)

15%
the percentage of women in management positions (13)

2%
Scope 1

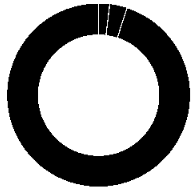
3%
Scope 2

95%
Scope 3

MEKO is one of the first companies in the industry to link its bank loans to sustainability. Linking our financing to our sustainability targets further improves the integration of sustainability into the business. It also becomes easier for the company to develop and strengthen its sustainability targets over time.

The financing is contingent upon two sustainability targets:
• Increased focus on the use of renewable energy.
• Increased focus on gender equality.

Breakdown of greenhouse gas emissions



■ Scope 1: Direct emissions 2%
■ Scope 2: Indirect emissions from purchased energy 3%
■ Scope 3: Indirect emissions 95%

Definition of Scope:
Scope 1 – Direct greenhouse gas emissions from own sources
Scope 2 – Indirect greenhouse gas emissions from purchased energy (electricity, heating and cooling)
Scope 3 – Other indirect greenhouse gas emissions (value chain upstream and downstream)

Strategy – Better workshops

Strong offerings for workshops and drivers

Workshops are one of our most important customer groups. One focus area of our strategy is to constantly develop our workshop concepts to address the needs of workshops – and the expectations of drivers.

Leader in training
MEKO is a leader in training for the aftermarket and has focused on skills development in the field of electric vehicle technology for many years

Most of MEKO's sales are to workshops. In 2023, there were about 20,000 workshop customers, of whom almost 4,500 were affiliated to our concepts and conduct business under one of our brands. New concepts are constantly being developed, which create opportunities to increase sales. In parallel, they strengthen our customer relationships and build long-term loyalty to our brands.

Well-functioning solutions that create loyal customers
One important aim for us to is to help workshops become more profitable. As part of this work, we launched several customized solutions in 2023, including a market-leading solution that manages the workshops' customers, planning and accounting. We also launched a more eco-friendly way to repair car glass in Sweden. The offering was developed in partnership with insurance companies and primarily targets our affiliated workshops, thereby enabling them to expand their business and revenue. In another crucial sense, we give workshops a head start. As a large company, MEKO can secure attractive agreements with companies, government agencies, and municipalities in leasing, insurance matters, and other areas. This type of agreement drives new business for the workshops in a way that is very difficult for workshops to achieve on their own.

Meeting the needs of electric cars – which require advanced service
Electric vehicles account for almost half of new car sales in Scandinavia. As a driving force in the transition to fully electric vehicles, MEKO has developed its own standard for electric cars under the

Activities 2023

- Continued establishment of new workshop concepts, including the launch of a new car glass concept.
- Continued implementation of our own standard for service and repair of electric vehicles, E+.
- Upskilling of vehicle technicians focusing on new technology and electric vehicles.
- Training of vehicle technicians in collaboration with upper-secondary schools.
- Customer survey of affiliated and independent workshops

Priorities 2024

- Increase loyalty from workshop customers by developing new products and services.

E+ concept and is currently leading industry developments in our markets. The establishment of E+ continued unabated in 2023.

The number of certified workshops is growing steadily. Meanwhile, the service needs of electric cars are slightly different to petrol and diesel cars. Electric cars use new types of components and systems that are far more complex. E+ ensures that workshops and vehicle technicians have the right expertise and tools to handle this new service need. An important aspect is assisting customers with battery repair and service, which MEKO provides.

We train everyone – and want to take responsibility for the development of the industry
We operate training academies with the aim of strengthening our workshop customers. All of our business areas offer a wide range of courses in everything from workshop operations and automotive technology to legislation, leadership and business administration.

Several of MEKO's courses are also available to external customers. MEKO is also engaged in running upper-secondary schools at four locations in Sweden in response to demand for vehicle technicians.

In 2023, 37 (28) vehicle technicians graduated.

In addition, we cooperate with upper-secondary schools in many of the Group's main markets.

Enhancing sustainability practices in workshops
We have a clear ambition to strengthen sustainability in our value chain, for example, in terms of how workshops address health and safety risks.

MEKO is constantly striving to optimize the use of resources. These efforts include reusing materials and products when possible, thereby increasing circularity in society.

Many of the spare parts used in the workshops consist of previously used materials or refurbished parts. At the same time, there are challenges. MEKO is a major purchaser of spare parts and some obstacles still remain if we are to gain a full overview of reuse. One prioritized area is to strengthen data collection in all parts of the supply chain.

37
vehicle technicians graduated in 2023 (28 in 2022).

New car glass service initiative
In spring 2023, MECA and Mekonomen began offering car glass repairs and replacement. This initiative aims to make it easier and cheaper for customers through the early repair of damage. Partnerships are in place with several insurance companies so the driver only needs to contact MECA or Mekonomen.

At the beginning of the year, internal training was provided by the Group's own training company ProMeister. There was strong interest when more than 400 workshops across Sweden were offered training to become certified.

The car glass market is expected to continue to grow as windshields become larger and thinner, and mileage is increasing. There is major growth potential: MEKO estimates that up to 70 percent of damaged windshields could be repaired. This corresponds to a reduction in carbon emissions of 600 tons.

Strategy – Better mobility

New offerings as we change our habits

It is increasingly important for drivers today to be able to choose services that are convenient and sustainable. We are working purposefully to facilitate the modern car life and to create new offerings. This is the core of our strategic focus area Better mobility.

As society develops, new habits are created for private individuals and companies. One trend is the continued growth in the share of company cars, which offers new business opportunities. During 2022, we initiated a partnership with the French company Mobivia Fleet Solutions, which expanded our business and addresses more needs from companies with their own car fleets. The partnership provides our customers with a complete solution for service and repairs of company cars in Europe. A similar partnership was launched in 2023 with our largest owner, LKQ. The focus includes the sale of second-hand spare parts. Most company vehicles are in the heavy vehicle category and MEKO has a special initiative in this area.

Mobile vehicle service is a rapidly growing trend that is in demand from electric car manufacturers, among others. This involves servicing on-site at the customer instead of in the workshop. We offer mobile servicing in both Sweden and Denmark through our partly-owned company Omnicar Holding AB.

Digital solution for best possible customer experience

Bookings of service and repairs in our digital system are steadily increasing with almost 400,000 bookings in 2023. The booking system can be adapted and used by different operations regardless of brand, and the system will be implemented in all of MEKO's workshop chains. It has also been offered to companies outside the Group.

The ongoing digitalization of our value chain also provides us with more data for analysis and allows

Electric cars still popular – but tougher economy is impacting interest

Many people are positive to electric cars. Only one in three in the Nordic region would consider buying, renting or leasing an electric car. This was shown in MEKO's Mobility Barometer 2023. However, economy has an important role to play as almost four out of ten who are undecided about electric cars indicate that this is because they are too expensive to buy. High electricity prices have also dampened interest.

Activities 2023

- Continued development and roll-out of our digital booking system for better availability and transparency.
- Established partnership with players who provide full-service solutions to European operators, such as leasing companies.
- Increased ownership in Omnicar, which provides mobile service units for greater convenience.
- Continued development and roll-out of B2B services, such as better follow-up and control of their car fleets.

Priorities 2024

- Increase customer loyalty.
- Attract new customers by strengthening our offering.
- Increase level of availability and convenience.
- Greater focus on managing company cars.

us to gain a better understanding of our customers' needs. This enables even more robust development of our offering.

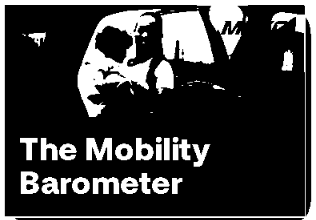
Activities to constantly increase the number of satisfied customers

Every year, we conduct a survey of our end customers and measure their experience of our services and workshop concepts. Just over 400 people took part in the Nordic region in 2023. The survey shows stable results with particularly high customer satisfaction in mobile workshop services. The highest customer satisfaction was noted in Norway and Denmark, which reached customer satisfaction of 4.9 out of a possible 5. The customer survey is an important tool to monitor our customers' changing and future needs.

Transition to more sustainable mobility

The main driving force in the transition to more sustainable mobility is still the need to prevent global warming. Demand for electric vehicles has continued while high prices for new electric cars is increasing interest in new forms of mobility, such as carpools. MEKO is monitoring trends and new consumer behavior.

Our latest Mobility Barometer shows that many vehicle owners lack awareness of sustainable car ownership, for example that it could be better for the environment to take care of their second-hand car rather than buying a new car. Our aim is to make it easy for customers to make the right choice based on the car they use. Our proprietary E+ concept for the electric vehicles aftermarket is a clear example of our rapid adaptability.



Mobility Barometer provides answers on future mobility

Every year, we conduct the Mobility Barometer survey to respond to and create demand for new services. It is the largest survey of mobility habits in the Nordic region and the latest survey had more than 4,000 respondents in Sweden, Denmark, Finland and Norway.

The main conclusion of this year's report is clear – the car remains by far the most popular mode of transport. The survey illustrates a strong belief in the car's role in the future.

Strategy – Sustainable growth

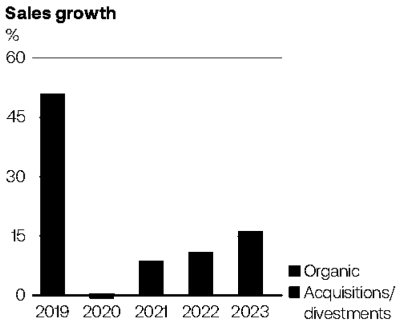
Expanded core business for long-term sustainable growth

We are growing in areas adjacent to our core business. But we are also expanding geographically through carefully selected acquisitions that complement and strengthen us. Taken together, this forms the foundation of the fourth focus area in our strategy – Sustainable growth.

We are constantly broadening our offering with a range of products, such as car glass, tires and accessories. Heavy vehicles is an example of one new segment that is an ideal fit for our existing core business. Here, we can generate synergies and use our expertise and geographic network.

Thanks to our strong electric vehicle expertise, we are an attractive business partner for new car manufacturers who want to establish operations in our markets. These partnerships provide new revenue streams while strengthening our workshop offering.

We are also growing geographically through strategic acquisitions that strengthen our position and availability. The acquisitions also help us to grow in adjacent product areas. Overall, this creates a solid basis for realizing economies of scale and synergies. We have documented capacity to develop acquired companies, and this allows us to create significant value. Our latest major acquisition was the Finnish company Koivunen, which was carried out in 2022. As a result, we became market leader in Finland and parts of the Baltics. We are realizing economies of scale according to plan.



Activities 2023

- Increased focus on heavy vehicles through the launch of MECA Tunga Fordon in Finland and new partners that strengthen the business.
- Launch of car glass repairs concept and new customer agreements. Increased focus on service business to create greater availability.
- Strategic acquisitions that strengthen our position.
- Agreement with the electric car manufacturers ZEEKR and HiPhi that strengthen our leading role as a complete service partner to new electric car manufacturers.

Priorities 2024

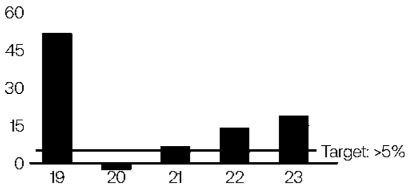
- Further grow the business by strengthening future-proof areas, such as tires and glass, new business partners and strategic acquisitions.

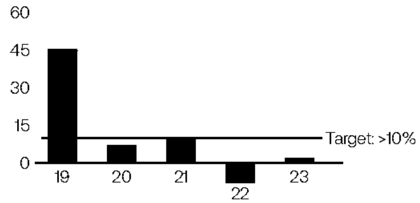
Goals and goal fulfillment

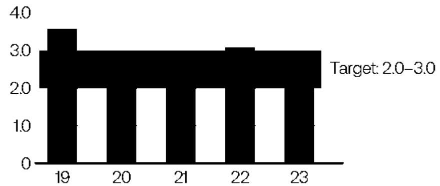
Our financial targets

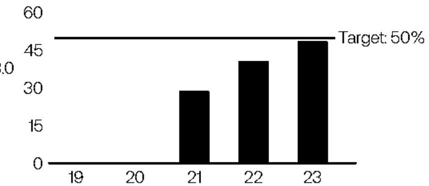
With our targets, we want to consolidate and strengthen our leading position – and create shareholder value over time. Our targets were updated during the financial year 2023 to more clearly reflect our existing operations.

	Growth in net sales	Growth in adjusted EBIT	Debt/equity ratio, net debt/EBITDA[2]	Dividend ratio
Target:	**>5%**	**>10%**	**2.0–3.0**	**50%**
	Average annual sales growth, with a combination of organic growth and growth through smaller acquisitions.	Annual growth of adjusted EBIT of at least 10 percent.	Net debt/EBITDA will be in the range 2.0–3.0 times in the long term.	Dividend corresponding to 50 percent of profit after tax[3].
Outcome:	**19%**	**1.9%**	**2.7**	**49%**
	For 2023, net sales increased by 19 percent (14), mainly as a result of the acquisition of Koivunen. Organic growth amounted to 8 percent.	In 2023, growth in adjusted EBIT was 1.9 percent (-8.3). We see major opportunities to continue to streamline the core business and realize synergies from the acquisition of Koivunen.	Net debt/EBITDA decreased to 2.7 (3.1) in 2023. Net debt decreased to SEK 2,980 M (3,558), due to strong cash flow generation.	The Board of Directors proposes a dividend of SEK 3.70 per share (3.30) for 2023. This decision is based on the Group's good earnings and cash flows and MEKO's strong position in the market.









1) MEKO presented updated financial targets in connection with a capital markets day on March 21, 2023, see separate press release at meko.com.
2) Net debt/EBITDA, incl. IFRS 16.
3) In its dividend proposal, the Board of Directors takes into consideration the Group's potential acquisition opportunities, financial position, investment needs and future outlook.

MEKO as an investment

A robust foundation to create shareholder value

Several reasons to invest in MEKO.

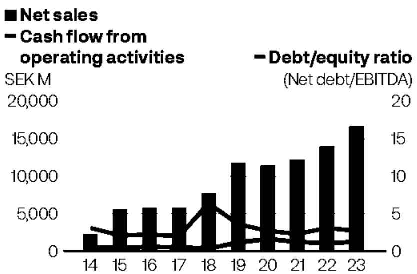
Strong cash flows – regardless of economic climate
We have repaired and extended the service life of vehicles for more than 50 years. Our business model is tried-and-tested and sustainably profitable over economic cycles, with stable and strong cash flows. In 2023, cash flow from operating activities increased by approximately 19 percent, despite a challenging economic climate.

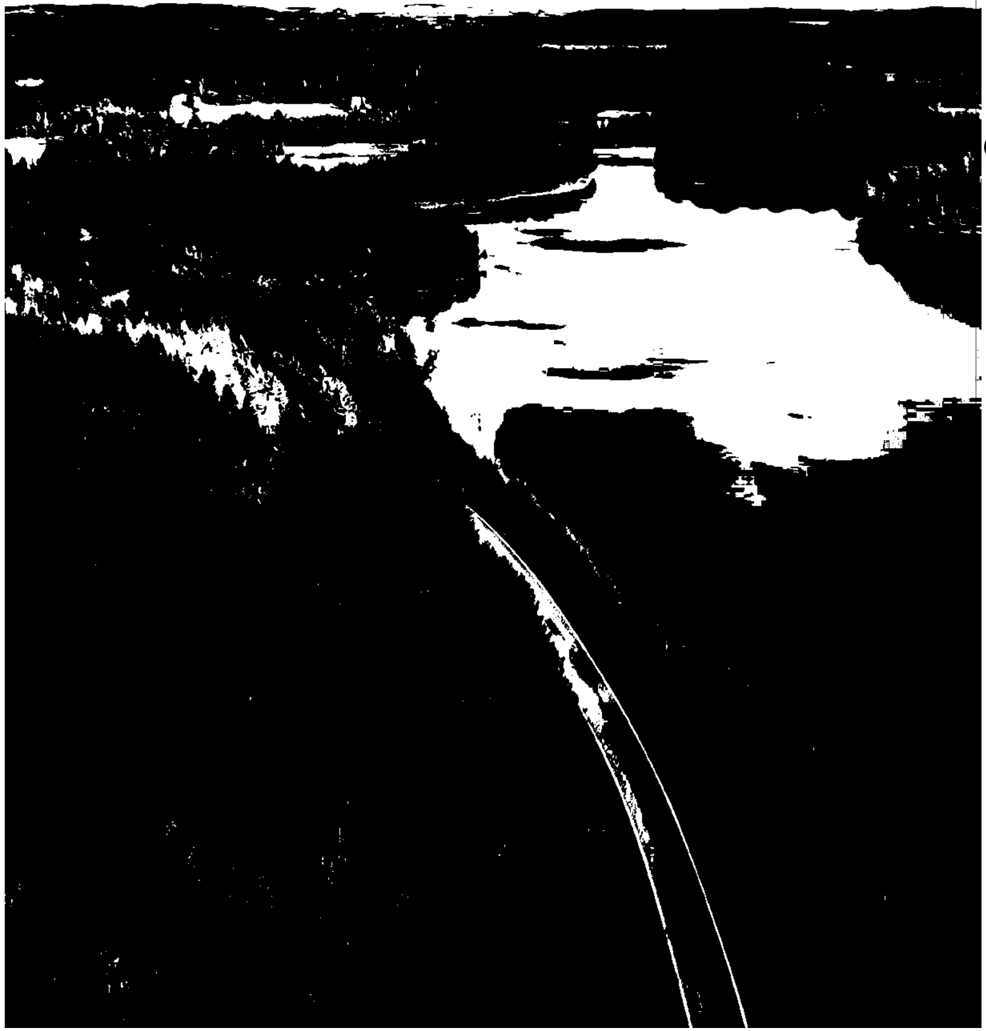
Major market – with substantial synergies
Around the Baltic Sea, there are approximately 75 million people and 35 million cars. Due to our size, we can realize substantial synergies in this major market, where we leverage our expertise in optimization and streamlining. These activities were intensified in 2023 with major efficiency improvements in Norway and the launch of initiatives in Sweden. In addition, we are now strengthening our purchasing function, in order to achieve even more favorable supplier agreements.

Industry leader – thanks to profitable acquisitions
MEKO is growing organically and through acquisitions. Over the past ten years, MEKO has completed strategic acquisitions in Sweden, Norway, Denmark, Poland, Finland, Estonia, Latvia and Lithuania. We have a proven capacity to develop acquired operations and make them more profitable. One example is the business in Poland, that was acquired in 2018 and that now has higher structural profitability.

Great potential in the green transition
MEKO is leading the industry's transition toward greater sustainability. We provide training to mechanics enabling them to work on electric cars and offer a full-scale assortment of spare parts for electric cars and cars with combustion engines. We enter into partnership agreements with new electric car manufacturers that are seeking an established service partner in our markets. This creates growth opportunities and accelerates the transition to a more sustainable society.

Well-balanced dividends over time
MEKO has a long history of dividends to shareholders. Our goal is to distribute the equivalent of 50 percent of the profit after tax, also taking into account acquisition opportunities, financial position, investment needs and possible share buybacks. MEKO's Board of Directors has proposed to the 2024 Annual General Meeting an increase in the dividend to SEK 3.70 per share (3.30).





The share

MEKO's share is listed on Nasdaq Stockholm, in the Mid Cap segment, and is traded under the MEKO ticker. At December 31, 2023, the total market value of the company was SEK 6.2 billion (6.4). The share's highest price in 2023 was quoted at SEK 129.10 on March 6. The lowest price was quoted on October 26 at SEK 85.10. The share price on December 31, 2023 was SEK 109.40 (112.60), which corresponds to a decrease of 2.8 percent compared with the corresponding date in the previous year. The OMX Stockholm Mid Cap PI index increased by 9.2 percent during the corresponding period.

As per December 31, 2023, MEKO's share capital amounted to SEK 141 M (141) and comprised 56,416,622 shares (56,416,622) at a quotient value of SEK 2.50 per share (2.50). The number of shareholders on December 31, 2023 was 11,637 (12,009). Each share carries one vote at the Annual General Meeting and all shares carry equal entitlement to a share in the company's earnings and assets. Each shareholder is entitled to vote for all their shares with no restrictions and the shares are not included in any transfer restrictions.

Buyback of own shares
The company's holding of treasury shares amounted to 83,861 as per December 31, 2023, equivalent to 0.15 percent of the total number of shares. Treasury shares do not carry entitlement to dividends or votes.

Dividends
The Board of Directors proposes a dividend of SEK 3.70 (3.30) per share for 2023, corresponding to a total dividend of SEK 208 M (186). MEKO did well in navigating the challenges during 2023 and is well positioned for the green transition and future profitable growth. In its recommendation, the Board took into account the company's potential acquisition possibilities, financial position, investment needs and future prospects.

Analyst coverage
MEKO is currently being monitored and analyzed by three analysts who are independent of the company and who also provide recommendations on the share.

Communication to the capital market
MEKO's communication to the capital market aims to provide the market with reliable, accurate and current information regarding the company's position, operations and development. The information is intended to increase knowledge about and interest in the company. In addition to quarterly reporting and phone conferences, MEKO participated in several digital and physical investor meetings with investors in Sweden, the rest of Europe and the United States in 2023. Some of the topics of particular interest to investors and analysts in 2023 were the company's positioning in the green transition and opportunities for continued profitable and sustainable growth.

Analysts who continually monitor MEKO

Mats Liss	Kepler Cheuvreux
Stefan Stjernholm	Nordea Markets
Andreas Lundberg	SEB Equities

Analysts who continuously monitor MEKO are listed here. Please note that the above analysts' forecasts, recommendations or other opinions do not represent MEKO or its company management.

The following information and more is on www.meko.com

- Share history
- Share trend
- Analysts
- Insider trading
- Total return
- Dividends
- Volume distribution
- Owners

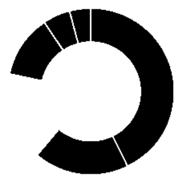
Share history

Year	Transaction	Nominal value, SEK	Shares, total	Share capital, total, SEK
1990	Formation of company	100.00	1,000	100,000.00
1998	Bonus issue	100.00	400,000	40,000,000.00
1998	Split 10:1	10.00	4,000,000	40,000,000.00
1999	New share issue	10.00	5,434,444	54,344,440.00
2000	New share issue	10.00	7,252,626	72,526,260.00
2001	Redemption of convertible bonds	10.00	7,286,626	72,866,260.00
2002	Redemption of convertible bonds	10.00	7,385,226	73,852,260.00
2003	Redemption of convertible bonds	10.00	7,397,326	73,973,260.00
2003	Split 2:1	5.00	14,794,652	73,973,260.00
2003	Redemption of convertible bonds	5.00	14,869,150	74,345,750.00
2004	Redemption of convertible bonds	5.00	15,304,618	76,523,090.00
2004	New share issue	5.00	15,434,411	77,172,055.00
2005	Split 2:1	2.50	30,868,822	77,172,055.00
2011	New share issue	2.50	32,814,605	82,036,512.50
2012	New share issue	2.50	35,901,487	89,753,717.50
2018	New share issue	2.50	56,416,622	141,041,055.00

The 15 largest shareholders, Dec 31, 2023[1)]

Name	Number of shares	Votes and capital
LKQ Corporation	15,001,046	26.59%
Swedbank Robur Fonder	5,984,431	10.61%
Fjärde AP-fonden	4,904,293	8.69%
Didner & Gerge Fonder	2,024,518	3.59%
Eva Fraim Påhlman	1,752,698	3.11%
AFA Försäkring	1,630,053	2.89%
Nordea Funds	1,560,764	2.77%
Unionen	1,516,963	2.69%
Dimensional Fund Advisors	1,506,071	2.67%
Vanguard	1,488,845	2.64%
Ing-Marie Fraim	1,000,000	1.77%
Nordnet Pensionsförsäkring	730,000	1.29%
Avanza Pension	659,945	1.17%
BlackRock	658,157	1.17%
Norges Bank	624,299	1.11%
Total 15 largest shareholders	**41,042,083**	**72.75%**
Other	**15,374,539**	**27.25%**

Holding per ownership category[1)]



- Foreign owners 42.90%
- Swedish fund managers 18.22%
- Swedish private individuals 17.49%
- Swedish pension and insurance companies 12.09%
- Other Swedish owners 5.28%
- Anonymous ownership 4.02%

1) Source: Modular Finance.

Holding per size class, Dec 31, 2023[1)]

Size class	Number of shares	Capital and voting rights, %	Number of owners	Share of owners, %
1–100	209,692	0.37%	6,058	52.06%
101–200	241,605	0.43%	1,505	12.93%
201–300	172,604	0.31%	659	5.66%
301–400	240,517	0.43%	670	5.76%
401–500	204,003	0.36%	429	3.69%
501–1,000	857,459	1.52%	1,126	9.68%
1,001–2,000	849,055	1.50%	556	4.78%
2,001–5,000	1,240,573	2.20%	385	3.31%
5,001–10,000	785,675	1.39%	109	0.94%
10,001–20,000	742,762	1.32%	51	0.44%
20,001–50,000	1,079,248	1.91%	35	0.30%
50,001–100,000	1,419,272	2.52%	19	0.16%
100,001–200,000	1,627,636	2.89%	10	0.09%
200,001–500,000	2,287,089	4.05%	8	0.07%
500,001–1,000,000	4,822,630	8.55%	7	0.06%
1,000,001–2,000,000	9,455,394	16.76%	6	0.05%
2,000,001–5,000,000	6,928,811	12.28%	2	0.02%
5,000,001–	20,985,477	37.20%	2	0.02%
Anonymous ownership	2,267,120	4.02%	-	-

Data per share[2)]

Amounts in SEK per share unless otherwise stated	2023	2022	2021	2020	2019
Profit	7.50	8.12	10.21	7.67	7.34
Cash flow	22.4	18.8	21.9	28.9	20.3
Shareholders' equity	107.8	104.0	92.4	80.4	76.4
Dividend[3)]	3.70	3.30	3.00	-	-
Share of profit paid, %	49	41	29	-	-
Share price at year-end	109.40	112.60	157.10	91.10	93.10
Share price, highest for the year	129.10	161.60	182.80	101.10	96.00
Share price, lowest for the year	85.10	83.90	90.10	35.06	60.80
Direct yield, %	3.4	2.9	1.9	-	-
P/E ratio at year-end, multiple	15	14	15	12	13
Average number of shares after dilution effects[4)]	55,917,032	55,891,711	56,049,728	56,323,372	56,338,824
Number of shares at end of period[5)]	56,416,622	56,416,622	56,416,622	56,416,622	56,416,622
Number of shareholders at year-end	11,637	12,009	11,676	11,728	12,259

1) Source: Modular Finance.
2) For information on financial definitions, refer to page 99.
3) The Board's proposal for 2023.
4) No dilution is applicable.
5) The total number of shares at the end of the period amounted to 56,416,622, of which 83,861 are treasury shares and 344,000 are hedged through share swaps.

Governance and control

MEKO's formal Annual Report comprises pages 31-75. Only the original version of the formal Annual Report has been reviewed by the company's auditors.

Risks and risk management

Like all business activities, the Group's operations are associated with risks that can affect the Group and its stakeholders to varying degrees. Well-balanced risk management can add value and business benefit, at the same time as risks that are not managed effectively can lead to damage and losses. We are continually mapping the Group's risks, with the Board of Directors bearing the ultimate responsibility for the Group's risk management.

Risk management process
In order to ensure a good overview and appropriate management of the risks the business is exposed to, the Group works in a structured manner to identify, analyze and manage risks according to a Group-wide process. The risks are divided into strategic, operational and sustainability-related risks. The Group's Enterprise Risk Management (ERM) policy has direct overall the risk work. The risk analysis is based on the Group's strategy and business planning work, is part of day-to-day strategy and operating activities and is also incorporated into major change or investment projects. Each business area in the Group must establish a risk register where its material risks, mitigation measures and the person responsible are identified. This handling includes the Group's sustainability-related risks, such as risks linked to employees, the environment and climate, as well as corruption. The Group's materiality assessment and Code of Conduct form the basis for the analysis.

Risk Management and Compliance Committee
There is an overall Risk Management and Compliance Committee for the Group. The Committee is responsible for providing guidance to the organization and for governing the process of ensuring an overview of the Group's risks, as well as following up the effectiveness of the risk management work. Risk analyses and mitigation measures are continually reported by the respective business areas to the Committee, which in turn reports material changes in the risk situation to the Board of Directors through the Audit Committee. The risk analysis is reviewed more thoroughly in all forums twice per year (see figure to the right), and twice on a more informal basis

Risk function's responsibility and collaboration
Group Risk Management coordinates and monitors the Group's risk work. The Group has a coordinated risk function, internal control officer and internal audit under the supervision of one person, Head of Risk Management, Internal Control and Internal Audit. The effectiveness of the activities conducted are thereby improved in order to increase risk awareness in identified risk areas. For more information on internal control in financial reporting activities, refer to page 42-43.

Risk analysis
The overall risk profile of the Group did not substantially change during the year. The material risks are the same, although the ranking order changed slightly during the year. Disruptions to the product supply eased during the year, although risk associated with ensuring a stable and secure IT environment remained the top priority.

The Group's overall risk profile includes sustainability-related risks, with adaptation to new legislation in the area included this year.

A selection of the risk areas identified within the scope of the Group's risk management process and the steps taken to manage these risks are presented on the following pages.

Crisis management
The Group has an established policy and process for crisis management, which consists of a crisis team at Group level and a crisis team in each business area.

There are escalation levels for notification or more real crisis situations. The teams were activated, for example, in connection with the pandemic (2020) and the Ukraine crisis (2022).

Continuity plans
During the year, the review continued of the Group's continuity work, with updates of continuity plans regarding the material effect of a fire in central warehouses, disruptions in the flow of goods, data breaches and product recalls. Activities included a new Continuity Policy, which was adopted by the Board in the autumn.

Focus on IT security in the Group
During the year, work to further develop the Group's continuity plans continued, with a focus on IT outages. Workshops and initiatives were conducted in various parts of the company to:

- Increase clarity concerning the units' critical business processes within various functions
- Identify systems that support these processes and clarify priorities when recovering from an outage
- Prepare temporary processes/procedures that are not dependent on normal system support.

In addition, individuals have been chosen to be responsible for maintaining and over time developing these continuity and recovery plans.

Strategic risks

Consumer behavior

The aftermarket for passenger cars and light trucks is primarily dependent on the number of vehicles in the fleet and the total mileage. Developments vary across our markets, but in recent years there has been a general steady increase in the number of cars. The number of kilometers driven decreased somewhat during the pandemic, but has returned to expected levels in most markets. The Group's long-term success also depends on the ability to adapt to customer behaviors and expectations regarding availability, convenience and sustainability, which affects their choice of vehicles, means of transport and choice of supplier.

- A sharp decrease in the number of new cars or mileage could negatively affect the Group's operations.
- A delay in adapting to new customer behaviors can negatively impact the Group's operations.

We maintain a high rate of innovation in concept development in order to strengthen our workshop concepts, contributing to offerings that remain competitive as well as loyal workshop customers. By digitalizing and developing new and more sustainable products and services for car owners and workshops, we are strengthening our offering throughout the value chain. We work proactively to satisfy the needs of all car owners, both business customers and private individuals.

The demand for mobility is timeless. By adapting our business according to customer needs, we are creating a long-term business regardless of the type of vehicles being driven on the roads. We are investing in advanced analytics in order to predict and understand future trends and, on the basis of data, create our future offering. Our geographical spread means that we are less sensitive to market developments in an individual country.

We drive strategic initiatives across our business areas in order to robustly manage market and macroeconomic risks and maximize synergies and best practices.

Probability

Impact

Change →

Car fleet

New technologies, increased focus on sustainability and policy decisions are accelerating the transition from fossil fuels to electric. This transition is shifting customers' needs to new products and services. Growth is expected in software, data, tires and glass, among other areas. Norway has one of the fastest developments in the world in terms of the transition of the car fleet from fossil-fueled to electric vehicles. The share of fully electric cars in Sweden amounted to 5.9 percent at the end of 2023. The equivalent figure for Denmark was 7.0 percent, Finland 3.0 percent and the Baltics 0.7 percent. Data for Norway and Poland for the end of 2023 had not yet been published as of February 27, 2024.

- The transition to electric means that the industry needs to adapt to meet changing demand.
- Political decisions regarding climate measures and incentives strongly influence the pace of transition.

We invest in the future of our workshop customers, and for many years have been providing training in electrical and hybrid technology for mechanics at our training centers. Increasing the proportion of trained mechanics continues to be an important focus. We are continually expanding our range of spare parts and accessories for electric cars and ensuring that our workshops have access to adequate equipment. We are developing our service offering and the product range for our growing number of electric car drivers and actively communicate to this target group in order to remain their preferred choice.

We certify concept workshops according to our own standard E+. The standard is adapted to the guidelines and regulations that exist in the respective market and ensures the right expertise, equipment and charging possibilities in the workshops. There are three levels of E+ where the first level ensures basic expertise in electric mechanics, which means that the workshop can handle the majority of the components on an electric car that enters the workshop today. Levels 2 and 3 ensure that our workshops can handle all of the operations involving work in and around the battery, which becomes important in the longer term as electric cars get older.

Probability ●

Impact

Change ↗

Competitive landscape

The level of competition regarding spare-parts sales to workshops is high, and has historically consisted of branded operators and independent operators such as MEKO. We are seeing increased activity from foreign e-commerce operators, who are primarily competing with a lower pricing structure. Car manufacturers are trying to extend car owner loyalty for longer with the aid of service agreements and extended warranties. Suppliers that have previously only conducted B2B sales are expanding into the B2C segment and consolidation is taking place among suppliers.

- Significantly increased competition from one or more operators may result in reduced market shares for the Group.

We are continually revising and investing in a competitive customer offering to both workshop customers and car owners. Services that ensure loyalty among our workshops, as well as our technical support, are important in order to increase our competitiveness. Flexible solutions and processes for making bookings and placing orders are also essential. The majority of the Group's sales take place digitally, which means our investments in digital channels are important. We have a strong local presence and can thereby offer an outstanding level of availability, with deliveries to our customers several times a day. Availability is important, as the majority of orders from workshops meet their day-to-day needs, though it is difficult for e-commerce operators to meet this demand at the present time.

Probability

Impact

Change →

Technical automotive expertise

There is a shortage of vehicle technicians across much of the European market. The low attractiveness of service professions is one of the reasons why few people are applying for vocational training. Many traditional vehicle technician training courses do not meet the needs of modern workshops, which are setting ever higher demands on technical expertise.

- In the long term, the shortage of vehicle technicians with relevant training and experience may be a factor limiting opportunities for continued growth in the sector.
- The competition for labor may lead to increased personnel expenses, thereby reducing the profitability of workshops.

We are constantly working to attract people to the vehicle technician profession though our strong brands and concepts, our training centers, collaboration with upper-secondary schools and other training providers in our markets, as well as our own upper-secondary school program Pro-Meister Fordon in Sweden. We are also active in providing training in areas such as electric car technology, and strengthening expertise in tires and glass. In this way, we are helping to raise the level of expertise among new and existing vehicle technicians. We also offer recruitment services to our affiliated workshops and work actively with PR and information campaigns to attract people to the sector.

Probability ●

Impact ●

Change →

● Low Medium ● High ↗ Increased risk → Unchanged risk ↘ Reduced risk

Operational and sustainability risks

Extraordinary external factors

Uncertainty in the global economy is increasing as the macroenvironment becomes more unstable. This includes disruptions in supply and logistics chains and greater volatility in the energy market, together with a higher rate of inflation and rising interest rates. As a consequence, there is a risk of further disruption in the supply chain and higher distribution costs. The primary risks to the business are:

- Significant impact on our product flows due to a shortage of raw materials or disruption in the supply and logistics chains, which impacts availability and purchasing prices.
- Continued high inflation, high interest rates, currency fluctuations and energy prices affect the purchasing power of the end-consumer as well as our costs for borrowing and heating.

The strength of our business is based on the timeless need for mobility. Our stable business model and the fact that we operate in several markets helps to create resilience. We collaborate closely with, and carefully monitor, our suppliers and their delivery capacity. We continuously adjust our assortment and inventory levels to ensure availability to our customers. Price adjustments are continuously performed to counter rising purchasing prices and costs. We continuously monitor how higher costs for households affect car use and, by extension, our business to adapt operations thereafter.

Probability

Impact

Change

Employees

Our employees are our most important asset. A good physical and psychosocial working environment, good social conditions, development opportunities and a business that is sustainable in the long term are essential for attracting, retaining and engaging employees.

- An inability to attract, retain and develop committed managers and employees would affect the Group's ability to run and develop the business.
- Deficient work environment conditions entail a risk of increased sick leave and employees leaving the company to take up a position with another employer.

With different skills and experiences among our employees, we aim to reflect the diversity of our customers and the society in which we operate.

Our attractiveness, employee turnover and how well we engage our employees are routinely analyzed.

Each year, we evaluate our employees and draw up development plans to ensure internal candidates for our annual succession planning for senior executives and key positions.

In 2023, a talent program started to attract new expertise and develop talent within the Group.

During the year, we initiated a training program in diversity and inclusion to be a more inclusive employer.

The work of identifying, analyzing and minimizing work environment risks is carried out at every level of operations.

We identify risk areas and any irregularities through the Code of Conduct, whistle-blower system, Work Environment Policy, risk analyses, together with employee development talks, employee surveys and ongoing dialogue.

Probability

Impact

Change

IT environment

The use of digital services is continuing to grow at a rapid pace in every part of society. As more and more interactions, flows and processes are digitalized and automated, there is also increasing dependence on systems, which in turn increases the complexity of IT environments.

- Disruptions or operational stoppages in the IT environment have a negative impact on the business. Catalogue systems and ordering and inventory management systems are particularly critical, as disruptions here would negatively affect deliveries to our customers and consequently our sales.

Threats and risks are regularly analyzed to identify and ensure that we are continually working with improvements, and that we have alternative operating capabilities in critical systems as well as established communication channels.

Continuous efforts are made to strengthen and develop the resilience of the IT environment to manage disruptions and outages. Reviews of frameworks, processes, roles and technical solutions ensure robustness of our environments over time.

In addition, we have launched a Group-wide initiative to modernize our IT environment for our shared business processes. Capabilities offered by cloud technology are integrated into our framework for security, risk, redundancy, good crisis recovery capability and business continuity. This is a long-term strategic initiative that in the years ahead will strengthen our ability to manage any disruptions linked to the IT environment. It well also strengthen our defenses against cyber threats.

Probability

Impact

Change

Low Medium High Increased risk Unchanged risk Reduced risk

Data security

Like many other companies, we are subjected to cybercrime, such as attempted fraud, trespassing or sabotage.

- Cybercrime causes major financial damage and has a negative impact on trust in the Group.

To combat attempts at hacking, theft or sabotage to our IT environments, external monitoring is performed within this area, as well as a continuous assessment of whether our protection needs to be changed or expanded. We are continually developing our procedures, processes and technical solutions in this area in be prepared in the event of an attack.

A major Group initiative has been under way since 2020 that includes the strengthening of monitoring, controls, training and resources for all business areas.

The operations acquired in 2022 in Finland and the Baltics began the corresponding security work carried out by other units in the Group.

During 2023, we implemented substantial improvements in our business continuity planning to manage disruptions in our IT environment and have since also taken out cybersecurity insurance, to be better equipped for any disruption in our IT environment.

In conjunction with our IT optimization, which includes a broader service portfolio in the cloud environment, we also took the opportunity to ensure data, privacy and identity protection.

With constant and strong digital development that includes transformative technological shifts, such as generative artificial intelligence, we are striving to leverage technological advantages in a safe and structured manner.

Probability ●

Impact ●

Change →

Central warehouses and regional warehouses

MEKO's efficient wholesale and logistics business is a strength and an important part of our core business.

Any damage, such as fire or technical disruptions, at any of the Group's central or regional warehouses would entail negative consequences for the company's sales and capacity to deliver to our customers.

We are endeavoring to interconnect our logistics network to increase redundancy and availability. This is being achieved by implementing shared enterprise systems and applications for planning and inventory management. This will simplify product supply between business areas and reduce the impact of disruption at any of the units.

We are also continuously striving to identify and prevent risks in our central and regional warehouses.

Fire safety and protection against technical disruptions are a prioritized area at all of our facilities.

In 2022 a decision was taken to build a new modern central warehouse in Denmark. The same strategic decision was taken for the Norweigan market 2023. These warehouses will meet high standards of safety and delivery capacity.

During 2023, the Group's continuity plans were also reviewed.

Probability ●

Impact ●

Change →

Shrinkage and cash handling

The Group's operations include sales and stockholding of a large number of products, many of which are considered theft-prone. The Group's operations also include handling cash, which entails a risk of theft, both in branches and during the transportation of cash from the branch to the bank.

Deficient processes for detecting theft and shrinkage would have a negative impact on the Group's earnings.

Within the Group, continuous work is done to combat shrinkage and to define what constitutes scrapping, internal consumption and actual theft. This work is based on the attitude that it is important to focus on all types of shrinkage, for example by reviewing ordering procedures, delivery checks and the unpacking of goods. Our cash handling in the Nordic region has decreased in recent years in favor of credit cards. Some units are even cash-free. In Poland and the Baltics, it is still customary to pay with cash.

During the year, we continued our work to clarify guidelines for responsibility and control by, for example, strengthening the common framework for internal control for branches and local warehouses.

Probability

Impact

Change →

Responsibility for products & services

A large number of products and services under the Group's brands are offered in-house or through partnerships. MEKO has a product responsibility for products that do not work as expected or are defective, as well as for quality assurance of services such as repair and service.

- Insufficient quality control by our own and collaborating businesses, such as by affiliated workshops and suppliers, may result in liability to pay compensation for defective products, faulty repairs and consequential damage.
- Dissatisfied customers can result in reduced market share and a lack of confidence in our offerings.

We secure our product liability through purchasing agreements, imposing requirements on our suppliers, and subjecting our own brands to careful quality controls. Our affiliated workshops must also undergo extensive training and meet the requirements we set in areas such as technical training, expertise and equipment. This is supplemented with Group-wide insurance protection. We monitor quality and customer satisfaction through quality management systems and customer and consumer surveys. We also conduct external and internal audits to ensure quality and customer satisfaction.

We are constantly developing the Group's workshop enterprise system in order to support efforts by the workshops to comply with rules and regulations, and so they can work efficiently and maintain a high level of service to customers.

Probability

Impact

Change →

● Low Medium ● High ↗ Increased risk → Unchanged risk ↘ Reduced risk

Environmental and climate impact

MEKO has an impact on the environment and climate through its activities and the products and services the Group offers.
- Environmental and climate policy decisions and legislation affect our operations. For example, stricter legislation regarding chemical products and waste management, as well as increased taxes and other incentives, including climate-related incentives, may lead to investment requirements and/or lower profitability for the business.
- Any violations of regulations would have a legal impact and damage trust in our offering and our brands.

We adapt our development on the basis of laws and regulations, and keep ourselves up-to-date regarding political decisions on the environment and climate, in order to prepare our business as much as possible for any changes. We have procedures and processes in place to ensure compliance with laws and regulations.

The Group works systematically with the environment, with parts of the business having certified environmental management systems. In 2022, a scenario analysis was performed regarding climate-related financial risks based on the Task Force on Climate-related Financial Disclosures (TCFD) methodology. The scenario analysis focused primarily on our business and both risks and opportunities were analyzed. Read more about the materiality assessment and scenario analysis on page 90.

We follow up the business areas' systematic environmental activities and have committed to set science-based climate targets. We maintain a dialogue with our suppliers to gain further knowledge of the climate impact of the products we provide.

Probability

Impact

Change →

Sustainable supply chain

We have agreements with a large number of suppliers to ensure the availability of a wide range of spare parts and car accessories for our customers.
- Having a large number of suppliers entails risks in relation to human rights, working conditions, the environment and corruption, for example.

To facilitate control of the supplier level and the supply chain, all major purchasing agreements are governed by the Group's joint purchasing department. Spare parts are mainly purchased from the major European suppliers that also supply the car manufacturers.

We perform meticulous quality checks of our own-brand products, and conduct site visits to our suppliers. We place demands on suppliers through our Supplier Code of Conduct in relation to human rights, working conditions, the environment and anti-corruption.

Probability

Impact

Change →

Business-related corruption

- Individual employees or groups of employees are at risk of being unduly influenced by suppliers or other business partners, including through bribes of various kinds. Purchasers and sellers are two employee groups that run a greater risk of being involved in corruption. MEKO makes purchases from some markets where corruption can be a problem, which requires that we actively distance ourselves from such activities and interests (see above under sustainable supply chain).

There is zero tolerance of corruption within the Group. The Group's Anti-corruption Policy is included in our Code of Conduct and employees receive training in this area. In addition, there are special guidelines regarding anti-corruption with rules concerning gifts and entertainment, which all employees have access to.

Probability

Impact

Change →

New sustainability legislation

New legislation for sustainability reporting, such as the Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy, introduce new requirements that concern areas such as governance, access and quality of data as well as internal control. Deficient internal control, quality and access to sustainability data as well as insufficient expertise in the area could entail a risk of failing to meet the requirements stipulated in the new reporting. The new regulations also encompass new requirements for governance and integration of sustainability-related topics.

During 2023, work began to prepare the Group for CSRD, with a double materiality assessment and accompanying gap analysis. Work also began to further develop processes for sustainability reporting within the Group, and to clarify roles, responsibility and procedures. Part of this work focuses on competency development. We ensure that control documents, such as the Code of Conduct and guidelines, are reviewed and updated each year and conduct an annual review of the Supplier Code of Conduct. Processes and procedures to meet the requirements of Do No Significant Harm (DNSH) and criteria for substantial contribution in the EU Taxonomy are also being developed.

Probability

Impact

Change ↗

Financial risks

MEKO's financial risks mainly comprise currency, credit, interest-rate and liquidity risks. See Note 36 for a description of the financial risks.

In the Corporate Governance Report (page 42) there is a description of the internal control and risk assessment that aim to prevent misstatements in the financial statements.

● Low Medium ● High ↗ Increased risk → Unchanged risk ↘ Reduced risk

Administration Report

General
The Board of Directors and CEO of MEKO AB (publ.), corporate identity number 556392-1971, hereby submit the Annual Report and consolidated financial statements for the financial year 2023.

MEKO is active in northern Europe with operations in Denmark, Estonia, Finland, Latvia, Lithuania, Norway, Poland and Sweden. MEKO is organized through the five business areas: Denmark, Finland, Poland/the Baltics, Sweden/Norway and Sørensen og Balchen (Norway).

The Group buys and distributes car-related products through its own central warehouses, regional warehouses and a broad network of branches and local warehouses. All warehouses and the majority of branches are owned by the Group. A small number of branches are operated through partnerships or franchise cooperation.

Sales are mainly to affiliated workshops and other business customers. The Group also operates and develops attractive workshop concepts with strong brands to attract car owners to affiliated workshops.

The Group's primary brands are FTZ, Inter-Team, Balti Autoosad, Koivunen, Fixus, Mekonomen, MECA, Sorensen og Balchen and BilXtra.

The Parent Company has its registered office in Stockholm, Sweden. The address of the head office is Box 19542, SE-104 32 Stockholm. Street address: Solnavägen 4, 11th floor. The Parent Company's share is listed on Nasdaq Stockholm Mid Cap segment. The three largest owners of the Parent Company as per December 31, 2023 were LKQ Corporation with 26.6 percent, Swedbank Robur Fonder with 10.6 percent, and Fjärde AP-Fonden with 8.7 percent.

The financial year
Good organic growth and improved earnings were reported for the 2023 fiscal year. MEKO's long-term goal is to achieve average annual sales growth of at least 5 percent and an average annual growth in adjusted EBIT of 10 percent. The company's assessment is that the markets where MEKO operates continue to demand the Group's products and services.

The year generally involved continuing efforts to offset pressure on the gross margin in combination with a sharp increase in focus on profitability in our markets that were dominated for much of the year by high inflation and weaker consumer purchasing power. In addition, focus was on the continued integration of operations in Koivunen, the leading distributor of car parts and associated services in Finland and Estonia, with operations in Latvia and Lithuania as well. Through the acquisition of Koivunen in 2022, MEKO expanded its operations around the entire Baltic Sea with a strengthening of its position as the leading player in the automotive aftermarket in northern Europe.

In the first quarter, MEKO strengthened Koivunen's management team by appointing Helena Sauramo as new Managing Director from May 15, 2023. In her role, Helena Sauramo will focus on further strengthening growth and profitability in Finland.

A capital markets day was held by MEKO on March 21, when the Group Management Team presented adjusted financial targets and priorities to strengthen the company position as industry leader in the independent automotive aftermarket. In addition, MEKO announced that it is intensifying its sustainability activities to reduce the Group's climate footprint. As one of the first companies in the independent automotive aftermarket in northern Europe, MEKO joined the Science Based Targets initiative (SBTi), an international framework for companies that adopt science-based climate targets to limit global warming.

The adjusted financial targets are:
Growth: Average annual sales increase of at least 5 percent. To be achieved through a combination of organic growth and smaller acquisitions. Larger strategic acquisitions are not included.

Profitability: Annual growth of adjusted EBIT of at least 10 percent.

