20240423160057

Styrelsen och verkställande direktören för

Håells AB

Org nr 556305-0946

får härmed avge

Årsredovisning

för räkenskapsåret 1 januari - 31 december 2023

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Håells AB
Org nr 556305-0946

20240423160558

Förvaltningsberättelse

Ägarförhållande

Bolaget ägs till 100 % av Modul-System HH Van Equipment AB, org nr 556552-7040 med säte i Mölndal.
Modul-System HH Van Equipment AB är dotterbolag till Sorb Industri AB org nr. 556272-5282 vilket i sin tur är dotterbolag till Lifco AB (publ.) org nr. 556465-3185.

Lifco AB (publ) org.nr 556465-3185, dotterbolag till Carl Bennet AB, upprättar koncernredovisning varmed koncernredovisning ej upprättas i enlighet med Årsredovisningslagen 7:2 punkt 1.

Allmänt om verksamheten

Håells AB är moderbolag till Modul-System HH AB org.nr.556138-6409, med säte i Mölndal, samt till dotterbolag i Tyskland, Frankrike, Belgien, Danmark, Polen Norge, Nederländerna, Finland och Storbritannien.

Resultat och ställning

Belopp i tkr	***2023***	***2022***	***2021***	***2020***
Nettoomsättning	–	–	–	–
Resultat efter finansiella poster	79 071	88 422	-304	-598
Balansomslutning	270 548	190 829	132 943	132 943
Soliditet	33%	47%	62%	62%
Avkastning på totalt kapital	29%	55%	0%	0%
Avkastning på eget kapital efter skatt	88%	102%	0%	-1%
Medelantal anställda	–	–	–	–

Förväntningar avseende framtida utveckling

Verksamheten för 2024 förväntas ligga på samma nivå som för 2023.

Förändring i eget kapital

	Aktie-kapital	*Reserv-fond*	*Balanserat kapital*	*Årets resultat*	*Totalt eget kapital*
Vid årets början	1 000 000	200 000	1 013 268	88 421 875	90 635 143
Vinstdisposition			88 421 875	-88 421 875	–
Årets resultat				79 066 685	79 066 685
Utdelning			-80 000 000		-80 000 000
Vid årets slut	1 000 000	200 000	9 435 143	79 066 685	89 701 827

Förslag till vinstdisposition

Till årsstämmans förfogande står följande vinstmedel:

Balanserat resultat:	9 435 143
Årets resultat:	79 066 685
Summa	**88 501 827**

Styrelsen föreslår att vinstmedlen disponeras så att

Utdelning, [1 000 000 aktier * 80 SEK]	80 000 000
Balanseras i ny räkning	8 501 827
Summa	**88 501 827**

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20240423160559

Styrelsen anser att förslaget är förenligt med försiktighetsregeln i 17 kap. 3 § aktiebolagslagen enligt följande redogörelse: Styrelsens uppfattning är att vinstutdelningen är försvarlig med hänsyn till de krav verksamhetens art, omfattning och risk ställer på storleken på det egna kapitalet, bolagets konsolideringsbehov, likviditet och ställning i övrigt.

Beträffande bolagets resultat och ställning i övrigt, hänvisas till efterföljande resultat- och balansräkning jämte noter och kommentarer.

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20240423160600

Resultaträkning

Belopp i tkr	*Not*	*2023*	*2022*
Nettoomsättning		–	–
Bruttoresultat		–	–
Administrationskostnader	1-2	–	–
Rörelseresultat		–	–
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	3	79 048	88 547
Ränteintäkter och liknade resultatposter	4	23	–
Räntekostnader och liknande resultatposter	4	–	-125
Resultat efter finansiella poster		79 071	88 422
Bokslutsdispositioner			
Koncernbidrag, erhållna		–	–
Resultat före skatt		79 071	88 422
Skatter	5	-5	–
Årets resultat		79 066	88 422

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20240423160611

Balansräkning

Belopp i tkr	*Not*	*2023-12-31*	*2022-12-31*
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	6	112 305	112 305
Andelar i koncernföretag under bildande		–	–
		112 305	112 305
Summa anläggningstillgångar		112 305	112 305
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		158 243	78 524
		158 243	78 524
Summa omsättningstillgångar		158 243	78 524
SUMMA TILLGÅNGAR		270 548	190 829

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20240423160620

Balansräkning

Belopp i tkr	*Not*	*2023-12-31*	*2022-12-31*
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital (1 000 000 aktier á nom. 1 kr)		1 000	1 000
Reservfond		200	200
		1 200	1 200
Fritt eget kapital			
Balanserad vinst		9 435	1 013
Årets resultat		79 066	88 422
		88 501	89 435
		89 701	90 635
Långfristiga skulder			
Skulder till koncernföretag	7	180 842	100 194
		180 842	100 194
Kortfristiga skulder			
Skatteskulder		5	–
		5	–
SUMMA EGET KAPITAL OCH SKULDER		270 548	190 829

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Noter med redovisningsprinciper och bokslutskommentarer

Belopp i tkr om inget annat anges

Allmänna redovisningsprinciper

Årsredovisningen har upprättats i enlighet med Årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade i jämförelse med föregående år.

Skatt
Skatter redovisas i resultaträkningen utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekt redovisas i eget kapital. Aktuell skatt är skatt som skall betalas eller erhållas avseende aktuellt år.
Hit hör även justering av aktuell skatt hänförlig till tidigare perioder. Uppskjuten skatt beräknas enligt balansräkningsmetoden med utgångspunkt i temporära skillnader mellan redovisade och skattemässiga värden på tillgångar och skulder. Beloppen beräknas baserade på hur de temporära skillnaderna förväntas bli utjämnade och med tillämpning av de skattesatser och skatteregler som är beslutade eller aviserade per balansdagen.

Uppskjutna skattefordringar i avdragsgilla temporära skillnader och underskottsavdrag redovisas endast i den mån det är sannolikt att dessa kommer att medföra lägre skatte-utbetalningar i framtiden.

Koncernbidrag
Samtliga lämnade och erhållna koncernbidrag redovisas som bokslutsdisposition i resultaträkningen.

Aktier och andelar i dotterföretag
Aktier och andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott och koncernbidrag läggs till anskaffningsvärdet när det lämnas. Utdelning från dotterföretag redovisas som intäkt.

Fordringar
Fordringar har efter individuell värdering upptagits till belopp varmed de beräknas inflyta.

Eget kapital
Eget kapital delas in i bundet och fritt eget kapital, i enlighet med årsredovisningslagens indelning.

Skulder
Skulder redovisas till nominellt belopp.

Finansiella anläggningstillgångar
Finansiella anläggningstillgångar redovisas till anskaffningsvärde med avdrag för eventuella nedskrivningar.

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Not 1 Anställda och personalkostnader

Bolaget har under de senaste räkenskapsåren inte haft någon anställd personal och därmed inga lönekostnader

Not 2 Arvode och kostnadsersättning till revisorer

Kostnad för arvode till revisorer debiteras i dotterbolaget Modul-System HH AB.

Not 3 Resultat från andelar i koncernföretag

	2023	*2022*
Utdelning från dotterbolag	79 048	88 547
	79 048	88 547

Not 4 Räntekostnader och liknande resultatposter

	2023	*2022*
Moderbolaget		
Ränteintäkter	23	–
Räntekostnader	–	-125
	23	-125

Not 5 Skatter

	2023	*2022*
Aktuell skatt	-5	–
	-5	–

	2023	*2022*
Resultat före skatt	*79 071*	*88 422*
Skatt beräknad enligt gällande skattesats (20,6%)	-16 289	-18 215
Skatteeffekt av ej adragsgilla kostnader	–	-26
Skatteeffekt av ej skattepliktiga intäkter	16 284	18 241
	-5	0

20240423160655

Not 6 Andelar i koncernföretag

	2023-12-31	*2022-12-31*
Ackumulerade anskaffningsvärden		
Vid årets början och slut	121 086	121 086
Inköp	–	–
	121 086	121 086
Ackumulerade nedskrivningar		
Vid årets början och slut	-8 781	-8 781
Årets nedskrivningar	–	–
	-8 781	-8 781
Bokfört värde vid årets slut	112 305	112 305

Spec av andelar i koncernföretag

Dotterföretag / Org nr / Säte	*Antal andelar*	*Andel i % 1)*	*Bokfört värde*
Modul-System HH AB, 556138-6409, Mölndal	12 200	100,0	10 908
Modul-System Servicemobil GmbH, Weiburg, Tyskland		100,0	–
Modul-System S.A, Marne la Vallée, Frankrike		100,0	13 346
Modul-System N.V./S.A, Mechelen, Belgien		100,0	565
Modul-System HH Modul-System A/S,Bröndby, Danmark		100,0	618
Modul-System Sp.z.o.o., Warszawa, Polen		100,0	695
Modul-System BV, Massluis, Nederländerna		100,0	3 634
Modul-System Oy, Helsinki, Finland		100,0	100
Modul-System AS Norge		100,0	111
Modul-System UK Ltd, Wooburn, Storbritannien		100,0	82 328
Tevo International Ltd, Wooburn, Storbritannien		100,0	–
			112 305

1) Ägarandelen av kapitalet avses, vilket även överensstämmer med andelen av rösterna för totalt antal aktier.

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Not 7 Skulder till koncernföretag

	2023-12-31	*2022-12-31*
Förfall 1-5 år	180 842	100 194
	180 842	100 194

Not 8 Nyckeltalsdefinitioner

Soliditet
Eget kapital, inkl. kapitalandel av obeskattde reserver i procent av balansomslutningen.

Avkastning på totalt kapital
Resultat efter finansnetto plus finansiella kostnader,
i procent av genomsnittlig balansomslutning.

Avkastning på eget kapital efter skatt
Resultat efter skatt, i procent av genomsnittligt eget kapital.

Mölndal den Datum som framgår av den elektroniska signaturen

Martin Linder
Styrelseordförande

Kurt Burman
Styrelseledamot

David Mickelson
Verkställande direktör

Johan Rudberg
Arbetstagarrepresentant

Vår revisionsberättelse har lämnats den dag som framgår av min elektroniska signatur
PricewaterhouseCoopers AB

Vicky Johansson
Auktoriserad revisor

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Verifikat

Transaktion 09222115557513623263

Dokument

20240423160067

Årsredovisning Håells AB 2023
Huvuddokument
10 sidor
Startades 2024-03-25 09:00:55 CET (+0100) av Stefan Lundgren (SL)
Färdigställt 2024-03-25 17:15:23 CET (+0100)

Initierare

Stefan Lundgren (SL)
Modul-System HH AB
stefan.lundgren@modul-system.com
+46705468707

Signerare

David Mickelson (DM)
Modul-System HH AB
Personnummer 710905-9415
david.mickelson@modul-system.com
+46705468702

BankID

Namnet som returnerades från svenskt BankID var "DAVID MICKELSON"
Signerade 2024-03-25 09:04:08 CET (+0100)

Martin Linder (ML)
Lifco AB
Personnummer 720204-0155
martin.linder@lifco.se
+46706376890

BankID

Namnet som returnerades från svenskt BankID var "Martin Roland Linder"
Signerade 2024-03-25 09:09:10 CET (+0100)

SIGNATURES scrive. VERIFIED BY

Verifikat

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20240423160 68

Kurt Burman (KB)
Sorb
Personnummer 621015-8553
kurt.burman@sorb.se
+46702370856

BankID

Namnet som returnerades från svenskt BankID var "Kurt Olof Robert Burman"
Signerade 2024-03-25 09:07:02 CET (+0100)

Vicky Johansson (VJ)
PWC
Personnummer 840410-4047
vicky.johansson@pwc.com
+46709292757

BankID

Namnet som returnerades från svenskt BankID var "VICKY JOHANSSON"
Signerade 2024-03-25 17:15:23 CET (+0100)

Johan Rudberg (JR)
Modul-System HH AB
Personnummer 811127-5957
johan.rudberg@modul-system.com
+46736327546

BankID

Namnet som returnerades från svenskt BankID var "JOHAN RUDBERG"
Signerade 2024-03-25 17:03:09 CET (+0100)

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Revisionsberättelse

Till bolagsstämman i Håells AB, org.nr 556305-0946

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Håells AB för år 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Håells ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen för Håells AB.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Håells AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Håells AB för år 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

20240423160700

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Håells AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation, och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Malmö den dag som framgår av vår elektroniska signatur

PricewaterhouseCoopers AB

Vicky Johansson
Auktoriserad revisor

Deltagare

PRICEWATERHOUSECOOPERS AB 556067-4276 Sverige

Signerat med Svenskt BankID — *2024-03-25 07:38:39 UTC*

Namn returnerat från Svenskt BankID: VICKY JOHANSSON — Datum

Vicky Johansson
Auktoriserad revisor

Leveranskanal: E-post

20240423160711

20240423 16072

Håells AB
Org nr 556305-0946

FASTSTÄLLELSEINTYG

Undertecknad VD intygar härmed, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkningen fastställts på ordinarie bolagsstämma 2024-04-16.

Stämman beslöt tillika godkänna styrelsens förslag till resultatdisposition.

2024-04-19,

David Mickelson
Håells AB

2023 Annual Report and Sustainability Report

LIFCO

A SAFE HAVEN FOR YOUR BUSINESS

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The Swedish Annual Report and Sustainability Report is the original document. In the event of any discrepancy between the original document and the English translation, the Swedish original shall take precedence.

LIFCO IN BRIEF

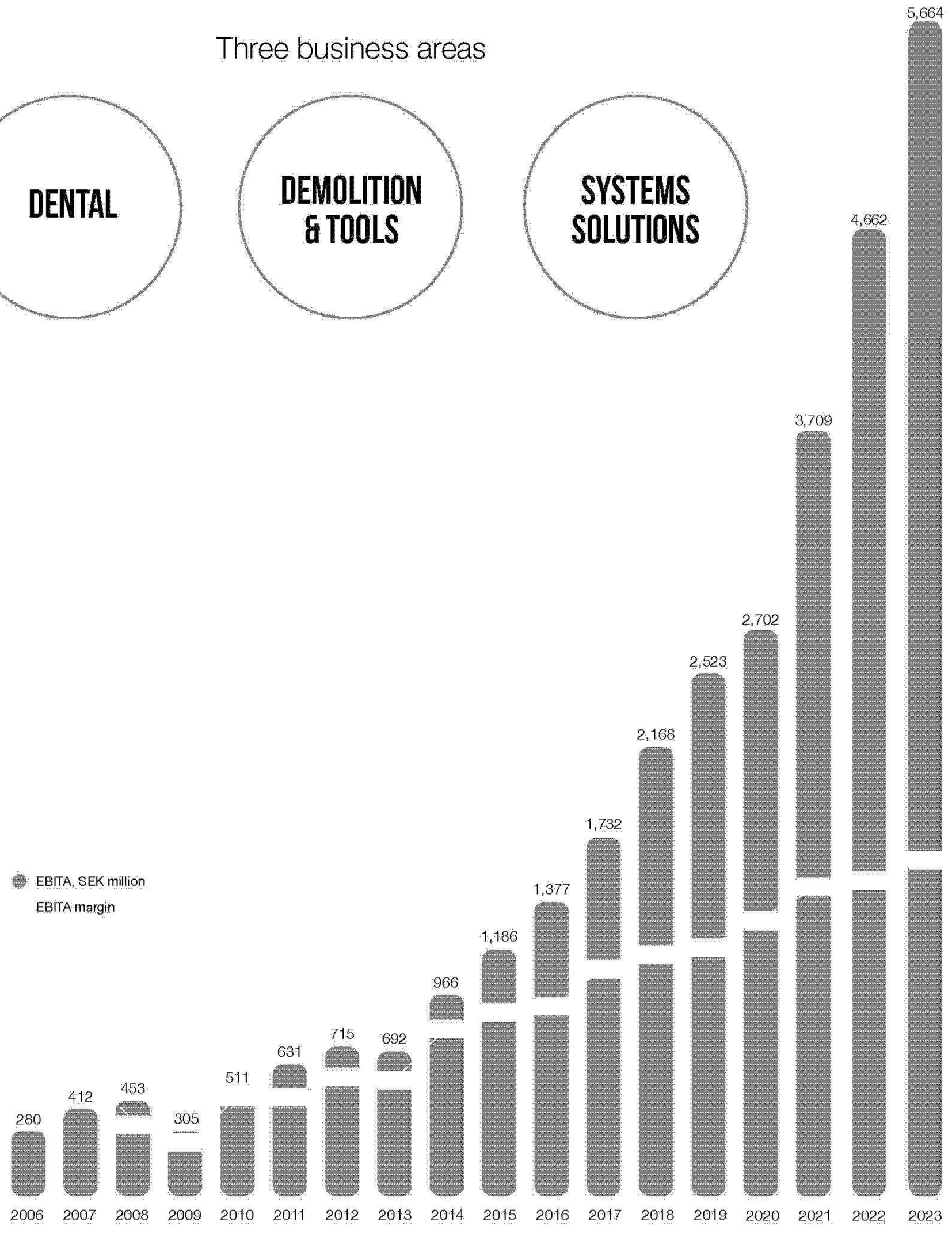
We offer secure ownership for small and medium-sized businesses. We acquire and develop profitable, market-leading, sustainable niche businesses with the potential to deliver sustained earnings growth and robust cash flows. Our ownership is very long-term and Lifco's culture is marked by decentralisation, customer focus and an emphasis on sustainability in everything we do.

Three business areas

DENTAL

DEMOLITION & TOOLS

SYSTEMS SOLUTIONS



HIGHLIGHTS OF 2023

Lifco grew through acquisitions and delivered good growth in profitability in 2023 on the back of acquisitions, organic earnings growth and positive exchange rate effects.
During the year, Lifco consolidated 18 acquisitions with estimated total annual net sales of SEK 2,260 million at the time of acquisition.

Net sales increased
13.5%

EBITA increased
21.5%

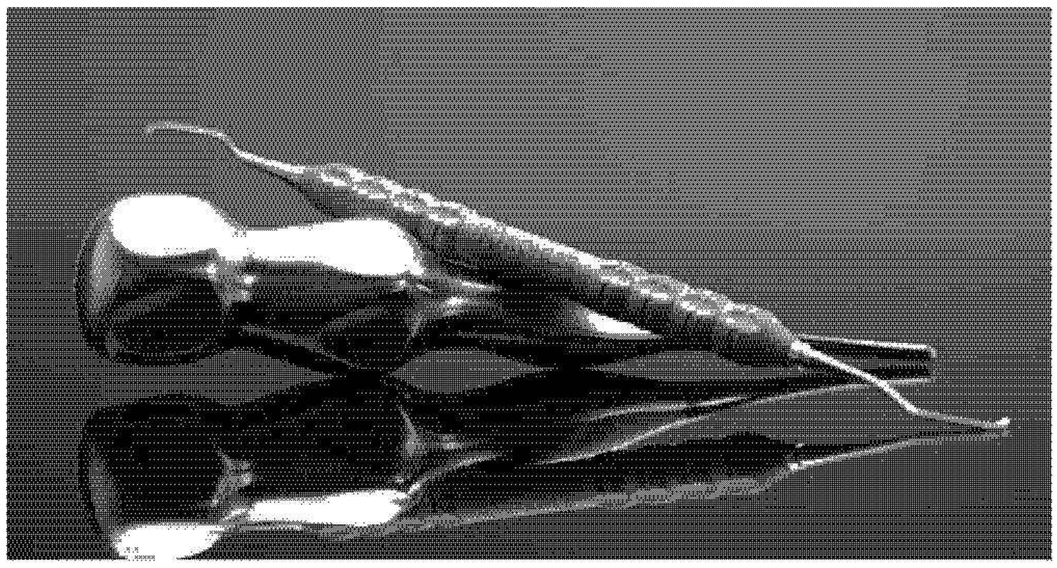
Earnings per share increased
17.6%

KEY PERFORMANCE INDICATORS

	2023	Change	2022
Net sales, SEK million	24,454	13.5%	21,552
EBITA, SEK million[1]	5,664	21.5%	4,662
EBITA margin, %[2]	23.2	1.6	21.6
Earnings per share after tax, SEK	7.21	17.6%	6.13
Cash flow from operating activities, SEK million	4,458	45.3%	3,069
Capital employed, SEK million	25,007	21.0%	20,668
Capital employed excluding goodwill and other intangible assets, SEK million	4,088	18.7%	3,444
Return on capital employed, %	22.6	-	22.6
Return on capital employed excluding goodwill and other intangible assets, %	139	3.2	135
Net debt, SEK million	10,633	24.0%	8,576
Net debt/equity ratio	0.7	0.1	0.6
Net debt/EBITDA	1.7	-	1.7
Interest-bearing net debt, SEK million	6,849	22.5%	5,590
Interest-bearing net debt/EBITDA	1.1	-	1.1
Equity/assets ratio, %	44.7	-0.1	44.8
Equity per share, SEK	33.49	14.9%	29.14
Number of shares, thousands	454,216	-	454,216

[1] EBITA = operating profit before amortisation of intangible assets arising on acquisitions and acquisition costs.

[2] EBITDA = operating profit before depreciation, amortisation and acquisition costs.



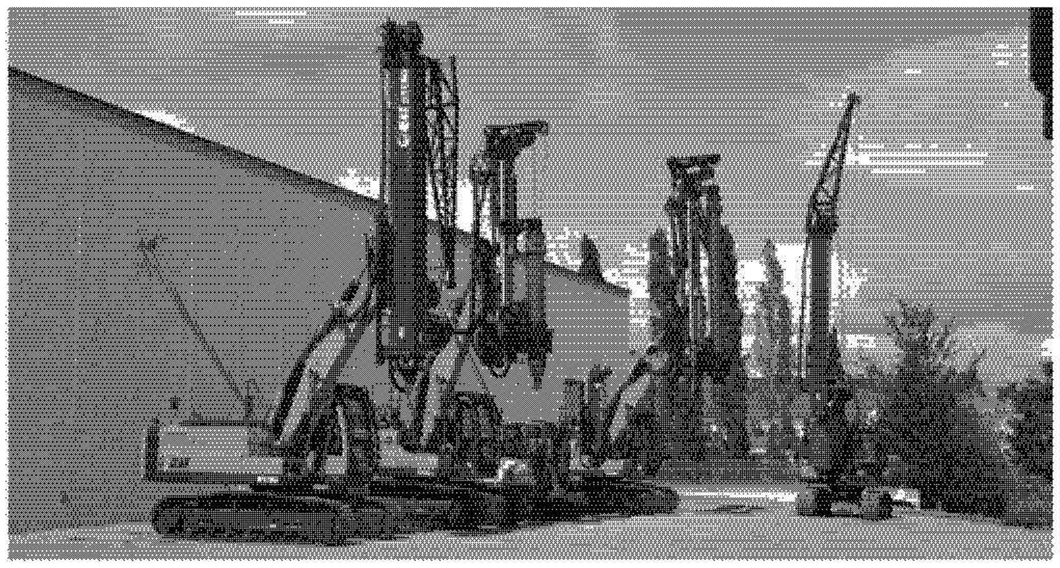
Q1

Six new businesses are consolidated with total annual net sales of approximately SEK 525 million. The new companies include:

The UK company Alwayse, a global supplier of ball transfer units.

The UK company Broughton Plant Hire and Sales, a niche provider of plant hire solutions for the construction industry.

The German company Kohler Medizintechnik, which manufactures dental instruments.



Q2

Four new businesses are consolidated with total annual net sales of approximately SEK 520 million. The new companies include:

Aura Electric, a Norwegian manufacturer of low-voltage electrical equipment.

Geax of Italy, a niche manufacturer of compact piling rigs.

The British company The Real Spirit of Coffee, which sells high-end coffee machines and consumables under the Rijo42 brand.



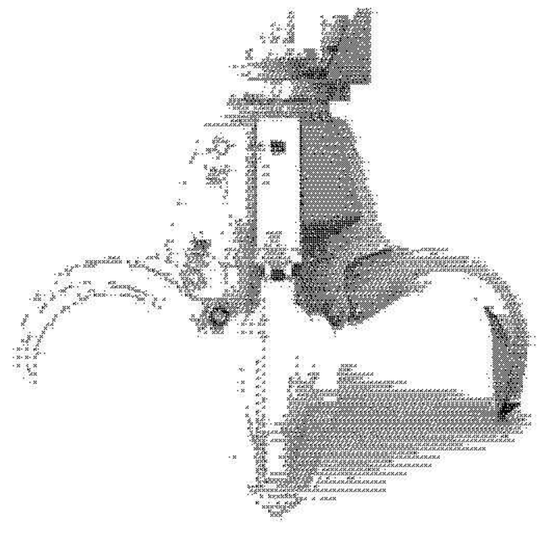
Q3

The MTN programme is increased from SEK 6 billion to SEK 8 billion. Lifco sells SEK 750 million of two-year unsecured bonds in two issues.

Three new businesses with total annual net sales of approximately SEK 180 million are consolidated. The new companies include:

Amayse of Denmark, a leading global supplier of 3D advertising for televised sports events and stadium branding solutions.

Astro of Italy, a niche manufacturer of recyclable high-quality professional polyethylene tanks.



Q4

Five new businesses are consolidated with total annual net sales of approximately SEK 1,035 million. The new companies include:

The British company Ortho-Care, which supplies orthodontic products to dentists in the UK.

The German company HGT, which manufactures attachments for material handling machines.

The Danish company Green Instruments, which develops and manufactures systems for measuring and monitoring emissions from marine vessels.

Net sales in the consolidated companies refer to estimated annual net sales at the time of acquisition.

Chief executive's review

A CLEAR VALUE-CREATING STRATEGY

The basis for Lifco's historical performance is a clear business strategy centred around sustainable value creation, simplicity and decentralisation. A key driver behind Lifco's success is our Group companies' offerings, which contribute to increased efficiency and enhancement in a number of different areas. They often also contribute to strengthening the customers' sustainability efforts.

Lifco's primary goal is to increase its earnings every year through organic growth and acquisitions. Net sales increased by 13.5 per cent in 2023 to SEK 24,454 (21,552) million through a combination of acquisitions and positive exchange rate effects. Acquisitions contributed 10.0 per cent and exchange rate changes had a positive impact on net sales of 4.4 per cent. Due to weaker market conditions in Demolition & Tools, organic growth was 0.0 per cent. The divestment in 2022 of the Estonian company Hekotek, which mainly sells sawmill equipment to Russia, impacted net sales growth negatively by 0.9 per cent. Lifco's average annual sales growth during the period 2006–2023, including acquisitions, amounts to 14.0 per cent.

In 2023, EBITA increased by 21.5 per cent to SEK 5,664 (4,662) million, with acquisitions contributing 11.5 per cent, organic growth 6.1 per cent and positive currency effects 4.2 per cent. The EBITA margin improved by 1.6 percentage points to 23.2 (21.6) per cent on the back of acquisitions, organic profit growth and exchange rate effects. Lifco's average annual EBITA growth during the period 2006–2023, including acquisitions, is 19.4 per cent.

A SUCCESSFUL ACQUISITION MODEL

During 2023 and 2022, Lifco has acquired 18 and twelve new businesses, respectively. To ensure sustained earnings growth, the Group takes a long-term approach to the companies it acquires. We look for companies engaged in sustainable business activities that are profitable and have achieved stable growth over an extended period of time. Ideally, we like to buy companies that are market leaders in their niche and not overly dependent on individual suppliers and customers. The efforts to meet the UN Sustainable Development Goals (SDGs) and reduce our climate impact are strong, long-term societal trends. That's why we are keen to acquire companies which through their offering directly or indirectly increase efficiency and enhance customers' operations and can contribute to their sustainability efforts. We would like to see the existing management remain active in the company since they know the market and the business best.

We are strongly decentralised, and the companies enjoy a high degree of independence. Our goal is for decisions to be made by the local management teams in the companies where the business is conducted. A key means of implementing a decentralised business model in practice is to minimise central functions and resources.

SECURE OWNERSHIP

Lifco has a unique advantage in that the Group offers secure, long-term ownership for small and medium-sized companies. When we acquire a company it is not our goal to sell the business in the future. Nor do we strive to realise synergies and we have never relocated operations. The idea is that the companies should continue to operate as they did before becoming part of the Lifco Group and thereby deliver steady earnings growth.

Since our ownership perspective is perpetual, it is natural for the subsidiaries to combine a focus on earnings and cash flow with continuous efforts to develop new products and increase their selling power.

Lifco's decentralised business model, which allows for a high degree of autonomy in the subsidiaries, is a key factor during negotiations with potential acquisition candidates. In many of the acquisitions made by Lifco in recent years, our clear and simple corporate culture – a culture which has proved its worth over time – has been crucial in persuading entrepreneurs to sell their life's work to Lifco.

SUSTAINABILITY A KEY FACTOR IN ACQUISITIONS

Lifco is convinced that only with a sustainability perspective it is possible to build companies with sustained profitability, motivated employees and satisfied customers. That's why sustainability is an integral part of Lifco's business model. A sustainability perspective is also a key element of the acquisition process, and we only acquire companies that operate in a sustainable manner. We do not acquire companies which are considered to violate the UN Global Compact's principles on human rights, labour, environment and anti-corruption.



Per Waldemarson
President and CEO

It is essential to the success of our decentralised business model that the Group has a clear and shared view of how to run a sustainable business. We therefore have Group policies which govern sustainability management activities. Our Code of Conduct sets forth our ethical principles, which cover our relations with employees, customers, suppliers, society, the environment and shareholders. This means, for example, that the employees need to be offered good terms and that the company's suppliers need to meet the criteria for sustainable business. Management regularly monitors compliance with the Code of Conduct and takes immediate action in case of any deviations.

CLIMATE IMPACT A FOCAL POINT

Many of Lifco's subsidiaries have for a long time conducted active sustainability work, particularly in the areas of environment and climate impact. Many initiatives are underway in the subsidiaries to reduce the companies' climate impact, for example by switching to renewable energy and reducing energy use. In 2023, we continued to expand our sustainability reporting to include data on workplace accidents per company, waste amounts and recycling as well as additional data on water consumption. Our prioritised sustainability topics are reduced environmental and climate impact, motivated employees, safe workplaces and a high standard of business ethics.

In December 2016, Lifco signed up to the UN Global Compact, to show our support for internationally accepted business ethical standards and our long-term commitment to sustainability issues. As a member, we have undertaken to actively implement the Global Compact's ten principles for sustainable development in the areas of human rights, labour, environment and anti-corruption.

STRONG CASH FLOW

A constant focus area for us is the Groups cash flow and changes in capital employed in our businesses. Cash flow from operating activities increased by 45.3 per cent in 2023 to SEK 4,458 million as a result of a decline in tied-up capital.

The long-term objective is to ensure stable dividend growth while maintaining a payout ratio of 30–50 per cent of earnings after tax. For the 2023 financial year, the Board of Directors proposes a dividend of SEK 2.10 per share, which is an increase of 16.7 per cent on 2022 and equates to 29.1 per cent of earnings after tax.

MARKET-LEADING NICHE COMPANIES

The Lifco Group encompasses many successful business-es and strong brands. Our Dental business area, which sells consumables, equipment and technical service to dentists, has long had a strong position in distribution to dentists in northern Europe. In recent years, Lifco has strengthened its positions in the dental market through acquisitions of niche companies that manufacture dental materials and dental prosthetics as well as companies that develop software. Our Demolition & Tools business area includes Brokk, a world-leading manufacturer of demolition robots, and Kinshofer, a leading supplier of crane and excavator attachments. In our Systems Solutions business area, we have many businesses with strong, niche market positions and offerings that promote sustainable development.

Lifco has built a strong European market presence and established significant positions in North America and Asia through organic growth as well as acquisitions. Over the period 2006–2023, Lifco made 126 acquisitions.

A FINANCIALLY STRONG GROUP

Financially, Lifco still has significant scope for further acquisitions. Our target is to maintain interest-bearing net debt in a range of 2–3 times EBITDA. At year-end, interest-bearing net debt stood at 1.1 times EBITDA, which means that Lifco still has significant scope for further acquisitions.

The most important factor for Lifco is our employees. We now have 6,899 employees in 31 countries. Many of our employees have worked in our companies for many years, and their collective experience is Lifco's most important success factor. I would like to thank all our employees for their fantastic contributions in 2023.

LIFCO'S MODEL FOR SUSTAINABLE VALUE CREATION

Lifco's business concept is to acquire and develop market-leading sustainable, niche businesses with the potential to deliver sustainable earnings growth and robust cash flows.

The company's strength lies in its ability to offer a safe haven for small and medium-sized businesses. Lifco is guided by a clear philosophy centred on a long-term approach, a focus on profitability and sustainability along with a strongly decentralised organisation.

Lifco has developed a model for sustainable value creation and development of its subsidiaries. The model is based on Lifco's philosophy, which is centred on earnings, sustainability, decentralisation and a long-term perspective. It is the fruit of many years' experience of building businesses. In simplified terms, the model can be described as follows:

- Motivated and dedicated heads of subsidiaries and employees
- Minimal bureaucracy and simple processes
- A focus on long-term customer relationships and customers with the potential to generate sustainable earnings growth
- An efficient cost structure with a focus on value-creating functions
- Monthly monitoring of the subsidiaries' income statements and balance sheets with a focus on EBITA, changes in capital employed and cash flow as well as sustainability indicators

By developing sustainable niche businesses, Lifco creates value and is able to give its shareholders a return on their invested capital while gaining the financial strength to acquire new businesses. The model has proved its strength, as shown by Lifco's average annual growth rate of 14.0 per cent and EBITA growth of 19.4 per cent from 2006–2023. Growth has taken place solely through self-generated capital. During this 17-year period, Lifco consolidated 126 companies with total estimated annual net sales of SEK 14.8 billion at the time of acquisition. Over the same period, the number of employees increased from 1,385 to 6,899, mostly through acquisitions.

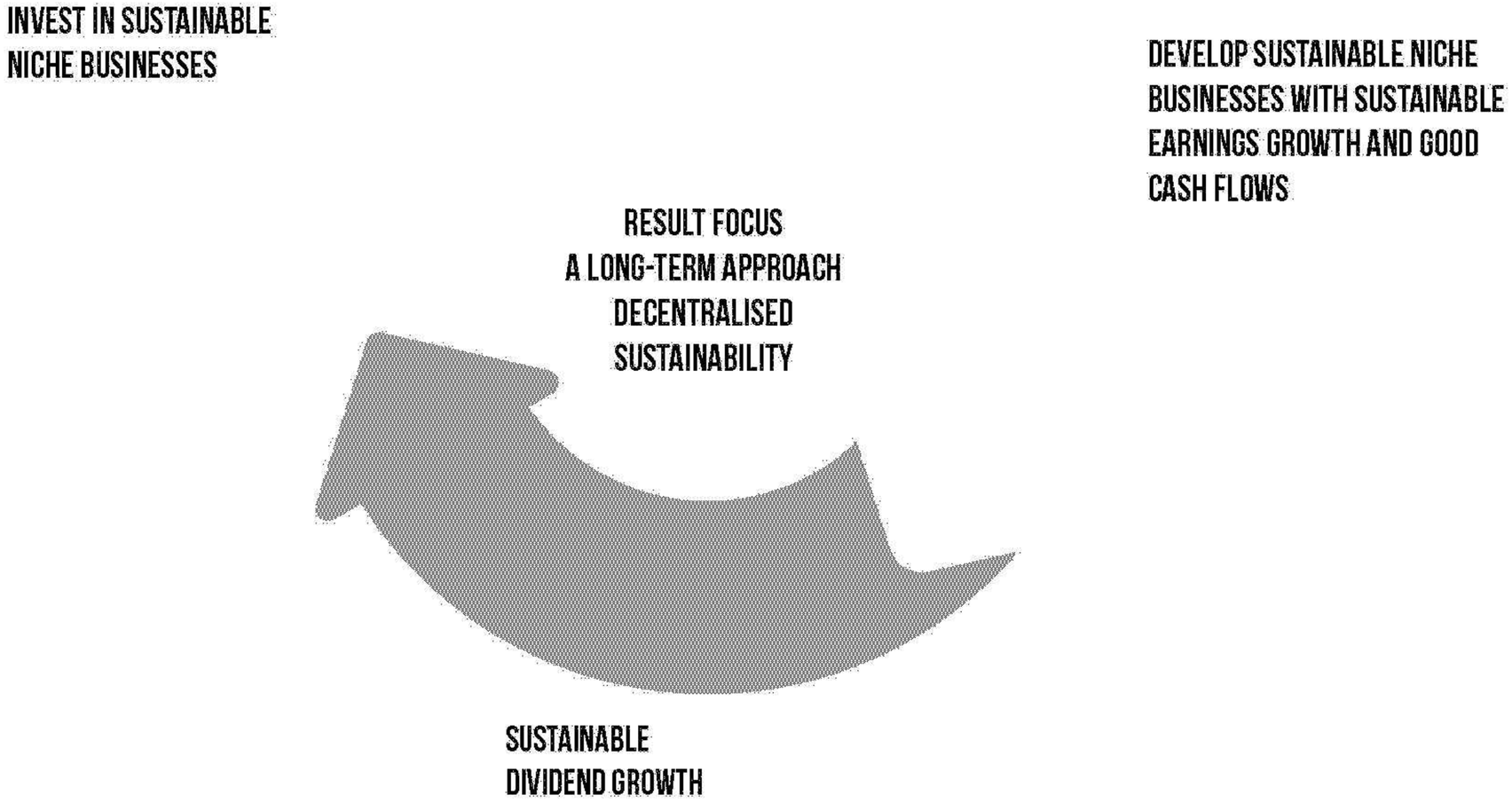
A DECENTRALISED ORGANISATION

This decentralised organisation is one of the cornerstones of Lifco's governance philosophy. Lifco's organisational structure is based on a number of group managers – who are previously successful Managing Directors of subsidiaries – acting as board chairmen for the subsidiaries. These managers ensure that the subsidiaries are integrated into the Lifco Group from a business culture perspective.

The individual subsidiaries are given a large degree of freedom, which encourages a strong entrepreneurial spirit. As the subsidiaries are managed independently, each company is able to retain its specific culture. They can also continue to employ the methods that are used in the industries and markets in which they operate.

A strong entrepreneurial spirit is one explanation for the Lifco Group's ability to retain key personnel in the companies which it acquires. In many cases, the key personnel are attracted by Lifco's decentralised structure, which allows them to maintain a high degree of independence also after the acquisition.

LIFCO'S MODEL FOR VALUE CREATION



A LONG-TERM APPROACH

Lifco's long-term perspective is an asset when negotiating with potential acquisition candidates and in relationships with customers and suppliers. When acquiring a company it is not Lifco's goal to sell the business in the future, nor does Lifco strive to realise synergies. That's why Lifco has never relocated any business.

With a very long-term owner, it is natural for the subsidiaries to combine a focus on earnings, cash flow and sustainability with continuous investments in product development as well as long-term customer and supplier relationships.

FINANCIAL GOALS AND DIVIDEND POLICY

Lifco's primary goal is to generate sustainable earnings growth. The Group and all subsidiaries' goal is to ensure that organic EBITA growth exceeds GDP growth in the relevant geographic markets over the course of a business cycle. Additional growth should be achieved through acquisitions.

Efficient use of capital is another important goal for Lifco. Return on capital employed excluding goodwill and other intangible assets should exceed 50 per cent for the last twelve-month period. Interest-bearing net debt should remain in a range of 2–3 times EBITDA.

The long-term objective is to ensure stable dividend growth while maintaining a payout ratio of 30–50 per cent of earnings after tax. Since its IPO on Nasdaq Stockholm's main list in 2014, Lifco's average annual dividend growth has been 19.1 per cent. Over the same period, our profit after tax has increased by an average of 24.7 percent per year.

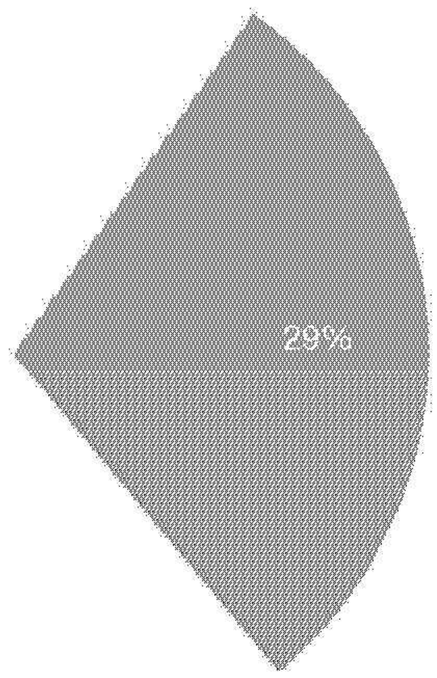
Average annual growth 2006–2023 **14.0%**

Average annual EBITA growth 2006–2023 **19.4%**

LIFCO'S GROUP COMPANIES

Lifco's 233 subsidiaries operate in a large number of industries. The subsidiaries offer dental health and dental care products as well as products and services that improve the customers' resource efficiency and work environment or reduce their environmental impact.

DENTAL
Products for good dental care and dental health



DEMOLITION & TOOLS
Safe, resource-efficient products and solutions for the infrastructure and construction sectors

Products and solutions for an improved work environment, reduced environmental impact, etc.

Share of consolidated net sales

DENTAL	DEMOLITION & TOOLS	SYSTEMS SOLUTIONS
Leading suppliers of consumables, equipment, technical service and dental technology to dentists, mainly in Europe. Manufacturers producing denture attachments, disinfectants, saliva ejectors and other dental products.	A world leader in demolition robots and crane attachments. A leading global supplier of excavator attachments.	Five divisions with niche companies in: Construction Materials, Contract Manufacturing, Environmental Technology, Service and Distribution, and Forest.
2,036 employees	1,811 employees	3,039 employees

LIFCO'S MARKETS AND EMPLOYEES



North America	United Kingdom	Norway	Germany	Sweden	Italy	Rest of Europe	Asia & Australia	Rest of world
10%	11%	9%	17%	11%	5%	28%	8%	1%
229 employees	997 employees	447 employees	1,113 employees	1,361 employees	798 employees	1 269 employees	679 employees	7 employees

The blue figure refers to the share of total sales. Number of employees refers to the number of employees on 31 December 2023.

Employees	Countries	Companies
6,899	31	233

Around 80 per cent of Lifco's sales occur in Europe while the rest is evenly distributed between North America and Asia. A key objective for Lifco is to establish long-term customer relationships and to focus on customers in industries with stable underlying growth and value chains that are transparent from a sustainability perspective.

Lifco's customers have a growing emphasis on sustainability, and this affects their demand. We are seeing that customers are increasingly looking for products that are resource-efficient, climate and environmentally friendly, and contribute to better working environments. Like Lifco, customers are also looking for greater insight into resource use, climate and environmental impact and working conditions throughout the value chain.

Lifco's offerings are generally aimed at customers with high quality requirements, for example in respect of standards of patient safety, safe and secure workplaces in heavy industry, and energy saving solutions.

AVERAGE ANNUAL GROWTH 2006-2023



LIFCO'S ACQUISITION PROCESS

Value creation through acquisitions is a key element of Lifco's business concept. Lifco's approach to sustainability is integrated in all stages of the acquisition process. Lifco takes a very long-term perspective on its investments and basically owns the companies for ever.

1. IDENTIFY ACQUISITION CANDIDATES

Lifco looks actively for acquisition candidates. The searches are carried out by the group managers in the business areas and a handful of employees tasked with finding acquisition candidates. Lifco's employees working specifically on acquisitions are based in various locations across Europe and report directly to the CEO. Lifco is also often contacted by corporate dealmakers or directly by entrepreneurs who are looking to sell their companies to Lifco.

Lifco only acquires small or medium-sized niche companies. The acquired companies must be able to generate profitable growth and good cash flows. The risk taken by Lifco must also be limited.

Lifco continues to see many opportunities for acquisitions in Europe and will therefore be looking to make further acquisitions in Europe in the coming years.

2. EXCLUDED COMPANIES

Lifco does not acquire companies that manufacture or sell weapons, alcohol, tobacco, fossil fuels or uranium, that sell, distribute or manufacture pornography, games or fast-moving consumer goods, or extract minerals.

3. AN OFFERING THAT PROMOTES SUSTAINABILITY

Lifco recognises that there is a strong trend in society and the business community for increased sustainability. That's why Lifco is keen to acquire companies which through their offering directly or indirectly contribute to their customers' sustainability efforts, for example through reduced energy consumption or an improved work environment.

4. THE ETHICS COMMITTEE REVIEWS AND APPROVES

Lifco's Ethics Committee reviews all acquisition candidates and approves candidates who have passed the previous steps and gives approval for the acquisition process to proceed. In case of doubt, the committee's principle is to refrain from the acquisition. The Ethics Committee consists of the CEO and the Chairman of the Board.

5. SUSTAINABILITY ASSESSMENT

All acquisition candidates undergo a sustainability assessment. The assessment includes an examination of previous violations or conflicts as well as short- to long-term risks in the areas of environment, human rights, working conditions, business ethics and tax issues. Lifco does not acquire companies which are considered to violate or have violated the UN Global Compact's principles on human rights, labour, environment and anti-corruption. Lifco also makes an assessment of the company's impact on the environment and whether the operations are conducted in a responsible manner. The sustainability assessment includes on-site visits to the acquisition candidates at which the company culture, working conditions and other aspects are studied. The candidates history with regard to managers, customers, suppliers and other factors is also examined. The examination includes an assessment of the company's strengths in the value chain and how it can promote its customers sustainability performance by engaging in discussions with suppliers, customers, industry experts and other parties. Lifco naturally also analyses the company's accounts, existing contracts, etc. Lifco also considers whether the Group would be a suitable owner and what Lifco can add to the takeover candidate.

6. MUST RUN A SUSTAINABLE BUSINESS

Potential acquisition candidates must meet the following criteria:

1. They must run a sustainable business, which means that they must be approved by the Ethics Committee and pass the sustainability test without remark
2. They must be stable businesses
3. They must be leaders in their niche
4. They must have an attractive position in the value chain without being dependent on specific suppliers or customers
5. They must have limited or no exposure to technological risk
6. They must be documented to be profitable

Lifco may decide to make an acquisition even where criteria 2–6 have not been met if the company offers attractive strategic or financial opportunities. Lifco never acquires companies that do not run a sustainable business.

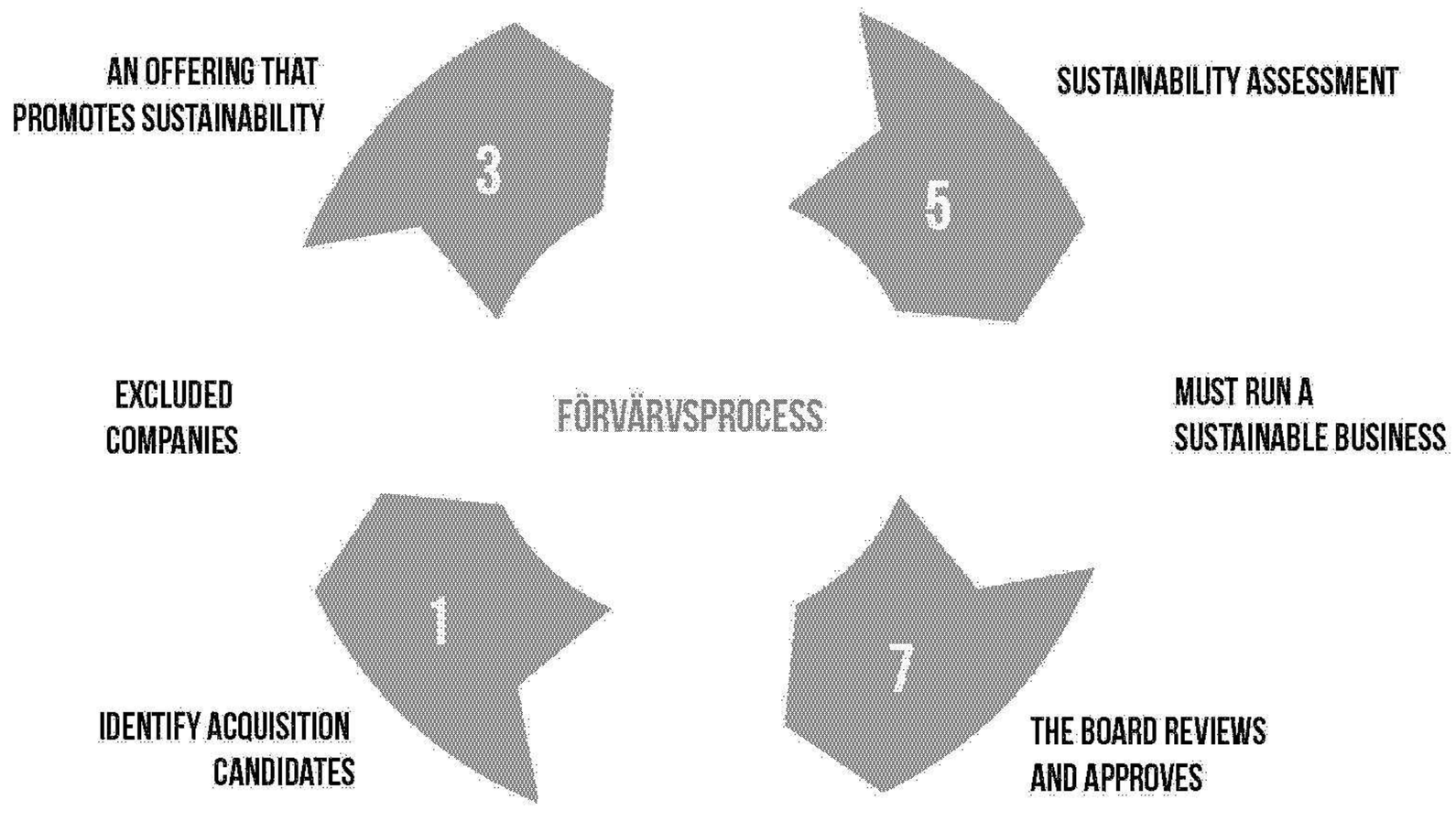
7. THE BOARD REVIEWS AND APPROVES

All acquisitions are presented to and approved by the Group's Board of Directors.

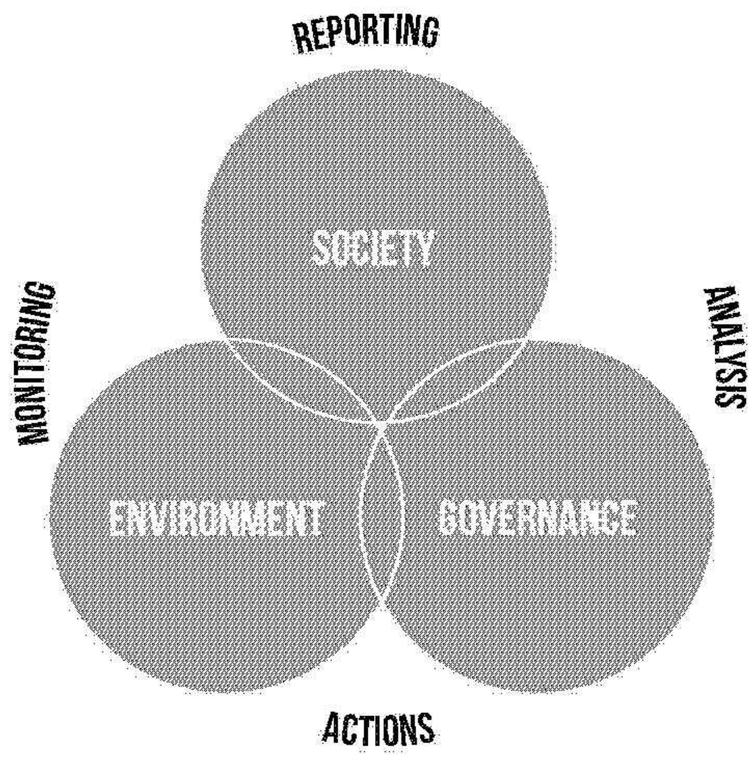
8. REPORTING AND MONITORING

Lifco acquires all shares of or a majority stake in the acquired companies. A fundamental principle is that acquired companies should have a high degree of independence, but Lifco conducts a review aimed at improving the efficiency of the acquired business. Normally, the following actions are taken:

- The acquired company must immediately adopt Lifco's Code of Conduct and ensure that all employees are informed about the Code of Conduct within one month of the acquisition
- A new remuneration and reporting system is introduced including sustainability indicators which are reported, analysed and monitored on a regular basis
- A new board is appointed with a chairman from Lifco who has at least ten years' operational experience of successfully managing companies in the Lifco Group
- Increased financial awareness with a focus on working capital and controlled financing of growth opportunities
- Short- and long-term strategic plans which also cover sustainability and sustainability risks are prepared


THE ETHICS COMMITTEE
REVIEWS AND APPROVES
AN OFFERING THAT
PROMOTES SUSTAINABILITY
3
5
SUSTAINABILITY ASSESSMENT
EXCLUDED
COMPANIES
FÖRVÄRVSPROCESS
MUST RUN A
SUSTAINABLE BUSINESS
1
7
IDENTIFY ACQUISITION
CANDIDATES
THE BOARD REVIEWS
AND APPROVES

8


REPORTING
MONITORING
ANALYSIS
SOCIETY
ENVIRONMENT
GOVERNANCE
ACTIONS

SUSTAINABILITY REPORT

LIFCO'S SUSTAINABILITY MANAGEMENT

For Lifco, sustainable business is fundamental for long-term value creation. Sustainability is about creating companies with sustained profitability, motivated employees, satisfied customers and strong brands. Lifco has taken a stand on the climate issue and has set a target of reducing its Scope 1 and 2 emissions in relation to profit every year. Lifco has begun to investigate the possibility of setting a science-based target for Scope 3 given the Group's operations.

Sustainability is an integral part of Lifco's business model and strategy. Lifco's overall sustainability goals are to reduce the Group's negative environmental impact and conserve the earth's limited resources, to create safe workplaces with fair working conditions and to adhere to a high standard of business ethics. In this way, the Group creates motivated employees, satisfied customers and strong brands, which are essential to sustainable growth with profitability.

Through its efforts to promote sustainability, Lifco influences the entire value chain in key areas such as the environment and climate, working environment and working conditions, human rights and business ethics. With a strong emphasis on sustainability throughout the value chain, Lifco can, for example, help to reduce negative impacts on the climate and environment, increase resource efficiency and promote safer working environments, both in the short and long term. At the same time, the Group's sustainability risks are reduced.

For Lifco, sustainability is also about making a positive contribution to society. Lifco contributes directly by paying taxes where value is generated and offering jobs with fair working conditions. Many of the Group's businesses operate outside the metropolitan regions and thus contribute to the development of less densely populated areas. Lifco's high standard of business ethics and respect for human rights are evident in all relationships in the value chain, which contributes positively to society in both the short and long term.

Lifco continuously develops and improves its monitoring and reporting of sustainability management activities. In 2023, the Group increased the number of reported indicators and reported in accordance with GRI (Global Reporting Initiative). Lifco is a signatory to the UN Global Compact and issues an annual Communication on Progress report. Since the climate issue is one of the most important issues of our time, Lifco's target is to reduce its Scope 1 and 2 emissions in relation to profit every year. Lifco is investigating the possibility of setting a science-based target for Scope 3 given the Group's operations.

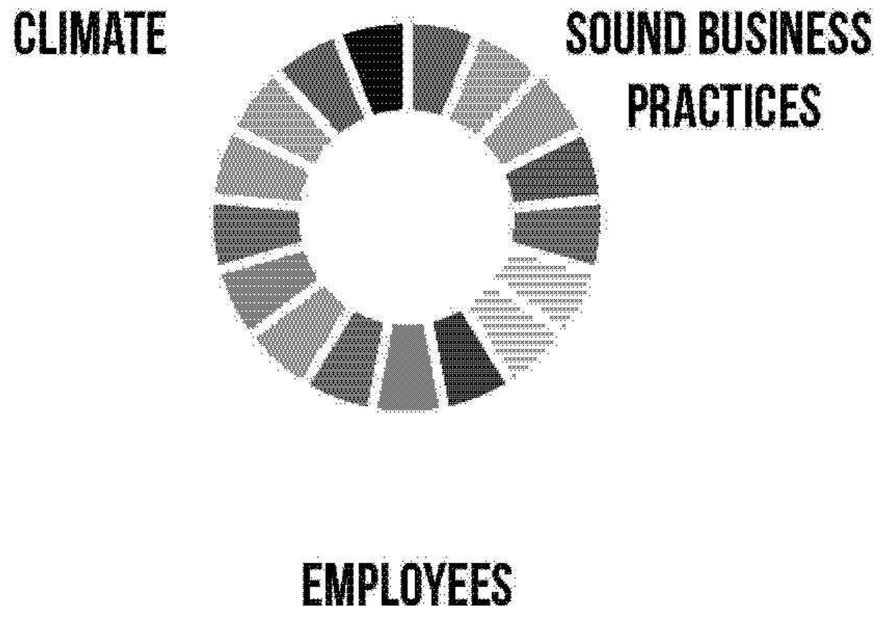
In 2023, Lifco began work on preparing a sustainability statement in accordance with the European Sustainability Reporting Standards (ESRS).

Lifco's sustainability management and its strategic priorities, results and governance are presented in the Sustainability Report, which comprises pages 15–65.

WE SUPPORT

UN GLOBAL COMPACT

Lifco has grouped its most important sustainability issues into three main strategic areas: Reduced climate and environmental impact, motivated employees and safe workplaces, and sound business practices. Progress in the three areas is monitored through quantified targets and indicators.



FOLLOW-UP OF CENTRAL SUSTAINABILITY TARGETS

	2021	2022	Outcome in 2022	2023	Outcome in 2023
Reduce energy consumption in relation to SEK of profit every year, kWh	0.0139	0.0124	Target achieved	0.0100	Target achieved
Reduce Scope 1 and 2 emissions in relation to SEK of profit every year, kg	0.0040	0.0035	Target achieved	0.0028	Target achieved
Reduce staff turnover every year	17.2%	16.2%	Target achieved	12.9%	Target achieved
Every year, reduce the number of workplace accidents per employee resulting in more than three days of absence	0.0105	0.0106	Target not achieved	0.0112	Target not achieved
Increase the percentage of female wage-setting managers every year	21.2%	20.1%	Target not achieved	20.3%	Target not achieved[1]
All employees to be informed about the Code of Conduct every year	100%	100%	Target achieved	100%	Target achieved
Increase the percentage of subsidiaries where all major suppliers have committed to following the Code of Conduct every year	78.3%	72.4%	Target not achieved	72.0%	Target not achieved

[1] The increase is not significant, and Lifco therefore does not consider the target to have been achieved.

VALUE CREATION IN 2023

Stakeholder	Type of value	Value created		Added value created
Revenue				
Customers	Sales revenue	SEK 24,454 (21,552) million	→	Lifco creates added value by offering high-quality products and services which contribute to increased resource efficiency, a reduced climate impact, increased energy efficiency, safer working environments and safer dental care among other benefits. Lifco also places a strong emphasis on good customer service with fast response times.
Costs				
Employees	Salaries, benefits and pensions	SEK 3,967 (3,456) million	→	Lifco offers stimulating, non-discriminatory workplaces with a stringent approach to safety. Lifco's businesses are often based in small towns and enable the employees to work and live outside the metropolitan regions.
Suppliers	Purchases of services, materials and products	SEK 13,495 (12,313) million	→	Lifco offers long-term collaborations and good conditions for suppliers who meet Lifco's requirements, which include safe workplaces, fair working conditions and high product quality.
Society	Social security contributions and tax paid (tax expense by country (see page 35)	SEK 2,045 (1,531) million	→	Lifco contributes to economic growth and promotes a culture of equal treatment, safe workplaces, sound business ethics and transparency. Lifco pays tax where value is generated. By being a long-term owner and not seeking synergies among subsidiaries, Lifco contributes to a positive development in the local communities where the Group operates. Lifco's businesses are often based in localities outside the metropolitan regions and contribute to the economic development of less densely populated areas. Lifco makes extensive use of local suppliers, which stimulates economic growth. The Group also works to reduce its negative impact on critical assets such as water.
Owners	Proposed dividend Total shareholder return	SEK 954 (818) million 43.2% (-35.0%)	→	Lifco creates shareholder value through stable long-term earnings and dividend growth as well as the opportunity to invest in a portfolio of market-leading niche companies with good risk diversification.
Lenders	Interest paid	SEK 426 (128) million	→	Lifco offers lenders an investment with good cash flows and a strong financial position, as well as a portfolio of market-leading niche companies with good risk diversification.

REDUCED CLIMATE AND ENVIRONMENTAL IMPACT

Climate change is the biggest issue of our time and everyone must do their part to reduce the negative impact. Lifco's target is to reduce its Scope 1 and 2 emissions in relation to profit every year. The climate transition is also creating greater business opportunities for the Lifco companies.

Reduced climate and environmental impact is a prioritised sustainability topic for Lifco. The Group's commitment to reduce its CO_2 emissions and its striving to minimise its negative environmental impact are expressed in the environmental policy adopted by the Board, which is revised annually. The annual risk process covers the environmental impact of water emissions, waste management, recycling and other factors that the Lifco companies are required to assess.

Under Lifco's environmental policy, the companies are required, as a minimum, to follow environmental laws and guidelines and apply the precautionary principle. In 2023, Lifco was fined EUR 15,323 as a result of inadequate handling of oil in Lifco subsidiary MultiOne's production hall in Vicenza, Italy. The damage occurred when an oil barrel overturned and the oil leaked outside the production hall. In the subsequent inspection a hole in an oil barrel was also discovered. All deficiencies have been rectified and the fines paid. The larger Lifco companies have designated environmental officers tasked with monitoring the company's impact on water, for example, and for managing waste and recycling. In the other companies, the Managing Director or another member of management, such as the head of production, has the strategic and day-to-day responsibility for environmental issues. The Group's employees must receive relevant training, for example, in hazardous waste management and recycling processes, as well as instructions on how to minimise water consumption and emissions from production processes. Employees who discover deviations from processes or a risk of deviations or negative impact on Lifco's operations are required to report this to their immediate supervisor or the managing director of the company concerned. Employees and other stakeholders can also use the whistleblowing channel if the risk is serious and deviates from Lifco's policies.

