2022 Annual Report and Sustainability Report

LIFCO

A SAFE HAVEN FOR YOUR BUSINESS

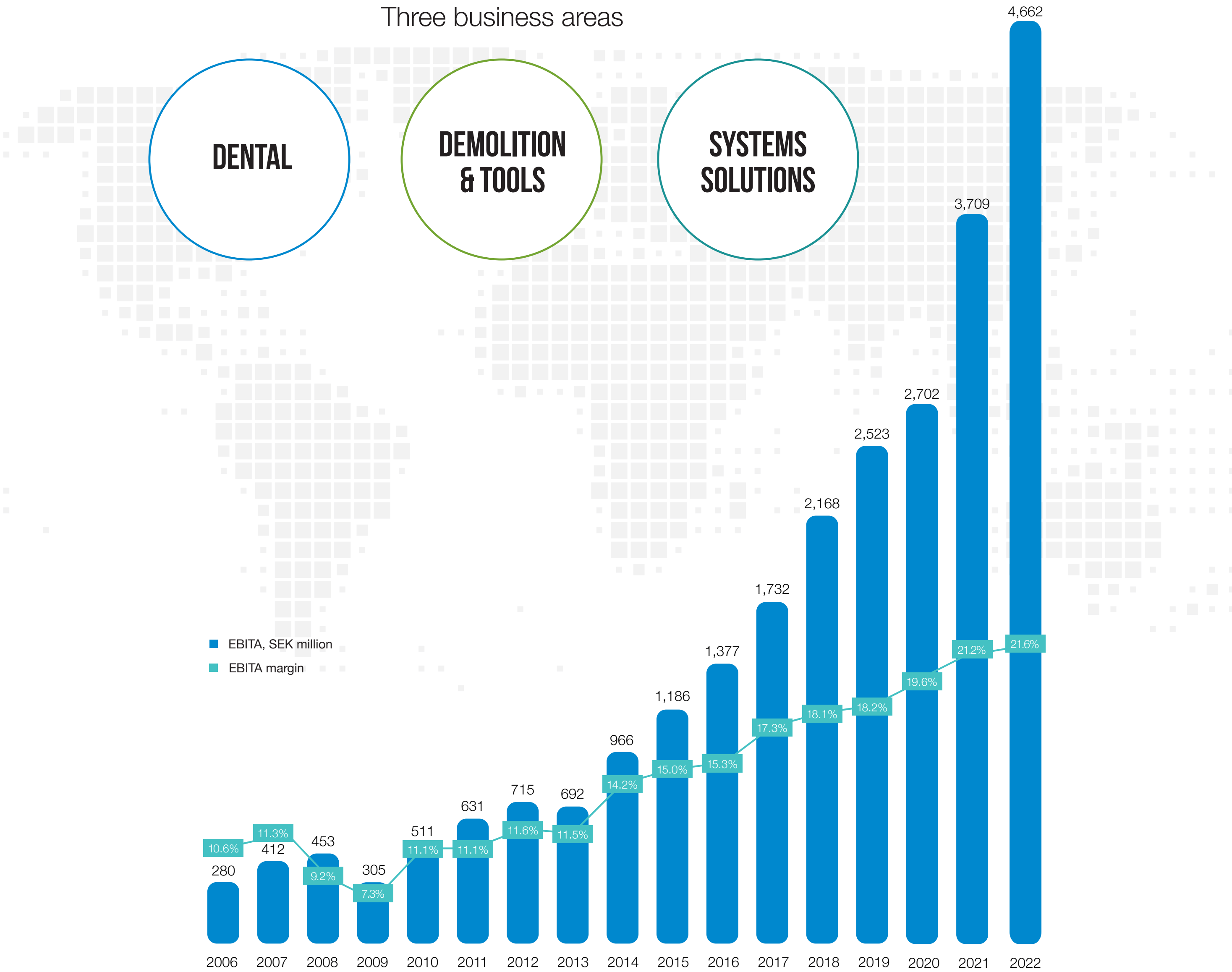
CONTENTS

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



HIGHLIGHTS OF 2022

Lifco performed strongly in 2022 as a result of generally favourable market conditions as well as acquisitions. During the year, Lifco consolidated twelve acquisitions with estimated total annual net sales of SEK 1,475 million at the time of acquisition.

Net sales increased
23.3%

Organic growth
11.3%

EBITA increased
25.7%

KEY PERFORMANCE INDICATORS

	2022	Change	2021
Net sales, SEK million	21,552	23.3%	17,480
EBITA, SEK million[1]	4,662	25.7%	3,709
EBITA margin, %[2]	21.6	0.4	21.2
Earnings per share after tax, SEK	6.13	16.5%	5.26
Cash flow from operating activities, SEK million	3,069	4.5%	2,938
Capital employed, SEK million	20,668	25.7%	16,447
Capital employed excluding goodwill and other intangible assets, SEK million	3,444	50.1%	2,294
Return on capital employed, %	22.6	0.1	22.5
Return on capital employed excluding goodwill and other intangible assets, %	135	-27	162
Net debt, SEK million	8,576	20.6%	7,113
Net debt/equity ratio	0.6	-0.1	0.7
Net debt/EBITDA	1.7	-	1.7
Interest-bearing net debt, SEK million	5,590	21.4%	4,603
Interest-bearing net debt/EBITDA*	1.1	-	1.1
Equity/assets ratio, %	44.8	1.6	43.2
Equity per share, SEK	29.14	24.3%	23.44
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

Four new businesses are consolidated with total annual net sales of approximately SEK 235 million. The new companies include:

Zenith Dental, a Danish distributor of dental products.

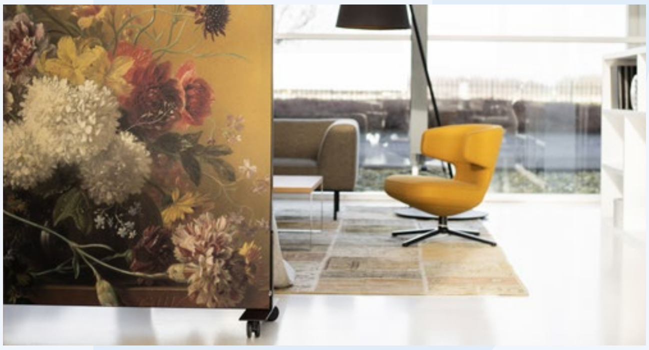
Cormidi, an Italian manufacturer of mini dumpers and skid loaders.

The UK firm Specialist Alarm Services, which provides staff attack and nurse call systems for the healthcare sector.

Q2

BCC Solutions of Finland, a supplier of transceivers, fibre cabling and other products, is consolidated. BCC Solutions has annual sales of around SEK 117 million.

The Estonian company Hekotek, which mainly sells sawmill equipment in Russia, is divested.



Q3

The MTN programme is increased from SEK 5 billion to SEK 6 billion. Lifco sells SEK 750 million of two-year unsecured bonds in two issues.

Four new businesses are consolidated with total annual net sales of approximately SEK 770 million. The new companies include:

EFKA Holding of the Netherlands, which manufactures customised aluminium frames for textiles.

Condale Plastics, a UK manufacturer of bespoke plastic extrusions.

The Italian company Trevi Benne, which manufactures excavator tools and attachments.

Q4

Three new businesses are consolidated with total annual net sales of approximately SEK 354 million. The companies are:

Heinz Schuller of Germany, which sells cable support systems and lightning protection products.

Medtec Medizintechnik, a German maker of equipment and consumables based on MR technology for the treatment of joints.

The UK company Prolec, a niche developer of software and hardware solutions for the construction industry.

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. Sales in 2022 increased 23.3 per cent to SEK 21,552 (17,480) million as a result of generally favourable market conditions, acquisitions and positive exchange rate effects. Organic growth was 11.3 per cent, acquisitions contributed 8.7 per cent and changes in exchange rates had a positive effect on net sales of 5.1 per cent. The divestment of the Estonian company Hekotek, which mainly sells sawmill equipment to Russia, impacted net sales negatively by 1.8 per cent. Lifco's average annual sales growth during the period 2006–2022, including acquisitions, amounts to 14.1 per cent.

In 2022, EBITA increased 25.7 per cent to SEK 4,662 (3,709) million, with organic growth contributing 11.2 per cent, acquisitions 10.8 per cent and currency effects having a positive effect of 4.4 per cent. The EBITA margin improved by 0.4 percentage points to 21.6 (21.2) per cent on the back of organic growth and acquisitions. Lifco's average annual EBITA growth during the period 2006–2022, including acquisitions, is 19.2 per cent.

A SUCCESSFUL ACQUISITION MODEL

In 2022, Lifco acquired twelve businesses and 17 in the previous year. 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.

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

Per Waldemarson
President and CEO

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 2022, we continued to enhance our sustainability reporting, placing particular emphasis on climate impact, employees and sound business practices. As of 2022, we are reporting with reference to GRI (Global Reporting Initiative) for the first time. Our prioritised sustainability topics are reduced environmental and climate impact, motivated employees and a high standard of business ethics.

In December 2016, Lifco signed up to the UN Global Compact, to show our support for internationally recognized business ethical standards and our long-term commitment to sustainability issues. As a member, we have undertaken to actively to 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 Group's cash flow and changes in capital employed in our businesses. Cash flow from operating activities increased by 4.5 per cent in 2022 to SEK 3,069 million. Organic growth during the year affected cash flow by increasing working 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 2022 financial year, the Board of Directors proposes a dividend of SEK 1.80 per share, which is an increase of 20.0 per cent on 2021 and equates to 29.4 per cent of earnings after tax.

MARKET-LEADING NICHE COMPANIES

The Lifco Group encompasses many successful businesses 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 2006–2022, Lifco made 108 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 2022, 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 6,512 employees in 30 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 2022.

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

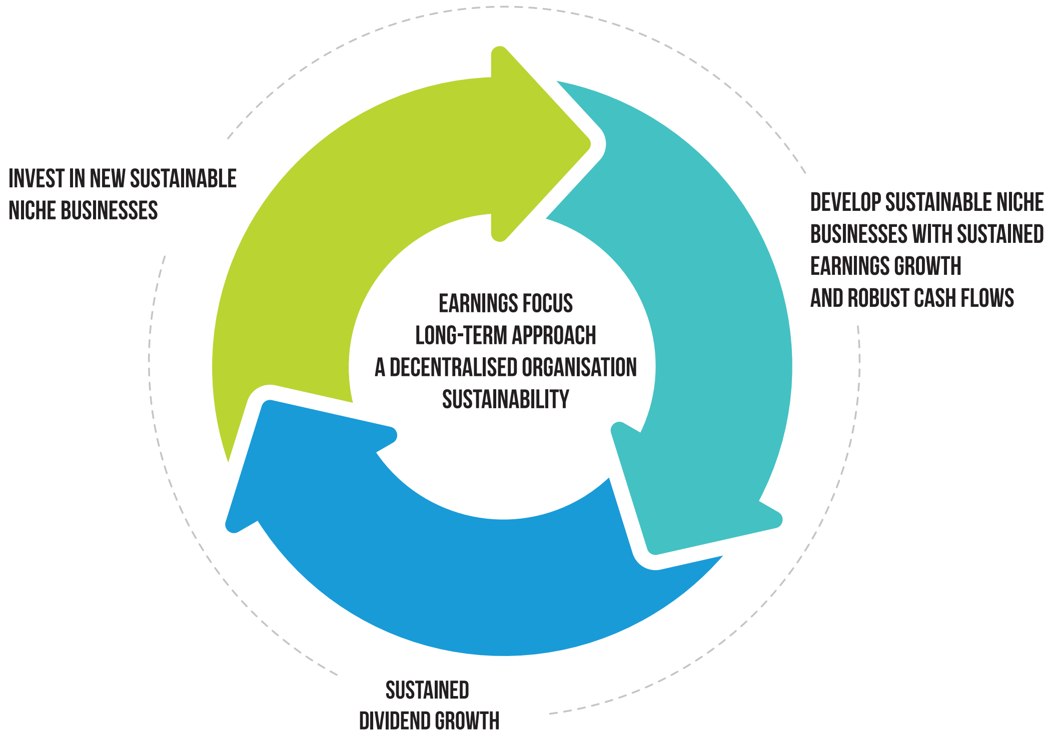
By developing sustainable niche businesses, Lifco creates value and is able to give its shareholders a return on their invested capital while gaining the financial strength to acquire new businesses. The model has proved its strength, as shown by Lifco's average annual growth rate of 14.1 per cent and EBITA growth of 19.2 per cent from 2006–2022. Growth has taken place solely through self-generated capital. During this 16-year period, Lifco consolidated 108 companies with total estimated annual net sales of SEK 12.5 billion at the time of acquisition. Over the same period, the number of employees increased from 1,385 to 6,512, mostly through acquisitions.

A DECENTRALISED ORGANISATION

This decentralised organisation is one of the cornerstones of Lifco's governance philosophy. Lifco's organizational 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.

LIFCO'S MODEL FOR VALUE CREATION



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.

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.

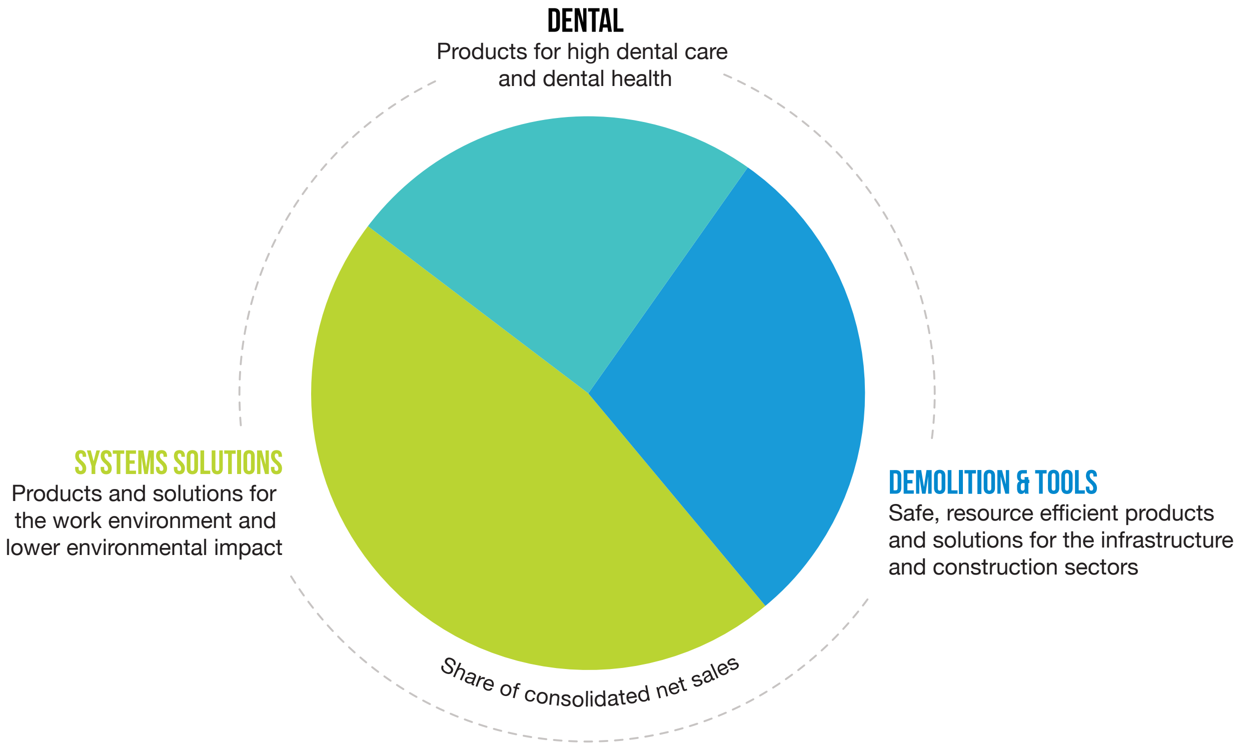
The long-term objective is to ensure stable dividend growth while maintaining a payout ratio of 30–50 per cent of earnings after tax. Since its IPO on Nasdaq Stockholm's main list in 2014, Lifco's average annual dividend growth has been 16.8 per cent. Over the same period, our profit after tax has increased by an average of 22.2 percent per year.

Average annual growth 2006–2022 **14.1%**

Average annual EBITA growth 2006–2022 **19.2%**

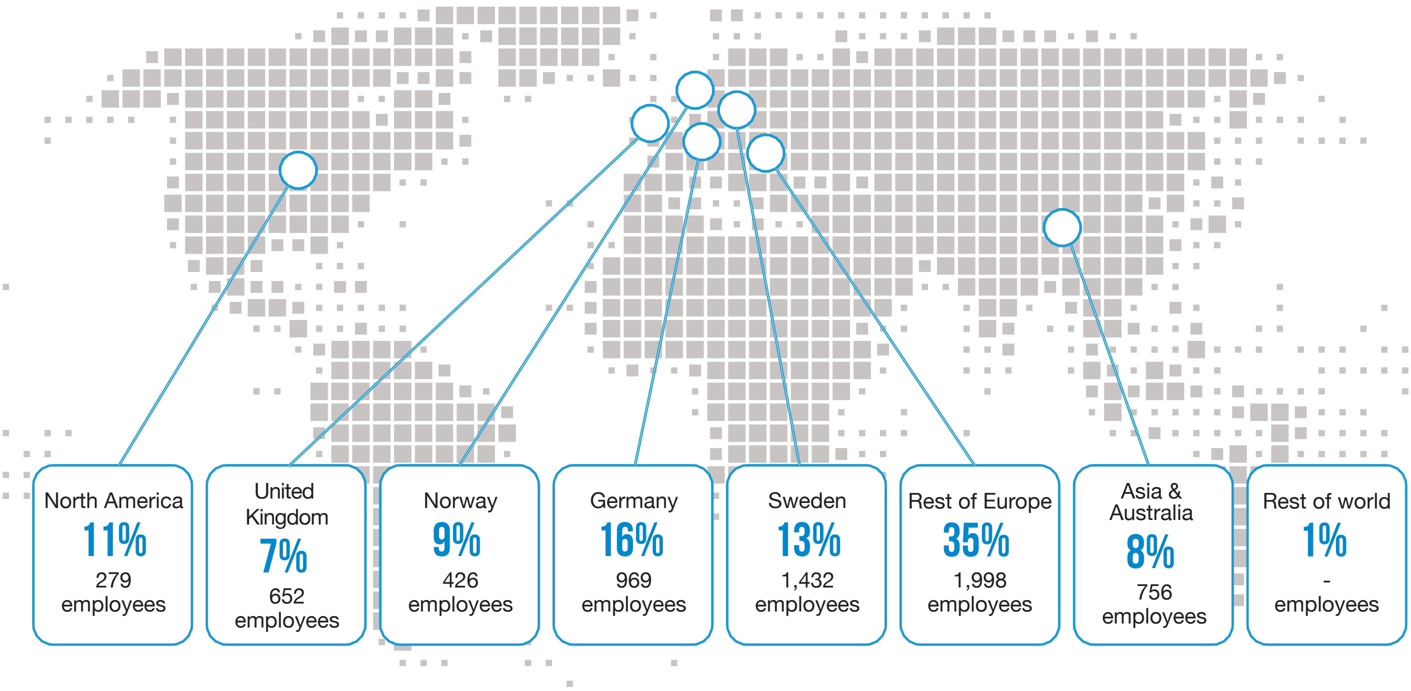
LIFCO'S GROUP COMPANIES

Lifco's 211 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	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.	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.
1,967 employees	1,774 employees	2,759 employees

LIFCO'S MARKETS AND EMPLOYEES



The blue figure refers to the share of total sales. Number of employees refers to the number of employees on 31 December 2022.

Employees **6,512**

Countries **30**

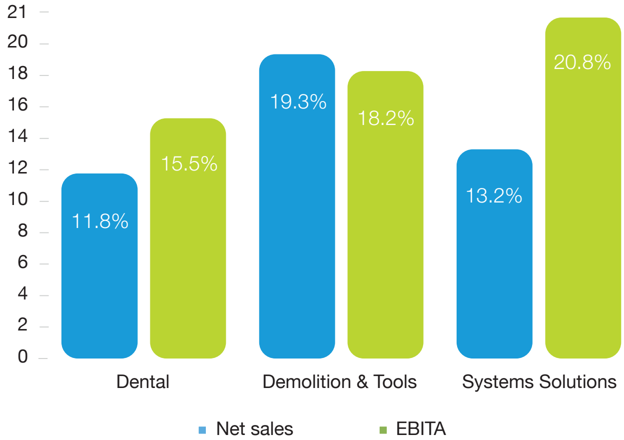
Companies **211**

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, such as high standards of patient safety, safe and secure workplaces in heavy industry, and energy saving solutions.

AVERAGE ANNUAL GROWTH 2006-2022



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 takeover 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 acquires both new companies that can form separate divisions and companies that add to and expand its existing divisions. An acquisition must be able to generate profitable growth and good cash flows. The risk taken by Lifco must also be limited.

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. 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.

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. MUST RUN A SUSTAINABLE BUSINESS

Potential takeover candidates must meet the following criteria:

1. They must run a sustainable business
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 have documented profitability

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.

6. SUSTAINABILITY DUE DILIGENCE

All acquisition candidates undergo a sustainability due diligence process. 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. The due diligence process includes an investigation into any possible violations or ongoing conflicts related to the environment, human rights, working conditions and business ethics, including tax issues. Lifco also investigates historical violations or conflicts and makes on-site visits to the takeover candidates in order to study the company culture, working conditions and other factors. The candidates' history with regard to managers, customers, suppliers and other factors is also examined. Lifco also looks at 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.

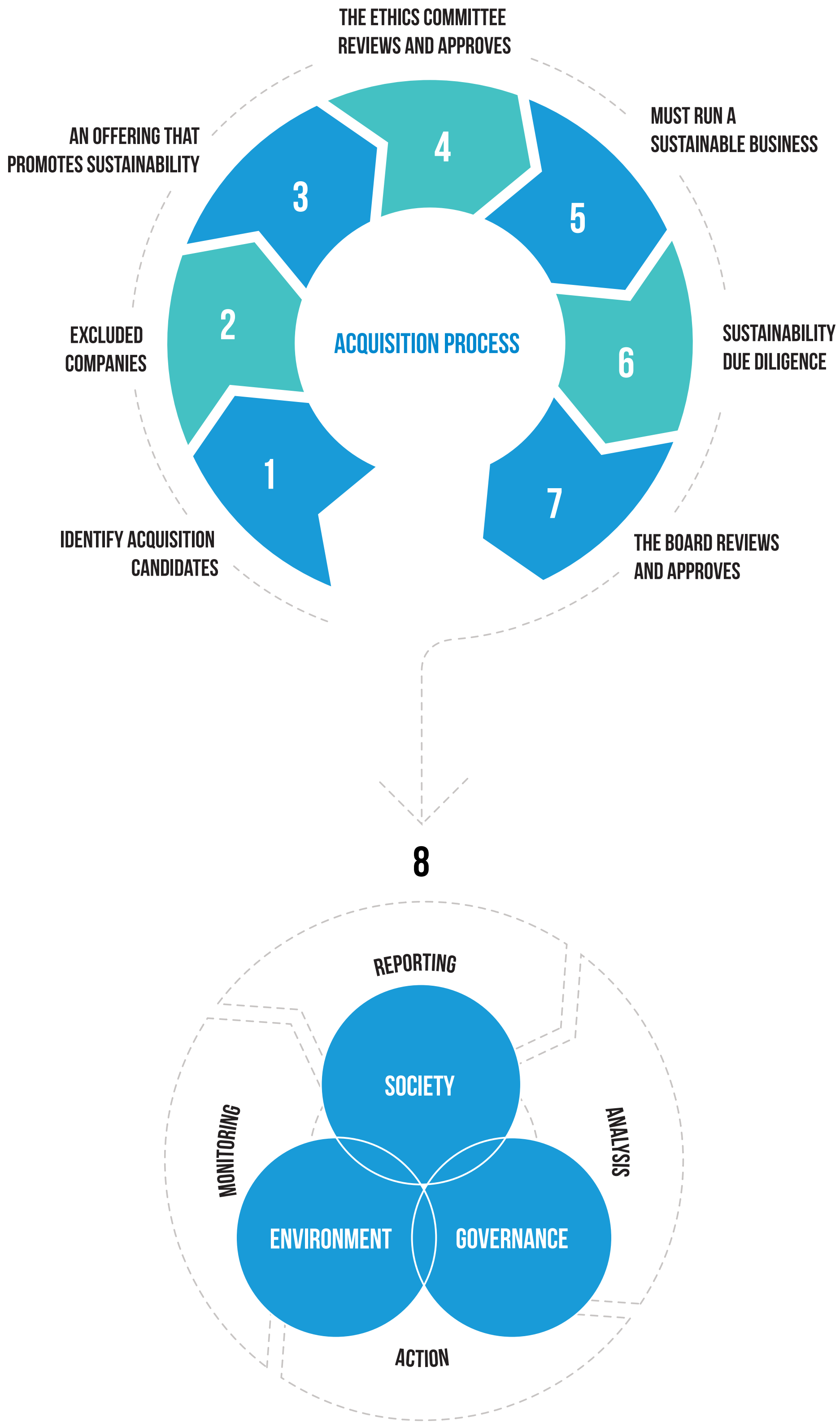
7. THE BOARD REVIEWS AND APPROVES

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, however 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
MUST RUN A SUSTAINABLE BUSINESS
4
3
5
2
ACQUISITION PROCESS
6
EXCLUDED COMPANIES
SUSTAINABILITY DUE DILIGENCE
1
7
IDENTIFY ACQUISITION CANDIDATES
THE BOARD REVIEWS AND APPROVES
8
REPORTING
SOCIETY
MONITORING
ANALYSIS
ENVIRONMENT
GOVERNANCE
ACTION

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 as its target to reduce its Scope 1–2 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 climate and environmental impact, 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.

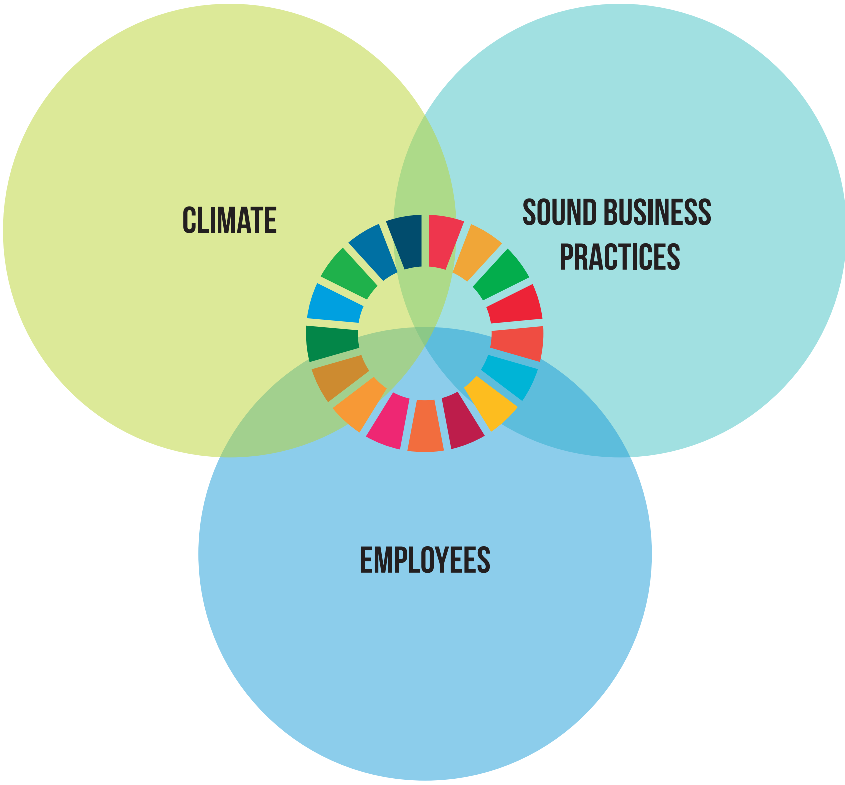
Lifco continuously develops and improves its monitoring and reporting of sustainability management activities. In 2022, the Group increased the number of targets and reported indicators and also reports with reference to GRI (Global Reporting Initiative) for the first time. Lifco is a signatory to the 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 1–2 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.

Lifco's sustainability management and its strategic priorities, results and governance are presented in the Sustainability Report, which comprises pages 14–65.

WE SUPPORT

UN GLOBAL COMPACT

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



FOLLOW-UP OF CENTRAL SUSTAINABILITY TARGETS

	2021	2022	Results 2022
Reduce energy consumption in relation to profit of SEK every year, kWh	0.0139	0.0124	Target achieved
Reduce Scope 1-2-emissions in relation to profit of SEK every year, kg	0.0040	0.0035	Target achieved
Reduce staff turnover every year	17.2%	16.2%	Target achieved
Every year reduce the number of workplace accidents per employee leading to more than three days of absence	0,0105	0.0106	Target not achieved
Increase the percentage of female wage-setting managers every year	21.2%	20.1%	Target not achieved
All employees must be informed about the Code of Conduct every year	100%	100%	Target achieved
Increase the percentage of subsidiaries where major suppliers have committed to following the Code of Conduct every year	78.3%	72.4%	Target not achieved

LIFCO'S VALUE CREATION IN 2022

Stakeholder	Type of value	Value created	Added value created
Revenue			
Customers	Sales revenue	SEK 21,552 (17,480) 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 3,456 (2,945) 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 12,313 (9,857) 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 1,531 (1,211) 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 return	SEK 818 (681) million -35.0% (72.5%)	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 128 (63) 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 1–2 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 area 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. During 2022, Lifco incurred no fines or charges due to negligence in the environmental area. 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 service if the risk is serious and deviates from Lifco's policies.

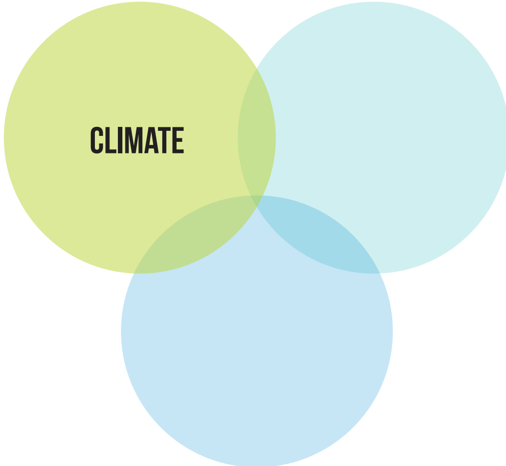
At year-end, 20 Lifco companies, or 9.5 per cent of the total number, had the environmental management system ISO 14001. Decisions about any certifications and management systems are made independently by each subsidiary.

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. Lifco did not ask its Group companies in 2022 whether they had discontinued any partnership due to the supplier's environment shortcomings or inability to comply with Lifco's Code of Conduct regarding environmental matters.

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 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 started collecting data on the Group's total water consumption. The data also covers water consumption from water-stressed areas. Using the collected data, Lifco will in 2023 deepen its knowledge of the Group's water consumption and the associated risks. Lifco intends to set targets for the Group's total water consumption.

HAZARDOUS WASTE

Lifco seeks to ensure that hazardous waste is handled in accordance with laws and guidelines and that precautions are taken to minimise the risks to the environment and employees. In 2022, Lifco began collecting data on the Group's total amount of hazardous waste. The majority of the hazardous waste consists of residual products from painting, oil, rust removal solvents, batteries and excess liquid from refilling disinfectants.