Net debt: Net debt in relation to operating profit (EBITDA) should be in the range of 2.0 – 3.0 times over the long term.

Dividend policy: The equivalent of 50 percent of profit after tax is to be distributed. Consideration should be taken to acquisition opportunities, financial position, investment needs and possible share buybacks.

In the second quarter, MEKO announced that Petra Bendelin had been appointed MEKO's new Chief Operating Officer as Tobias Narvinger left his position. Petra Bendelin was previously MEKO's Director of Business Development and Strategy and has worked in the company since 2010 in several senior roles.

In May, MEKO announced the sale of properties in Finland at a value of EUR 36.5 M. The transaction provided a capital gain of approximately EUR 10 M and MEKO thereby strengthened its financial position.

The latest Mobility Barometer, which was launched in 2022, was published in May and showed that the car retains the clear first place when Northerners freely choose their means of transport in 2023. But rising prices for electricity and fuel mean that almost every second driver drives less. Rising electricity prices also slow down the desire for electric cars: three out of ten who say no to electric cars do so solely because of the more expensive electricity. With around 4,000 respondents from Denmark, Finland, Norway and Sweden, the barometer reveals what habits we have today, but also what we want from the future.

In June, MEKO announced that it was strengthening its sustainability efforts by linking sustainability targets to the company's existing bank loans. MEKO thus became one of the first companies in the independent automotive aftermarket in northern Europe to link its bank loans to sustainability.

In the third quarter, MEKO expanded its efforts in heavy vehicles through a new strategic collaboration as supplier to Sweden's largest independent truck workshop chain, Malte Månson Verkstäder. Heavy vehicles is one of MEKO's priority growth areas with operations in Norway, Finland and Sweden.

During the fourth quarter, Christer Johansson was appointed new Chief Financial Officer, assuming his new role on February 19, 2024. Christer Johansson will replace Anders Lindén who has been interim CFO and Åsa Källenius, who left the position as Chief Financial Officer in October 2023. Anders Oxelström was appointed Director of Communications and assumed his position on December 18.

In October, MEKO divested a warehouse and office property in Denmark. The transaction valued the premises at approximately EUR 6 M and resulted in a capital gain of around EUR 4 M. The deal further strengthened MEKO's financial position.

In November, MEKO resolved to increase its focus on the Norwegian market and is investing in a new fully automated central warehouse in Oslo. The new facility will consolidate MEKO's inventory management in Norway and is expected to provide lasting cost savings and improved service. The warehouse is anticipated to be fully operational by the end of 2025.

In November, MEKO announced two new partnership with the electric car manufacturers ZEEKR and HiPhi. Through its comprehensive network of workshops, MEKO will offer authorized workshop services to ZEEKR owners in the Swedish market. The ambition is to expand the collaboration to future Nordic markets. This contract was followed by an agreement in principle with the electric car manufacturer HiPhi. Under the agreement, MEKO will offer authorized workshop services to HiPhi owners in northern Europe, starting with Norway.

The "Building a stronger MEKO" initiative was announced on November 9, 2023 and aims to strengthen MEKO's leading position in the market. In financial terms, the initiative shall gradually increase MEKO's operating margin by at least 1 percent with full effect in 2025. This will come from a combination of efficiency enhancements, cost reductions and focus on stronger partnerships with selected suppliers in order to achieve more attractive purchasing prices.

As part of this initiative, MEKO announced a program to optimize operations and the distribution network in Norway to improve efficiency, strengthen service and reduce emissions from goods transport. The efforts are estimated to yield annual net savings of at least SEK 66 M with full effect by 2025. As a result, non-recurring costs arose totaling SEK 92 M, of which SEK 59 M was recognized in the fourth quarter of 2023 and SEK 33 M will be recognized in 2024.

Revenue

Net sales increased by 19.2 percent to SEK 16,762 M (14,067). Organic growth was 8.2 percent. Net sales were positively impacted by currency effects of 3.7 percent.

The number of workdays was unchanged in Lithuania, one day fewer in Denmark, Estonia, Latvia and Poland and two days fewer in Finland, Norway and Sweden than in the previous year.

Other operating revenue mainly comprises rental income, marketing subsidies and exchange-rate gains.

Net sales by business area

- Sweden/Norway 39% (SEK 6,579 M)
- Denmark 25% (SEK 4,267 M)
- Poland/the Baltics 21% (SEK 3,522 M)
- Finland 9% (SEK 1,462 M)
- Sørensen og Balchen (Norway) 6% (SEK 923 M)

Gross margin

The gross margin was 43.3 percent (44.9). The change was mainly due to negative currency fluctuations and thus higher purchasing prices as well as to some extent the acquisition of Koivunen, with a generally lower gross margin.

Adjusted operating profit EBIT

Adjusted EBIT increased to SEK 963 M (945) and the adjusted EBIT margin was 5.6 percent (6.6). Currency effects in the balance sheet had a positive impact of SEK 3 M (-16) on adjusted EBIT for the period. Cost increases as a result of higher inflationary pressure and currency effects are the main reasons for the change in margin compared with the previous year. Constraints related to covid-19 affected the comparative period to some degree, but to a varying extent in the different business areas. Adjusted EBIT refers to operating profit, adjusted for items affecting comparability and material acquisition-related items attributable to amortization of acquired intangible assets linked to the acquisitions of FTZ, Inter-Team, Koivunen and MECA.

Operating profit, EBIT

EBIT increased to SEK 872 M (759) and the EBIT margin amounted to 5.0 percent (5.3). EBIT was positively impacted by items affecting comparability of SEK 10 M (-70) net, mainly attributable to the sale of properties in Finland and Denmark for a total SEK 97 M, restructuring costs in Sweden and Norway totaling SEK -64 M, and project costs for the ERP system of SEK -28 M. Currency effects in the balance sheet had a positive impact of SEK 3 M (-16) on EBIT. The change in margin compared with the year-earlier period was largely attributable to increased sales not fully compensating for higher purchasing prices, related to higher inflationary pressure and a strong EUR. As already stated, constraints related to covid-19 affected the comparative period to some extent.

SEK M	2023	2022
Operating profit (EBIT)	**872**	**759**
Transaction costs related to the acquisition of Koivunen	-	-26
Transaction tax related to the acquisition of Koivunen	-	-22
Sale of properties, Finland	67	-
Transaction costs, sale of properties, Finland	-7	-
Sale of property, Denmark	37	-
Project costs, ERP	-28	-
Electricity subsidies, Sweden	5	-
Restructuring costs, Norway	-54	-22
Restructuring costs, Sweden	-10	-
Items affecting comparability, total	**10**	**-70**
Other items[1]	-101	-116
Adjusted operating profit (EBIT)	**963**	**945**

1) Other items include material acquisition-related items. Current acquisition-related items are depreciation and amortization of acquired surplus values in tangible and intangible assets pertaining to the acquisitions of FTZ, Inter-Team, Koivunen and MECA (MECA until the end of May 2022 when this depreciation/amortization was terminated).

Profit after financial items

Profit after financial items amounted to SEK 582 M (581). Net interest amounted to SEK -248 M (-135) and other financial items amounted to SEK -41 M (-43).

Profit for the year

Profit after tax amounted to SEK 451 M (477). Earnings per share before and after dilution amounted to SEK 7.50 (8.12).

Seasonal effects

The Group has no actual seasonal effects in its operations. However, the number of workdays affects both sales and earnings. Unusually hot or cold weather can also affect sales.

Denmark business area

The Denmark business area primarily includes wholesale and branch operations in Denmark.

Net sales increased by 15.7 percent to SEK 4,267 M (3,689). Currency effects had a positive impact on net sales of 8.3 percent. Organic growth was 5.2 percent. The sales trend was healthy for most of the year, but was impacted by high competition and generally weaker consumer purchasing power resulting from high inflationary pressure and high interest rates.

EBIT amounted to SEK 302 M (265) and the EBIT margin amounted to 7.0 percent (7.2). The change in earnings was largely attributable to higher sales as well as cost savings and price adjustments. During the year, earnings were positively impacted by items affecting comparability of SEK 37 M (0) related to the sale of a property.

During the year, there was one fewer workday in Denmark than in the previous year.

Finland business area

The Finland business area primarily includes wholesale and branch operations in Finland. As of the third quarter of 2022, the business area comprises Mekonomen Finland's operations (previously reported in the MECA/Mekonomen business area) and the acquired Koivunen's operations in Finland.

Net sales increased to SEK 1,462 M (728), where the increase is mainly related to the acquired Koivunen's operations. Currency effects had a positive impact on net sales of 8.3 percent. Organic growth was 6.7 percent and pertains to the business Mekonomen Finland.

Market developments were generally challenging, though with stable demand for workshop services and spare parts.

EBIT increased to SEK 57 M (22) and the EBIT margin increased to 3.7 percent (2.9). During the year, earnings were impacted by items affecting comparability of SEK 60 M (-48). The underlying earnings trend was largely attributable to costs linked to the integration of warehouses and organizations between Mekonomen Finland and Koivunen.

During the year, there were two fewer workdays in Finland than in the previous year.

Poland/the Baltics business area

The Poland/the Baltics business area mainly includes wholesale and branch operations in Estonia, Latvia, Lithuania and Poland as well as export operations. As of the third quarter of 2022, the business area comprises the former Inter-Team business area and Koivunen's operations in Estonia, Latvia and Lithuania.

Net sales increased by 28.2 percent to SEK 3,522 M (2,748). Currency effects had a positive impact on net sales of 11.4 percent. Organic growth was 4.6 percent.

Growth was mainly driven by Koivunen's operations in Estonia, Latvia and Lithuania combined with strong export operations. Demand in Poland and the Baltics was generally weaker due to a declining economy and high inflationary pressure.

EBIT decreased to SEK 158 M (164) and the EBIT margin amounted to 4.3 percent (5.8). The earnings trend is mainly attributable to currency fluctuations and the resulting higher purchase prices as well as higher costs driven by high inflation and a strained labor market with increased wage demands.

During the year, the number of workdays was unchanged in Lithuania and there was one fewer workday in Estonia, Latvia and Poland than in the previous year.

Sweden/Norway business area

The Sweden/Norway business area mainly includes wholesale, branch, workshop and fleet operations in Sweden and Norway primarily through the MECA and Mekonomen concepts. As of the third quarter of 2022, the business area comprises the former business area of MECA/Mekonomen, excluding Mekonomen Finland's operation, which is reported in the Finland business area. Comparative figures have been restated.

Net sales increased by 9.3 percent to SEK 6,579 M (6,020), of which SEK 4,095 M (3,712) in the Swedish operations and SEK 2,485 M (2,308) in the Norwegian operations. Currency effects had a negative impact on net sales of 1.9 percent. Organic growth was 11.5 percent.

The sales trend was generally healthy in Sweden and Norway during the year, though caution clearly characterized the latter of these markets at the beginning of the year.

EBIT amounted to SEK 393 M (383) and the EBIT margin amounted to 5.8 percent (6.2). Earnings were negatively impacted by non-recurring costs corresponding to SEK -59 M (-22), linked to the restructuring of the Norwegian operations of SEK -54 M (-22), restructuring of the Swedish operations of SEK -10 M (-) and electricity subsidies in Sweden of SEK 5 M (-).

There were two fewer workdays in both Sweden and Norway compared with the year-earlier period.

Sørensen og Balchen (Norway) business area

The Sørensen og Balchen (Norway) business area primarily includes wholesale and branch operations in Norway. Sørensen og Balchen (Norway) is the business area in the Group that has the largest share of sales directly to consumers and is thereby more exposed to the market conditions for retailing than the rest of the Group.

Net sales increased by 5.2 percent to SEK 923 M (877). Currency effects had a negative impact on net sales of 4.9 percent. Organic growth amounted to 11.0 percent.

The sales trend was affected to a higher degree than other segments by the generally weak retail trade market. This was also offset through active efforts to boost sales to business customers.

EBIT amounted to SEK 158 M (160) and the EBIT margin amounted to 16.8 percent (18.0).

The change in earnings was largely attributable to a lower share of sales to consumers combined with currency fluctuations that resulted in higher purchase prices. Cost inflation was noticeable.

During the year, there were two fewer workdays in Norway than in the previous year.

Acquisitions and start-ups

During the first quarter, 70 percent of the leading car accessories company Avant Denmark was acquired by the Denmark business area. Avant Denmark offers Denmark's largest range of accessories for cars and conducts sales to companies and consumers, including online through Biludstyr.dk and through retailers throughout Denmark.

Investments

Investments in fixed assets amounted to SEK 1,266 M (540) during the year, including leases of SEK 1,035 M (332). Depreciation and impairment of tangible fixed assets amounted to SEK 797 M (675).

Company and business combinations amounted to SEK 37 M (1,481). For further information, refer to Note 31.

Acquired non-controlling interests amounted to SEK 15 M (25). Divested non-controlling interests amounted to SEK 1 M (0). Divested operations amounted to SEK 52 M (17).

Financial position and cash flow

Cash flow from operating activities amounted to SEK 1,252 M (1,048). Tax paid amounted to SEK 168 M (240). Cash and cash equivalents amounted to SEK 623 M (741). The equity/assets ratio was 39 percent (38). Long-term interest-bearing liabilities amounted to SEK 5,018 M (5,391) including long-term lease liabilities of SEK 1,379 M (1,020). Current interest-bearing liabilities amounted to SEK 584 M (520), including a current lease liability of SEK 583 M (520).

Net debt decreased to SEK 2,980 M (3,558), representing a decline of SEK 578 M compared with the preceding year. The main factors impacting the change in net debt during the year include operating profit, changes in working capital, investments and currency fluctuations.

Employees

Committed managers and employees are a prerequisite for successful growth and development of our operations. We believe that a clear direction for the Group and clear assignments for our managers and employees are important conditions for nurturing this commitment.

Skills development takes place through internal and external training and career and development planning, with new and more in-depth tasks in day-to-day work. A fundamental approach taken within the Group is to encourage internal recruitment and talent development.

In the autumn of 2022, applications opened for MEKO's first trainee/talent program. The program began at the beginning of 2023 and extends over 15 months. The program includes newly employed trainees and existing employee talents from several business areas. The aim of the program is to offer trainees and talent the opportunity for development and ensure the next generation of managers within the company.

MEKO's workplaces should reflect the diversity of our customers and society at large. Diversity is also important to create renewal and change in a traditional industry. By having employees and managers with different experience and competences, we improve our capacity to meet customer needs. The Group has a well-developed Human Resources Management system that includes gender equality plans, action plans against discrimination at work, clear goals and follow-ups, reporting and an explicit division of responsibilities.

Issues related to well-being and working conditions are addressed in employee surveys, employee development talks and managers' ongoing dialogue with employees. In addition, opportunities for the individual to influence their work situation are discussed. The results of the dialogue are reviewed on an ongoing basis with the aim of implementing improvements in the operations from an overall perspective and to the individual's own group or unit. The annual employee survey conducted by the Group in autumn 2023 enables proactive work in leadership and commitment at Group and department level. Read more about the analysis of the survey on page 92.

The average number of employees during the year was 6,268 (6,112).

Remuneration of senior executives

Guidelines for remuneration of senior executives are presented in Note 5. Prior to the 2024 Annual General Meeting, a new share-based long-term incentive program LTIP 2024 is proposed, in addition to the existing share-based programs that are running in the Group, LTIP 2021, LTIP 2022 and LTIP 2023. LTIP 2020 ended in the second quarter of 2023. No other significant changes are proposed. For more detailed information, refer to note 5 and the company's remuneration report on www.meko.com.

Sensitivity analysis

MEKO's earnings are affected by a number of factors, such as sales volumes, currency fluctuations on imported goods and sales to foreign subsidiaries, margins on purchased goods and salary changes. Imports primarily take place from Europe, mainly in the currencies EUR, DKK, SEK, USD and NOK. In the companies that do not have EUR as their domestic currency, purchases in EUR comprise around 54 percent of their purchase volume. The table below shows the currency effects on the net flow for each currency. The impact of NOK primarily pertains to internal sales from Bileko Car Parts AB to Group companies in Norway, and profit for the year in Norway. Refer to Note 36 for more detailed information on how the Group manages currency risk.

Factors pertaining to earnings before tax

	Change, %	Impact, SEK M[1]
Sales volumes	+1	73 (63)
Exchange rate fluctuations		
NOK	+10	55 (49)
EUR	+10	-256 (-197)
DKK	+10	22 (20)
USD	+10	-25 (-26)
Gross margin	Plus one percentage point	168 (141)
Personnel expenses	+1	-37 (-32)
Interest[2]	+1	-15 (-21)

1) All things being equal, profit before tax for the 2023 financial year.
2) The effect is based on the Group's net debt of SEK 2,980 M as per December 31, 2023 adjusted for the interest-rate swap of SEK 1,500 M.

The Group's currency exposure in the translation of assets and liabilities in foreign currencies (excluding translation of foreign subsidiaries and net investments in foreign operations) was mainly against EUR and NOK on the balance sheet date. The effects on earnings in the translation of financial assets and liabilities that existed at December 31, 2023 are presented below:

- If EUR had strengthened by 10 percent, keeping all other variables constant, profit before tax would have been negatively impacted by SEK 10 M (negative 55), largely as a result of losses in the translation of accounts payable.
- If NOK had strengthened by 10 percent, keeping all other variables constant, profit before tax would have been positively impacted by SEK 1 M (positive 1), largely as a result of gains in the translation of accounts receivable.

The above estimated effects as of December 31, 2023 vary from month to month, depending on the size of the balance-sheet items at the closing date.

Risks and uncertainties

MEKO's operations, as well as all business activities, are exposed to a number of external, strategic, operational and financial risks. Significant identified risks are continuously monitored and risk mitigation measures are taken to limit their effects. The most relevant risks for the business and their changes are described in the Risk and Risk Management section on page 26, as well as in Note 36 Financial Risks.

Parent Company, Central Functions and Other Items

The Parent Company's operations mainly comprise the Group Management Team. The Parent Company's loss after financial items amounted to SEK -105 M (-510), excluding dividends of SEK 484 M (566) from subsidiaries. The difference from the previous year is largely due to impairment of participations in the earlier operations in Finland during 2022.

The average number of employees in the Parent Company was 6 (6). During the year, MEKO AB sold products and services totaling SEK 44 M (39).

Central functions include Group-wide functions also including MEKO AB. Group-wide functions encompass functions that support the entire Group's work: finance and control, risk management and internal audit, sustainability, legal affairs, business development, communication and marketing, HR and operational management that includes purchasing, product range, logistics and IT. The units reported in Central functions do not achieve quantitative limits to be reported separately and the benefit is deemed to be limited for the users of the financial statements for them to be reported as segments. EBIT for Central functions amounted to SEK -95 M (-119). The largest difference compared with the previous year is due to costs attributable to the acquisition of Koivunen.

Other items includes acquisition-related items attributable to MEKO AB's direct acquisitions. Current acquisition-related items are depreciation and amortization of acquired intangible and tangible assets pertaining to the acquisitions of FTZ, InterTeam, Koivunen and MECA (MECA until the end of May 2022 when this depreciation/amortization was terminated) of SEK -101 M (-116).

Sustainability reporting and the Sustainability Report

The Group reports its sustainability work annually using the Global Reporting Initiatives (GRI) Standards. The 2023 Sustainability Report also constitutes the Group's Communication on Progress to the UN Global Compact. The Group's 2023 Sustainability Report was prepared in observance of the requirements in the Annual Reports Act. The Sustainability Report's scope is presented on page 94. In 2023, the Group did not have any significant penalties or injunctions.

Environment

MEKO complies with current environmental legislation, which also means that we apply the precautionary approach about taking necessary steps to reduce our negative impact on the environment. The Group does not conduct any operations that require permits according to the respective national legislation. Operations subject to reporting in the form of car washes were conducted in the Group at the beginning of 2022, but after the operations were sold, one car wash remains under the Group's direction.

MEKO's largest environmental impact is in the areas of goods transport, energy use and chemicals and waste management. Our operations have rules and procedures to manage their environmental impact. For further information on the Group's environmental activities and environmental impact, refer to pages 89–90.

Events after the end of the year

On February 8, MEKO announced that it had been rewarded for its sustainability work and awarded a bronze medal by EcoVadis, the world's most trusted provider of business sustainability ratings. Scoring well-above industry averages across all categories, MEKO is in the top 35 percent of assessed companies.

On February 19, MEKO announced that the Nomination Committee proposed Dominick Zarcone as the new Chairman of the Board in MEKO AB at the Annual General Meeting 2024. Dominick Zarcone currently serves as the President and CEO of LKQ Corporation, listed on the Nasdaq, and has an extensive background with several senior executive roles in major corporations.

On March 6, MEKO announced that it strengthens its position in sustainable car glass repairs through a new partnership with ALD Automotive/LeasePlan, the leading leasing firm for company cars in Sweden. The collaboration means that MEKO will become a car glass service partner for more than 45,000 vehicles in Sweden.

Future developments

MEKO's business model is solid. The demand for mobility is timeless and a cornerstone of society, but the way we transport ourselves changes in pace with certain events in our surrounding world, such as covid-19 and new technology. As vehicle technology becomes greener and customer behavior changes, new business opportunities are also created, in which the need for service not only remains but also grows. The company has a leading position in its main markets with the ambition to drive the digital and sustainable development of the industry.

Through the Group's good relationship with suppliers and broad and well-stocked warehouses, MEKO expects good availability of spare parts and accessories in 2024.

The Group continues to maintain a focus on increasing profitability, reducing its debts and generating positive cash flows. The Group also intends to continue its efforts to continuously develop and adapt the business with a wider product range and services to attract new and existing customer groups.

The share

Share capital and ownership structure

As per December 31, 2023, the share capital of MEKO AB (publ) amounted to SEK 141 M (141) and comprised 56,416,622 shares (56,416,622) at a quotient value of SEK 2.50 per share (2.50). Each share (excluding treasury shares) carries one vote at the General Meetings and all shares carry equal entitlement to a share in the company's profits and assets. Each shareholder is entitled to vote for all their shares with no restrictions and the shares are not included in any transfer restrictions.

MEKO AB has 83,861 treasury shares. Treasury shares do not carry entitlement to dividends or votes. LKQ Corporation with 26.6 percent, Swedbank Robur Fonder with 10.6 percent, and Fjärde AP-Fonden with 8.7 percent are the largest shareholders. For information about the 15 largest shareholders as per December 31, 2023, refer to the table on page 23.

Authorization

The Annual General Meeting on May 23, 2023 resolved to authorize the Board, for the period until the next Annual General Meeting, on one or more occasions, with or without preferential rights for shareholders, to make decisions on new share issues of not more than 5,641,662 shares. At the end of the financial year, no new shares were issued under this authorization.

Dividend policy

It is the Board's intention that MEKO AB shall pay dividends corresponding to 50 percent of profit after tax. Decisions on dividend proposals shall take into account the company's potential acquisition opportunities, financial position, investment needs and prospects.

Shareholder agreements

As far as the Board of MEKO AB (publ) is aware, there are no shareholder agreements or other agreements between MEKO's shareholders for joint influence over the company. As far as the Board of MEKO AB (publ) is aware, nor are there any agreements or similar that may result in a change in the control of the company.

Share dividends

The Board of Directors proposes a dividend of SEK 3.70 (3.30) per share to the 2024 Annual General Meeting. In the decision on the proposed dividend, the Board takes into account the company's potential acquisition opportunities, financial position, investment needs and future outlook. At the time of deciding on the dividend, the long-term financial target applied according to which a dividend of 50 percent of the profits is to be paid.

Board of Directors' work in 2023

The Annual General Meeting on May 23, 2023 resolved that the Board was to comprise seven ordinary members with no deputy members. In accordance with the Nomination Committee's proposal, the Annual General Meeting resolved to re-elect Robert M Hanser (Chair), Helena Skåntorp (Executive Vice Chair), Eivor Andersson, Kenny Bräck, Joseph M. Holsten, Magnus Håkansson and Michael Løve as well as the election of Justin Jude as new Board member.

During 2023, the Board held 13 meetings (13), of which 0 (1) was independent. The Board meetings during the year addressed the fixed items of each meeting agenda, such as the year-end financial statement including determination of dividends, interim reports, budgets, strategies, the business situation, financial reporting, investments and market development.

The Board has established a Remuneration Committee and an Audit Committee. The committees' work mainly comprises preparing issues and providing consultation, although the Board can delegate authority to the committees to make decisions in specific cases. The members and Chairmen of the Committees are appointed at the statutory Board meeting held directly after the election of Board members.

For more information, refer to page 51.

Auditors

The auditors of the company are elected annually at the Annual General Meeting. According to a resolution of the Annual General Meeting, auditors' fees are paid according to approved invoices. The Group's auditors report to the Board as required, but at least once a year. The Board of Directors meets the external auditors at least once a year without Group Management, in accordance with the Group's Code of Conduct. The Group's external auditors also attend the meetings of the Audit Committee.

At the 2023 Annual General Meeting, PricewaterhouseCoopers AB (PwC) was re-elected as the auditing firm until the 2024 Annual General Meeting. The Auditor-in-Charge is Authorized Public Accountant Linda Corneliusson, who has an organization comprising broad and specialized competency that is well-suited to MEKO's operations. PwC has been the company's auditing firm since 2014.

Proposed appropriation of earnings
Parent Company

The following profit is at the disposal of the Annual General Meeting	SEK 000s
Profit brought forward	5,979,420
Profit for the year	427,590
Total	**6,407,010**

The Board proposes that profits be appropriated as follows:	SEK 000s
Dividend to the shareholders SEK 3.70 per share[1,2]	208,431
To be carried forward[3]	6,198,579
Total	**6,407,010**

1) Of the amount paid, SEK 1,273,000 will be repaid to MEKO AB as a result of 344,000 hedged shares through share swaps.
2) Based on the number of shares outstanding on December 31, 2023.
3) The amount that is carried forward will increase by SEK 1,273,000 as a result of dividends that will be repaid for 344,000 hedged shares through share swaps.

For further information regarding the company's and the Group's earnings and financial position otherwise, refer to the following income statement, balance sheet, cash-flow statements and accompanying notes.

Corporate Governance Report

MEKO consists of around 130 companies with operations primarily in Denmark, Estonia, Finland, Latvia, Lithuania, Norway, Poland and Sweden. The Parent Company of the Group is the Swedish public limited liability company MEKO AB, whose shares are listed on Nasdaq Stockholm.

Principles for corporate governance
The Group's corporate governance concerns how the operations are governed, managed and controlled in order to create value for the company's shareholders and other stakeholders. The aim of corporate governance is to create the conditions for active and responsible company bodies, to clarify roles and the division of responsibilities and to ensure true and fair reporting and information.

External regulations	Internal regulations
Swedish Companies Act	Articles of Association
Annual Accounts Act	Board's and committees' rules of procedure
Other relevant laws	Board's instruction for the President
Nasdaq Stockholm AB's Rule book for issuers	Code of Conduct and Core Values
Swedish Corporate Governance Code (the Code)	Corporate Governance Documents
EU Market Abuse Regulation (MAR)	Other policies, guidelines and instructions
UN Global Compact	
EU Taxonomy and GRI standards	

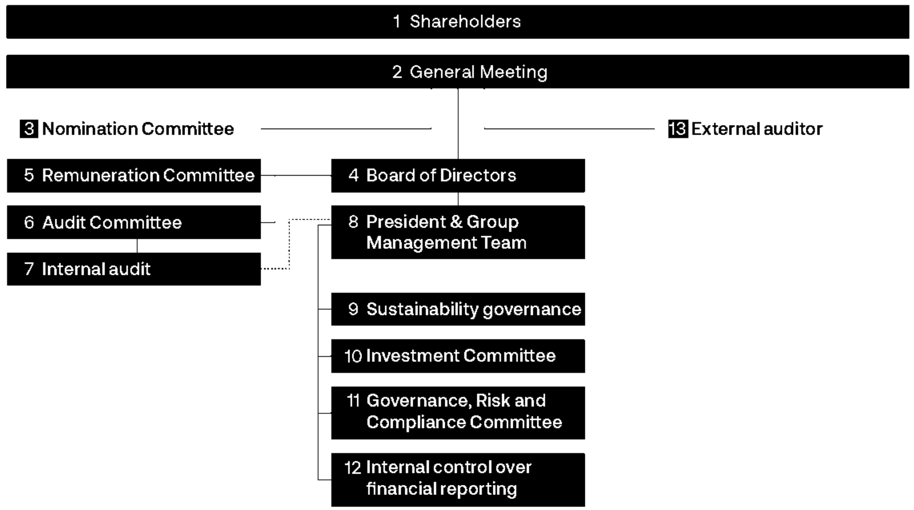
1 Shareholders
The MEKO share has been listed on the Nasdaq Stockholm, Mid Cap segment since May 29, 2000. On December 31, 2023, share capital amounted to SEK 141 M, represented by 56,416,622 shares. At year end, MEKO AB had 83,861 treasury shares. Treasury shares do not carry entitlement to dividends or votes. The total market value for the company on December 31, 2023 amounted to SEK 6.2 billion, based on the closing price of SEK 109.40. All shares (excluding treasury shares) provide the same voting rights and equal rights to the company's earnings and capital. MEKO's Articles of Association do not include any restrictions on how many votes each shareholder can cast at a General Meeting.

On December 31, 2023, there were 11,637 shareholders (12,009). On the same date, the ten largest shareholders controlled 66.2 percent (69.2) of the capital and voting rights, while foreign owners accounted for 46.9 percent (43.5) of the capital and voting rights.

Shareholders which directly or indirectly represent at least one-tenth of the voting rights for all shares in MEKO are LKQ Corporation and subsidiaries, whose shareholding on December 31, 2023 amounted to 26.6 percent (26.6), and Swedbank Robur Fonder with a holding equivalent to 10.6 percent (11.3). For further information on MEKO's shares and shareholders, refer to pages 23–24.

2 General Meeting
The General Meeting of shareholders is the company's highest governing body, at which every shareholder is entitled to participate. The General Meeting is to be held within six months of the close of the fiscal year. The General Meeting approves the income statement and balance sheet, the appropriation of the company's earnings, decides on discharge from liability, elects the Board of Directors and auditors, and approves fees, addresses other statutory matters as well as making decisions pertaining to proposals from the Board and shareholders. The company announces the date and location of the General Meeting as soon as the Board has made its decision, but not later than in connection with the third-quarter report. Information pertaining to the location and time is available on the company's website. Shareholders that are registered in Euroclear's shareholders register on the record date and have registered participation in adequate time are entitled to participate in the Annual General Meeting and vote according to their shareholdings. All information concerning the company's meetings, such as registration, entitlement for items to be entered in the convening notice and the minutes is available on the company's website, www.meko.com.

Overall Corporate Governance Model



It is the company's aim that the General Meeting be a consummate body for shareholders, in accordance with the intentions of the Swedish Companies Act, which is why the objective is usually that the Board in its entirety, the representative of the Nomination Committee, the President and CEO, auditors and other members of the Group Management Team must always be present at the Meeting. With regard to participation in the 2024 Annual General Meeting, shareholders, in addition to the possibility of participating physically, can choose to participate by postal voting.

Annual General Meeting 2023
The Annual General Meeting was held in Stockholm on May 23, 2023. The complete minutes of the Annual General Meeting are available on the company's website at www.meko.com. In brief, the Annual General Meeting resolved:

Application of the Swedish Corporate Governance Code
The Group applied the Swedish Corporate Governance Code ("the Code") without any deviations. in 2023 as the new Nomination Committee has a Chairman who is not a Board member.

- to adopt the income statement and balance sheet, the consolidated income statement and the consolidated balance sheet
- to pay a dividend of SEK 3.30 per share to shareholders.
- to discharge the members of the Board and the President from liability,
- that the number of members of the Board elected by the General Meeting shall be eight with no deputy members.
- to pay total Board fees of SEK 3,940,000, of which SEK 775,000 relates to fees to the Chairman of the Board and SEK 495,000 relates to the Executive Vice Chairman, and also SEK 360,000 relates to fees to each of the other Board members elected by the Annual General Meeting who are not employed by the Group. Total Board fees also include fees to members of the Board's committees, paid as follows: SEK 150,000 to the Chairman of the Audit Committee, SEK 60,000 to each of the other members of the Audit Committee, SEK 60,000 to the Chairman of the Remuneration Committee and SEK 30,000 to each of the other members of the Remuneration Committee
- re-election of Chairman Robert M. Hanser and Board members Eivor Andersson, Kenny Bräck, Joseph M. Holsten, Magnus Håkansson, Helena Skåntorp and Michael Løve as well as the election of Justin Jude as new Board member.
- to re-elect the auditing firm of PricewaterhouseCoopers AB as the company's auditor for the period until the close of the 2024 Annual General Meeting
- to adopt the Board's proposals for guidelines regarding remuneration of senior executives
- to adopt the Board's proposal to establish a long-term share-based incentive program (LTIP 2023) and in conjunction with this to authorize the Board to decide on the acquisition of own shares and transfer of own shares
- to adopt authorization for the Board, for the period until the next Annual General Meeting, on one or more occasions, with or without preferential rights for shareholders, to make decisions on new share issues of not more than 5,641,662 shares

3 Nomination Committee

In accordance with the guidelines established at the Annual General Meeting on May 23, 2023, MEKO has established a Nomination Committee comprising four members. The largest shareholders of the company were contacted by the company's Board based on the list of registered shareholders on August 31, 2023 as provided by Euroclear Sweden AB.

The Nomination Committee for the 2024 Annual General Meeting consists of Dominick Zarcone appointed by LKQ Corporation, Magnus Sjöqvist appointed by Swedbank Robur Fonder AB, Thomas Wuolikainen appointed by Fjärde AP-Fonden and Erik Nordström appointed by Didner & Gerge Fonder AB. In accordance with the guidelines, Dominick Zarcone was appointed the Chairman of the Nomination Committee. MEKO's Board member, Helena Skåntorp, was co-opted to the Nomination Committee. No fees are paid to the Nomination Committees members.

In accordance with the Swedish Corporate Governance Code, the Nomination Committee is to have at least three members, one of whom is to be appointed Chairman. The majority of these members are to be independent in relation to the company and company management and at least one of the Nomination Committee members is to be independent in relation to the company's largest shareholders in terms of the number of votes. MEKO's Nomination Committee comprises four members, all of whom are deemed to be independent in relation to the company and company management. MEKO's Nomination Committee also meets other independence requirements.

The Nomination Committee's task is to present proposals to the Annual General Meeting concerning:

- number of Board members and deputy Board members,
- the election of the Chairman of the Board and other members of the company's Board of Directors,
- Board fees and any remuneration for committee work,
- the election and remuneration of auditors, and
- any changes to the instructions for the Nomination Committee.

In conjunction with its task, the Nomination Committee is to perform the duties incumbent on nomination committees in accordance with the Swedish Corporate Governance Code, and at the request of the Nomination Committee, the company is to provide human resources, such as a secretary function for the Committee, to facilitate its work. If necessary, the company is also to pay reasonable costs for external consultants deemed necessary by the Nomination Committee for it to perform its duties.

MEKO has not established any specific age limit for Board members or time limits pertaining to the length of time Board members may sit on the Board. The Nomination Committee proposes the external auditors with assistance from the Audit Committee. Auditors are elected annually when the matter is submitted to the Annual General Meeting.

Annual General Meeting 2024

The Annual General Meeting will be held on May 16, 2024 at 7A Posthuset, Vasagatan 28, 111 20 Stockholm, Sweden. In addition to physical participation, participation can also take place through postal voting. Read more in the convening notice for the Annual General Meeting on www.meko.com

4 Board of Directors

Size and composition

According to the Articles of Association, the Board of Directors is to comprise three to eight members and not more than three deputy members. The company's Articles of Association have no specific provisions relating to the appointment and discharge of Board members or amendments to the Articles of Association. The Board of Directors is to be elected annually at the Annual General Meeting. The Board of Directors must consist of a well-balanced combination of the guidelines that the Diversity Policy enforces, as well as the skills that are important for managing the company's strategic work in a responsible and successful manner. Examples of such competencies include knowledge of retailing, the automotive industry, corporate governance, compliance with rules and regulations, financing and financial analysis as well as remuneration issues. Earlier Board experience is another important competency.

Board members

In the opinion of the Nomination Committee, the Board has a suitable composition considering the company's operations, financial position, stage of development and circumstances otherwise. An important starting point for the proposal of Board members was that the Board's composition should reflect and provide space for the different knowledge and experience that the company's strategic development and governance may demand. The company has a Diversity Policy for the Group that includes the company's Board and management. The company's Diversity Policy, which was prepared in accordance with the Code's rule 4.1, aims to achieve an even distribution in the Board and management in terms of age, gender, education and professional background. The Diversity Policy forms the basis of the Nomination Committee's proposal to the Board at the 2024 Annual General Meeting.

Chairman

The Chairman of the Board, Robert M. Hanser, is not employed by the company and does not have any assignments with the company beyond his chairmanship. It is the opinion of the Board that Robert M. Hanser ensures that the Board conducts its assignments efficiently and also fulfills its duties in accordance with applicable laws and regulations.

The Board's working procedures

The Board is ultimately responsible for the company's organization and management and is to also make decisions pertaining to strategic issues. During 2023, the Board held 13 meetings (13), of which 0 (1) were independent. Minutes of the meetings have been kept by the Board secretary, which is the Group's Director of Legal Affairs. In the event of issues that risk involving conflicts of interest, independent Board meetings are held where the Board members representing LKQ Cooperation do not participate or receive the minutes.

Relevant meeting documentation was sent to all members prior to each meeting, which were then held in accordance with the approved agenda. On occasions, other senior executives participated in Board Meetings in a reporting capacity, as necessary. No dissenting opinions to be recorded in the minutes were expressed at any of the meetings during the year. The Board meetings during the year addressed the fixed items of each meeting agenda, such as the year-end financial statement including a proposal on dividends, interim reports, budgets, strategies, business situation, financial reporting, investments and market development (refer to the figure Overview of all points on the Board's agenda in 2023 on page 38).

Duties of the Board of Directors
The Board of Directors is responsible for ensuring that the company has good internal control to protect the owners' investment and the company's assets. In accordance with the requirements of the Code, the Board's aim was to devote particular attention to the overall goals for the operations and decide on strategies by which to achieve these goals and to continuously evaluate the operating management, with the aim of ensuring the company's governance, management and control. The Board is responsible for ensuring that suitable systems are in place for the monitoring and control of the company's operations and the risks to the company associated with its operations, that control is implemented of compliance with laws, internal guidelines and other regulations, and that the provision of external information is transparent, objective and relevant. The Board of Directors address all interim reports and the Annual Report before they are published. The Audit Committee reports to the Board regarding matters concerning internal control, including matters for decision. Minutes from the Audit Committee meetings are available to the Board members. The tasks of the Board also include establishing necessary guidelines for the company's conduct in society with the aim of securing its long-term value-creation based on ability (Code of Conduct).

There are written instructions that regulate the rules of procedure in the Board and the distribution of assignments between the Board and the President and the CEO, and for the reporting process. The instructions are reviewed annually and are primarily: the rules of procedure for the Board's work, rules of procedure for the two committees, and instructions for the President.

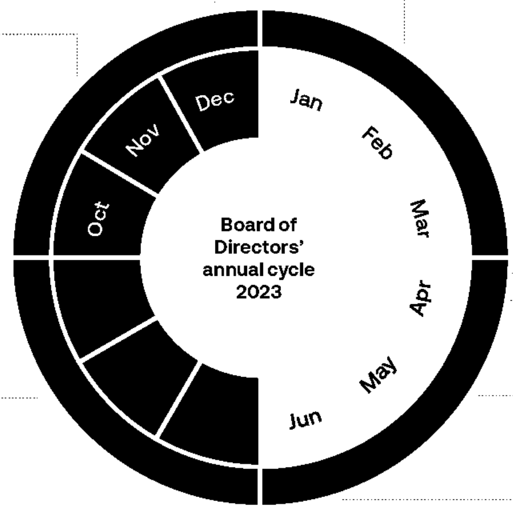
The Board evaluates its work every year and it is the duty of the Chairman of the Board to ensure that evaluation is performed. During 2023, the Chairman organized a digital Board evaluation and evaluation

Overview of all points on the Board's agenda in 2023[1)2)]

December 13
- Budget 2024

November 8
- Q3 2023, Interim report
- Decision on investment in central warehouse in Norway
- Updating of policies

August 22
- Q2 2023, Interim report



February 14
- Q4 2022, Year-end report
- Dividends
- External auditors' report
- Risk analysis & strategy update Q4

April 4
- Approval of the Annual Report and remuneration report

April 17
- Invitation to the Annual General Meeting and proposals to the Annual General Meeting

May 15
- Q1 2023, Interim report
- Distribution of shares according to LTIP 2020

May 23
(Board meeting and Statutory Board meeting)
- Board's rules of procedure and instructions for the President
- Committees' rules of procedure, updating policies
- Election of Vice Chairman
- Election of committee members
- Company signatories

June 14
- Strategy 2023–2028
- Divestment of warehouse property in Denmark

1) At each ordinary Board meeting, the Group's position and performance and the outlook for the future were discussed.
2) Extra Board meetings in 2023: March 20 Long-term financial targets 2027. April 12 Mandate to complete sale and leaseback transaction for properties in Finland. June 16 Change to loan agreements. December 6 Decision on reorganization in Norway.

Board remuneration and attendance

	Total remuneration, SEK	Attendance at Board meetings	Attendance at independent Board meetings	Attendance at Audit Committee meetings	Attendance at Remuneration Committee meetings
Robert M. Hanser	865,000	13/13	-	4/4	4/4
Helena Skåntorp	645,000	13/13	-	4/4	
Eivor Andersson	420,000	13/13	-		4/4
Kenny Bräck	360,000	13/13	-		
Joseph M. Holsten	420,000	12/13	-	3/4	
Magnus Håkansson	420,000	13/13	-	4/4	
Michael Løve	390,000	11/13	-		2/4
Justin Jude	420,000	8/13	-	1/4	

of the committees and internal and external audits together with an external supplier for all Board members. The collective opinion based on the 2023 evaluation is that the Board's work functioned well during the year and that the Board fulfilled the Code's requirements regarding the Board's work.

Board committees
The Board has established a Remuneration Committee and an Audit Committee. The committees' work mainly comprises preparing issues and providing consultation, although the Board can delegate authority to the committees to make decisions in specific cases. The members and chairmen of the committees are appointed at the statutory Board meeting held directly after the election of Board members at the Annual General Meeting.

5 Remuneration Committee
The Remuneration Committee's tasks are documented in the rules of procedure for the Remuneration Committee, which are annually approved by the Board of Directors. The work of the Remuneration Committee is based on resolutions by the Annual General Meeting pertaining to guidelines for remuneration of senior executives and their follow-up in the remuneration report.

- The committee discusses, decides on and presents recommendations on the salaries, other employment terms and incentive programs for company management. However, the Board in its entirety determines the remuneration and other employment terms for the President and CEO.
- The Remuneration Committee annually evaluates its own work.

In 2023, the Remuneration Committee consisted of the Board members Eivor Andersson (Chairman), Robert M. Hanser and Michael Løve.

In 2023, the Remuneration Committee held four meetings. The respective member's participation is presented in the table on page 38.

In addition, the company's President and CEO Pehr Oscarson has been present at four meetings and the company's CFO has been the committee's secretary during four meetings.

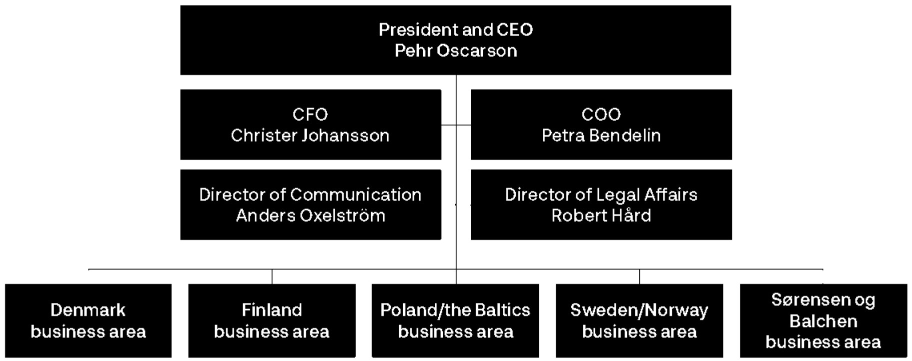
6 Audit Committee
The Audit Committee's tasks are documented in the rules of procedure for the Audit Committee, which are annually approved by the Board of Directors. The Committee monitors the effectiveness of internal control with regard to the financial reporting presented by the management with any shortcomings and improvement measures.

- The Audit Committee monitors the financial reporting and ensures its reliability. It monitors the internal and external audit process, as well as the external auditor's impartiality and independence toward the company, including the extent to which the auditor provides the company services other than auditing.
- The Audit Committee's duties include a risk review regarding the Group's operational and financial risks.
- With regard to financial reporting, the Audit Committee has a special responsibility to monitor the effectiveness of the company's internal control.
- The Audit Committee also meets the external auditors without the presence of Group management at least once a year.
- The Audit Committee annually evaluates its own work, as well as the work of the external and internal auditors. In addition to the Committee's members, a selection from management and relevant employees participates in the work on the evaluation. In 2023, this took place through a digital platform that provided the possibility of full anonymity. In addition, the Audit Committee recommends proposals on external auditors and the remuneration of the auditors for the upcoming year to the Nomination Committee.

In 2023, the Audit Committee consisted of Helena Skåntorp (Chair), Robert M. Hanser, Joseph M. Holsten, Magnus Håkansson and Justin Jude.

The Audit Committee held four meetings in 2023. The respective member's participation is presented in the table on page 38. The Group's external auditors, the President and CEO, the CFO, the Head of Risk Management, Internal Control and Internal Audit as well as the Group Accounting Manager participated at the meetings. The company's Head of Risk Management, Internal Control and Internal Audit was the Committee's secretary.

Group Management and business areas



7 Internal Audit
Internal Audit is an independent Group function, established to provide security for the Board and management. The need for an the internal function is evaluated annually. Internal Audit examines different processes and procedures, gives the Board and management a balanced picture of the current situation and proposes improvement measures. This is done by evaluating and proposing improvements in such areas as risk management, compliance with central policies, guidelines and instructions and the effectiveness of internal control over the financial reporting. The Group's Head of Risk Management, Internal Control and Internal Audit is responsible for internal audit, who in his/her capacity in this function reports to the Chair of the Audit Committee. The function works Group-wide. The results of audits carried out are reported to the Audit Committee, the Board as a whole, the President and CEO and the Group Management Team and information is provided to management in each business area and other units where relevant.

Internal Audit conducted four audits during the year: an audit regarding internal control focusing on Poland, an audit focusing on cyber security in Sweden and Norway, an audit focusing on sustainability reporting and the implementation of CSRD's requirements, and an audit that followed up the Group's work with continuity planning. Internal Audit also conducted a survey of all business areas regarding the maturity of internal control activities. The partnership with EY continued in 2023.

8 President and CEO and Group Management Team
President and CEO
The President and CEO is appointed and may be discharged by the Board and his work is regularly evaluated by the Board, which occurs without the presence of the Group Management Team.

Pehr Oscarson has been the President and CEO of MEKO AB since March 1, 2017. Prior to that, he served as the acting President and CEO of MEKO AB since October 6, 2016. Pehr Oscarson has no shareholdings or partial ownership in companies that MEKO AB or the company's subsidiaries have significant business ties with.

Group Management Team
In 2023, the Group Management Team consisted of the Group's President and CEO, Director of Business Development and Strategy, Director of Communication, Director of Legal Affairs, CFO and COO. During the financial year, three members left the Group Management Team: The Director of Communications, COO and CFO. An organizational merger has taken place of the product, purchasing, logistics and IT functions together with business development, strategy and sustainability under a new joint Chief Operating Officer (COO) as of July. The CFO stepped down on October 13 and was replaced by an interim CFO. A new Director of Communications was appointed on October 5 and assumed his position on December 18.