At year-end, 22 (20) Lifco companies, or 9.4 (9.5) per cent of the total number, had the ISO 14001 environmental management system certification. Decisions about any certifications and management systems are made independently by each subsidiary.

The Group's minimum requirement to follow laws and guidelines in the environmental area also covers suppliers and subcontractors. Lifco should not have business relations with suppliers who violate applicable laws and ignore environmental concerns. The Lifco companies' procedures for assessing suppliers are described on pages 32–33. Lifco companies that identify deviations or risks of deviations from the Group's environmental policy must take action immediately and report this to Group management. In order to identify and manage risks, Lifco companies may collaborate with representatives of local communities, NGOs or trade associations. In 2023, Lifco did not ask the Group companies whether they had terminated any collaboration due to the supplier's failure to respect the environment or inability to comply with Lifco's Code of Conduct in respect of environmental concerns.

As part of its efforts to reduce its climate and environmental impact, Lifco strives to choose the most environmentally friendly products and inputs, minimise the use of non-renewable materials, increase the rate of recycling and the use of recyclable materials in its processes. As guidance for making the most climate- and eco-friendly choices, the Lifco companies use recognised and established environmental and fair trade certifications.

Lifco is seeing a strong trend of customers placing increasing importance on climate and environmental issues throughout the value chain, which is leading to increased business opportunities for the Lifco companies. These opportunities arise, for example, from increased demand for energy- and resource-efficient products that reduce dependence on fossil fuels, and for products that reduce water consumption or the amount of dust particles. The Group also includes companies that sell LED lighting, electrical products for the electrification of society and greentech companies that develop and sell solutions for recycling plastics.

Lifco does not conduct tests on animals in any part of its operations and does not finance studies that include experiments on animals.

REDUCED WATER CONSUMPTION

Access to water has become an increasingly important societal issue. For Lifco, access to clean water is a business-critical factor. The Group's target is to reduce the water consumption associated with Lifco's products. All processes that carry a risk of or result in actual emissions must conform to or exceed the applicable legal requirements and guidelines. Lifco companies work with their customers and suppliers to reduce water and other resource consumption in the value chain.

In 2022, Lifco began collecting data on the Group's water consumption, including water consumption from water-stressed areas. In 2023, the data collection was expanded to include recycling and re-use as well as storage and changes in the storage of water.

WATER CONSUMPTION

Litres, m^3	2022	2023
Water consumption	78,853.8	79,554.9
Water consumption from water-stressed areas	2,646	3,359
Total water recycled and reused	No data	306
Total water stored	No data	0
Change in storage of water	No data	0
Water consumption per employee	12.14	11.78
Water consumption from water-stressed areas per employee	0.41	0.50
Water consumption per SEK of profit	0.000017	0.000014
Water consumption per SEK of sales	0.0000037	0.0000033
Water consumption from water-stressed areas per SEK of profit	0.00000057	0.00000059

The data collected covers 82 (74) companies with more than 25 employees, which account for 80 (82) per cent of all employees of the Group and for 74 (70) per cent of total sales. The collected data has been used to estimate the water consumption of the Group as a whole. SEK of profit refers to EBITA. Data per employee has been calculated based on the average number of employees in 2023.

WASTE

Lifco seeks to ensure that waste is handled in accordance with laws and guidelines and that precautions are taken to minimise the risks to the environment and employees. Lifco has expanded the reporting of waste in 2023. In 2022, only hazardous waste submitted for collection was reported, which amounted to 1,010.5 tonnes. The majority of the hazardous waste consists of residual products from painting, oil, rust removal solvents, batteries and excess liquid from refilling disinfectants.

WASTE

Tonnes unless otherwise indicated	2023
Total waste	10,225
- of which hazardous waste	681
- of which radioactive waste	0
Total non-hazardous waste diverted from disposal (recycled)	7,103
- through preparation for re-use	1,611
- through recycling	5,036
- through other recovery operations	456
Total hazardous waste diverted from disposal (recycled)	258
- through preparation for re-use	16
- through recycling	159
- through other recovery operations	83
Total non-hazardous waste disposed of (not recycled)	2,380
- by incineration	531
- by landfill	180
- by other disposal operations	1,669
Total hazardous waste disposed of (not recycled)	423
- by incineration	76
- by landfill	1
- by other disposal operations	346
Total non-hazardous waste for which it is unknown whether the waste has been recycled or not	65
Total non-recycled waste	2,804
Percentage of non-recycled waste	27.4%

The data collection covers 82 (74) companies with more than 25 employees in the year the data collection began. These companies account for 80 (82) per cent of the Group's employees and 74 (70) per cent of total sales. The collected data has been used to estimate the amount of waste for the Group as a whole.

COMPOSITION OF WASTE

Tonnes	2023
Total waste	10,225
Wood	851
- Electronics	38
- Glass	11
- Batteries and accumulators	7
- Bio-waste	15
- Paper and cardboard	836
- Metal	4,723
- Plastic	1,342
- Textiles	5
- Bulky waste, e.g. furniture	50
- Construction and demolition waste	48
- Waste oils	494
- Food waste	13
- End-of-life vehicles	0
- Manufacturing waste	927
- Radioactive waste	0
- Not classified	865

The data collection covers 82 (74) companies with more than 25 employees in the year the data collection began. These companies account for 80 (82) per cent of the Group's employees and 74 (70) per cent of total sales. The collected data has been used to estimate the amount of waste for the Group as a whole.

PROTECT ECOSYSTEMS AND BIODIVERSITY

Global biodiversity is rapidly decreasing and Lifco supports the EU's biodiversity strategy for 2030. Lifco's environmental policy states that the Group's operations must not damage or threaten biological diversity, ecosystems or endangered species. In 2023, 13 of Lifco's companies conducted operations in or near environmentally protected areas with a total of 129 employees, representing 1.9 per cent of the total number of employees in the Group. Five of the companies are Swedish and have a total of 71 employees. The other companies are located in Australia, Belgium, China, the Netherlands, Germany and two in the USA.

CLIMATE IMPACT

Lifco's target is to reduce the Group's Scope 1 and 2 emissions of greenhouse gases every year in relation to profit. Group management is responsible for ensuring that the Lifco companies have processes designed to reduce greenhouse gas emissions and energy consumption, increase the share of renewable energy and ensure that energy and resources are used efficiently. Achieving the overall target requires that the Lifco companies engage constructively with suppliers and customers, which has a positive climate impact throughout the value chain. To reduce emissions, Lifco and its entire value chain depend on the general availability of more climate-friendly transport and energy sources.

Lifco's biggest estimated climate impact in Scopes 1–2 comes from energy consumption in commercial premises and production facilities. To achieve the overall climate target, Lifco companies have, among other initiatives, signed green electricity contracts, installed solar panels and improved the insulation in their premises. Such measures continue to be implemented in the companies, which make independent decisions about which activities are appropriate for their business and the timing of such activities.

Some Lifco companies have service fleets and company cars. In the Dental business in particular, products are extensively distributed by lorry, mainly in Europe. Service fleets and company cars need to be as environmentally friendly as possible. For distribution-dependent Lifco companies, emissions are a key issue in procurements and the companies are working to reduce the use of fossil fuels for transportation.

During the pandemic years, the volume of business travel in the Group was very low. Emissions from business travel increased in 2022 and 2023 but are still at a lower level than before the pandemic years. In 2023, emissions from business travel increased to 2,775 (1,845) tonnes.

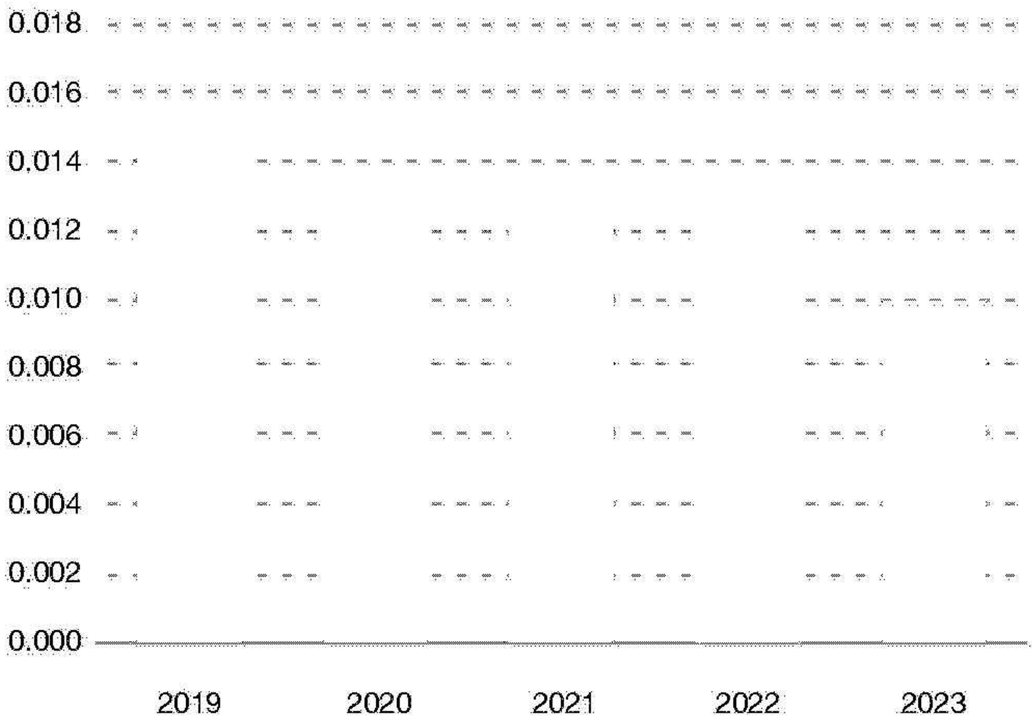
Climate change is also creating business opportunities for the Lifco companies. Many of the companies are engaged in continuous development to reduce their products' negative climate and environmental impact. Several Lifco companies offer products where the unique selling point is the product's positive contribution to the customers' climate impact and emissions. The ability to offer energy-efficient and low-emission products is often a strong competitive advantage and has a positive effect on both demand and profit margins.

Lifco has no Group-level information on the extent to which energy consumption and greenhouse gas emissions have been reduced as a result of energy-saving measures. Lifco currently has no Group-wide initiatives to offset emissions. Seven subsidiaries in Dental have chosen to offset emissions from their own operations.

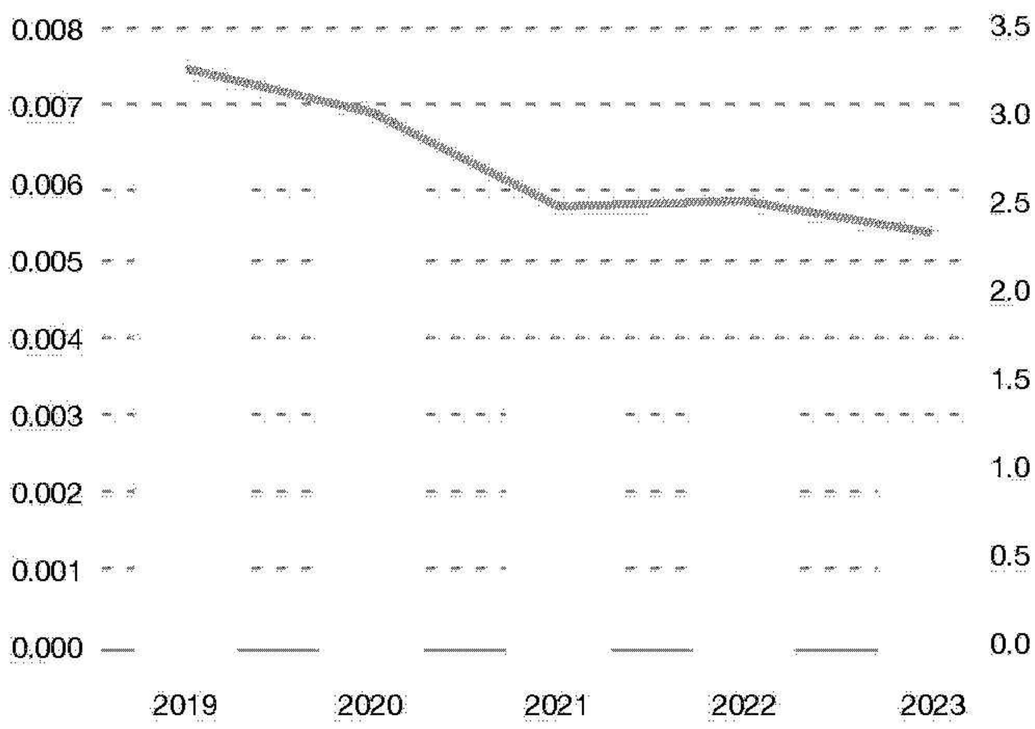
CLIMATE TARGET

Lifco has chosen to set a relative climate target as the Group is growing both organically and through acquisitions. The climate target is related to profit as Lifco's only general goal is to increase the profit every year. In 2023, total energy consumption decreased by 1.8 per cent and energy consumption per SEK of profit decreased by 20.0 per cent to 0.001 kWh. Scope 1 and 2 emissions decreased by 318 tonnes of CO_2e from 2022, or by 1.9 per cent. Scope 1 and 2 emissions per SEK of profit decreased by 0.0007 kg CO_2e from 2022, which is a decrease of 20.0 per cent.

ENERGY CONSUMPTION, KWH, PER SEK OF PROFIT



EMISSIONS OF GREENHOUSE GASES



METHOD OF CALCULATING THE CLIMATE IMPACT

Under the GHG Protocol, emissions are divided into Scopes 1, 2 and 3. Scope 1 refers to direct emissions and Scopes 2 and 3 to indirect emissions. Broadly speaking, Lifco's presented Scopes include the following:

Scope 1 includes combustion of fuel in company cars, fuel in boilers and leakage of refrigerants from cooling systems. It is assumed that boilers for which consumption is reported are used in the operations.

Scope 2 includes purchased energy such as electricity, heating and cooling.

Scope 3 includes business travel by air, employee commuting and well-to-tank emissions from fuel and energy production, i.e. maintenance of power plants, production and distribution of fuel, etc.

The emissions included in the calculations are the greenhouse gases CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 and NF_3. In its reporting, Lifco uses the term CO_2e to cover all these greenhouse gases. Lifco has used GWP100 (Global Warming Potential) in the calculations.

The data collected covers 82 (74) companies with more than 25 employees, which account for 80 (82) per cent of all employees of the Group and 74 (70) per cent of total sales. The collected data has been used to estimate the climate impact of the Group as a whole. For energy, Lifco applies a market-based approach and electricity consumption is calculated based on origin. Where a company has not been able to specify the type of electricity used, we have made a conservative estimate and assumed a residual mix as the origin of the electricity. When collecting the data, Lifco has requested data covering Scopes 1 and 2 as well as part of Scope 3.

In 2022, Lifco has started to investigate the possibility of setting a science-based target for Scope 3 given the Group's operations. During the work of preparing a science-based emissions target in line with SBTi criteria, the Scope 3 data for upstream transportation and biogenic emissions in 2022 was found to contain inaccuracies and have been omitted from the 2023 report. In 2023, Scope 3 emissions from employee commuting were included. Scope 3 data for the years 2019–2022 was also adjusted to take account of employee commuting. Account has not been taken of the lower number of commutes during the pandemic years 2020–2021 and it is therefore likely that Scope 3 emissions from commuting are too high for these two years.

Lifco has no Group-level information on emissions of ozone-depleting substances, nitrogen or sulphur oxides and other significant air emissions.

ENERGY CONSUMPTION AND ENERGY MIX

MWh	2021	2022	2023
Fossil sources	29,929	28,927	26,625
District heating and cooling	8,613	10,126	11,266
Nuclear energy	-	110	777
Renewable sources	32,204	30,845	35,706
- of which fuel consumption for renewable energy sources such as biomass and biofuels	5,138	2,215	5,081
- of which purchased or acquired electricity, heat, steam or cooling from renewable sources	15,796	18,215	13,792
- of which consumption of self-generated non-fuel renewable energy	-	-	-
Total energy consumption	**70,909**	**70,008**	**74,473**
Percentage of fossil sources in total energy consumption	42.2%	41.3%	35.8%
Percentage of renewable sources in total energy consumption	45.4%	44.1%	47.9%
Percentage of district heating and cooling in total energy consumption	12.1%	14.5%	15.1%
Percentage of nuclear energy in total energy consumption	-	0.2%	1.0%

ENERGY USE

kWh	2021	Change	2022	Change	2023
Cooling	18,192	–43.1%	10,349	437,6%	55,632
Heating	8,594,662	17.7%	10,115,363	10.5%	11,173,584
Electricity	43,024,939	10.3%	47,448,599	-4.5%	45,292,786
Total	**51,637,793**	**11.5%**	**57,574,311**	**-1.8%**	**56,522,002**

Energy use related to cooling has increased in 2023 mainly as a result of acquired companies.
Lifco does not collect Group-level information on sold energy.

ENERGY EFFICIENCY

kWh	2019	2020	2021	2022	2023
Total energy use	38,904,195	36,677,463	51,637,793	57,574,311	56,522,002
Energy use per SEK of profit	0.0154	0.0139	0.0139	0.0124	0.0100
Energy use per SEK of sales	0.0028	0.0027	0.0030	0.0027	0.0023
Energy use per employee	7,403	6,678	8,614	8,864	8,370

Total energy use has gone up significantly from 2020 because the calculations have changed. The 2019–2020 data includes some electricity for cooling. From 2021, all electricity for cooling is included. SEK of profit refers to EBITA. Use per employee has been calculated using the average number of full-time employees during the year.

RENEWABLE ENERGY

kWh unless otherwise indicated	2021	2022	2023
Energy use from renewable energy	32,629,921	35,166,389	39,169,747
Share of renewable energy in relation to total energy use/share of non renewable energy	63.2%/36.8%	61.1%/38.9%	69.3%/30.7%
Energy use from renewable energy per SEK of profit	0.0088	0.0075	0.0069
Energy use from renewable energy per SEK of sales	0.0019	0.0016	0.0016
Energy use from renewable energy per employee	5,443	5,414	5,678

The renewable energy sources mainly consist of water, wind and solar power as well as bioenergy. The non-renewable energy sources mainly consist of fossil fuels. SEK of profit refers to EBITA. Use per employee has been calculated using the average number of full-time employees during the year.

CLIMATE IMPACT 2021–2023 BY SCOPES 1–3

Tonnes CO_2e	2021	2022	2023	% of total Scopes 1–3 2023	Change in tonnes	Change in %
Scope 1	**6,893**	**7,740**	**8,609**	**29.4**	**869**	**11.2**
Refrigerants	874	932	1,303	4.4	371	39.8
Stationary combustion	2,946	2,870	3,058	10.4	188	6.6
Vehicles	3,072	3,938	4,248	14.5	310	7.9
Scope 2	**8,046**	**8,615**	**7,424**	**25.4**	**-1,191**	**–13.8**
District cooling	0	0	11	0.1	11	-
District heating	644	460	864	3.0	404	87.8
Electricity	7,402	8,090	6,476	22.1	–1,614	–20.0
Electric vehicles	0	64	73	0.2	9	14.1
Scope 3	**9,346**	**12,123**	**13,251**	**45.2**	**1,128**	**9.3**
Business travel	798	1,845	2,775	9.5	930	50.4
Fuel- and energy-related activities	2,553	3,782	3,723	12.7	–59	–1.6
Employee commuting	5,995	6,495	6,753	23.1	258	4.0
Total Scopes 1–3	**24,285**	**28,477**	**29,284**	**100.0**	**807**	**2.8**

Emissions from refrigerants have increased from 2022 as a result of refilling of refrigerants in some companies.

CLIMATE IMPACT 2019–2023 TOTAL BY SCOPES 1–3

Tonnes CO_2e	2019	2020	2021	2022	2023
Scope 1	6,328	5,624	6,893	7,740	8,609
Scope 2	10,849	10,946	8,046	8,615	7,424
Total Scopes 1–2	**17,177**	**16,570**	**14,939**	**16,355**	**16,033**
Kg CO_2e Scopes 1–2 per SEK of profit	0.0068	0.0061	0.0040	0.0035	0.0028
Kg CO_2e Scopes 1–2 per SEK of sales	0.00124	0.00120	0.00086	0.00076	0.00066
Tonnes CO_2e Scopes 1–2 per employee	3.27	3.02	2.49	2.52	2.32
Scope 3	10,989	8,086	9,346	12,123	13,251
Total Scopes 1–3	**28,166**	**24,656**	**24,285**	**28,477**	**29,284**
Kg CO_2e Scopes 1–3 per SEK of profit	0.0112	0.0091	0.0066	0.0061	0.0052
Kg CO_2e Scopes 1–3 per SEK of sales	0.00203	0.00179	0.00139	0.00132	0.00198
Tonnes CO_2e Scopes 1–3 per employee	5.36	4.49	4.05	4.38	4.24

Tonnes CO_2e per employee has been calculated based on the average number of full-time employees during the year. SEK of profit refers to EBITA.

BIOGENIC EMISSIONS

Tonnes CO_2e	2023
Scope 1	2,074
Scope 2	5,273
Scope 3	218
Total scope 1-3	**7,565**

Biogenic emissions are not included in the input data reported as calculated CO_2e.

ALL TARGETS FOR THE SUSTAINABILITY TOPIC REDUCED CLIMATE AND ENVIRONMENTAL IMPACT

	2019	2020	2021	2022	2023
Target: Reduce Scope 1 and 2 emissions per SEK of profit every year					
Kg CO_2e Scopes 1–2 per SEK of profit	0.0068	0.0061	0.0040	0.0035	0.0028
Target: Reduce energy consumption per SEK of profit every year					
Energy consumption in kWh per SEK of profit	0.0154	0.0136	0.0139	0.0124	0.0100
Target: Increase the share of renewable energy every year					
Share of renewable energy	Measurement not started	Measurement not started	63.2%	61.1%	69.3%
Target: No fines or penalties due to negligence in the environmental field					
Fines or penalties, SEK	No data	No data	No data	0.0	kEUR 15

INNOVATIVE COFFEE CUP FOR INCREASED CIRCULARITY

The British company The Real Spirit of Coffee operates under the Rijo42 brand and is working consciously to reduce its carbon footprint. Rijo42 has produced the UK's first completely plastic-free coffee cup that can be recycled through existing recycling channels for paper and cardboard. The company's goal is to make all its processes entirely plastic-free by replacing plastic with compostable and recyclable materials. As part of its sustainability efforts, Rijo42 is offering triple-certified Fairtrade coffee made from organic beans from Sumatra and Colombia and Rainforest Alliance-certified organic beans from Peru.



MOTIVATED EMPLOYEES AND SAFE WORKPLACES

Employee motivation is essential to sustained long-term value creation and is therefore one of Lifco's prioritised sustainability issues. Creating working environments that contribute to motivation requires safe and secure workplaces, an equal gender distribution, good leadership, opportunities for personal development and stimulating tasks.

Lifco's Code of Conduct and HR policy regulate Lifco's approach to employees with the overall aim of creating motivation and safe workplaces. The Code of Conduct also covers suppliers and sub-contractors. Lifco's systems and processes for supplier relations are described on pages 32–33.

LIFCO'S EMPLOYEES

Most Lifco companies are small companies with an average of 30 employees. A majority of Lifco's employees are permanent full-time employees. Most, 86.6 (84.3) per cent, work in Europe, where the countries with the highest number of Lifco employees are Sweden and Germany. The age distribution is satisfactory; of newly recruited employees in 2023, 39.5 (40.1) per cent were younger than 30, which ensures a good supply of skilled labour for the long term. In 2023, the proportion of employees in Europe outside the Nordics increased, mainly as a result of acquisitions. The proportion of women increased from 28.0 per cent to 28.7 per cent. However, Lifco considers that the gender distribution in the workforce as a whole and among wage-setting managers is skewed, which means that the Group needs to increase its focus on recruiting female employees.

SAFE WORKPLACES

Lifco's vision is that no employee of Lifco or of a supplier or subcontractor should be injured at work. In order to achieve the vision of zero workplace injuries, the Lifco companies assign priority to preventive safety work as well as risk identification. Incidents and accidents of a serious nature must be reported to the Board and Group management, who assess and follow up the measures taken.

Lifco companies are required to conform to or exceed applicable health and safety laws and guidelines. They are also required, at least annually, to carry out a comprehensive risk analysis of the work environment and take any necessary preventive measures. The Managing Director of each subsidiary is responsible for health and safety and for preventive measures. The Managing Director may delegate this responsibility to a health and safety officer who reports directly to the managing director.

A key part of health and safety management is open dialogue between the employees and managers of each company regarding health and safety and related matters. Some Lifco companies have health and safety committees where representatives from trade unions or persons appointed by the employees work with representatives of the company to assess the work environment on a regular basis. In some cases these committees are legally prescribed functions and in others they are initiated by the Lifco company. The frequency of the meetings is decided upon independently by the health and safety committees or in consultation with the Managing Director of the subsidiary.

Communication with employees, whether permanent or temporary or engaged through third parties, is essential to minimising the risk of workplace accidents. Employees, both permanent and temporary, need to receive relevant instructions and training in how to carry out their duties. Training required to perform the duties of the job must be carried out during paid working hours. Particularly stringent processes are required for work involving hazardous tasks, such as heavy lifting or handling of substances harmful to health. In such cases Lifco must, as a minimum, follow the safety regulations specified in laws, guidelines and instructions from equipment suppliers. The employees are also responsible for keeping up to date on the applicable procedures and processes for handling machines, hazardous substances and other tasks.

Health and safety procedures and processes also cover employees and temporary workers who perform tasks for customers, suppliers or other partners.

Managers are obliged to report without delay any information they receive about risks of workplace accidents or injuries to the local health and safety officer or subsidiary company managing director. In dialogue with the health and safety officer, the subsidiary company managing director will decide whether work should be interrupted at the workplace concerned or whether other measures should be taken. No employee of Lifco, whether permanent or temporary, or of its suppliers should be subject to reprisals or discrimination because they have reported risks of injury or ill health to employees at the workplace.

The assessment of health and safety risks is based on factors such as changes in processes or equipment, incident reporting and assessments, changes in staffing or work flows, reports on employee health, and monitoring of noise, vibrations and dust. In these assessments, potential language barriers or disabilities are also taken into account.

In 2023, 9.9 per cent of all employees were covered by one of the following occupational health and safety management systems: OSHA/OHSAS 18001/ISO 45001. These systems were implemented after the companies concerned identified risks or in response to demands for certification from customers or suppliers. Under Lifco's business model, the subsidiary companies make independent decisions about management systems and certifications based on commercial decisions and risk assessments.

Lifco does not have Group-level information on the number of work-related injuries among workers who are not employees. Nor has Lifco collected data on work-related health problems.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEMS

	2023
Number/proportion of employees covered by an occupational health and safety management system	683/9.9%

Calculated as full-time employees at the end of the year (FTE).

At the Lifco companies, as at so many other companies, stress and stress-related illnesses have increased in recent years. As part of its preventive health and safety work, Lifco analyses and seeks to understand the challenges workers face in relation to stress. As part of the effort to reduce stress-related sick leave, the Lifco companies are responsible for ensuring that employees have opportunities to recover after periods of intense work. The Lifco companies have also introduced voluntary health promotion programmes designed, for example, to encourage more physical activity among employees.

OCCUPATIONAL HEALTHCARE

The Lifco companies operate in many different countries with differing access to general healthcare. The individual Lifco companies decide if there is a need to offer employees occupational healthcare as part of their efforts to promote health and safety. Employees must be clearly informed about how and when they will be offered access to healthcare through the company. Temporary employees must also be informed if they have access to occupational healthcare. In some companies, occupational healthcare is included in the standard employment terms for the industry.

WORKPLACE ACCIDENTS

	2021	2022	2023
Number of workplace accidents resulting in more than three days of absence	63	69	77
By region:			
Nordics	14	10	14
Rest of Europe	44	56	57
North America	4	1	1
Asia	1	2	5
Africa	-	-	0
Workplace accidents in relation to average number of employees	0.0105	0.0106	0.0112
Workplace accidents in relation to number of hours worked[1]	1.00	1.04	1.07
Lost working days as a result of workplace accidents	2,548	1,360	2,297
Fatal workplace accidents	0	0	0

The measurement covers all employees and operations.

[1] The calculation is based on 200,000 hours worked.

TARGET WORKPLACE ACCIDENTS

The number of workplace accidents per employee increased in 2023 compared with 2022. The majority of accidents occur at the assembly units in Demolition & Tools and Systems Solutions. The accidents are to a large extent hand and foot injuries caused by crushing or impacts. Other more frequent accidents are back injuries from incorrect lifting and head and eye injuries caused by objects that have become detached when machinery is operated. The most common remedial measures are inspection of the equipment and reviews and assessments of safety procedures and processes.

WORKPLACE ACCIDENTS BY COMPANY

Only companies that reported at least one occupational injury in the years 2021–2023 are included in the list.

Company	Country	2021	2022	2023
Dental				
DAB Dental	Sweden	0	0	1
Denterbridge	France	0	1	0
Hammasväline	Finland	0	2	2
InteraDent	Germany	1	0	0
Kaniedenta	Germany	0	1	2
Lifco Dental	Sweden	1	0	0
MDH	Germany	0	0	3
Medtec	Germany	0	0	1
M&W Dental	Germany	2	2	2
Parkell	USA	1	0	1
SchwanDental	Germany	0	0	2
Si Zhou Dental	China	0	1	1
Total Dental		**5**	**7**	**15**
Demolition & Tools				
Ahlberg Cameras	Sweden	0	1	0
Auger Torque	Australia	0	1	0
BeGrips	Sweden	0	0	2
Brokk	Australia	1	0	-
Brokk	France	4	1	0
Brokk	Germany	0	1	1
Brokk	Sweden	0	0	1
Brokk	Singapore	0	0	1
Brokk Bricking Solutions	USA	0	1	0
Broughton Plant Hire	United Kingdom	-	-	4
Cangini Benne	Italy	2	4	3
Darda	Germany	1	1	3
Doherty	New Zealand	0	0	2
Hammer	Italy	2	3	0
Hultdin System	Sweden	0	2	0
Indexator Rotator Systems	Sweden	1	1	0
Kinshofer	USA	1	0	0
Kinshofer	Germany	8	6	8
Kinshofer	Czech Republic	0	6	5
Mars Greiftechnik	Austria	0	8	4
MultiOne	Italy	0	3	0
MultiOne	Germany	0	0	1
Solesbee's	USA	2	0	0
Trevi Benne	Italy	-	3	0
2 C Factory	Italy	2	1	1
Total Demolition & Tools		**24**	**43**	**36**
Systems Solutions				
BCC Solutions	Finland	-	0	1
Brian James Trailers	United Kingdom	5	2	3
Cenek Tavlebygg	Norway	-	1	0
CF Vending	United Kingdom	-	-	1
Condale Plastics	United Kingdom	-	2	3
Cramaro Tarpaulin Systems	Italy	2	3	2
Cramaro Tarpaulin Systems	France	4	0	1
Cramaro España	Spain	0	1	0
Eldan Recycling	Denmark	2	0	0
ErgoPack	Germany	1	1	2
T. Freemantle	United Kingdom	1	0	0
Leab	Estonia	0	0	1
Leab	Sweden	0	0	1
P-Line Netherlands	Netherlands	1	0	0
Proline Öst	Sweden	0	1	0
Proline Väst	Sweden	0	0	1
Prolinesystems Relining	Finland	2	0	2
Modul-System	Denmark	2	0	0
Modul-System	France	5	2	1
Modul-System	Norway	0	0	1
Modul-System	United Kingdom	2	4	2
Modul-System	Sweden	4	0	0
Rapid Granulator	Sweden	0	0	1
Tastitalia	Italy	0	2	0
Texor	Sweden	1	0	0
TMC	Norway	0	0	1
TMC	Singapore	0	0	1
Truck-Line	Germany	0	0	1
Zetterströms Rostfria	Sweden	1	0	0
Total Systems Solutions		**33**	**19**	**26**
Total Lifco		**62**	**69**	**77**

BCC Solutions, Cangini Benne, Cenek Tavlebygg and Condale Plastics were acquired in 2022. Borughton Plant Hire and CF Vending were acquired in 2023.

EQUALITY AND MORE FEMALE MANAGERS

Gender-balanced teams perform better than teams with a skewed gender balance. Lifco is therefore aiming to increase the proportion of women among wage-setting managers. To reach the target, Lifco is employing a variety of methods. In the case of managerial appointments, for example when a managing director of a subsidiary company is appointed, there must be at least one woman among the final candidates. In 2023, eight recruitments of new managing directors for subsidiary companies were made. Of the appointed candidates, three, or 37.5 per cent, were women. Other methods used include ensuring a good work-life balance and offering opportunities to work from home.

A distinctive feature of Lifco's business is that the managers remain in the Group for a very long time, which benefits the Group. Leaders who create consistently good results can only do so through a positive work climate and good customer and supplier relationships. The disadvantage is that there will be fewer opportunities to recruit new managers and thereby improve the gender distribution. Lifco's ability to increase the proportion of female wage-setting managers is also affected by the acquisitions the Group makes.

WAGE-SETTING MANAGERS BY GENDER

	2021	2022	2023
Number of wage-setting managers, women/men	70/261	66/263	84/329
Total number of wage-setting managers	331	329	413
Proportion of female wage-setting managers, %	21.1	20.1	20.3

TARGET PROPORTION OF FEMALE MANAGERS

On 31 December 2023, 20.3 (20.1) per cent of the Group's wage-setting managers were women. The target is to increase the proportion of female wage-setting managers every year. However, the increase from 2022 is not significant and Lifco therefore does not consider the target to have been achieved.

PAY GAP ANALYSES

In 2023, 25.8 per cent of all Lifco companies carried out analyses of differences in pay between women and men who perform the same tasks. The companies that identified a difference in pay have addressed the discrepancy through salary adjustments.
Lifco has not collected Group-level information regarding identified pay gaps between women and men.

PAY GAP ANALYSES

	2021	2022	2023
Proportion of subsidiaries that carried out gender pay gap analyses	25.3%	24.6%	25.8%

EMPLOYMENT SALARY CONDITIONS

Lifco aims to pay market salaries and to differentiate the compensation offered to individual employees based on the complexity of the duties, responsibilities and performance, and in compliance with local laws, regulations and generally accepted local industry standards and/or collective bargaining agreements with local trade unions. Other forms of compensation such as pensions and any other benefits are also set in accordance with local laws, regulations and generally accepted local industry standards and/or collective bargaining agreements with local trade unions. Legal or contractual minimum wage requirements must be followed.

Lifco pays salaries regularly, in full and on time, and does not require employees to pay work-related fees or costs. Employees receive digital or paper payslips which show their salary and any deductions they are eligible for. All employees, including temporary employees, receive their working conditions in writing. The document must be confirmed by both the employer and the employee through signatures. Lifco's policy regarding employment salary conditions also covers suppliers, subcontractors and employees employed through third parties. The Lifco companies decide when and how to carry out audits of suppliers, subcontractors and employment agencies/staffing companies regarding employment salary conditions. Such audits may be initiated in case of concerns about deviations or in response to the companies' annual risk review. Lifco has no Group-level information on benefits that are offered to full-time employees but not to temporary employees or part-time employees in significant businesses.

WORKING HOURS

In order to protect the health and safety of employees, the employees' working hours must be regulated in the terms of employment. Working hours are regulated in accordance with local regulations and guidelines and, where applicable, through collective bargaining agreements.

NON-DISCRIMINATORY WORKPLACES

Lifco's Code of Conduct is based partly on the ten principles of the UN Global Compact and the international human rights framework. Under Lifco's Code of Conduct, no one may be discriminated against, harassed or threatened on account of their sex, gender identity or expression, ethnic background, faith, disability, sexual orientation, age, nationality, political opinion, trade union membership, status, social background, language, state of health or marital status. This applies also to Lifco's suppliers and subcontractors.

Employees who discover or are subject to discrimination should in the first instance address the matter with their immediate supervisor or, if the supervisor is suspected of having committed the discriminatory act, with the managing director of the subsidiary concerned. The suspicion can also be escalated to the chairman of the subsidiary or reported through the whistleblowing channel. Suspected cases of discrimination are reported to the Board and Group management and investigated internally by an independent party. Cases reported through the whistleblowing channel are investigated according to the whistleblowing policy. The measures taken are reported to Group management and the Board. The measures can consist of changes to processes, compensation, relocation or dismissal of the perpetrator.

In 2023, four cases were reported in four Lifco companies where the whistleblower claimed that they and/or their colleagues had been discriminated against. Three of the cases have been investigated and closed with the conclusion that discrimination had not been proven, but in all cases it was established that group managers had acted inappropriately. In the companies concerned, workshops have been held with group managers and employees where the participants discussed how they are expected to behave in the workplace. In one of the cases, no discrimination was established in an internal investigation but the complainant has nevertheless chosen to have the dispute settled in court.

HUMAN RIGHTS-RELATED INCIDENTS

	2023
Number of reported incidents and reports related to human rights among employees	4
Number of cases reported through the companies' complaint channels	4
Number of companies with reported incidents and reports through complaint channels	4
Fines, sanctions or damages awarded related to human rights among the employees	0.0

PROHIBITION OF FORCED LABOUR, MODERN SLAVERY AND CHILD LABOUR

Lifco supports the UN Declaration on the Rights of the Child. Forced labour, modern slavery and child labour are strictly prohibited in all of Lifco's operations as well as among suppliers, their

subcontractors and business partners. Monitoring and control of compliance by suppliers is described on page 32. In the risk analysis, Lifco places special emphasis on any use of forced labour, the occurrence of modern slavery or cases of young employees performing dangerous tasks or handling hazardous substances.

PERFORMANCE REVIEWS AND PAID TRAINING

One of Lifco's fundamental values is openness. Open dialogue combined with good leadership based on clear and immediate feedback are fundamental to creating a motivating work climate. Lifco attaches great importance to leadership and the leaders' personal qualities, such as the ability to create a work climate that is appreciated by the employees. Good leadership includes engaging in continuous dialogue with the employees and fostering a culture that allows the employees to grow and develop. Lifco does not believe in structures where the employee/manager dialogue is conducted through formal, standardised processes at particular times during the year.

Lifco believes that many employees are stimulated by learning and new knowledge. In Lifco, employees are offered opportunities to learn and acquire new knowledge primarily by taking on new tasks or responsibilities. The Lifco companies themselves decide if, when and for whom there is a need for company-sponsored training. Such training is usually linked to the need for new knowledge about new or changed regulations or new operating procedures.

Part of creating a motivating work climate involves enabling employees to take on new challenges and receive opportunities for advancement. Such opportunities are offered within the companies and between companies that are part of the same division. The Lifco companies must have procedures in place for replacing employees who leave the company or take on new duties within the company.

PERFORMANCE REVIEWS AND TRAINING

Women/men	2023
Number of employees who participated in regular performance and career development reviews	928/2,302
Percentage of employees who participated in regular performance and career development reviews	13.4%/33.4%
Total number of training hours	18,163/44,739
Number of training hours per employee	5.96/7.67
Average number of training hours in companies that offered training	14/14

STAFF TURNOVER

Staff turnover is an indicator of how much the employees enjoy working in the Lifco companies. The Lifco Group has a high staff turnover outside the Nordic region, which is related to individual assembly units.

STAFF TURNOVER

	2020	2021	2022	2023
Staff turnover, %	19.8	17.2	16.2	12.9
Number of employees who have left the organisation and been replaced	1,070	1,078	1,057	887
Staff turnover by region, %				
Nordics	16.8	10.1	9.1	8.5
Rest of Europe	17.0	18.9	19.3	14.6
North America	24.0	20.7	16.7	15.4
Asia	33.9	28.3	24.8	17.6
Africa	-	-	-	50.0[1]

[1] The high staff turnover is due to the fact that there are only two employees in Africa.

TARGET STAFF TURNOVER

Staff turnover in 2023 decreased to 12.9 (16.2) per cent, primarily as a result of lower staff turnover at an assembly unit in the UK. Lifco's goal is to reduce staff turnover every year. The goal was achieved for the reported years.

SICK LEAVE

Sick leave is a key indicator for Lifco and is regularly analysed in the Lifco companies. A high level of sick leave or an increasing trend is followed up and appropriate measures are taken in the entity concerned. When identifying and analysing the problem and deciding on measures to take, the Lifco company may consult health and safety experts such as ergonomists or specialists in stress-related diseases.

SICK LEAVE

	2020	2021	2022	2023
Sick leave (number of days of absence in relation to total working time), %	3.6	3.6	4.3	3.9
By region:				
Nordics	4.2	4.0	4.7	4.8
Rest of Europe	4.3	4.4	5.0	4.1
North America	1.3	1.2	1.8	2.2
Asia	1.2	0.8	1.5	1.1
Africa	-	-	-	0.6
Number of days of absence	52,763	56,587	73,474	70,608
Number of days of absence per employee[1]	9.7	9.0	11.3	10.2
Number of working days during the year, thousands	1,470	1,582	1,658	1,793

[1] Calculated based on the number of full-time employees at the end of the year (FTE).

In 2023, sick leave decreased to 3.9 (4.3) per cent and is approaching the level during the pandemic years of 3.6 per cent. Lifco has chosen not to set targets for sick leave in order to reduce the risk of incorrect incentives in the organisation that could potentially be detrimental in the long term.

SOCIAL PROTECTION AGAINST LOSS OF INCOME

All employees except employees in one company in Canada and three in the USA are covered by protection against loss of income in the event of illness. All employees except employees in one company in Denmark, three in Germany, two in Singapore, two in the USA and one in the UK are covered by protection against loss of income in the event of unemployment. All employees except employees in two companies in the USA and one in the UK are covered by protection against loss of income in the event of occupational injury. All employees except employees in five companies in the USA and two in Singapore are covered by protection against loss of income on retirement.

EMPLOYEES WITH NO PROTECTION AGAINST LOSS OF INCOME

	2023
In case of illness	54/0.8%
In case of unemployment	184/2.7%
For occupational injuries	77/1.1%
On retirement	74/1.1%

The proportion is based on the number of full-time employees at the end of the year (FTE).

PARENTAL LEAVE

Lifco takes a positive view of parental leave and encourages both fathers and mothers to use their statutory parental leave where it exists. Lifco does not permit discrimination against employees on parental leave, who must be offered the opportunity to take up equivalent duties when returning to work. The majority of employees not entitled to parental leave are based in North America.

EMPLOYEES ON PARENTAL LEAVE

	2021	2022	2023
Total number of employees entitled to parental leave	No data	No data	6,786
Number on parental leave, women/men	109/218	117/259	139/222
Total number of employees on parental leave	327	379	361
Proportion of employees on parental leave in relation to total number of employees entitled to parental leave	No data	No data	5.3%

COLLECTIVE BARGAINING

Lifco takes a positive view of collective bargaining and the Code of Conduct regulates the employees' right to freedom of association and the right to bargain collectively. Prior to major organisational changes, the Lifco companies must consult with the relevant trade union or trade unions. In the event of cutbacks, the employees must be notified in advance with a prior notice period equal to or longer than what is consistent with local practice or provided for in local regulations or collective bargaining agreements. For employees not covered by collective bargaining agreements, working conditions and employment terms are usually determined based on collective bargaining agreements covering other employees or from other organisations or on industry practice.

EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

	2021	2022	2023
Number/proportion of employees covered by collective bargaining agreements	2,860/45.7%	3,087/47.4%	2,989/43.3%
Number/proportion of employees in the Nordic countries covered by collective bargaining agreements	1,544/72.1%	1,586/69.3%	1,341/83.7%

Calculated as the number of full-time employees at the end of the year (FTE).

WORKERS WHO ARE NOT EMPLOYEES

At year-end, Lifco had 301 (302) workers who are not employees. The majority of these are consultants, apprentices and trainees. Lifco uses consultants for specific, time-limited projects that require specialist knowledge or to relieve the workload of employees during periods of intense activity. These may receive project-based compensation or hourly compensation. Lifco also has workers who are employed by organisations such as Samhall. In this case, Samhall pays the salaries and other benefits of the workers. Samhall is a Swedish state-owned limited company with the mission of creating meaningful and stimulating work for people with disabilities that entail a reduced capacity to work. Apprentices and trainees carry out their duties as part of their training programmes. Apprentices and trainees are remunerated in accordance with local practice and agreements with the training institutions.

EMPLOYED WORKERS BY REGION

	2021		2022		2023	
	Number of employees	Proportion of total number of employees, %	Number of employees	Proportion of total number of employees, %	Number of employees	Proportion of total number of employees, %
Nordics	2,139	34.1	2,287	35.1	2,321	33.6
Rest of Europe	2,977	47.5	3,189	49.0	3,654	53.0
North America	262	4.2	280	4.3	267	3.9
Asia	887	14.2	756	11.6	655	9.5
Africa	-	-	-	-	2	0.03
Total	**6,265**	**100.0**	**6,512**	**100.0**	**6,899**	**100.0**

Calculated as the number of full-time employees at the end of the year (FTE).

EMPLOYED WORKERS BY REGION AND GENDER

	2021		2022		2023	
	Women/men	Proportion of total number of employees, %	Women/men	Proportion of total number of employees, %	Women/men	Proportion of total number of employees, %
Nordics	531/1,609	8.5/25.7	649/1,638	10.0/25.2	654/1,667	9.5/24.2
Rest of Europe	893/2,084	14.3/33.3	900/2,289	13.8/35.1	1,078/2,576	15.6/37.3
North America	63/199	1.0/3.2	63/217	1.0/3.3	63/204	0.9/3.0
Asia	256/630	4.1/10.1	213/543	3.3/8.3	182/473	2.6/6.9
Africa	-	-	-	-	0/2	0.0/0.03
Total women/men	**1,743/4,522**	**27.8/72.2**	**1,825/4,687**	**28.0/72.0**	**1,977/4,922**	**28.7/71.3**
Total	**6,265**	**100.0**	**6,512**	**100.0**	**6,899**	**100.0**

Calculated as the number of full-time employees at the end of the year (FTE).

PERMANENT EMPLOYEES BY REGION AND GENDER

	2021		2022		2023	
	Women/men	Proportion of total number of employees, %	Women/men	Proportion of total number of employees, %	Women/men	Proportion of total number of employees, %
Nordics	532/1,580	8.5/25.2	569/1,667	8.7/25.6	620/1,668	9.0/24.2
Rest of Europe	890/1,965	14.2/31.4	886/2,163	13.6/33.2	1,021/2,478	14.8/35.9
North America	61/200	1.0/3.2	64/213	1.0/3.3	63/204	0.9/3.0
Asia	248/634	4.0/10.1	209/542	3.2/8.3	179/473	2.6/6.9
Africa	-	-	-	-	0/2	0.0/0.03
Total women/men	**1,731/4,379**	**27.6/69.9**	**1,728/4,585**	**26.5/70.4**	**1,883/4,825**	**27.2/70.0**
Total	**6,110**	**97.5**	**6,313**	**96.9**	**6,708**	**97.2**

Calculated as the number of full-time employees at the end of the year (FTE).

TEMPORARY EMPLOYEES BY REGION AND GENDER

	2021		2022		2023	
	Women/men	Proportion of total number of employees, %	Women/men	Proportion of total number of employees, %	Women/men	Proportion of total number of employees, %
Nordics	9/19	0.1/0.3	26/26	0.4/0.4	22/11	0.3/0.2
Rest of Europe	18/103	0.3/1.6	29/111	0.5/1.7	31/124	0.4/1.8
North America	0/1	0.0/0.0	1/1	0.0/0.0	0/0	0.0/0.0
Asia	2/3	0.0/0.0	2/3	0.0/0.0	1/2	0.01/0.02
Africa	-	-	-	-	0/0	0.0/0.0
Total women/men	**29/126**	**0.5/2.0**	**58/141**	**0.9/2.2**	**54/137**	**0.8/2.0**
Total	**155**	**2.5**	**199**	**3.1**	**191**	**2.8**

Calculated as the number of full-time employees at the end of the year (FTE).

FULL-TIME EMPLOYEES BY REGION AND GENDER

	2021		2022		2023	
	Women/men	Proportion of total number of employees, %	Women/men	Proportion of total number of employees, %	Women/men	Proportion of total number of employees, %
Nordics	466/1,551	7.4/24.8	513/1,649	7.9/25.3	534/1,617	7.7/23.4
Rest of Europe	715/1,956	11.4/31.2	715/2,101	11.0/32.3	859/2,409	12.4/34.9
North America	59/200	0.9/3.2	63/213	1.0/3.3	55/195	0.8/2.8
Asia	252/633	4.0/10.1	209/545	3.2/8.4	180/474	2.6/6.9
Africa	-	-	-	-	0/2	0.0/0.03
Total women/men	**1,492/4,340**	**23.8/69.3**	**1,500/4,508**	**23.0/69.2**	**1,628/4,697**	**23.6/68.1**
Total	**5,832**	**93.1**	**6,008**	**92.3**	**6,325**	**91.7**

Calculated as the number of full-time employees at the end of the year (FTE).

PART-TIME EMPLOYEES BY REGION AND GENDER

	2021		2022		2023	
	Women/men	Proportion of total number of employees, %	Women/men	Proportion of total number of employees, %	Women/men	Proportion of total number of employees, %
Nordics	78/45	1.2/0.7	81/44	1.2/0.7	110/59	1.6/0.9
Rest of Europe	217/88	3.3/1.4	224/150	3.4/2.3	259/128	3.7/1.9
North America	2/1	0.0/0.0	2/1	0.0/0.0	8/9	0.1/0.1
Asia	2/0	0.0/0.0	2/0	0.0/0.0	0/1	0.0/0.01
Africa	-	-	-	-	0/0	0.0/0.0
Total women/men	**299/134**	**4.8/2.1**	**309/195**	**4.7/3.0**	**377/197**	**5.4/2.9**
Total	**433**	**6.9**	**504**	**7.7**	**574**	**8.3**

Calculated as the number of full-time employees at the end of the year (FTE).

EMPLOYEES BY AGE GROUP

	2021	2022	2023
Under 30 years	1,170/18.7%	1,182/18.2%	1,135/16.5%
31–50 years	3,317/52.9%	3,352/51.4%	3,527/51.1%
Over 50 years	1,777/28.4%	1,978/30.4%	2,237/32.4%

Calculated as the number of full-time employees at the end of the year (FTE).

WORKERS WHO ARE NOT EMPLOYEES

	2021	2022	2023
Number of workers who are not employees	315	302	301

Calculated as the number of full-time employees at the end of the year (FTE).

EMPLOYEES WITH DISABILITIES

	2023
Number of employees with disabilities/ proportion of total number of employees	92/1.3%

EMPLOYEES WITH CONTRACTS WITHOUT A GUARANTEE PERIOD

	2021	2022	2023
Number of employees with contracts without a guarantee period, women/men	17/157	22/156	20/66
By region:			
Nordics	13/70	17/84	16/42
Rest of Europe	4/86	5/71	4/18
North America	0/1	0/1	0/6
Asia	0/0	0/0	0/0
Africa	-	-	0/0

Calculated as the number of full-time employees at the end of the year (FTE).

NEW EMPLOYEES BY GENDER AND REGION

	2021	2022	2023
Total number of new employees women/men	256/717	290/926	271/731
Total	**973**	**1,216**	**1,002**
By region:			
Nordics	82/188	104/239	88/200
Rest of Europe	143/434	131/562	157/463
North America	6/41	10/32	10/31
Asia	25/54	45/93	16/37
Africa	-	-	0/0

NEW EMPLOYEES BY AGE GROUP AND REGION

	2021			2022			2023		
	Under 30 yrs	31–50 yrs	Over 50 yrs	Under 30 yrs	31–50 yrs	Over 50 yrs	Under 30 yrs	31–50 yrs	Over 50 yrs
Number/proportion of new employees	373/38.3%	455/46.8%	145/14.9%	488/40.1%	558/45.9%	170/14.0%	396/39.5%	455/45.4%	151/15.1%
By region:									
Nordics	107/11.0%	125/12.8%	35/3.6%	133/11.0%	164/13.5%	42/3.5%	113/11.2%	134/13.4%	42/4.2%
Rest of Europe	223/22.9%	256/26.3%	101/10.3%	257/21.1%	327/26.8%	114/9.5%	241/24.1%	277/27.6%	101/10.1%
North America	19/2.0%	20/2.1%	8/0.8%	19/1.6%	15/1.2%	8/0.7%	14/1.4%	21/2.1%	6/0.6%
Asia	24/2.5%	54/5.5%	1/0.1%	79/6.5%	52/4.3%	6/0.5%	28/2.8%	23/2.3%	2/0.2%
Africa	-	-	-	-	-	-	0/0.0%	0/0.0%	0/0.0%

Calculated as the number of full-time employees at the end of the year (FTE). The proportion is calculated in relation to the total number of new employees.

ALL TARGETS FOR THE SUSTAINABILITY TOPIC MOTIVATED EMPLOYEES AND SAFE WORKPLACES

	2020	2021	2022	2023
Target: Reduce staff turnover each year				
Staff turnover, %	19.8	17.2	16.2	12.9
Target: Every year, reduce the number of workplace accidents per employee that resulted in more than three days of absence				
Number of workplace accidents per employee resulting in more than three days of absence	Measurement not started	0.0105	0.0106	0.0112
Target: Increase the proportion of female wage-setting managers every year				
Proportion of female wage-setting managers in relation to total number of wage-setting managers	Measurement not started	21.2	20.1	20.3

Staff turnover is calculated based on the number of people. Workplace accidents in relation to the number of employees are calculated based on the average number of employees. The percentage of female wage-setting managers is calculated based on the number of people.



SMART ENERGY-FREE SOLUTIONS THAT IMPROVE THE WORK ENVIRONMENT

The British company Alwayse Engineering manufactures ball transfer units that are used in industrial processes, for example in the material handling and assembly industries. Alwayse's products don't require an energy source to operate, unlike motorised conveyor belts, and therefore reduce the customers' carbon footprint and energy consumption. Alwayse's solutions also reduce the risk of repetitive strain injury, injuries caused by heavy lifting and other incidents relating to the use of overhead cranes and forklifts.

SOUND BUSINESS PRACTICES

A high standard of ethics and professionalism are fundamental to Lifco and essential to maintaining the Group's good reputation among customers, employees, suppliers, potential acquisition candidates and other stakeholders.

Lifco's governance is based on the Group's Code of Conduct, which is revised and adopted annually by the Board. The Code of Conduct establishes the Lifco Group's basic principles on human rights, working conditions, environmental considerations, business ethics and other matters.

Lifco has been a signatory to the UN Global Compact since 2016 and has thereby committed to actively promote the Global Compact's ten principles of sustainable development in the areas of human rights, labour, environment and anti-corruption. The principles of the UN Global Compact form the basis for the governance of Lifco and the Code of Conduct includes the international human rights framework, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD's principles and standards on responsible business for multinational enterprises, the UN Declaration on the Rights of the Child and the UN Convention against Corruption.

EMPLOYEES

The Code of Conduct applies to all Lifco employees, the Board of Directors, temporary employees and workers who are not employed. All employees of the Lifco Group must be informed about the Code of Conduct, which is done through employee meetings or by e-mail. The Code of Conduct is available on the intranet and external websites. Many of the companies also have the Code of Conduct exposed on physical or digital notice-boards. New employees must be informed within one month of their first day of employment and employees of companies acquired by Lifco must be informed within 30 days of the transfer date.

100% of employees have been informed about the Code of Conduct

Assessing the risk of violations of the Code of Conduct in all its aspects is part of Lifco's risk process. Based on their individual risk assessments, the Lifco companies decide on the need for local training activities to clarify the content, scope and consequences of the Code of Conduct for employees and suppliers. The assessments can also lead to the Lifco company changing its processes and procedures to reduce the risks. Lifco companies may have company-specific guidelines covering matters such as business ethics. The Lifco companies' management teams are responsible for investigating incidents and taking measures relating to possible violations of the Code of Conduct. Lifco does not collect Group-level information on the number of employees who have completed anti-corruption training as decisions about training activities are made in the subsidiaries.

TARGET INFORMATION ABOUT THE CODE OF CONDUCT

In 2023, all Lifco employees were informed about the Code of Conduct.

SUPPLIERS

In order to deliver with high quality and effectively manage risks in the value chain, Lifco needs to collaborate with suppliers and other business partners who share the Group's views on business ethics, environmental and climate impacts, social issues and human rights. The basis for these partnerships is Lifco's Code of Conduct, which is based on the principles of the UN Global Compact and the ILO Declaration on Fundamental Principles and Rights at Work as well as other standards. Lifco's major suppliers are required follow the Code of Conduct and are expected to make reasonable efforts to ensure that their own suppliers follow the same principles. The Code of Conduct covers matters such as working conditions and wage conditions, health, safety, human rights and business ethics.

Lifco's business model is based on the subsidiaries having a high degree of independence, which means that they formulate detailed requirements for the suppliers, including procedures, and define frameworks for supplier assessments, reviews and audits. The subsidiaries can, for example, demand that suppliers have management systems for quality, health and safety and other areas. Larger subsidiaries have central purchasing functions tasked with carrying out these assessments, reviews and audits. Suppliers are assessed on the basis of price, quality and their ability to deliver, and in the assessments account is also taken of risks related to the country or market, processes, raw materials and other factors. Risks linked to the environment, climate impact, working conditions and wage conditions, the right to collective bargaining as well as human rights and other social risks may also be considered in the assessments and be subject to follow-up reviews and audits. Reviews and monitoring are more frequent and more often take the form of site visits

for significant suppliers that operate in markets or regions where the risk of bribery, violations of human rights, working conditions or wage conditions and negative environmental impacts is considered to be higher. In 2020 and 2021, essentially no on-site supplier reviews and audits took place due to the pandemic. In 2023, reviews and audits in the form of site visits to suppliers were resumed. In 2023, Lifco did not ask the Group companies whether they had terminated any collaborations with suppliers due to corruption or suspected corruption. Lifco does not collect Group-level information on which types of suppliers have been informed about and agreed to follow the Code of Conduct and in which regions.

In case of deviations from or an identified risk of deviations from the Code of Conduct or another policy, such as the Group's environmental policy, Lifco takes immediate measures. The measures taken are determined based on an assessment of the potential significance and extent of the impact. Suppliers who deviate from the requirements may be asked to take corrective measures that will be followed up by the Lifco company after an agreed period of time. The Lifco company may also follow up or take proactive measures by conducting mandatory training activities for its suppliers and/or subcontractors. In serious cases, such as violations of human rights or serious environmental crimes, the business relationship may be terminated. Where necessary, Lifco companies may work with organisations and industry peers to address social issues, environmental risks or other issues in the supply chain.

With regard to conflict minerals, the Code of Conduct states that suppliers are required to ensure that purchased materials in products or components delivered to Lifco do not directly or indirectly contribute to violations of human rights in conflict-affected and high-risk areas.

72.0% is the percentage of subsidiaries where all major suppliers have signed the Code of Conduct

In 2023, Lifco conducted a review to determine from which countries the majority of purchases are made. It was found that European suppliers accounted for 92.7 (91.0) per cent of the purchases in 2023. As these may have subcontractors on other continents, it is important for Lifco to identify the risks down the entire value chain. For more information about Lifco's suppliers, see the section Lifco's value chain on pages 44–45.

For Lifco, good supplier relations is also about respecting local regulations, guidelines and industry practice for payment terms. Lifco has a highly diversified supplier base and payment terms therefore vary depending on geography and industry. In 2023, the average payment terms for suppliers with a total purchase amount exceeding EUR 500,000 was 47.1 days.

TARGET CODE OF CONDUCT AND SUPPLIERS

Lifco's suppliers and their subcontractors are required to follow the Code of Conduct. In order to monitor compliance with the policy, the subsidiaries must ensure each year that all their main suppliers have undertaken in writing to follow the Code of Conduct and report this to the Group. Since measurements began in 2021, the percentage has decreased from 78.3 to 72.0 per cent. The decrease is due partly to the fact that a number of Lifco companies waited to send out the Code of Conduct until their local whistleblowing procedures had been implemented in order to be able to communicate these at the same time, and partly to the fact that it takes time for newly acquired companies to obtain signed Codes of Conduct from all major suppliers. There are also a number of Lifco company suppliers that are major global players who have a policy of not signing other companies' codes of conduct. Lifco's target is for all subsidiaries to ensure that all their main suppliers have committed to follow the Code of Conduct.

ANTI-CORRUPTION

Lifco has zero tolerance for bribery, corruption, fraud, facilitation payments, money laundering or attempts at any of these. This rule is included in the Code of Conduct, which is based on the UN Global Compact's ten principles of sustainable development and the UN Convention against Corruption as well as other standards.

Lifco's zero tolerance stance is based on the Group's desire to operate in a business environment that is fair and efficient. Lifco is convinced that sound, high business ethics and a clear stand against corruption and money laundering help to strengthen the Group's and subsidiaries' brands and positions in the value chain.

The risk of corruption and money laundering is included as an element in Lifco's overall risk analysis. Lifco has mapped the origin of its revenue using the Global Corruption Index and established that 95.8 (94.1) per cent of the Group's revenue came from countries with a very low or low risk of corruption in 2023. Countries with a high or very high risk of corruption accounted for 0.2 (0.6) per cent of revenue.

To ensure that all employees are aware of the Group's position on business ethics, the subsidiaries are required regularly to report the extent to which this information has been passed on to employees and suppliers. See the sections Employees and Suppliers above. Lifco companies are required to maintain systems, approval procedures and processes that enable them to detect and prevent risks of bribery, corruption and money laundering. Each company makes an assessment of whether and to what extent special training activities regarding the Code of Conduct should be carried out among its employees and suppliers. The assessment is based on factors such as country, market, history and risk classification according to international standards.

Lifco's Code of Conduct also takes a stand against conflicts of interest, which means that employees are not permitted to engage in activities or hold positions outside Lifco that conflict with the company's business interests. Such conflicts of interest can also include directorships, significant shareholdings or a family member's employment. Employees are required to consult with their immediate supervisor about any assignments or other interests that could potentially conflict with the company's business interests or create a risk of bias.