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 2022, three of Lifco's companies conducted operations in or near environmentally protected areas with a total of 58 employees, which represents less than 1 per cent of the total number of employees in the Group. The three companies are Swedish. BeGrips and RF-System conduct operations near water protection areas in Sösdala and Vinslöv, respectively. JH Orsing operates in the vicinity of the Råån valley, which is a nature reserve, a Natura 2000 area and of national interest for the preservation of the natural and cultural environment. Before a new operation is established, Lifco companies examine the risks of damage or threats to biological diversity, ecosystems or endangered species. During the due diligence process for acquisitions, Lifco examines the risks that the business will damage or could damage biodiversity, ecosystems or endangered species.

WATER CONSUMPTION

Litres	2022
Water consumption	78,853.8
Water consumption from water-stressed areas	2,646
Water consumption per employee	12.14
Water consumption from water-stressed areas per employee	0.41
Water consumption per SEK of profit	0.000017
Water consumption from water-stressed areas per SEK of profit	0.00000057

The data collected covers 74 (68) companies with more than 25 employees, which account for around 82 (82) per cent of all employees of the Group. The collected data has been used to estimate the water consumption of the Group as a whole. SEK of profit refers to EBITA. Per employee has been calculated based on the average number of employees in 2022.

HAZARDOUS WASTE

Tonnes	2022
Hazardous waste collected for disposal	1,010.5
Hazardous waste per SEK of profit	0.00000022

The data collected covers 74 (68) companies with more than 25 employees, which account for around 82 (82) per cent of all employees of the Group. The collected data has been used to estimate the amount of hazardous waste for the Group as a whole. SEK of profit refers to EBITA.

CLIMATE IMPACT

Lifco's target is to reduce the Group's emissions of greenhouse gases in scope 1-2 every year in relation to profit. Group management is responsible for ensuring that the Lifco companies have processes which aim to reduce greenhouse gases 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 scope 1-2 comes from energy consumption in commercial premises and production facilities. To achieve the overall climate goal, Lifco companies have, among other initiatives, signed green electricity contracts, installed solar panels and improved the insulation in the premises. Such measures continue to be implemented in the companies, which make independent decisions about which activities are appropriate for their business and when they should be carried out.

Some Lifco companies have service fleets and company cars. In the Dental business in particular, products are extensively distributed by truck, 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. As the pandemic restrictions were lifted in spring 2022, business travel increased, which affected the Group's emissions in 2022. Many of the Lifco companies have introduced digital forms of meeting in their relations with customers and suppliers, which is expected to have a continued positive effect on emissions from business travel. In 2022, emissions from business travel increased to 1,845 (798) tonnes. In 2019, emissions from business travel totalled 3,540 tonnes.

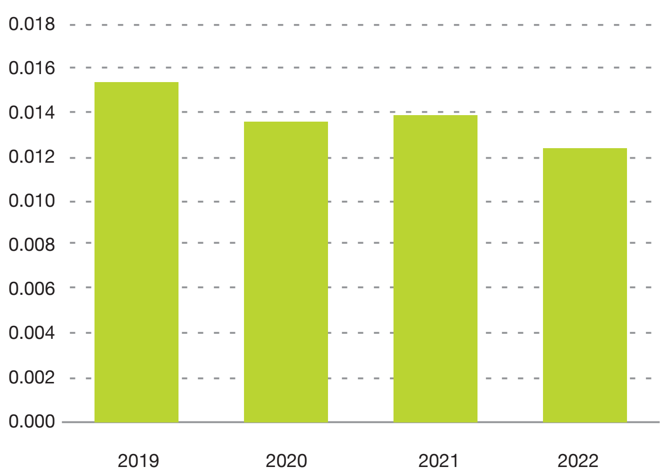
Climate change is also creating business opportunities for the Lifco companies. Many of the companies are engaged in continuous development to reduce their products' negative climate and environmental impact. Several Lifco companies offer products where the unique selling point is the product's positive 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. Some of the subsidiaries have chosen to offset emissions from their own operations.

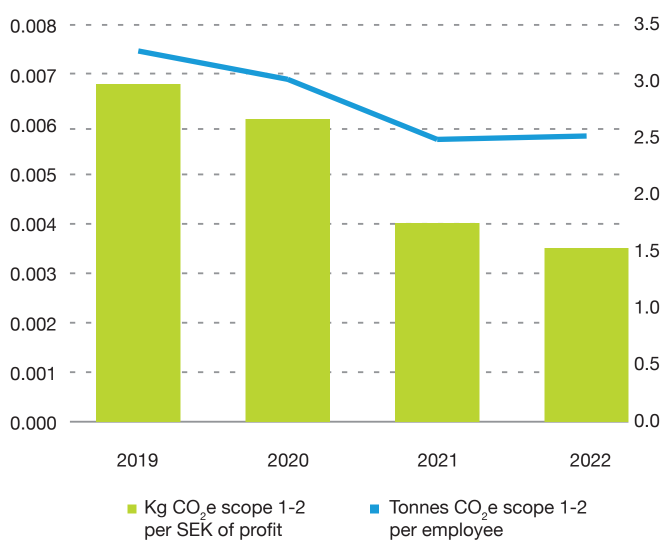
TARGET CLIMATE

In 2022, energy consumption per SEK of profit decreased. Absolute emissions of greenhouse gases increased in 2022. In relation to EBITA, emissions in scope 1-2 were down. Scope 1-2 emissions per employee have increased, which reflects generally high production levels.

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 Scope 1, 2 and 3. Scope 1 refers to direct emissions and Scopes 2–3 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, upstream transport 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 74 (68) companies with more than 25 employees, which account for 82.2 (82.4) per cent of all employees of the Group. 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.

From 2022, Lifco includes upstream transport in the calculations, which explains the significant increase in reported Scope 3 emissions. Lifco has not reported the energy consumption related to upstream transport and distribution.

In 2022, Lifco has started to investigate the possibility of setting a science-based target for Scope 3 given the Group's operations.

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

ENERGY CONSUMPTION

kWh	2021	Change	2022
Cooling	18,192	-43.1%	10,349
Heating	8,594,662	17.7%	10,115,363
Electricity	43,024,939	10.3%	47,448,599
Total	**51,637,793**	**11.5%**	**57,574,311**

Lifco does not collect Group-level information on sold energy.

ENERGY EFFICIENCY

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

Total energy consumption 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. Consumption per employee has been calculated using the average number of full-time employees during the year.

RENEWABLE ENERGY

kWH unless otherwise indicated	2021	2022
Energy consumption from renewable energy	32,629,921	35,166,389
Share of renewable energy in relation to total energy consumption/share of non renewable energy	63.2%/36.8%	61.1%/38.9%
Energy consumption from renewable energy per SEK of profit	0.0088	0.0075
Energy consumption from renewable energy per SEK of sales	0.0019	0.0016
Energy consumption from renewable energy per employee	5,443	5,414

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. Consumption per employee has been calculated using the average number of full-time employees during the year.

CLIMATE IMPACT 2021–2022 PER SCOPE 1-3

Tonnes CO_2e	2021	2022	% of total 2022	Change in tonnes	Change in %
Scope 1	6,893	7,740	1%	847	12.3%
Coolants	874	932	0%	58	6.6%
Stationary combustion	2,946	2,870	0%	-76	-2.6%
Vehicles	3,072	3,938	0%	865	28.2%
Scope 2	8,046	8,615	1%	568	7.1%
District cooling	0	0	0%	0	0.0%
District heating	644	460	0%	-184	-28.6%
Electricity	7,402	8,090	1%	688	9.3%
Vehicles	0	64	0%	64	0.0%
Scope 3	3,351	973,139	98%	969,788	28,941%
Business travel	798	1,845	0%	1,047	131%
Fuel- and energy-related activities	2,553	3,782	0%	1,230	48.2%
Upstream transportation and distribution	No data	967,511	98%	967,511	-
Total Scope 1–3	**18,290**	**989,493**	**-**	**971,203**	**5,310%**

CLIMATE IMPACT 2019–2022 TOTAL PER SCOPE

Tonnes CO_2e	2019	2020	2021	2022
Scope 1	6,328	5,624	6,893	7,740
Scope 2	10,849	10,946	8,046	8,615
Total Scope 1-2	17,177	16,570	14,939	16,355
Kg CO_2e Scope 1-2 per SEK of profit	0.0068	0.0061	0.0040	0.0035
Kg CO_2e Scope 1-2 per SEK of sales	0.00124	0.00120	0.00086	0.00076
Kg CO_2e Scope 1-2 per employee	3.27	3.02	2.49	2.52
Scope 3	5,734	2,595	3,351	5,628
Total Scope 1–3	22,911	19,165	18,290	21,983
Kg CO_2e Scope 1-3 per SEK of profit	0.0091	0.0071	0.0049	0.0047
Kg CO_2e Scope 1-3 per SEK of sales	0.00046	0.00041	0.00039	0.00100
Tonnes CO_2e Scope 1-3 per employee	4.60	3.49	3.05	3.40

To enable comparability, Scope 3 emissions for upstream transport and distribution have been excluded from the 2022 figures in the table Climate impact 2019–2022. 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_2	2022
Scope 1	1,086
Scope 2	6,338
Scope 3	26,580
Total scope 1-3	**34,004**

Biogenic emissions are not included where input data has been reported as calculated CO_2.

ALL TARGETS FOR THE SUSTAINABILITY TOPIC REDUCED CLIMATE AND ENVIRONMENTAL IMPACT

	2019	2020	2021	2022
Target: Reduce Scope 1-2 emissions per SEK of profit every year				
Kg CO_2 scope 1-2 per SEK of profit	0.0068	0.0061	0.0040	0.0035
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
Target: Increase the share of renewable energy every year				
Share of renewable energy	Measurement not started	Measurement not started	63.2%	61.1%
Target: No fines or penalties due to negligence in the environmental field				
Fines or penalties, SEK	No data	No data	No data	0.0

BROKK

The Greek island of Evia is home to Europe's first fully electric mine. Thanks to Brokk's unique, electric powered demolition robot, the mine is not only emission-free but also very safe.

Evia has one of the richest deposits in the world of magnesite, a valuable mineral. The mining company Grecian Magnesite is now mining the mineral entirely without the use of fossil fuels and without explosives.

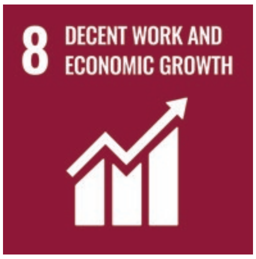
"The Brokk robot is the most suitable machine in the world for productive mining," says George Bourmas, the engineer who designed the mining operation. "The extraction is done with surgical precision, which saves us both time and money."

George Bourmas has extensive experience in mining and safety is an area to which he gives the highest priority. At Evia, the magnesite is now mined at a depth of 200 metres.

"I have seen all kinds of mines and tunnels and this is the first one where everyone feels extremely safe," says George Bourmas. "Since we started operations in December 2021, we have not had a single incident and no operator has seen anything fall down. Nor do we need to worry about someone using explosives incorrectly, and there are no diesel fumes."

MOTIVATED EMPLOYEES AND SAFE WORKPLACES

Motivated employees are a prerequisite for long-term sustained 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 subcontractors. Lifco's systems and processes for supplier relations are described on page 32.

LIFCO'S EMPLOYEES

A majority of Lifco's employees are permanent full-time employees. Most, 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 2022, 40.1 per cent were younger than 30, which ensures a good supply of skilled labour for the long term. There were no significant changes in the composition of the workforce in 2022. However, Lifco has a skewed gender distribution in the workforce as a whole and among wage-setting managers, which means that the Group needs to increase its focus on recruiting female employees.

SAFE WORKPLACES

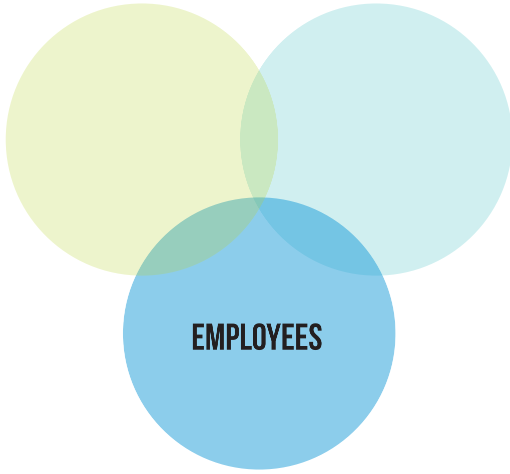
Lifco's vision is that no employee of Lifco or of a supplier or subcontractor should be injured at work. In order to achieve the vision of zero workplace injuries, the Lifco companies assign priority to preventive safety work as well as risk identification. Incidents and accidents of a serious nature must be reported to the Board and Group management, who assess and monitor 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 once a year, 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 can 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 other related matter. 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 are 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. Routines and processes related to work environment work also include employees and temporary employees who perform tasks at customers, suppliers or other collaboration 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 functional variations are also taken into account.

In 2022, 58.2 per cent of all employees were covered by occupational health and safety management systems. Of the total number of employees, 9 per cent were covered by ISO 45001/OHSAS 18001. 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

	2021	2022
Number/proportion of employees covered by an occupational health and safety management system	3,640/58.1%	3,789/58.2%

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

The measurement covers all employees and operations.
[1] The calculation is based on 200,000 hours worked.

TARGET WORKPLACE ACCIDENTS

In 2022, Lifco set the target of reducing the number of workplace accidents per employee every year. In 2022, the number of workplace accidents per employee increased. The majority of accidents occur at the assembly units in Demolition & Tools. 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 analyses of safety procedures and processes.

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 2022, eleven recruitments of new Managing Directors for subsidiary companies were made. Of the appointed candidates, four, or 36.4 per cent, were women. Other methods used include ensuring a good work-life balance and offering opportunities to work from home.

Lifco's operations are characterized by the fact that the managers are often very long-term in the Group, which is positive for 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 salary-setting managers is also affected by the acquisitions the Group makes.

WAGE-SETTING MANAGERS BY GENDER

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

TARGET PROPORTION OF FEMALE MANAGERS

On 31 December 2022, 20.1 (21.1) per cent of the Group's wage-setting managers were women. The change from the previous year is not significant. In 2022, Lifco set the target of increasing the percentage of female wage-setting managers every year.

PAY GAP ANALYSES

In 2022, 24.6 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
Proportion of subsidiaries that carried out gender pay gap analyses	25.3%	24.6%

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, functional variation, 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 become the subject of 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, to the Managing Director of the subsidiary concerned. The suspicion can also be escalated to the chairman of the subsidiary or reported through the whistleblowing service. Suspected cases of discrimination are reported to the Board and Group management and investigated internally by an independent party. Cases reported through the whistleblowing service are investigated according to the whistleblower 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.

The section on the priority sustainability topic sound business practices on page 32 describes how Lifco ensures that suppliers comply with the Code of Conduct. The same section also describes how Lifco's whistleblowing channel works, and how incoming messages are addressed. In 2022, no reports relating to discrimination were received.

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.

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 refers to individual assembly units. The Group's operations in China and North America normally have a higher staff turnover than the European operations.

STAFF TURNOVER

	2020	2021	2022
Staff turnover, %	19.8	17.2	16.2
Number of employees who have left the organisation and been replaced	1,070	1,078	1,057
Staff turnover by region, %			
Nordics	16.8	10.1	9.1
Rest of Europe	17.0	18.9	19.3
North America	24.0	20.7	16.7
Asia	33.9	28.3	24.8

TARGET STAFF TURNOVER

Staff turnover declined from 17.2 per cent to 16.2 per cent in 2022. The number of employees leaving the organisation has remained stable over the years, which means that staff turnover has gone down as the total number of employees has increased. In 2022, Lifco set the target of reducing staff turnover every year.

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
Sick leave (number of days of absence in relation to total working time), %	3.6	3.6	4.3
By region:			
Nordics	4.2	4.0	4.7
Rest of Europe	4.3	4.4	5.0
North America	1.3	1.2	1.8
Asia	1.2	0.8	1.5
Number of days of absence	52,763	56,587	73,474
Number of days of absence per employee[1]	9.7	9.0	11.3
Number of working days during the year, thousands	1,470	1,582	1,658

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

Sick leave increased in 2022 as a result of employees spending more time at the workplace than in the previous two pandemic years. 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 harmful in the long term.

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. Lifco does not have Group-level information on the number of employees entitled to parental leave.

NUMBER OF EMPLOYEES ON PARENTAL LEAVE BY GENDER

	2021	2022
Number on parental leave, women/men	109/218	117/259
Total	**327**	**376**

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 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
Number/proportion of employees covered by collective bargaining agreements	2,860/45.7%	3,087/47.4%
Number/proportion of employees in the Nordic countries covered by CBAs	1,544/72.1%	1,586/69.3%

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

WORKERS WHO ARE NOT EMPLOYEES

At the end of the year, Lifco had 302 (315) workers who are not employees, which is a non-significant decrease from 2021. 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	
	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
Rest of Europe	2,977	47.5	3,189	49.0
North America	262	4.2	280	4.3
Asia	887	14.2	756	11.6
Total	**6,265**	**100.0**	**6,512**	**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	
	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
Rest of Europe	893/2,084	14.3/33.3	900/2,289	13.8/35.1
North America	63/199	1.0/3.2	63/217	1.0/3.3
Asia	256/630	4.1/10.1	213/543	3.3/8.3
Total women/men	**1,743/4,522**	**27.8/72.2**	**1,825/4,687**	**28.0/72.0**
Total	**6,265**	**100.0**	**6,512**	**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	
	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
Rest of Europe	890/1,965	14.2/31.4	886/2,163	13.6/33.2
North America	61/200	1.0/3.2	64/213	1.0/3.3
Asia	248/634	4.0/10.1	209/542	3.2/8.3
Total women/men	**1,731/4,379**	**27.6/69.9**	**1,728/4,585**	**26.5/70.4**
Total	**6,110**	**97.5**	**6,313**	**96.9**

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

TEMPORARY EMPLOYEES BY REGION AND GENDER

	2021		2022	
	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
Rest of Europe	18/103	0.3/1.6	29/111	0.5/1.7
North America	0/1	0.0/0.0	1/1	0.0/0.0
Asia	2/3	0.0/0.0	2/3	0.0/0.0
Total women/men	**29/126**	**0.5/2.0**	**58/141**	**0.9/2.2**
Total	**155**	**2.5**	**199**	**3.1**

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

FULL-TIME EMPLOYEES BY REGION AND GENDER

	2021		2022	
	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
Rest of Europe	715/1,956	11.4/31.2	715/2,101	11.0/32.3
North America	59/200	0.9/3.2	63/213	1.0/3.3
Asia	252/633	4.0/10.1	209/545	3.2/8.4
Total women/men	**1,492/4,340**	**23.8/69.3**	**1,500/4,508**	**23.0/69.2**
Total	**5,832**	**93.1**	**6,008**	**92.3**

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

PART-TIME EMPLOYEES BY REGION AND GENDER

	2021		2022	
	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
Rest of Europe	217/88	3.3/1.4	224/150	3.4/2.3
North America	2/1	0.0/0.0	2/1	0.0/0.0
Asia	2/0	0.0/0.0	2/0	0.0/0.0
Total women/men	**299/134**	**4.8/2.1**	**309/195**	**4.7/3.0**
Total	**433**	**6.9**	**504**	**7.7**

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

EMPLOYEES BY AGE GROUP

	2021	2022
Under 30	1,170/18.7%	1,182/18.2%
31–50	3,318 /52.9%	3,352/51.4%
Over 50	1,777/28.4%	1,978/30.4

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

WORKERS WHO ARE NOT EMPLOYEES

	2021	2022
Number of workers who are not employees	315	302

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

EMPLOYEES WITH CONTRACTS WITHOUT A GUARANTEE PERIOD

	2021	2022
Number of employees with contracts without a guarantee period, women/men	17/157	22/156
By region:		
Nordics	13/70	17/84
Rest of Europe	4/86	5/71
North America	0/1	0/1
Asia	0/0	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
Total number of new employees women/men	256/717	290/926
Total	**973**	**1,216**
By region:		
Nordics	82/188	104/239
Rest of Europe	143/434	131/562
North America	6/41	10/32
Asia	25/54	45/93

EMPLOYEES BY AGE GROUP AND REGION

	2021			2022		
	Under 30	31–50	Over 50	Under 30	31–50	Over 50
Number/proportion of new employees	373/38.3%	455/46.8%	145/14.9%	488/40.1%	558/45.9%	170/14.0%
By region:						
Nordics	107/11.0%	125/12.8%	35/3.6%	133/11.0%	164/13.5%	42/3.5%
Rest of Europe	223/22.9%	256/26.3%	101/10.3%	257/21.1%	327/26.8%	114/9.5%
North America	19/2.0%	20/2.1%	8/0.8%	19/1.6%	15/1.2%	8/0.7%
Asia	24/2.5%	54/5.5%	1/0.1%	79/6.5%	52/4.3%	6/0.5%

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 hires.

ALL TARGETS FOR THE SUSTAINABILITY TOPIC MOTIVATED EMPLOYEES AND SAFE WORKPLACES

	2020	2021	2022
Target: Reduce staff turnover every year Staff turnover, %	19.8	17.2	16.2
Target: Reduce the number of workplace accidents per employee leading to more than three days of absence every year Number of workplace accidents per employee leading to more than three days of absence	Measurement not started	0.0105	0.0106
Target: Increase the percentage of female wage-setting managers every year Percentage of female wage-setting managers in relation to total number of wage-setting managers	Measurement not started	21.2	20.1

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

RUSTIBUS

Rustibus is a leading Norwegian supplier of surface preparation and safety equipment for ships. The company offers products that reduce waste in the oceans from cleaning boat decks. Rustibus also manufactures SafeEdge, which prevents falls associated with open manholes on vessels and platforms. SafeEdge is specially designed to allow ventilation while still covering the hole and protecting the crew.

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.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

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 in the Lifco Group must be informed about the Code of Conduct. 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

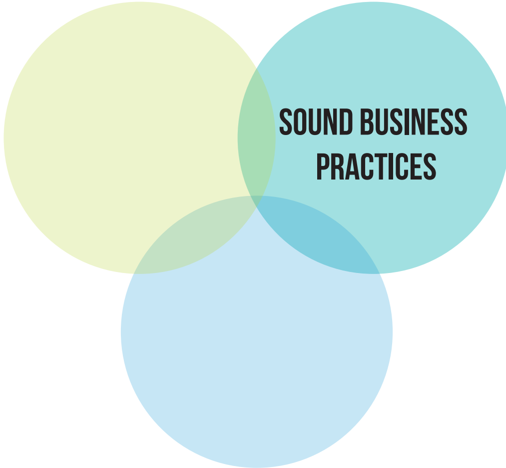
Assessing the risk of violations of the Code of Conduct in all its aspects is part of Lifco's risk process. Based on their individual risk assessments, the Lifco companies decide on the need for local training activities to clarify the content, scope and consequences of the Code of Conduct for employees 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 2022, 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 2022, reviews and audits in the form of site visits to suppliers were resumed. In 2022, Lifco has not asked the Group companies whether they have terminated any supplier cooperation due to corruption or suspicions of 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.

72.4% percentage of subsidiaries whose main suppliers have signed the Code of Conduct

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 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 72.4 per cent. The decrease is due to the fact that several Lifco companies have chosen to wait to send out the Code of Conduct for signature until their local whistleblowing channel is up and running so that they can inform their suppliers about this function at the same time. Four companies mainly have large global listed companies as suppliers, which have communicated that their own codes of conduct are in line with Lifco's Code of Conduct, and in other cases the Lifco company has made the assessment that the supplier's code of conduct is in line with Lifco's Code. The target is for all subsidiaries to ensure that their main suppliers have committed to follow the Code of Conduct.

In 2022, Lifco conducted a review to determine from which countries the majority of purchases are made. It was found that in 2022 European suppliers accounted for 91 per cent of the purchases. 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 page 44.

ANTI-CORRUPTION

Lifco has zero tolerance for bribery, corruption, fraud, acceleration of payment, 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 corporate sustainability 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 94.1 (93.1) per cent of the Group's revenue came from countries with a very low or low risk of corruption in 2022. Countries with a high or very high risk of corruption accounted for 0.6 (0.2) 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. Where necessary, the companies' management teams should provide guidelines and advice to employees and suppliers regarding gifts, other compensation, acceptable behaviour and related matters. 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 may not be involved 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. Gifts that do not meet these criteria must be reported to the management of the company concerned.

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 and 2022, there were no confirmed cases of corruption among employees in the Group and no business relationships were terminated or not renewed due to corruption. No employee was involved in any corruption-related legal dispute in 2021 or 2022 and the Group incurred no corruption-related losses during those years.

CONSOLIDATED NET SALES BROKEN DOWN BASED ON THE GLOBAL CORRUPTION INDEX

	2021		2022	
	Net sales, TSEK	Share of total sales, %	Net sales, TSEK	Share of total sales, %
Very low	12,133,044	69.4	15,194,697	70.5
Low	4,151,053	23.7	5,076,872	23.6
Medium	1,156,350	6.6	1,149,049	5.3
High	31,953	0.2	129,834	0.6
Very high	7,824	0.0	1,043	0.0
Total	**17,480,224**	**100.0**	**21,551,495**	**100.0**

The Global Corruption Index is produced by Global Risk Profile. In 2022, the following countries were classified as high risk: Andorra, Angola, Albania, Bosnia and Herzegovina, Bangladesh, Belarus, Algeria, Iraq, Iran, Kenya, Cambodia, Pakistan, Uganda and several African countries.

In 2021, the following countries were classified as high risk: Angola, Bangladesh, Cambodia, Kenya, Nigeria, Pakistan, Tanzania, Uganda, Uzbekistan, Vietnam, Zambia 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 declarations 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

TSEK	2022
Australia	29,899
Belgium	3,572
Canada	4,686
Denmark	52,977
Estonia	26,060
Philippines	500
Finland	8,718
France	8,824
Italy	199,961
China	9,877
Croatia	1,100
Latvia	404
Lithuania	149
Netherlands	18,223
Norway	118,661
New Zealand	5,110
Poland	365
Switzerland	4,249
Singapore	6,141
Slovenia	1,967
Spain	638
United Kingdom	66,773
Sweden	266,736
Czech Republic	5,871
Germany	231,718
Hungary	434
USA	38,939
Austria	3,849
Total	**1,116,398**

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 of the Lifco companies are members of national or local trade and interest organisations. In 2023, Lifco will collect information about industry and interest organizations where Lifco companies have a more significant influence by, for example, holding a board position.

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 take in consultation with other management functions.

TARGET PRODUCT QUALITY

In 2021 and 2022, 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 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 only collects personal data in accordance with statutory processes and with the expressed 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. 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. 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 and 2022, 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.

In 2022, Lifco identified a data breach in a subsidiary. The breach has been addressed and followed up. No damage was observed as a result of the breach.

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.

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, Italian and Chinese. 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, 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 2022

In 2022, seven reports were received through the whistleblowing channel, three of which related to the same matter. Of the five cases, three were assessed as personnel cases, which were passed on to the Managing Director or chairman of the board of the company concerned for continued dialogue. The other two cases have been closed after investigation. Having been investigated, neither of these cases were considered to be whistleblower cases and therefore did not result in measures being taken.

NUMBER OF REPORTS SUBMITTED THROUGH THE WHISTLEBLOWING CHANNEL

2020	2021	2022
2	10	7

ALL TARGETS FOR THE SUSTAINABILITY TOPIC SOUND BUSINESS PRACTICES

	2020	2021	2022
Proportion of employees informed about the Code of Conduct, %			
Target: 100%	100	100	100
Share of subsidiaries where major suppliers have signed the Code of Conduct, %			
Target: 100%	Measurement not started	78.3	72.4
Number of cases of corruption			
Target: 0	0	0	0
Number of corruption-related legal trials involving employees			
Target: 0	0	0	0
Losses resulting from corruption, SEK			
Target: 0	0	0	0
Losses resulting from poor product quality, SEK			
Target: 0	Measurement not started	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
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
Number of violations of marketing guidelines and rules that resulted in fines or other penalties			
Target: 0	Measurement not started	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
Number of criticisms from regulatory authorities regarding personal data			
Target: 0	Measurement not started	0	0

RAPID GRANULATOR

Rapid Granulator is a world-leading company that manufactures equipment for plastics recycling. With Rapid's mills essentially all production waste can be turned into new raw material that is fed back into the production process. The company was founded 80 years ago by Harry Johansson, an entrepreneur in Bredaryd in Småland, Sweden. His vision was for Rapid's products to make a difference to everyone who used them and for society.

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 the 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 truck transport, ErgoPack, which prevents stress injuries during pallet packing, and Silvent, whose products improve the working environment for those working with compressed air equipment.

8 DECENT WORK AND ECONOMIC GROWTH

Target 8.8	Protect labour rights and promote safe and secure working environments for all
Lifco's targets:	Reduce staff turnover every year
	Every year, reduce the number of workplace accidents per employee leading to more than three sick days

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. Investing in sustainable industries, research, environmentally friendly technology and innovation are all important ways to promote sustainable development.

Lifco has implemented the sustainability perspective in its acquisition process and only acquires companies that operate in a sustainable manner. Sustainability is a parameter in the evaluation of takeover candidates and Lifco does not acquire companies that are considered to violate the principles of the UN Global Compact.

GOAL 13 CLIMATE ACTION

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 1-2 emissions per SEK of profit every year

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 include Cormidi, which manufactures electric mini dumpers, NorDesign, which supplies LED lighting, and TMC, whose compressors for the marine industry reduce diesel consumption.

GOAL 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Target 16.5	Substantially reduce corruption and bribery
Target 16.6	Develop effective, accountable and transparent institutions
Lifco's targets:	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

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.