Board of Directors








	Robert M. Hanser	Helena Skåntorp	Eivor Andersson	Kenny Bräck	Joseph M. Holsten	Magnus Håkansson	Justin Jude	Michael Løve
	Chairman of the Board. Member of MEKO's Audit and Remuneration Committees.	Executive Vice Chairman. Chairman of MEKO's Audit Committee.	Board member. Chairman of MEKO's Remuneration Committee.	Board member.	Board member. Member of MEKO's Audit Committee.	Board member. Member of MEKO's Audit Committee.	Board member. Member of MEKO's Audit Committee.	Board member. Member of MEKO's Remuneration Committee.
Education	Degree in Business Administration, Mannheim University.	Graduate in Business Administration, Stockholm University.	Marketing Economist, IHM Business School, Stockholm.	Upper secondary school education.	M.B.A., Bachelor of Arts and certified public accountant.	Graduate in Business Administration, Stockholm School of Economics, and holds a Master of Science in Management, MIT Sloan School.	Bachelor of Science in Accounting, Franklin University, Ohio, US	Master of Science in Engineering (MSE), Technical University of Denmark, Denmark.
Elected in	2021	2004	2018	2007	2017	2017	2023	2020
Born	1953	1960	1961	1966	1952	1963	1975	1974
Position and Board assignments	Senior adviser to McKinsey, Board member of Fersa Bearings SA. Member of advisory board of Mobilion VC, Israel	Chairman of the boards of Plnt Holding AB/Plnt AB and Ljung & Sjöberg AB with related companies. Board member of Bygg-PartnerGruppen AB with related companies and Bico AB. Chairman of the boards and founder of Nielstorp AB and Skåntorp & Co AB.	Chairman of the boards of Apohem AB and Svanudden AB, board member of AB Svenska Spel and First Camp Group AB.	Minority owner and Board member of Motorsport Auctions Ltd.	Board member of LKQ Corporation.	Chairman of the boards of Worklife Group AB, GS1 Sweden AB and Impande Foundation Sweden. Board member of Glasgruppen AB.	COO LKQ, and board member LKQ India Private Limited.	CEO of energy company OK, chairman of Kamstrup A/S, chairman of EnergiData A/S, board member of JP|Politiken Hus, board member of SMIL-fonden.
Work experience	Board member of LKQ Corporation. Multiple assignments within the German multinational technology and electronics company Robert Bosch GmbH, including as the President of Bosch in the UK, Director of Technical Sales South Region in Germany and the President of the Automotive Aftermarket Division in Germany.	President and CEO of Lernia AB, President and CEO of SBC Sveriges BostadsrättsCentrum AB, President and CEO of Jarowskij, CFO of Arla, and Authorized Public Accountant Ohrlings/PwC.	President and CEO of TUI Nordic, President of Coop Marknad AB and President of Ving Sverige AB/ Thomas Cook Sweden.	Former professional racing driver.	Chairman of the Board of LKQ Corporation. President and CEO of LKQ Corporation. Active for 17 years in the U.S. and international operations of Waste Management, Inc., most recently as Executive Vice President and COO. Prior to that auditor at a public accounting firm.	CEO of MediaMarkt Sverige AB. CEO of RNB Retail & Brands AB, CEO of Expert Sverige AB, CFO of KF Group and Consultant at McKinsey & Co. Chairman of the Board of RNB Retail and Brands AB (publ) 2010–2011.	Senior positions in LKQ since 2004.	CEO of Netto, CEO of B&Q in the UK, Chief Operating Officer for Coop Denmark and Chief Operating Officer for Copenhagen Airports.
Own shareholdings and shareholdings of related parties	14,795	3,142	1,000	1,571	None	None	None	4,667
Independent of the company/company management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Independent of major shareholders	Yes	Yes	Yes	Yes	No, dependent in relation to major shareholders of the company.	Yes	No, dependent in relation to major shareholders of the company.	Yes

Group Management Team

				
Pehr Oscarson	**Christer Johansson**	**Petra Bendelin**	**Anders Oxelström**	**Robert Hård**
President and CEO	CFO	COO	Director of Communication	Director of Legal Affairs
Born				
1963	1979	1978	1972	1966
Education				
Technical upper-secondary school, supplemented with short economics and management courses.	Master of Science in Engineering Physics, KTH Royal Institute of Technology with additional courses in economics and law at Stockholm University.	Master of Psychology/Behavioural Science, Luleå University of Technology.	Master of Political Science, Stockholm University.	Master of Laws, Lund University.
Employed				
2001	2024	2010	2023	2003
Work experience				
President MECA Scandinavia. Prior to that senior positions in MECA since 2001 and President of Swecar AB.	CFO of Hoist Finance, Vice President of Business Control at Northvolt, business development at SEB and advisor at McKinsey & Company.	President of ProMeister Solutions. Various positions within business development in MECA, Sigma, Tectura and as self-employed.	Partner at Kreab Worldwide, Head of News and current affairs at TV4, Senior News Director and Deputy Publisher at Dagens Nyheter.	Director of Legal Affairs, HR and Environment, MECA Group. Attorney-at-law, Advokatfirman Vinge. Clerk of Helsingborg District Court.
Board appointments				
Deputy Chairman of Association of Swedish Wholesalers of Automotive Parts and Accessories (SBF). Board member of Oscarson Invest Aktiebolag.	-	Chairman of Omnicar. Board member of Green Giant Capital AB and Nic Christiansen Gruppen A/S.	–	–
Own shareholdings and shareholdings of related parties				
380,000	-	12,700	1,436	13,309
Share awards				
5,000 (LTIP 2021) 5,000 (LTIP 2022) 5,000 (LTIP 2023)	-	3,000 (LTIP 2021) 4,000 (LTIP 2022) 4,000 (LTIP 2023)	-	3,000 (LTIP 2021) 4,000 (LTIP 2022) 4,000 (LTIP 2023)

A new CFO was appointed on November 15 and assumed his position on February 19, 2024. The composition of current Group Management is presented in the illustration on page 39 and a more detailed presentation of its members on page 41.

It is considered very important to ensure that there is a clear link between remuneration and the Group's distinct values and financial goals in both the short and the long term. New guidelines for the remuneration of senior executives were adopted by the 2023 Annual General Meeting. The successful implementation of the company's strategy, long-term interests and sustainability agenda requires that MEKO can recruit and retain qualified employees with the right qualities. The total remuneration must therefore be market-based and competitive. The objective of the guidelines is to enable such remuneration, but also to link total remuneration to MEKO's strategy, long-term interests and sustainability agenda. This is achieved through the criteria in short-term variable remuneration programs. The same applies to long-term share-based incentive programs as resolved by the Annual General Meeting.

Read more about remuneration of senior executives in Note 5 of the 2023 Annual Report and in the company's remuneration report on www.meko.com.

9 Sustainability governance

Sustainability is an integral part of the Group's strategy and its operating activities. The strategy is based on our material sustainability areas where topics including the UN Sustainable Development Goals (SDGs) and climate-related financial risks and opportunities have been analyzed. At the Board meeting in June, the updated strategy for 2023–2028 was approved and the Board had already approved the materiality assessment that forms the basis of the strategy. Read more about the strategy on page 10 and the materiality assessment on page 90.

The Group has signed the UN Global Compact's principles in the areas of human rights, working conditions, the environment and anti-corruption. The Group's Code of Conduct is the Group's highest governing document in the area of sustainability, which is annually approved by the Board and contains several policies. It also serves as the basis for the Group's other policies and rules.

The Group's requirements on suppliers regarding sustainability are clarified in a special Supplier Code of Conduct.

The organizational governance for the strategic sustainability work rests with the Group Management Team, where the COO has the overall responsibility. The strategic sustainability work is led and coordinated by the Group's Head of Sustainability, who is also responsible for the Group's Sustainability Report and reports to the COO. Each business area is responsible for ensuring that work with the strategic sustainability issues takes place and that sustainability data is reported to the Group. Sustainability risks, including climate-related risks, are managed according to the risk management process. Read more on pages 26–30.

The Board of Directors has approved the sustainability targets set for operations, read more on page 90. Sustainability targets linked to the company's short-term incentive programs are followed up in the quarterly reporting to the Board, all sustainability targets are followed up on an annual basis. If necessary, additional sustainability-related information is also provided prior to decisions on an updated strategy or materiality assessment, for example, or with the aim of informing the Board of the ongoing work in sustainability and new regulations, such as the new Corporate Sustainability Reporting Directive (CSRD).

MEKO's Sustainability Report is a part of the company's Annual Report and is discussed and approved annually by the Board.

The evaluation of the Board's work, which was completed during the year, included issues related to such aspects as anti-corruption, sanctions and workplace and product safety. The evaluation showed, for example, that MEKO is deemed to have a functioning whistle-blower system and that sustainability issues are continuously followed up at Board meetings.

10 Investment Committee

The Investment Committee manages and prepares matters concerning the Group's investments in accordance with the Investment Policy. An investment means an object that is expected to have a value over a longer period, regardless of the form of financing.

MEKO has an Investment Committee where the President and CEO decides on investments above a certain limit. Furthermore, there are local investment committees within the Group's business areas where the business area's Managing Director decides on investments below the Group's regulated limit. Major investments are approved by the Board of Directors. The monitoring of outcomes in relation to the investment calculation according to the decision basis is followed up after two years in the relevant investment committee.

11 Governance, Risk and Compliance Committee

The Governance, Risk and Compliance Committee has the overall responsibility for ensuring, through guidance and control, an overview of the Group's overall governance, risks and reporting of significant changes in the risk profile, including compliance with regulations. Incidents are also handled in the Committee.

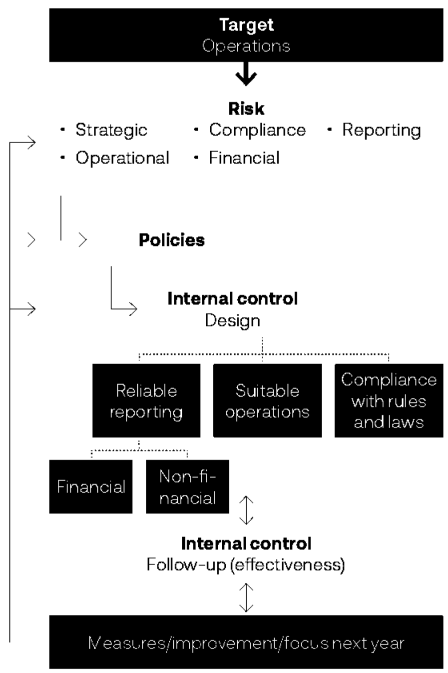
The Committee comprises all Group Management Team members and the Head of Risk Management, Internal Control and Internal Audit; the President and CEO serves as the Chairman and is ultimately responsible for risk management. The Committee held 12 meetings in 2023.

A particular focus of the Committee is to ensure compliance with the Group's Enterprise Risk Management Policy (ERM), as well as other policies, guidelines and instructions needed to direct and control operations. The Group's risk management function is a second-line function under the Group Management Team, with reporting responsibility to the Board and the Audit Committee.

12 Internal control of financial reporting

The Board is responsible for MEKO's internal control, the overall purpose of which is to protect the owners' investment and the company's assets. The Audit Committee has special responsibility to monitor the effectiveness of internal control over financial reporting. The figure above shows how the Group works with internal control and shows that it is recurring work that is continuously changing and can be improved. The Group has a second-line function with responsibility for developing and following up the Group's internal control work, with

Governance and control



The illustration shows how different components (grey boxes) interact within internal governance and control.

1) The Board of Directors may temporarily deviate from these guidelines, in part or in whole, if there are special reasons for doing so in an individual case, and deviation is necessary to safeguard the company's long-term interests, including sustainability, or to ensure its financial viability.

reporting responsibility to the Board and the Audit Committee.

Internal control over financial reporting is included as a part of the overall internal governance and control and constitutes a central part of the Group's corporate governance. According to generally accepted frameworks established for this purpose, including COSO, internal control is usually described from five different perspectives described below.

Control environment

The control environment constitutes the basis for internal governance and control. An important part of the control environment is that decision paths, authorities and responsibilities, as well as competence requirements must be clearly defined and communicated between various levels in the Group and that the control documents are available in the form of internal policies, handbooks, guidelines and manuals, are adapted to operational changes and are updated regularly.

The Group's CFO ensure that the Group's financial handbook, which brings together related guidelines, financial processes and accounting policies, is updated annually and made available to all business areas. Updates are also addressed in connection with regular CFO meetings involving CFOs from all business areas and the management of Group Finance.

Furthermore, an important part of the control environment is an overall corporate governance document and framework that provide mainly newly employed managers a collective overview of the requirements placed on a manager. This document clarifies, for example the organizational structure and decision pathways, goals, values and overall strategies, formal governance tools and all Group guidelines other than those stated in the financial handbook. The document also contains guidelines for legal governance of subsidiaries and requirements for a certificate signed by the business area manager annually verifying that the requirements set are complied with.

Risk assessment

Risk assessment and risk management mean that the management is aware of and has assessed risks and threats in the business. Within the Group, we regularly monitor the Group's risks and map any new risks. Among the identified risks, there are a number of items in the financial statements and administrative flows and processes where the risk of errors is elevated.

MEKO works continuously to reduce these risks by strengthening internal controls.

Control activities

Control activities are the measures and procedures that the management has structured to keep errors from arising and to discover and resolve errors. Risks of errors in the financial reporting are reduced through a high level of internal control over financial reporting, with specific focus on significant areas defined by management and the Board. Within the Group, we work with specific control activities that are intended to ensure the timely discovery or prevention of the risks of errors in reporting.

In recent years, several internal control frameworks governed by the Group have been established with special controls for annual accounts and reporting, and for inventory management centrally and locally. During the year, work to strengthen the Group's internal control framework continued, where frameworks for the sales and purchasing processes were implemented. In addition, the work on a framework for IT general controls (ITGC) was further developed during the year, where controls related to cyber security have been prioritized and implemented.

Information and communications

In order for individual tasks to be done in a satisfactory manner, the staff must have access to relevant and current information. Guidelines – including the Code of Conduct, financial handbook, corporate governance documents and Communication Policy – are particularly important for accurate accounting, reporting and external disclosure. A review of guidelines is carried out annually or in the event of significant changes.

Guidelines and other information are communicated to employees through intranet platforms and continuously in meeting forums and newsletters.

Follow-up and evaluation

The final component in the framework pertains to follow-up of the structure and effectiveness of internal governance and control. In addition to that described above in section 12 "Internal control of financial reporting" on page 42, the Board also evaluates the information provided by the Group Management Team and auditors. In conjunction with this, the Audit Committee was responsible for the preparation of the Board's work to quality assure the Group's financial reporting. The President and CEO and most of the Group Management Team have quarterly reviews with the managing directors and CFOs of the respective business areas regarding the earnings for the quarter, through formal Board meetings. In addition, Group Finance, including the CFO, has monthly status meetings with the managing directors and CFOs of the respective business areas, in addition to close cooperation with the Group companies' CFOs and controllers regarding year-end financial statements and reporting. The follow-up and feedback concerning possible deviations arising in the internal controls are a key part of the internal control work, since this is an efficient manner for the company to ensure that errors are corrected and that the control is further strengthened.

There is an established tool where the effectiveness of each formally implemented internal control is self-assessed quarterly by each business area. Further frameworks will gradually be included for evaluation in this tool.

13 External auditor

The auditors are appointed at the General Meeting and are charged with examining the company's financial reporting and the Board's and the President and CEO's management of the company. At the 2022 Annual General Meeting, PricewaterhouseCoopers AB (PwC) was re-elected as the auditing firm until the 2024 Annual General Meeting. The Auditor-in-Charge is Authorized Public Accountant Linda Corneliusson. PwC has a broad organization comprising specialized competency that is well-suited to MEKO's operations and has been the company's auditing firm since 2014.

Fees to auditors, SEK M

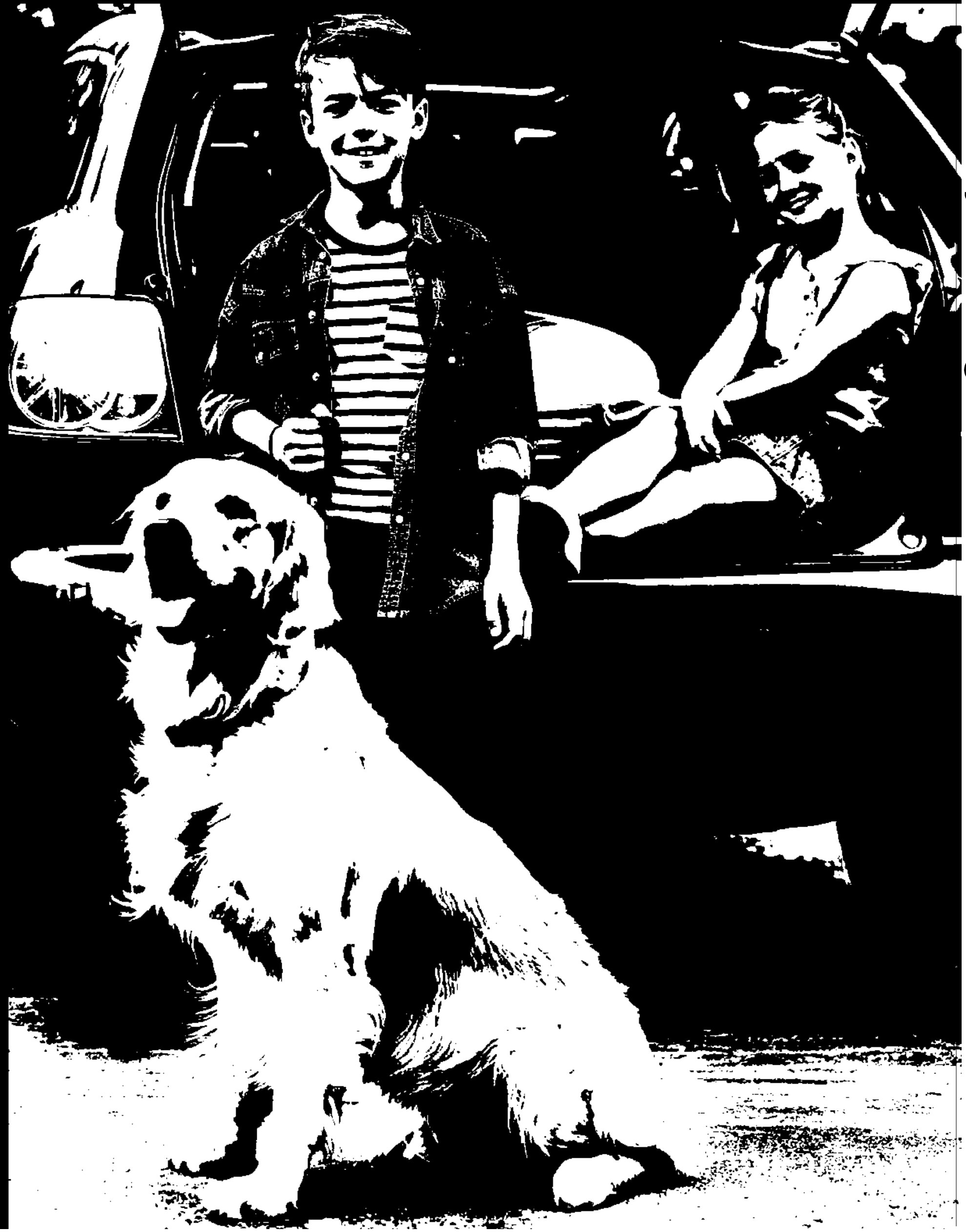
	2023	2022
PwC		
Fees for audit assignments	17	14
Audit-related services other than the audit assignment	1	0
Tax consultancy	–	0
Other services	1	5
Total PwC	**18**	**19**
Other auditing firms		
Fees for audit assignments	3	1
Audit-related services other than the audit assignment	0	0
Tax consultancy	0	0
Other services	0	0
Total other	**3**	**1**
Total fees to auditors	**21**	**20**

PwC submits an auditor's report for MEKO AB (publ) and for the company's subsidiaries, excluding a few smaller subsidiaries. For Koivunen OY with subsidiaries, KPMG are auditors. The auditors also perform a review of the third-quarter interim report and a special review of the sustainability data for 2023. The audit is conducted in accordance with the Swedish Companies Act, International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. The audit of annual report documents for legal entities outside Sweden is conducted in accordance with statutory requirements and other applicable rules in each country.

More information is available on www.meko.com

- Articles of Association
- Code of Conduct
- Information from previous General Meetings, from 2006
- Information about the Nomination Committee
- Information about principles of remuneration of senior executives
- The Board's evaluation of guidelines for remuneration of programs for variable remuneration
- Corporate Governance Reports from 2012
- Information about the 2024 Annual General Meeting

Financial statements



Consolidated income statement

SEK M	Note	2023	2022
Net sales	3	16,762	14,067
Other operating revenue		516	324
Total revenue		**17,278**	**14,391**
Operating expenses			
Goods for resale	18	−9,500	−7,745
Other external costs	4	−2,340	−1,972
Personnel expenses	5	−3,578	−3,043
Operating profit before depreciation/amortization and impairment of tangible and intangible fixed assets and right-of-use assets (EBITDA)		**1,859**	**1,631**
Depreciation and impairment of tangible fixed assets and right-of-use assets	6	−797	−675
Operating profit before amortization and impairment of intangible fixed assets (EBITA)		**1,062**	**956**
Amortization and impairment of intangible fixed assets	6	−190	−197
Operating profit (EBIT)	9	**872**	**759**
Financial income and expenses			
Interest income		38	17
Interest expenses		−286	−152
Other financial items	9	−41	−43
Profit after financial items		**582**	**581**
Tax on profit for the year	10	−132	−104
Profit for the year		**451**	**477**
Profit for the year attributable to:			
Parent Company's shareholders		419	454
Non-controlling interests		31	23
Total profit for the year		**451**	**477**
Earnings per share attributable to Parent Company's shareholders			
Earnings per share, SEK[1]		7.50	8.12
Average number of shares, pcs[1]		55,917,032	55,891,711

1) No dilution is applicable. For further information on data per share, refer to pages 23–24.

Consolidated statement of comprehensive income

SEK M	Note	2023	2022
Profit for the year		**451**	**477**
Other comprehensive income:			
Components that will not be reclassified to profit/loss for the year:			
– Actuarial gains and losses		−1	2
Components that may later be reclassified to profit/loss for the year:			
– Exchange-rate differences on translation of foreign subsidiaries, net after tax[3]		−26	441
– Hedging of net investment, net after tax[1,3]		27	−81
– Cash-flow hedges, net after tax[2,3]		−25	22
Total other comprehensive income, net after tax[3]		**−25**	**385**
Comprehensive income for the year		**426**	**861**
Comprehensive income for the year attributable to:			
Parent Company's shareholders		396	833
Non-controlling interests		29	28
Comprehensive income for the year		**426**	**861**

1) Net investment in NOK is hedged using a cross-currency interest-rate swap. Loans in EUR that hedged net investments in DKK were terminated in the third quarter of 2022.
2) Holding of financial interest rate derivatives for hedging purposes, valued according to level 2 defined in IFRS 13.
3) For information about tax recognized directly against items in other comprehensive income, refer to Note 16 and Note 28.

Consolidated balance sheet

SEK M	Note	Dec 31, 2023	Dec 31, 2022
Assets			
Fixed assets			
Intangible fixed assets	12		
Goodwill		4,106	4,135
Brands		1,018	1,023
Customer relations		476	574
Capitalized expenditure for IT systems		204	200
Total intangible fixed assets		**5,803**	**5,933**
Tangible fixed assets			
Land and buildings	14	285	626
Improvement costs, third-party property	13	21	20
Equipment and transport	14	443	430
Total tangible fixed assets		**748**	**1,076**
Right-of-use assets	15	**1,869**	**1,526**
Financial fixed assets			
Investments accounted for using the equity method		34	27
Other financial fixed assets	11, 17	125	109
Total financial fixed assets		**159**	**136**
Deferred tax assets	16	0	19
Total fixed assets		**8,580**	**8,690**
Current assets			
Goods for resale	18	4,459	4,147
Current receivables	11, 19, 20	2,378	2,195
Cash and cash equivalents	11, 21	623	741
Total current assets		**7,460**	**7,083**
Total assets		**16,040**	**15,773**

SEK M	Note	Dec 31, 2023	Dec 31, 2022
Shareholders' equity and liabilities			
Shareholders' equity	28		
Share capital		141	141
Other capital contributions		2,993	2,993
Reserves		39	61
Profit brought forward including profit for the year		2,866	2,606
Total shareholders' equity attributable to Parent Company's shareholders		**6,038**	**5,801**
Non-controlling interests		137	125
Total shareholders' equity		**6,175**	**5,926**
Long-term liabilities			
Borrowing	11, 22	3,639	4,370
Lease liabilities	15	1,379	1,020
Other long-term liabilities		1	0
Deferred tax liabilities	16	426	501
Provisions	23	23	21
Total long-term liabilities		**5,468**	**5,911**
Current liabilities			
Borrowing	11, 22	12	-
Lease liabilities	15	583	520
Tax liabilities		65	70
Other current liabilities	11, 24, 25	3,700	3,307
Provisions	23	37	39
Total current liabilities		**4,396**	**3,936**
Total shareholders' equity and liabilities		**16,040**	**15,773**

Consolidated statement of changes in equity

SEK M	Share capital	Other capital contributions	Reserves	Profit brought forward	Total attributable to Parent Company shareholders	Non-controlling interests	Total shareholders' equity
Opening balance on January 1, 2022	**141**	**2,993**	**–317**	**2,356**	**5,174**	**55**	**5,229**
Profit for the year				454	454	23	477
Other comprehensive income:[1]			377	2	379	5	385
Comprehensive income for the year	**–**	**–**	**377**	**456**	**833**	**28**	**861**
Transactions with shareholders							
Share swap				–23	–23		–23
Share-savings program				–6	–6		–6
Dividends				–168	–168	–16	–184
Acquisition/divestment of non-controlling interests				–9	–9	57	48
Total transactions with shareholders	**–**	**–**	**–**	**–206**	**–206**	**42**	**–164**
Closing balance on December 31, 2022	**141**	**2,993**	**61**	**2,606**	**5,801**	**125**	**5,926**
Opening balance on January 1, 2023	**141**	**2,993**	**61**	**2,606**	**5,801**	**125**	**5,926**
Profit for the year				419	419	31	451
Other comprehensive income:[1]			–22	–1	–23	–2	–25
Comprehensive income for the year	**–**	**–**	**–22**	**419**	**396**	**29**	**426**
Transactions with shareholders							
Share swap				18	18		18
Share-savings program				14	14		14
Dividends				–185	–185	–16	–201
Acquisition/divestment of non-controlling interests				–6	–6	–1	–7
Total transactions with shareholders	**–**	**–**	**-**	**–159**	**–159**	**–17**	**–176**
Closing balance on December 31, 2023	**141**	**2,993**	**39**	**2,866**	**6,038**	**137**	**6,175**

1) For information about tax recognized directly against shareholders' equity, refer to Note 16 and Note 28.

Consolidated cash-flow statement

SEK M	Note	2023	2022
Operating activities			
Profit after financial items		582	581
Adjustments for items not affecting liquidity	30	957	903
		1,539	**1,484**
Tax paid		–168	–240
Cash flow from operating activities before changes in working capital		**1,371**	**1,244**
Cash flow from changes in working capital			
Decrease (+) / increase (–) of inventories		–296	–251
Decrease (+) / increase (–) of receivables		–219	–186
Decrease (–) / increase (+) of liabilities		396	241
Increase (–) / decrease (+) in working capital		**–119**	**–196**
Cash flow from operating activities		**1,252**	**1,048**
Investments			
Acquisition of subsidiaries and operations	31	–37	–1,334
Divestment of subsidiaries and operations		50	16
Acquisition of tangible fixed assets	13, 14	–155	–137
Divestment of tangible fixed assets	14	445	5
Acquisition of intangible fixed assets	12	–76	–71
Acquisition of participations in associated companies and joint ventures		–20	–21
Sale of participations in associated companies and joint ventures		0	20
Increase (–) / decrease (+) of long-term receivables		6	–10
Cash flow from investing activities		**213**	**–1,533**
Financing activities	30		
Acquisition of non-controlling interests	31	–15	–25
Divestment of non-controlling interests	31	-	0
Payment of share swaps	28	-	0
Loans raised		1	3,056
Amortization of loans		–1,380	–2,561
Dividends paid		–201	–184
Cash flow from financing activities		**–1,595**	**286**
Cash flow for the year		**–130**	**–199**
Cash and cash equivalents at beginning of year		**741**	**892**
Exchange-rate differences in cash and cash equivalents		12	49
Cash and cash equivalents at year-end	21	**623**	**741**

Interest received amounted to SEK 27 M (8) and interest paid amounted to SEK 223 M (126).

Income statement for the Parent Company

SEK M	Note	2023	2022
Net sales	3, 32	43	39
Other operating revenue		18	27
Total revenue		**62**	**66**
Operating expenses			
Goods for resale		-	–1
Other external costs	4	–58	–65
Personnel expenses	5	–46	–39
Operating loss (EBIT)		**–43**	**–39**
Financial income and expenses			
Result from participations in Group companies	7	484	234
Interest income		141	76
Interest expenses		–251	–114
Other financial items	9	47	–101
Profit after financial items		**378**	**56**
Appropriations	8	37	170
Profit before tax		**416**	**226**
Tax on profit for the year	10	12	0
Profit for the year		**428**	**226**

Statement of comprehensive income for the Parent Company

SEK M	Note	2023	2022
Profit for the year		**428**	**226**
Other comprehensive income, net after tax		–	–
Comprehensive income for the year		**428**	**226**

Balance sheet for the Parent Company

SEK M	Note	Dec 31, 2023	Dec 31, 2022
Assets			
Fixed assets			
Financial fixed assets			
Participations in Group companies	27	9,402	9,402
Receivables from Group companies		1,186	887
Deferred tax assets	16	50	30
Total financial fixed assets		**10,637**	**10,319**
Total fixed assets		**10,637**	**10,319**
Current assets			
Current receivables			
Accounts receivable		3	10
Receivables from Group companies		181	271
Other receivables		24	22
Prepaid expenses and accrued income	20	5	2
Total current receivables		**213**	**305**
Cash and cash equivalents	21	284	391
Total current assets		**497**	**696**
Total assets		**11,135**	**11,015**

SEK M	Note	Dec 31, 2023	Dec 31, 2022
Shareholders' equity and liabilities			
Shareholders' equity	28		
Restricted shareholders' equity			
Share capital		141	141
Statutory reserve		3	3
Total restricted shareholders' equity		**144**	**144**
Non-restricted shareholders' equity			
Profit brought forward		5,979	5,906
Profit for the year		428	226
Total non-restricted shareholders' equity		**6,407**	**6,132**
Total shareholders' equity		**6,551**	**6,277**
Untaxed reserves		**166**	**197**
Provisions	23	**5**	**4**
Long-term liabilities			
Borrowing	22	3,626	4,370
Liabilities to Group companies		355	-
Total long-term liabilities		**3,981**	**4,370**
Current liabilities			
Borrowing	22	1	–
Accounts payable		2	2
Liabilities to Group companies		371	114
Other liabilities		1	1
Accrued expenses and deferred income	25	57	50
Total current liabilities		**432**	**167**
Total shareholders' equity and liabilities		**11,135**	**11,015**

Statement of changes in shareholders' equity for the Parent Company

SEK M	Share capital (Restricted shareholders' equity)	Statutory reserve (Restricted shareholders' equity)	Share premium reserve (Non-restricted shareholders' equity)	Profit brought forward (Non-restricted shareholders' equity)	Total shareholders' equity
Opening balance on January 1, 2022	**141**	**3**	**–**	**6,103**	**6,248**
Profit for the year				226	226
Other comprehensive income				–	–
Comprehensive income for the year				**226**	**226**
Transactions with shareholders					
Share swap				–23	–23
Share-savings program				–6	–6
Dividends				–168	–168
Total transactions with shareholders	**–**	**–**	**–**	**–197**	**–197**
Closing balance on December 31, 2022	**141**	**3**	–	**6,132**	**6,277**
Opening balance on January 1, 2023	**141**	**3**	**–**	**6,132**	**6,277**
Profit for the year				428	428
Other comprehensive income				-	-
Comprehensive income for the year				**428**	**428**
Transactions with shareholders					
Share swap				18	18
Share-savings program				14	14
Dividends				–185	–185
Total transactions with shareholders	**–**	**–**	**–**	**–153**	**–153**
Closing balance on December 31, 2023	**141**	**3**	–	**6,407**	**6,551**

The number of shares as at December 31, 2023 amounted to 56,416,622 (56,416,622) with a quotient value of SEK 2.50 (2.50) per share.

Cash-flow statement for the Parent Company

SEK M	Note	2023	2022
Operating activities			
Profit after financial items		378	56
Adjustments for items not affecting liquidity	30	–37	412
		341	**468**
Tax paid		–11	–23
Cash flow from operating activities before changes in working capital		**330**	**445**
Cash flow from changes in working capital			
Decrease (+) / increase (–) of receivables		259	224
Decrease (–) / increase (+) of liabilities		95	–193
Increase (–) / decrease (+) in working capital		**354**	**31**
Cash flow from operating activities		**684**	**476**
Investments			
Acquisition of subsidiaries	27	0	–1,456
Increase (–) / decrease (+) of long-term receivables		–270	69
Cash flow from investing activities		**–270**	**–1,387**
Financing activities			
Payment of share swaps	28	-	0
Loans raised		367	3,056
Amortization of loans		–703	–2,010
Dividends paid		–185	–168
Cash flow from financing activities		**–521**	**877**
Cash flow for the year		**–106**	**–34**
Cash and cash equivalents at beginning of year		**391**	**425**
Cash and cash equivalents at year-end	21	**284**	**391**

Profit after financial items includes dividends received from subsidiaries of SEK 484 M (566).
Interest received amounted to SEK 152 M (59) and interest paid amounted to SEK 250 M (81).

Notes

Accounting policies

MEKO AB, corporate identity number 556392–1971, is a Swedish public limited company listed on the Nasdaq stock exchange in Stockholm, Sweden. MEKO AB is the Parent Company of the Group with its registered office in Stockholm, Sweden. The address of the head office is MEKO AB, Box 19542, SE-104 32 Stockholm, Sweden. The visiting address is Solnavägen 4, 11th floor, Stockholm, Sweden. The Board of Directors and CEO of MEKO AB (publ.), corporate identity number 556392–1971, hereby submit the Annual Report and consolidated financial statements for the 2023 financial year.

Accounting and measurement policies
The most important accounting policies that were applied to the preparation of these consolidated financial statements are stated below. These policies were consistently applied for all years presented, unless otherwise stated. The consolidated financial statements were prepared in accordance with the Annual Accounts Act, International Financial Reporting Standards (IFRS) as approved by the EU and interpretations issued by the IFRS Interpretations Committee that apply for financial years beginning on January 1, 2023. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Regulations for Groups was applied.

The functional currency of the Parent Company is Swedish kronor (SEK), which is also the Group's presentation currency. All amounts are stated in SEK M, unless otherwise stated.

The items in the Annual Report are measured at cost, with the exception of certain financial instruments, which are measured at fair value.

The Parent Company's financial statements were prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for legal entities.

Preparing financial statements in accordance with IFRS requires the use of key estimates for accounting purposes. Furthermore, management is required to make certain assessments in the application of the consolidated accounting policies. The areas that include a high degree of complicated assessments or areas where assumptions and estimates are of material significance to the consolidated financial statements are stated in Note 2.

Amended and new accounting policies for 2023
None of the new standards and interpretations applied by MEKO as of January 1, 2023 have had any significant impact on the consolidated financial statements.

Amended accounting policies 2023 and later
A number of new standards and amendments of interpretations and existing standards come into effect for financial years beginning after January 1, 2023. None of these new standards and interpretations are expected to have a significant impact on the consolidated financial statements.

Consolidated financial statements
Subsidiaries
The consolidated financial statements include the Parent Company and all companies (including structured companies) over which the Parent Company has a controlling interest. The Group controls a company when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over a company. Subsidiaries are included in the consolidated financial statements from the point in time at which controlling interest is achieved and excluded from the consolidated financial statements from the point in time at which the controlling interest ceases. The purchase method was used for recognizing the Group's business combinations. Acquisition-related costs are recognized as operating expenses.

Minority
If the acquisition does not include 100 percent of the subsidiary, this becomes a non-controlling interest. There are two ways to recognize non-controlling interests. These two alternatives are to recognize the non-controlling interests' share of proportional net assets or that the non-controlling interests are measured at fair value, which means non-controlling interests have a share of goodwill. The choice between the alternatives for recognizing non-controlling interests can be made on an acquisition-by-acquisition basis, which is MEKO's principle.

Supplementary purchase consideration
Contingent supplementary purchase considerations are measured at fair value on the date of acquisition. Contingent considerations are measured when financial statements are being prepared and the change is recognized in profit for the year as other operating revenue or other operating expenses. Normally, contingent considerations are settled in cash.

Translation of transactions in foreign currencies
Transactions in foreign currencies are translated into Swedish Kronor (SEK) based on the exchange rate on the date of the transaction. Monetary items (assets and liabilities) in foreign currencies are translated into SEK according to the exchange rate on the balance sheet date. Exchange-rate gains and losses that arise in connection with such translations are recognized in profit or loss as Other operating revenue and/or Other operating expenses. Exchange-rate differences that arise in foreign long-term loans and liabilities, and in the translation of bank accounts in currencies other than the accounting currency, are recognized in financial income and expenses. Exchange-rate differences on loans that are classified as hedging instruments in a hedge of a net investment in foreign operation are recognized insofar as they constitute an effective hedge in other comprehensive income.

Translation of foreign subsidiaries
When the consolidated financial statements were prepared, the Group's foreign operations' balance sheets were translated from their functional currencies to SEK based on the exchange rates on the balance sheet date. The income statements and other comprehensive income were translated at the average exchange rate for the period. Translation differences that arose were recognized in other comprehensive income against the translation reserve in shareholders' equity. If the Group has classified borrowing and cross-currency interest-rate swaps as hedging instruments in a hedge of net investment in foreign operations, these exchange-rate differences are also recognized in other comprehensive income and accumulated in the translation reserve.

Segment reporting
Operating segments are reported to correspond with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the function responsible for the allocation of resources and assessing the earnings of the operating segments. In the Group, this function has been identified as the company's President and CEO.

Revenue recognition
Revenue from external customers derives primarily from the sale of goods, representing approximately 96 percent (96) of net sales. The remaining net sales mainly derive from workshop services, as well as annual and license fees to affiliated branches and workshops. Some agreements include several different services, such as sales of goods and workshop services. The goods and workshop services are recognized as separate performance commitments. If the agreements contain several performance commitments, the transaction price is distributed to each separate performance commitment based on their standalone selling prices.

Sale of goods
MEKO's business model comprises the entire chain from purchasing and warehousing of spare parts and accessories to the sale of our affiliated workshops and to other business customers, partner branches and car owners; also see Note 3 for the distribution of revenue.

The sale of goods is recognized as revenue when control of the goods is transferred, which normally occurs when the goods are delivered to the customer. Sales are recognized net after deduction of discounts, returns and value-added tax. No financing component is deemed to exist at the time of sale as the credit period normally does not exceed 30 days. A receivable is recognized when the goods have been delivered as this is the time the compensation becomes unconditional (i.e., only the passing of time is required for payment to be made).

The terms of sale usually include a right to return goods ordered incorrectly by the customer. Therefore, a repayment liability (which is included in the item current provisions) and an asset for the right to receive back the product from the customer (included in goods for resale) are recognized for goods the Group expects to receive in return. Historical data is used to assess the size of the returns at the portfolio level at the time of sale (method that uses the anticipated value). As the scope of the returns have been stable in recent years, it is very probable that a material reversal of the recognized revenue will not occur. The validity of the assumption and the estimated amount of returns are revalued at each balance sheet date.

The right of regress for product sales usually exists toward the supplier, whereby the Group's costs for guarantee commitments normally only constitute small amounts for the Group. Where applicable, the Group's commitments for warranties are recognized as a provision; see Note 23.

Revenue – other
Revenue from the sale of workshop services is recognized in the period in which the service took place. Revenue is recognized based on the degree of completion on the balance sheet date (percentage of completion).

Revenue from licensing agreements is allocated over the term of the agreement. Other operating revenue mainly comprises rental income, marketing subsidies and exchange-rate gains.

Interest income is recognized over the term by applying the effective interest method.

Remuneration of employees
The Group has both defined-contribution and defined benefit pension plans.

Defined-contribution plans are recognized as an expense in the period to which the premiums paid are attributable. One of the Group defined-benefit plans is of a non-material amount and is managed in accordance with IAS 19. The other of the Group's defined-benefit pension plans comprises a so-called multi-employer defined-benefit pension plan (ITP plan in Alecta). Alecta has not been able to present sufficient information to facilitate reporting as a defined-benefit plan, which is why the ITP plan is recognized as a defined-contribution plan in accordance with IAS 19.34.

Share-based incentive programs
MEKO has share-based remuneration plans in the form of share-savings programs.

For the program, the cost is recognized based on the fair value per share award at the allocation date, calculated by independent third parties, and the expected number of shares that will be vested. These remunerations are recognized as personnel costs during the vesting period with a corresponding increase of shareholders' equity. Insofar as the vesting conditions in the program are linked to market conditions (TSR) and continued ownership of the investment shares, they are taken into account in the determination of the fair value of the share awards.

Performance conditions (reduction of net debt/EBITDA excluding IFRS 16 and growth of adjusted EBIT in LTIP 2020, LTIP 2021, LTIP 2022 and LTIP 2023) and service terms (continued employment) affect the personnel expense during the vesting period through a change in the number of shares that are ultimately expected to be issued at the end of the program. At the end of each reporting period, the Group reviews its assessments of how many shares are expected to be vested based on the performance terms and service terms.

When allocation of shares takes place, social security contributions must be recognized in certain countries for the value of the employee's benefit. The Group continuously recognizes a liability for social security contributions for this remuneration. The liability is continuously revalued and based on the share-based remuneration's fair value on the balance-sheet date period allocated over the vesting period.

Tax
Deferred tax is recognized according to the balance-sheet method. Deferred tax liabilities are recognized in principle on all taxable temporary differences, while deferred tax assets are recognized to the extent that is probable that the amount can be utilized against future taxable surplus.

The carrying amount on deferred tax assets is assessed at each accounting year-end and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to be utilized either in its entirety or partially against the deferred tax asset.

Deferred tax is calculated based on the tax rates that are expected to apply for the period when the asset is recovered or the debt settled. Deferred tax is recognized as revenue or expenses in profit or loss, except in cases when it pertains to transactions or events that are recognized against other comprehensive income or directly against shareholders' equity. The deferred tax is then also recognized against other comprehensive income or directly against shareholders' equity. Deferred tax assets and tax liabilities are offset when they are attributable to income tax that is charged by the same authority and when the Group intends to pay the tax with a net amount.

Goodwill
Goodwill is initially measured at the amount by which the total purchase consideration and fair value for the non-controlling interests exceeds the fair value of identifiable acquired assets and assumed liabilities. If the purchase consideration is lower than the fair value of the acquired company's net assets, the difference is recognized directly in profit or loss. In the divestment of an operation, the portion of goodwill attributable to this operation is recognized in the calculation of gain or loss on the divestment.

Other intangible assets
Expenditure for the development and implementation of IT systems can be capitalized if it is probable that future economic benefits will accrue to the company and the cost for the asset can be calculated in a reliable manner. Brands, customer relations and franchise contracts acquired through business combinations are measured at fair value on the date of acquisition. Acquired brands attributable to the acquisitions of Sørensen og Balchen, MECA, FTZ and Inter-Team have been deemed to have an indefinite useful life and are recognized at cost less any accumulated impairment losses. Customer relations, other brands, franchise contracts and strategic IT investments have definite useful lives and are recognized at cost less accumulated amortization. Amortization is applied according to the straight-line method over the assets' estimated useful life. Customer relations, other brands and franchise contracts are deemed to have a useful life of five to ten years. IT investments are deemed to have a useful life of three to ten years from the start of operation.

Tangible fixed assets
Tangible fixed assets are recognized as assets in the balance sheet if it is probable that future economic benefits will be accrued to the company and the cost of the asset can be calculated in a reliable manner. When the difference in the consumption of significant components of a tangible fixed asset is deemed to be material, the asset is divided up into these components. Depreciation of tangible fixed assets is recognized as an expense so that the asset's value is depreciated according to the straight-line method over its estimated useful life. Land is not depreciable.

The following percentages were applied for depreciation:

Fixed assets	%
Buildings	2.5–10
Improvement costs, third-party property[1]	10
Equipment	10–20
Vehicles	20
Servers	20
Workplace computers	33

1) Depreciation takes place over the shorter period corresponding to 10 percent per year and the remaining duration of the contract.

The residual value of assets and useful life are tested at the end of each reporting period and adjusted when necessary.

Right-of-use assets / Leases
MEKO applies IFRS 16 Leases. Leases are recognized in the balance sheet, the date the leased asset is available for use by the Group. Cash flows for the repayment of the lease liability are included in financing activities. Payment for the interest component is presented as other interest payments in operating activities. The Group's leases essentially all relate to premises and vehicles.

The practical relief rule for the definition of a lease was applied, which means that all components of an agreement have been considered to be leasing component.

The lease liability is the sum of the present value of all future lease charges and the right-of-use asset corresponds to the lease liability adjusted for prepaid and accrued lease charges. The calculation of the present value is based on an incremental borrowing rate set based on country, duration and credit rating for the respective unit.

Possibilities to extend a lease are included only in the lease's length if it is reasonable to assume that the lease will be extended (or not concluded). The probability that an extension option for a premises lease will be exercised is assessed based on factors, such as the market situation for the property and its significance to the business activities. The lease payments are discounted by the implicit interest in the lease. If the interest cannot be easily established, which is usually the case, the incremental borrowing rate is used. The incremental borrowing rate is determined based on country, duration and credit rating for the respective unit.

The assets with right-of-use are measured at cost
Right-of-uses are usually amortized straight-line over the shorter of the asset's useful life and the term of the lease. If the Group is reasonably certain of utilizing a purchase option, the right-of-use is amortized over the useful life of the underlying asset. Payments for short contracts and leases of minor value are expensed on a straight-line basis in the income statement. Agreements of minor value include IT equipment, basic office furniture and office equipment. In addition, the Group chose not to apply IFRS 16 for intangible assets, as this is an option according to the standard.

Impairment of intangible and tangible fixed assets and right-of-use assets
Assets with an indefinite useful life, such as goodwill and intangible assets that are not ready for use, are not impaired but tested annually for any impairment requirements. The brands that were added through the acquisitions of Sørensen og Balchen, MECA, FTZ and Inter-Team have been deemed to have indefinite useful lives, which is why these are also tested at least annually for any impairment requirements. Assets impaired are measured in terms of value decline whenever events or changes in conditions indicate that the carrying amount may not be recoverable. The impairment is recognized in profit or loss in the period in which it has been determined. Also refer to Note 12 for information on how impairment testing is done for goodwill and other intangible assets with indefinite useful lives. Previously recognized impairment is reversed only if there has been a change to the assumptions that served as the basis for determining the recoverable amount in connection with the impairment. If this is the case, a reversal will be conducted to increase the carrying amount of the impaired asset to its recoverable amount. A reversal of an earlier impairment takes place in an amount that does not allow the new carrying amount to exceed what would have been the carrying amount (after depreciation/amortization) if the impairment had not taken place. Impairment of goodwill is never reversed.

Inventories
A provision for estimated obsolescence in inventories is established when there is an objective basis to assume that the Group will be unable to receive the carrying amount when inventories are sold in the future. The inventory value was reduced by the value included in the inter-company profit from goods sold from the Group's central warehouse to proprietary branches on the goods that are still in stock. Furthermore, the inventory value was also reduced by the value of the remaining portion of the supplier bonus on goods that are still in stock.

Financial instruments
All financial instruments in MEKO, except for derivatives, are classified and measured at amortized cost with application of the effective interest method. The business model for all of MEKO's financial assets, except for derivatives, is held-to-maturity and the contractual cash flows are only comprised of principal and interest. Derivatives are classified and measured at fair value through profit or loss.

Impairment of financial assets according to IFRS 9 contains a model for calculating expected credit losses. MEKO applies the simplified method in the calculation of expected credit losses throughout the lifespan. As grounds for forecasting expected credit losses, historical information and experience of earlier credit losses are used. In addition, current and prospective information is used to reflect current and future conditions.

Financial assets recognized as assets in the balance sheet include loan receivables, accounts receivable and cash and cash equivalents. Liabilities in the balance sheet include long-term and short-term loans and accounts payable. A currency derivative is recognized either as an asset or liability, depending on changes in the exchange rate.

With the exception of cash and cash equivalents, only an insignificant portion of the financial assets is interest-bearing, which is why interest exposure is not recognized. The maximum credit risk corresponds to the carrying amount of the financial assets. The terms for long-term and short-term loans are stated in separate note disclosures; other financial liabilities are non-interest-bearing.

Calculation of fair value, financial instruments
When establishing the fair value of derivatives, official market listings at year-end are used. If no such information is available, a measurement is conducted applying established methods, such as discounting future cash flows to the quoted market rate for each term. Translation to SEK is based on the quoted exchange rate at year-end. The fair value of the agreement on contingent supplementary purchase considerations is estimated by the application of the income approach.

Long-term receivables
Long-term receivables comprise primarily deposits and hire-purchase contracts. They have contractual terms that give rise to cash flows that are solely payments of principal and interest and held within the framework of a business model the goal of which is to collect contractual cash flows. They are valued at amortized cost according to the effective interest method. Changes in reserves for credit losses are recognized in operating profit in the income statement. For information about the change for the year and the loss reserve as per December 31, 2023, refer to Note 17.

Accounts receivable
Accounts receivable are recognized net after provisions for expected customer losses. The expected term of accounts receivable is short, which is why the amount is recognized at nominal value without discounting in accordance with the method for amortized cost. For information on the model for and calculation of expected credit losses, refer to the financial instruments section. Changes in reserves for credit losses are recognized in operating profit in the income statement.

Accounts receivable are written off when there is no reasonable expectation of repayment. For information about the change for the year and the loss reserve as per December 31, 2023, refer to Note 19.