Under the Code of Conduct, Lifco's employees may only offer gifts, entertainment, compensation and personal benefits to outside parties if they are of small value and consistent with existing practice and legislation. Government employees or employees of companies owned by a government agency may never be offered gifts of any kind. Lifco employees may accept gifts of small value or gifts that are not intended to unduly influence business decisions, for example as a courtesy or in accordance with local custom. If in doubt, employees must consult their immediate supervisor or the Managing Director of their company.

Lifco companies are responsible for ensuring that any sponsorships, contributions to charities and similar arrangements are not to be regarded as disguised bribes. Lifco does not tolerate cartels or other anti-competitive behaviour.

TARGET ANTI-CORRUPTION

In 2021–2023, there were no confirmed cases of corruption among employees of the Group. In 2021–2023, no employee was involved in any corruption-related legal proceedings. The Group incurred no corruption-related losses in 2021–2023.

CONSOLIDATED NET SALES BROKEN DOWN BASED ON THE GLOBAL CORRUPTION INDEX, IN ABSOLUTE TERMS AND AS A PERCENTAGE

	2021		2022		2023	
	Net sales, SEK '000	Share of total sales, %	Net sales, SEK '000	Share of total sales, %	Net sales, SEK '000	Share of total sales, %
Very low	12,133,044	69.4	15,194,697	70.5	17,975,578	73.5
Low	4,151,053	23.7	5,076,872	23.6	5,441,101	22.2
Average	1,156,350	6.6	1,149,049	5.3	991,322	4.1
High	31,953	0.2	129,834	0.6	43,508	0.2
Very high	7,824	0.0	1,043	0.0	2,323	0.0
Total	**17,480,224**	**100.0**	**21,551,495**	**100.0**	**24,453,832**	**100.0**

The Global Corruption Index is produced by Global Risk Profile. In 2023, the list of countries classified as high-risk included the following: Bosnia and Herzegovina, Bangladesh, Belarus, Iraq, Iran, Pakistan, Uganda and several African countries.

TAX POLICY

Lifco's tax policy has been adopted by the Board of Directors and is revised annually. Under the tax policy, Lifco and its subsidiaries pay tax in the countries where value is generated in accordance with local tax laws and regulations. For Lifco, compliance with tax regulations is about good commercial practice and a desire to contribute to society in the countries where the Group operates.

Lifco does not engage in aggressive or artificial transactions whose sole or main purpose is to create a tax advantage. If there is more than one way to structure a transaction, the Group reserves the right to optimise its tax situation by choosing the option that achieves the company's commercial objectives with the lowest tax expense.

Lifco's tax returns must be submitted on time and comply with relevant tax laws and regulations. Any material errors or omissions that are discovered in tax returns must immediately be reported to the relevant tax authorities. Taxes must be paid when due. Tax inquiries and audits by the authorities must be answered openly and honestly and in a timely manner. All Group companies must have an updated transfer pricing policy that follows OECD guidelines. Lifco's tax cost is reviewed by the external auditors every year.

CURRENT TAX EXPENSE BY COUNTRY

SEK '000	2022	2023
Australia	29,899	28,187
Belgium	3,572	6,909
Denmark	52,977	65,843
Estonia	26,060	321
Philippines	500	994
Finland	8,718	8,619
France	8,824	11,809
Italy	199,961	239,830
Canada	4,686	495
China	9,877	3,088
Croatia	1,100	1,090
Latvia	404	264
Lithuania	149	195
Netherlands	18,223	27,337
Norway	118,661	133,267
New Zealand	5,110	4,917
Poland	365	703
Switzerland	4,249	2,718
Singapore	6,141	7,718
Slovenia	1,967	1,894
Spain	638	494
United Kingdom	66,773	152,647
Sweden	266,736	205,447
Czech Republic	5,871	6,229
Germany	231,718	290,849
Hungary	434	550
USA	38,939	39,373
Austria	3,849	2,456
Total	**1,116,398**	**1,244,243**

LOCAL COMMUNITIES

For Lifco and its subsidiaries, it is important to be involved in and contribute to the communities where the Group operates. A key factor behind Lifco's often strong local ties is the Group's business model, under which Lifco does not seek synergies between its companies. Lifco, for example, has never relocated a business. For Lifco, it is also important to contribute to the local communities where it operates by paying taxes where value is generated. Lifco is convinced that by being good citizens Lifco companies strengthen their brands in the eyes of customers, suppliers and employees.

Some Lifco companies are members of national or local trade and interest organisations but do not have significant influence because no company, for example, has a seat on the board.

PRODUCT QUALITY

Satisfied and loyal customers are fundamental to the Lifco companies' ability to create sustainable earnings growth. Under the Code of Conduct, Lifco companies are required to provide customers with correct product information and only make promises about products and services that the company can live up to. The products must be of consistently high value, quality and reliability. Product safety is of the utmost importance and Lifco's products and services must comply with relevant rules and regulations in this regard. As part of their commitment, Lifco companies are required to ensure that their customers receive information and are offered training regarding the handling of the products and safety procedures.

Lifco's commitment and dedication to customer satisfaction also includes providing high-quality after-sales service as well as prompt and efficient handling of customer concerns. Through close dialogue with customers and customer surveys, Lifco companies gain insights into customer satisfaction, strong points in their offering and weaknesses in the relationship that need to be addressed. Responsibility for the surveys normally rests with the Lifco companies' sales and marketing organisations, which decide on any measures to be taken in consultation with other management functions.

TARGET PRODUCT QUALITY

In 2021–2023, Lifco did not identify any cases of and received no fines for non-compliance with regulations and/or voluntary industry guidelines on quality, product information or marketing.

CUSTOMER PRIVACY AND DATA SECURITY

A high level of IT security, including protection of personal data, is business-critical and is therefore a focus area for the Lifco companies. For Lifco, customer privacy and data security are fundamental to responsible business.

Lifco's IT policy governs the Group's IT security and processing of personal data. Under the policy, Lifco companies are required to ensure that relevant and up-to-date data protection systems are implemented. Lifco companies must have adequate back-up functions in place and verify this on a quarterly basis. Lifco companies must have systems in place to manage IT security issues as well as the ability to monitor and react to data breaches and cyber attacks. Lifco's risk process includes regular assessments of IT security and the risk of cyber attacks. Lifco companies make independent decisions regarding the need for regular security audits of the company's systems, products and methods linked to user data. Lifco companies are required to ensure that all employees have received relevant and up-to-date training in cyber security issues and data management. Lifco only collects personal data in accordance with statutory processes and with the express consent of the data subject when required. The data collected is limited to the stated purpose. The transfer of data to third parties must be subject to clear terms regarding collection, use, sharing and storage. Third parties must undertake to follow the Group's policy regarding data security and data management. In the event of loss of customer data or changed policies regarding data management, the registered data subjects must be informed.

TARGET CUSTOMER PRIVACY AND DATA SECURITY

In 2021–2023, Lifco received no customer complaints relating to breaches of customer confidentiality and/or loss of customer data that was confirmed by the organisation. Nor did Lifco receive any criticisms from regulatory authorities regarding the handling of personal data.

WHISTLEBLOWING CHANNEL

Lifco's whistleblowing channel is available through the lifco.se website to all stakeholders, including employees, customers, suppliers, subcontractors and representatives of local communities. Employees, suppliers and subcontractors are informed about the whistleblowing channel in the Code of Conduct as well as in other materials. The whistleblowing channel is an early warning system designed to reduce risks and enable all parties to report suspected cases of serious misconduct.

The whistleblowing channel can be used to report concerns about something that is not in line with Lifco's values and ethical principles and that could seriously affect the organisation or pose a threat to the life or health of an individual. Whistleblowers who would like their report to be handled directly by a certain subsidiary in the Lifco Group can contact the managing director of the local subsidiary by e-mail or telephone or by arranging a personal meeting.

The channel is managed by an independent external party, WhistleB, Whistleblowing Centre, https://whistleb.com. The communication channel is encrypted and password-protected. All messages are treated confidentially and the whistleblower remains anonymous in the dialogue with the organisation's whistleblowing team. To guarantee anonymity, WhistleB does not save IP addresses or other metadata. A report is followed up with a follow-up question or answer within a maximum of seven days. The whistleblowing channel is available in Swedish, English, German and Italian. All cases have been reported to the Group CEO and Board as regards the nature of the case and the measures taken.

THE INVESTIGATION PROCESS

Incoming messages are forwarded only to designated individuals who are authorised to handle whistleblower cases. These individuals are the Group's CEO and the head of the Systems Solutions business area. All actions are logged and cases are handled confidentially. If necessary, experts may be called in to assist in the investigation process. Persons authorised to handle cases and any experts engaged may access relevant information and are bound by confidentiality. If an individual raises a concern directly with a supervisor or manager or by personally contacting the whistleblowing team, the message is inserted into the communication channel and dealt with in accordance with these guidelines.

No one from the whistleblowing team, or anyone involved in the investigation process, will attempt to identify the whistleblower. If necessary, the whistleblowing team may ask follow-up questions through the anonymous communication channel. A message will not be investigated by anyone who may be involved in or connected to the suspicion.

The whistleblowing team decides whether and how a whistleblower report should be escalated. Whistleblower messages are handled confidentially by the parties involved.

MESSAGE PROTECTION FOR NON-ANONYMOUS WHISTLEBLOWERS

A person who raises a genuine suspicion or concern under the whistleblowing channel guidelines will not risk losing their job or suffer any form of sanction or personal disadvantage as a result. It does not matter if the whistleblower is wrong, provided that they are acting in good faith.

Subject to considerations of the privacy of those against whom allegations have been made, and other matters of confidentiality, a non-anonymous whistleblower will be kept informed of the outcome of the investigation. In cases of alleged crimes, the whistleblower will be informed that their identity may need to be disclosed during legal proceedings.

PROTECTION OF, AND INFORMATION TO, A PERSON NAMED IN A WHISTLEBLOWER NOTIFICATION

The rights of the individuals named in a whistleblower report are governed by relevant data protection laws. Those affected will have the right to access data concerning themselves and, if the information proves to be incorrect, incomplete or out of date, the right to demand changes to or erasure of data. These rights may be subordinated to mandatory protective measures that are necessary to prevent the destruction of evidence or other obstacles to the processing and investigation of the case.

ERASURE OF DATA

Personal data included in a message and investigation documentation is erased on completion of the investigation, with the exception of personal data that must be maintained in accordance with other applicable laws. Data is erased 30 days after completion of the investigation. Investigative documentation and whistleblower messages that are archived should be anonymised: they should not include personal data by which individuals may be directly or indirectly identified.

REPORTED MESSAGES IN 2023

In 2023, six reports were received through the whistleblowing channel, two of which related to the same matter. Of the five cases, two were assessed as personnel cases and were passed on to the managing director or chairman of the board of the company concerned for continued dialogue. Of the other three cases, one has been closed after investigation. Following investigation, this case was not considered to be a whistleblower case and therefore did not lead to any action being taken. The other two cases are still under investigation.

NUMBER OF REPORTS SUBMITTED THROUGH THE WHISTLEBLOWING CHANNEL

2020	2021	2022	2023
2	10	7	6

ALL TARGETS FOR THE SUSTAINABILITY TOPIC SOUND BUSINESS PRACTICES

	2020	2021	2022	2023
Proportion of employees informed about the Code of Conduct, %				
Target: 100%	100	100	100	100
Proportion of subsidiaries where all major suppliers have signed the Code of Conduct, %				
Target: 100%	Measurement not started	78.3	72.4	72.0
Number of cases of corruption				
Target: 0	0	0	0	0
Number of corruption-related legal trials involving employees				
Target: 0	0	0	0	0
Losses resulting from corruption, SEK				
Target: 0	0	0	0	0
Losses resulting from poor product quality, SEK				
Target: 0	Measurement not started	0	0	0
Number of incidents resulting from a product or service's impact on health or safety that resulted in fines or other penalties				
Target: 0	Measurement not started	0	0	0
Number of incidents resulting from a lack of information about a product or service that resulted in fines or other penalties				
Target: 0	Measurement not started	0	0	0
Number of violations of marketing guidelines and rules that resulted in fines or other penalties				
Target: 0	Measurement not started	0	0	0
Number of complaints regarding breaches of customer confidentiality and/or loss of customer data that have been confirmed by the organisation				
Target: 0	Measurement not started	0	0	0
Number of criticisms from regulatory authorities regarding personal data				
Target: 0	Measurement not started	0	0	0



TMC OF NORWAY – A LEADER IN DEVELOPING GREEN MARINE TECHNOLOGY

The Norwegian company TMC's business concept is to reduce the marine industry's negative environmental impact through increased energy efficiency. TMC's compressors reduce ships' energy consumption and emissions significantly. Promoting sustainability and the UN Sustainable Development Goals is also integral to TMC's business.

TMC's history began in 1996 when the company delivered its first compressor for the marine industry. In 2003, the company launched its TMC Smart Air® compressor, which used 20–40 per cent less energy by precisely adjusting the compressed air production according to air consumption. Demand for the energy-efficient compressor has increased steadily and today every fifth ship in the world is equipped with TMC's compressor. For shipping companies, TMC offers an attractive cost-benefit proposition: in less than a year, the cost of the more energy-efficient compressor has been recouped. With a product life of over 20 years, the total energy savings for the shipping company are considerable, and emissions are also reduced significantly.

TMC's latest innovation are the TMC Air Lubrication Compressors, which also significantly reduce the ships' diesel consumption and greenhouse gas emissions. The compressors deliver compressed air using special air bubble outlets along the ship's hull, which reduces frictional resistance working on the hull and at the water's surface. The system creates air bubbles along the hull and the compressor distributes the air bubbles optimally, which reduces diesel consumption.

"Improved energy efficiency and reduced emissions are high on the shipping companies' agendas today," says Christian Ness, TMC's Managing Director. "The development is being driven by the International Maritime Organization, which is working towards the goal of making international shipping completely emission-free."

For Christian and his colleagues at TMC, promoting sustainability internally comes naturally. They have chosen to work strategically to promote three of the UN Sustainable Development Goals: Decent work and economic growth, Climate action and Life below water.

An important step in TMC's efforts to combat climate change has been the review of its own energy consumption. Today all electricity and heat used by TMC is generated from renewable energy and the company cars are electric or hybrid cars.

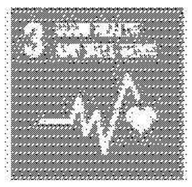
"Protecting marine life should be a high priority for all companies operating at sea," Christian Ness continues. "We see it as two missions: operations at sea and onshore activities that affect the oceans. Our compressor technology helps to keep emissions from operations at sea to a minimum and in our business we are reducing the use of plastics in both products and packaging."

As there is always a risk of plastic packaging ending up in the oceans, the company has removed plastic packaging and bubble wrap and replaced it with cardboard. TMC has also reviewed the consumption of plastic in its own operations and used 63,000 fewer plastic bags, equivalent to 537 kg of plastic, in 2023. The goal is to reduce plastic consumption by seven tonnes by 2030.

"As a supplier to the marine industry, we play a key role in the development of green technology that lowers the shipping companies' life cycle costs and contributes to reducing the climate impact. It is our goal to continue driving this development," Christian Ness concludes.

LIFCO'S CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

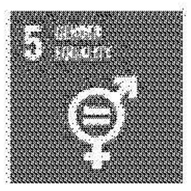
The value Lifco creates and its operations are linked to the UN Sustainable Development Goals. Lifco most clearly contributes to seven of the 17 UN Sustainable Development Goals.



GOAL 3 GOOD HEALTH AND WELL-BEING

According to the UN, good health is fundamental to people's ability to achieve their full potential and contribute to the development of society. Investments in health through preventive measures and modern and effective care for all benefit the general development of society and create conditions for ensuring people's fundamental right to well-being.

Lifco contributes mainly to Goal 3 through its dental business, which promotes modern and effective dental care and dental health, thus improving human well-being. The dental business also includes medical technology companies. Within Lifco's contract manufacturing division, which is part of the Systems Solutions business area, there are companies that produce medical equipment.



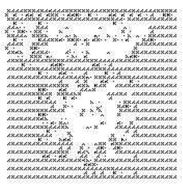
Target 5.5 Ensure women's full participation in leadership and decision-making

Lifco's target: Increase the percentage of female wage-setting managers every year

GOAL 5 GENDER EQUALITY

According to the UN, equality between women and men is a necessary foundation for a peaceful and sustainable world. Gender equality is about a fair distribution of power, influence and resources.

Lifco contributes to Target 5.5 Ensure women's full participation in leadership at all levels of decision-making by working to increase the proportion of female employees and the proportion of female wage-setting managers in the Group.



Target 7.2 Increase global percentage of renewable energy

Target 7.3 Double the improvement in energy efficiency

Lifco's targets: Reduce energy consumption per SEK of profit every year

Increase the share of renewable energy every year

GOAL 7 AFFORDABLE AND CLEAN ENERGY

Goal 7 aims to change the way we produce and consume energy to ensure access to electricity and energy services for all without harming our planet. Lifco contributes directly to Target 7.2 through its goal of an increased share of renewable energy and increased energy efficiency.

Lifco also contributes to Goal 7 through its range of products and services that help customers increase their energy efficiency and reduce their carbon footprint. This applies to many of the subsidiaries in all three business areas.

The use of resource- and energy-intensive inputs in some parts of the Group has a negative impact on Goal 7.

GOAL 8 DECENT WORK AND ECONOMIC GROWTH

Decent working conditions promote sustainable economic growth and are a positive force for the planet as a whole. Goal 8 aims to protect workers' rights and stop modern slavery, human trafficking and child labour. By creating good conditions for innovation and entrepreneurship and ensuring decent working conditions for all, Lifco promotes sustainable economic growth that includes the whole of society.

Lifco contributes to Target 8.8 Protect labour rights and promote safe and secure working environments for all through its activities in its priority sustainability topic employees. The Group also works to ensure decent working conditions and safe workplaces at its suppliers. Lifco does not tolerate forced labour, modern slavery, human trafficking or child labour in any part of its value chain.

Lifco's business concept is to acquire and develop market-leading niche businesses with the potential to deliver sustainable earnings growth and robust cash flows. A strong part of Lifco's culture is its decentralised organisation where decisions are made in the subsidiaries. This ensures that the subsidiaries retain their entrepreneurial spirit and innovative power. Lifco does not acquire companies to realise synergies and has never relocated a company. This ensures that the acquired companies continue to contribute to the local economy and to create safe and secure jobs in the local community.

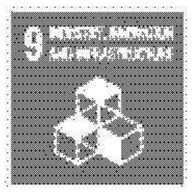
The Group has a large number of subsidiaries that contribute to Goal 8 by offering products that improve health and safety in the workplace. Some examples are Brokk, whose demolition robots help to reduce occupational injuries, Cleveland Cascades, which reduces the presence of dust during loading, Cramaro Tarpaulin, whose systems reduce risks associated with lorry transport, ErgoPack, which prevents stress injuries during pallet packing, and Silvent, whose products improve the working environment for those working with compressed air equipment.



Target 8.8 Protect labour rights and promote safe and secure working environments for all

Lifco's target: Reduce staff turnover every year

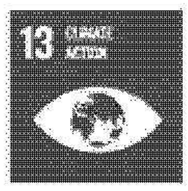
Every year, reduce the number of workplace accidents per employee resulting in more than three days of absence



GOAL 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

According to the UN, innovation and technological progress are the key to finding sustainable solutions to economic as well as environmental challenges. It also helps to create new markets and jobs that can contribute to efficient and equitable use of resources. By investing in and developing sustainable industries, environmentally friendly technology and innovation, Lifco is helping to promote sustainable development. In Lifco, efforts are constantly being made to make the operations more sustainable through more efficient use of resources and new, environmentally friendly techniques and industrial processes.

Target 9.4 Upgrade all industries and infrastructure for sustainability



GOAL 13 CLIMATE ACTION

The UN states that education, innovation and compliance with our climate commitments can enable us to implement the necessary changes to protect the planet. A priority sustainability topic for Lifco is to reduce its climate impact and thus contribute to Target 13.2 Integrate climate change measures into policies and planning and Target 13.3 Build knowledge and capacity to meet climate change.

The Group also has subsidiaries that have identified climate impact as a business opportunity by offering products and solutions that reduce their customers' carbon footprint. Examples of this include Cormidi, which manufactures electric mini dumpers, NorDesign, which supplies LED lighting, and Green Instruments, which develops and manufactures systems for measuring and monitoring emissions from marine vessels.

Target 13.2 Integrate climate change measures into policies and planning

Target 13.3 Build knowledge and capacity to meet climate change

Lifco's target: Reduce Scope 1 and 2 emissions per SEK of profit every year



GOAL 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

According to the UN, the key to peaceful, inclusive and sustainable societies is to strengthen the rule of law and promote human rights. A fundamental value for Lifco is that everyone should be treated equally and fairly and that no one should be discriminated against. Lifco has zero tolerance for corruption and bribery. The Group also requires its suppliers to sign and comply with Lifco's Code of Conduct. Lifco thereby contributes to Target 16.5 Substantially reduce corruption and bribery.

By taking a broad approach, working internally and through its suppliers, to eliminate corruption and ensure that everyone is treated equally, Lifco contributes to Target 16.6 Develop effective, accountable and transparent institutions.

Target 16.5 Substantially reduce corruption and bribery

Target 16.6 Develop effective, accountable and transparent institutions

Lifco's target: All employees to be informed about the Code of Conduct each year

Increase the percentage of subsidiaries where major suppliers have committed to following the Code of Conduct every year

No cases of corruption

SHARE OF SUSTAINABILITY-RELATED SALES

Lifco's operations which directly contribute to UN Sustainability Development Goal 3 Good Health and Well-being account for 28.4 per cent of consolidated net sales. Lifco calculates that sustainability-related products and services account for 49.5 per cent of the Group's sales. The business that contributes to Goal 3 is the entire Dental business area and the companies in the Contract Manufacturing division that produce medical technology products. Lifco has defined sustainability-related products and services as those for which health and safety improvements, positive environmental effects or energy efficiency and reduced energy consumption, for example, are clear competitive advantages or where the products are part of circular business models. In the calculation, Lifco has included the Dental business, demolition robots, the Environmental Technology division, businesses in the Contract Manufacturing division that are engaged in the production of medical technology as well as Cramaro Tarpaulin in the Service and Distribution division. Companies whose sales can only be partially related to products with sustainability as a competitive advantage have not been included. Examples of companies not included in the calculation are Kinshofer, which specialises in excavator equipment used in the recycling industry, and Cormidi, whose business includes electrically powered mini dumpers. Lifco therefore considers that the share of sales from sustainability-related products and services is higher than the reported figure.

28.4%
of sales contribute to UN Sustainability Development Goal 3

49.5%
of sales come from sustainability-related products and services

THE UN SUSTAINABILITY DEVELOPMENT GOALS TO WHICH LIFCO'S ACQUISITIONS IN 2023 MATERIALLY CONTRIBUTE

GOAL 3 GOOD HEALTH AND WELL-BEING

Company	Operations	Country
Datamed	Develops, sells and supports a software program for German dental clinics	Germany
Doxa Dental	Develops, manufactures and commercialises bioceramic dental products	Sweden
Emilplastica	Subcontractor in moulding of plastic products for the dental and electronics industries	Italy
Kohler Medizintechnik	Manufactures dental instruments	Germany
Ortho-Care	Supplier of orthodontic products to dentists in the UK	United Kingdom
Welte Dentallabor	Dental laboratory	Germany

Share of all acquired companies' total net sales 11.7%

TARGET 8.8 PROTECT LABOUR RIGHTS AND PROMOTE SAFE AND SECURE WORKING ENVIRONMENTS FOR ALL

Company	Operations	Country
Alwayse Engineering	Supplier of ball transfer units	United Kingdom
Amayse	Supplier of 3D advertising for televised sports events and stadium branding solutions	Denmark
Astro	Manufactures recyclable polyethylene tanks with long life cycles	Italy
Aura Electric	Manufactures low-voltage electrical equipment	Norway
Broughton Plant Hire and Sales	Provider of plant hire solutions for the construction industry	United Kingdom
Didsbury Engineering	Supplier of equipment for ground service and maintenance of aircraft	United Kingdom
Geax	Manufactures compact piling rigs	Italy
HGT	Manufactures attachments for material handling machines	Germany
Kefla	Develops and distributes specialised premium glass bottles	Germany
The Real Spirit of Coffee	Sells high-end coffee machines and consumables	United Kingdom
Sailmakers Group	Manufactures tarpaulins, mainly for the transport sector	Netherlands

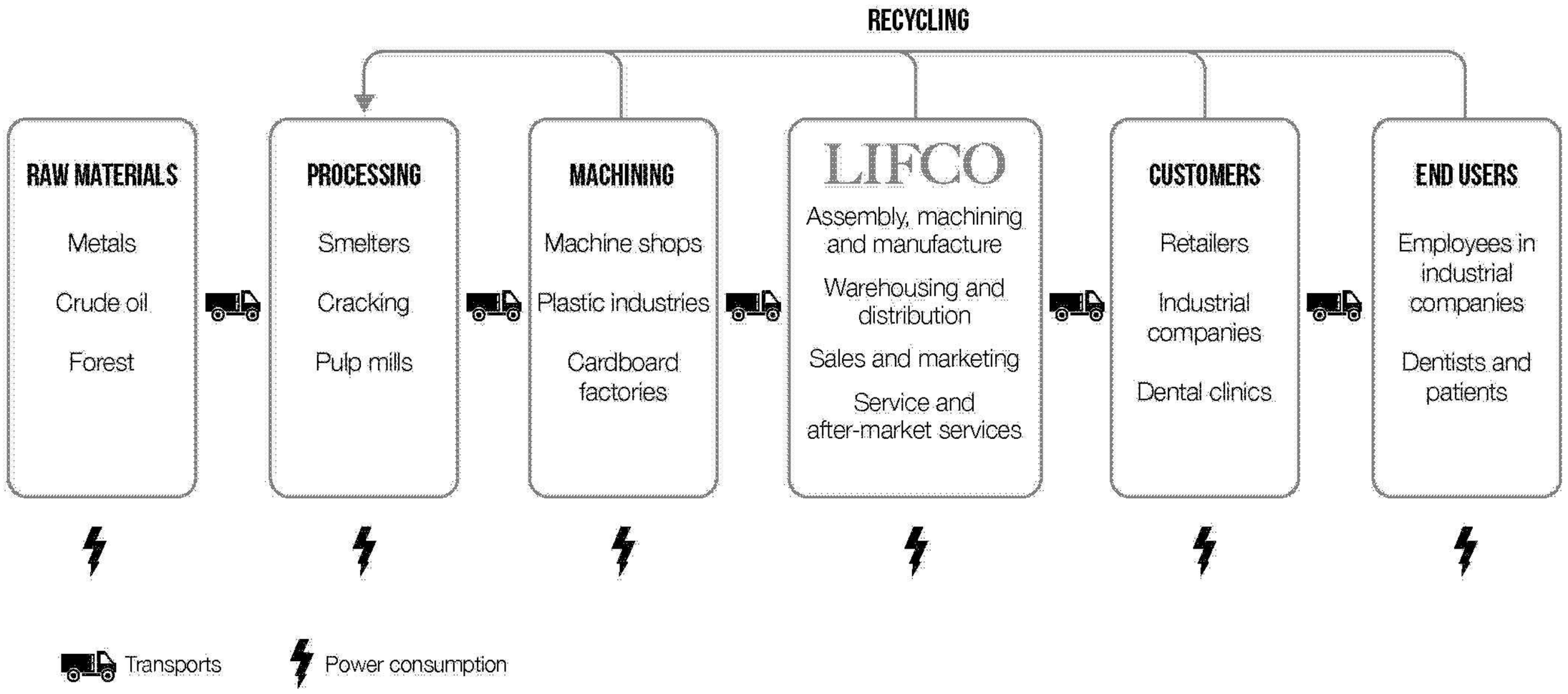
Share of all acquired companies' total net sales 76.1%

TARGET 14.3 REDUCE OCEAN ACIDIFICATION

Company	Operations	Country
Green Instruments	Develops and manufactures systems for measuring and monitoring emissions from marine vessels	Denmark

Share of all acquired companies' total net sales 12.2%

LIFCO'S VALUE CHAIN



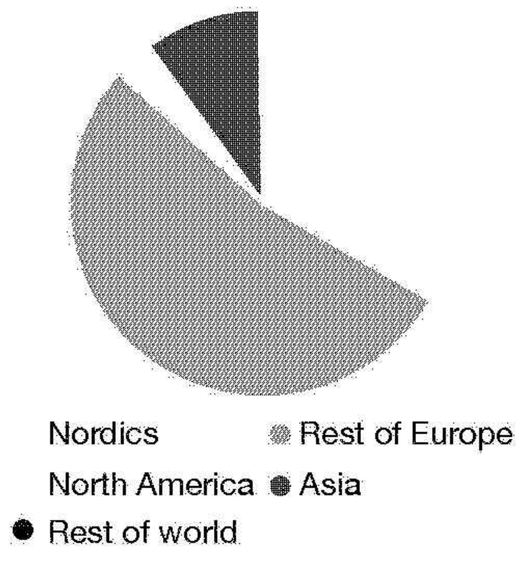
LIFCO'S OPERATIONS

Most of the products that Lifco sells are tools, instruments, machines and attachments used by other industrial companies in their operations, as well as consumables and equipment used by dental clinics. A hallmark of Lifco's subsidiaries is a high degree of specialisation as well as high product quality and service levels, which requires good working environments and working conditions. The Demolition & Tools and Systems Solutions business areas, which together account for 75 per cent of consolidated net sales, mainly assemble purchased components into finished end products. In the Dental business area, distribution accounts for 57 per cent of revenue, manufacturing 24 per cent, dental technology 15 per cent and sales of software to dental clinics 4 per cent.

ASSEMBLY, MACHINING AND MANUFACTURE

Of Lifco's 233 subsidiaries, 85 are assembly, machining and/or manufacturing companies. The Lifco Group includes four assembly/manufacturing units with more than 150 employees: the dental company Si Zhou Lab in China with 273 employees, specialty trailer company Brian James Trailers in Birmingham in the UK with 182 employees, tool maker Kinshofer in Munich in Germany with 172 employees and dental company InteraDent Zahntechnik in Manila in the Philippines with 179 employees. Of Lifco's total number of employees, 87 per cent work in Europe, 10 per cent in Asia and 3 per cent in North America.

EMPLOYEES BY GEOGRAPHIC AREA



WAREHOUSING AND DISTRIBUTION

The Lifco companies use a wide variety of distribution methods. They use external carriers and do not own their own transport for distribution. In Dental, the Lifco companies deliver directly to dental clinics in Europe, in most cases by road transport. In Demolition & Tools, excavator attachments are delivered to resellers who mount the tools on new machines or sell them directly to the owners of existing machines. In Systems Solutions, a variety of distribution methods are used ranging from direct sales to deliveries to retailers. In Demolition & Tools as well as in Systems Solutions, the majority of goods are transported by lorry.

Lifco has a strong focus on capital employed and strives to minimise inventory. In Dental, certain subsidiaries collaborate on inventory management by sharing warehouses in Denmark, Sweden and Germany. In Demolition & Tools, excavator attachments are delivered to resellers while demolition robots are generally manufactured to order and delivered directly to the customer. In Systems Solutions, most of the subsidiaries have their own warehouses.

SALES AND MARKETING

The Lifco companies only sell to B2B customers using a variety of sales channels. Sales are made through direct sales where contacts are made at trade fairs and industry events, through advertising mainly in online media, at meetings and by telephone. An increasing share of sales is made online through e-commerce stores.

SERVICE AND AFTER-MARKET SERVICES

The Lifco companies strive to maintain a high level of customer service throughout the product life cycle. A high level of service, even after the purchase has been completed, strengthens customer relationships and the buying experience. Some subsidiaries have service fleets for repairs and maintenance. Activities such as training of customers and sales of spare parts are important parts of the after-market where the subsidiaries strengthen customer relationships and make additional sales.

TYPICAL SUPPORT FUNCTIONS IN THE SUBSIDIARIES

Most Lifco companies are small companies with an average of 30 employees. Decision-making paths are therefore short while support functions normally found in large companies, such as HR or procurement, do not exist. As Lifco's subsidiaries vary in size and operate with a high degree of independence, the companies themselves choose how to organise their support functions and support systems.

LATER STAGES OF THE VALUE CHAIN

CUSTOMERS

The largest customer groups are dental clinics and industrial companies in the engineering, infrastructure, building and construction industries in Europe. The industrial companies are direct customers of Lifco or buy through distributors. The customers are B2B businesses, many of which profile themselves through high quality and good working environments. They are therefore usually willing to pay a premium to get access to the Lifco companies' products. There is a strong trend towards a growing awareness of sustainability issues among the customers, who are increasingly demanding that Lifco's subsidiaries offer environmentally and climate-friendly products and that they guarantee a value chain with low risks in areas such as health and safety, human rights and corruption.

END USERS

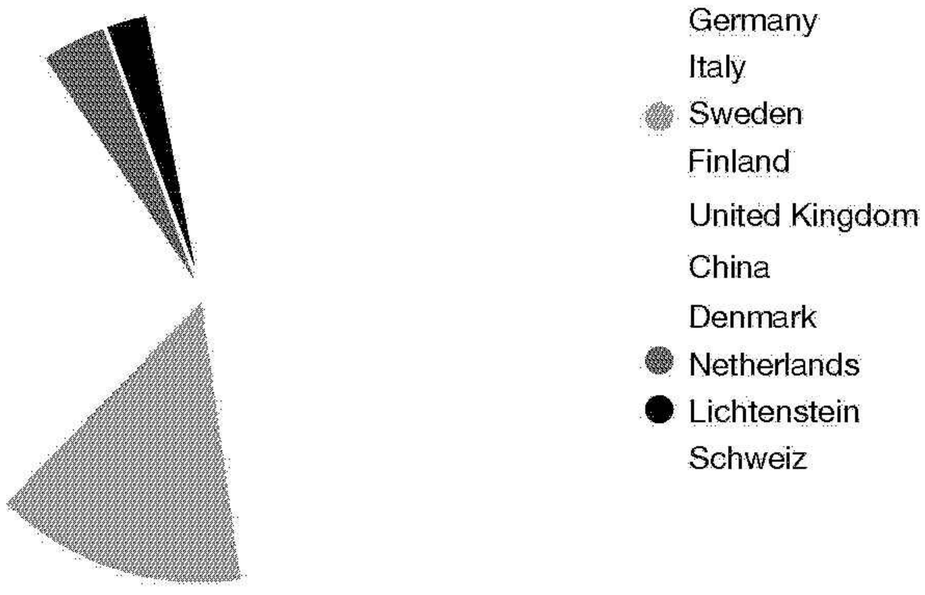
Employees of industrial companies demand user-friendly, ergonomic and safe products. Dentists are looking for ergonomic products of good quality and fast deliveries. Employees of industrial companies as well as dentists and patients are increasingly demanding products that have been produced in an environmentally and climate-friendly manner and in a value chain where human rights are not violated.

EARLIER STAGES OF THE VALUE CHAIN

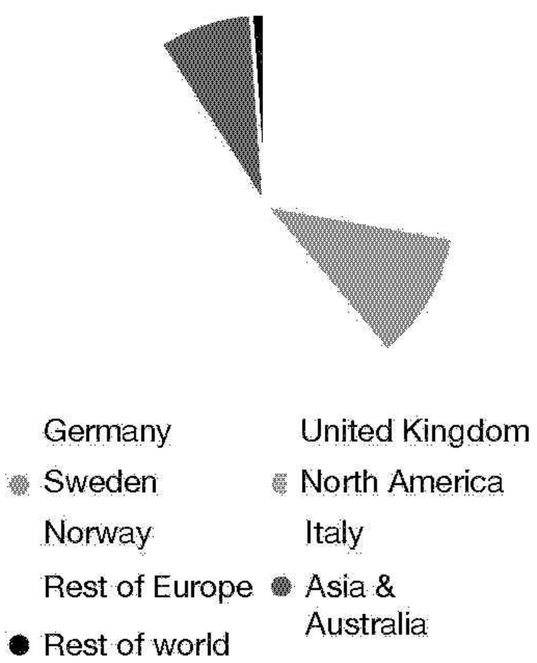
PURCHASES OF PROCESSED GOODS

Given the spread and extent of Lifco's operations, which comprise 233 independent niche subsidiaries, the Group has a large number of suppliers. Lifco buys the majority of its inputs from suppliers in Europe. The summary of purchases includes Lifco companies with more than 25 employees, 82 companies in total. These companies reported purchases per country exceeding EUR 500,000 in 2023. Purchases from Asia, i.e. Hong Kong, Japan and China, accounted for 6.1 per cent of the total purchase cost. The remainder, 92.7 per cent, refers to purchases from Europe and 1.2 per cent to purchases from the USA.

TEN LARGEST PURCHASING COUNTRIES



SALES BY GEOGRAPHIC AREA



The main suppliers are industrial companies that process various types of materials into components and finished products demanded by the Lifco companies. There may be several stages of processing before the components or products are delivered to Lifco. In Dental, the majority of purchases are finished medical consumables and products. In Demolition & Tools and Systems Solutions, most of the purchases refer to components which the subsidiaries assemble into finished products. The materials used in the components and products are mainly various metals and plastics. Cardboard packaging is also an important purchased item.

The choice of supplier is generally governed by quality requirements, delivery capacity and price, and for larger suppliers also by the supplier's ability to comply with Lifco's Code of Conduct. The companies' relationships with their main suppliers are often of a long-term nature, involving close collaboration on product development, performance, delivery reliability and other areas.

PROCESSING AND RAW MATERIALS

The components and products that Lifco buys are made from alloys or metals such as steel and aluminium as well as plastic products made from crude oil. The raw materials have been processed in smelters and cracking plants. The cardboard material comes from trees that have been processed in pulp mills. In the earlier and later stages of the value chain, there are systems and processes for recycling raw materials used by Lifco. In view of the large number of subsidiaries in Lifco and the wide variety of activities, it is difficult for the Group to present with reasonable effort a detailed total picture of resource use and where the raw materials come from.

TRANSPORT AND ENERGY CONSUMPTION IN THE VALUE CHAIN

At all stages of the value chain, transport, energy consumption and labour are included as key resources.

LIFCO'S POSITION IN THE VALUE CHAIN

Lifco has policies to minimise the consequences, risks and opportunities at earlier and later stages of the value chain. The individual Lifco companies are required to ensure that the policies are adhered to in earlier and later stages of the value chain and to take measures and, where necessary, terminate the business relationship in the event of a breach of Lifco's policies.

All data refers to 2023.

MATERIALITY ASSESSMENT

In order to identify Lifco's most significant sustainability topics, the Group engages in continuous dialogue with both internal and external stakeholders. Through this dialogue, Lifco gains an understanding of how its stakeholders view various issues and how they perceive Lifco's impact and ability to manage risks and opportunities. Lifco's operations and business environment are constantly changing, as are the needs of its stakeholders, and this affects how the Group develops its sustainability management.

In 2021, Lifco completed its first materiality assessment based on its stakeholder dialogues and the framework of the Sustainability Accounting Standards Board (SASB). Lifco assessed the feedback from its stakeholder dialogues against its own analysis of the Group's position, strategy and risks and opportunities. In 2022, the materiality assessment was revised and supplemented with a review based on standards established by the Global Reporting Initiative (GRI). Lifco used a double materiality assessment which takes into account the impact of the Group's operations as well as the impact of different areas on Lifco. The review was based on the overall value chain described on pages 44–45. A description of how sustainability issues affect Lifco and the opportunities identified by the Group is provided in the section Risks, management and opportunities on pages 58–64. The sections on the priority sustainability topics on pages 18–39 and the sections Impact on stakeholders on page 47 and Stakeholder dialogues on page 48 describe how Lifco exerts influence on sustainability issues.

The central working group that coordinated the work on the materiality assessment was led by the Group's CEO. The materiality assessment and the underlying material and conclusions were adopted by the Board. The analysis took account of feedback from the stakeholder dialogues, identified risks and opportunities and the extent of the external impact and the impact on the business. The impact and probability of each risk were also considered. Some risks, for example in the area of human rights, are considered to have a low probability of occurring but would cause considerable harm if they did occur. In the assessment, Lifco took into account risks and impacts that occur in the industries in which the Lifco companies operate. Lifco is a conglomerate, which means that the business includes operations in several industries. The 2022 assessment and the review in 2023 resulted in the decision to maintain the three overall priority areas from 2021. As part of Lifco's efforts to develop its sustainability management and internally clarify the Group's ambitions in its priority areas, the reporting from 2023 onwards has been supplemented with additional performance measures. In the stakeholder dialogues in 2023, the stakeholders, primarily investors, also expressed a desire for additional disclosures in Lifco's reporting, including expanded Scope 3 calculations, a climate analysis and the linking of the emissions target to the Paris Agreement. In response, Lifco has initiated work on expanding its Scope 3 calculations and is exploring the possibility of setting a science-based Scope 3 target based on the Group's operations. A description of the changes made in the report can be found in the section About the Sustainability Report on page 65.

PRIORITY SUSTAINABILITY TOPICS

Reduced environmental and climate impact	Motivated employees and safe workplaces	Sound business practices
GRI standards:		
	204 Procurement Practices	
302 Energy	401 Employment	205 Anti-corruption
305 Emissions	403 Occupational Health and Safety	416 Customer Health and Safety
	405 Diversity and Equal Opportunity	417 Marketing and Labelling
	406 Non-discrimination	418 Customer Privacy

IMPACT ON STAKEHOLDERS

Lifco's work in its sustainability topics affects its stakeholders in different ways. The table shows which sustainability topics affect the various stakeholders. The stakeholder group comprising shareholders, investors, analysts, sustainability analysts and creditors is not included in the table as the impact on this group is different than for other stakeholders. In this group, all stakeholders are affected by Lifco's financial results and a growing share are affected by Lifco reporting, setting targets for and monitoring its sustainability management in a transparent and consistent manner in the below areas.

Sustainability topic	Impact on suppliers	Impact on employees including heads of subsidiaries	Impact on customers	Impact on local communities
		Part of the value chain		
Economic impact				
Financial results		•		•
Anti-corruption	•	•	•	•
Taxes		•		•
Environmental and climate impact				
Emissions of greenhouse gases	•	•	•	•
Energy efficiency	•	•	•	•
Water consumption	•	•		•
Biodiversity	•	•		•
Waste management	•	•		•
Supplier evaluations regarding the environment	•	•		
Social impact				
Employment terms	•	•		•
Health and safety	•	•		•
Skills development		•		•
Diversity and equal opportunity	•	•		•
Non-discrimination	•	•		•
Human rights	•	•		•
Local communities		•		•
Supplier evaluations regarding social issues	•	•		
Product liability	•	•	•	
Customer privacy, data protection		•	•	

STAKEHOLDER DIALOGUES

Lifco engages in a large number of dialogues with stakeholders on a daily basis. These dialogues form part of the analysis where Lifco assesses which sustainability issues are most important for the Group to focus on, report and monitor. In the following, a description is given of the stakeholders that are considered to have the greatest impact on the business, in which contexts dialogues are held, which issues the stakeholders prioritised in 2023 and how Lifco manages these issues. An important feature of the dialogues is feedback on issues raised in previous discussions and how Lifco has handled the issues.

Stakeholder	Dialogue context and purpose of dialogue	Priority sustainability issues	Management
Customers[1]	Business meetings and customer surveys. Seminars, courses. Customer events and trade fairs. Customer service calls. Procurements, contract negotiations. *The purpose is to create good long-term customer relationships and continued or new business opportunities.*	Product quality, product life and life cycle management. Energy efficiency of products. Health and safety improvements for the customer that the products can contribute to. Logistics issues.	Lifco's efforts to help improve its customers' product quality, energy efficiency and work environment is described on pages 10–11, 31, 36, 39, 41–43 and 49.
Employees	Performance reviews and employee surveys. Workplace meetings. Internal training. Intranet. Liaison with trade union representatives. *The purpose is to promote employee motivation, create safe workplaces and build strong employer brands.*	Safe and secure workplaces. Fair wages and benefits. Equal opportunities for all. Development opportunities. Work-life balance.	Lifco's efforts to promote employee motivation and create safe and healthy workplaces are described on pages 24–31.
Heads of subsidiaries	Monthly reports. Dialogues on projects, investment decisions, negotiations, etc. Board meetings in subsidiaries. Annual meeting with the heads of subsidiaries. *The purpose is to create value-creating businesses with motivated employees, safe workplaces and good customer and supplier relations.*	Supplier partnerships and supplier reviews, especially in countries with a high risk of corruption and non-compliance with health and safety requirements. Energy efficiency, reduced energy consumption.	Lifco's governance in the sustainability topic is described on pages 50–53. Lifco's supply chain activities are described on pages 32–34.
Shareholders, investors, analysts, sustainability analysts and lenders	Meetings with investors, analysts and lenders, arranged by banks or individual investors and analysts. Presentations at investor meetings. *The purpose is to create the conditions for continued financing and value creation.*	Lifco's climate impact. Lifco's sustainability management, reported performance measures and indicators as well as targets and monitoring in the area of sustainability. Demand for more reported performance measures and indicators as well as targets and qualitative descriptions of sustainability activities.	Lifco's climate impact is described on pages 20–22. New data items, targets and qualitative descriptions in the 2023 Sustainability Report are described on page 65.
Suppliers	Business calls and suppliers' customer surveys. Procurements, contract negotiations. Seminars, courses. *The purpose is to create the conditions for on-time high-quality deliveries and a high awareness of sustainability issues.*	Logistics issues. Code of Conduct. Suppliers' control over the value chain. Monitoring of compliance with the Code of Conduct, especially in countries with a high risk of corruption and non-compliance with health and safety requirements.	Lifco's activities in implementing and monitoring its Code of Conduct in the supply chain is described on pages 32–34.
Local communities where our subsidiaries operate	Discussions and meetings with authorities and local representatives. Permit applications and follow-up. Employee volunteering. *The purpose is to build strong employer brands and be a valued employer.*	Business model and sustainability governance The subsidiaries' employer brands. Working environment.	Lifco's business model and sustainability governance are described on pages 8–9 and 50–53. Lifco's efforts to promote employee motivation and create safe and healthy workplaces are described on pages 24–31. Lifco's tax policy is described on page 35.

[1] Lifco mainly has B2B customers who are end users of the products and services.

Green Instruments

GREENER AND MORE EFFICIENT MARITIME TRANSPORT

Since 1999, the Danish company Green Instruments has been developing and manufacturing systems for measuring and monitoring emissions from marine vessels. Green Instruments' systems are helping the marine industry to become greener, safer and more efficient. The demands on the marine industry to reduce its environmental impact come from international as well as national organisations and regulators. It is therefore crucially important for the industry to monitor and manage its emissions in order to meet the regulatory requirements. Green Instruments offers efficient and innovative systems that visualise and reduce the marine industry's emissions, helping to build a sustainable future.

SUSTAINABILITY GOVERNANCE

Environment and climate as well as social and ethical sustainability aspects are integrated into Lifco's overall strategy and business model.

Ultimate responsibility for the Group's strategy, including its sustainability management covering financial performance, environment, climate, social and ethical aspects, rests with the Board of Directors and CEO. The Board adopts central Group policies and targets in the area of sustainability. The CEO is responsible for conducting, monitoring and continuously reporting the Group's sustainability management, including related risks and opportunities, to the Board. The CEO leads an internal working group that monitors, follows up and evaluates sustainability issues in the Group. The working group includes the Group's sustainability officers and people in the finance function tasked with collecting and verifying sustainability data. The Group's sustainability officers report to the CEO.

Lifco's business model is based on a decentralised organisation where the subsidiaries have a high degree of independence. The managing director of each company is responsible for ensuring that the operations are conducted in accordance with the Group's policies and for assessing and managing sustainability-related risks and opportunities. The operations of the Parent Company and subsidiaries, including their sustainability management, are controlled through internal reporting and monitoring.

Lifco companies report monthly, quarterly or annual sustainability data, including compliance with the policies, to the Group's CEO, who in turn reports this to the Group's Board of Directors. As part of the business planning process, the subsidiaries conduct an annual risk analysis that includes sustainability-related risks and opportunities. Business plans and risk analyses are reported to the division managers, who in turn report to the Group's CEO. The CEO reports the consolidated results to the Group's Board of Directors.

Lifco's risk process focuses on preventive measures. Lifco companies are required to identify, analyse and take measures to minimise risks in the business or be able to create business benefits from new opportunities. If risks or incidents occur that could lead to environmental damage, injuries to employees or violations of human rights or put at risk Lifco's high standard of business ethics, immediate measures must be taken and the situation must be analysed, controlled, reported to Group management and followed up to ensure that the risk is minimised or completely eliminated. Climate-related risks, for example physical risks for operating units or suppliers as well as market risks linked to the subsidiary's products, are included in the risk process if the subsidiary considers it relevant.

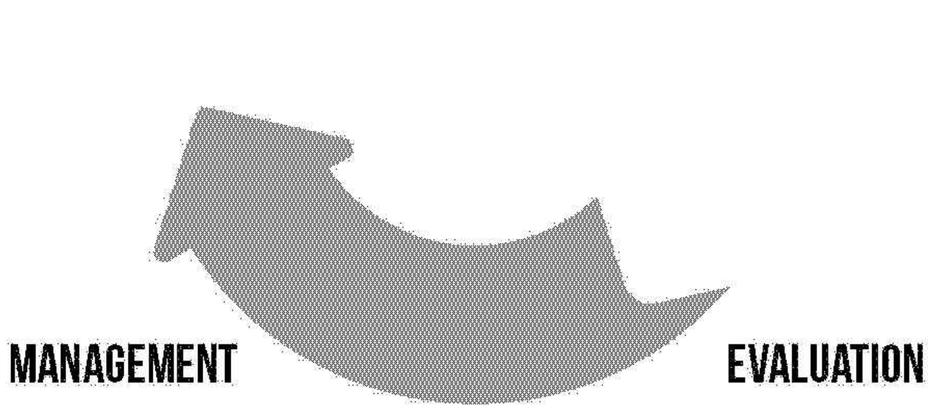
UN GLOBAL COMPACT

Lifco has been a signatory to the UN Global Compact since 2016. As a member, Lifco undertakes to actively implement the Global Compact's ten principles for sustainable development in the four areas of human rights, labour, environment and anti-corruption. The governance of Lifco is based on the principles of the UN Global Compact, including the international human rights framework, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD's principles and standards on responsible business for multinational enterprises, the UN Declaration on the Rights of the Child and the UN Convention against Corruption.

EVALUATION OF LIFCO'S SUSTAINABILITY MANAGEMENT

Each year, the Board evaluates the Group's goals, target achievement in the area of sustainability, sustainability indicators, sustainability strategy, materiality assessment and the effectiveness of the organisation. In this evaluation, business plans, stakeholder dialogues and risks and opportunities in the area of sustainability are taken into account, among other factors. The Board participates in stakeholder dialogues over the course of the year, for example by participating in visits to subsidiaries and customers. Board members also participate in seminars and meetings with various stakeholders regarding sustainability in order to deepen their knowledge of sustainability issues. The evaluation can, for example, lead to targets being revised, to resources being reallocated to improve the organisation's efficiency or to certain stakeholder dialogues with feedback on the Group's progress being given greater focus.

The results of the Group's sustainability management and strategy are reported annually in the Sustainability Report, which forms part of the Group's annual report.



PROCESSES FOR ADDRESSING NEGATIVE IMPACTS

Lifco seeks to remedy negative impacts identified as being caused or contributed to by the Group. Lifco uses different processes and methods to identify negative impacts. These include Lifco's internal due diligence process, contacts with suppliers and employees, health and safety representatives, trade unions, local communities, etc. The processes and measures may also be regulated by local laws and guidelines, by agreements with trade unions or by other means. When measures are taken, this is often done in collaboration with the stakeholders concerned – employees, trade unions or the local community. The subsidiaries report on the identified negative impacts, the measures taken and monitoring to Group management, which in turn reports to the Board. Lifco does not have a centralised process through which employees can report cases and apply for compensation.

POLICIES

All sustainability-related Group policies are revised annually and adopted by the Board. The revision takes account of the risks and opportunities that were identified during the year. The Code of Conduct sets the standard for how the Lifco Group conducts its business, ethically and in accordance with applicable laws and regulations. The Code applies to all employees including boards of directors in the Group, individuals or businesses that work on behalf of any Lifco company and major suppliers. There are also Group policies on the environment, employees, tax, IT and the whistleblowing channel. An overview of the Group's sustainability policies is presented on page 54.

In accordance with Lifco's decentralised governance model, the managing director of each Lifco company is responsible for ensuring that the company's operations are conducted in accordance with the Group's policies. The Lifco companies may, on their own initiative, adopt their own guidelines and programmes that include stricter requirements than in the Group policies and laws and regulations.

All new employees and employees of companies that Lifco acquires must be informed about the Code of Conduct and the whistleblowing channel within 30 days of their first working day in the Group. Under Lifco's decentralised governance model, the managing director of each Lifco company decides whether there is a need in the company for training about the Code of Conduct or other policies for employees and major suppliers. This assessment is normally based on the country or region in which the company and/or its suppliers operate and how serious the risk related to sustainability issues and potential violations of the Code of Conduct or other policies is considered to be. In case of company-wide or supplier-oriented training activities, evaluations are made to ensure the effectiveness of the training and consistent implementation of policies.

Employees or suppliers who have questions about the Code of Conduct or other policies, or fear that violations of policies have occurred or are at risk of occurring, should contact their immediate supervisor or the managing director of the company concerned. In addition, the whistleblowing channel is also available.

All Group policies are available online to the Group's employees on a shared website or via the subsidiaries' intranets. The Group's Code of Conduct, environmental policy, HR policy, tax policy, IT policy, personal data policy and policy for the whistleblowing channel are available at www.lifco.se/sustainability.

Employees who have questions or need advice relating to policies and interpretations of policies should in the first hand contact their immediate supervisor. The issue can then be escalated to the company's managing director, who in turn can raise the issue with the Group CEO.

Lack of compliance or the risk of non-compliance with policies results in action from management and more serious cases are reported to the Board. Deviations can lead to disciplinary action and dismissal. The Code of Conduct also covers major suppliers. Violations of the Code of Conduct by suppliers may result in the termination of the contract. Existing orders and assignments may also be cancelled.

IMPLEMENTATION OF BUSINESS CULTURE IN THE GROUP

Lifco has an organisational structure where a number of group managers, who are former successful managing directors of subsidiaries, act as board chairmen for the subsidiaries. These managers ensure that the subsidiaries are integrated into the Lifco Group from a business culture perspective. One of the chairman's key tasks is to continuously monitor that the managing directors of the subsidiaries are motivated and have a sustainability focus.

INTERNAL CONTROL

Lifco's system for internal control and risk management in connection with the company's reporting process is described in the Corporate Governance Report on page 83.

MANAGEMENT SYSTEMS AND CERTIFICATIONS

A key element of the Group's continuous improvement work is the use of management systems, certifications and quality assurance programmes. Companies in the Group have management systems for health and safety, the environment, quality, the quality of medical devices, energy and quality assurance for welding. The Lifco companies make independent decisions on certifications and other quality assurance programmes. The decisions are based on criteria such as industry practice, customer wishes and business benefits. No management systems or certifications are the result of legal requirements.

In 2023, 84 (66) Lifco companies were certified under one or more of the ISO 3834, ISO 9001, ISO 13485, ISO 14001, OHSAS 18001/OSHA/ISO 45001 or ISO 50001 management system standards, representing 36.0 (31.8) per cent of the total number of companies.

See pages 145–146 for a full list of the Lifco companies' management systems and certifications.

OUR CORE VALUES

It is essential to the success of our decentralised business model that the Group have a clear and shared view of how to run a sustainable business. Our daily interactions with colleagues, customers, suppliers and other stakeholders are inspired by our three core values.

RESPECT FOR OTHERS

In all our dealings with customers, employees and other partners, we need to respect the people we interact with as being of equal value regardless of their sex, gender identity or expression, ethnic background, faith, disability, sexual orientation, age, nationality, political opinion, trade union membership, status, social background, language, state of health or marital status. This means that we need to exert ourselves to listen to and respect each individual's opinion, even if we do not share it.

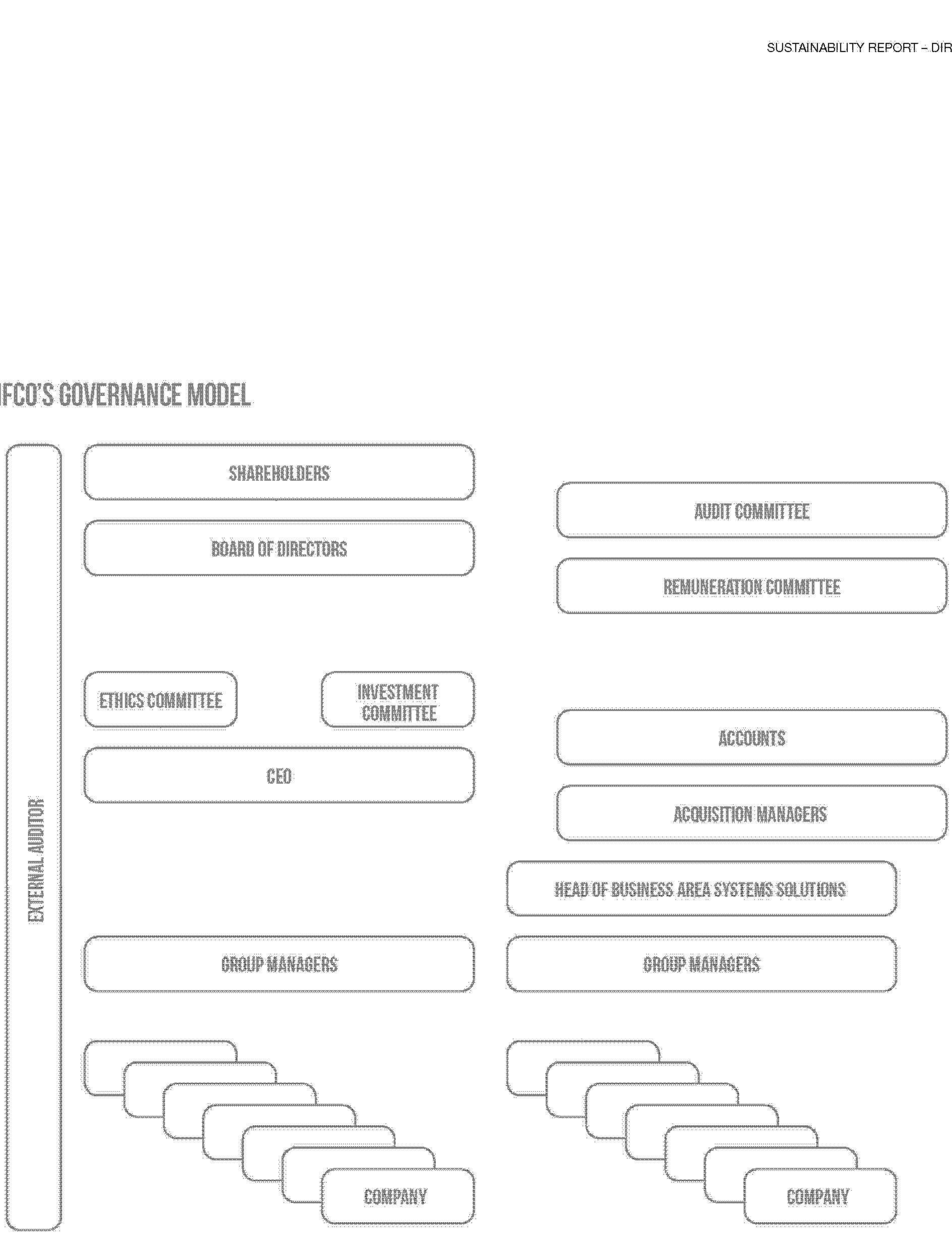
OPENNESS

It is of the utmost importance that we create an atmosphere in which people dare to be open. To achieve this, we need to openly acknowledge our mistakes. It is natural for human beings to make mistakes.

PRAGMATISM

We should strive to make the best possible decision in each situation. Our decisions must be based exclusively on facts, without preconceptions. Decisions must not be influenced by prejudices, convictions or pride.

LIFCO'S GOVERNANCE MODEL



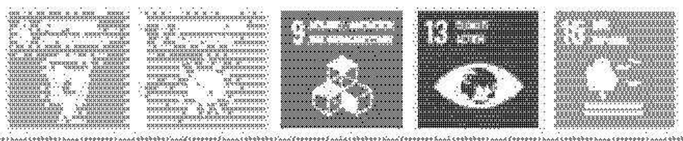
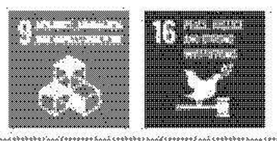
Lifco is a listed Swedish company whose governance is based on the Swedish Companies Act, the company's Articles of Association, Nasdaq Stockholm's rules for issuers and the Swedish Code of Corporate Governance as well as other regulations. The Board, its composition, organisation, work, external audit and other governance-related aspects are described in the Corporate Governance Report on pages 80–88. The ethics and investment committees review and prepare Lifco's acquisitions before they are proposed to the Board. Lifco's acquisition process including its sustainability assessment is described on pages 12–13.

Lifco's governance is based on the Group's values as well as the principles of the UN Global Compact, the international human rights framework, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Declaration on the Rights of the Child, the UN Convention against Corruption and the OECD's principles and standards on responsible business for multinational enterprises.

OUR SUSTAINABILITY POLICIES

Lifco's governance is based on the UN Global Compact's ten principles for sustainable development, including the international human rights framework, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD's principles and standards on responsible business for multinational enterprises, the UN Declaration on the Rights of the Child and the UN Convention against Corruption. How the policies are adopted, revised, implemented, and how compliance is monitored and where the policies are published is described on page 51. Pages 14–39 and 50–52 describe how Lifco addresses its priority sustainability topics as well as the due diligence processes. The Code of Conduct also covers Lifco's major suppliers and subcontractors. The following policies are available on the website lifco.se/sustainability: HR policy, IT policy, environmental policy, personal data policy, tax policy, Code of Conduct and whistleblowing policy.

