

ANNUAL REPORT 2020

**LIFCO**

A SAFE HAVEN FOR YOUR BUSINESS



# CONTENTS

Highlights of 2020	<b>4</b>	Consolidated financial statements		Quality and environmental certifications	<b>95</b>
Lifco in brief	<b>5</b>	Income statement	<b>50</b>	Addresses	<b>96</b>
Chief executive's review	<b>6</b>	Statement of comprehensive income	<b>51</b>	Definitions and objective	<b>103</b>
Directors' Report		Balance sheet	<b>52</b>	Annual General Meeting	<b>104</b>
Business concept and goals	<b>8</b>	Statement of changes in equity	<b>54</b>	Financial information	<b>105</b>
Financial results	<b>10</b>	Cash flow statement	<b>55</b>	Financial calendar	<b>106</b>
Sustainability Report	<b>12</b>	Notes	<b>56</b>		
Dental	<b>18</b>	Reconciliation to alternative performance measures	<b>78</b>		
Demolition & Tools	<b>20</b>				
Systems Solutions	<b>22</b>	Parent Company financial statements			
Share information	<b>26</b>	Income statement	<b>80</b>		
Acquisitions	<b>28</b>	Balance sheet	<b>81</b>		
Risks and risk management	<b>32</b>	Statement of changes in equity	<b>82</b>		
Corporate Governance Report	<b>33</b>	Cash flow statement	<b>82</b>		
The Board of Directors	<b>40</b>	Notes	<b>82</b>		
Group management	<b>44</b>	Ten-year summary	<b>91</b>		
Appropriation of retained earnings	<b>45</b>	Acquisitions 2006-2020	<b>92</b>		
Auditor's report	<b>46</b>				

# HIGHLIGHTS OF 2020

## NET SALES -0.5%

SEK 13,782 (13,845) million. Organic growth -5.8%

## EBITA\* +7.1%

SEK 2,702 (2,523) million

## PROFIT BEFORE TAX +10.2%

SEK 2,199 (1,996) million

## NET PROFIT FOR THE YEAR +9.8%

SEK 1,677 (1,528) million

## EARNINGS PER SHARE +10.1%

SEK 18.24 (16.57)

## PROPOSED DIVIDEND PER SHARE SEK 6.00

Represents a total distribution of SEK 545 million

## KEY PERFORMANCE INDICATORS

	2020	2019
Net sales, SEK million	13,782	13,845
Net sales, adjusted for foreign exchange effects and acquisitions, SEK million	13,044	12,458
EBITA*, SEK million	2,702	2,523
EBITA margin*, %	19.6	18.2
Earnings per share after tax, SEK	18.24	16.57
Cash flow from operating activities, SEK million	2,812	1,990
Capital employed, SEK million	13,812	12,925
Capital employed excluding goodwill and other intangible assets, SEK million	1,938	2,345
Return on capital employed, %	19.6	19.5
Return on capital employed excluding goodwill and other intangible assets, %	139	108
Net debt, SEK million	4,776	5,552
Net debt/equity ratio	0.6	0.7
Net debt/EBITDA*	1.6	1.9
Interest-bearing net debt, SEK million	3,242	4,040
Interest-bearing net debt/EBITDA*	1.1	1.4
Equity/assets ratio, %	47.5	45.4
Equity per share, SEK	94.8	87.1
Number of shares, thousand	90,843	90,843

EBITA\* = operating profit before amortisation of intangible assets arising on acquisitions, acquisition costs and non-recurring items.

EBITDA\* = operating profit before depreciation, amortisation, acquisition costs and non-recurring items.

# LIFCO IN BRIEF

We offer secure ownership for small and medium-sized businesses. We acquire and develop market-leading niche businesses with the potential to deliver sustainable earnings growth and robust cash flows.

## THREE BUSINESS AREAS:



Dental



Demolition &amp; Tools



Systems Solutions

EMPLOYEES **5,433**

COUNTRIES **31**

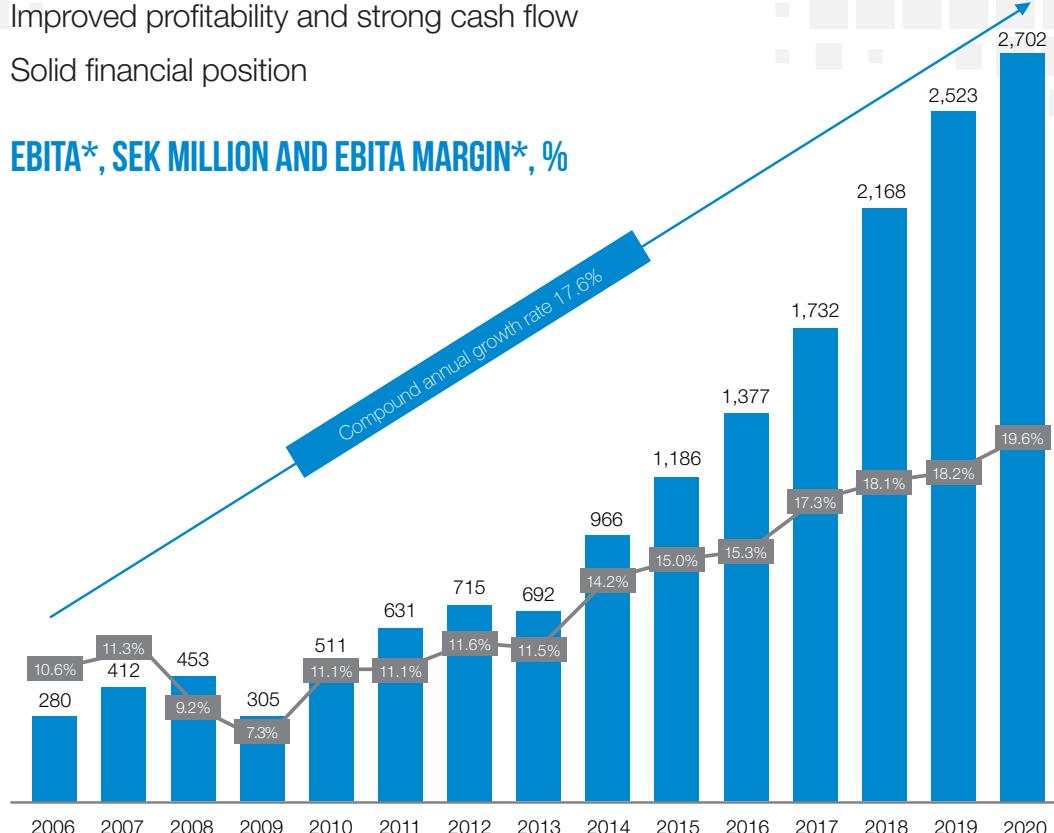
COMPANIES **175**

Twelve acquisitions were announced in 2020

Improved profitability and strong cash flow

Solid financial position

## EBITA\*, SEK MILLION AND EBITA MARGIN\*, %



## Chief executive's review

# A CLEAR VALUE-CREATING STRATEGY

The basis for Lifco's historical performance is a clear business strategy that is centred on earnings, simplicity and decentralisation.

During the pandemic year 2020, Lifco's strategy showed its strength as our businesses quickly adapted to the new environment.

Lifco's primary goal is to increase its earnings every year through organic growth as well as acquisitions. EBITA\* increased by 7.1 per cent to 2,702 million, with acquisitions adding around 9 per cent while negative currency effects amounted to 1.6 per cent. Net sales decreased by 0.5 per cent to SEK 13,782 million in 2020, due to the effects of the pandemic and a weaker market in the Demolition & Tools business area. This resulted in an organic growth rate of -5.8 per cent. Acquisitions added 7.0 per cent while foreign exchange gains had a negative impact of 1.7 per cent.

## DIFFERING EFFECTS OF THE PANDEMIC

The business areas were affected by the pandemic in different ways. Dental was significantly affected by the pandemic in the second quarter as demand declined substantially in all countries. In June, all European dental markets recovered and in the fourth quarter these markets remained at more normal levels. Demolition & Tools experienced weaker market conditions in the first nine months of the year. In the fourth quarter, the general market situation improved compared with the second and third quarters. Systems Solutions as a whole was relatively unaffected by the pandemic. Within Systems Solutions, certain businesses saw a positive impact from the pandemic while others were adversely affected depending on which stage of the value chain they operate at and which segments their customers are in.

Lifco's EBITA\* margin improved by 1.4 percentage points to 19.6 (18.2) per cent. EBITA was positively affected by unusually low sales and marketing activities as many subsidiaries were unable to engage in certain marketing activities due to the pandemic. Lifco's average annual EBITA\* growth including acquisitions over the period 2006–2020 is 17.6 per cent.

## NORMALISED ACQUISITION ACTIVITIES

In spring and summer 2020, the pandemic led to a slight decrease in acquisition activities. After the summer the situation normalised, and in 2020 as a whole Lifco announced the acquisition of twelve businesses in Europe and the United States with combined net sales of around SEK 1,100 million.

To ensure sustainable earnings growth, the Group takes a long-term approach to the companies it acquires. We look for companies 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. We are happy for the existing management to remain active in the company, as they are the ones who know the market and the business.

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 a part of the Lifco Group and thereby deliver steady earnings growth.

Our approach to ownership is perpetual, which enables the subsidiaries to combine in a natural way 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 when we negotiate with potential acquisition candidates. In many of the acquisitions made by Lifco in recent years, our clear and simple corporate culture – a culture that has proved its worth over time – has been crucial in persuading the entrepreneur to sell their life's work to Lifco.

## SUSTAINABILITY A KEY FACTOR IN ACQUISITIONS

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



Per Waldemarson  
President and CEO

It is essential to the success of our decentralised business model that the Group has a clear and shared view of how to run a sustainable business. We therefore have Group policies that govern our 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 long been working actively to improve their sustainability performance, especially in the areas of the 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 2020, we launched a Group-wide initiative aimed at reducing our environmental and climate impact by measuring Lifco's total carbon dioxide emissions. Lifco's ambition is to maintain a focus on the Group's climate impact, partly by developing processes for monitoring and goal-setting.

In December 2016, Lifco signed up to the UN sustainability initiative, Global Compact, to show our support for internationally accepted business ethical standards and our long-term commitment to sustainability issues. As a member, we have undertaken 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 41.3 per cent in 2020 to SEK 2,812 million. Lifco's exceptionally strong cash flow in 2020 was partly due to a decrease in working capital and lower net sales during the pandemic.

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 financial year 2020, the Board of Directors proposes a dividend of SEK 6.00 per share, which is an increase of 14.3 per cent on 2019 and equates to 32.9 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 for example, we have the two Italy businesses Cramaro Tarpaulin Systems, a niche manufacturer of tarpaulin systems for trucks and agricultural vehicles, and Tastitalia, which makes customised touch panels, displays and keypads.

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 2006–2020, Lifco made 79 acquisitions.

## A FINANCIALLY STRONG GROUP

Financially, Lifco still has significant scope for further acquisitions. Our target is to maintain interest-bearing net debt in a range of 2–3 times EBITDA\*. At year-end, interest-bearing net debt stood at 1.1 times EBITDA\*, which gives us ample space to continue to grow through acquisitions when the right opportunities arise.

The most important factor for Lifco is our employees. We now have 5,433 employees in 31 countries. Many of our employees have worked in our companies for many years, and their collective experience is Lifco's most important success factor. The management and employees of our companies acted quickly and professionally to deal with the effects of the pandemic, which once again confirms the strength of Lifco's business model. I would like to thank all our employees for their valuable contributions in the challenging pandemic year of 2020.

Directors' Report

# BUSINESS CONCEPT AND GOALS

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 long-term growth, a focus on profitability and a strongly decentralised organisation.

## FINANCIAL GOALS AND DIVIDEND POLICY

Lifco's primary goal is to generate sustainable earnings growth. The Group and 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 capacity 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.

## A DECENTRALISED ORGANISATION

Lifco consists of 175 subsidiary companies, which are organised in about 65 operating units. The operating units operate in eight divisions, which in turn form part of the three business areas: Dental, Demolition & Tools and Systems Solutions.

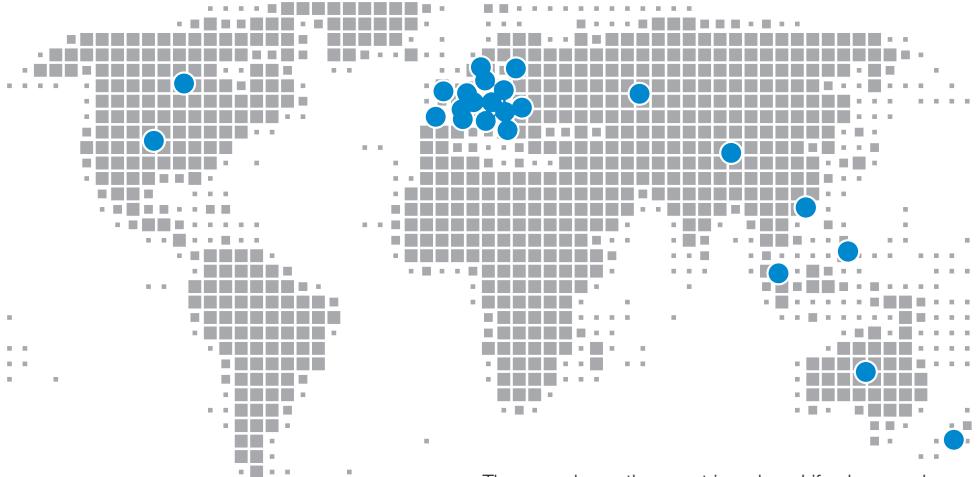
This decentralised organisation is one of the cornerstones of Lifco's governance philosophy. The individual subsidiaries are given a large degree of freedom, which encourages a strong entrepreneurial spirit. As the subsidiaries are managed independently, each company is able to retain its specific culture.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

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

## MINIMAL BUREAUCRACY

Lifco has developed a model for developing its subsidiaries. The model is based on Lifco's philosophy, which is centred on earnings, decentralisation and a long-term approach. 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
- Minimal bureaucracy and simple processes
- A focus on 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



The map shows the countries where Lifco has employees.

## LIFCO'S ACQUISITION PROCESS

### IDENTIFY TAKEOVER CANDIDATES

Takeover candidates are identified through various networks, including the Group's subsidiaries. In many cases, Lifco is contacted directly by the seller. Lifco also maintains contacts with a large number of corporate dealmakers in Europe.

### ANALYSIS

Lifco looks at the company's position of strength in the value chain by engaging in discussions with suppliers, customers, industry experts and other parties. Lifco also assesses whether the Group is a suitable owner and what Lifco could contribute to the target company. Lifco analyses the company's financial statements and contracts. Lifco also studies the company's culture and work methods and carries out a sustainability due diligence.

### POST-ACQUISITION ACTION PLAN

While acquired companies have a high degree of independence, Lifco conducts a review aimed at improving operational efficiency. Normally, the following actions are taken:

- New remuneration and reporting system
- New Board appointed with senior individuals from Lifco
- Increased financial awareness with a focus on working capital and controlled financing of growth opportunities
- A short- and long-term strategic agenda

## A CLEAR ACQUISITION STRATEGY

Expansion through acquisitions is a key element of Lifco's business concept. The Group acquires companies that can form new divisions as well as companies that add to and expand its existing divisions. An acquisition must generate profitable growth and good cash flows. The risk taken by Lifco must also be limited.

Takeover candidates must meet the following criteria:

- Stable business
- Leading in its niche
- An attractive position in the value chain without being dependent on specific suppliers or customers
- Limited or no exposure to technological risk
- Documented profitability
- Running a sustainable business

Lifco may decide to make an acquisition even where the five first criteria have not been met if the company offers attractive strategic or financial opportunities.

In connection with acquisitions, Lifco carries out a sustainability due diligence in which the management of the acquisition candidate answers questions about human rights, labour, environment and anti-corruption. Lifco does not acquire companies which are considered to violate the UN Global Compact's principles on human rights, labour, environment and anti-corruption. Nor does Lifco acquire companies which manufacture or sell weapons, tobacco, fossil fuels or uranium.

## A HIGH ETHICAL STANDARD AND SUSTAINABILITY

Lifco's focus is on creating the conditions for sustainable value creation in the subsidiaries. A fundamental requirement for this decentralised structure is that the subsidiaries operate in accordance with Lifco's ethical principles. The ethical principles are set forth in the Code of Conduct, which all subsidiaries are required to follow. Compliance with the code is monitored regularly by Group management.

The Code of Conduct also includes Lifco's core values: respect for others, openness and pragmatism.

# FINANCIAL RESULTS

Net sales decreased by 0.5 per cent in 2020 due to effects of the pandemic and a weaker market in the Demolition & Tools business area. EBITA\* increased by 7.1 per cent and the EBITA margin\* improved to 19.6 (18.2) per cent as a result of acquisitions and an unusually low level of sales and marketing activities due to the pandemic.

Net sales decreased by 0.5 per cent to SEK 13,782 (13,845) million. Acquisitions contributed 7.0 per cent, organic growth was -5.8 per cent while foreign exchange gains had a negative impact of 1.7 per cent.

EBITA\* increased by 7.1 per cent to SEK 2,702 (2,523) million and the EBITA margin\* expanded by 1.4 percentage points to 19.6 (18.2) per cent. Acquisitions and unusually subdued sales and marketing activities as a result of the pandemic had a positive impact on EBITA\*. Foreign exchange gains had a negative impact on EBITA\* of 1.6 per cent. In 2020, 34 (35) per cent of EBITA\* was generated in EUR, 30 (28) per cent in SEK, 13 (15) per cent in NOK, 7 (8) per cent in DKK, 7 (3) per cent in GBP, 3 (6) per cent in USD and 6 (5) per cent in other currencies.

Investments in intangible and tangible assets totalled SEK 264 (301) million.

Net financial items were SEK -62 (-63) million.

Earnings before tax grew 10.2 per cent to SEK 2,199 (1,996) million. Items related to the acquired businesses that were consolidated during the year had a negative impact of SEK 21 (29) million on earnings for 2020. Non-recurring items totalled SEK 0 (56) million, which in 2019 referred to costs incurred in connection with management changes.

Net profit for the year grew 9.8 per cent to SEK 1,677 (1,528) million and earnings per share increased by 10.1 per cent to SEK 18.24 (16.57).

The Group's tax expense was SEK 522 (468) million, which represents 23.7 (23.4) per cent of earnings before tax. Tax paid was SEK 593 (571) million, which equates to 27.0 (28.6) per cent of earnings before tax.

Inventories were SEK 1,864 (1,997) million and accounts receivable SEK 1,533 (1,584) million. Average capital employed excluding goodwill decreased over the year to SEK 1,938 (2,345) million while EBITA\* in relation to average capital employed excluding goodwill was 139 (108) per cent at year-end.

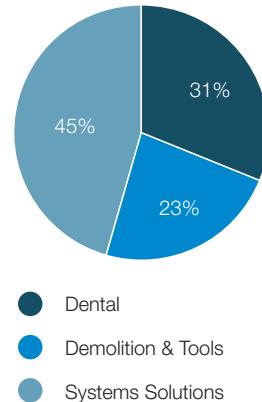
Goodwill and other intangible assets totalled SEK 11,610 (11,209) million at year-end.

The Group's net debt decreased by SEK 776 million in 2020 to SEK 4,776 (5,552) million, of which SEK 986 (916) million refers to liabilities related to put/call options as well as additional considerations relating to acquisitions. Interest-bearing net debt at 31 December 2020 was SEK 3,242 (4,040) million, which represents a year-on-year decrease of SEK 798 million.

Lifco issued SEK 1,800 million in three series of unsecured bonds in 2020 and had SEK 2,800 million in outstanding bonds at year-end. In addition to bonds, Lifco uses standard short-term credit facilities.

The net debt/equity ratio at 31 December 2020 was 0.6 (0.7) and net debt to EBITDA\* was 1.6 (1.9) times. Interest-bearing net debt to EBITDA\* was 1.1 (1.4) times. At year-end, 41 (35) per cent of the Group's interest-bearing liabilities were denominated in EUR. Equity was SEK 8,676 (7,972) million and the equity/assets ratio 47.5 (45.4) per cent.

## NET SALES BY BUSINESS AREA



Cash flow from operating activities increased by 41.3 per cent during the year, to SEK 2,812 (1,990) million, mainly on the back of improved earnings and a decrease in working capital. Cash flow from investing activities was SEK -1,304 (-2,056) million, which was mainly attributable to acquisitions. Cash flow was also affected by a total dividend payment of SEK 526 (490) million.

## DIVIDEND

The Board of Directors and Chief Executive Officer propose that the Annual General Meeting authorise the payment of a dividend of SEK 6.00 (5.25) per share for the financial year 2020, representing a total distribution of SEK 545.1 (476.9) million. This is equal to 32.9 (31.7) per cent of the net profit for the year attributable to shareholders of Lifco AB, which is consistent with Lifco's dividend policy.

Under the dividend policy, the long-term objective is to ensure stable dividend growth while maintaining a payout ratio of 30–50 per cent of after-tax earnings. Dividends should be based on the company's earnings performance, taking account of future development opportunities and the company's financial position.

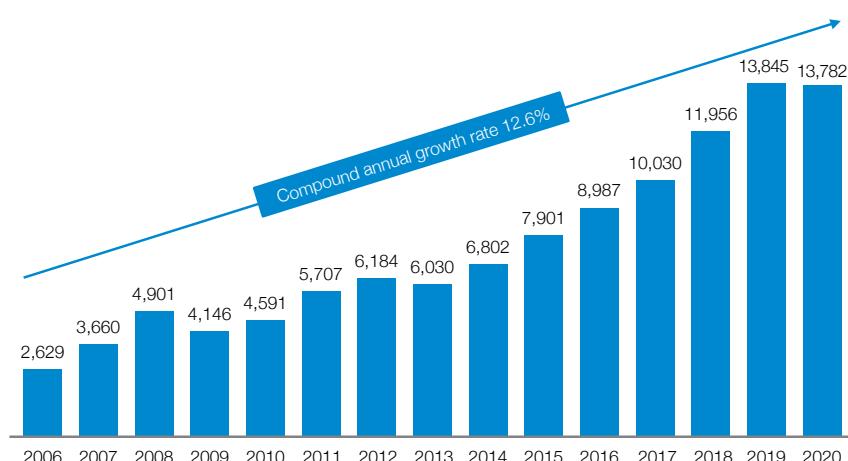
## PRODUCT DEVELOPMENT

Innovation and product development are key success factors, especially in Demolition & Tools and Systems Solutions. 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 2020, product development costs totalled SEK 121 (171) million.

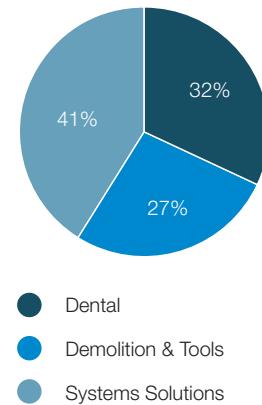
## FINANCIAL RESULTS

SEK MILLION	2016	2017	2018	2019	2020
Net sales	8,987	10,030	11,956	13,845	13,782
EBITA*	1,377	1,732	2,168	2,523	2,702
EBITA margin*	15.3%	17.3%	18.1%	18.2%	19.6%
Earnings per share, SEK	9.99	11.94	15.29	16.57	18.24

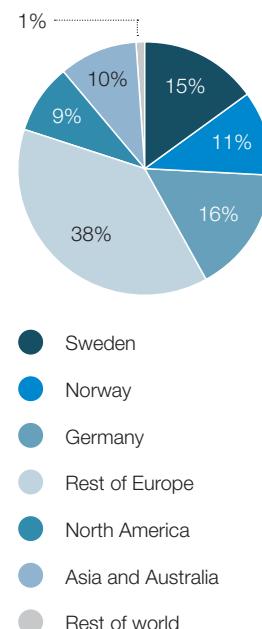
Net sales, SEK million



## EBITA\* BY BUSINESS AREA



## NET SALES BY GEOGRAPHIC MARKET



# SUSTAINABILITY REPORT

Lifco's business idea is to acquire and develop market-leading niche companies that run sustainable businesses. Sustainability is an integral part of Lifco's business model, whose overall goal is to increase shareholder value.

Lifco's subsidiaries operate across a range of different industries and markets. The Group's focus on sustainability is becoming increasingly appreciated and it is also in many places a requirement in order to be competitive. The UN's global sustainable development goals set forth the challenges for businesses and decision makers. At the same time, decision-making at all levels is affected by mounting concerns about the climate and environmental impacts. Other global trends affecting the Group include an increased need among customers to attract qualified personnel.

For Lifco, this creates business opportunities as well as a need to drive our internal sustainability management activities and influence suppliers, resellers and other partners to adopt a sustainability perspective. Lifco is convinced that it is only with a sustainability perspective that it is possible to build sustainably profitable companies with motivated employees and satisfied customers.

Lifco's biggest sustainability impact is exerted in the subsidiaries. Many of the subsidiaries play an important role in building a sustainable future, as they offer products that enable the customers to implement sustainability strategies. The customers often have explicit sustainability strategies in the areas of health and safety and energy. In health and safety, the objective is to improve the work environment in order to attract employees. In energy, customers are increasingly demanding products and solutions that will enable them to cut back on their use of fossil fuels and products that thus reduce their carbon footprint.

Lifco has a Code of Conduct that provides a common framework both internally in the Group and in Lifco's relations with suppliers, resellers and other partners. The Code of Conduct defines a minimum level for how Lifco's employees and partners should work to build a sustainable society.

Lifco has also implemented the sustainability perspective in its acquisition process and only acquires companies that operate in a sustainable manner. In connection with acquisitions, Lifco carries out a sustainability due diligence in which the management of the acquisition candidate answers questions about human

rights, labour, environment and anti-corruption. Lifco does not acquire companies which are considered to violate the UN Global Compact's principles on human rights, labour, environment and anti-corruption. Nor does Lifco acquire companies which manufacture or sell weapons, tobacco, fossil fuels or uranium.