Cash and cash equivalents
Cash and cash equivalents comprise cash funds held at financial institutions and current liquid investments with a term from the date of acquisition of less than three months, which are exposed to only an insignificant risk of fluctuations in value. Cash and cash equivalents are recognized at nominal amounts.

Derivative instruments and hedge accounting
MEKO hedges part of accounts payable in foreign currencies. Hedging is conducted using currency derivatives with a maximum term of 12 months. Hedged receivables in foreign currencies are recognized at the closing day rate and hedging instruments are recognized separately at fair value in the balance sheet and the change in value is recognized in profit or loss. The Group signed derivative instruments aimed at hedging interest payments attributable to loans at floating interest rates (cash-flow hedges). The Group applies hedge accounting to these derivative agreements. The derivatives are measured at fair value in the balance sheet. Value changes are recognized in Other comprehensive income to the extent they are effective and accumulated in the hedging reserve in shareholders' equity until the hedged item impacts earnings. The portion of unrealized value changes that is ineffective is recognized in profit or loss. If the hedging instrument expires, is sold or the hedge no longer meets the requirements on hedge accounting, the hedge accounting is discontinued. The accumulated value change in the hedging reserve is reclassified to profit or loss when the hedged transaction occurs, i.e., in pace with interest payments. If the hedged transaction is no longer contracted or likely, e.g., if the loan hedged is redeemed early, the accumulated value change in shareholders' equity is immediately reclassified to the income statement. If the Group has classified borrowing and cross-currency interest-rate swaps as hedging instruments in a hedge of net investment in foreign operations, these exchange-rate differences are also recognized in other comprehensive income and accumulated in the translation reserve. The accumulated translation differences were transferred and recognized as part of capital gains or capital losses in cases where foreign operations were divested.

Share capital
Ordinary shares are classified as share capital. Transaction costs in connection with a new rights issue are recognized as a deduction, net after tax, from proceeds from the rights issue.

Cash-flow statement
The cash-flow statement was prepared in accordance with the indirect method.

Parent Company accounting policies
The Parent Company complies with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. Application of RFR 2 means that, in the annual accounts for a legal entity, the Parent Company is to apply all of the IFRS and statements that have been approved by the EU where this is possible within the framework of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act and taking into account the link between accounting and taxation. The recommendation specifies the exceptions and additions that are to be made from IFRS. The differences between the Group's and the Parent Company's accounting policies are stated below.

Financial instruments exist to a limited extent and are recognized in the Parent Company based on cost in accordance with the Annual Accounts Act. The Parent Company applies hedge accounting in legal entities for the hedging of interest rate risk. This means that the derivative's fair value is not taken up in the balance sheet insofar as it is an effective hedge. What is continuously recognized in profit or loss is the fixed interest expense that the interest-rate swaps give rise to in each period. The policies have been applied consistently for all years presented, unless otherwise stipulated.

Amended accounting policies 2023
In January 2023, the Swedish Financial Reporting Board issued a new version of the RFR 2 Accounting for Legal Entities. Implemented amendments to RFR 2 did not have any material impact on the Parent Company's financial statements.

Classification and presentation format
The income statement and balance sheet comply with the presentation format specified in the Annual Accounts Act. This means they are slightly different to the consolidated financial statements, for example, balance-sheet items are more specified and sub-items are given different designations in shareholders' equity.

Shares and participations in subsidiaries
Participations in subsidiaries are recognized in the Parent Company according to the cost method. Acquisition-related costs for subsidiaries, expensed in the consolidated financial statements, are included as part of the cost for participations in subsidiaries. Contingent considerations are measured based on the probability that the purchase consideration will be paid. Any changes in the provision/receivable will be added/deducted from the cost. In the consolidated financial statements, contingent consideration is measured at fair value with changes in value in profit or loss. The carrying amount of participations in subsidiaries is tested for any impairment requirements when there are indications of impairment needs.

Group contributions and shareholders' contributions
Shareholders' contributions paid are recognized as an increase in the value of shares and participations. An assessment is then conducted as to whether impairment requirements exist for the value of the shares and participations in question. Group contributions are recognized according to the alternative rule, entailing that all Group contributions, both paid and received, are recognized as appropriations.

Pensions
Defined-benefit and defined-contribution pension plans are recognized in accordance with the current Swedish accounting standard, which is based on the regulations in the Pension Obligations Vesting Act.

Leases
The Parent Company recognizes all leases insofar as they exist in accordance with RFR 2. IFRS 16 Leases is not applied in the Parent Company and lease charges are period-allocated straight-line over the term of the lease. Right-of-use assets and lease liabilities are accordingly not recognized in the Parent Company balance sheet.

Other information
The financial statements are in SEK M, unless otherwise stated. Rounding off may result in some tables not tallying.

Significant estimates and assessments

The preparation of the annual accounts and application of various accounting standards are based to a certain extent on management's assessments or assumptions and estimates that are considered reasonable under the circumstances. These assumptions and estimates are frequently based on historic experience, as well as other factors, including expectations of future events. The results could differ if other assumptions and estimates were used and the actual outcome will, in terms of definition, rarely agree with the estimated outcome. The assumptions and estimates made by MEKO in the 2023 annual accounts, which had the greatest impact on earnings, assets and liabilities, are discussed below.

Goodwill and other acquisition-related intangible fixed assets
When assessing the impairment requirement for goodwill and other intangible assets with an indefinite useful life, the carrying amount is compared with the recoverable amount. The recoverable amount is the highest of an asset's net realizable value and the value in use. Since there are normally no listed prices that may be used to assess the net realizable value of an asset, the value in use will normally be the value that is used to compare with the carrying amount. Calculation of the value in use is based on assumptions and assessments. Key assumptions are the future trends for revenue and margins, including trends for prices and volumes, utilization of operating capital employed, as well as yield requirements, which are used to discount future cash flows. These assumptions are described in more detail in Note 12 Intangible fixed assets.

On the whole, this means that the measurement of goodwill and intangible assets items with an indefinite useful life is subject to significant estimates and assessments.

Company acquisitions
In conjunction with acquisitions, analyses are prepared in which all identifiable assets and liabilities, including intangible assets, are identified and measured at fair value on the date of acquisition. In accordance with IFRS 3, acquired identifiable intangible assets, for example, customers, franchise contracts, brands and customer relations, are to be separated from goodwill. This applies if these fulfill the criteria as assets, meaning that it is possible to separate them or they are based on contractual or other formal rights, and that their fair values can be established in a reliable manner. An examination is conducted in connection with each acquisition. The remaining surplus value is allocated to goodwill. Measuring identifiable assets and liabilities in acquisition assessments is subject to important estimates and assessments. Information about company acquisitions and acquisition analyses is found in Note 31.

Reserves for inventories, doubtful receivables, guarantee commitments, product returns and bonuses on supplier purchases
The Group operates in several geographic markets, with sales to consumers and companies and with a wide range to many different customer groups. In order to satisfy customers' needs, a sufficiently large inventory of products must be kept and various types of warranties must be provided that the products function as they should and customers must be offered the right to return products ordered by mistake by the customer. With the type of business conducted in the Group, there is a risk of customer losses and that some of the Group's stocked products cannot be sold at their carrying amounts, and also the risk that the company has guarantee commitments or return claims that extend further than the provisions for these commitments. The right of regress for product sales usually exists towards the supplier, whereby the guarantee commitments normally only constitute small amounts for the Group. The Group has established policies for reserves for accounts receivable, obsolescence provisions and provisions for guarantee commitments and product returns. These policies per se are estimates of historic outcome and evaluated continuously to ensure that they correspond to actual outcome in terms of customer losses, obsolescence, guarantee commitments and product returns. For the financial year and the comparative year, no further information is provided for obsolescence provisions and provisions for guarantee commitments and product returns as materiality does not exist. The Group's purchases of products also carry entitlement to subsequent bonuses from suppliers, which are calculated and estimated at every account closing date based on agreements and purchase volumes, which has an impact on the value of inventory and cost of goods sold.

Further information about credit loss reserves for accounts receivable is found in Note 19.

Deferred tax
When preparing the financial statements, MEKO calculates the income tax for each tax jurisdiction in which the Group operates and the deferred taxes attributable to temporary differences. Deferred tax assets that are attributable to loss carry-forwards and temporary differences are recognized if tax assets can be expected to be recovered based on future taxable revenue. Changes in assumptions regarding forecast future taxable earnings, and changes in tax rates, may result in significant differences in the measurement of deferred taxes. At December 31, 2023, MEKO recognized deferred tax liabilities in excess of deferred tax assets at a net amount of SEK 426 M (482). Further information about deferred taxes is found in Note 16.

Right-of-use assets and lease liabilities
The Group has a significant number of leases and rental contracts that are covered by IFRS 16, which means that they are recognized in the consolidated balance sheet as a right-of-use asset and a lease liability. The value of the asset and liability is dependent on several assumptions, such as the interest rate that discounts the liability to present value and an assessment of the likelihood of exercising extension options. Changes in assessments and assumptions may result in significant differences in the Group's value of the right-of-use asset and the lease liability.

The calculation of the present value is based on an incremental borrowing rate set based on country, duration and credit rating for the respective unit. The weighted average incremental borrowing rate applied amounts to 3.78 percent.

The possibility of extending a lease is only included in the lease's length if it is reasonably certain to assume that the lease will be extended (or not concluded). The assessment is reviewed if a material event or a change in circumstances occurs that affects this assessment and the change is within the lessee's control.

Lease liabilities at December 31, 2023 amounted to SEK 1,962 M (1,540). For the maturity structure for undiscounted cash flows, refer to Note 11. Further information about leases is found in Note 15.

Segment information

Operating segments are reported to correspond with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the function responsible for the allocation of resources and assessing the earnings of the operating segments. In MEKO Group, this function has been identified as the company's President and CEO.

As of the third quarter of 2022, the Group is reported in five business areas: Denmark, Finland, Poland/the Baltics, Sweden/Norway and Sørensen og Balchen (Norway).

The Denmark business area primarily includes wholesale and branch operations in Denmark.

The Finland business area primarily includes wholesale and branch operations in Finland.

The Poland/the Baltics business area primarily includes wholesale and branch operations in Estonia, Latvia, Lithuania and Poland as well as exports.

The Sweden/Norway business area primarily includes wholesale, branch, workshop and fleet operations primarily through the MECA and Mekonomen concepts.

The Sørensen og Balchen (Norway) business area primarily includes wholesale and branch operations in Norway. Sørensen og Balchen (Norway) is the business area in the Group that has the largest share of sales directly to the consumer and is thereby more exposed to retailing than the rest of the Group.

"Central functions" include Group-wide functions also including MEKO AB. "Central functions" do not achieve quantitative limits to be reported separately and the benefit is deemed to be limited for the users of the financial statements for them to be reported as segments.

"Other items" include acquisition-related items attributable to MEKO AB's direct acquisitions and elimination of intra-Group revenue of SEK 273 M (337). Current acquisition-related items are depreciation and amortization of acquired tangible and intangible assets pertaining to the acquisitions of FTZ, Inter-Team, Koivunen and MECA (MECA until the end of May 2022 when this depreciation/amortization was terminated).

The CEO assesses the results of the operating segments at an EBIT level. Financial items are not distributed in segments since they are impacted by measures implemented by central finance management. The distribution of assets and liabilities at segment is not reported regularly.

SEK M	Denmark 2023	Denmark 2022	Finland 2023	Finland 2022	Poland/ the Baltics 2023	Poland/ the Baltics 2022	Sweden/ Norway 2023	Sweden/ Norway 2022	Sørensen og Balchen (Norway) 2023	Sørensen og Balchen (Norway) 2022	Central functions 2023	Central functions 2022	Other items 2023	Other items 2022	Group 2023	Group 2022
Revenue																
External net sales	4,267	3,689	1,462	728	3,522	2,748	6,579	6,020	923	877	8	5			16,762	14,067
Internal revenue	31	6	42	24	17	7	123	143	29	30	31	128	−273	−337	-	-
Other revenue	45	6	85	10	149	104	193	157	18	10	26	36			516	324
Total revenue	**4,344**	**3,700**	**1,588**	**763**	**3,688**	**2,859**	**6,895**	**6,319**	**970**	**917**	**65**	**170**	**−273**	**−337**	**17,278**	**14,391**
Operating profit/loss (EBIT)	**302**	**265**	**57**	**22**	**158**	**164**	**393**	**383**	**158**	**160**	**−95**	**−119**	**−101**	**−116**	**872**	**759**
Financial items – net															−289	−178
Profit before tax															**582**	**581**
Investments in tangible fixed assets[1]	5	17	26	12	37	28	82	74	5	4	0	0			155	137
Investments in intangible fixed assets[1]	23	27	4	2	9	7	29	23	0	0	11	12			76	71
Depreciation and impairment (tangible assets)[2]	12	12	25	16	27	19	77	90	5	5	0	0	9	8	156	150
Amortization of right-of-use assets	112	93	46	21	47	33	390	330	50	49	1	0	−5		641	526
Amortization and impairment (intangible assets)[2]	15	8	3	0	6	5	68	72	0	0	5	3	92	108	190	197
Average number of employees for the period[3]	1,136	1,144	479	463	1,862	1,793	2,442	2,395	300	285	48	33			6,268	6,112
Number of proprietary branches	48	50	14	15	113	109	211	224	40	40	-	-			426	438
Number of partner branches	-	-	158	155	22	22	33	32	35	26	-	-			248	235
Number of branches in the chain	**48**	**50**	**172**	**170**	**135**	**131**	**244**	**256**	**75**	**66**	**-**	**-**			**674**	**673**
Number of affiliated workshops[4]	**1,003**	**1,023**	**343**	**335**	**1,106**	**964**	**1,724**	**1,776**	**270**	**262**	**-**	**-**			**4,446**	**4,360**
Key figures																
EBIT margin, %[5]	7.0	7.2	3.7	2.9	4.3	5.8	5.8	6.2	16.8	18.0					5.0	5.3
Change in sales, %[5]	16	6	101	557	28	31	9	5	5	0					19	14
Revenue per employee, SEK 000s[3]	3,823	3,234	3,311	1,647	1,981	1,595	2,823	2,639	3,230	3,222					2,757	2,355
Operating profit per employee, SEK 000s	266	232	119	47	85	92	161	160	526	562					139	124

1) Investments are exclusive of company and business combinations and exclusive of leases according to IFRS 16.
2) Acquisition-related depreciation, amortization and impairment of tangible and intangible assets attributable to MEKO AB's direct acquisitions are included in Other items.
3) Comparative figures for the Sweden/Norway business area have been restated and now show employment rate compared with previously, when the actual number of hours worked was used. The average number of employees in 2022 for the Baltics and acquired operations in Finland are calculated for the six-month period July 1–December 31, 2022.
4) Includes 90 (90) proprietary workshops operated under own brands.
5) Internal sales were excluded from the calculation of the EBIT margin and the sales increase for the segments.

Sales between segments take place on market-based terms and conditions. Revenue from external customers that is reported to the Group Management Team is measured in the same manner as in the income statement.

Net sales from external customers derives primarily from the sale of goods, representing approximately 96 percent (96) of net sales. The remaining net sales derived from workshop services, as well as annual and license fees to affiliated branches and workshops.

Net sales derived from the sale of goods from external customers are distributed according to the following customer groups:

Net sales by customer groups, %	2023	2022
Affiliated workshops	29 %	30%
Other business customers	54 %	54%
Consumers	12 %	13%
Partner branches	5 %	4%
Total net sales	**100 %**	**100%**

The company has its registered office in Sweden. The distribution of revenue from external customers in Sweden and other geographic markets is presented in the table below:

	Denmark		Finland		Estonia		Latvia		Lithuania	
Net sales by country	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Denmark	4,267	3,689	–	–	–	–	–	–	–	–
Finland	–	–	1,462	728	–	–	–	–	–	–
Poland/the Baltics	–	–	–	–	467	231	155	60	91	36
Sweden/Norway	–	–	–	–	–	–	–	–	–	–
Sørensen og Balchen (Norway)	–	–	–	–	–	–	–	–	–	–
Central functions	–	–	–	–	–	–	–	–	–	–
Total	**4,267**	**3,689**	**1,462**	**728**	**467**	**231**	**155**	**60**	**91**	**36**

	Norway		Poland		Sweden		Other		Total	
Net sales by country	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Denmark	–	–	–	–	–	–	–	–	4,267	3,689
Finland	–	–	–	–	–	–	–	–	1,462	728
Poland/the Baltics	–	–	2,809	2,421	–	–	–	–	3,522	2,748
Sweden/Norway	2,485	2,308	–	–	4,095	3,712	–	–	6,579	6,020
Sørensen og Balchen (Norway)	923	877	–	–	–	–	–	–	923	877
Central functions	–	–	–	–	–	–	8	5	8	5
Total	**3,408**	**3,185**	**2,809**	**2,421**	**4,095**	**3,712**	**8**	**5**	**16,762**	**14,067**

The Group has no individual customers that account for 10 percent or more of the Group's revenue.

Fixed assets by country[1]	**2023**	**2022**
Sweden	2,869	2,843
Denmark	3,230	3,211
Norway	1,163	1,184
Finland	594	742
Other countries	566	555
Total	**8,421**	**8,535**

1) Total fixed assets, other than financial instruments and deferred tax assets (there are no assets in connection with benefits after terminated employment or rights according to insurance agreements).

Auditing expenses

	Group		Parent Company	
	2023	**2022**	**2023**	**2022**
PwC				
Audit assignment	17	14	5	3
Audit-related services other than the audit assignment	1	0	–	–
Tax consultancy	–	0	–	–
Other services	1	5	–	–
Total PwC[1]	**18**	**19**	**5**	**3**
Other auditors				
Audit assignment	3	1	–	–
Tax consultancy	0	0	–	–
Other services	0	0	–	–
Total other	**3**	**1**	**-**	**–**
Total fees to auditors	**21**	**20**	**5**	**3**

1) Of the total fee to PwC for the Group of SEK 18 M (19), SEK 11 M (10) relates to fees for the audit assignment and SEK 0 M (0) relates to fees for other services in addition to the audit assignment invoiced by PwC Sweden. Of the total fee to PwC for the Parent Company of SEK 5 M (3), SEK 5 M (3) relates to fees invoiced by PwC Sweden.

Average number of employees, salaries, other remuneration and social security contributions

Average number of employees	2023 No. of employees	2023 Of whom, men %	2022 No. of employees	2022 Of whom, men %
Parent Company				
Sweden	6	50	6	50
Total in Parent Company	**6**	**50**	**6**	**50**
Subsidiaries				
Sweden[1]	1,702	77	1,655	78
Denmark	1,136	87	1,144	88
Norway	1,082	83	1,051	83
Poland	1,619	77	1,547	79
Baltics[1]	244	80	246	78
Finland[1]	479	82	463	83
Total in subsidiaries	**6,262**	**80**	**6,106**	**81**
Group total	**6,268**	**80**	**6,112**	**81**

Salaries, remuneration, etc. SEK 000S	2023 Salaries and other remuneration	2023 Soc. security expenses (of which pension costs)	2022 Salaries and other remuneration	2022 Soc. security expenses (of which pension costs)
Parent Company	31,709	14,717 (5,302)	23,968	14,603 (5,450)
Subsidiaries	2,794,399	674,728 (230,115)	2,374,459	562,398 (219,946)
Group total	**2,826,108**	**689,445 (235,417)**	**2,398,427**	**577,001 (225,396)**

Salaries and other remuneration distributed between the President and Board members and other employees, SEK 000s	2023 Board and President[2] (of which bonus, and the like)	2023 Other employees (of which bonus, and the like)	2022 Board and President[2] (of which bonus, and the like)	2022 Other employees (of which bonus, and the like)
Parent Company				
MEKO AB	14,484 (4,016)	17,225 (4,666)	11,228 (1,381)	12,740 (690)
Total in Parent Company	**14,484 (4,016)**	**17,225 (4,666)**	**11,228 (1,381)**	**12,740 (690)**
Subsidiaries in Sweden	28,547 (2,752)	743,414 (12,091)	24,084 (1,599)	671,239 (11,597)
Subsidiaries abroad				
Denmark	15,704 (839)	823,646 (6,364)	10,773 (2,677)	730,268 (10,358)
Norway	14,511 (873)	597,477 (9,315)	10,042 (1,411)	579,422 (5,699)
Poland	4,246 (0)	250,296 (0)	3,524 (–229)	204,645 (0)
Baltics	3,296 (0)	65,791 (0)	1,297 (11)	28,661 (43)
Finland	8,729 (2,294)	238,740 (12,744)	2,200 (0)	108,304 (0)
Total in subsidiaries	**75,034 (6,757)**	**2,719,365 (40,514)**	**51,920 (5,469)**	**2,322,539 (27,697)**
Group total	**89,518 (10,773)**	**2,736,590 (45,181)**	**63,148 (6,850)**	**2,335,279 (28,387)**

1) The comparative figure for Sweden has been restated and is now expressed as contractual time versus actual working hours as before. The average number of employees in 2022 for the Baltics and acquired operations in Finland are calculated for the six-month period July 1–December 31, 2022.
2) Remuneration to the Board and President includes the Parent Company and, where applicable, subsidiaries in each country.

REMUNERATION OF BOARD MEMBERS AND SENIOR EXECUTIVES

Remuneration of Board members
Fees are paid to the Chairman of the Board and Board members in accordance with the resolution of the Annual General Meeting. The annual Board fee totaling SEK 3,940,000 (3,430,000), including fees to members of the Board's Committees, was determined in accordance with the resolution of the 2023 Annual General Meeting. Of this, SEK 775,000 (750,000) represents fees to the Chairman of the Board, SEK 495,000 (480,000) to the Executive Vice Chairman, and SEK 360,000 (350,000) to each of the remaining Board members. For members of the Board's Audit Committee, SEK 150,000 (150,000) is paid to the Chairman of the Audit Committee and SEK 60,000 (60,000) is paid to each of the other members of the Audit Committee. For members of the Board's Remuneration Committee, SEK 60,000 (60,000) is paid to the Chairman of the Remuneration Committee and SEK 30,000 (30,000) is paid to the other members of the Remuneration Committee.

No fees are paid to the Boards of other subsidiaries.

Remuneration of the President and other senior executives
The President, Pehr Oscarson, has a basic salary of SEK 533,000 per month and a variable salary portion, which is based on the company's earnings and individual qualitative parameters and can amount to a maximum of 60 percent of the basic annual salary. The President is included in LTIP 2020, LTIP 2021, LTIP 2022 and LTIP 2023, which was approved at the respective Annual General Meetings. The President receives a pension benefit amounting to a maximum of 30 percentage points of the basic salary. Other benefits are primarily comprised of the right to a company car. The period of notice for the President and CEO is six months if employment is terminated by the company, and six months if terminated by the President and CEO. In addition, severance pay of a maximum of 12 months' salary may be paid in the event of termination of employment by the company.

Guidelines for remuneration of senior executives
The 2023 Annual General Meeting approved the Board's proposals for revised guidelines regarding remuneration of senior executives. The guidelines encompass the President and other members of MEKO's Group Management Team (referred to as "senior executives"). No significant changes have essentially taken place compared with the guidelines adopted by the 2021 Annual General Meeting. In addition to linguistic and editorial changes, the guidelines were adapted so text relating to the company's strategies as well as possible share-based remuneration may be relevant during the validity of the guidelines. The full guidelines adopted by the 2023 Annual General Meeting are presented below.

The MEKO Group's overall strategy is to create a long-term profitable and sustainable business. MEKO's strategy is based on the company's vision: We enable mobility – today, tomorrow and in the future.

The successful implementation of the company's strategy, long-term interests and sustainability agenda requires that MEKO can recruit and retain qualified employees with the right qualities. The total remuneration must therefore be market-based and competitive. The objective of the guidelines is to enable such remuneration, but also to link total remuneration to MEKO's strategy, long-term interests and sustainability agenda. This is achieved through the criteria in short-term variable remuneration programs. The same applies to long-term share-based incentive programs as resolved by the Annual General Meeting.

Matters pertaining to remuneration of company management are resolved by the Board's Remuneration Committee. However, remuneration of the President is determined by the Board in its entirety. Long-term share-based incentive programs are resolved by the Annual General Meeting.

Types of remuneration
MEKO is to offer competitive remuneration based on the significance of work duties, employees' competencies, experience and performance. Remuneration of senior executives may comprise fixed basic salary, variable remuneration, pension benefits and other benefits. In addition, senior executives may be offered to participate in long-term share-based incentive programs as resolved by the Annual General Meeting. However, such decisions are not covered by these guidelines.

Fixed basic salary
MEKO is to offer a fixed cash basic salary that comprises remuneration for dedicated work performance at a high professional level that creates added value for MEKO's customers, shareholders and employees. The fixed basic salary is to be competitive compared with the market and evaluated annually.

Short-term variable remuneration
Variable cash remuneration is to be linked to measurable criteria such as net sales, adjusted EBIT and cash flow, as well as sustainability and individual performance targets. The criteria are to be designed to support the company's strategy, long-term interests and sustainability agenda. The criteria are to be determined each year by the Remuneration Committee, and by the Board and the President. The measurement period is one year. The degree to which the payment criteria were met is evaluated and established when the measurement period ends. The short-term variable remuneration can amount to a maximum of a certain percentage of the fixed salary. It is determined on an individual basis and varies between 33 and 60 percent depending on position.

Long-term share-based incentive program
In addition to what is set out in these guidelines, senior executives may be offered to participate in long-term share-based incentive programs as resolved by the Annual General Meeting. These are normally designed as share-savings programs and require par-

ticipants to own their own shares in MEKO, to remain employed, that the shares are retained for a vesting period of three years, and that certain financial key figures and performance goals are achieved. The goals used have a clear link to the company's long-term strategy.

Pension benefits and other benefits

Pension benefits for senior executives shall follow or be equivalent to the Swedish ITP plan or corresponding system for employees outside Sweden. The President's pension benefit may instead amount to no more than 30 percent of the fixed salary. The pensionable income is the fixed salary. The normal retirement age is 65.

Other benefits may include health insurance and company cars.

Termination of employment

In the event of termination of employment by the company, the period of notice may not exceed 12 months. In addition to salary during the period of notice, severance pay of a maximum of 12 months' salary may be paid, in the event of termination of employment by the company. In the event of termination of employment by the senior executive, the period of notice is between six and 12 months.

Deviation from the guidelines

The Board of Directors may temporarily deviate from these guidelines, in part or in whole, if there are special reasons for doing so in an individual case, and deviation is necessary to safeguard the company's long-term interests, including its sustainability agenda, or to ensure its financial viability. During 2023, the company followed the remuneration guidelines adopted by the 2023 Annual General Meeting with no deviations.

Share-based remuneration

The 2023 Annual General Meeting resolved to establish a long-term share-based incentive program (LTIP 2023), in accordance with the Board's proposal. LTIP 2021 and LTIP 2022 were already in place, while LTIP 2020 ended during the year. The main motivation for establishing long-term share-based incentive programs is to connect the shareholders' and company management and other key individuals' interests to ensure maximum long-term value generation and to encourage individual share ownership in MEKO.

Participation requires an individual investment in MEKO shares ("investment shares") that are allocated to the respective program. Each investment share entitles the holder to five share awards. The five share awards are divided into Class A and Class B. Of the five share awards the participants receive for each investment share, one share award is of Class A and four are Class B. For both classes, continued employment and continued ownership of the investment shares are required.

LTIP 2020

The program for LTIP 2020 expired during the year. Allocation of shares was done in accordance with the program. 1.03 share per investment share was allocated in Class A and 0 shares were allocated in Class B. A total of 35,382 shares were allocated to the Group Management Team and certain key individuals. To secure this allocation, during the year MEKO utilized a share swap and thereby repurchased 40,000 shares after which the company held 119,243 treasury shares before the allocation. After the allocation, MEKO has 83,861 treasury shares. The total cost for the year is SEK 4.2 M including social security contributions and the cost for the entire program amounts to SEK 5.2 M.

LTIP 2021

Allocation for LTIP 2021 of Class A depends on the total return on the company's shares (TSR), which is measured in the first quarter of 2021 against the first quarter of 2024. The allocation of Class B is also dependent on certain conditions being met for growth in Adjusted EBIT and a reduction of Net debt / EBITDA, where the measurement period ends on December 31, 2023. The Board of Directors has set a minimum level and a maximum level during the measurement period and the outcome will be measured according to a linear scale. The vesting period for LTIP 2021 began on the allocation date, which was in June 2021 and expires in connection with publication of the interim report for the period January 1–March 31, 2024.

Any allocation of shares normally takes place within two weeks after publication of MEKO's interim report for the period January 1–March 31, 2024. In accordance with the terms, the Group Management Team for MEKO and certain other key individuals in the Group who are taking part in the program, 23 people in total, acquired or already held 26,960 shares. To ensure delivery of shares according to LTIP 2021, the company entered an agreement on a share swap comprising SEK 7.6 M. For the program, the cost is recognized based on the fair value per share award at the allocation date, amounting to SEK 152.90 and the estimated number of shares that will be vested. The total cost of the program to date amounts to SEK 3.3 M, including social security contributions.

LTIP 2022

Allocation for LTIP 2022 of Class A depends on the total return on the company's shares (TSR), which is measured in the first quarter of 2022 against the first quarter of 2025. The allocation of Class B is also dependent on certain conditions being met for growth in Adjusted EBIT and a reduction of Net debt / EBITDA, where the measurement period ends on December 31, 2024. The Board of Directors has set a minimum level and a maximum level during the measurement period and the outcome will be measured according to a linear scale. The vesting period for LTIP 2022 began on the allocation date, which was in June 2022 and expires in connection with publication of the interim report for the period January 1–March 31, 2025.

Any allocation of shares normally takes place within two weeks after publication of MEKO's interim report for the period January 1–March 31, 2025. In accordance with the terms, the Group Management Team for MEKO and certain other key individuals in the Group who are taking part in the program, 30 people in total, acquired or already held 46,250 shares. To ensure delivery of shares according to LTIP 2022, the company entered an agreement on a share swap comprising SEK 14.4 M. For the program, the cost is recognized based on the fair value per share award at the allocation date, amounting to SEK 111.0 and the estimated number of shares that will be vested. The total cost of the program to date amounts to SEK 7.1 M, including social security contributions.

LTIP 2023

Allocation for LTIP 2023 of Class A depends on the total return on the company's shares (TSR), which is measured in the first quarter of 2023 against the first quarter of 2026. The allocation of Class B requires that certain conditions are met for growth in Adjusted EBIT and a reduction of Net debt / EBITDA, where the measurement period ends on December 31, 2025. The Board of Directors has set a minimum level and a maximum level during the measurement period and the outcome will be measured according to a linear scale. The vesting period for LTIP 2023 began on the allocation date, which was in June 2023 and expires in connection with publication of the interim report for the period January 1–March 31, 2026.

Any allocation of shares normally takes place within two weeks after publication of MEKO's interim report for the period January 1–March 31, 2026. In accordance with the terms, the Group Management Team for MEKO and certain other key individuals in the Group who are taking part in the program, 40 people in total, acquired or already held 53,963 shares. To ensure delivery of shares according to LTIP 2023, the company entered an agreement on a share swap comprising SEK 15.8 M. For the program, the cost is recognized based on the fair value per share award at the allocation date, amounting to SEK 100.5 and the estimated number of shares that will be vested. The total cost for the year amounts to SEK 4.1 M, including social security contributions.

There are no other ongoing share-based incentive programs.

Senior executives/category, SEK 000s	Basic salary[1]		Variable remuneration		Long-term incentive programs (LTIP)		Board fee[3]		Other remuneration[2]		Other benefits		Pension premiums	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Robert M. Hanser, Chairman of the Board							865	840						
Helena Skåntorp, Executive Vice Chairman							645	630						
Eivor Andersson, Board member							420	410						
Kenny Bräck, Board member							360	350						
Justin Jude, Board member							420							
Joseph M. Holsten, Board member							420	410						
Magnus Håkansson, Board member							420	410						
Michael Løve, Board member							390	380						
Pehr Oscarson, President and CEO	6,528	6,417	2,116	2,350	1,900	−969					5	8	1,884	1,739
Other senior executives, 5 (5)[4]	12,559	12,050	1,280	3,369	3,386	−2,679			4,532		304	237	3,739	3,711
Total	**19,087**	**18,467**	**3,396**	**5,719**	**5,286**	**−3,648**	**3,940**	**3,430**	**4,532**	**–**	**309**	**245**	**5,623**	**5,450**

1) Basic salary in this table includes holiday bonus.
2) Other remuneration refers to consulting fees paid to two senior executives during the year.
3) Board fees include fees to members of the Board's Committees. Remuneration and compensation set by the Annual General Meeting are expensed every calendar year.
4) Other senior executives refers to the individuals who jointly with the President make up the Group Management Team. Remuneration of individuals in the Group Management Team is included in the table above from the month they first joined the Team and until they leave the Team. The Group Management Team, including the President, amounted to five individuals at year-end, and averaged six individuals during the year.

A closer presentation of the Board and the Group Management Team and its changes during the year is presented on pages 40–41.

Depreciation/amortization and impairment of tangible and intangible fixed assets

	Group 2023	Group 2022
Depreciation of tangible fixed assets according to plan	–156	–135
Amortization according to plan of right-of-use assets	–591	–526
Impairment of right-of-use assets[1]	–50	–15
Total depreciation and impairment of tangible fixed assets	**–797**	**–675**
Amortization, brands	0	0
Amortization, customer relationships	–117	–132
Amortization, franchise contracts	–	–
Amortization, capitalized expenditure for IT systems	–73	–65
Total amortization and impairment of intangible fixed assets	**–190**	**–197**
Total	**–987**	**–872**

1) Refers to impairment of rental contracts in connection with the closing of branches.

Result from participations in Group companies

	Parent Company 2023	Parent Company 2022
Dividends	484	566
Impairment[1]	–	–331
Total	**484**	**234**

1) Refers to impairment of shareholders' contributions paid to Mekonomen Oy in 2022.

Appropriations

	Parent Company 2023	Parent Company 2022
Group contributions received	160	239
Group contributions paid	–154	–86
Changes in tax allocation reserve	31	17
Total	**37**	**170**

Exchange-rate differences – net

Exchange-rate differences were recognized in profit or loss as follows:

	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Exchange-rate differences in EBIT	10	–16	0	0
Exchange-rate differences in net financial items	–30	–29	28	–70
Total	**–19**	**–45**	**28**	**–70**

Tax on profit for the year

	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Current tax				
Sweden	–28	–36	–7	–11
Other countries	–156	–145	–	–
Total current tax	**–184**	**–181**	**–7**	**–11**
Changes in deferred tax, temporary differences	53	76	19	12
Recognized tax expenses	**–132**	**–104**	**12**	**0**
Tax on profit for the year				
Recognized profit before tax	582	581	416	226
Tax according to applicable tax rate	–125	–123	–86	–47
Tax on standard interest on tax allocation reserves	0	0	0	0
Tax effects on expenses that are not tax deductible				
Other non-deductible expenses[1]	–20	–17	–1	–69
Other non-taxable revenue	3	0	98	117
Effects on adjustments from preceding year	1	0	0	0
Effects of non-capitalized loss carry-forwards	0	–6	–	–
Effects of the utilization of earlier years' loss carry-forwards that have not been capitalized	10	9	–	–
Effects of capitalized loss carry-forwards attributable to profit for earlier years[2]	–	34	–	–
Recognized tax expenses	**–132**	**–104**	**12**	**0**

1) For the Parent Company, refers mainly to the effect on the comparative year of impairment of shareholders' contributions paid to Mekonomen Oy during the year.
2) For the Group, refers to the capitalization of historical loss carry-forwards for the comparative year in Mekonomen Oy.

The weighted average tax rate amounted to 21.43 percent (21.25).

Supplemental disclosures, financial risk management

Disclosures on financial instruments measured at fair value in the balance sheet
The financial instruments that were measured at fair value in the balance sheet are showed below. Measurement is divided into three levels:

Level 1: Fair value is determined according to listed prices in an active market for the same instrument.
Level 2: Fair value is determined based on either direct (prices) or indirect (derived from prices) observable market data not included in Level 1.
***Level 3*:** Fair value is determined based on inputs not observable in the market.

All of MEKO's financial instruments that are valued are measured at fair value included in Level 2, except supplementary purchase considerations which are included in Level 3.

Calculation of fair value
The following summarizes the main methods and assumptions used to determine the fair value of the financial instruments shown in the table below.

For currency contracts, fair value is determined on the basis of listed prices. Fair value for interest-rate swaps is based on discounting estimated future cash flows in accordance with the contract terms and due dates, and on the basis of the market interest rate for similar instruments on the balance sheet date. If discounted cash flows have been used, future cash flows are calculated on company management's best assessment. The discount rate applied is a market-based interest rate on similar instruments on the balance sheet date.

The fair value of the agreement on conditional supplementary purchase considerations is estimated by the application of the income approach. The supplementary purchase considerations are all non-interest-bearing with relatively short durations and amount to non-material amounts for the Group, which is why detailed disclosures on measurement are not provided.

All valuation techniques applied are accepted on the market and take into account all parameters that the market would take into consideration when pricing. The techniques are reviewed regularly with a view to ensuring their reliability. Assumptions applied are followed up against actual results so as to identify any need for adjustments to measurements and forecasting tools.

For methods of payment, receivables and liabilities with variable interest rates, and current assets and liabilities (such as accounts receivable and accounts payable), fair value is equivalent to the carrying amount.

Group's derivative instruments measured at fair value in the balance sheet	Dec 31, 2023	Dec 31, 2022
Financial assets		
Cross-currency interest-rate swaps	4	-
Interest-rate swaps	9	27
Currency hedge	-	6
Total	**13**	**33**
Financial liabilities		
Currency hedge	11	-
Cross-currency interest-rate swaps	-	29
Interest-rate swaps	13	-
Total	**24**	**29**

Net gains on derivative instruments, held for trading amounted to SEK 0 M (0).

Financial assets and liabilities by measurement category, Dec 31, 2023[1]	Instruments measured at fair value through profit or loss	Financial assets – amortized cost	Financial liabilities – amortized cost	Total carrying amount	Fair value	Non-financial assets and liabilities	Total Balance sheet
Financial assets							
Financial fixed assets	-	106	-	106	106	40	146
Derivatives, long term[5]	13	-	-	13	13	-	13
Accounts receivable	-	1,329	-	1,329	1,329	-	1,329
Other current receivables	-	10	-	10	10	1,039	1,048
Cash and cash equivalents	-	623	-	623	623	-	623
Total	**13**	**2,069**	**-**	**2,081**		**1,078**	**3,159**
Financial liabilities							
Bond loans	-	-	1,245	1,245	1,261	-	1,245
Long-term liabilities, interest-bearing[2] [3]	-	-	2,381	2,381	2,381	-	2,381
Long-term lease liabilities[4]	-	-	1,379	1,379	-	-	1,379
Long-term liabilities, non-interest-bearing	-	-	1	1	1	448	450
Derivatives[5]	24	-	-	24	24	-	24
Supplementary purchase considerations, long-term	3	-	-	3	3	-	3
Current liabilities, interest-bearing[6]	1	-	-	1	1	-	1
Current lease liabilities[4]	-	-	583	583	-	-	583
Accounts payable	-	-	2,427	2,427	2,427	-	2,427
Supplementary purchase considerations, current	2	-	-	2	2	-	2
Other current liabilities	-	-	-	-	-	1,375	1,375
Total	**30**	**-**	**8,016**	**8,046**		**1,823**	**9,869**

1) The carrying amount of the Group's non-market-listed long-term financial instruments measured at amortized cost essentially corresponds to its fair value as the interest is on a par with current market interest rates. The fair value of the market-listed bond differs from the carrying amount as the market value of the bond has changed since it was issued. The carrying amount of the Group's short-term financial instruments measured at amortized cost essentially corresponds to its fair value as the discount effect is not material.
2) This amount includes liabilities related to the SEK 23 M (42) share swap.
3) The carrying amount of the Group's long-term liabilities measured at amortized cost essentially corresponds to its fair value as the interest is on a par with current market interest rates.
4) Lease liabilities are recognized at amortized cost and are not assigned any fair value.
5) Derivative instruments used for hedging purposes.
6) The carrying amount of the Group's current liabilities measured at amortized cost essentially corresponds to its fair value as the discount effect is not material.

Financial assets and liabilities by measurement category, 31 Dec 2022[1]	Instruments measured at fair value through profit or loss	Financial assets – amortized cost	Financial liabilities – amortized cost	Total carrying amount	Fair value	Non-financial assets and liabilities	Total Balance sheet
Financial assets							
Financial fixed assets	–	81	–	81	81	27	108
Derivatives, long term[5]	27	–	–	27	27	–	27
Derivatives, short term[5]	6	–	–	6	6	–	6
Accounts receivable	–	1,278	–	1,278	1,278	–	1,278
Other current receivables	–	–	–	–	–	910	910
Cash and cash equivalents	–	741	–	741	741	–	741
Total	**33**	**2,101**	**–**	**2,134**		**937**	**3,072**
Financial liabilities							
Bond loans	–	–	1,243	1,243	1,197	–	1,243
Long-term liabilities, interest-bearing[2) 3)]	–	–	3,100	3,100	3,100	–	3,100
Long-term lease liabilities[4)]	–	–	1,020	1,020	–	–	1,020
Long-term liabilities, non-interest-bearing	–	–	–	–	–	16	16
Derivatives[5)]	29	–	–	29	29	–	29
Supplementary purchase considerations, long-term	3	–	–	3	3	–	3
Current liabilities, interest-bearing[6)]	–	–	–	–	–	–	–
Current lease liabilities[4)]	–	–	520	520	–	–	520
Accounts payable	–	–	2,192	2,192	2,192	–	2,192
Supplementary purchase considerations, current	3	–	–	3	3	–	3
Other current liabilities	–	–	–	–	–	1,222	1,222
Total	**35**	**–**	**8,074**	**8,108**		**1,238**	**9,346**

1) The carrying amount of the Group's non-market-listed long-term financial instruments measured at amortized cost essentially corresponds to its fair value as the interest is on a par with current market interest rates. The fair value of the market-listed bond differs from the carrying amount as the market value of the bond has changed since it was issued. The carrying amount of the Group's short-term financial instruments measured at amortized cost essentially corresponds to its fair value as the discount effect is not material.
2) This amount includes liabilities related to the SEK 23 M (42) share swap.
3) The carrying amount of the Group's long-term liabilities measured at amortized cost essentially corresponds to its fair value as the interest is on a par with current market interest rates.
4) Lease liabilities are recognized at amortized cost and are not assigned any fair value.
5) Derivative instruments used for hedging purposes.
6) The carrying amount of the Group's current liabilities measured at amortized cost essentially corresponds to its fair value as the discount effect is not material.

Group's maturity structure for undiscounted cash flows for financial liabilities and derivatives

	Dec 31, 2023					
Nominal amount	**2024**	**2025**	**2026**	**2027**	**2028 and later**	**Total**
Bond loans	76	59	1,264	–	–	1,399
Liabilities to credit institutions, bank borrowing	125	94	2,426	–	–	2,645
Liabilities to leasing companies	653	488	346	264	444	2,195
Overdraft facilities	1	–	–	–	–	1
Derivatives	–18	17	3	15	–	17
Share swap	18	2	23	–	–	43
Supplementary purchase considerations	2	2	2	–	–	6
Accounts payable	2,427	–	–	–	–	2,427
Total	**3,284**	**662**	**4,064**	**279**	**444**	**8,733**

	Dec 31, 2022					
Nominal amount	**2023**	**2024**	**2025**	**2026**	**2027 and later**	**Total**
Bond loans	74	76	71	1,267	–	1,488
Liabilities to credit institutions, bank borrowing	161	163	3,162	–	–	3,486
Liabilities to leasing companies	549	410	254	155	261	1,629
Overdraft facilities	1	–	–	–	–	1
Derivatives	–14	–21	–9	6	–2	–40
Share swap	18	2	23	–	–	42
Supplementary purchase considerations	3	3	–	–	–	6
Accounts payable	2,192	–	–	–	–	2,192
Total	**2,984**	**633**	**3,501**	**1,428**	**259**	**8,804**

Time when hedged cash flows in the hedging reserve are expected to occur and affect profit for the year

	2024 – Q1	**2024 – Q2**	**2024 – Q3**	**2024 – Q4**	**2025**	**2026 and later**	**Total**
Interest-rate swaps and cross-currency interest-rate swap	–6	13	1	2	7	43	60
Total	**–6**	**13**	**1**	**2**	**7**	**43**	**60**

Offsetting financial assets and liabilities

Derivative contracts are subject to legally binding framework agreements on netting. This information is limited as the amounts are of minor value.

Intangible fixed assets

	Goodwill		Brands		Franchise contracts		Customer relations		Capitalized expenditure for IT systems		Total Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Opening accumulated cost, January 1	**4,135**	**3,761**	**1,027**	**857**	**42**	**42**	**1,783**	**1,677**	**576**	**454**	**7,566**	**6,793**
Acquisitions	–	–	–	–	–	–	–	–	77	71	77	71
Acquisitions in connection with acquired operation	15	206	–	118	–	–	19	65	–	41	34	430
Reclassification	–	–	–	–	–	–	–	–	–	1	0	1
Divestments/disposals	–1	–7	–	–	–	–	0	0	–	–	–1	–7
Translation difference, currency	–43	175	–5	52	0	0	–4	41	0	9	–52	277
Closing accumulated cost, December 31	**4,106**	**4,135**	**1,022**	**1,027**	**42**	**42**	**1,798**	**1,783**	**653**	**576**	**7,624**	**7,566**
Opening acc. depreciation and impairment, January 1	**–**	**–**	**–4**	**–4**	**–42**	**–42**	**–1,210**	**–1,081**	**–376**	**–270**	**–1,634**	**–1,399**
Divestments/disposals	–	–	–	–	–	–	0	0	–	–	–	0
Amortization in connection with acquired operation	–	–	–	–	–	–	–	–	–	–37	–	–37
Amortization for the year	–	–	0	0	–	–	–117	–132	–73	–65	–190	–197
Impairment for the year	–	–	–	–	–	–	–	–	–	–	–	–
Translation difference, currency	–	–	–	–	–	–	4	3	0	–4	4	–1
Closing accumulated depreciation and impairment, December 31	**–**	**–**	**–4**	**–4**	**–42**	**–42**	**–1,323**	**–1,210**	**–449**	**–376**	**–1,820**	**–1,634**
Closing carrying amount, December 31	**4,106**	**4,135**	**1,018**	**1,023**	**–**	**–**	**476**	**574**	**204**	**200**	**5,803**	**5,933**

The carrying amounts of intangible fixed assets are distributed among operating segments as follows:

	Goodwill		Brands		Customer relations		Capitalized expenditure for IT systems		Total Group	
Carrying amount for operating segment at	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Denmark	1,866	1,866	542	545	393	467	88	77	2,890	2,955
Finland	105	106	98	99	34	38	10	9	248	252
Poland/the Baltics	94	92	55	53	22	25	15	13	186	183
Sweden/Norway	1,588	1,612	270	270	26	44	61	79	1,946	2,005
Sørensen og Balchen (Norway)	452	460	53	56	0	0	–	–	504	516
Central functions	–	–	–	–	–	–	29	23	29	23
Total	**4,106**	**4,135**	**1,018**	**1,023**	**476**	**574**	**204**	**200**	**5,803**	**5,933**

Testing of impairment requirement for goodwill and other intangible assets with indefinite useful lives
Goodwill is distributed and tested among the Group's cash-generating units (CGU) identified by operating segments. In addition to goodwill, the Group has acquired brands that are deemed to have indefinite useful lives.

The useful life is deemed indefinite when it pertains to well-established brands in their individual markets, which the Group intends to retain and further develop. The brands that have been identified and evaluated pertain to the acquisition of brands in connection with the acquisitions of Sørensen og Balchen in 2011, MECA in 2012, FTZ and Inter-Team in 2018 and Koivunen in 2022.

Other brands are amortized and their carrying amount at year-end was SEK 0 M (0). A summary of goodwill and brands with indefinite useful lives at operating segment level is provided in the table below.

	Goodwill 2023						Brands (indefinite useful life) 2023				
Operating segments	**Jan 1, 2023**	**Acquisitions**	**Impairment**	**Divestments**	**Translation difference, currency**	**Dec 31, 2023**	**Jan 1, 2023**	**Acquisitions**	**Impairment**	**Translation difference, currency**	**Dec 31, 2023**
Denmark	1,866	8	–	–	–8	1,866	545	–	–	–3	542
Finland	106	–	–	–	–1	105	99	–	–	–1	98
Poland/the Baltics	92	–	–	–	2	94	53	–	–	2	55
Sweden/Norway	1,612	4	–	–1	–27	1,588	270	–	–	–	270
Sørensen og Balchen (Norway)	460	3	–	–	–11	452	56	–	–	–3	53
Total	**4,135**	**15**	**–**	**–1**	**–43**	**4,106**	**1,023**	**–**	**–**	**–5**	**1,018**

	Goodwill 2022						Brands (indefinite useful life) 2022				
Operating segments	**Jan 1, 2022**	**Acquisitions**	**Impairment**	**Divestments**	**Translation difference, currency**	**Dec 31, 2022**	**Jan 1, 2022**	**Acquisitions**	**Impairment**	**Translation difference, currency**	**Dec 31, 2022**
Denmark	1,715	–	–	–	151	1,866	500	–	–	45	545
Finland	–	102	–	–	4	106	–	95	–	3	99
Poland/the Baltics	26	62	–	–	4	92	27	23	–	3	53
Sweden/Norway	1,590	26	–	–7	3	1,612	270	–	–	–	270
Sørensen og Balchen (Norway)	431	16	–	–	13	460	55	–	–	2	56
Total	**3,761**	**206**	**–**	**–7**	**175**	**4,135**	**853**	**118**	**–**	**52**	**1,023**

Testing impairment requirements for goodwill and other intangible assets with indefinite useful lives takes place in the fourth quarter annually or more frequently if there are indications of value depreciation. The recoverable amount for a cash-generating unit is established based on calculations of the value in use. The value in use is the present value of the estimated future cash flows.