PRIORITY SUSTAINABILITY TOPICS

	Environment and climate impact	Social issues, working conditions and human rights	Sound business practices
SDG that the policy promotes			
Policies	Environmental policy Whistleblowing policy	Code of Conduct HR policy Tax policy Whistleblowing policy Personal data policy	Code of Conduct Whistleblowing policy Sanctions policy IT policy
Key themes	- Lifco should work to reduce its greenhouse gas emissions. - Energy efficiency and the share of renewable energy must increase. - Lifco should always strive to reduce its negative environmental impact. - Water and energy consumption associated with Lifco's products should be reduced. - The use of harmful substances should be reduced. - Waste should be handled safely and effectively. - Lifco should proactively look for environmentally friendly options when purchasing products and services. - The use of non-renewable materials must be reduced and Lifco strives to increase the rate of recycling and the use of recyclable materials. - Energy consumption associated with Lifco's products should be reduced. - Lifco applies the precautionary principle.	- No one may be discriminated against, harassed or threatened on account of their sex, gender identity or expression, ethnic background, faith, disability, sexual orientation, age, nationality, political opinion, trade union membership, status, social background, language, state of health or marital status. - Lifco's workplaces must be safe and sound. - The risk of accidents and incidents should be minimised. - Salaries and remuneration should be in line with market levels. - All employees have freedom of association. - Child labour is prohibited. - Lifco pays tax where value is generated. - Product safety is a paramount concern.	- Lifco has zero tolerance for bribery, corruption, fraud, acceleration of payment, money laundering or attempts at any of these. - Lifco is politically neutral and makes no contributions to political parties. - Lifco's suppliers and its subcontractors must follow Lifco's Code of Conduct. - Lifco complies with economic sanctions laws, regulations, embargoes or restrictive measures to which the Parent Company and its subsidiaries are subject.
Targets	- Reduce energy consumption in relation to SEK of profit every year - Reduce Scope 1 and 2 emissions in relation to SEK of profit every year - Increase the share of renewable energy every year - No losses as a result of fines or penalties	- Reduce staff turnover every year - Every year, reduce the number of workplace accidents per employee leading to more than three days of absence - Increase the percentage of wage-setting female managers every year	- All employees to be informed about the Code of Conduct every year - Increase the proportion of subsidiaries where major suppliers have signed the Code of Conduct every year - No cases of corruption - No corruption-related legal trials involving employees - No losses resulting from corruption - No losses resulting from poor product quality - No incidents resulting from the impact of a product or service on health or safety that has resulted in fines or other penalties - No incidents arising from a lack of information about a product or service that has resulted in fines or other penalties - No violations of marketing guidelines and rules that has resulted in fines or other penalties - No complaints regarding breaches of customer confidentiality and/or loss of customer data confirmed by the organisation - No criticisms from supervisory bodies regarding personal data

THE EU TAXONOMY

In 2023, new economic activities were added to environmental objective 1 Climate change mitigation (CCM) and environmental objective 2 Climate change adaptation (CCA). In addition, four new environmental objectives have been added: environmental objective 3 Sustainable use and protection of water and marine resources (WTR), environmental objective 4 Transition to a circular economy (CE), environmental objective 5 Pollution prevention and control (PPC) and environmental objective 6 Protection and restoration of biodiversity and ecosystems (BIO).

Lifco has analysed the additional economic activities and made the assessment that no part of the Group's turnover or operating expenses is eligible under the Taxonomy. The manufacturing businesses cover a very broad spectrum of products with the majority of the revenue generated coming from the manufacture of demolition robots and excavator and crane attachments. Most of the products sold to industrial companies are not manufactured by the Group but are assembled from externally sourced finished inputs, which currently is not eligible under the Taxonomy. The Group also includes manufacturers of dental products, such as dentures, disinfectants and other consumables, which is also not eligible. Lifco is following the development of the Taxonomy and expects that at least some operations will be eligible in future.

In 2023, Lifco identified additional economic activities related to capital expenditures. The Taxonomy-eligible capital expenditures refer partly to individual investments linked to energy efficiency in properties, and partly to purchases from suppliers whose activities are eligible under the Taxonomy. The capital expenditures relating to CCM 7.7 Acquisition and ownership of buildings and CCM 6.5 Purchases of cars are considered to be Taxonomy-eligible but not Taxonomy-aligned as it has not been possible to determine that the suppliers are Taxonomy-aligned. Capital expenditures relating to CCM 7.3, 7.4 and 7.6 refer to energy-saving measures linked to properties, such as the installation of solar panels and switching to LED lighting. These capital expenditures are not considered to be Taxonomy-eligible as the 'do no harm' criteria for the other environmental objectives have not been met because Lifco has not prepared climate risk and vulnerability assessments and has not yet established processes to determine which chemicals the products contain based on the Taxonomy criteria.

Total turnover refers to consolidated net sales, which can be found in the consolidated income statement on page 94. Total capital expenditure (CapEx) consists of the year's investments in tangible and intangible fixed assets excluding goodwill, which is shown in Notes 14 and 15 in the lines Investments and Acquisition of companies. Leases are recognised as right-of-use assets and disclosures on leases are presented in Note 11. Total operating expenses (OpEx) consist of non-capitalised costs related to research and development and short-term leases. Operating expenses can be found in the income statement in the lines Administrative expenses and Research and development costs. Costs related to other repair and maintenance have not been identified but Lifco continues to improve its reporting processes in accordance with the Taxonomy definitions to increase the granularity of its reporting.

Work is underway to ensure that Lifco has Group-wide processes regarding minimum safeguards relating to anti-corruption, fair competition, taxation and human rights. No court judgment or fine was issued against Lifco in any of these areas in 2023.

Key to abbreviations in the tables:
Y = Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective N = No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective N/EL = not eligible, Taxonomy non-eligible activity for the relevant environmental objective

TAXONOMY REPORTING TABLE 2023 – TURNOVER

Financial year 2023		2023		Substantial contribution criteria						DNSH criteria (Do No Significant Harm) (h)									
Economic activities (1)	Code (a) (2)	Turnover (3)	Proportion of turnover, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) turnover, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (A.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	[redacted]	[redacted]
Of which enabling activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	[redacted]
Of which transitional activities	-	-	-	[redacted]						-	-	-	-	-	-	-	-	[redacted]	-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	-	-	-	-	-	-	-	-	-	[redacted]							-	[redacted]	
A. Turnover of Taxonomy-eligible activities (A.1+A.2)	-	-	-	-	-	-	-	-	-								-		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		24,454	100.0%																
TOTAL		**24,454**	**100.0%**																

TAXONOMY REPORTING TABLE 2023 – CAPEX

Financial year 2023		2023		Substantial contribution criteria						DNSH criteria (Do No Significant Harm) (h)									
Economic activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy -aligned (A.1.) or eligible (A.2.)CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	[redacted]	
Of which enabling activities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	[redacted]
Of which transitional activities		-	-	-	[redacted]					-	-	-	-	-	-	-	-	[redacted]	-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	58	*1.4%*	EL	N/EL	N/EL	N/EL	N/EL	N/EL	[redacted]							-	[redacted]	
Installation, maintenance and repair of energy-efficient equipment	CCM 7.3	3	*0.1%*	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	1	*0.0%*	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1	*0.0%*	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Acquisition and ownership of buildings	CCM 7.7	445	*11.0%*	EL	N/EL	N/EL	N/EL	N/EL	N/EL								*15.6%*		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		508	12.6%	12.6%	-	-	-	-	-								15.6%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		508	12.6%	12.6%	-	-	-	-	-								15.6%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		3,525	87.4%																
TOTAL		**4,033**	**100.0%**																

TAXONOMY REPORTING TABLE 2023 - OPEX

Financial year 2023		2023		Substantial contribution criteria						DNSH criteria (Do No Significant Harm) (h)									
Economic activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.)OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	[redacted]	
Of which enabling activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	[redacted]
Of which transitional activities	-	-	-	[redacted]						-	-	-	-	-	-	-	-	[redacted]	-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	-	-	-	-	-	-	-	-	-	[redacted]							-	[redacted]	
A. OpEx of Taxonomy-eligible activities (A.1+A.2)	-	-	-	-	-	-	-	-	-								-		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		233	100.0%																
TOTAL		233	100.0%																

NUCLEAR ENERGY AND FOSSIL GAS RELATED ACTIVITIES

Row	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

RISKS, MANAGEMENT AND OPPORTUNITIES

There are a number of factors which affect, or could affect, Lifco's operations, results and/or financial position. Lifco has 233 operating companies in 31 countries and a large number of suppliers and customers in different industries and geographic territories. This wide distribution of subsidiaries, customers and suppliers limits business risks as well as the sustainability risks at Group level. Lifco's industry, market and operational risks are explained on pages 78–79.

SUSTAINABILITY RISKS IN THE VALUE CHAIN

The Lifco companies' main operations comprise assembly, sale and distribution of products, resale and distribution of purchased goods and some manufacturing. Most of Lifco's operations are conducted in Europe. The Lifco companies' assembly and resale operations make the individual companies dependent on their central suppliers with regard to delivery capacity, product quality, price and sustainability risks. Most Lifco companies' purchases are made from suppliers located close to the companies' operations in Europe. Some suppliers or the suppliers' subcontractors operate in other regions, primarily Asia. There are suppliers and subcontractors that operate in countries which can be associated with higher risks regarding the environment, climate impact, resource use, health and safety, human rights, corruption and other risks. Individual subsidiaries may therefore have sustainability risks linked to supplier relationships.

The Lifco companies have a large number of customers, mainly in Europe. The majority of the customers are dental clinics and companies in the infrastructure, construction and demolition industries. These customers demand a high standard from their suppliers in terms of product safety and quality, delivery capability, environmental and climate impact as well as other criteria. Lifco believes that the individual subsidiaries have limited sustainability risks linked to customer relationships.

THE BUSINESS MODEL'S RESILIENCE TO SUSTAINABILITY RISKS

The cornerstones of Lifco's business model, which is based on a diversified portfolio of niche companies concentrated in Europe, strengthen the Group's resilience to sustainability risks. Lifco's strategy also creates good conditions for Lifco and its subsidiaries to take into account both the stakeholders' and the Group's impact on sustainability issues.

Lifco acquires and develops market-leading, sustainable businesses with sustainable earnings growth and robust cash flows. Lifco companies are often market leaders because they offer the highest-quality products in their niche, for which customers are prepared to pay a premium. To maintain such a position, the companies need to have competent, motivated employees and a culture that encourages and harnesses new ideas and proposed improvements. This, in turn, is only possible if the companies offer fair working conditions and have a strong commitment to transparency, a high standard of ethics and a sustainability-oriented approach.

Lifco's organisation is strongly decentralised with a high degree of independence in the subsidiaries. Lifco ensures the transfer of knowledge and culture within the Group by appointing as chairmen of the subsidiaries senior individuals with a long history in the Group. This ensures that Lifco's strong culture is passed on and implemented quickly in newly acquired companies. The subsidiaries' high degree of independence makes them agile and responsive to the wishes and demands of customers, suppliers and employees in the area of sustainability as well as other areas.

A long-term approach is a hallmark of the Lifco Group. The Parent Company is committed to very long-term ownership of subsidiaries, which in turn have many long-term supplier and customer relationships. This long-term approach relies on close contacts and open dialogue about new and changed requirements and wishes, including in the area of sustainability.

In Lifco's acquisition process, the sustainability assessment is an important element. The acquisition process and Lifco's sustainability assessment are described on pages 12–13.

Lifco's general assessment is that its business model has good resilience to sustainability risks.

LIFCO'S STRATEGIES AGAINST RISKS

Lifco's strategies in the area of sustainability are described on pages 14–42. Lifco's strategic work in the area of sustainability is aimed at controlling and minimising the risks and at taking advantage of the business opportunities that Lifco companies identify in the area of sustainability.

Lifco has not yet carried out a climate analysis and assessed the financial impact of climate change on the Group. The company intends to carry out a climate analysis in the next few years.

IDENTIFICATION OF RISKS AND OPPORTUNITIES

Risk assessments are carried out annually in the Lifco companies, both at the operational level and in the boards. The risk assessments take account of operational, financial and sustainability risks as well as associated opportunities. The chairmen of the subsidiaries are part of the extended management team that makes the annual overall risk assessment for the Group. The risk process is an integral part of the Lifco Group's business processes and is described in the section Sustainability governance on pages 50–53. Internal control and risk management in financial reporting are described in the Corporate Governance Report on page 83.

In identifying sustainability risks and opportunities in the area of sustainability, Lifco has used as a basis the GRI Standard (Global Reporting Initiative) and the value chain described on pages 44–45.

SUSTAINABILITY RISKS

CLIMATE, ENVIRONMENT AND RESOURCE USE

Risk	Management	Opportunities
Climate change		
In the short term, climate change could lead to increased costs in the supply chain as a result of increased regulation and environmental levies. In the medium term, there is a risk that rising sea levels, shortages of non-fossil fuels and water, more severe storms and higher temperatures will affect the cost and availability of inputs and transport. This, in turn, could affect the Lifco companies' delivery reliability to the customer. In the longer term, there is a risk that the Lifco companies will be unable to adapt to increased regulatory requirements, technological advances, changing consumption patterns and customer demand or to compensate for increased costs in the supply chain as a result of climate change and/or eliminate fossil fuels in their operations, which could affect demand and profit margins and thus have a significant negative financial impact.	To help combat climate change, Lifco has begun preparations to set a science-based emissions target in line with the criteria of the Science Based Target initiative (SBTi). In order to reduce their climate impact, the subsidiaries are gradually transitioning to more climate-friendly transport, increased use of renewable energy and improved energy efficiency. In this transition, Lifco is dependent on the general availability of more climate-friendly transport and energy sources. The Lifco companies' strong customer and supplier relations and market positions enable them fully or largely to compensate for increased costs in the supply chain in the short and medium term. In order to manage the risks in the medium and longer term, Lifco will highlight the need in the organisation for climate-related analyses to ensure that the Group companies understand the risks in their own, major suppliers' and customers' operations. This will enable Lifco to obtain a better picture of the overall longer-term risk situation in the Group.	Climate change is also creating business opportunities for the Lifco companies. Many of the companies are engaged in continuous development to reduce their products' negative climate and environmental impact. Several Lifco companies offer products where the unique selling point is the product's positive contribution to the customers' climate impact and emissions. The ability to offer energy-efficient and low-emission products is often a strong competitive advantage and has a positive effect on both demand and profit margins. By actively reducing the Group's CO_2 emissions, Lifco also contributes to reducing emissions in its customers' and suppliers' value chains, which in the long term can be a competitive advantage.
Climate change adaptation		
In the short term, the risk that the subsidiaries or their suppliers will fail to adapt to a changing climate is considered to be low. In the medium and long term, there is a risk that the Lifco companies or their suppliers will fail to adapt to changes such as rising sea levels, water shortages, higher temperatures, increased environmental levies and increased regulation or to transition to non-fossil fuels. This may affect demand, delivery capacity, product quality and access to capital and may therefore also have an impact on the companies' financial results. If the companies' customers fail to adapt to climate change, demand for the Lifco companies' products may be negatively affected, which could have a significant negative financial impact.	In order to manage the risks in the medium and longer term, Lifco will highlight the need in the organisation for climate-related analyses to ensure that the Group companies understand the risks in their own, major suppliers' and customers' operations. This will enable Lifco to obtain a better picture of the overall longer-term risk situation in the Group.	Early insights into the need for climate change adaptation both in the company's own operations and in its suppliers' and customers' operations can strengthen the Lifco companies' market positions and thereby have a positive impact on demand and profit margins.
Energy consumption and energy efficiency		
In the short term, there is a risk that the Lifco companies will fail to improve their energy efficiency or increase the share of renewable energy, which would affect profit margins. In the medium and long term, there is a risk that suppliers will fail to improve their energy efficiency or increase the share of renewable energy. This could lead to increased costs for the Lifco companies that they may find it difficult to offset by raising prices to customers and could thus have a negative impact on profit margins. There is a risk in the medium and long term that the Lifco companies will not be able to meet customer demands for highly energy-efficient products, which would have an adverse impact on demand.	Lifco's goal in the short, medium and long term is to increase energy efficiency and increase the share of renewable energy. Energy efficiency and the share of renewable energy are reported and monitored annually at Group level. The subsidiaries are taking various measures, such as installing solar panels, switching to green electricity contracts, improving their insulation and switching to more energy-efficient machinery and tools. The subsidiaries are engaged in talks with their larger suppliers about the need to improve energy efficiency and the share of renewable energy in order to keep costs down.	Several Lifco companies offer products where the unique selling point is the product's positive impact on the customers' energy efficiency. The Lifco companies are engaged in continuous development to improve their products' energy efficiency, which is a competitive advantage.

CONT. CLIMATE, ENVIRONMENT AND RESOURCE USE

Risk	Management	Opportunities
Recycling and circular business models		
In the short term, there is a risk that the Lifco companies will fail to plan for and start establishing systems for recycling and circular business models. In the medium and long term, there is a risk that the Lifco companies will lose suppliers or business opportunities with customers by not offering recycling and circular business models, which would have a negative impact on their financial results.	In the short term, the subsidiaries are independently responsible for establishing systems for recycling and circular business models in relation to their suppliers and customers. In the medium term, the Lifco Group may require the subsidiaries to plan for circular business models in order not to lose business opportunities.	By establishing systems for recycling and circular business models, Lifco can strengthen its position with suppliers and customers, which in the longer term would have a positive effect on the Group's financial results.
Use of water and marine resources		
There is a risk in the short term that Lifco will fail to identify how the consumption of water and marine resources may affect its own operations, suppliers and customers. In the medium and long term, there is a risk that the Lifco companies will overlook risks in the area of water and marine resources, which could negatively affect their position and financial results.	Lifco's goal is to reduce the water consumption associated with Lifco's products. Lifco should not have business relations with suppliers who violate applicable laws and ignore environmental concerns. Starting in 2022, the Lifco companies have started to assess their water consumption. Lifco's ambition in the short term is to identify the risks associated with the consumption of water and marine resources in its own operations.	Several Lifco companies offer products where the unique selling point is the product's limited water consumption and discharge.
Biodiversity, ecosystems and endangered species		
In the short term, the risk is considered to be low. Lifco has three companies that operate in or near protected areas. The total number of employees in these three companies account for less than 1 per cent of the Group's total workforce. The medium- and long-term risk that Lifco companies will damage biodiversity and/or ecosystems due to the location of their operations is considered to be low. There is a risk in the short to long term that suppliers will carry out activities that damage or threaten biological diversity. There is also a risk in the short to long term that customers will use the Lifco companies' products in activities that threaten or damage biological diversity or ecosystems. This risk is particularly high among customers in Demolition & Tools. If such risks occur, this can have an impact on Lifco's financial results and damage the Lifco companies' brands, which can adversely affect demand in both the short and long term.	Lifco's policy is that the operations should not damage or threaten biological diversity, ecosystems or endangered species. Before a new operation is established, Lifco companies examine the risks of damage or threats to biological diversity, ecosystems or endangered species. Lifco should not have business relations with suppliers who violate applicable laws and ignore environmental concerns. In the sustainability assessment for acquisitions, Lifco examines the risks that the business will damage or could damage biodiversity, ecosystems or endangered species.	
Pollution and handling of harmful substances as well as hazardous waste		
In the short to long term, the risk that any Lifco company will violate regulations or guidelines regarding the handling of pollution, harmful substances or hazardous waste is considered to be low. There is a risk in the short to long term that suppliers or customers will fail to handle pollution, harmful substances or hazardous waste in a safe and environmentally friendly way. If such risks occur, this can affect Lifco's financial results and damage the brand of the Lifco company concerned, which could have a negative impact on demand both in the short and long term.	Lifco's goal is to reduce the use of harmful substances in the operations. In the short term, the risk of improper handling is deemed to be low as the subsidiaries are considered to have the necessary processes in place. The minimum requirement for Lifco companies is to comply with national and local laws and regulations on the handling of pollution, harmful substances and hazardous waste. Several Lifco companies have environmental management systems for their environmental work. Lifco should not have business relationships with suppliers that violate applicable legislation. Some Lifco companies carry out inspections of their suppliers' handling of pollution, harmful substances and hazardous waste where it is considered that this could have a commercial impact or damage Lifco in other ways. Lifco companies that have employees in the field who carry out installations and other work at the customer premises examine the customers' procedures for the handling of pollution, harmful substances and hazardous waste to ensure the health and safety of the employees.	

WORK ENVIRONMENT, HEALTH AND SAFETY

Risk	Management	Opportunities
Workplace accidents and safety		
There is a risk in the short to long term that employees of Lifco companies could be injured in the workplace. If employees are injured, this could negatively affect the employer brand and commercial brand of the Lifco company concerned, which could make it more difficult to recruit and retain employees and result in reduced revenue. Injuries can also lead to costs for workplace measures and financial compensation.	Lifco's vision is that no employee should be injured in the workplace. To remain an attractive employer and supplier, Lifco must ensure safe and secure workplaces. The work environment is therefore a high-priority issue in the Lifco companies, which work systematically to identify and limit the risk of occupational injuries. The Lifco companies generally strive to maintain a level of safety in the work environment that goes beyond the minimum requirements in national regulations and industry standards. In acquisition processes, Lifco always evaluates the work environment including the company culture as part of its sustainability assessment.	By offering safe and secure workplaces, the Lifco companies build strong employer brands and maintain their attractiveness as employers.
Employee health at suppliers		
There is a risk in the short to long term that employees of suppliers will be injured when manufacturing products used by a Lifco company. The financial impact of this risk for Lifco is considered to be limited.	Lifco requires its major suppliers to comply with Lifco's Code of Conduct and thus also to provide safe and healthy working conditions. Lifco should not have business relations with suppliers that violate regulations or guidelines. In procurement processes, a health and safety management system is included as a criterion if this is considered relevant for the product or service concerned.	Several Lifco companies offer products where the unique selling point is the product's positive impact on the customers' work environment and safety.
Product safety		
There is a risk in the short and long term that employees of customers will be injured when using a product from a Lifco company. This could lead to demands for financial compensation and damage the brand of the Lifco company concerned.	Product safety is of paramount importance to the Group; Lifco companies are required to deliver products and services of consistently high value, quality and reliability. Lifco companies work continuously to develop the safety of their products and their procedures for safe handling of the products. As a minimum, all products and services must comply with relevant rules and regulations regarding occupational health and safety requirements. Where relevant, this includes training employees of the customer who will be handling one or more of the Lifco companies' products.	Several Lifco companies offer products where the unique selling point is the product's positive impact on the customers' work environment and safety.
Employment terms		
There is a risk in the short and long term that a Lifco company will fail to offer fair and reasonable employment terms and wages. This could damage the company's employer brand and its ability to retain and recruit employees. The risk is considered to be low.	In Lifco, employment terms and wages must be fair and reasonable. General employment terms are regulated in a Group policy. In acquisition processes, Lifco always evaluates employment terms as part of its sustainability assessment.	Fairness and equal employment terms are fundamental to motivating employees. By offering fair and equal employment terms, the Lifco companies strengthen their employer brands, motivate employees and create conditions for recruiting the best talents.
Skills development		
There is a risk in the short to long term that the Lifco companies will fail to offer training to employees. This could damage the company's employer brand and its ability to retain and recruit employees. The risk is considered to be low.	Lifco and the Lifco companies must offer employees relevant training to perform their duties. Managers are responsible for ensuring opportunities for training and internal advancement.	Training and the possibility of internal advancement create employee commitment and motivation, which strengthen the employer brands.

HUMAN RIGHTS

Risk	Management	Opportunities
Gender distribution		
There is a risk that the Lifco companies will fail to improve the gender distribution among wage-setting managers. In the short and medium term, the risk is high, while in the longer term it is considered to be limited. If the Lifco companies fail to manage the risk, this could in the longer term damage their employer brands and reduce their competitiveness, which can affect demand and profit margins. Lifco believes the gender distribution among suppliers and customers has a small risk impact on the business.	Lifco's target is to improve the breakdown between women and men among wage-setting managers. Several measures have been taken to achieve the target. One is the requirement that there always be at least one woman among the final candidates when a managing director of a subsidiary is appointed. A condition for succeeding in improving the gender distribution is that the Lifco companies offer equal pay for equal work regardless of gender or other grounds of discrimination. Some Lifco companies have conducted salary surveys and addressed identified pay gaps. As Lifco's managers generally stay in the companies for a very long time, turnover among managers is low, which means that it will take time for the Lifco companies to change the gender distribution.	A balanced gender distribution contributes to building employer brands and improves team performance.
Discrimination		
There is a risk that Lifco companies will discriminate against employees in connection with wage setting, appointments or against candidates in recruitments. In the short to long term, this could damage the Lifco companies' brands and have an impact on demand and financial results. Lifco believes that discrimination or the risk of discrimination at suppliers and customers has a small risk impact on the business.	Lifco does not tolerate discrimination on the basis of sex, gender identity or expression, ethnic background, faith, disability, sexual orientation, age, nationality, political opinion, trade union membership, status, social background, language, state of health or marital status. Lifco also demands from its major suppliers that they not discriminate against employees. Discrimination violations or suspected discrimination violations in the Lifco Group can be reported through the whistleblowing channel, which is described on page 37. Lifco companies are required to report discrimination violations to Group management, which will take measures.	Fair, non-discriminatory workplaces help to build trust and strong employer brands.
Freedom of association		
The risk that Lifco companies will not allow freedom of association and/or the right to bargain collectively is considered to be low in the short to long term. There is a risk that suppliers or customers will not allow freedom of association and/or the right to bargain collectively. Lifco believes this risk among suppliers and customers has a small risk impact on the business.	All Lifco employees have the right to freedom of association and collective bargaining. Lifco also requires that larger suppliers follow the same principles. If the suppliers violate this right, the business relationship may be terminated. Suspected violations or violations of the right to freedom of association in the Lifco Group can be reported through the whistleblowing channel, which is described on page 37. Lifco companies are required to report violations of the right to freedom of association to Group management, which will take measures.	Respecting the right to freedom of association helps to build trust and strong employer brands.
Child labour		
The risk that Lifco companies will use child labour is considered to be very low in the short, medium and long term. Lifco believes the risk is low also among Lifco's customers. There is a risk that suppliers or subcontractors in some countries may use child labour. The use of child labour by suppliers could have a very damaging impact on Lifco's and the Lifco companies' brands and thereby affect demand and financial results.	Child labour is strictly prohibited in Lifco and among its suppliers. Products from suppliers, their subcontractors or partners where child labour is used are not tolerated. Cases of suspected child labour or the use of child labour in the Lifco Group or in relation to purchased products and services can be reported through the whistleblowing channel, which is described on page 37. Lifco companies are required to report cases of child labour to Group management, which will take measures.	A clear stand against child labour helps to build trust and strong employer brands as well as long-term customer and supplier relationships.
Forced labour and modern slavery		
The risk of Lifco companies using forced labour or modern slavery in the short, medium and long term is considered to be very low. Lifco believes the risk is generally low among its customers as well. There is a risk that suppliers or subcontractors in some countries may practise forced labour or modern slavery. The use of forced labour or modern slavery by suppliers could have a very damaging impact on Lifco's and the Lifco companies' brands and thereby affect demand and financial results.	Forced labour and modern slavery are strictly prohibited in Lifco. Products from suppliers, their subcontractors or partners where forced labour or modern slavery are used are not tolerated. Lifco has identified the risk of forced labour or modern slavery as higher in certain countries and areas of operation where special training activities are being or have been carried out internally and among customers and suppliers to minimise the risks. Cases of suspected forced labour or modern slavery in the Lifco Group or in relation to purchased products and services can be reported through the whistleblowing channel, which is described on page 37. Lifco companies are required to report cases of forced labour or modern slavery to Group management, which will take measures.	Respect for human rights contributes to building trust and strong employer brands as well as long-term customer and supplier relationships.

CONT. HUMAN RIGHTS

Risk	Management	Opportunities
Negative impacts on local communities		
The risk that Lifco companies will have a negative impact on local communities in the areas of environment, labour rights, human rights or corruption is low in the short, medium and long term. The occurrence of such risk can damage Lifco's and the Lifco companies' brands and relationships and thereby affect demand and financial results.	For Lifco, sustainability is also about making a positive contribution to society. Lifco contributes by paying taxes where value is generated and by offering jobs with fair working conditions. Many of the Group's businesses operate outside the metropolitan regions and thus contribute to the development of less densely populated areas. Lifco's high standard of business ethics and respect for human rights are evident in all relationships in the value chain, which contributes positively to society in both the short and long term.	For Lifco, good relations with local communities help to build strong employer brands, which creates advantages in recruitment among other benefits.
Crimes against indigenous peoples		
The risk that Lifco companies will commit crimes against indigenous peoples is considered to be very low in the short, medium and long term. Lifco believes the risk is generally low among its customers as well. There is a risk that suppliers or subcontractors in some countries could commit crimes against indigenous peoples. The occurrence of such crimes could seriously damage Lifco's and the Lifco companies' brands and thereby affect demand and financial results.	Crimes against indigenous peoples are strictly prohibited in Lifco. Products from suppliers, their subcontractors or partners where crimes against indigenous peoples are committed are not tolerated. Suspected crimes against indigenous peoples in the Lifco Group or in relation to purchased products and services can be reported through the whistleblowing channel, which is described on page 37. The Lifco companies are required to report cases of crimes against indigenous peoples to Group management, which will take measures.	Respect for human rights contributes to building trust and strong employer brands as well as long-term customer and supplier relationships.

CORRUPTION, MONEY LAUNDERING AND TAX

Risk	Management	Opportunities
Corruption		
Some of Lifco's subsidiaries, suppliers and customers operate in countries where there is a risk of corruption. There is a risk of corruption that could lead to legal disputes and damage Lifco and the Lifco company's brand, as well as to the termination of supplier and/or customer relationships. This could have a significant impact on Lifco's and the Lifco company's financial results.	Lifco has zero tolerance for bribery and corruption throughout the value chain. Suspected bribery can lead to the termination of business relationships with both suppliers and customers. Lifco has an independent, externally managed and fully anonymous whistleblowing channel that is accessible via the Group's website. Lifco's whistleblowing channel is described on page 37. Lifco AB and all its subsidiaries are politically neutral and do not make contributions to political parties, organisations, candidates or holders of public office. Lifco has identified the risk of bribery or attempted bribery as higher in certain countries and areas of operation where special training activities are or have been conducted internally and among customers and suppliers to minimise the risks.	Sound business practices and a high standard of business ethics are the basis for building trust as well as strong brands and long-term relationships with both customers and suppliers.
Money laundering		
There is a risk that Lifco's suppliers or customers will use Lifco's operations for money laundering. This could lead to legal disputes and damage Lifco's and the Lifco company's brands, as well as to the termination of supplier and/or customer relationships. This could have a significant impact on Lifco's and the Lifco company's financial results.	Lifco does not tolerate money laundering. Lifco manages the risk in the following way: subsidiaries may never receive cash payment from customers and never pay suppliers in cash. All payments from customers and to suppliers are made through established banking systems and the European clearing system. All transactions are registered in the Group's accounting system. The Group's auditors make spot checks of payments every year. Suspected cases of money laundering are investigated at Group level and can be reported anonymously through the whistleblowing channel, which is described on page 37.	Sound business practices and a high standard of business ethics are the basis for building trust as well as strong brands and long-term relationships with both customers and suppliers.

CONT. CORRUPTION, MONEY LAUNDERING AND TAX

Risk	Management	Opportunities
Cartels		
The risk that any Lifco company will participate in a cartel is considered to be very low in the short, medium and long term.	Lifco takes a clear stand against cartels in its Code of Conduct.	
Tax evasion		
There is a risk that the Lifco Group or Lifco companies will evade tax or avoid paying tax in the country where the tax was incurred. If the risk were to occur, this could lead to legal disputes and damage the Lifco company's brand as well as lead to the termination of supplier and/or customer relationships. This could have a significant impact on the Lifco Group's and Lifco company's financial results. The risk is considered to be very low in the short, medium and long term.	Lifco companies are required to fulfil their obligation to pay tax in accordance with the rules established by the relevant authorities in each jurisdiction. The Lifco Group and its subsidiaries never engage in transactions whose sole or main purpose is to create tax advantages. Compliance with the Group's tax policy is reviewed during internal audits and is monitored by the Board through the Audit Committee.	Good relations with the local communities where the Lifco companies operate help to build trust and strong employer brands.

CUSTOMER PRIVACY AND DATA SECURITY

Risk	Management	Opportunities
There is a risk in the short to long term that a Lifco company will leak, experience a theft of or otherwise lose customer or supplier information. There is a risk in the short to long term that Lifco or a Lifco company will be affected by a supplier or customer leaking, experiencing a theft of or otherwise losing information about Lifco or a Lifco company. The loss of customer or supplier information can lead to claims for damages and damage the brand, which can have a negative impact on the Lifco Group's financial results.	It is part of the Lifco companies' business processes to work to prevent security incidents such as fraud, cyber attacks or information theft. Lifco companies are required to have systems for backup that are checked regularly. The companies work continuously to strengthen security awareness and knowledge of data protection. Several companies arrange mandatory employee training in data protection and related areas.	A high level of data security and customer privacy contribute to building the Lifco companies' brands and trust and strengthen customer and supplier relationships.

ABOUT THE SUSTAINABILITY REPORT

The report covers the Lifco Group, i.e. the Parent Company Lifco AB (publ) and all subsidiaries. The Sustainability Report covers the same legal entities as the financial report. Lifco AB (publ) is a Swedish public company whose shares are listed on Nasdaq Stockholm. The company's head office and registered office are in Enköping, Sweden. In the report, the company name is shortened to Lifco.

The Sustainability Report covers the period 1 January 2023 to 31 December 2023 and constitutes Lifco's statutory annual sustainability report. The Sustainability Report comprises pages 14–65 and has been audited by the auditors in accordance with Recommendation RevR 12 The Auditor's Opinion on the Statutory Sustainability Report published by FAR, Sweden's professional institute for accountants. The Sustainability Report contains information on targets, results, governance, policies, risks, risk management and opportunities that are relevant to material environmental, social and corporate governance-related aspects and impacts of Lifco's operations. Lifco's business model, strategy and acquisition process are described on pages 8–13. Together with the Corporate Governance Report, the Sustainability Report forms part of the Directors' Report. The contact person for the Sustainability Report is Åse Lindskog, Head of Sustainability, email ir@lifco.se.

REPORTING PRINCIPLES AND REPORTING FRAMEWORK

The Sustainability Report has been prepared in accordance with the GRI Standards (Global Reporting Initiative Standards). Lifco intends to report annually according to GRI. In preparing the report, principles for defining content such as stakeholder participation, materiality and completeness as well as principles for accounting quality such as accuracy, balance, clarity, comparability, reliability and time factors have been applied. Lifco signed the UN Global Compact in 2016 and issues a Communication on Progress every year.

Data on energy use, climate impact, waste, water and purchases of inputs are collected from Lifco companies with more than 25 employees. Companies that in previous years were included in the reporting and have reduced their workforce to less than 25 continue to report data. Lifco uses this data to calculate the Group's total emissions of greenhouse gases, for example. All other data is collected from all Lifco companies.

CHANGES FROM THE PREVIOUS REPORTING PERIOD

The Sustainability Report 2023 has been supplemented with several new disclosures compared with the 2022 report. For collected data concerning suppliers, the total purchase amount was changed from EUR 750,000 in 2022 to amounts in excess of EUR 500,000 in 2023.

During the work of preparing a science-based emissions target in line with SBTi criteria, Scope 3 data for upstream transportation and biogenic emissions in 2022 were found to contain inaccuracies and have been omitted from the 2023 report.

The Sustainability Report 2023 includes the following new disclosures:

REDUCED ENVIRONMENTAL AND CLIMATE IMPACT

Total water recycled and reused

Total water stored and changes in storage

Total waste, of which hazardous and radioactive waste

Total hazardous and non-hazardous waste diverted from disposal, through preparation for re-use, recycling or other recovery operations

Total hazardous and non-hazardous waste disposed of by incineration, landfill or other disposal operations

Total quantity and proportion of non-recycled waste

Composition of waste broken down by wood, electronics, glass, batteries and accumulators, bio-waste, paper and cardboard, metal, plastic, textiles, bulky waste, construction and demolition waste, waste oils, food waste, end-of-life vehicles, manufacturing waste and radioactive waste

Energy consumption and energy mix

Scope 3 regarding employee commuting

MOTIVATED EMPLOYEES AND SAFE WORKPLACES

Workplace accidents by company

Total number of employees entitled to parental leave

Proportion of employees on parental leave in relation to total number of employees entitled to parental leave

Number of employees with disabilities

Social protection against loss of income

Number and percentage of employees who participated in regular performance and career development reviews by gender

Average number of training hours by gender

Number of reported incidents and reports related to human rights among employees

Fines, sanctions or damages awarded related to human rights among the employees

SOUND BUSINESS PRACTICES

Payment terms for suppliers with a total purchase amount exceeding EUR 500,000 in 2023

FINANCIAL RESULTS

Lifco grew through acquisitions and delivered good growth in profitability in 2023 on the back of acquisitions, organic earnings growth and positive exchange rate effects.

Net sales increased 13.5 per cent to SEK 24,454 (21,552) million. Acquisitions contributed 10.0 per cent and exchange rate changes had a positive impact on net sales of 4.4 per cent. Due to weaker market conditions in Demolition & Tools, organic growth was 0.0 per cent. The divestment in May 2022 of the Estonian company Hekotek had a negative impact on net sales for 2023 of 0.9 per cent.

EBITA increased by 21.5 per cent to SEK 5,664 (4,662) million and the EBITA margin improved by 1.6 percentage points to 23.2 (21.6) per cent. Acquisitions and organic growth contributed to the increase in EBITA. Foreign exchange gains had a positive impact on EBITA of 4.2 per cent. During the year, 43 (41) per cent of EBITA was generated in EUR, 21 (24) per cent in SEK, 11 (8) per cent in GBP, 10 (12) per cent in NOK, 5 (6) per cent in DKK, 4 (4) per cent in USD and 5 (5) per cent in other currencies.

Investments in intangible and tangible assets totalled SEK 481 (348) million.

Net financial items were SEK -379 (-111) million, negatively impacted primarily by higher interest expenses.

Profit before tax grew 13.8 per cent to SEK 4,374 (3,842) million. Items related to the acquired businesses that were consolidated during the year had a negative impact of SEK 52 (36) million on earnings for 2023.

Net profit for the year increased 17.5 per cent to SEK 3,323 (2,828) million. Earnings per share grew 17.6 per cent to SEK 7.21 (6.13).

The Group's tax expense was SEK 1,050 (1,014) million, which represents 24.0 (26.4) per cent of earnings before tax. Tax paid was SEK 1,343 (911) million, which equates to 30.7 (23.7) per cent of earnings before tax. The effective tax rate was lower than normal due to the revaluation of pension obligations secured by endowment policies, which resulted in a higher deferred tax asset. This revaluation impacted tax for the year by approximately SEK -46 (47) million.

Inventories were SEK 3,906 (3,682) million and accounts receivable SEK 2,940 (2,853) million. Average capital employed excluding goodwill increased over the year to SEK 4,088 (3,444) million. EBITA in relation to average capital employed excluding goodwill was 139 (135) per cent at year-end.

Goodwill and other intangible assets totalled SEK 21,927 (18,286) million at year-end.

Net debt increased by SEK 2,057 million during the year to SEK 10,633 (8,576) million, of which SEK 2,605 (1,946) million refers to liabilities related to put/call options. Interest-bearing net debt increased by SEK 1,259 million to SEK 6,849 (5,590) million at 31 December 2023.

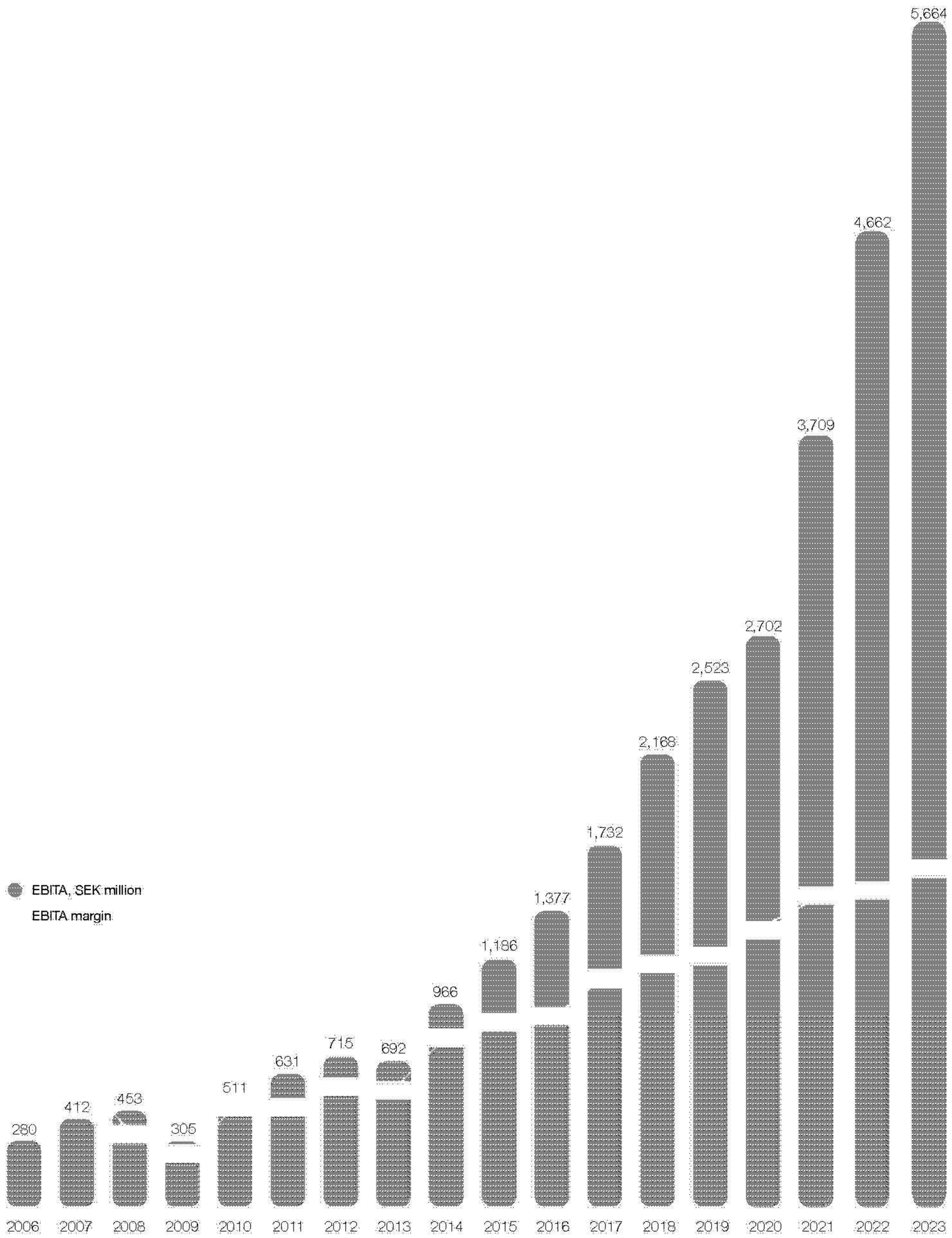
During the year, Lifco updated its MTN programme, increasing the framework amount from SEK 6 billion to SEK 8 billion. The MTN programme allows Lifco to issue bonds in the Swedish market. In 2023, Lifco made three issues of unsecured bonds, in February, May and August, issuing SEK 750 million on each occasion. All issues attracted strong interest. At year-end, Lifco had SEK 4,000 million in outstanding bonds. In addition to bonds, Lifco has standard short-term credit facilities.

The net debt/equity ratio at 31 December 2023 was 0.7 (0.6) and net debt in relation to EBITDA was 1.7 (1.7) times. Interest-bearing net debt in relation to EBITDA was 1.1 (1.1) times. At year-end, 41 (62) per cent of the Group's interest-bearing liabilities were denominated in EUR. Equity was SEK 15,332 (13,339) million and the equity/assets ratio 44.7 (44.8) per cent.

Cash flow from operating activities increased by 45.3 per cent to SEK 4,458 (3,069) million during the year. The lower cash flow in 2022 was due primarily to increased inventory build-up as the result of high demand and disruptions to the global supply chain that led to requirements for greater safety stock. Cash flow from investing activities was SEK -4,158 (-2,717) million, which was mainly attributable to acquisitions. Cash flow was also affected by a total dividend payment of SEK 973 (848) million.

PROPOSED DIVIDEND

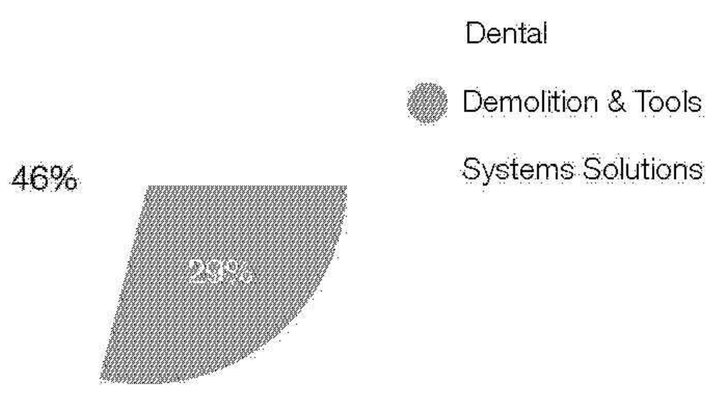
The Board of Directors and Chief Executive Officer propose that the Annual General Meeting authorise the payment of a dividend of SEK 2.10 (1.80) per share for the 2023 financial year, representing a total distribution of SEK 953.9 (817.6) million. This is equal to 29.1 (29.4) per cent of the net profit for the year attributable to shareholders of Lifco AB.



PRODUCT DEVELOPMENT

Innovation and product development are key success factors, especially in the Demolition & Tools and Systems Solutions business areas. Innovation and product development enable Lifco to strengthen its customer offering and establish sustainable organic growth. Acquisitions of businesses complement the Group's internal product development. Developments in the market are monitored continuously by all subsidiaries and a large number of potential projects are evaluated each year. In 2023, product development costs totalled SEK 196 (163) million.

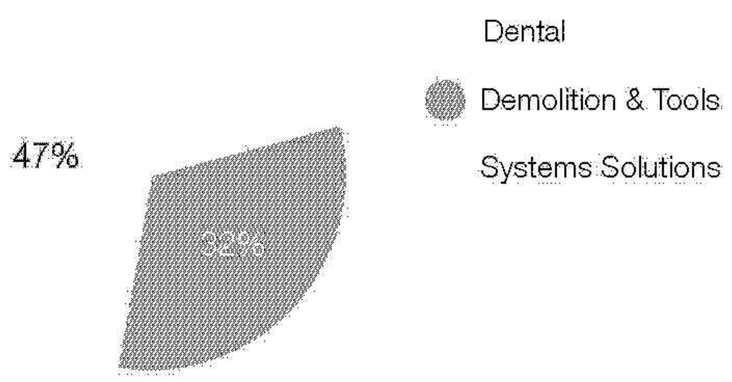
NET SALES PER BUSINESS AREA



FINANCIAL RESULTS

SEK million	2019	2020	2021	2022	2023
Net sales	13,845	13,782	17,480	21,552	24,454
EBITA	2,523	2,702	3,709	4,662	5,664
EBITA margin	18.2%	19.6%	21.2%	21.6%	23.2%
Earnings per share, SEK	3.31	3.67	5.26	6.13	7.21
Net sales per employee	2.54	2.54	2.79	3.31	3.62
EBITA per employee	0.46	0.50	0.59	0.72	0.84

EBITA PER BUSINESS AREA



Business area

DENTAL

Lifco's Dental business area brings together a large number of leading distributors of dental products for dentists, primarily in Europe, as well as manufacturers of dental consumables. Lifco also has companies that sell dental technology and businesses that develop and sell medical record systems. In 2023, six companies were acquired in Italy, the United Kingdom, Sweden and Germany.

The distribution companies in Dental are leading suppliers of consumables, equipment and technical service to dentists in their respective markets. The companies operate mainly in Europe. Dental also conducts certain distribution activities in the United States. In the Nordic countries and Germany, Lifco also sells dental technology such as dentures. These are manufactured in Lifco's dental laboratories in Sweden, the Philippines, China, Turkey and Germany. The companies that develop and sell medical record systems for dentists operate in Denmark, Sweden and Germany.

Lifco's distributors fill an important role in the dental market by bringing together a large number of suppliers in what is otherwise a fragmented market. The companies offer a wide product range with everything a dental clinic needs, ranging from consumables such as napkins and gloves to dental technology and advanced technical equipment such as X-ray machines and dental chairs.

Lifco's dental products manufacturers produce denture attachments, disinfectants, saliva ejectors, bite registration and dental impression materials, bonding agents and other consumables that are sold to dentists through distributors around the world. The distributors include Lifco companies as well as external players.

Of Dental's total sales in 2023, distribution accounted for 57 (60) per cent, manufacturing for 24 (23) per cent, dental technology for 15 (14) per cent and software for 4 (3) per cent. In recent years, Dental has through acquisitions and organic growth increased its earnings in manufacturing, dental technology and software faster than in distribution, which has had a positive impact on margin growth in the business area. Of Dental's total EBITA in 2023, distribution accounted for 50 (38) per cent and other operations for 50 (62) per cent.

A STABLE, NON-CYCLICAL MARKET

Dental care is a significant market, accounting for around 0.5 per cent of GDP in Lifco's main markets. The European market for dental care is stable and relatively non-cyclical, while growth has historically been weak.

Demand for consumables and dental technology is non-cyclical and characterised by frequent orders and high expectations for delivery and product reliability. Lifco's distributors need to offer a wide range of products so that dental clinics are able to purchase essentially everything they need from one supplier. Demand for equipment is also relatively stable and depends mainly on the age of the installed equipment, the length of the replacement cycle and the number of new dental clinics.

Although the dental market is generally stable, the results of individual companies in Lifco's Dental business may in any individual quarter be influenced by significant fluctuations in exchange rates, calendar effects such as Easter, gained or lost contracts in procurements of consumables by public-sector or major private-sector customers and fluctuations in the delivery of equipment.

SYNERGIES AMONG DISTRIBUTION COMPANIES

Although Lifco's subsidiaries mostly operate independently of each other, the distribution companies have chosen to collaborate on purchasing. The Group therefore has central warehouses for consumables in Enköping in Sweden, outside Aarhus in Denmark and in Büdingen in Germany. The warehouses stock 18,000–58,000 items and the distribution companies offer products from around 500 suppliers. Part of the range consists of own-brand products, which are mostly less complex products. Own brands account for 10–15 per cent of the subsidiaries' sales, and the companies are working actively to increase the share of own brands.

In the area of dental technology, Lifco achieves cost advantages through its laboratories outside Europe.

ONLINE SALES

Distribution sales of consumables are made through three main channels: the subsidiaries' sales forces, catalogue sales and online. Between 50–90 per cent of sales are made online depending on the market and subsidiary. The remaining orders are mainly made by telephone.



ACQUISITIONS IN 2023

In 2023, six acquisitions in Dental were consolidated. At the time of the acquisitions, the businesses had combined net sales of approximately SEK 260 million and a total of just over 100 employees. During the year, three manufacturing companies were acquired: Doxa Dental of Sweden, Emilplastica of Italy and Kohler Medizintechnik of Germany. The British company Ortho-Care, which supplies orthodontic products to dentists in the UK, and German Datamed, which develops, sells and supports a software program used by German dental clinics, were also acquired. The assets of the German dental laboratory Welte Dentallabor were also consolidated during the year.

EARNINGS IN 2023

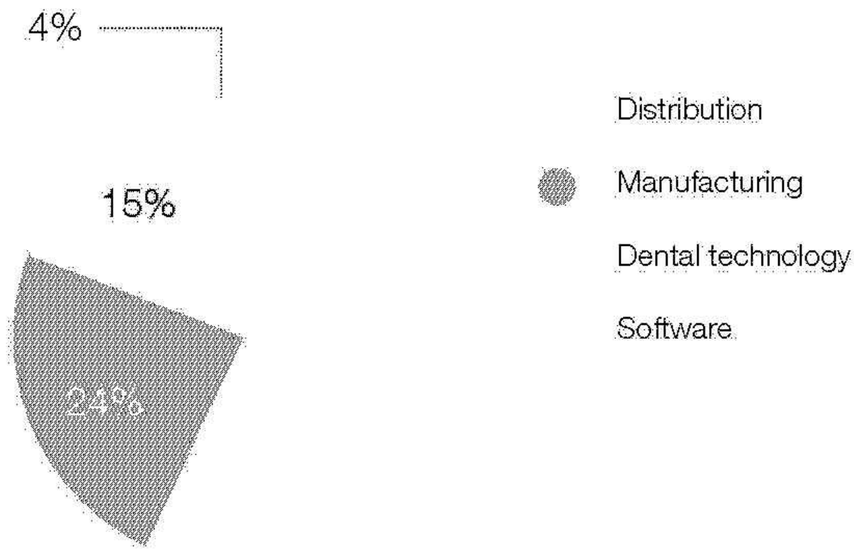
Net sales in Dental increased by 13.9 per cent to SEK 6,030 (5,295) million during the year as the result of positive exchange rate effects, organic growth and acquisitions.

EBITA increased by 22.7 per cent during the year, to SEK 1,248 (1,017) million, and the EBITA margin expanded by 1.5 percentage points to 20.7 (19.2) per cent. In 2022, profitability in the first nine months was hit by disruptions to the production of dental prostheses in China in the first quarter as a result of the pandemic.

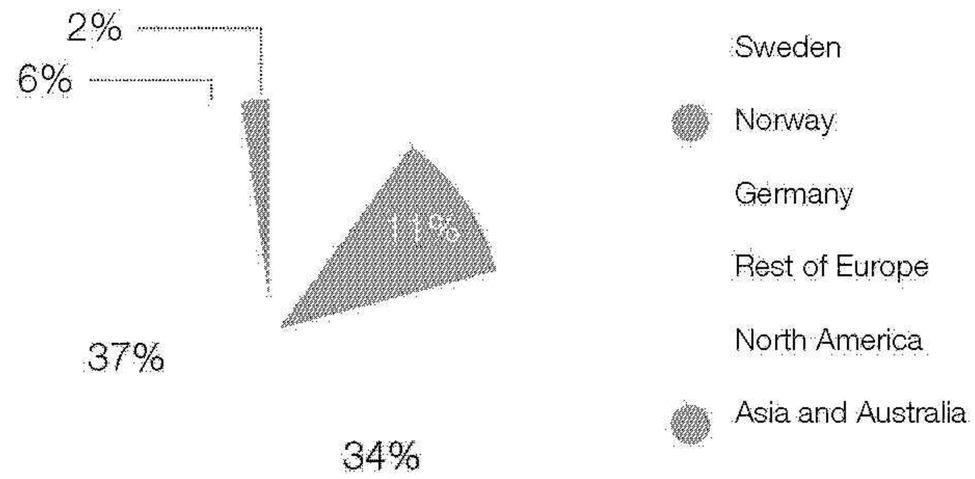
FINANCIAL RESULTS

SEK million	2021	Change	2022	Change	2023
Net sales	5,123	3.4%	5,295	13.9%	6,030
EBITA	1,080	-5.8%	1,017	22.7%	1,248
EBITA margin	21.1%	-1.9	19.2%	1.5	20.7%

NET SALES BY AREA OF OPERATION



NET SALES BY GEOGRAPHIC MARKET



Business area

DEMOLITION & TOOLS

The companies in the Demolition & Tools business area develop, manufacture and sell niche equipment for the infrastructure, demolition and construction industries. Brokk is the world's leading manufacturer of demolition robots and Kinshofer with its subsidiaries is a world leader in crane and excavator attachments. Lifco's companies Hultdins and Indexator have strong positions in the market for forest machines. In 2023, three acquisitions were made in Italy, Germany and the United Kingdom.

DEMOLITION ROBOTS

Demolition robots account for 24 (24) per cent of the business area's net sales. Lifco's remote-controlled demolition robots are sold under the Brokk brand. The machines are easy to manoeuvre and can be deployed without time-consuming preparations. They can also handle hot and stressful environments. The arms have a long reach, and a wide range of attachments increase the machines' flexibility and applications. Brokk's machines are sold to a large number of countries globally and are used in many areas of application. In addition to demolition, Brokk's machines are used for renovation of cement kilns, removal of linings as well as other purposes. As the machines can be remote-controlled, they are suitable for use in elevated-risk environments such as nuclear power plants and for handling contaminated materials.

The company's main markets are the global demolition and construction industries. Its sales follow the trend in the global market for construction machinery. The demolition robots are sold directly to the end customers or to selected distributors and agents. The components are produced by contract manufacturers and the products are assembled in Sweden.

The Demolition Robots division also includes Aquajet Systems, which manufactures hydrodemolition robots, Ahlbergs Cameras, which manufactures radiation-resistant cameras, and Darda. Darda makes tools that are often used on Brokk's demolition machines, such as concrete crushers, rock splitters and steel cutters.

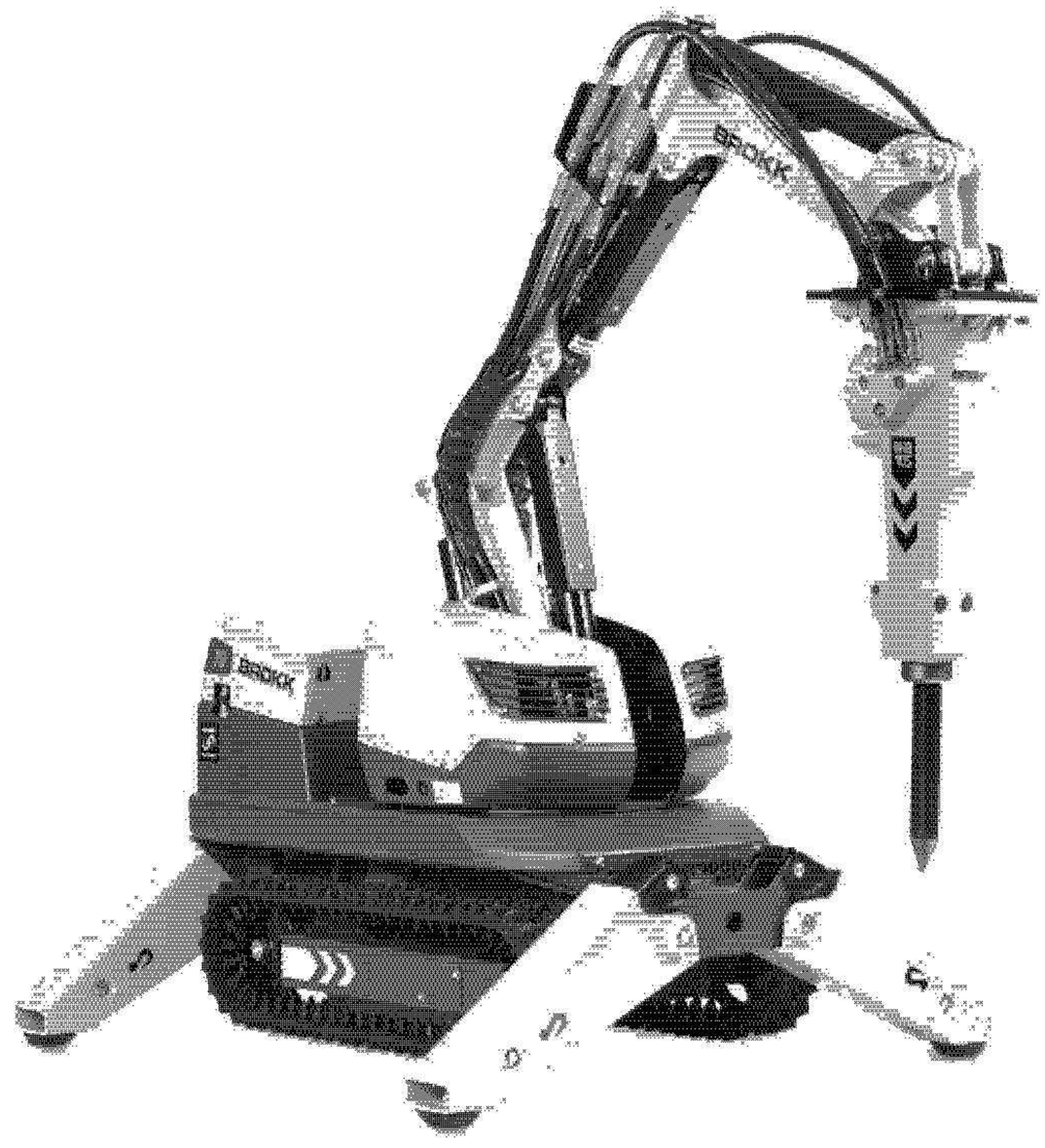
CRANE & EXCAVATOR ATTACHMENTS

Crane and excavator attachments account for 59 (67) per cent of the business area's net sales. Lifco's crane and excavator attachments are sold under the Auger Torque, Demarec, Doherty, Hammer, Hultdins, Indexator, Kinshofer, RF-System and Solesbee's brands. The attachments make it possible to use the same crane or excavator for different purposes. Typical applications include construction and earthworks, snow clearing, demolition, pipe and cable laying, forestry work, scrap handling and railway works.

Sales of crane and excavator attachments largely follow global machinery sales. As purchasing an attachment from Lifco is a smaller investment for the customer than buying a new machine, the market is less cyclical than the market for construction machinery. Crane attachments are sold directly to the crane manufacturers while excavator attachments are sold mainly through resellers. The products are sold under Lifco's brand or under the crane and excavator manufacturers' own brands.

OTHER NICHE MARKETS

Lifco expanded operations in 2021 and 2022 with the acquisitions of the Italian companies MultiOne and Cormidi, which manufacture mini dumpers and mini loaders. In 2023, the British Broughton Plant Hire and Sales, which rents construction equipment to the construction industry, was acquired. Other niche machines account for 17 (9) per cent of the business area's net sales.