## SUSTAINABILITY GOVERNANCE

Group management has adopted four sustainability policies which regulate how the company and its subsidiaries and employees should behave and act in order to further the goal of building a sustainable society. Lifco's governance is based on the Universal Declaration on Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD's principles and standards on responsible business for multinational enterprises.

In December 2016, the Board of Directors decided that Lifco should join the UN's sustainability initiative, Global Compact. 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 company's annual report constitutes Lifco's Communication on Progress report under the UNGC framework.

The policies are revised when necessary and compliance with the policies is monitored in internal controls and by the company's external auditors. Lack of compliance or the risk of non-compliance results in immediate action from management and more serious cases are reported to the Board.

All new employees in the Lifco Group must be informed about the Code of Conduct within one month of taking up their employment. The Code of Conduct also covers suppliers. On a quarterly basis, Group management monitors whether there have been deviations from the Code of Conduct, that all new employees and employees of newly acquired companies have been informed about the Code and the whistleblower function, and that key suppliers have been informed about the Code and the whistleblower function. The focus in 2020 was on developing Lifco's sustainability management activities at Group level by collecting new data on climate impact and sick leave.

The whistleblower function was implemented in 2019 and is managed by an independent external party. Whistleblowers remain anonymous and communications are encrypted. In 2020, two cases were reported and these have been investigated and concluded.

**100%**

of the employees have access to an anonymous whistleblower function that is managed by an external party

**100%**

of the employees have been informed about the Code of Conduct

## OUR SUSTAINABILITY POLICIES

SUSTAINABILITY AREA	ENVIRONMENT	CLIMATE IMPACT	SOCIAL, LABOUR AND HUMAN RIGHTS	ANTI-CORRUPTION
<b>Policies</b>	Environmental policy	Environmental policy	Code of Conduct Investment and purchasing policy HR policy	Code of Conduct Investment and purchasing policy
<b>Key themes</b>	<ul style="list-style-type: none"> <li>- Lifco should always strive to reduce its negative environmental impact.</li> <li>- Water and energy consumption associated with Lifco's products should be reduced.</li> <li>- The use of harmful substances should be reduced.</li> <li>- Waste should be handled safely and effectively.</li> <li>- Lifco should proactively look for environmentally friendly options when purchasing products and services.</li> <li>- Lifco should deliver products and services of consistently high value, quality and reliability. Product safety is a paramount concern.</li> </ul>	<ul style="list-style-type: none"> <li>- Energy consumption associated with Lifco's products should be reduced.</li> <li>- Lifco should proactively look for environmentally friendly options when purchasing products and services.</li> </ul>	<ul style="list-style-type: none"> <li>- All suppliers and subcontractors are covered by the Code of Conduct.</li> <li>- Lifco's workplaces must be safe and sound.</li> <li>- The risk of accidents and incidents should be minimised.</li> <li>- No form of discrimination is accepted.</li> <li>- Harassment is not accepted.</li> <li>- Salaries and remuneration must meet or exceed the minimum standards for the industry.</li> <li>- Freedom of association.</li> <li>- Child labour is prohibited.</li> <li>- Anonymous whistleblower function managed by an independent external party.</li> </ul>	<ul style="list-style-type: none"> <li>- Gifts, personal benefits and similar advantages may only be offered to outside parties if they are of small value and consistent with current practice.</li> <li>- No employee may receive gifts or benefits that can be assumed to affect their business decisions.</li> <li>- Lifco makes no contributions to political parties.</li> <li>- Anonymous whistleblower function managed by an independent external party.</li> </ul>

## ENVIRONMENTAL MANAGEMENT SYSTEM

A key element of the Group's continuous improvement work is the use of management systems. In 2020, 48 of Lifco's subsidiaries were certified under various management systems. See page 93 for a full list of certifications. Subsidiaries that handle chemicals perform regular risk assessments and train employees in chemicals management.

## CONTRIBUTE TO REDUCED ENVIRONMENTAL AND CLIMATE IMPACTS

Lifco strives to contribute to reduced environmental and climate impacts. Many of Lifco's products have a positive effect on both the environment and the climate by contributing to reduced CO<sub>2</sub> emissions and reduced use of fossil fuels and products by customers. Internally, many of the subsidiaries are working continuously to identify areas where energy and water consumption can be reduced and more environmentally friendly alternatives can replace existing inputs.

## SUSTAINABILITY GOVERNANCE AT LIFCO

Lifco's main sustainability impact, and thus also opportunities and risks, is in the operations of the subsidiaries.

### UN Global Compact

The Universal Declaration on Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD's principles and standards on responsible business for multinational enterprises

### Group policies, monitoring

Persons responsible:  
The Board of Directors and  
Group management

### Business-specific guidelines, implementation and monitoring of the Code of Conduct at supplier level

Persons responsible:  
Managing Directors of the subsidiaries

## MOTIVATED EMPLOYEES AND GOOD SOCIAL CONDITIONS

Employee motivation is essential to building a sustainable and profitable business. Lifco's business model is based on decentralisation and independent local decisions. These factors have contributed to the Group's success in developing companies, as it strengthens the motivation of the employees.

Lifco also believes in value-based leadership, and the Group's values inspire everything we do. The values are: respect for others, openness and pragmatism.

To create motivation among employees, it is essential that the company is able to offer workplaces that are safe and attractive both physically and from a psychosocial perspective. Lifco therefore places a strong emphasis on creating workplaces that offer a good psychosocial and physical environment. The Group also invests in skills development in order to develop and retain employees.

Several of Lifco's products make a significant contribution to improving the work environments of its customers and to creating healthier working conditions.

Lifco has subsidiaries that operate in markets where there is an increased risk of breaches of the Code of Conduct. To minimise the risk of deviations from the Code of Conduct among these suppliers and their subcontractors, each subsidiary carries out special audits and checks.

## RESPECT FOR HUMAN RIGHTS

Lifco does not accept any form of discrimination or harassment. No one may be discriminated against or harassed on the grounds of ethnicity, religion, age, national origin, gender, sexual orientation, political beliefs, union membership, marital status or disability. All employees have the right to freedom of association and union members have the right to negotiate collectively. Forced labour and/or child labour is prohibited.

Lifco has subsidiaries whose suppliers operate in markets where there is an increased risk of human rights violations. Some subsidiaries therefore carry out special audits and reviews to minimise the risks.

## ANTI-CORRUPTION ACTIVITIES

Lifco has zero tolerance for bribery, both in its own organisation and among suppliers. All employees have been informed of this and work is underway in the Group to raise awareness among suppliers about Lifco's policy. Lifco has established that the risk of bribery or attempted bribery is higher in some countries, where special efforts are being made to minimise the risks. Any violations or offers of bribery must be reported immediately to management, which will take action.

In 2019, an anonymous whistleblower function was implemented that also covers suppliers.

## CONTRIBUTE TO THE UN'S GLOBAL GOALS

Lifco contributes in various ways to the global Sustainable Development Goals adopted by the UN General Assembly in September 2015. Here, we present those goals where Lifco makes the biggest contribution.



### Goal 3 Good health and well-being

Investments in health through preventive measures and modern, effective care for all benefit the general development of society and create conditions for ensuring people's fundamental right to well-being. Lifco's dental business contributes to modern and effective dental care and thereby also to human well-being in the form of good dental health.



### Goal 7 Affordable and clean energy

The UN's goal is to significantly increase the share of renewable energy in the global energy mix by 2030. The Lifco Group includes companies that have completely switched to or significantly increased the share of renewable energy. Examples of implemented measures include the installation of solar panels and the active choice of green energy.



### Goal 8 Decent work and economic growth

Lifco requires that its subsidiaries ensure that they are safe and attractive workplaces in terms of both the psychosocial and physical work environment. The Group also includes companies whose business concept is to offer products that improve their customers' work environment and reduce the risk of occupational injuries.



### Goal 9 Industry, innovation and infrastructure

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 12 Responsible consumption and production

In the Lifco Group, efforts are underway to switch to more sustainable consumption and production of goods, for example by recycling more and reducing the consumption of fossil fuels. There are also companies which offer products that help to reduce their customers' consumption of fossil fuels and improve their ability to recycle materials.



### Goal 13 Climate action

In the Lifco Group, businesses are engaging in innovation work as well as training initiatives aimed at promoting more sustainable energy consumption as well as consumption and production. This innovation work covers products, processes and inputs. The training initiatives are aimed at the internal organisation as well as suppliers and customers.



### Goal 16 Peace, justice and strong institutions

Lifco helps to promote peaceful and inclusive societies through zero tolerance for bribery as well as efforts to fight corruption both in its own organisation and among its suppliers. The Group's Code of Conduct covers all employees and suppliers. Lifco requires that all employees be informed of the Code of Conduct and that they know their rights and obligations.

## CLIMATE CHANGE A FOCUS AREA IN 2020

In 2020, many Lifco Group companies took initiatives aimed at combating climate change, reducing dependence on fossil materials and fuels, and contributing to sustainable consumption and production. The following are some of the initiatives.

### Kinshofer switches to bio-based plastics

Kinshofer, a world-leading supplier of crane attachments, initiated a project in 2020 aimed at completely switching to bio-based plastic as packaging material. The company has been working with the German chemicals group BASF to find alternatives to crude oil-based plastics. In 2020, Kinshofer succeeded in replacing around 90 per cent of its fossil-based packaging materials with bio-based alternatives.

"We are seeing climate change and global warming at the same time as our seas and lakes are filling up with plastic. That's why it was a simple decision for us to switch to bio-based packaging materials, because the environment affects us all," Thomas Friedrich, Kinshofer's CEO, says.

Kinshofer encourages customers and suppliers to share their experiences of switching to bio-based plastics. Kinshofer has also formed a network with other companies to share experiences on measures to protect the environment.

Kinshofer was founded by Alfred Kinshofer in 1971 in Holzkirchen, Germany. The company was the first in the world to introduce 360-degree rotators and was acquired by Lifco in 2007.

### TMC reduces ships' diesel consumption

TMC is the world's leading supplier of marine compressors. In 2020, the company launched a series of compressors that significantly reduce ships' diesel consumption and CO<sub>2</sub> emissions.

The TMC compressors deliver compressed air through special air bubble dispensers in the ship's hull, which reduces the frictional resistance in the hull and at the water surface. The system creates air bubbles in different places along the hull. The compressor ensures an even layer of air bubbles under the ship, which significantly reduces diesel consumption.

"We have an obligation to our customers as well as the world at large to make our products even more energy-efficient and less harmful to the environment. The new application for our compressor technology is part of our ambition to work towards the UN's global goals," says Christian Ness, CEO of Nessco Holding.

TMC was founded in 1989 and is headquartered in Oslo. The company was acquired by Lifco in 2015.

### Orsing does away with fossil-based plastic in saliva ejectors

In 2020, the dental company Orsing decided to stop using fossil-based plastic in its largest product, Hygoformic saliva ejectors. Orsing launched its unique bio-based products in March 2019. The products – saliva ejectors and saliva adaptors – are made from sugar cane and are CO<sub>2</sub>-neutral.

"We want to do everything we can to switch to a more sustainable production of dental products," CEO Henric Karsk says. "Now that we have a product with the same properties and performance as the plastic-based equivalents, we of course want to help dentists make a greener choice. Therefore, we chose to remove the non-environmentally friendly product from our range."

Orsing, which operates in Råå outside Helsingborg, was acquired by Lifco in 2015.

### MDH goes carbon-neutral

In 2018, the German dental company MDH decided to take responsibility for its CO<sub>2</sub>-footprint. The company's business depends on extensive logistics. MDH sends about 1,500 packages by express delivery every day, the company's service technicians use cars to reach customers, and every night packages are sent by air between Germany and China. MDH also has a production plant in China.

MDH started by engaging an expert who calculated the company's total CO<sub>2</sub>-emissions according to the GHG Protocol. MDH's carbon dioxide emissions totalled 4,847 tonnes. Following the review, MDH decided to fully offset its carbon footprint through a specific certified project in China's Sichuan Province.

In rural Sichuan Province, organic waste is collected in open manure pits and residents use coal and firewood for cooking, heating and other purposes. As both coal burning for energy production and open storage of biomass generate greenhouse gases, the Chinese government is subsidising the installation of biogas systems for domestic use. However, for many low-income families the cost of acquiring a biogas system and maintaining it is too high. MDH is therefore using some of the proceeds from the sale of emission certificates to enable low-income families to install biogas systems.

The project contributes to several of the UN's global Sustainable Development Goals. The health of the households improves when the indoor air is improved, land and water are protected, the use of pesticides is reduced, and more people gain access to biogas. Another benefit is that the construction and maintenance of the facilities has created thousands of new jobs. The efforts are estimated to reduce annual CO<sub>2</sub>-emissions by around 800,000 tonnes.

Through the activities in Sichuan, MDH has been certified as a carbon-neutral company.

The next step for MDH is to reduce energy use in the company's buildings and invest in electric cars with the goal of significantly reducing its CO<sub>2</sub>-emissions over the coming years.

# NEW INDICATORS FOR CLIMATE IMPACT AND EMPLOYEES

In 2020, Lifco developed its sustainability management activities by introducing new data on the Group's climate impact and employees. Lifco's ambition is to maintain a focus on the Group's climate impact, partly by developing processes for monitoring and goal-setting.

Lifco strives to contribute to reduced environmental and climate impacts. Internally, many of the subsidiaries are working continuously to reduce their climate impact, for example by increasing the share of renewable energy or switching completely to renewable energy.

As a first step towards reducing the Group's climate impact, emissions from Lifco's own combustion of fossil fuels, energy purchases, refrigerant leakage and air travel have been calculated. The estimated climate impact comes primarily from energy consumption in premises and production facilities.

In 2020, the Group's climate impact decreased, measured as tonnes of CO<sub>2</sub> emissions and as the ratio of emissions to employees and emissions per krona of profit. The decrease was due to a sharp decline in the number of flights as a result of the pandemic. CO<sub>2</sub> from air travel decreased by 2,684 tonnes to 856 (3,540) tonnes in 2020.

## METHOD OF MEASURING 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, the scopes include the following:

Scope 1 includes direct greenhouse gas emissions over which the Group has direct control. These include greenhouse gas emissions from vehicles and machinery owned or leased by Lifco and the combustion of petrol or oil in factories owned by the Group.

Scope 2 includes indirect emissions from electricity, i.e. consumption of electricity, district heating and district cooling.

Scope 3 includes indirect greenhouse gas emissions, in addition to purchased energy, which occur outside the operations of the Group. This includes consumption of materials, business trips by air, the employees' trips to and from work, customers' and suppliers' business trips, the production of equipment as well as the processing, use and final processing of sold products.

The data collected covers 56 companies with more than 25 employees, which account for around 80 per cent of all employees of the Lifco Group. The collected data has been used to estimate the climate impact of the Lifco 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 scope 1 and scope 2 together with part of scope 3. The decrease in Scope 3 in 2020 is mainly due to fewer flights as a result of the pandemic. Lifco estimates that the actual Scope 3 climate impact is significantly higher than the reported figure.

## CLIMATE IMPACT

TONNES OF CO <sub>2</sub>	2019	2020
Air travel	3,540	856
Company cars	3,699	3,227
<b>Total travel</b>	<b>7,239</b>	<b>4,083</b>
Cooling	144	179
Electricity	11,109	10,918
Heating	3,885	3,524
Coolants	534	461
<b>Total properties</b>	<b>15,672</b>	<b>15,082</b>
<b>Total climate impact</b>	<b>22,911</b>	<b>19,165</b>
<b>Tonnes of CO<sub>2</sub> per employee</b>	<b>4.36</b>	<b>3.49</b>
<b>Kg of CO<sub>2</sub> per krona of profit</b>	<b>0.0091</b>	<b>0.0071</b>

Tonnes of CO<sub>2</sub> per employee have been calculated based on the average number of full-time employees during the year. Krona of profit refers to EBITA\*.

## GHG CLIMATE IMPACT

TONNES OF CO <sub>2</sub>	2019	2020
Scope 1	6,328	5,624
Scope 2	10,849	10,946
Scope 3	5,734	2,595

## SICK LEAVE

Motivated employees are one of the cornerstones of Lifco's business. A sound culture inspired by the Lifco Group's values and good psychosocial and physical work environments are essential to employee motivation.

One way of monitoring a company's ability to motivate its employees and the quality of its work environments is to measure sick leave. Sick leave remained stable in 2020, at 3.6 (3.2) per cent. In early 2020, proactive measures were taken in the Group in response to the pandemic to reduce health risks for the employees and ensure continuity of operations.

Aristos I, Capital Gas Ship Management, is equipped with TMC's new compressor which reduces diesel consumption.



# DENTAL



The companies in Lifco's Dental business area are leading suppliers of consumables, equipment and technical service to dentists across Europe, and the business area also has operations in the US. Lifco sells dental technology to dentists in the Nordic countries and Germany, and develops and sells medical record systems in Denmark, Sweden and Germany. The business area also includes a number of manufacturers which 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.

## A STABLE, NON-CYCICAL 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.

A dental clinic needs a large number of products, ranging from consumables such as tissues and gloves to advanced technical equipment such as X-ray machines and dental chairs. Lifco fills an important role in the dental market by bringing together a large number of suppliers in what is otherwise a fragmented market.

The market for dental care products can be divided into consumables, equipment and technical service, and dental technology. Consumables account for just under 70 per cent of total sales. Demand for consumables is non-cyclical and is characterised by small but frequent orders, which requires a high level of delivery reliability and a broad product range. Demand for equipment is relatively stable and depends mainly on the age of the installed equipment, the length of the replacement cycle and the number of dental clinics.

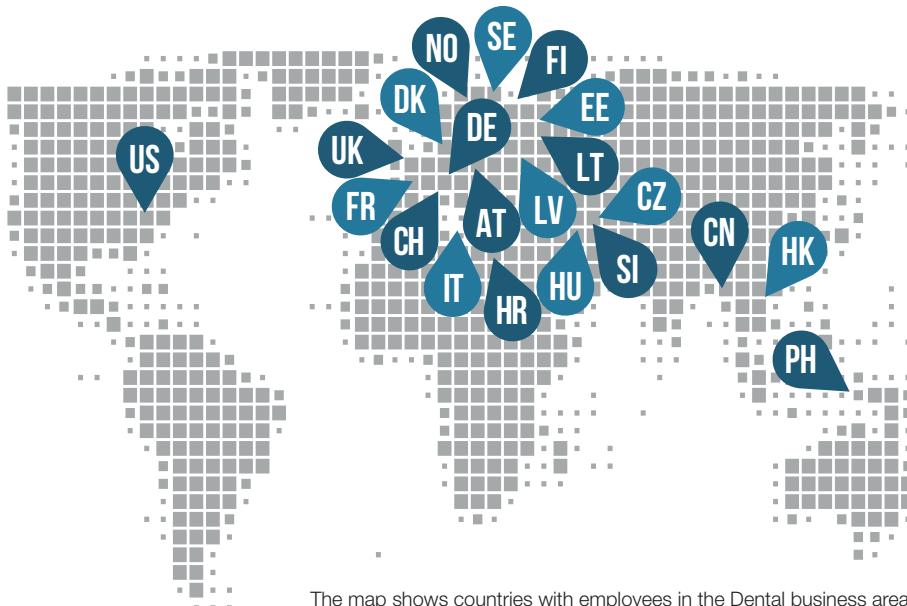
## SHARED WAREHOUSES

Although Lifco's subsidiaries mostly operate independently of each other, they collaborate to some extent on goods purchases. Lifco has three central warehouses for consumable goods, located in Enköping in Sweden, outside Aarhus in Denmark and in Büdingen, Germany. The Enköping warehouse offers around 44,000 products, the Danish warehouse 18,000 and the German warehouse 58,000. Lifco as a whole offers products from about 500 suppliers. A part of the range consists of own brands, which mainly comprise less complex products. Own brands account for 10–15 per cent of net sales in the subsidiaries. Lifco is working actively to increase the share of own brands.

In dental technology, Lifco operates mainly in Germany but also in the Nordic countries. Lifco provides most of the products, including crowns and bridges, which are made in China, the Philippines and Turkey. This enables Lifco to achieve cost advantages over local dental laboratories. Lifco is also manufacturing dental prosthetics at its facility in China.

## 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.



The map shows countries with employees in the Dental business area.

## ACQUISITIONS IN 2020

In 2020, Lifco announced ten acquisitions in Dental, of which eight were consolidated during the year. The acquired companies had combined net sales of approximately SEK 710 million and 186 employees at the time of acquisition. The consolidated businesses are: Consys of Germany, which develops, sells and maintains medical records systems for dentists in Germany, Dental Grupa of Croatia, a leading distributor of dental equipment and consumables in Croatia, Rønvig Dental Manufacturing of Denmark, a niche manufacturer of dental products, Swallow of Great Britain, a niche distributor of dental consumables, mainly for the British market, and Sendoline of Sweden, a niche manufacturer of dental products. In addition, Lifco consolidated a product portfolio of dental products acquired by the US-based company ContacEZ, Swedish TrollDental's product portfolio and the Workplace Safety division of KiiitoClean A/S. KiiitoClean's Workplace Safety division is a leading niche manufacturer of eyewashes, plasters and first aid stations, which are sold under the Plum brand. In 2020, Lifco announced that it had acquired the German companies Kaniedenta and Rissmann Dental, which will be consolidated as of January 2021. Kaniedenta produces and sells dental consumables primarily in the German market and Rissmann Dental is a dental laboratory.

## EARNINGS IN 2020

Dental's net sales decreased by 2.3 per cent to SEK 4,290 (4,393) million and EBITA\* increased by 2.7 per cent to SEK 898 (874) million. The EBITA margin\* improved by 1.0 percentage point to 20.9 (19.9) 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.

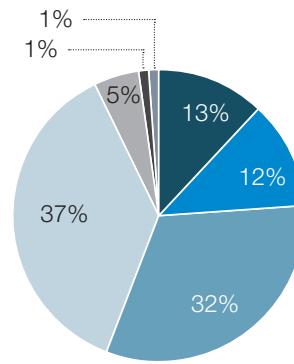
The dental market remains generally stable. The results of individual companies in Lifco's Dental business may in any individual quarter be influenced by significant fluctuations in exchange rates, calendar effects such as Easter, gained or lost contracts in procurements of consumables by public-sector or major private-sector customers and fluctuations in the delivery of equipment. The dental market took a significant hit from the pandemic in the second quarter of 2020. While the effects differed between different markets, demand decreased significantly across all countries. In June, all European dental markets recovered and in the fourth quarter these markets remained at more normal levels. In 2020, profitability improved as a result of reduced sales and marketing activities due to the pandemic.

## FINANCIAL RESULTS

SEK MILLION	2020	CHANGE	2019	CHANGE	2018
Net sales	4,290	-2.3%	4,393	5.0%	4,185
EBITA*	898	2.7%	874	9.0%	802
EBITA margin*	20.9%	1.0	19.9%	0.7	19.2%



## NET SALES BY GEOGRAPHIC MARKET



- Sweden
- Norway
- Germany
- Rest of Europe
- North America
- Asia and Australia
- Rest of world

# DEMOLITION & TOOLS



Demolition & Tools develops, manufactures and sells equipment for the construction and demolition industries. Lifco is the world's leading supplier of demolition robots and crane attachments. The company is also one of the leading global suppliers of excavator attachments.

The operations are divided into two divisions: Demolition Robots and Crane & Excavator Attachments. Demolition Robots accounts for 35 per cent of the business area's net sales and Crane & Excavator Attachments for 65 per cent.

## DEMOLITION ROBOTS

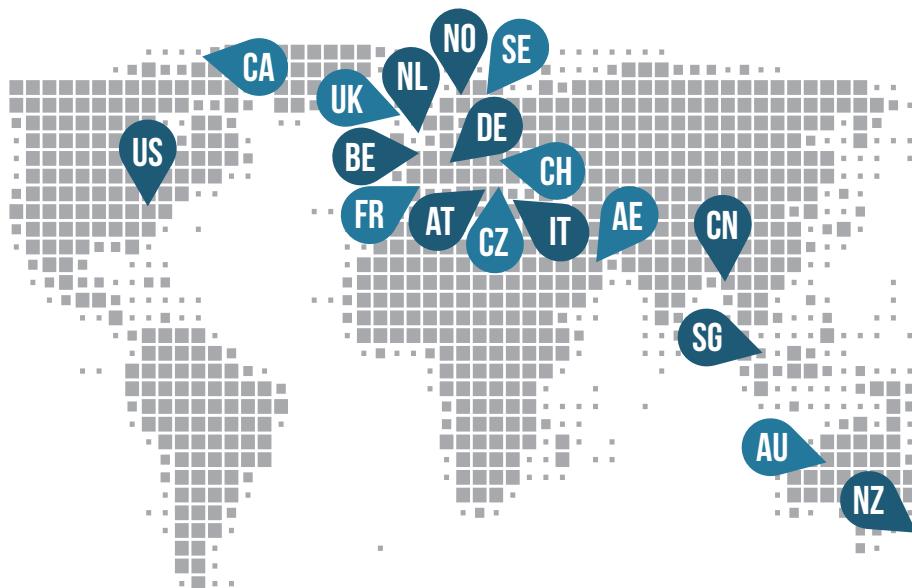
Lifco's remote-controlled demolition robots are sold under the Brokk brand. The machines are easy to manoeuvre and can be deployed without time-consuming preparations. They can also handle hot and stressful environments. The arms have a long reach, and a wide range of attachments increase the machines' 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 also 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 market is the global construction and demolition 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, and 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

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.



The map shows countries with employees in the Demolition & Tools business area.

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.