Cash-flow forecasts are based on an assessment of the anticipated growth rate and the trend of the EBITDA margin, based on the budget that was adopted in December for 2024, forecasts for the next four years, managements' long-term expectations of the operation, and historic trends. The long-term growth rate does not exceed the long-term growth rate for the market segments in which each cash-generating unit operates.

Calculated value in use is most sensitive to changes in assumptions for growth-rate, EBITDA margin and the relevant discount rate (WACC, Weighted Average Cost of Capital), which is used to discount future cash flows. The significant assumptions used to calculate the value in use for 2023 and 2022, respectively, are summarized as follows:

	Dec 31, 2023					Dec 31, 2022				
	Denmark	**Finland**	**Poland/ the Baltics**	**Sweden/ Norway**	**Sørensen og Balchen (Norway)**	**Denmark**	**Finland**	**Poland/ the Baltics**	**Sweden/ Norway**	**Sørensen og Balchen (Norway)**
Discount rate (WACC) before tax	10.1%	11.0%	13.5%	11.3%	12.1%	9.8%	10.3%	15.5%	9.9%	11.0%
Discount rate (WACC) after tax	8.3%	9.4%	11.2%	9.2%	9.7%	7.9%	8.6%	12.9%	8.1%	8.9%
Growth rate beyond the forecast period	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.5%	2.0%	2.0%
Total price and volume trend years 2–5 of the forecast period	6.5%	5.5%	8.0%	3.0%	3.0%	3.0%	4.7%	8.2%	3.0%	3.0%
Total cost trend years 2–5 of the forecast period	6.4%	3.0%	7.0%	3.0%	3.0%	3.0%	3.0%	7.0%	3.0%	3.0%
EBIT	302	57	158	393	158	265	22	164	383	160

Sensitivity analysis

For all CGUs, an increase in the discount rate by one percentage point, a reduction in the assumed long-term growth rate by one percentage point or a decrease in the EBITDA margin by one percentage point would not individually result in any impairment requirement arising. Based on historical outcome and management's estimates of the future, MEKO has deemed that the above ranges cover reasonable possible changes in the important assumptions identified. These calculations are hypothetical and shall not be seen as an indication that these factors are more or less likely to be changed. The sensitivity analysis should therefore be interpreted with caution.

According to implemented impairment testing, there is no impairment requirement for goodwill or other intangible assets with indefinite useful lives as per December 31, 2023.

Improvement costs, third-party property

Group	2023	2022
Opening accumulated cost, January 1	**113**	**106**
Purchases, rebuilding and extensions	5	7
Sales/disposals	–12	–3
Translation difference, currency	8	3
Closing accumulated cost, December 31	**114**	**113**
Opening accumulated depreciation, January 1	**–93**	**–87**
Sales/disposals	12	3
Depreciation for the year	–7	–6
Translation difference, currency	–5	–3
Closing accumulated depreciation, December 31	**–93**	**–93**
Closing carrying amount, December 31	**21**	**20**

Tangible fixed assets

Group	Land and buildings 2023	Land and buildings 2022	Equipment and transport 2023	Equipment and transport 2022	Construction in progress 2023	Construction in progress 2022	Total 2023	Total 2022
Opening accumulated cost, January 1	**1,010**	**46**	**1,274**	**949**	**8**	**2**	**2,292**	**997**
Purchasing	6	9	144	93	0	28	150	130
Increase through business combinations	–	908	2	217	–	–	2	1,125
Reclassification	–	–	–	22	–1	–23	–1	–1
Sales/disposals[1]	–622	–2	–78	–42	–	–	–700	–44
Translation difference, currency	16	49	–10	35	0	1	6	85
Closing accumulated cost, December 31	**410**	**1,010**	**1,332**	**1,274**	**7**	**8**	**1,749**	**2,292**
Opening acc. depreciation and impairment, January 1	**–384**	**–5**	**–853**	**–576**	**–**	**–**	**–1,236**	**–580**
Depreciation in connection with business combinations	–	–334	–	–178	–	–	–	–512
Sales/disposals[1]	294	1	70	33	–	–	364	34
Depreciation for the year	–36	–23	–113	–107	–	–	–149	–130
Translation difference, currency	1	–23	–1	–25	–	–	0	–48
Closing accumulated depreciation and impairment, December 31	**–125**	**–384**	**–897**	**–853**	**–**	**–**	**–1,021**	**–1,236**
Closing carrying amount, December 31	**285**	**626**	**435**	**421**	**7**	**8**	**728**	**1,056**

1) During the year, properties in Finland and Denmark were divested as part of sale and leaseback transactions recognized in accordance with IFRS 16, refer also to Note 15.

Leases

Information on leases where the Group is the lessee
The following amounts related to leases are recognized in the balance sheet:

Right-of-use assets	Dec 31, 2023	Dec 31, 2022
Buildings	1,688	1,366
Means of transport	159	146
Other	23	13
Total	**1,869**	**1,526**
Lease liabilities		
Long-term	1,379	1,020
Current	583	520
Total	**1,962**	**1,540**

For information on maturity structure regarding lease liabilities, refer to Note 11 Supplemental disclosures on financial risk management.

Additional right-of-uses in 2023 amounted to SEK 1,035 M (332). In addition to this, right-of-uses amounting to SEK 0 M (66) arose through business combinations. Most of the increase in leases during the year pertains to rental contracts for properties in Finland and Denmark related to sale and leaseback transactions recognized under IFRS 16 for properties divested.

The following amounts related to leases are recognized in the income statement:

	2023	2022
Depreciation of right-of-use assets	–591	–526
of which buildings	–505	–445
of which means of transport	–82	–77
of which other	–4	–4
Impairment of right-of-use assets[1]	–50	–15
of which buildings	–50	–15
Interest expenses (included in financial expenses)	–63	–41
Expenses attributable to short-term leases (included in other external expenses)	–15	–8
Expenses attributable to leases for which the underlying asset is of low value that is not a short-term lease (included in other external expenses)	–1	–3
Expenses attributable to variable leasing payments that are not included in lease liabilities (included in other external expenses)	–12	–9

1) Refers to impairment of rental contracts in connection with the closing of branches.

Total cash outflow for leases in 2023 was SEK 736 M (591).

Information on rental agreements where the Group is the lessor
Premises are leased to tenants under operating leases with monthly rental payments. Leasing payments for certain contracts include CPI increases, but there are no other variable leasing payments that depend on an index or an interest rate. Even if the Group is exposed to changes in the residual value at the end of the current leases, the Group usually enters new operating leases and will therefore not immediately realize any decrease in the residual value at the end of these leases.

Information about leasing income	2023	2022
Leasing income, operating leases	84	73

Future minimum lease payment that will be received	Dec 31, 2023	Dec 31, 2022
Within 1 year	69	113
Between 1–2 years	65	99
Between 2–3 years	55	82
Between 3–4 years	46	72
Between 4–5 years	13	68
More than 5 years	5	60

Operating leases
IFRS 16 Leases is not applied in the Parent Company and lease charges are period-allocated straight-line over the term of the lease. Right-of-use assets and lease liabilities are accordingly not recognized in the Parent Company balance sheet. The Parent Company's operating leases primarily comprise leased premises.

Information about leasing expenses, operating leases	Parent Company 2023	Parent Company 2022
Premises rent	1	0
Leasing expenses, other	0	0
Total	**1**	0

Future leasing fees for irrevocable lease agreements falling due for payment:	Parent Company Dec 31, 2023	Parent Company Dec 31, 2022
Within 1 year	–	1
Between 1–5 years	–	1
More than 5 years	–	–
	–	**2**

Of the future lease fees, rent for premises accounted for SEK 0 M (1) for the Parent Company.

Deferred tax

Deferred tax assets and liabilities are offset against each other when a legal right of offset exists for current tax assets and tax liabilities and when deferred taxes refer to the same tax authority. Below, deferred tax assets and liabilities are presented gross, with information on the netting done regarding the company in the same tax law jurisdiction.

	Group		Parent Company	
Deferred tax assets (+) / tax liabilities (–)	**Dec 31, 2023**	**Dec 31, 2022**	**Dec 31, 2023**	**Dec 31, 2022**
Capitalized loss carry-forwards	4	43	–	–
Temporary differences on inter-company profits	54	55	–	–
Temporary differences, inventory obsolescence	22	31	–	–
Temporary differences, other	89	90	50	30
Less netting	–169	–200	–	–
Total deferred tax assets	**0**	**19**	**50**	**30**
Untaxed reserves	–72	–79	–	–
Surplus value in intangible fixed assets (through acquisition)	–359	–451	–	–
Temporary differences, other[1]	–164	–171	–	–
Less netting	169	200	–	–
Total deferred tax liabilities	**–426**	**–501**	**-**	**–**
Total (net)	**–426**	**–482**	**50**	**30**

1) Of which SEK 101 M (92) pertains to deferred tax liabilities attributable to untaxed earnings in the Baltic operations.

Gross change in deferred tax assets/ tax liabilities	Group		Parent Company	
	2023	**2022**	**2023**	**2022**
Opening balance	–482	–354	30	19
Translation difference, currency	16	–27	–	–
Acquisition of subsidiaries	–5	–173	–	–
Recognition in income statement	54	76	20	11
Tax recognized in comprehensive income	–9	–4	–	–
At year-end	**–426**	**–482**	**50**	**30**

Taxable loss carry-forwards

At the end of the financial year, tax loss carry-forwards amounted to SEK 0 M (0) in the Parent Company and SEK 642 M (913) in the Group. For deficits amounting to SEK – M (297), there is a time limit of up to 10 years. Regarding these loss carry-forwards, there is a deferred tax asset amounting to SEK – M (34). This year's change of SEK –34 M pertains to the utilization of the historic capitalized loss carry-forwards in Mekonomen Oy. All other deficits run without limit in time. Deferred tax assets for tax loss carry-forwards in the Group total SEK 4 M (43) at the balance sheet date. Deferred tax assets on the remaining deficit were not assigned a value in the balance sheet.

Deferred tax related to leases

The deferred tax assets and deferred tax liabilities that arose in reporting due to leases entered into are net accounted in the balance sheet when offset conditions are met. Deferred tax liabilities relating to right-of-use assets amounted to SEK 403 M (322) and deferred tax assets related to lease liabilities to SEK 420 M (328) on December 31, 2023.

OECD's model rules for Pillar Two

The Group is covered by the OECD's model rules for Pillar Two. The legislation on Pillar Two has been adopted in Sweden, where MEKO AB has its registered office, and will come into effect on January 1, 2024. Given that Pillar Two legislation was not yet in force on the balance sheet date, the Group has no related current tax exposure. The Group applies the exception to the requirements to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, as stipulated in amendments to IAS 12 published in May 2023.

According to the legislation, the Group is obliged to pay a top-up tax for the difference between the effective tax rate calculated under GloBE rules for each jurisdiction and the minimum tax rate of 15 percent. All companies in the Group have an effective tax rate exceeding 15 percent. Due to the complexity of applying the legislation and calculating GloBE revenue, Pillar Two may still have tax consequences. The company is at present working with tax experts to correctly apply the legislation.

Other financial fixed assets

	Group	
	Dec 31, 2023	**Dec 31, 2022**
Hire-purchase contracts	91	78
Other	33	30
Total	**125**	**109**

	Group	
Hire-purchase contracts	**Dec 31, 2023**	**Dec 31, 2022**
Hire-purchase contracts	93	81
Credit loss reserve[1]	–1	–3
Total	**91**	**78**

	Group	
Credit loss reserve, hire-purchase contracts[1]	**2023**	**2022**
Credit loss reserve at beginning of year	–3	–2
Change in net credit loss reserve for the year	2	–1
Receivables written off during the year as non-collectable	0	0
Reclassification of renegotiated accounts receivable	0	0
Translation difference, currency	0	0
Credit loss reserve at year-end	**–1**	**–3**

1) This information is limited as the amounts are of minor value.

Interest income on hire-purchase contracts during the year was SEK 0 M (0).

Inventories

	Group	
	Dec 31, 2023	**Dec 31, 2022**
Goods for resale	4,459	4,147
Total	**4,459**	**4,147**

The cost of inventories expensed is included in the item goods for resale in the income statement and amounted to SEK 9,500 M (7,745). Provisions for obsolescence are induced in the value of inventories. In addition to normal obsolescence reserves, no material impairments were made during the year or the preceding year.

Only an insignificant part of the inventory is measured at net realizable value.

Current receivables

	Group	
	Dec 31, 2023	**Dec 31, 2022**
Accounts receivable	1,329	1,278
Tax assets	72	59
Other receivables	124	115
Prepaid expenses and accrued income	853	742
Total	**2,378**	**2,195**

	Group	
Accounts receivable	**Dec 31, 2023**	**Dec 31, 2022**
Accounts receivable	1,397	1,337
Credit loss reserve	–68	–59
Total	**1,329**	**1,278**

MEKO applies the simplified method for expected credit losses, which means that expected credit losses are calculated as percentages based on the number of different time categories.

	Group	
Credit loss reserve	**2023**	**2022**
Credit loss reserve at beginning of year	–59	–43
Incurred through acquisitions	-	–1
Change in net credit loss reserve for the year	–32	–23
Change in provision, net in balance sheet	22	8
Reclassification to long-term receivables	0	0
Translation difference, currency	1	0
Credit loss reserve at year-end	**–68**	**–59**

Accounts receivable on December 31, 2023	Not overdue	Overdue up to 30 days	Overdue up to 60 days	Overdue more than 60 days	Total
Carrying amounts, accounts receivable, net	1,141	138	6	44	1,329
Total	**1,141**	**138**	**6**	**44**	**1,329**

Accounts receivable on December 31, 2022	Not overdue	Overdue up to 30 days	Overdue up to 60 days	Overdue more than 60 days	Total
Carrying amounts, accounts receivable, net	1,118	116	39	6	1,278
Total	**1,118**	**116**	**39**	**6**	**1,278**

Fair value of accounts receivable agrees with the carrying amounts. Credit quality of unreserved receivables is assessed to be good. Interest income on accounts receivable during the year was SEK 11 M (9).

Prepaid expenses and accrued income

	Group		Parent Company	
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Prepaid insurance	18	11	–	–
Accrued supplier bonus	733	608	–	–
Other interim receivables	102	123	5	2
Total	**853**	**742**	**5**	**2**

Cash and cash equivalents

	Group		Parent Company	
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Cash and bank balances	623	741	284	391
Total	**623**	**741**	**284**	**391**

Borrowing

	Group		Parent Company	
Long-term	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Bond loans	1,245	1,243	1,245	1,243
Liabilities to credit institutions, bank borrowing	2,358	3,056	2,358	3,056
Lease liabilities	1,379	1,020	–	–
Derivatives, interest-rate swaps and cross-currency interest-rate swaps	13	29	–	29
Share swap	23	42	23	42
Total long-term liabilities	**5,018**	**5,390**	**3,626**	**4,370**

	Group		Parent Company	
Current	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Lease liabilities	583	520	–	–
Derivatives, currency and interest-rate swaps	11		–	–
Share swap	1		1	–
Total current liabilities	**595**	**520**	**1**	**–**
Total borrowing	**5,613**	**5,910**	**3,627**	**4,370**
Overdraft facility limit	**320**	**320**	**320**	**320**
of which, unutilized portion	320	320	320	320

MEKO did not raise any new loans during the year. The existing loan of SEK 1,965 M was extended by one year to 2026. There is a possibility of extending the loan for another year to 2027. During the year, the Group sustainability-linked this bank loan and connected two sustainability targets as supplementary conditions to this financing. The two targets are: Increased focus on the use of renewable energy and Increased focus on gender equality. During the year, SEK 700 M of the existing RCF was repaid, which means the Group is utilizing SEK 400 M of SEK 1,300 M. The RCF was extended by one year to 2026. The bond matures in its entirety in 2026. The Group also has a cross-currency interest-rate swap in NOK to hedge the Group's net investments in NOK. The cross-currency interest-rate swap runs until 2026. The currency translation of the cross-currency interest-rate swap is recognized in other comprehensive income. In addition to this, the Group has an overdraft facility of SEK 320 M (320), of which SEK – M (–) is used as at December 31, 2023.

MEKO holds interest-rate swaps to reduce the risk in the Group's cash flow as a result of changed market interest rates. They consist of three swaps in SEK of SEK 500 M each that run to 2024, 2025 and 2027, respectively. All interest rates, excluding interest-rate swaps, are variable or have a maximum fixed period of three months. During the financial year, the interest level for loans including cross-currency interest-rate swaps and interest-rate swaps varied around 6.01 percent.

MEKO AB's borrowing from banks is subject to certain conditions, known as covenants, all of which MEKO AB meets. The bond is also covered by covenants, but they are only to be tested and met upon special events, such as new loans and dividends paid. The rules under IFRS 16 Leases do not affect the Group's ability to fulfill these covenants. The conditions include an owner change clause that becomes current upon an owner change in excess of 50 percent or upon a delisting.

The Group's long-term borrowing occurs mainly under credit frameworks with long-term lines of credits, but with short-term fixed-interest periods. The Group's interest expenses related to borrowing amounted to SEK 223 M (112), excluding interest expenses attributable to leases recognized in accordance with IFRS 16. For further information on leases with associated interest expenses, see Note 15. Refer also to the sensitivity analysis pertaining to interest-rate risks in the sensitivity analysis section in the Administration Report and in Note 36.

Existing overdraft facilities are in SEK.

Provisions

	Group		Parent Company	
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Provisions for pensions	1	1	–	–
Provisions for supplementary purchase considerations	5	6	–	–
Provisions for warranties	12	11	–	–
Provisions for returns	35	36	–	–
Other provisions	6	6	5	4
Total	**59**	**60**	**5**	**4**

Change in 2023, Group	Provisions for returns and other	Provisions for supplementary purchase considerations
Carrying amount at beginning of year	53	6
– New provisions	2	2
– Reversed provisions	–1	0
Amounts utilized during the period	–1	–3
Increase through business combinations	1	–
Currency effects	0	0
Carrying amount at year-end	**54**	**5**

Provisions comprise:

	Group		Parent Company	
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Dec 31, 2022
Long-term portion	23	21	5	4
Short-term portion	37	39	–	–
Total	**59**	**60**	**5**	**4**

Pensions

Alecta

The ITP 2 scheme's defined-benefit pension obligations for old-age and family pensions (or family pension) for salaried employees in Sweden are secured through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Recognition of ITP 2 Pension Plans Financed through Insurance with Alecta, this is a multi-employer defined-benefit plan. In the 2023 financial year, the company did not have access to such information that made it possible to recognize its proportional share of the plan's obligations, plan assets and costs, which means that it was not possible to recognize this as a defined-benefit plan. ITP 2 pension plans that are secured through insurance with Alecta are therefore recognized as defined-contribution plans. The anticipated fees for the next reporting period for ITP 2 policies signed with Alecta amounts to SEK 15 M (12).

The collective consolidation level comprises the market value of Alecta's assets as a percentage of insurance commitments calculated according to Alecta's actuarial methods and assumptions, which are not in agreement with IAS 19. Alecta's surplus, in the form of the collective consolidation level, amounted to 178 percent at year-end 2023 (2022: 172 percent).

Pension commitments

All pension commitments pertain to employees in the subsidiary in Norway. The Group is obliged to provide pension provisions according to the Norwegian act on occupational pensions. The Group has a total of four (three) defined-benefit pension plans which jointly include 48 (33) gainfully employed individuals and 45 (42) pensioners. Pension benefits are largely dependent on the number of years of service, salary level at retirement and the amount of the benefit. This obligation is covered via insurance companies. Employer contributions are included in the net pension obligation. The amounts recognized in the balance sheet have been calculated as follows:

	Group Dec 31, 2023	Group Dec 31, 2022
Present value of funded commitments	44	46
Fair value of plan assets	-50	-51
Deficit in funded plans	**-6**	**-5**
Present value in unfunded commitments	-	-
Net debt (+)/Net assets (–) in the balance sheet[1]	**-6**	**-5**

1) Of which SEK 6 M (6) in net assets are recognized among other financial fixed assets on the consolidated balance sheet.

Present value of commitments	Group 2023	Group 2022
Opening balance	46	43
Gross pension cost for the year	1	1
Interest expenses	1	1
Pension payment	-2	-2
Actuarial gains and losses[1]	0	1
Closing of contracts	1	-
Exchange-rate differences	-3	1
Closing balance	**44**	**46**

Fair value of plan assets	Group 2023	Group 2022
Opening balance	51	44
Expected return	2	1
Payments	3	2
Pension payment	-2	-2
Actuarial gains and losses[1]	-1	4
Closing of contracts	-	-
Exchange-rate differences	-3	1
Closing balance	**50**	**51**
Net pension commitments	**-6**	**-5**

1) Changes in demographic and financial assumptions are not specified on the basis of a materiality assessment.

Costs recognized in profit or loss	Group 2023	Group 2022
Pension vesting for the year including contributions	2	2
Administration fees	0	0
Interest expenses	0	0
Total	**2**	**2**

Composition of plan assets	Group Dec 31, 2023	Group Dec 31, 2022
Equities	12%	11%
Bonds	76%	74%
Property	13%	14%
Other	0%	1%
Total	**100%**	**100%**

Actuarial assumptions	Group Dec 31, 2023	Group Dec 31, 2022
Discount rate	3.70%	3.20%
Future salary increases	3.75%	3.75%
Future pension increases	2.40%	1.70%

Assumptions regarding future length of life are based on public statistics and experience from mortality studies in the country concerned, and set in consultation with actuarial experts.

Through its post-employment defined-benefit pension plans, the Group is exposed to a number of such risks as asset volatility, changes in returns and length of life commitments. The Group actively monitors how terms of and expected returns on investments match expected payments arising from its pension commitments. The Group has not changed the processes used to manage its risks from previous periods. The Group does not use derivative instruments to manage its risk. Investments are highly diversified.

Contributions to post-employment benefit plans for the 2024 financial year are expected to amount to SEK 3 M (2).

A sensitivity analysis and weighted average term for the pension commitments and term analysis for undiscounted payments have not been provided since they are deemed to be insignificant.

Other current liabilities

	Group Dec 31, 2023	Group Dec 31, 2022
Accounts payable	2,427	2,192
Other current liabilities	471	287
Accrued expenses and deferred income	803	828
Total	**3,700**	**3,307**

Accrued expenses and deferred income

	Group Dec 31, 2023	Group Dec 31, 2022	Parent Company Dec 31, 2023	Parent Company Dec 31, 2022
Accrued personnel-related costs	468	426	17	17
Accrued bonuses/contract fees	264	185	-	-
Accrued interest expenses	35	31	35	31
Prepaid rental income	0	0	-	-
Other interim liabilities	36	185	5	2
Total	**803**	**828**	**57**	**50**

Pledged assets, contingent liabilities and commitments

	Group Dec 31, 2023	Group Dec 31, 2022	Parent Company Dec 31, 2023	Parent Company Dec 31, 2022
Pledged assets	–	–	–	–
Contingent liabilities				
Guarantees on behalf of subsidiaries	–	–	947	513
Other sureties	20	23	–	–
Total	**20**	**23**	**947**	**513**

Participations in Group companies

	Parent Company 2023	Parent Company 2022
Opening cost	10,298	8,511
Capital contributions paid[1]		331
Acquisitions during the year	–	1,456
Closing accumulated cost	**10,298**	**10,298**
Opening impairment	-896	-565
Impairment[1]	–	-331
Closing accumulated impairment	**-896**	**-896**
Closing residual value	**9,402**	**9,402**

1) Impairment losses and capital contributions paid in 2022 refer to Mekonomen Oy.

Participations in Group companies	Corporate identity number	Share of equity, %	Number of branches	Book value, December 31, 2023	Book value, December 31, 2022
Name of company/registered office, Denmark					
Acem A/S /Odense	30 07 81 28	100	–	–	-
FTZ Autodele & Værktøj A/S /Odense	73 64 87 18	100	46	4,065	4,065
Name of company/registered office, Finland					
Koivunen Oy /Helsinki	0110111-0	100	13	1,456	1,456
Mekonomen Oy /Helsinki	2259452-4	100	1	0	0
Name of company/registered office, Norway					
Mekonomen AS /Trollåsen	980,748,669	100	26	24	24
Sørensen og Balchen AS /Oslo	916,591,144	100	–	840	840
Name of company/registered office, Poland					
Inter-Team Sp. z o.o. /Warszawa	5,240,301,927	100	87	240	240
Name of company/registered office, Sweden					
Bileko Car Parts AB /Stockholm	556062-4875	100	–	89	89
Bileko Tires AB /Stockholm	556821-5981	100	–	28	28
MECA Scandinavia AB /Malmö	556218-3037	100	–	2,446	2,446
MEKO Service Nordic AB /Stockholm	556179-9676	100	–	2	2
MEKO Services AB /Stockholm	556840-9428	100	–	0	0
Mekonomen Company AB /Stockholm	556724-9254	100	–	35	35
Mekonomen Detaljist AB /Stockholm	556157-7288	100	76	146	146
Speedy Autoservice AB /Malmö	556575-9858	100	–	31	31
Participations in Group companies, total			**249**	**9,402**	**9,402**

Indirect participations in subsidiaries Name of company/registered office	Corporate identity number	Share of equity, %	Number of branches
BALTICS			
Balti Autoosad AS /Rae vald	10279055	80	9
Fixus Lasnamäe OÜ /Tallinn	12162481	60	1
Fixus Mustamäe OÜ /Tallinn	11474942	80	2
Koiko Kinnisvara OÜ /Tallinn	10361162	74.3	-
Laoekspert OÜ /Tallinn	10841723	64	1
Baltic Auto Parts SIA /Riga	40003385421	72	6
Properties BAP /Riga	40003689407	80	-
Baltic Auto Parts UAB /Vilnius	300019345	72	7
			26
DENMARK			
Automester Danmark ApS /Odense	16 81 72 44	100	-
Avant Denmark A/S /Aarhus	81 75 12 18	70	-
CarPeople Danmark Aps /Odense	41 96 45 45	100	-
Din Bilpartner ApS /Odense	32 14 21 09	100	-
DriveClever A/S /Odense	32 08 15 76	100	-
FTZ Autodele & Værktøj P/F /Torshavn	51 29 23	70	2
Vantage ApS /Birkerød	30 50 78 00	70	-
			2
FINLAND			
KOY Jalometalli /Helsinki	0861509-3	100	–
KOY Konalankaaret /Helsinki	2184891-6	100	–
Autovaraosa Fixus Oy /Helsinki	2173813-5	100	–
Autovaraosa Fixus Espoo Oy /Espoo	1963369-2	80	–
Suomen Kuljetuslaite Oy /Helsinki	1636883-8	100	–
			–
SWEDEN/NORWAY			
AltiBil Västra Sverige AB /Gothenburg	556603-0747	100	-
Bilglascentralen AB /Gothenburg	556076-4598	100	-
BilXtra Sweden AB /Malmö	556509-7861	100	8
J&B Maskinteknik AB /Gothenburg	556490-2996	100	-
MECA Fleet AB /Stockholm	559448-8271	100	-
MECA Sweden AB /Malmö	556356-5612	100	52
MECA Verkstadsdrift AB /Malmö	559012-2478	100	-
Meko Service Småland AB /Stockholm	559115-9479	100	-
Meko Service Susannes Bilverkstad i Härlöv AB /Upplands-Väsby	556964-0641	100	-
Mekonomen Alingsås AB /Alingsås	556596-3690	95	1
Mekonomen Arvika AB /Stockholm	559337-3649	91	1
Mekonomen Billivet AB /Stockholm	556845-2196	100	-
Mekonomen Billivet Albyberg AB /Stockholm	559149-8893	100	-
Mekonomen Billivet Backaplan AB /Gothenburg	556756-1146	91	-
Mekonomen Billivet Bemanning AB /Stockholm	559149-9255	100	-
Mekonomen Billivet Borås AB /Stockholm	559149-8570	100	-
Mekonomen Billivet Bromma AB /Stockholm	556864-3455	100	-
Mekonomen Billivet Eklanda AB /Stockholm	556863-9909	91	-
Mekonomen Billivet Fosie AB /Stockholm	559098-0537	100	-
Mekonomen Billivet Gislaved AB /Stockholm	559123-7408	100	-
Mekonomen Billivet Grimmered AB /Stockholm	559185-6983	100	-
Mekonomen Billivet Gävle AB /Stockholm	556864-3448	100	-
Mekonomen Billivet Helsingborg AB /Stockholm	559086-6744	100	-
Mekonomen Billivet Härnösand AB /Stockholm	559149-9313	100	-
Mekonomen Billivet Infra City AB /Stockholm	556864-3471	100	-
Mekonomen Billivet Johanneshov AB /Stockholm	556882-0780	100	-
Mekonomen Billivet Karlskrona AB /Stockholm	556882-0772	100	-
Mekonomen Billivet Karlstad AB /Stockholm	559149-9297	100	-
Mekonomen Billivet Kiruna AB /Stockholm	559118-0616	100	-
Mekonomen Billivet Ljungby AB /Stockholm	559118-0582	100	-
Mekonomen Billivet Norremark AB /Stockholm	559116-8694	100	-

Indirect participations in subsidiaries Name of company/registered office	Corporate identity number	Share of equity, %	Number of branches
Mekonomen Billivet Nybro AB /Stockholm	559149-9388	100	-
Mekonomen Billivet Skellefteå AB /Stockholm	559118-0590	100	-
Mekonomen Billivet Södertälje AB /Stockholm	556882-0939	100	-
Mekonomen Billivet Täby AB /Stockholm	556882-0962	100	-
Mekonomen Billivet Uddevalla AB /Stockholm	559164-2722	100	-
Mekonomen Billivet Värnamo AB /Stockholm	559123-7705	100	-
Mekonomen Billivet Växjö AB /Stockholm	559118-0574	100	-
Mekonomen Billivet Åkersberga AB /Stockholm	556819-5019	100	-
Mekonomen Bollnäs AB /Bollnäs	556827-3675	91	1
Mekonomen Charlottenberg AB /Stockholm	559337-3656	91	1
Mekonomen Company Fleet AB /Stockholm	559448-8289	100	-
Mekonomen E-handel AB /Stockholm	556882-0947	100	-
Mekonomen Eklanda AB /Gothenburg	556887-1999	51	1
Mekonomen Enköping AB /Enköping	556264-2636	91	1
Mekonomen Fleet AB /Stockholm	556720-6031	100	-
Mekonomen Göteborg AB /Gothenburg	556887-2294	51	2
Mekonomen Hässleholm AB /Hässleholm	556678-0622	91	1
Mekonomen Järfälla AB /Järfälla	556580-2351	95	2
Mekonomen Karlskoga AB /Uppsala	556821-6062	91	1
Mekonomen Kramfors AB /Kramfors	556496-1810	91	1
Mekonomen Kungsbacka AB /Kungsbacka	556887-2336	51	1
Mekonomen Kungshamn AB /Sotenäs	559101-6257	80	1
Mekonomen Norrtälje AB /Stockholm	556178-9719	60	1
Mekonomen Osby AB /Osby	556408-8044	91	1
Mekonomen Umeå AB /Umeå	556483-3084	100	1
Mekonomen Varberg AB /Varberg	556261-0161	75	1
Mekonomen Verkstadscenter Älvsjö AB /Huddinge	556192-0314	91	1
Mekonomen Vetlanda AB /Vetlanda	556653-4219	91	1
Mekonomen Västerås AB /Stockholm	559337-3672	91	1
Mekonomen Örkelljunga AB /Örkelljunga	559213-8316	75	1
Mekonomen Örnsköldsvik AB /Örnsköldsvik	556465-6287	51	1
Mekster AB /Stockholm	556917-2595	100	-
ProMeister Solutions AB /Malmö	559034-6929	100	-
ProMeister Verkstad AB /Stockholm	559149-9347	100	-
Speedy Bilservice Mölndal AB /Mölndal	559004-5711	91	-
Speedy Bilservice Solna AB /Malmö	556953-2434	91	-
Speedy Bilservice Sölvesborg AB /Malmö	559366-1647	91	-
XOIL Sweden AB/Gothenburg	556835-3691	70	-
Bileko Car Parts Norway AS /Gjøvik	935,682,525	100	24
Mekonomen Company AS /Gjøvik	925,102,067	100	-
Mekonomen Company Bilverksted AS /Gjøvik	920,377,068	100	-
Motor Norge AS /Alta	945,481,668	100	1
Preqas AS /Oslo	816,479,932	100	-
ProMeister Solutions AS /Gjøvik	917,100,462	100	-
			109

Indirect participations in subsidiaries Name of company/registered office	Corporate identity number	Share of equity, %	Number of branches
SØRENSEN OG BALCHEN (NORWAY)			
Askim Bilrekvisita AS /Askim	885,049,702	100	2
Autohifi AS /Trondheim	962,020,828	100	-
Autoproducts AS /Tiller	995,080,125	50	1
Bilartikler AS /Fredrikstad	921,462,867	100	3
Bilutstyr Arendal AS /Arendal	961,171,067	100	1
Bilvarehusene Nor AS /Oslo	880,553,852	100	8
Bilvarehusene Sør AS /Oslo	887,813,752	100	5
BilXtra AS /Oslo	983,032,133	100	5
BilXtra Autogården Kongsberg AS /Kongsberg	914,746,345	92.5	-
Bilxtra Gjelleråsen AS /Hagan	931,209,515	51	-
BilXtra Orkanger AS /Orkanger	994,533,320	66.67	1
BilXtra Skøyen AS /Oslo	916,795,521	100	1
DINDEL NORWAY AS /Oslo	913,284,607	100	-
Høistad Bildeler AS /Lillehammer	981,015,142	100	1
Jahre Motor Hamar AS /Hamar	935,614,031	100	1
Rogaland Rekvisita AS /Stavanger	936,043,119	100	4
Rønneberg Auto Industri AS /Ålesund	981,015,150	100	6
Solveien Bil AS /Moss	950,565,039	100	-
Vest Bilutstyr AS /Kokstad	980,281,450	100	2
			40
OTHER SEGMENTS (NORWAY)			
Lasingoo Norge AS /Trollåsen	914,835,585	100	-
TOTAL NUMBER OF BRANCHES			**426**

Including the Parent Company, MEKO comprises a total of 131 companies, 426 proprietary branches and 90 proprietary workshops. Currently, 22 wholly-owned companies run 373 branches and 30 partly owned companies run 53 branches. Furthermore, 28 wholly-owned companies run 82 car workshops and 7 partly-owned companies run 8 workshops.

The Group has no subsidiary with minority part-owners that is of individual significance to MEKO.

Shareholders' equity

A specification of changes to shareholders' equity can be found in the statement of changes in consolidated and Parent Company's shareholders' equity (see pages 47 and 50, respectively).

Share capital and number of shares

Total number of shares	Group 2023	Group 2022
At January 1	56,416,622	56,416,622
At December 31	**56,416,622**	**56,416,622**

Treasury shares	Group 2023	Group 2022
At January 1	79,243	93,250
This year's acquisitions[1]	40,000	-
Allocated shares under long-term share-based incentive programs (LTIP)	–35,382	–14,007
At December 31	**83,861**	**79,243**

1) The program for LTIP 2020 expired during the year. Allocation of shares was done in accordance with the program. 1.03 share per investment share was allocated in Class A and 0 shares were allocated in Class B. A total of 35,382 shares were allocated to the Group Management Team and certain key individuals. To secure this allocation, MEKO utilized a share swap and thereby repurchased 40,000 shares during the year. The company's holding of treasury shares amounted to 83,861 as per December 31, 2023, equivalent to 0.15 percent of the total number of shares.

Number of outstanding shares[1]	Group Dec 31, 2023	Group Dec 31, 2022
Total number of shares	56,416,622	56,416,622
Treasury shares	–83,861	–79,243
Shares hedged through share swaps	–344,000	–544,000
Total	**55,988,761**	**55,793,379**

1) There were no outstanding shareholders' equity instruments that could result in a dilution of the share capital as per December 31, 2023 and December 31, 2022, respectively.

Share capital, SEK	Group 2023	Group 2022
At January 1	141,041,555	141,041,555
At December 31	**141,041,555**	**141,041,555**
Quotient value per share, SEK	**2.50**	**2.50**

Earnings per share attributable to Parent Company's shareholders	Group Dec 31, 2023	Group Dec 31, 2022
Average number of shares, pcs[1]	55,917,032	55,891,711
Profit for the year attributable to the Parent Company's shareholders, SEK M	419	454
Earnings per share, SEK	**7.50**	**8.12**

1) No dilution is applicable. For further information on data per share, refer to pages 23–24.

Other capital contributions

Other capital contributions included contributions the company received from shareholders and which are not recognized as share capital.

Other capital contributions	
Opening balance on January 1, 2022	**2,993**
Closing balance on December 31, 2022	**2,993**
Opening balance on January 1, 2023	**2,993**
Closing balance on December 31, 2023	**2,993**

Reserves

The item consists of translation differences attributable to the translation of foreign subsidiaries and related hedges of equity in accordance with IAS 21 and cash-flow hedges as shown in the table below:

Reserves	Translation differences	Hedges	Total
Opening balance on January 1, 2022	**–315**	**–2**	**–317**
Exchange-rate differences on translation of foreign subsidiaries	444	–	444
Loan reduction against net investment[1]	–102	–	–102
Cash-flow hedges[2]	–	28	28
Tax recognized directly against shareholders' equity	14	–6	8
Closing balance on December 31, 2022	**41**	**20**	**61**

Reserves	Translation differences	Hedges	Total
Opening balance on January 1, 2023	**41**	**20**	**61**
Exchange-rate differences on translation of foreign subsidiaries	–16	-	–16
Loan reduction against net investment[1]	34	-	34
Cash-flow hedges[2]	-	–31	–31
Tax recognized directly against shareholders' equity	–16	6	–9
Closing balance on December 31, 2023	**44**	**–5**	**39**

1) Net investment in NOK is hedged using a cross-currency interest-rate swap. Loans in EUR that hedged net investments in DKK were terminated in the third quarter of 2022. As the underlying hedged assets in Denmark remain in the Group, the total effect from the hedge of SEK –78 M will continue to be recognized in comprehensive income as long as the underlying assets remain in the Group.
2) Holding of financial interest rate derivatives for hedging purposes, valued according to level 2 defined in IFRS 13.

Profit brought forward

The profit brought forward item corresponds to the accumulated profits and losses generated in total in the Group.

Profit brought forward	
Opening balance on January 1, 2022	**2,356**
Comprehensive income for the year:	
Profit for the year	454
Actuarial gains and losses	2
Comprehensive income for the year	**456**
Dividends	–168
Share swap	–23
Share-savings program	–6
Acquisition/divestment of non-controlling interests	–9
Closing balance on December 31, 2022	**2,606**
Opening balance on January 1, 2023	**2,606**
Comprehensive income for the year:	
Profit for the year	419
Actuarial gains and losses	–1
Comprehensive income for the year	**419**
Dividends	–185
Share swap	18
Share-savings program	14
Acquisition/divestment of non-controlling interests	–6
Closing balance on December 31, 2023	**2,866**

Dividend to Parent Company's shareholders

The Board of Directors proposes a dividend of SEK 3.70 (3.30) per share, leading to a total dividend of SEK 208,431,216 (185,913,351).

Proposed appropriation of profit – Parent Company

The following profit is at the disposal of the Annual General Meeting, SEK 000s:	
Profit brought forward	5,979,420
Profit for the year	427,590
Total	**6,407,010**

The Board of Directors proposes that profits be appropriated as follows:	
Dividend to shareholders (SEK 3.70 per share)[1]	208,431
To be carried forward[2]	6,198,579
Total	**6,407,010**

1) Of the amount paid, SEK 1,273,000 will be repaid to Mekonomen AB as a result of 344,000 hedged shares through share swaps.
2) The amount that is carried forward will increase by SEK 1,273,000 as a result of dividends that will be repaid for 344,000 hedged shares through share swaps.

Capital

MEKO manages its capital to ensure that the units in the Group are able to continue operating, while dividends to shareholders are maximized through a sound balance between liabilities and shareholders' equity. The Group's capital comprises shareholders' equity, as well as short and long-term borrowing. The proportions of shareholders' equity and changes during the year are described in the changes in consolidated shareholders' equity on page 47 and in Note 28 Shareholders' equity.

At least once per year, the Board reviews the capital structure and takes this into account when making decisions on, for example, dividends or raising new loans. The key figure the Group Management Team and the Board primarily assesses regarding capital structure is net debt relative to EBITDA. This key figure is continuously followed up in the internal reporting to the Group Management Team and the Board. MEKO's financial targets include that net debt (adjusted for IFRS 16)/EBITDA shall be between 2.0 and 3.0 over the long term. For further information on MEKO's financial targets, see page 21 and for further information on the Group's key figures, see the section of the Five-year summary on page 79-81.

Supplemental disclosures on the cash-flow statement

Adjustments for non-cash items in operating activities	Group 2023	Group 2022	Parent Company 2023	Parent Company 2022
Depreciation/Amortization	937	858	–	–
Impairment of right-of-use assets	50	15	–	–
Impairment of financial fixed assets	0	1	–	–
Impairment of shares in subsidiaries	–	–	–	331
Other provisions	–7	–3	–	0
Capital gain/loss from divestment/disposal of fixed assets	–106	–2	–	–
Capital gain/loss from divestment of operations	1	–3	–	–
Exchange gains/losses	14	–14	–41	50
Capitalized interest income	–	–	–	–17
Capitalized interest expenses	7	26	11	26
Interest expense, IFRS 16	32	20	–	–
Borrowing costs allocated to periods	7	12	7	12
Other items not affecting liquidity	22	–7	–14	9
Total	**957**	**903**	**–37**	**412**

		Cash flow		Non-cash items					
Change in liabilities with cash flows in financing activities, Group	**Opening balance, January 1, 2023**	**Loans raised/ repaid**	**Amortization leases[1]**	**Increase of lease liabilities[1]**	**Currency effects**	**Borrowing costs allocated to periods**	**Change in fair value**	**Other non-cash changes**	**Closing balance, December 31, 2023**
Bond loans	1,243	0	–	–	–	–	–	2	1,245
Liabilities to credit institutions	3,056	–702	–	–	1	4	–	–	2,359
Lease liabilities	1,539	–	–676	1,035	64	–	–	–	1,962
Share swaps	42	–	–	–	–	–	–	–19	23
Derivative interest-rate swaps and cross-currency interest-rate swaps	29	–	–	–	–	–	–5	–	24
Total	**5,910**	**–702**	**–676**	**1,035**	**65**	**4**	**–5**	**–17**	**5,613**

		Cash flow		Non-cash items					
Change in liabilities with cash flows in financing activities, Group	**Opening balance, January 1, 2022**	**Loans raised/ repaid**	**Amortization leases[1]**	**Increase of lease liabilities[1]**	**Currency effects**	**Borrowing costs allocated to periods**	**Change in fair value**	**Other non-cash changes**	**Closing balance, December 31, 2022**
Bond loans	1,243	–	–	–	–	–	–	–	1,243
Liabilities to credit institutions	1,912	1,045	–	–	88	11	–	–	3,056
Lease liabilities	1,648	–	–550	400	41	–	–	–	1,539
Share swaps	20	–	–	–	–	–	–	22	42
Derivative interest-rate swaps and cross-currency interest-rate swaps	17	–	–	–	–	–	12	–	29
Total	**4,840**	**1,045**	**–550**	**400**	**129**	**11**	**12**	**22**	**5,910**

1) Continuous repayments of the lease liabilities (part of rental payments) are classified as cash flows in financing activities. The current year's increase in lease liabilities as a result of new leases, etc. is not classified as cash flow, however.

Effects of business combinations implemented

Business combinations 2023

MECA/Mekonomen acquired a workshop in Sandnes, and a partner branch in Malmö. Sørensen og Balchen acquired one workshop in Horten and one branch in Trondheim. FTZ acquired 70 percent of Avant in Denmark, which is active in car accessories.

The impact of all acquisitions on consolidated sales and earnings was marginal.

Information on corporate acquisitions is provided in aggregate form since each individual acquisition is not deemed to be of such a size as to warrant separate recognition. All acquisitions were paid in cash.

Acquisitions in 2023	Total acquisitions
Value of acquired assets and liabilities	
Tangible fixed assets	4
Inventories	30
Current receivables	10
Cash and cash equivalents	0
Current liabilities	–14
Long-term liabilities	–13
Acquired net assets	**17**
Customer relations	19
Goodwill	15
Deferred tax liabilities	–4
Acquired non-controlling interests, surplus value recognized against shareholders' equity	7
Total identifiable net assets and goodwill	**54**
Total purchase consideration	–54
– of which, cash portion	–52
– of which supplementary purchase considerations entered as liabilities	–2
Cash and cash equivalents in the acquired companies	0
Plus paid supplementary purchase considerations regarding earlier years	0
Impact on Group's cash and cash equivalents[1]	**–52**

1) Of which SEK –37 M pertains to the acquisition of subsidiaries and operations and SEK –15 M pertains to the acquisition of non-controlling interests.

Acquired subsidiaries/operations 2023	Country	Date of acquisition	% equity and share of voting rights	Object
Branch, Sandnes – MECA/ Mekonomen	Norway	Quarter 1	100	Assets and liabilities
Branch, Malmö – MECA/ Mekonomen	Sweden	Quarter 2	100	Assets and liabilities
Branch, Trondheim – Sørensen og Balchen	Norway	Quarter 1	100	Assets and liabilities
Workshop, Horten – Sørensen og Balchen	Norway	Quarter 1	100	Assets and liabilities
Avant active in car accessories – FTZ	Demark	Quarter 1	70	Equities

Business combinations 2022

On June 14, 2022, MEKO entered an agreement to acquire all of the shares in the car part distributor Koivunen OY ("Koivunen") in Finland and the Baltics. The acquisition was completed on July 1, 2022. Payment for the shares was fully made in cash and the total purchase consideration amounted to EUR 131 M, translated at the rate on the transaction date to SEK 1,408 M. Distribution of the total purchase consideration is presented by the table below.

The acquisition of Koivunen fits well with MEKO's strategy of being part of the ongoing consolidation in Europe. The transaction is in line with MEKO's strategy of creating value through carefully selected acquisitions, as MEKO has previously done in Sweden, Norway, Denmark and Poland. Through the acquisition of Koivunen, MEKO strengthens its position in Finland and also establishes a strong position in the Baltics. Koivunen is a prosperous company with strong brands that will continue to develop within its existing brands in Finland in a common business area with MEKO's earlier operations in the country and in the Baltics in a common business area with MEKO's earlier operations in Poland.

Through the acquisition of Koivunen, MEKO's sales increase by around SEK 1,786 M. The acquisition is expected to generate annual synergies of SEK 40 M, of which the majority is comprised of purchasing synergies, with full effect in 2024. At the same time, the Group will increase the number of branches from around 450 to around 650 and the number of affiliated workshops from more than 4,000 to over 4,300.

Koivunen is included in MEKO's financial statements from the acquisition date July 1, 2022.

In addition to the acquisition of Koivunen, the Sweden/ Norway business area acquired one branch in Klippan in southern Sweden, the two workshops in Norway Automobilia in Raufoss and Jan Reime Bil, and two workshops in Sweden Trondens Bilteknik Örsholmen AB and Your workshop Syd, as well as the oil distributor XOIL Sweden AB in Sweden.

The business area Sørensen og Balchen (Norway) acquired one workshop, Solveien Bil AS, and the company AutoHiFi AS, which has operations in multimedia accessories for cars. The Group also acquired 20.5 percent of Omnicar AB, which offers mobile car services and digital sales of electric cars in Denmark with planned establishment also in Sweden and Norway.

Besides Koivunen, which is reported separately below, information on corporate acquisitions is provided in aggregate form since each individual acquisition is not deemed to be of such a size as to warrant separate recognition. All other acquisitions were paid in cash.

During the 2022 financial year, Koivunen affected the Group's net sales and operating profit according to the table below:

SEK M	Koivunen Finland	Koivunen Baltics	Total
Net sales, external	582	327	909
Operating profit[1]	46	26	72

1) Excluding acquisition costs of SEK 26 M and transaction tax of SEK 22 M and excluding planned depreciation/amortization of intangible and tangible assets identified in connection with the acquisition totaling SEK 11 M.

The impact of other acquisitions on consolidated sales and earnings was marginal.