SHARE OF SUSTAINABILITY-RELATED SALES

Lifco's operations which directly contribute to the 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 50.2 per cent of the Group's sales. The business that contributes to goal 3 is the entire Dental business area and the companies within 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, the businesses within the Contract Manufacturing division that refers to the production of medical technology products, and the company 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

50.2%

of sales come from sustainability-related products and services

THE UN SUSTAINABILITY DEVELOPMENT GOALS TO WHICH LIFCO'S ACQUISITIONS IN 2022 CONTRIBUTE

GOAL 3 GOOD HEALTH AND WELL-BEING

Company	Operations	Country
Medtec	Manufactures equipment and consumables based on MR technology for the treatment of joints	Germany
Oslo Dental	Sells equipment and service to dentists	Norway
Specialist Alarm Services	Develops and manufactures staff attack and nurse call systems for the healthcare sector	United Kingdom
Zenith Dental	Distributor of dental products	Denmark

Share of all acquired companies' total net sales 11%

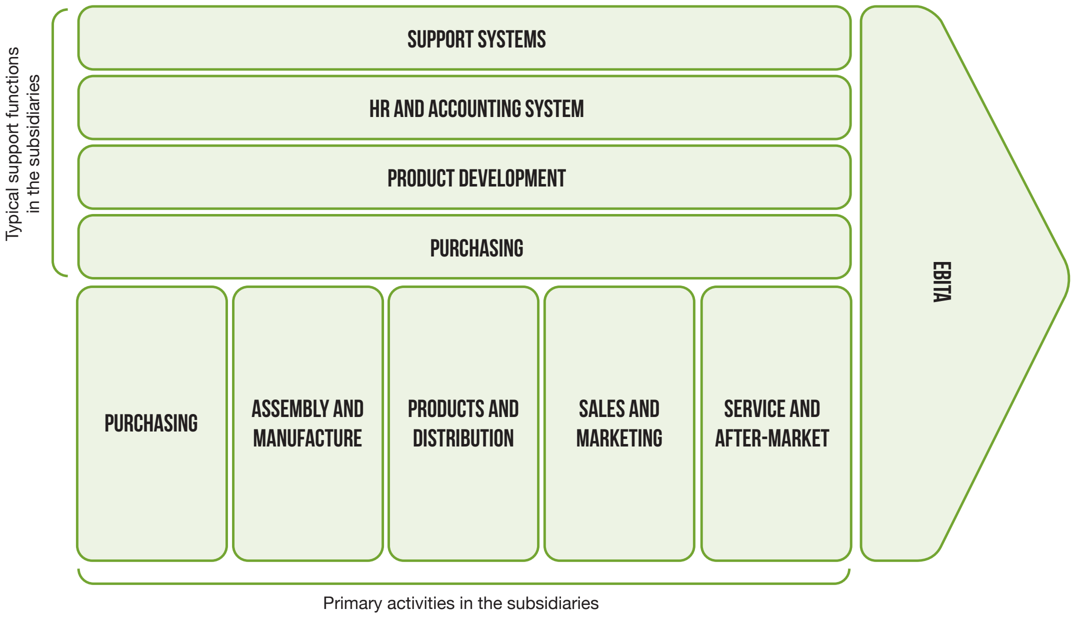
GOAL 8 DECENT WORK AND ECONOMIC GROWTH

Company	Operations	Country
BCC Solutions	Provides equipment for fibre networks	Finland
Cenec Tavlebygg	Manufactures low-voltage electrical equipment	Norway
Condale Plastics	Manufactures bespoke plastic extrusions	United Kingdom
Cormidi	Manufactures mini dumpers and skid loaders	Italy
EFKA Holding	Manufactures customised aluminium frames for textiles	Netherlands
Prolec	Develops software and hardware solutions for the construction industry	United Kingdom
Schuller	Distributor of cable support systems and lightning protection products	Germany
Trevi Benne	Manufactures excavator tools and attachments	Italy

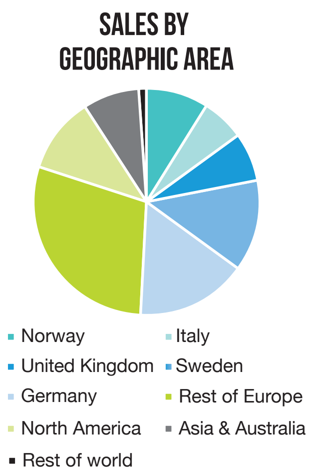
Share of all acquired companies' total net sales 89%

LIFCO'S VALUE CHAIN

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 cornerstones of Lifco's governance philosophy are a strongly decentralised organisation and very long-term ownership. Lifco's central governance is clear and the focus is on profitability and sustainability. Sustainability governance, control and monitoring are described on pages 50–53.



Lifco has 211 operating subsidiaries that operate in 30 countries and in a wide range of industries and niches. The majority of the Group's revenue, 80 per cent, is generated in Europe. Most of Lifco's employees work in Europe and the Group also has employees in Asia and North America. Due to the spread and scope of Lifco's operations, the Group has a large number of suppliers and customers in various industries.



The largest customer groups are dental clinics and industrial companies in the engineering, infrastructure, building and construction industries.

A hallmark of Lifco's subsidiaries is a high degree of specialisation as well as high product quality and service level, which requires good working environments and working conditions. 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 safety, human rights and corruption.

The description of Lifco's value chain covers the most essential features of the subsidiaries' value chains. There are individual subsidiaries or groups of subsidiaries with value chains that differ from the following general description. No significant changes have taken place in Lifco's value chain during 2022.

PURCHASES

Lifco buys the majority of its inputs from suppliers in Europe. The summary of purchases includes Lifco companies with more than 25 employees, 74 companies in total. These companies reported purchases per country in excess of EUR 750,000 in 2022. Purchases from Asia, i.e. Hong Kong, Japan and China, accounted for 8 per cent of the total purchase cost. The remainder, 91 per cent, refers to purchases from Europe and 1 per cent to US purchases. In Dental, the majority of purchases refer to medical consumables and products. In Demolition & Tools and Systems Solutions, most of the purchases refer to finished components which the subsidiaries assemble in their own facilities.

The choice of supplier is generally governed by quality requirements, delivery capacity and price, and for larger suppliers the 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.

THE TEN LARGEST COUNTRIES WHERE LIFCO MADE PURCHASES IN 2022

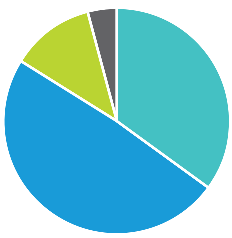
	Country	Purchase amount 2022, SEK million
1	Germany	902.2
2	Italy	811.4
3	Sweden	548.5
4	United Kingdom	432.1
5	Finland	303.1
6	China	241.7
7	Netherlands	213.6
8	Switzerland	106.4
9	Hong Kong	67.6
10	Estonia	61.9

ASSEMBLY AND MANUFACTURE

In Dental, distribution accounts for 60 per cent of revenue, manufacturing 23 per cent, dental technology 14 per cent and sales of software to dental clinics 3 per cent. In Demolition & Tools and Systems Solutions there are mainly assembly units. The high proportion of assembly makes Lifco dependent on the suppliers' delivery capacity and product quality.

Of Lifco's 211 subsidiaries, 78 are assembly and/or manufacturing companies. Lifco has five assembly/manufacturing units with more than 150 employees: the dental company MDH in China with 380 employees, Brian James Trailer in Birmingham, UK with 269 employees, the toolmaker Kinshofer in Munich, Germany with 200 employees, the dental company InteraDent Zahntechnik in Manila, Philippines with 184 employees and the contract manufacturer Leab in Saku, Estonia with 152 employees.

EMPLOYEES BY GEOGRAPHIC AREA



PRODUCTS AND DISTRIBUTION

Lifco's subsidiaries use a wide variety of distribution methods. In Dental, the subsidiaries deliver directly to dental clinics in Europe. 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. The subsidiaries use external carriers and do not own their own transport for distribution.

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

Lifco's subsidiaries 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 in both traditional and online media, at meetings and by telephone. An increasing share of sales is made online through e-commerce stores.

Lifco does not sell products or services that are banned in certain markets or are the subject of stakeholder concerns or public debate.

SERVICE AND AFTER-MARKET

Lifco's subsidiaries 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

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. In smaller companies, for example, the HR function may be handled by the Managing Director, while larger companies have a dedicated HR department. Another example is product development, which in smaller companies is handled by the sales department, while larger companies may have dedicated resources.

All data on income, employees, costs and more refer to the 2022 financial year.

MATERIALITY ANALYSIS

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 analysis based on its stakeholder dialogues and the framework of SASB (Sustainability Accounting Standards Board). 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 analysis was revised and supplemented with a review based on standards established by GRI (Global Reporting Initative). Lifco has used a double materiality analysis which takes into account the impact of the Group's operations as well as the impact of different areas on Lifco. The review is based on the overall value chain described on page 44. 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 page 56. The sections on the priority sustainability topics on pages 18–38 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 analysis was led by the Group's CEO. The materiality analysis and the underlying material and conclusions have been discussed and 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 analysis 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 2022 onwards has been supplemented with additional quantitative targets and performance measures. In the stakeholder dialogues in 2022, the stakeholders, primarily investors, also expressed a desire to see expanded qualitative descriptions of Lifco's sustainability management as well as additional quantitative data in the reporting, including expanded Scope 3 calculations, a climate analysis and the linking of the emissions target to the Paris Agreement. In response, Lifco has expanded its qualitative descriptions and quantitative data and started work on investigating the possibility to set a scientifically based target regarding its scope 3 emissions taking into account 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 63.

PRIORITY SUSTAINABILITY TOPICS

Reduced environmental and climate impact	Motivated employees and safe workplaces	Sound business practices
GRI standards:		
	204 Procurement Practices	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 the areas of sustainability 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 2022 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. In 2022, Lifco added local communities in which the subsidiaries operate as a stakeholder group.

Stakeholder	Dialogue context and purpose of dialogue	Priority sustainability issues	Management
Customers	Business meetings and customer surveys. Seminars, courses. Customer events and trade fairs. Customer service calls. Procurements, contract negotiations. *The intention is to create good long-term customer relationships and continued or new business opportunities.*	Product quality, product life and lifecycle 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, 23, 31, 36, 39, 41–43 and 49.
Employees	Performance reviews and employee surveys. Workplace meetings. Internal training. Intranet. Liaison with trade union representatives. *The objective 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 is described on pages 24–30.
Heads of subsidiaries	Monthly reports. Dialogues on projects, investment decisions, negotiations, etc. Board meetings in subsidiaries. Annual meeting with the heads of subsidiaries. *The objective is to create value-creating businesses with motivated employees, safe workplaces and good customer and supplier relations.*	Supplier partnerships and review of suppliers, 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 objective is to create the conditions for continued financing and value creation.*	Lifco's climate impact. Lifco's sustainability work, 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. The addition of new data items, targets and qualitative descriptions in the 2022 Sustainability Report is described on page 65.
Suppliers	Business calls and suppliers' customer surveys. Procurements, contract negotiations. Seminars, courses. *The objective 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 objective is to build strong employer brands and be a valued employer.*	Business culture and business model. The subsidiaries' employer brands. Working environment.	Lifco's business culture and business model are described on pages 8–9 and 32–36. Lifco's efforts to promote employee motivation and create safe and healthy workplaces is described on pages 24–30. Lifco's tax policy is described on page 34.

RESOURCE-EFFICIENT AND ERGONOMIC DENTAL INSTRUMENTS

Luxator is a series of dental instruments for tooth extractions invented by a Swedish dentist. The instruments are ergonomically designed for comfort, control and minimisation of the force needed for the extraction. The instruments are made of Swedish special stainless steel and are extremely durable. Luxator is manufactured in Sweden by Lifco's subsidiary Directa Dental.

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.

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.

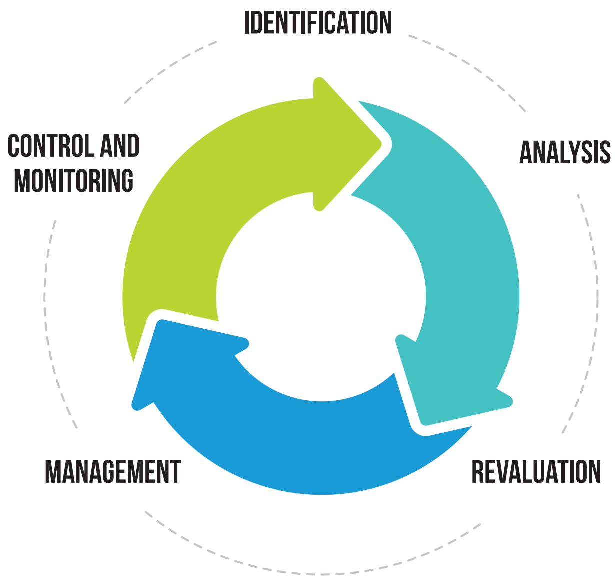
Lifco's risk process focuses on preventive measures. Lifco companies are required to identify, analyse and take measures to minimise risks in the business or be able to create business benefits from new opportunities. If risks or incidents occur that could lead to environmental damage, injuries to employees 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 analysis 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 must remedy negative impacts identified as being caused or contributed to by the Group. Lifco uses different processes and methods to identify negative impacts: through the 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 centralized 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 and the whistleblowing channel. An overview of the Group's policies in the area of sustainability 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 whistleblower service 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 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 81.

MANAGEMENT SYSTEMS AND CERTIFICATIONS

A key element of the Group's continuous improvement work is the use of management systems, certifications and quality marks. 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 about certifications and other quality schemes. 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 2022, 66 Lifco companies were certified under one or more of the ISO 3834, ISO 9001, ISO 13485, ISO 14001, OHSAS 18001/ISO 45001 or ISO 50001 management system standards, representing 31.8 per cent of the total number of companies.

See pages 143-144 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 has a clear and shared view of how to run a sustainable business. Our daily interactions with colleagues, customers, suppliers and other stakeholders are characterized 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, functional variation, sexual orientation, age, nationality, political opinion, trade union membership, status, social background, language, state of health or family matters. This means that we need to exert ourselves to listen to and respect each individual's opinion, even if we do not share it.

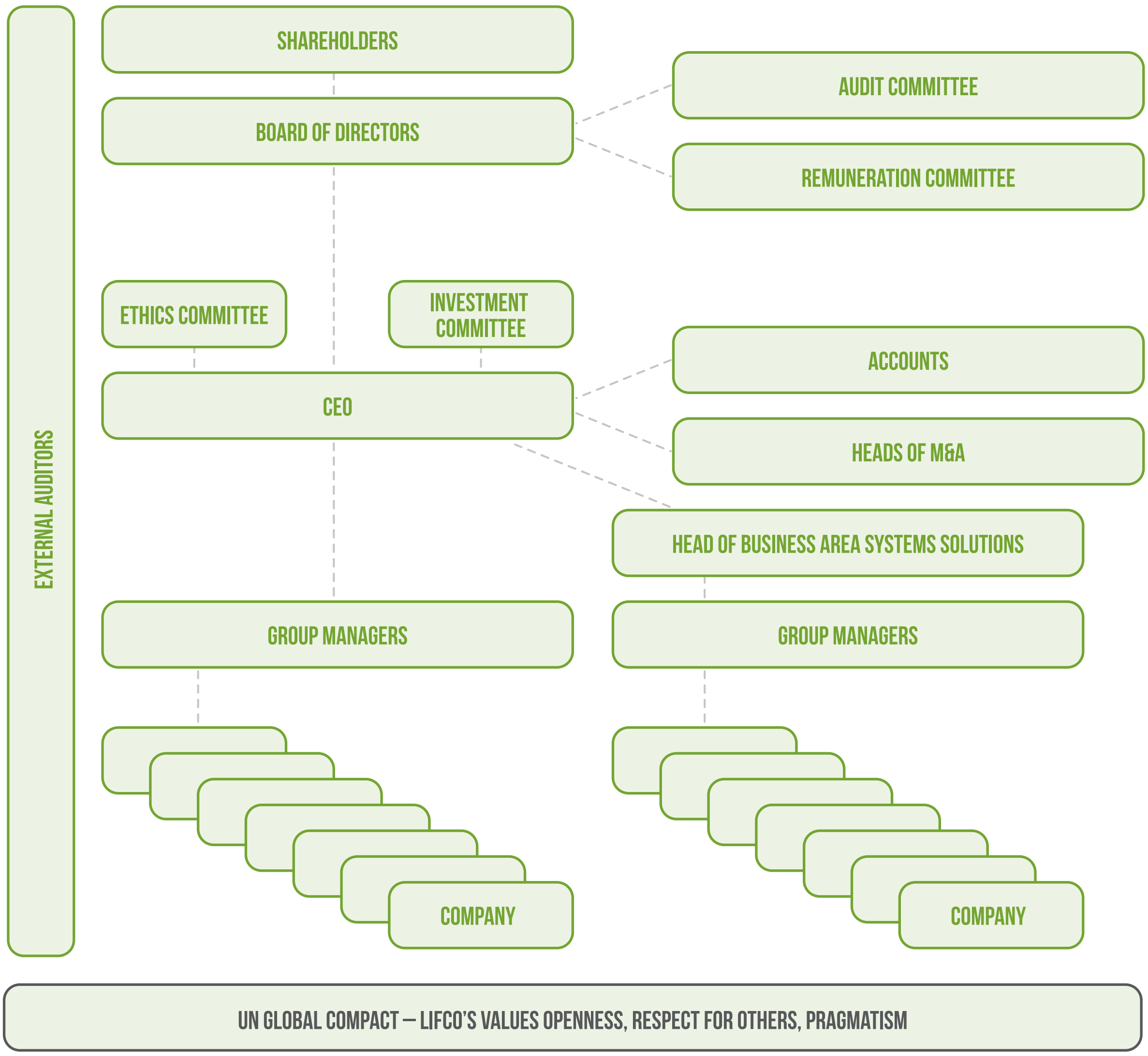
OPENNESS

It is of the utmost 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 78–86. 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 due diligence 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 14–38 and 50–51 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. Lifco's policies in the area of sustainability are available on the website lifco.se/sustainability.

PRIORITY SUSTAINABILITY TOPICS

	Environment and climate impact	Social issues, working conditions and human rights	Anti-corruption
SDG that the policy promotes	6 Clean water and sanitation, 7 Affordable and clean energy, 9 Industry, innovation and infrastructure, 13 Climate action, 15 Life on land	5 Gender equality, 8 Decent work and economic growth, 9 Industry, innovation and infrastructure	9 Industry, innovation and infrastructure, 16 Peace, justice and strong institutions
Policies	Environmental policy Whistleblowing policy	Code of Conduct HR policy Tax policy Whistleblowing policy	Code of Conduct Whistleblowing policy
Key themes	- Lifco must reduce its CO_2e 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, functional variation, 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
Targets	- Reduce energy consumption in relation to profit of SEK every year - Reduce Scope 1-2-emissions in relation to profit of SEK 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 percentage of wage-setting female managers every year	- All employee must be informed about the Code of Conduct every year - Increase the share 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 product or service impact on health or safety that has resulted in fines or other penalties - No incidents resulting 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 organization - No remarks from supervisory bodies regarding personal data

EU TAXONOMY

To achieve its climate and energy goals for 2030 as well as the goals set out in the European Green Deal, the EU has established the EU Taxonomy. The purpose is to provide a tool for directing investments towards sustainable projects and activities. The Taxonomy is a classification system for what the EU considers to be sustainable economic activities.

The Taxonomy applies to listed companies and public-interest entities with more than 500 employees. Companies are required to provide disclosures regarding the share of turnover and capital and operating expenditure associated with the activities included in the Taxonomy. The initial version of the Taxonomy includes those sectors which the EU considers to have the greatest impact on carbon dioxide emissions: forestry, manufacturing, energy production, water and waste management, transport, construction and real estate, and data centres. For the 2022 financial year, companies are required to report their contributions to achieving the following two environmental goals defined in the Taxonomy: climate change mitigation and climate change adaptation.

As a listed company with more than 500 employees, Lifco is covered by the Taxonomy. Lifco has studied the Taxonomy and concluded that the manufacturing businesses that exist in the Group today are not Taxonomy-eligible. 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 is not eligible under the Taxonomy today. 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.

Total turnover is the Group's consolidated net sales which can be found in the Group's 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 on the lines Investments and Acquisition of companies. Leasing agreements are reported as right-of-use assets and information on leasing agreements appears in note 11. Total operating expenses (opex) consist of non-capitalized costs related to research and development and short-term leasing agreements. Operating expenses can be found in the income statement on the lines Administrative costs and Research and development costs. Costs related to other repair and maintenance have not been identified but we continue to improve our reporting processes in accordance with the Taxonomy definitions to increase the granularity of our reporting.

As Lifco has no turnover covered by the Taxonomy, there are no capital expenditure or operating expenses linked to current or future turnover covered by the Taxonomy. The capital expenditure found in the numerator consists of purchases from suppliers covered by the Taxonomy (7.7 Acquisition or ownership of buildings). The capital expenditure identified for the financial year consists entirely of additional right-of-use assets in the form of leasing contracts for premises. These have been assessed as Taxonomy-eligible but not Taxonomy-aligned as the supplier's Taxonomy compatibility could not be ensured. No corresponding operating expenses have been identified.

Lifco has processes in place to secure minimum safeguards relating to anti-corruption, fair competition, taxation and human rights. For more information see pages 15-16, 26-28, 32-35, 37 and 50-54. No court judgment or fine has been issued against Lifco in any of these areas in 2022.

TAXONOMY REPORTING TABLE 2022 - TURNOVER

Economic activities	Code/Codes	Absolute turnover, SEK million	Proportion of turnover, %	Substantial contribution criteria: Climate change mitigation, %	Climate change adaptation, %	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	DNSH criteria (Do No Significant Harm): Climate change mitigation, Y/N	Climate change adaptation, Y/N	Water and marine resources, Y/N	Circular economy, Y/N	Pollution, Y/N	Biodiversity and ecosystems, Y/N	Minimum safeguards, Y/N	Taxonomy-aligned proportion of turnover 2022, %	Taxonomy-aligned proportion of turnover year 2021, %	Category (enabling activity)	Category (trans-itional activity)
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A1. Environmentally sustainable activities (taxonomy-aligned)																				
Turnover of eligible taxonomy-aligned activities (A1)		-	0%	0%	0%					-	-	-	-	-	-	-	0%	-	-	-
A2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																				
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A2)		-	0%																	
Total A1+A2		**-**	**0%**														**0%**			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of non-eligible activities (B)		21,552	100%																	
Total A+B		**21,552**	**100%**																	

TAXONOMY REPORTING TABLE 2022 - CAPEX

Economic activities	Code/Codes	Absolute capex, SEK million	Proportion of capex, %	Substantial contribution criteria: Climate change mitigaton, %	Climate change adaptation, %	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	DNSH criteria (Do No Significant Harm): Climate change mitigation, Y/N	Climate change adaptation, Y/N	Water and marine resources, Y/N	Circular economy, Y/N	Pollution, Y/N	Biodiversity and ecosystems, Y/N	Minimum safeguards, Y/N	Taxonomy-aligned proportion of capex 2022, %	Taxonomy-aligned proportion of capex year 2021, %	Category (enabling activity)	Category (trans-itional activity)
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A1. Environmentally sustainable activities (taxonomy-aligned)																				
Capex of eligible taxonomy-aligned activities (A1)		-	0%	0%	0%					-	-	-	-	-	-	-	0%	-	-	-
A2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																				
Acquisition and ownership of buildings	7.7	353	15.6%																	
Capex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A2)		353	15.6%																	
Total A1+A2		**353**	**15.6%**														**0%**			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Capex of non-eligible activities (B)		1,909	84.4%																	
Total A+B		**2,262**	**100%**																	

TAXONOMY REPORTING TABLE 2022 - OPEX

				Substantial contribution criteria						DNSH criteria (Do No Significant Harm)										
Economic activities	Code/Codes	Absolute opex, SEK million	Proportion of opex, %	Climate change mitigation, %	Climate change adaptation, %	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation, Y/N	Climate change adaptation, Y/N	Water and marine resources, Y/N	Circular economy, Y/N	Pollution, Y/N	Biodiversity and ecosystems, Y/N	Minimum safeguards, Y/N	Taxonomy-aligned proportion of opex 2022, %	Taxonomy-aligned proportion of opex year 2021, %	Category (enabling activity)	Category (trans-itional activity)
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A1. Environmentally sustainable activities (taxonomy-aligned)																				
Opex of eligible taxonomy-aligned activities (A1)		-	0%	0%	0%					-	-	-	-	-	-	-	0%	-	-	-
A2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																				
Opex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A2)		-	0%																	
Total A1+A2		**-**	**0%**														**0%**			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Opex of non-eligible activities (B)		193	100%																	
Total A+B		**193**	**100%**																	

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 211 operating companies in 30 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 review is an important element. The acquisition process and Lifco's sustainability due diligence 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 the GRI Standard (Global Reporting Initiative) and the value chain described on pages 44–45 as a basis.

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 not be able 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 SBTi (Science Based Target initative). 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 risk situation in the Group in the longer term.	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 risk situation in the Group in the longer term.	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 use 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. During the due diligence process 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 due diligence process.	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 due diligence process.	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 should 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, functional variation, 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 do 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 to 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 the risk of corruption exists. There is a risk of corruption, which 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 companies' 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 companies' brands, as well as the termination of supplier and/or customer relationships. This could have a significant impact on Lifco's and the Lifco companies' financial results.	Lifco does not tolerate money laundering. Lifco manages the risk in the following way: 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 go 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 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. 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 2022 to 31 December 2022 and constitutes Lifco's statutory annual sustainability report. The Sustainability Report includes pages 14-65 and has been examined in accordance with FAR:s auditing standard RevR 12 The auditor´s opinion regarding the statutory sustainability report. 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 CEO Per Waldemarson, email ir@lifco.se.

REPORTING PRINCIPLES AND REPORTING FRAMEWORK

The Sustainability Report has been prepared with reference to the GRI Standards (Global Reporting Initiative Standards). Lifco intends to report annually according to GRI from 2023. 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. Lifco's Communication on Progress is available from 2023 on Lifco's website lifco.se/sustainability.

CHANGES FROM THE PREVIOUS REPORTING PERIOD

The Sustainability Report 2022 has been supplemented with several new indicators, targets and disclosures compared with the 2021 report. Some employee data that was reported in the 2021 sustainability report has been adjusted because the data collection was refined in 2022. For 2021, the Group's energy consumption has been adjusted so that all electricity for cooling is included. The 2022 Sustainability Report includes the following new information:

REDUCED ENVIRONMENTAL AND CLIMATE IMPACT

Hazardous waste, tonnes per year and SEK of profit

Water consumption, litres per year, employee and SEK of profit

Water consumption from water-stressed areas, litres per year, employee and SEK of profit

Energy consumption in relation to net sales and number of employees

Renewable energy, kWh in relation to total energy consumption and SEK of profit, net sales and employees[1]

Biogenic emissions

Scope 3 has been expanded with upstream transport and distribution

Operations in or near environmentally protected areas

Fines or charges due to negligence in the environmental area[1]

MOTIVATED EMPLOYEES AND SAFE WORKPLACES

Number and proportion of employees covered by health and safety management systems

Workplace accidents per region and employee[1], lost working days and fatal accidents

Number of wage-setting managers by gender[1]

Proportion of subsidiaries that carried out gender pay gap analyses

Employee turnover per region

Sick leave per region, number of sick days, sick days per employee and in relation to number of working hours

Number and proportion of employees on parental leave by gender

Number and proportion of employees covered by collective bargaining agreements

Number and proportion of employees by gender and region

Number and proportion of employees by contract type, working hours, region and gender

Number and proportion of employees by age group

Number of employees with non-guaranteed hours by region and gender

Number of workers who are not employees

Number and proportion of new employees per gender and region

Number and proportion of new employees by age group and gender

SOUND BUSINESS PRACTICES

Consolidated net sales broken down based on the Global Corruption Index, in absolute terms and as a percentage

Number of cases of corruption[1]

Number of corruption-related legal trials involving employees[1]

Losses resulting from corruption[1]

Current tax expense per country

Losses resulting from poor product quality[1]

Number of incidents resulting from a product or service's impact on health or safety that resulted in fines or other penalties[1]

Number of incidents resulting from a lack of information about a product or service that resulted in fines or other penalties[1]

Number of violations of marketing guidelines and rules that resulted in fines or other penalties[1]

Number of complaints regarding breaches of customer confidentiality and/or loss of customer data that have been confirmed by the organisation[1]

Number of criticisms from regulatory authorities regarding personal data[1]

NEW TARGETS

In 2022, Lifco set targets for the performance measures marked with footnote 1 above.

Lifco has reported its greenhouse gas emissions since 2019 and in 2022 set the target of reducing its Scope 1-2 emissions in relation to profit every year.

FINANCIAL RESULTS

Lifco performed strongly in 2022 as result of generally favourable market conditions and acquisitions.

Net sales increased 23.3 per cent to SEK 21,552 (17,480) million. Organic growth was 11.3 per cent, acquisitions contributed 8.7 per cent and changes in exchange rates had a positive effect on net sales of 5.1 per cent. The divestment in May 2022 of the Estonian company Hekotek, which mainly sells sawmill equipment to Russia, had a negative impact on net sales of 1.8 per cent. Price increases to compensate for higher costs in most parts of the business had a positive impact on net sales.

EBITA increased by 25.7 per cent to SEK 4,662 (3,709) million and the EBITA margin expanded by 0.4 percentage points to 21.6 (21.2) per cent. Organic growth and acquisitions contributed to the increase in EBITA. Foreign exchange gains had a positive impact on EBITA of 4.4 per cent. During the period, 41 (40) per cent of EBITA was generated in EUR, 24 (25) per cent in SEK, 12 (12) per cent in NOK, 8 (7) per cent in GBP, 6 (5) per cent in DKK, 4 (5) per cent in USD and 5 (6) per cent in other currencies.

Investments in intangible and tangible assets totalled SEK 348 (312) million.

The net financial expense amounted to SEK -111 (-71) million, mainly as a result of higher interest expenses.

Earnings before tax grew 25.1 per cent to SEK 3,842 (3,070) million. Items related to the acquired businesses that were consolidated during the year had a negative impact of SEK 36 (42) million on earnings for 2022.

Net profit for the year increased 16.4 per cent to SEK 2,828 (2,429) million. Earnings per share grew 16.5 per cent to SEK 6.13 (5.26).

The Group's tax expense was SEK 1,014 (641) million, which represents 26.4 (20.9) per cent of earnings before tax. Tax paid was SEK 911 (684) million, which equates to 23.7 (22.3) per cent of earnings before tax. The effective tax rate was higher than normal due to the revaluation of pension obligations secured by endowment policies, which resulted in a lower deferred tax asset. This revaluation increased the year's tax expense by approximately SEK 47 (-71) million. The effective tax rate for 2022 was also affected by the announced increase in corporation tax in the UK, which led to a higher deferred tax liability.

Inventories were SEK 3,682 (2,821) million and accounts receivable SEK 2,853 (2,257) million. Average capital employed excluding goodwill increased over the year to SEK 3,444 (2,294) million while EBITA in relation to average capital employed excluding goodwill was 135 (162) per cent at the end of the year.

Goodwill and other intangible assets totalled SEK 18,286 (15,497) million at year-end.

Net debt increased by SEK 1,463 million in 2022 to SEK 8,576 (7,113) million, of which SEK 1,946 (1,657) million refers to liabilities related to put/call options. Interest-bearing net debt increased by SEK 987 million to SEK 5,590 (4,603) million at 31 December 2022.

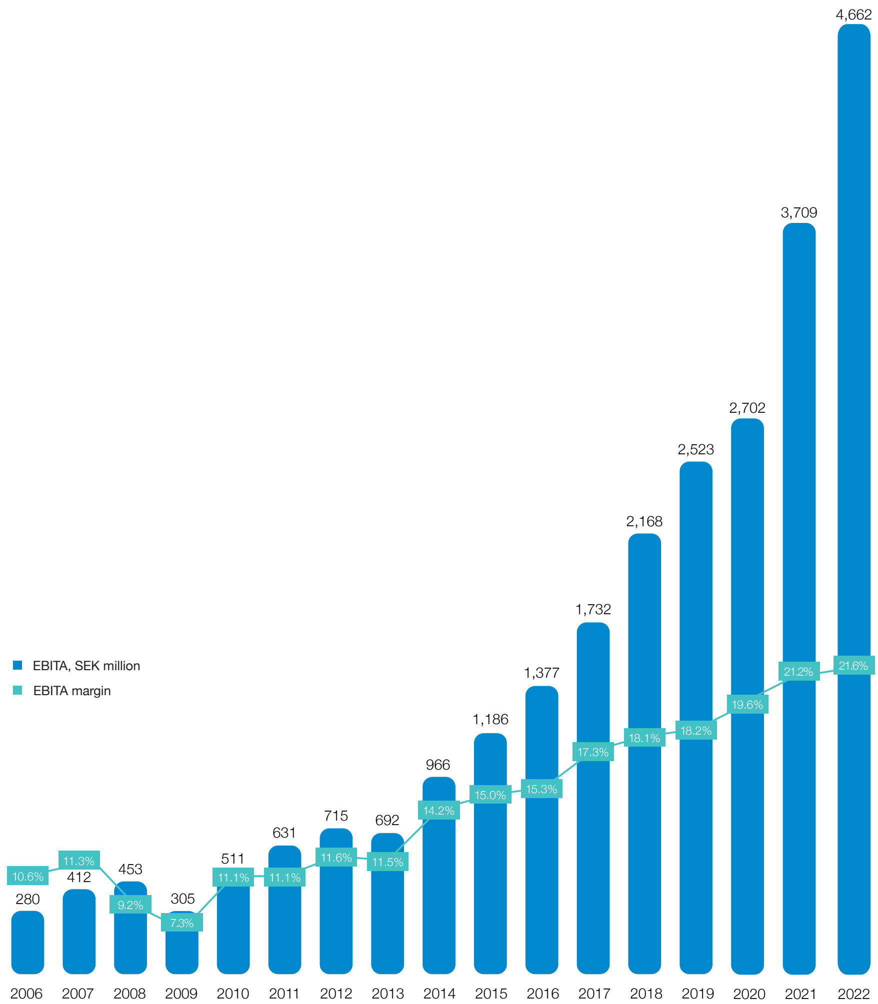
During the year, Lifco updated its MTN programme, expanding it from five to six billion Swedish kronor. The MTN programme allows Lifco to issue bonds in the Swedish market. Lifco sold SEK 750 million of unsecured bonds in two issues in 2022 and had SEK 3,100 million in outstanding bonds at year-end. In addition to bonds, Lifco has standard short-term credit facilities.