## EARNINGS IN 2020

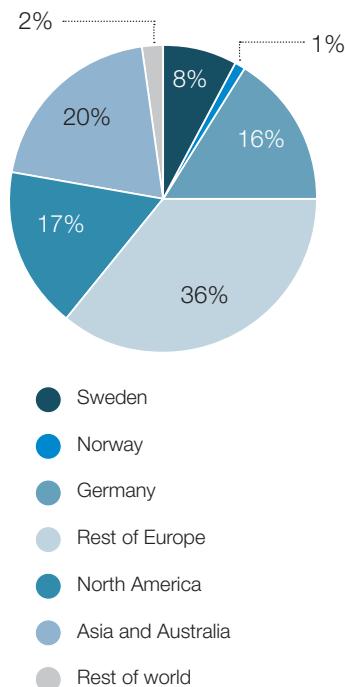
Net sales decreased by 10.4 per cent during the year to SEK 3,234 (3,610) million and EBITA\* decreased by 10.0 per cent to SEK 750 (834) million. The EBITA margin\* was 23.2 (23.1) per cent. The decrease in net sales and earnings is due to a weaker market situation in the first nine months of the year. In the fourth quarter, the market situation improved compared with the second and third quarters. During the year, profitability improved as a result of reduced sales and marketing activities due to the pandemic. The Chinese market was strong in 2020 while the US market was more subdued.

## FINANCIAL RESULTS

SEK MILLION	2020	CHANGE	2019	CHANGE	2018
Net sales	3,234	-10.4%	3,610	28.0%	2,820
EBITA*	750	-10.0%	834	15.2%	724
EBITA margin*	23.2%	0.1	23.1%	-2.6	25.7%



## NET SALES BY GEOGRAPHIC MARKET



# SYSTEMS SOLUTIONS



The Systems Solutions business area comprises companies which offer systems solutions. Systems Solutions has five divisions: Construction Materials, Contract Manufacturing, Environmental Technology, Service and Distribution, and Forest. The divisions are leading players in their geographic markets. During the year, one acquisition was consolidated in Contract Manufacturing and one in Service and Distribution.

## 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 and 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.

Construction Materials lost some sales in 2020 while profitability increased as the pandemic meant that it was not possible to engage in marketing activities to the same extent as normal.

## 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.

In 2020, Lifco acquired Tastitalia of Italy, a niche manufacturer of customised touch panels, displays and keypads.

Contract Manufacturing reported good sales and profitability growth in 2020.

## 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.

In Environmental Technology, sales and earnings decreased in 2020. Those companies that sell indirect products that are not part of a value chain took a hit from the pandemic.



The map shows countries with employees in the Systems Solutions business area.



## 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 interior modules are made from a special type of steel which combines durability with low weight. The solutions can be used in practically all European-made light commercial vehicles. The largest customers are in the energy, construction and distribution sectors. The division also includes Brian James Trailers, a niche manufacturer of car trailers, including open and enclosed car transport trailers. The leading supplier of exhibition and display materials, UK POS, is also part of the division.

In 2020, Lifco acquired Cramaro Tarpaulin Systems of Italy, a niche manufacturer of tarpaulin systems for trucks and agricultural vehicles.

Service and Distribution saw solid sales and profitability growth in 2020 as a result of acquisitions and a positive impact of the pandemic in several businesses.

## FOREST

Lifco offers sawmill equipment under the Heinola and Hekotek brands. The companies have operations in the Baltic states, Finland, Russia, Norway and Sweden. Together, they offer 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 Forest, sales were down in 2020 while profitability increased. The year-on-year comparison is affected by the fact that in 2019 the division made provisions for restructuring in response to a decline in sales and problem projects.

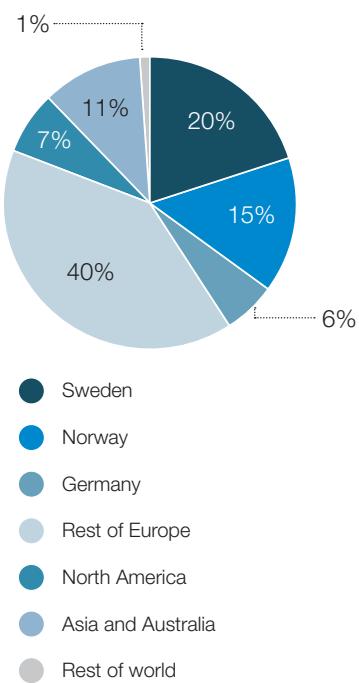
## EARNINGS IN 2020

In Systems Solutions, net sales increased by 7.1 per cent to SEK 6,258 (5,842) million as a result of acquisitions. As a whole, Systems Solutions was relatively unaffected by the pandemic. Within the business area, certain businesses saw a positive impact from the pandemic while others were adversely affected depending on which stage of the value chain they operate at and which segments their customers are in. EBITA\* increased by 28.3 per cent to SEK 1,166 (909) million and the EBITA margin\* expanded by 3.0 percentage points to 18.6 (15.6) per cent. The improvement in profitability was due to acquisitions as well as a slowdown in sales and marketing activities due to the pandemic.

## FINANCIAL RESULTS

SEK MILLION	2020	CHANGE	2019	CHANGE	2018
Net sales	6,258	7.1%	5,842	18.0%	4,951
EBITA*	1,166	28.3%	909	20.2%	756
EBITA margin*	18.6%	3.0	15.6%	0.3	15.3%

## NET SALES BY GEOGRAPHIC MARKET





CRAMARO



# SHARE INFORMATION

Lifco's 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. At 31 December 2020, the number of shareholders was 14,063, which is an increase of 3,068 over the year. The share of foreign-owned shares at year-end was 16.6 per cent. The company trades under the stock symbol LIFCO B.

## SHARE PERFORMANCE AND LIQUIDITY

Lifco's share price at year-end was SEK 789.00, which translates to a market capitalisation of SEK 71.675 billion. Lifco's B shares gained 37.94 per cent in 2020. Nasdaq Stockholm, as measured by the OMXS PI index, gained 12.86 per cent in 2020.

The highest price paid in 2020 was SEK 793.50 on 29 November and the lowest price paid SEK 310.00 on 23 March.

Lifco's IPO price was SEK 93. From the initial public offering to the end of 2020, the share price has increased by 748.39 per cent. Nasdaq Stockholm, as measured by the OMXS PI index, has increased by 67.63 per cent over the same period.

In 2020, 65,903,359 (51,973,037) shares were traded. The daily average was 261,521 (207,892) shares. 50.9 (52.0) per cent of the shares were traded on Nasdaq Stockholm.

## SHARE CAPITAL

At the end of 2020, Lifco had a share capital of SEK 18,168,652, represented by 90,843,260 shares. All shares have equal rights to dividends. Each A share carries ten votes and each B share one vote. The number of A shares is 6,075,970 and the number of B shares 84,767,290.

## 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](http://www.lifco.se) E-mail: [ir@lifco.se](mailto: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

Eric Cassel, ABG Sundal Collier  
 Robert Redin, Carnegie  
 Herman Eriksson, Handelsbanken  
 Douglas Lindahl, 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.	6,075,970	84,767,290	90,843,260
Votes, no.	60,759,700	84,767,290	145,526,990
Capital, %	7	93	100
Votes, %	42	58	100

### TEN LARGEST COUNTRIES, 31 DECEMBER 2020

	NO. OF SHARES	CAPITAL, %	VOTES, %	NO. OF OWNERS	SHARE OF KNOWN OWNERS, %
Sweden	75,757,608	83.4	89.7	13,481	95.9
USA	6,991,450	7.7	4.8	54	0.4
Norway	2,400,152	2.6	1.6	62	0.4
Germany	1,022,797	1.1	0.7	22	0.2
Denmark	672,266	0.7	0.5	228	1.6
Canada	451,604	0.5	0.3	9	0.1
Finland	210,328	0.2	0.1	43	0.3
Luxembourg	169,842	0.2	0.1	8	0.1
Switzerland	153,166	0.2	0.1	20	0.1
United Kingdom	142,993	0.2	0.1	27	0.2
Other countries	277,567	0.3	0.2	109	0.8
Anonymous ownership	2,593,487	2.9	1.8	-	-
<b>Total</b>	<b>90,843,260</b>	<b>100.0</b>	<b>100.0</b>	<b>14,063</b>	<b>100.0</b>

Source: Modular Finance.

## SHARE PERFORMANCE OF LIFCO B FROM THE IPO TO 31 DECEMBER 2020



LIFCO'S 20 LARGEST SHAREHOLDERS, 31 DECEMBER 2020				
	A SHARES	B SHARES	CAPITAL, %	VOTES, %
Carl Bennet AB	6,075,970	39,437,290	50.1	68.9
Fourth Swedish National Pension Fund (AP4)	5,731,869		6.3	3.9
SEB Fonder & Liv	3,388,816		3.7	2.3
Carnegie Fonder	2,490,323		2.7	1.7
Swedbank Robur Fonder	2,243,942		2.5	1.5
SHB Fonder & Liv	2,131,883		2.3	1.5
Didner & Gerge Fonder	2,004,844		2.2	1.4
Capital Group	1,563,186		1.7	1.1
Spiltan Fonder	1,490,302		1.6	1.0
Odin Fonder	1,427,688		1.6	1.0
AMF Pension & Fonder	1,378,372		1.5	0.9
Vanguard	1,161,400		1.3	0.8
Allianz Global Investors	935,533		1.0	0.6
Norges Bank	878,625		1.0	0.6
Invesco	851,670		0.9	0.6
Livsförsäkringsbolaget Skandia	826,207		0.9	0.6
Avanza Pension	689,755		0.8	0.5
Lundberg sphere	675,000		0.7	0.5
BlackRock	645,286		0.7	0.4
First Swedish National Pension Fund (AP1)	632,976		0.7	0.4
<b>Total 20 largest owners</b>	<b>6,075,970</b>	<b>70,584,967</b>	<b>84.4</b>	<b>90.3</b>
Other	14,182,323		15.6	9.7
<b>Total</b>	<b>6,075,970</b>	<b>84,767,290</b>	<b>100.0</b>	<b>100.0</b>

Source: Modular Finance and information from the shareholders.

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 STRUCTURE, 31 DECEMBER 2020			
	NUMBER	SHARES	NO. OF SHARES
	1	500	842,733
	501	1,000	281,789
	1,001	10,000	940,747
	10,001	20,000	530,514
	20,001	50,000	1,422,790
	50,001	100,000	1,289,226
	100,001	500,000	6,603,341
	500,001	1,000,000	5,392,562
	1,000,001	2,000,000	5,443,497
	2,000,001	5,000,000	14,257,445
	5,000,001	20,000,000	5,731,869
	20,000,001		45,513,260
Anonymous ownership			2,593,487
<b>Total</b>		<b>90,843,260</b>	<b>14,063</b>

Source: Modular Finance.

	2020	2019	2018
Earnings per share after tax	18.24	16.57	15.29
Share price on last trading day in December	789.00	572.00	327.50
Cash flow	31.0	21.9	16.90
Dividend (proposed for 2020)	6.00	5.25	4.60
Dividend growth, %	14.3	14.1	15.0
Yield, %	0.8	0.9	1.4
P/E ratio	43.3	34.5	21.4
Payout ratio, %	32.9	31.7	30.1
Equity	94.8	87.1	73.6
Number of shares, 31 December, million	90.8	90.8	90.8

# ACQUISITIONS

In 2020, Lifco announced twelve acquisitions in its Dental and Systems Solutions business areas. The acquisitions have brought complementary or new products to Lifco and expanded the Group's market presence. The announced acquisitions had a combined turnover of approximately SEK 1,100 million. The acquisitions had a net positive impact on Lifco's results and financial position during the year.

## ACQUISITIONS IN DENTAL

Ten acquisitions were announced in Dental:

Consys of Germany, which develops, sells and maintains medical records systems.

A product portfolio from the US-based company ContacEZ.

A majority stake in Dental Grupa Croatia, a leading distributor of equipment and consumables to dentists in Croatia.

A majority shareholding in Kaniedenta of Germany, which produces and sells dental consumables primarily in the German market.

Rissmann Dental of Germany, a dental laboratory.

Rønvig Dental Manufacturing of Denmark, a niche manufacturer of dental products.

Sendoline of Sweden, a niche manufacturer of dental products.

A majority stake in Swallow of Great Britain, a niche distributor of dental consumables sold mainly in the UK market.

The Workplace Safety division of KiiltoClean A/S, a leading niche manufacturer of eyewashes, plasters and first aid stations, which are sold under the Plum brand.

The product portfolio of TrollDental of Sweden.

Kaniedenta and Rissmann Dental will be consolidated as of January 2021.

## ACQUISITIONS IN SYSTEMS SOLUTIONS

Two acquisitions were made in Systems Solutions:

A majority of the shares of Tastitalia of Italy, a niche manufacturer of customised touch panels, displays and keypads. The business was consolidated in the Contract Manufacturing division.

A majority stake in Cramaro Tarpaulin Systems of Italy, a niche manufacturer of tarpaulin systems for trucks and agricultural vehicles. The business was consolidated in the Service and Distribution division.

## PREVIOUS ACQUISITIONS

Over the period 2006–2020, Lifco consolidated 79 acquisitions. A list of all consolidated acquisitions is provided on pages 90–92.

## ACQUISITIONS AFTER THE END OF THE YEAR

On 5 January 2021, Lifco announced the acquisition of all shares of the British firm T. Freemantle Ltd. The company is a niche manufacturer of packaging robots. T. Freemantle had a turnover of around GBP 5.0 million in 2019. The company is based in Scunthorpe, Great Britain and has 40 employees. The business will be consolidated in the Systems Solutions business area, Service and Distribution division.

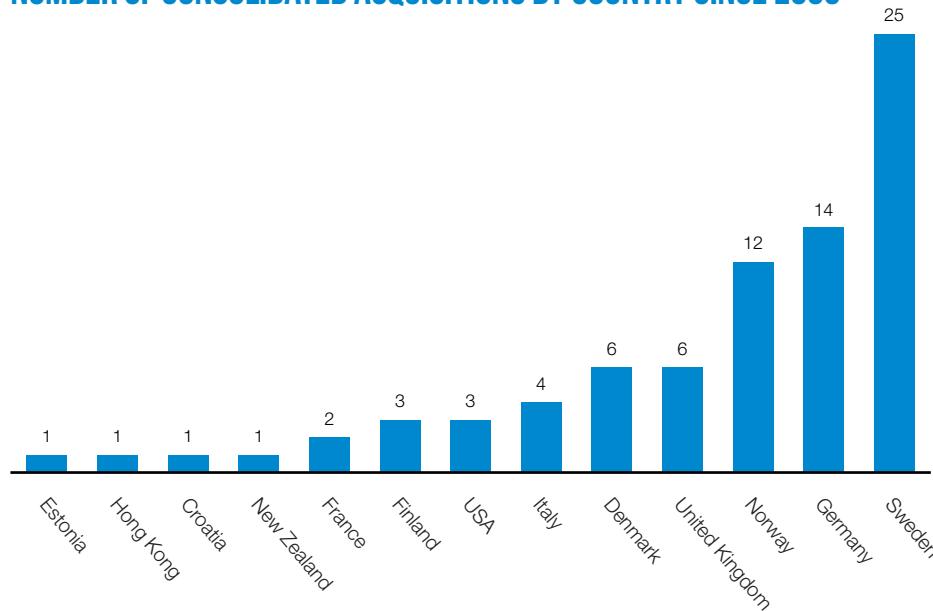
On 1 February 2021, Lifco announced that it had acquired a majority stake in MultiOne SRL of Italy. The company is a leading manufacturer of mini loaders and attachments. MultiOne had a turnover of around EUR 27 million in 2020. The company is based in Vicenza, Italy and has 46 employees. MultiOne will be consolidated in the Demolition & Tools business area, Crane & Excavator Attachments division.

On 3 February 2021, Lifco announced the acquisition of all shares of Cleveland Cascades Ltd. of the UK. The company is a global leader in the design and manufacture of customised loading systems for bulk materials. Cleveland Cascades had a turnover of around GBP 5.1 million in 2020. The company is based in Stockton-on-Tees, Great Britain and has approximately 30 employees. The business will be consolidated in the Systems Solutions business area, Environmental Technology division.

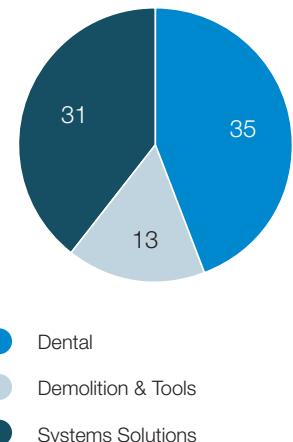


Countries in which Lifco announced acquisitions in 2020.

## NUMBER OF CONSOLIDATED ACQUISITIONS BY COUNTRY SINCE 2006



## NUMBER OF CONSOLIDATED ACQUISITIONS SINCE 2006



## ACQUISITIONS ANNOUNCED IN 2020

COMPANY	OPERATIONS	BUSINESS AREA	NET SALES IN 2019	NO. OF EMPLOYEES ON ACQUISITION	CONSOLIDATED FROM	COUNTRY
<b>Consys</b>	Develops, sells and maintains medical record systems	Dental	EUR 1.9m	9	September	Germany
<b>ContacEZ product portfolio</b>	Dental products	Dental	USD 2.2m	-	December	USA
<b>Cramaro Tarpaulin Systems</b>	Manufacture of tarpaulin systems for transport vehicles	Systems Solutions	EUR 27m	90	February	Italy
<b>Dental Grupa</b>	Distributor of dental equipment and consumables	Dental	HRK 66m	40	February	Croatia
<b>Kaniedenta</b>	Produces and sells dental consumables	Dental	EUR 29m	35	January 2021	Germany
<b>Rissmann Dental</b>	Dental laboratory	Dental	EUR 4.1m	50	January 2021	Germany
<b>Rønvig Dental Manufacturing</b>	Manufacture of dental products	Dental	DKK 30m <sup>1</sup>	17	January	Denmark
<b>Sendoline</b>	Manufacture of dental products	Dental	SEK 38m	7	December	Sweden
<b>Swallow</b>	Distributor of dental consumables	Dental	GBP 3.9m	18	December	United Kingdom
<b>Tastitalia</b>	Manufacture of customised touch panels, displays and keypads	Systems Solutions	EUR 12.2m	70	September	Italy
<b>TrollDental's product portfolio</b>	Dental products	Dental	SEK 25m	-	June	Sweden
<b>Workplace Safety</b>	Manufacture of eyewashes, plasters and first aid stations	Dental	DKK 79m	10	February	Denmark

<sup>1</sup> Refers to net sales in 2018.



# RØNVIG



# RISKS AND RISK MANAGEMENT

There are a number of factors which affect, or could affect, Lifco's operations, results or financial position. Lifco has 175 operating companies in 31 countries and a large number of customers in different industries. Lifco also has a large number of suppliers in different areas. This spread limits the commercial risks. The following is a description of identified risks and how they are managed.

Lifco is dependent on macroeconomic factors such as consumption, corporate and public investments, the volatility and strength of capital markets, and inflation. The dental industry, however, has historically proved less sensitive to a decline in economic activity than companies in the industrial sector, for example. Sales to private individuals are also typically less affected by the general economic situation. However, a significant portion of Lifco's sales are aimed at customers in the industrial sector. A stronger economy creates greater commercial opportunities for Lifco.

While individual subsidiaries are to some extent dependent on one or a small number of customers to maintain their sales, the Group as a whole is not dependent on any single customer. Lifco's largest customer accounts for less than three per cent of consolidated net sales.

In connection with acquisitions, Lifco may incur costs which are not reimbursed by the seller. When a subsidiary is sold, Lifco may risk incurring costs and losses that are attributable to the sold company. To manage this risk, Lifco makes a thorough analysis of the target business when making acquisitions. This analysis includes discussions with suppliers, customers, other parties in the market and industry experts as well as a detailed examination of the target company's accounts and contracts. Lifco also carries out a sustainability due diligence.

The Group's various customer agreements vary in terms of duration, warranties, limitations of liability and scope. Some warranties in the customer agreements are of an on-demand nature, which means that Lifco 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 a significant adverse impact on the company's financial position and results. Furthermore, some of Lifco's customer and supplier relationships have not been formalised in written agreements. The parties thus rely to a large extent on generally accepted practice among the parties, which often goes far back in time. 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.

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. The reason for this could be an inability to finance investments in technology or a failure to keep up with technological developments. Lifco therefore seeks to ensure that its subsidiaries have a broad network in their respective industries, enabling them to stay up to date on the latest technological advances. All financing decisions made by Lifco are based on commercial considerations.

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.

Lifco's customers or competitors could join together to form larger entities. The joining together of customers could lead to price pressures, which could enable competitors to strengthen their market position at Lifco's expense. This risk can be reduced by maintaining close relationships with customers. Close customer relationships are important for all Lifco businesses, many of which also offer service, thus further strengthening the relationship with the customer. Strong customer relationships are also important in price negotiations.

Most of the products that are sold in Lifco's Dental business area are covered by the reimbursement systems applied by private insurance companies, public authorities and payers of health care products and services. These entities could change the systems in a way that results in reduced reimbursements. Dental accounts for 31 per cent of consolidated net sales, and no individual market accounts for more than 32 per cent of Dental's net sales. The Group's exposure to any individual market in the Dental area is thus limited.

Lifco is dependent on certain key individuals, both in the Group management team and in the subsidiaries. Lifco's acquisition strategy includes ensuring that the key individuals in the acquired company remain motivated to drive the company forward also after the acquisition. Lifco believes in incentive schemes that are linked to profitability as a means of attracting and retaining key individuals.

Currency risk refers to the risk of unfavourable changes in exchange rates. Currency risk is divided into:

- Transaction exposure, which arises when companies in the Group execute transactions in other currencies than the local currency.
- Translation exposure, which arises when the Group, through its subsidiaries, has net investments in foreign currency.

Lifco conducts operations in 31 countries. Due to this geographic spread, as well as the large number of customers and products, Lifco's transaction exposure is relatively limited. Within the Group, there is a balance between purchases and sales in foreign currency. A moderate change in the value of the Swedish krona has no material impact on Lifco's financial position.

Translation exposure is managed partly through borrowing in the foreign currency concerned.

Read more about Lifco's currency policy in Note 3.

Interest rate risk refers to the risk that changes in the interest rate environment will have a negative impact on Lifco's net profit, see Note 3.1. Lifco currently has no hedging arrangements in place in respect of interest rate risk.

Credit, or counterparty, risk is the risk that a counterparty to a financial transaction will fail to meet its obligations. Lifco's credit risk arises mainly from accounts receivable (commercial credit risk) but there is also a certain credit risk in respect of the investment of cash and cash equivalents (financial credit risk). Lifco considers the financial credit risk to be low, as the Group's cash and cash equivalents are invested with banks with high creditworthiness.

Lifco is dependent on being able to obtain financing through lenders. Lifco considers that the Group, in view of its existing working capital and credit agreements, has a good financial position.

Lifco operates across a wide range of industries that were affected in varying degrees by the COVID-19 pandemic in 2020. In the fourth quarter of 2020, Lifco's Dental business benefited from a recovery in the European dental markets, which returned to more normal levels. The Systems Solutions business area as a whole was relatively unaffected by the pandemic in 2020. Within Systems Solutions, certain businesses saw a positive impact from the pandemic while others were adversely affected depending on which stage of the value chain they operate at and which segments their customers are in. In the Demolition & Tools business area, the market situation improved slightly in the fourth quarter of 2020 compared with the second and third quarters of 2020. Lifco is closely monitoring the continued development of the pandemic.

# 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 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 a strongly decentralised organisation. Lifco comprises 175 operating companies in 31 countries. One of the company's greatest competitive advantages is that it is able to offer secure ownership for small and medium-sized businesses.

Corporate governance at Lifco is aimed at ensuring a continued strong performance for the company and at ensuring 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 and strategies. 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 those rules and recommendations which are issued by the 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, policy documents and the Group's Code of Conduct.

Read more:

About the Code: [www.bolagsstyrning.se](http://www.bolagsstyrning.se)

Lifco's Code of Conduct and corporate governance: [www.lifco.se](http://www.lifco.se)

## SHAREHOLDERS

At 31 December 2020, Lifco had 14,063 shareholders, according to Modular Finance. At 31 December 2020, Lifco's share capital consisted

of 90,843,260 shares, comprising 6,075,970 A shares with ten votes each and 84,767,290 B shares with one vote each. At the end of 2020, Lifco had a stock market capitalisation of SEK 71.675 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 26–27.

## 2020 ANNUAL GENERAL MEETING

Lifco's Annual General Meeting in Stockholm on 24 June 2020 was attended by 204 shareholders representing 78.7 per cent of the number of shares and 86.7 per cent of the total number of votes. As a result of the restrictions imposed by the authorities due to the coronavirus pandemic, only a limited number of shareholders attended the AGM, with the majority voting by postal ballot. 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, Erik Gabrielson, Ulf Grunander, Annika Espander, Johan Stern, Axel Wachtmeister and Per Waldemarson were re-elected to the Board. Dan Frohm and Caroline af Ugglas were elected as new Directors. Carl Bennet was re-elected Chairman of the Board. It was noted that the employee organisations had appointed Anders Lorentzson and Peter Wiberg as members of the Board with Anders Lindström as deputy.

The minutes of the AGM are available at [www.lifco.se](http://www.lifco.se).

Resolutions of the AGM: • Adoption of the presented income statements and balance sheets for the Parent Company and Group. • Dividend. The AGM approved the Board's proposed dividend of SEK 5.25 per share. • Release from liability.

The AGM resolved to release the members of the Board and the Chief Executive Officer from liability in respect of the financial year 2019. • Directors' fees. It was resolved that fees in a total amount of SEK 6,350,000 be paid to the Directors, and that fees for committee work be paid in the amount of SEK 250,000 to the Chairman of the Audit Committee and SEK 125,000 to each of the other committee members. The Chairman of the Remuneration Committee will receive SEK 135,000 and each of the other members SEK 83,000. More detailed information is found in Note 10. • Auditor. The audit firm PricewaterhouseCoopers AB was re-appointed as the company's auditors.

• Nomination Committee. The AGM resolved to instruct the Chairman of the Board to convene a Nomination Committee for the Annual General Meeting 2021 consisting of the Chairman of the Board, a representative for each of the company's five largest shareholders as at 31 August 2020 and one representative for smaller shareholders.

• Guidelines on remuneration of senior executives. The AGM approved the Board's proposed guidelines on remuneration of senior executives. More detailed information is found on page 35.

• The AGM approved the Board's proposal to remove the wording on record date in the Articles of Association, to replace the term "company" in

the Articles of Association with the term "company name" and to update the reference to the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479).