If the acquisition of Koivunen had been carried out on January 1, 2022, the impact during the 12-month period January–December 2022 on the Group's net sales and the impact on operating profit would have amounted to:

SEK M	Koivunen Finland	Koivunen Baltics	Total
Net sales, external	1,159	627	1,786
Operating profit[1]	66	41	107

1) Excluding acquisition costs of SEK 26 M and transaction tax of SEK 22 M and excluding planned depreciation/amortization of intangible and tangible assets identified in connection with the acquisition totaling SEK 22 M.

The total of other acquisitions would have had an immaterial impact on sales and earnings if they had been implemented at the beginning of the year.

Acquisition-related costs amount to SEK 48 M for the full year period January–December 2022. The acquisition costs are essentially attributable to the acquisition of Koivunen. These costs are not included in the total purchase consideration in the table below, but rather have been reported as other costs in the consolidated income statement.

The acquisition analysis for acquired operations is presented below.

Acquisitions in 2022	Koivunen Finland	Koivunen Baltics	Other acquisitions	Total acquisitions
Value of acquired assets and liabilities				
Intangible fixed assets	4	0	–	4
Tangible fixed assets	235	105	2	342
Right-of-use assets	60	6	–	66
Financial fixed assets	2	0	1	3
Deferred tax assets	6	1	0	7
Inventories	435	249	24	708
Current receivables	115	36	14	166
Cash and cash equivalents	48	89	10	146
Long-term liabilities	–40	–4	–	–43
Deferred tax liabilities	–6	–84	–	–90
Current liabilities	–220	–75	–29	–324
Non-controlling interests	6	–79	–3	–75
Acquired net assets	**646**	**245**	**20**	**910**
Brands	95	23	–	118
Land and buildings	163	108	–	271
Customer relations	39	14	13	65
Goodwill	102	62	42	206
Deferred tax liabilities	–59	–29	–2	–90
Acquired non-controlling interests, surplus value recognized against shareholders' equity			25	25
Total identifiable net assets and goodwill	**986**	**423**	**98**	**1,507**
Total purchase consideration	–986	–423	–97	–1,506
– of which, cash portion	–986	–423	–96	–1,504
– of which supplementary purchase considerations entered as liabilities	–	–	–1	–1
Cash and cash equivalents in the acquired companies	48	89	10	146
Plus paid supplementary purchase considerations regarding earlier years	–	–	–1	–1
Impact on Group's cash and cash equivalents[1]	**–938**	**–334**	**–87**	**–1,359**

1) Of which SEK –1,334 M pertains to the acquisition of subsidiaries and operations and SEK –25 M pertains to the acquisition of non-controlling interests.

Fair value of acquired receivables amounts to SEK 176 M.

The brands have indefinite lifespans. Customer relationships amount to SEK 65 M, of which SEK 52 M is attributable to the acquisition of Koivunen and is assessed to have a useful life of ten years. The remaining customer relationships of SEK 13 M are deemed to have a useful life of five years. For the useful life and depreciation/amortization periods of other tangible and intangible assets, refer to Note 1.

In addition to the control premium included in the acquisition price, the resulting goodwill is mainly attributable to the value of geographic expansion and a stronger market position in Finland. Arisen goodwill is furthermore attributable to anticipated specific synergies in MEKO, new customers and, to a limited extent, the combined workforce. These advantages have not been recognized separately from goodwill since they do not meet the criteria for recognition of identifiable intangible assets.

Of the goodwill that arose in connection with the acquisitions, nothing is expected to be tax deductible.

Acquired subsidiaries/ operations 2022	Country	Date of acquisition	% equity and share of voting rights	Object
AutoHiFi AS – Sørensen og Balchen	Norway	Quarter 1	100	Equities
Workshop, Automobilia AS, Raufoss – Sweden/Norway	Norway	Quarter 2	100	Equities
Workshop, Solveien Bil AS, Moss – Sørensen og Balchen	Norway	Quarter 2	100	Equities
XOIL Sweden AB – Sweden/Norway	Sweden	Quarter 2	70	Equities
Workshop, Karlstad – Sweden/Norway	Sweden	Quarter 3	100	Assets and liabilities
Koivunen OY	Finland	Quarter 3	100	Equities
Workshop, Klippan – Sweden/Norway	Sweden	Quarter 3	100	Assets and liabilities
Workshop, Jan Reime Bil & Karosser AS, Bryne – Sweden/Norway	Norway	Quarter 3	100	Equities
Branch, Klippan – Sweden/Norway	Sweden	Quarter 4	100	Assets and liabilities

Information concerning revenue and expenses between Group companies

During the year, the Parent Company MEKO AB (publ) sold services to Group companies totaling SEK 43 M (39). Purchases relating to services from Group companies amounted to SEK 28 M (53).

Transactions with related parties

In 2023, MEKO sold goods and services worth SEK 10 M (0) and acquired goods and services worth SEK 9 M (0) from companies where MEKO is a related party through significant influence or joint controlling interest.

Agreements on goods and services with related parties are made on market-based terms. As of the balance sheet date, receivables from affiliated companies totaled SEK 8 M (0) and liabilities to SEK 1 M (0).

No other transactions with related parties took place. The remuneration of the Board of Directors and senior executives is presented in Note 5 of the Annual Report.

Events after the end of the year

On February 8, MEKO announced that it had been rewarded for its sustainability work and awarded a bronze medal by EcoVadis, the world's most trusted provider of business sustainability ratings. Scoring well-above industry averages across all categories, MEKO is in the top 35 percent of assessed companies.

On February 19, MEKO announced that the Nomination Committee proposed Dominick Zarcone as the new Chairman of the Board in MEKO AB at the Annual General Meeting 2024. Dominick Zarcone currently serves as the President and CEO of LKQ Corporation, listed on the Nasdaq, and has an extensive background with several senior executive roles in major corporations.

On March 6, MEKO announced that it is growing in climate-smart repairs of car glass through a new partnership with ALD Automotive/LeasePlan, Sweden's leading leasing firm for company cars. The collaboration means that MEKO will become a car glass service partner for more than 45,000 vehicles in Sweden.

Approval of annual report

The Annual Report and consolidated financial statements were approved for issue by the Board on March 22, 2024. The consolidated income statement, statement of comprehensive income and balance sheet and the Parent Company's income statement, statement of comprehensive income and balance sheet will be subject to approval by the Annual General Meeting on May 16, 2024.

Financial risks

Through its operations, MEKO is exposed to currency, credit, interest-rate, financing and liquidity risks. The management of these risks is regulated in the finance policy adopted by the Board. Credit risk relating to customer commitments is managed, according to central frameworks, decentralized locally. Other risks are mainly managed centrally by the Group's Treasury unit.

Currency risk

Currency risks occur when currency fluctuations have a negative impact on the Group's earnings and shareholders' equity. Currency exposure arises in connection with cash flows in foreign currencies (transaction exposure), as well as in translation of liabilities and receivables in foreign currencies and in the translation of foreign subsidiaries' balance sheets and income statements into SEK (translation exposure).

In 2023, currency fluctuations had a negative impact on the Group's profit before tax totaling SEK 27 M (negatively: 45). The most important currency in terms of transaction exposure is EUR in the companies that do not have EUR as their home currency, which represents 55 percent (44) of goods purchases in these companies, as well as NOK pertaining to internal sales from the wholesale company in Sweden to companies in the Group in Norway. NOK, DKK, EUR and PLN are the most important currencies in terms of translation exposure to translation of subsidiaries' balance sheets and income statements into the Parent Company's currency SEK. EUR and USD are the most important currencies for the translation of the companies' own balance sheets, mainly accounts payable. During the year, the Group began currency-hedging parts of the suppliers ledger in foreign currencies to reduce the effect of currency fluctuations on the balance sheet that affect operating profit. The handling of currency risks is regulated in the finance policy. The Group can hedge operating cash flows with a hedging period of between 1 and 12 months.

The Group has a number of holdings in foreign operations, the net assets of which are exposed to currency risks, mainly in NOK, DKK, EUR and PLN. For this kind of currency exposure, the Group can currency hedge it by raising loans or derivatives in the same currency as the asset. The Group hedge accounts net investments of foreign operations in NOK by classifying a cross-currency interest-rate swap in NOK as a hedging instrument.

The translations of the loan and the cross-currency interest-rate swaps at the closing day rate are recognized in other comprehensive income and meet the restatement of the net assets in these currencies. Other comprehensive income also includes an effect of SEK –78 M remaining since 2022, when loans in EUR used to hedge net assets in DKK were terminated. This item will remain for as long as the underlying assets in DKK are retained in the Group. For more information on currency exposure, refer also to the sensitivity analysis section in the Administration Report.

Credit risk

The Group's financial transactions give rise to credit risks in relation to financial counterparties. Credit risks or counterparty risks refer to the risk of loss if the counterparty does not fulfil its commitments. MEKO's credit risks primarily comprise accounts receivable, which are distributed over a large number of counterparties and a small portion of long-term hire-purchase contracts. For each new customer, or in the event an existing customer wants to increase the credit limit, a credit rating is conducted according to the Group's established policies. The maximum credit risk corresponds to the carrying amount of financial assets. Specifications of changes to the credit loss reserve of accounts receivable for the year and long-term hire-purchase contracts are found in Notes 17 and 19.

Interest-rate risk

Interest-rate risks refer to the risk that changes in market interest rates will have a negative impact on the Group's net interest expense. The rate at which interest rate changes affect the net interest expense depends on the fixed-interest period for the loan. According to the finance policy, the fixed-interest period is normally to be 24 months, with an exception mandate of +12/–18 months.

As per December 31, 2023, MEKO's net debt is SEK 2,980 M (3,558). A fixed-interest period is available with a term of less than one year. In addition to this, there are three interest-rate swaps of SEK 500 M each with maturity in 2024, 2025 and 2027, respectively, to hedge cash flows in the loans held by MEKO AB. The swaps lead to MEKO receiving variable interest and paying fixed interest. The Group has classified the interest-rate swaps as hedging instruments in a cash flow hedge of future interest payments. MEKO measures the effectiveness of the hedging relationship on each reporting occasion. The interest-rate swap and the loan have the same currency, interest base (STIBOR 3M) and interest translation date, and the loan volume is not below the interest-rate swap's nominal amount whereby there is a strong financial link between the loan and the interest-rate swap. See also the table in the Sensitivity analysis section of the Administration Report.

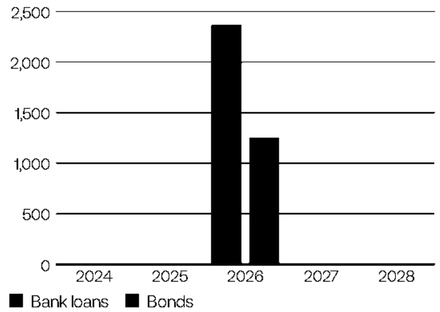
Financing and liquidity risks

Financing risk is seen as the risk of the cost being higher and financing opportunities limited when loans are renewed and payment obligations cannot be met as a result of insufficient liquidity or difficulties in securing financing. According to the finance policy, refinancing risks are to be managed by signing long-term and flexible credit agreements.

As per December 31, 2023, the Group's total loan financing excluding IFRS 16 Leases amounted to SEK 3,615 M (4,315), of which the long-term portion is SEK 3,615 M (4,315). The Group's borrowing from banks is subject to certain conditions, known as covenants, all of which MEKO meets. The conditions include an owner change clause that becomes current upon an owner change in excess of 50 percent or upon a delisting. The company has not raised any new loans during the year. Existing loans of SEK 1,965 M were extended by one year until 2026, with the possibility of extending these for another year. Existing RCF were extended until 2026.

See the maturity structure in addition to amortization according to plan in the graph below:

MEKO's external loans without backup facilities as per December 31, 2023
SEK M



All loans are repayment-free during their term and are repaid in full at maturity. However, the loans can be repaid in whole or in part at any time and the amount drawn under the RCF may vary according to the Group's wishes. In addition, the Group has overdraft facilities totaling SEK 320 M (320). The Group's cash and cash equivalents are invested short term and any surplus liquidity is to primarily be used for amortizing loans. According to the finance policy, investments may be made in SEK, NOK and EUR. Investments may be made with or in securities issued by the Swedish Government or Swedish and foreign banks with at least an A rating, according to the definition of Standard & Poor's (S&P) and in liquid fixed income funds with short investment horizons.

MEKO's available cash and unutilized credit facilities were around SEK 1,843 M at the end of December.

Fair value

No financial assets or liabilities were recognized at a value that significantly deviated from fair value.

Ineffectiveness in hedge accounting

For all hedging relationships, the effectiveness is evaluated. The relationship between the hedged item and the hedging instrument is evaluated continuously to ensure that the relationship meets the requirements to be able to apply hedge accounting. The Group matches the critical conditions in the hedged item with corresponding conditions in the hedging instrument. For cash-flow hedges of interest-rate risk, the Group enters into interest-rate swaps that have the same critical conditions as the hedged item. Critical conditions can be reference rate, interest translation dates, payment dates, due dates and nominal amounts. The Group does not hedge 100 percent of the loans and therefore identified only the part of the outstanding loans that are matched by the swaps' nominal amounts. In addition, the credit risk at MEKO and the counterparty does not significantly affect the measurement of the interest-rate swaps, which makes the hedge effective. The hedge ratio is 1:1. Effects of reference rate reforms may have an impact on the hedge's effectiveness, but these effects are deemed to not be material.

For hedges of net investments by foreign operations in Norway (NOK), ineffectiveness can arise if the hedged items, net investment in NOK, were to suddenly decrease since it would lead to the part of the loan classified as a hedging instrument exceeding the equity in NOK. The hedge ratio in the relationship is 1:1, which means that net investments in NOK cross-currency interest-rate swaps in NOK are equal. If changed conditions affect the condition for the hedged item in such an extent that the critical conditions no longer match the hedging instrument's critical conditions, the Group uses the hypothetical derivative method to evaluate effectiveness.

No ineffectiveness has been reported in the results in 2022 or 2023.

Hedge accounting's impact on the Group's financial position and performance

	Group	
Translation of net assets in foreign currencies	**2023**	**2022**
Carrying amount, hedging instrument, long-term liabilities to credit institutions	–	–
Nominal amount in EUR, hedging instrument	–	–
Carrying amount in foreign assets	–	–
Amounts in DKK	–	–
Hedge ratio	–	–
Changes in the loan's carrying amount due to changes in exchange rate	–	SEK –88 M
Changes in value of assets in foreign currency	–	SEK +88 M
Carrying amount, hedging instrument, interest-rate swaps	SEK 494 M	SEK 528 M
Nominal amount in NOK, hedging instrument	NOK 500 M	NOK 500 M
Carrying amount in foreign assets	SEK 494 M	SEK 528 M
Amounts in NOK	NOK 500 M	NOK 500 M
Hedge ratio	1:1	1:1
Value changes for outstanding derivative instruments	SEK +33 M	SEK –16 M
Changes in value of assets in foreign currency	SEK –33 M	SEK +16 M

	Group	
Cash flow hedges of interest-rate risk	**2023**	**2022**
Carrying amount, hedging instrument	SEK –4 M	SEK 27 M
Nominal amount	SEK 1,500 M (3 x SEK 500 M)	SEK 1,500 M (3 x SEK 500 M)
Due date	2024, 2025 and 2027	2024, 2025 and 2027
Hedge ratio	1:1	1:1
Value changes for outstanding derivative instruments	SEK –25 M	SEK 25 M
Value changes of the hedged item	SEK 25 M	SEK –25 M

Due date for nominal amount, 2023	**Within 1 year**	**1–3 years**	**4–5 years**	**More than 5 years**
Nominal amount	500	500	500	–
Average hedged fixed interest	0.17%	3.20%	3.11%	–

Due date for nominal amount, 2022	**Within 1 year**	**1–3 years**	**4–5 years**	**More than 5 years**
Nominal amount	–	1,000	500	–
Average hedged fixed interest	–	1.68%	3.11%	–

Signatures

The Board of Directors and CEO hereby certify that the Annual Report, including sustainability report, was prepared in accordance with the Annual Accounts Act and RFR 2 and provides a true and fair view of the company's financial position and earnings and that the Administration Report provides a true and fair view of the performance of the company's operations, position and earnings and describes significant risks and uncertainty factors faced by the company.

The Board of Directors and CEO hereby certify that the consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as approved by the EU, and provide a true and fair view of the Group's financial position and earnings and that the Administration Report for the Group provides a true and fair view of the performance of the Group's operations, position and earnings and describes significant risks and uncertainty factors faced by the companies included in the Group.

Stockholm, March 22, 2024

Robert M. Hanser
Chairman of the Board

Helena Skåntorp
Executive Vice Chairman

Eivor Andersson
Board member

Kenny Bräck
Board member

Joseph M. Holsten
Board member

Magnus Håkansson
Board member

Michael Løve
Board member

Justin Jude
Board member

Pehr Oscarson
President and CEO

Our Auditors' Report was submitted on March 22, 2024
PricewaterhouseCoopers AB

Linda Corneliusson
Authorized Public Accountant
Auditor-in-Charge

Auditor's report

To the general meeting of the shareholders of MEKO AB (publ), corporate identity number 556392-1971

Report on the annual accounts and consolidated accounts

Opinions
We have audited the annual accounts and consolidated accounts of MEKO AB (publ) for the year 2023 except for the corporate governance report on pages 36-43. The annual accounts and consolidated accounts of the company are included on pages 31-75 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance report on pages 36-43. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions
We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach
Audit scope
We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality
The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They 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 consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters
Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Inventories
Key Audit Matter
We refer to Note 1 Accounting policies, Note 2 Significant estimates and assessments and Note 18 Inventories.

In MEKO, inventories, which consist of spare parts and car accessories, constitute a significant part of the Group's assets. Inventories amount to 4 459 MSEK as of December 31, 2023. With the aim of offering rapid deliveries and being close to the customers, there are a large number of branches represented in MEKO's five business areas. In addition, there are a number of central and regional warehouses in Sweden, Denmark, Norway, Poland, Estonia and Finland. Inventory is measured according to the lower of cost and net realizable value. To ensure the existence of inventory, MEKO performs inventory counts at the various inventory locations during the year. The value of the inventory is affected by factors, such as purchase prices and obsolescence. Purchase prices are in turn affected by agreements with various suppliers with regard to discounts and purchase bonuses, which are based on achieved purchase volumes. Inventories is a key audit matter in our audit as it is associated with estimates and judgments mainly related to obsolescence and volume bonuses.

How our audit addressed the Key Audit Matter.
In the inventory process, there are controls that the business performs to ensure correct reporting. We have mapped the routines for inventory transactions and accounting.

In addition, detailed testing was done of a selection of products in inventory for goods for resale to check the purchase price against invoice. Furthermore, we have conducted an analysis of the company's assessment of the net realizable value. For some of the entities within the group, data analyses are also being done, meaning that inventory transactions are sorted and analyzed in accordance with predetermined parameters.

We also assessed the Group's model for obsolescence calculation and audited its application. In order to ensure the inventory's existence and its condition, we also participate in a selection of stock takes that MEKO Group performs. We also conduct our own stock takes in some warehousing locations. In addition, we assessed the adequacy of the disclosures provided in the annual report and consolidated financial statements.

Goodwill and intangible assets with indefinite useful life
Key Audit Matter
We refer to Note 1 Accounting policies, Note 2 Significant estimates and assessments and Note 12 Intangible fixed assets

Goodwill constitutes a significant part of MEKO's total assets and amounts to MSEK 4 106 as per December 31, 2023. Acquired brands attributable to the acquisitions of Sørensen og Balchen, MECA, FTZ, Inter-Team and Koivunen have been assessed to have an indefinite useful life and amount to MSEK 1 018 as of the same point in time. Impairment testing of goodwill and other intangible assets with indefinite useful lives takes place in the fourth quarter annually or more frequently if there are indications of impairment. The recoverable amount for a cash-generating unit is established based on calculations of the value in use. The value in use is the present value of the estimated future cash flows. Calculated value in use is sensitive to changes in assumptions for the sales growth rate, EBIT margin and the relevant discount rate (WACC, Weighted Average Cost of Capital), which is used to discount future cash flows. As goodwill and assets with indefinite useful lives are subject to the management's assessments and judgment and as the items are significant, we assessed the risk for impairment requirements as a key audit matter.

How our audit addressed the Key Audit Matter.
In our audit we have verified that the forecasted cash flows included in the impairment tests for the next year are based on budgets. We have reconciled that the assumptions used for the forecast are consistent with management's expectations. And we have evaluated the long-term margin and growth rate that the company uses to forecast cash flows beyond the first five-year period. Our tests of the discount rate used for calculation purposes, included an assessment of whether the discount rate reflects the specific and general risks related to the cash generating unit. We have been able to reconcile the data in the calculation to independent external sources and validated that the composition of the discount rate is consistent with established theory and work-

ing practices. We have also evaluated the company's analysis of the sensitivity in the valuation of changes in significant parameters that could lead to impairment. In addition, we assessed the adequacy of the disclosures provided in the annual report and consolidated financial statements.

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 1-30, 79-97 and 99-102. The Board of Directors and the Managing Director are responsible for this other information.

The information presented in "Remuneration Report 2023", which is published on the company's website at the same time as this report, also constitutes 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 Director's and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Report on other legal and regulatory requirements

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of MEKO AB for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

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 MEKO AB (publ) for the financial year 2023 .

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion
We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of MEKO 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 Director's (and the Managing Director)
The Board of Directors and the Managing Director are responsible for the preparation of Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

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

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance report on pages 36–43 has been prepared in accordance with the Annual Accounts Act.

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

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

PricewaterhouseCoopers AB, Torsgatan 21, was appointed auditor of MEKO AB by the general meeting of the shareholders on May 23rd 2023 and has been the company's auditor since April 8th 2014.

Stockholm, March 22nd, 2024
PricewaterhouseCoopers AB

Linda Corneliusson
Authorized Public Accountant

Five years in summary

The tables below present financial information in summary for the financial years 2019–2023.

Income statement

SEK M	2023	2022	2021	2020	2019
Net sales	16,762	14,067	12,309	11,511	11,842
Other revenue	516	324	243	253	174
Goods for resale	–9,500	–7,745	–6,709	–6,318	–6,535
Other operating expenses	–5,918	–5,015	–4,143	–3,871	–3,951
EBITDA	**1,859**	**1,631**	**1,699**	**1,574**	**1,531**
Depreciation/amortization and impairment of tangible fixed assets and right-of-use assets	–797	–675	–582	–606	–611
EBITA	**1,062**	**956**	**1,117**	**968**	**920**
Amortization and impairment of intangible fixed assets	–190	–197	–223	–230	–215
Operating profit, EBIT	**872**	**759**	**894**	**738**	**705**
Net financial items	–289	–178	–134	–141	–150
Profit after financial items	**582**	**581**	**759**	**596**	**555**
Tax on profit for the year	–132	–104	–172	–150	–134
Profit for the year	**451**	**477**	**587**	**446**	**421**

Balance sheet

SEK M	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Assets					
Intangible fixed assets	5,803	5,933	5,394	5,410	5,697
Other fixed assets	2,776	2,757	2,184	2,154	2,384
Inventories	4,459	4,147	3,021	2,704	2,854
Accounts receivable	1,329	1,278	974	828	855
Other current assets	1,049	916	764	678	725
Cash and cash equivalents	623	741	892	420	355
Total assets	**16,040**	**15,773**	**13,229**	**12,193**	**12,870**
Shareholders' equity and liabilities					
Shareholders' equity, Parent Company's shareholders	6,038	5,801	5,174	4,527	4,303
Non-controlling interests	137	125	55	68	32
Long-term liabilities	5,468	5,911	4,578	4,315	5,104
Current liabilities	4,396	3,936	3,422	3,283	3,431
Total shareholders' equity and liabilities	**16,040**	**15,773**	**13,229**	**12,193**	**12,870**

Condensed cash-flow statement

SEK M	2023	2022	2021	2020	2019
Cash flow from operating activities	1,252	1,048	1,227	1,625	1,142
Cash flow from investing activities	213	–1,533	–201	–186	–199
Cash flow from financing activities	–1,595	286	–569	–1,339	–798
Cash flow for the year	**–130**	**–199**	**457**	**100**	**146**

Data per share[1]

Amounts in SEK per share unless otherwise stated	2023	2022	2021	2020	2019
Profit	7.50	8.12	10.21	7.67	7.34
Cash flow	22.4	18.8	21.9	28.9	20.3
Shareholders' equity	107.8	104	92.4	80.4	76.4
Dividend[2]	3.70	3.3	3	–	–
Share of profit paid, %	49	41	29	–	–
Share price at year-end	109.4	112.6	157.1	91.1	93.1
Share price, highest for the year	129.1	161.6	182.8	101.1	96
Share price, lowest for the year	85.1	83.9	90.1	35.06	60.8
Direct yield, %	3.4	2.9	1.9	–	–
P/E ratio at year-end, multiple	14.6	13.9	15.4	11.9	12.7
Average number of shares after dilution effects[3]	55,917,032	55,891,711	56,049,728	56,323,372	56,338,824
Number of shares at end of period[4]	56,416,622	56,416,622	56,416,622	56,416,622	56,416,622
Number of shareholders at year-end	11,637	12,009	11,676	11,728	12,259

1) For information on financial definitions, refer to page 99.
2) The Board's proposal for 2023.
3) No dilution is applicable.
4) The total number of shares at the end of the period amounted to 56,416,622, of which 83,861 are treasury shares and 344,000 are hedged through share swaps.

Key figures[1]

	2023	2022	2021	2020	2019
Sales growth, %	19	15	7	–3	52
Gross margin, %	43	45	45	45	45
EBITDA margin, %	11	11	14	13	13
EBIT margin, %	5	5	7	6	6
Adjusted EBIT margin, %	6	7	8	8	7
Capital employed, SEK M	11,777	11,837	10,070	9,549	10,195
Return on capital employed, %	7	7	9	7	7
Return on shareholders' equity, %	7	8	12	10	10
Return on total capital, %	5	5	7	6	6
Equity/assets ratio, %	39	38	40	38	34
Net debt, SEK M	2,980	3,558	2,264	2,673	3,709
Net debt/EBITDA, excl. IFRS 16 multiple	2.57	3.36	1.89	2.54	3.68
Net debt/EBITDA, incl. IFRS 16 multiple	2.66	3.12	2.3	2.71	3.59
Average number of employees					
Sweden	1,708	1,661	1,543	1,419	1,399
Denmark	1,136	1,144	1,125	1,126	1,148
Norway	1,082	1,051	1,014	941	931
Poland	1,619	1,547	1,472	1,396	1,438
Baltics[2]	244	246	–	–	–
Finland[2]	479	463	29	30	36
Other countries	–	–	–	–	1
Group	**6,268**	**6,112**	**5,182**	**4,912**	**4,953**
Number of branches/of which proprietary, by business area					
Denmark	48/48	50/50	50/50	51/51	51/51
Finland[3]	172/14	170/15	19/1	16/2	10/4
Poland/the Baltics[4]	135/113	131/109	85/83	82/79	82/79
Sweden/Norway	244/211	256/224	259/228	261/227	261/226
Sørensen og Balchen (Norway)	75/40	66/40	66/39	65/37	65/37
Group	**674/426**	**673/438**	**479/401**	**475/396**	**469/397**

	2023	2022	2021	2020	2019
Number of affiliated workshops by business area[5]					
Denmark business area					
AutoMester	391	400	404	409	421
Hella Service Partner	276	283	305	322	331
Din BilPartner	159	153	150	152	153
CarPeople	75	72	60	47	38
White Label	102	115	116	–	–
	1,003	**1,023**	**1,035**	**930**	**943**
Finland business area					
Fixus	192	200	–	–	–
MECA Tungbil	35	38	–	–	–
Mekonomen Bilverkstad	116	97	78	60	33
	343	**335**	**78**	**60**	**33**
Poland/the Baltics business area					
Inter Data Service	757	644	546	450	404
O.K. Serwis	315	287	245	211	199
Fixus	34	33	–	–	–
	1,106	**964**	**791**	**661**	**603**
Sweden/Norway business area					
Mekonomen Bilverkstad	660	681	690	699	762
MECA Car Service	705	726	729	725	709
MekoPartner	184	187	191	191	208
Speedy	48	47	43	42	40
MECA Tungbil	42	37	20	-	-
Allt i Bil	4	5	7	7	8
White Label	81	93	92	-	-
	1,724	**1,776**	**1,772**	**1,664**	**1,727**
Sørensen og Balchen (Norway) business area					
BilXtra	270	262	253	253	258
	270	**262**	**253**	**253**	**258**
Total number of affiliated workshops in the Group	**4,446**	**4,360**	**3,929**	**3,568**	**3,564**

1) For information on financial definitions, refer to page 99.
2) The average number of employees in 2022 for the Baltics and acquired operations in Finland are calculated for the six-month period July 1–December 31, 2022.
3) From Q3 2022 including the acquired business from Koivunen in Finland.
4) From Q3 2022 including the acquired business from Koivunen in Estonia, Latvia and Lithuania.
5) Includes 90 (90) proprietary workshops operated under our brands.

Quarterly overview

SEK M	2023 Full-year	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Full-year	2022 Q4	2022 Q3	2022 Q2	2022 Q1
Quarterly data by business area										
Net sales[1]										
Denmark	4,267	1,148	986	1,087	1,046	3,689	986	851	919	933
Finland[2]	1,462	354	386	387	335	728	327	336	32	33
Poland/the Baltics	3,522	916	921	901	784	2,748	813	786	615	533
Sweden/Norway[2]	6,579	1,727	1,589	1,670	1,593	6,020	1,559	1,467	1,553	1,441
Sørensen og Balchen (Norway)	923	225	240	246	213	877	209	216	237	215
Central functions[3]	8	3	2	2	2	5	2	3	0	0
Group	**16,762**	**4,373**	**4,124**	**4,292**	**3,973**	**14,067**	**3,895**	**3,660**	**3,357**	**3,155**
EBIT										
Denmark	302	56	91	72	83	265	41	58	73	93
Finland[2]	57	–40	3	71	23	22	13	21	–7	–6
Poland/the Baltics	158	50	35	47	26	164	57	52	38	17
Sweden/Norway[2]	393	19	174	118	82	383	50	130	102	101
Sørensen og Balchen (Norway)	158	42	42	47	27	160	34	39	50	37
Central functions[3]	–95	–34	–20	–26	–15	–119	–19	–41	–42	–17
Other items[4]	–101	–24	–25	–25	–27	–116	–28	–24	–30	–35
Group	**872**	**68**	**300**	**304**	**200**	**759**	**148**	**235**	**185**	**190**
EBIT margin, %										
Denmark	7.0	4.9	8.8	6.6	8.0	7.2	4.1	6.8	7.9	10.0
Finland[2]	3.7	–11.3	0.9	15.5	6.7	2.9	3.9	6.2	–21.3	–16.8
Poland/the Baltics	4.3	5.2	3.7	5.1	3.2	5.8	6.8	6.4	6.0	3.0
Sweden/Norway[2]	5.8	1.1	10.6	6.9	5.1	6.2	3.1	8.6	6.5	6.8
Sørensen og Balchen (Norway)	16.8	18.1	17.4	18.6	12.6	18.0	15.9	17.9	20.9	17.0
Group	**5.0**	**1.5**	**7.1**	**6.8**	**4.9**	**5.3**	**3.7**	**6.3**	**5.4**	**5.9**
Investments[5]										
Denmark	28	8	8	7	6	45	10	15	12	8
Finland	30	10	8	8	4	14	9	4	1	0
Poland/the Baltics	46	9	22	6	8	35	15	9	6	5
Sweden/Norway	111	36	12	28	35	98	30	19	32	16
Sørensen og Balchen (Norway)	5	1	0	2	2	4	2	0	0	2
Central functions[3]	11	4	1	2	3	13	6	3	2	2
Group	**231**	**68**	**52**	**53**	**58**	**208**	**71**	**50**	**53**	**34**

SEK M	2023 Full-year	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Full-year	2022 Q4	2022 Q3	2022 Q2	2022 Q1
Quarterly data, Group[6]										
Revenue	17,278	4,517	4,255	4,453	4,052	14,391	4,007	3,744	3,415	3,226
EBITDA	1,859	359	538	537	426	1,631	386	462	388	395
EBITDA excl IFRS 16[7]	1,160	126	370	385	279	1,059	227	311	258	263
Adjusted EBIT	963	175	292	270	227	945	198	281	240	225
EBIT	872	68	300	304	200	759	148	235	185	190
Net financial items	–289	–48	–76	–79	–86	–178	–53	–56	–42	–27
Profit after financial items	582	20	225	224	114	581	95	179	143	163
Tax	–132	–14	–41	–47	–30	–104	24	–46	–41	–42
Profit for the period	451	6	183	177	84	477	120	133	102	121
Gross margin, %	43.3	42.0	43.5	43.3	44.7	44.9	42.8	45.1	46.3	46.1
EBITDA margin, %	10.8	7.9	12.6	12.1	10.5	11	10	12	11	12
Adjusted EBIT margin, %	5.6	3.9	6.9	6.1	5.6	7	5	8	7	7
EBIT margin, %	5.0	1.5	7.1	6.8	4.9	5	4	6	5	6
Earnings per share before and after dilution, SEK	7.50	–0.07	3.11	3.03	1.43	8.12	2.05	2.23	1.73	2.11
Shareholders' equity per share, SEK	107.8	107.8	111.5	111.5	106.2	104.0	104.0	99.7	95.6	95.8
Cash flow per share, SEK	22.4	2.5	10.7	8.7	0.5	18.8	5.8	8.5	6.9	–2.5
Return on shareholders' equity, %	6.9	6.9	9.0	8.4	7.4	8.3	8.3	8.6	9.7	11.7
Share price at end of period	109.4	109.4	95.0	111.2	123.5	112.6	112.6	91.8	110.0	111.2

1) Net sales for each business area pertain to external customers.
2) Mekonomen Finland is reported from the third quarter of 2022 in the Finland business area from previously in the Sweden/Norway business area. Comparative figures have been restated.
3) "Central functions" include Group-wide functions also including MEKO AB.
4) "Other items" include acquisition-related items attributable to MEKO AB's direct acquisitions. Current acquisition-related items are depreciation and amortization of surplus values regarding acquired intangible and tangible assets pertaining to the acquisitions of FTZ, Inter-Team, Koivunen and MECA (MECA until the end of May 2022).
5) Investments are exclusive of company and business combinations and exclusive of leases according to IFRS 16.
6) For information on financial definitions, refer to page 99.
7) EBITDA excl. IFRS 16, see alternative performance measures on http://www.MEKO.com.

Disclosure of information according to the EU Taxonomy for sustainable investments

Regulation (EU) 2020/852, known as the EU Taxonomy, is a classification system for sustainable economic activities that contribute to the European Union's six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

An economic activity is classified as sustainable by the EU Taxonomy if it complies with the technical screening criteria: make a substantial contribution to at least one environmental objective, do no significant harm to any other environmental objective, and comply with the minimum safeguards.

As of the 2022 financial year, MEKO has reported its Taxonomy-eligible economic activities and the percentage of its turnover that is Taxonomy-aligned. MEKO has chosed to apply a restrictive interpretation and will not report any activity that is Taxonomy-aligned in this Annual Report. This is to continue working in 2024 to ensure compliance with the technical screening criteria of making a substantial contribution to at least one environmental objective, doing no significant harm to any other environmental objective, and meeting minimum safeguards.

The Taxonomy reporting presents the identified activities that are listed in the European Commission's Delegated Regulations for climate and the environment. In 2023, MEKO has found it difficult to obtain comprehensive data from the Group's business areas and data for Finland is missing in the presentation on the following pages. Due to a lack of regulatory guidance in many respects, MEKO has found that some parts of the Taxonomy are open to broad interpretation and has deemed it necessary to apply certain internal trade-offs. When it comes to the definition of low-carbon technologies MEKO has also adopted a restrictive balance and chosen to only include vehicles with zero emissions (electric vehicles) and hybrid cars with low emissions (lower than 50 g CO_2 /km), which resulted in a lower result for Taxonomy-eligible activities.

The disclosures for 2023 are based on the Group's assessments and interpretations which, in turn, are based on information and guidance that was publicly available on January 31, 2024. These interpretations may change in the future due to new regulatory guidance, the development of a market practice, and the fact that general knowledge of the Taxonomy is growing.

Minimum safeguards

Corruption

MEKO has zero tolerance of corruption and a policy for this, which is part of the Group's Code of Conduct, has been published on MEKO's website. All employees underwent training in the Code of Conduct in 2021, and in 2023 the Group's objective was that all new employees will undergo training in the Code to ensure that correct procedures for training are in place.

For employees and outsiders, there is also the possibility to report irregularities and violations of the law in MEKO's whistleblowing system that is available on the intranet and on MEKO's website. Work on anti-corruption and possible violations is followed up annually and reported in the Annual Report. MEKO makes the assessment that the Group does not violate minimum safeguards in the area of corruption.

Tax

In 2023, MEKO worked on the tax issue and created a formalized tax policy that includes strategies and processes for tax risk management. Given that MEKO now has a tax policy in place and has not been found guilty of tax evasion, it is considered that the Group fulfils the EU Taxonomy's tax requirements.

Fair competition

MEKO is to act as a good corporate citizen and according to the Group's Code of Conduct, MEKO respects and complies with competition rules. Training and work on the Code are followed up as described in the section on corruption, above. MEKO makes the assessment that the Group does not violate minimum safeguards in the area of fair competition and work will be conducted in 2024 to review processes and procedures linked to this area.

Human rights

MEKO has guidelines on human rights as a part of the Group's Code of Conduct. Training, work and any violations are followed up as described in the section on corruption, above. For suppliers, there is a separate Supplier Code of Conduct that regulates issues relating to, and follow-up of, human rights.

MEKO makes the assessment that the Group does not violate minimum safeguards in the area of human rights but in 2023, the Group initiated a review of the processes and guidelines that exist to identify any measures that may be necessary going forward.

Economic activities

Calculation of total turnover, operating expenses (OpEx) and capital expenditure (CapEx)

Total turnover (revenue) is based on our consolidated net sales as described on page 45. Total CapEx comprises the investments in tangible and intangible fixed assets during the financial year, which are defined in Notes 12–15 of the Annual Report. Total OpEx consists of direct non-capitalized expenses related to building renovations, short-term leases, maintenance and repairs, and other direct expenses related to day-to-day maintenance of tangible fixed assets. The following economic activities that are listed in the Taxonomy's delegated regulation are included in the calculation.

CE 2.6. Depollution and dismantling of end-of-life products

The workshops handle a large number of end-of-life products and spare parts. This activity includes annual environmental fees adopted as a supplement for used spare parts and annualized costs for waste management and removal of end-of-life products for scrapping. Actual OpEx and CapEx attributable to the above are also recognized in this activity.

Activity 2.6 is described in the Commission Delegated Regulation (EU) 2023/2486 and contributes to the environmental objective of circular economy.

CCM 3.3 Manufacture of low carbon technologies for transport

In this activity, MEKO has chosen to apply a restrictive interpretation that only includes repairs and maintenance costs of vehicles with zero emissions (electric vehicles) and hybrid cars with low emissions are included (lower than 50 g CO_2/ km). The report includes total turnover, OpEx and CapEx that derives from repair and maintenance (service) of these vehicles in wholly owned or majority-owned workshops. MEKO has assumed that all turnover, CapEx and OpEx that arise from the repair and maintenance of electric vehicles/hybrid cars are included in this activity, i.e., also spare parts and accessories sold at the time of service. MEKO has made the assessment that it is not possible at present for us to distinguish between turnover, OpEx and CapEx linked to the activities 3.3 Manufacture of low carbon technologies for transport and 3.18 Manufacture of automotive and mobility components. As a result, MEKO reports the activities jointly under 3.3. The turnover attributable to the above is based on the workshops' sales statistics. To calculate OpEx and CapEx, total turnover was used as a key.

Activity 3.3 is described in the Commission Delegated Regulation (EU) 2021/2139 and contributes to the environmental objective of climate change mitigation.

CE 5.3 Preparation for re-use of end-of-life products and product components

This activity includes the value of pledged items and credited returned parts. A credited returned part is an item that customers can return and receive a refund, where the actual core part of the item has a separate economic value. The aim of the process is that the part can be returned to the manufacturer for refurbishment and subsequently reused.

Activity 5.3 is described in the Commission Delegated Regulation (EU) 2023/2486 and contributes to the environmental objective of circular economy.

CE 5.4 Sale of second-hand goods

This activity includes turnover for refurbished products that we buy and sell with a deposit. The cost of this deposit also ensures that the products are returned to the supplier for further recycling.

Activity 5.4 is described in the Commission Delegated Regulation (EU) 2023/2486 and contributes to the environmental objective of circular economy.

CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles

In this activity, MEKO has elected to apply a restrictive interpretation of the definition of low carbon technologies for transport and has only included turnover related to transport and maintenance for rented and leased vehicles, such as company cars with zero emissions (electric vehicles) and hybrid cars with low emissions (lower than 50 g CO_2/km). Directly attributable OpEx are also recognized in this activity.

Activity 6.5 is described in the Commission Delegated Regulation (EU) 2021/2139 and contributes to the environmental objective of climate change mitigation.

CCM 6.6 Freight transport service by road

From our branches, goods are distributed using courier services to our affiliated and proprietary workshops. This goods transport represents an important part of the offering to our customers. In the report of aligned activity, MEKO assumed that only activities related to electric goods delivery vehicles are covered. In 2023, 24 electric delivery vehicles were used, which is a year-on-year increase of 13 vehicles in the Group. The turnover attributable to the above is included in the price of our other service offerings, which is why direct costs related to the electric delivery vehicles were used in the calculation. In addition, a general mark-up is added to obtain the applicable turnover for this activity. Directly attributable OpEx and CapEx for the electric delivery vehicles are also recognized in this activity.

Activity 6.6 is described in the Commission Delegated Regulation (EU) 2021/2139 and contributes to the environmental objective of climate change mitigation.

CCM 7.3 Installation, maintenance and repair of energy-efficient equipment

This activity includes costs for maintenance and renovation, including insulation and replacement of windows and doors to improve energy efficiency. Actual OpEx and CapEx attributable to the above are also recognized in this activity.

Activity 7.3 is described in the Commission Delegated Regulation (EU) 2021/2139 and contributes to the environmental objective of climate change mitigation.

CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking lots adjacent to buildings)

During the year, MEKO invested several of charging points for electric cars that are connected to our buildings. Actual OpEx attributable to the above are also recognized in this activity.

Activity 7.4 is described in the Commission Delegated Regulation (EU) 2021/2139 and contributes to the environmental objective of climate change mitigation.

CCM 7.6 Installation, maintenance and repair of renewable energy technologies, on-site

This activity includes costs for installation and maintenance of solar panels for the Group's buildings in Poland and Lithuania. Actual OpEx and CapEx attributable to the above are also recognized in this activity.

Activity 7.6 is covered by the Commission Delegated Regulation (EU) 2021/2139 and contributes to the environmental objective of climate change mitigation.

Turnover

The proportion of turnover (revenue) derived from products or services associated with Taxonomy-aligned economic activities – disclosures for year 2023[1)]

Financial year 2023		2023		Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities	Code(s)	Turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, 2022	Category (enabling activity)	Category
				Y/N	Y/N	Y/N	Y/N	Y/N	Y/N										
		SEK M	%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of eligible Taxonomy-aligned activities (A.1)		0	0.0														0.0		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Depollution and dismantling of end-of-life products	CE 2.6	3	0.0	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0		
Manufacture of low carbon technologies for transport	CCM 3.3	48	0.3	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.13		
Preparation for re-use of end-of-life products and product components	CE 5.3	170.7	1.0	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0		
Sale of second-hand goods	CE 5.4	348.5	2.0	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.5	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Freight transport services by road	CCM 6.6	79.2	0.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.3	0.0	0.0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.0	0.0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.0	0.0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Installation, maintenance and repair of renewable energy technologies, on site	CCM 7.6	0.0	0.0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Turnover of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		650	3.8														0.2		
A. Turnover of Taxonomy eligible activities (A.1 + A.2)		650	3.8														0.2		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of non-eligible activities (B)		16,628	92.6																
TOTAL (A + B)		**17,278**	**100**																

	Proportion of Turnover/Total Turnover: Taxonomy-aligned per objective (%)	Taxonomy-eligible per objective (%)
Climate Change Mitigation (CCM)	0	0.8
Climate Change Adaptation (CCA)	0	0
Water and Marine Resources (WTR)	0	0
Cirkular Economy (CE)	0	3
Pollution Prevention and Control (PPC)	0	0
Biodiverity and Ecosystems (BIO)	0	0

1) Data for Finland is missing in Taxonomy reporting for 2023 due to the lack of information on Taxonomy-related activities

CapEx

The proportion of CapEx derived from products or services associated with Taxonomy-aligned economic activities – disclosures for year 2023[1]

Financial year 2023		2023		Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities	Code(s)	Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, 2022	Category (enabling activity)	Category
				Y/N	Y/N	Y/N	Y/N	Y/N	Y/N										
		SEK M	%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of eligible Taxonomy-aligned activities (A.1)		0	0.0														0.0		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Depollution and dismantling of end-of-life products	CE 2.6	0.1	0.0	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0		
Manufacture of low-carbon technologies for transport	CCM 3.3	0.1	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Preparation for re-use of end-of-life products and product components	CE 5.3	0.0	0.0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Sale of second-hand goods	CE 5.4	0.0	0.0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.0	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1		
Freight transport service by road	CCM 6.6	0.3	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Installation, maintenance and repair of energy-efficient equipment	CCM 7.3	0.7	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.0	0.0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.0	0.0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1		
Installation, maintenance and repair of renewable energy technologies, on-site	CCM 7.6	2.1	0.3	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
CapEx of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3.4	0.4														0.7		
A. CapEx of Taxonomy eligible activities (A.1 + A.2)		3.4	0.4														0.7		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of non-eligible activities (B)		753	99.6																
TOTAL (A + B)		**756**	**100**																

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective (%)	Taxonomy-eligible per objective (%)
Climate Change Mitigation (CCM)	0	0.4
Climate Change Adaptation (CCA)	0	0
Water and Marine Resources (WTR)	0	0
Cirkular Economy (CE)	0	0
Pollution Prevention and Control (PPC)	0	0
Biodiverity and Ecosystems (BIO)	0	0

[1] Data for Finland is missing in Taxonomy reporting for 2023 due to the lack of information on Taxonomy-related activities

OpEx

The proportion of OpEx derived from products or services associated with Taxonomy-aligned economic activities – disclosures for year 2023[1)]

Financial year 2023		2023		Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities	Code(s)	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, 2022	Category (enabling activity)	Category
		SEK M	%	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of eligible Taxonomy-aligned activities (A.1)		0	0.0																
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
Depollution and dismantling of end-of-life products	CE 2.6	3	3.2	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0		
Manufacture of low-carbon technologies for transport	CCM 3.3	0.1	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7		
Preparation for re-use of end-of-life products and product components	CE 5.3	0.0	0.0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Sale of second-hand goods	CE 5.4	0.0	0.0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	5.3	6.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.0		
Freight transport service by road	CCM 6.6	1.9	2.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1		
Installation, maintenance and repair of energy-efficient equipment	CCM 7.3	0.1	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.1	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.3		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0.0	0.0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.9		
Installation, maintenance and repair of renewable energy technologies, on-site	CCM 7.6	0.0	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
OpEx of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		10	11.7														5.0		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		10	11.7														5.0		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of non-eligible activities (B)		78	88.3																
TOTAL (A + B)		**88**	**100**																

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective (%)	Taxonomy-eligible per objective (%)
Climate Change Mitigation (CCM)	0	8.5
Climate Change Adaptation (CCA)	0	0
Water and Marine Resources (WTR)	0	0
Cirkular Economy (CE)	0	3.2
Pollution Prevention and Control (PPC)	0	0
Biodiverity and Ecosystems (BIO)	0	0

1) Data for Finland is missing in Taxonomy reporting for 2023 due to the lack of information on taxonomy-related activities

Nuclear and fossil gas related activities

Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

In accordance with the new interpretations of the Commission Delegated Regulation (EU) 2022/1214, the table on nuclear and fossil gas related activities is mandatory regardless of whether the activities are mandatory or not. MEKO has therefore introduced this table to communicate that the Group does not conduct, finance or is exposed to nuclear or fossil gas-related operations or activities.

General information

Principles and delimitations

The Sustainability Report is a part of the Annual Report and is prepared annually in accordance with the requirements of the Swedish Annual Accounts Act and the GRI Standards 2021.

The Sustainability Report covers the entire Group, unless otherwise stated. Affiliated workshops are not owned by the Group and are not covered in the Report's information or presented in key figures, unless otherwise stated.

The GRI index is presented on page 96, with reference to the information included in the Sustainability Report. The Sustainability Report according to the Annual Accounts Act is presented in the text with page references on page 95. The company's auditors have examined and certified that a Statutory Sustainability Report has been prepared in accordance with the provisions of the Swedish Annual Accounts Act. The contents of the Sustainability Report have been reviewed by the company's auditors. This is MEKO's ninth Sustainability Report, the most recent of which was published in April 2023. The contact person for the information provided is the Group's Head of Sustainability Louise Wohrne.