ACQUISITIONS IN 2023

In 2023, three acquisitions were consolidated in Demolition & Tools which at the acquisition dates had combined net sales of approximately SEK 640 million and around 160 employees. The consolidated operations are Broughton Plant Hire and Sales of the UK, Geax of Italy and HGT of Germany. Broughton Plant Hire and Sales is a niche provider of plant hire solutions for the construction industry and Geax is a niche manufacturer of compact piling rigs. HGT is a niche manufacturer of attachments for material handling machines.

EARNINGS IN 2023

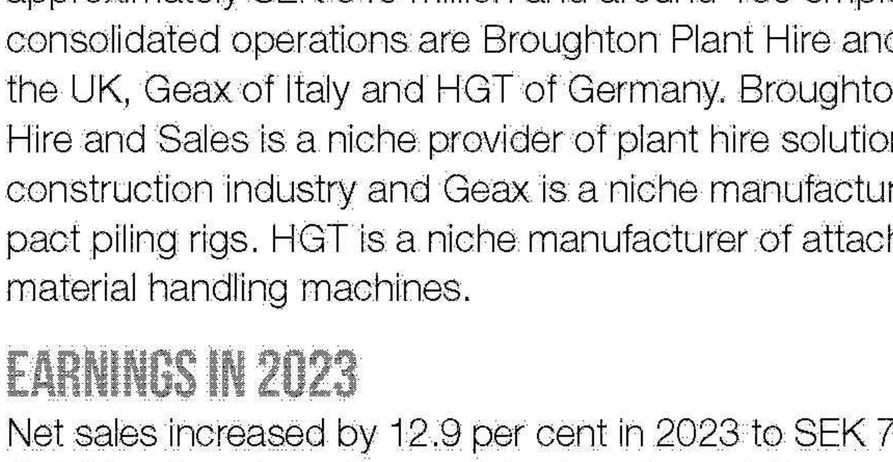
Net sales increased by 12.9 per cent in 2023 to SEK 7,097 (6,285) million through a combination of acquisitions and positive exchange rate effects. Organic growth was negative in the last three quarters of the year as a result of a weaker market situation and resulting lower volumes.

During the year, EBITA increased by 15.7 per cent to SEK 1,859 (1,607) million, positively impacted by acquisitions and exchange rate effects. The EBITA margin increased by 0.6 percentage points during the year to 26.2 (25.6) per cent, boosted by the product mix and acquisitions.

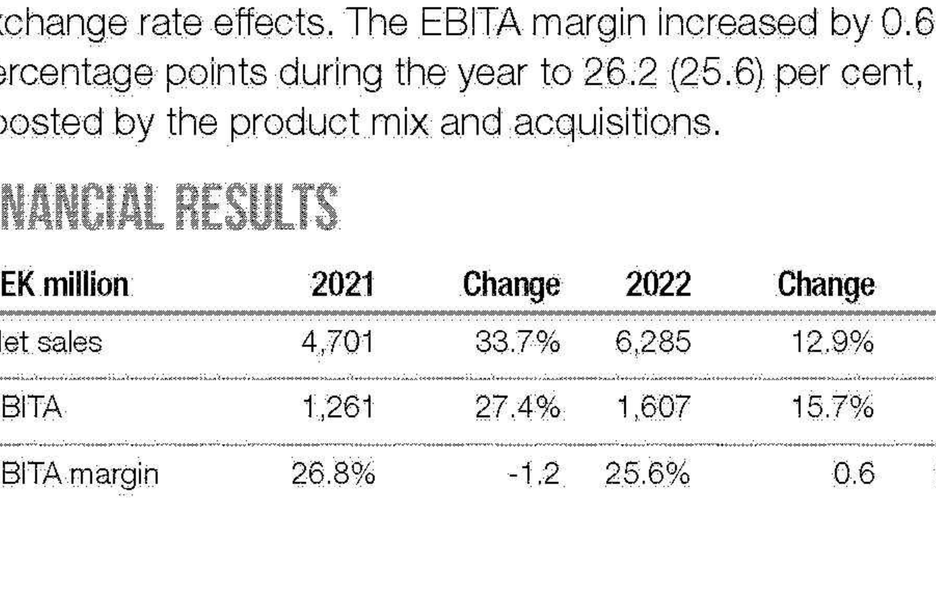
FINANCIAL RESULTS

SEK million	2021	Change	2022	Change	2023
Net sales	4,701	33.7%	6,285	12.9%	7,097
EBITA	1,261	27.4%	1,607	15.7%	1,859
EBITA margin	26.8%	-1.2	25.6%	0.6	26.2%

NET SALES BY AREA OF OPERATION



NET SALES BY GEOGRAPHIC MARKET



Business area

SYSTEMS SOLUTIONS

The Systems Solutions business area comprises B2B companies which are specialized in their respective niches and excel themselves for high product quality. They are often leaders in their market niches. Systems Solutions is divided into five divisions: Contract Manufacturing, Environmental Technology, Infrastructure Products, Special Products and Transportation Products. In 2023, nine acquisitions were made in Denmark, Italy, the Netherlands, Norway, the United Kingdom and Germany.

CONTRACT MANUFACTURING

The Swedish companies Leab, Texor and Zetterströms Rostfria provide contract manufacturing services for various industries, including the engineering and medical technology industries. The companies focus on products with high standards of quality and delivery serviceand where the manufacture of the product is a key part of the value chain. The customers include world-leading manufacturers of equipment for the pharmaceutical industry and makers of railway equipment. The division also includes Auto-Maskin of Norway, Condale Plastics of the UK and Tastitalia of Italy. Auto-Maskin manufactures diesel control units for environmentally friendly marine applications and emergency power systems for challenging environments in the telecom, airport, hospital and defence sectors. Condale Plastics manufactures bespoke plastic extrusions and Tastitalia is a niche manufacturer of customised touch panels, displays and keypads.

Contract Manufacturing saw robust sales growth and increased profitability in 2023 mainly as a result of organic growth.

ENVIRONMENTAL TECHNOLOGY

The Swedish companies Eldan Recycling and Rapid Granulator as well as TMC/Nessco of Norway manufacture and sell machinery which helps to improve the environment, such as recycling machinery for tyres, cables, refrigerators, aluminium products and plastics as well as energy-efficient compressors. The division also includes the Swedish company Silvent, which manufactures air nozzles and air guns for industrial applications, and the German company ErgoPack, which manufactures ergonomic and mobile pallet strapping tools. Two companies target the marine sector: Rustibus Worldwide of Norway, which supplies surface preparation and safety equipment for marine vessels, and Green Instruments of Denmark, which develops and manufactures systems for measuring and monitoring emissions from marine vessels. Environmental Technology also includes the British companies Cleveland Cascades, which designs and manufactures bespoke dry bulk loading chutes, and Spinaclean, which develops and sells vacuum cleaners and pressure washers for high-level cleaning. The division also includes Easy Life International of the Netherlands, which produces water purification consumables and plant nutrition for aquariums.

In 2023, the Danish company Green Instruments was consolidated.

Environmental Technology saw good sales growth in 2023 with improved profitability.

INFRASTRUCTURE PRODUCTS

The division includes BCC Solutions of Finland, Fiberworks of Norway and Pro Optix of Sweden, which provide fibre-optic transceivers and fibre cabling, among other products. There are a further seven companies in Norway: Aura Electric and Cenec Tavlebygg, which manufacture low-voltage electrical equipment, Cenika, a supplier of low-voltage electrical equipment, Elit, a wholesale provider of machinery and equipment for electrical installations, Hydal, which manufactures aluminium cabinets, Nordesign, which supplies LED lighting, and Blinken, which sells measurement instruments for land surveyors and the construction industry among other products. In Sweden, the division includes the Proline group, which renovates pipes through relining, and Elvärmeprodukter i Skellefteå, which sells heating products for floor, roof, ground and frost protection. In Germany, the division includes Bode Component, which manufactures safety products for lifts, and Heinz Schuller, a niche distributor of cable support systems and lightning protection products.

In 2023, Aura Electric of Norway was consolidated.

Infrastructure Products saw good sales growth as a result of acquisitions, but profitability decreased in 2023.

SPECIAL PRODUCTS

The division includes the two Italian companies DVG De Vecchi, which manufactures and distributes components and accessories for coffee machines, and Astro, a maker of recyclable polyethylene tanks. In the United Kingdom, the division includes T. Freemantle, a niche manufacturer of cartoning and sleeving machinery, UK POS, which supplies exhibition and display materials, and The Real Spirit of Coffee, which sells high-end coffee machines and consumables under the Rijo42 brand. The division also includes Amayse of Denmark, which supplies 3D advertising for televised sports events and stadium branding solutions, EFKA of the Netherlands, which manufactures customised aluminium frames for textiles, and Kefla of Germany, which develops and distributes specialised premium glass bottles. In Sweden, the division includes Haglöf Sweden, which supplies instruments for professional forestry surveyors,



Wexman, which makes professional workwear, and Heinola, which supplies sawmill and pellet plant equipment.

In 2023, Amayse of Denmark, Astro of Italy, Kefla of Germany and The Real Spirit of Coffee of the UK were consolidated.

Special Products' sales increased in 2023, mainly through acquisitions. Profitability improved during the year.

TRANSPORTATION PRODUCTS

The division includes Brian James Trailers of the UK, a niche manufacturer of open and enclosed car transport trailers, Cramaro of Italy, which manufactures tarpaulin systems for trucks and agricultural vehicles, and Sailmakers Group of the Netherlands, which manufactures tarpaulins, mainly for the transport sector. The Swedish company Modul-System makes interior modules for vans and light commercial vehicles, including tool storage and other modules. In the UK, the division includes Didsbury Engineering, which supplies equipment for ground service and maintenance of aircraft, and Alwayse Engineering, which supplies ball transfer units. Also part of the division are Next Hydraulics of Italy, which manufactures telescopic cranes used mainly on light commercial vehicles, and Truck-line of Germany, which manufactures extra lightbars for trucks under the LightFix brand.

In 2023, the two UK companies Alwayse Engineering and Didsbury Engineering and the Dutch company Sailmakers Group were consolidated.

Transportation Products saw good sales growth in 2023 as a result of organic growth and acquisitions. Profitability improved during the year.

ACQUISITIONS IN 2023

At the acquisition dates, the nine consolidated acquisitions had combined net sales of approximately SEK 1.36 billion and a total of around 380 employees.

EARNINGS IN 2023

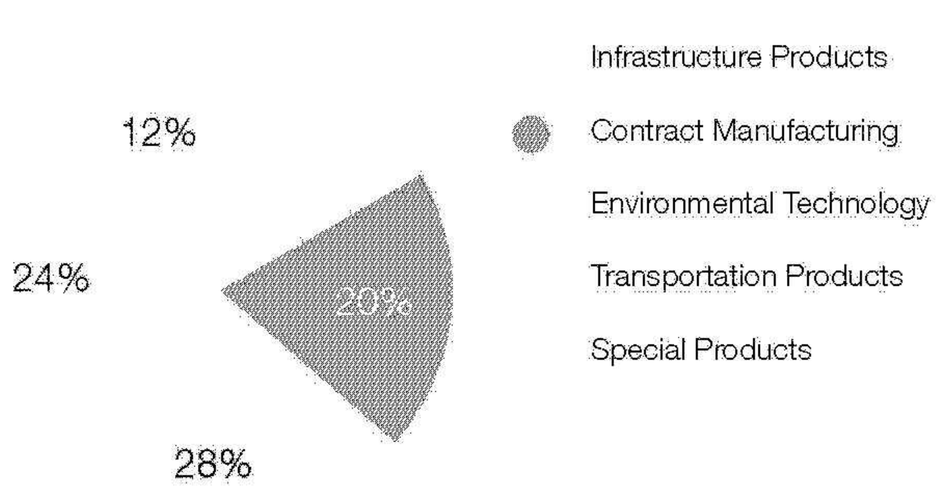
Net sales in Systems Solutions increased by 13.6 per cent to SEK 11,328 (9,972) million during the year, primarily due to acquisitions and positive exchange rate effects.

In 2023, EBITA increased by 23.8 per cent to SEK 2,704 (2,184) million and the EBITA margin improved by 2.0 percentage points to 23.9 (21.9) per cent. Acquisitions, organic profit growth and exchange rate effects contributed to the increase in EBITA.

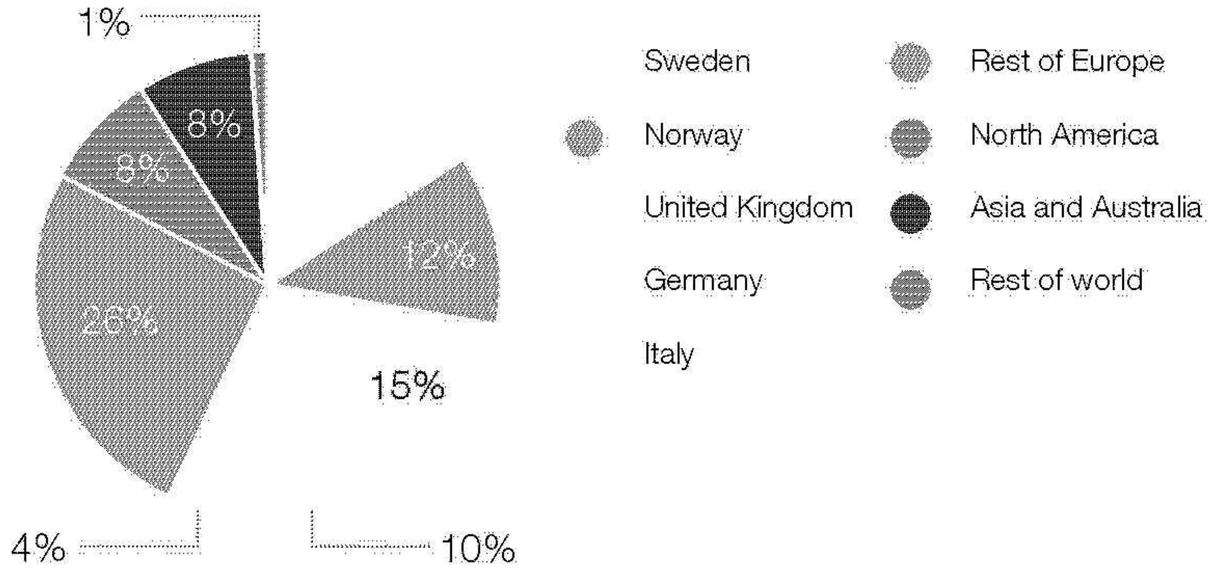
FINANCIAL RESULTS

SEK million	2021	Change	2022	Change	2023
Net sales	7,656	30.3%	9,972	13.6%	11,328
EBITA	1,494	46.2%	2,184	23.8%	2,704
EBITA margin	19.5%	2.4	21.9%	2.0	23.9%

NET SALES BY DIVISION



NET SALES BY GEOGRAPHIC MARKET



SHARE INFORMATION

Lifco's Class B shares have been listed on the main list of Nasdaq Stockholm since 21 November 2014. The stock is included in the Nasdaq OMX Nordic Large Cap index. In 2023, the number of known shareholders increased to 23,316 (21,518). The proportion of foreign-owned shares at year-end was 20.8 (19.4) per cent. The company trades under the stock symbol LIFCO B.

SHARE PERFORMANCE AND LIQUIDITY

Lifco's share price at year-end was SEK 247.2, which translates to a market capitalisation of SEK 112.3 billion. Lifco's Class B shares gained 41.9 per cent in 2023. Nasdaq Stockholm, as measured by the OMXS PI index, increased by 15.5 per cent in 2023.

The highest price paid in 2023 was SEK 254.2 on 19 December and the lowest price paid was SEK 175.1 on 2 January.

Lifco's IPO price was SEK 18.6. From the initial public offering to the end of 2023, Lifco's share price has increased by 1,229.0 per cent. Nasdaq Stockholm, as measured by the OMXS PI index, gained 94.0 per cent over the same period.

In 2023, 254,721,132 (310,769,038) shares were traded. The daily average was 1,014,825 (1,213,942) shares. 32.6 (37.5) per cent of the shares were traded on Nasdaq Stockholm.

SHARE CAPITAL

At the end of 2023, Lifco had a share capital of SEK 18,168,652 represented by 454,216,300 shares, of which 30,379,850 were Class A shares and 423,836,450 Class B shares. All shares have equal rights to dividends. Each A share carries ten votes and each B share one vote. The number of shares has changed once since the IPO in 2014. In March 2021, a share split was implemented, whereby each existing share was divided into five new shares of the same share class (5:1 split). The share capital has remained unchanged since the IPO.

DIVIDEND POLICY

Lifco's Board of Directors has adopted a dividend policy under which dividends are paid based on the company's earnings performance, taking account of future development opportunities and the company's financial position. The long-term objective is to ensure stable dividend growth while maintaining a payout ratio of 30–50 per cent of earnings after tax.

SHAREHOLDER INFORMATION

Financial information about Lifco is available on the company's website. Questions can also be sent directly to Lifco. Annual reports, interim reports and other information can be ordered from Lifco's head office, on the website, by e-mail or by telephone.

Website: www.lifco.se E-mail: ir@lifco.se
Telephone: +46 72 717 59 05

SHAREHOLDER VALUE

The management of the Lifco Group works continuously to develop and improve the financial information provided to give current and future owners a good basis on which to obtain a true and fair view of the company. This includes participating in meetings with analysts, investors and the media.

ANALYSTS FOLLOWING LIFCO

Karl Bokvist, ABG Sundal Collier
Robert Redin, Carnegie
Zino Engdalen Ricciuti, Handelsbanken
Mathias Lundberg, Kepler Cheuvreux
Carl Ragnerstam, Nordea
Christian Binder and Niklas Sävås, Redeye
Dan Johansson, SEB

STOCK MARKET HISTORY

In 1998, Lifco was distributed to the shareholders of Getinge Industrier and listed on the Stockholm Stock Exchange. In 2000, Carl Bennet AB acquired Lifco through a public offer and Lifco was delisted. In the following year, the operations of the company were refocused on its core business areas. Lifco gained its current form in 2006 after acquiring its sister company Sorb Industri, which had been taken private by Carl Bennet AB in 1999. Lifco listed again on the main list of Nasdaq Stockholm in 2014.

DISTRIBUTION OF SHARE CAPITAL

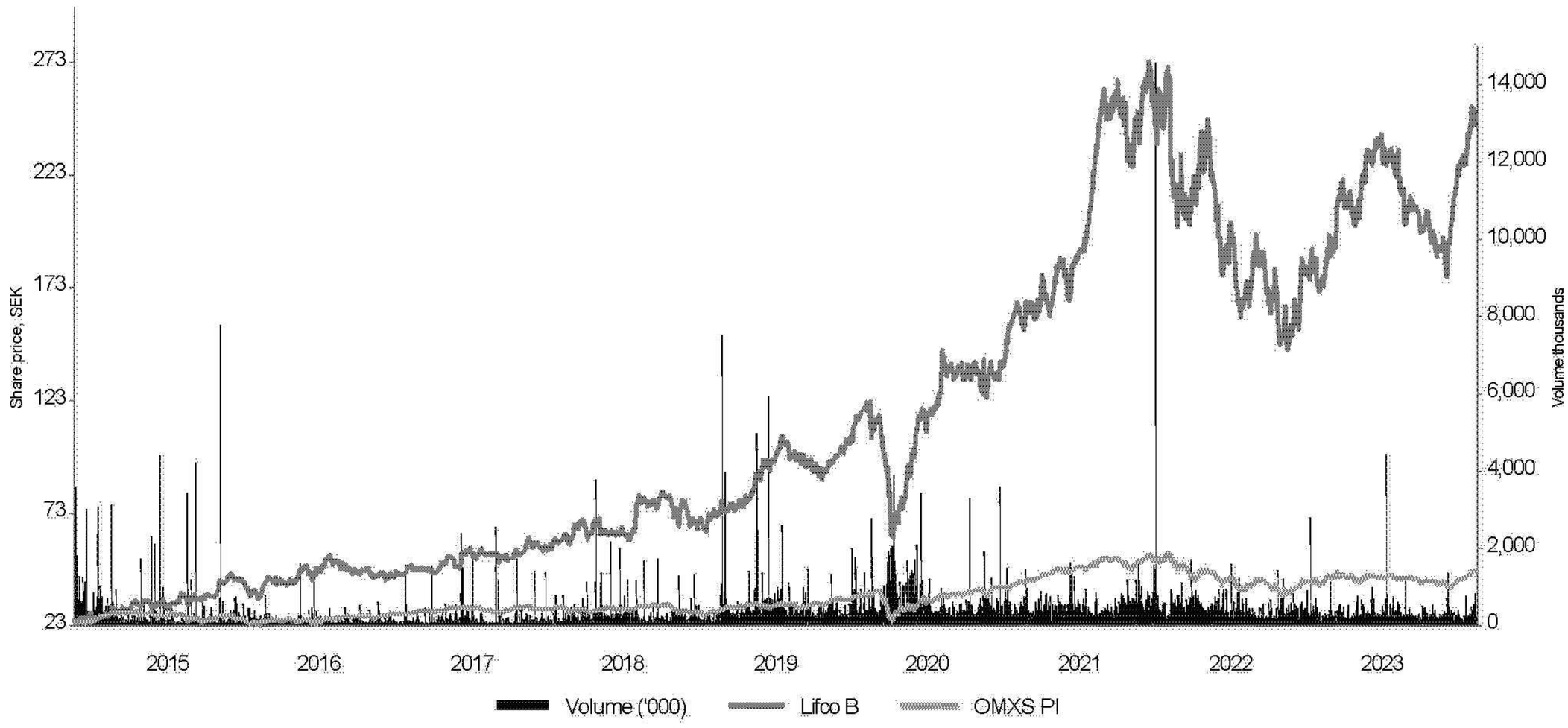
	Class A	Class B	Total
Shares, number	30,379,850	423,836,450	454,216,300
Votes, number	303,798,500	423,836,450	727,634,950
Capital, %	7	93	100
Votes, %	42	58	100

OWNERSHIP DISTRIBUTION BY COUNTRY 31 DECEMBER 2023

	No. of shares	Capital, %	Votes, %	No. of owners	Share of known owners, %
Sweden	359,890,129	79.23	87.04	22,497	96.49
USA	41,248,900	9.08	5.67	86	0.37
Norway	8,938,095	1.97	1.23	126	0.54
Germany	3,980,319	0.88	0.55	23	0.10
United Kingdom	3,188,432	0.70	0.44	37	0.16
Denmark	2,885,679	0.64	0.40	251	1.08
Finland	2,241,820	0.49	0.31	86	0.37
Canada	2,114,693	0.47	0.29	12	0.05
Singapore	2,009,480	0.44	0.28	6	0.03
Japan	1,581,234	0.35	0.22	9	0.04
Other markets	4,076,946	0.90	0.56	183	0.78
Unknown country	22,060,573	4.86	3.03	0	0.00
Total	**454,216,300**	**100.00**	**100.00**	**23,316**	**100.00**

Source for all shareholder data: Monitor by Modular Finance AB. Compiled and processed data from Euroclear, Morningstar, the Swedish Financial Supervisory Authority and other sources.

SHARE PERFORMANCE OF LIFCO B FROM IPO TO 31 DECEMBER 2023



LIFCO'S 20 LARGEST SHAREHOLDERS, 31 DECEMBER 2023

	A shares	B shares	Capital, %	Votes, %
Carl Bennet AB	30,379,850	197,502,023	50.17	68.89
Fourth Swedish National Pension Fund (AP4)		25,921,906	5.71	3.56
SEB Fonder & Liv		11,699,541	2.58	1.61
Spiltan Fonder		10,896,270	2.40	1.50
Capital Group		9,001,890	1.98	1.24
Vanguard		8,730,983	1.92	1.20
Carnegie Fonder		8,000,000	1.76	1.10
SHB Fonder & Liv		7,718,867	1.70	1.06
BlackRock		7,628,505	1.68	1.05
Lannebo Fonder		6,531,479	1.44	0.90
Didner & Gerge Fonder		5,685,551	1.25	0.78
Swedbank Robur Fonder		4,910,288	1.08	0.67
Norges Bank		4,693,291	1.03	0.65
First Swedish National Pension Fund (AP1)		3,637,472	0.80	0.50
Avanza Pension		3,303,446	0.73	0.45
Lundberg sphere		3,140,000	0.69	0.43
Länsförsäkringar		2,969,433	0.65	0.41
Allianz SE		2,678,309	0.59	0.37
Alecta Tjänstepension		2,413,800	0.53	0.33
Second Swedish National Pension Fund (AP2)		2,154,672	0.47	0.30
Total 20 largest owners	**30,379,850**	**329,217,726**	**79.17**	**87.00**
Other markets		94,618,724	20.83	13.00
Total	**30,379,850**	**423,836,450**	**100.00**	**100.00**

OWNERSHIP DISTRIBUTION BY SHAREHOLDING 31 DECEMBER 2023

Size of shareholding	No. of shares	No. of known owners
1 - 500	2,388,088	19,117
501 - 1,000	1,400,304	1,865
1,001 - 10,000	5,247,651	1,936
10,001 - 20,000	1,991,204	139
20,001 - 50,000	2,965,490	87
50,001 - 100,000	3,065,853	45
100,001 - 500,000	17,403,217	71
500,001 - 1,000,000	12,805,743	18
1,000,001 - 2,000,000	23,130,381	16
2,000,001 - 5,000,000	32,513,291	11
5,000,001 -	329,244,505	11
Unknown holding size	22,060,573	0
Total	**454,216,300**	**23,316**

DATA PER SHARE

	2021	2022	2023
Earnings per share after tax	5.26	6.13	7.21
Share price on last trading day in December	270.7	174.15	247.2
Operating cash flow	6.5	6.8	9.8
Dividend (proposed for 2023)	1.50	1.80	2.10
Dividend growth, %	25.0	20.0	16.7
Yield, %	0.6	1.0	0.8
P/E ratio	51.5	28.4	34.3
Payout ratio, %	28.5	29.4	29.1
Equity	23.44	29.14	33.49
Number of shares, 31 December, million	454.2	454.2	454.2

ACQUISITIONS IN 2023

In 2023, Lifco consolidated 18 new businesses with total net sales at the acquisition dates of approximately SEK 2.26 billion and with around 650 employees.

The acquisitions have brought complementary or new products to Lifco and expanded the Group's market presence. The acquisitions had a net positive impact on Lifco's results and financial position during the year.

ACQUISITIONS IN DENTAL

In Dental, six acquisitions were consolidated:

Datamed, Germany

Doxa Dental, Sweden

Emilplastica, Italy

Kohler Medizintechnik, Germany

Ortho-Care, UK

Welte Dentallabor, Germany

ACQUISITIONS IN DEMOLITION & TOOLS

In Demolition & Tools, three acquisitions were consolidated:

Broughton Plant Hire and Sales, UK

Geax, Italy

HGT, Germany

ACQUISITIONS IN SYSTEMS SOLUTIONS

In Systems Solutions, nine acquisitions were consolidated:

Alwayse Engineering, UK

Amayse, Denmark

Astro, Italy

Aura Electric, Norway

Didsbury Engineering, UK

Green Instruments, Denmark

Kefla, Germany

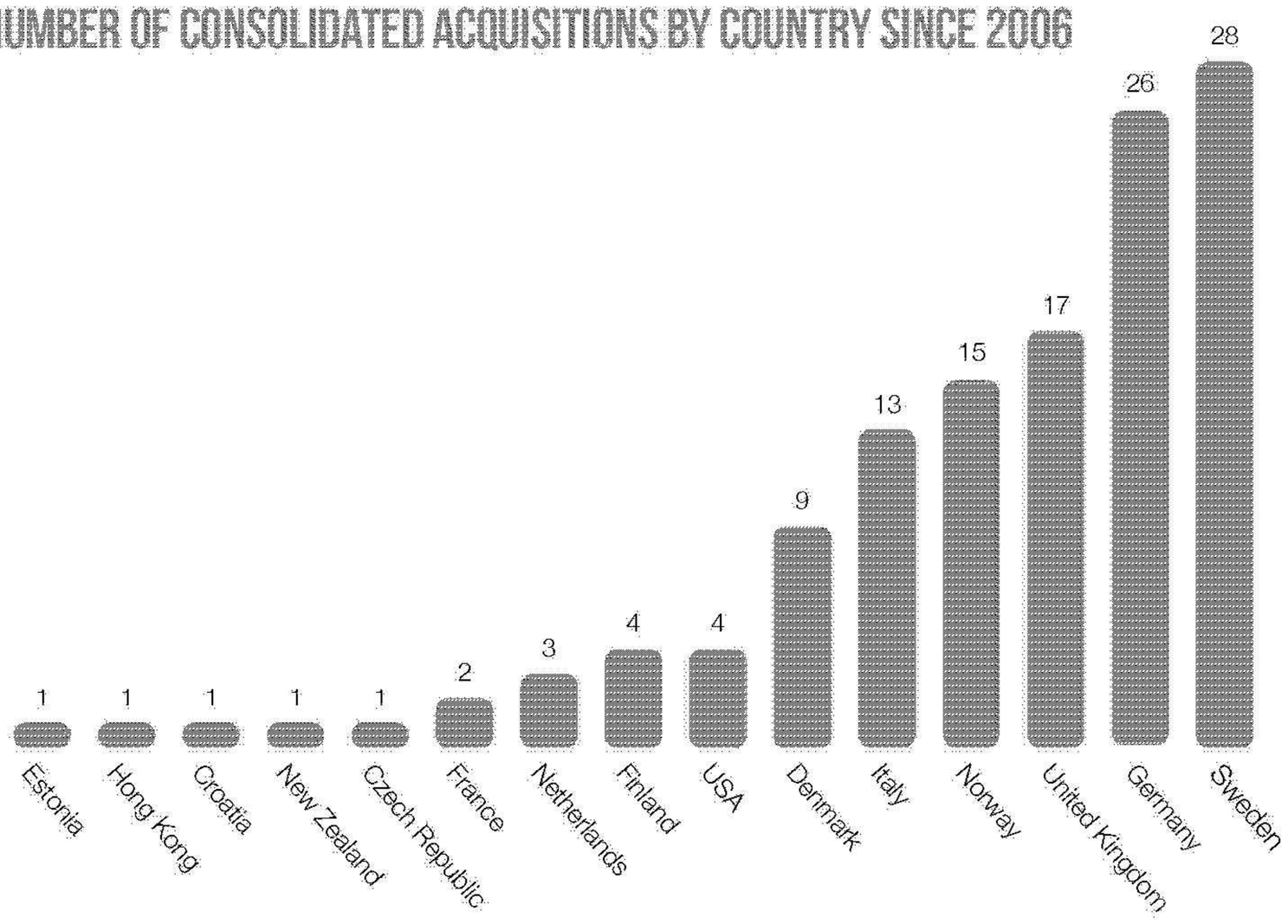
The Real Spirit of Coffee, UK

Sailmakers Group, Netherlands

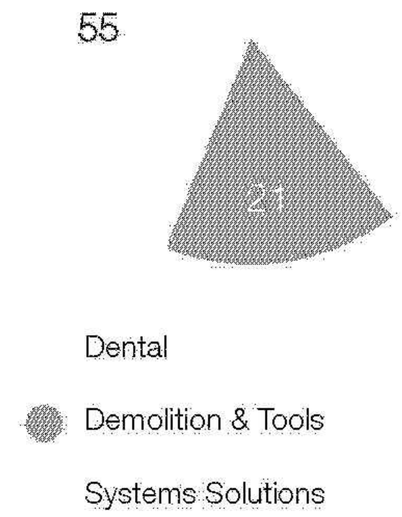
PREVIOUS ACQUISITIONS

Over the period 2006–2023, Lifco consolidated 126 acquisitions. A list of all consolidated acquisitions is provided on pages 137–140.

NUMBER OF CONSOLIDATED ACQUISITIONS BY COUNTRY SINCE 2006



NUMBER OF CONSOLIDATED ACQUISITIONS SINCE 2006



ACQUISITIONS CONSOLIDATED IN 2023

Company	Operations	Business area	Net sales in 2022	No. of employees at acquisition	Consolidated from month	Country	Acquired interest
Alwayse Engineering	Supplier of ball transfer units	Systems Solutions	GBP 5.6m	41	March	United Kingdom	100%
Amayse	Supplier of 3D advertising for televised sports events and stadium branding solutions	Systems Solutions	DKK 51m	21	July	Denmark	Majority
Astro	Manufactures recyclable polyethylene tanks	Systems Solutions	EUR 9.1m	47	September	Italy	Majority
Aura Electric	Manufactures low-voltage electrical equipment	Systems Solutions	NOK 38m	10	April	Norway	Majority
Broughton Plant Hire and Sales	Provider of plant hire solutions for the construction industry	Demolition & Tools	GBP 22m	100	March	United Kingdom	Majority
Datamed	Develops, sells and supports a software program for German dental clinics	Dental	EUR 2m	10	April	Germany	100%
Didsbury Engineering	Supplier of equipment for ground service and maintenance of aircraft	Systems Solutions	GBP 6.5m	33	March	United Kingdom	100%
Doxa Dental	Develops, manufactures and commercialises bioceramic dental products	Dental	SEK 12m[1]	-	January	Sweden	100%
Emilplastica	Subcontractor in moulding of plastic products for the dental and electronics industries	Dental	EUR 1.7m[2]	9	August	Italy	Majority
Geax	Manufactures compact piling rigs	Demolition & Tools	EUR 15m	26	April	Italy	Majority
Green Instruments	Develops and manufactures systems for measuring and monitoring emissions from marine vessels	Systems Solutions	DKK 194m	75	November	Denmark	100%
HGT	Manufactures of attachments for material handling machines	Demolition & Tools	EUR 19m	35	October	Germany	Majority
Kefla	Develops and distributes specialised premium glass bottles	Systems Solutions	EUR 33m[3]	38	October	Germany	Majority
Kohler Medizintechnik	Manufactures dental instruments	Dental	EUR 7m	36	March	Germany	100%
Ortho-Care	Supplier of orthodontic products to dentists in the UK	Dental	GBP 10m	40	October	United Kingdom	Majority
The Real Spirit of Coffee	Sells high-end coffee machines and consumables	Systems Solutions	GBP 24m	66	May	United Kingdom	Majority
Sailmakers Group	Manufactures tarpaulins, mainly for the transport sector	Systems Solutions	EUR 7.2m	53	October	Netherlands	Majority
Welte Dentallabor	Dental laboratory	Dental	EUR 1.3m[1]	12	January	Germany	Asset acquisition

[1] Refers to estimated annual net sales in 2021.

[2] Approximately EUR 0.6 million was generated by the Lifco company Rhein83.

[3] Refers to the financial year 2022/23.

RISKS AND RISK MANAGEMENT

There are a number of factors which affect, or could affect, Lifco's operations, results and/or financial position. Lifco has 233 operating companies in 31 countries and a large number of suppliers and customers in different industries and geographic territories. This wide distribution of subsidiaries, customers and suppliers limits business risks as well as the sustainability risks at Group level. Lifco's sustainability risks and the business model's resilience to sustainability risks are described on pages 58–64. Lifco's risk process is described on pages 24–25, 32–34, 46, 50–52 and 58. Financial risks and their management are described in Note 3.1.

Industry and market risks	Management
Lifco's subsidiaries are dependent on macroeconomic factors such as consumption, commodity prices, inflation, trade barriers and the geopolitical situation. A major deterioration of the macroeconomic situation could result in significant impairment of the value of Lifco's shares in the subsidiaries.	The dental industry has historically proved less sensitive to a decline in economic activity than companies in the industrial sector, for example. However, it cannot be excluded that a serious economic downturn could affect private individuals' willingness and ability to spend money on dental treatment. A significant part of Lifco's sales in Demolition & Tools and Systems Solutions is aimed at customers in the industrial sector, who are more sensitive to changes in the economic cycle. This cyclicality varies among the subsidiaries depending on the segment or market in which they operate. Lifco manages the risk of negative macroeconomic factors through its clear focus on earnings and efficient utilisation of capital, which should lead to rapid adjustments in all parts of the value chain. Lifco's broad portfolio of subsidiaries in itself provides a degree of protection against more geographically limited or sector-specific economic downturns. The current global macroeconomic situation is pushing inflation and interest rates higher. Lifco believes that the Groups business model, which is based on high added-value products and services, specialisation and niche positions, creates good opportunities for the subsidiaries to compensate for higher prices. A further description of financial risks and their management is provided in Note 3.1.
A few subsidiaries depend on one or a few customers to maintain their sales.	Lifco's broad portfolio of subsidiaries reduces the Group's dependence on individual customers. Under Lifco's acquisition strategy, a takeover candidate must have an attractive position in the value chain without being dependent on specific suppliers or customers. This reduces the Group's exposure to individual customers over time. In 2023, the Group's largest customer accounted for approximately 2 per cent of total sales.
Individual subsidiaries could fail to implement new technology or adapt their product ranges or business models in time to take advantage of the benefits of new or existing technology or new business models among their customers.	Lifco does not see any technology risk that could have a significant impact on the Group as a whole. There is, however, a risk that individual Lifco companies will lack the ability to finance investments in technology or keep up with technological development and changing business models. It is therefore important that the subsidiaries have a broad network in their respective industries to ensure that they keep up with developments and have a culture that is inspired by Lifco's core values. Lifco's core values respect for others, openness and pragmatism are described on page 52.
The competitive situation may change as a result of the subsidiaries' customers or competitors merging and forming larger units.	Lifco believes the risk of a changed competitive situation affecting the Group as a whole is insignificant. For individual Lifco companies, however, there is the risk that customers will merge, which could lead to price pressure and to competitors strengthening their market positions at the company's expense. This risk can be reduced by maintaining close relationships with customers. Close customer relationships are important to Lifco in all operations and many of the subsidiaries also offer service and various after-market services, which further strengthens the bond with the customers. Strong customer relationships are also important in price negotiations.
Between 30 and 60 per cent of Dental's revenue comes from reimbursement systems applied by private insurance companies, authorities and other payers of healthcare products and services. These systems could change, resulting in reduced levels of reimbursement.	Dental accounts for 25 per cent of consolidated net sales and Germany, which is Dental's largest market, accounts for 34 per cent of Dental's net sales. This means that the German dental market accounts for approximately 8 per cent of consolidated net sales. The Group's exposure to any individual market in the Dental area is thus limited. The reimbursement systems also help to make the market less sensitive to changes in the economic cycle.

Operational risks	Management
In connection with acquisitions, Lifco may incur costs which are not reimbursed by the seller.	To manage this risk, Lifco makes a thorough analysis of the target business when making acquisitions. This analysis includes a sustainability assessment, discussions with suppliers, customers, other market players and industry experts. The analysis also includes a detailed review of the company's accounts and contracts. Lifco always minimises risk when making acquisitions. The sustainability assessment is described on pages 12–13.
When a subsidiary is sold, Lifco may risk incurring costs and losses that are attributable to the sold company.	The impact of the risk is considered to be low as Lifco sells subsidiaries only in exceptional cases. Since the IPO in 2014, Lifco has sold subsidiaries on two occasions. In 2016, Lifco sold the Swedish companies AriVislanda and Renholmen, which sold equipment to sawmills and had combined sales of SEK 153 million, accounting for 1.9 per cent of consolidated net sales. In 2022, the Estonian company Hekotek, which sells equipment to sawmills, mainly in Russia, was divested. Hekotek generated sales of approximately EUR 40 million in 2021, representing 2.4 per cent consolidated net sales.

Operational risks	Management
Some warranties in customer agreements are of an on-demand nature, which means that a subsidiary may be required to pay a certain amount to the counterparty in case of actual or perceived defects in the delivered product.	Such warranties can have significant adverse consequences for the individual subsidiary's financial position and results. The impact on the Group's financial position and results is considered to be very limited, however. Lifco's culture of high product quality, good customer service and high delivery reliability reduces the risk of the warranties being invoked.
For subsidiaries, customer and supplier relationships are not formalised in agreements.	In these cases, the parties rely to a large extent on established practice between the parties, which is based on a business relationship that goes back a long way. The content of such agreements can be hard to specify in case of a difference of opinion between the parties, which could lead to a deterioration in relations and costly disputes. Lifco manages the risk partly by relying on local legislation that regulates business relationships and partly by striving to ensure that all significant business relationships are formalised through written contracts that contain standard terms.
Lifco's decentralised organisational model could prove less well suited to meet future market challenges.	To manage this risk, Lifco's Group management and Board of Directors review the Group's strategy each year, analysing Lifco's strengths and weaknesses. The analysis also includes an assessment of whether the organisation is adapted to meet future challenges and ventures.
Disruptions of operations at the subsidiaries' production units can have a negative effect on the business.	Lifco strives to maintain good control over deliveries, technology, working environments and administrative procedures in order to reduce the risk of operational disruptions. However, events beyond the subsidiaries' control, such as political measures, may occur and affect production and deliveries. Lifco believes the large spread of subsidiaries across different industries and countries reduces the risk of a more significant financial impact on the Group.
Lifco is dependent on key personnel, both in the Group management team and in the subsidiaries.	Lifco manages the risk by taking a strategic approach to succession planning and ensuring that there are suitable internal replacements. In order to attract and retain key personnel, Lifco offers variable remuneration linked to performance criteria. When Lifco acquires a subsidiary, the seller, who in many cases is also the founder, often chooses to remain active in the company. At the same time, Lifco also needs to ensure that the operations of the acquired company are not dependent on individuals. The Group's policies, such as its policies on working conditions, corporate culture and a long-term approach, help to ensure that the subsidiaries are firmly rooted in the local communities where they operate, and these are important factors for attracting and retaining employees.
Regulatory risks for product approvals	In Dental in particular, the companies manufacture and sell class I and class II products. The Lifco companies proactively monitor new rules and regulations in the medical technology area, for example. Lifco believes the risk of a licence being revoked or of new regulations that an individual company has not adapted to have a limited impact on the Group as a whole.

CORPORATE GOVERNANCE REPORT

Lifco is a Swedish public company that was listed on Nasdaq Stockholm on 21 November 2014. Lifco acquires and develops market-leading, sustainable niche businesses with the potential to deliver sustainable earnings growth and robust cash flows. The Group is guided by a clear philosophy based on long-term growth, profitability and sustainability as well as a strongly decentralised organisation. Lifco comprises 233 operating companies in 31 countries. One of the company's greatest competitive advantages is that it is able to offer secure ownership for small and medium-sized businesses.

Lifco's corporate governance is designed to ensure a continued strong performance for the company and to ensure that the Group fulfils its obligations to its shareholders, customers, employees, suppliers, creditors and society. Lifco's corporate governance and all internal regulations are aimed at furthering the Group's commercial objectives, strategies and sustainability. The Group's risks have been thoroughly analysed and risk management is integrated into the work of the Board as well as the Group's operating activities. The clear connection between corporate governance and the Group's commercial goals ensures fast and flexible decision-making, which is often a crucial success factor. Lifco's organisation is structured to be able to respond rapidly to changes in the market. A strongly decentralised organisation and high degree of autonomy in the subsidiaries enable fast operational decision-making. General decisions on acquisitions, sales, strategies and focus areas are made by Lifco's Board of Directors and Group management.

EXTERNAL AND INTERNAL REGULATIONS

Corporate governance at Lifco is based on Swedish laws, primarily the Swedish Companies Act, as well as the company's Articles of Association, Nasdaq Stockholm's rules for issuers, and other rules and recommendations issued by relevant organisations. Since its listing on Nasdaq Stockholm, Lifco has applied the Swedish Corporate Governance Code ("the Code"). The Code is based on the principle of 'comply or explain'. This means that companies which apply the Code can deviate from individual rules but are required to explain the reasons for each such deviation.

Lifco deviates from the Code in one respect, which is that the Chairman of the Board is also Chairman of the Nomination Committee. This deviation is explained below under "The Nomination Committee".

Internal regulations which affect Lifco's corporate governance include the Articles of Association, the rules of procedure for the Board of Directors, the terms of reference for the CEO, the Group's Code of Conduct and other policies.

Read more:
About the Code: www.bolagsstyrning.se
Lifco's Code of Conduct, Articles of Association and sustainability policies: lifco.se

SHAREHOLDERS

At 31 December 2023, Lifco had 23,316 (21,518) shareholders, according to Modular Finance.
At 31 December 2023, Lifco's share capital consisted of 454,216,300 shares, comprising 30,379,850 Class A shares with ten votes each and 423,836,450 Class B shares with one vote each. At the end of 2023, Lifco had a stock market capitalisation of SEK 112.3 billion. The company's largest shareholder is Carl Bennet AB, which holds 68.9 per cent of the total number of votes in the company. Further information on Lifco's shareholder structure, share performance, etc. is provided on pages 74–75.

2023 ANNUAL GENERAL MEETING

Lifco's Annual General Meeting in Stockholm on 28 April 2023 was attended by 787 shareholders representing 83.6 per cent of the number of shares and 89.7 per cent of the total number of votes. The Board of Directors, CEO, CFO and the company's auditors attended the AGM.

At the AGM, the Directors Carl Bennet, Ulrika Dellby, Dan Frohm, Erik Gabrielson, Ulf Grunander, Annika Espander, Caroline af Ugglas, Axel Wachtmeister and Per Waldemarson were re-elected to the Board. Carl Bennet was re-elected Chairman of the Board. It was noted that the employee organisations had appointed Anders Lindström and Tobias Nordin as members of the Board and Lina Juslin and Sofia Sandström as deputies.

The minutes of the AGM are available at www.lifco.se.

Main resolutions of the AGM: • Adoption of the presented Parent Company and consolidated income statements and balance sheets. • Approval of the Board's proposed dividend of SEK 1.80 per share. • The members of the Board and the Chief Executive Officer were released from liability in respect of the 2022 financial year. • It was resolved to authorise the payment of Directors fees in a total amount of SEK 6,296,940. For committee work, SEK 277,380 will be paid to the Chairman of the Audit Committee and SEK 138,690 to each member of the committee. The Chairman of the Remuneration Committee will receive SEK 149,040 and each of the other members SEK 92,115. More detailed information can be found below in the section Directors' fees and in Note 10. • The audit firm PricewaterhouseCoopers AB was re-appointed as the company's auditors. • The AGM resolved to approve the Nomination Committee's proposed principles of appointment and terms of reference for the Nomination Committee. • Approval of the Board of Directors' remuneration report. • Approval of the Board proposal to introduce a new provision in the Articles of Association allowing shareholders to exercise their voting rights by post prior to a shareholders' meeting.

2024 ANNUAL GENERAL MEETING

The 2024 Annual General Meeting will be held on Wednesday 24 April, at 11:00 a.m. at Bonnierhuset, Torsgatan 21, Stockholm. More information about registration, etc. will be provided in the notice.

THE SHAREHOLDERS' MEETING

The shareholders' meeting is the company's highest decision-making body. At a shareholders' meeting the shareholders exercise their voting rights in accordance with Swedish corporate law and Lifco's Articles of Association. The shareholders' meeting elects the company's Board of Directors and auditor. Other duties of the shareholders' meeting are to adopt income statements and balance sheets, decide on the appropriation of the company's profit or loss and on release from liability for the members of the Board and CEO. The shareholders' meeting also adopts resolutions on Directors' fees, auditor's fees and guidelines for remuneration of senior executives.

The Annual General Meeting must be held within six months of the end of the financial year. In addition to the Annual General Meeting, extraordinary general meetings may be convened. Under Lifco's Articles of Association, notice of a shareholders' meeting is given by advertisement in Post- och Inrikes Tidningar and through publication of the notice on the company's website. The fact that notice has been given shall be announced in Dagens Industri. Shareholders' meetings can be held either in Enköping or Stockholm.

THE NOMINATION COMMITTEE

The duty of the Nomination Committee is to submit, prior to the Annual General Meeting, proposals concerning the election of a chairman for the AGM, the election of the Chairman of the Board and of other members of the Board of Directors, the election of auditors, and Directors' and auditors' fees.

The composition of the Nomination Committee prior to the 2024 Annual General Meeting was published in the interim report for the third quarter and on the company's website on 20 October 2023. The Nomination Committee for the 2024 Annual General Meeting consists of representatives of the registered shareholders holding the largest number of votes. The Chairman of the Board, Carl Bennet, was appointed Chairman of the Nomination Committee prior to the 2024 Annual General Meeting, which is a deviation from the rules of the Code. The reason for the deviation is that it seems natural that a representative of the largest shareholder in terms of votes should chair the Nomination Committee, as this shareholder also has a decisive influence on the composition of the Nomination Committee through its voting majority at shareholders' meetings.

Prior to the 2024 AGM, the Nomination Committee consists of the following representatives:

- Carl Bennet, Carl Bennet AB
- Jannis Kitsakis, AP4
- Javiera Ragnartz, SEB Fonder & Liv
- Jörgen Wärmlöv, Spiltan Fonder

All shareholders have had an opportunity to submit nominations to the Nomination Committee. No remuneration is paid to the members of the Nomination Committee and the members have determined that there are no conflicts of interest

affecting their duties. The Nomination Committee held two minuted meetings prior to the 2024 Annual General Meeting. In addition, the members of the Nomination Committee have had ongoing contact and engaged in further dialogue by telephone in between meetings. The Nomination Committee has addressed all matters that it is required to address under the Code. Furthermore, to ensure that the company is able to fulfil its information disclosure obligations to the shareholders, the Nomination Committee has informed the company of how it has conducted its work and of the proposals that the committee has decided to submit.

As a basis for its work, the Nomination Committee has studied the financial statements for Lifco's operations in 2023. The committee has also studied the nomination proposals received and the evaluation of the Board and its work that has been carried out. The evaluation is done through a web-based self-evaluation and the full results have been presented both to the Nomination Committee and the Board. The results of the evaluation showed that the Directors represent a broad range of expertise and extensive industry and financial knowledge as well as knowledge about international conditions and markets. The evaluation also showed that attendance at Board meetings had been high and that all Directors had displayed a high degree of commitment. Further information on the work of the Nomination Committee is presented in the Nomination Committee's report for the 2024 Annual General Meeting.

In preparing its proposal to the Board, the Nomination Committee applies Rule 4.1, diversity policy, of the Code. The aim of the policy is that the Board of Directors should have a composition that is appropriate in view of the company's operations, development stage and other circumstances as well as diverse and broad with regard to the Directors' expertise, experience and background, and that an equal gender distribution should be strived for. The Nomination Committee's proposals for election of Directors, remuneration of the Board and election of auditors, and other relevant proposals will be submitted in conjunction with the notice of the 2024 Annual General Meeting.

The 2023 AGM resolved to appoint Directors in accordance with the Nomination Committee's proposal, which meant that nine Directors were elected, including three women and six men, representing 33 and 67 per cent of the Directors, respectively.

THE BOARD OF DIRECTORS

The Board of Directors is the company's second highest decision-making body after the shareholders' meeting and its highest executive body. The Board of Directors is responsible for the company's organisation and the management of its affairs including its sustainability work. The Board is also tasked with ensuring that the organisation of the company's accounting and management of funds incorporates satisfactory control activities. The Board of Directors' work with sustainability is presented in the sustainability report on pages 14-65.

Lifco's Articles of Association state that the Board of Directors shall consist of at least three and not more than ten Directors. The members of the Board are elected annually at the Annual General Meeting for the period until the end of the next AGM. The AGM also appoints the Chairman of the Board. The Chairman's role is to lead the work of the Board and ensure that the Board's activities are well organised and conducted efficiently.

The Articles of Association do not contain provisions regarding the dismissal of Directors or amendments to the Articles of Association.

The Board of Directors operates in accordance with written rules of procedure which are reviewed and adopted annually at the statutory Board meeting. The rules of procedure regulate Board practices, functions and the division of responsibilities between the Board and CEO. Under the rules of procedure, the Board is required to review its own procedures each year. In connection with the statutory Board meeting, the Board also adopts instructions for the company's financial reporting.

The Board convenes in accordance with a schedule that is defined annually. In addition to such Board meetings, further meetings may be convened to address issues which cannot be deferred to a regular meeting. In addition to the Board meetings, the Chairman of the Board and CEO engage in ongoing dialogue concerning the management of the company. In 2023, the auditor participated in one meeting without the presence of representatives of the company.

The Board of Directors constituted itself on 28 April 2023. In 2023, 13 Board meetings were held with an average attendance of the Directors of 97 per cent. With the exception of the CEO, no member of Lifco's Board of Directors has an operational role in the company. A more detailed presentation of the Board and CEO is provided on pages 84–87.

Independence: Lifco meets the requirements of the Code in respect of the independence of Directors. The company is of the view that Per Waldemarson, in his capacity as CEO, is not to be considered independent of the company and management, and that Carl Bennet, Dan Frohm and Erik Gabrielson, as representatives and Directors of Lifco's main shareholder, Carl Bennet AB, are not to be considered independent of major shareholders. The Director Erik Gabrielson is a partner of Advokatfirman Vinge, a law firm which provides legal services to Lifco AB and Carl Bennet AB. However, the Nomination Committee has made the overall assessment that Erik Gabrielson is nonetheless to be regarded as independent of the company and of management. The other Directors – Ulrika Dellby, Annika Espander, Ulf Grunander, Caroline af Ugglas and Axel Wachtmeister – are considered to be independent of the company, management and major shareholders.

Therése Hoffman, CFO, has acted as secretary at the meetings of the Board. At its regular meetings the Board addresses those standing agenda items which are specified in the rules of procedure for the Board, such as the business situation, financial planning, and preparation of the annual accounts and interim reports. The Board has also addressed general issues concerning economic conditions and related cost issues, acquisitions and other investments, long-term strategies including sustainability management, financial matters, and structural and organisational matters.

As part of the effort to improve the efficiency of and deepen the work of the Board on certain matters, two committees have been established: the Audit Committee and Remuneration Committee. The committees were appointed at the statutory meeting of the Board. The delegation of responsibilities and decision-making power to these committees is described in the rules of procedure for the Board. Matters addressed and resolutions adopted at meetings of the committees are minuted and a report is submitted at a subsequent meeting of the Board.

The Chairman ensures that an annual evaluation is made of the work of the Board of Directors and Chief Executive Officer, and that the Nomination Committee is given an opportunity to study the results of the evaluation. The evaluation was conducted through an online questionnaire given to the members of the Board. The Chairman of the Board has presented the results to the Board of Directors and Nomination Committee.

THE AUDIT COMMITTEE

The Audit Committee is appointed annually by the Board of Directors. The Audit Committee shall, without prejudice to other responsibilities and duties of the Board, monitor the company's financial reporting, monitor the effectiveness of Lifco's internal control, internal reviews and risk management, keep itself informed on the audit of the annual accounts and consolidated financial statements, assess and monitor the impartiality and independence of the auditor, paying particular attention to whether the auditor provides other services than auditing to the company. The Committee is also tasked with evaluating the audit work and submitting this information to the Nomination Committee, and assisting the Nomination Committee in producing proposals for auditors and the fees to be paid for auditing services.

After the 2023 AGM, the Audit Committee had the following composition: Ulf Grunander, Chairman, Ulrika Dellby, member, Dan Frohm, member, and Caroline af Ugglas, member. In 2023, the committee held four minuted meetings and had informal contacts in between meetings, as required. All members attended all meetings of the committee during the year. The company's auditor participated at all meetings of the Audit Committee. The committee discussed and determined the extent of the audit together with the auditor.

THE REMUNERATION COMMITTEE

The Remuneration Committee is appointed annually by the Board of Directors. The Remuneration Committee is tasked with preparing proposals for remuneration principles, and remuneration and other terms of employment for the CEO and senior executives. The Remuneration Committee has not used payroll consultants or engaged other external assistance. After the 2023 AGM, the Remuneration Committee had the following composition: Carl Bennet, Chairman, Erik Gabrielson, member, Annika Espander, member, and Axel Wachtmeister, member. In 2023, the committee held two minuted meetings and had informal contacts in between meetings, as required. All members attended all meetings of the committee during the year.

PRESIDENT AND CEO

The Chief Executive Officer reports to the Board of Directors and is responsible for the day-to-day administration and operational management of Lifco. The division of responsibilities between the Board of Directors and CEO is set out in the rules of procedure for the Board and the terms of reference for the CEO. The CEO is also responsible for drafting reports and compiling information from management in preparation for Board meetings and for presenting the material at the meetings.

Under the instructions for financial reporting, the CEO is responsible for financial reporting in the company and is required to ensure that the Board receives sufficient information to enable it continuously to evaluate the company's financial position. The CEO is required to keep the Board continuously informed about the development of the company's operations, its sales performance, earnings and financial situation, its liquidity and credit situation, significant business events, sustainability management and any other event, circumstance or relationship that may be of material importance to the company's shareholders.

FINANCIAL REPORTING

The Board of Directors monitors the quality of financial reporting by issuing instructions to the CEO and Audit Committee and by defining requirements for the content of the reports on financial conditions that are submitted to the Board on an ongoing basis through an instruction on financial reporting. The Board studies and ensures that financial reports such as year-end reports and annual reports are produced, and has delegated to management responsibility for ensuring that press releases with financial content and presentation material in connection with meetings with the media, shareholders and financial institutions are produced.

EXTERNAL AUDITORS

The auditor-in-charge at PricewaterhouseCoopers AB is the Authorised Public Accountant Cecilia Andrén Dorselius, with the Authorised Public Accountant Vicky Johansson as co-auditor. Neither Cecilia Andrén Dorselius nor Vicky Johansson holds shares in the company. When PricewaterhouseCoopers is engaged to provide other services than auditing this is done in accordance with the rules adopted by the Audit Committee concerning approval of the nature and scope of the services and payment for these. Lifco does not consider that the performance of these services has jeopardised PricewaterhouseCoopers' independence.

All fees paid to the auditors over the past two years are presented in Note 8. Lifco's auditor participated at all meetings of the Audit Committee in 2023 and at one Board meeting. In connection with the Board meeting, the auditor held a meeting with the Board of Directors at which no representatives of the company participated.

Under the Articles of Association, Lifco is required to have one or two auditors with up to two deputies. The appointed auditor must be an Authorised Public Accountant or registered audit firm.

OPERATING ACTIVITIES

The CEO and other members of Group management hold ongoing meetings to review monthly results, update forecasts and plans, and discuss strategic matters. Lifco's Group management team consists of three individuals, who are presented on page 88. In addition to operational matters concerning each business area, Group management addresses matters of concern to the Group as a whole. Group management consists of the Chief Executive Officer, Chief Financial Officer and Head of Business Area Systems Solutions.

The Board is responsible for ensuring that an effective system for internal control and risk management is in place. Responsibility for establishing a good framework for working on these matters has been delegated to the CEO. Group management and managers at different levels of the company have this responsibility in their respective areas. Authority and responsibilities are defined in policies, guidelines and descriptions of responsibilities.

DIRECTORS' FEES

The 2023 AGM approved the payment of Directors' fees in a total amount of SEK 6,296,940, of which SEK 1,399,320 was payable to the Chairman of the Board and SEK 699,660 to each of the Non-Executive Directors. The AGM also approved the payment of remuneration for work on the Audit Committee in the amount of SEK 277,380 to the Chairman and SEK 138,690 to each of the other members, and the payment of remuneration for work on the Remuneration Committee in the amount of SEK 149,040 to the Chairman and SEK 92,115 to each of the other members.

SYNTHETIC OPTIONS

On 31 May 2021, Lifco was informed by the company's main owner, Carl Bennet AB, that Directors and senior executives of Lifco had acquired synthetic call options on shares in Lifco issued by Carl Bennet AB.

Carl Bennet AB made an offer to all AGM-appointed Directors, with the exception of Carl Bennet, and all senior executives in Lifco, a total of 21 individuals, to acquire synthetic call options on shares in Lifco issued by Carl Bennet AB. A total of 415,201 options were acquired at a price equal to the options' market value on the transaction date, based on an external valuation statement. The total market value of the options on the transaction date was estimated at SEK 9.5 million.

The synthetic call options refer to Lifco's series Class B shares and have a term of four years. The options can be exercised during the period 1 March 2025 to 31 May 2025. The exercise price is SEK 223.71 per option, which is equal to 122 per cent of the volume-weighted average price paid for Lifco's Class B shares on Nasdaq Stockholm on each trading day during the period 24–28 May 2021. Upon exercise of the option, the holder receives a cash payment from the option issuer equal to the market price of the shares at the time of exercise less the exercise price. The terms of the options contain a cap which limits the payout for each option to SEK 326.40. The options are not subject to any transfer restrictions.

SHARE/SHARE PRICE-BASED INCENTIVE SCHEMES

There are no outstanding share- or share price-based incentive schemes for the members of the Board of Directors, the CEO or other senior executives.

REMUNERATION OF SENIOR EXECUTIVES

The 2022 AGM adopted the below guidelines for remuneration of senior executives. Of the votes cast, 96.39 per cent approved the proposal and 0.12 per cent abstained from voting. The guidelines essentially match the principles applied to date. The Board of Directors does not propose any changes to the guidelines for the 2024 annual general meeting.

1. SCOPE OF THE GUIDELINES

These guidelines pertain to remuneration and other terms and conditions of employment for the persons who during the time the guidelines apply are members of Lifco AB's Group management, referred to jointly below as "senior executives". The guidelines are to be applied to remuneration that is agreed, and changes made to already agreed remuneration, after the time that the guidelines have been adopted by the 2022 AGM. The guidelines do not encompass remuneration resolved by the shareholders' meeting.

Concerning terms of employment subject to regulations other than those applying in Sweden, appropriate adjustments may be made to comply with such mandatory regulations or established local practices, whereby the overall objectives of these guidelines must be met to the extent possible.

2. THE GUIDELINES' PROMOTION OF THE COMPANY'S BUSINESS STRATEGY, LONG-TERM INTERESTS AND SUSTAINABILITY

Lifco's business concept is to acquire and develop market-leading niche businesses that conduct sustainable operations and have the potential to deliver sustainable earnings growth and robust cash flows. The Group pursues a distinct business strategy focusing on results, simplicity and decentralisation. Lifco's overall aim is to increase earnings every year, which has been achieved through both organic growth and acquisitions. For further information on Lifco's business strategy, see the annual report.