## 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 on 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 notice must also be advertised in Dagens Industri. Shareholders' meetings can be held 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 Annual General Meeting 2021 was published in the interim report for the third quarter and on the company's website on 22 October 2020. The Nomination Committee for the 2021 Annual General Meeting consists of representatives of the five registered shareholders holding the largest number of voting rights. The Chairman of the Board, Carl Bennet, was appointed Chairman of the Nomination Committee prior to the Annual General Meeting 2021, 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 2021 AGM, the Nomination Committee consists of the following representatives:

- Carl Bennet, Carl Bennet AB
- Per Colleen, AP4
- Hans Hedström, Carnegie Fonder
- Marianne Nilsson, Robur Swedbank Fonder
- Javiera Ragnartz, SEB Fonder & Liv

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 Annual General Meeting 2021. 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 2020. The committee has also studied the nomination proposals received and the evaluation of the Board and its work that has been carried out. The results of the evaluation have been presented in their entirety to the Nomination Committee and showed that the current Directors have 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 Annual General Meeting 2021.

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 Annual General Meeting 2021.

The 2020 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 (accounting 30 and 70 per cent of the membership, 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 procedures.

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 constituent 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 constituent 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 an ongoing dialogue concerning the management of the company. The Board meets the auditor without the presence of management once a year. The Board of Directors constituted itself on 24 June 2020.

In 2020, ten Board meetings were held with an average attendance of the Directors of 99 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 38-41.

**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.

Thérèse 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 coronavirus pandemic, the general level of economic activity and related cost issues, acquisitions and other investments, long-term strategies, 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 the Remuneration Committee. The committees were appointed at the constituent meeting of the Board. The delega-

tion 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 consisted of a 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 accounts, 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 2020 AGM, the Audit Committee had the following composition: Ulf Grunander, chairman, Ulrika Dellby, member, Dan Frohm, member, and Caroline af Ugglas, member. In 2020, the committee held five minuted meetings and had informal contacts in between meetings, as required. Average attendance was 100 per cent. 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, and is tasked with preparing proposals for remuneration principles, and for remuneration and other terms of employment for the CEO and senior executives. After the 2020 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 2020, 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 company's day-to-day management and the operations 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 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 Eric Salander, with the authorised public accountant Tomas Hilmarsson as co-auditor. Neither Eric Salander nor Tomas Hilmarsson hold 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 2020 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 Group management took part.

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 four individuals, who are presented on page 42. 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, the Chief Financial Officer, the Head of Business Area Systems Solutions and the Head of Acquisitions.

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 2020 AGM approved the payment of Directors' fees in a total amount of SEK 6,350,000, of which SEK 1,270,000 was payable to the Chairman of the Board and SEK 635,000 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 250,000 to the Chairman and SEK 125,000 to each of the other members, and the payment of remuneration for work on the Remuneration Committee in the amount of SEK 135,000 to the Chairman and SEK 83,000 to each of the other members.

## 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 2020 AGM adopted guidelines on remuneration of senior executives with the following features. The guidelines are in line with the principles that have been applied so far.

### 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 Group management team currently has four members. The guidelines shall apply to remuneration that is agreed, and to changes made to previously agreed remuneration, after the guidelines have been adopted by the 2020 AGM. The guidelines do not cover remuneration that is approved by the shareholders' meeting.

With regard to employment conditions that are governed by other, non-Swedish rules, appropriate adjustments may be made to comply with mandatory rules or established local practice, whereby the general object of these guidelines shall be met as far as 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 operate in a sustainable manner and have the potential to deliver sustainable earnings growth and robust cash flows.

The Group has a clear business strategy centred on results, simplicity and decentralisation. Lifco's primary goal is to increase its earnings every year, and has achieved this goal through a combination of organic growth and acquisitions. For further information on Lifco's business strategy, see this annual report.

Successful implementation of the company's business strategy and the safeguarding of Lifco's long-term interests, including its sustainability, requires that the company is able to recruit and

retain qualified employees. This in turn requires that the company is able to offer competitive compensation. These guidelines enable senior executives to be offered a competitive total compensation package. 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.

The remuneration shall be market-based and may consist of the following components: a fixed cash salary, variable cash remuneration, pension benefits and other benefits. In addition, the shareholders' meeting may – irrespective of these guidelines – decide to approve share- and share price-related remuneration.

#### Fixed remuneration

The fixed remuneration, the basic salary, is based on the individual executive's area of responsibility, authority, skills 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 balance between basic salary and variable remuneration should be proportionate to the executive's responsibilities and authority. Variable remuneration is linked to pre-defined and measurable criteria which have been defined with the aim of promoting the creation of long-term value by the company. The fulfilment of criteria for payment of variable cash remuneration must be measurable over a period of one year. When the measurement period for fulfilment of the criteria for payment of variable cash remuneration has been completed, the extent to which the criteria have been met shall be assessed.

For the CEO, variable remuneration is capped at 80 per cent of the basic annual salary. Variable remuneration is based on individual targets, which are defined 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 variable remuneration is based partly on the outcome in the executive's own area of responsibility and partly on individually defined targets. Examples of such targets include earnings, volume growth, working capital and cash flow. The CEO is responsible for assessing variable cash remuneration to be paid to other executives.

No variable remuneration shall be paid if the profit before tax is negative.

#### Pension benefits and other benefits

Pension rights for the CEO and other senior executives may apply only from the age of 65. For the CEO, an amount equal to 60 per cent of the CEO's basic annual salary (excluding payroll costs) is paid into pension plans, capital redemption pension plans, and life and health insurance policies. Other senior executives are entitled to pension benefits of up to 35 per cent (excluding payroll costs) 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 are vested, i.e. they are not contingent on future employment with 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.

#### Cessation of employment

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, the period of notice shall not exceed 18 months. The employment contracts of other senior executives shall be terminable on not more than twelve months' notice in case of termination by the company. The right to a salary and other benefits are retained during the notice period. The combined amount of basic salary during the notice period and severance pay may not exceed two years' basic salary. Other income shall not be deducted from termination pay.

#### 4. SALARY AND TERMS OF EMPLOYMENT FOR EMPLOYEES

When preparing the Board's motion 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 a part of the Remuneration Committee's and the Board's decision documentation when assessing the feasibility 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 proposal concerning guidelines for remuneration to 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 shall 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 to senior executives and applicable remuneration structures and remuneration levels in the company. The members of the Remuneration Committee are independent of 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 in remuneration-related matters. This includes any resolution to deviate from the guidelines.

#### AUDITORS' FEES

PricewaterhouseCoopers AB has been engaged as the company's auditor. Audit engagement refers to the examination of the annual accounts

and accounting records and of the Board of Directors' and Chief Executive Officer's management 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 2020 totalled SEK 10 (9) million while fees for other services totalled SEK 3 (3) 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 procedures 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 PROCEDURES

Identified risks related to financial reporting are managed through the company's control procedures. 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 procedures is reviewed regularly at different levels of the Group, covering an assessment of design and operational functionality.

In 2020, 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 the internal control. The review showed that in all essential respects documentation and control procedures have been established in the Group. Based on the completed internal control procedures, 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 procedures, and review and monitoring activities.

plum  
Safety



# 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. Chairman of the Board of Elanders. Deputy Chairman of the Board Arjo and Getinge. Director of Holmen and L E Lundbergföretagen.

Previous posts: President and CEO of Getinge.

Shareholding through companies, 31 December 2020: 6,075,970 A shares, 39,437,290 B shares

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: Director of Kavli Holding AS, Cybercom Group AB, SJ AB, Fasadgruppen Norden AB and Linc AB. Partner of Fagerberg & Dellby Fond I AB.

Previous posts: Partner of The Boston Consulting Group, CEO of Brindfors Enterprise IG (now Brand Union), Vice Chairman of Norrporten, Director of Via Travel Group and OSM Group.

Own and related parties' shareholdings, 31 December 2020: 13,000 B shares

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 among all Catella Healthcare and Enskilda Securities. Director of Elekta AB, Blotage AB, Probi AB and Stille AB.

Own and related parties' shareholdings, 31 December 2020: 2,000 B shares

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 and Director of Arjo AB, Carl Bennet AB, Elanders 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 2020: 50,618 B shares

Independent of the company and of management: Yes

Independent of main owner: No



## 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 Vininvest 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 2020: –

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 Pensionsförsäkring AB, Arjo AB, Djurgården Hockey AB and Nyströms Gastronomi & Catering AB.

Previous posts: CFO the Getinge Group.

Own and related parties' shareholdings, 31 December 2020: 2,000 B shares

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 Fädriften Invest AB, Healthinvest Partners AB, Rolling Optics AB, Skanör Falsterbo Fastighets AB and Stiftelsen Harry Cullbergs Fond. Director of Carl Bennet AB, Elanders AB, Estea AB, Getinge AB and RP Ventures AB.

Previous posts: Roles at SEB in Sweden and the US

Own and related parties' shareholdings, 31 December 2020: 46,000 B shares

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: Corporate Governance Officer at the Confederation of Swedish Enterprise and Director of AMF and Beijer Alma AB.

Previous posts: Head of Equities at Livförsäkrings AB Skandia and Director of Acando AB, Connecta AB, Lindab International AB and Investment AB Latour.

Own and related parties' shareholdings, 31 December 2020: 1,000 B shares

Independent of the company and of management: Yes

Independent of main owner: Yes



## AXEL WACHTMEISTER

Director

Born in 1951. Elected in 2006.

M.Sc. in Engineering

Current posts: Director and CEO of Wästerslöv AB. Director of Kilmartin Estate AB. Deputy Director of HAWAJ Holding AB and Sydsvensk Form Reklam i Höör AB.

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

Own and related parties' shareholdings, 31 December 2020: 16,200 B shares

Independent of the company and of management: Yes

Independent of main owner: Yes



## PER WALDEMARSON

Director

Born in 1977. Elected in 2019.

M.Sc. in Business Administration

Current posts outside Lifco: -

Previous posts: Deputy CEO Lifco, CEO Brokk AB, Management Consultant Bain & Co.

Own and related parties' shareholdings, 31 December 2020: 102,700 B shares and 22,000 B shares through a pension plan

Independent of the company and of management: No

Independent of main owner: Yes



## ANDERS LORENTZSON

Director, employee representative for Unionen

Born in 1957. Elected in 2017. Employee of Rapid Granulator AB.

Own and related parties' shareholdings, 31 December 2020: -



## ANDERS LINDSTRÖM

Employee representative, deputy, Handels

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

Own and related parties' shareholdings, 31 December 2020: -



## PETER WIBERG

Director, employee representative for IF Metall

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

Own and related parties' shareholdings, 31 December 2020: 325 B shares

## AUDITOR

PricewaterhouseCoopers AB has been Lifco's auditor since 2010.

At the 2019 Annual General Meeting, PricewaterhouseCoopers were re-appointed for the period until the end of the 2020 AGM.

The auditor-in-charge is Magnus Willfors, born in 1967, who is an authorised public accountant and member of FAR, Sweden's professional institute for accountants.

Tomas Hilmarsson, born in 1981, is co-auditor. Tomas Hilmarsson 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	15/15	-	2/2
Kennet Bergqvist <sup>1</sup>	8/8	-	-
Ulrika Dellby	15/15	5/5	-
Annika Espander	15/15	2/2	1/1
Dan Frohm <sup>2</sup>	7/7	3/3	-
Erik Gabrielson	15/15	-	2/2
Ulf Grunander	15/15	5/5	-
Anders Lindström	13/15	-	-
Anders Lorentzson	14/15	-	-
Johan Stern	15/15	-	2/2
Caroline af Ugglas <sup>2</sup>	7/7	3/3	-
Axel Wachtmeister	15/15	-	2/2
Per Waldemarson	15/15	-	-
Peter Wiberg	14/15	-	-
<b>Total number of meetings</b>	<b>15</b>	<b>5</b>	<b>2</b>

<sup>1</sup> Left the Board prior to the Annual General Meeting on 24 June 2020.

<sup>2</sup> Elected at the Annual General Meeting on 24 June 2020.

# 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, CEO Brokk AB, Management Consultant Bain & Co.

Own and related parties' shareholdings, 31 December 2020: 102,700 B shares and 22,000 B shares through a pension plan



## THÉRÈSE 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 2020: 300 B shares



## 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 2020: 39,600 B shares and 9,150 B shares through a pension plan



## INGVAR LJUNGQVIST

Head of Acquisitions

Born in 1960. Appointed in 2015. Hired in 2015.

M.Sc. in Engineering

Previous posts: Pareto, SEB-Enskilda New York, IBM, Boeing.

Own and related parties' shareholdings, 31 December 2020: 54,300 B shares and 4,000 B shares through a pension plan

# APPROPRIATION OF RETAINED EARNINGS

Lifco AB (publ), corp. ID no. 556465-3185

THE ANNUAL GENERAL MEETING IS ASKED TO DECIDE ON THE APPROPRIATION OF THE FOLLOWING EARNINGS OF LIFCO AB:		SEK MILLION
Retained earnings		2,764
Net profit for the year		937
<b>Total</b>		<b>3,701</b>
The Board of Directors and Chief Executive Officer propose that a dividend of SEK 6.00 per share be paid to the shareholders		545
Carried forward		3,156
<b>Total</b>		<b>3,701</b>

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 23 April 2021.

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 auditor's 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, 16 March 2021

Carl Bennet  
Chairman

Ulrika Dellby  
Director

Annika Espander  
Director

Dan Frohm  
Director

Erik Gabrielsson  
Director

Ulf Grunander  
Director

Anders Lorentzson  
Director,  
employee representative for Unionen

Johan Stern  
Vice Chairman

Caroline af Ugglas  
Director

Axel Wachtmeister  
Director

Per Waldemarson  
President and CEO

Peter Wiberg  
Director,  
employee representative for IF Metall

Our auditor's report was submitted on 16 March 2021  
PricewaterhouseCoopers AB

Eric Salander  
Authorised Public Accountant  
Auditor-in-charge

Tomas Hilmarsson  
Authorised Public Accountant

# AUDITOR'S REPORT

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 2020 except for the corporate governance statement and the statutory sustainability report on pages 33-42 and 12-16 respectively. The annual accounts and consolidated accounts of the company are included on pages 8-88 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 as of 31 December 2020 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 2020 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 33-42 and 12-16 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 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 my (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

#### Overview

##### 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 the management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

##### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. 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 MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p><b>Valuation of intangible assets</b> With reference to Note 2, Note 4 and Note 14.</p> <p>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.</p> <p>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, overheads, working capital requirements, investment requirements and discount factor (cost of capital). It is presented that no impairment requirement has been identified based on the assumptions undertaken.</p>	<p>In our audit, we have evaluated the calculation model applied by management.</p> <p>We have reconciled and critically tested essential variables against budget and strategic plan for the Company. 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.</p> <p>We have tested the sensitivity analysis for key variables in order to assess the risk of need for impairment.</p> <p>We have not noted any need for impairment based on procedures performed.</p> <p>We have also assessed the correctness of the disclosures included in the financial statements.</p>
<p><b>Recognition of acquisitions</b> With reference to Note 2, Note 4 and Note 31.</p> <p>In the financial year 2020, Lifco made a number of acquisitions across all business areas. Information on these acquisitions is presented in Note 31.</p> <p>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.</p>	<p>Our audit of the acquisitions were 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.</p> <p>Our audit has also included an assessment of significant estimates and judgements made in connection with the allocation of fair value in the acquisition analyses. We have also assessed the basis for the judgements and comparing those judgements with similar acquisitions in the group in previous years.</p> <p>We have also assessed the correctness of the disclosures of acquisitions included in the financial statements and assessed supporting documentation for the accounting of the acquisitions.</p> <p>No deviations were noted in our audit</p>

## 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 1-7 and 89-104. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

## RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

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

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

## AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

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](http://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 Directors and the Managing Director of Lifco AB (publ) for the year 2020 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 Directors and the Managing Director be discharged from liability for the financial year.

### BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

## RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

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

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

## THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 33-42 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 RevU 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.

## THE AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

The Board of Directors is responsible for the statutory sustainability report on pages 12-16, and that it is 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 my (our) examination of the statutory sustainability report 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 me (us) with sufficient basis for my (our) opinion. A statutory sustainability report has been prepared.

PricewaterhouseCoopers AB was appointed auditor of Lifco AB (publ) by the general meeting of the shareholders on the 24 June 2020 and has been the company's auditor since the general meeting of the shareholders in 2010.

Enköping 16 March 2021

PricewaterhouseCoopers AB

Eric Salander  
Authorised Public Accountant  
Auditor-in-charge

Tomas Hilmarsson  
Authorised Public Accountant

# CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT			
SEK MILLION	NOTE	2020	2019
Net sales	5	13,782	13,845
Cost of goods sold		-7,968	-8,033
<b>Gross profit</b>		<b>5,814</b>	<b>5,812</b>
Selling expenses		-1,491	-1,600
Administrative expenses		-1,921	-1,928
Research and development costs		-121	-171
Other operating income	6	51	47
Other operating expenses	6	-71	-101
<b>Operating profit</b>	7, 8, 9, 10, 11	<b>2,261</b>	<b>2,059</b>
Financial income	6, 12	4	4
Financial expenses	6, 12	-66	-67
<b>Profit before tax</b>		<b>2,199</b>	<b>1,996</b>
Tax on profit for the year	13	-522	-468
<b>Net profit for the year</b>		<b>1,677</b>	<b>1,528</b>
Net profit for the year attributable to:			
Parent Company shareholders		1,657	1,505
Non-controlling interests		20	23
<b>Net profit for the year</b>		<b>1,677</b>	<b>1,528</b>
Undiluted and diluted earnings per share attributable to Parent Company shareholders during the year, SEK	32	18.24	16.57

The notes on pages 54-88 are an integral part of the annual report and consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
SEK MILLION	NOTE	2020	2019
<b>Net profit for the year</b>		<b>1,677</b>	<b>1,528</b>
<b>Other comprehensive income</b>			
<b>Items which can later be reclassified to profit or loss:</b>			
Hedge of net investment	2.7.5	57	6
Translation differences		-530	140
Tax related to other comprehensive income		-13	-1
<b>Other comprehensive income</b>		<b>-486</b>	<b>145</b>
<b>Total comprehensive income for the year</b>		<b>1,191</b>	<b>1,673</b>
<b>Comprehensive income attributable to:</b>			
Parent Company shareholders		1,176	1,648
Non-controlling interests		15	25
<b>Total comprehensive income for the year</b>		<b>1,191</b>	<b>1,673</b>

The notes on pages 54-88 are an integral part of the annual report and consolidated financial statements.

CONSOLIDATED BALANCE SHEET		NOTE	31 DEC 2020	31 DEC 2019	
SEK MILLION					
<b>ASSETS</b>					
<b>Fixed assets</b>					
Intangible assets	14		11,610	11,209	
Tangible assets	15		1,504	1,503	
Other non-current financial receivables	16		11	9	
Deferred tax assets	17		188	173	
<b>Total fixed assets</b>			<b>13,313</b>	<b>12,894</b>	
<b>Current assets</b>					
Inventories	18		1,864	1,997	
Accounts receivable - trade	16, 19		1,533	1,584	
Current tax assets			97	125	
Other current receivables			139	110	
Prepaid expenses and accrued income	20		146,	139	
Cash and cash equivalents	16, 22		1,170	729	
<b>Total current assets</b>			<b>4,949</b>	<b>4,684</b>	
<b>TOTAL ASSETS</b>			<b>18,262</b>	<b>17,578</b>	

The notes on pages 54-88 are an integral part of the annual report and consolidated financial statements.

## CONSOLIDATED BALANCE SHEET, CONTINUED

SEK MILLION	NOTE	31 DEC 2020	31 DEC 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	23	18	18
Reserves		14	495
Retained earnings including net profit for the year		8,582	7,402
<b>Equity attributable to Parent Company shareholders</b>		<b>8,614</b>	<b>7,915</b>
Non-controlling interests		62	57
<b>Total equity</b>		<b>8,676</b>	<b>7,972</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities incl. lease liability	16, 24	2,267	1,634
Other non-current liabilities		953	860
Interest-bearing pension provisions	25	44	40
Deferred tax liability	17	1,182	1,090
Other long-term provisions	26	29	36
<b>Total non-current liabilities</b>		<b>4,475</b>	<b>3,660</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities incl. lease liability	16, 21, 24	2,649	3,691
Accounts payable - trade	16	796	680
Advance payments from customers		233	262
Current tax liabilities		220	210
Other short-term provisions	26	38	61
Other current liabilities		395	356
Accrued expenses and deferred income	28	780	686
<b>Total current liabilities</b>		<b>5,111</b>	<b>5,946</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,262</b>	<b>17,578</b>

The notes on pages 54-88 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
<b>Opening balance, 1 January 2019</b>	<b>18</b>	<b>352</b>	<b>6,315</b>	<b>6,685</b>	<b>63</b>	<b>6,748</b>
<b>Comprehensive income</b>						
Net profit for the year	-	-	1,505	1,505	23	1,528
Other comprehensive income	-	143	-	143	2	145
<b>Total comprehensive income</b>	<b>-</b>	<b>143</b>	<b>1,505</b>	<b>1,648</b>	<b>25</b>	<b>1,673</b>
<b>Transactions with owners</b>						
Outgoing non-controlling interests	-	-	-	-	-5	-5
Dividend	-	-	-418	-418	-26	-444
<b>Closing balance, 31 December 2019</b>	<b>18</b>	<b>495</b>	<b>7,402</b>	<b>7,915</b>	<b>57</b>	<b>7,972</b>
<b>Comprehensive income</b>						
Net profit for the year	-	-	1,657	1,657	20	1,677
Other comprehensive income	-	-481	-	-481	-5	-486
<b>Total comprehensive income</b>	<b>-</b>	<b>-481</b>	<b>1,657</b>	<b>1,176</b>	<b>15</b>	<b>1,191</b>
<b>Transactions with owners</b>						
Outgoing non-controlling interests	-	-	-	-	3	3
Dividend	-	-	-477	-477	-13	-490
<b>Closing balance, 31 December 2020</b>	<b>18</b>	<b>14</b>	<b>8,582</b>	<b>8,614</b>	<b>62</b>	<b>8,676</b>

The notes on pages 54-88 are an integral part of the annual report and consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT		NOTE	2020	2019
SEK MILLION				
<b>Operating activities</b>				
Operating profit			2,261	2,059
Non-cash items	35		780	705
Other financial items			-1	-10
Interest received			1	4
Interest paid			-62	-57
Income taxes paid			-593	-571
<b>Cash flow before changes in working capital</b>			<b>2,386</b>	<b>2,130</b>
<b>Changes in working capital</b>				
Increase/decrease in inventories			208	-94
Increase/decrease in operating receivables			145	137
Increase/decrease in operating liabilities			73	-183
<b>Total changes in working capital</b>			<b>426</b>	<b>-140</b>
<b>Cash flow from operating activities</b>			<b>2,812</b>	<b>1,990</b>
<b>Investing activities</b>				
Investments in intangible assets			-25	-32
Investments in tangible assets			-239	-269
Sale of tangible assets			16	26
Acquisition of subsidiaries net of cash and cash equivalents	31		-1,056	-1,781
<b>Cash flow from investing activities</b>			<b>-1,304</b>	<b>-2,056</b>
<b>Financing activities</b>				
Increase/decrease in non-current receivables/liabilities			-63	18
Borrowings			4,746	3,159
Repayments of borrowings			-5,155	-2,314
Dividends paid			-526	-490
<b>Cash flow from financing activities</b>			<b>-998</b>	<b>373</b>
<b>Cash flow for the year</b>			<b>510</b>	<b>307</b>
Cash and cash equivalents at the beginning of the year			729	405
Translation differences			-69	17
<b>Cash and cash equivalents at year-end</b>			<b>1,170</b>	<b>729</b>

The notes on pages 54-88 are an integral part of the annual report and consolidated financial statements.

## NOTE 1 GENERAL INFORMATION

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

This annual report was approved for publication by the Board of Directors on 16 March 2021. The consolidated and Parent Company income statements and balance sheets will be submitted for adoption at the Annual General Meeting on 23 April 2021.

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

Under German rules, it is permitted not to publish the annual reports of individual subsidiaries in Germany provided that the entities are consolidated at a higher level in another EU country. To meet the requirements under these regulations, Lifco AB (publ) has decided to absorb any losses for its German-registered subsidiaries, see below, in respect of the financial year 1 January – 31 December 2020, in accordance with § 32 of the German Companies Act (Aktiengesetz). This resolution will be published in official German registers in accordance with § 325 HGB.

It has also been decided that the exemption rules provided for in § 264 Abs 3 HGB are applicable in respect of the Directors' Report and the publication of the financial statements in the official German register for the subsidiaries, as listed below:

- EDP European Dental Partners Holding GmbH, Lübeck
- M+W Dental Müller & Weygandt GmbH, Büdingen
- SchwanDental Deutschland GmbH, Lübeck
- Interadent Zahntechnik GmbH, Lübeck
- MDH AG Mamisch Dental Health AG, Mülheim an der Ruhr
- DentalTiger GmbH, Büdingen
- Praezimed Service GmbH, Hamburg
- Smilodentax GmbH, Mülheim an der Ruhr
- PP Greiftechnik GmbH, Waakirchen
- Kinshofer GmbH, Holzkirchen
- Demolition and Recycling Tool Rentals GmbH, Holzkirchen
- Darda GmbH, Blumberg
- ErgoPack Deutschland GmbH, Lauingen/Donau
- Brokk DA GmbH, Friedenweiler

Lifco AB has issued a Parent Company guarantee pursuant to Section 479(C) of the UK Companies Act 2006 for the financial year 2020 on behalf of the subsidiary companies registered in England and Wales, see below. The Parent Company guarantee applies to all outstanding liabilities for the subsidiaries at the balance sheet date until the obligations have been fulfilled. The subsidiaries have applied the exemption from statutory audit provided for in Section 479(A) of the UK Companies Act 2006.