Cooperation with our stakeholders leads to multidimensional value creation

MEKO has identified stakeholders based on who affects or is affected by our operations in different ways and different levels, directly and indirectly. In addition, the stakeholders have been prioritized based on who is relevant to the environmental efforts of the operations, and what needs, expectations, influence and requirements are placed on us as a company. Other indicators, such as the handling of requirements, needs, expectations and influence, and risks and opportunities linked to them, were considered in the stakeholder analysis.

Our main stakeholders include our customers (which mainly comprise workshops and car owners), employees, owners, analysts, suppliers, society and authorities. We have continuous follow-up and dialogue with these parties.

Customers		
Affiliated and other workshops Among our most important business partners are the workshops, which offer service and repairs of vehicles to car owners that are both business customers and private individuals. The Group sells spare parts and accessories to the workshops and orders are in most cases made digitally. We also offer training and other services to the workshops.	*Dialogue:* In customer interaction and in contact with customer service. *Follow-up:* Regular customer surveys and number of training days for automotive technicians.	• Fast deliveries, contact with the local branch and range of spare parts. • Affordability and training.
Car owners With our concepts, we want to attract car owners to affiliated workshops as well as our own workshops.	*Dialogue:* In customer meetings, via the web, newsletters and social media. *Follow-up:* Customer surveys and number of electric car workshops.	• Offering, quality of services and products and affordability. • Right expertise.
Employees		
The employees' commitment and performance are crucial to ensuring satisfied customers, good financial results and a pleasant workplace. MEKO seeks to offer a safe and stimulating workplace.	*Dialogue:* Annual employee development talks and continuous dialogue during the year, regular workplace meetings, newsletters, dialogue and negotiations with union organizations. *Follow-up:* Employee survey, follow-up of sickness absence, work-related injuries and employee turnover, and measurement of the under-represented gender in teams.	• Physical and psychosocial work environment. • Commitment, leadership and development. • Good terms of employment. • Possibility to influence the local workplace. • Diversity, gender equality and inclusion.
Owners and analysts		
MEKO is listed on Nasdaq Stockholm. The overall goal is to develop with high profitability and thereby generate value growth for the shareholders.	*Dialogue:* Annual General Meeting, capital markets days, roadshows and individual meetings with investors and analysts. *Follow-up:* Interim reports, Annual Report, Corporate Governance Report and other reporting that takes place during the year.	• Long-term, financially sustainable development, growth opportunities, governance and transparency. • Business ethics, environmental and climate impact, as well as climate risks.
Suppliers		
MEKO mainly purchases spare parts and accessories from the large European suppliers in the automotive industry. Nearly all suppliers have their base in Europe, while the production of products takes place in both Europe and the rest of the world. In addition, we have suppliers of indirect materials and services.	*Dialogue:* Continuous meetings, follow-up during the contract period and site visits. *Follow-up:* Acceptance of the Group's Supplier Code of Conduct. Supplier assessments.	• Product quality and safety. • Acceptance of the requirements in the Group's Supplier Code of Conduct. • Dialogue on climate change and a circular economy, as well as access to data and plans for improving data quality.
Society and authorities		
MEKO impacts the environment both in terms of its operations and products. The work environment is affected by, for example, heavy lifting and the handling of chemicals. These areas are regulated by authorities, which is why an open and transparent dialogue is important. To increase the supply of labor with the right expertise, the Group has cooperation with schools and other stakeholders.	*Dialogue:* Communication with supervisory authorities regarding permits and inspections (including those in the environment, working environment, chemical handling and fire safety). Meetings and collaborations with supply associations/trade organizations. Collaboration with NGOs and schools. *Follow-up:* Annual Report, follow-up of environmental data and environmental performance, number of training days.	• Fulfilment of legislation in, for example, environment, work environment, chemicals and fire safety. • Reducing climate impact. • Enabling more automotive technicians in the labor market. • Offer training and other services to the workshops.

Materiality assessment and material topics
The year's sustainability reporting is based on the materiality assessment carried out in 2022, where the operation's current and potential impacts were evaluated from an environmental, economic and social perspective. The assessment was based on external monitoring, business strategy, upcoming legal requirements and on the dialogues with our main stakeholders. Scenario analyzes based on TCFD methodology were also included in the identification of material topics. The two scenarios analyzed were global warming of 4 and 2 degrees respectively, meaning "business-as-usual" and fulfillment of the Paris Agreement. The scenario analysis was focused primarily on MEKO's business and included both risks and opportunities. The Group Management Team participated in the work on the update of the materiality assessment and the results were approved by the Board.

The materiality assessment forms the basis of MEKO's updated sustainability strategy, which was drafted in 2023 in line with the Group's overall business strategy. The assessment also forms the basis for how we govern our sustainability work and which GRI indicators are reported on.

To take responsibility and be successful in the long term, we need to focus on several material topics including:
- Reducing our greenhouse gas emissions
- Being an attractive employer
- Taking responsibility in our supply chain
- Supporting the workshops in the transition and in being a good employer
- Being involved in and driving the transition in the industry, both socially and environmentally

At the end of 2023, MEKO performed a double materiality assessment to prepare the Group for the new Corporate Sustainability Reporting Directive (CSRD). The double materiality assessment confirms the results of the assessment used for the year's reporting. Additional topics may be added ahead of the 2024 Sustainability Report.

Sustainability targets

KPI	Outcome 2022	Outcome 2023	Target 2023	Target 2024	Target 2025	Target 2030	UN Global Goals
Female employees (base year 2022), %	18	20	–	–	–	≥20	8
Female managers correspond to the overall distribution in the Group (base year 2022), %	13	15	–	16	–	≥20	8
Engagement index in the Group's employee survey (base year 2021)	3.9	3.8	3.9	3.9	≥4.0 (2027)	–	8
Percentage of new employees who have undergone training in the Group's Code of Conduct, (base year 2023) %	-	98	–	100	–	–	8, 12
Percentage of low-carbon delivery vehicles[1] (base year 2022), %	1	2	–	–	–	100	13
Percentage of low-carbon company cars[1] (base year 2023), %	21[2]	13	–	–	–	100	13
Number of affiliated workshops that meet our requirements for electric car workshops, level 2	830	980	–	1,000	1,500 (2027)	-	
Percentage of renewable electricity in premises with own electricity contracts (base year 2020), %	16[3]	11	–	72	100	100	13
Purchases made from suppliers that accepted the requirements in the Supplier Code of Conduct, %	91	93	≥95	≥95	≥95	–	12
Annual improvement in internal environmental model, score[2]	+4	+2	+2	+2	+2	–	8, 12, 13

1) Low-carbon refers to low CO_2 emissions technology, such as electricity, plug-in hybrid, biogas and hydrogen, compared with cars that are exclusively powered by fossil fuels such as diesel, petrol and natural gas.
2) The outcomes for 2022 and 2023 are not comparable due to a reporting error by one of our business areas. The base year has been changed to 2023.
3) In 2022, nuclear power was wrongly included as renewable electricity. In 2023, only electricity from renewable energy sources is included.
4) Based on average change for business areas during the year.

Partnerships and external evaluations
MEKO is a member of several trade associations: Svenska Fordonsbranschen, FIGIEFA and the Forum for Automotive Aftermarket Sustainability (FAAS), which brings together stakeholders from the entire automotive aftermarket's value chain

MEKO is evaluated continuously by customers and analysts. The following is a presentation of major public reviews performed in 2023:
- UN Global Compact MEKO reported its "Communication on Progress"
- MSCI ESG ratings: MEKO received an AA rating
- Sustainalytics: MEKO received an ESG Risk Rating Overall Score of 10.9, which is classified as low risk
- EcoVadis: MEKO reported for the first time in 2023 and received a Bronze rating

Environmental information

Governance
MEKO has an environmental policy that is integrated with the Group's Code of Conduct. MEKO's largest environmental impact is in the areas of logistics, energy use in premises, and chemical and waste management. To reduce the Group's environmental impact, MEKO has created an internal environmental model that measures the environmental performance of the business areas. The environmental model includes eight areas: systematic environmental work, expertise and communication, chemical handling, waste management, energy use in facilities, vehicles and transport, renewable energy and business trips.

Target

KPI	Outcome 2022	Outcome 2023	Target 2023	Target 2024	Target 2025
Annual improvement[1] in internal environmental model, score	+4	+2	+2	+2	+2

1) Based on average change during the year

Outcome
The average annual improvement in MEKO's internal environmental model increased by two points in accordance with the Group's objective.

Calculation method and follow-up
The environmental model is followed up on an annual basis to ensure that the Group's work is in line with MEKO's ambitions. Each business area reports its result, and the data is then consolidated at Group level where the average change is calculated.

Energy consumption within the organization
(GRI 302-1)

Governance
The work of reducing the Group's emissions and switching to renewable energy is governed by strategic directives and KPIs. MEKO monitors the percentage of renewable electricity on an annual basis with the aim that all premises where we are registered as the counterparty to the electricity contract shall use renewable electricity by 2025.

Target

KPI	Outcome 2022	Outcome 2023	Target 2023	Target 2024	Target 2025
Percentage of renewable[1] electricity in premises with own electricity contracts (base year 2020), %	16	11	–	72	100

1) In 2022, nuclear power was wrongly included as renewable electricity. In 2023, only electricity from renewable energy sources is included.

Energy use, MWh	2023	2022	2021
Fuels, fuel for own transports + company cars			
Renewable	2,613	2,499	4,899
Fossil (diesel, petrol)	36,151	34,720	33,343
Fuels, own heating of premises			
Renewable (wood pellets)	0	0	0
Fossil: (oil, coal pellets)	7,649	8,686	8,023
Total fossil fuels	**43,800**	**43,406**	**41,366**
Total fuels used	**46,141**	**45,905**	**46,265**
Purchased heat, heating of premises			
District heating, renewable	14,603	17,113	16,111
District heating, non-renewable	14,754	14,248	14,058
Produced electricity			
Renewable (wind, solar, hydro), MWh	100	47	0
Purchased electricity			
Renewable (wind, solar, hydro)[1]	9,217	6,607	4,155
Non-renewable, nuclear	10,102	9,166	10,593
Non-renewable, fossil	17,166	15,767	17,978
Sum, purchased heating and electricity	**65,843**	**62,900**	**62,894**
Total energy use	**112,355**	**108,852**	**109,159**

1) The figure for purchased electricity – renewable 2021 and 2022 was corrected in this year's report due to misreporting last year. This correction results in a reduction of 28 57 MWh 2021 and 24 932 MWh 2022.

Outcome

In 2023, overall energy consumption increased in the Group. The main reason for this increase was improved and more comprehensive data collection from Koivunen and the operations in the Baltic countries acquired by MEKO in 2022. Even though the table indicates an increase in energy consumption, we consider the ability to collect more comprehensive data from our business areas as a step in the right direction as this improves the mapping of the organization's energy use and emissions.

Percentage of renewable electricity in premises with own electricity contracts decreased for 2023 since nuclear power was wrongly included last year.

Calculation method and follow-up

The collection and calculation of energy and climate data has been done in a web-based tool since 2021. The respective responsible rapporteur for each unit annually reports the total consumption divided by type of energy and by renewable and non-renewable energy. In addition, information is reported if it is MEKO that is the counterparty to the electricity contract and thereby has control over what electricity is purchased.

Emissions of greenhouse gases

Scope 1, 2 and 3 (GRI 305-1, 305-2, 305-3)

Governance

The work of reducing greenhouse gas emissions is governed through strategic directives and KPIs and annual follow-up of business areas. In 2023, MEKO accelerated its emissions-reduction efforts and committed to setting science-based targets as well as commencing a process to create a climate policy and a transition plan for work moving forward.

Target

To reduce the Group's emissions, MEKO set KPIs to increase the percentage of low-carbon delivery vehicles and company cars as well as the number of affiliated workshops that meet our requirements for Electric Car Workshops Level 2.

KPI	Outcome 2022	Outcome 2023	Target 2023	Target 2024	Target 2025	Target 2030
Percentage low-carbon[1] delivery vehicles (base year 2022), %	1	2	–	–	–	100
Percentage of low-carbon[1] company cars[2] (base year 2023), %	21	13	–	–	–	100
Number of affiliated workshops that meet our requirements for Electric Car Workshops Level 2	830	980	–	1,000	1,500	-

1) "Low carbon" refers to low CO_2 emissions technology, such as electricity, plug-in hybrid, biogas and hydrogen, compared with cars that are exclusively powered by fossil fuels such as diesel, petrol and natural gas.
2) The outcomes for 2022 and 2023 are not comparable due to a reporting error by one of our business areas. The base year has been changed to 2023.

Emissions, tonnes CO_2e.[1]	2023	2022	2021
Direct emissions (Scope 1)			
Own transports (delivery trucks)[2]	7,444	6,921	6,935
Heating (gas, oil, coal pellets[3])	1,429	1,463	1,636
Business travel (company cars)[2]	2,614	2,704	1,964
Total Scope 1	**11,487**	**11,088**	**10,535**
Indirect emissions (Scope 2)			
Electricity (market-based)	12,478	11,567	13,093
Heating (district heating)	3,004	2,879	2,300
Own transports (delivery trucks)	26	13	–
Business travel (company cars)	62	34	–
Total Scope 2	**15,570**	**14,493**	**15,393**
Other indirect emissions (Scope 3)			
Purchased goods and services	550,503	435,700	–
Subcontractors, transports	18,105	12,944	10,603
Business travel with a private car[2]	570	473	202
Business travel by air and train	509	289	190
Own transports (upstream)[2]	1,770	1,643	2,153
Business travel (company cars) (upstream)[2]	633	649	540
Heating (upstream)	337	384	332
Electricity (upstream)	254	239	197
Total Scope 3	**572,681**	**452,321**	**14,217**
Total	**559,738**	**477,902**	**40,145**
Avoided emissions			
Biogenic emissions	399	397	–
Indirect emissions (Scope 2)			
Electricity (location-based)	2,238	2,204	2,279

1) Several different emission factors are used to calculate the Group's emissions of tonnes CO_2e. In some cases, specific factors are used but in most cases generic emission factors are used, including CO_2, CH_4 and N_2O_4
2) Updated factors to calculate emissions from travel by petrol and diesel-powered company cars and delivery vehicles. The outcome for own transports in 2022 are not comparable with 2023.
3) Updated factors to calculate emissions from coal pellets

Outcome

In 2023, MEKO's total greenhouse gas emissions increased. As with electricity use, a large share of the increase is due to more comprehensive data collection from the Group's business areas. When it comes to direct emissions for own transports by delivery trucks, the main increase was due to a new system to manage these emissions in Sweden, which resulted in a period without emissions data in 2022.

The spend-based calculation of purchased goods and services in Scope 3 has been developed and covers a larger part of the organization than the previous year.

One positive development linked to our KPIs is that the number of low-carbon delivery vehicles increased year-on-year and we now have 24 low carbon delivery vehicles in the Group. In addition, 150 workshops have received electric car workshop training and there are now 980 certified E+ level 2 workshops in the Group.

Calculation method and follow-up

MEKO's climate-impacting emissions are calculated based on the Greenhouse Gas Protocol and refer to the entire life cycle as far as possible.

Scope 1 includes the Group's direct emissions from sources controlled by the company, i.e., the company's own transports by delivery vehicles from branches to workshops, and heating in premises where combustion takes place on-site, e.g., with pellets or oil. Business travel with a company car is also included. Scope 2 includes the Group's indirect emissions of purchased electricity and heating. Emissions data for Scopes 1 and 2 has been collected and calculated since 2021 in a web-based tool. The data collected is consolidated at Group level and undergoes a general analysis.

Scope 3 includes the Group's emissions from indirect sources. Most the Group's Scope 3 emissions come from purchased goods and services. These emissions have been calculated separately using spend-based emission factors. In 2023, the same emission factors were used for purchased goods and services as in the previous year though inflationary adjustment was performed.

Social information

Information on employees and others who work for the organization
(GRI 2-7, 2-8 and 2-30)

Governance
Our more than 6,500 employees are our most important asset. The local operations are responsible for their employees, forms of employment and building MEKO's capacity to attract, retain and engage employees. This includes implementing improvement measures to create the best conditions for the well-being and development of our employees. MEKO has various Group-wide forums where challenges are addressed and development work is conducted. Occupational health and safety efforts are proactive and systematic and focus on both the physical and psychosocial work environment.

MEKO's Code of Conduct sets out the values and principles that govern our relationship with, among others, employees and sets out the rights and obligations of employees. The Code covers all employees in all companies and countries where MEKO has operations. According to the Code of Conduct, all employees have the right to join trade unions and organizations as they choose and to engage in collective bargaining through the trade union organizations with which MEKO has agreements. The training of new employees in the Code of Conduct is followed up annually in conjunction with the annual reporting. Read more about our Code of Conduct on our website.

Outcome
The majority of the work in MEKO is done by employees who are employed in the Group. In our wholesale operations, staff is hired in from staffing agencies based on needs. During the year, consultants were also engaged to cover temporary vacancies in IT, finance and HR, among other functions. There was no significant variation in employment during the year.

Work has begun to collect information on the number of engaged consultants at the end of the next year. The need for Group-wide definitions of terms was identified.

Of all employees in MEKO, 61 percent (58) are covered by collective bargaining agreements. In the Swedish, Norwegian, Danish and Finnish operations, more than 90 percent of employees are covered by collective bargaining agreements or similar terms and conditions. In those parts of the business where collective bargaining agreements are lacking, working conditions are largely based on existing collective bargaining agreements within the Group. Poland/the Baltics business area complies with national ordinances and regulations on compensation.

Calculation method and follow-up
The number of employees in the table below is valid as per December 31. The reporting of employee statistics is gathered from the respective business area's system for employee data management. The information is then compiled in a online tool and is assured by the coordinating HR function, and is then consolidated and reviewed at Group level for material deviations compared with the previous year.

Permanent employment refers to employment that does not have an end date and includes those who have a probationary employment if the intention is for them to transition to permanent employment. Temporary employment comprises those employment contracts that have a specified end date. Full-time employees correspond to those who work full-time (100 percent) and part-time employees to those who do not work full-time.

	Denmark		Poland/the Baltics[1]		Sweden/Norway[2]		Finland[3]		Sørensen og Balchen		Central functions		Total Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Number of employees, permanent/temporary														
Permanent employees	1,136	1,132	1,001	808	2,414	2,425	470	29	376	397	49	44	5,446	4,835
Women	162	151	200	141	504	467	80	5	68	70	21	22	1,035	856
Men	974	981	801	667	1,910	1,958	390	24	308	327	28	22	4,411	3,979
Temporary employees	13	16	765	761	319	314	19	1	0	0	0	0	1,116	1,092
Women	4	4	243	203	52	66	9	0	0	0	0	0	308	273
Men	9	12	522	558	267	248	10	1	0	0	0	0	808	819
Total	**1,149**	**1,148**	**17 66**	**1,569**	**2,733**	**2,739**	**489**	**30**	**376**	**397**	**49**	**44**	**6,562**	**5,927**
Number of employees, full-/part-time														
Full-time employees	1,097	1,104	1,764	1,564	2,333	2,341	461	30	252	241	49	44	5,956	5,324
Women	147	138	443	343	418	450	78	5	45	43	21	22	1215	1,001
Men	950	966	1321	1,221	1,852	1,891	383	25	207	198	28	22	4,741	4,323
Part-time employees	52	44	2	5	400	398	28	0	124	156	0	0	606	603
Women	19	17	0	1	75	83	13	0	23	27	0	0	130	128
Men	33	27	2	4	325	315	15	0	101	129	0	0	476	475
Total	**1,149**	**1,148**	**1,766**	**1,569**	**2,733**	**2,739**	**489**	**30**	**376**	**397**	**49**	**44**	**6,562**	**5,927**

1) The outcomes in 2022 and 2023 for the Baltics are not comparable as employees in the acquired company Koivunen are not included in the outcome in 2022.
2) The outcome in Sweden 2022 does not include employees from the company XOIL.
3) The outcomes in 2022 and 2023 are not comparable as employees in the acquired company Koivunen are not included in the outcome in 2022.

New employee hires and employee turnover
(GRI 401-1)

Governance
Committed managers and employees are a prerequisite for successful growth and development of our operations. Employee surveys, employee development talks and managers' ongoing dialogue with employees all address issues related to well-being and working conditions. In addition, opportunities for the individual to influence their work situation are discussed. The results of the dialogue are reviewed on an ongoing basis with the aim of implementing improvements in the operations from an overall perspective to the individual's own unit. The local operations are responsible for implementing improvement measures to create the best conditions for the well-being and development of our employees. Occupational health and safety efforts are proactive and systematic and focus on both the physical and psychosocial work environment.

Every year, an employee survey is conducted to identify development areas at local and global levels. We can see a strong link between employee commitment, customer satisfaction and profitability in our operations, and the issues include development opportunities, inclusion and MEKO's overall strategy. Certain issues also relate to social risks, such as victimization, to enable follow-up and concrete measures.

As part of efforts to attract, develop and retain talent in the Group, we have started a joint trainee program that offers participants an opportunity to rotate between different markets and participate in practical training, skills development and strategic project work. The program lasts for 15 months and strengthens the employer brand and our long-term succession planning. 12 participants took part in 2023, recruited externally and internally, and were involved in projects focusing on sustainability.

Skills development among our employees takes place continuously and includes internal and external courses. Several of our courses are directed at employees in workshops in response to rapid developments in such areas as vehicle electrification.

Target
For 2023, a target was set to achieve at least 3.9 in the engagement index in the Group's employee survey.

Outcome

KPI	Outcome 2022	Outcome 2023	Target 2023	Target 2024	Target 2027
Engagement index in the Group's employee survey (base year 2021)	3.9	3.8	3.9	3.9	≥4.0

	Denmark		Poland/ the Baltics		Sweden/ Norway		Finland[1]		Sørensen og Balchen		Central functions		Total Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Number of new employees														
Women														
< 30 years	29	11	63	58	71	65	21	1	4	4	1	2	189	141
31–45 years	9	14	57	45	75	36	5	3	1	2	3	2	150	102
46–59 years	6	7	17	12	28	16	3	1	1	0	1	1	56	37
> 60 years	3	1	0	2	11	3	0	0	0	1	0	0	14	7
Total women	***47***	***33***	***137***	***117***	***185***	***120***	***29***	***5***	***6***	***7***	***5***	***5***	***409***	***287***
Men														
< 30 years	61	61	173	138	271	173	63	8	9	12	1	1	578	393
31–45 years	37	39	74	71	270	124	32	5	8	16	2	2	423	257
46–59 years	23	34	32	23	189	85	11	5	6	6	4	1	265	154
> 60 years	6	9	7	4	58	13	1	2	1	2	0	0	73	30
Total men	***127***	***143***	***286***	***236***	***788***	***395***	***107***	***20***	***24***	***36***	***7***	***4***	***1,339***	***834***
Total	**174**	**176**	**423**	**353**	**973**	**515**	**136**	**25**	**30**	**43**	**12**	**9**	**1,748**	**1,121**
Number of concluded employments														
Women														
< 30 years	15	7	35	40	42	36	13	2	2	1	0	0	107	84
31–45 years	9	11	31	17	32	41	6	4	4	2	2	0	84	71
46–59 years	11	10	12	8	15	23	1	2	2	0	4	2	45	43
> 60 years	3	3	2	2	6	4	3	0	0	1	2	0	14	10
Total women	***38***	***31***	***80***	***67***	***95***	***104***	***23***	***8***	***8***	***4***	***6***	***2***	***250***	***208***
Men														
< 30 years	40	32	116	114	136	150	62	2	30	4	0	0	384	302
31–45 years	48	37	88	72	134	127	20	1	5	11	1	1	296	249
46–59 years	39	42	27	34	84	72	14	1	6	6	1	0	171	155
> 60 years	19	18	9	5	30	37	14	1	2	5	0	0	74	66
Total men	***146***	***129***	***240***	***225***	***384***	***386***	***110***	***5***	***43***	***26***	***2***	***1***	***925***	***772***
Total	**184**	**160**	**320**	**292**	**479**	**490**	**133**	**5**	**51**	**30**	**8**	**3**	**1,175**	**980**
Employee turnover														
Women	23.5%	20.5%	40%	47.5%	18.9%	22.3%	28.8%	0.0%	11.8%	5.7%	28.6%	9.1%	24.2%	24.3%
Men	15%	13.1%	30.3%	33.7%	20.2%	19.7%	28.2%	20.8%	14%	8.0%	7.1%	4.5%	21.1%	19.4%
Total	**16.2%**	**14.1%**	**32.2%**	**36.1%**	**19.9%**	**20.2%**	**28.8%**	**17.2%**	**16.3**	**7.6%**	**16.3%**	**6.8%**	**21.7%**	**20.3%**

1) The outcomes in 2022 and 2023 are not comparable as employees in the acquired company Koivunen are not included in the outcome in 2022.

78 percent (79) of invited employees took part in the employee survey in 2023, which indicates a sustained strong commitment to MEKO's development. The engagement index score was 3.8 (3.9) from a maximum of 5, while the employee Net Promotor Score (eNPS) was 3 (7). The results partly reflect the fact that more geographic markets took part in 2023 as a consequence of acquisitions completed, overall 30 percent of the participants were new employees. The survey was also held in more areas of the business than previously, which normally leads to a wider spread in the results.

The employee survey showed a few development areas, linked inter alia to our employees' experience of feedback and communication, but also a positive trend in, above all, diversity, gender equality and inclusion.

One case of victimization was reported during the year. The reported case was handled by the local operation's HR manager. Local operations have also taken proactive measures when discrimination was suspected. During the year, no work-related deaths occurred.

Calculation method and follow-up

The employee survey is performed using an external, online tool where each employee answers the questions anonymously. Employee turnover is calculated as the number of concluded employments regardless of the reason for leaving in relation to the number of permanent employees. Follow-up takes place annually in the Group's online tools and is reported by HR managers in the respective business area. Sickness absence is calculated in relation to ordinary contracted working hours. Occupational injuries are calculated as the number of accidents at the workplace that have led to personal injury.

Diversity of governance bodies and employees (GRI 405-1) and Non-discrimination (GRI 406-1)

Governance

MEKO's workplaces should reflect the diversity of our customers and society at large. Diversity is also important to create renewal, change and business value in a traditional industry. We improve our ability to meet customers' needs by having employees and managers with different experience and competences.

Within MEKO, there is a well-developed Human Resources Management system that includes equality plans, action programs against discrimination, clear goals and goal follow-ups, reporting and a division of responsibilities. Our guidelines and principles for diversity, equality and inclusion are stated in our Code of Conduct. An updated diversity policy for the Board was adopted in 2022 and is published on MEKO's website.

Other employee information

	Denmark		Poland/ the Baltics[1]		Sweden/ Norway		Finland		Sørensen og Balchen		Central functions		Total Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Sickness absence, %														
Women	5%	5.6%	–	–	6.1%	6.9%	25.4%	5.1%	21.4%	12.4%	2.1%	0.5%	6.1%	10.8%
Men	3.4%	4.3%	–	–	5%	5.6%	7.1%	2.5%	6.1%	5.2%	0.3%	0.4%	3.8%	6.4%
Total	**3.6%**	**4.4%**	**5%**	**4.9%**	**5.2%**	**5.9%**	**8.4%**	**2.9%**	**8.4%**	**6.5%**	**1.1%**	**0.5%**	**5.4%**	**5.3%**

1) Data broken down by men and women not available for Inter-Team.

	Denmark		Poland/ the Baltics		Sweden/ Norway		Finland		Sørensen og Balchen		Central functions		Total Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Occupational injuries, number														
Women	7	5	0	3	15	17	1	0	0	0	0	0	23	25
Men	39	23	1	10	41	53	11	2	0	0	0	0	92	88
Total	**46**	**28**	**1**	**13**	**56**	**70**	**12**	**2**	**0**	**0**	**0**	**0**	**115**	**113**

The creation of an even gender distribution in the Group is a challenge since the automotive aftermarket is traditionally an industry with more men than women employees. To strengthen the focus on diversity and unconscious bias, workshops were held for Group Management and business area management teams in 2023. During 2024, this initiative will continue as training is rolled out in diversity and unconscious bias for recruiting managers.

Succession plans are prepared annually for senior positions and there is also an analysis of employee turnover.

Target

One of our sustainability targets is that the percentage of women in the Group is to amount to at least 20 percent by 2030 and that gender distribution among managers is to correspond to the distribution in the Group by 2030.

KPI	Outcome 2022	Outcome 2023	Target 2023	Target 2024	Target 2030
Female employees (base year 2022), %	18	20	–	–	≥20
Female managers correspond to the overall distribution in the Group (base year 2022), %	13	15	–	16	≥20

Outcome

	Women	Men
Board of Directors	2	6
Group Management Team	1	4
No. of employees	1343	5219
Of whom, managers	92	512

For more information about the Board's and management's composition, refer to pages 40–41.

At the end of 2023, the percentage of women amounted to 20 percent of the total number of employees. The corresponding figure among our managers was 15 percent. The percentage of female employees and managers increased compared with the preceding year.

Calculation method and follow-up

Follow-up takes place annually in the Group's online tools and is reported by HR managers in the respective business unit. The calculation method for the percentage of female employees is the percentage of female employees divided by the total number of employees. The calculation method for the percentage of female managers is the percentage of women divided by the total number of managers.

Sustainability governance

Direct economic value generated and distributed (GRI 201-1)

Governance

The Board of Directors is responsible for ensuring that the company has good internal control to protect the owners' investment and the company's assets. The Audit Committee has special responsibility to monitor the effectiveness of risk management and internal control over the financial reporting.

Within MEKO, guidelines regarding the financial process are updated annually. This is done through MEKO's financial handbook, which gathers relevant policies, processes and accounting policies. The financial handbook is made available in the respective business areas. Updates are also addressed in connection with regular CFO meetings where representatives from all parts of the Group participate. Read more about our internal governance and control on pages 26–43.

	2023	2022
Directly generated value		
Net sales	16,762	14,067
Total value created	**16,762**	**14,067**
Distribution of financial value		
Suppliers	11,841	9,717
Employees[1]	3,578	3,043
Financiers	289	178
Public sector[2]	168	240
Shareholders	201	184
Contributions to society	–	–
Total distributed value	**16,077**	**13,362**
Remaining in the operation	**685**	**705**

1) The item includes salaries and remuneration, social security contributions and pensions to employees and the Board. For more information, refer to Note 5, page 57.
2) The item includes tax paid.

Calculation method and follow-up
MEKO presents its financial statements using the accounting policies described on pages 51–53. The figures in the above table mainly follow the items presented in the consolidated income statement, except for tax paid and dividends to shareholders, which are presented in the Group's cash-flow statement.

Monitoring of earnings and financial position is done quarterly in the form of internal status updates, reporting to the Board and publication of the interim report.

Anti-corruption
(GRI 205-2 and 3)

Governance
MEKO's view of corruption is presented in the Group Code of Conduct, which includes the anti-corruption policy. The respective business area manager is responsible for ensuring that all employees undergo training in the Code of Conduct. MEKO has a whistleblowing system where irregularities may be reported. The whistleblowing system is considered to be properly functioning since it is used and cases are followed up. In addition to the anti-corruption policy, there are special guidelines regarding anti-corruption with rules on gifts and representation. The guidelines apply to all employees and are based on parts of the Swedish Code of Business Conduct that is administered by the Swedish Anti-Corruption Institute (IMM). Through our central purchasing organization that secures all major purchasing agreements for our Group companies, we can maintain better control over suppliers and the flow of products. Our suppliers are asked to accept our Supplier Code of Conduct, which includes specific texts on anti-corruption.

Target
The target for 2023 was that 100% of new employees would complete training in the Group's Code of Conduct.

KPI	Outcome 2022	Outcome 2023	Target 2023
Percentage of new employees who have undergone training in the Group's Code of Conduct, %	-	98	100

In 2023, 98 percent of new employees completed training in the Group's Code of Conduct. In 2023, 17 whistleblower cases were reported, all of which were deemed to be HR matters and have been answered. There were no reported cases of corruption in the Group.

Calculation method and follow-up
Suspected cases of corruption are collected through the whistleblower system or through reporting to the immediate manager. The whistleblower system is available on the Group's website and is aligned with the EU Whistleblowing Directive and national legislation. Any suspected cases are collected by the Director of Legal Affairs and reported back to the Board and management. Whistleblower protection exists in that whistleblowers remain anonymous and their anonymity is guaranteed as the system used is a third-party solution.

Percentage of new suppliers screened using environmental and social criteria
(GRI 308-1, 414-1)

Governance
MEKO purchases a large number of products, goods and services from various suppliers where automotive spare parts and accessories constitute a large share. Accepting the Group's Supplier Code of Conduct aims to ensure that our suppliers contribute to us jointly reducing our negative impact on the environment and the climate. Adopting the Supplier Code of Conduct also aims to ensure that our suppliers guarantee basic human rights for employees in accordance with the International Labour Organisation (ILO) conventions on social justice and decent work. The target is for at least 95 percent of the purchases of direct materials to come from suppliers who have accepted the requirements of the Supplier Code of Conduct by 2025. Direct materials refer to products that are purchased to be sold on externally.

The supplier assessment process is well-established, and the first step of the process consists of an annual risk classification. Any high-risk suppliers are taken further in the process to step 2; an initial self-assessment with questions regarding, for example, violations of laws regarding child labor, forced labor, environmental crime and whether the supplier has signed the UN Global Compact. If necessary, further escalation in the process can take place. In cases where suppliers are deemed to have a medium-high risk, an assessment is made of how easy or difficult the non-compliances are to address. Easier non-compliances mean that the supplier corrects the non-compliances and undergoes step 2 again after two years. In the event of non-compliances that are more difficult to address, an audit takes place, which also takes place for suppliers with a high risk. The audit takes place in accordance with MEKO's Supplier Code of Conduct. Depending on the outcome of the audit, an action plan can be prepared, which is then regularly followed up to ensure that any non-compliances are resolved. 11 audits were conducted during the year. Most non-compliances identified concerned hours worked, salary and management systems. The plan for 2024 is to perform re-audits of selected suppliers where non-compliances were identified.

Target
The Group's target is that at least 95% of purchases are made from suppliers who have accepted the requirements of the Supplier Code of Conduct.

KPI	Outcome 2022	Outcome 2023	Target 2023	Target 2024	Target 2025
Purchases made from suppliers that accepted the requirements in the Supplier Code of Conduct, %	91	93	≥95	≥95	≥95

During the year, 93 percent (91) of purchases were made from suppliers who have accepted the requirements. The equivalent outcome for new suppliers in 2023 was 59 percent. The outcome for the year was impacted by the acquisition of Koivunen in 2022, which added several new suppliers.

Calculation method and follow-up
The calculation is done based on a list with information about whether suppliers have accepted the Group's Supplier Code of Conduct. The percentage of purchases from suppliers that have accepted the requirements (%) is calculated based on the Group's total purchasing spend for the suppliers that have accepted the Group's Code of Conduct for Suppliers divided by the total purchasing spend for all suppliers. In 2023, work was further developed to prepare data for new suppliers, which will enable annual reporting and follow-up in the future. The calculation is integrated into the companies' supplier bonus system. Follow-up takes place annually in online tools.

Norwegian Transparency Act
Through its operations in Norway, MEKO is subject to the Norwegian Transparency Act, which entered into force on July 1, 2022. The Act requires companies to conduct regular risk assessments to identify and manage any negative impact on human rights and decent working conditions throughout the value chain. A separate report for the Norwegian Transparency Act has been published on the websites of Mekonomen Norway and MECA Norway.

Statutory Sustainability Report
MEKO is covered by the requirement of a sustainability report according to the Annual Accounts Act. The Board is responsible for the statutory Sustainability Report found in the Annual Report under the following points, covering reporting requirements in the areas of environment, social conditions, personnel, respect for human rights and anti-corruption, as well as the EU Taxonomy. Page reference:
- Business model, pages 2–6
- Governance of the sustainability work, pages 42, 88–95
- Risk management, pages 26–30
- Climate-related risks and opportunities, pages 27, 30
- Responsible purchasing, 29–30, 95
- Human rights, pages 14, 30, 42, 82
- Environment, pages 15, 90
- Social conditions, pages 92–94
- Employees, pages 28, 89, 92–94
- Business ethics and anti-corruption, pages 30, 95
- EU Taxonomy, pages 82–87

Sustainability Report
MEKO AB reports in accordance with GRI Standards 2021 and GRI 1: Foundation 2021 and the period is from January 1, 2023 until December 31, 2023. The sustainability report can be found on the pages 82–97.

Applicable sector-specific disclosures are missing from the industry in which MEKO AB is active.

GRI index

Statement of use
MEKO AB has reported the information referred to in this GRI content index for the period January 1, 2022 to December 31, 2022 in accordance with GRI Standards 2021.
GRI 1: Foundation 2021
Applicable sector-specific disclosures are missing from the industry in which MEKO AB is active.

GRI Standard	Disclosure	Reference, page	Deviation from requirements	Deviation: Reason	Deviation: Explanation
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1 Organizational details	2-7, 26-43			
	2-2 Entities included in the organization's sustainability reporting	67-69 (not 27) 88, 95			
	2-3 Reporting period, frequency and contact point	Full-year 2023			
	2-4 Restatements of information	88-95			
	2-5 External assurance	76-78, 88, 98			
	2-6 Activities, value chain and other business relationships	3-7, 88-90			
	2-7 Employees	28, 92-94			
	2-8 Workers who are not employees	92	2-8 a)	A Group-wide term for hired consultants is missing.	Definitions are a central part of efforts to develop MEKO's handbook for sustainability reporting.
	2-9 Governance structure and composition	36-43			
	2-10 Nomination and selection of the highest governance body	36-43			
	2-11 Chair of the highest governance body	36-43			
	2-12 Role of the highest governance body in overseeing the management of impacts	26-43			
	2-13 Delegation of responsibility for managing impacts	36-43			
	2-14 Role of the highest governance body in sustainability reporting	36			
	2-15 Conflicts of interest	36-43			
	2-16 Communication of critical concerns	36-43, 94-95			
	2-17 Collective knowledge of the highest governance body		2-17	No specifc training in 2023	CSRD/ESRS training in February 2024
	2-18 Evaluation of the performance of the highest governance body	36-43			
	2-19 Remuneration policies	33-34, 38-39, 42			
	2-20 Process to determine remuneration	33, 36-43 and remuneration report at www.meko.com			
	2-21 Annual total compensation ratio		2-21	Missing information	Data collection of median salary is missing
	2-22 Statement on sustainable development strategy	8-9			
	2-23 Policy commitments	8-9, 13, 42-43, 94-95			
	2-24 Integration of policy commitments	34, 94-95			
	2-25 Processes to remediate negative impacts	26-30			
	2-26 Mechanisms for seeking advice and raising concerns	26-30			
	2-27 Compliance with laws and regulations	34			
	2-28 Membership associations	90			
	2-29 Approach to stakeholder engagement	89			
	2-30 Collective bargaining agreements	92			
MATERIAL TOPICS					
GRI 3: Material topics, 2021	3-1 Process to determine material topics	90			
	3-2 List of material topics	90			
Economic impact					
GRI 3: Material topics, 2021	3-3 Management of material topics	8-9, 21, 36-42, 89, 90, 94-95			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	94-95			
Anti-corruption					
GRI 3: Material topics, 2021	3-3 Management of material topics	26-29, 36-42, 89-90, 95			
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	95			
	205-3 Confirmed incidents of corruption and actions taken	95			
Energy					
GRI 3: Material topics, 2021	3-3 Management of material topics	15, 26-29, 31, 34, 82-87, 89, 90-91			

GRI Standard	Disclosure	Reference, page	Deviation: Deviation from requirements	Deviation: Reason	Deviation: Explanation
GRI 302: Energy 2016	302-1 Energy consumption within the organization	90-91			
Emissions					
GRI 3: Material topics, 2021	3-3 Management of material topics	8-9, 15, 30-31, 82-87, 89, 90-91			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse gas emissions	15, 90-91			
	305-2 Energy indirect (Scope 2) greenhouse gas emissions	15, 90-91			
	305-3 Other indirect (Scope 3) greenhouse gas emissions	15, 90-91			
Supplier screening using environmental criteria					
GRI 3: Material topics, 2021	3-3 Management of material topics	30, 34, 89-90, 94-95			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	26-30, 94-95			
Employment					
GRI 3: Material topics, 2021	3-3 Management of material topics	14, 17, 26-30, 33, 89-90, 92-94			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	93			
Diversity and equal opportunity					
GRI 3: Material topics, 2021	3-3 Management of material topics	6, 13-14, 89-90, 92-94			
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	94			
Non-discrimination					
GRI 3: Material topics, 2021	3-3 Management of material topics	6, 14, 28, 89-90, 92-94			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	94			
Supplier screening based on social criteria					
GRI 3: Material topics, 2021	3-3 Management of material topics	30, 42, 89, 95			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	30, 95			

Auditor's Limited Assurance Report on MEKOs Sustainability Report and statement on the Statutory Sustainability Report

To the annual general meeting of MEKO AB (publ), corporate identity number 556392-1971

Introduction
We have been engaged by the Board and Group Management of MEKO AB to undertake a limited assurance of MEKO AB's Sustainability Report for the year 2023. The company has defined the scope of its sustainability report on page 95. The statutory sustainability report is defined on page 95.

Responsibilities of the Board and Group Management
The Board of Directors and Group Management are responsible for the preparation of the Sustainability Report, including the statutory sustainability report, in accordance with the applicable criteria and the Annual Accounts Act. The criteria are described on pages 96-97 of the Sustainability Report, and consists of the parts of the GRI Sustainability Reporting Standards which are applicable to the Sustainability Report, as well as the accounting and calculation principles. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

Responsibilities of the auditor
Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to provide a statement on the statutory sustainability report. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. We have conducted our examination regarding the statutory sustainability report in accordance with FAR's recommendation RevR 12, the Auditor's Opinion on the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 have a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to MEKO according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement and an examination according to RevR 12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement and an examination in accordance with RevR 12, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria as suitable for the preparation of the Sustainability Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Conclusion
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

A Statutory Sustainability Report has been prepared.

Stockholm, March 22nd, 2024
PricewaterhouseCoopers AB

Linda Corneliusson
Authorised Public Accountant

Glossary and definitions

Accessories for cars
Products that are not necessary for a car to function, but enhance the experience or extend use of the car, such as car-care products, roof boxes, car child seats, etc.

Adjusted EBIT
EBIT adjusted for items affecting comparability (see definition) and material acquisition-related items. Current acquisition-related items pertain to the amortization/depreciation of acquired intangible and tangible assets relating to significant acquisitions.

Adjusted EBIT margin
Adjusted EBIT as a percentage of total revenue.

Affiliated workshops
Workshops that conduct business under the Group's brands/workshop concepts or are affiliated under a white label.

Business area
Reportable segments.

B2B sales
Sales of goods and services between companies (business-to-business).

B2C sales
Sales of goods and services between companies and consumers (business-to-consumer).

Capital employed
Total assets less non-interest-bearing liabilities and provisions including deferred tax liabilities.

Cash and cash equivalents
Cash and cash equivalents comprise cash funds held at financial institutions and current liquid investments with a term from the date of acquisition of less than three months, which are exposed to only an insignificant risk of fluctuations in value. Cash and cash equivalents are recognized at nominal amounts.

Cash flow per share
Cash flow from operating activities in relation to the average number of shares. Average number of shares is calculated as the number of shares at period-end multiplied by the number of days this number existed during the period and added to any other number of shares during the period multiplied by the number of days these numbers existed during the period, divided by the number of days during the period.

Concept workshops
Affiliated workshops.

Currency effects on the balance sheet
The impact of currency regarding realized and unrealized revaluations of foreign short-term non-interest-bearing receivables and liabilities.

Currency-transaction effects
Impact of currency with respect to internal sales from Bileko Car Parts AB, and from MECA CarParts AB to each country.

Currency-translation effects
Impact of currency from translation of earnings from foreign subsidiaries to SEK.

Debt/equity ratio
Net debt relative to EBITDA, presented as a multiple. Presented both including and excluding IFRS 16.

Earnings per share
Profit for the period excluding non-controlling interests, in relation to the average number of shares. Average number of shares is calculated as the number of shares at period-end multiplied by the number of days this number existed during the period and added to any other number of shares during the period multiplied by the number of days these numbers existed during the period, divided by the number of days during the period.

EBIT margin
Operating profit after depreciation/amortization (EBIT) as a percentage of total revenue.

EBITA
EBITA after depreciation according to plan but before amortization and impairment of intangible fixed assets.

EBITDA
Operating profit before depreciation/amortization and impairment of tangible and intangible fixed assets.

EBITDA excl IFRS 16
Operating profit before depreciation/amortization and impairment of tangible and intangible fixed assets excluding effects of IFRS 16.

EBITDA margin
EBITDA as a percentage of total revenue.

Equity/assets ratio
Shareholders' equity including non-controlling interest as a percentage of total assets.

Fleet operations
MEKO's offering to business customers comprising service and repairs of cars, sales of spare parts and accessories, and tire storage.

Gross margin
Net sales less costs for goods for resale, as a percentage of net sales.

Gross profit
Revenue minus the cost of goods for resale.

Items affecting comparability
Events or transactions with significant effects, which are relevant to understanding the financial development compared with the earnings of the period in question with earlier periods, including restructuring programs, costs related to large legal disputes and impairments, as well as gains and losses from acquisitions or divestment of operations, subsidiaries, associated companies and joint ventures or items of a similar nature.

LTIP
Long-term Incentive Program.

Mobility
The possibility of moving from A to B is a fundamental freedom and a driving force in society. The demand is timeless, and independent of what kind of vehicle is used.

Net debt
Short-term and long-term interest-bearing liabilities for borrowing, i.e. excluding short and long-term lease liabilities, pensions, derivatives and similar obligations, less cash and cash equivalents.

Net debt incl. IFRS 16
Current and long-term interest-bearing liabilities for borrowing and long and short-term lease liabilities according to IFRS 16, meaning excluding pensions, derivatives and similar obligations, less cash and cash equivalents.

OBP
Own-brand products, such as MEKO's own-brand products ProMeister, Carwise, Kraft, Sakura, Vehcare and ForumLine.

Organic growth
Change in net sales adjusted for the number of workdays, acquisitions/divestments and currency effects.

Organic sales
Net sales adjusted for the number of workdays, acquisitions/divestments and currency effects.

Other operating revenue
Mainly comprises rental income, marketing subsidies and exchange-rate gains.

Partner branches
Branches that are not proprietary, but conduct business under the Group's brands/branch concepts.

ProMeister
MEKO's proprietary brand for high-quality spare parts with five-year guarantees, and the name of the services we offer affiliated workshops.

Proprietary branches
Branches with operations in subsidiaries, directly or indirectly majority-owned, by MEKO AB.

Proprietary workshops
Workshops with operations in subsidiaries, directly or indirectly majority-owned, by MEKO AB.

Return on capital employed
Profit after financial items plus interest expenses as a percentage of average capital employed. Average capital employed is calculated as capital employed at the end of the period added to the four immediately preceding quarters' capital employed at the end of the period divided by five.

Return on shareholders' equity
Profit for the period, excluding non-controlling interests, as a percentage of average shareholders' equity attributable to Parent Company's shareholders. Average shareholders' equity attributable to the Parent Company's shareholders is calculated as shareholders' equity attributable to the Parent Company's shareholders at the end of the period added to the four immediately preceding quarters' shareholders' equity attributable to the Parent Company's shareholders at the end of the period divided by five.

Return on total capital
Profit after financial items plus interest expenses as a percentage of the average total assets. Average total assets are calculated as total assets at the end of the period added to the four immediately preceding quarters' total assets at the end of the period divided by five.

Sales to customer group Affiliated workshops
Sales to affiliated workshops and sales to proprietary workshops.

Sales to customer group Consumers
Cash sales from proprietary branches to customer groups other than affiliated workshops and Other business customers, as well as the Group's e-commerce sales to consumers.

Sales to the Partner branches customer group
Sales to partner branches.

Sales to the Other business customers customer group
Sales to business customers that are not affiliated to any of MEKO's concepts, including sales in the fleet operations.

Shareholders' equity per share
Shareholders' equity excluding non-controlling interests, in relation to the number of shares at the end of the period.

Spare parts for cars
Parts that are necessary for a car to function.

TSR
Total shareholders return.

White label
Workshops that are contract customers but do not conduct business under any of the Group's brands.

Alternative performance measures

From the January–June 2016 interim report, Mekonomen has applied the guidelines for alternative performance measures issued by ESMA1). An alternative performance measure is a financial measure over historical or future earnings trends, financial position or cash flow that are not defined or specified in IFRS. Mekonomen believes that these measures provide valuable supplemental information to the company's management, investors and other stakeholders to evaluate the company's performance. The alternative performance measures are not always comparable with measures used by other companies since not all companies calculate these measures in the same way. They shall thereby be seen as a complement to measures defined according to IFRS. For relevant reconciliations of the alternative performance measures that cannot be directly read or derived from the financial statements, refer to the complement to the 2023 Annual Report on our website: https://meko.com/investors/financial-information/alternative-performance-measures/.

1) The European Securities and Markets Authority.