The net debt/equity ratio at 31 December 2021 was 0.6 (0.7) 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, 62 (55) per cent of the Group's interest-bearing liabilities were denominated in EUR. Equity was SEK 13,339 (10,756) million and the equity/assets ratio 44.8 (43.2) per cent.

Cash flow from operating activities increased by 4.5 per cent to SEK 3,069 (2,938) million during the year and was negatively affected by an increase in the amount of capital tied up in inventory as well as an increase in accounts receivable as a result of organic growth. Cash flow from investing activities was SEK -2,717 (-3,287) million, which was mainly attributable to acquisitions. Cash flow was also affected by a total dividend payment of SEK 848 (643) 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 1.80 (1.50) per share for the 2022 financial year, representing a total distribution of SEK 817.6 (681.3) million. This is equal to 29.4 (28.5) per cent of the net profit for the year attributable to shareholders of Lifco AB.



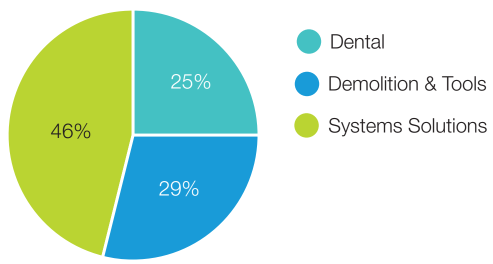
PRODUCT DEVELOPMENT

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 2022, product development costs totalled SEK 163 (140) million.

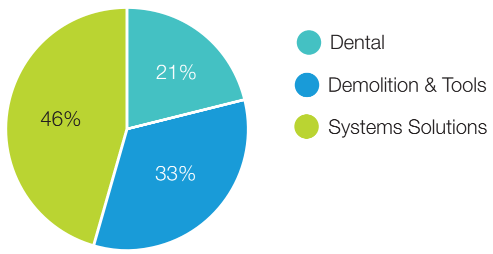
FINANCIAL RESULTS

SEK MILLION	2018	2019	2020	2021	2022
Net sales	11,956	13,845	13,782	17,480	21,552
EBITA	2,168	2,523	2,702	3,709	4,662
EBITA margin	18.1%	18.2%	19.6%	21.2%	21.6%
Earnings per share, SEK	3.05	3.31	3.67	5.26	6.13
Net sales per employee	2.43	2.54	2.54	2.79	3.31
EBITA per employee	0.44	0.46	0.50	0.59	0.72

NET SALES BY BUSINESS AREA



EBITA BY 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 2022, the business area was expanded through the acquisition of businesses operating in the healthcare and medical technology sectors.

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 2022, distribution accounted for 60 (61) per cent, manufacturing for 23 (22) per cent, dental technology for 14 (14) per cent and software for 3 (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 2022, distribution accounted for 38 per cent and other operations for 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 2022

In 2022, four acquisitions in Dental were consolidated. At the time of acquisition the consolidated businesses had combined sales of approximately SEK 180 million and around 50 employees. During the year, two distribution companies were acquired: Oslo Dental in Norway and Zenith Dental in Denmark. In addition, the business was expanded into the healthcare sector through the acquisition of the UK company Specialist Alarm Services, which develops and manufactures staff attack and nurse call systems for the healthcare sector. Lifco also took its first step into the medical technology sector through the acquisition of Medtec Medizintechnik of Germany, which manufactures equipment and consumables based on MR technology for the treatment of joints.

EARNINGS IN 2022

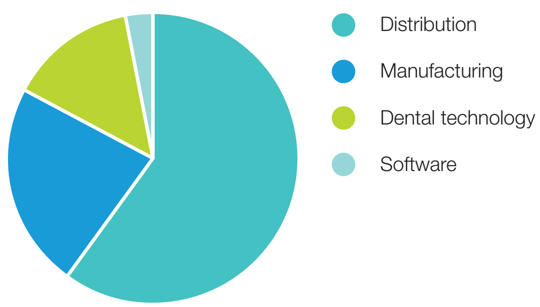
Dental's net sales increased 3.4 per cent to SEK 5,295 (5,123) million. In the first quarter, the production of dentures in China was affected by the pandemic. This had a negative impact on sales throughout the year as customers continued to purchase locally produced dental technology to a greater extent even after the disruptions to production ended. In the fourth quarter, sales approached normal levels.

EBITA decreased by 5.8 per cent to SEK 1,017 (1,080) million during the year and the EBITA margin was 19.2 (21.1) per cent. Profitability was negatively impacted by lower demand for dentures from China in the first three quarters of the year, and by increased sales and marketing activities following the easing of pandemic restrictions.

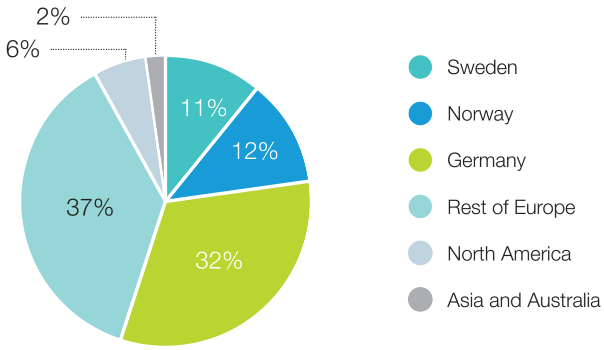
FINANCIAL RESULTS

SEK MILLION	2022	Change	2021	Change	2020
Net sales	5,295	3.4%	5,123	19.4%	4,290
EBITA	1,017	-5.8%	1,080	20.3%	898
EBITA margin	19.2%	-1.9	21.1%	0.2	20.9%

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. In 2021 and 2022, Lifco acquired companies that manufacture mini dumpers and skid loaders.

DEMOLITION ROBOTS

Demolition robots account for 24 (28) 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 67 (72) 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

Over the past two years, Lifco has broadened its operations through the acquisition of the two Italian companies MultiOne and Cormidi, which manufacture mini dumpers and skid loaders. Other niche machines account for 9 (6) per cent of the business area's net sales.

ACQUISITIONS IN 2022

In 2022, three acquisitions were consolidated in Demolition & Tools which at the time of acquisition had combined net sales of approximately SEK 580 million and around 165 employees. The consolidated businesses are the two Italian companies Cormidi and Trevi Benne as well as the British company Prolec. Cormidi is a leading manufacturer of mini dumpers and skid loaders and Trevi Benne manufactures excavator tools and attachments. Prolec is a niche developer of software and hardware solutions for the construction industry.

EARNINGS IN 2022

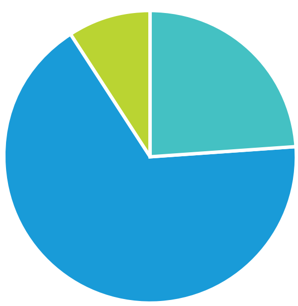
Net sales increased by 33.7 per cent in 2022 to SEK 6,285 (4,701) million through a combination of organic growth, acquisitions and positive exchange rate effects. The market situation during the year was generally favourable. Net sales were also positively affected by price increases to compensate for higher costs in the business.

EBITA increased by 27.4 per cent in 2022 to SEK 1,607 (1,261) million through organic growth, acquisitions and exchange rate effects. The product mix had a negative effect on the EBITA margin, which came in at 25.6 (26.8) per cent. Over the course of the financial year, the business area's EBITA margin may vary from one quarter to another as a result of occasional large special orders and changes in the product mix.

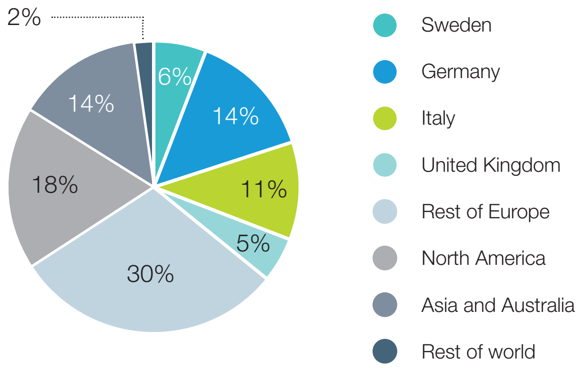
FINANCIAL RESULTS

SEK MILLION	2022	Change	2021	Change	2020
Net sales	6,285	33.7%	4,701	45.4%	3,234
EBITA	1,607	27.4%	1,261	68.1%	750
EBITA margin	25.6%	-1.2	26.8%	3.6	23.2%

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 has five divisions: Construction Materials, Contract Manufacturing, Environmental Technology, Service and Distribution, and Forest.

CONSTRUCTION MATERIALS

The Construction Materials division includes the Proline Group, which operates in several European markets and restores pipes through relining. The division also includes Pro Optix of Sweden and Fiberworks of Norway, which offer fibre optic transceivers, cables and communication equipment for the European fibre optic market. The Norwegian companies Cenika, a supplier of low-voltage electrical equipment, and Nordesign, a supplier of LED lighting, are also part of the division. In Norway, the division includes Elit, a wholesale provider of machinery and equipment for electrical installations, and Hydal, which produces aluminium cabinets. Another member of the division is Blinken, which sells measurement instruments for land surveyors and the construction industry in Norway and Sweden. Bode Component, a leading German manufacturer of safety products for lifts, and Elvärmeprodukter i Skellefteå, a Swedish company which sells heating products for floor, roof, ground and frost protection, have been part of the division since 2021.

In Construction Materials, Cenec Tavlebygg, a Norwegian manufacturer of low-voltage electrical equipment, and BCC Solutions of Finland, which provides fibre optic transceivers, fibre cabling and other products, were consolidated in 2022. Heinz Schuller, a German niche distributor of cable support systems and lightning protection products, was also consolidated.

Construction Materials saw good sales growth during the year with improved profitability, boosted by acquisitions.

CONTRACT MANUFACTURING

Under the Leab, Texor and Zetterströms Rostfria brands, Lifco offers contract manufacturing of products that are used in a wide range of industries, including manufacturing and medical technology. The companies focus on products with high standards of quality and delivery service and 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 the Norwegian company Auto-Maskin, which manufactures diesel control units for environmentally friendly marine applications and emergency power systems for challenging environments in the telecom, airport, hospital and defence sectors. Since 2020, Tastitalia of Italy, a niche manufacturer of customised touch panels, displays and keypads, has been part of the division.

In Contract Manufacturing, Condale Plastics, a UK manufacturer of bespoke plastic extrusions, was consolidated in 2022.

Contract Manufacturing saw good sales growth during the year with improved profitability.

ENVIRONMENTAL TECHNOLOGY

Under the Eldan Recycling, Rapid Granulator, Redoma Recycling and TMC/Nessco brands, Lifco manufactures and sells 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 Silvent, a leading manufacturer of air nozzles and air guns for industrial applications. The division also includes ErgoPack, a leading manufacturer of ergonomic and mobile pallet strapping systems, and Rustibus Worldwide, a leading supplier of surface preparation and safety equipment for marine vessels. The British companies Cleveland Cascades, a global leader in the design and manufacture of bespoke dry bulk loading chutes, and Spinaclean, which develops and sells vacuum cleaners and pressure washers for high-level cleaning, have been part of the division since 2021. The division also includes Easy Life International of the Netherlands, a leading maker of water purification consumables and plant nutrition for aquariums.

Environmental Technology saw good sales and profitability growth in 2022.

SERVICE AND DISTRIBUTION

Under the name Modul-System, Lifco makes interior modules for vans and light commercial vehicles, including tool storage and other modules. The division also includes Brian James Trailers, a niche manufacturer of open and enclosed car transport trailers. The leading supplier of exhibition and display materials, UK POS, is also part of the division, as is Cramaro Tarpaulin Systems of Italy, a niche manufacturer of tarpaulin systems for trucks and agricultural vehicles. DVG De Vecchi, a leading Italian manufacturer and distributor of components and accessories for coffee machines, T. Freemantle, a British niche manufacturer of cartoning and sleeving machinery and Next Hydraulics, a leading Italian manufacturer of telescopic cranes used mainly on

light commercial vehicles, have been part of the division since 2021. Truck-line, a leading German manufacturer of high-end lightbars for trucks sold under the LightFix brand, is also part of the division.

EFKA Holding of the Netherlands, which manufactures customised aluminium frames for textiles, was consolidated in the division in 2022.

Service and Distribution saw good sales growth during the year with improved profitability, aided by acquisitions.

FOREST

Lifco offers sawmill equipment under the Heinola brand. The company operates in the Baltic and Nordic countries. Heinola offers a large part of the equipment required at a sawmill, such as timber and wood handling equipment, drying equipment and sawing lines. The product range also includes equipment for pellet plants. Sales are often made in project form and normally take several years from initial discussion to first delivery. The business also provides service and spare parts but new equipment accounts for a majority of sales. The division also includes Haglöf Sweden, a world-leading supplier of instruments for professional forestry surveyors, and the Swedish company Wexman, which makes professional workwear.

In May 2022, Hekotek, which mainly sells sawmill equipment to Russia, was divested.

Sales in the remaining operations in the Forest division remained stable in 2022 with good profitability.

ACQUISITIONS IN 2022

At the time of acquisition the five consolidated acquisitions had combined net sales of just over SEK 720 million and approximately 180 employees in total.

EARNINGS IN 2022

Systems Solutions' net sales grew 30.3 per cent to SEK 9,972 (7,656) million in 2022, mainly due to organic growth in all divisions except Forest, acquisitions and positive exchange rate effects. In Systems Solutions, the market situation was generally good during the year and sales were also boosted by price increases to compensate for higher costs in most parts of the business.

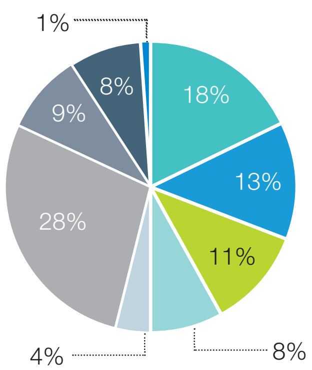
EBITA increased by 46.2 per cent in 2022, to SEK 2,184 (1,494) million, and the EBITA margin expanded by 2.4 percentage points to 21.9 (19.5) per cent. Organic growth, acquisitions and exchange rate effects contributed to the increase in EBITA and margin improvement.

SEK million	2022	Change	2021	Change	2020
Net sales	9,972	30.3%	7,656	22.3%	6,258
EBITA	2,184	46.2%	1,494	28.1%	1,166
EBITA margin	21.9%	2.4	19.5%	0.9	18.6%

NET SALES BY DIVISION

Construction Materials
Contract Manufacturing
Environmental Technology
Service and Distribution
Forest

NET SALES BY GEOGRAPHIC MARKET



Sweden
Norway
United Kingdom
Germany
Italy
Rest of Europe
North America
Asia and Australia
Rest of world

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 2022, the number of known shareholders increased to 21,518 (20,801). The share of foreign-owned shares at year-end was 19.4 (21.5) per cent. The company trades under the stock symbol LIFCO B.

SHARE PERFORMANCE AND LIQUIDITY

Lifco's share price at year-end was SEK 174.15, which translates to a market capitalisation of SEK 79.1 billion. Lifco's Class B shares declined by 35.7 per cent in 2022. Nasdaq Stockholm, as measured by the OMXS PI index, lost 24.6 per cent in 2022.

The highest price paid in 2022 was SEK 271.9 on 3 January and the lowest price paid was SEK 140.3 on 13 October.

Lifco's IPO price was SEK 18.6. From the initial public offering to the end of 2022, the share price increased by 836.3 per cent. Nasdaq Stockholm, as measured by the OMXS PI index, gained 68.0 per cent over the same period.

In 2022, 310,769,038 (292,365,658) shares were traded. The daily average was 1,213,942 (1,169,463) shares. 37.5 (42.3) per cent of the shares were traded on Nasdaq Stockholm.

SHARE CAPITAL

At the end of 2022, 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.

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
Anna Lindholm-Widström, Handelsbanken
Mathias Lundberg, Kepler Cheuvreux
Carl Ragnerstam, Nordea
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

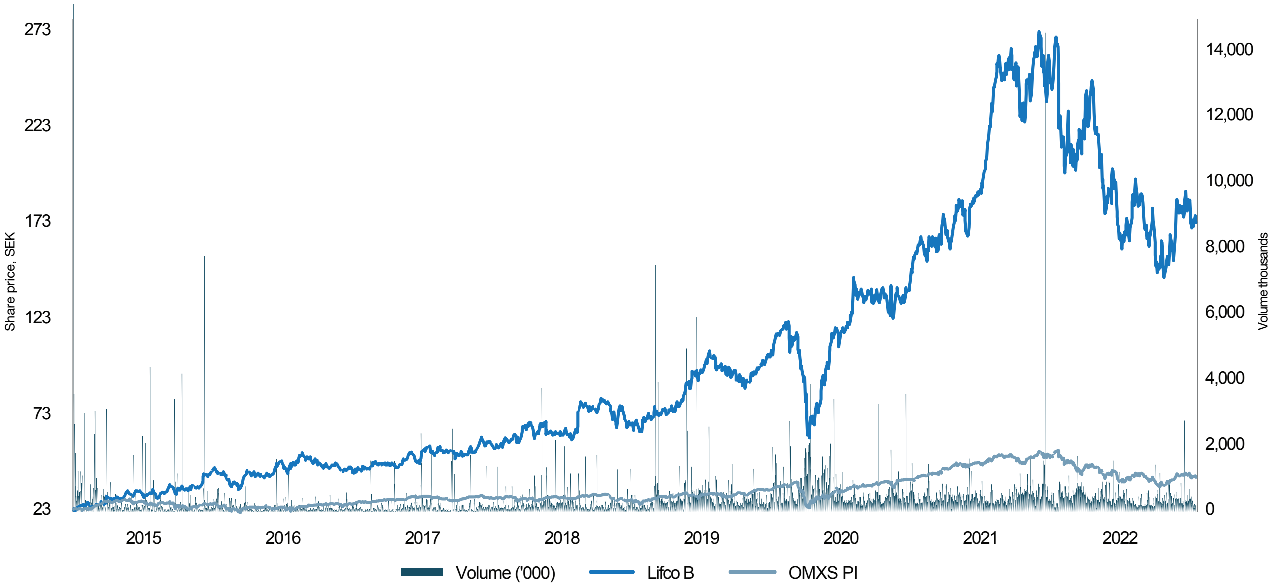
	Series A	Series B	Total
Shares, no.	30,379,850	423,836,450	454,216,300
Votes, no.	303,798,500	423,836,450	727,634,950
Capital, %	7	93	100
Votes, %	42	58	100

OWNERSHIP DISTRIBUTION BY COUNTRY 31 DECEMBER 2022

	No. of shares	Capital, %	Votes, %	No. of owners	Share of known owners, %
Sweden	366,059,207	80.59	87.88	20,800	96.66
USA	38,206,940	8.41	5.25	71	0.33
Norway	11,024,515	2.43	1.52	117	0.54
Germany	4,315,244	0.95	0.59	18	0.08
Denmark	3,029,468	0.67	0.42	222	1.03
United Kingdom	2,588,811	0.57	0.36	31	0.14
Canada	1,723,861	0.38	0.24	10	0.05
Switzerland	1,523,378	0.34	0.21	24	0.11
Japan	1,432,362	0.32	0.20	7	0.03
France	609,052	0.13	0.08	15	0.07
Other countries	2,508,667	0.55	0.34	203	0.94
Unknown country	21,194,795	4.67	2.91	0	0.00
Total	**454,216,300**	**100.00**	**100.00**	**21,518**	**100.00**

Source: Modular Finance.

SHARE PERFORMANCE OF LIFCO B FROM THE IPO TO 31 DECEMBER 2022



LIFCO'S 20 LARGEST SHAREHOLDERS, 31 DECEMBER 2022

	Class A shares	Class B shares	Capital, %	Votes, %
Carl Bennet AB	30,379,850	197,502,023	50.17	68.89
Fourth Swedish National Pension Fund (AP4)		28,385,248	6.25	3.90
SEB Fonder & Liv		13,258,508	2.92	1.82
Spiltan Fonder		10,965,740	2.41	1.51
SHB Fonder & Liv		10,030,784	2.21	1.38
Carnegie Fonder		9,250,000	2.04	1.27
Capital Group		8,553,648	1.88	1.18
Vanguard		8,032,121	1.77	1.10
BlackRock		7,298,357	1.61	1.00
Swedbank Robur Fonder		6,822,695	1.50	0.94
Lannebo Fonder		6,699,232	1.47	0.92
Didner & Gerge Fonder		6,199,488	1.36	0.85
Norges Bank		5,944,763	1.31	0.82
Odin Fonder		3,737,858	0.82	0.51
Allianz Global Investors		3,569,850	0.79	0.49
First Swedish National Pension Fund (AP1)		3,400,312	0.75	0.47
Lundberg sphere		3,375,000	0.74	0.46
Avanza Pension		3,185,927	0.70	0.44
Invesco		3,050,720	0.67	0.42
Cliens Fonder		2,208,000	0.49	0.30
Total 20 largest owners	**30,379,850**	**341,470,274**	**81.87**	**88.68**
Other owners		82,366,176	18.13	11.32
Total	**30,379,850**	**423,836,450**	**100.00**	**100.00**

Source: Modular Finance.

The table shows the largest identified shareholders in terms of capital in order of number of votes. Some significant shareholders may have their shares registered in the name of a nominee and are therefore included in other shareholders.

OWNERSHIP DISTRIBUTION BY SHAREHOLDING 31 DECEMBER 2022

Holding size		No. of shares	No. of owners
1	500	2,222,501	17,530
501	1,000	1,318,198	1,754
1,001	10,000	5,104,279	1,859
10,001	20,000	1,921,536	133
20,001	50,000	2,791,369	82
50,001	100,000	3,445,771	51
100,001	500,000	11,977,365	56
500,001	1,000,000	13,531,961	18
1,000,001	2,000,000	20,509,947	15
2,000,001	5,000,000	21,275,790	7
5,000,001		348,922,788	13
Unknown holding size		21,194,795	0
Total		**454,216,300**	**21,518**

Source: Modular Finance.

DATA PER SHARE

	2022	2021	2020
Earnings per share after tax	6.13	5.26	3.67
Share price on last trading day in December	174.15	270.7	157.8
Cash flow	6.8	6.5	6.2
Dividend (proposed for 2022)	1.80	1.50	1.20
Dividend growth, %	20.0	25.0	14.3
Yield, %	1.0	0.6	0.8
P/E ratio	28.4	51.5	43.0
Payout ratio, %	29.4	28.5	32.7
Equity	29.10	23.40	19.00
Number of shares, 31 December, million	454.2	454.2	90.8

ACQUISITIONS IN 2022

In 2022, Lifco consolidated twelve new businesses with total net sales at the time of acquisition of approximately SEK 1.5 billion and with around 400 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, four acquisitions were consolidated:

Medtec Medizintechnik, a German maker of equipment and consumables based on MR technology for the treatment of joints.

Oslo Dental of Norway, which sells equipment and service to dentists.

Specialist Alarm Services, a UK maker of staff attack and nurse call systems for the healthcare sector.

Zenith Dental of Denmark, which distributes dental products.

ACQUISITIONS IN DEMOLITION & TOOLS

In Demolition & Tools, three acquisitions were consolidated:

Two Italian companies: Cormidi, a leading manufacturer of mini dumpers and skid loaders, and Trevi Benne, which manufactures excavator tools and attachments.

Prolec of the UK, a niche developer of software and hardware solutions for the construction industry.

ACQUISITIONS IN SYSTEMS SOLUTIONS

In Systems Solutions, five acquisitions were consolidated:

BCC Solutions, a Finnish provider of fibre optic transceivers, fibre cabling and other products.

Cenec Tavlebygg, a Norwegian manufacturer of low-voltage electrical equipment.

Condale Plastics, a UK manufacturer of bespoke plastic extrusions.

EFKA Holding of the Netherlands, which manufactures customised aluminium frames for textiles.

Heinz Schuller, a German distributor of cable support systems and lightning protection products.

PREVIOUS ACQUISITIONS

Over the period 2006–2022, Lifco consolidated 108 acquisitions. A list of all consolidated acquisitions is provided on pages 134-136.

SALE IN 2022

In May 2022, all shares in the Estonian company Hekotek, which sells sawmill equipment to primarily Russian customers, were sold. Hekotek had 130 employees and generated sales of approximately EUR 40 million in 2021. The company was part of the Systems Solutions business area, Forest division. The divestment did not have a material impact on the Group's financial position or on Lifco's results and financial position during the year.

ACQUISITIONS AFTER THE END OF THE YEAR

In January 2023, the assets of Welte Dentallabor, a German dental laboratory, is consolidated. Welte Dentallabor had sales of approximately EUR 1.3 million in 2021 and has twelve employees.

In January 2023, Doxa Dental of Sweden, which develops, manufactures and commercialises bioceramic dental products, is consolidated. Doxa Dental had sales of approximately SEK 12 million in 2021.

In February 2023, Lifco announced the acquisition of The Real Spirit of Coffee in the UK which is a supplier of high-end coffee machines and consumables sold under the Rijo42 brand. The company reported net sales of approximately GBP 24 million in 2022 and has 66 employees.

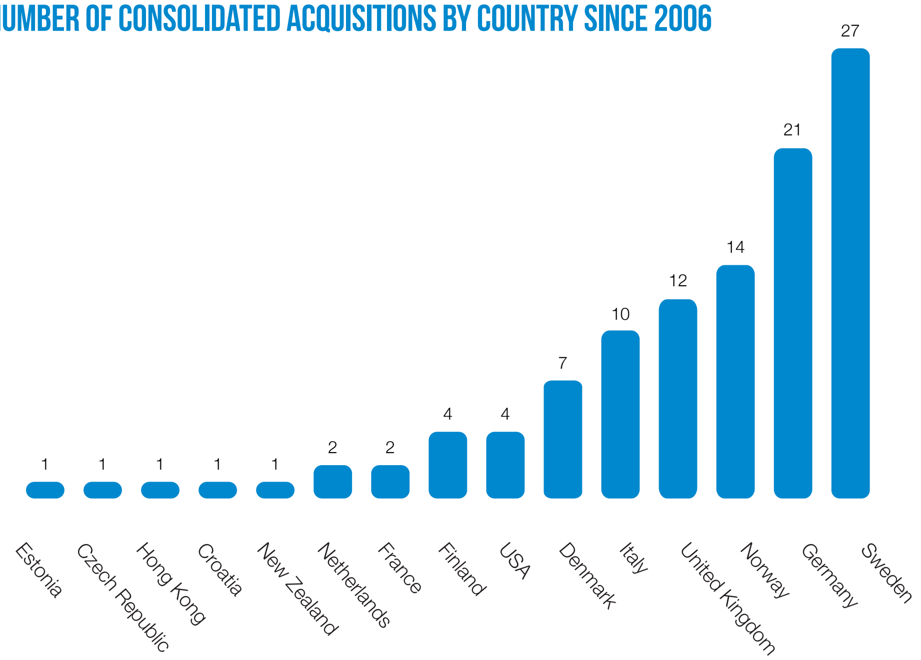
In March 2023, the UK company Alwayse Engineering, which is a global supplier of ball transfer units and other ball unit solutions, is consolidated. The company reported net sales of approximately GBP 5.6 million in 2022 and has 41 employees.

In March 2023, the UK company Broughton Plant Hire and Sales, which is a niche provider of plant hire solutions for the construction industry, is consolidated. The company reported net sales of approximately GBP 22 million in 2022 and has 100 employees.

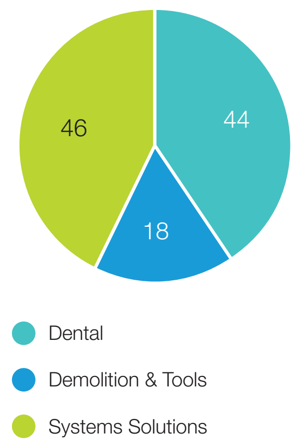
In March 2023, the UK company Didsbury Engineering, which is a global supplier of equipment for ground service and maintenance of aircrafts, is consolidated. In 2022, the company reported net sales of approximately GBP 6.5 million and has 33 employees.

In March 2023, the German company Kohler Medizintechnik, which is a manufacturer of dental instruments, is consolidated. In 2022, Kohler Medizintechnik reported net sales of approximately EUR 7.0 million and has 36 employees.

NUMBER OF CONSOLIDATED ACQUISITIONS BY COUNTRY SINCE 2006



NUMBER OF CONSOLIDATED ACQUISITIONS SINCE 2006



ACQUISITIONS CONSOLIDATED IN 2022

Company	Operations	Business area	Net sales in 2021	No. of employees on acquisition	Consolidated from	Country	Acquired share
BCC Solutions	Provides fibre optic transceivers, fibre cabling and other products	Systems Solutions	EUR 11m	9	May	Finland	Majority
Cenec Tavlebygg	Manufactures low-voltage electrical equipment	Systems Solutions	NOK 17m[1]	8	January	Norway	Majority
Condale Plastics	Manufactures bespoke plastic extrusions	Systems Solutions	GBP 18m	80	September	United Kingdom	100%
Cormidi	Manufactures mini dumpers and skid loaders	Demolition & Tools	EUR 13m[1]	45	March	Italy	Majority
EFKA Holding	Manufactures customised aluminium frames for textiles	Systems Solutions	EUR 11.6m	40	September	Netherlands	100%
Heinz Schuller	Distributor of cable support systems and lightning protection products	Systems Solutions	EUR 22m	44	November	Germany	100%
Medtec Medizintechnik	Manufactures equipment and consumables based on MR technology for the treatment of joints	Dental	EUR 6.6m	20	November	Germany	100%
Oslo Dental	Sells equipment and service to dentists	Dental	NOK 27m	5	July	Norway	Majority
Prolec	Develops software and hardware for the construction industry	Demolition & Tools	GBP 4m	15	December	United Kingdom	100%
Specialist Alarm Services	Manufactures staff attack and nurse call systems for the healthcare sector	Dental	GBP 3.9m	27	March	United Kingdom	Majority
Trevi Benne	Manufactures excavator tools and attachments	Demolition & Tools	EUR 37m	105	July	Italy	Majority
Zenith Dental	Distributor of dental products	Dental	DKK 21m[1]	-	January	Denmark	Asset acquisition

[1] Refers to net sales in 2020

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 211 operating companies in 30 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 56–62. Lifco's risk process is described on pages 24–25, 32–34, 46, 50–51 and 56.