A prerequisite for successful implementation of the company's business strategy and safeguarding of Lifco's long-term interests, including its sustainability, is that the company is able to recruit and retain qualified employees. To achieve this, the company must be able to offer competitive remuneration. These guidelines make it possible to offer competitive total remuneration to senior executives. Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

3. FORMS OF REMUNERATION, ETC.

Remuneration shall be market-aligned and may comprise the following components: fixed cash salary, variable cash salary, pension benefits and other benefits. The shareholders' meeting may also – regardless of these guidelines – resolve on, for example, share- and share price-related remuneration.

Fixed remuneration

The fixed remuneration, the basic salary, shall be based on the individual executive's area of responsibility, authorities, field of competence and experience.

Variable remuneration and criteria for payment of variable cash remuneration, etc.

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability. The amount of variable remuneration in relation to basic salary must be in proportion to the senior executive's responsibility and authority. Variable remuneration is linked to predefined and measurable criteria which have been defined with the aim of promoting the creation of long-term value by the company. Fulfilment of criteria for the payment of variable cash salary shall be measured over a period of one year. When the measurement period for fulfilment of criteria for payment of variable cash salary has ended, an assessment is to be made of the extent to which the criteria have been met.

For the CEO, variable remuneration is capped at 100 per cent of the basic salary. The variable remuneration shall be based on individual targets proposed by the Remuneration Committee and adopted by the Board. Examples of such targets include earnings, volume growth, working capital and cash flow. For other senior executives, the variable remuneration shall be based, partly, on the outcome of his/her own area of responsibility and, partly, on individually set targets. Examples of such targets include earnings, volume growth, working capital and cash flow. The CEO is responsible for the assessment of variable cash salary paid to other executives.

No variable remuneration shall be paid if a pre-tax loss is reported.

Pension benefits and other benefits

Pension rights for the CEO and other senior executives shall apply no earlier than from age 65. For the CEO, an amount corresponding to 60 per cent (excluding payroll expenses) of the annual basic salary will be reserved in capital, pension, life and health insurances. Other senior executives are entitled to pension benefits of a maximum of 35 per cent (excluding payroll expenses) of the annual basic salary. Pension agreements shall be entered into based on applicable local rules in the senior executive's country of residence. All pension benefits are defined contribution benefits and vested, meaning they are not conditional on future employment in Lifco.

Other benefits, such as a company car, extra health insurance or occupational health care, may be offered to the extent that this is considered to be in line with market practice for senior executives in equivalent positions in the labour market in which the executive is active. The total value of such benefits must, however, represent a minor portion of the total compensation.

Termination of employment
The employment contract of the CEO is terminable on six months' notice in case of termination by the CEO. If the employment of the CEO is terminated by the company, a period of notice of not more than 18 months will apply. If the employment of other senior executives is terminated by the company, a period of notice of not more than 12 months will apply. The right to salary and other benefits is retained during the period of notice. Basic salary during the period of notice and severance pay shall, combined, not exceed an amount corresponding to basic salary for two years. Other income shall not be deducted from termination pay.

4. SALARY AND TERMS OF EMPLOYMENT FOR EMPLOYEES
When preparing the Board's proposal on these remuneration guidelines, salary and terms of employment for the company's employees have been considered by having information on the employees' total remuneration, components of the remuneration and the increase and rate of increase in remuneration over time constitute part of the Remuneration Committee's and the Board's decision documentation when assessing the fairness of the guidelines and the limitations that follow from them.

5. DECISION-MAKING PROCESS FOR ADOPTING, REVIEWING AND IMPLEMENTING THE GUIDELINES
The Board has established a Remuneration Committee. This committee's tasks include preparing the Board's resolution on the proposed guidelines for remuneration of senior executives. The Board shall formulate proposals for new guidelines when needs arise for significant changes in the guidelines, although at least every fourth year, and submit the proposal for resolution by the AGM. The guidelines are to apply until new guidelines have been adopted by the shareholders' meeting. The Remuneration Committee shall also monitor and evaluate variable remuneration programs for the company management, the application of guidelines for remuneration of senior executives and applicable remuneration structures and remuneration levels in the company. Members of the Remuneration Committee are independent in relation to the company and executive management. Neither the CEO nor other members of company management participate in the Board of Directors' processing of and decisions on remuneration-related matters, insofar as they are impacted by these matters.

6. DEVIATION FROM THE GUIDELINES
The Board shall be entitled to partly or fully deviate from the guidelines if there is special reason to do so in an individual case and such deviation is necessary to satisfy the company's long-term interests, including its sustainability, or to safeguard the company's financial viability. As stated above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions on remuneration-related matters, which includes decisions on deviations from the guidelines.

AUDITORS' FEES

PricewaterhouseCoopers AB has been engaged as the company's auditor. Audit engagement refers to the examination of the annual accounts and accounting records and of the Board of Directors' and Chief Executive Officer's administration of the company, other tasks incumbent on the company's auditor as well as advice and other assistance occasioned by observations made in the course of such examination or the carrying-out of such other tasks. Other services refer essentially to advisory services in the area of accounting and tax as well as assistance in connection with acquisitions. Auditors' fees for the audit engagement in 2023 totalled SEK 13 (12) million while fees for other services totalled SEK 2 (2) million, see Note 8.

INTERNAL CONTROL AND RISK MANAGEMENT RELATED TO FINANCIAL REPORTING

Internal control over financial reporting is an integral part of corporate governance in the Lifco Group. It includes processes and methods for safeguarding the assets of the Group and the accuracy of its financial reporting, and thus also the shareholders' investment in the company.

CONTROL ENVIRONMENT
Lifco's organisation is structured to be able to respond rapidly to changes in the market. A strongly decentralised organisation and high degree of autonomy in the subsidiaries enable fast operational decision-making. General decisions on acquisitions, sales, strategies and focus areas are made by Lifco's Board of Directors and Group management. The internal control activities for financial reporting have been designed to handle these circumstances. The basis for internal control related to financial reporting consists of the control environment, including organisation, decision paths, authority and responsibilities, as documented and communicated in governing documents.

Each year, the Board adopts rules of procedure, which regulate the duties of the Chairman of the Board and Chief Executive Officer among other matters. The Board has established an Audit Committee to improve transparency and control of the company's accounting, financial reporting and risk management as well as a Remuneration Committee to handle matters relating to remuneration of management.

Each operating unit has one or more administrative centres that are responsible for ongoing transaction management and accounting. Each operating unit has a financial officer who is responsible for the financial governance of the unit and for ensuring that financial reports are correct and complete and delivered in time for the preparation of the consolidated financial statements.

RISK ASSESSMENT
Risk assessment is based on the Lifco Group's financial targets. The general financial risks have been defined and are largely industry-specific. Through quantitative and qualitative risk analyses based on the consolidated balance sheet and income statement, Lifco identifies those key risks which could jeopardise the Group's ability to achieve its commercial and financial targets. In each operating unit, analyses are also made of several subsidiaries to obtain a more detailed view of the actual application of existing regulations. Measures aimed at minimising the identified risks are then defined centrally in the Group.

CONTROL ACTIVITIES
Identified risks related to financial reporting are managed through the company's control activities. For example, manual checks are carried out and some companies have automated checks in IT-based systems that manage authorizations and certificates. Detailed financial analyses of results supplement business-specific controls and provide a general confirmation of the quality of the reporting.

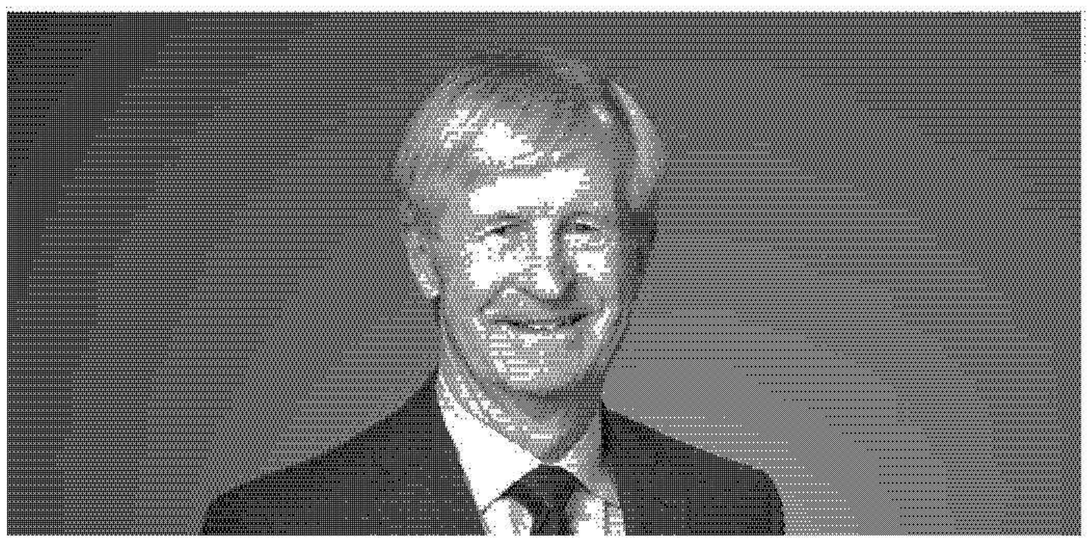
INFORMATION AND COMMUNICATION
Lifco has information and communication paths which are aimed at promoting completeness and accuracy in financial reporting. Policies and instructions are available on the company's intranet. Information about the effectiveness of internal control in the Group is prepared and reported on a regular basis to relevant parties in the organisation.

REVIEW AND MONITORING
Each month, management and the central finance function analyse the Group's financial reporting at a detailed level. At its meetings, the Audit Committee reviews the financial reporting and receives reports from the company's auditors containing their observations and recommendations. The Board receives financial reports on a monthly basis and discusses the Group's financial situation at each meeting. The effectiveness of the Group's internal control activities is reviewed regularly at different levels of the Group, covering an assessment of design and operational functionality.

In 2023, the review of the Group's internal control was completed by Group management and Lifco's central finance function with the assistance of the external auditors. The Audit Committee also plays an important role in internal control, having the task of evaluating the audit services and internal control. The review showed that in all essential respects documentation and control activities have been established in the Group. Based on the completed internal control activities, the Board has made the assessment that there is currently no need to introduce a separate audit function (internal audit function).

ONGOING ACTIVITIES
Over the coming year, the ongoing internal control activities in the Lifco Group will focus mainly on risk assessment, control activities, and review and monitoring activities.

THE BOARD OF DIRECTORS



CARL BENNET

Chairman of the Board

Born in 1951. Elected in 1998.

B.Sc. in Business Administration, Ph.D h.c. (Med.), Ph.D. h.c. (Tech.), Ph.D h.c. (Econ.)

Current posts: CEO Carl Bennet AB. Deputy Chairman of the Board of Arjo AB, Elanders AB and Getinge AB. Director of L E Lundbergföretagen AB.

Previous posts: President and CEO of Getinge.

Shareholding through companies, 31 December 2023: 30,379,850 Class A shares, 197,502,023 Class B shares.

Nationality: Swedish

Independent of the company and of management: Yes

Independent of main owner: No



ULRIKA DELLBY

Director

Born in 1966. Elected in 2015.

M.Sc. in Business Administration

Current posts: Chairman of Fasadgruppen Group AB. Vice Chairman of BICO AB. Director of Elanders AB, the Royal Dramatic Theatre, Linc AB, Werksta Nordic AB and the Business Executives Council of the Royal Swedish Academy of Engineering.

Previous posts: Partner of Fagerberg & Dellby Fond I AB and of The Boston Consulting Group, CEO of Brindfors Enterprise IG (now Brand Union), Vice Chairman of Norrporten, Director of Cybercom Group AB, Kavli Holding AS, SJ AB and other companies.

Own and related parties' shareholdings, 31 December 2023: 65,000 Class B shares and 10,926 synthetic call options[1].

Nationality: Swedish

Independent of the company and of management: Yes

Independent of main owner: Yes



ANNIKA ESPANDER

Director

Born in 1964. Elected in 2016.

B.Sc. in Chemistry and MBA

Current posts: CEO of Asperion Ltda.

Previous posts: Head of Private Banking at Handelsbanken, Chairman of SHB Luxemburg. Senior positions at Catella Healthcare, Enskilda Securities and other companies. Director of Elekta AB, Blotage AB, Probi AB and Stille AB.

Own and related parties' shareholdings, 31 December 2023: 10,000 Class B shares and 10,926 synthetic call options[1].

Nationality: Swedish

Independent of the company and of management: Yes

Independent of main owner: Yes



DAN FROHM

Vice Chairman

Born in 1981. Elected in 2020.

M.Sc. in Industrial Engineering and Management

Current posts: Chairman of the Board of Elanders AB and Director of Arjo AB, Carl Bennet AB, Getinge AB and the Swedish-American Chamber of Commerce, Inc. CEO of DF Advisory LLC.

Previous posts: Management consultant at Applied Value LLC in New York.

Own and related parties' shareholdings, 31 December 2023: 253,090 Class B shares and 10,926 synthetic call options[1].

Nationality: Swedish

Independent of the company and of management: Yes

Independent of main owner: No

[1] The synthetic options are issued by Carl Bennet AB.



ERIK GABRIELSON

Director

Born in 1962. Elected in 2001.

LL.M.

Current posts: Lawyer and partner, Advokatfirman Vinge. Chairman of Allegresse AB, Eldan Recycling A/S and Redoma Recycling AB. Director of Carl Bennet AB, Elanders AB, ECG Vignoble AB, ECG Vinivest AB and Zutec Holding AB.

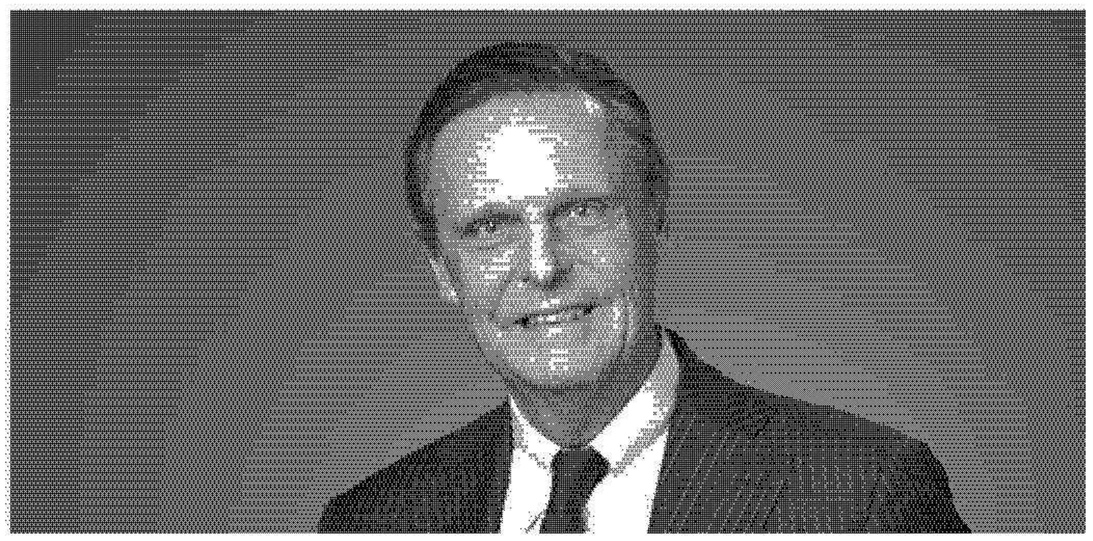
Previous posts: Director of Advokatfirman Vinge AB, Advokatfirman Vinge Skåne AB, Generic Sweden AB, Rosengård Invest AB and Storegate AB.

Own and related parties' shareholdings, 31 December 2023: 10,926 synthetic call options[1].

Nationality: Swedish

Independent of the company and of management: Yes

Independent of main owner: No



ULF GRUNANDER

Director

Born in 1954. Elected in 2015.

M.Sc. in Economics and Business

Current posts: Chairman of the Board of Djurgården Hockey AB and Episurf Medical AB. Director of Arjo AB.

Previous posts: CFO the Getinge Group. Director of AMF Fonder AB and AMF Tjänstepension AB.

Own and related parties' shareholdings, 31 December 2023: 14,000 Class B shares and 10,926 synthetic call options[1].

Nationality: Swedish

Independent of the company and of management: Yes

Independent of main owner: Yes



CAROLINE AF UGGLAS

Director

Born in 1958. Elected in 2020.

M.Sc. in Economics and Business

Current posts: Director of Beijer Alma AB, Bilia AB, Spiltan Invest AB and Trapets AB.

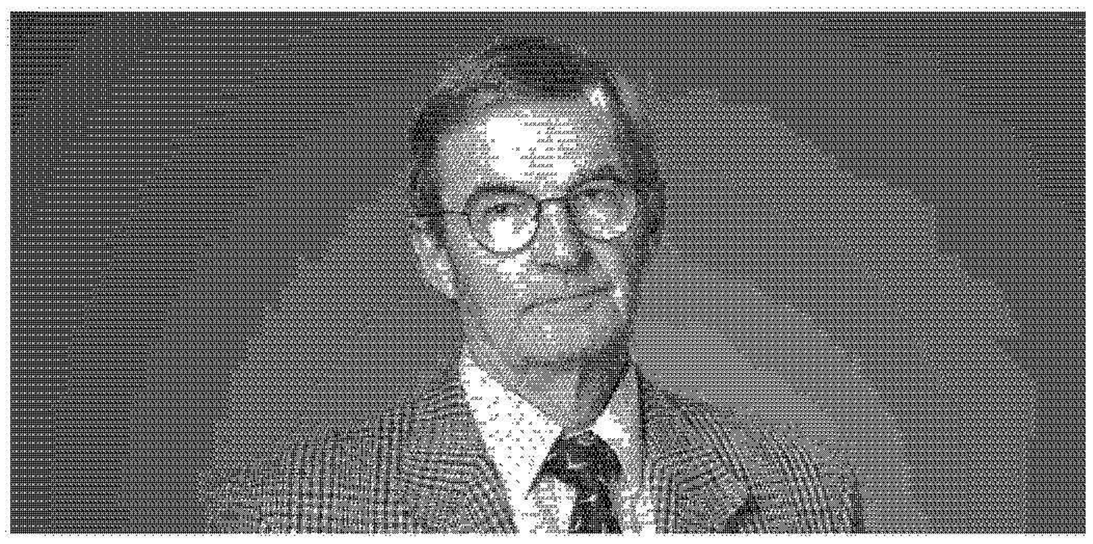
Previous posts: Deputy CEO of the Confederation of Swedish Enterprise, Head of Equities at Livförsäkrings AB Skandia and Director of Acando, ACQ Bure, AMF, Connecta, Lindab and Latour.

Own and related parties' shareholdings, 31 December 2023: 5,000 Class B shares and 10,926 synthetic call options[1].

Nationality: Swedish

Independent of the company and of management: Yes

Independent of main owner: Yes



AXEL WACHTMEISTER

Director

Born in 1951. Elected in 2006.

M.Sc. in Engineering

Previous posts: Director of Sorb Industri AB and Troponor AB.

Own and related parties' shareholdings, 31 December 2023: 81,000 Class B shares and 10,926 synthetic call options[1].

Nationality: Swedish

Independent of the company and of management: Yes

Independent of main owner: Yes

[1] The synthetic options are issued by Carl Bennet AB.



PER WALDEMARSON

Director and CEO

Born in 1977. Elected in 2019.

M.Sc. in Business Administration

Current posts outside Lifco: -

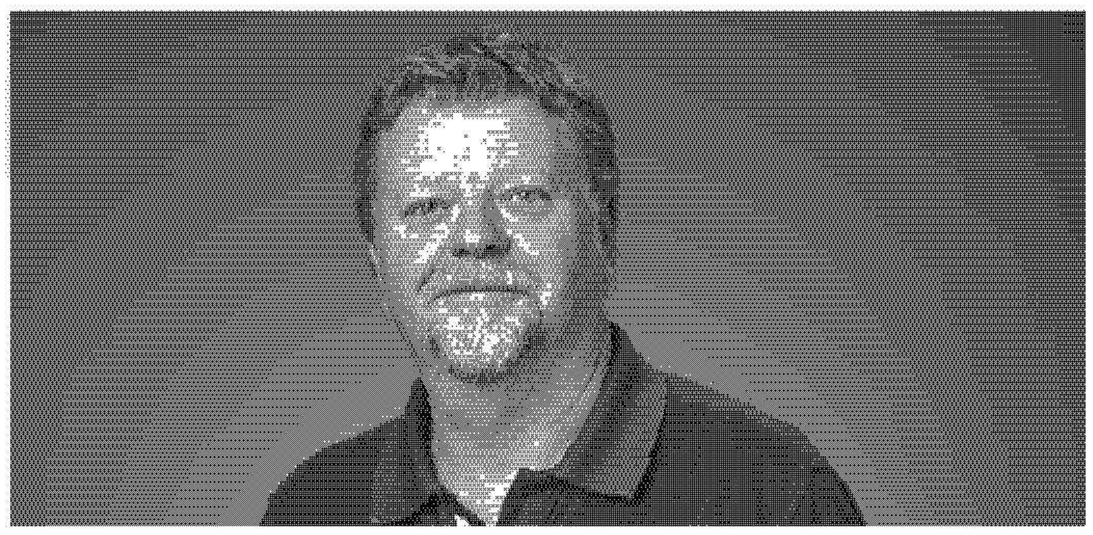
Previous posts: Deputy CEO Lifco, Head of Business Area Dental, CEO Brokk AB, Management Consultant Bain & Co.

Own and related parties' shareholdings, 31 December 2023: 513,500 Class B shares, 205,000 Class B shares through a pension plan and 87,412 synthetic call options[1].

Nationality: Swedish

Independent of the company and of management: No

Independent of main owner: Yes



ANDERS LINDSTRÖM

Employee representative, LO

Born in 1958. Elected in 2019. Employee of Lifco Dental AB.

Own and related parties' shareholdings, 31 December 2023: -

Nationality: Swedish



TOBIAS NORDIN

Employee representative, PTK

Born in 1983. Elected in 2022. Employee of Brokk.

Own and related parties' shareholdings, 31 December 2023: -

Nationality: Swedish



LINA JUSLIN

Employee representative, deputy, PTK

Born in 1980. Elected in 2023. Employee of Indexator AB.

Own and related parties' shareholdings, 31 December 2023: -

Nationality: Swedish

[1] The synthetic options are issued by Carl Bennet AB.



SOFIA SANDSTRÖM

Employee representative, deputy, LO

Born in 1980. Elected in 2023. Employee of LEAB.
Own and related parties' shareholdings, 31 December 2023: -
Nationality: Swedish

AUDITOR

PricewaterhouseCoopers AB has been Lifco's auditor since 2010.

At the 2023 Annual General Meeting, PricewaterhouseCoopers were re-appointed for the period until the end of the 2024 AGM.

Cecilia Andrén Dorselius is the auditor-in-charge. Cecilia Andrén Dorselius is an Authorised Public Accountant and member of FAR.

Vicky Johansson is co-auditor. Vicky Johansson is an Authorised Public Accountant and member of FAR.

The address of PricewaterhouseCoopers is Torsgatan 21, SE-113 97 Stockholm, Sweden.

DIRECTORS' ATTENDANCE

Director	Board meeting	Audit Committee	Remuneration Committee
Carl Bennet	13/13		2/2
Ulrika Dellby	13/13	4/4	
Annika Espander	12/13		2/2
Dan Frohm	13/13	4/4	
Erik Gabrielson	12/13		2/2
Ulf Grunander	12/13	4/4	
Lina Juslin[1]	8/8		
Anders Lindström	12/13		
Anders Lorentzson[2]	4/5		
Tobias Nordin	12/13		
Sofia Sandström[1]	7/8		
Johan Stern[2]	5/5		1/1
Caroline af Ugglas	12/13	4/4	
Axel Wachtmeister	13/13		2/2
Per Waldemarson	13/13		
Peter Wiberg[2]	4/5		
Total number of meetings	**13**	**4**	**2**

[1] Member of the Board since the 2023 AGM.
[2] Left the Board at the 2023 AGM.

GROUP MANAGEMENT



PER WALDEMARSON

President and CEO

Born in 1977. Appointed in 2019. Hired in 2006.

M.Sc. in Business Administration

Previous posts: Deputy CEO Lifco, Head of Business Area Dental, CEO Brokk AB, Management Consultant Bain & Co.

Own and related parties' shareholdings, 31 December 2023: 513,500 Class B shares, 205,000 Class B shares through a pension plan and 87,412 synthetic call options[1].

Nationality: Swedish



THERÉSE HOFFMAN

Chief Financial Officer

Born in 1971. Appointed in 2011. Hired in 2007.

High School Economist, International Marketing

Previous posts: CFO at Nordenta AB.

Own and related parties' shareholdings, 31 December 2023: 1,500 Class B shares and 10,926 synthetic call options[1].

Nationality: Swedish



MARTIN LINDER

Head of Business Area Systems Solutions

Born in 1972. Appointed in 2019. Hired in 2008.

M.Sc. in Engineering, Ph.D.

Previous posts: CEO Proline Group, CEO Leab Group, senior positions at Note.

Own and related parties' shareholdings, 31 December 2023: 203,000 Class B shares, 57,250 Class B shares through a pension plan and 43,706 synthetic call options[1].

Nationality: Swedish

[1] The synthetic options are issued by Carl Bennet AB.

APPROPRIATION OF RETAINED EARNINGS

Lifco AB (publ), corp. ID 556465-3185

The Annual General Meeting is asked to decide on the appropriation of the following earnings of Lifco AB:	**SEK million**
Retained earnings	2,802
Net profit for the year	1,927
Total	**4,729**
The Board of Directors and Chief Executive Officer propose that a dividend of SEK 2.10 per share be paid to the shareholders	954
Carried forward	3,775
Total	**4,729**

The Board of Directors believes the proposed dividend is justifiable with regard to the equity requirements arising from the nature, scope and risks associated with the operations of the Group as well as the Group's consolidation requirements, liquidity and financial position.

For more information about the results and financial position of the Group and Parent Company, see the annual report. The income statements and balance sheets will be presented for approval by the Annual General Meeting on 24 April 2024.

The Board of Directors and CEO certify that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and provide a true and fair view of the Group's financial position and results. The annual accounts have been prepared in accordance with generally accepted accounting standards and provide a true and fair view of the Parent Company's financial position and results.

The Directors' report for the Group and Parent Company provides a true and fair overview of the development of the Group's and Parent Company's business, financial position and results and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Enköping 18 March 2024

Carl Bennet
Chairman of the Board

Ulrika Dellby
Director

Annika Espander
Director

Dan Frohm
Director

Erik Gabrielson
Director

Ulf Grunander
Director

Anders Lindström
Director,
employee representative

Tobias Nordin
Director,
employee representative

Caroline af Ugglas
Director

Axel Wachtmeister
Director

Per Waldemarson
Director, President and CEO

Our auditor's report was submitted on 18 March 2024
PricewaterhouseCoopers AB

Cecilia Andrén Dorselius
Authorised Public Accountant
Auditor-in-charge

Vicky Johansson
Authorised Public Accountant

AUDITOR'S REPORT

Unofficial translation

To the general meeting of the shareholders of Lifco AB (publ), corporate identity number 556465-3185

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINIONS

We have audited the annual accounts and consolidated accounts of Lifco AB (publ) for the year 2023 except for the statutory sustainability report and the corporate governance statement on pages 14-65 and 80-88 respectively. The annual accounts and consolidated accounts of the company are included on pages 14-89, 94-121 and 124-135 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the statutory sustainability report and the corporate governance statement on pages 14-65 and 80-88 respectively. 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 and the group'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 and the Board of Directors 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 and the Managing Director 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. 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.

Key audit matters	How our audit addressed the Key audit matter
Recognition of acquisitions *With reference to Note 2, Note 4 and Note 31.* In the financial year 2023, Lifco made a number of acquisitions across all business areas. Information on these acquisitions is presented in Note 31. The recognition of acquisitions involves a high degree of judgement by management. Significant estimates and judgements refer to the allocation of fair value in acquisition analyses for assets and liabilities, as well as referring to adjustments for adaptation to the group's accounting principles	Our audit of the acquisitions was partially based on assessing of the acquisition agreements as well as supporting documents for opening balances in the acquired companies. We have also evaluated the implemented adjustments for adaptation to the group's accounting principles. Our audit has also included an examination of the company's assessments and calculations in the allocation of group-wise excess and undervalues in acquisition analyses. We have checked the information provided in the annual report linked to the acquisitions and reviewed the documents that form the basis for the accounting of the acquisitions.

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 1-65, 122-123 and 136-158. The Sustainability Report is found on pages 14-65. The other information also consists of the Remuneration Report for 2023 that we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

RESPONSIBILITIES OF THE BOARD OF 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 AUDIT 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 Lifco AB (publ) 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 DIRECTOR'S 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,
- 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 Lifco 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 Lifco 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 the 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 procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

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

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the ESEF report has 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 statement on pages 80-88 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.

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

It is the board of directors who is responsible for the statutory sustainability report on pages 14-65 and that it has been prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and 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 opinion.

A statutory sustainability report has been prepared.

PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Lifco AB (publ) by the general meeting of the shareholders on the 28 April 2023 and has been the company's auditor since the general meeting of the shareholders in 2010.

Enköping 18 March 2024

PricewaterhouseCoopers AB

Cecilia Andrén Dorselius
Authorized Public Accountant
Auditor in charge

Vicky Johansson
Authorized Public Accountant

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

SEK MILLION	Note	2023	2022
Net sales	5	24,454	21,552
Cost of goods sold		-13,637	-12,544
Gross profit		**10,817**	**9,008**
Selling expenses		-2,645	-2,256
Administrative expenses		-3,252	-2,651
Research and development costs		-196	-163
Other operating income	6	176	114
Other operating expenses	6	-147	-99
Operating profit	7, 8, 9, 10, 11	**4,753**	**3,953**
Financial income	6, 12	56	22
Financial expenses	6, 12	-436	-133
Profit before tax		**4,374**	**3,842**
Tax on profit for the year	13	-1,051	-1,014
Net profit for the year		**3,323**	**2,828**
Net profit for the year attributable to:			
Parent Company shareholders		3,274	2,784
Non-controlling interests		49	44
Net profit for the year		**3,323**	**2,828**
Undiluted earnings per share attributable to Parent Company shareholders during the year, SEK	32	7.21	6.13
Diluted earnings per share attributable to Parent Company shareholders during the year, SEK	32	7.21	6.13

The notes on pages 100–135 are an integral part of the annual report and consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK MILLION	Note	2023	2022
Net profit for the year		**3,323**	**2,828**
Other comprehensive income			
Items which can later be reclassified to profit or loss:			
Hedge of net investment	2,7,5	-2	-79
Translation differences		-254	856
Tax related to other comprehensive income		1	16
Other comprehensive income		**-255**	**793**
Total comprehensive income for the year		**3,069**	**3,621**
Comprehensive income attributable to:			
Parent Company shareholders		3,024	3,569
Non-controlling interests		44	52
Total comprehensive income for the year		**3,069**	**3,621**

The notes on pages 100–135 are an integral part of the annual report and consolidated financial statements.

CONSOLIDATED BALANCE SHEET

SEK MILLION	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Fixed assets			
Intangible assets	14	21,927	18,286
Tangible assets	15	2,723	2,364
Other non-current financial receivables	16	29	15
Deferred tax assets	17	350	350
Total fixed assets		**25,030**	**21,015**
Current assets			
Inventories	18	3,906	3,682
Accounts receivable - trade	16, 19	2,940	2,853
Current tax assets		211	127
Other current receivables		412	206
Prepaid expenses and accrued income	20	201	185
Cash and cash equivalents	16, 22	1,591	1,703
Total current assets		**9,261**	**8,756**
TOTAL ASSETS		**34,291**	**29,771**

The notes on pages 100–135 are an integral part of the annual report and consolidated financial statements.

CONSOLIDATED BALANCE SHEET, CONTINUED

SEK MILLION	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Equity			
Share capital	23	18	18
Reserves		930	1,179
Retained earnings including net profit for the year		14,264	12,041
Equity attributable to Parent Company shareholders		**15,212**	**13,238**
Non-controlling interests		119	101
Total equity		**15,332**	**13,339**
Non-current liabilities			
Non-current interest-bearing liabilities	11, 16, 24	3,239	2,740
Other non-current liabilities	3	2,499	1,888
Interest-bearing pension provisions	25	98	70
Deferred tax liability	17	2,534	2,100
Other long-term provisions	26	69	65
Total non-current liabilities		**8,438**	**6,863**
Current liabilities			
Current interest-bearing liabilities	11, 16, 21, 24	6,282	5,523
Accounts payable - trade	16	1,396	1,449
Advance payments from customers		381	446
Current tax liabilities		508	499
Other short-term provisions	26	51	50
Other current liabilities	3	719	555
Accrued expenses and deferred income	28	1,185	1,047
Total current liabilities		**10,521**	**9,569**
TOTAL EQUITY AND LIABILITIES		**34,291**	**29,771**

The notes on pages 100–135 are an integral part of the annual report and consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK million	Share capital	Reserves	Retained earnings	Total	Non-controlling interests	Total equity
Opening balance, 1 January 2022	**18**	**394**	**10,233**	**10,645**	**111**	**10,756**
Comprehensive income						
Net profit for the year	-	-	2,784	2,784	44	2,828
Other comprehensive income	-	785	-	785	8	793
Total comprehensive income	**-**	**785**	**2,784**	**3,569**	**52**	**3,621**
Outgoing non-controlling interests	-	-	-	-	-21	-21
Change in value, owner transactions	-	-	-295	-295	-	-295
Dividend	-	-	-681	-681	-41	-722
Closing balance, 31 December 2022	**18**	**1,179**	**12,041**	**13,238**	**101**	**13,339**
Comprehensive income						
Net profit for the year	-	-	3,274	3,274	49	3,323
Other comprehensive income	-	-250	-	-250	-5	-255
Total comprehensive income	**-**	**-250**	**3,274**	**3,024**	**44**	**3,069**
Additional non-controlling interests	-	-	-	-	1	1
Change in value, owner transactions	-	-	-233	-233	-	-233
Dividend	-	-	-818	-818	-27	-844
Closing balance, 31 December 2023	**18**	**930**	**14,264**	**15,212**	**119**	**15,332**

The notes on pages 100–135 are an integral part of the annual report and consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

SEK million	Note	2023	2022
Operating activities			
Operating profit		4,753	3,953
Non-cash items	35	1,488	1,151
Other financial items		1	6
Interest received		45	11
Interest paid		-426	-128
Income taxes paid		-1,343	-911
Cash flow before changes in working capital		**4,519**	**4,082**
Changes in working capital			
Increase/decrease in inventories		146	-737
Increase/decrease in operating receivables		-25	-429
Increase/decrease in operating liabilities		-182	153
Total changes in working capital		**-61**	**-1,013**
Cash flow from operating activities		**4,458**	**3,069**
Investing activities			
Investments in intangible assets		-52	-69
Investments in tangible assets		-429	-279
Sale of tangible assets		42	30
Acquisition/divestment of subsidiaries net of cash and cash equivalents	31	-3,718	-2,399
Cash flow from investing activities		**-4,158**	**-2,717**
Financing activities			
Increase/decrease in non-current receivables/liabilities		-2	14
Borrowings		8,371	3,475
Repayments of borrowings		-7,742	-2,949
Dividends paid		-973	-848
Cash flow from financing activities		**-346**	**-308**
Cash flow for the year		**-46**	**44**
Cash and cash equivalents at beginning of period		1,703	1,509
Translation differences		-67	150
Cash and cash equivalents at year-end		**1,591**	**1,703**

The notes on pages 100–135 are an integral part of the annual report and consolidated financial statements.

NOTE 1 GENERAL INFORMATION

Lifco acquires and develops market-leading sustainable niche businesses in three business areas: Dental, Demolition & Tools and Systems Solutions. The operations are conducted through subsidiaries in 31 countries. The Parent Company, Lifco AB (publ), is a Swedish limited company with registered office in Enköping, Sweden (Verkmästaregatan 1, SE-745 85 Enköping).

This annual report, relating to the 2023 financial year, was approved for publication by the Board of Directors on 18 March 2024. The consolidated and Parent Company income statements and balance sheets will be submitted for adoption at the Annual General Meeting on 24 April 2024.

Unless otherwise stated, all amounts are expressed in millions of Swedish kronor (SEK million). Figures in parentheses refer to the previous year. The totals in tables and calculations do not always add up due to rounding differences. The aim is that each sub-line should be consistent with its original source, which means that rounding differences may affect the total.

Parent Company guarantees were issued to the subsidiaries M+W Dental Müller & Weygandt GmbH, Interadent Zahntechnik GmbH, MDH AG Mamisch Dental Health, Kinshofer GmbH, ErgoPack Deutschland GmbH, Truck-line GmbH, Brokk DA GmbH and Heinz Schuller GmbH, registered in Germany. Lifco AB (publ) guarantees all existing commitments for these companies from 31 December 2023 until the end of the next financial year. Due to this, these companies, including their German subsidiaries, as described in Note 48, apply the exemption stipulated in Section 264 (3) of the German Commercial Code (HGB). These regulations exempt the company from statutory audits and entail relief regarding the preparation and publication of financial statements. According to Sec 291 (1) and (2) of the German Commercial Code (HGB), Interadent Zahntechnik GmbH, MDH AG Mamisch Dental Health, EDP European Dental Partners Holding GmbH, PP Greiftechnik GmbH, Kinshofer GmbH and Kefla GmbH are also exempt from the requirement to prepare consolidated financial statements since they are included in Lifco AB's consolidated financial statements.

It has also been decided that the exemption rules provided for in Section 264 (3) of the German Commercial Code are applicable in respect of the Directors' Report and the publication of the financial statements in the official Federal Gazette for the subsidiaries, as listed below:

- EDP European Dental Partners Holding GmbH, Lübeck
- SchwanDental Deutschland GmbH, Lübeck
- DentalTiger GmbH, Linden
- Praezimed Service GmbH, Hamburg
- Smilodentax GmbH, Essen
- PP Greiftechnik GmbH, Holzkirchen
- MultiOne Deutschland GmbH, Dieburg
- Darda GmbH, Blumberg
- Bode Components GmbH, Düsseldorf
- HGT Hydraulikgreifer-Technologie GmbH, Ilsede
- Datamed IT-Systeme GmbH, Eggenfelden

For a full list of consolidated companies, see Note 48.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The key accounting policies applied in preparing these consolidated financial statements are described in the following. Unless otherwise stated, these policies have been applied consistently for all the years presented.

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements for the Lifco Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. Recommendation RFR 1 Supplementary Financial Reporting Rules for Corporate Groups of the Swedish Financial Reporting Board and the Swedish Annual Accounts Act have also been applied. The consolidated financial statements have been prepared using the cost method.

New and amended standards applied by the Group

The new standards and interpretations that became effective from the 2023 financial year have not had any significant impact on the financial statements.

New and amended standards and interpretations which have not yet become effective

No standards, amendments and interpretations which become effective for financial years beginning after 1 January 2024 will have a material impact on the consolidated financial statements.

2.2 CONSOLIDATION

Subsidiaries

All companies (including structured entities) over which the Group exercises a controlling influence are classified as subsidiaries. The Group controls a company when it is exposed to or has the right to a variable return on its investment in the company and is able to influence the return through its influence in the company. Subsidiaries are included in the consolidated financial statements as of the date at which the controlling interest is transferred to the Group. They are excluded from the consolidated financial statements as of the date on which the controlling interest ceases to exist. In most cases, Lifco acquires 100 per cent of its subsidiaries. Where a smaller stake is acquired this is done with mandatory put/call options, which means that minority-owned companies are not significant and thus have no significant impact on the consolidated financial statements.

The purchase method is applied in accounting for the Group's business combinations. The consideration paid for the acquisition of a subsidiary comprises the fair value of the transferred assets, liabilities and any shares issued by the Group. The consideration also includes the fair value of all assets or liabilities that are a consequence of a contingent consideration arrangement. Each contingent consideration payable by the Group is measured at fair value at the acquisition date. Subsequent changes to the fair value of a contingent consideration that has been classified as a liability is accounted for in accordance with IAS 39 in profit or loss. Acquisition-related costs are charged to expense as incurred. Identified assets acquired and liabilities assumed in a business combination are initially measured at fair value at the acquisition date. For each acquisition, i.e. on an acquisition by acquisition basis, the Group determines whether to recognise a non-controlling interest in the acquired entity at fair value or at the interest's proportional share of the acquired entity's net assets.

The amount by which the consideration, any non-controlling interests and the fair value of the previous equity interest in the acquired entity at the acquisition date exceeds the fair value of the identified net assets is recognised as goodwill.

Commitments for the acquisition of non-controlling interests are considered as financial liabilities and the subsequent changes in value are recognised in equity.

Intercompany transactions, balances, income and expenses, and unrealised gains and losses on transactions between Group companies are eliminated. Where applicable, the accounting policies for subsidiaries have been amended to guarantee a consistent application of the Group's policies.

Change in ownership interest in a subsidiary without loss of control

Transactions with non-controlling interests which do not lead to loss of control are accounted for as equity transactions, i.e. transactions with owners in their role as owners. In case of acquisitions from non-controlling interests the difference between the fair value of the consideration paid and the actual acquired portion of the carrying amount of the subsidiary's net assets is recognised in equity. Gains and losses on sales to non-controlling interests are also recognised in equity.

2.3 TRANSLATION OF FOREIGN CURRENCY

Functional currency and reporting currency

The various entities in the Group have the local currency as their functional currency, as the local currency has been defined as the currency of the primary economic environment in which each entity operates. Swedish kronor (SEK), the functional and reporting currency of the Parent Company and Group, is used in the consolidated financial statements.

Transactions and balances

Transactions in foreign currency are translated to the functional currency at the transaction date exchange rates. Exchange rate gains and losses arising from such transactions and upon translation of monetary assets and liabilities in foreign currency at closing rates are recognised in profit or loss, except when the transactions constitute net investments, for which gains and losses are recognised in other comprehensive income. Unrealised exchange rate gains and losses are included in profit or loss. Exchange rate differences attributable to operating receivables and payables are accounted for as other operating income (operating expenses). Exchange rate differences related to financial assets and liabilities are accounted for in other financial items.

Translation of foreign Group companies

Results and financial position for those entities which have a different functional currency than the reporting currency are translated to the Group's reporting currency. All assets and liabilities in the subsidiaries are translated at the closing rate while all items in the income statements are translated at the average exchange rate. The resulting translation differences are due partly to the difference between the income statements' average rates and the closing rate, and partly to the fact that the net assets are translated at a different rate at the end of the year than at the beginning of the year. The translation differences are recognised in other comprehensive income. Hedge accounting is used for external loans which have been raised for the purpose of reducing the translation effects in the exposed currency to meet the net assets which exist in the foreign subsidiaries. Exchange rate differences on these loans are recognised directly in other comprehensive income for the Group. Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities in this operation and translated at the closing rate. Translation differences are recognised in other comprehensive income.

2.4 INTANGIBLE ASSETS

Goodwill

Goodwill arises on the acquisition of subsidiaries and refers to the amount by which the consideration exceeds Lifco's share of the fair value of identifiable assets, liabilities and contingent liabilities in the acquired entity and the fair value of non-controlling interests in the acquired entity. All acquisitions refer to a strategic and long-term investment. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill has been allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill is tested for impairment at least annually if there are events or changes in circumstances which indicate potential impairment. The carrying amount of goodwill is compared with the recoverable amount, which is defined as the higher of value in use and fair value less selling expenses. Any impairment loss is expensed immediately and cannot be reversed.

Patents

Patents which have been acquired separately are recognised at cost less accumulated amortisation. Patents are sought for unique constructions and technical solutions which form part of products developed by the company. The assets are amortised on a straight-line basis to allocate the cost for patents over the estimated useful life, which is the shorter of the patent's legal life and the period until the product related to the patent is expected to be produced. As a rule, the estimated useful life of patents is not expected to exceed five years.

Licences, trademarks and customer relationships

Licences, trademarks and customer relationships which have been acquired separately are recognised at cost while those which have been acquired through a business combination are measured at fair value at the acquisition date. Licences, trademarks and customer relationships which have a definite useful life are recognised at cost less accumulated amortisation. The assets are amortised on a straight-line basis to allocate the cost over the estimated useful life, which is estimated at 2–20 years for licenses and trademarks and ten years for customer relationships. Trademarks, which are considered to have indefinite useful lives, are tested annually for impairment.

Acquired software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These capitalised costs are amortised over the estimated useful life, which ranges from 3–5 years.

2.5 TANGIBLE ASSETS

Tangible assets are recognised at cost less depreciation. Cost is including expenditure that is directly attributable to the acquisition of the asset.

Any additional expenditure is added to the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will accrue to Lifco and the cost can be reliably measured. The carrying amount of a replaced portion is removed from the balance sheet. All other forms of repairs and maintenance are recognised as expenses in profit or loss in the periods in which they are incurred.

Land is not depreciated. Each part of a tangible fixed asset with a cost that is significant in relation to the total cost of the item is depreciated separately. Assets are depreciated on a straight-line basis as follows:

Buildings	25–40 years
Plant and machinery	5–10 years
Equipment, tools, fixtures and fittings	3–6 years

Residual values and useful lives of assets are tested at the end of each reporting period and adjusted where required. An asset's carrying amount is written down to the recoverable amount immediately if the carrying amount exceeds the estimated recoverable amount.

Gains and losses on the sale of a tangible fixed asset is determined by comparing the sale proceeds and the carrying amount, whereby the difference is recognised in other operating income or other operating expenses in profit or loss.

2.6 IMPAIRMENT OF NON-FINANCIAL FIXED ASSETS

Assets that are depreciated or amortised are tested for impairment when an event or change of circumstance indicates that the carrying amount may not be recoverable. The difference between the carrying amount and recoverable amount is recognised as an impairment loss. The recoverable amount is the higher of the fair value of the asset less costs to sell and value in use. In testing for impairment, assets are grouped to the lowest levels at which there are separate identifiable cash flows (cash-generating units).

2.7 FINANCIAL INSTRUMENTS INITIAL RECOGNITION

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument. Purchases and sales of financial assets are recognised at the trade date, which is the date when the Group undertakes to buy or sell the asset.

Financial instruments are initially measured at fair value plus transaction costs directly attributable to the acquisition or issue of a financial asset or financial liability, such as fees and commissions.

2.7.1 CLASSIFICATION

The Group classifies its financial assets and liabilities in the categories amortised cost and financial assets at fair value through profit or loss. The classification depends on the purpose for which the financial asset or liability was acquired.

Financial assets at amortised cost

Assets held for the purpose of collecting contractual cash flows that are solely payments of principal and interest are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit losses that have been recognised (see the section on impairment below). Interest income from these financial assets is recognised using the effective interest method and is included in financial income. The Group's financial assets at amortised cost consist of other long-term receivables, accounts receivable, and cash and cash equivalents

Financial liabilities at amortised cost

The Group's other financial liabilities are classified at amortised cost using the effective interest method. Other financial liabilities comprise liabilities to credit institutions, bonds, accounts payable and overdraft facilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are financial liabilities that are held for trading or additional considerations in business combinations. Financial liabilities at fair value through profit or loss are measured at fair value also in subsequent periods and changes in value are recognised in profit or loss. Liabilities in this category are classified as current liabilities if

they fall due within twelve months of the balance sheet date and as non-current liabilities if they fall due after more than twelve months from the balance sheet date.

Other liabilities at fair value
Other liabilities at fair value comprise liabilities attributable to put options or combined put/call options related to acquisitions of non-controlling interests. Changes in the value of these options are recognised in equity as ownership transactions.

2.7.2 RECOGNITION AND MEASUREMENT
Purchases and sales of financial assets are recognised at the trade date, which is the date when the Group undertakes to buy or sell the asset. Financial instruments are recognised initially at fair value plus transaction costs. Financial assets are derecognised when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred essentially all risks and benefits associated with ownership. Financial liabilities are derecognised when the obligation arising from the agreement has been fulfilled or otherwise been extinguished. After the acquisition date loans and accounts receivable and other financial liabilities are stated at amortised cost by applying the effective interest method.

2.7.3 OFFSET OF FINANCIAL INSTRUMENTS
Financial assets and liabilities are offset and the net amount presented in the balance sheet only when there is a legally enforceable right to set off the recognised amounts and an intention to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.7.4 IMPAIRMENT OF FINANCIAL ASSETS
Assets at amortised cost
At the end of each reporting period, the Group assesses whether there is objective evidence of impairment of a financial asset or group of financial assets.

The Group estimates expected future credit losses on assets at amortised cost. The Group's financial assets for which expected credit losses are estimated essentially comprise accounts receivable. The Group recognises a provision for such expected credit losses at each reporting date. For accounts receivable, the Group applies the simplified approach for expected credit losses, which means that it recognises a provision equal to the expected loss over the expected life of the receivable. To measure expected credit losses, accounts receivable are grouped based on allocated credit risk characteristics and days past due. The Group uses forward-looking variables for expected credit losses. Expected credit losses are recognised in the consolidated income statement in the item Selling expenses.

2.7.5 HEDGE OF NET INVESTMENT
Hedges of net investments in foreign operations are accounted for in a similar manner to cash flow hedges. The portion of the gain or loss on the hedging instrument that is deemed to constitute an effective hedge is recognised in other comprehensive income. The gain or loss attributable to the ineffective portion is recognised in profit or loss. Cumulative gains and losses in equity are recognised in profit or loss when the foreign operation is wholly or partially divested.

2.8 INVENTORIES
Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first in, first out method (FIFO). The value of inventories includes a related portion of indirect costs. The value of inventories includes a related portion of indirect costs. The value of finished products includes raw materials, direct labour, other direct costs and production-related overheads including depreciation.

The cost consists of the purchase price from subcontractors and costs for customs and freight. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs to complete and sell. Inventory obsolescence is estimated continuously over the course of the year.

2.9 ACCOUNTS RECEIVABLE - TRADE
Accounts receivable are amounts due from customers for goods sold or services provided in the ordinary course of business. If payment is expected within one year or earlier accounts receivable are classified as current assets. If not, they are recognised as fixed assets. Accounts receivable are initially stated at cost and subsequently at amortised cost by applying the effective interest method, less any provisions for impairment.

2.10 CASH AND CASH EQUIVALENTS
In the balance sheet as well as the cash flow statement, cash and cash equivalents comprise cash and bank balances.

2.11 ACCOUNTS PAYABLE - TRADE
Accounts payable are obligations to pay for goods and services purchased from suppliers in operating activities. Accounts payable are classified as current liabilities if they fall due within one year. If not, they are recognised as non-current liabilities.

Accounts payable are recognised at the nominal amount. The carrying amount of accounts payable is assumed to be equal to their fair value, as this item is of a short-term nature.

Accounts payable are initially stated at fair value and subsequently at amortised cost by applying the effective interest method, see 2.7 Financial instruments.

2.12 CURRENT AND DEFERRED TAX
The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except when the tax refers to items which are recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or equity. The current tax expense is calculated based on the tax rules which have been enacted or substantively enacted at the balance sheet date in those countries where the parent company and its subsidiaries operate and generate taxable revenue.

Deferred tax is recognised, by applying the balance sheet liability method, for all temporary differences between the carrying amounts and tax bases of assets and liabilities in the consolidated financial statements. However, deferred tax is not recognised if it is incurred as a result of a transaction constituting the initial recognition of an asset or liability which is not a business combination and which at the time of the transaction affects neither the accounting profit nor the tax profit. Deferred income tax is calculated by applying tax rates that have been enacted or announced at the balance sheet date and that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets arising from tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the tax losses can be used.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets and tax liabilities, and when the deferred tax assets and tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

2.13 BORROWINGS
Borrowings are initially recognised at fair value, net of transaction costs. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Bank overdrafts are classified as borrowings in current liabilities in the balance sheet.

2.14 EMPLOYEE BENEFITS
Retirement benefit obligations
The Group has both defined benefit and defined contribution pension plans. The Group's main defined benefit plan is the ITP Supplementary Pension Plan for Salaried Employees in Industry and Commerce, which is secured through contributions paid to Alecta (for information on Alecta, see Note 25).

Defined contribution pension plans are post-employment benefit plans under which the Group pays fixed contributions into a separate legal entity. The Group has no legal or constructive obligations to pay further contributions if this legal entity does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. In a defined benefit pension plan the Group pays contributions to publicly or privately managed pension schemes on a mandatory, contractual or voluntary basis. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as personnel costs when they fall due. Prepaid contributions are recognised as an asset to the extent that cash repayments or reductions of future payments may accrue to the benefit of the Group.

The small amount of retirement benefit obligations that has not been taken over by an insurance company or been secured through funding with an external party is recognised as a liability in the balance sheet.

2.15 PROVISIONS

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event and it is more probable than not that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions for warranty costs are estimates of submitted warranty claims and are estimated based on combined experience in the form of statistics on historical claims, expected costs for measures and the average time from the occurrence of the fault to the filing of a claim against the Group.

2.16 RECOGNITION OF REVENUE

Sales of goods

The Group's material revenue streams arising from the sale of goods comprise sales of dental products, tools and machinery, infrastructure products, environmental technology, special products and transportation products. The "Dental Products" revenue stream arising from the Dental operating segment is generated from sales of products in the form of consumables and equipment for dentists. The "Machinery and Tools" revenue stream arising from the Demolition & Tools operating segment is generated from sales of equipment for the construction and demolition industries, where the most significant products are demolition robots and crane and excavator attachments as well as forest machinery. The "Infrastructure Products", "Environmental Technology", "Special Products" and "Transportation Products" revenue streams, which arise from the Systems Solutions operating segment, are generated from sales of a variety of products, including machinery and equipment for electrical installations and electricity production, electrical equipment, equipment for recycling of various materials, compressors for ships and offshore installations, interiors for service vehicles and trailers for vehicle transports.

For fixed-price contracts, revenue is recognised based on a calculation of costs incurred at the balance sheet date divided by total expected costs for satisfying the performance obligation. Estimates of revenue, costs or the degree of completion of a project are revised if circumstances change.

Under a fixed-price contract, the customer pays the agreed price on agreed payment dates. If the performance obligations satisfied by the Group exceed the payment, a contract asset is recognised. If the payments exceed the satisfied performance obligations, a contract liability is recognised.

The Group is engaged in the development and manufacture of products but also sources products from subcontractors primarily for sale to end customers. The contract with the customer is normally considered to consist of one or multiple performance obligations (if several products are delivered). In some cases, contracts provide for performance obligations other than products, when service installation, assembly and/or support are included in the contract. Sales of goods are recognised as revenue when control of the goods is transferred, which normally occurs when the goods are delivered to the customer. All revenue from the sale of goods are recognised at a point in time. Some contracts provide for a customer rebate, which is based on accumulated sales to the customer over a certain period, normally one year or longer. Revenue from the sale of goods is based on the price in the contract less the estimated customer rebate. Historical data is used to estimate the expected value of the customer rebate and revenue is recognised only to the extent that it is highly probable that a significant reversal will not occur. A liability included in the item "Accrued expenses and deferred income" is recognised for the expected customer rebate in relation to sales up to and including the balance sheet date. The Group does not consider that there is a financing component, as the average credit period is short. The Group has obligations to repair or replace defective products in accordance with normal warranty rules, which are recognised as provisions. Extended warranties are sold in a few cases. A receivable is recognised when the goods are delivered, as it is at this point that the right to receive consideration becomes unconditional (i.e. only the passage of time is required for payment of the consideration to be made).

Sales of services

The Group's material revenue streams attributable to sales of services consist in part of sales of services in the area of "Contract Manufacturing" which derive from the Systems Solutions operating segment and in part of services connected to one of the revenue streams described above in respect of goods sold in the form of service, assembly, support and/or installation regarding sold products. The majority of the Group's contracts for services are time and materials contracts. Revenue from provided variable-price services is recognised over time in the period in which the services are provided. Revenue is normally recognised based on a price per hour.

Certain contracts include multiple services, such as sale of a good, assembly, service, support and/or installation of the sold products. For these contracts, an assessment is made of whether the contract includes one or multiple performance obligations based on whether the service is simple, includes an integration service or can be performed by another service provider. If the contract includes multiple performance obligations, the transaction price is allocated to each separate performance obligation based on their stand-alone selling prices.

Certain services, such as maintenance, service and support of products, are recognised on a straight-line basis over the term of the contract unless another method measures the satisfaction of the performance obligation more accurately.

Interest income is recognised over the term of the loan by applying the effective interest method.

2.17 LEASES

Leases are recognised as right-of-use assets and a corresponding lease liability in the balance sheet on the date that the leased asset is available for Lifco to use. Lease liabilities are recognised at the present value of future lease payments. Each lease payment is divided into amortisation of the lease liability and a financial expense. The financial expense is distributed over the lease term so that each reporting period is charged with an amount corresponding to the fixed interest rate for the liability recognised for each period. Future lease payments are discounted at the rate implicit in the lease if that can be readily determined. If not, the Group's incremental borrowing rate is used based on the currency and length of the term. The weighted average incremental borrowing rate used to calculate the discount effect is 1.79 (0.72) per cent. Right-of-use assets are recognised at cost and comprise the initial present value of the lease liability. Expenses for restoring the asset to the condition stated in the conditions of the lease are included in the asset if a corresponding provision for restoration costs is identified. The right-of-use assets are depreciated straight-line over the shorter of the useful life of the asset and the term of the lease. The term of the lease is determined as the non-cancellable period adjusted for periods that by using options can extend or shorten the lease, if it is reasonably certain that these options will be exercised. An assessment of the probability that an option will be used is made by management, taking into account all available information, such as costs for terminating the lease and the significance of the asset to the operations. Lifco's leases primarily comprise right-of-use assets for premises, such as office, warehouse and factory premises. Exceptions are made for short-term leases and low-value leases, and these are expenses straight-line in profit or loss.

2.18 CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method. This means that the net profit or loss is adjusted for transactions which have not resulted in incoming or outgoing payments during the period, and for any income or expenses attributable to cash flows from investing or financing activities.

2.19 DIVIDENDS

Dividend payments to the shareholders of the Parent Company are recognised as a liability in the consolidated financial statements in the period in which the payment is approved by the shareholders of the Parent Company. Dividend income is recognised when the right to receive payment has been established.

2.20 SHAREHOLDER CONTRIBUTIONS

Shareholder contributions are recognised directly in equity in the receiving entity and converted into shares in the contributing entity, insofar as no impairment loss is required.

2.21 SEGMENT INFORMATION

Segment information is reported in a way that is consistent with the internal reports submitted to the most senior executive. The most senior executive is the function that is responsible for allocating resources and assessing the results of operating segments. In the Group this function has been identified as the Chief Executive Officer, who makes strategic decisions. Group management has defined the operating segments based on the information that is handled by the CEO and used as a basis for decisions on the allocation of resources and evaluation of results.

The CEO evaluates the activities on the basis of three operating segments: Dental, Demolition & Tools and Systems Solutions. Systems Solutions consists of a merger of those business areas which have similar economic characteristics and which do not individually meet the defined quantitative limits.

2.22 ALTERNATIVE PERFORMANCE MEASURES

The primary alternative performance measures presented in this report are EBITA, EBITDA, interest-bearing net debt, net debt and capital employed. Reconciliations of the alternative performance measures are presented on pages 122–123, and the purpose and definitions of these measures are presented on page 156.

NOTE 3 FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

Through its activities, the Group is exposed to a wide range of financial risks: market risk (comprising currency risk, interest rate risk and price risk), credit risk and liquidity risk. These risks are managed in accordance with Lifco's financial policy, which has been adopted by the company's Board of Directors. The Group's policy is to apply hedge accounting only for net investments in foreign operations and it endeavours to minimise potential negative effects on the Group's financial results through an extensive Group account system in which surpluses in a certain currency are matched with payments in the same currency.

a) Market risk

(i) Currency risk
Currency risk is the risk that unfavourable changes in exchange rates will affect the Group's results and equity in SEK terms:

- Transaction exposure arises from the fact that the Group has incoming and outgoing payments in foreign currencies
- Translation exposure arises from the Group's currency exposure from net assets in the Group's foreign operations.

The Lifco Group conducts operations in 31 countries. Due to this geographic spread, as well as the large number of customers and products, Lifco's transaction exposure is relatively limited. The Lifco Group's transaction exposure arises when the subsidiaries import products for sale in their domestic markets and/or sell products in foreign currency. As far as possible, the effects of changes in exchange rates are managed through the use of currency clauses in customer contracts and through sales in the same currency as the purchase.

Under the policy that is applied in the Group, each company is required to manage its currency flows with regard to exposure to sudden changes in exchange rates. Currency risks are managed chiefly through a system of Group accounts in different currencies where surpluses in the system are used to pay for transactions in a certain currency. No derivatives have been entered into to manage the currency risk. Forward contracts may only be entered into with approval from Group management. There were no significant forward contracts for the Group in 2022 and 2023.

Lifco deems that the transaction exposure is limited, as there is a balance between purchases and sales in foreign currency in the Group. A moderate change in the value of the Swedish krona against other currencies thus has no material impact on consolidated earnings after tax. In 2023, net foreign exchange differences recognised in the income statement were SEK 29 (40) million, see Note 6. Lifco also has transaction exposure in the form of borrowings in foreign currency. This risk is limited, as these loans are part of the Group's net investment hedge.

Translation risk arises on the translation of foreign subsidiaries to the reporting currency, SEK. The Group has a number of investments in foreign operations whose net assets are exposed to currency risks. Currency exposure arising from the net assets in the Group's foreign operations is partly managed through borrowings in the foreign currencies concerned. These loans are recognised as hedge of net investment, see 2.7.5 Hedge of net investment. The Parent Company has outstanding bonds, loans in the form of overdraft facilities and bank loans related to acquisitions in the equivalent amount of SEK 4,883 (5,734) million denominated in EUR, SEK 691 (743) million in NOK, SEK 332 (345) million in USD, SEK 1,632 (404) million in GBP and SEK 536 (7) million in DKK. The acquisition-related loans have been identified as a net investment hedge. During the period, no ineffectiveness in hedges of net investments in foreign operations that needs to be recognised occurred. The net exposure is SEK 1,345 (1,927) million and hedged net assets total SEK 13,619 (12,345) million.