Shareholder information

Annual General Meeting
MEKO Aktiebolag's (publ), corp. ID no. 556392-1971, Annual General Meeting will be held at 10:00 a.m. on Thursday, May 16, 2024 at 7A Posthuset, Vasagatan 28, 111 20 Stockholm, Sweden. Registration for the Annual General Meeting will open at 9:00 a.m. In addition to physical participation, participation can also take place through postal voting. Read more in the convening notice for the Annual General Meeting on www.meko.com.

Registration
Shareholders wishing to participate in the Annual General Meeting must:

- be registered in the shareholders' register maintained by Euroclear Sweden AB on Tuesday, May 7, 2024, and
- notify the company or cast a postal vote no later than Friday, May 10, 2024.

Notification may be made in writing to MEKO AB, 'Årsstämman,' c/o Euroclear Sweden AB, PO Box 191, SE-101 23 Stockholm, Sweden or by phone +46 8 402 90 47 on weekdays between 9:00 a.m. and 4:00 p.m. Shareholders who are natural persons may also register on MEKO's website, www.meko.com. When registering, name, personal or corporate identity number, address, phone number and number of any assistants must be provided. For postal voting, a special form is to be used. The postal voting form is available at www.meko.com. The completed and signed postal voting form must be sent to MEKO to arrive no later than Friday, May 10, 2024 and sent by letter to Meko AB, "Annual General Meeting", c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, Sweden or by e-mail to generalmeetingservice@euroclear.com. Shareholders who are natural persons can also, by Friday, May 10, 2024 at the latest, vote digitally with BankID verification at www.meko.com or anmalan.vpc.se/EuroclearProxy/.

Nominee-registered shares
Shareholders who have nominee-registered shares must, in addition to register participation in the Meeting, temporarily re-register the shares in their own name in the shareholders' register in order to be entitled to participate in the Annual General Meeting. Such re-registration must be carried out by Friday, May 10, 2024 and should be requested at the bank or trustee well in advance of this date.

Proxies
If shareholders cast postal votes by proxy, a written and dated proxy form signed by the shareholder must be attached to the postal voting form, as well as any documents pertaining to authorization. A proxy form is available at www.meko.com.

Dividends
The Board of Directors proposes a dividend of SEK 3.70 for 2023 to the Annual General Meeting.

Printed Annual Report
Printed Annual Reports will be distributed only to new shareholders and shareholders requesting them no later than one week before the Annual General Meeting.

Information	Period	Date
Interim report	Jan–Mar 2024	May 16, 2024
Interim report	Jan–Jun 2024	Aug 22, 2024
Interim report	Jan–Sep 2024	Nov 7, 2024
Year-end report	Jan–Dec 2024	Feb 13, 2025

Pehr Oscarson, President and CEO
Phone: +46 (0) 8 464 00 20
E-mail: pehr.oscarson@meko.com

Christer Johansson, CFO
Phone: +46 (0) 8 464 00 20
E-mail: christer.johansson@meko.com

Fredrik Sätterström, Head of Investor Relations
Mobile: +46 (0) 705 10 10 22
E-mail: fredrik.satterstrom@meko.com

MEKO's 2023 Annual Report was produced by MEKO in cooperation with Hallvarsson & Halvarsson.
Print: TMG. Photos: MEKO, Shutterstock and Mostphotos.

History

MEKO is northern Europe's leading company within vehicle service, maintenance and repair. We have comprehensive proprietary wholesale operations, more than 600 branches and over 4,300 workshops operating under the Group's brands.

1973
Mekonomen was started in 1973 under the name of Bileko by two entrepreneurs, Ingemar Fraim and Leif Möller. The business was initially focused on sales of exhaust systems. With a small local base, they drove around Stockholm in an old Mercedes and delivered spare parts within two hours of when petrol stations had called and placed an order. The concept of rapid deliveries proved highly successful and the product range was soon expanded to include brakes, front suspensions, wheel bearings and other spare parts.

1976
The first branch was opened in Norrtälje in Sweden under the name of Primexxa AB.

1987
The Mekonomen chain was acquired with 17 branches (the Group changed its name to Mekonomen in 1996).

1992
For the first time sales exceeded SEK 100 M, thanks to a focus on an efficient logistics chain with rapid deliveries.

1995
The business needed more space and the wholesale warehouse in Sätra in Sweden more than doubled from 3,500 sqm to 8,000 sqm. During the year, Mekonomen also acquired land in Strängnäs. The area was convenient for cost-effective distribution all over Sweden. The service toward the stores was significantly increased with the start of in-night deliveries. Customers would get their products delivered the day after ordering them from their Mekonomen store.

1996
The wholesale company Bileko changed its name to Mekonomen Grossist. The business grew fast both geographically and with new product categories.

1998
The wholesale warehouse moved to a new building of 20,000 sqm in Strängnäs, Sweden.

1999
The number of branches in the Mekonomen chain exceeded 100 and the Mekonomen concept was launched.

2000
On May 29, 2000, Mekonomen was introduced on the Stockholm Stock Exchange. In connection with the IPO, Mekonomen's spare parts catalog was transferred to an online format.

2002
Denmark's leading car part chain Østergaard was acquired. Mekonomen was now established in Sweden, Norway and Denmark with over 700 workshops, 150 branches and 800 employees.

2006
Mekonomen received a new principal owner, Axel Johnson AB, which acquired 29 percent of the capital and votes of the founding families.

2010
Mekonomen established its first branch in Finland (Helsinki) and the car service chain Speedy was acquired with 11 workshops in Sweden.

2011
Mekonomen expanded through the acquisition of Sørensen og Balchen car part wholesaler with branches and workshops in Norway under the brand BilXtra. To take advantage of the benefits of larger purchasing volumes, a purchasing cooperation began between Mekonomen and Sørensen og Balchen

2012
Mekonomen expanded through the acquisition of MECA Scandinavia with branches and workshops in Sweden and Norway. Mekonomen Group (legal name Mekonomen AB) now consisted of the three Group companies MECA, Mekonomen and Sørensen og Balchen. To take advantage of the benefits of the larger purchasing volumes, Group purchasing was centralized under one organization.

2015
Through the acquisition of Opus Equipment, the focus on workshop equipment was broadened for professional workshops and vehicle inspection stations. In 2017, Opus Equipment changed its name to Preqas AB.

2016
The Danish Mekonomen business was fully divested toward the end of 2016.

2017
Annual sales exceeded SEK 6 billion for the first time.

The US car parts wholesaler LKQ acquired Axel Johnsson's shares and became the principal shareholder with 26.5 percent of the shares in Mekonomen.

2018
Through the acquisition of FTZ in Denmark and Inter-Team in Poland, Mekonomen strengthened its position within sales of car parts in northern Europe. The acquisitions entailed re-establishment with a strong market-leading position in Denmark and new establishment in Poland.

2022
Through the acquisition of Koivunen, MEKO expanded its geographical presence in Finland and became established in the Baltics. MEKO strengthened its position within sales of car parts and became the leading player in northern Europe.

The company's new name MEKO AB (publ) was registered with the Swedish Companies Registration Office. The aim of the name change was to clearly reflect the breadth of the operation.

2023
MEKO decides to construct a new, high-tech warehouse in Norway with the aim of consolidating all logistics for the Norwegian market.

A new initiative to improve profitability begins, named "Building a Stronger MEKO".

[redacted]

ÅRSREGNSKAP

2023

AS SØRENSEN OG BALCHEN

Transaction 09222115557516244778 Signed PO, PB, MB

A/S Sørensen og Balchen

Årsberetning 2023

A/S Sørensen og Balchen
Adresse: Postboks 134 Holmlia, 1203 OSLO
Org.nr: 916591144 MVA
Virksomhet: Engros

Virksomhetens art
A/S Sørensen og Balchen driver engros virksomhet med reservedeler og tilbehør til biler. Selskapet har forretningslokale i Oslo og har distribusjon til hele det norske markedet.

Fortsatt drift
Forutsetningene for fortsatt drift er til stede og er lagt til grunn ved utarbeidelsen av årsregnskapet.

Stilling og resultat
Selskapet har hatt omsetning på 555,6 mill. kroner i 2023 som tilsvarer en fremgang på 13,3 % fra 2022. Årsresultatet etter skatt er økt fra 120,4 mill. kroner i 2022 til 126,4 mill. kroner i 2023.

Omsetningsfremgangen er drevet av økt distribusjon og et forholdsvis bra verkstedmarked. Særlig detaljistomsetningen er negativt påvirket av økt inflasjon og betydelige prisøkninger på primærbehov og finansiering hvor private husholdninger må prioritere enda hardere. En svak norsk krone har negativ effekt på marginene. God kostnadskontroll begrenser effekten av betydelige prisøkninger på frakt, lokal, marked og andre kostnader. Markedet har vært preget av konsolidering, der aktørene i markedet blir færre, men sterkere.

Styrket finansiell situasjon og økt distribusjon gjør at selskapet er godt rustet for fremtiden.

Netto kontantstrøm fra operasjonelle aktiviteter var 79,3 mill. kroner i 2023 sammenlignet med 100,0 mill. kroner i 2022. Selskapets kontantstrøm har de seneste årene finansierts selskapets investeringer. Totalkapitalen var ved utgangen av året 565 mill. kroner mot 532 mill. kroner året før. Egenkapitalandelen pr. 31.12.23 var 58,0 %, sammenlignet med 56,7 % pr. 31.12.22.

Det er ikke inntruffet andre vesentlige hendelser etter balansedagen frem til nå, og styret kjenner ikke til at det knytter seg vesentlig usikkerhet til regnskapet. Styret mener at årsregnskapet gir et riktig bilde av A/S Sørensen og Balchen's eiendeler og gjeld, finansielle stilling og resultat.

Finansiell risiko
Foretaket er utsatt for finansiell risiko da det handles med produsenter i Eurosonen og i Asia. Det er en overordnet målsetting å dempe finansiell risiko. Det brukes ikke finansielle instrumenter for sikring av valuta, men dette vurderes løpende av styret.

Styret vurderer likviditeten som tilfredsstillende.

Årsresultat og disponeringer
Overskuddet i A/S Sørensen og Balchen på kr. 126 342 086 foreslås disponert som følger:

Avsatt til utbytte	kr.	100 000 000
Overført til annen Ek	kr.	26 342 086
Sum disponert	kr.	126 342 086

A/S Sørensen og Balchen

Arbeidsmiljø og personale
Styret mener arbeidsmiljøet i selskapet er tilfredsstillende. Det gjennomsnittlige sykefraværet har vært på 11,1 % mens tilsvarende for foregående år var 6,5 %. Det har ikke vært meldt noen arbeidsulykker i 2023.

Likestilling
Selskapet har som mål å være en arbeidsplass hvor det råder full likestilling mellom kvinner og menn, og mener at det ikke forekommer forskjellsbehandling grunnet kjønn. Andel kvinnelige ansatte i bedriften er 17 %.

Virksomheten jobber for å fremme likestilling og hindre diskriminering på arbeidsplassen. Det er ingen forskjeller i lønns- og arbeidsvilkår for sammenlignbare stillinger, utviklingsmuligheter eller mulighet for forfremmelse.

Diskriminering
Diskrimineringslovens formål er å fremme likestilling, sikre like muligheter og rettigheter og å hindre diskriminering på grunn av etnisitet, nasjonal opprinnelse, avstamning, hudfarge, språk, religion og livssyn.

Konsernet har som mål å være en arbeidsplass hvor det ikke forekommer diskriminering på grunn av nedsatt funksjonsevne. For arbeidstakere eller arbeidssøkere med nedsatt funksjonsevne foretas det individuell tilrettelegging av arbeidsplass og arbeidsoppgaver.

Åpenhetsloven
Redegjørelse for aktsomhetsvurderingene vil publiseres på selskapets hjemmeside BilXtra.no.

Styreansvarsforsikring
Det bekreftes at selskapet har styreansvarsforsikring. Forsikringen omfatter Mekonomen AB med datterselskap og dekker ansvar for formuestap for krav fremsatt mot sikrede i forsikringsperioden som følge av en ansvarsbetingende handling eller unnlatelse hos sikrede i egenskap av daglig leder, styremedlem, medlem av ledelsen eller tilsvarende styreorgan i konsernet. Forsikringen dekker ikke skade på personer eller eiendeler.

Forskning og utvikling
Selskapet har for tiden ingen pågående forsknings- eller utviklingsaktiviteter.

Ytre miljø
Selskapets virksomhet er ikke regulert av konsesjoner eller pålegg. Bedriften forurenser ikke det ytre miljø.

Oslo, 11. april 2024
Styret for A/S Sørensen og Balchen

Pehr Olof Oscarsson
styreleder

Morten Birkeland
styremedlem/
daglig leder

Petra Ulrika Bendelin
styremedlem

RESULTATREGNSKAP

A/S SØRENSEN OG BALCHEN

	Note	2023	2022
Driftsinntekter og driftskostnader			
Salgsinntekt	1, 2	555 639 633	490 350 270
Annen driftsinntekt	2	35 790 312	31 271 612
Sum driftsinntekter		**591 429 945**	**521 621 881**
Varekostnad		308 487 059	253 790 690
Lønnskostnad	3	65 441 745	54 673 367
Avskrivning av driftsmidler og immaterielle eiendeler	4,5	1 335 060	1 227 606
Annen driftskostnad	6	86 164 716	77 817 010
Sum driftskostnader		**461 428 580**	**387 508 673**
Driftsresultat		**130 001 365**	**134 113 209**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap		14 174 129	8 959 071
Renteinntekt fra foretak i samme konsern		6 685 347	4 484 579
Annen renteinntekt		1 116 486	727 155
Annen finansinntekt		9 905 616	5 609 817
Annen rentekostnad		559 477	43 805
Annen finanskostnad		126 046	112 172
Resultat av finansposter		**31 196 054**	**19 624 645**
Resultat før skattekostnad		**161 197 419**	**153 737 854**
Skattekostnad	7	34 855 333	33 331 271
Årsresultat		**126 342 086**	**120 406 583**
Overføringer			
Avsatt til utbytte	8	100 000 000	120 000 000
Overført til/ fra annen egenkapital	8	26 342 086	406 583
Sum overføringer		**126 342 086**	**120 406 583**

Transaction 09222115557516244778 Signed PO, PB, MB

BALANSE

A/S SØRENSEN OG BALCHEN

Balanse pr.	Note	31.12.2023	31.12.2022
Eiendeler			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	7	2 271 746	2 409 565
Goodwill	5	833 333	
Sum immaterielle eiendeler		**3 105 079**	**2 409 565**
Varige driftsmidler			
Driftsløsøre, inventar o.a. utstyr	4	3 422 644	4 043 658
Sum varige driftsmidler		**3 422 644**	**4 043 658**
Finansielle anleggsmidler			
Investeringer i datterselskap	9	136 446 674	123 678 844
Lån til foretak i samme konsern	10	100 976 586	107 799 815
Investeringer i aksjer og andeler	11	50 000	50 000
Andre langsiktige fordringer	12	3 578 725	2 943 248
Pensjonsmidler	13, 12	3 247 980	2 861 792
Sum finansielle anleggsmidler		**244 299 965**	**237 333 699**
Sum anleggsmidler		**250 827 688**	**243 786 922**
Omløpsmidler			
Lager av varer og annen beholdning	14	150 401 742	122 454 238
Fordringer			
Kundefordringer	10	108 016 098	90 010 598
Andre kortsiktige fordringer		27 527 121	20 432 577
Konsernfordring	10	25 814 530	53 143 914
Sum fordringer		**161 357 750**	**163 587 090**
Bankinnskudd, kontanter o.l.	15	2 872 171	2 851 547
Sum omløpsmidler		**314 631 663**	**288 892 875**
Sum eiendeler		**565 459 351**	**532 679 797**

Transaction 09222115557516244778 Signed PO, PB, MB

BALANSE

AS SØRENSEN OG BALCHEN

Balanse pr.	Note	31.12.2023	31.12.2022
Egenkapital og gjeld			
Innskutt egenkapital			
Aksjekapital	8, 16	75 920 000	75 920 000
Sum innskutt egenkapital		**75 920 000**	**75 920 000**
Opptjent egenkapital			
Annen egenkapital	8	251 971 879	226 285 321
Sum opptjent egenkapital		**251 971 879**	**226 285 321**
Sum egenkapital		**327 891 879**	**302 205 321**
Gjeld			
Kortsiktig gjeld			
Leverandørgjeld	10	63 829 898	41 396 948
Betalbar skatt	7	30 935 753	29 788 469
Skyldig offentlige avgifter		14 000 657	13 387 968
Utbytte	8	100 000 000	120 000 000
Kortsiktig konserngjeld	10	16 349 397	15 574 934
Annen kortsiktig gjeld		12 451 767	10 326 158
Sum kortsiktig gjeld		**237 567 472**	**230 474 476**
Sum gjeld		**237 567 472**	**230 474 476**
Sum egenkapital og gjeld		**565 459 351**	**532 679 797**

Oslo, 11.04.2024
Styret i A/S Sørensen og Balchen

Pehr Olof Oscarsson
styrets leder

Morten Birkeland
styremedlem / daglig leder

Petra Ulrika Bendelin
styremedlem

Transaction 09222115557516244778 Signed PO, PB, MB

Kontantstrømoppstilling

Beløp i NOK	2023	2022
Kontantstrømmer fra operasjonelle aktiviteter		
Resultat før skatt	161 197 419	153 737 816
Betalt skatt	-29 788 469	-35 315 631
Ordinære av- og nedskrivninger	1 335 060	1 227 605
Avsetning til tap langsiktige fordringer	555 461	205 030
Forskjell mellom kostnadsført pensjon og inn-/utbet. i pensj.ordn.	-840 422	1 921 838
Endring i varer, kundefordringer og leverandørgjeld	-25 849 902	566 973
Endring i andre kortsiktige fordringer og annen kortsiktig gjeld	-35 612 159	-6 172 495
Urealisert valutakursendringer	2 390 989	-996 310
Netto kontantstrøm fra operasjonelle aktiviteter	***73 387 977***	***115 174 826***
Kontantstrømmer fra investeringsaktiviteter		
Utbetalinger ved kjøp av varige driftsmidler	(1 547 379)	(2 049 297)
Innbetaling på langsiktige fordringer	25 720 429	9 686 204
Endring konsernkontoordning	33 055 801	80 415 405
Utbetaling ved nye langsiktige fordringer	(12 970 904)	(34 578 062)
Innbetaling av utbytte fra datterselskap	2 390 000	4 950 000
Konsernbidrag til datterselskap/Utbetaling ved kjøp av aksjer	(15 300)	(38 602 684)
Netto kontantstrøm fra investeringsaktiviteter	***46 632 647***	***19 821 566***
Kontantstrømmer fra finansieringsaktiviteter		
Utbetaling av utbytte	-120 000 000	-135 000 000
Netto kontantstrøm fra finansieringsaktiviteter	***-120 000 000***	***-135 000 000***
Netto endring i likvider i året	20 624	-3 608
Kontanter og bankinnskudd per 01.01	2 851 547	2 855 158
Kontanter og bankinnskudd per 31.12	***2 872 171***	***2 851 550***

Transaction 09222115557516244778 Signed PO, PB, MB

Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapsloven og god regnskapsskikk i Norge.

Salgsinntekter

Inntekter ved salg av varer og tjenester vurderes til virkelig verdi av vederlaget, netto etter fradrag for merverdiavgift, returer, rabatter og andre avslag. Inntektsføring ved salg av varer skjer på leveringstidspunktet. Tjenester inntektsføres etterhvert som de utføres. Selskapets omsetning skjer i all hovedsak i Norge.

Klassifisering av balanseposter

Eiendeler bestemt til varig eie eller bruk er klassifisert som anleggsmidler. Eiendeler som er knyttet til varekretsløpet er klassifisert som omløpsmidler. Fordringer klassifiseres som omløpsmidler hvis de skal tilbakebetales i løpet av ett år. For gjeld er analoge kriterier lagt til grunn. Første års avdrag på langsiktige fordringer og langsiktig gjeld klassifiseres likevel ikke som omløpsmiddel og kortsiktig gjeld.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi.

Anleggsmidler

Anleggsmidlert vurderes til anskaffelseskost, men nedskrives til gjenvinnbart beløp dersom dette er lavere enn bokført verdi, og verdifallet forventes ikke å være forbigående. Anleggsmidler med begrenset økonomisk levetid avskrives planmessig

Nedskrivning av anleggsmidler

Ved indikasjon på at balanseført verdi av et anleggsmiddel er høyere enn virkelig verdi, foretas det test for verdifall. Testen foretas for det laveste nivå av anleggsmidler som har selvstendige kontantstrømmer. Hvis balanseført verdi er høyere enn både salgsverdi og gjenvinnbart beløp (nåverdi ved fortsatt bruk/eie), foretas det nedskrivning til det høyeste av salgsverdi og gjenvinnbart beløp.
Tidligere nedskrivninger, med unntak for nedskrivning av goodwill, reverseres hvis forutsetningene for nedskrivningen ikke lenger er til stede.

Immaterielle eiendeler

Utgifter til utvikling balanseføres i den grad det kan identifiseres en fremtidig økonomisk fordel knyttet til utvikling av en identifiserbar immateriell eiendel og utgiftene kan måles pålitelig. I motsatt fall kostnadsføres slike utgifter løpende. Balanseført utvikling avskrives lineært over økonomisk levetid.

Aksjer og andeler i tilknyttet selskap og datterselskap

Investeringer i datterselskap vurderes etter kostmetoden. Investeringene blir nedskrevet til virkelig verdi dersom verdifallet ikke er forbigående og det må anses nødvendig etter god regnskapsskikk. Mottatt utbytte og konsernbidrag fra datterselskapene er inntektsført som annen finansinntekt. Tilsvarende gjelder for

Varebeholdninger

Lager av innkjøpte varer verdsettes til det laveste av anskaffelseskost etter FIFO-prinsippet, og netto salgsverdi. Det foretas nedskriving for påregnelig ukurans.

Fordringer

Kundefordringer og andre fordringer er oppført i balansen til pålydende etter fradrag for avsetning til forventet tap. Avsetning for tap gjøres på grunnlag av individuelle vurderinger av de enkelte fordringene og

Valuta
Fordringer og gjeld i utenlandsk valuta vurderes etter kursen ved regnskapsåretsslutt. Kursgevinster og kurstap knyttet til varesalg og varekjøp i utenlandsk valuta føres som salgsinntekt og varekostnad.

Skatter
Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt beregnes med aktuell skattesats på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt eventuelt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reversere i samme periode er utlignet.
Oppføring av utsatt skattefordel på netto skattereduserende forskjeller som ikke er utlignet og underskudd til fremføring, er begrunnet med antatt fremtidig inntjening. Utsatt skattefordel som kan balanseføres og utsatt skatt er oppført netto i balansen.
Betalbar skatt beregnes på grunnlag av årets skattemessige resultat og kostnadsføres som en del av skattekostnaden. Skyldig betalbar skatt i balansen reduseres med effekten av avgitt konsernbidrag.

Pensjoner
Selskapet har ulike pensjonsordninger. Pensjonsordningene er finansiert gjennom innbetalinger til forsikringsselskap. Selskapet har både innskuddsplaner og ytelsesplaner.
Innskuddsplaner
Ved innskuddsplaner betaler selskapet innskudd til et forsikringsselskap. Selskapet har ingen ytterligere betalingsforpliktelse etter at innskuddene er betalt. Innskuddene regnskapsføres som lønnskostnad. Eventuelle forskuddsbetalte innskudd balanseføres som eiendel (pensjonsmidler) i den grad innskuddet kan refunderes eller redusere framtidige innbetalinger.
Ytelsesplaner
En ytelsesplan er en pensjonsordning som ikke er en innskuddsplan. Typisk er en ytelsesplan en pensjonsordning som definerer en pensjonsutbetaling som en ansatt vil motta ved pensjonering. Pensjonsutbetalingen er normalt avhengig av flere faktorer, som alder, antall år i selskapet og lønn. Den balanseførte forpliktelsen knyttet til ytelsesplaner er nåverdien av de definerte ytelsene på balansedagen minus virkelig verdi av pensjonsmidlene (innbetalte beløp til forsikringsselskap), justert for ikke resultatførte estimatavvik og ikke resultatførte kostnader knyttet til tidligere perioders pensjonsopptjening.
Pensjonsforpliktelsen beregnes årlig av en uavhengig aktuar ved bruk av en lineær opptjeningsmetode.

Kontantstrømoppstilling

Kontantstrømoppstillingen utarbeides etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd and andre kortsiktige, likvide plasseringer som umiddelbart og med uvesentlig kursrisiko kan konverteres til kjente kontantbeløp og med gjenværende løpetid mindre enn tre måneder fra anskaffelsesdato.

A/S Sørensen Og Balchen

Noter til regnskapet for 2023

Note 1 Salgsinntekter

Per geografisk marked	2023	2022
Norge	555 639 633	490 350 270
Sverige	-	-
Sum	**555 639 633**	**490 350 270**

Note 2 Transaksjoner med nærstående parter

Morselskapet har følgende transaksjoner med konsernselskaper

	2023	2022
Salg av varer	284 099 927	265 764 031
Andre inntekter	18 486 997	15 800 058
Sum	**302 586 924**	**281 564 089**

Note 3 Lønnskostnader, antall ansatte, godtgjørelser, lån til ansatte m.v.

Lønnskostnader	2023	2022
Lønninger	51 982 110	42 967 486
Arbeidsgiveravgift	8 432 807	7 198 032
Pensjonskostnader	2 569 895	2 506 415
Andre lønnsrelaterte ytelser	2 456 933	2 001 434
Sum	**65 441 745**	**54 673 367**
Sysselsatte årsverk	75	72

Ytelser til ledende personer	Daglig leder	Styret
Lønn inkl. bonus	3 230 466	-
Annen godtgjørelse	36 940	-

Daglig leder inngår i selskapets ytelsebaserte pensjonsordning og har bonusordning i forhold til oppnådd resultat.
Ved opphør av ansettelseforholdet har daglig leder krav på et års etterlønn.
Det er ikke utbetalt honorar til styrets medlemmer.
Det er ikke gitt lån/sikkerhetsstillelse til daglig leder, styrets leder eller andre nærstående parter.
Selskapets er pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon.
Selskapets pensjonsordninger tilfredsstiller kravene i lov om obligatorisk tjenestepensjon.

Kostnadsført godtgjørelse til revisor (eks. mva)	2023	2022
Lovpålagt revisjon	663 576	513 353
Skatterådgivning (inkl. teknisk bistand med ligningspapirer)	35 300	107 595
Sum godtgjørelse til revisor	**698 876**	**620 948**

A/S Sørensen Og Balchen

Noter til regnskapet for 2023

Note 4 Varige driftsmidler

	Transport-midler	Kontor-maskiner	Driftsløsøre/ Inventar	Totalt
Anskaffelseskost 01.01.2023	10 282 255	2 326 648	9 771 742	22 380 645
Tilgang		84 817	462 562	547 379
Avgang		-	-	0
Anskaffelseskost 31.12.2023	10 282 255	2 411 465	10 234 304	22 928 024
Akkumulerte avskrivninger 31.12.2023	-8 767 106	-2 328 062	-8 460 211	-19 555 379
Balanseført verdi 31.12.2023	**1 515 150**	**83 403**	**1 774 091**	**3 372 644**
Årets avskrivninger	659 566	20 282	488 545	**1 168 393**
Linære avskrivinger	20 %	33 %	12,5 - 25%	
Økonomisk levetid	5 år	3 år	5 - 8 år	

I tillegg er det aktivert kunst for kr	50 000
Til sammen utgjør varige driftsmidler	**3 422 644**

Note 5 Immaterielle eiendeler

Goodwill

Immaterielle eiendeler	**Goodwill**	**Sum**
Anskaffelseskost 01.01.		0
Tilgang	1 000 000	1 000 000
Avgang		
Anskaffelseskost 31.12.	1 000 000	1 000 000
Akkumulerte avskrivninger 31.12.	-166 667	-166 667
Balanseført verdi 31.12.	**833 333**	**833 333**
Årets avskrivninger	166 667	**166 667**
Linære avskrivinger	20 %	
Økonomisk levetid	5 år	

Note 6 Leieavtaler

Selskapet har følgende leieavtaler	Avtalens utløp	Årlig leie 2023	Årlig leie 2022
Rosenholmveien 12	31.12.2027	8 598 215	8 059 931
Rosenholmveien 10	31.12.2027	1 093 716	1 030 144

Transaction 09222115557516244778 Signed PO, PB, MB

A/S Sørensen Og Balchen Noter til regnskapet for 2023

Note 7 Skatt

Beregning av utsatt skatt/utsatt skattefordel

Midlertidige forskjeller	**2023**	**2022**	**Endring**
Varige driftsmidler	-1 308 383	-1 403 305	-94 922
Fordringer	138 173	-725 195	-863 368
Varebeholdning	-12 403 800	-11 685 770	718 030
Gevinst og tapskonto		0	0
Netto pensjonsmidler	3 247 980	2 861 792	-386 188
Netto midlertidige forskjeller	-10 326 030	-10 952 478	-626 448
Underskudd til fremføring	0	0	0
Grunnlag for utsatt skatt	**-10 326 029**	**-10 952 478**	**-626 449**
Utsatt skattefordel i balansen	2 271 726	2 409 565	-137 839
Herav ikke balanseført utsatt skattefordel			
Utsatt skattefordel i balansen	**2 271 746**	**2 409 565**	**-137 839**

Utsatt skattefordel er oppført med utgangspunkt i forventet fremtidig inntekt.

Grunnlag for skattekostnad, endring i utsatt skatt og betalbar skatt	**2023**	**2022**
Resultat før skattekostnad	161 197 419	153 737 854
Permanente forskjeller	-2 764 092	-2 311 615
Endring i MF/anvendelse av fremførbart underskudd	-626 449	-2 371 011
Endring i MF som ikke er resultatført, men tatt rett i mot EK	-840 422	1 921 838
Skattepliktig inntekt før konsernbidrag	156 966 457	150 977 064
+/+ Mottatt/avgitt konsernbidrag	-16 349 397	-15 574 934
Skattepliktig inntekt (grunnlag for betalbar skatt i balansen)	**140 617 060**	**135 402 130**

Betalbar skatt :	**2023**	**2022**
Betalbar skatt før avgitt konsernbidrag	34 532 621	33 214 954
Betalbar skatt på avgitt konsernbidrag	-3 596 867	-3 426 485
For lite/mye avsatt tidligere år	0	-
Sum betalbar skatt i balansen	**30 935 753**	**29 788 469**

Fordeling av skattekostnaden	**2023**	**2022**
Betalbar skatt før konsernbidrag	34 532 621	33 214 954
Skatteeffekt av endring i MF ført rett i mot EK	184 893	-422 804
Endring i utsatt skatt/skattefordel	137 819	521 622
For lite/mye avsatt tidligere år		17 499
Skattekostnad	**34 855 333**	**33 331 271**

Avstemming fra nominiell til faktisk skattesats:	**2023**	**2022**
Resultat før skatt	161 197 419	153 737 854
Forventet inntektsskatt etter nominiell skattesats (22%)	35 463 432	33 822 328
Skatteeffekten av følgende poster:		
Skattefritt utbytte	-632 198	-510 026
Verdiendring av aksjer innenfor fritaksmodellen	-	-
Andre ikke fradragsberettigede kostnader	37 205	5 320
For lite/mye avsatt tidligere år	-13 107	13 650
Virkning av endring i skatteregler og -satser	-	-
Skattefrie tap og gevinster fra aksjesalg	-	-
Skattekostnad	34 855 333	33 331 271
Effektiv skattesats	**22 %**	**22 %**

A/S Sørensen Og Balchen

Noter til regnskapet for 2023

Note 8 Egenkapital

	Aksjekapital	Annen egenkapital	Sum egenkapital
Egenkapital 01.01.2023	75 920 000	226 285 321	302 205 321
Årets resultat	-	126 342 086	126 342 086
Avsatt utbytte		-100 000 000	-100 000 000
Netto estimatavvik pensjonsforpliktelser	-	-655 529	-655 529
Egenkapital 31.12.2023	**75 920 000**	**251 971 879**	**327 891 879**

	Aksjekapital	Annen egenkapital	Sum egenkapital
Egenkapital 01.01.2022	75 920 000	224 379 706	300 299 706
Årets resultat	-	120 406 583	120 406 583
Avsatt utbytte		-120 000 000	-120 000 000
Netto estimatavvik pensjonsforpliktelser	-	1 499 034	1 499 034
Egenkapital 31.12.2022	**75 920 000**	**226 285 321**	**302 205 321**

Note 9 Datterselskap og tilknyttet selskap m.v

Selskapets navn	Forretnings-kontor	Bokført verdi	Årets resultat (100%)	Egenkapital (100 %)	Eierandel/ stemmeandel
Rønneberg Autoindustri AS	Ålesund	1 310 099	2 382 643	3 641 000	100 %
Bilvarehusene Nor AS	Oslo	13 761 143	-4 700 802	3 924 000	100 %
BilXtra AS	Oslo	19 837 495	-2 995 323	2 904 000	100 %
Bilutstyr Arendal AS	Arendal	6 799 147	-669 546	734 000	100 %
Rogaland Rekvisita AS	Stavanger	4 064 775	-1 546 789	475 000	100 %
Jahre Motor Hamar AS	Hamar	961 807	-186 180	534 000	100 %
Askim Bilrekvisita AS	Askim	6 244 861	-767 974	-390 000	100 %
Bilvarehusene Sør AS	Oslo	19 483 085	-1 058 293	9 427 000	100 %
Høistad Bildeler AS	Lillehammer	4 512 040	-754 841	4 127 000	100 %
Vest Bilutstyr AS	Bergen	6 412 956	2 052 515	7 198 000	100 %
BilXtra Autogården Kongsberg AS	Kongsberg	891 182	765 176	3 202 000	93 %
DinDel Norway AS	Bærum	1 605 499	-18 995	-87 000	100 %
Autoproducts AS	Trondheim	4 000 000	4 676 140	8 155 000	50 %
Bilxtra Skøyen AS	Fåvang	2 191 598	1 263 139	-181 000	100 %
Bilartikler AS	Fredrikstad	23 778 000	3 647 292	19 757 000	100 %
Bilxtra Orkanger AS	Orkanger	875 001	55 318	2 046 000	67 %
Bilxtra Gjelleråsen AS	Oslo	15 300	-791 582	-761 000	51 %
Autohifi AS	Tiller	19 702 684	1 163 190	8 374 000	100 %
Sum		**136 446 674**	**2 515 088**	**73 079 000**	

A/S Sørensen og Balchen har for 2023 avgitt netto konsernbidrag på NOK 12.752.530 som er bokført som investering i datterselskap.

A/S Sørensen Og Balchen

Noter til regnskapet for 2023

Note 10 Mellomværende med selskap i samme konsern m.v

	2023	2022
Langsiktige fordringer	100 976 586	107 799 815
Kundefordringer	64 806 179	56 830 241
Konsernfordring	25 814 530	53 143 915
Sum fordringer	**191 597 295**	**217 773 971**

Konsernfordringer består blant annet av en fordring på morselskapet på kr 8.677.902.- knyttet til konsernkontoordningen. I fjor var tilsvarende fordring kr 41.733.704,-.

	2023	2022
Leverandørgjeld	83 202	0
Kortsiktig konserngjeld	16 349 397	15 574 934
Sum gjeld	**16 432 599**	**15 574 934**

Pantstillelser mv. og garantier for foretak i samme konsern	2023	2022
Selvskyldnerkausjon	139 250 000	139 250 000
Skattetrekksgaranti	13 550 000	12 800 000
Sum	**152 800 000**	**152 050 000**

Note 11 Aksjer i andre selskap og andre foretak

Selskapets navn	Eierandel	Antall aksjer/andeler	Anskaffelse - kost	Bokført verdi
Norsk Bildelkatalog AS	10 %	1	50 000	50 000
Sum				**50 000**

Note 12 Fordringer og gjeld

	2023	2022
Fordringer med forfall senere enn ett år	6 826 705	5 805 040
Langsiktig gjeld med forfall senere enn 5 år	-	-

Transaction 09222115557516244778 Signed PO, PB, MB

A/S Sørensen Og Balchen — **Noter til regnskapet for 2023**

Note 13 Pensjoner

Selskapets pensjonsordninger tilfredsstiller kravene i lov om obligatorisk tjenestepensjon.

Selskapet har en kollektiv pensjonsorning som omfatter i alt 27 yrkesaktive og 33 pensjonister pr 31.12. Ordningen gir rett til definerte fremtidige ytelser. Disse er i hovedsak avhengig av antall opptjeningsår, lønnsnivå ved oppnådd pensjonsalder og størrelsen på ytelsene fra folketrygden. Forpliktelsene knyttet til ordningen er dekket gjennom et forsikringsselskap. Det er også tilknyttet uføre-, etterlatte-, og barnepensjon.

Årets netto pensjonskostnad	**2023**	**2022**
Nåverdi av årets pensjonsopptjening	1 099 227	1 070 145
Kapitalkostnad av tidligere opptjente pensjoner	1 137 474	504 710
Forventet avkastning på pensjonsmidler	-1 265 378	-523 162
Administrasjonskostnader	58 000	58 600
Periodisert arbeidsgiveravgift	318 087	223 013
Årets netto pensjonskostnad inkl. arbeidsgiveravgift	**1 347 410**	**1 333 306**

Beregnede pensjonsforpliktelser	**2023**	**2022**
Estimerte pensjonsforpliktelser pr 31.12	37 618 020	35 562 208
Estimerte pensjonsmidler pr 31.12	40 866 000	38 424 000
Beregnede pensjonsforpliktelse pr 31.12	-3 247 980	-2 861 792
Periodisert arbeidsgiveravgift	0	0
Netto pensjonsforpliktelse pr 31.12	**-3 247 980**	**-2 861 792**

Økonomiske/aktuarielle forutsetninger	**2023**	**2022**
Diskonteringsrente	3,70 %	3,20 %
Forventet avkastning av pensjonsmidler	3,70 %	3,20 %
Lønnsregulering	3,75 %	3,75 %
Pensjonsregulering	2,40 %	1,70 %
G - regulering	3,50 %	3,50 %
Arbeidsgiveravgift	14,10 %	14,10 %

Beregninger er i henhold til IAS 19R. Selskapets juridiske forpliktelser er ikke påvirket av den regnskapsmessige behandlingen av pensjonforpliktelsen.

Estimatavvik føres i mot egenkapitalen.

Arbeidsgiveravgift er behandlet i henhold til NRS 6 punkt 41 C. Arbeidsgiveravgift inngår som et tillegg til netto pensjonsforpliktelse. Arbeidsgiveravgift er ikke inkludert i brutto pensjonsforpliktelser.

Ved beregning er det ved valg av dødelighetsforutsetninger tatt utgangspunkt i K2013. Det er eksplisitt tatt hensyn til reaktivering av uføre. Andre forutsetninger er valgt i overensstemmelser med beregningsgrunnlag for kollektiv pensjon.

A/S Sørensen Og Balchen

Noter til regnskapet for 2023

Note 14 Varelager

	2023	2022
Ferdigvarer	162 805 542	134 140 008
Ukurans	-12 403 800	-11 685 770
Sum	150 401 742	122 454 238

Note 15 Bundne midler

	2023	2022
Herav bundne bankinnskudd husleiedepositum	2 841 944	2 835 410

Selskapet har bankgaranti på kr 4.000.000.- for å dekke selskapets skyldige skattetrekk.
Skyldig skattetrekk pr 31.12.2023 utgjør kr 2.371.752,-.

Note 16 Aksjekapital og aksjonærinformasjon

Aksjekapitalen på kr. 75.920.000.- består av 75.920 aksjer à kr. 1.000.-. Aksjene består av en aksjeklasse.

Alle aksjer er eid av morselskapet Meko AB.

Konsernregnskap utarbeides for morselskap Meko AB med forretningsadresse Solnavegen 4, plan 10, Stockholm, hvor en kan få utlevert konsernregnskapet.

Note 17 Kontantstrømoppstilling

Sammenligningstallene for "endring konsernkontoordning" er reklassifisert fra finansieringsaktiviteter til investeringsaktiviteter.

Sammenligningstallene for konsernbidrag er korrigert bort fra investeringsaktiviteter da det ikke har kontantstrømeffekt.

A/S Sørensen og Balchen

Årsberetning 2023

A/S Sørensen og Balchen
Adresse: Postboks 134 Holmlia, 1203 OSLO
Org.nr: 916591144 MVA
Virksomhet: Engros

Virksomhetens art
A/S Sørensen og Balchen driver engros virksomhet med reservedeler og tilbehør til biler. Selskapet har forretningslokale i Oslo og har distribusjon til hele det norske markedet.

Fortsatt drift
Forutsetningene for fortsatt drift er til stede og er lagt til grunn ved utarbeidelsen av årsregnskapet.

Stilling og resultat
Selskapet har hatt omsetning på 555,6 mill. kroner i 2023 som tilsvarer en fremgang på 13,3 % fra 2022. Årsresultatet etter skatt er økt fra 120,4 mill. kroner i 2022 til 126,4 mill. kroner i 2023.

Omsetningsfremgangen er drevet av økt distribusjon og et forholdsvis bra verkstedmarked. Særlig detaljistomsetningen er negativt påvirket av økt inflasjon og betydelige prisøkninger på primærbehov og finansiering hvor private husholdninger må prioritere enda hardere. En svak norsk krone har negativ effekt på marginene. God kostnadskontroll begrenser effekten av betydelige prisøkninger på frakt, lokal, marked og andre kostnader. Markedet har vært preget av konsolidering, der aktørene i markedet blir færre, men sterkere.

Styrket finansiell situasjon og økt distribusjon gjør at selskapet er godt rustet for fremtiden.

Netto kontantstrøm fra operasjonelle aktiviteter var 79,3 mill. kroner i 2023 sammenlignet med 100,0 mill. kroner i 2022. Selskapets kontantstrøm har de seneste årene finansierts selskapets investeringer. Totalkapitalen var ved utgangen av året 565 mill. kroner mot 532 mill. kroner året før. Egenkapitalandelen pr. 31.12.23 var 58,0 %, sammenlignet med 56,7 % pr. 31.12.22.

Det er ikke inntruffet andre vesentlige hendelser etter balansedagen frem til nå, og styret kjenner ikke til at det knytter seg vesentlig usikkerhet til regnskapet. Styret mener at årsregnskapet gir et riktig bilde av A/S Sørensen og Balchen's eiendeler og gjeld, finansielle stilling og resultat.

Finansiell risiko
Foretaket er utsatt for finansiell risiko da det handles med produsenter i Eurosonen og i Asia. Det er en overordnet målsetting å dempe finansiell risiko. Det brukes ikke finansielle instrumenter for sikring av valuta, men dette vurderes løpende av styret.

Styret vurderer likviditeten som tilfredsstillende.

Årsresultat og disponeringer
Overskuddet i A/S Sørensen og Balchen på kr. 126 342 086 foreslås disponert som følger:

Avsatt til utbytte	kr.	100 000 000
Overført til annen Ek	kr.	26 342 086
Sum disponert	kr.	126 342 086

A/S Sørensen og Balchen

Arbeidsmiljø og personale
Styret mener arbeidsmiljøet i selskapet er tilfredsstillende. Det gjennomsnittlige sykefraværet har vært på 11,1 % mens tilsvarende for foregående år var 6,5 %. Det har ikke vært meldt noen arbeidsulykker i 2023.

Likestilling
Selskapet har som mål å være en arbeidsplass hvor det råder full likestilling mellom kvinner og menn, og mener at det ikke forekommer forskjellsbehandling grunnet kjønn. Andel kvinnelige ansatte i bedriften er 17 %.

Virksomheten jobber for å fremme likestilling og hindre diskriminering på arbeidsplassen. Det er ingen forskjeller i lønns- og arbeidsvilkår for sammenlignbare stillinger, utviklingsmuligheter eller mulighet for forfremmelse.

Diskriminering
Diskrimineringslovens formål er å fremme likestilling, sikre like muligheter og rettigheter og å hindre diskriminering på grunn av etnisitet, nasjonal opprinnelse, avstamning, hudfarge, språk, religion og livssyn.

Konsernet har som mål å være en arbeidsplass hvor det ikke forekommer diskriminering på grunn av nedsatt funksjonsevne. For arbeidstakere eller arbeidssøkere med nedsatt funksjonsevne foretas det individuell tilrettelegging av arbeidsplass og arbeidsoppgaver.

Åpenhetsloven
Redegjørelse for aktsomhetsvurderingene vil publiseres på selskapets hjemmeside BilXtra.no.

Styreansvarsforsikring
Det bekreftes at selskapet har styreansvarsforsikring. Forsikringen omfatter Mekonomen AB med datterselskap og dekker ansvar for formuestap for krav fremsatt mot sikrede i forsikringsperioden som følge av en ansvarsbetingende handling eller unnlatelse hos sikrede i egenskap av daglig leder, styremedlem, medlem av ledelsen eller tilsvarende styreorgan i konsernet. Forsikringen dekker ikke skade på personer eller eiendeler.

Forskning og utvikling
Selskapet har for tiden ingen pågående forsknings- eller utviklingsaktiviteter.

Ytre miljø
Selskapets virksomhet er ikke regulert av konsesjoner eller pålegg. Bedriften forurenser ikke det ytre miljø.

Oslo, 11. april 2024
Styret for A/S Sørensen og Balchen

Pehr Olof Oscarsson
styreleder

Morten Birkeland
styremedlem/
daglig leder

Petra Ulrika Bendelin
styremedlem

Verification

Transaction 09222115557516244778

Document

Årsregnskap Sogb 2023
Main document
18 pages
Initiated on 2024-04-26 15:15:42 CEST (+0200) by Assistant Assistant (AA)
Finalised on 2024-04-29 10:53:07 CEST (+0200)

Initiator

Assistant Assistant (AA)
MEKO
ceo-assistant@meko.com
+46702005342

Signatories

Per Oscarson (PO)
Identified by Swedish BankID as "PEHR OSCARSSON"
MEKO
ID number 19630925-8215
Pehr.Oscarson@meko.com
+46705372020

The name returned by Swedish BankID was "PEHR OSCARSSON"
Signed 2024-04-26 15:17:03 CEST (+0200)

Petra Bendelin (PB)
MEKO
petra.bendelin@meko.com
+46704249919

Signed 2024-04-29 10:53:07 CEST (+0200)

1/2

Verification

Transaction 09222115557516244778

Morten Birkeland (MB)
AS Sørensen og Balchen
mbi@sogb.no
+4792069500

Signed 2024-04-29 10:19:10 CEST (+0200)

This verification was issued by Scrive. Information in italics has been safely verified by Scrive. For more information/evidence about this document see the concealed attachments. Use a PDF-reader such as Adobe Reader that can show concealed attachments to view the attachments. Please observe that if the document is printed, the integrity of such printed copy cannot be verified as per the below and that a basic print-out lacks the contents of the concealed attachments. The digital signature (electronic seal) ensures that the integrity of this document, including the concealed attachments, can be proven mathematically and independently of Scrive. For your convenience Scrive also provides a service that enables you to automatically verify the document's integrity at: https://scrive.com/verify

Til generalforsamlingen i A/S Sørensen og Balchen

Uavhengig revisors beretning

Konklusjon

Vi har revidert årsregnskapet for A/S Sørensen og Balchen som består av balanse per 31. desember 2023, resultatregnskap og kontantstrømoppstilling 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 årsregnskapet et rettvisende bilde av selskapets finansielle stilling per 31. desember 2023, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

Grunnlag for konklusjonen

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.

Øvrig informasjon

Styret og daglig leder (ledelsen) er ansvarlige for informasjonen i årsberetningen. Øvrig informasjon omfatter informasjon i årsrapporten bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Vår konklusjon om årsregnskapet ovenfor dekker ikke informasjonen i årsberetningen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese årsberetningen. Formålet er å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom årsberetningen og årsregnskapet og den kunnskap vi har opparbeidet oss under revisjonen av årsregnskapet, eller hvorvidt informasjon i årsberetningen ellers fremstår som vesentlig feil. Vi har plikt til å rapportere dersom årsberetningen fremstår som vesentlig feil. Vi har ingenting å rapportere i så henseende.

Basert på kunnskapen vi har opparbeidet oss i revisjonen, mener vi at årsberetningen

- er konsistent med årsregnskapet og
- inneholder de opplysninger som skal gis i henhold til gjeldende lovkrav.

Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet og for at det gir et rettvisende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik internkontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller utilsiktede 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 så lenge det ikke er sannsynlig at virksomheten vil bli avviklet.

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 utilsiktede feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

revisjon utført i samsvar med ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan oppstå som følge av misligheter eller utilsiktede feil. Feilinformasjon 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. For videre beskrivelse av revisors oppgaver og plikter vises det til: https://revisorforeningen.no/revisjonsberetninger

Oslo, 11. april 2024
PricewaterhouseCoopers AS

Anders Ellefsen
Statsautorisert revisor
(elektronisk signert)

Securely signed with Brevio

Revisjonsberetning

Signers:

Name	*Method*	*Date*
Ellefsen, Anders	BANKID	2024-05-15 22:12

This document package contains:

- *Closing page (this page)*
- *The original document(s)*
- *The electronic signatures. These are not visible in the document, but are electronically integrated.*

This file is sealed with a digital signature. The seal is a guarantee for the authenticity of the document.