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. Lifco is monitoring developments in the conflict in Ukraine and currently finds it difficult to assess the effect of sanctions against Russia and the implications that the conflict could have on the economic situation in Europe. While most Lifco subsidiaries were able to fully compensate for higher prices in 2022, the compensation process has been more protracted for some subsidiaries. The difference in success in compensating for price increases has depended mainly on the size of the company's order backlog.
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 2022, the Group's largest customer accounted for less than 3 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 32 per cent of Dental's net sales. This means that the German dental market accounts for just under 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 due diligence, 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 due diligence 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 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.
The coronavirus pandemic may affect deliveries of inputs as well as our own delivery capacity and customer demand.	In 2021 and 2022, the pandemic had no negative effects on the market situation. Lifco continues to monitor the effects of the pandemic and is prepared to deal with new outbreaks and restrictions.

Financial risks	Management
Price risk	
Lifco has subsidiaries that depend on access to raw materials. 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. Through high added value, specialisation and niche positions, the subsidiaries put themselves in a good position to compensate for increased prices.
Currency risks	
Currency risk refers to the risk of unfavourable changes in exchange rates.	The risk and its management are described in Note 3.1.
Interest rate risk	
Interest rate risk refers to the risk that changes in the interest rate environment will have a negative impact on Lifco's net profit.	The risk and its management are described in Note 3.1. Lifco currently has no hedging arrangements in place in respect of interest rate risk.
Credit risk	
Credit or counterparty risk is the risk that a counterparty to a financial transaction will fail to meet its obligations.	The risk and its management are described in Note 3.1. Lifco considers the financial credit risk to be low, as the Group's cash and cash equivalents are held with banks with high creditworthiness.
Liquidity risk	
Liquidity risk is the risk that Lifco will not have sufficient liquid assets to meet its obligations in respect of financial liabilities.	The risk and its management are described in Note 3.1. Lifco considers that the Group, in view of its existing working capital and credit agreements, has a good financial position.

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 211 operating companies in 30 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 policies in the area of sustainability: lifco.se

SHAREHOLDERS

At 31 December 2022, Lifco had 21,518 shareholders, according to Modular Finance. At 31 December 2022, 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 2022, Lifco had a stock market capitalisation of SEK 79.1 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 72–73.

2022 ANNUAL GENERAL MEETING

Lifco's Annual General Meeting in Stockholm on 29 April 2022 was attended by 678 shareholders representing 81.8 per cent of the number of shares and 88.6 per cent of the total number of votes. Under the temporary law on exemptions to facilitate the holding of general meetings of businesses and associations, the shareholders had also been offered the opportunity to exercise their right to vote by post. The Chairman of the Board, Chairman of the Audit Committee, 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, Johan Stern, 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 Tobias Nordin and Peter Wiberg as members of the Board with Anders Lindström and Anders Lorentzson 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 1.50 per share. • The members of the Board and the Chief Executive Officer were released from liability in respect of the 2021 financial year. • It was resolved that fees in a total amount of SEK 6,760,000 be paid to the Directors, and that fees for committee work be paid in the amount of SEK 268,000 to the Chairman of the Audit Committee and SEK 134,000 to each of the other committee members. The Chairman of the Remuneration Committee will receive SEK 144,000 and each of the other members SEK 89,000. 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 of Directors' proposed guidelines for remuneration of senior executives.

2023 ANNUAL GENERAL MEETING

The 2023 Annual General Meeting will be held on Friday 28 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 2023 Annual General Meeting was published in the interim report for the third quarter and on the company's website on 21 October 2022. The Nomination Committee for the 2023 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 2023 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 2023 AGM, the Nomination Committee consists of the following representatives:

- Carl Bennet, Carl Bennet AB
- Jannis Kitsakis, AP4
- Frank Larsson, SHB Fonder & Liv
- 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 2023 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 2022. 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 2023 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 2023 Annual General Meeting.

The 2022 AGM resolved to appoint Directors in accordance with the Nomination Committee's proposal, which meant that ten Directors were elected, including three women and seven men, representing 30 and 70 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. The Board is also tasked with ensuring that the organisation of the company's accounting and management of funds incorporates satisfactory control activities.

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 2022, the auditor participated in one meeting without the presence of representatives of the company.

The Board of Directors constituted itself on 29 April 2022. In 2022, 13 Board meetings were held with an average attendance of the Directors of 98 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 82–85.

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, was not to be considered independent of the company and management, and that Carl Bennet, Dan Frohm, Erik Gabrielson and Johan Stern, 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 the effects of the war in Ukraine, the coronavirus pandemic, 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 2022 AGM, the Audit Committee had the following composition: Ulf Grunander, chairman, Ulrika Dellby, member, Dan Frohm, member, and Caroline af Ugglas, member. In 2022, 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 for 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 2022 AGM, the Remuneration Committee had the following composition: Carl Bennet, chairman, Erik Gabrielson, member, Annika Espander, member, Johan Stern, member, and Axel Wachtmeister, member. In 2022, 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 2022 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 86. 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 2022 AGM approved the payment of Directors' fees in a total amount of SEK 6,760,000, of which SEK 1,352,000 was payable to the Chairman of the Board and SEK 676,000 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 268,000 to the Chairman and SEK 134,000 to each of the other members, and the payment of remuneration for work on the Remuneration Committee in the amount of SEK 144,000 to the Chairman and SEK 89,000 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.

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.

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 2022 totalled SEK 12 (11) 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. There are, for example, automated controls in IT-based systems which manage authorisations and authorisation rights as well as manual controls. 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 2022, 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. (Econ.), Ph.D h.c. (Med.), Ph.D. h.c. (Tech.)

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

Previous posts: President and CEO of Getinge.

Shareholding through companies, 31 December 2022: 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 Economics and Business

Current posts: Chairman of Fasadgruppen Group AB. Director of BICO AB, Linc AB, SJ AB, Werksta Nordic AB and 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 among all Kavli Holding AS and Cybercom Group AB.

Own and related parties' shareholdings, 31 December 2022: 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, Biotage AB, Probi AB and Stille AB.

Own and related parties' shareholdings, 31 December 2022: 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

Director

Born in 1981. Elected in 2020.

M.Sc. in Engineering

Current posts: CEO of DF Advisory LLC. 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.

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

Own and related parties' shareholdings, 31 December 2022: 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 2022: 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: Director of AMF Fonder AB, AMF Tjänstepension AB, Arjo AB, Djurgården Hockey AB and Episurf Medical AB.

Previous posts: CFO of Getinge Group.

Own and related parties' shareholdings, 31 December 2022: 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

JOHAN STERN

Vice Chairman

Born in 1951. Elected in 2001.

M.Sc. in Economics and Business

Current posts: Chairman of Healthinvest Partners AB, Rolling Optics AB, Skanör Falsterbo Fastighets AB and Stiftelsen Harry Cullbergs Fond. Director of Carl Bennet AB, Elanders AB and Estea AB.

Previous posts: Roles at SEB in Sweden and the US. Director of Getinge AB and RP Ventures AB.

Own and related parties' shareholdings, 31 December 2022: 230,000 Class B shares and 10,926 synthetic call options[1].

Nationality: Swedish

Independent of the company and of management: Yes

Independent of main owner: No

CAROLINE AF UGGLAS

Director

Born in 1958. Elected in 2020.

M.Sc. in Economics from Stockholm University

Current posts: Director of ACQ BURE, Beijer Alma, Bilia, Spiltan Invest och Trapets.

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

Own and related parties' shareholdings, 31 December 2022: 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

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

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 2022: 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

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 2022: 513,500 Class B shares, 180,000 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

TOBIAS NORDIN

Director, employee representative PTK

Born in 1983. Elected in 2022. Employed at Brokk.

Own and related parties' shareholdings, 31 December 2022: -

Nationality: Swedish

PETER WIBERG

Director, employee representative LO

Born in 1960. Elected in 2013. Employee of Modul-System HH AB.

Own and related parties' shareholdings, 31 December 2022: 1,575 Class B shares.

Nationality: Swedish

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

ANDERS LINDSTRÖM

Employee representative, deputy, LO

Born in 1958. Elected in 2019. Employee of Lifco Dental AB.
Own and related parties' shareholdings, 31 December 2022: -
Nationality: Swedish

ANDERS LORENTZSON

Employee representative, deputy, PTK

Regular Director 2018–2021.
Born in 1957. Elected in 2017. Employee of Rapid Granulator AB.
Own and related parties' shareholdings, 31 December 2022: -
Nationality: Swedish

AUDITOR

PricewaterhouseCoopers AB has been Lifco's auditor since 2010.

At the 2022 Annual General Meeting, PricewaterhouseCoopers were re-appointed for the period until the end of the 2023 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.

DIRECTORS' ATTENDANCE

Director	Board meeting	Audit Committee	Remuneration Committee
Carl Bennet	13/13		2/2
Ulrika Dellby	12/13	4/4	
Annika Espander	13/13		2/2
Dan Frohm	13/13	4/4	
Erik Gabrielson	13/13		2/2
Ulf Grunander	13/13	4/4	
Anders Lindström	13/13		
Anders Lorentzson	12/13		
Tobias Nordin[1]	9/9		
Johan Stern	12/13		2/2
Caroline af Ugglas	13/13	4/4	
Axel Wachtmeister	13/13		2/2
Per Waldemarson	13/13		
Peter Wiberg	10/13		
Total number of meetings	**13**	**4**	**2**

[1] Appointed at the 2022 Annual General Meeting.

GROUP MANAGEMENT

PER WALDEMARSON

President and CEO

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

M.Sc. in Economics and Business

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

Own and related parties' shareholdings, 31 December 2022: 513,500 Class B shares, 180,000 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 2022: 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 2022: 203,000 Class B shares, 51,250 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	3,175
Net profit for the year	444
Total	**3,619**
The Board of Directors and Chief Executive Officer propose that a dividend of SEK 1.80 per share be paid to the shareholders	818
Carried forward	2,801
Total	**3,619**

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 28 April 2023.

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 29 March 2023

Carl Bennet
Chairman of the Board

Ulrika Dellby
Director

Annika Espander
Director

Dan Frohm
Director

Erik Gabrielson
Director

Ulf Grunander
Director

Tobias Nordin
Director,
employee representative

Johan Stern
Vice Chairman

Caroline af Ugglas
Director

Axel Wachtmeister
Director

Per Waldemarson
Director, CEO and President

Peter Wiberg
Director,
employee representative

Our auditor's report was submitted on 29 March 2023
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 2022 except for the corporate governance statement and the statutory sustainability report on pages 80-88 and 14-65 respectively. The annual accounts and consolidated accounts of the company are included on pages 14-121 and 124-134 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2022 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 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement and the statutory sustainability report on pages 80-88 and 14-65 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 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
Valuation of intangible assets With reference to Note 2, Note 4 and Note 14. Goodwill and other intangible assets with an indefinite useful life represents a significant part of the Balance Sheet of Lifco. The Company performs an impairment assessment of the assets based on a calculation of the discounted cash flow for the cash generating units in which goodwill and other intangible assets are reported. This impairment test is based on a high level of judgments and assumptions regarding future cash flows. Information is provided in Notes 2, 4 and 14 as to how the Company's management has undertaken its assessments, and also provides information on important assumptions and sensitivity analyses. Key variables in the test are growth rate, profit margins, and discount factor (cost of capital). It is presented that no impairment requirement has been identified based on the assumptions undertaken.	In our audit, we have evaluated the calculation model applied by management. We have reconciled and critically tested essential variables. We have analyzed the accuracy on how previous years assumptions have been met and assessed any adjustments to assumptions compared to previous year, as a result from changes in the business and external factors. We have tested the sensitivity analysis for key variables in order to assess the risk of need for impairment. We have also assessed the correctness of the disclosures included in the financial statements.
Recognition of acquisitions With reference to Note 2, Note 4 and Note 31. In the financial year 2022, 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 135-155. The Board of Directors and the Managing Director are responsible for this other information.

The other information also consists of the 2022 Compensation Report that we obtained prior to the date of this auditor's report. The Board of Directors and the CEO 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

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 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated 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, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

OPINION

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Lifco AB (publ) for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

BASIS FOR OPINION

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of 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 audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and 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 29 April 2022 and has been the company's auditor since the general meeting of the shareholders in 2010.

Enköping 29 March 2023

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	2022	2021
Net sales	5	21,552	17,480
Cost of goods sold		-12,544	-10,150
Gross profit		**9,008**	**7,330**
Selling expenses		-2,256	-1,788
Administrative expenses		-2,651	-2,249
Research and development costs		-163	-140
Other operating income	6	114	78
Other operating expenses	6	-99	-90
Operating profit	7, 8, 9, 10, 11	**3,953**	**3,141**
Financial income	6, 12	22	3
Financial expenses	6, 12	-133	-74
Profit before tax		**3,842**	**3,070**
Tax on profit for the year	13	-1,014	-641
Net profit for the year		**2,828**	**2,429**
Net profit for the year attributable to:			
Parent Company shareholders		2,784	2,390
Non-controlling interests		44	39
Net profit for the year		**2,828**	**2,429**
Undiluted earnings per share attributable to Parent Company shareholders during the year, SEK	32	6.13	5.26
Diluted earnings per share attributable to Parent Company shareholders during the year, SEK	32	6.13	5.26

The notes on pages 98–132 are an integral part of the annual report and consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK MILLION	Note	2022	2021
Net profit for the year		**2,828**	**2,429**
Other comprehensive income			
Items which can later be reclassified to profit or loss:			
Hedge of net investment	2.7.5	-79	-53
Translation differences		856	426
Tax related to other comprehensive income		16	12
Other comprehensive income		**793**	**385**
Total comprehensive income for the year		**3,621**	**2,814**
Comprehensive income attributable to:			
Parent Company shareholders		3,569	2,770
Non-controlling interests		52	44
Total comprehensive income for the year		**3,621**	**2,814**

The notes on pages 98–132 are an integral part of the annual report and consolidated financial statements.

CONSOLIDATED BALANCE SHEET

SEK MILLION	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Fixed assets			
Intangible assets	14	18,286	15,497
Tangible assets	15	2,364	2,052
Other non-current financial receivables	16	15	13
Deferred tax assets	17	350	307
Total fixed assets		**21,015**	**17,869**
Current assets			
Inventories	18	3,682	2,821
Accounts receivable - trade	16, 19	2,853	2,257
Current tax assets		127	82
Other current receivables		206	193
Prepaid expenses and accrued income	20	185	145
Cash and cash equivalents	16, 22	1,703	1,509
Total current assets		**8,756**	**7,007**
TOTAL ASSETS		**29,771**	**24,876**

The notes on pages 98–132 are an integral part of the annual report and consolidated financial statements.

CONSOLIDATED BALANCE SHEET, CONTINUED

SEK MILLION	Note	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
Equity			
Share capital	23	18	18
Reserves		1,179	394
Retained earnings including net profit for the year		12,041	10,233
Equity attributable to Parent Company shareholders		**13,238**	**10,645**
Non-controlling interests		101	111
Total equity		**13,339**	**10,756**
Non-current liabilities			
Non-current interest-bearing liabilities	11, 16, 24	2,740	3,171
Other non-current liabilities	3	1,888	1,317
Interest-bearing pension provisions	25	70	57
Deferred tax liability	17	2,100	1,758
Other long-term provisions	26	65	68
Total non-current liabilities		**6,863**	**6,371**
Current liabilities			
Current interest-bearing liabilities	11, 16, 21, 24	5,523	3,737
Accounts payable - trade	16	1,449	1,294
Advance payments from customers		446	632
Current tax liabilities		499	330
Other short-term provisions	26	50	68
Other current liabilities	3	555	764
Accrued expenses and deferred income	28	1,047	924
Total current liabilities		**9,569**	**7,749**
TOTAL EQUITY AND LIABILITIES		**29,771**	**24,876**

The notes on pages 98–132 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 2021	**18**	**14**	**8,582**	**8,614**	**62**	**8,676**
Comprehensive income						
Net profit for the year	-	-	2,390	2,390	39	2,429
Other comprehensive income	-	380	-	380	5	385
Total comprehensive income	**-**	**380**	**2,390**	**2,770**	**44**	**2,814**
Transactions with owners						
Additional non-controlling interests	-	-	-	-	19	19
Change in value, owner transactions	-	-	-194	-194	-	-194
Dividend	-	-	-545	-545	-14	-559
Closing balance, 31 December 2021	**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**
Transactions with owners						
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**

The notes on pages 98–132 are an integral part of the annual report and consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

SEK MILLION	Note	2022	2021
Operating activities			
Operating profit		3,953	3,141
Non-cash items	35	1,151	939
Other financial items		6	-9
Interest received		11	1
Interest paid		-128	-63
Income taxes paid		-911	-684
Cash flow before changes in working capital		**4,082**	**3,325**
Changes in working capital			
Increase/decrease in inventories		-737	-627
Increase/decrease in operating receivables		-429	-463
Increase/decrease in operating liabilities		153	703
Total changes in working capital		**-1,013**	**-387**
Cash flow from operating activities		**3,069**	**2,938**
Investing activities			
Investments in intangible assets		-69	-31
Investments in tangible assets		-279	-281
Sale of tangible assets		30	15
Acquisition/divestment of subsidiaries net of cash and cash equivalents	31	-2,399	-2,990
Cash flow from investing activities		**-2,717**	**-3,287**
Financing activities			
Increase/decrease in non-current receivables/liabilities		14	16
Borrowings		3,475	5,593
Repayments of borrowings		-2,949	-4,393
Dividends paid		-848	-643
Cash flow from financing activities		**-308**	**573**
Cash flow for the year		**44**	**224**
Cash and cash equivalents at the beginning of the year		1,509	1,170
Translation differences		150	115
Cash and cash equivalents at year-end		**1,703**	**1,509**

The notes on pages 98–132 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 30 countries. The Parent Company, Lifco AB (publ), is a limited company with registered office in Enköping, Sweden (Verkmästaregatan 1, SE-745 85 Enköping).

This annual report, relating to the 2022 financial year, was approved for publication by the Board of Directors on 29 March 2023. The consolidated and Parent Company income statements and balance sheets will be submitted for adoption at the Annual General Meeting on 28 April 2023.

Unless otherwise stated, all amounts are expressed in millions of Swedish kronor (SEK million). Figures in parentheses refer to the previous year.

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 and Truck-line Gmbh, registered in Germany. Lifco AB (publ) guarantees all existing commitments for these companies from 31 December 2022 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 and Kinshofer 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
- Brokk DA GmbH, Friedenweiler
- Bode Components GmbH, Düsseldorf
- Heinz Schuller GmbH, Bindlach

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 2022 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 2023 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/buy 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 interest 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. Receivables and liabilities in foreign currency are stated at closing rates. 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 the income statement 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 the income statement.

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 Administrative 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 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 profit or loss, 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 tax rules which have been adopted or adopted in practice at the balance sheet date in those countries where the Parent Company and its subsidiaries operate and generate taxable revenue.

Deferred tax is accounted for, 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 that constitutes 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 loss carry forwards are recognised to the extent that it is probable that future taxable profits will be available against which the loss carry forwards can be used.

Deferred tax assets and liabilities are offset when there is a legally enforceable right of 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. Overdraft facilities are classified as borrowings under 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

Sale of goods

The Group's material revenue streams arising from the sale of goods comprise sales of dental products, machinery and tools, construction materials, service and distribution, environmental technology and forest industry equipment. 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. The "Construction Materials," "Service and Distribution," "Environmental Technology," and "Forest" revenue streams, which arise from the Systems Solutions operating segment, are generated from sales of a wide range of products, including machinery and equipment for electrical installations and electricity production, electrical equipment, LED lighting, interior modules for vans and light commercial vehicles, machines designed to improve the environment, workwear, instruments for forestry surveyors, sawmill and pellet plant equipment.

The Forest area uses fixed-price contracts linked to customised equipment for sawmills, such as timber and wood handling equipment, drying equipment, sawing lines and pellet mills. Revenue from fixed-price contracts accounts for a minor portion, around 2 per cent, of the Group's total revenue.

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).

Sale 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 borrowing rate used to calculate the discount effect is 0.72 (0.93) 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 86–87, and the purpose and definitions of these measures are presented on page 114.

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 30 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 2021 and 2022.

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 2022, net foreign exchange differences recognised in the income statement were SEK 40 (3) 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 5,734 (4,586) million denominated in EUR, SEK 743 (718) million in NOK, SEK 345 (299) million in USD, SEK 404 (146) million in GBP and SEK 7 (0) 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 1,927 (1,358) million and hedged net assets total SEK 12,345 (12,799) 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 +/- 56 (107) million. The exposure refers to:

SEK MILLION	2022	2021
EUR	35	58
NOK	6	17
GBP	1	16
USD	5	7
DKK	4	3
Other currencies	5	6
Total	**56**	**107**

(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 both fixed and 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 2022 financial year was 1.8 per cent (0.7 per cent in 2021).

At the balance sheet date, the Group had total borrowings of SEK 8,263 (6,908) 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 +/- 66 (54) million on net profit for the year.

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 company in the Group is responsible for monitoring and assessing 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 2022, the Group had cash and cash equivalents of SEK 1,703 (1,509) 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 2021	**986**
Additional	646
Revaluation recognised in equity	191
Considerations paid	-116
Dividends paid	-84
Foreign exchange differences	34
Closing balance, 31 December 2021	**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**

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 the 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, machinery and tools, construction materials, service and distribution, environmental technology and forest industry equipment. 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. The "Construction Materials," "Service and Distribution," "Environmental Technology," and "Forest" revenue streams, which arise from the Systems Solutions operating segment, are generated from sales of a wide range of products, including machinery and equipment for electrical installations and electricity production, electrical equipment, LED lighting, interior modules for vans and light commercial vehicles, machines designed to improve the environment, workwear, instruments for forestry surveyors, sawmill and pellet plant equipment. 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	2022	2021
Revenue from external customers		
Dental	5,295	5,123
Demolition & Tools	6,285	4,701
Systems Solutions	9,972	7,656
Total	**21,552**	**17,480**

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	1,017	1,080
Demolition & Tools	1,607	1,261
Systems Solutions	2,184	1,494
Central Group functions	-146	-126
Total	**4,662**	**3,709**
Amortisation of intangible assets arising from acquisitions	-673	-526
Acquisition costs	-36	-42
Net financial items	-111	-71
Profit before tax	**3,842**	**3,070**

Net sales by significant type of income:		
Dental products	5,295	5,123
Machinery and tools	6,285	4,701
Construction materials	1,604	1,267
Contract manufacturing	2,034	1,526
Environmental technology	2,903	2,075
Service and distribution	2,873	2,023
Forest	558	765
Total	**21,552**	**17,480**

No single customer accounts for more than ten per cent of net sales.

Net sales by geographic market:		
Sweden	2,768	2,254
Norway	1,976	1,703
Germany	3,369	2,832
Rest of Europe	9,058	7,319
Asia and Australia	1,825	1,725
North America	2,345	1,518
Other markets	211	129
Total	**21,552**	**17,480**

Total fixed assets, other than financial instruments and deferred tax assets, located in Sweden totalled SEK 2,931 (3,791) million, SEK 7,134 (5,949) million in Germany, SEK 4,520 (3,260) million in Italy, SEK 2,010 (1,369) million in the United Kingdom and SEK 1,565 (1,373) million in Norway, and the sum of such fixed assets located in other countries is SEK 2,490 (1,806) 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 2022	31 Dec 2021
The Group recognises the following revenue-related contract liabilities:		
Advance payments from customers	446	632
Other customer contract liabilities	93	123
Total contract liabilities	**539**	**755**

Of the total contract liabilities of SEK 755 million recognised at the beginning of the financial year, revenue related to contract liabilities of SEK 755 million was recognised during the financial year. The closing balance of contract liabilities at the end of the financial year of SEK 539 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	2022	2021
Foreign exchange differences have been recognised in the income statement as follows:		
Other operating income and operating expenses	32	9
Financial income and expenses (Note 12)	8	-6
Total	**40**	**3**

NOTE 7 SCHEDULED DEPRECIATION AND AMORTISATION

SEK MILLION	2022	2021
Distribution of depreciation/amortisation by tangible and intangible assets		
Right-of-use assets	-211	-173
Buildings and land improvements	-28	-27
Plant and machinery	-102	-91
Equipment, tools, fixtures and fittings	-113	-102
Total depreciation of tangible assets	**-454**	**-393**
Trademarks	-7	-7
Customer relationships	-660	-512
Patents	-6	-7
Other intangible assets	-24	-20
Total amortisation of intangible assets	**-697**	**-546**
Total depreciation/amortisation of fixed assets	**-1,151**	**-939**
Depreciation/amortisation by function		
Cost of goods sold	-161	-153
Selling expenses	-666	-524
Administrative expenses	-321	-261
Research and development costs	-3	-1
Total depreciation/amortisation	**-1,151**	**-939**

NOTE 8 AUDITORS' FEES

SEK MILLION	2022	2021
PricewaterhouseCoopers		
Audit engagement	12	11
Audit services in addition to audit engagement	-	-
Tax advisory services	1	1
Other services	1	1
Total	**14**	**13**
Other audit firms		
Audit engagement	5	4
Other services	1	-
Total	**6**	**4**

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 2022 financial year is SEK 14 (13) million. The fee paid to the audit firm PricewaterhouseCoopers AB is SEK 6 (6) million, of which SEK 6 (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	2022	2021
Goods for resale, raw materials and consumables	9,770	7,908
Personnel costs (Note 10)	4,076	3,472
Depreciation, amortisation and impairment (Notes 7, 14 and 15)	1,151	939
Expenses for operating leases (Note 11)	74	59
Production expenses and other expenses	2,543	1,949
Total costs of goods sold, selling expenses, administrative expenses, and research and development costs	**17,614**	**14,327**

NOTE 10 PERSONNEL COSTS AND AVERAGE NUMBER OF EMPLOYEES

SEK MILLION	2022	2021
Salaries and benefits		
Board of Directors and senior executives[1]	408	336
Other employees	2,861	2,438
	3,269	**2,774**
Social security contributions	620	527
Pension costs for senior executives	35	33
Pension costs for other employees	152	138
Total	**4,076**	**3,472**

[1] Includes salaries and remuneration to the Board, Group management and Managing Directors in the Group's subsidiaries.

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 Group management (2 persons all year, 1 person 6 months)	9,375	13,959	49	1,161	24,544
Total	**33,200**	**37,784**	**154**	**15,519**	**86,657**

Holdings of synthetic call options through Carl Bennet AB: CEO 87,412 and other members of Group management 54,632.

REMUNERATION AND BENEFITS IN 2021

SEK THOUSAND	Basic salary/ Director's fee[1]	Variable remuneration	Other benefits	Pension contributions	Total
Carl Bennet	1,450	-	-	-	1,450
Ulrika Dellby	785	-	-	-	785
Annika Espander	741	-	-	-	741
Dan Frohm	785	-	-	-	785
Erik Gabrielson	741	-	-	-	741
Ulf Grunander	915	-	-	-	915
Johan Stern	741	-	-	-	741
Caroline af Ugglas	785	-	-	-	785
Axel Wachtmeister	741	-	-	-	741
Per Waldemarson (in capacity of Director)	-	-	-	-	-
Total	**7,684**	**-**	**-**	**-**	**7,684**
Per Waldemarson	22,476	17,981	92	13,424	53,973
Other Group management (3 persons)	8,864	12,286	53	1,269	22,472
Total	**31,340**	**30,267**	**145**	**14,693**	**76,445**

[1] Includes fees for work on Board committees.

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 2022, see page 84.

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.

Implementation 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 2022 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 2022, the Remuneration Committee convened on two occasions.

AVERAGE NUMBER OF EMPLOYEES, GROUP

	2022			2021		
	Women	Men	Total	Women	Men	Total
Sweden	355	1,045	1,400	319	992	1 311
Australia	6	32	38	4	31	35
Belgium	4	10	14	3	10	13
Denmark	103	215	318	83	204	287
Estonia	144	71	215	136	139	275
Philippines	76	114	190	66	106	172
Finland	36	74	110	33	75	108
France	20	96	116	19	101	120
United Arab Emirates	1	4	5	1	4	5
Italy	142	562	704	105	372	477
Canada	2	12	14	6	10	16
China	139	395	534	166	426	592
Croatia	13	22	35	14	21	35
Latvia	8	3	11	8	4	12
Lithuania	11	2	13	11	2	13
Netherlands	5	64	69	3	48	51
Norway	102	333	435	93	290	383
New Zealand	2	18	20	2	16	18
Poland	3	12	15	4	13	17
Russia	1	3	4	2	9	11
Switzerland	9	2	11	3	7	10
Singapore	6	20	26	6	17	23
Slovenia	6	21	27	3	24	27
Spain	6	7	13	7	6	13
United Kingdom	111	528	639	99	461	560
South Korea	-	-	-	2	2	4
Czech Republic	37	153	190	37	145	182
Germany	396	609	1,005	381	544	925
Hungary	4	3	7	5	3	8
USA	62	198	260	56	184	240
Austria	6	51	57	7	45	52
Total number of employees	**1,816**	**4,679**	**6,495**	**1,684**	**4,311**	**5,995**
Parent Company						
Sweden	3	1	4	3	2	5

GENDER DISTRIBUTION FOR SENIOR EXECUTIVES AT BALANCE SHEET DATE, %	2022	2021
Women:		
Board members in the Parent Company	30%	30%
Other individuals in management, incl. CEO	33%	25%
Men:		
Board members in the Parent Company	70%	70%
Other individuals in management, incl. CEO	67%	75%

NOTE 11 LEASES

SEK MILLION	2022	2021
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	1,040	853
Total	**1,040**	**853**
Lease liabilities		
Non-current	805	674
Current	235	179
Total	**1,040**	**853**
New right-of-use assets in 2022 totalled SEK 353 million.		

SEK MILLION	2022	2021
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	-211	-173
Total	**-211**	**-173**
Interest expense	-22	-19
Expenses related to short-term leases	-30	-27
Expenses related to leases for which the underlying asset is of low value	-44	-32
The total lease-related cash flow in 2022 was SEK 307 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 3 months to 3 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 readily determined 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 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 757 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 87 million.

NOTE 12 FINANCIAL INCOME AND EXPENSES

SEK MILLION	2022	2021
Financial income		
Interest income	11	1
Foreign exchange gains	8	-
Other financial income	3	2
Total financial income	**22**	**3**
Financial expenses		
Interest expense	-128	-63
Foreign exchange losses	-	-6
Other financial expenses	-5	-5
Total financial expenses	**-133**	**-74**
Net financial items	**-111**	**-71**

NOTE 13 TAX ON PROFIT FOR THE YEAR

SEK MILLION	2022	2021
Tax expense		
Current tax for the year	-1,119	-795
Adjustments regarding previous years' current tax	3	-6
Total current tax expense	**-1,116**	**-801**
Deferred tax (Note 17)		
Origination and reversal of temporary differences	140	160
Effect of changed tax rate	-38	-
Total deferred tax	**102**	**160**
Total income tax	**-1,014**	**-641**

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	**3,842**	**3,070**
Tax at applicable tax rate in Sweden, 20.6 (20.6) per cent	-791	-632
Tax effects of non-taxable income/non-deductible expenses	57	101
Tax effects of non-deductible expenses	-127	-39
Adjustment for other tax rates in foreign subsidiaries	-114	-72
Utilisation of loss carry forwards for which no deferred tax asset has been recognised	-4	7
Effect of changed tax rate	-38	-
Adjustment relating to previous years	3	-6
Reported tax expense	**-1,014**	**-641**

The Group's effective tax rate is 26.4 (20.9) per cent.