Subsidiaries:

- Auger Torque (Europe) Limited (CRN 03537549)
- Brian James Trailers Holdings Limited (CRN 10920740)
- Brian James Trailers Limited (CRN 03844151)
- Brokk UK Ltd, (CRN 04063287)
- Kinshofer UK Limited (CRN 01705372)
- Modul-System Limited. (CRN 01540940)
- Silvent UK Limited (CRN 03767990)
- Top Dental (Products) Limited (CRN 04261332)
- UK Point of Sale Group Limited (CRN 03833656)

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) as well as interpretations from 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

No new standards have been applied for the Group for the first time for financial years beginning after 1 January 2020.

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

No standards, amendments and interpretations which become effective for the financial year beginning after 1 January 2021 will have a material impact on the consolidated financial statements.

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

No standards, amendments and interpretations which become effective for the financial year beginning after 1 January 2021 will have a material impact on the consolidated financial statements.

### 2.2 CONSOLIDATED FINANCIAL STATEMENTS

#### 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 interest in the company and is able to influence the return through its interest 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.

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 is also included 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 recognised 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 the income statement. 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, in 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 for 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 recognised 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 licences 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 does not include 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 recognised 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 these liabilities are recognised in the income statement.

**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 receivables 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 immediately 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 4 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 revenues 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 arising from the sale of services comprise sales of services in the Contract Manufacturing area, which arise partly from the Systems Solutions operating segment and partly from services linked to one of the revenue streams from the sale of goods described above in the form of service, assembly, support and/or installation in respect of 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

The group has applied IFRS 16 from 1 January 2019 and the implementation of the standard requires that nearly all leases be recognised in the lessee's balance sheet, as the distinction between operating and finance leases has been removed. Under IFRS 16, a fixed asset (the right to use a leased asset) and a financial liability (non-current and current) representing the obligation to make lease payments must be recognised in the balance sheet. In the consolidated income statement, depreciation and interest expense are recognised instead of operating lease expenses, the full amount of which has been recognised in operating profit. IFRS 16 affects cash flow insofar that lease payments affect cash flow from operating activities (such as interest and leases for which the underlying asset is of low value and short-term leases) and cash flow from financing activities (repayment of lease liability). The Group applied the simplified transition approach, which meant that right-of-use assets were measured at the amount of the lease liability at 1 January 2019 (adjusted for prepaid and accrued lease payments).

The weighted average borrowing rate used to calculate the discount effect is 2.11 (2.09) per cent.

The Group has chosen to apply the exemption under which it is not required to recognise short-term leases and leases for which the underlying asset is of low value as part of the right-of-use asset and lease liability in the balance sheet. Payments under these leases are instead expensed on a straight-line basis over the term of the lease. The remaining lease commitments refer essentially to premises such as office, warehouse and factory premises.

## 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 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

In the annual report, alternative performance measures are used for monitoring the operations of the Group. 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 76-77, and the purpose and definitions of these measures are presented on page 101.

## NOTE 3 FINANCIAL RISK MANAGEMENT

### 3.1 FINANCIAL RISK FACTORS

Through its activities, the Group is exposed to a wide range of financial risks: market risk (comprising currency risk, interest rate risk and price risk), credit risk and liquidity risk. These risks are managed in accordance with Lifco's financial policy, which has been adopted by the company's Board of Directors. The Group's policy is to apply hedge accounting only for net investments in foreign operations and it endeavours to minimise potential negative effects on the Group's financial results through an extensive Group account system in which surpluses in a certain currency are matched with payments in the same currency.

#### a) Market risk

##### (i) Currency risk

Currency risk is the risk that unfavourable changes in exchange rates will affect the Group's results and equity in SEK terms:

- Transaction exposure arises from the fact that the Group has incoming and outgoing payments in foreign currencies
- Translation exposure arises from the Group's currency exposure from net assets in the Group's foreign operations.

The Lifco Group conducts operations in 31 countries. Due to this geographic spread, as well as the large number of customers and products, Lifco's transaction exposure is relatively limited. The Lifco Group's transaction exposure arises when the subsidiaries import products for sale in their domestic markets and/or sell products in foreign currency. As far as possible, the effects of changes in exchange rates are managed through the use of currency clauses in customer contracts and through sales in the same currency as the purchase.

Under the policy that is applied in the Group, each company is required to manage its currency flows with regard to exposure to sudden changes in exchange rates. Currency risks are managed chiefly through a system of Group accounts in different currencies where surpluses in the system are used to pay for transactions in a certain currency. No derivatives have been entered into to manage the currency risk. Forward contracts may only be entered into with approval from Group management. There were no significant forward contracts for the Group in 2019 and 2020.

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 2020, net foreign exchange differences recognised in the income statement were SEK -2 (7) 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 2,181 (1,818) million denominated in EUR, SEK 246 (279) million in USD, SEK 573 (635) million in NOK, SEK 134 (447) million in GBP, SEK 63 (-) million in DKK and SEK 0 (31) million in NZD. 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 51 (179) million and hedged net assets total SEK 9,399 (8,156) 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 +/- 74 (66) million. The exposure refers to:

SEK MILLION	2020	2019
EUR	36	26
NOK	15	16
GBP	10	9
USD	5	6
DKK	3	4
Other currencies	5	5
<b>Total</b>	<b>74</b>	<b>66</b>

##### (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 risk 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 financial year 2020 was 0.9 (2.1 per cent in 2019).

At the balance sheet date, the Group had total borrowings of SEK 4,916 (5,325) million (see Note 24), of which 4 per cent was subject to fixed interest rates and 96 per cent was subject to variable interest rates. A change in interest rates of +/- 0.50 percentage points would have an impact on SEK +/- 19 (18) 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 2020, the Group had cash and cash equivalents of SEK 1,170 (729) 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 as well as additional considerations. The fair values of these are based on the company's future earnings. Both these items are classified to Level 3 of the fair value hierarchy. The following table shows the change for the year:

SEK MILLION	PUT/CALL OPTIONS AND ADDITIONAL CONSIDERATIONS
Opening balance, 1 January 2019	<b>515</b>
Additional	465
Revaluation	50
Considerations paid	-72
Dividends paid	-46
Foreign exchange differences	4
<b>Closing balance, 31 December 2019</b>	<b>916</b>
Additional	188
Revaluation	8
Considerations paid	-45
Dividends paid	-37
Foreign exchange differences	-44
<b>Closing balance, 31 December 2020</b>	<b>986</b>

### 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. 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. 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	2020	2019
<b>Revenue from external customers</b>		
Dental	4,290	4,393
Demolition & Tools	3,234	3,610
Systems Solutions	6,258	5,842
<b>Total</b>	<b>13,782</b>	<b>13,845</b>

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	898	874
Demolition & Tools	750	834
Systems Solutions	1,166	909
Central Group functions	-112	-94
<b>Total</b>	<b>2,702</b>	<b>2,523</b>
Amortisation of intangible assets arising from acquisitions	-412	-329
Non-recurring items	-	-56
Acquisition costs	-29	-79
Net financial items	-62	-63
<b>Profit before tax</b>	<b>2,199</b>	<b>1,996</b>

Net sales by type of income:

Dental products	4,290	4,393
Machinery and tools	3,234	3,610
Construction materials	1,205	1,055
Contract Manufacturing	1,689	1,855
Environmental Technology	1,158	1,192
Service and distribution	1,461	882
Forest	745	858
<b>Total</b>	<b>13,782</b>	<b>13,845</b>

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

Net sales by geographic market:

Sweden	2,072	2,046
Norway	1,495	1,727
Germany	2,252	2,174
Rest of Europe	5,270	4,809
Asia and Australia	1,395	1,577
North America	1,196	1,411
Other	102	101
<b>Total</b>	<b>13,782</b>	<b>13,845</b>

Total fixed assets, other than financial instruments and deferred tax assets, located in Sweden totalled SEK 3,546 (3,560) million, SEK 4,286 (4,466) million in Germany, SEK 1,343 (1,557) million in Norway and SEK 888 (957) million in the United Kingdom, and the sum of such fixed assets located in other countries is SEK 3,051 (2,172) 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 good 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 2020	31 DEC 2019
<b>The Group recognises the following revenue-related contract liabilities:</b>		
Advance payments from customers	233	262
Other customer contract liabilities	29	31
<b>Total contract liabilities</b>	<b>262</b>	<b>293</b>

Of the total contract liabilities of SEK 293 million recognised at the beginning of the financial year, revenue related to contract liabilities of SEK 288 million was recognised during the financial year. The closing balance of contract liabilities at the end of the financial year of SEK 257 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 the provisions of IFRS 15, no disclosures are made on the transaction prices for these unsatisfied obligations.

## **NOTE 6 NET FOREIGN EXCHANGE GAINS AND LOSSES**

SEK MILLION	2020	2019
<b>Foreign exchange differences have been recognised in the income statement as follows:</b>		
Other operating income and operating expenses	-5	13
Financial income and expenses (Note 12)	3	-6
<b>Total</b>	<b>-2</b>	<b>7</b>

## **NOTE 7 SCHEDULED DEPRECIATION AND AMORTISATION**

SEK MILLION	2020	2019
<b>Distribution of depreciation/amortisation by tangible and intangible assets</b>		
Right-of-use assets	-151	-144
Buildings and land improvements	-22	-22
Plant and machinery	-75	-64
Equipment, tools, fixtures and fittings	-96	-81
<b>Total depreciation of tangible assets</b>	<b>-344</b>	<b>-311</b>
Trademarks	-5	-2
Customer relationships	-397	-321
Patents	-10	-6
Other intangible assets	-16	-15
<b>Total amortisation of intangible assets</b>	<b>-428</b>	<b>-344</b>
<b>Total depreciation/amortisation of fixed assets</b>	<b>-772</b>	<b>-655</b>
<b>Depreciation/amortisation by function</b>		
Cost of goods sold	-130	-103
Selling expenses	-419	-336
Administrative expenses	-222	-211
Research and development costs	-1	-5
<b>Total depreciation/amortisation</b>	<b>-772</b>	<b>-655</b>

**NOTE 8 AUDITORS' FEES**

SEK MILLION	2020	2019
<b>PricewaterhouseCoopers</b>		
Audit engagement	10	9
Audit services in addition to audit engagement	1	1
Tax advisory services	-	-
Other services	2	2
<b>Total</b>	<b>13</b>	<b>12</b>
<b>Other audit firms</b>		
Audit engagement	2	1
Audit services in addition to audit engagement	-	-
Tax advisory services	-	-
Other services	2	-
<b>Total</b>	<b>4</b>	<b>1</b>

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 financial year 2020 is SEK 13 (12) million. The fee paid to the audit firm PricewaterhouseCoopers AB is SEK 6 (6) million, of which SEK 4 (4) million refers to the audit engagement, SEK 1 (1) million to other audit engagements and SEK 1 (1) to other services.

**NOTE 9 CLASSIFICATION OF EXPENSES BY NATURE**

SEK MILLION	2020	2019
Goods for resale, raw materials and consumables	6,094	6,228
Personnel costs (Note 10)	2,971	3,075
Depreciation, amortisation and impairment (Notes 7, 14 and 15)	772	655
Expenses for operating leases (Note 11)	58	67
Production expenses and other expenses	1,606	1,707
<b>Total costs of goods sold, selling expenses, administrative expenses, and research and development costs</b>	<b>11,501</b>	<b>11,732</b>

**NOTE 10 PERSONNEL COSTS AND AVERAGE NUMBER OF EMPLOYEES**

MSEK	2020	2019
Salaries and benefits		
Board of Directors and senior executives <sup>1</sup>	274	256
Termination salary to CEO	-	27
Other employees	2,084	2,147
	<b>2,358</b>	<b>2,430</b>
Social security contributions	470	467
Social security contributions on termination salary to CEO	-	13
Pension costs for senior executives	29	32
Pension costs during termination period of CEO	-	16
Pension costs for other employees	114	117
<b>Total</b>	<b>2,971</b>	<b>3,075</b>

<sup>1</sup> Includes salaries and benefits of the Board of Directors, Group management and the chief executives of the Group's subsidiaries.

## REMUNERATION AND BENEFITS IN 2020

SEK '000	BASIC SALARY/ DIRECTOR'S FEE <sup>1</sup>	VARIABLE REMU- NERATION	OTHER BENEFITS	PENSION CONTRIBU- TIONS	TOTAL
Carl Bennet	1,405	-	-	-	1,405
Ulrika Dellby	760	-	-	-	760
Annika Espander-Jansson	718	-	-	-	718
Dan Frohm	760	-	-	-	760
Erik Gabrielson	718	-	-	-	718
Ulf Grunander	885	-	-	-	885
Johan Stern	718	-	-	-	718
Caroline af Ugglas	760	-	-	-	760
Axel Wachtmeister	718	-	-	-	718
Per Waldemarson (in capacity of Director)	-	-	-	-	-
<b>Total</b>	<b>7,442</b>	-	-	-	<b>7,442</b>
Per Waldemarson	21,204	13,892	64	12,633	47,793
Other Group management (3 persons)	7,840	11,628	53	1,261	20,782
<b>Total</b>	<b>29,044</b>	<b>25,520</b>	<b>117</b>	<b>13,894</b>	<b>68,575</b>

## REMUNERATION AND BENEFITS IN 2019

SEK '000	BASIC SALARY/ DIRECTOR'S FEE <sup>1</sup>	VARIABLE REMU- NERATION	OTHER BENEFITS	PENSION CONTRIBU- TIONS	TOTAL
Carl Bennet	1,360	-	-	-	1,360
Ulrika Dellby	735	-	-	-	735
Annika Espander	735	-	-	-	735
Erik Gabrielson	695	-	-	-	695
Ulf Grunander	855	-	-	-	855
Anna Hallberg	735	-	-	-	735
Johan Stern	695	-	-	-	695
Axel Wachtmeister	695	-	-	-	695
Per Waldemarson (in capacity of Director from 26 April 2019)	-	-	-	-	-
<b>Total</b>	<b>6,505</b>	-	-	-	<b>6,505</b>
Per Waldemarson (CEO, from 8 February 2019)	19,342	10,156	57	11,393	40,948
Other Group management (3 persons) <sup>2</sup>	7,014	6,777	53	1,131	14,975
<b>Total</b>	<b>26,356</b>	<b>16,933</b>	<b>110</b>	<b>12,524</b>	<b>55,923</b>

<sup>1</sup> Includes fees for work on Board committees.

<sup>2</sup> Martin was a member of Group management from 23 October 2019, remuneration for the full year 2019 included.

Fredrik Karlsson was the Group's CEO until 7 February 2019. He was a Director of Lifco AB (publ) until 27 February 2019. In his capacity of CEO, Fredrik Karlsson's remuneration consisted of a basic salary of SEK 4,520 thousand, other benefits of SEK 6 thousand and pension contributions of SEK 2,707 thousand.

**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 2020, see page 44.

**Basic salary and variable remuneration**

The balance between basic salary and variable remuneration should be proportionate to the executive's responsibilities 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 80 per cent of the basic salary. Variable remuneration is based on individual targets, which

are defined 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 variable remuneration is based partly on the outcome in the executive's own area of responsibility and partly on individually defined 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 benefits**

Pension rights for the CEO and other senior executives may apply only from the age of 65. 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 financial year 2020 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 Chairman of the Board. In 2020, the Remuneration Committee convened on two occasions.

AVERAGE NUMBER OF EMPLOYEES, GROUP	2020			2019		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Sweden	326	976	1,302	329	981	1,310
Australia	5	29	34	4	29	33
Belgium	3	10	13	2	7	9
Denmark	82	208	290	70	196	266
Estonia	101	132	233	80	130	210
Philippines	72	107	179	83	120	203
Finland	35	88	123	40	132	172
France	21	101	122	19	91	110
United Arab Emirates	1	4	5	1	4	5
Hong Kong	1	2	3	1	4	5
Italy	49	173	222	17	95	112
Canada	7	10	17	4	10	14
China	178	446	624	224	542	766
Croatia	12	22	34	-	-	-
Latvia	7	4	11	7	4	11
Lithuania	11	2	13	11	2	13
Netherlands	4	50	54	4	49	53
Norway	90	299	389	94	307	401
New Zealand	1	14	15	1	16	17
Poland	4	12	16	3	8	11
Russia	2	8	10	2	6	8
Switzerland	3	7	10	4	6	10
Singapore	7	18	25	5	15	20
Slovenia	3	23	26	4	24	28
Spain	6	5	11	1	1	2
United Kingdom	71	370	441	50	170	220
South Korea	2	2	4	2	2	4
Czech Republic	38	130	168	47	122	169
Germany	325	499	824	309	460	769
Hungary	6	3	9	5	3	8
USA	56	165	221	63	185	248
Austria	7	36	43	6	42	48
<b>Total number of employees</b>	<b>1,536</b>	<b>3 955</b>	<b>5,491</b>	<b>1,492</b>	<b>3,763</b>	<b>5,255</b>

**Parent Company**

Sweden	3	3	6	2	4	6
--------	---	---	---	---	---	---

GENDER DISTRIBUTION FOR SENIOR EXECUTIVES AT BALANCE SHEET DATE, %		2020	2019
<b>Women:</b>			
Board members in the Parent Company		30%	25%
Other individuals in management, including CEO		25%	25%
<b>Men:</b>			
Board members in the Parent Company		70%	75%
Other individuals in management, including CEO		75%	75%

## NOTE 11 LEASES

SEK MILLION	2020	2019	1 JAN 2019*
<b>Amounts recognised in the balance sheet</b>			
The following lease-related amounts have been recognised in the balance sheet:			
<b>Right-of-use assets</b>			
Properties and premises	548	596	440
<b>Total</b>	<b>548</b>	<b>596</b>	<b>440</b>
<b>Lease liabilities</b>			
Non-current	402	581	420
Current	146	15	20
<b>Total</b>	<b>548</b>	<b>596</b>	<b>440</b>

New right-of-use assets in 2020 totalled SEK 142 million.

SEK MILLION	2020	2019
<b>Amounts recognised in the income statement</b>		
The following lease-related amounts have been recognised in the income statement:		
<b>Depreciation of right-of-use assets</b>		
Properties and premises	-151	-144
<b>Total</b>	<b>-151</b>	<b>-144</b>
Interest expense	-15	-12
Expenses related to short-term leases	-22	-19
Expenses related to leases for which the underlying asset is of low value	-36	-47

The total lease-related cash flow in 2020 was SEK 224 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.

Leased tangible assets were classified as either finance or operating leases until the end of the financial year 2018. From 1 January 2019, leases are recognised as right-of-use assets and corresponding liabilities at the day at which the leased asset is available for use by the Group.

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 491 million (undiscounted) 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 77 million.

## NOTE 12 FINANCIAL INCOME AND EXPENSES

SEK MILLION	2020	2019
<b>Financial income</b>		
Interest income	1	4
Foreign exchange gains	3	-
<b>Total financial income</b>	<b>4</b>	<b>4</b>
<b>Financial expenses</b>		
Interest expense	-62	-56
Foreign exchange losses	-	-6
Other financial expenses	-4	-5
<b>Total financial expenses</b>	<b>-66</b>	<b>-67</b>
<b>Net financial items</b>	<b>-62</b>	<b>-63</b>

## NOTE 13 TAX ON PROFIT FOR THE YEAR

MSEK	2020	2019
<b>Tax expense</b>		
Current tax for the year	-561	-522
Adjustments regarding previous years' current tax	-15	-13
<b>Total current tax expense</b>	<b>-576</b>	<b>-535</b>
<b>Deferred tax (Note 17)</b>		
Origination and reversal of temporary differences	52	55
Effect of changed tax rate	2	12
<b>Total deferred tax</b>	<b>54</b>	<b>67</b>
<b>Total income tax</b>	<b>-522</b>	<b>-468</b>
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 21.4 (21.4) 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:		
<b>Reported profit before tax</b>	<b>2 199</b>	<b>1 996</b>
Tax at applicable tax rate in Sweden, 21.4% (21.4%)	-471	-427
Tax effects of non-taxable income/non-deductible expenses	45	29
Tax effects of non-deductible expenses	-50	-29
Adjustment for other tax rates in foreign subsidiaries	-34	-41
Utilisation of loss carry forwards for which no deferred tax asset has been recognised	2	1
Effect of changed tax rate	1	12
Adjustment relating to previous years	-15	-13
<b>Reported tax expense</b>	<b>-522</b>	<b>-468</b>

The Group's effective tax rate is 23.7 (23.4) per cent.

## NOTE 14 INTANGIBLE ASSETS

SEK MILLION	GOODWILL <sup>1</sup>	TRADEMARKS <sup>1</sup>	CUSTOMER RELATIONSHIPS	TRADEMARKS	PATENTS	OTHER INTANGIBLE ASSETS	TOTAL
<b>COST</b>							
<b>1 January 2019</b>	<b>6,751</b>	<b>915</b>	<b>2,561</b>	-	78	150	<b>10,455</b>
Investments	1	-	-	-	14	17	32
Acquisition of companies	971	290	966	6	7	6	2,246
Sales/disposals	-4	-	-	-	-	-1	-5
Reclassifications	6	-	-	11	-17	-	-
Translation differences	115	15	45	-	-	2	177
<b>1 January 2020</b>	<b>7,840</b>	<b>1,220</b>	<b>3,572</b>	<b>17</b>	<b>82</b>	<b>174</b>	<b>12,905</b>
Investments	-	-	1	-	1	23	25
Acquisition of companies	592	140	588	36	1	11	1,368
Sales/disposals	-640	-	-	-	-	-9	-649
Reclassifications	325	-	-	-	7	-	332
Translation differences	-315	-70	-221	-2	-2	-8	-618
<b>31 December 2020</b>	<b>7,802</b>	<b>1,290</b>	<b>3,940</b>	<b>51</b>	<b>89</b>	<b>191</b>	<b>13,363</b>
<b>ACCUMULATED AMORTISATION</b>							
<b>1 January 2019</b>	<b>-464</b>	-	<b>-655</b>	-	<b>-29</b>	<b>-124</b>	<b>-1,272</b>
Amortisation for the year	-	-	-321	-2	-6	-15	-344
Acquisition of companies	-3	-	-	-4	-1	-4	-12
Sales/disposals	4	-	-	-	-	1	5
Reclassifications	-	-	-	-5	4	1	-
Translation differences	-9	-	-12	1	-2	-1	-23
<b>1 January 2020</b>	<b>-472</b>	-	<b>-988</b>	<b>-10</b>	<b>-34</b>	<b>-142</b>	<b>-1,646</b>
Amortisation for the year	-	-	-397	-5	-10	-16	-428
Acquisition of companies	-4	-	-	-	-	-5	-9
Sales/disposals	634	-	-	-	5	10	649
Reclassifications	-332	-	-	-	-	-	-332
Translation differences	-14	-	71	-	1	5	63
<b>31 December 2020</b>	<b>-188</b>	-	<b>-1,314</b>	<b>-15</b>	<b>-38</b>	<b>-148</b>	<b>-1,703</b>
<b>ACCUMULATED IMPAIRMENT</b>							
<b>1 January 2019</b>	<b>-50</b>	-	-	-	-	-	<b>-50</b>
Impairment for the year	-	-	-	-	-	-	-
<b>1 January 2020</b>	<b>-50</b>	-	-	-	-	-	<b>-50</b>
Impairment for the year	-	-	-	-	-	-	-
<b>31 December 2020</b>	<b>-50</b>	-	-	-	-	-	<b>-50</b>
Carrying amount, 1 January 2019	6,237	915	1,906	-	49	26	9,133
Carrying amount, 31 December 2019	7,318	1,220	2,584	7	48	32	11,209
<b>Carrying amount, 31 December 2020</b>	<b>7,564</b>	<b>1,290</b>	<b>2,626</b>	<b>36</b>	<b>51</b>	<b>43</b>	<b>11,610</b>

<sup>1</sup> Indefinite useful life

**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. 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 2020 and 2019. 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 9.8 (9.2) per cent for all operating segments.

The calculation as at 31 December 2020 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 2019.