Based on the company's translation exposure, Lifco estimates that a change of 1 per cent in the value of the Swedish krona against other currencies would have an impact on equity of SEK +/- 65 (56) million. The exposure refers to:

SEK million	2023	2022
EUR	42	35
NOK	6	6
GBP	2	1
USD	6	5
DKK	3	4
Other currencies	6	5
Total	**65**	**56**

(ii) Interest rate risk
Interest rate risk is the risk that changes in the interest rate environment will have a negative impact on net financial items and earnings in the Group. The Group's borrowings have variable interest rates. The interest rate related to cash flow to which the Group is exposed through variable interest rates is partly neutralised by cash assets bearing variable interest rates. The Group's average interest rate in the 2023 financial year was 4.5 per cent (1.8 per cent in 2022).

At the balance sheet date, the Group had total borrowings of SEK 9,520 (8,263) million (see Note 24), of which 100 per cent was subject to variable interest rates. A change in interest rates of +/- 1.0 percentage points would have an impact of SEK +/- 76 (66) million on net profit for the year.

(iii) Refinancing risk
Refinancing risk is the risk that loans cannot be refinanced or that they cannot be refinanced on acceptable terms. Refinancing risk is managed through credit facilities provided under existing loan agreements, different maturity structures and the use of multiple banks. In order to limit the refinancing risk, the procurement of long-term committed credit lines is also initiated long before the maturity of the credit line.

(iv) Price risk
Price risk is the risk that Lifco's subsidiaries will be unable to compensate for higher prices of purchased materials and services. Lifco estimates that an increase in the price of steel, in particular, could have a negative effect on the profit of the Group as a whole. Lifco does not use derivatives or other arrangements to hedge commodity prices. Lifco believes that the Groups business model, which is based on high added-value products and services, specialisation and niche positions, creates good opportunities for the subsidiaries to compensate for higher prices.

b) Credit risk

Credit risk or counterparty risk is the risk that a counterparty in a financial transaction will fail to meet its obligations at maturity. Lifco's credit risk arises mainly from accounts receivable but there is also a certain credit risk in respect of cash and cash equivalents. Each Group company is responsible for monitoring and analysing credit risk and for assessing the creditworthiness of each new customer. Provisions for doubtful debts are made based on a schedule defined by the Group. Lifco deems that the risk of bad debts is low, as sales are to a large extent made to customers with which the Group has had long partnerships and/or good experience of the customer's willingness to pay. The Group continuously monitors its customers' creditworthiness and reviews credit terms based on specified guidelines where necessary. For cash and cash equivalents, the credit risk is deemed to be low, as the counterparties are large well-known banks with high creditworthiness. For the Group's credit losses, see Note 19. There are no material credit risks. The Group's financial assets that are subject to impairment testing essentially comprise accounts receivable. The expected credit losses are based on past payment history and past losses. Past losses are adjusted to take account of current and prospective information about macroeconomic factors that

can affect the customers' ability to pay a receivable. For disclosures on the maturity structure of accounts receivable and the loss allowance, see Note 19 Accounts receivable.

c) Liquidity risk

Liquidity risk is the risk that the Group will not have sufficient liquid assets to meet its obligations in respect of financial liabilities. The goal of the company's liquidity management is to minimise the risk that the Group will not have sufficient liquid assets to meet its commercial obligations. To manage day-to-day payments, the Group has a cash pool system which ensures that liquid assets are available in the currencies in which payments are made. Management monitors rolling forecasts for the Group's cash and cash equivalents (including unused credit facilities) based on expected cash flows. Lifco's policy is to have a strong liquidity position with regard to available liquid assets and unused confirmed credit facilities.

At 31 December 2023, the Group had cash and cash equivalents of SEK 1,591 (1,703) million. Other future liquidity requirements refer to the settlement of accounts payable and other current liabilities as well as repayment of borrowings. For a maturity analysis of future cash flows from the Group's financial liabilities, see Note 24.

3.2 MANAGEMENT OF CAPITAL RISK

The Group's goal in respect of capital structure is to secure its ability to continue as a going concern in order to continue to generate a return for the shareholders and benefits for other stakeholders, and to maintain an optimal capital structure in order to keep the cost of capital down. Lifco currently sees no refinancing risk.

3.3 CALCULATION OF FAIR VALUE

Due to the short-term nature of accounts receivable and other receivables as well as accounts payable and other liabilities, their carrying amounts, less any impairment losses, are assumed to approximate their fair values. Information on the fair values and carrying amounts of non-current interest-bearing liabilities is presented in Note 24.

Financial instruments at fair value in the Group comprise financial liabilities in the form of put/call options for future acquisitions of non-controlling interests. The fair values of these are based on the company's future earnings. This item is classified to Level 3 of the fair value hierarchy. The following table shows the change for the year:

SEK million	Put/call options
Opening balance, 1 January 2022	**1,657**
Additional	339
Revaluation recognised in equity	295
Considerations paid	-321
Reclassification	-13
Dividends paid	-126
Foreign exchange differences	115
Closing balance, 31 December 2022	**1,946**
Additional	612
Revaluation recognised in equity	233
Considerations paid	-27
Dividends paid	-128
Foreign exchange differences	-31
Closing balance, 31 December 2023	**2,605**

NOTE 4 CRITICAL ESTIMATES AND JUDGEMENTS

Estimates of the values of balance sheet items and judgements made when applying accounting policies are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and judgements

The Group makes estimates and assumptions about the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment testing of goodwill and intangible assets with indefinite useful lives

Each year, the Group tests goodwill and intangible assets with indefinite useful lives for impairment in accordance with the accounting policy described in Note 2. Recoverable amounts for cash-generating units have been determined by calculating value in use. Historically, no adjustments have been made to the carrying amounts. For these calculations certain estimates need to be made, see Note 14.

Recognition of acquisitions

In connection with acquisitions, the Group prepares a purchase price allocation for accounting purposes in accordance with the accounting principle described in Note 2. Accounting for an acquisition involves a high degree of judgement and estimation, mainly with regard to the allocation of premiums and discounts to assets and liabilities (net assets) in the purchase price allocation as well as adjusting entries for adaptation to the Group's accounting policies. Historically, no adjustments have been made to the carrying amounts. Fair value adjustments and resultant goodwill are presented in Note 31.

NOTE 5 SEGMENT REPORTING

The Chief Executive Officer is the Group's chief operating decision maker. Management has defined the operating segments based on the information that is handled by the CEO and used as a basis for decisions on the allocation of resources and evaluation of results. The results for the presented segments are assessed based on EBITA (earnings before amortisation of intangible assets arising on acquisition, acquisition costs, interest and tax).

REVENUE

The Group's material revenue streams arising from the sale of goods comprise sales of dental products, tools and machinery, infrastructure products, environmental technology, special products and transportation products. The "dental products" revenue stream arising from the Dental operating segment is generated from sales of products in the form of consumables and equipment for dentists. The "Machinery and Tools" revenue stream arising from the Demolition & Tools operating segment is generated from sales of equipment for the infrastructure, demolition and construction industries, where the most significant products are demolition robots, crane and excavator attachments and forest machinery. The "Infrastructure Products", "Environmental Technology", "Special Products" and "Transportation Products" revenue streams, which arise from the Systems Solutions operating segment, are generated from sales of a variety of products, including machinery and equipment for electrical installations and electricity production, electrical equipment, equipment for recycling of various materials, compressors for ships and offshore installations, interiors for service vehicles and trailers for vehicle transports. The Group's material revenue streams attributable to sales of services consist in part of sales of services in the area of "Contract Manufacturing" which derive from the Systems Solutions operating segment and in part of services connected to one of the revenue streams described above in respect of goods sold in the form of service, assembly, support and/or installation regarding sold products.

No sales are made between the segments. The revenue from external parties that is reported to the CEO is measured in the same way as in the income statement.

SEK million	2023	2022
Revenue from external customers		
Dental	6,030	5,295
Demolition & Tools	7,097	6,285
Systems Solutions	11,328	9,972
Total	**24,454**	**21,552**

A breakdown of results by segment is made up to and including EBITA. No breakdown of assets and liabilities by segment is made, as no such amount is regularly reported to the chief operating decision maker.

EBITA is reconciled to profit before tax as follows:		
Dental	1,248	1,017
Demolition & Tools	1,859	1,607
Systems Solutions	2,704	2,184
Central Group functions	-148	-146
Total	**5,664**	**4,662**
Amortisation of intangible assets arising from acquisitions	-859	-673
Acquisition costs	-52	-36
Net financial items	-379	-111
Profit before tax	**4,374**	**3,842**
Net sales by significant type of income:		
Dental products	6,030	5,295
Machinery and tools	7,097	6,285
Infrastructure Products	1,907	1,604
Contract Manufacturing	2,213	2,034
Environmental Technology	3,152	2,903
Transportation Products	2,740	2,336
Special Products	1,316	1,095
Total	**24,454**	**21,552**

No single customer accounts for more than ten per cent of net sales.

Net sales by geographic market:		
Germany	4,093	3,369
Sweden	2,812	2,768
United Kingdom	2,610	1,607
Norway	2,110	1,976
Italy	1,316	1,213
Rest of Europe	6,762	6,238
North America	2,536	2,345
Asia and Australia	2,040	1,825
Other markets	175	211
Total	**24,454**	**21,552**

Total fixed assets, other than financial instruments and deferred tax assets, located in Sweden totalled SEK 2,868 (2,931) million, SEK 8,152 (7,134) million in Germany, SEK 4,787 (4,520) million in Italy, SEK 4,155 (2,010) million in the United Kingdom and SEK 1,422 (1,565) million in Norway, and the sum of such fixed assets located in other countries is SEK 3,271 (2,490) million.

Contract assets and contract liabilities

The Group only has contract assets in the form of contract work in progress, which will continue to be presented separately in the item Inventories and be termed contract work in progress. In addition to accounts receivable, the Group also has receivables from contracts with customers where payment of the consideration for the goods or service is only dependent on the passage of time. Receivables from contracts with customers are accounted for as part of Prepaid expenses and accrued income in the line Receivables from contracts with customers.

SEK million	31 Dec 2023	31 Dec 2022
The Group recognises the following revenue-related contract liabilities:		
Advance payments from customers	381	446
Other customer contract liabilities	86	93
Total contract liabilities	**467**	**539**

Of the total contract liabilities of SEK 539 million recognised at the beginning of the financial year, revenue related to contract liabilities of SEK 539 million was recognised during the financial year. The closing balance of contract liabilities at the end of the financial year of SEK 467 million is expected to be recognised as revenue in the following financial year.

Outstanding unsatisfied performance obligations
All contracts for the sale of services have an original term of no more than one year or are billed on a time basis. In accordance with IFRS 15, no disclosures are made on the transaction prices for these unsatisfied obligations.

NOTE 6 NET FOREIGN EXCHANGE GAINS AND LOSSES

SEK million	2023	2022
Foreign exchange differences have been recognised in the income statement as follows:		
Other operating income and operating expenses	19	32
Financial income and expenses (Note 12)	10	8
Total	**29**	**40**

NOTE 7 SCHEDULED DEPRECIATION AND AMORTISATION

SEK million	2023	2022
Distribution of depreciation/amortisation by tangible and intangible assets		
Right-of-use assets	-276	-211
Buildings and land improvements	-32	-28
Plant and machinery	-131	-102
Equipment, tools, fixtures and fittings	-161	-113
Total depreciation of tangible assets	**-600**	**-454**
Trademarks	-7	-7
Customer relationships	-843	-660
Patents	-9	-6
Other intangible assets	-24	-24
Total amortisation of intangible assets	**-882**	**-697**
Total depreciation/amortisation of fixed assets	**-1,482**	**-1,151**
Depreciation/amortisation by function		
Cost of goods sold	-188	-161
Selling expenses	-889	-666
Administrative expenses	-403	-321
Research and development costs	-3	-3
Total depreciation/amortisation	**-1,482**	**-1,151**

NOTE 8 AUDITORS' FEES

SEK million	2023	2022
PricewaterhouseCoopers		
Audit engagement	13	12
Audit services in addition to audit engagement	1	1
Tax advisory services	2	1
Other services	0	-
Total	**15**	**14**
Other audit firms		
Audit engagement	10	5
Other services	1	1
Total	**11**	**6**

Audit engagement refers to fees for the statutory audit, i.e. such work as has been necessary to submit the auditor's report.
Tax advisory services refer mainly to general corporate tax matters. Other services refer to advice on financial reporting as well as services in connection with acquisitions. The total fee paid to PwC and its international network for the 2023 financial year is SEK 15 (14) million. The fee paid to the audit firm PricewaterhouseCoopers AB is SEK 8 (6) million, of which SEK 7 (6) million refers to the audit engagement, SEK 0 (0) million to other audit engagements and SEK 0 (0) million to other services.

NOTE 9 CLASSIFICATION OF EXPENSES BY NATURE

SEK million	2023	2022
Goods for resale, raw materials and consumables	10,528	9,770
Personnel costs (Note 10)	4,669	4,076
Depreciation, amortisation and impairment (Notes 7, 14 and 15)	1,482	1,151
Expenses for operating leases (Note 11)	84	74
Production expenses and other expenses	2,967	2,543
Total costs of goods sold, selling expenses, administrative expenses and development costs	**19,730**	**17,614**

NOTE 10 PERSONNEL COSTS AND AVERAGE NUMBER OF EMPLOYEES

SEK million	2023	2022
Salaries and benefits		
Board of Directors and senior executives[1]	483	408
Other employees	3,261	2,861
	3,744	**3,269**
Social security contributions	702	620
Pension costs for senior executives	39	35
Pension costs for other employees	184	152
Total	**4,669**	**4,076**

[1] Includes salaries and remuneration to the Board, Group management and Managing Directors in the Group's subsidiaries.

REMUNERATION AND BENEFITS IN 2023

SEK THOUSAND	Basic salary/ Director's fee[1]	Variable remuneration	Other benefits	Pension contributions	Total
Carl Bennet	1,548	-	-	-	1,548
Ulrika Dellby	838	-	-	-	838
Annika Espander	792	-	-	-	792
Dan Frohm	838	-	-	-	838
Erik Gabrielson	792	-	-	-	792
Ulf Grunander	977	-	-	-	977
Caroline af Ugglas	838	-	-	-	838
Axel Wachtmeister	792	-	-	-	792
Per Waldemarson (in capacity of Director)	-	-	-	-	-
Total	**7,416**	**-**	**-**	**-**	**7,416**
Per Waldemarson	25,255	21,643	98	15,153	62,149
Other Group management (2 persons)	9,229	14,374	79	1,031	24,713
Total	**34,484**	**36,017**	**177**	**16,184**	**86,862**

[1] Includes fees for work on Board committees.

Holdings of synthetic call options through Carl Bennet AB: CEO 87,412 and other members of Group management 54,632.

REMUNERATION AND BENEFITS IN 2022

SEK THOUSAND	Basic salary/ Director's fee[1]	Variable remuneration	Other benefits	Pension contributions	Total
Carl Bennet	1,496	-	-	-	1,496
Ulrika Dellby	810	-	-	-	810
Annika Espander	765	-	-	-	765
Dan Frohm	810	-	-	-	810
Erik Gabrielson	765	-	-	-	765
Ulf Grunander	944	-	-	-	944
Johan Stern	765	-	-	-	765
Caroline af Ugglas	810	-	-	-	810
Axel Wachtmeister	765	-	-	-	765
Per Waldemarson (in capacity of Director)	-	-	-	-	-
Total	**7,930**	**-**	**-**	**-**	**7,930**
Per Waldemarson	23,825	23,825	105	14,358	62,113
Other members of Group management (2 persons + one person in the first six months of the year)	9,375	13,959	49	1,161	24,544
Total	**33,200**	**37,784**	**154**	**15,519**	**86,657**

[1] Includes fees for work on Board committees.

Holdings of synthetic call options through Carl Bennet AB: CEO 87,412 and other members of Group management 76,485.

Director's fee

The Chairman and other members of the Board of Directors receive Directors' fees and remuneration for committee work in accordance with the resolutions of the Annual General Meeting. Employee representatives do not receive Directors' fees. Directors who are employed in the Group have not received remuneration or benefits other than those related to their employment. The Chairman of the Board has not received any remuneration in addition to a Director's fee and remuneration for committee work.

Remuneration of senior executives

Remuneration of the CEO and other senior executives consists of a basic salary, variable remuneration, other benefits and pension contributions. Senior executives refer to those individuals who together with the Chief Executive Officer made up the Group management team in 2023, see page 88.

Basic salary and variable remuneration

The amount of variable remuneration in relation to basic salary must be in proportion to the senior executive's responsibility and authority. Variable remuneration is linked to predefined and measurable criteria which have been defined with the aim of promoting the creation of long-term value by the company. For the CEO, variable remuneration is capped at 100 per cent of the basic salary. The variable remuneration shall be based on individual targets proposed by the Remuneration Committee and adopted by the Board. Examples of such targets include earnings, volume growth, working capital and cash flow. For other senior executives, the variable remuneration shall be based, partly, on the outcome of his/her own area of responsibility and, partly, on individually set targets. In addition to the above variable remuneration, the shareholders' meeting may decide from time to time to introduce share- or share price-based incentive schemes.

Other benefits

Other benefits, such as a company car, extra health insurance or occupational health care, may be offered to the extent that this is considered to be in line with market practice for senior executives in equivalent positions in the labour market in which the executive is active. The total value of such benefits must, however, represent a minor portion of the total compensation.

Pension

Pension rights for the CEO and other senior executives shall apply no earlier than from age 65. For the CEO, an amount corresponding to 60 per cent (excluding payroll expenses) of the annual basic salary will be reserved in capital, pension, life and health insurances. Other senior executives are entitled to pension benefits of a maximum of 35 per cent (excluding payroll expenses) of the annual basic salary. Pension agreements shall be entered into based on applicable local rules in the senior executive's country of residence. The amount of the pension is defined as a certain proportion of the basic salary. Pension benefits must be vested.

Terms of notice
The employment contract of the CEO is terminable on six months' notice in case of termination by the CEO. In case of termination by the company, a notice period of no more than 18 months shall apply, during which the CEO will be entitled to a salary. Other income shall not be deducted from termination pay. In case of termination of other senior executives by the company, the senior executive shall be entitled to a salary during a notice period of no more than twelve months.

Drafting and decision-making process
The Remuneration Committee submits recommendations to the Board of Directors concerning principles for remuneration of senior executives. The recommendations cover the ratio of fixed to variable remuneration, and the size of any salary increases. The committee also proposes criteria for assessing bonus outcomes. The Board discusses the Remuneration Committee's proposal and makes decisions based on the committee's recommendations. The Board has the right to depart from the guidelines if there are special reasons warranting an exception in an individual case.

The remuneration payable to the CEO for the 2023 financial year was approved by the Board based on the recommendation of the Remuneration Committee. The remuneration paid to other senior executives was approved by the CEO in consultation with the Remuneration Committee. In 2023, the Remuneration Committee convened on two occasions.

The guidelines for remuneration were adopted by the 2022 AGM. The Board of Directors has not proposed any changes to the guidelines for the 2024 annual general meeting.

AVERAGE NUMBER OF EMPLOYEES, GROUP

	2023			2022		
	Women	Men	Total	Women	Men	Total
Australia	7	37	44	6	32	38
Belgium	5	11	16	4	10	14
Denmark	107	236	343	103	215	318
Estonia	111	22	133	144	71	215
Philippines	77	109	186	76	114	190
Finland	33	76	109	36	74	110
France	20	96	116	20	96	116
United Arab Emirates	1	4	5	1	4	5
Ireland	-	1	1	-	-	-
Italy	150	622	772	142	562	704
Japan	-	1	1	-	-	-
Canada	2	11	13	2	12	14
China	101	323	424	139	395	534
Croatia	15	19	34	13	22	35
Latvia	8	3	11	8	3	11
Lithuania	11	2	13	11	2	13
Netherlands	14	103	117	5	64	69
Norway	134	326	460	102	333	435
New Zealand	3	19	22	2	18	20
Poland	3	10	13	3	12	15
Russia	-	-	-	1	3	4
Switzerland	3	7	10	9	2	11
Singapore	6	23	29	6	20	26
Slovenia	9	22	31	6	21	27
Spain	6	7	13	6	7	13
United Kingdom	192	729	921	111	528	639
Sweden	363	985	1,348	355	1,045	1,400
South Africa	-	1	1	-	-	-
South Korea	2	3	5	-	-	-
Thailand	-	1	1	-	-	-
Czech Republic	39	153	192	37	153	190
Germany	444	651	1,095	396	609	1,005
Hungary	4	3	7	4	3	7
USA	60	156	216	62	198	260
Austria	6	45	51	6	51	57
Total number of employees	**1,936**	**4,817**	**6,753**	**1,816**	**4,679**	**6,495**
Parent Company						
Sweden	3	1	4	3	1	4

GENDER DISTRIBUTION FOR SENIOR EXECUTIVES AT BALANCE SHEET DATE, %	2023	2022
Women:		
Board members in the Parent Company	33%	30%
Other individuals in management, incl. CEO	33%	33%
Men:		
Board members in the Parent Company	67%	70%
Other individuals in management, incl. CEO	67%	67%

NOTE 11 LEASES

SEK million	2023	2022
Amounts recognised in the balance sheet		
The following lease-related amounts have been recognised in the balance sheet:		
Right-of-use assets		
Properties and premises	1,179	1,040
Total	**1,179**	**1,040**
Lease liabilities		
Non-current	905	805
Current	274	235
Total	**1,179**	**1,040**

New right-of-use assets in 2023 totalled SEK 445 MILLION.

SEK million	2023	2022
Amounts recognised in the income statement		
The following lease-related amounts have been recognised in the income statement:		
Depreciation of right-of-use assets		
Properties and premises	-276	-211
Total	**-276**	**-211**
Interest expense	-24	-22
Expenses related to short-term leases	-37	-30
Expenses related to leases for which the underlying asset is of low value	-47	-44

The total lease-related cash flow in 2023 was SEK 384 million.

The Group's lease activities and their accounting treatment
The Group mainly leases premises, such as office, warehouse and factory premises. Leases are normally entered into for fixed periods ranging from three months to three years, in some cases with an option to extend, as described below. The contracts may include both lease and non-lease components. For lease payments for properties for which the Group is the tenant, the Group has chosen not to separate lease and non-lease components and instead recognises these as a single lease component. The terms are negotiated separately for each contract and contain a large number of different contract terms. The leases do not contain any special terms or restrictions other than that the lessor retains the rights to pledged leased assets. The leased assets may not be used as collateral for loans.

Assets and liabilities arising from a lease are initially measured at the present value of fixed payments. The majority of options to extend related to properties and premises have not been taken into account in calculating the lease liability.

Lease payments are discounted using the interest rate implicit in the lease. As this rate cannot normally be easily determined, which is normally the case for the Group's leases, the lessee's weighted average incremental borrowing rate has been used, which is the interest rate the Group would have to pay to borrow the funds necessary to purchase an asset of similar value to the right-of-use asset. The Group has determined the marginal borrowing rate based on an average of the terms of the financing recently obtained from an external party.

The Group is exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments that depend on an index or rate take effect the lease liability and right-of-use asset are remeasured. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. In the income statement, the finance charge is allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period.

Right-of-use assets are measured at cost, which is equal to the initial measurement of the lease liability. Right-of-use assets are depreciated on a straight-line basis over the estimated useful life, which is the same as the lease term.

Payments for short-term leases for premises and all low-value leases are expensed on a straight-line basis in the income statement.

Options to extend and terminate leases
Options to extend and terminate leases are included in a number of the Group's leases. The terms are used to ensure the greatest possible flexibility in managing the assets used in the activities of the Group. The majority of the options to extend and terminate leases can only be exercised by the Group, and not by the lessor.

When the length of the lease term is determined management considers all available information that creates an economic incentive to exercise an option to extend, or not to terminate, a lease. An option to extend a lease is included in the lease term only if it is certain to be exercised. Potential future cash flows of SEK 908 million (discounted) have not been included in the lease liability, as it is not reasonably certain that the leases will be extended.

The majority of the options to extend have not been taken into account in calculating the lease liability, as the Group is able to replace the assets without significant costs or disruptions to its operations. The assessment of whether it is reasonably certain is reviewed only in case of a significant event or change of circumstances that affects this assessment and if the change is within the control of the lessee. During the current financial year, this review of lease terms led to an increase in lease liabilities and right-of-use assets of SEK 139 million.

NOTE 12 FINANCIAL INCOME AND EXPENSES

SEK million	2023	2022
Financial income		
Interest income	45	11
Foreign exchange gains	10	8
Other financial income	1	3
Total financial income	**56**	**22**
Financial expenses		
Interest expense	-426	-128
Other financial expenses	-10	-5
Total financial expenses	**-436**	**-133**
Net financial items	**-379**	**-111**

NOTE 13 TAX ON PROFIT FOR THE YEAR

SEK million	2023	2022
Tax expense		
Current tax for the year	-1,237	-1,119
Adjustments regarding previous years' current tax	-7	3
Total current tax expense	**-1,244**	**-1,116**
Deferred tax (Note 17)		
Origination and reversal of temporary differences	194	140
Effect of changed tax rate	-	-38
Total deferred tax	**194**	**102**
Total income tax	**-1,051**	**-1,014**

The relationship between tax expense for the year and reported profit is shown in the table below. The tax on the profit for the year has been calculated at 20.6 (20.6) per cent. Tax for other countries has been calculated at the applicable local tax rates. The income tax on the consolidated profit differs from the theoretical amount that would have resulted from the use of a weighted average tax rate for the results of the consolidated companies as follows:

Reported profit before tax	**4,374**	**3,842**
Tax at applicable tax rate in Sweden, 20.6% (20.6%)	-901	-791
Tax effects of non-taxable income/non-deductible expenses	69	57
Tax effects of non-deductible expenses	-113	-127
Adjustment for other tax rates in foreign subsidiaries	-101	-114
Utilisation of loss carry forwards for which no deferred tax asset has been recognised	2	-4
Effect of changed tax rate	-	-38
Adjustment relating to previous years	-7	3
Reported tax expense	**-1,051**	**-1,014**

The Group's effective tax rate is 24.0 (26.4) per cent.

The Group is subject to the Global Minimum Tax rules. Global Minimum Tax legislation has been adopted in Sweden, where Lifco AB (publ) is registered office, and will become effective on 1 January 2024. As the Global Minimum Tax legislation had not become effective on the balance sheet date, the Group has no related current tax exposure. The Group applies the exception to the recognition and disclosure of deferred tax assets and liabilities related to income taxes under the Global Anti-Base Erosion (GloBE) Rules, as specified in the amendments to IAS 12. Under the legislation, the Group is required to pay a top-up tax covering the difference between the effective tax rate calculated according to the GloBE rules for each jurisdiction and the minimum tax rate of 15 per cent. For the Group, the effective tax rate will be calculated as a total for the Group, Carl Bennet AB and some of Carl Bennet AB's other holdings. The Group is therefore working with Carl Bennet AB to evaluate its exposure with regard to the Global Minimum Tax framework. The ongoing evaluation indicates that there is no significant tax exposure.

NOTE 14 INTANGIBLE ASSETS

SEK million	Goodwill[1]	Trademarks[1]	Customer relationships	Trademarks	Patents	Other intangible assets	Total
COST							
1 January 2022	**9,814**	**1,823**	**5,894**	**56**	**73**	**238**	**17,898**
Investments	10	-	3	-	35	21	69
Acquisition/Sale of companies	1,049	304	1,024	11	7	-6	2,389
Sales/disposals	-65	-	-	-	-19	-2	-86
Reclassifications	-	-	-	-	-2	-3	-5
Translation differences	651	129	409	4	5	17	1,215
1 January 2023	**11,459**	**2,256**	**7,330**	**71**	**99**	**265**	**21,480**
Investments	29	-	-	-	2	21	52
Acquisitions	2,138	592	1,973	-	-	20	4,723
Sales/disposals	39	-	-1	-	-	-3	35
Reclassifications	13	-	3	-	-7	8	17
Translation differences	-129	-35	-116	-	-	-3	-283
31 December 2023	**13,549**	**2,813**	**9,189**	**71**	**94**	**308**	**26,024**
ACCUMULATED AMORTISATION							
1 January 2022	**-202**	**-**	**-1,895**	**-23**	**-49**	**-182**	**-2,351**
Amortisation for the year	-	-	-660	-7	-6	-24	-697
Acquisition/Sale of companies	-	-	-6	-1	-6	4	-9
Sales/disposals	40	-	-	-	15	2	57
Reclassifications	-	-	-	-6	8	3	5
Translation differences	-	-	-130	-2	-4	-13	-149
1 January 2023	**-162**	**-**	**-2,691**	**-39**	**-42**	**-210**	**-3,144**
Amortisation for the year	-	-	-843	-7	-9	-24	-882
Acquisitions	-40	-	-	-	-	-16	-56
Sales/disposals	-40	-	2	-	-	3	-35
Reclassifications	-7	-	-4	8	8	-8	-3
Translation differences	5	-	66	-	-	2	73
31 December 2023	**-244**	**-**	**-3,470**	**-38**	**-43**	**-252**	**-4,047**
ACCUMULATED IMPAIRMENT							
1 January 2022	**-50**	**-**	**-**	**-**	**-**	**-**	**-50**
Impairment for the year	-	-	-	-	-	-	-
1 January 2023	**-50**	**-**	**-**	**-**	**-**	**-**	**-50**
Impairment for the year	-	-	-	-	-	-	-
31 December 2023	**-50**	**-**	**-**	**-**	**-**	**-**	**-50**

[1] Indefinite useful life

Carrying amount, 1 January 2022	9,562	1,823	3,999	33	24	56	15,497
Carrying amount, 31 December 2022	11,247	2,256	4,639	32	57	55	18,286
Carrying amount, 31 December 2023	**13,255**	**2,813**	**5,719**	**33**	**51**	**56**	**21,927**

Impairment testing of goodwill and trademarks

Goodwill and intangible assets (trademarks) with indefinite useful lives are allocated to the Group's cash-generating units, which are identified by operating segment. For these trademarks, there is no predictable limit for the period during which the trademark is expected to generate net payments for Lifco. The assumptions used in estimating value in use are the same for goodwill and trademarks.

The recoverable amount for a cash-generating unit is determined based on calculations of value in use. These calculations are made using estimated future cash flows before tax based on five-year financial budgets that have been approved by Group management. Cash flows beyond the five-year period have been extrapolated using an estimated growth rate. The estimated growth rate is assumed to represent the growth rate in the fifth year, which is expected to be around 2 per cent for all operating segments in both 2023 and 2022. Assumptions have also been made for gross margin, overheads, working capital requirements and investment requirements. The parameters have been set to represent an annual growth rate of 2 (2) per cent for all operating segments. The pre-tax discount rate used is 12.5 (12.2) per cent for all operating segments.

The calculation as at 31 December 2023 shows that value in use exceeds the carrying amount for all cash-generating units. There is thus no impairment. Nor was any impairment identified as at 31 December 2022.

Sensitivity analysis

A sensitivity analysis shows that the remaining goodwill value for all cash-generating units would remain warranted if the discount rate were raised by 1 percentage point or the growth rate, terminal growth or gross margin were reduced by 1 percentage point.

Lifco's reportable operating segments are Dental, Demolition & Tools and Systems Solutions. For the purpose of performing impairment tests, goodwill is allocated, with the exception of the reportable segments Dental and Demolition & Tools, to the five individual cash-generating units: Contract Manufacturing, Environmental Technology, Infrastructure Products, Special Products and Transportation Products. The following is a summary of goodwill and intangible assets with indefinite useful lives by cash-generating unit:

Group	Goodwill		Trademarks	
SEK million	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Dental	4,910	4,732	726	684
Demolition & Tools	2,907	2,366	632	474
Contract Manufacturing	390	392	97	97
Environmental Technology	1,361	1,161	375	320
Infrastructure Products	843	851	210	212
Special Products	1,502	607	417	171
Transportation Products	1,342	1,140	356	298
Total	**13,255**	**11,247**	**2,813**	**2,256**

NOTE 15 TANGIBLE ASSETS

SEK million	Buildings and land	Plant and machinery	Equipment, tools, fixtures and fittings	Assets under construction	Sub-total	Right-of-use assets	Total
COST							
1 January 2022	**857**	**1,518**	**1,063**	**17**	**3,455**	**1,162**	**4,617**
Investments	15	83	132	49	279	228	507
Acquisition/sale of companies	20	104	105	2	231	125	356
Sales/disposals	-13	-49	-80	-	-142	-146	-288
Reclassifications	2	23	-2	-19	4	-	4
Translation differences	49	77	63	2	191	85	276
1 January 2023	**930**	**1,756**	**1,281**	**51**	**4,018**	**1,454**	**5,472**
Investments	41	104	234	50	429	256	685
Acquisition/sale of companies	74	143	333	1	551	189	740
Sales/disposals	-6	-74	-96	-	-176	-75	-251
Reclassifications	25	65	1	-77	14	-	14
Translation differences	-8	-14	-24	-1	-47	-36	-83
31 December 2023	**1,056**	**1,980**	**1,729**	**24**	**4,789**	**1,788**	**6,577**
ACCUMULATED DEPRECIATION							
1 January 2022	**-479**	**-1,034**	**-743**	**-**	**-2,256**	**-309**	**-2,565**
Depreciation for the year	-28	-102	-113	-	-243	-211	-454
Acquisition/sale of companies	-10	-100	-68	-	-178	22	-156
Sales/disposals	8	46	66	-	120	107	227
Reclassifications	-2	-13	2	-	-13	0	-13
Translation differences	-26	-46	-52	-	-124	-23	-147
1 January 2023	**-537**	**-1,249**	**-908**	**-**	**-2,694**	**-414**	**-3,108**
Depreciation for the year	-32	-131	-161	-	-324	-276	-600
Acquisition/sale of companies	-21	-105	-250	-	-376	-	-376
Sales/disposals	6	48	65	-	119	66	185
Reclassifications	4	-9	4	-	-1	-	-1
Translation differences	4	9	18	-	31	15	46
31 December 2023	**-576**	**-1,437**	**-1,232**	**-**	**-3,245**	**-609**	**-3,854**
Carrying amount, 1 January 2022	378	484	320	17	1,199	853	2,052
Carrying amount, 31 December 2022	393	507	373	51	1,324	1,040	2,364
Carrying amount, 31 December 2023	**480**	**543**	**497**	**24**	**1,544**	**1,179**	**2,723**

NOTE 16 FINANCIAL INSTRUMENTS BY CATEGORY

Assets in the balance sheet SEK MILLION	Financial assets at amortised cost
31 December 2023	
Accounts receivable - trade	2,940
Other non-current financial receivables	25
Cash and cash equivalents	1,591
Total	**4,556**
31 December 2022	
Accounts receivable - trade	2,853
Other non-current financial receivables	15
Cash and cash equivalents	1,703
Total	**4,571**

Liabilities in the balance sheet SEK million	Liabilities at fair value	Financial liabilities at amortised cost	Total
31 December 2023			
Interest-bearing borrowings	-	9,520	9,520
Accounts payable - trade	-	1,396	1,396
Other liabilities[1]	2,605	-	2,605
Total	**2,605**	**10,916**	**13,521**
31 December 2022			
Interest-bearing borrowings	-	8,263	8,263
Accounts payable - trade	-	1,449	1,449
Other liabilities[1]	1,946	-	1,946
Total	**1,946**	**9,712**	**11,658**

[1] Other liabilities classified as financial instruments refer to mandatory put/call options related to non-controlling interests.

The carrying amount is the same as the fair value. Financial instruments at fair value are classified into different levels depending on how fair value is determined. All financial instruments at fair value in the Lifco Group have been classified as level 3, i.e. non-observable inputs. The fair value of short-term borrowings is equal to the carrying amount, as the discount effect is insignificant.

NOTE 17 DEFERRED TAX

SEK million	2023	2022
Deferred tax asset is attributable to the following temporary differences and loss carry forwards		
Temporary differences on current assets	131	128
Temporary differences on fixed assets	20	14
Deductible temporary differences on provisions	1	2
Other deductible temporary differences	198	206
Total deferred tax assets	**350**	**350**
Deferred tax liability is attributable to the following temporary differences		
Temporary differences on current assets	12	0
Temporary differences on fixed assets	-2,273	-1,811
Other taxable temporary differences	-273	-289
Total deferred tax liabilities	**-2,534**	**-2,100**
Net deferred tax asset/liability	**-2,184**	**-1,750**

Deferred tax assets are recognised for loss carry forwards to the extent that it is probable that these can be used to offset future taxable profits. The Group did not recognise deferred tax assets of SEK 24 (5) million relating to losses of SEK 102 (24) million as it is uncertain whether these can be used to offset future taxable profits. Of these loss carry forwards, SEK 23 (5) million expires after more than five years.

NOTE 18 INVENTORIES

SEK million	2023	2022
Finished goods and goods for resale	1,878	1,564
Raw materials and consumables	1,514	1,586
Work in progress	433	433
Contract work in progress	18	19
Advance payments to suppliers	63	80
Total	**3,906**	**3,682**

Net effect of impairment and reversal of impairment of inventories recognised as income/expense in the income statement	-23	-125

NOTE 19 ACCOUNTS RECEIVABLE - TRADE

SEK million	2023	2022
Accounts receivable - trade	3,087	2,996
Loss allowance	-147	-143
Net accounts receivable	**2,940**	**2,853**

SEK million	2023	2022
Carrying amount, gross accounts receivable		
Receivables not past due	1,853	1,798
1–30 days past due	656	639
More than 30 days past due	342	329
More than 60 days past due	97	101
More than 90 days past due	139	129
Total	**3,087**	**2,996**

The average loss allowance is 4.6 per cent, but is lower for accounts receivable 0–90 days past due and higher for accounts receivable more than 90 days past due.

Changes in the loss allowance for accounts receivable are as follows:		
1 January	-143	-95
Decrease/increase in loss allowance, change recognised in profit or loss	0	-24
Acquisition of businesses	-13	-28
Accounts receivable written off during the year	9	4
31 December	**-147**	**-143**

NOTE 20 PREPAID EXPENSES AND ACCRUED INCOME

SEK million	2023	2022
Prepaid rental expenses	42	32
Prepaid insurance expenses	19	17
Prepaid IT expenses	28	25
Other prepaid expenses	51	45
Receivables from contracts with customers	42	33
Accrued income	19	33
Total	**201**	**185**

NOTE 21 OVERDRAFT FACILITIES

SEK million	2023	2022
Overdraft facilities, drawn amount	302	72
Overdraft facilities, agreed limit	1,150	1,200

NOTE 22 CASH AND CASH EQUIVALENTS

SEK million	2023	2022
Cash and cash equivalents in the balance sheet and cash flow statement include the following items:		
Cash and bank balances	1,591	1,703

NOTE 23 SHARE CAPITAL

SEK million	Number of shares (thousand)	Share capital
1 January 2022	454,216	18
31 December 2022	454,216	18
31 December 2023	**454,216**	**18**

The share capital consists of 30,379,850 Class A shares and 423,836,450 Class B shares, or 454,216,300 shares in total. Class A shares carry ten votes per share and Class B shares carry one vote per share. All shares issued by the Parent Company are fully paid up.

NOTE 24 BORROWINGS

SEK million	2023	2022
Non-current interest-bearing liabilities		
Lease liability	905	805
Liabilities to credit institutions	131	100
Bonds	2,203	1,835
Total non-current interest-bearing liabilities	**3,239**	**2,740**
Current interest-bearing liabilities		
Lease liability	274	235
Liabilities to credit institutions	3,933	3,760
Bonds	1,773	1,456
Overdraft facilities, drawn amount	302	72
Total current interest-bearing liabilities	**6,282**	**5,523**
Total interest-bearing liabilities	**9,520**	**8,263**

Lifco has issued nine series of unsecured bonds, all of which are listed on Nasdaq Stockholm.
The fair value of the bonds is equal to the carrying amount.

Name	ISIN code	Total amount, SEK million	Coupon	Maturity
Lifco 12	SE0016274237	1,000	FRN Stibor 3-month +0.59%	6 Mar 2024
Lifco 13	SE0017780141	380	FRN Stibor 3-month +1.10%	2 Sep 2024
Lifco 14	SE0017780158	370	FXD 2-year mid-swap rate +1.10%	2 Sep 2024
Lifco 15	SE0017780455	550	FRN Stibor 3-month +1.05%	3 Mar 2025
Lifco 16	SE0017780463	200	FXD 2-year mid-swap rate +1.05%	3 Mar 2025
Lifco 17	SE0017780539	350	FRN Stibor 3-month +1.00%	30 May 2025
Lifco 18	SE0017780547	400	FXD 2-year mid-swap rate +1.00%	30 May 2025
Lifco 19	SE0020356293	550	FRN Stibor 3-month +1.00%	5 Sep 2025
Lifco 20	SE0020356301	200	FXD 2-year mid-swap rate +1.00%	5 Sep 2025

Of total interest-bearing liabilities, 100 per cent have variable interest rates. The applicable covenants are limits for the net debt/EBITDA and equity/assets ratios. The covenants were met for 2023. The carrying amounts do not differ from the fair values. The following table shows an analysis of the Group's financial liabilities by remaining maturity from the balance sheet date. The indicated amounts are the contractual, undiscounted cash flows. The interest rates provided for under the terms applying at the balance sheet date have been used in the calculation.

SEK million	Less than 1 year	> 1 year < 2 years	> 2 year < 5 years	> 5 years
31 December 2023				
Bank loans and bonds[1]	6,296	2,293	80	17
Lease liability[1]	299	270	498	250
Accounts payable - trade	1,396	-	-	-
Put/call options	109	177	1,354	965
Total	**8,100**	**2,740**	**1,932**	**1,232**

[1] including interest

Reconciliation of net debt

SEK MILLION	2023	2022
Cash and cash equivalents	1,591	1,703
Loans – due within one year (incl. overdraft facilities)	-6,008	-5,288
Loans – due after more than one year	-2,334	-1,935
Interest-bearing pension provision	-98	-70
Interest-bearing net debt	**-6,849**	**-5,590**
Lease liability - due within one year	-274	-235
Lease liability – due after more than one year	-905	-805
Put/call options - due within one year	-109	-63
Put/call options - due after more than one year	-2,496	-1,883
Net debt	**-10,633**	**-8,576**

Cash and cash equivalents	1,591	1,703
Gross debt - variable interest rate	-8,440	-7,293
Lease liability	-1,179	-1,040
Put/call options	-2,605	-1,946
Net debt	**-10,633**	**-8,576**

SEK MILLION	Cash and cash equivalents	Lease liability	Loans	Interest-bearing pension provision	Put/call options, additional considerations	Total
Net debt, 1 January 2022	1,509	-853	-6,055	-57	-1,657	-7,113
Cash flow	44	211	-737	-	447	-35
Acquisitions/divestments	-	-164	-29	-	-339	-532
Revaluation	-	-172	-	-9	-282	-463
Foreign exchange differences	150	-62	-402	-4	-115	-433
Net debt, 31 December 2022	**1,703**	**-1,040**	**-7,223**	**-70**	**-1,946**	**-8,576**
Cash flow	-46	276	-905	-	155	-520
Acquisitions	-	-189	-209	-34	-612	-1,044
Revaluation	-	-248	-	4	-233	-477
Foreign exchange differences	-67	22	-5	3	31	-16
Net debt, 31 December 2023	**1,591**	**-1,179**	**-8,342**	**-98**	**-2,605**	**-10,633**

NOTE 25 POST-EMPLOYMENT BENEFITS

The amounts recognised in the balance sheet refer to defined benefit pensions in Sweden, Germany and Italy attributable to employees who no longer work for the company. The carrying amount of defined benefit obligations is SEK 98 (70) million.

For salaried employees in Sweden defined benefit pension obligations for retirement and family pensions under the ITP 2 plan are secured through an insurance policy with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 3 Classification of ITP Plans Funded through Insurance with Alecta, this is a multi-employer defined benefit plan. For the 2023 financial year, the company has not had access to information that would enable it to account for its proportionate share of the plan's obligations, assets and expenses. It has therefore not been possible to report the plan as a defined benefit plan. The ITP 2 pension plan secured through an insurance policy with Alecta is therefore accounted for as a defined contribution plan. The premium for defined benefit retirement and family pensions is calculated individually and depends on factors such as salary, previously earned pension benefits and expected remaining period of service. Expected fees in the next reporting period for ITP 2 insurance policies with Alecta are SEK 12 (9) million.

The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its commitments to policyholders calculated using Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective funding ratio is normally permitted to vary between 125 and 155 per cent. If Alecta's collective funding ratio were to fall below 125 per cent or exceed 155 per cent, it would be necessary to take measures that will enable the ratio return to the normal range. In case of a low collective funding ratio, one measure that can be taken is to raise the agreed price for new subscriptions and expansion of existing benefits. A high collective funding ratio can be addressed by introducing premium reductions. At the end of 2023, Alecta's surplus, defined as the collective funding ratio, was 157 per cent (preliminary calculation) (2022: 172 per cent).

Lifco has made pension promises to two persons and in connection therewith purchased endowment policies which have been posted as collateral for the pensions of these employees. Under the arrangement, the individuals concerned will receive the value of the endowment policies less payroll tax. As there are no guaranteed remuneration levels, the Group's net obligation will always be zero. These endowment policies are considered to be plan assets and are recognised on a net basis after deducting the obligation.

NOTE 26 PROVISIONS

SEK million	Warranty provision	Restructuring reserve	Premises costs	Other provisions	Total
1 January 2022	**73**	**1**	**10**	**52**	**136**
Additional provisions	21	0	10	15	46
Acquisition of companies	-	-	-	-	-
Utilised during the year	-13	-	-12	-12	-37
Reversal of unused provisions	-38	-	-	-1	-39
Reclassifications	0	-	0	-	0
Translation differences	3	0	1	5	9
31 December 2022	**46**	**1**	**9**	**59**	**115**
of which short-term provisions	**29**	**1**	**9**	**11**	**50**
of which long-term provisions	**17**	**-**	**0**	**48**	**65**
Anticipated outflow date					
Within 1 year	29	1	9	11	50
Within 3 year	12	-	0	6	18
Within 5 year	2	-	-	3	5
After more than 5 years	3	-	-	39	42
31 December 2022	**46**	**1**	**9**	**59**	**115**
1 January 2023	**46**	**1**	**9**	**59**	**115**
Additional provisions	13	0	8	8	29
Acquisition of companies	6	-	-	10	16
Utilised during the year	-10	0	-4	-9	-23
Reversal of unused provisions	-2	-	-	-8	-10
Reclassifications	1	-	-2	-6	-7
Translation differences	0	-	-	0	0
31 December 2023	**54**	**1**	**11**	**54**	**120**
of which short-term provisions	**28**	**1**	**9**	**13**	**51**
of which long-term provisions	**26**	**0**	**2**	**41**	**69**
Anticipated outflow date					
Within 1 year	28	1	9	13	51
Within 3 year	21	0	2	4	27
Within 5 year	2	0	0	5	7
After more than 5 years	3	0	0	32	35
31 December 2023	**54**	**1**	**11**	**54**	**120**

The warranty provision is based on outstanding commitments which at the end of the balance sheet date have not yet been completed, and the calculation is based on previous experience. Other provisions refer mainly to commissions to agents in the Dental business area. In addition, the Group has other contingent liabilities of SEK 73 (209) million. As it is considered that no outflow of funds will be required for these commitments, no provisions have been made. See also the information in Note 30.

NOTE 27 TRANSACTIONS WITH RELATED PARTIES

Transactions between Lifco AB and its subsidiaries, which are associates of Lifco AB, have been eliminated in the consolidated financial statements. Sales of products and services between Group companies are subject to commercial terms and conditions and made at market prices. Intercompany sales were SEK 4,737 (5,293) million during the year. Carl Bennet AB owns 50.2 per cent of the shares of Lifco and is deemed to control the Group. Other related parties include all subsidiaries in the Group as well as senior executives in the Group, i.e. the Board of Directors and Group management. Lifco AB, the Parent Company of the Lifco Group, did not purchase any administrative services from Carl Bennet AB in 2023 (2022: SEK - million) One of the Directors, Erik Gabrielson, is a partner of Advokatfirman Vinge, a law firm which received SEK 5 (4) million for legal advice. Disclosures on remuneration of senior executives are provided in Note 10.

NOTE 28 ACCRUED EXPENSES AND DEFERRED INCOME

SEK million	2023	2022
Accrued personnel costs	718	621
Commissions and bonuses to customers	65	58
Accrued interest expenses	45	22
Other customer contract liabilities	86	93
Other deferred income	63	11
Other accrued expenses	208	242
Total	**1,185**	**1,047**

NOTE 29 PLEDGED ASSETS

SEK million	2023	2022
Property mortgages	1	3
Floating charges	4	14
Total	**5**	**17**

NOTE 30 CONTINGENT LIABILITIES

SEK million	2023	2022
Warranties	73	209
Total	**73**	**209**

Guarantee commitments refer to advance payment and performance guarantees.

NOTE 31 BUSINESS COMBINATIONS

18 new businesses were consolidated in 2023. The consolidated businesses are the five British companies Alwayse Engineering, Broughton Plant Hire and Sales, Didsbury Engineering, Ortho-Care and The Real Spirit of Coffee, the four German companies Datamed, HGT, Kefla and Kohler Medizintechnik, the three Italian companies Astro, Emilplastica and Geax and the two Danish companies Amayse and Green Instruments as well as Aura Electric of Norway, Doxa Dental of Sweden and Sailmakers Group of the Netherlands. The assets of the German company Welte Dentallabor were also consolidated.

The purchase price allocation includes all acquisitions consolidated in 2023. Acquisition-related expenses of SEK 52 million are included in administrative expenses in the consolidated income statement for 2023. Since the respective consolidation dates, the acquired companies have added SEK 1,203 million to consolidated net sales and SEK 362 million to EBITA. If the businesses had been consolidated as of 1 January 2023, consolidated net sales for the year would have increased by a further SEK 1,145 million and EBITA would have increased by a further SEK 297 million.

The table below includes all acquisitions consolidated in 2023. Individually, none of the acquisitions have a material impact on Lifco's consolidated financial statements. Purchase price allocations for the companies acquired up to and including December 2022 have now been finalised. No material adjustments were made.

ACQUIRED NET ASSETS

Net assets SEK MILLION	Carrying amount	Value adjustment	Fair value
Trademarks, customer relationships, licences	35	2,581	2,616
Tangible assets	174	-	174
Inventories, accounts receivable and other receivables	803	-18	784
Accounts payable and other liabilities	-630	-689	-1,319
Cash and cash equivalents	264	-	264
Total net assets	**646**	**1,873**	**2,520**
Goodwill	-	2,080	2,080
Total net assets	**646**	**3,953**	**4,599**

Effect on cash flow, SEK million	
Consideration	4,599
Considerations not paid	-644
Cash and cash equivalents in acquired companies	-264
Consideration paid relating to acquisitions from previous years	27
Total cash flow effect	**3,718**

NOTE 32 EARNINGS PER SHARE

Undiluted: Undiluted earnings per share are calculated by dividing earnings attributable to shareholders of the Parent Company by a weighted average number of outstanding ordinary shares during the period. There were no repurchased shares held as treasury shares by the Parent Company during the period.

SEK million	2023	2022
Net profit attributable to Parent Company shareholders	3,274	2,784
Weighted average number of outstanding ordinary shares	454,216,300	454,216,300
Earnings per share (SEK)	7.21	6.13

Diluted: Diluted earnings per share are calculated by adjusting the weighted average number of outstanding ordinary shares for the dilutive effect of all potential ordinary shares. There were no potential dilutive ordinary shares in 2023 or 2022. Undiluted and diluted earnings per share were thus the same.

NOTE 33 DIVIDEND PER SHARE

Dividend payments made in 2023 and 2022 totalled SEK 818 million (SEK 1.80 per share) and SEK 681 million (SEK 1.50 per share), respectively. At the Annual General Meeting on 24 April 2024, the Board will propose a dividend for the 2023 financial year of SEK 2.10 per share, resulting in a total distribution of SEK 954 million. The proposed dividend has not been recognised as a liability in these financial statements.

NOTE 34 EVENTS AFTER THE END OF THE REPORTING PERIOD

On February 21, 2024, Lifco issued two unsecured bond loans with a maturity of two years within the framework of its MTN program.

NOTE 35 ADDITIONAL CASH FLOW STATEMENT DISCLOSURES

SEK million	2023	2022
Non-cash items		
Depreciation/amortisation	1,482	1,151
Increase/decrease in provisions	9	-
Other	-3	-
Total	**1,488**	**1,151**

NOTE 36 OTHER DISCLOSURES

The subsidiary companies BeGrips AB, DAB Dental AB, Directa AB, Haglöf Sweden AB, Haglös Sweden Produktion AB, Indexator Rotator System AB, Nordenta AB, J.H. Örsing AB, Proline Öst AB, Texor AB and Zetterströms Rostfria AB are engaged in environmentally hazardous activities pursuant to the Swedish Environmental Code, which means that they are regulated by the environment committee at the relevant local authority.

RECONCILIATION TO ALTERNATIVE PERFORMANCE MEASURES

EBITA COMPARED WITH FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

SEK million	2023	2022
Operating profit	**4,753**	**3,953**
Amortisation of intangible assets arising from acquisitions	859	673
EBITA	**5,612**	**4,626**
Acquisition costs	52	36
EBITA before acquisition costs	**5,664**	**4,662**

EBITDA COMPARED WITH FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

SEK million	2023	2022
Operating profit	**4,753**	**3,953**
Depreciation of tangible assets	600	454
Amortisation of intangible assets	24	24
Amortisation of intangible assets arising from acquisitions	859	673
EBITDA	**6,235**	**5,104**
Acquisition costs	52	36
EBITDA before acquisition costs	**6,287**	**5,140**

NET DEBT COMPARED WITH FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

SEK million	2023	2022
Non-current interest-bearing liabilities including pension provisions	2,432	2,005
Current interest-bearing liabilities	6,008	5,288
Cash and cash equivalents	-1,591	-1,703
Interest-bearing net debt	**6,849**	**5,590**
Put/call options	2,605	1,946
Lease liability	1,179	1,040
Net debt	**10,633**	**8,576**

CAPITAL EMPLOYED AND CAPITAL EMPLOYED EXCLUDING GOODWILL AND OTHER INTANGIBLE ASSETS COMPARED WITH FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

SEK million	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
Total assets	**34,291**	**33,711**	**34,329**	**32,121**
Cash and cash equivalents	-1,591	-1,560	-1,587	-1,754
Interest-bearing pension provisions	-98	-102	-95	-90
Non-interest-bearing liabilities	-6,736	-7,029	-7,064	-6,717
Capital employed	**25,866**	**25,020**	**25,583**	**23,560**
Goodwill and other intangible assets	-21,927	-20,948	-21,247	-19,553
Capital employed excluding goodwill and other intangible assets	**3,939**	**4,072**	**4,336**	**4,007**

CAPITAL EMPLOYED AND CAPITAL EMPLOYED EXCLUDING GOODWILL AND OTHER INTANGIBLE ASSETS CALCULATED AS THE AVERAGE OF THE LAST FOUR QUARTERS COMPARED WITH FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

SEK million	Average	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Capital employed	**25,007**	25,866	25,020	25,583	23,560
Capital employed excluding goodwill and other intangible assets	**4,089**	3,939	4,072	4,336	4,007
	Total				
EBITA	**5,664**	1,492	1,355	1,487	1,330
Return on capital employed	**22.6%**				
Return on capital employed excluding goodwill and other intangible assets	**139%**				

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT

SEK million	Note	2023	2022
Administrative expenses	38, 40, 41, 42, 43	-113	-120
Other operating expenses		-2	-
Other operating income	38, 39	69	63
Operating loss		**-46**	**-57**
Profit from investments in Group companies	44	1,461	476
Financial income	45	832	666
Financial expenses	45	-667	-641
Profit after financial items		**1,580**	**444**
Appropriations	46	389	-8
Tax on profit for the year	47	-42	8
Net profit for the year		**1,927**	**444**

The Parent Company has no items which are accounted for as other comprehensive income. Total comprehensive income is therefore the same as net profit for the year.

PARENT COMPANY BALANCE SHEET

SEK million	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Fixed assets			
Investments in Group companies	48	1,960	1,960
Non-current receivables from Group companies		6,298	4,843
Deferred tax assets	49	60	89
Total fixed assets		**8,318**	**6,892**
Current assets			
Receivables from Group companies		10,374	8,614
Current tax assets		11	-
Other current receivables		26	0
Prepaid expenses and accrued income		5	4
Cash and bank balances		469	587
Total current assets		**10,885**	**9,205**
TOTAL ASSETS		**19,203**	**16,097**
EQUITY AND LIABILITIES			
Restricted equity			
Share capital		18	18
Statutory reserve		12	12
Total restricted equity		**30**	**30**
Non-restricted equity			
Retained earnings	50	2,802	3,175
Net profit for the year		1,927	444
Total non-restricted equity		**4,729**	**3,619**
Total equity		**4,759**	**3,649**
Untaxed reserves	51	**-**	**114**
Non-current liabilities			
Bonds	52	2,203	1,835
Deferred tax liabilities	49	12	0
Total non-current liabilities		**2,215**	**1,835**
Current liabilities			
Liabilities to credit institutions	52	4,212	3,761
Bonds	52	1,773	1,456
Accounts payable - trade		3	1
Liabilities to Group companies		6,118	5,139
Current tax liabilities		-	58
Other current liabilities		16	15
Accrued expenses and deferred income	53	107	69
Total current liabilities		**12,229**	**10,499**
TOTAL EQUITY AND LIABILITIES		**19,203**	**16,097**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK million	Share capital	Statutory reserve	Non-restricted equity	Total equity
Opening balance, 1 January 2022	**18**	**12**	**3,856**	**3,886**
Dividend approved by the Annual General Meeting	-	-	-681	-681
Net profit for the year	-	-	444	444
Closing balance, 31 December 2022	**18**	**12**	**3,619**	**3,649**
Dividend approved by the Annual General Meeting	-	-	-818	-818
Net profit for the year	-	-	1,927	1,927
Closing balance, 31 December 2023	**18**	**12**	**4,729**	**4,759**

The Parent Company has no items which are accounted for as other comprehensive income. Total comprehensive income is therefore the same as net profit for the year.

PARENT COMPANY CASH FLOW STATEMENT

SEK million	2023	2022
Operating activities		
Operating loss	-46	-57
Other financial items	-3	-3
Interest received	737	291
Interest paid	-593	-134
Income taxes paid	-70	-13
Cash flow before changes in working capital	**25**	**84**
Changes in working capital		
Increase/decrease in operating receivables	-1,786	-285
Increase/decrease in operating liabilities	1,311	284
Total changes in working capital	**-475**	**-1**
Cash flow from operating activities	**-450**	**83**
Financing activities		
Change in non-current receivables	-1,473	-532
Borrowings	8,367	3,456
Repayments of borrowings	-7,234	-2,677
Group contribution paid	-16	-6
Dividends received	1,461	476
Dividends paid	-818	-681
Cash flow from financing activities	**287**	**36**
Cash flow for the year	**-163**	**119**
Cash and cash equivalents at the beginning of the year	587	584
Exchange rate differences in cash and cash equivalents	45	-116
Cash and cash equivalents at year-end	**469**	**587**

NOTE 37 PARENT COMPANY ACCOUNTING POLICIES

The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act and Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board. Under RFR 2, the Parent Company is required to apply all EU-adopted IFRS/IAS rules and interpretations in the annual report for the legal entity insofar as this is possible under the Swedish Annual Accounts Act and with regard to the relationship between accounting and taxation. The recommendation specifies which exemptions should be made in relation to IFRS/IAS. The IFRS/IAS provisions are described in Note 1 to the consolidated financial statements, Accounting policies. The Parent Company applies the same accounting policies as those described for the Group with the exception of the following:

Format

The format prescribed in the Swedish Annual Accounts Act is used for the income statements and balance sheets. The income statement is divided into two statements: one for profit or loss and one for comprehensive income. The Parent Company has no items which are accounted for as other comprehensive income. Total comprehensive income is therefore the same as net profit for the year. The statement of changes in equity follows the format used in the Group but contains the columns specified in the Annual Accounts Act. The formats for the Parent Company have different names compared with the consolidated financial statements, primarily with regard to financial income and expenses, provisions, and items in equity.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any impairment. Cost includes acquisition-related costs and any additional considerations. When there is an indication that an investment in a subsidiary is impaired, an estimate is made of the recoverable amount. If the recoverable amount is less than the carrying amount, an impairment loss is recognised. Impairment losses are recognised in the items "Profit/loss from investments in Group companies".

Financial instruments

IFRS 9 is not applied in the Parent Company. Instead, the Parent Company applies the paragraphs specified in RFR 2 (IFRS 9 Financial Instruments, paras. 3–10). Financial instruments are measured at cost. In subsequent periods, financial assets that have been acquired with the intention of being held for the short term are measured at the lower of cost or market value using the lower of cost or market method.

At each balance sheet date, the Parent Company assesses whether there is any indication of impairment of financial assets. An impairment loss is recognised if the decline in value is considered to be permanent. Impairment losses on interest-bearing financial assets at amortised cost are defined as the difference between the carrying amount of the asset and the present value of management's best estimate of future cash flows discounted at the asset's original effective interest rate. The impairment loss for other non-current financial assets is defined as the difference between the carrying amount and the higher of fair value less selling expenses and the present value of future cash flows (based on management's best estimate).

Leases

All leases, both finance and operating leases, are classified as operating leases.

Revenue

Other operating income in the Parent Company includes costs billed to subsidiaries.

Group contributions

Group contributions paid and received are both accounted for as appropriations in the income statement.