NOTE 14 INTANGIBLE ASSETS

SEK MILLION	Goodwill[1]	Trademarks[1]	Customer relationships	Trademarks	Patents	Other intangible assets	Total
COST							
1 January 2021	**7,802**	**1,290**	**3,940**	**51**	**89**	**191**	**13,363**
Investments	-	-	2	-	4	25	31
Acquisition of companies	1,768	480	1,768	1	7	19	4,043
Sales/disposals	-1	-	-	-	-1	-4	-6
Reclassifications	19	-	11	3	-26	2	9
Translation differences	226	53	173	1	-	5	458
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
31 December 2022	**11,459**	**2,256**	**7,330**	**71**	**99**	**265**	**21,480**
ACCUMULATED AMORTISATION							
1 January 2021	**-188**	**-**	**-1,314**	**-15**	**-38**	**-148**	**-1,703**
Amortisation for the year	-	-	-512	-7	-7	-20	-546
Acquisition of companies	-4	-	-7	-	-5	-14	-30
Sales/disposals	1	-	-	-	1	4	6
Reclassifications	-8	-	-	-1	-	-	-9
Translation differences	-3	-	-62	-	-	-4	-69
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	41	-	-	-	15	2	58
Reclassifications	-	-	-	-6	8	3	5
Translation differences	-1	-	-130	-2	-4	-13	-150
31 December 2022	**-162**	**-**	**-2,691**	**-39**	**-42**	**-210**	**-3,144**
ACCUMULATED IMPAIRMENT							
1 January 2021	**-50**	**-**	**-**	**-**	**-**	**-**	**-50**
Impairment for the year	-	-	-	-	-	-	0
1 January 2022	**-50**	**-**	**-**	**-**	**-**	**-**	**-50**
Impairment for the year	-	-	-	-	-	-	0
31 December 2022	**-50**	**-**	**-**	**-**	**-**	**-**	**-50**

[1] Indefinite useful life

Carrying amount, 1 January 2021	7,564	1,290	2,626	36	51	43	11,610
Carrying amount, 31 December 2021	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**

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 2022 and 2021. 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 12.2 (9.5) per cent for all operating segments.

The calculation as at 31 December 2022 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 2021.

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 cash-generating units: Construction Materials, Contract Manufacturing, Environmental Technology, Service and Distribution, and Forest. 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 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Dental	4,732	4,289	684	596
Demolition & Tools	2,366	1,820	474	327
Construction Materials	851	615	212	142
Contract Manufacturing	392	220	97	48
Environmental Technology	1,161	1,090	320	308
Service and Distribution	1,561	1,315	424	357
Forest	186	213	46	45
Total	**11,247**	**9,562**	**2,256**	**1,823**

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 2021	**691**	**1,301**	**858**	**37**	**2,887**	**765**	**3,652**
Investments	16	102	128	35	281	300	581
Acquisition/sale of companies	122	108	120	9	359	160	519
Sales/disposals	-1	-65	-54	-1	-121	-106	-227
Reclassifications	14	43	-14	-59	-16	-	-16
Translation differences	15	29	25	-4	65	43	108
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
31 December 2022	**930**	**1,756**	**1,281**	**51**	**4,018**	**1,454**	**5,472**
ACCUMULATED DEPRECIATION							
1 January 2021	**-426**	**-914**	**-591**	**-**	**-1,931**	**-217**	**-2,148**
Depreciation for the year	-27	-91	-102	-	-220	-173	-393
Acquisition/sale of companies	-18	-65	-92	-	-175	-	-175
Sales/disposals	1	59	53	-	113	94	207
Reclassifications	-	-6	6	-	-	-	-
Translation differences	-9	-17	-17	-	-43	-13	-56
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	-	-13
Translation differences	-26	-46	-52	-	-124	-23	-147
31 December 2022	**-537**	**-1,249**	**-908**	**-**	**-2,694**	**-414**	**-3,108**
Carrying amount, 1 January 2021	265	387	267	37	956	548	1,504
Carrying amount, 31 December 2021	378	484	320	17	1,199	853	2,052
Carrying amount, 31 December 2022	**393**	**507**	**373**	**51**	**1,324**	**1,040**	**2,364**

NOTE 16 FINANCIAL INSTRUMENTS BY CATEGORY

Assets in the balance sheet SEK MILLION	Financial assets at amortised cost
31 December 2022	
Accounts receivable - trade	2,853
Other non-current financial receivables	15
Cash and cash equivalents	1,703
Total	**4,571**
31 December 2021	
Accounts receivable - trade	2,257
Other non-current financial receivables	13
Cash and cash equivalents	1,509
Total	**3,779**

Assets in the balance sheet SEK MILLION	Liabilities at fair value	Financial liabilities at amortised cost	Total
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**
31 December 2021			
Interest-bearing borrowings	-	6,908	6,908
Accounts payable - trade	-	1,294	1,294
Other liabilities[1]	1,657	-	1,657
Total	**1,657**	**8,202**	**9,859**

[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	2022	2021
Deferred tax asset is attributable to the following temporary differences and loss carry forwards		
Temporary differences on current assets	128	88
Temporary differences on fixed assets	14	5
Deductible temporary differences on provisions	2	1
Other deductible temporary differences	206	213
Total deferred tax assets	**350**	**307**
Deferred tax liability is attributable to the following temporary differences		
Temporary differences on current assets	0	-2
Temporary differences on fixed assets	-1,811	-1,489
Other taxable temporary differences	-289	-267
Total deferred tax liabilities	**-2,100**	**-1,758**
Net deferred tax asset/liability	**-1,750**	**-1,451**

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 5 (17) million relating to losses of SEK 24 (80) million, with regard to which it is uncertain whether these can be used to offset future taxable profits. Of these loss carry forwards, SEK 5 (17) million expires after more than five years.

NOTE 18 INVENTORIES

SEK MILLION	2022	2021
Valued at cost		
Finished goods and goods for resale	1,564	1,345
Raw materials and consumables	1,586	1,050
Work in progress	433	328
Contract work in progress	19	1
Advance payments to suppliers	80	97
Total	**3,682**	**2,821**

Net effect of impairment and reversal of impairment of inventories recognised as income/expense in the income statement	-125	3

NOTE 19 ACCOUNTS RECEIVABLE - TRADE

SEK MILLION	2022	2021
Accounts receivable - trade	2,996	2,352
Loss allowance	-143	-95
Net accounts receivable	**2,853**	**2,257**

SEK million	2022	2021
Carrying amount, gross accounts receivable		
Receivables not past due	1,798	1,432
1–30 days past due	639	509
More than 30 days past due	329	262
More than 60 days past due	101	61
More than 90 days past due	129	88
Total	**2,996**	**2,352**

The average loss allowance is 4.9 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	-95	-107
Decrease/increase in loss allowance, change recognised in profit or loss	-24	22
Acquisition of businesses	-28	-14
Accounts receivable written off during the year	4	4
31 December	**-143**	**-95**

NOTE 20 PREPAID EXPENSES AND ACCRUED INCOME

SEK MILLION	2022	2021
Prepaid rental expenses	32	9
Prepaid insurance expenses	17	13
Prepaid IT expenses	25	15
Other prepaid expenses	45	58
Receivables from contracts with customers	33	20
Accrued income	33	30
Total	**185**	**145**

NOTE 21 OVERDRAFT FACILITIES

SEK MILLION	2022	2021
Overdraft facilities, drawn amount	72	184
Overdraft facilities, agreed limit	1,200	1,200

NOTE 22 CASH AND CASH EQUIVALENTS

SEK MILLION	2022	2021
Cash and cash equivalents in the balance sheet and cash flow statement include the following items:		
Cash and bank balances	1,703	1,509

NOTE 23 SHARE CAPITAL

SEK MILLION	Number of shares (thousand)	Share capital
1 January 2021	454,216	18
31 December 2021	454,216	18
31 December 2022	**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	2022	2021
Non-current interest-bearing liabilities		
Lease liability	805	674
Liabilities to credit institutions	100	134
Bonds	1,835	2,363
Total non-current interest-bearing liabilities	**2,740**	**3,171**
Current interest-bearing liabilities		
Lease liability	235	179
Liabilities to credit institutions	3,760	2,175
Bonds	1,456	1,199
Overdraft facilities, drawn amount	72	184
Total current interest-bearing liabilities	**5,523**	**3,737**
Total interest-bearing liabilities	**8,263**	**6,908**

Lifco has issued five 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 10	SE0013101953	600	FRN Stibor 3-month +1.00%	2 Mar 2023
Lifco 11	SE0016274021	750	FRN Stibor 3-month +0.53%	6 Sep 2023
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

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 2022. 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 years < 5 years	> 5 years
31 December 2022				
Bank loans and bonds[1]	5,444	1,883	70	9
Lease liability[1]	255	230	449	217
Accounts payable - trade	1,449	-	-	-
Put/call options, additional considerations	63	71	1,104	708
Total	**7,211**	**2,184**	**1,623**	**934**

[1] including interest

Reconciliation of net debt

SEK MILLION	2022	2021
Cash and cash equivalents	1,703	1,509
Loans – due within one year (incl. overdraft facilities)	-5,288	-3,558
Loans – due after more than one year	-1,935	-2,497
Interest-bearing pension provision	-70	-57
Interest-bearing net debt	**-5,590**	**-4,603**
Lease liability - due within one year	-235	-179
Lease liability – due after more than one year	-805	-674
Put/call options, additional considerations - due within one year	-63	-349
Put/call options, additional considerations - due after more than one year	-1,883	-1,308
Net debt	**-8,576**	**-7,113**
Cash and cash equivalents	1,703	1,509
Gross debt - fixed interest rate	-	-200
Gross debt - variable interest rate	-7,293	-5,912
Lease liability	-1,040	-853
Put/call options, additional considerations	-1,946	-1,657
Net debt	**-8,576**	**-7,113**

SEK MILLION	Cash and cash equivalents	Lease liability	Loans	Interest-bearing pension provision	Put/call options, additional considerations	Total
Net debt, 1 January 2021	1,170	-548	-4,368	-44	-986	-4,776
Cash flow	224	173	-1,473	-	200	-876
Acquisitions	-	-160	-95	-10	-646	-911
Revaluation	-	-288	-	-	-191	-479
Foreign exchange differences	115	-30	-119	-3	-34	-71
Net debt, 31 December 2021	**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**

NOTE 25 POST-EMPLOYMENT BENEFITS

The amounts recognised in the balance sheet refer to defined benefit pensions in Sweden, Germany and the United States attributable to employees who no longer work for the company. The carrying amount of defined benefit obligations is SEK 70 (57) 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 2022 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 9 (11) 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 2022, Alecta's surplus, defined as the collective funding ratio, was 172 per cent (preliminary calculation) (2021: 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 2021	**47**	**1**	**4**	**15**	**67**
Additional provisions	40	-	10	12	62
Acquisition of companies	3	-	-	36	39
Utilised during the year	-9	-	-3	-12	-24
Reversal of unused provisions	-10	-	-	-	-10
Reclassifications	1	-	-1	-	-
Translation differences	1	-	-	1	2
31 December 2021	**73**	**1**	**10**	**52**	**136**
of which short-term provisions	**49**	**1**	**10**	**8**	**68**
of which long-term provisions	**24**	**-**	**-**	**44**	**68**
Anticipated outflow date					
Within 1 year	49	1	10	8	68
Within 3 year	8	-	-	3	11
Within 5 year	11	-	-	9	20
After more than 5 years	5	-	-	32	37
31 December 2021	**73**	**1**	**10**	**52**	**136**
1 January 2022	**73**	**1**	**10**	**52**	**136**
Additional provisions	21	-	10	15	46
Acquisition of companies	-	-	-	-	-
Utilised during the year	-13	-	-12	-12	-37
Reversal of unused provisions	-38	-	-	-1	-39
Reclassifications	-	-	-	-	-
Translation differences	3	-	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**	**-**	**-**	**48**	**65**
Anticipated outflow date					
Within 1 year	29	1	9	11	50
Within 3 year	12	-	-	6	18
Within 5 year	2	-	-	3	5
After more than 5 years	3	-	-	39	42
31 December 2022	**46**	**1**	**9**	**59**	**115**

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 209 (126) 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 5,293 (4,186) 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 2022 (2021: -). One of the Directors, Erik Gabrielson, is a partner of Advokatfirman Vinge, a law firm which received SEK 4 (2) million for legal advice. Disclosures on remuneration of senior executives are provided in Note 10.

NOTE 28 ACCRUED EXPENSES AND DEFERRED INCOME

SEK MILLION	2022	2021
Accrued personnel costs	621	539
Commissions and bonuses to customers	58	45
Accrued interest expenses	22	4
Other customer contract liabilities	93	123
Other deferred income	11	-
Other accrued expenses	242	213
Total	**1,047**	**924**

NOTE 29 PLEDGED ASSETS

SEK MILLION	2022	2021
Property mortgages	3	8
Floating charges	14	12
Total	**17**	**20**

NOTE 30 CONTINGENT LIABILITIES

SEK MILLION	2022	2021
Warranties	209	126
Total	**209**	**126**

Guarantee commitments refer to advance payment and performance guarantees.

NOTE 31 BUSINESS COMBINATIONS

Twelve new businesses were consolidated in 2022. The acquisitions refer to the assets of Zenith Dental of Denmark and majority stakes in BCC Solutions of Finland, the two Norwegian companies Cenec Tavlebygg and Oslo Dental, the two Italian companies Cormidi and Trevi Benne, and Specialist Alarm Services of the UK. In addition, all shares of the British companies Condale Plastics and Prolec, the German companies Medtec Medizintechnik and Heinz Schuller and EFKA Holding of the Netherlands were consolidated during the year.

The purchase price allocation includes all acquisitions consolidated in 2022. Acquisition-related expenses of SEK 36 million are included in administrative expenses in the consolidated income statement for 2022. Since the respective consolidation dates, the acquired companies have added SEK 724 million to consolidated net sales and SEK 170 million to EBITA. If the businesses had been consolidated as of 1 January 2022, consolidated net sales for the year would have increased by a further SEK 894 million and EBITA would have increased by a further SEK 183 million.

The table below includes all acquisitions consolidated in 2022. 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 2021 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	14	1,294	1,308
Tangible assets	84	-	84
Inventories, accounts receivable and other receivables	610	-19	591
Accounts payable and other liabilities	-420	-337	-757
Cash and cash equivalents	191	-	191
Total net assets	**479**	**938**	**1,417**
Goodwill	-	1,021	1,021
Total net assets	**479**	**1,959**	**2,438**

Effect on cash flow, SEK million	
Consideration	2,438
Considerations not paid	-273
Cash and cash equivalents in acquired companies	-191
Consideration paid relating to acquisitions from previous years	321
Total cash flow effect	**2,295**

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	2022	2021
Equity attributable to Parent Company shareholders	2,784	2,390
Weighted average number of outstanding ordinary shares	454,216,300	454,216,300
Earnings per share (SEK)	6.13	5.26

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 2022 or 2021. Undiluted and diluted earnings per share were thus the same.

NOTE 33 DIVIDEND PER SHARE

Dividend payments made in 2022 and 2021 totalled SEK 681 million (SEK 1.50 per share) and SEK 545 million (SEK 1.20 per share), respectively. At the Annual General Meeting on 28 April 2023, the Board will propose a dividend for the 2022 financial year of SEK 1.80 per share, resulting in a total distribution of SEK 818 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

In January 2023, the German dental laboratory Welte Dentallabor, which generated sales of around EUR 1.3 million in 2021, is consolidated. The business had twelve employees at the time of the acquisition.

In January 2023, Doxa Dental of Sweden, which develops, manufactures and commercialises bioceramic dental products, is consolidated. Doxa Dental generated net sales of SEK 12 million in 2021.

In February 2023, Lifco issued two unsecured bond loans totalling SEK 750 million with a tenor of two years within its MTN program (Medium Term Notes).

In February 2023, Lifco announced the acquisition of The Real Spirit of Coffee in the UK which is a supplier of high-end coffee machines and consumables sold under the Rijo42 brand. The company reported net sales of approximately GBP 24 million in 2022 and has 66 employees. Consolidation is expected to take place in the second quarter of 2023.

In March 2023, the UK company Alwayse Engineering is consolidated which is a global supplier of ball transfer units and other ball unit solutions. The company reported net sales of approximately GBP 5.6 million in 2022 and has 41 employees.

In March 2023, the UK company Broughton Plant Hire and Sales is consolidated which is a niche provider of plant hire solutions for the construction industry. The company reported net sales of approximately GBP 22 million in 2022 and has 100 employees.

In March 2023, the UK company Didsbury Engineering is consolidated which is a global supplier of equipment for ground service and maintenance of aircrafts. In 2022, the company reported net sales of approximately GBP 6.5 million and has 33 employees.

In March 2023, the German company Kohler Medizintechnik is consolidated which is a manufacturer of dental instruments. In 2022, Kohler Medizintechnik reported net sales of approximately EUR 7.0 million and has 36 employees.

NOTE 35 ADDITIONAL CASH FLOW STATEMENT DISCLOSURES

SEK MILLION	2022	2021
Non-cash items		
Depreciation/amortisation	1,151	939

NOTE 36 OTHER DISCLOSURES

The subsidiary companies Indexator Rotator Systems AB, Lövånger Elektronik AB, Modul-System HH AB, Rapid Granulator 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	2022	2021
Operating profit	**3,953**	**3,141**
Amortisation of intangible assets arising from acquisitions	673	526
EBITA	**4,626**	**3,667**
Acquisition costs	36	42
EBITA before acquisition costs	**4,662**	**3,709**

EBITDA COMPARED WITH FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

SEK MILLION	2022	2021
Operating profit	**3,953**	**3,141**
Depreciation of tangible assets	454	393
Amortisation of intangible assets	24	20
Amortisation of intangible assets arising from acquisitions	673	526
EBITDA	**5,104**	**4,080**
Acquisition costs	36	42
EBITDA before acquisition costs	**5,140**	**4,122**

NET DEBT COMPARED WITH FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

SEK MILLION	31 Dec 2022	31 Dec 2021
Non-current interest-bearing liabilities including pension provisions	2,005	2,554
Current interest-bearing liabilities	5,288	3,558
Cash and cash equivalents	-1,703	-1,509
Interest-bearing net debt	**5,590**	**4,603**
Put/call options, additional considerations	1,946	1,657
Lease liability	1,040	853
Net debt	**8,576**	**7,113**

CAPITAL EMPLOYED AND CAPITAL EMPLOYED EXCLUDING GOODWILL AND OTHER INTANGIBLE ASSETS COMPARED WITH FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

SEK MILLION	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022
Total assets	**29,771**	**29,243**	**27,296**	**26,712**
Cash and cash equivalents	-1,703	-1,368	-1,255	-1,474
Interest-bearing pension provisions	-70	-65	-61	-57
Non-interest-bearing liabilities	-6,153	-6,151	-5,934	-6,059
Capital employed	**21,845**	**21,659**	**20,046**	**19,122**
Goodwill and other intangible assets	-18,286	-17,753	-16,624	-16,234
Capital employed excluding goodwill and other intangible assets	**3,559**	**3,906**	**3,422**	**2,888**

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 2022	Q3 2022	Q2 2022	Q1 2022
Capital employed	**20,668**	21,845	21,659	20,046	19,122
Capital employed excluding goodwill and other intangible assets	**3,444**	3,559	3,906	3,422	2,888
	Total				
EBITA*	**4,662**	1,322	1,103	1,221	1,016
Return on capital employed	**22.6%**				
Return on capital employed excluding goodwill and other intangible assets	**135%**				

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT

SEK MILLION	Note	2022	2021
Administrative expenses	38, 40, 41, 42, 43	-120	-119
Other operating income	38, 39	63	170
Operating profit/loss		**-57**	**51**
Profit/loss from investments in Group companies	44	476	623
Financial income	45	666	279
Financial expenses	45	-641	-191
Profit after financial items		**444**	**762**
Appropriations	46	-8	-54
Tax on profit for the year	47	8	-8
Net profit for the year		**444**	**700**

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 2022	31 Dec 2021
ASSETS			
Fixed assets			
Investments in Group companies	48	1,960	1,960
Non-current receivables from Group companies		4,843	3,936
Deferred tax assets	49	89	50
Total fixed assets		**6,892**	**5,946**
Current assets			
Receivables from Group companies		8,614	8,322
Other current receivables		0	6
Prepaid expenses and accrued income		4	5
Cash and bank balances		587	584
Total current assets		**9,205**	**8,917**
TOTAL ASSETS		**16,097**	**14,863**
EQUITY AND LIABILITIES			
Restricted equity			
Share capital		18	18
Statutory reserve		12	12
Total restricted equity		**30**	**30**
Non-restricted equity			
Retained earnings	50	3,175	3,156
Net profit for the year		444	700
Total non-restricted equity		**3,619**	**3,856**
Total equity		**3,649**	**3,886**
Untaxed reserves	51	**114**	**122**
Non-current liabilities			
Bonds	52	1,835	2,363
Deferred tax liabilities	49	0	2
Total non-current liabilities		**1,835**	**2,365**
Current liabilities			
Liabilities to credit institutions	52	3,761	2,323
Bonds	52	1,456	1,199
Accounts payable - trade		1	1
Liabilities to Group companies		5,139	4,836
Current tax liabilities		58	38
Other current liabilities		15	42
Accrued expenses and deferred income	53	69	51
Total current liabilities		**10,499**	**8,490**
TOTAL EQUITY AND LIABILITIES		**16,097**	**14,863**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK MILLION	Share capital	Statutory reserve	Non-restricted equity	Total equity
Opening balance, 1 January 2021	**18**	**12**	**3,701**	**3,731**
Dividend approved by the Annual General Meeting	-	-	-545	-545
Net profit for the year	-	-	700	700
Closing balance, 31 December 2021	**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**

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	2022	2021
Operating activities		
Operating profit/loss	-57	51
Other financial items	-3	-3
Interest received	291	191
Interest paid	-134	-41
Income taxes paid	-13	-5
Cash flow before changes in working capital	**84**	**193**
Changes in working capital		
Increase/decrease in operating receivables	-285	-2,129
Increase/decrease in operating liabilities	284	1,422
Total changes in working capital	**-1**	**-707**
Cash flow from operating activities	**83**	**-514**
Financing activities		
Change in non-current receivables	-532	-1,074
Borrowings	3,456	5,689
Repayments of borrowings	-2,677	-4,162
Group contribution paid	-6	-28
Dividends received	476	623
Dividends paid	-681	-545
Cash flow from financing activities	**36**	**503**
Cash flow for the year	119	-11
Cash and cash equivalents at the beginning of the year	584	625
Foreign exchange differences in cash and cash equivalents	-116	-30
Cash and cash equivalents at year-end	**587**	**584**

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 63 (170) million for Group-wide services. The Parent Company has purchased services from subsidiaries for SEK 1 (4) million.

NOTE 39 OTHER OPERATING INCOME

SEK MILLION	2022	2021
Group-wide services	63	170
Total other operating income	**63**	**170**

NOTE 40 CLASSIFICATION OF EXPENSES BY NATURE

SEK MILLION	2022	2021
Personnel costs (Note 42)	104	97
Expenses for operating leases (Note 43)	1	1
Other expenses	15	21
Total	**120**	**119**

NOTE 41 AUDITORS’ FEES

SEK MILLION	2022	2021
PricewaterhouseCoopers		
Audit engagement	2	1
Audit services in addition to audit engagement	-	0
Other services	0	-
Total	**2**	**1**

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	2022	2021
Women	3	3
Men	1	2
Total	**4**	**5**

Personnel costs, SEK million	2022	2021
Salaries and benefits		
Board of Directors and CEO	56	49
Other employees	9	12
	65	61
Social security contributions, Board of Directors and CEO	20	18
Social security contributions, other employees	4	4
Pension costs for the CEO	14	13
Pension costs for other employees	1	1
Total	**104**	**97**

For information on remuneration of senior executives, see Note 10 to the consolidated financial statements.

NOTE 43 LEASES

SEK MILLION	2022	2021
Operating leases		
Mature within 1 year	1	1
Mature in 1–5 years	1	7
Total	**2**	**8**

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	2022	2021
Dividends	476	623
Total	**476**	**623**

NOTE 45 FINANCIAL INCOME AND EXPENSES

SEK MILLION	2022	2021
Financial income		
Interest income from Group companies	286	191
Interest income	6	0
Foreign exchange gains	374	88
Total financial income	**666**	**279**
Financial expenses		
Interest expenses to Group companies	-38	-2
Interest expense	-96	-39
Foreign exchange losses	-504	-147
Other financial expenses	-3	-3
Total financial expenses	**-641**	**-191**
Net financial items	**25**	**88**

NOTE 46 APPROPRIATIONS

SEK MILLION	2022	2021
Group contributions paid	-16	-6
Change in tax allocation reserve	8	-48
Total	**-8**	**-54**

NOTE 47 TAX ON PROFIT FOR THE YEAR

SEK MILLION	2022	2021
Current tax for the year	-32	-37
Adjustments relating to previous years	0	0
Deferred tax	40	29
Total tax on profit for the year	**8**	**-8**

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.

	2022	2021
Profit before tax	436	708
Tax at applicable tax rate in Sweden, 20.6% (20.6%)	-90	-146
Tax effects of non-taxable income	98	138
Effect of changed tax rate	-	-
Adjustment relating to previous years	0	0
Tax effects of non-deductible expenses	0	0
Tax on profit for the year	**-8**	**-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 2022	Carrying amount 2021
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**

	2022	2021
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
Lifco Dental AB	Sweden	556061-7747	Enköping	100.0
Ellman Produkter AB	Sweden	556217-2394	Stockholm	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	47-1788231	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
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
Oslo Dental AS	Norway	895 638 382	Arendal	80.0
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
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
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
Dentamed (ČR) spol. s r.o	Czech Republic	CZ25083163	Prague	100.0
Dent Unit, s.r.o.	Czech Republic	CZ45538263	Hradec Králové	100.0
Prodent International d.o.o.	Slovenia	12577900	Ljubljana	100.0
Dental Grupa d.o.o	Croatia	02597888	Umag	70.0
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
Perfect Ceramic Dental Company Ltd	Hong Kong	31560809	Hong Kong	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
SchwanDental Deutschland GmbH	Germany	HR B No. 20583	Lübeck	100.0
Proline Group AB	**Sweden**	**556543-0971**	**Sollentuna**	**100.0**
Proline Väst AB	Sweden	556914-6771	Sollentuna	100.0
Proline Öst AB	Sweden	556914-6789	Sollentuna	100.0
Proline Nord AB	Sweden	556914-6706	Sollentuna	100.0

Company	Country	Corporate ID	Registered office	Ownership %
Proline Syd AB	Sweden	556914-6763	Sollentuna	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	Helsinki	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. 144439	Holzkirchen	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	CZ25164325	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	Hämeenlinna	100.0
Kinshofer UK Ltd	United Kingdom	01705372	Cheltenham	100.0
Kinshofer Liftall, Inc.	Canada	1398940	Burlington, Ontario	100.0
Kinshofer USA, Inc.	USA	46-1782858	Sanborn, NY	100.0
Kinshofer Holding, Inc.	USA	82-1296385	Sanborn, NY	100.0
Solesbee's Equipment & Attachments LLC	USA	20-2519685	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	Gloucestershire	100.0
Auger Torque Australia Pty Ltd	Australia	39113281664	Brisbane	100.0
Attachment Torque MFG (China) Co. Ltd	China	91330212688026355H	Ningbo	51.0
Trevi Benne S.p.A	Italy	02286020249	Noventa Vicentina	90.0
Biemmeo S.r.l.	Italy	00926670241	Agugliaro	70.0
ErgoPack Deutschland GmbH	Germany	HR B Nr. 13877	Lauingen	100.0
ErgoStrap, Inc.	USA	86-3214919	Wauwatosa, WI	100.0
MultiOne S.r.l.	Italy	03971430248	Grumolo delle Abbadesse	60.0
MultiOne Italia S.r.l.	Italy	04119860247	Grumolo delle Abbadesse	100.0
MultiOne America LCC	USA	47-3735025	Springfield, MO	100.0
Cormidi S.r.l	Italy	03053170654	Roccadaspide	70.0
Cormidi USA, Inc.	USA	80-0730550	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
Rapid Granulator AB	**Sweden**	**556082-8674**	**Bredaryd**	**100.0**
Rapid Granulier-Systeme GmbH & Co. KG	Germany	HR A Nr. 3137	Frankfurt	100.0
Rapid Granulier-System Geschäftsfürungs GmbH	Germany	HR B Nr. 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
Albro Technologies S.a.r.l.	France	RCS 487 629 966	Lyon	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 UK Ltd	United Kingdom	04063287	Milnthorpe, Cumbria	100.0
BINC Delaware, Inc.	USA	13-4088618	Monroe, WA	100.0
Brokk Bricking Solutions, Inc.	USA	91-1162044	Monroe, WA	100.0
Brokk Sales Canada Inc.	Canada	1202240	Vancouver	100.0
Brokk Asia-Pacific Pte Ltd	Singapore	200719909W	Singapore	100.0
Brokk DA GmbH	Germany	HR B Nr. 720979	Friedenweiler	100.0
Darda GmbH	Germany	HR B Nr. 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	738,931,548	Tessenderlo	100.0
Brokk Italia S.r.l.	Italy	07049910966	Milan	100.0

Company	Country	Corporate ID	Registered office	Ownership %
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	36-4654856	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 (sawmill machinery)	Finland	0845086-6	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. Nr. 3073	Limburg a.d. Lahn	100.0
Modul-System S.A.	France	RCS 382 918 209	Bussy-Saint-Georges	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	Maassluis	100.0
Modul-System Finland OY	Finland	2347058-2	Espoo	100.0
Modul-System AS	Norway	911 743 787	Skjetten	100.0
Modul-System Ltd	United Kingdom	01540940	Buckinghamshire	100.0
Brian James Trailers Holding Limited	United Kingdom	10920740	Northamptonshire	90.0
Brian James Trailers Limited	United Kingdom	03844151	Northamptonshire	100.0
Brian James Trailers GmbH	Germany	HR B Nr. 22197	Störmthal	100.0
Cenika AS	Norway	987 778 474	Lierstranda	95.0
Cenika AB	Sweden	556723-5170	Malmö	100.0
Cenika Varme AS	Norway	927 919 850	Lier	100.0
Cenec Tavlebygg AS	Norway	992 893 214	Steinkjer	51.0
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
Eldan Recycling A/S	Denmark	14125388	Faaborg	100.0
Eldan Inc.	USA	20-3705054	Seattle, WA	100.0
Redoma Recycling AB	Sweden	559039-2329	Malmö	100.0
Eleiko AB	Sweden	556071-1409	Halmstad	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

Company	Country	Corporate ID	Registered office	Ownership %
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
Hantekno OY	Finland	1752200-8	Vantaa	70.0
Harrico PTE Oy	Finland	2048483-1	Vantaa	70.0
Blinken AS	Norway	932 645 017	Gressvik	90.0
Blinken Tools AB	Sweden	556862-7540	Karlstad	90.0
Wexman AB	Sweden	556481-2633	Tidaholm	100.0
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
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 Nr. 28515	Düsseldorf	100.0
Easy Life International B.V.	Netherlands	53693655	Duiven	90.0
Truck-Line GmbH	Germany	Hr B Nr. 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	87.5
EFKA Holding B.V.	Sweden	556503-7446	Kramfors	100.0
EFKA B.V.	Netherlands	67529097	Drachten	100.0
EFKA International B.V.	Netherlands	27100968	Drachten	100.0
EFKA Nederland B.V.	Netherlands	67533132	Drachten	100.0
NA Interlog AB	Netherlands	67533248	Drachten	100.0

NOTE 49 DEFERRED TAX

SEK MILLION	2022	2021
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	50	46
Deferred tax asset attributable to other taxable temporary differences	39	4
Deferred tax liability attributable to other taxable temporary differences	-	-2
Total net deferred tax asset/liability	**89**	**48**

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	3,175
Net profit for the year	444
Total	**3,619**
The Board of Directors proposes the following appropriation of retained earnings:	
a dividend payment to the shareholders of SEK 1.80 per share, totalling	818
carried forward	2,801
Total	**3,619**

NOTE 51 UNTAXED RESERVES

SEK MILLION	2022	2021
Tax allocation reserve 2016	-	9
Tax allocation reserve 2017	30	29
Tax allocation reserve 2018	8	8
Tax allocation reserve 2019	7	7
Tax allocation reserve 2020	10	10
Tax allocation reserve 2021	59	59
Total	**114**	**122**

NOTE 52 BORROWINGS

SEK MILLION	2022	2021
Non-current interest-bearing liabilities		
Bonds	1,835	2,363
Total non-current interest-bearing liabilities	**1,835**	**2,363**
Current interest-bearing liabilities		
Bonds	1,456	1,199
Overdraft facilities	72	184
Liabilities to credit institutions	3,689	2,139
Total current interest-bearing liabilities	**5,217**	**3,522**
Total interest-bearing liabilities	**7,052**	**5,885**

No portion of non-current liabilities matures later than two years from the balance sheet date.
All interest-bearing liabilities are classified as “Financial liabilities at amortised cost”.