**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 SEK MILLION	GOODWILL		TRADEMARKS	
	31 DEC 2020	31 DEC 2019	31 DEC 2020	31 DEC 2019
Dental	3,875	3,809	502	490
Demolition & Tools	1,315	1,368	192	198
Construction Materials	483	514	105	115
Contract Manufacturing	204	107	43	19
Environmental Technology	877	924	244	256
Service and Distribution	598	383	158	97
Forest	212	213	46	45
<b>Total</b>	<b>7,564</b>	<b>7,318</b>	<b>1,290</b>	<b>1,220</b>

**NOTE 15 TANGIBLE ASSETS**

SEK MILLION	BUILDINGS AND LAND	PLANT AND MACHINERY	EQUIPMENT, TOOLS, FIXTURES AND FITTINGS	ASSETS UNDER CON- STRUCTION	SUB-TOTAL	RIGHT-OF-USE ASSETS	TOTAL
<b>COST</b>							
<b>1 January 2019</b>	<b>575</b>	<b>727</b>	<b>647</b>	<b>6</b>	<b>1,955</b>	<b>440</b>	<b>2,395</b>
Investments	18	105	124	22	269	181	450
Acquisition/sale of companies	72	410	84	5	571	109	680
Sales/disposals	-6	-34	-58	-	-98	-	-98
Reclassifications	2	10	-3	-9	-	-	-
Translation differences	8	7	9	-	24	10	34
<b>1 January 2020</b>	<b>669</b>	<b>1,225</b>	<b>803</b>	<b>24</b>	<b>2,721</b>	<b>740</b>	<b>3,461</b>
Investments	21	75	95	48	239	132	371
Acquisition/sale of companies	18	40	52	-	110	21	131
Sales/disposals	-3	-56	-46	-1	-106	-56	-162
Reclassifications	6	53	-10	-34	15	-20	-5
Translation differences	-20	-36	-36	-	-92	-52	-144
<b>31 December 2020</b>	<b>691</b>	<b>1,301</b>	<b>858</b>	<b>37</b>	<b>2,887</b>	<b>765</b>	<b>3,652</b>
<b>ACCUMULATED DEPRECIATION</b>							
<b>1 January 2019</b>	<b>-349</b>	<b>-551</b>	<b>-444</b>	<b>-</b>	<b>-1,344</b>	<b>-</b>	<b>-1,344</b>
Depreciation for the year	-22	-64	-81	-	-167	-144	-311
Acquisition/sale of companies	-36	-277	-46	-	-359	-	-359
Sales/disposals	2	18	52	-	72	-	72
Reclassifications	-	-3	3	-	-	-	-
Translation differences	-4	-5	-7	-	-16	-	-16
<b>1 January 2020</b>	<b>-409</b>	<b>-882</b>	<b>-523</b>	<b>-</b>	<b>-1,814</b>	<b>-144</b>	<b>-1,958</b>
Depreciation for the year	-22	-75	-96	-	-193	-151	-344
Acquisition/sale of companies	-3	-19	-33	-	-55	-	-55
Sales/disposals	1	56	33	-	90	45	135
Reclassifications	-5	-15	5	-	-15	20	5
Translation differences	12	21	23	-	56	13	69
<b>31 December 2020</b>	<b>-426</b>	<b>-914</b>	<b>-591</b>	<b>-</b>	<b>-1,931</b>	<b>-217</b>	<b>-2,148</b>
Carrying amount, 1 January 2019	226	176	203	6	611	440	1,051
Carrying amount, 31 December 2019	260	343	280	24	907	596	1,503
<b>Carrying amount, 31 December 2020</b>	<b>265</b>	<b>387</b>	<b>267</b>	<b>37</b>	<b>956</b>	<b>548</b>	<b>1,504</b>

## NOTE 16 FINANCIAL INSTRUMENTS BY CATEGORY

ASSETS IN THE BALANCE SHEET SEK MILLION	FINANCIAL ASSETS AT AMORTISED COST		
<b>31 December 2020</b>			
<b>31 December 2020</b>			
Accounts receivable - trade	1,533		
Other non-current financial receivables	11		
Cash and cash equivalents	1,170		
<b>Total</b>	<b>2,714</b>		
<b>31 December 2019</b>			
Accounts receivable - trade	1,584		
Other non-current financial receivables	9		
Cash and cash equivalents	729		
<b>Total</b>	<b>2,322</b>		
LIABILITIES IN THE BALANCE SHEET SEK MILLION	LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	FINANCIAL LIABILITIES AT AMORTISED COST	TOTAL
<b>31 December 2020</b>			
Interest-bearing borrowings	-	4,916	4,916
Accounts payable - trade	-	796	796
Other liabilities <sup>1</sup>	986	-	986
<b>Total</b>	<b>986</b>	<b>5,712</b>	<b>6,698</b>
<b>31 December 2019</b>			
Interest-bearing borrowings	-	5,325	5,325
Accounts payable - trade	-	680	680
Other liabilities <sup>1</sup>	916	-	916
<b>Total</b>	<b>916</b>	<b>6,005</b>	<b>6,921</b>

<sup>1</sup> Other liabilities classified as financial instruments refer to mandatory put/call options related to non-controlling interests as well as additional considerations.

## NOTE 17 DEFERRED TAX

SEK MILLION	2020	2019
<b>Deferred tax asset is attributable to the following temporary differences and loss carry forwards</b>		
Temporary differences on current assets	107	116
Temporary differences on fixed assets	4	3
Deductible temporary differences on provisions	1	1
Other deductible temporary differences	76	53
<b>Total deferred tax assets</b>	<b>188</b>	<b>173</b>
<b>Deferred tax liability is attributable to the following temporary differences</b>		
Temporary differences on current assets	-1	-2
Temporary differences on fixed assets	-954	-856
Other taxable temporary differences	-227	-232
<b>Total deferred tax liabilities</b>	<b>-1,182</b>	<b>-1,090</b>
<b>Net deferred tax asset/liability</b>	<b>-994</b>	<b>-917</b>

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 recognised deferred tax assets of SEK 15 (8) million relating to losses of SEK 71 (38) million, with regard to which it is uncertain whether these can be used to offset future taxable profits. Of these loss carry forwards, SEK 14 (0) million expires after more than five years.

**NOTE 18 INVENTORIES**

SEK MILLION	2020	2019
<b>Valued at cost</b>		
Finished goods and goods for resale	932	993
Raw materials and consumables	699	743
Work in progress	177	146
Contract work in progress	10	8
Advance payments to suppliers	46	107
<b>Total</b>	<b>1,864</b>	<b>1,997</b>
Net effect of impairment and reversal of impairment of inventories recognised as income/expense in the income statement	-10	-44

**NOTE 19 ACCOUNTS RECEIVABLE - TRADE**

SEK MILLION	2020	2019
Accounts receivable - trade	1,640	1,699
Loss allowance	-107	-115
<b>Net accounts receivable</b>	<b>1,533</b>	<b>1,584</b>

SEK MILLION	2020	2019
<b>Carrying amount, gross accounts receivable</b>		
Receivables not past due	976	1 015
1–30 days past due	347	361
More than 30 days past due	179	186
More than 60 days past due	36	27
More than 90 days past due	102	110
<b>Total</b>	<b>1,640</b>	<b>1,699</b>

The average loss allowance is 6.0 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:**

January 2020	-115	-77
Increase in loss allowance, change recognised in profit or loss	17	-27
Acquisition of businesses	-10	-13
Accounts receivable written off during the year	1	2
<b>31 December 2020</b>	<b>-107</b>	<b>-115</b>

**NOTE 20 PREPAID EXPENSES AND ACCRUED INCOME**

SEK MILLION	2020	2019
Prepaid rental expenses	8	8
Prepaid insurance expenses	8	8
Prepaid IT expenses	13	16
Other prepaid expenses	40	44
Receivables from contracts with customers	41	49
Accrued income	36	14
<b>Total</b>	<b>146</b>	<b>139</b>

## NOTE 21 OVERDRAFT FACILITIES

SEK MILLION	2020	2019
Overdraft facilities, drawn amount	1	554
Overdraft facilities, agreed limit	2,050	1,200

## NOTE 22 CASH AND CASH EQUIVALENTS

SEK MILLION	2020	2019
Cash and cash equivalents in the balance sheet and cash flow statement include the following items:		
Cash and bank balances	1,170	729

## NOTE 23 SHARE CAPITAL

SEK MILLION	NUMBER OF SHARES (THOUSANDS)	SHARE CAPITAL
1 January 2019	90,843	18
31 December 2019	90,843	18
<b>31 December 2020</b>	<b>90,843</b>	<b>18</b>

The share capital consists of 6,075,970 class A shares and 84,767,290 class B shares, or 90,843,260 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	2020	2019
<b>Non-current interest-bearing liabilities</b>		
Lease liability	402	581
Liabilities to credit institutions	86	49
Bonds	1,779	1,004
<b>Total non-current interest-bearing liabilities</b>	<b>2,267</b>	<b>1,634</b>
<b>Current interest-bearing liabilities</b>		
Lease liability	146	15
Liabilities to credit institutions	1,594	1,346
Bonds	908	1,776
Overdraft facilities, drawn amount	1	554
<b>Total current interest-bearing liabilities</b>	<b>2,649</b>	<b>3,691</b>
<b>Total interest-bearing liabilities</b>	<b>4,916</b>	<b>5,325</b>

Lifco has issued four 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 7	SE0013101946	1,000	FRN Stibor 3-month +0.53%	6 Dec 2021
Lifco 8	SE0013101870	1,000	FRN Stibor 3-month +1.00%	2 Sep 2022
Lifco 9	SE0013101862	200	FXD Stibor 3-month +0.988%	2 Sep 2022
Lifco 10	SE0013101953	600	FRN Stibor 3-month +1.00%	2 Mar 2023

Of total interest-bearing liabilities, 4 per cent have fixed interest rates and 96 per cent variable interest rates. The carrying amounts do not differ from the fair values. The following table shows an analysis of the Group's financial liabilities by remaining maturity from the balance sheet date. The indicated amounts are the contractual, undiscounted cash flows. The interest rates provided for under the terms applying at the balance sheet date have been used in the calculation.

SEK MILLION	LESS THAN 1 YEAR	> 1 YEAR < 2 YEARS	> 2 YEAR < 5 YEARS	> 5 YEARS
<b>31 December 2020</b>				
Bank loans and bonds <sup>1</sup>	2,526	1,377	585	-
Lease liability	146	103	195	104
Accounts payable - trade	796	-	-	-
<b>Total</b>	<b>3,468</b>	<b>1,480</b>	<b>780</b>	<b>104</b>

<sup>1</sup> including interest

RECONCILIATION OF NET DEBT		2020	2019			
SEK MILLION						
Cash and cash equivalents		1,170	729			
Loans – due within one year (incl. overdraft facilities)		-2,503	-3,676			
Loans – due after more than one year		-1,865	-1,053			
Interest-bearing pension provision		-44	-40			
<b>Interest-bearing net debt</b>		<b>-3,242</b>	<b>-4,040</b>			
Lease liability - due within one year		-146	-15			
Lease liability – due after more than one year		-402	-581			
Put/call options, additional considerations - due within one year		-39	-62			
Put/call options, additional considerations - due after more than one year		-947	-854			
<b>Net debt</b>		<b>-4,776</b>	<b>-5,552</b>			
Cash and cash equivalents		1,170	729			
Gross debt - fixed interest rate		-200	-700			
Gross debt - variable interest rate		-4,212	-4,069			
Lease liability		-548	-596			
Put/call options, additional considerations		-986	-916			
<b>Net debt</b>		<b>-4,776</b>	<b>-5,552</b>			
SEK MILLION	CASH AND CASH EQUIVALENTS	LEASE LIABILITY	LOANS	INTEREST-BEARING PENSION PROVISION	PUT/CALL OPTIONS, ADDITIONAL CONSIDERATIONS	TOTAL
Net debt, 1 January 2019	405	-	-3,538	-37	-515	-3,685
Additional under IFRS 16	-	-440	-	-	-	-440
Cash flow	307	144	-989	-	118	-420
Acquisitions	-	-109	-168	-	-465	-742
Revaluation	-	-182	0	-	-50	-232
Foreign exchange differences	17	-9	-34	-3	-4	-33
<b>Net debt, 31 December 2019</b>	<b>729</b>	<b>-596</b>	<b>-4,729</b>	<b>-40</b>	<b>-916</b>	<b>-5,552</b>
Cash flow	510	151	258	-	82	1,001
Acquisitions	-	-19	-74	-	-188	-281
Revaluation	-	-122	-	-	-8	-130
Foreign exchange differences	-69	38	177	-4	44	186
<b>Net debt, 31 December 2020</b>	<b>1,170</b>	<b>-548</b>	<b>-4,368</b>	<b>-44</b>	<b>-986</b>	<b>-4,776</b>

## 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 44 (40) 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 financial year 2020, 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 14 (14) 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 2020, Alecta's surplus, defined as the collective funding ratio, was 148 per cent (preliminary calculation) (2019: 148 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
<b>1 January 2019</b>	<b>51</b>	<b>1</b>	<b>7</b>	<b>19</b>	<b>78</b>
Additional provisions	46	-	6	11	63
Acquisition of companies	4	-	-	-	4
Utilised during the year	-10	-	-4	-13	-27
Reversal of unused provisions	-20	-	-2	-1	-23
Reclassifications	-	-	-	-	0
Translation differences	1	-	-	1	2
<b>31 December 2019</b>	<b>72</b>	<b>1</b>	<b>7</b>	<b>17</b>	<b>97</b>
<b>of which, short-term provisions</b>	<b>48</b>	<b>1</b>	<b>7</b>	<b>5</b>	<b>61</b>
<b>of which, long-term provisions</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>36</b>
<b>Anticipated outflow date</b>					
Within 1 year	48	1	7	5	61
Within 3 year	12	-	-	6	18
Within 5 year	11	-	-	5	16
After more than 5 years	1	-	-	1	2
<b>31 December 2019</b>	<b>72</b>	<b>1</b>	<b>7</b>	<b>17</b>	<b>97</b>
<b>1 January 2020</b>	<b>72</b>	<b>1</b>	<b>7</b>	<b>17</b>	<b>97</b>
Additional provisions	20	-	-	9	29
Acquisition of companies	-	-	-	3	3
Utilised during the year	-24	-	-3	-12	-39
Reversal of unused provisions	-20	-	-	-1	-21
Reclassifications	-	-	-	-	0
Translation differences	-1	-	-	-1	-2
<b>31 December 2020</b>	<b>47</b>	<b>1</b>	<b>4</b>	<b>15</b>	<b>67</b>
<b>of which, short-term provisions</b>	<b>27</b>	<b>1</b>	<b>4</b>	<b>6</b>	<b>38</b>
<b>of which, long-term provisions</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>29</b>
<b>Anticipated outflow date</b>					
Within 1 year	27	1	4	6	38
Within 3 year	8	-	-	4	12
Within 5 year	11	-	-	4	15
After more than 5 years	1	-	-	1	2
<b>31 December 2020</b>	<b>47</b>	<b>1</b>	<b>4</b>	<b>15</b>	<b>67</b>

The warranty provision is based on outstanding commitments at the balance sheet date 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 82 (76) million. As it has been deemed that no outflow of funds will take place 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 3,394 (3,473) million during the year. Carl Bennet AB owns 50.1 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 2020 (2019: SEK - million). One of the Directors, Erik Gabrielson, is a partner of Advokatfirman Vinge, a law firm which received SEK 4 (6) million for legal advice. Disclosures on remuneration of senior executives are provided in Note 10.

## NOTE 28 ACCRUED EXPENSES AND DEFERRED INCOME

SEK MILLION	2020	2019
Accrued personnel costs	471	456
Commissions and bonuses to customers	49	46
Allocation of expenses	74	55
Accrued interest expenses	3	5
Other customer contract liabilities	29	31
Other deferred income	48	50
Other accrued expenses	106	43
<b>Total</b>	<b>780</b>	<b>686</b>

## NOTE 29 PLEDGED ASSETS

SEK MILLION	2020	2019
Property mortgages	15	19
Floating charges	19	8
<b>Total</b>	<b>34</b>	<b>27</b>

## NOTE 30 CONTINGENT LIABILITIES

SEK MILLION	2020	2019
Warranties	82	76
<b>Total</b>	<b>82</b>	<b>76</b>

Guarantee commitments refer to advance payment and performance guarantees.

## NOTE 31 BUSINESS COMBINATIONS

Ten new businesses were consolidated during the year. The acquisitions refer to a product portfolio from ContacEZ, TrollDental's product portfolio and the Workplace Safety division of KiiitoClean A/S, all shares of Consys of Germany, Rønvig Dental Manufacturing of Denmark and Sendoline of Sweden as well as majority stakes in Dental Grupa of Croatia, Swallow of Great Britain and the Italy companies Cramaro Tarpaulin Systems and Tastitalia.

Acquisition-related expenses of SEK 21 million are included in administrative expenses in the consolidated income statement for the year. Since the respective consolidation dates, the acquired companies have added SEK 486 million to consolidated net sales and SEK 109 million to EBITA. If the businesses had been consolidated as of 1 January 2020, net sales for the year would have increased by a further SEK 165 million and EBITA would have increased by a further SEK 45 million.

The table below includes all acquisitions consolidated in 2020, for which the purchase price allocations are preliminary. Individually, none of the acquisitions have a material impact on Lifco's consolidated financial statements. The purchase price allocations for the companies acquired up to and including December 2019 have now been finalised. No material adjustments were made.

NET ASSETS, SEK MILLION	ASSETS AND LIABILITIES AT ACQUISITION DATE	ADJUSTMENT TO FAIR VALUE	FAIR VALUE
Trademarks, customer relationships, licences	16	761	777
Tangible assets	57	-	57
Inventories, accounts receivable and other receivables	239	-13	226
Accounts payable and other liabilities	-266	-177	-443
Cash and cash equivalents	192	-	192
<b>Net assets</b>	<b>238</b>	<b>571</b>	<b>809</b>
Goodwill	-	577	577
<b>Total net assets</b>	<b>238</b>	<b>1,148</b>	<b>1,386</b>

### Effect on cash flow, SEK million

Consideration	1,386
of which, considerations not paid	-183
Cash and cash equivalents in acquired companies	-192
Consideration paid relating to acquisitions from previous years	45
<b>Total cash flow effect</b>	<b>1,056</b>

## 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	2020	2019
Profit attributable to Parent Company shareholders	1,657	1,505
Weighted average number of outstanding ordinary shares	90,843,260	90,843,260
Earnings per share (SEK)	18.24	16.57

**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 2020 or 2019. Undiluted and diluted earnings per share were thus the same.

## NOTE 33 DIVIDEND PER SHARE

Dividend payments made in 2020 and 2019 totalled SEK 477 million (SEK 5.25 per share) and SEK 418 million (SEK 4.60 per share), respectively. At the Annual General Meeting on 23 April 2021, the Board will propose a dividend for the financial year 2020 of SEK 6.00 per share, resulting in a total distribution of SEK 545 million. The proposed dividend has not been recognised as a liability in these financial statements.

## NOTE 34 EVENTS AFTER THE END OF THE REPORTING PERIOD

On 5 January 2021, Lifco announced the acquisition of all shares of the British firm T. Freemantle Ltd. The company is a niche manufacturer of packaging robots. T. Freemantle had a turnover of around GBP 5.0 million in 2019. The company is based in Scunthorpe, Great Britain and has 40 employees. The business will be consolidated in the Systems Solutions business area, Service and Distribution division.

On 1 February 2021, Lifco announced that it had acquired a majority stake in MultiOne SRL of Italy. The company is a leading manufacturer of mini loaders and attachments. MultiOne had a turnover of around EUR 27 million in 2020. The company is based in Vicenza, Italy and has 46 employees. MultiOne will be consolidated in the Demolition & Tools business area, Crane & Excavator Attachments division.

On 3 February 2021, Lifco announced the acquisition of all shares of Cleveland Cascades Ltd. of the UK. The company is a global leader in the design and manufacture of customised loading systems for bulk materials. Cleveland Cascades had a turnover of around GBP 5.1 million in 2020. The company is based in Stockton-on-Tees, Great Britain and has approximately 30 employees. The business will be consolidated in the Systems Solutions business area, Environmental Technology division.

The individual acquisitions will not have a significant impact on Lifco's results and financial position in 2021. A preliminary purchase price allocation will be presented in the interim report for the first quarter of 2021.

The Board of Directors of Lifco will propose that the Annual General Meeting resolve to approve a division of the company's shares (stock split) so that each current share is divided into five new shares of the same class. It is proposed that the Board of Directors be authorised to set a record date with Euroclear Sweden AB for the implementation of the stock split. The record date will be notified separately.

## NOTE 35 ADDITIONAL CASH FLOW STATEMENT DISCLOSURES

SEK MILLION	2020	2019
Non-cash items		
Depreciation/amortisation	772	655
Revaluation of put/call options	8	50
<b>Total</b>	<b>780</b>	<b>705</b>

## NOTE 36 OTHER DISCLOSURES

In most countries, Lifco's companies have received government support related to the coronavirus pandemic. The total amount of support received is SEK 79 million, of which SEK 22 million has been paid to Swedish companies and SEK 57 million to companies outside Sweden and were recognised as a cost reduction against personnel costs.

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	2020	2019
<b>Operating profit</b>	<b>2,261</b>	<b>2,059</b>
Amortisation of intangible assets arising from acquisitions	412	329
<b>EBITA</b>	<b>2,673</b>	<b>2,388</b>
Acquisition costs and non-recurring items	29	135
<b>EBITA before acquisition costs and non-recurring items</b>	<b>2,702</b>	<b>2,523</b>

## EBITDA COMPARED WITH FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

SEK MILLION	2020	2019
<b>Operating profit</b>	<b>2,261</b>	<b>2,059</b>
Depreciation of tangible assets	344	311
Amortisation of intangible assets	16	15
Amortisation of intangible assets arising from acquisitions	412	329
<b>EBITDA</b>	<b>3,033</b>	<b>2,714</b>
Acquisition costs and non-recurring items	29	135
<b>EBITDA before acquisition costs and non-recurring items</b>	<b>3,062</b>	<b>2,849</b>

## NET DEBT COMPARED WITH FINANCIAL STATEMENTS IN ACCORDANCE WITH IFRS

SEK MILLION	2020-12-31	2019-12-31
Non-current interest-bearing liabilities including pension provisions	1,909	1,093
Current interest-bearing liabilities	2,503	3,676
Cash and cash equivalents	-1,170	-729
<b>Interest-bearing net debt</b>	<b>3,242</b>	<b>4,040</b>
Put/call options, additional considerations	986	916
Lease liability	548	596
<b>Net debt</b>	<b>4,776</b>	<b>5,552</b>

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

SEK MILLION	31 DEC 2020	30 SEP 2020	30 JUN 2020	31 MAR 2020
<b>Total assets</b>	<b>18,262</b>	<b>18,624</b>	<b>18,291</b>	<b>19,278</b>
Cash and cash equivalents	-1,170	-865	-781	-714
Interest-bearing pension provisions	-44	-45	-41	-38
Non-interest-bearing liabilities	-3,639	-3,852	-4,174	-3,841
<b>Capital employed</b>	<b>13,409</b>	<b>13,862</b>	<b>13,295</b>	<b>14,685</b>
Goodwill and other intangible assets	-11,610	-11,933	-11,701	-12,255
<b>Capital employed excluding goodwill and other intangible assets</b>	<b>1,799</b>	<b>1,929</b>	<b>1,594</b>	<b>2,430</b>

**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 2020	Q3 2020	Q2 2020	Q1 2020
Capital employed	<b>13,813</b>	13,409	13,862	13,295	14,685
Capital employed excluding goodwill and other intangible assets	<b>1,938</b>	1,799	1,929	1,594	2,430
<b>TOTAL</b>					
EBITA*	<b>2,702</b>	782	699	569	652
<b>Return on capital employed</b>	<b>19.6%</b>				
<b>Return on capital employed excluding goodwill and other intangible assets</b>	<b>139%</b>				

# PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT			
SEK MILLION	NOTE	2020	2019
Administrative expenses		-106	-162
Other operating income	38, 39	147	139
<b>Operating profit</b>	40, 41, 42, 43	<b>41</b>	<b>-23</b>
Profit/loss from investments in Group companies	44	771	758
Financial income	45	230	127
Financial expenses	45	-47	-48
<b>Profit after financial items</b>		<b>995</b>	<b>814</b>
Appropriations	46	-31	-30
Tax on profit for the year	47	-27	-6
<b>Net profit for the year</b>		<b>937</b>	<b>778</b>

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 2020	31 DEC 2019
<b>ASSETS</b>			
<b>Fixed assets</b>			
Equipment		-	0
Investments in Group companies	48	1,960	1,960
Non-current receivables from Group companies		2,774	2,868
Deferred tax assets	49	43	44
<b>Total fixed assets</b>		<b>4,777</b>	<b>4,872</b>
<b>Current assets</b>			
Receivables from Group companies		6,200	5,207
Current tax assets		-	15
Prepaid expenses and accrued income		4	4
Cash and bank balances		625	379
<b>Total current assets</b>		<b>6,829</b>	<b>5,605</b>
<b>TOTAL ASSETS</b>		<b>11,606</b>	<b>10,477</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Restricted equity</b>			
Share capital		18	18
Statutory reserve		12	12
<b>Total restricted equity</b>		<b>30</b>	<b>30</b>
<b>Non-restricted equity</b>			
Retained earnings	50	2,764	2,463
Net profit for the year		937	778
<b>Total non-restricted equity</b>		<b>3,701</b>	<b>3,241</b>
<b>Total equity</b>		<b>3,731</b>	<b>3,271</b>
<b>Untaxed reserves</b>	51	<b>75</b>	<b>72</b>
<b>Non-current liabilities</b>			
Bonds	52	1,779	1,004
Deferred tax liabilities	49	23	-
<b>Total non-current liabilities</b>		<b>1,802</b>	<b>1,004</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	52	1,555	1,866
Bonds	52	908	1,776
Accounts payable - trade		2	1
Liabilities to Group companies		3,453	2,399
Current tax liabilities		5	-
Other current liabilities		37	40
Accrued expenses and deferred income	53	38	48
<b>Total current liabilities</b>		<b>5,998</b>	<b>6,130</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11,606</b>	<b>10,477</b>

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY				
SEK MILLION	SHARE CAPITAL	STATUTORY RESERVE	NON-RESTRICTED EQUITY	TOTAL EQUITY
<b>Opening balance, 1 January 2019</b>	<b>18</b>	<b>12</b>	<b>2,881</b>	<b>2,911</b>
Dividend approved by AGM	-	-	-418	-418
Net profit for the year	-	-	778	778
<b>Closing balance, 31 December 2019</b>	<b>18</b>	<b>12</b>	<b>3,241</b>	<b>3,271</b>
Dividend approved by AGM	-	-	-477	-477
Net profit for the year	-	-	937	937
<b>Closing balance, 31 December 2020</b>	<b>18</b>	<b>12</b>	<b>3,701</b>	<b>3,731</b>

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 share capital consists of 6,075,970 class A shares and 84,767,290 class B shares, or 90,843,260 shares in total. Class A shares carry ten votes per share and class B shares carry one vote per share. The Parent Company has no treasury shares. For share capital information, see Note 23 to the consolidated financial statements.

PARENT COMPANY CASH FLOW STATEMENT		
SEK MILLION	2020	2019
<b>Operating activities</b>		
Operating profit	41	-23
Other financial items	-3	-2
Interest received	159	124
Interest paid	-44	-45
Income taxes paid	19	-6
<b>Cash flow before changes in working capital</b>	<b>172</b>	<b>48</b>
<b>Changes in working capital</b>		
Increase/decrease in operating receivables	-993	-1,200
Increase/decrease in operating liabilities	1,042	370
<b>Total changes in working capital</b>	<b>49</b>	<b>-830</b>
<b>Cash flow from operating activities</b>	<b>221</b>	<b>-782</b>
<b>Financing activities</b>		
Change in non-current receivables	-55	-461
Borrowings	4,719	3,150
Repayments of borrowings	-4,952	-2,058
Group contribution received	-	58
Group contribution paid	-28	-3
Dividends received	771	758
Dividends paid	-477	-418
<b>Cash flow from financing activities</b>	<b>-22</b>	<b>1,026</b>
<b>Cash flow for the year</b>	<b>199</b>	<b>244</b>
Cash and cash equivalents at the beginning of the year	379	143
Foreign exchange differences in cash and cash equivalents	47	-8
<b>Cash and cash equivalents at year-end</b>	<b>625</b>	<b>379</b>

## 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 expense, 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 leases 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 147 (139) million for Group-wide services. The Parent Company has purchased services from subsidiaries of SEK 2 (2) million.