NOTE 38 THE PARENT COMPANY'S SALES TO AND PURCHASES FROM GROUP COMPANIES

During the year, the Parent Company invoiced the subsidiaries SEK 69 (63) million for Group-wide services.
The Parent Company has purchased services from subsidiaries for SEK - (1) million.

NOTE 39 OTHER OPERATING INCOME

SEK million	2023	2022
Group-wide services	69	63
Total other operating income	**69**	**63**

NOTE 40 CLASSIFICATION OF EXPENSES BY NATURE

SEK million	2023	2022
Personnel costs (Note 42)	91	104
Expenses for operating leases (Note 43)	1	1
Other expenses	21	15
Total	**113**	**120**

NOTE 41 AUDITORS' FEES

SEK million	2023	2022
PricewaterhouseCoopers		
Audit engagement	2	2
Other services	0	0
Total	**2**	**2**

Audit engagement refers to fees for the statutory audit, i.e. such work as has been necessary to submit the auditor's report. Audit services in addition to audit engagement refer to the examination of interim reports and similar services. Other services refer to advice on financial reporting as well as services in connection with acquisitions.

NOTE 42 AVERAGE NUMBER OF EMPLOYEES AND PERSONNEL COSTS

Average number of employees	2023	2022
Women	3	3
Men	1	1
Total	**4**	**4**

Personnel costs, SEK million	2023	2022
Salaries and benefits		
Board of Directors and CEO	56	56
Other employees	-1 [1)]	9
Total	**55**	**65**
Social security contributions, Board of Directors and CEO	20	20
Social security contributions, other employees	0 [1)]	4
Pension costs for the CEO	15	14
Pension costs for other employees	1	1
Total	**91**	**104**

1) Refers to the reversal of a provision in the previous year for unpaid bonuses including social security contributions to a former employee that was recognised from a precautionary perspective.

For information on remuneration of senior executives, see Note 10 to the consolidated financial statements.

NOTE 43 LEASES

SEK million	2023	2022
Operating leases		
Mature within 1 year	1	1
Mature in 1–5 years	-	1
Total	**1**	**2**

The Parent Company's operating leases mainly comprise leases for office premises. No assets are subleased. Operating lease payments in the Parent Company for the financial year were SEK 1 (1) million. Lease payments for assets held under operating leases are recognised in operating expenses.

NOTE 44 PROFIT/LOSS FROM INVESTMENTS IN GROUP COMPANIES

SEK million	2023	2022
Dividends	1,461	476
Total	**1,461**	**476**

NOTE 45 FINANCIAL INCOME AND EXPENSES

SEK million	2023	2022
Financial income		
Interest income from Group companies	714	286
Interest income	23	6
Foreign exchange gains	95	374
Total financial income	**832**	**666**
Financial expenses		
Interest expenses to Group companies	-204	-38
Interest expense	-390	-96
Foreign exchange losses	-70	-504
Other financial expenses	-3	-3
Total financial expenses	**-667**	**-641**
Net financial items	**165**	**25**

NOTE 46 APPROPRIATIONS

SEK million	2023	2022
Group contributions paid	0	-16
Group contributions received	275	-
Change in tax allocation reserve	114	8
Total	**389**	**-8**

NOTE 47 TAX ON PROFIT FOR THE YEAR

SEK million	2023	2022
Current tax for the year	-1	-32
Adjustments relating to previous years	-	0
Deferred tax	-41	40
Total tax on profit for the year	**-42**	**8**

Relationship between tax expense for the year and reported profit	2023	2022
Profit before tax	1 969	436
Tax according at applicable tax rate in Sweden	-406	-90
Tax effects on non-taxable income	301	98
Tax effect of expenses that can be deducted but are not included in recognised profit	64	-
Adjustment relating to previous year	-	0
Tax effects on non-deductible expenses	-1	0
Tax on profit for the year	**-42**	**8**

NOTE 48 INVESTMENTS IN GROUP COMPANIES

Specification of the Parent Company's direct shareholdings and investments in Group companies

Company name	Corporate ID	Registered office
Lifco Dental International AB	556730-9710	Enköping
Proline Group AB	556543-0971	Sollentuna
PP Greiftechnik GmbH	HR B No. 157420	Holzkirchen, Germany
Rapid Granulator AB	556082-8674	Bredaryd
Sorb Industri AB	556272-5282	Skellefteå

	Equity interest, %	Voting interest, %	No. of shares	Carrying amount 2023	Carrying amount 2022
Lifco Dental International AB	100.00	100.00	252,525	716	716
Proline Group AB	100.00	100.00	12,400	182	182
PP Greiftechnik GmbH	100.00	100.00	25,000	490	490
Rapid Granulator AB	100.00	100.00	100,000	205	205
Sorb Industri AB	100.00	100.00	6,800,000	367	367
Total				**1,960**	**1,960**

	2023	2022
Cost at the beginning of the year	1,960	1,960
Acquisition of subsidiaries	-	-
Cost at year-end	1,960	1,960
Carrying amount at year-end	1,960	1,960

Specification of the Parent Company's direct and indirect ownership:

Company	Country	Corporate ID	Registered office	Ownership %
Lifco Dental International AB	**Sweden**	**556730-9710**	**Enköping**	**100.0**
Dental-Direct AS	Norway	981 315 847	Skoppum	100.0
Swallow Dental Supplies Limited	United Kingdom	03652780	Silsden	90.0
Ortho-Care (UK) Ltd	United Kingdom	01600280	Saltaire	85%
Lifco Dental AB	Sweden	556061-7747	Enköping	100.0
Almaso för tandvården AB	Sweden	556484-4115	Lund	100.0
Preventum Partner AB	Sweden	556613-2790	Stockholm	100.0
DentalEye AB	Sweden	556611-7338	Stockholm	100.0
Anidem Computers AB	Sweden	556537-1001	Stockholm	80.0
Hammasväline OY	Finland	0881266-0	Helsinki	100.0
Nordenta AB	Sweden	556049-4899	Enköping	100.0
DAB Dental AB	Sweden	556005-0048	Upplands Väsby	100.0
Directa AB	Sweden	556013-8827	Upplands Väsby	100.0
Directa, Inc.	USA	63762637000	Newtown, CT	100.0
Parkell, Inc.	USA	11-2522127	Edgewood, NY	100.0
Parkell Europe AB	Sweden	559315-5772	Upplands Väsby	100.0
Topdental (Products) Ltd	United Kingdom	04261332	Silsden	100.0
J.H. Orsing AB	Sweden	556099-9632	Helsingborg	100.0
Rønvig Dental Manufacturing A/S	Denmark	10078563	Daugård	100.0
Plum Safety ApS	Denmark	41057653	Assens	100.0
Plum Deutschland GmbH	Germany	HR B No. 201580	Cuxhaven	100.0
Kohdent Verwaltungs GmbH	Germany	HR B No. 728371	Stockach	100.0
Kohdent Roland Kohler Medizintechnik GmbH & Co KG	Germany	HR A No. 701607	Stockach	100.0
DAB Eesti OÜ	Estonia	11149461	Tallinn	100.0
DAB Dental Latvia SIA	Latvia	40003744465	Riga	100.0
DAB Dental UAB	Lithuania	300115774	Vilnius	100.0
LIC Scadenta AS	Norway	956 226 635	Sandvika	100.0
Technomedics Norge AS	Norway	986 392 742	Askim	100.0
Jacobsen Dental AS	Norway	918 882 014	Alnabru	100.0
Dansk Nordenta A/S	Denmark	10416698	Hörning	100.0
Al dente Software A/S	Denmark	27961363	Hörning	100.0
3D Dental ApS	Denmark	28159439	Hedensted	100.0
Rhein'83 S.r.l.	Italy	02418300378	Bologna	85.0
Emilplastica S.r.l	Italy	00682711205	Bologna	80.0
EDP European Dental Partners Holding GmbH	Germany	HR B No. 7331	Lübeck	100.0
M+W Dental Müller & Weygandt GmbH	Germany	HR B No. 3753	Büdingen	100.0
M+W Dental Handels GmbH	Austria	FN 256862 p	Vienna	100.0
M+W Dental Swiss AG	Switzerland	CH-020.3.029.916-4	Illnau	100.0
M+W Dental Magyarország Kft	Hungary	01-09-889071	Budapest	100.0
DentalTiger GmbH	Germany	HR B No. 9340	Büdingen	100.0
Datamed IT-Systeme GmbH	Germany	HR B No. 4337	Eggenfelden	100.0
Praezimed Service GmbH	Germany	HR B No. 78293	Hamburg	100.0
Computer Konkret AG	Germany	HR B No. 16107	Falkenstein	74.0
CONSYS Gesellschaft für Softwaretechologie und Systementwicklung mbH	Germany	HR B No. 72249	Munich	100.0
Kaniedenta Dentalmedizinische Ezeugnisse GmbH & Co. KG	Germany	HR A No. 5025 / HR B No. 5951	Herford	75.0
Kentzler-Kaschner Dental GmbH	Germany	HR B No. 510028	Ellwangen	74.0
MedTec Medizintechnik GmbH	Germany	HR B No. 2171	Wetzlar	100.0
Dentamed (ČR) spol. s r.o	Czech Republic	25083163	Prague	100.0
Dent Unit, s.r.o.	Czech Republic	45538263	Hradec Králové	100.0
Prodent International d.o.o.	Slovenia	12577900	Ljubljana	100.0
Dental Grupa d.o.o	Croatia	02597888	Umag	90.4
MDH AG Mamisch Dental Health	Germany	HR B No. 17934	Mülheim an der Ruhr	100.0
Smilodentax GmbH	Germany	HR B No. 18237	Mülheim an der Ruhr	100.0
Si Zhou Dental (Shenzhen) Co. Ltd	China	91440300726172979L	Guangdong	100.0
Interadent Zahntechnik GmbH	Germany	HR B No. 8553	Lübeck	100.0
Interadent Zahntechnik Philippines, Inc.	Philippines	128448	Manila	94.34
Westroad Properties, Inc.	Philippines	AS092-07569	Manila	94.34
Denterbridge SAS	France	RCS 399 682 863	Paris	100.0

Company	Country	Corporate ID	Registered office	Ownership %
SchwanDental Deutschland GmbH	Germany	HR B No. 20583	Lübeck	100.0
Kefla GmbH	Germany	Hr B No. 22874	Frankfurt	70.0
Kefla UK Ltd	UK	13811010	London	100.0
Verrerie du Futur SARL	France	RCS 384 087 177	Colmar	100.0
Proline Group AB	**Sweden**	**556543-0971**	**Gävle**	**100.0**
Proline Väst AB	Sweden	556914-6771	Gävle	100.0
Proline Öst AB	Sweden	556914-6789	Gävle	100.0
Proline Nord AB	Sweden	556914-6706	Gävle	100.0
Proline Syd AB	Sweden	556914-6763	Gävle	100.0
ERC Systems AB	Sweden	556971-8462	Norrköping	100.0
Proline Norge AS	Norway	991 147 047	Oslo	100.0
Prolinesystems Relining OY	Finland	2242160-7	Vantaa	100.0
Proline Danmark ApS	Denmark	32259987	Greve	100.0
P-Line Netherlands B.V.	Netherlands	55190545	Zoeterwoude	100.0
PP Greiftechnik GmbH	**Germany**	**HR B No. 157420**	**Holzkirchen**	**100.0**
MultiOne Deutschland GmbH	Germany	HR B No. 102912	Dieburg	100.0
Kinshofer GmbH	Germany	HR B No. 163689	Holzkirchen	100.0
RF-System AB	Sweden	556392-5097	Vinslöv	100.0
BeGrips AB	Sweden	556509-3795	Hässleholm	100.0
Demolition and Recycling Equipment B.V.	Netherlands	11047940	Cuijk	100.0
Mars Greiftechnik GmbH	Austria	FN 148579 z	Gmünd	100.0
Kinshofer CZ s.r.o.	Czech Republic	25164325	České Velenice	100.0
Kinshofer France S.a.r.l.	France	RCS 343 661 229	Strasbourg	100.0
Hammer S.r.l.	Italy	06233290722	Molfetta	60.0
Kinshofer Finland OY	Finland	2230818-8	Lempäälä	100.0
Kinshofer UK Ltd	United Kingdom	01705372	Cheltenham	100.0
Kinshofer Liftall, Inc.	Canada	1398940	Burlington, Ontario	100.0
Kinshofer USA, Inc.	USA	4345684	Sanborn, NY	100.0
Kinshofer Holding, Inc.	USA	6375409	Sanborn, NY	100.0
Solesbee's Equipment & Attachments LLC	USA	521751	Winston, GA	100.0
Doherty Engineered Attachments Ltd	New Zealand	1928058	Tauranga	100.0
Doherty Couplers Pty Ltd	Australia	645774956	Brisbane	100.0
Auger Torque (Europe) Ltd	United Kingdom	03537549	Brisbane	100.0
Auger Torque Australia Pty Ltd	Australia	39113281664	Brisbane	100.0
Attachment Torque MFG (China) Co. Ltd	China	9133021268802635 5H	Ningbo	51.0
Trevi Benne S.p.A	Italy	02286020249	Noventa Vicentina	90.0
Biemmeo S.r.l.	Italy	00926670241	Agugliaro	70.0
Prolec Ltd	United Kingdom	01689109	Poole	100.0
HGT Hydraulikgreifer-Technologie GmbH	Germany	HR B No. 101387	Ilsede	65.0
ErgoPack Deutschland GmbH	Germany	HR B No. 13877	Lauingen	100.0
ErgoStrap, Inc.	USA	86-3214919	Wauwatosa, WI	100.0
MultiOne S.r.l.	Italy	03971430248	Grumolo delle Abbadesse	60.0
Cormidi S.r.l	Italy	03053170654	Roccadaspide	70.0
Cormidi USA, Inc.	USA	1038343	Norwalk, CT	100.0
Cangini Benne S.r.l.	Italy	02185060403	Sarsina	90.0
2C Factory S.r.l.	Italy	00164060402	San Carlo di Cesena	100.0
GEAX S.r.l	Italy	02277540429	Montefano (MC)	70.0
Broughton Plant Hire and Sales Ltd	United Kingdom	01722401	Romford, Essex	95.0
Rapid Granulator AB	**Sweden**	**556082-8674**	**Bredaryd**	**100.0**
Rapid Granulier-Systeme GmbH & Co. KG	Germany	HR A No. 3137	Frankfurt	100.0
Rapid Granulier-System Geschäftsfürungs GmbH	Germany	HR B No. 5059	Frankfurt	100.0
Rapid Italy S.r.l.	Italy	03407930274	Venice	100.0
Rapid Granulate Machinery (Shanghai) Co., Ltd	China	91310000772430780P	Shanghai	100.0
Rapid France SARL	France	RCS 487 629 966	Chaponnay	100.0
Rapid Granulator Corp.	Philippines	2021060015504-39	Manila	100.0
Rapid Granulator, Inc.	USA	36-4803683	Leetsdale, PA	100.0
Sorb Industri AB	**Sweden**	**556272-5282**	**Skellefteå**	**100.0**
Brokk AB	Sweden	556115-6224	Skellefteå	100.0
Brokk Sverige AB	Sweden	559418-1017	Skellefteå	100.0
Brokk UK Ltd	United Kingdom	04063287	Milnthorpe, Cumbria	100.0

Company	Country	Corporate ID	Registered office	Ownership %
BINC Delaware, Inc.	USA	602-280-434	Monroe, WA	100.0
Brokk Bricking Solutions, Inc.	USA	600-072-362	Monroe, WA	100.0
Brokk Sales Canada Inc.	Canada	BC1202240	Vancouver	100.0
Brokk Asia-Pacific Pte Ltd	Singapore	200719909W	Singapore	100.0
Brokk India Pvt Ltd	India	U46594PN2023FTC222183	Pune City, Maharashtra	100.0
Brokk DA GmbH	Germany	HR B No. 720979	Friedenweiler	100.0
Darda GmbH	Germany	HR B No. 611546	Blumberg	100.0
Darda (Beijing) Construction Machinery Co. Ltd	China	91110105678752089B	Beijing	100.0
Brokk Australia Pty Ltd	Australia	66140012504	Adelaide	100.0
Brokk France SAS	France	RCS 352 562 144	Epinal	100.0
Brokk BeNeLux S.a.r.l.	Belgium	0738938548	Tessenderlo	100.0
Brokk Italia S.r.l.	Italy	07049910966	Milan	100.0
Brokk (Beijing) Machines Co Ltd	China	91110108563601504E	Beijing	100.0
Brokk Norge AS	Norway	997 403 452	Ski	100.0
Brokk Switzerland GmbH	Switzerland	CH-020.4.025.204-9	Kriens	100.0
Brokk Middle East FZE	United Arab Emirates	184254	Dubai	100.0
Ahlberg Cameras AB	Sweden	556259-9786	Norrtälje	100.0
Ahlberg Cameras, Inc.	USA	C200914700195	Wilmington, NC	100.0
Aquajet Systems Holding AB	Sweden	556499-1288	Jönköping	100.0
Aquajet Systems AB	Sweden	556314-6173	Jönköping	100.0
Heinola Sahakoneet OY	Finland	519.079	Heinola	100.0
Lövånger Elektronik AB	Sweden	556287-7943	Skellefteå	100.0
Leab Eesti OÜ	Estonia	11051087	Tallinn	100.0
Lövånger Elektronik Fagersta AB	Sweden	556252-3158	Fagersta	100.0
Lövånger Elektronik Uppsala AB	Sweden	556382-5198	Uppsala	100.0
Lövånger Elektronik Göteborg AB	Sweden	559056-2293	Gothenburg	100.0
Texor AB	Sweden	556316-0703	Lycksele	100.0
Zetterströms Rostfria AB	Sweden	556323-7949	Molkom	100.0
Hultdin System AB	Sweden	556213-4592	Malå	100.0
Indexator Rotator Systems AB	Sweden	556857-7927	Vindeln	100.0
Auto-Maskin AS	Norway	921 853 181	Skjetten	100.0
Auto-Maskin Sverige AB	Sweden	556802-5307	Gothenburg	100.0
Auto-Maskin Holding Inc.	USA	46-4550987	Dickinson, TX	100.0
Auto-Maskin LLC	USA	36-4777460	Dickinson, TX	100.0
Modulsystem HH Van Equipment AB	Sweden	556552-7040	Mölndal	100.0
Håells AB	Sweden	556305-0946	Mölndal	100.0
Modul-System HH AB	Sweden	556138-6409	Mölndal	100.0
Modul-System Fahrzeugeinrichtungen GmbH	Germany	HR B No. 3073	Limburg a.d. Lahn	100.0
Modul-System S.A.	France	RCS 382 918 209	Marne-la-Vallé	100.0
Modul-System N.V./S.A.	Belgium	457 057 466	Mechelen	100.0
Modul-System HH A/S	Denmark	21421189	Brøndby	100.0
Modul-System Polska Sp. z o.o.	Poland	131735	Warsaw	100.0
Modul-System Nederland B.V.	Netherlands	24256256	Hellevoetsluis	100.0
Modul-System Finland OY	Finland	2347058-2	Espoo	100.0
Modul-System AS	Norway	911 743 787	Drammen	100.0
Modul-System Ltd	United Kingdom	01540940	Buckinghamshire	100.0
Brian James Trailers Holding Limited	United Kingdom	10920740	Rugby	90.0
Brian James Trailers Limited	United Kingdom	03844151	Rugby	100.0
Brian James Trailers GmbH	Germany	HR B No. 22197	Störmthal	100.0
Cenika AS	Norway	987 778 474	Lierstranda	95.0
Cenika AB	Sweden	556723-5170	Malmö	100.0
Elektro Group AS	Norway	920 000 126	Lierstranda	100.0
Cenec Tavlebygg AS	Norway	992 893 214	Steinkjer	51.0
Aura Electric AS	Norway	912 032 450	Kongsvinger	80.0
NorDesign AS	Norway	937 923 422	Trondheim	100.0
Hydal AS	Norway	988 009 911	Håvik	100.0
Elit AS	Norway	978 593 593	Gjerdrum	100.0
Elit Scandinavian AB	Sweden	556782-3751	Bollebygd	100.0
Elit Scandinavian ApS	Denmark	32771432	Viborg	100.0

Company	Country	Corporate ID	Registered office	Ownership %
Eldan Recycling A/S	Denmark	14125388	Faaborg	100.0
Eldan Inc.	USA	20-3705054	Sanborn	100.0
Redoma Recycling AB	Sweden	559039-2329	Malmö	100.0
Nessco Holding AS	Norway	963 629 362	Oslo	100.0
Tamrotor Marine Compressors AS	Norway	976 516 648	Oslo	91.0
TMC Compressors Asia Pte Ltd	Singapore	201413221K	Singapore	100.0
TMC Compressors China Ltd	China	91310000MA1JN5X724	Shanghai	100.0
Nessco AS	Norway	954 354 563	Oslo	100.0
Rustibus Worldwide AS	Norway	921 976 968	Bekkjarvik	85.0
Rustibus N.V.	Belgium	453 271 496	Antwerp	100.0
Rustibus, Inc.	USA	20-0151285	Houston, TX	100.0
Rustibus Pte Ltd	Singapore	200207727D	Singapore	100.0
Haglöf Sweden AB	Sweden	556148-8197	Långsele	100.0
Haglöf Sweden Produktion AB	Sweden	556403-3305	Långsele	100.0
Haglof, Inc.	USA	64-0684743	Madison, MS	100.0
Silvent AB	Sweden	556087-6137	Borås	80.0
Silvent North America, Inc.	USA	36-4040735	Portage, IN	100.0
Silvent California, Inc.	USA	61-2021895	Portage, IN	100.0
Silvent South Europe Sarl	France	RCS 494 050 156	Cagnes-sur-Mer	100.0
Silvent Central Europe GmbH	Austria	FN 416042 b	Salzburg	100.0
Silvent (Shanghai) Trading Co. Ltd	China	3100186272	Shanghai	100.0
Silvent UK Ltd	United Kingdom	03767990	Birmingham	100.0
Silvent Benelux B.V.	Netherlands	71269711	Heerlen	100.0
Silvent Italia S.r.l.	Italy	04688600230	Verona	100.0
Silvent Polska Sp. z.o.o.	Poland	386034936	Warsaw	100.0
Silvent Iberica S.L	Spain	B67383406	Barcelona	100.0
Pro 10 Optix AB	Sweden	556729-2023	Nacka	100.0
Fiberworks AS	Norway	959 977 046	Oslo	100.0
BCC Solution OY	Finland	2562227-9	Vantaa	70.0
Blinken AS	Norway	932 645 017	Gressvik	100.0
Blinken Tools AB	Sweden	556862-7540	Karlstad	100.0
Wexman AB	Sweden	556481-2633	Tidaholm	80.0
Cramaro Holding SpA	Italy	04452060231	Cologna Veneta	85.0
Cramaro Tarpaulin Systems S.r.l.	Italy	04079350239	Cologna Veneta	100.0
Cramaro España S.L.	Spain	B96684840	Quart de Poblet Valencia	100.0
Cramaro France S.a.r.l.	France	RCS 414 619 304	Evry	100.0
Cramaro Deutschland GmbH	Germany	HRB 18881	Krefeld	100.0
Dinamica S.r.l in Liq	Italy	02606230239	Cologna Veneta	100.0
Tastitalia S.r.l.	Italy	01569310425	Castelfidaro	70.0
Cleveland Cascades Ltd	United Kingdom	04970054	Stockton-on-Tees	100.0
T. Freemantle Ltd	United Kingdom	03147425	Scunthorpe	100.0
Spinaclean Ltd	United Kingdom	04506121	Altrincham, Cheshire	90.0
DVG De Vecchi S.r.l.	Italy	08003870154	Colnago	80.0
Next Hydraulics S.r.l.	Italy	01364450351	Reggio Emilia	90.0
Elvärmeprodukter i Skellefteå AB	Sweden	556637-1778	Skellefteå	100.0
Bode Components GmbH	Germany	HR B No. 28515	Düsseldorf	100.0
Easy Life International B.V.	Netherlands	53693655	Duiven	90.0
Truck-Line GmbH	Germany	Hr B No. 11705	Ahrensburg	80.0
Condale Holding Ltd	United Kingdom	14313909	East Grinstead, West Sussex UK	100.0
Condale Plastic Ltd	United Kingdom	00992692	East Grinstead, West Sussex UK	100.0
Caring Technology Ltd	United Kingdom	06455732	Newcastle upon Tyne	90.0
Specialist Alarm Services Ltd	United Kingdom	01550516	Newcastle upon Tyne	100.0
UK Point of Sale Group Ltd	United Kingdom	03833656	Bredbury Stockport	87.81
EFKA B.V.	Netherlands	27100968	Drachten	100.0
EFKA Frame Solutions Ltd	United Kingdom	10875188	Derby	100.0
Heinz Schüller GmbH	Germany	Hr B No. 7862	Bindlach	100.0
Astro S.r.l	Italy	01245600166	Mornica al Serio	70.0
Didsbury Engineering Ltd	United Kingdom	00371191	Handforth Wilmslow	100.0
Alwayse Ball Unit Ltd	United Kingdom	14257109	Birmingham	100.0

Company	Country	Corporate ID	Registered office	Ownership %
Alwayse Engineering Ltd	United Kingdom	00362715	Birmingham	100.0
The Real Spirit of Coffee Ltd	United Kingdom	11347947	Manchester	98.0
C F Vending Ltd	United Kingdom	03637574	Manchester	100.0
Rijo 42 Ingredients Ltd	United Kingdom	07178510	Manchester	100.0
Rijo 42 Machines Ltd	United Kingdom	07178480	Manchester	100.0
Wholesale Coffee Company and Machines Ltd	United Kingdom	08174679	Bolton	100.0
Amayse A/S	Denmark	25820746	Vejle	90.0
Amayse Ltd	United Kingdom	06467403	Esher, Surrey	100.0
Amayse, Inc.	USA	30-0913650	Raleigh, NC	100.0
Amayse (Pte) Ltd	South Africa	1992/001132/07	Cape Town	100.0
Sailmakers Group B.V	Netherlands	91559944	Woudenberg	90.0
Albers Zeilmakerij B.V	Netherlands	09081717	Wageningen	100.0
Zeilmakerij Verholen B.V	Netherlands	20067150	Roosendaal	100.0
Green Instruments A/S	Denmark	21459437	Brønderslev	100.0
Green Instruments (S) PTE, Ltd	Singapore	201824730N	Ang Mo Kio Avenue	88.0
Green Instruments USA, Inc.	USA	32-0472084	Fort Lauderdale	100.0

NOTE 49 DEFERRED TAX

SEK million	2023	2022
The difference between the income tax recognised in the income statement and income tax payable in respect of the operations is:		
Deferred tax asset on reversal of expense upon taxation and in future non-taxable income	53	50
Deferred tax asset attributable to other taxable temporary differences	7	39
Deferred tax liability attributable to other taxable temporary differences	-12	-
Total net deferred tax asset/liability	**48**	**89**

NOTE 50 APPROPRIATION OF RETAINED EARNINGS

SEK million	
The Annual General Meeting is asked to decide on the appropriation of the following funds:	
Retained earnings	2,802
Net profit for the year	1,927
Total	**4,729**
The Board of Directors proposes the following appropriation of retained earnings:	
a dividend payment to the shareholders of SEK 2.10 per share, totalling	954
carried forward	3,775
Total	**4,729**

NOTE 51 UNTAXED RESERVES

SEK million	2023	2022
Tax allocation reserve 2017	-	30
Tax allocation reserve 2018	-	8
Tax allocation reserve 2019	-	7
Tax allocation reserve 2020	-	10
Tax allocation reserve 2021	-	59
Total	**-**	**114**

NOTE 52 BORROWINGS

SEK million	2023	2022
Non-current interest-bearing liabilities		
Bonds	2,203	1,835
Total non-current interest-bearing liabilities	**2,203**	**1,835**
Current interest-bearing liabilities		
Bonds	1,773	1,456
Overdraft facilities	302	72
Liabilities to credit institutions	3,910	3,689
Total current interest-bearing liabilities	**5,985**	**5,217**
Total interest-bearing liabilities	**8,188**	**7,052**

No portion of non-current liabilities matures later than two years from the balance sheet date. All interest-bearing liabilities are classified in the category "Financial liabilities at amortised cost".

NOTE 53 ACCRUED EXPENSES AND DEFERRED INCOME

SEK million	2023	2022
Accrued interest expenses	44	20
Accrued salary-related expenses	22	30
Accrued holiday pay	7	6
Accrued social security contributions	33	12
Other accrued expenses	1	1
Total	**107**	**69**

NOTE 54 CONTINGENT LIABILITIES

SEK million	2023	2022
Guarantee commitments and contingent liabilities attributable to subsidiaries	2,151	2,045
Total	**2,151**	**2,045**

TEN-YEAR SUMMARY

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net sales, SEK million	24,454	21,552	17,480	13,782	13,845	11,956	10,030	8,987	7,901	6,802
Total net sales growth	13.5%	23.3%	26.8%	-0.5%	15.8%	19.2%	11.6%	13.7%	16.2%	12.8%
of which organic growth	0.0%	11.3%	15.3%	-5.8%	4.2%	6.4%	2.1%	2.5%	5.7%	4.4%
of which acquired growth	10.0%	8.7%	13.2%	7.0%	8.2%	8.6%	8.6%	11.3%	7.3%	5.1%
of which foreign exchange effects and other	3.5%	3.3%	-1.7%	-1.7%	3.4%	4.2%	0.9%	-0.1%	3.2%	3.3%
EBITA, SEK million	5,664	4,662	3,709	2,702	2,523	2,168	1,732	1,377	1,186	966
EBITA margin	23.2%	21.6%	21.2%	19.6%	18.2%	18.1%	17.3%	15.3%	15.0%	14.2%
Scheduled depreciation/amortisation, SEK million	-624	-478	-413	-360	-326	-139	-123	-104	-91	-75
Amortisation of intangible assets arising on acquisition, SEK million	-859	-673	-526	-412	-329	-253	-196	-121	-66	-38
Extraordinary items, SEK million	-52	-36	-42	-29	-135	-13	-17	-4	-13	-122
Acquisition of tangible assets, SEK million	429	279	281	239	269	162	144	114	102	105
Acquisition of subsidiaries net of cash and cash equivalents, SEK million	3,718	2,295	2,990	1,056	1,781	500	1,378	1,608	573	1,264
Free cash flow after investments and before dividends and acquisitions	8.8	6.1	5.8	5.6	3.8	3.0	2.6	2.1	1.9	1.1
Capital employed excluding goodwill and other intangible assets, SEK million	4,088	3,444	2,294	1,938	2,345	1,312	1,155	989	983	877
Capital employed, SEK million	25,007	20,668	16,447	13,812	12,925	10,314	8,962	7,395	5,981	5,098
Return on capital employed excluding goodwill and other intangible assets	139%	135%	162%	139%	108%	165%	150%	139%	121%	110%
Return on capital employed	22.6%	22.6%	22.5%	19.6%	19.5%	21.0%	19.3%	18.6%	19.8%	18.9%
Return on equity	22.4%	23.1%	24.6%	19.9%	20.3%	22.5%	21.5%	21.0%	22.1%	19.2%
Interest-bearing net debt, SEK million	6,849	5,590	4,603	3,242	4,040	3,170	3,536	3,018	1,950	2,013
Interest-bearing net debt/equity ratio	0.4x	0.4x	0.4x	0.4x	0.5x	0.5x	0.6x	0.6x	0.5x	0.6x
Interest-bearing net debt/EBITDA ratio	1.1x	1.1x	1.1x	1.1x	1.4x	1.4x	1.9x	2.0x	1.5x	1.9x
Net debt, SEK million	10,633	8,576	7,113	4,776	5,552	3,685	3,794	3,076	1,980	2,091
Net debt/equity ratio	0.7x	0.6x	0.7x	0.6x	0.7x	0.5x	0.7x	0.6x	0.5x	0.6x
Net debt/EBITDA ratio	1.7x	1.7x	1.7x	1.6x	1.9x	1.6x	2.0x	2.1x	1.6x	2.0x
Equity/assets ratio	44.7%	44.8%	43.2%	47.5%	45.4%	48.8%	45.5%	47.0%	49.2%	46.7%
Earnings per share, SEK	7.21	6.13	5.26	3.67	3.31	3.06	2.39	2.00	1.78	1.23
Equity per share, SEK	33.49	29.14	23.44	18.96	17.43	14.72	12.10	10.37	8.67	7.61
Number of employees at year-end	6,899	6,512	6,265	5,433	5,443	4,926	4,758	3,627	3,386	3,009

ACQUISITIONS 2006–2023

Year	Company	Operations	Business area	Net sales at acquisition date	Country
2006	Dental Prime	Dental products	Dental	EUR 3m	Finland
	Elektronikprodukter i Järlåsa	Contract Manufacturing	Systems Solutions	SEK 30m	Sweden
	Darda	Demolition tools	Demolitions & Tools	EUR 8m	Germany
2007	Kinshofer	Crane and excavator attachments	Demolitions & Tools	EUR 66m	Germany
	Safe Dental	Dental products	Dental	SEK 2m	Sweden
	Proline	Relining (renovation of sewage pipes)	Systems Solutions	SEK 120m	Sweden
	Oriola Dental	Dental products	Dental	EUR 45m	Finland
	Hekotek	Sawmill equipment	Systems Solutions	EUR 13m	Estonia
	Zetterström Rostfria	Contract Manufacturing	Systems Solutions	SEK 50m	Sweden
	Plass Data Dental	Dental products	Dental	DKK 7m	Denmark
2008	Endomark	Diagnostic, endodontic and other products	Dental	SEK 9m	Sweden
	XO Care Denmark	Dental products	Dental	DKK 77m	Denmark
	Tevo	Interiors for Service Vehicles	Systems Solutions	GBP 8m	United Kingdom
2009	Ellman Produkter	Dental products	Dental	SEK 43m	Sweden
	Aponox	Tilt buckets	Demolition & Tools	-	Finland
	Interdental	Dental products	Dental	SEK 10m	Norway
2010	ATC	Retailer	Demolition & Tools	EUR 5m	France
2011	RF-System	Products for railway, land and construction contracts	Demolition & Tools	SEK 80m	Sweden
	Wintech	Contract Manufacturing	Systems Solutions	SEK 125m	Sweden
	EDP	Dental products	Dental	EUR 119m	Germany
	Net Dental	Distributor	Dental	EUR 20m	Germany
2012	Ahlberg Cameras	Camera systems for nuclear power plants	Demolition & Tools	SEK 73m	Sweden
2014	MDH	Dental technology, distributor	Dental	EUR 44m	Germany
2015	Saniståls danska verksamhet	Interiors for Service Vehicles	Systems Solutions	DKK 25m	Denmark
	Auger Torque	Earth drills	Demolition & Tools	GBP 10m	United Kingdom
	Rapid Granulator	Granulators for the plastics industry	Systems Solutions	SEK 300m	Sweden
	Top Dental	Dental products	Dental	GBP 3.4m	United Kingdom
	J.H. Orsing	Dental products	Dental	SEK 20m	Sweden
	Smilodent	Dental technology	Dental	EUR 5m	Germany
	Preventum Partner	Accounting services for dentists	Dental	SEK 10m	Sweden
2016	Aquajet Systems	Manufactures hydrodemolition robots	Demolition & Tools	SEK 60m	Sweden
	Auto-Maskin	Control systems for marine diesel engines	Systems Solutions	NOK 130m	Norway
	Cenika	Supplier of low-voltage electrical equipment	Systems Solutions	NOK 160m	Norway
	Dens Esthetix	Dental laboratory	Dental	EUR 1.4m	Germany
	Design Dental	Imports and produces dental technology in Denmark using digital technology	Dental	DKK 13m	Denmark
	Endodontiprodukter	Root canal and other products	Dental	SEK 10m	Sweden
	Nordesign	Supplier of LED lighting to the Scandinavian market	Systems Solutions	NOK 64m	Norway
	Parkell	Manufactures and sells dental consumables and small equipment to dentists	Dental	USD 29m	USA
	Praezimed	Services and repairs dental instruments	Dental	EUR 2.5m	Germany
	Redoma Recycling	Manufactures recycling machinery for small and medium cables	Systems Solutions	SEK 25m	Sweden
	TMC/Nessco	Supplier of marine compressors and spare parts	Systems Solutions	NOK 525m	Norway

Year	Company	Operations	Business area	Net sales at acquisition date	Country
2017	Blinken	Reseller of measurement instruments for land surveyors and the construction industry	Systems Solutions	NOK 124m	Norway
	City Dentallabor och Hohenstücken-Zahntechnik	Dental laboratories	Dental	EUR 1.3m	Germany
	Doherty	Supplier of quick couplers, buckets and other excavator attachments	Demolition & Tools	NZD 14m	New Zealand
	Elit	Wholesale supplier of machinery and equipment for electrical installations and electricity production	Systems Solutions	NOK 38m	Norway
	Fiberworks	Supplier of communication equipment for the European fibre-optic market	Systems Solutions	NOK 93m	Norway
	Haglöf Sweden	Supplier of instruments for professional forestry surveyors	Systems Solutions	SEK 60m	Sweden
	Hultdin System	Manufacturer of tools and attachments for forestry and construction machinery	Demolition & Tools	SEK 152m	Sweden
	Hydal	Manufacturer of aluminium cabinets for outdoor and indoor use	Systems Solutions	NOK 50m	Norway
	Perfect Ceramic Dental	Dental laboratory	Dental	HKD 24m	Hong Kong
	Pro Optix	Supplier of communication equipment for the European fibre-optic market	Systems Solutions	SEK 62m	Sweden
	Silvent	Specialises in energy optimisation and health and safety in the area of compressed air dynamics	Systems Solutions	SEK 120m	Sweden
	Solesbee's	Develops and sells attachments for excavators and wheel loaders	Demolition & Tools	USD 11m	USA
	Wachtel	Integrated supplier of piping systems	Systems Solutions	EUR 2m	Germany
2018	Computer konkret	Develops, sells and supports software for dentists and orthodontists	Dental	EUR 3.8m	Germany
	Spocs	Provides final assembly and testing services for electronic products	Systems Solutions	SEK 61m	Sweden
	Dental Direct	Distributor to dentists	Dental	NOK 95m DKK 25m	Norway
	Toolpack's Norwegian car interiors business	Interiors for Service Vehicles	Systems Solutions	NOK 40m	Norway
	Flörchinger Zahntechnik	Dental laboratory	Dental	EUR 1.7m	Germany
	Wexman	Makes professional workwear	Systems Solutions	SEK 46m	Sweden
	Denterbridge	Imports dental works	Dental	EUR 9m	France
	Rhein83	Develops and produces accessories and attachments	Dental	EUR 8m	Italy
	ERC Systems	Provides sewer inspection and relining services	Systems Solutions	SEK 20m	Sweden
2019	Indexator Rotator Systems	Development and manufacture of rotators	Demolition & Tools	SEK 300m	Sweden
	Hammer	Hydraulic breakers and other demolition equipment for excavators	Demolition & Tools	EUR 20m	Italy
	UK POS	Exhibition and display materials	Systems Solutions	GBP 12m	United Kingdom
	Rustibus Worldwide	Surface preparation and safety equipment for marine vessels	Systems Solutions	NOK 56m	Norway
	ErgoPack	Manufacture of ergonomic and mobile pallet strapping tools	Systems Solutions	EUR 22m	Germany
	Brian James Trailers	Manufacture of open and enclosed car transport trailers and other products	Systems Solutions	GBP 26m	United Kingdom

Year	Company	Operations	Business area	Net sales at acquisition date	Country
2020	Rønvig Dental Manufacturing	Manufacture of dental products	Dental	DKK 30m	Denmark
	Workplace Safety	Manufacture of eyewashes, plasters and first aid stations	Dental	DKK 79m	Denmark
	Dental Grupa	Distributor of dental equipment and consumables	Dental	HRK 66m	Croatia
	Cramaro Tarpaulin Systems	Manufacture of tarpaulin systems for transport vehicles	Systems Solutions	EUR 27m	Italy
	TrollDental's product portfolio	Dental products	Dental	SEK 25m	Sweden
	Tastitalia	Manufacture of customised touch panels, displays and keypads	Systems Solutions	EUR 12.2m	Italy
	Consys	Develops, sells and maintains medical record systems	Dental	EUR 1.9m	Germany
	Swallow	Distributor of dental consumables	Dental	GBP 3.9m	United Kingdom
	Sendoline	Manufacture of dental products	Dental	SEK 38m	Sweden
	ContacEZ product portfolio	Dental products	Dental	USD 2.2m	USA
2021	Kaniedenta	Distributor of dental products	Dental	EUR 29m[1]	Germany
	Rissmann Dental	Dental laboratory	Dental	EUR 4.1m[1]	Germany
	T. Freemantle	Manufactures cartoning and sleeving machinery	Systems Solutions	GBP 5.0m[1]	United Kingdom
	MultiOne	Manufactures mini loaders and attachments	Demolition & Tools	EUR 27m	Italy
	Cleveland Cascades	Designs and manufactures bespoke dry bulk loading chutes	Systems Solutions	GBP 5.1m	United Kingdom
	Kentzler-Kaschner Dental	Distributor of dental products	Dental	EUR 3.6m	Germany
	Medema	Distributor of dental products	Dental	EUR 1m	Czech Republic
	Spinaclean	Develops and sells vacuum cleaners and pressure washers for indoor and outdoor high-level cleaning	Systems Solutions	GBP 5.8m	United Kingdom
	Cangini Benne	Manufactures attachments for excavators and front loaders	Demolition & Tools	EUR 35m	Italy
	ErgoPack's distributor in the US	Distributes ErgoPack's ergonomic pallet strapping systems	Systems Solutions	USD 4.2m[2]	USA
	Elvärmeprodukter i Skellefteå	Sells heating products for floor, roof, ground and frost protection	Systems Solutions	SEK 38m	Sweden
	DVG De Vecchi	Manufactures and distributes components and accessories for coffee machines	Systems Solutions	EUR 16m	Italy
	Next Hydraulics	Manufactures telescopic cranes used mainly on light commercial vehicles	Systems Solutions	EUR 21m	Italy
	Bode Components	Manufactures safety products for lifts	Systems Solutions	EUR 5m	Germany
	Anidem Computers	IT services for dental clinics	Dental	SEK 4m	Sweden
	Easy Life International	Produces water purification consumables and plant nutrition for aquariums	Systems Solutions	EUR 3.3m	Netherlands
	Truck-line	Manufactures extra lightbars for trucks	Systems Solutions	EUR 15m	Germany
2022	Zenith Dental	Distributor of dental products	Dental	DKK 21m[3]	Denmark
	Cenec Tavlebygg	Manufactures low-voltage electrical equipment	Systems Solutions	NOK 17m[3]	Norway
	Cormidi	Manufactures mini dumpers and skid loaders	Demolition & Tools	EUR 13m[3]	Italy
	Specialist Alarm Services	Manufactures staff attack and nurse call systems for the healthcare sector	Dental	GBP 3.9m	United Kingdom
	BCC Solutions	Provides fibre-optic transceivers, fibre cabling and other products for the fibre-optic market	Systems Solutions	EUR 11m	Finland
	Trevi Benne	Manufactures excavator tools and attachments	Demolition & Tools	EUR 37m	Italy
	Oslo Dental	Sells equipment and service to dentists	Dental	NOK 27m	Norway
	EFKA Holding	Manufactures customised aluminium frames for textiles	Systems Solutions	EUR 11.6m	Netherlands
	Condale Plastics	Manufactures bespoke plastic extrusions	Systems Solutions	GBP 18m	United Kingdom
	Heinz Schuller	Distributor of cable support systems and lightning protection products	Systems Solutions	EUR 22m	Germany
	Medtec Medizintechnik	Manufactures equipment and consumables based on MR technology for the treatment of joints	Dental	EUR 6.6m	Germany

[1] Refers to net sales in 2019.

[2] All sales were generated by ErgoPack GmbH of Germany, which was acquired by Lifco in 2019.

[3] Refers to net sales in 2020.

Year	Company	Operations	Business area	Net sales at acquisition date	Country
	Prolec	Develops software and hardware solutions for the construction industry	Demolition & Tools	GBP 4m	United Kingdom
2023	Welte Dentallabor	Dental laboratory	Dental	EUR 1.3m[1]	Germany
	Doxa Dental	Develops, manufactures and commercialises bioceramic dental products	Dental	GBP 12m[1]	Sweden
	The Real Spirit of Coffee	Sells high-end coffee machines and consumables	Systems Solutions	GBP 24m	United Kingdom
	Broughton Plant Hire and Sales	Provider of plant hire solutions for the construction industry	Demolition & Tools	GBP 22m	United Kingdom
	Didsbury Engineering	Supplier of equipment for ground service and maintenance of aircraft	Systems Solutions	GBP 6.5m	United Kingdom
	Kohler Medizintechnik	Manufactures dental instruments	Dental	EUR 7m	Germany
	Alwayse Engineering	Supplier of ball transfer units	Systems Solutions	GBP 5.6m	United Kingdom
	Datamed	Develops, sells and supports a software program used by German dental clinics	Dental	EUR 2m	Germany
	Aura Electric	Manufactures low-voltage electrical equipment	Systems Solutions	NOK 38m	Norway
	Geax	Manufactures compact piling rigs	Demolition & Tools	EUR 15m	Italy
	Amayse	Provider of 3D advertising for televised sports events and stadium branding solutions	Systems Solutions	DKK 51m	Denmark
	Emilplastica	Subcontractor in moulding of plastic products for the dental and electronics industries	Dental	EUR 1.7m[2]	Italy
	Astro	Manufactures recyclable polyethylene tanks	Systems Solutions	EUR 9.1m	Italy
	Kefla	Develops and distributes specialised premium glass bottles	Systems Solutions	EUR 33m[3]	Germany
	Ortho-Care	Supplies orthodontic products to dentists in the UK	Dental	GBP 10m	United Kingdom
	HGT	Manufactures attachments for material handling machines	Demolition & Tools	EUR 19m	Germany
	Sailmakers Group	Manufactures tarpaulins, mainly for the transport sector	Systems Solutions	EUR 7.2m	Netherlands
	Green Instruments	Develops and manufactures systems for measuring and monitoring emissions from vessels	Systems Solutions	DKK 194m	Denmark

[1] Refers to estimated annual net sales in 2021.

[2] Approximately EUR 0.6 million was generated by the Lifco company Rhein83.

[3] Refers to the financial year 2022/23.

GRI-INDEX

Statement of use	Lifco AB has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI standard/other source	Disclosure	Location in the annual report or other location	Omission: Requirement(s) omitted	Omission: Reason	Omission: Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organisational details	Pages 65 and 110			
	2-2 Entities included in the organisation's sustainability reporting	Notes 2.2 and page 65			
	2-3 Reporting period, frequency and contact point	Page 65 and Note 1			
	2-4 Restatements of information	Page 65			
	2-5 External assurance	Pages 50 and 65			
	2-6 Activities, value chain and other business relationships	Pages 10–11 and 44–45			
	2-7 Employees	Pages 28–30			
	2-8 Workers who are not employees	Pages 28 and 30			
	2-9 Governance structure and compositon of the Board	Pages 80–87			
	2-10 Nomination and selection of the highest governance body	Pages 80–81			
	2-11 Chair of the highest governance body	Page 81			
	2-12 Role of the highest governance body in overseeing the management of impacts	Pages 50–53			
	2-13 Delegation of responsibility for managing impacts	Pages 50–53			
	2-14 Role of the highest governance body in sustainability reporting	Pages 46, 50–53			
	2-15 Conflicts of interest	Pages 80–87			
	2-16 Communication of critical concerns	Pages 37 and 50–53			
	2-17 Collective knowledge of the highest governance body	Page 50			
	2-18 Evaluation of the performance of the highest governance body	Pages 80–81			
	2-19 Remuneration policies	Pages 80–83, Note 10 and the Board's remuneration report https://lifco.se/investerare/corporate-governance/arsstamma-2024/			
	2-20 Process to determine remuneration	Pages 80–83 and the Board's remuneration report https://lifco.se/investerare/corporate-governance/arsstamma-2024/			
	2-21 Annual total compensation ratio	The Board's remuneration report https://lifco.se/investerare/corporate-governance/arsstamma-2024/	Comparison with all employees	Not applicable	The remuneration report has been drawn up in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board and covers the employees of the Parent Company
	2-22 Statement on sustainable development strategy	Pages 6–7 and 15			
	2-23 Policy commitments	Pages 18, 27, 32–36, 51–54 and https://lifco.se/sustainability			
	2-24 Embedding policy commitments	Pages 18–20, 24–27, 32–36 and 50–53			
	2-25 Processes to remediate negative impacts	Page 51			
	2-26 Mechanisms for seeking advice and raising concerns	Pages 27, 37 and 51			
	2-27 Compliance with laws and regulations	Pages 22 and 37–38			
	2-28 Membership associations	Page 35			
	2-29 Approach to stakeholder engagement	Page 48			
	2-30 Collective bargaining agreements	Page 28			

GRI standard/other source	Disclosure	Location in the annual report or other location	Omission		
			Requirement(s) omitted	Reason	Explanation
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 46			
	3-2 List of material topics	Page 46			
Procurement practices					
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 18, 26 and 32			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 45			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 32–34			
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 34			
	205-2 Communication and training about anti-corruption policies and procedures	Pages 32–34			
	205-3 Confirmed incidents of corruption and actions taken	Pages 34 and 37–38			
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 18–20			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Pages 20–22			
	302-2 Energy consumption outside of the organisation	Pages 20–22			
	302-3 Energy intensity	Pages 20–22			
	302-4 Reduction of energy consumption	Page 20			
	302-5 Reductions in energy requirements of products and services		Reductions in energy requirements of products and services	Not applicable	Because Lifco is a conglomerate with many different products and services, it is not relevant to aggregate reductions in energy demand for products and services
Emissions					
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 18–20			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Pages 20–22			
	305-2 Energy indirect (Scope 2) GHG emissions	Pages 20–22			
	305-3 Other indirect (Scope 3) GHG emissions	Pages 20–22			
	305-4 GHG emissions intensity	Pages 20–22			
	305-5 Reduction of GHG emissions	Pages 20–22			
	305-6 Emissions of ozone-depleting substances (ODS)	Page 21			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Page 21			
Employment					
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 24–30			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Pages 27 and 30			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 26			
	401-3 Parental leave	Page 28			

GRI standard/other source	Disclosure	Location in the annual report or other location	Omission		
			Requirement(s) omitted	Reason	Explanation
Occupational health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 24–27			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pages 25 and 145–146			
	403-2 Hazard identification, risk assessment, and incident investigation	Pages 24–25			
	403-3 Occupational health services	Page 25			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 24			
	403-5 Worker training on occupational health and safety	Page 24			
	403-6 Promotion of worker health			Not applicable	As a result of the wide spread in operations and geography, it is not relevant to compile the organisation's approach to prevent or mitigate significant adverse effects on the work environment and safety that are directly linked to operations, products or services through business relationships and related hazards and risks.
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 24			
	403-8 Workers covered by an occupational health and safety management system	Page 25			
	403-9 Work-related injuries	Page 25			
	403-10 Work-related ill health	Page 25			
Diversity and equal opportunity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 26–30			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pages 26–30 and 108			
	405-2 Ratio of basic salary and remuneration of women to men	Page 26			
Non-discrimination					
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 26–27			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Pages 26–27 and 37			
Customer health and safety					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 36			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories		416-1-a Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Not applicable	Lifco is a conglomerate with companies in many industries which make the compiled data irrelevant
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Page 36			

GRI standard/other source	Disclosure	Location in the annual report or other location	Omission		
			Requirement(s) omitted	Reason	Explanation
Marketing and labelling					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 36			
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Pages 36 and 38			
	417-2 Incidents of non-compliance concerning product and service information and labelling	Pages 36 and 38			
	417-3 Incidents of non-compliance concerning marketing communications	Pages 36 and 38			
Customer privacy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 36			
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pages 36 and 38			
Other disclosures that are not part of Lifco's material topics					
Economic performance and impacts					
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Pages 17 and 35			
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Page 17			
Tax					
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 34–35			
GRI 207: Tax 2019	207-1 Approach to tax	Page 35			
	207-2 Tax governance, control, and risk management	Page 35			
	207-3 Stakeholder engagement and management of concerns related to tax	Pages 34–35			
	207-4 Country-by-country reporting	Page 35			
Water and effluents					
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 18–19			
GRI 303: Water and Effluents 2018	303-5 Water consumption	Pages 18–19			
Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 20			
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 20			
Waste					
GRI 306: Waste 2020	306-5 Hazardous waste directed to disposal	Page 19			

MANAGEMENT SYSTEMS AND CERTIFICATIONS

		Certification					
Company	Country	ISO 3834 Fusion welding	ISO 9001 Quality management	ISO 13485 Medical devices – Quality management	ISO 14001 Environmental management	OHSAS 18001/ OSHA/ ISO 45001 Occupational health and safety management	ISO 50001 Energy management systems
Ahlberg Cameras AB	Sweden		●				
Ahlberg Cameras, Inc.	USA		●				
Alwayse Engineering Ltd	United Kingdom		●				
Aquajet Systems AB	Sweden		●				
Aquajet Systems Holding AB	Sweden		●				
Astro srl	Italy	●	●			●	
Auger Torque Europe Ltd	United Kingdom		●				
Auto-Maskin AS	Norway		●		●		
BINC Delaware, Inc.	USA		●				
Bode Components GmbH	Germany		●				
Brian James Trailers Limited	United Kingdom		●				
Brokk AB	Sweden		●				
Brokk Switzerland GmbH	Switzerland		●				
Brokk UK Ltd	United Kingdom		●				
Cangini Benne srl	Italy		●				
Cenika AS	Norway				●		
Cleveland Cascades Ltd	United Kingdom		●				
Computer Konkret AG	Germany		●	●			
Condale Plastic Ltd	United Kingdom		●				
Cormidi srl	Italy		●				
Cramaro Tarpaulin Systems srl	Italy		●				
DAB Dental AB	Sweden		●		●		
Darda GmbH	Germany		●				
DentalEye AB	Sweden			●			
Didsbury Engineering Co Ltd	United Kingdom		●				
Directa AB	Sweden			●			
Doherty Engineered Attachments Ltd	New Zealand		●		●	●	
Easy Life International BV	Netherlands			●			
Emilplastica srl	Italy		●				
Fiberworks AS	Norway		●		●		
Geax srl	Italy		●				
Green Instruments A/S	Denmark		●		●	●	
Green Instruments USA, Inc.	USA					●	
Green Instruments (S) PTE, Ltd	Singapore					●	
Hammasväline OY	Finland		●	●			
Hultdin System AB	Sweden		●				
Indexator Rotator Systems AB	Sweden		●		●	●	
Interadent Zahntechnik GmbH	Germany		●				
Interadent Zahntechnik, Inc.	Philippines		●				
J.H. Orsing AB	Sweden			●			
Jacobsen Dental AS	Norway		●				

		Certification					
Company	Country	ISO 3834 Fusion welding	ISO 9001 Quality management	ISO 13485 Medical devices – Quality management	ISO 14001 Environmental management	OHSAS 18001/ OSHA/ ISO 45001 Occupational health and safety management	ISO 50001 Energy management systems
Kaniedenta	Germany			●			
Kinshofer CZ s.r.o.	Czech Republic	●					
Kinshofer GmbH	Germany	●	●				●
Kentzler-Kaschner Dental GmbH	Germany			●			
Kohdent Roland Kohler Medizintechnik	Germany			●			
Leab Eesti OÜ	Estonia		●		●	●	
Lövånger Elektronik AB	Sweden		●		●		
Lövånger Elektronik Fagersta AB	Sweden		●		●		
Lövånger Elektronik Uppsala AB	Sweden		●		●		
M+W Dental Müller & Weygandt GmbH	Germany			●			
MDH AG Mamisch Dental Health	Germany			●			
Medtec Medizintechnik GmbH	Germany			●			
Modul-System Fahrzeugeinrichtungen GmbH	Germany		●				
Modul-System HH A/S	Denmark		●				
Modul-System HH AB	Sweden		●		●		
Modul-System Ltd	United Kingdom		●		●	●	
Modul-System Nederland B.V	Netherlands		●				
Modul-System Polska Sp. Z o.o.	Poland		●		●		
Modul-System S.A.	France		●		●		
Nessco AS	Norway		●		●	●	
Next Hydraulics srl	Italy		●				
Nordenta AB	Sweden			●			
NorDesign AS	Norway				●		
Ortho-Care Ltd	United Kingdom		●	●			
Parkell Inc.	USA			●			
Plum Deutschland GmbH	Germany			●			
Plum Safety ApS	Denmark			●			
Prolec Ltd	United Kingdom		●				
Rapid Granulator AB	Sweden		●		●		
Rhein 83 srl	Italy		●	●			
Rønvig Dental Manufacturing A/S	Denmark			●			
Si Zhou Dental (Shenzhen) Co. Ltd	China			●			
Silvent Californa, Inc.	USA					●	
Silvent North America, Inc.	USA					●	
Swallow Dental Supplies Ltd	United Kingdom		●				
Tamrotor Marine Compressors AS	Norway		●		●	●	
Tastitalia srl	Italy		●		●		
Texor AB	Sweden		●				
TMC Compressors Asia Pte. Ltd	Singapore		●		●	●	
Topdental (Products) Ltd	United Kingdom			●			
Trevi Benne S.p.a	Italy		●			●	
UK Point of Sale Group Ltd (UK POS)	United Kingdom		●				
Zetterströms Rostfria AB	Sweden	●	●		●		

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DEFINITIONS AND OBJECTIVE

Return on equity	Net profit for the period divided by average equity.
Return on capital employed	EBITA before acquisition costs, divided by capital employed.
Return on capital employed excluding goodwill and other intangible assets	EBITA before acquisition costs, divided by capital employed excluding goodwill and other intangible assets.
EBITA	EBITA is a measure which Lifco considers relevant for investors who wish to understand the earnings generated after investments in tangible and intangible assets requiring reinvestment but before investments in intangible assets arising from acquisitions. Lifco defines earnings before interest, tax and amortisation (EBITA) as operating profit before amortisation and impairment of intangible assets arising from acquisitions excluding acquisition costs.
EBITA margin	EBITA divided by net sales.
EBITDA	EBITDA is a measure which Lifco considers relevant for investors who wish to understand the earnings generated before investments in fixed assets. Lifco defines earnings before interest, tax, depreciation and amortisation (EBITDA) as operating profit before depreciation, amortisation and impairment of tangible and intangible assets excluding acquisition costs.
EBITDA margin	EBITDA divided by net sales.
Net debt/equity ratio	Net debt divided by equity.
Net debt	Lifco uses the alternative performance measure net debt. Lifco considers that this is a useful additional performance measure which allows users of the financial reports to assess the Group's ability to pay dividends, make strategic investments and meet its financial obligations. Lifco defines the measure as follows: current and non-current liabilities to credit institutions, bonds, interest-bearing pension provisions, liabilities related to put/call options relating to acquisitions, and lease liability less cash and cash equivalents.
Earnings per share	Profit after tax attributable to Parent Company shareholders divided by average number of outstanding shares.
Interest-bearing net debt	Lifco uses the alternative performance measure interest-bearing net debt. Lifco considers that this is a useful additional performance measure which allows users of the financial reports to assess the Group's ability to pay dividends, make strategic investments and meet its financial obligations. Lifco defines the performance measure as follows: current and non-current liabilities to credit institutions, bonds and interest-bearing pension provisions less cash and cash equivalents.
Equity/assets ratio	Equity divided by total assets (balance sheet total).
Capital employed	Capital employed is a measure which Lifco uses for calculating the return on capital employed and for measuring how efficient the Group is. Lifco considers that capital employed is useful in helping users of the financial reports to understand how the Group finances itself. Lifco defines capital employed as total assets less cash and cash equivalents, interest-bearing pension provisions and non-interest-bearing liabilities with the exception of liabilities related to put/call options relating to acquisitions, calculated as the average of the last four quarters.
Capital employed excluding goodwill and other intangible assets	Capital employed excluding goodwill and other intangible assets is a measure which Lifco uses for calculating the return on capital employed and for measuring how efficient the Group is. Lifco considers that capital employed excluding goodwill and other intangible assets is useful in helping users of the financial reports to understand the impact of goodwill and other intangible assets on that capital which requires a return. Lifco defines capital employed excluding goodwill and other intangible assets as total assets less cash and cash equivalents, interest-bearing pension provisions, non-interest-bearing liabilities with the exception of liabilities related to put/call options relating to acquisitions, goodwill and other intangible assets, calculated as the average of the last four quarters.

OTHER INFORMATION

FINANCIAL INFORMATION

Lifco's annual report, year-end report and interim reports are published in Swedish and English.

They are available for download at www.lifco.se/investors.

The printed version of Lifco's annual report is distributed to those shareholders who have expressly requested to receive a printed copy and can be ordered by filling in the form at:

https://lifco.se/investors/financial-reports/

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FINANCIAL CALENDAR

24 April 2024	Interim report January–March
12 July 2024	Interim report January–June
22 October 2024	Interim report January–October
31 January 2025	Year-end report for 2024
March 2025	Annual Report and Sustainability Report 2024

2024 ANNUAL GENERAL MEETING

The Annual General Meeting of Lifco AB will be held on Wednesday 24 April 2024, at 11:00 a.m. CEST at Bonnierhuset, Torsgatan 21, Stockholm.

Practical information regarding registration and participation will be provided in the notice to the Annual General Meeting.

NOMINATION COMMITTEE AND MATTERS TO BE TRANSACTED

Information on Lifco's Nomination Committee was presented in Lifco's nine-month report for 2023, which was published on 20 October 2023. The information was also published on the website. Lifco's nine-month report for 2023 and year-end report for 2023 contained information about how to submit a matter for discussion at the Annual General Meeting. The information was also published on the website.

DIVIDEND

The Board of Directors and CEO propose that a dividend of SEK 2.10 per share be paid for 2023, resulting in a total distribution of SEK 953.9 million. The proposed record date is Friday 26 April 2024. Euroclear expects to be able to send the dividend to the shareholders on Thursday 2 May 2024, subject to a resolution of the Annual General Meeting.

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LIFCO

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Lifco offers secure ownership for small and medium-sized businesses.