NOTE 53 ACCRUED EXPENSES AND DEFERRED INCOME

SEK MILLION	2022	2021
Accrued interest expenses	20	4
Accrued salary-related expenses	30	30
Accrued holiday pay	6	6
Accrued social security contributions	12	10
Other accrued expenses	1	1
Total	**69**	**51**

NOTE 54 CONTINGENT LIABILITIES

SEK MILLION	2022	2021
Guarantee commitments and contingent liabilities attributable to subsidiaries	2,045	241
Total	**2,045**	**241**

TEN-YEAR SUMMARY

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net sales, SEK million	21,552	17,480	13,782	13,845	11,956	10,030	8,987	7,901	6,802	6,030
Total net sales growth	23.3%	26.8%	-0.5%	15.8%	19.2%	11.6%	13.7%	16.2%	12.8%	-2.5%
of which organic growth	11.3%	15.3%	-5.8%	4.2%	6.4%	2.1%	2.5%	5.7%	4.4%	-1.4%
of which acquired growth	8.7%	13.2%	7.0%	8.2%	8.6%	8.6%	11.3%	7.3%	5.1%	0.1%
of which foreign exchange effects and other	5.1%	-1.7%	-1.7%	3.4%	4.2%	0.9%	-0.1%	3.2%	3.3%	-1.2%
EBITA, SEK million	4,662	3,709	2,702	2,523	2,168	1,732	1,377	1,186	966	692
EBITA margin	21.6%	21.2%	19.6%	18.2%	18.1%	17.3%	15.3%	15.0%	14.2%	11.5%
Scheduled depreciation/amortisation, SEK million	-478	-413	-360	-326	-139	-123	-104	-91	-75	-68
Amortisation of intangible assets arising on acquisition, SEK million	-673	-526	-412	-329	-253	-196	-121	-66	-38	-7
Extraordinary items, SEK million	-36	-42	-29	-135	-13	-17	-4	-13	-122	-58
Acquisition of tangible assets, SEK million	279	281	239	269	162	144	114	102	105	95
Acquisition of subsidiaries net of cash and cash equivalents, SEK million	2,295	2,990	1,056	1,781	500	1,378	1,608	573	1,264	-
Capital employed excluding goodwill and other intangible assets, SEK million	3,444	2,294	1,938	2,345	1,312	1,155	989	983	877	874
Capital employed, SEK million	20,668	16,447	13,812	12,925	10,314	8,962	7,395	5,981	5,098	3,910
Return on capital employed excluding goodwill and other intangible assets	135%	162%	139%	108%	165%	150%	139%	121%	110%	84.0%
Return on capital employed	22.6%	22.5%	19.6%	19.5%	21.0%	19.3%	18.6%	19.8%	18.9%	18.8%
Return on equity	23.1%	24.6%	19.9%	20.3%	22.5%	21.5%	21.0%	22.1%	19.2%	17.5%
Interest-bearing net debt, SEK million	5,590	4,603	3,242	4,040	3,170	3,536	3,018	1,950	2,013	1,420
Interest-bearing net debt/equity ratio	0.4x	0.4x	0.4x	0.5x	0.5x	0.6x	0.6x	0.5x	0.6x	0.6x
Interest-bearing net debt/EBITDA	1.1x	1.1x	1.1x	1.4x	1.4x	1.9x	2.0x	1.5x	1.9x	1.9x
Net debt, SEK million	8,576	7,113	4,776	5,552	3,685	3,794	3,076	1,980	2,091	1,498
Net debt/equity ratio	0.6x	0.7x	0.6x	0.7x	0.5x	0.7x	0.6x	0.5x	0.6x	0.6x
Net debt/EBITDA	1.7x	1.7x	1.6x	1.9x	1.6x	2.0x	2.1x	1.6x	2.0x	1.9x
Equity/assets ratio	44.8%	43.2%	47.5%	45.4%	48.8%	45.5%	47.0%	49.2%	46.7%	43.6%
Earnings per share, SEK	6.13	5.26	3.67	3.31	3.06	2.39	2.00	1.78	1.23	0.83
Equity per share, SEK	29.14	23.44	18.96	17.43	14.72	12.10	10.37	8.67	7.61	5.21
Number of employees at year-end	6,512	6,265	5,433	5,443	4,926	4,758	3,627	3,386	3,009	2,865

ACQUISITIONS 2006-2022

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 Norwe-gian 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
	TrollDentals produktportfölj	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 produktportfölj	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
	Prolec	Develops software and hardware solutions for the construction industry	Demolition & Tools	GBP 4m	United Kingdom

[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.

GRI-INDEX

Statement of use	Lifco AB has reported in accordance with reference to the GRI Standards for the period 1 January 2022 to 31 December 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

			Omission		
GRI standard/ other source	Disclosure	Location in the annual report or other location	Requirement(s) omitted	Reason	Explanation
Generella upplysningar					
GRI 2: General Disclosures 2021	2-1 Organizational details	Pages 65 and 110			
	2-2 Entities included in the organization's sustainability reporting	Notes 2.2 and page 48			
	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 composition	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-2023/			
	2-20 Process to determine remuneration	Pages 80-83 and the Board's remuneration report https://lifco.se/investerare/corporate-governance/arsstamma-2023/			
	2-21 Annual total compensation ratio	The Board's remuneration report https://lifco.se/investerare/corporate-governance/arsstamma-2023/	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: Require-ment(s) omitted	Omission: Reason	Omission: 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			
Energy					
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 18 and 20			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Pages 20-22			
	302-2 Energy consumption outside of the organization	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 and 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 143-144			
	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			Information unavailable/ incomplete	As a result of the wide spread in operations and geography, it is not relevant to compile the organization'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: Require-ment(s) omitted	Omission: Reason	Omission: Explanation
Marketing and labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 36			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Pages 36 and 38			
	417-2 Incidents of non-compliance concerning product and service information and labeling	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	Pages 34-35			
	207-2 Tax governance, control, and risk management	Pages 34-35			
	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	Page 19			
GRI 303: Water and Effluents 2018	303-5 Water consumption	Page 19			
Biodiversity					
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 19			
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 19			
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/ ISO 45001 Occupational health and safety management	ISO 50001 Energy management systems
Ahlberg Cameras AB	Sweden		●				
Aquajet Systems AB	Sweden		●				
Aquajet Systems Holding AB	Sweden		●				
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 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		●				
Cramaro Tarpaulin Systems S.r.l.	Italy		●				
DAB Dental AB	Sweden		●		●		
Darda GmbH	Germany		●				
DentalEye AB	Sweden			●			
Directa AB	Sweden			●			
Doherty Engineered Attachments Ltd	New Zealand		●		●	●	
Fiberworks AS	Norway		●		●		
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		●				
Kaniedenta	Germany			●			
Kinshofer CZ s.r.o.	Czech Republic	●					
Kinshofer GmbH	Germany	●	●				●
Kinshofer Holding Inc.	USA	●					

Company	Country	Certification					
		ISO 3834 Fusion Welding	ISO 9001 Quality management	ISO 13485 Medical devices – Quality management	ISO 14001 Environmental management	OHSAS 18001/ ISO 45001 Occupational health and safety management	ISO 50001 Energy management systems
Kentzler-Kaschner Dental GmbH	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			•			
Modul-System Fahrzeugeinrichtungen GmbH	Germany		•				
Modul-System HH AB	Sweden		•		•		
Modul-System Ltd	United Kingdom		•		•	•	
Modul-System Nederland B.V.	Nether lands		•				
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				•		
Parkell Inc.	USA			•			
Plum Deutschland GmbH	Germany			•			
Plum Safety ApS	Denmark			•			
Rapid Granulator AB	Sweden		•		•		
Rhein 83 S.r.l.	Italy		•	•			
Rønvig Dental Manufacturing A/S	Denmark			•			
Si Zhou Dental (Shenzhen) Co. Ltd	China			•			
Swallow Dental Supplies Ltd	United Kingdom		•				
Tamrotor Marine Compressors AS	Norway		•		•	•	
Tastitalia Stl	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 Limited (UK POS)	United Kingdom		•				
Zetterströms Rostfria AB	Sweden	•	•				

ADDRESSES

DENTAL

3D Dental ApS
MD: Claus Holmgaard
Kildeparken 12
8722 Hedensted, Denmark
Website: 3d-dental.dk
E-mail: post@3d-dental.dk
Telephone: +45 76 40 93 00

Anidem Computers AB
MD: Alonso Medina
Hammarbacken 48 6tr
191 49 Sollentuna, Sweden
Website: anidem.se
E-mail: info@anidem.se
Telephone: +46 8 12 45 45 20

Al dente Software A/S
MD: Mikael Munk Jakobsen
Nydamsvej 8
8362 Hørning, Denmark
Website: aldente.dk
E-mail: info@aldente.dk
Telephone: +45 87 68 16 01

Almaso För Tandvården AB
MD: Marcus Johansson
Kyrkostigen 5
247 62 Veberöd, Sweden
Website: almasoft.se
E-mail: info@almasoft.se
Telephone: +46 46 23 81 80

Caring Technology Ltd
MD: Daniel Eastwood
26 Elswick East Terrace
Newcastle upon Tyne NE4 7LI, United Kingdom
Website: sasuk.com
E-mail: enquiries@sasuk.com
Telephone: +44 191 2722 222

Computer konkret AG
MD: Michael Brand
Theoder-Körner-Strasse 6
082 23 Falkenstein, Germany
Website: ivoris.de
E-mail: info@ivoris.de
Telephone: +49 3745 78240

CONSYS Gesellschaft für Softwaretechnologie und Systementwicklung mbH
MD: Michael Brand
Landsbergerstrasse 400
812 41 München, Germany
Website: consys.de
E-mail: info@consys.de
Telephone: +49 89 5897 890

DAB Dental AB
MD: Céline Flach
Box 423, Finvids väg 8
194 04 Upplands Väsby, Sweden
Website: dabdental.se
E-mail: kontakt@dabdental.se
Telephone: +46 8 506 505 00

DAB Eesti OÜ
MD: Agne Bagdziunaite
Tulika 19/1
106 13 Tallinn, Estonia
Website: dabdental.ee
E-mail: info@dabdental.ee
Telephone: +372 6 39 13 20

DAB Dental Latvia SIA
MD: Beate Gaile
Dzelzavas iela 117
1021 Riga, Latvia
Website: dabdental.lv
E-mail: info@dabdental.lv
Telephone: +371 26 107 636

DAB Dental UAB
MD: Agne Bagdziunaite
Laisves pr 78B
052 63 Vilnius, Lithuania
Website: dabdental.lt
E-mail: dental@dabdental.lt
Telephone: +370 52070 888

Dansk Nordenta A/S
MD: Claus Holmgaard
Nydamsvej 8
8362 Hørning, Denmark
Website: nordenta.dk
E-mail: nordenta@nordenta.dk
Telephone: +45 87 68 16 11

Dent Unit s.r.o
MD: Pavel Hartman, Roman Stárek
Obvodní 23/39
50332 Hradec Králové, Czech Republic
Website: dentunit.cz
E-mail: info@dentunit.cz
Telephone: +420 495 454 394

Dental Grupa d.o.o
MD: Zeljko Gucunski, Zeljko Basic
43. Istarske divizije 20
524 70 Umag, Croatia
Website: dentalgrupa.hr
E-mail: info@dentalgrupa.hr
Telephone: +385 91 125 5746

DentalEye AB
MD: Marcus Johansson
Lövvägen 9
163 45 Spånga, Sweden
Website: dentaleye.com
E-mail: info@dentaleye.com
Telephone: +46 8 621 07 00

DentalTiger GmbH
MD: Franziska Knobloch
Reichardsweide 40
636 54 Büdingen, Germany
Website: dentaltiger.de
E-mail: info@dentaltiger.de
Telephone: +49 6042 978 0550

Dentamed (ČR) spol. s.r.o.
MD: Ludek Rudovský
Pod Lipami 2620/41
130 00 Prag, Czech Republic
Website: dentamed.cz
E-mail: info@dentamed.cz
Telephone: +420 266 007 111

Denterbridge SAS
MD: Charles Mamisch
6 Rue Villaret de Joyeuse
750 17 Paris, France
Website: denterbridge.fr
E-mail: comptabilite@denterbridge.fr
Telephone: +33 1 40 55 95 55

Dental-Direct AS
MD: Richard Thomassen
Tverrmyra 16
3185 Skoppum, Norway
Website: dental-direct.no
E-mail: post@dental-direct.no
Telephone: +47 33 07 15 00

Directa AB
MD: Henric Karsk
Box 723, Finvids väg 8
194 27 Upplands Väsby, Sweden
Website: directadental.com
E-mail: info@directadental.com
Telephone: +46 8 506 505 75

Directa, Inc.
MD: Francisco Cortes
64 Barnabas Road, Unit 3
Newtown, CT 064 70, USA
Website: directadental.com
E-mail: infousa@directadental.com
Telephone: +1 203 491 2273

EDP European Dental Partner Holding GmbH
MD: Charles Mamish, Per Waldemarson, Reinhold Kuhn
Roggenhorster Strasse 7
235 56 Lübeck, Germany
Website: edp-holding.com
E-mail: info@edp-holding.eu
Telephone: +49 6042 880 088

Ellman Produkter AB
MD: Jonas Redin
c/o DAB Dental AB, Box 423
194 04 Upplands Väsby, Sweden
Website: dabdental.se
E-mail: kontakt@dabdental.se
Telephone: +46 8 646 11 02

Hammasväline OY
MD: Björn Karlsson
PL 15, 021 01 Espoo, Finland
Website: hammasvaline.fi
E-mail: info@hammasvaline.fi
Telephone: +358 10 588 6000

InteraDent Zahntechnik GmbH
MD: Thomas Albrecht
Roggenhorster Strasse 7
235 56 Lübeck, Germany
Website: interadent.com
E-mail: info@interadent.de
Telephone: +49 451 879 850

InteraDent Zahntechnik Philippines, Inc.
MD: Dieter Schneider
Lot 3275 Interadent Bldg, Pascor Drive
RP-1704 Parañaque City Manila, Philippines
Telephone: +63 2 852 4029

J.H. Orsing AB
MD: Henric Karsk
Box 16077
250 16 Råå, Sweden
Website:orsing.se
E-mail: orsing@orsing.se
Telephone:+46 42 29 55 00

Jacobsen Dental AS
MD: Thomas Løbben
Boks 97, Alnabru
0614 Oslo, Norway
Website: Jacobsen-dental.no
E-mail: post@jacobsen-dental.no
Telephone: +47 22 79 20 20

Kaniedenta Dentalmedizinische Erzeugnisse GmbH & Co KG
MD: Ronald Niehaus
Zum Haberland 36
320 51 Herford, Germany
Website: kaniedenta.de
E-mail: info@kaniedenta.de
Telephone: +49 5221 345 50

Kentzler-Kaschner Dental GmbH
MD: Silvia Hermann/Josef Schwarz
Mühlgraben 36
734 76 Ellwangen, Germany
Website: kkd-topdent.de
E-mail: info@kk-topdent.de
Telephone: +49 7961 9073 0

LIC Scadenta AS
MD: Arild Haugeland
Postboks 443, Hamangskogen 60
1338 Sandvika, Norway
Website: licscadenta.no
E-mail: firmapost@licscadenta.no
Telephone: +47 67 80 58 80

Lifco Dental AB
MD: Jonas Redin
c/o Lifco AB
745 85 Enköping, Sweden
Website: lifcodental.se
E-mail: e-post@lifcodental.se
Telephone: +46 171 478450

Lifco Dental International AB
MD: Jonas Redin
c/o Lifco AB
Verkmästaregatan 1
745 85 Enköping, Sweden
Website: lifco.se
E-mail: finance@lifco.se
Telephone: +46 72 717 59 05

MDH AG Mamisch Dental Health
MD: Charles Mamisch
Schenkendorfstrasse 29
454 72 Mülheim an der Ruhr, Germany
Website: mdh-ag.de
E-mail: info@mdh-ag.de
Telephone: +49 208 469 599 0

M+W Dental Müller und Weygandt GmbH
MD: Franziska Knobloch
Reichardsweide 40
636 54 Büdingen, Germany
Website: mwdental.de
E-mail: kontakt@mwdental.de
Telephone: +49 6042 880 088

M+W Dental Handels GmbH
MD: Wolfgang Schuster
Albert-Schweitzer-Gasse 6A
1140 Wien, Austria
Website: mwdental.at
E-mail: kontakt@mwdental.at
Telephone: +43 800 500 809

M+W Dental Magyarország Kft.
MD: János Szabó
Csillaghegyi út 19-21
1037 Budapest, Hungary
Website: mwdental.hu
E-mail: dental@mwdental.hu
Telephone: +36 1 436 9790

M+W Dental Swiss AG
MD: Franziska Knobloch
Länggstrasse 15, 8308 Illnau, Switzerland
Website: mwdental.ch
E-mail: kontakt@mwdental.ch
Telephone: +41 800 002 300

MedTec Medizintechnik GmbH
MD: Sarah Hartman
Sportparkstrasse 9
35578 Wetzlar, Germany
Website: mbst.de
E-mail: info@mbst.de
Telephone +49 644 1679 180

Muntermann Holding GmbH
MD: Axel Muntermann
Sportparkstrasse 9
35578 Wetzlar, Germany
E-mail: info@muntermann-holding.de

Nordenta AB
MD: Torbjörn Hansson
Verkmästaregatan 1
745 85 Enköping, Sweden
Website: nordenta.se
E-mail: info@nordenta.se
Telephone: +46 171 230 00

Oslo Dental AS
MD: Kristian F Melby
Tromøyveien 24
4841 Arendal, Norway
Website: oslodental.com
E-mail: post@oslodental.com
Telephone: +47 94 47 09 02

Parkell Europe AB
MD: Patrizia Mattiucci
Box 723, Finvids väg 8
194 27 Upplands Väsby, Sweden
Website: parkell.com
E-mail: infoeurope@parkell.com
Telephone: +46 8 506 505 75

Parkell, Inc.
MD: David M Mott
300 Executive Drive
Edgewood, NY 117 17, USA
Website: parkell.com
E-mail: info@parkell.com
Telephone: +1 631 249 1134

Perfect Ceramic Dental Company Ltd
MD: Charles Mamisch
RM 1809, Office Tower Two, Grand Plaza 625,
Nathan Road Kowloon 852 Hong Kong
E-mail: koose@mdh-ag-de
Telephone: +852 2783 7768

Plum Deutschland GmbH
MD: Bo Winther Barkholt
Norden am Dorf 4a
274 76 Cuxhaven, Germany
Website: plum-deutschland.de
E-mail: info@plum-deutschland.de
Telephone: +49 4721 681 801

Plum Safety ApS
MD: Bo Winther Barkholt
Mandelalleen 1
5610 Assens, Denmark
Website: plum.eu
E-mail: info@plum.eu
Telephone: +45 69 16 96 00

Praezimed Service GmbH
MD: Jose Domingo Cartez-Blanco
Volksdorfer Grenzweg 143
223 59 Hamburg, Germany
Website: praezimed.de
E-mail: info@praezimed.de
Telephone: +49 40 645 088 0

Preventum Partner AB
MD: Henrik Bergehäger
Kungsgatan 35B
736 32 Kungsör, Sweden
Website: Preventum.nu
E-mail: info@preventum.nu
Telephone: +46 227 120 60

Prodent International d.o.o.
MD: Vojislav Andejlic
Zvezna ulica 2A
1000 Ljubljana, Slovenia
Website: prodent.si
E-mail: info@prodent.si
Telephone: +368 1 5204 800

Rhein'83 S.r.l.
MD: Gianni Storni
Via Zago 10/ABC
401 28 Bologna, Italy
Website: rhein83.com
E-mail: info@pec.rhein83.it
Telephone: +39 051 244510

Rønvig Dental Manufacturing A/S
MD: Annette Ravn Nielsen
Gl. Vejlevej 59
8721 Daugård, Denmark
Website: ronvig.com
E-mail: export@ronvig.com
Telephone: +45 70 23 34 11

SchwanDental Deutschland GmbH
MD: Tomas Albrecht
Roggenhorster Strasse 7
235 56 Lübeck, Germany
Website: schwandental.de
E-mail: info@schwandental.de
Telephone: +49 451 879 850

Si Zhou Dental (Shenzhen) Co. Ltd
MD: Gow Cheng Pak
8/F, Block 12, CuiGang Industrial District 6
HuaiDe Zone, Fuyong, Baoan, Shenzhen
518103 Guangdong, China
E-mail: samuel.gow@perfectdental-mdh.com
Telephone: +86 755 27864816

Smilodentax GmbH
MD: Mesut Koymatcik
Wiltzlebenstrasse 15
454 72 Mülheim an der Ruhr, Germany
Website: smilodentax.de
E.mail: info@smilodentax.de
Telephone: +49 208 740 500

Specialist Alarm Services Ltd
MD: Daniel Eastwood
26 Elswick East Terrace
Newcastle Upon Tyne, NE4 7LI, United Kingdom
Website: sasuk.com
E-mail: enquiries@sasuk.com
Telephone: +44 191 2722 222

Swallow Dental Supplies Limited
MD: James Weller
Unit 5 Marrtree Busniness Park, Ryefield
BD20OEF Silsden, United Kingdom
Website: swallowdental.co.uk
E-mail: sales@swallowdental.co.uk
Telephone: +44 1535 656312

Technomedics Norge AS
MD: Arild Haugeland
Gramveien 68, 1832 Askim, Norway
Website: technomedics.no
E-mail: mail@technomedics.no
Telephone: +47 69 88 79 20

Topdental (Products) Ltd
MD: Daniel Rollén
Unit 12 Ryefield Way, Silsden
Keighley BD20 OEF, United Kingdom
Website: topdentaldirect.com
E-mail: sales@topdental.co.uk
Telephone: +44 1535 652 750

Westroad Properties, Inc.
MD: Luis Marco I. Avancena
Lot 3275 Interadent Bldg, Pascor Drive
1704 Parañaque City Manila, Philippines
Telephone: +63 2 852 4029

DEMOLITION & TOOLS

2 C Factory S.r.l
MD: Cangini Davide
Via Terni
47522 San Carlo di Cesena, Italy
Website: 2cfactory.com
E-mail: amministrazione@2cfactory.com
Telephone: +39 0547 662202

Ahlberg Cameras AB
MD: Johan Bäckström
Gösvägen 22
761 41 Norrtälje, Sweden
Website: ahlbergcameras.com
E-mail: contact@ahlbergcameras.com
Telephone: +46 176 20 55 00

Ahlberg Cameras, Inc.
MD: Johan Bäckström
3811 Peachtree Ave. Ste 200
Wilmington NC 280 403, USA
Website: ahlbergcameras.com
E-mail: frontdesk@ahlbergcamera.com
Telephone: +1 (0) 910 399 4240

Aquajet Systems Holding AB
MD: Roger Simonsson
Brunnsvägen 15
574 53 Holsbybrunn, Sweden
Website: aquajet.se
E-mail: aquajet@aquajet.se
Telephone: +46 383 508 01

Aquajet Systems AB
MD: Roger Simonsson
Brunnsvägen 15
574 53 Holsbybrunn, Sweden
Website: aquajet.se
E-mail: aquajet@aquajet.se
Telephone: +46 383 508 01

Auger Torque (Europe) Ltd
MD: Alistair Brydon
Shipton Downs Farm
GL54 4DX, Gloucestershire
United Kingdom
Website: augertorque.com
E-mail: sales@augertorque.com
Telephone: +44 1451 861652

Auger Torque Australia Pty Ltd
MD: Kelvin Hamilton
481 Boundary Road, Darra
Brisbane, Queensland 4076, Australia
Website: augertorque.com
E-mail: sales@augertorque.au
Telephone: +61 73274 2077

Auger Torque China Co Ltd
MD: Alistair Brydon
Baozchan Road, Tongy i Industrizone, Dongwu,
Yinzhou, Ningbo 315114, China
Website: augertorque.com
E-mail: Michael.huang@augertorquechina.com
Telephone: +86 574 884 88181

BeGrips AB
MD: Hans Valdermarson
Farmgatan
282 72 Sösdala, Sweden
E-mail: info@rf-system.se
Telephone: +46 44 817 07

Biemmeo S.r.l
MD: Riccardo Bonato
Via Ponticelli 50
36020 Agugliaro, Italy
E-mail: biemmeo@alice.it
Telephone: +39 444 760828

BINC Delaware, Inc.
MD: Lars Lindgren
17321 TYE ST SE
WA 97272, USA
Website: brokk.com/us
E-mail: info@brokkinc.com
Telephone: +1 360 794 1277

Brokk AB
MD: Martin Krupicka
Box 730, Risbergsgatan 67
931 27 Skellefteå, Sweden
Website: brokk.com
E-mail: info@brokk.com
Telephone: +46 910 711 800

Brokk Asia-Pacific Pte Ltd
MD: Richard Yip
51 Bukit Batok Crescent, Unity Center 04-26,
658077 Singapore, Singapore
Website: brokk.com
E-mail: info@brokk.com.sg
Telephone: +65 6316 2500

Brokk Australia Pty Ltd
MD: Wilhelm Visser
9 Colorado Court
Morphett Vale SA 5162, Australia
Website: brokk.com/au
E-mail: info@brokk.com.au
Telephone: +61 8 8387 7742

Brokk (Beijing) Machines Co. Ltd
MD: William Liu
A1208, Chengijan Plaza,
Beitaipingzhuang road no 18.
100088 Haidian District, Beijing, China
Website: brokk.com/cn
E-mail: info-2008@brokk.com.cn
Telephone:+86 1350 1372 039

Brokk BeNeLux S.a.r.l.
MD: Joachim Van de Perre
Hofstraat 9-15
3980 Ressenderlo, Belgium
Website: brokk.com
E-mail: benelux@brokk.com
Telephone: +32 472 67 15 50

Brokk Bricking Solutions, Inc.
MD: Heather Harding
1144 Village Way
Monroe WA 982 72, USA
Website: brickingsolutions.com
E-mail: info@brokkinc.com
Telephone: +1 360 794 1277

Brokk DA GmbH
MD: Andreas Ruf
Friedenweilerstrasse 37 C
798 77 Friedenweiler, Germany
Website: brokk.de
E-mail: info@brokk.de
Telephone: +49 7654 21297-0

Brokk France SAS
MD: Michel Sanz
ZI Inova 3000, BR 20033
881 50 Thaon les Vosges, France
Website: brokk.fr
E-mail: info@brokk.fr
Telephone: +33 3 29 390 390

Brokk Italia S.r.l.
MD: Roberto Giti Ruberto
Via Antonio Magni 54
22100 Como, Italy
Website: brokk.com/it
E-mail: info@brokk.it
Telephone: +39 0312 64087

Brokk Middle East FZE
MD: Haitham Gouda
PO Box 5005132/Office No.1103 Jafza One Tower A, Jebel Ali Free Zone, 260 76 Dubai, United Arab Emirates
Website: brokk.com
E-mail: haitham.gouda@brokk.com
Telephone: +971 4 8170278

Brokk Norge AS
MD: Dag-Helge Andresen
Industriveien 24
1424 Ski, Norway
Website: brokk.com/no
E-mail: info@brokk.no
Telephone: +47 9483 9507

Brokk Sales Canada, Inc.
MD: Lars Lindgren
1732 21 TYE ST SE, Suite B
97 272 Vancover BC, Canada
Website: brokkinc.com
E-mail: info@brokkinc.com
Telephone: +1 360 794 1277

Brokk Switzerland GmbH
MD: Dieter Kaupp
Vorderschlundstrasse 5
6010 Kriens, Switzerland
Website: brokk.com/ch
E-mail: dieter.kaupp@brokk.ch
Telephone: +41 41 755 39 77

Brokk UK Ltd
MD: Nathan Sayers
Unit 2A, Moss End Business Village
Crooklands, Milnthorpe
Cumbria, LA7 7NU, United Kingdom
Website: brokk.com/uk
E-mail: admin@brokk.co.uk
Telephone: +44 15395 66055

Cangini Benne S.r.l.
MD: Cangini Davide
Via Savio 29/31
47027 Sarsina, Italy
Website: canginibenne.com
E-mail: cangini@canginibenne.com
Telephone: +39 0547 698 020

Cormidi S.r.l
MD: Armando Cormidi
via Fonte 342
84069 Roccadaspide, Italy
Website: cormidi.com
E-mail: info@cormidi.com
Telephone: +39 0547 698020

Cormidi USA, Inc.
MD: Robert G. Testa
25 Broad St.
Norwalk, CT 06851, USA
Website: cormidiusa.com
E-mail: rgt@cormidiusa.com
Telephone: +1 2038466120

Darda GmbH
MD: Burkhard Darda
Im Tal 1
78176 Blumberg, Germany
Website: darda.de
E-mail: info@darda.de
Telephone: +49 7702 4391 0

Darda (Beijing) Construction Machinery Co. Ltd
MD: Samuel Zhang
Room 306, Landmark Tower 2
8 North Dongsanhuan Road,
100004 Beijing, China
Website: darda.com.cn
E-mail: info@darda.com.cn
Telephone: +86 10 6590 6422

Demolition and Recycling Equipment B.V.
MD: Ruud de Gier, Marcel Vening
De Hoek 32
5431 NS Cuijk, Netherlands
Website: demarec.com
E-mail: info@demarec.com
Telephone: +31 485 442 300

Doherty Engineered Attachments Ltd
MD: Jeremy Doherty
98 Paerangi Place, Tauriko
3142 Tauranga, New Zealand
Website: dohertydirect.net
E-mail: sales@dohertydirect.net
Telephone: +64 7 574 3000

Doherty Couplers Pty Ltd
MD: Jeremy Doherty
PO Box 701, Annerley
4103 Darra, Queensland, Australia
Website: dohertydirect.net
E-mail: sales@dohertydirect.net
Telephone: +61 1800 057 021

Hammer S.r.l
MD: Valerio Modugno
Via Oleifici dell'Italia Meridionalte Lotto G1
700 56 Molfetta, BA, Italy
Website: hammereurope.com/it
E-mail: hammer@hammersrl.com
Telephone: +39 080 337 5317

Hultdin System AB
MD: Tobias Åman
Skolgatan 12
939 31 Malå, Sweden
Website: hultdins.se
E-mail: sales@hultdins.se
Telephone: +46 953 418 00

Indexator Rotator Systems AB
MD: Samuel Gottnersson
Box 11
922 21 Vindeln, Sweden
Website: indexator.com
E-mail: rotator@indexator.com
Telephone: +46 933 148 00