## NOTE 39 OTHER OPERATING INCOME

SEK MILLION	2020	2019
Group-wide services	147	139
<b>Total other operating income</b>	<b>147</b>	<b>139</b>

## NOTE 40 CLASSIFICATION OF EXPENSES BY NATURE

SEK MILLION	2020	2019
Personnel costs (Note 42)	91	146
Expenses for operating leases (Note 43)	3	2
Other expenses	12	14
<b>Total</b>	<b>106</b>	<b>162</b>

## NOTE 41 AUDITORS' FEES

SEK MILLION	2020	2019
<b>PricewaterhouseCoopers</b>		
Audit engagement	1	1
Audit services in addition to audit engagement	-	-
Other services	0	1
<b>Total</b>	<b>1</b>	<b>2</b>

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 work. 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	2020	2019
Women	3	2
Men	3	4
<b>Total</b>	<b>6</b>	<b>6</b>
PERSONNEL COSTS, SEK MILLION	2020	2019
Salaries and benefits		
Board of Directors and CEO	43	71
Other employees	13	10
	56	81
Social security contributions, Board of Directors and CEO	16	29
Social security contributions, other employees	5	4
Pension costs for the CEO	13	31
Pension costs for other employees	1	1
<b>Total</b>	<b>91</b>	<b>146</b>

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

## NOTE 43 LEASES

SEK MILLION	2020	2019
<b>Operating leases</b>		
Mature within 1 year	1	1
Mature in 1–5 years	2	1
<b>Total</b>	<b>3</b>	<b>2</b>

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	2020	2019
Dividends	771	758
<b>Total</b>	<b>771</b>	<b>758</b>

## NOTE 45 FINANCIAL INCOME AND EXPENSES

SEK MILLION	2020	2019
<b>Financial income</b>		
Interest income from Group companies	159	124
Interest income	0	1
Foreign exchange gains	71	2
<b>Total financial income</b>	<b>230</b>	<b>127</b>
<b>Financial expenses</b>		
Interest expenses to Group companies	-2	-6
Interest expense	-42	-39
Other financial expenses	-3	-3
<b>Total financial expenses</b>	<b>-47</b>	<b>-48</b>
<b>Net financial items</b>	<b>183</b>	<b>79</b>

The foreign exchange gains item includes income of SEK 219 million and expenses of SEK 148 million, resulting in a net gain of SEK 71 million.

**NOTE 46 APPROPRIATIONS**

SEK MILLION	2020	2019
Group contributions paid	-28	-28
Change in tax allocation reserve	-3	-2
<b>Total</b>	<b>-31</b>	<b>-30</b>

**NOTE 47 TAX ON PROFIT FOR THE YEAR**

SEK MILLION	2020	2019
Current tax for the year	-6	-8
Adjustments relating to previous years	4	-
Deferred tax	-25	2
<b>Total tax on profit for the year</b>	<b>-27</b>	<b>-6</b>

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 21.4 (21.4) per cent.

Profit before tax	964	784
Tax at applicable tax rate in Sweden, 21.4% (21.4%)	-206	-168
Tax effects of non-taxable income	174	162
Effect of changed tax rate	1	0
Adjustment relating to previous years	4	-
Tax effects of non-deductible expenses	0	0
<b>Tax on profit for the year</b>	<b>-27</b>	<b>-6</b>

**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	Waakirchen, Germany
Rapid Granulator AB	556082-8674	Bredaryd
Sorb Industri AB	556272-5282	Skellefteå

	EQUITY INTEREST, %	VOTING INTEREST, %	NO. OF SHARES	CARRYING AMOUNT 2020	CARRYING AMOUNT 2019
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
<b>Total</b>				<b>1,960</b>	<b>1,960</b>

	2020	2019
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 holdings:

COMPANY	COUNTRY	CORPORATE ID	RESIDENCE	OWNERSHIP %
<b>Lifco Dental International AB</b>	<b>Sweden</b>	<b>556730-9710</b>	<b>Enköping</b>	<b>100.0</b>
Dental-Direct AS	Norway	981 315 847	Skoppum	80.0
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	Veberöd	100.0
Preventum Partner AB	Sweden	556613-2790	Stockholm	100.0
DentalEye AB	Sweden	556611-7338	Sundbyberg	100.0
Hamasväline OY	Finland	0881266-0	Helsingfors	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
Topdental (Products) Ltd	United Kingdom	04261332	Silsden	100.0
J.H. Orsing AB	Sweden	556099-9632	Helsingborg	100.0
Sendoline AB	Sweden	556051-4886	Täby	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	Tallin	100.0
DAB Dental Latvia SIA	Latvia	40003744465	Riga	100.0
DAB Dental UAB	Lithuania	300115774	Vilnius	100.0
LIC Scadenta AS	Norway	956 226 635	Sandvika	100.0
Technomedics Norge AS	Norway	986 392 742	Askim	100.0
Jacobsen Dental AS	Norway	918 882 014	Alnabru	100.0
Dansk Nordenta A/S	Denmark	10416698	Hörning	100.0
AI 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 256962 p	Wien	100.0
M+W Dental Swiss AG	Switzerland	CH-020.3.029.916-4	Weisslingen	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 Softwaretechnologie und Systementwicklung mbH	Germany	HR B No. 72249	München	100.0
Dentamed (ČR) spol. s r.o.	Czech Republic	CZ25083163	Prag	100.0
Dent Unit, s.r.o.	Czech Republic	CZ45538263	Hradec Králové	80.0
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	Mulheim an der Ruhr	100.0
Smilodentax GmbH	Germany	HR B No. 18237	Mulheim an der Ruhr	100.0
Perfect Ceramic Dental Company Ltd	Hong Kong	31560809	Kowloon	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, 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

COMPANY	COUNTRY	CORPORATE ID	RESIDENCE	OWNERSHIP %
<b>Proline Group AB</b>	<b>Sweden</b>	<b>556543-0971</b>	<b>Sollentuna</b>	<b>100.0</b>
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
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	Helsingfors	100.0
Proline Danmark Aps	Denmark	32259987	Faaborg	100.0
Wachtel AG	Germany	HR B No. 701678	Hockenheim	75.0
P-Line Netherlands B.V.	Netherlands	55190545	Venlo	100.0
<b>PP Greiftechnik GmbH</b>	<b>Germany</b>	<b>HR B No. 157420</b>	<b>Holzkirchen</b>	<b>100.0</b>
Demolition & Recycling Tools Rental 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	St Anthonis	100.0
Mars Greiftechnik GmbH	Austria	FN 148579 z	Gmünd	100.0
Kinshofer CZ s.r.o.	Czech Republic	CZ25164325	Ceske Velenice	100.0
Kinshofer France S.A.R.L.	France	RCS 343 661 229	Lingolsheim	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	Stockpor, Chesire	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	96.65
Solesbee's Equipment & Attachments, LLC	USA	20-2519685	Winston, GA	100.0
Doherty Engineered Attachments Ltd	New Zealand	1928058	Tauranga	100.0
Doherty Couplers & Attachments Ltd	Australia	605058526	Taurika	100.0
Auger Torque Europe Ltd	United Kingdom	03537549	Cheltenham	100.0
Auger Torque Australia Pty Ltd	Australia	39113281664	Brisbane	100.0
Auger Torque China CO., Ltd	China	91330212688026355H	Ningbo	51.0
ErgoPack Deutschland GmbH	Germany	HR B No. 13877	Lauingen/Donau	85.0
<b>Rapid Granulator AB</b>	<b>Sweden</b>	<b>556082-8674</b>	<b>Bredaryd</b>	<b>100.0</b>
Rapid Granulier-Systeme GmbH & Co. KG	Germany	HR A No. 3137	Frankfurt	100.0
Rapid Granulier-System Geschäftsführungs GmbH	Germany	HR B No. 5059	Frankfurt	100.0
Rapid Italy S.R.L.	Italy	03407930274	Venedig	100.0
Rapid Granulate Machinery (Shanghai)	China	91310000772430780P	Shanghai	100.0
Rapid Granulator Singapore Pte Ltd	Singapore	200901691Z	Singapore	100.0
Albro Technologies Sarl	France	RCS 487 629 966	Lyon	100.0
Rapid Graulator, Inc.	USA	36-4803683	Cranberry Township, PA	100.0
<b>Sorb Industri AB</b>	<b>Sweden</b>	<b>556272-5282</b>	<b>Skellefteå</b>	<b>100.0</b>
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 Plc. Ltd	Singapore	200719909W	Singapore	100.0
Brokk DA GmbH	Germany	HR B No. 720979	Friedenweiler	100.0
Darda GmbH	Germany	HR B No. 611546	Blumberg	100.0
Darda Kinshofer Construction Machinery Co Ltd	China	91110105678752089B	Beijing	100.0
Brokk Australia Pty.	Australia	66140012504	Adelaide	100.0
Brokk France SARL	France	RCS 352 562 144	Epinal	100.0

COMPANY	COUNTRY	CORPORATE ID	RESIDENCE	OWNERSHIP %
Brokk BeNeLux SARL	Belgium	738 931 548	Saint Gilles	100.0
Brokk Italia S.R.L.	Italy	07049910966	Milano	100.0
Brokk Beijing Machines Co Ltd	China	91110108563601504E	Beijing	100.0
Brokk Norge AS	Norway	997 403 452	Ski	100.0
Brokk Switzerland GmbH	Switzerland	CH-020.4.025.204-9	Regensdorf	100.0
Brokk Middle East	United Arab Emirates	184254	Dubai	100.0
Ahlberg Cameras AB	Sweden	556259-9786	Norrtälje	85.0
Ahlberg Cameras, Inc	USA	36-4654856	Wilmington, NC	100.0
Aquajet Systems Holding AB	Sweden	556499-1288	Jönköping	80.0
Aquajet Systems AB	Sweden	556314-6173	Jönköping	100.0
Heinolan Sahakoneet Oy	Finland	0845086-6	Heinola	100.0
AS Hekotek	Estonia	10112941	Tallinn	82.5
Sorb OOO	Russia	1077847616692	St Petersburg	100.0
Hekotek Norge AS	Norway	922 343 608	Oslo	100.0
Lövånger Elektronik AB	Sweden	556287-7943	Lövånger	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	Järlåsa	100.0
Lövånger Elektronik Göteborg AB	Sweden	559056-2293	Göteborg	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
Hultdins, Inc.	Canada	1026714	Ontario	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	Göteborg	100.0
Auto-Maskin Holding, Inc.	USA	46-4550987	Dickinson, TX	100.0
Auto-Maskin LLC	USA	36-4777460	Dickinson, TX	100.0
Modul-System HH Van Equipment AB	Sweden	556552-7040	Mölndal	100.0
Håells AB	Sweden	556305-0946	Mölndal	100.0
Modul-System HH AB	Sweden	556138-6409	Mölndal	100.0
Modul-System Fahrzeugeinrichtungen GmbH	Germany	HR B No. 3073	Mengenkirchen	100.0
Modul-System S.A.	France	RCS 382 918 209	Marne la Vallé	100.0
Modul-System N.V./S.A.	Belgium	457 057 466	Mechelen	100.0
Modul-System HH A/S	Denmark	21421189	Hvidovre	100.0
Modul-System Polska Sp. Z o.o.	Poland	131735	Warzawa	100.0
Modul-System Nederland B.V.	Netherlands	24256256	Maassluis	100.0
Modul-System Finland OY	Finland	2347058-2	Vantaa	100.0
Modul-System AS	Norway	911 743 787	Hagan	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 No. 22197	Störmthal	100.0
Cenika AS	Norway	987 778 474	Lierstranda	90.0
Cenika AB	Sweden	556723-5170	Malmö	100.0
Nordesign AS	Norway	937 923 422	Trondheim	85.0
Hydal AS	Norway	988 009 911	Håvik	80.0
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

COMPANY	COUNTRY	CORPORATE ID	RESIDENCE	OWNERSHIP %
Redoma Recycling AB	Sweden	559039-2329	Malmö	100.0
Eleiko AB	Sweden	556071-1409	Halmstad	100.0
Eleiko AS	Norway	996 593 673	Rud	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 NV	Belgium	453 271 496	Antwerpen	100.0
Rustibus, Inc.	USA	20-0151285	Houston, TX	100.0
Rustibus PTE LTD	Singapore	200207727D	Singapore	100.0
Haglöf Sweden AB	Sweden	556148-8197	Långsele	100.0
Haglöf Sweden Produktion AB	Sweden	556403-3305	Långsele	100.0
Haglof, Inc.	USA	64-0684743	Madison, MS	100.0
Silent AB	Sweden	556087-6137	Borås	60.0
Silent North America, Inc.	USA	36-4040735	Wisconsin	100.0
Silent South Europé	France	RCS 494 050 156	Cagnes Sur Mer	100.0
Silent Central Europe GmbH	Austria	FN 416042 b	Salzburg	100.0
Silent (Shanghai) Trading Co. LTD	China	3100186272	Shanghai	100.0
Silent UK Ltd	United Kingdom	03767990	Birmingham	100.0
Silent Benelux B.V.	Netherlands	71269711	Heerlen	100.0
Silent Italia s.r.l	Italy	04688600230	Verona	100.0
Silent Polska Sp.z.o.o.	Poland	386034936	Warszawa	100.0
Silent Ibercia S.L	Spain	B67383406	Barcelona	100.0
Pro 10 Optix AB	Sweden	556729-2023	Stockholm	75.0
Fiberworks AS	Norway	959 977 046	Oslo	75.0
Blinken AS	Norway	932 645 017	Gressvik	90.0
Blinken Tools AB	Sweden	556862-7540	Karlstad	90.0
Wexman AB	Sweden	556481-2633	Tidaholm	70.0
Caramaro Holding SpA	Italy	04452060231	Cologna Veneta	85.0
Caramaro Tarpaulin System S.r.l	Italy	04079350239	Cologna Veneta	100.0
Caramaro España S.L	Spain	B9668440	Quart de Poblet Valencia	100.0
Caramaro France SARL	France	RCS 414 619 304	Evry	100.0
Tastitalia S.r.l	Italy	01569310425	Castelfidardo	70.0
UK Point of Sale Group Limited	United Kingdom	03833656	Stockport	75.0
NA Interlog AB	Sweden	556503-7446	Kramfors	100.0

## NOTE 49 DEFERRED TAX

SEK MILLION

2020

2019

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	43	44
Deferred tax liability attributable to other taxable temporary differences	-23	-
<b>Total net deferred tax asset/liability</b>	<b>20</b>	<b>44</b>

## NOTE 50 APPROPRIATION OF RETAINED EARNINGS

### SEK MILLION

The AGM is asked to decide on the appropriation of the following funds:

Retained earnings	2,764
Net profit for the year	937
<b>Total</b>	<b>3,701</b>
The Board of Directors proposes the following appropriation of retained earnings:	
a dividend payment to the shareholders of SEK 6.00 per share, totalling carried forward	545
	3,156
<b>Total</b>	<b>3,701</b>

## NOTE 51 UNTAXED RESERVES

SEK MILLION	2020	2019
Tax allocation reserve 2014	-	0
Tax allocation reserve 2015	12	12
Tax allocation reserve 2016	9	9
Tax allocation reserve 2017	29	29
Tax allocation reserve 2018	8	8
Tax allocation reserve 2019	7	14
Tax allocation reserve 2020	10	-
<b>Total</b>	<b>75</b>	<b>72</b>

## NOTE 52 BORROWINGS

SEK MILLION	2020	2019
<b>Non-current interest-bearing liabilities</b>		
Bonds	1,779	1,004
<b>Total non-current interest-bearing liabilities</b>	<b>1,779</b>	<b>1,004</b>
<b>Current interest-bearing liabilities</b>		
Bonds	908	1,776
Overdraft facilities	1	554
Liabilities to credit institutions	1,554	1,312
<b>Total current interest-bearing liabilities</b>	<b>2,463</b>	<b>3,642</b>
<b>Total interest-bearing liabilities</b>	<b>4,242</b>	<b>4,646</b>

No portion of non-current liabilities matures later than three 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	2020	2019
Accrued interest expenses	3	6
Accrued salary-related expenses	21	29
Accrued holiday pay	5	4
Accrued social security contributions	8	8
Other accrued expenses	1	1
<b>Total</b>	<b>38</b>	<b>48</b>

## NOTE 54 CONTINGENT LIABILITIES

SEK MILLION	2020	2019
Contingent liabilities for Group companies' PRI liabilities	0	0
Guarantees for Group companies	199	46
<b>Total</b>	<b>199</b>	<b>16</b>

# TEN-YEAR SUMMARY

	ACCORDING TO IFRS										ACCORDING TO BFN	
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2012	2011	
Net sales, SEK million	13,782	13,845	11,956	10,030	8,987	7,901	6,802	6,030	6,184	6,184	5,707	
Total net sales growth	-0.5%	15.8%	19.2%	11.6%	13.7%	16.2%	12.8%	-2.5%	8.4%	8.4%	24.3%	
of which organic growth	-5.8%	4.2%	6.4%	2.1%	2.5%	5.7%	4.4%	-1.4%	-1.8%	-1.8%	7.9%	
of which acquired growth	7.0%	8.2%	8.6%	8.6%	11.3%	7.3%	5.1%	0.1%	11.7%	11.7%	20.5%	
of which foreign exchange effects and other	-1.7%	3.4%	4.2%	0.9%	-0.1%	3.2%	3.3%	-1.2%	-1.5%	-1.5%	-4.2%	
EBITA* SEK million	2,702	2,523	2,168	1,732	1,377	1,186	966	692	715	716	631	
EBITA margin*	19.6%	18.2%	18.1%	17.3%	15.3%	15.0%	14.2%	11.5%	11.6%	11.6%	11.1%	
Scheduled depreciation/amortisation, SEK million	-360	-326	-139	-123	-104	-91	-75	-68	-71	-71	-67	
Amortisation of intangible assets arising on acquisition, SEK million	-412	-329	-253	-196	-121	-66	-38	-7	-3	-175	-141	
Extraordinary items, SEK million	-29	-135	-13	-17	-4	-13	-122	-58	1	0	0	
Acquisition of tangible assets, SEK million	239	269	162	144	114	102	105	95	75	76	56	
Acquisition of subsidiaries net of cash and cash equivalents, SEK million	1,056	1,781	500	1,378	1,608	573	1,264	-	90	95	1,771	
Capital employed excluding goodwill and other intangible assets, SEK million	1,938	2,345	1,312	1,155	989	983	877	874	970	-	-	
Capital employed, SEK million	13,812	12,925	10,314	8,962	7,395	5,981	5,098	3,910	3,921	-	-	
Return on capital employed excluding goodwill and other intangible assets	139%	108%	165%	150%	139%	121%	110%	84.0%	73.8%	-	-	
Return on capital employed	19.6%	19.5%	21.0%	19.3%	18.6%	19.8%	18.9%	18.8%	18.3%	-	-	
Interest-bearing net debt, SEK million	3,242	4,040	3,170	3,536	3,018	1,950	2,013	1,420	1,618	1,618	1,912	
Interest-bearing net debt/equity ratio	0.4x	0.5x	0.5x	0.6x	0.6x	0.5x	0.6x	0.6x	0.8x	0.8x	1.0x	
Interest-bearing net debt/EBITDA*	1.1x	1.4x	1.4x	1.9x	2.0x	1.5x	1.9x	1.9x	2.1x	2.1x	2.7x	
Net debt, SEK million	4,776	5,552	3,685	3,794	3,076	1,980	2,091	1,498	1,695	1,618	1,912	
Net debt/equity ratio	0.6x	0.7x	0.5x	0.7x	0.6x	0.5x	0.6x	0.6x	0.8x	0.8x	1.0x	
Net debt/EBITDA*	1.6x	1.9x	1.6x	2.0x	2.1x	1.6x	2.0x	1.9x	2.2x	2.1x	2.7x	
Equity/assets ratio	47.5%	45.4%	48.8%	45.5%	47.0%	49.2%	46.7%	43.6%	39.9%	38.2%	34.6%	
Earnings per share, SEK	18.24	16.57	15.29	11.94	9.99	8.91	6.17	4.16	5.56	3.57	3.20	
Equity per share, SEK	94.8	87.1	73.6	60.5	51.9	43.4	38.0	26.0	23.6	21.5	20.1	
Number of employees at year-end	5,433	5,443	4,926	4,758	3,627	3,386	3,009	2,865	3,005	3,005	3,106	

# ACQUISITIONS 2006–2020

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
	Endomark	Diagnostic, endodontic and other products	Dental	SEK 9m	Sweden
2008	XO Care Denmark	Dental products	Dental	DKK 77m	Denmark
	Tevo	Interiors for Service Vehicles	Systems Solutions	GBP 8m	United Kingdom
	Ellman Produkter	Dental products	Dental	SEK 43m	Sweden
2009	Aponox	Tilt buckets	Demolition & Tools	-	Finland
	Interdental	Dental products	Dental	SEK 10m	Norway
	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

YEAR	COMPANY	OPERATIONS	BUSINESS AREA	NET SALES AT ACQUISITION DATE	COUNTRY
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
	Endodontiproducter	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
2017	TMC/Nessco	Supplier of marine compressors and spare parts	Systems Solutions	NOK 525m	Norway
	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 work environments 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

YEAR	COMPANY	OPERATIONS	BUSINESS AREA	NET SALES AT ACQUISITION DATE	COUNTRY
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
	Toolpacks norska bilinredningsverksamhet	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
2020	Rönvig 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 produktpportförlj	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 produktpportförlj	Dental products	Dental	USD 2.2m	USA

# QUALITY AND ENVIRONMENTAL CERTIFICATIONS

COMPANY	COUNTRY	CERTIFICATION				
		ISO 3834	ISO 9001	ISO 13485	ISO 14001	OHSAS 18001 / ISO 45001
Ahlberg Cameras AB	Sweden		●			
Auger Torque Europe Ltd	United Kingdom		●			
Auto-Maskin AS	Norway		●		●	
Aquajet System AB	Sweden		●			
Brokk AB	Sweden		●			
Brokk UK Ltd	United Kingdom		●			
Cenika AS	Norway				●	
Computer Konkret GmbH	Germany	●		●		
Cramaro Tarpulin Systems S.r.l	Italy		●			
Darda GmbH	Germany		●			
DAB Dental AB	Sweden	●		●	●	
DentalEye AB	Sweden			●		
Directa AB	Sweden			●		
Doherty Engineered Attachments Ltd	New Zealand	●			●	●
Fiberworks AS	Norway		●			
Hammaväline Oy	Finland		●			
AS Hekotek	Estonia		●			
Hultdin System AB	Sweden		●			
Indexator Rotator System AB	Sweden		●		●	●
InteraDent Zahntechnik, Inc.	Philippines		●			
InteraDent Zahntechnik GmbH	Germany		●			
J.H Orsing AB	Sweden			●		
Jacobsen Dental AS	Norway		●			
Kinshofer CZ s.r.o.	Czech Republic	●				
Kinshofer 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 HH AB	Sweden		●		●	
Modul-System S.A.	France		●		●	
Modul-System Fahrzeugeinrichtungen GmbH	Germany		●			
Modul-System Nederland B.V	Netherlands		●			
Modul-System Polska Sp. z.o.o.	Poland		●			
Modul-System Ltd	United Kingdom		●		●	●
Nessco AS	Norway		●		●	●
Nordenta AB	Sweden			●		
Parkell, Inc.	USA			●		
Rapid Granulator AB	Sweden		●		●	
Rhein 83 srl	Italy		●	●		
Rønvig Dental Manufacturing A/S	Denmark			●		
Sendoline AB	Sweden			●		
Si Zhou Dental (Shenzhen) Co. Ltd	China			●		
Swallow Dental Supplies Ltd	United Kingdom		●			
Texor AB	Sweden		●			
Tamrotor Marine Compressors AS	Norway		●		●	●
Tastitalia Stl	Italy		●		●	
TMC Compressors Asia Pte Ltd	Singapore		●		●	●
Top Dental (Products) Ltd	United Kingdom			●		
Uk Point of Sale Group Limited	United Kingdom		●			
Zetterströms Rostfria AB	Sweden	●	●			

# ADDRESSES

## DENTAL

### 3D Dental ApS

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

### AI dente Software A/S

CEO: Vibeke Mikkelsen  
Nydamvej 8  
8362 Hørning, Denmark  
Website: aldente.dk  
E-mail: info@aldente.dk  
Telephone: +45 87 68 16 01

### Almaso För Tandvården AB

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

### Computer konkret AG

CEO: 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

CEO: Michael Brand  
Landsbergerstrasse 400  
812 41 München, Germany  
Website: consys.de  
E-mail: info@consys.de  
Telephone: +49 89 5897 890

### DAB Dental AB

CEO: Jonas Redin  
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

CEO: Agne Bagdziunaite  
Kungla tn 2  
765 05 Saua Harjumaa, Estonia  
Website: dabdental.ee  
E-mail: info@dabdental.ee  
Telephone: +372 6 39 13 20

### DAB Dental Latvia SIA

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

### DAB Dental UAB

CEO: Agne Bagdziunaite  
Laisves pr. 57  
06144 Vilnius, Lithuania  
Website: dabdental.lt  
E-mail: dental@dabdental.lt  
Telephone: +370 52070 888

### Dansk Nordenta A/S

CEO: Claus Holmgaard  
Nydamvej 8  
8362 Hørning, Denmark  
Website: nordenta.dk  
E-mail: nordenta@nordenta.dk  
Telephone: +45 87 68 16 11

### Dent Unit s.r.o

CEO: 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

CEO: 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

CEO: Marcus Johansson  
Kavallerivägen 30  
174 58 Sundbyberg, Sweden  
Website: dentaleye.com  
E-mail: info@dentaleye.com  
Telephone: +46 8 621 07 00

### DentalTiger GmbH

CEO: János Szabo  
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.