Kinshofer CZ s.r.o.
MD: Thomas Friedrich
Cs.Legií 568
378 10 České Velenice, Czech Republic
Website: kinshofer.com
E-mail: info@kinshofer.com
Telephone: +42 384 795 110

Kinshofer France S.a.r.l.
MD: Thomas Friedrich
8 B Rue Gabriel Voisin, CS 40003
516 88 Reims, France
Website: kinshofer.com
E-mail: info@kinshofer.com
Telephone: +33 388 3955 00

Kinshofer GmbH
MD: Thomas Friedrich
Raiffeisenstrasse 12
836 07 Holzkirchen, Germany
Website: kinshofer.com
E-mail: info@kinshofer.com
Telephone: +49 8021 8899 0

Kinshofer Holding, Inc.
MD: François Martin
6420 Inducon Drive Suite G
Sanborn, NY 14132, USA
Website: kinshofer.com
E-mail: f.martin@kinshofer.com
Telephone: +1 716 731 4359

Kinshofer Liftall Inc.
MD: François Martin
5040 Mainway Drive, Unit #11
Burlington, ON L7L 7G5, Canada
Website: kinshofer.com
E-mail: sales-northamerica@kinshofer.com
Telephone: +1 905 335 2856

Kinshofer UK Ltd
MD: Alistair Brydon
Shipton Downs Farm, Hazleton
LG54 4DX Cheltenham, United Kingdom
Website: kinshofer.com
E-mail: accounts_uk@kinshofer.com.uk
Telephone: +44 145 16 1652

Kinshofer USA, Inc.
MD: François Martin
6420 Inducon Drive Suite G
Sanborn, NY 14132, USA
Website: kinshofer.com
E-mail: sales-usa@kinshofer.com
Telephone: +1 716 731 4357

Mars Greiftechnik GmbH
MD: Thomas Friedrich
Grenzlandstrasse 5
3950 Gmünd, Austria
Website: kinshofer.com
E-mail: info@kinshofer.com
Telephone: +43 2852 5443 80

MultiOne S.r.l.
MD: Zanini Stefano
via Palù, 6/8
36040 Grumolo delle Abbadesse, Vicenza, Italy
Website: multione.com
E-mail: info@multione-csf.com
Telephone: +39 0444 264 600

MulitOne Deutschland GmbH
MD: Tomas Sterkel
Dieselsarbe 15b
648 07 Holzkirchen, Germany
Website: de.multione.com
E-mail: info@mulitone-deutschland.gmbh
Telephone: +49 6071 4964970

Multione America LCC
MD: Carraro Fiorenza
4035 S. Freemont
Springfield MO 65 804, USA
Telephone: +1 417 883 5348 102

Multione Italia S.r.l.
Zanini Stefano
via Palù, 6/8
36040 Grumolo delle Abbadesse, Vicenza, Italy
Website: multione.com
E-mail: info@multione-csf.com
Telephone: +39 0444 264 600

PP Greiftechnik GmbH
MD: Thomas Friedrich
Raiffeisenstrasse 12
836 07 Holzkirchen, Germany
Website: kinshofer.com
E-mail: info@kinshofer.com
Telephone: +49 8021 8899 0

RF System AB
MD: Hans Valdemarson
Furutorpsgatan 6
288 34 Vinslöv, Sweden
Website: rf-system.se
E-mail: info@rf-system.se
Telephone: +46 44 817 07

Solesbee's Equipment & Attachments, LCC
MD: David Jenkins
2640 Jason Industrial Parkway
Winston GA 301 87, USA
Website: solesbees.com
E-mail: djenkins@solesbees.com
Telephone: +1 770 949 9231

Trevi Benne S.p.A
MD: Luca Vaccaro
Via Bergoncino 18
36025 Noventa Vicentina, Italy
Website: trevibenne.it
E-mail: info@trevibenne.it
Telephone: +39 444 760773

SYSTEMS SOLUTIONS

Sorb Industri AB
MD: Martin Linder
c/o Lifco AB
745 85 Enköping, Sweden
Website: sorb.se
Telephone: +46 72 717 59 05

CONSTRUCTION MATERIALS

BCC Solution OY
MD: Mika Joutsila
Härkälenkki 3
1730 Vantaa, Finland
Website: bccsolutions.fi
E-mail: sales@bccsolutions.fi
Telephone: +358 9222 5001

Blinken Tools AB
MD: Christer Åslund
Sågverksgatan 32
652 21 Karlstad, Sweden
Website: blinken.eu
E-mail: info@blinken.eu
Telephone: +46 54 21 60 60

Blinken AS
MD: Joar Johannessen
Postboks 122
1620 Gressvik, Norway
Website: blinken.no
E-mail: blinken@blinken.no
Telephone: +47 90 70 11 00

Bode Components GmbH
MD: Uwe Wiemer
Eichsfelder Strasse 29
40595 Düsseldorf, Germany
Website: bode-components.com
E-mail: info@bode-components.com
Telephone: +49 2117 792 750

Cenec Tavlebygg AS
MD: Arne Dahlum
Sjöfartsgata 12
7714 Steinkjer
Website: cenec.no
Telephone: +47 45 86 10 44

Cenika AB
MD: Thomas Jensen
Verkstadsvägen 24
245 34 Staffanstorp, Sweden
Website: cenika.se
E-mail: post@cenika.se
Telephone: +46 40 631 55 00

Cenika AS
MD: Svein Tore Moe
Joseph Kellers vei 27
3409 Tranby, Norway
Website: cenika.no
E-mail: post@cenika.no
Telephone: +47 32 24 03 00

Cenika Varme AS
MD: Kenneth Skretteberg
Joseph Kellers vei 27
3409 Tranby, Norway

Elit Scandinavian AB
MD: Daniel Sørensen
Box 132
517 23 Bollebygd, Sweden
Website: elitsg.se
E-mail: info@elitsg.se
Telephone: +46 19 500 3010

Elit Scandinavia ApS
MD: Daniel Sørensen
Gl Skivevej 73 B
8800 Viborg, Denmark
Website: elit.dk
E-mail: info@elit.dk
Telephone: +45 48 44 60 60

Elit AS
MD: Daniel Sørensen
Hellenvegen 9
2022 Gjerdrum, Norway
Website: elit.no
E-mail: firmapost@elit.no
Telephone: +47 63 93 88 80

Elvärmeprodukter i Skellefteå AB
MD: Johan Bellgran
Nålvägen 5
93157 Skellefteå, Sweden
Website: evpab.com
E-mail: info@evp.se
Telephone: +46 910 702 188

ERC Systems AB
MD: Niklas Persson
Skalles Väg 14
605 97 Norrköping, Sweden
Website: ercsystems.se
E-mail: info@ercsystems.se
Telephone: +46 11 13 00 60

Fiberworks AS
MD: Roger Wahlgren
Eikenga 11
0579 Oslo, Norway
Website: fiberworks.no
E-mail: roger@fiberworks.no
Telephone: +47 40 00 40 50

Hantekno OY
MD: Mika Joutsila
Härkälenkki 3
1730 Vantaa, Finland
Website: hantekno.fi
E-mail: info@hantekno.fi
Telephone: +358 4074 55730

Harrico PTE OY
MD: Mika Joutsila
Härkälenkki 3
1730 Vantaa, Finland
Website: harrico.fi
E-mail: info@harrico.fi
Telephone: +358 9530 6650

Heinz Schüller GmbH
MD: Harald Gruber
St. Georgen Strasse 26
954 63 Bindlach, Germany
Website: heinz-schuller.de
E-mail: info@heinz-schuller.de
Telephone: +49 9208 6000

Hydal AS
MD: Hagbard Sandhåland
Hydrovegen 160
4265 Håvik, Norway
Website: hydal.com
E-mail: post@hydal.com
Telephone: +47 52 84 81 00

Nordesign AS
MD: Hege B. Gjerde Mittet
Granåsveien 7
7069 Trondheim, Norway
Website: nordesign.no
E-mail: nordesign@nordesign.no
Telephone: +47 73 84 95 50

P-line Netherlands B.V.
MD: Frans van Veen
Hoge Rijndijk 259
2382 AM Zoeterwoude, Netherlands
Website: proline-group.nl
E-mail: info@proline-group.nl
Telephone: +31 85 273 76 50

Proline Danmark ApS
MD: Heine Buhl
Lunikvej 24
2670 Greve, Denmark
Website: proline-group.com
E-mail: info@proline-group.dk
Telephone: +45 6361 8545

Proline Norge AS
MD: Anders Arnell
Frysjaveien 35
0884 Oslo, Norway
Website: proline-group.com
E-mail: post@prolineas.com
Telephone: +47 22 95 02 50

Prolinesystems Relining OY
MD: Risto Heiniemi
Koivulehdontie 4
01510 Vantaa, Finland
Website: proline-group.com/fi
E-mail: risto.heiniemi@proline-group.fi
Telephone: +358 102 390 060

Proline Syd AB
MD: Einar Jönsson
Stenyxegatan 14
213 76 Malmö, Sweden
Website: proline-group.com
E-mail: info@proline-group.com
Telephone: +46 40 671 79 90

Proline Väst AB
MD: Johan Kling
Datavägen 18
436 32 Askim, Sweden
Website: proline-group.com
E-mail: info@proline-group.com
Telephone: +46 31 68 62 40

Proline Öst AB
MD: Anna Fernandez
Box 114, Hovslagarevägen 31
191 22 Sollentuna, Sweden
Website: proline-group.com
E-mail: info@proline-group.com
Telephone: +46 8 594 774 50

Proline Nord AB
MD: Per-Olof Nilsson
Utjordsvägen 9M
802 91 Gävle, Sweden
Website: proline-group.com
E-mail: info@proline-group.com
Telephone: +46 26 54 22 00

Proline Group AB
MD: Niklas Persson
Box 114, Turebergs Allé 2
192 62 Sollentuna, Sweden
Website: proline-group.com
E-mail: info@proline-group.com
Telephone: +46 8 594 774 50

Pro 10 Optix AB
MD: Linus Nordgren
Vikdalsvägen 50
131 51 Nacka Strand, Sweden
Website: prooptix.se
E-mail: info@prooptix.se
Telephone: +46 8 120 477 50

SERVICE AND DISTRIBUTION

Brian James Trailers Holding Limited
MD: Lewis James
Sopwith Way, Drayton Field Industrial
Estate, Daventry
NN11 8PB Northamptonshire, United Kingdom
Website: brianjamestrailers.co.uk
E-mail: enquiries@brianjamestrailers.co.uk
Telephone: +44 1327 308833

Brian James Trailers Limited
MD: Lewis James
Sopwith Way, Drayton Field Industrial
Estate, Daventry
NN11 8PB Northamptonshire, United Kingdom
Website: brianjamestrailers.co.uk
E-mail: lewisjames@brianjamestrailers.co.uk
Telephone: +44 1327 308833

Brian James Trailers GmbH
MD: Lewis James
Göhrener Strasse 6
044 63 Störmthal, Germany
Website: brianjamestrailers.de
E-mail: t.ahrens@brianjamestrailers.de
Telephone: +49 34297 14548-3

Condale Holding Ltd
MD: Michael Stewart
Unit 5 Independent Business Park,
Imberhorne Lane
East Grinstead, West Sussex, RH19 1TU,
United Kingdom

Condale Plastics Ltd
MD: Michael Stewart
Unit 5 Independent Business Park,
Imberhorne Lane
East Grinstead, West Sussex, RH19 1TU,
United Kingdom
Website: condaleplastics.com
E-mail: admin@condaleplastics.com
Telephone: +44 1342 312 714

Cramaro España S.L.
MD: Jose Angel Moncho Charfole
Ribarroja Del Turia
46394 Valencia, Spain
Website: cramaro.es
E-mail: info@cramaro.es
Telephone: +34 (96) 192 06 99

Cramaro Deutschland GmbH
MD: Jens Schrijver
Weyerhosfstr. 68
47803 Krefled, Germany
Website: cramaro.de
E-mail: Infodeutschland@cramaro.com
Telephone: +49 21513 874 930

Cramaro France S.a.r.l.
MD: Marco Dian
Route de la Ferte Alais 191
911 50 Morigny Campigny, France
Website: cramaro.com
E-mail: infofrance@cramaro.com
Telephone: +33 1 697 81848

Cramaro Holding SpA
MD: Matteo Gianazza
Via Quari Destra 71/G
370 44 Cologna Veneta, Italy
Website: cramaro.com
E-mail: office@cramaro.com
Telephone: +39 0442 411688

Cramaro Tarpaulin System S.r.l
MD: Matteo Gianazza
Via Quari Destra 71/G
370 44 Cologna Veneta, Italy
Website: cramaro.com
E-mail: office@cramaro.com
Telephone: +39 0442 411688

DVG De Vecchi S.r.l.
MD: Mario Conti / Giovanna de Vecchi
Via don Luigi Sturzo 7
20872 Cornate D'Adda Fraz. Colnago (MB), Italy
Website: dvg.coffee
E-mail: info@dvgdevecchi.com
Telephone: +39 0396 95142

EFKA Holding B.V.
MD: Ids Boersma
De Meerpaal 10
9206 AJ Drachten. Netherlands
Website: efka.nl
E-mail: info@efka.nl
Telephone: +31 512 472721

EFKA B.V.
MD: Ids Boersma
De Meerpaal 10
9206 AJ Drachten. Netherlands
Website: efka.nl
E-mail: info@efka.nl
Telephone: +31 512 472721

EFKA International B.V.
MD: Ids Boersma
De Meerpaal 10
9206 AJ Drachten. Netherlands
Website: efka.nl
E-mail: info@efka.nl
Telephone: +31 512 472721

EFKA Nederland B.V.
MD: Ids Boersma
De Meerpaal 10
9206 AJ Drachten. Netherlands
Website: efka.nl
E-mail: info@efka.nl
Telephone: +31 512 472721

Modul-System AS
MD: Henrik Persson
Kragerudveien 80, Hellerudsletta
2013 Skjetten, Norway
Website: modul-system.no
E-mail: info@modul-system.no
Telephone: +47 67 07 72 73

Modul-System Fahrzeugeinrichtungen GmbH
MD: David Mickelson
Bruder-Kremer-Strasse 6
655 49 Limburg a.d. Lahn, Germany
Website: modul-system.de
E-mail: info@modul-system.de
Telephone: +49 800 518 19 20

Modul-System Finland OY
MD: Jirka Sottinen
Koskelonkuja 1B 52
02920 Espoo, Finland
Website: modul-system.fi
E-mail: myynti@modul-system.fi
Telephone: +358 20 771 0881

Modul-System HH Van Equipment AB
MD: David Mickelson
Box 148
431 22 Mölndal, Sweden

Modul-System HH AB
MD: David Mickelson
Box 148, Kryptongatan 24
431 22 Mölndal, Sweden
Website: modul-system.com
E-mail: info@modul-system.com
Telephone: +46 31 746 87 00

Modul-System HH A/S
MD: Lennart Nielsen
Midtager 28
2650 Brøndby, Denmark
Website: modul-system.dk
E-mail: info@modul-system.dk
Telephone: +45 70 25 21 60

Håells AB
MD: David Mickelson
Box 148
431 22 Mölndal, Sweden
Telephone: +46 31 7468700

Modul-System Nederland B.V.
MD: Kathleen Smets
Govert van Wijnkade 42
3144 EG Maassluis, Netherlands
Website: modul-system.nl
E-mail: nl@modul-system.com
Telephone: +31 10 592 80 38

Modul-System N.V./S.A.
MD: Kathleen Smets
Wayenborgstraat 15
2800 Mechelen, Belgium
Website: modul-system.be
E-mail: info@modul-system.be
Telephone: +32 15 28 52 00

Modul-System Polska Sp. z.o.o.
MD: Marcin Klimczewski
ul. Drukarska 1, Raszyn - Jaworowa,
05-090 Warszawa, Poland
Website: modul-system.pl
E-mail: info@modul-system.pl
Telephone: +48 22 878 14 91

Modul-System S.A.
MD: Philippe Tavel
40 Avenue Graham Bell
ZAC Léonard de Vinci
776 00 Bussy-Saint-Georges, France
Website: modul-system.fr
E-mail: info@modul-system.fr
Telephone: +33 1 60 17 64 75

Modul-System Ltd
MD: Andy Gear
Maddison House, Thomas Road
HP10 OPE Buckinghamshire, United Kingdom
Website: modul-system.uk
E-mail: sales@modul-system.co.uk
Telephone: +44 1628 528 034

Next Hydraulics S.r.l.
MD: Masetti Oreste
Via Mediterreneo 6
42022 Boretto, Reggio Emilia, Italy
Website: nexthydraulics.com
E-mail: info@maxiliftcrane.com
Telephone: +39 0522 369008

T. Freemantle Ltd
MD: Richard David Kitchen
50-54 Oswald Road
DN15 7PQ Scunthorpe, United Kingdom
Website: tfreemantle.com
E-mail: sales@tfreemantle.com
Telephone: +44 1724 276908

Truck-Line GmbH
MD: Frank van der Velde
An der Strusbek 17
22926 Ahrensburg, Germany
Website: lightfix.com
E-mail: sales@truck-line.com
Telephone: +49 4102 222 666

UK Point of Sale Group Limited
MD: Gary Johnson
Unit A, Horsfield Way, Bredbury Park
Industrial Estate
SK6 2TD Stockport, United Kingdom
Website: ukpos.com
E-mail: sales@ukpos.com
Telephone: +44 161 431 4400

CONTRACT MANUFACTURING

Auto-Maskin AS
MD: Svein Arild Hagnaess
Hvamsvingen 22
2013 Skjetten, Norway
Website: auto-maskin.com
E-mail: office@auto-maskin.com
Telephone: +47 64 84 52 00

Auto-Maskin Sverige AB
MD: Albin Dennevi
Drakegatan 5
412 50 Gothenburg, Sweden
Website: auto-maskin.com
E-mail: office@auto-maskin.com
Telephone: +46 31 313 1100

Auto-Maskin Holding, Inc.
MD: Svein Arild Hagnaess
951 FM 646, East Suite A27
TX 775 39 Dickinson Texas, USA
Website: auto-maskin.com
E-mail: sales.us@auto-maskin.com
Telephone: +1 832 738 1024

Auto-Maskin LLC
MD: Geary Long
951 FM 646, East Suite A27
TX 775 39 Dickinson Texas, USA
Website: auto-maskin.com
E-mail: sales.us@auto-maskin.com
Telephone: +1 832 738 1024

Lövånger Elektronik Göteborg AB
MD: Ulf Westergren
Banehagsliden 5
414 51 Gothenburg, Sweden
Website: leab.se
E-mail: ulf.westergren@leab.se
Telephone: +46 31 718 00 00

Lövånger Elektronik Uppsala AB
MD: Sauli Tulkki
Fribergavägen 3
740 21 Järlåsa, Sweden
Website: leab.se
E-mail: sauli.tulkki@leab.se
Telephone: +46 18 39 11 28

Lövånger Elektronik AB
MD: Ivan Vincent
Kyrkren 2
932 61 Lövånger, Sweden
Website: leab.se
E-mail: info@leab.se
Telephone: +46 913 245 00

Leab Eesti OÜ
MD: Erki Hirv
Põikmäe 1 Tänassilma
764 06 Saku vald, Estonia
Website: leab.se
E-mail: erki.hirv@leab.se
Telephone: +372 53310 090

Lövånger Elektronik Fagersta AB
MD: Jenny Stenvall
Knutsvägen 2
737 33 Fagersta, Sweden
Website: leab.se
E-mail: jenny.stenvall@leab.se
Telephone: +46 223 420 50

Tastitalia S.r.l
MD: Massimo Ottaviani
Via Jesina 27/P
600 22 Castelfidardo, Italy
Website: tastitalia.com
E-mail: info@tastitalia.com
Telephone: +39 0778 25276

Texor AB
MD: Josef Alenius
Box 204, Alfavägen 1
921 24 Lycksele, Sweden
Website: texor.se
E-mail: texor@texor.se
Telephone: +46 950 27540

Zetterströms Rostfria AB
MD: Nicklas Berglund
Prostgårdsvägen 5
655 60 Molkom, Sweden
Website: zetterstroms.se
E-mail: info@zetterstroms.se
Telephone: +46 553 790 800

ENVIRONMENTAL TECHNOLOGY

Albro Technologies S.a.r.l.
MD: Anders Mårtensson
646 Rue Juliette Récamier
699 70 Chaponny, France
Website: rapidgranulator.com
E-mail: info@albro.fr
Telephone: +33 472 15 22 80

Cleveland Cascades Ltd
MD: Sally Buckworth
Unit 22 Dukesway, Teesside Industrial Estate, Thornaby
TS17 9LT Stockton-on-Tees, Cleveland, United Kingdom
Website: clevelandcascades.co.uk
E-mail: enquiries@clevelandcascades.co.uk
Telephone: +44 1642 753260

Easy Life International B.V.
MD: AJ. Vermeule
Spoorallee 18
6921 HZ Duiven, Netherlands
Websit: easylife.nl
E-mail: info@easylife.nl
Telephone: +31 316 295 000

Eldan, Inc.
MD: Toni Reftman
6311 Inducon Corporate Drive Unit 14
Sanborn, NY 141 32, USA
Website: eldan.us
E-mail: info@eldan-us.com
Telephone: +1 716 731 4900

Eldan Recycling A/S
MD: Toni Reftman
Værkmestervej 4
5600 Faaborg, Denmark
Website: eldan-recycling.com
E-mail: info@eldan-recycling.com
Telephone: +45 63 61 25 45

ErgoPack Deutschland GmbH
MD: Witali Neumann
Hanns-Martin-Schleyer-Strasse 21
894 15 Lauingen, Germany
Website: ergopack.de
E-mail: info@ergopack.de
Telephone: +49 9072 70283-0

Ergostrap, Inc.
MD: Steve Derse
21925 Doral Road
Waukesha, WI 531 86, USA
Website: ergostrap.com
E-mail: info@ergostrap.com
Telephone: +1 414 316 9027

Nessco Holding AS
MD: Christian Ness
Postboks 3 Furuset, Professor Birkelands vei 24D
1001 Oslo, Norway
Website: nessco.no
E-mail: firmapost@nessco.no
Telephone: +47 229 185 00

Nessco AS
MD: Jarle Westby
Postboks 3 Furuset,
Professor Birkelandsvei 24D
1001 Oslo, Norway
Website: nessco.no
E-mail: firmapost@nessco.no
Telephone: +47 22 91 85 00

Rapid Granulator AB
MD: Jonas Wästberg
Box 9, 333 02 Bredaryd, Sweden
Website: rapidgranulator.com
E-mail: info@rapidgranulator.com
Telephone: +46 370 86 500

Rapid Granulier-Systeme GmbH & Co. KG
MD: Jürgen Prössler
Bruchweg 3
638 01 Kleinostheim, Germany
Website: rapidgranulator.com
E-mail: info@rapidgranulator.de
Telephone: +49 6027 46650

Rapid Granulier-Systeme Geschäftsfürungs GmbH
MD: Jürgen Prössler
Bruchweg 3
638 01 Kleinostheim, Germany
Website: rapidgranulator.com
E-mail: info@rapidgranulator.de
Telephone: +49 6027 46650

Rapid Italy S.r.l.
MD: Bello Fabio
Via Sopracornio 7/B
300 10 Campolongo Maggiore Venezia, Italy
Website: rapidgranulator.com
E-mail: info@rapidgranulator.it
Telephone: +39 49 972 8252

Rapid Granulate Machinery (Shanghai) Co. Ltd
MD: Anders Mårtensson
Jidi Road, Building 1, No 1198,
Minhang District, 201107 Shanghai, China
Website: rapidgranulator.com
E-mail: info@rapidgranulator.com
Telephone: +86 21 6760 1875

Rapid Granulator Corp.
MD: Ravi Purushotham
Fort Bonifacio
1634 Taguig City, Philippines
Website: rapidgranulator.com
E-mail: ravip@rapidgranulator.com
Telephone: +61 402 041 598

Rapid Granulator, Inc.
MD: Jim Hoffman
555 West Park Road
Leetsdale, PA 15056, USA
Website: rapidgranulator.com
E-mail: info@rapidgranulator.com
Telephone: +1 724 584 5220

Redoma Recycling AB
MD: Toni Reftman
Stenyxegatan 14
213 76 Malmö, Sweden
Website: redoma.com
E-mail: info@redoma.com
Telephone: +46 40 31 22 30

Rustibus Worldwide AS
MD: Kristian Dalseide
Bekkjarviksundet 19
5397 Bekkjarvik, Norway
Website: rustibus.com
E-mail: bergen@rustibus.com
Telephone: +47 959 670 02

Rustibus N.V.
MD: Terje Braathen
Noordersingel 7
2140 Antwerp, Belgium
Website: rustibus.com
E-mail: antwerp@rustibus.com
Telephone: +32 3227 2096

Rustibus, Inc.
MD: Kristian Dalseide
2901 WestSam Houston pkway,
North Suite E-315
Houston, TX 77043 USA
Website: rustibus.com
E-mail: houston@rustibus.com
Telephone: +1 832 203 7170

Rustibus Pte Ltd
MD: Kristian Dalseide
18 Boon Lay Way, #08-145 TradeHub 21
609 966 Singapore, Singapore
Website: rustibus.com
E-mail: singapore@rustibus.com
Telephone: +65 6262 5226

Silvent AB
MD: Anders Erlandsson
Vevgatan 15
504 64 Borås, Sweden
Website: silvent.com
E-mail: info@silvent.se
Telephone: +46 33 23 79 00

Silvent Benelux B.V.
MD: Anders Erlandsson
Jan Campertstraat 5
6416 SG Heerlen, Netherlands
Website: silvent.com
E-mail: info@silvent.nl
Telephone: +31 2026 236 10

Silvent California, Inc.
MD: Anders Erlandsson
8910 University Center Lane Suite 40
San Diego, CA 92122, USA
Website: silvent.com
E-mail: california@silvent.com
Telephone: +1 1619 762 1730

Silvent Central Europe GmbH
MD: Anders Erlandsson
Strubergasse 26
5020 Salzburg, Austria
Website: silvent.com
E-mail: info@silvent.at
Telephone: +43 6622 6820 50

Silvent Iberica S.L
MD: Anders Erlandsson
Calle Tanger 86
080 18 Barcelona, Spain
Website: silvent.com
E-mail: info@silvent.es
Telephone: +34 93 170 61 20

Silvent Italia S.r.l
MD: Anders Erlandsson
Via Lungadige Galtarossa 21
37133 Verona, Italy
Website: silvent.com
E-mail: info@silvent.it
Telephone: +39 045 485 6080

Silvent North America, Inc.
MD: Keith Timmons
6370 Ameriplex Drive
Portage, IN 46368, USA
Website: silvent.com
E-mail: info@silvent.com
Telephone: +1 219 762 6876

Silvent Polska Sp.z.o.o.
MD: Anders Erlandsson
Prosta 20
00-850 Warszawa, Poland
Website: silvent.com
E-mail: info@silvent.pl
Telephone: +48 22 104 1320

Silvent (Shanghai) Trading Co. Ltd
MD: Anders Erlandsson
22nd floor, NO 1375 Middle Huai Hai Road
200031 Shanghai, China
Website: silvent.com
E-mail: info@silvent.cn
Telephone: +86 21 335 655 75

Silvent South Europe S.a.r.l.
MD: Anders Erlandsson
Technopolis Bat P, 5 Chemin des Presses,
CS 20014 Cagnes-sur-Mer, France
Website: silvent.com
E-mail: info@silvent.fr
Telephone: +33 4 93 14 29 90

Silvent UK Ltd
MD: Anders Erlandsson
Unit 4330 Waterside Centre,
Birmingham Business Park
Birmingham B37 7YN, United Kingdom
Website: silvent.com
E-mail: info@silvent.co.uk
Telephone: +44 800 432 0190

Spinaclean Ltd
MD: Andrew Whiting
Unit 33 Cornwell Business Park,
Salthouse Road, Brackmills
NN4 7EX Northampton, United Kingdom
Website: spinaclean.com
E-mail: info@spinaclean.com
Telephone: +44 1604 968700

Tamrotor Marine Compressors AS
MD: Christian Ness
Postboks 3 Furuset
Professor Birkelands Vei 24D
1001 Oslo, Norway
Website: tmc.no
E-mail: mail@tmc.no
Telephone: +47 22 91 85 00

TMC Compressors Asia Pte Ltd
General Manager: Philip Goh
21 Bukit Batok Cresent #15-79 WCEGA Tower
658 065 Singapore, Singapore
Website: tmc.sg
E-mail: pgoh@tmc.sg
Telephone: +65 6659 0987

TMC Compressors China Ltd.
General Manager: Roger Chen
Room 1719, Level 17, No. 268 Xizang Rd. (M)
Haungpu District, 200001 Shanghai, China
E-mail: rchen@tmc.no
Telephone: +86 139 1743 2657

FOREST

Haglof, Inc.
MD: Fredrik Holm
100 Solleftea Drive
Madison MS 39 110, USA
Website: haglofinc.com
E-mail: info@haglofsweden.com
Telephone: +1 601 856 5119

Haglöf Sweden AB
MD: Fredrik Holm
Klockargatan 8, Box 28
822 30 Långsele, Sweden
Website: haglofsweden.com
E-mail: info@haglofsweden.com
Telephone: +46 620 255 80

Haglöf Sweden Produktion AB
MD: Fredrik Holm
Klockargatan 8, Box 28
822 30 Långsele, Sweden
Website: haglofsweden.com
E-mail: info@haglofsweden.com
Telephone: +46 620 255 80

Heinola Sahakoneet OY
MD: Jan Räsänen
PL 24 Tehtaantie 21
181 00 Heinola, Finland
Website: heinolasm.fi
E-mail: etunimi.sukunimi@heinolasm.fi
Telephone: +358 3 848 411

Wexman AB
MD: Olle Pagnert
Köttorp, Sandgärdet
522 91 Tidaholm, Sweden
Website: wexman.se
E-mail: info@wexman.se
Telephone: +46 502 188 90

DEFINITIONS AND OBJECTIVE

Return on equity	Net profit for the period divided by average equity.
Return on capital employed	EBITA before acquisition costs and non-recurring items, divided by capital employed.
Return on capital employed excluding goodwill and other intangible assets	EBITA before acquisition costs and non-recurring items, 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 and additional considerations 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 and additional considerations 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 and additional considerations 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/

Lifco AB
Attn: Investor Relations
SE-745 85 Enköping

Street address: Verkmästaregatan 1, Enköping

Telephone: +46 72 717 59 05

E-mail: ir@lifco.se

FINANCIAL CALENDAR

28 April 2023	Interim report January–March
14 July 2023	Interim report January–June
20 October 2023	Interim report January–October
2 February 2024	Year-end report for 2023
March 2024	Annual Report and Sustainability Report 2023

2023 ANNUAL GENERAL MEETING

The Annual General Meeting of Lifco AB will be held on Friday 28 April 2023, 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 2022, which was published on 21 October 2022. The information was also published on the website. Lifco's nine-month report for 2022 and year-end report for 2022 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 1.80 per share be paid for 2022, resulting in a total distribution of SEK 817.6 million. The proposed record date is Wednesday 3 May 2023. Euroclear expects to be able to send the dividend to the shareholders on Monday 8 May 2023, subject to a resolution of the Annual General Meeting.

Photos: Fredrik Persson

Design and production: Holland & Philipson AB. Printed by: Elanders

LIFCO

A SAFE HAVEN FOR YOUR BUSINESS

LIFCO AB
556465–3185

Postal address:
745 85 Enköping, Sweden

Street address:
Verkmästaregatan 1, Enköping

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

Lifco offers secure ownership for small and medium-sized businesses.