CEO: Pavel Smazik  
Pod Lipami 2620/41  
130 00 Prag 3, Czech Republic  
Website: dentamed.cz  
E-mail: info@dentamed.cz  
Telephone: +420 266 007 111

### Denterbridge SAS

CEO: 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

CEO: Michael Kammersgaard Krogh  
Tverrmyra 16  
3185 Skoppum, Norway  
Website: dental-direct.no  
E-mail: post@dental-direct.no  
Telephone: +47 33 07 15 00

### Directa AB

CEO: 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.

CEO: Henric Karsk  
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

CEO: Charles Mamish, Per Waldemarson,  
Reinhold Kuhn  
Roggenhorster Strasse 7  
235 56 Lübeck, Germany  
E-mail: info@edp-holding.eu  
Telephone: +49 6042 880 088

### Ellman Produkter AB

CEO: Jonas Redin  
c/o DAB Dental AB, Box 423  
194 04 Upplands Väsby  
Website: ahrendental.com  
E-mail: info@ahrendental.com  
Telephone: +46 8 646 11 02

### Hammasväline Oy

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

### InteraDent Zahntechnik GmbH

CEO: 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.

CEO: Dieter Schneider  
Lot 3275 Interadent Bldg, Pascor Drive  
RP-1704 Parañaque City Manila, Philippines  
E-mail: gguillermo@interadent.com.ph  
Telephone: +63 2 852 4029

### J.H. Orsing AB

CEO: 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

CEO: Björn Myhre  
Boks 97, Alnabru  
0614 Oslo, Norway  
Website: Jacobsen-dental.no  
E-mail: post@jacobsen-dental.no  
Telephone: +47 22 79 20 20

### LIC Scadenta AS

CEO: 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

CEO: Jonas Redin  
Verkmästaregatan 1  
745 85 Enköping, Sweden  
Website: lifcodental.se  
E-mail: e-post@lifcodental.se  
Telephone: +46 171 478450

### Lifco Dental International AB

CEO: Jonas Redin  
Verkmästaregatan 1  
745 85 Enköping, Sweden  
E-mail: ir@lifco.se  
Telephone: +46 72 717 59 05

**MDH AG Mamisch Dental Health**  
 CEO: Charles Mamisch, Patrick Koose  
 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**  
 CEO: János Szabó  
 Reichardsweide 40  
 636 54 Büdingen, Germany  
 Website: mw dental.de  
 E-mail: kontakt@mw dental.de  
 Telephone: +49 6042 880 088

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

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

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

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

**Parkell, Inc.**  
 CEO: Henrik Karsk  
 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**  
 CEO: Charles Mamisch  
 RM 1809, Office Tower Two, Grand Plaza 625,  
 Nathan Road Kowloon 852 Hong Kong  
 E-mail: perfecthk@netvigator.com  
 Telephone: +852 2783 7768

**Plum Deutschland GmbH**  
 CEO: Maik Jessulat  
 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**  
 CEO: 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**  
 CEO: Reinhold Kuhn  
 Volksdorfer Grenzweg 143  
 223 59 Hamburg, Germany  
 Website: praezimed.de  
 E-mail: info@praezimed.de  
 Telephone: +49 40 645 088 0

**Preventum Partner AB**  
 CEO: Marcus Johansson  
 Kungsgatan 35B  
 736 32 Kungsör, Sweden  
 Website: Preventum.nu  
 E-mail: info@preventum.nu  
 Telephone: +46 227 120 60

**Prodent International d.o.o.**  
 CEO: Vojco Andjelic  
 Zvezna ulica 2A  
 1000 Ljubljana, Slovenia  
 Website: prodent.si  
 E-mail: info@prodent.si  
 Telephone: +386 1 5204 800

**Rhein'83 S.R.L**  
 CEO: Gianni Storni  
 Via Zago 10/ABC  
 401 28 Bologna, Italy  
 Website: rhein83.com  
 E-mail: claudia.nardi@rhein83.it  
 Telephone: +39 051 244510

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

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

**Sendoline AB**  
 CEO: Henric Karsk  
 Box 7036  
 187 11 Täby, Sweden  
 Website: sendoline.com  
 E-mail: contact@sendoline.se  
 Telephone: +46 8 425 031 10

**Si Zhou Dental (Shenzhen) Co. Ltd**  
 CEO: Charles Mamish  
 8/F, Block 12, CuiGang Industrial District 6  
 HuaiDe Zone, Fuyong, Baoan, Shenzhen  
 518103 Guangdong, China  
 Telephone: +86 755 27864816

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

**Swallow Dental Supplies Limited**  
 CEO: Paul Harrison  
 8 Ryefield Court, Ryefield Way  
 Silsden BD20 0DL, United Kingdom  
 Website: swallowdental.co.uk  
 E-mail: sales@swallowdental.co.uk  
 Telephone: +44 1535 656312

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

**Topdental (Products) Ltd**  
 CEO: Daniel Rollén  
 Unit 12 Ryefield Way, Silsden  
 West Yorkshire BD20 0EF, United Kingdom  
 Website: topdentaldirect.com  
 E-mail: sales@topdental.co.uk  
 Telephone: +44 1535 652 750

**Westroad Properties, Inc**  
 Lot 3275 Interudent Bldg, Pascor Drive  
 1704 Parañaque City Manila, Philippines  
 E-mail: gguillermo@interudent.com.ph  
 Telephone: +63 2 852 4029

## DEMOLITION & TOOLS

**Ahlberg Cameras AB**  
 CEO: Joakim Ahlberg  
 Gösvägen 22  
 761 41 Norrtälje, Sweden  
 Website: ahlbergcameras.com  
 E-mail: sales@ahlbergcameras.com  
 Telephone: +46 176 20 55 00

**Ahlberg Cameras, Inc.**  
 CEO: Joakim Ahlberg  
 419B Raleigh street  
 Wilmington, NC 284 12, USA  
 Website: ahlbergcameras.com  
 E-mail: us@ahlbergcameras.com  
 Telephone: +1 (0) 910 399 4240

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

**Aquajet Systems AB**  
 CEO: 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**  
 CEO: Alistair Brydon  
 Hazleton, Cheltenham  
 GL54 4DX, United Kingdom  
 Website: augertorque.com  
 E-mail: sales@augertorque.com  
 Telephone: +44 1451 861652

**Auger Torque Australia Pty. Ltd**  
 CEO: Kelvin Hamilton  
 122 Boundary Road, Rocklea  
 Brisbane, Queensland 4106, Australia  
 Website: augertorque.com.au  
 E-mail: sales@augertorque.com.au  
 Telephone: +61 73274 2077

**Attachment Torque MFG (China) Co. Ltd**

CEO: Alistair Brydon  
 Baozhan 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**

CEO: Hans Valdermarson  
 Framgatan 282 72 Sösdala, Sweden  
 E-mail: info@rf-system.se  
 Telephone: +46 44 817 07

**BINC Delaware, Inc.**

CEO: Lars Lindgren  
 1144 Village Way  
 Monroe WA 982 72, USA  
 Website: brokk.com/us  
 E-mail: info@brokkinc.com  
 Telephone: +1 360 794 1277

**Brokk AB**

CEO: 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 Plc. Ltd**

CEO: 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.**

CEO: Wilhelm Visser  
 9 Colorado Court  
 Morphett Vale SA 5162, Australia  
 Website: brokkaustralia.com.au  
 Telephone: +61 8 8387 7742

**Brokk (Beijing) Machines Co. Ltd**

CEO: William Liu  
 A1208, Chengjian Plaza, Beitaipingzhuang road no 18, 100004 Haidian District, Beijing, China  
 Website: brokk.com/cn  
 E-mail: info-2008@brokk.com.cn  
 Telephone: +86 1350 1372 039

**Brokk BeNeLux SARL**

CEO: Michel Sanz  
 Avenue Fonsny 46/59  
 1060 Saint Gilles, Belgium  
 Website: brokk.com  
 E-mail: benelux@brokk.com  
 Telephone: +32 472 67 15 50

**Brokk Bricking Solutions, Inc.**

CEO: Lars Lindgren / 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**

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

**Brokk France SARL**

CEO: Michel Sanz  
 ZI Inova 3000, BR 20033  
 881 51 Thaon les Vosges, France  
 Website: brokk.fr  
 E-mail: info@brokk.fr  
 Telephone: +33 3 29 390 390

**Brokk Italia S.R.L.**

CEO: Roberto Giti Ruberto  
 Via Regina Tendolinda 17  
 22100 Como, Italy  
 Website: brokk.com/it  
 E-mail: info@brokk.it  
 Telephone: +39 0312 64087

**Brokk Middle East FZE**

CEO: Haitham Gouda  
 PO Box 5005132/Office No. 1103 Jafza One Tower A, Jebel Ali Free Zone, 260 76 Dubai, Förenade Arabemiraten  
 Website: brokk.com  
 E-mail: haitham.gouda@brokk.com  
 Telephone: +971 4 8170278

**Brokk Norway AS**

CEO: Dag-Helge Andresen  
 Industriveien 22-24  
 1400 Ski, Norway  
 Website: brokk.com/no  
 E-mail: info@brokk.no  
 Telephone: +47 9483 9507

**Brokk Sales Canada, Inc**

CEO: Lars Lindgren  
 700-401 W. Georgia St.  
 Vancouver, BC, B6B 5A1  
 Website: brokkinc.com  
 E-mail: info@brokkinc.com  
 Telephone: +1 360 794 1277

**Brokk Switzerland GmbH**

CEO: 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**

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

**Darda GmbH**

CEO: 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**

CEO: 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.**

CEO: Ruud de Gier, Marcel Vening  
 Den Hoek 32  
 5802 BW Cuijk, Netherlands  
 Website: demarec.com  
 E-mail: info@demarec.com  
 Telephone: +31 485 442 300

**Demolition & Recycling Tools Rental GmbH**

CEO: Thomas Friedrich  
 Raiffeisenstrasse 12  
 836 07 Holzkirchen, Germany  
 Web: kinshofer.com  
 E-mail: info@kinshofer.com  
 Telephone: +49 8021 88990

**Doherty Couplers & Attachments Ltd**

CEO: Jeremy Doherty  
 PO Box 701, Annerley  
 Darrar, Queensland 4103, Australia  
 Website: dohertydirect.net  
 E-mail: jeremy@dohertydirect.net  
 Telephone: +61 1800 057 021

**Doherty Engineered Attachments Ltd**

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

**Hammer S.R.L.**

CEO: Valerio Modugno  
 Via Oleificio dell'Italia Meridionale Lotto G1  
 700 56 Mofetta, BA, Italy  
 Website: hammereuropre.com  
 E-mail: hammer@hammersrl.com  
 Telephone: +39 080 337 5317

**Hultdin System AB**

CEO: Josef Alenius  
 Skolgatan 12  
 939 31 Malå, Sweden  
 Website: hultdins.se  
 E-mail: sales@hultdins.se  
 Telephone: +46 953 418 00

**Hultdins, Inc.**

CEO: Gerry Mallory  
 22 Morton Avenue  
 Brantford, Ontario, N3R 7J7, Canada  
 Website: hultdins.com  
 E-mail: info@hultdins.com  
 Telephone: +519 754 00 44

**Indexator Rotator Systems AB**

CEO: Josef Alenius  
 Box 11  
 922 21 Vindeln, Sweden  
 Website: indexator.com  
 E-mail: rotator@indexator.com  
 Telephone: +46 933 148 00

**Kinshofer CZ s.r.o.**

CEO: Thomas Friedrich  
 Cs.Legi 568  
 378 10 Ceske Velenice, Czech Republic  
 Website: kinshofer.com  
 E-mail: info@kinshofer.com  
 Telephone: +42 384 795 110

**Kinshofer France SARL**

CEO: Thomas Friedrich  
 8 B Rue Gabriel Voisin, CS 4003  
 516 88 Reims, France  
 Website: kinshofer.com  
 E-mail: info@kinshofer.com  
 Telephone: +33 388 3955 00

**Kinshofer GmbH**

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

**Kinshofer Holding, Inc.**

CEO: Thomas Friedrich  
6420 Inducon Drive Suite G  
Sanborn, NY 14132, USA  
Website: kinshofer.com  
E-mail: info@kinshofer.com  
Telephone: +1 716 731 4359

**Kinshofer Liftall Inc.**

CEO: Francois 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**

CEO: Alistair Brydon  
Unit 4 Milton Industrial Court,  
Horsfield Way, Bredbury  
Stockport, SK6 2TA, United Kingdom  
Website: kinshofer.com  
E-mail: sales@kinshofer.co.uk  
Telephone: +44 161 406 7046

**Kinshofer USA, Inc.**

CEO: Francois 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**

CEO: Thomas Friedrich  
Grenzlandstrasse 5  
3950 Gmünd, Austria  
Website: kinshofer.com  
E-mail: info@kinshofer.com  
Telephone: +43 2852 5443 8

**PP Greiftechnik GmbH**

CEO: Thomas Friedrich  
Raiffeisenstrasse 12  
836 07 Holzkirchen, Germany  
Telephone: +49 8021 8899 0

**RF System AB**

CEO: 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 & Attachment LCC**

CEO: David Jenkins  
2640 Jason Industrial Parkway  
Winston GA 301 87, USA  
Website: solesbees.com  
E-mail: djenkins@solesbees.com  
Telephone: +1 770 949 9231

**SYSTEMS SOLUTIONS****Sorb Industri AB**

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

**BYGGMATERIAL****Blinken Tools AB**

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

**Blinken AS**

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

**Cenika AB**

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

**Cenika AS**

CEO: Svein Tore Moe  
Industrigata 13  
3414 Lierstranda, Norway  
Website: cenika.no  
E-mail: post@cenika.no  
Telephone: +47 32 24 03 00

**Elit Scandinavian AB**

CEO: Magne Barli  
Box 132  
517 23 Bollebygd, Sweden  
Website: elitsg.se  
E-mail: info@elitsg.se  
Telephone: +46 19 500 3010

**Elit Scandinavia ApS**

CEO: Magne Barli  
Gl Skivevej 73 B  
8800 Viborg, Denmark  
Website: elit.dk  
E-mail: info@elit.dk  
Telephone: +45 48 44 60 60

**Elit AS**

CEO: Magne Barli  
Hellenvegen 9  
2022 Gjerdrum, Norway  
Website: elit.no  
E-mail: firmapost@elit.no  
Telephone: +47 63 93 88 80

**ERC Systems AB**

CEO: Robin Öhrn  
Skalles Väg 14  
605 97 Norrköping, Sweden  
Website: ercsystems.se  
E-mail: info@ercsystems.se  
Telephone: +46 11 13 00 60

**Fiberworks AS**

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

**Hydal AS**

CEO: Hagbard Sandhåland  
Hydrovegen 160  
4265 Håvik, Norway  
Website: hydal.no  
E-mail: post@hydal.no  
Telephone: +47 52 84 81 00

**Nordesign AS**

CEO: Steinar Schröder  
Granåsveien 7  
7069 Trondheim, Norway  
Website: nordesign.no  
E-mail: nordesign.no@nordesign.no  
Telephone: +47 73 84 95 50

**P-line Netherlands B.V.**

CEO: 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 Denmark ApS**

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

**Proline Norway AS**

CEO: Tellef Ingvaldstad  
Frysjaiveien 35  
0884 Oslo, Norway  
Website: proline-group.com  
E-mail: info@proline-group.no  
Telephone: +47 22 95 02 50

**Prolinesystems Relining Oy**

CEO: Risto Heiniemi  
Sahaajankatu 12  
00880 Helsingfors, Finland  
Website: proline-group.com/fi  
E-mail: info@proline-group.fi  
Telephone: +358 102 390 060

**Proline Syd AB**

CEO: Mats Hallström  
Stenyxgatan 14  
213 76 Malmö, Sweden  
Website: proline-group.com  
E-mail: info@proline-group.com  
Telephone: +46 40 671 79 90

**Proline Väst AB**

CEO: 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**

CEO: 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**

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

**Proline Group AB**

CEO: 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**

CEO: Peter Hällström  
Vikdalsvägen 50  
131 51 Nacka Strand, Sweden  
Website: prooptix.se  
E-mail: info@prooptix.se  
Telephone: +46 8 120 477 50

**Wachtel AG**

CEO: Denis Wachtel  
Duttweilerstrasse 11  
687 66 Hockenheim, Germany  
Website: proline-group.de  
E-mail: info@proline-group.de  
Telephone: +49 6205 27 900 86

**SERVICE OCH DISTRIBUTION****Brian James Trailers Holding Limited**

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

**Brian James Trailers Limited**

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

**Brian James Trailers GmbH**

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

**Cramaro España S.L.**

CEO: Jose Angel Moncho Charfolle  
c/Acequia de Favara No 3  
469 30 Quart de Poblet, Spain  
Website: cramaro.es  
E-mail: info@cramaro.es  
Telephone: +34 (96) 192 06 99

**Cramaro France SARL**

CEO: Marco Dian  
Route de la Ferte Alais 191  
911 50 Morigny Campigny, France  
Website: caramaro.com  
E-mail: infofrance@cramaro.com  
Telephone: +33 1 697 81848

**Cramaro Holding SpA**

CEO: 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**

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

**Modul-System AS**

CEO: 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**

CEO: 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**

CEO: Jirka Sotinen  
PL 118  
01301 Vantaa, Finland  
Website: modul-system.fi  
E-mail: myynti@modul-system.fi  
Telephone: +357 20 771 0880

**Modul-System HH Van Equipment AB**

CEO: David Mickelson  
Box 148  
431 22 Mölndal, Sweden

**Modul-System HH AB**

CEO: 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**

CEO: Lennart Nielsen  
Midtager 28  
2650 Brondby, Denmark  
Website: modul-system.dk  
E-mail: info@modul-system.dk  
Telephone: +45 70 25 21 60

**Häells AB**

CEO: David Mickelson  
Box 148  
431 22 Mölndal, Sweden  
Telephone: +46 31 7468700

**Modul-System Nederland B.V.**

CEO: Kathleen Smets  
Govert van Wijnkade 42  
3144 EG Maassluis, Netherlands  
Website: modul-system.nl  
E-mail: nl@modul-system.nl  
Telephone: +31 10 592 80 38

**Modul-System N.V./S.A.**

CEO: 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.**

CEO: Marcin Papuzinski  
ul. Drukarska 1, Raszin - 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.**

CEO: 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**

CEO: Paul Railston  
Maddison house, Thomas Road  
HP10 0PE Buckinghamshire, United Kingdom  
Website: tevo.eu.com  
E-mail: sales@tevo.eu.com  
Telephone: +44 1628 528 034

**UK Point of Sale Group Limited**

CEO: Jason Leslie  
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

**KONTRAKTSTILLVERKNING****Auto-Maskin AS**

CEO: 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 Sweden AB**

CEO: Albin Dennevi  
Drakegatan 5  
412 50 Göteborg, Sweden  
Website: auto-maskin.com  
E-mail: office@auto-maskin.com  
Telephone: +46 31 313 1100

**Auto-Maskin Holding, Inc.**

CEO: Svein Arild Hagnaess  
951 FM 646, East Suite A27  
TX 775 39 Dickinson Texas, USA

**Auto-Maskin LLC**

CEO: 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**

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

**Lövånger Elektronik Uppsala AB**

CEO: 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**

CEO: Ivan Vincent  
Kyrkren 2  
932 61 Lövånger, Sweden  
Website: leab.se  
E-mail: ivan.vincent@leab.se  
Telephone: +46 913 245 00

**Leab Eesti OÜ**

CEO: 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**

CEO: Joan Öberg  
Knutsvägen 2  
737 33 Fagersta, Sweden  
Website: leab.se  
E-mail: joan.oberg@wintech.se  
Telephone: +46 223 420 50

**Tastitalia S.r.l**

CEO: Massimo Ottaviani  
Via Jesina 27/9  
600 22 Castelfidardo, Italy  
Website: tastitalia.com  
E-mail: info@tastitalia.com  
Telephone: +39 0778 25276

**Texor AB**

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

**Zetterströms Rostfria AB**

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

**MILJÖTEKNIK**

**Albro Technologies SARL**  
CEO: Anders Mårtensson  
646 Rue Juliette Récamier  
699 70 Chaponny, France  
Website: rapidgranulator.com  
E-mail: info@albro.fi  
Telephone: +33 472 15 22 80

**Eldan, Inc.**

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

**Eldan Recycling A/S**

CEO: 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**

CEO: Michael Holzgethan  
Hanns-Martin-Schleyer-Strasse 21  
894 15 Lauingen, Germany  
Website: ergopack.de  
E-mail: info@ergopack.de  
Telephone: +49 9072 70283-8

**Nessco Holding AS**

CEO: Christian Ness  
Professor Birkelandsvei 24D  
1081 Oslo, Norway

**Nessco AS**

CEO: Christian Ness  
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**

CEO: Johan 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**

CEO: Jürgen Prössler  
Bruchweg 3  
638 01 Kleinostheim, Germany  
Website: rapidgranulator.com  
E-mail: info@rapidgranulator.de  
Telephone: +49 6027 46650

**Rapid Granulier-Systeme  
Geschäftsführungs GmbH**

CEO: 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.**

CEO: 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)**

CEO: 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 Singapore Pte Ltd**

CEO: Anders Mårtensson  
63 Hillview Ave. 10-17A Lam Soon  
Industrial Building  
669569 Singapore, Singapore  
Website: rapidgranulator.com  
E-mail: info@rapidgranulator.asia

**Rapid Granulator, Inc.**

CEO: James 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**

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

**Rustibus Worldwide AS**

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

**Rustibus NV**

CEO: Terje Braathen  
Noordersingel 7  
2140 Antwerpen, Belgium  
Website: rustibus.com  
E-mail: antwerp@rustibus.com  
Telephone: +32 3227 2096

**Rustibus, Inc**

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

**Rustibus PTE Ltd**

CEO: 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**

CEO: 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.**

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

**Silvent Central Europe GmbH**

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

**Silvent Iberica S.L.**

CEO: 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**

CEO: 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.**

CEO: 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.**

CEO: 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**

CEO: 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 SARL**

CEO: 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**

CEO: 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

**Tamrotor Marine Compressors AS**

CEO: Per Alf Kjellin  
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 Crescent #15-79 WCEGA Tower  
658 065 Singapore, Singapore  
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)  
Huangpu District, 200001 Shanghai, China  
E-mail: rchen@tmc.no  
Telephone: +86 139 1743 2657

**SKOG**

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

**Haglöf Sweden AB**

CEO: Fredrik Holm  
Klockargatan 8  
882 30 Långsele, Sweden  
Website: haglofsweden.com  
E-mail: info@haglofsweden.se  
Telephone: +46 620 255 80

**Haglöf Sweden Produktion AB**

CEO: Fredrik Holm  
Klockargatan 8  
882 30 Långsele, Sweden  
E-mail: info@haglofsweden.se  
Telephone: +46 620 255 80

**AS Hekotek**

CEO: Heiki Einpaul  
Põrguvälja tee 9 Lehmja, Rae vald  
753 06 Harju maakond, Estonia  
Website: hekotek.ee  
E-mail: hekotek@hekotek.ee  
Telephone: +372 605 1450

**Hekotek Norway AS**

CEO: Rain Nuka  
c/o TMC AS  
Postboks 3 Furuset  
1001 Oslo, Norway  
Website: hekotek.ee  
E-mail: rain.nuka@hekotek.ee  
Telephone: +372 501 4103

**Heinolan Sahakoneet Oy**

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

**Sorb OOO**

CEO: Olga Sizemova  
10th Krasnoyarmeyksaya lit. 22B, Office 42-52  
190103 Sankt Petersburg, Russia  
Website: sorb-spb.ru  
E-mail: olga.sizemova@hekotek.ee  
Telephone: +7 812 327 3655

**Wexman AB**

CEO: 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. In its financial reports, Lifco excludes acquisition costs and non-recurring items. This is indicated by an asterisk.
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. In its financial reports, Lifco excludes acquisition costs and non-recurring items. This is indicated by an asterisk.
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.

# ANNUAL GENERAL MEETING 2021

The Annual General Meeting of Lifco AB will be held on Friday 23 April 2021, at 11:00 a.m.

In view of the ongoing pandemic, Lifco's Board of Directors has decided to hold the Annual General Meeting digitally through electronic communication with the shareholders and to give shareholders the option of voting by mail. The decision was taken in order to safeguard the shareholders' health and to assist in limiting the spread of COVID-19.

Practical information regarding registration and participation will be provided in the notice of AGM.

## **NOMINATION COMMITTEE AND MATTERS TO BE TRANSACTED**

Information on Lifco's Nomination Committee was presented in Lifco's nine-month report for 2020, which was published on 22 October 2020. The information was also published on the website. Lifco's nine-month report for 2020 and year-end report for 2020 contained information about how to submit a matter for discussion at the AGM. The information was also published on the website.

## **DIVIDEND**

The Board of Directors and CEO propose that a dividend of SEK 6.00 per share be paid for 2020, resulting in a total distribution of SEK 545.1 million. The proposed record date is Tuesday 27 April 2021. Euroclear expects to be able to send the dividend to the shareholders on Friday 30 April 2021, subject to a resolution of the Annual General Meeting.

# 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](http://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.

**The annual report can be ordered from:**

[www.lifco.se/investors/financial-reports](http://www.lifco.se/investors/financial-reports)

Lifco AB  
Attn: Investor Relations  
Verkmästaregatan 1  
SE-745 85 Enköping

Telephone: +46 72 717 59 05

E-mail: [ir@lifco.se](mailto:ir@lifco.se)

# FINANCIAL CALENDAR

23 April 2021	Interim report January–March
16 July 2021	Interim report January–June
22 October 2021	Interim report January–October
1 February 2022	Year-end report for 2021
March 2022	Annual report for 2021



# LIFCO

A SAFE HAVEN FOR YOUR BUSINESS

**LIFCO AB**

556465-3185

Verkmästaregatan 1  
SE-745 85 Enköping

Telephone: +46 72 717 59 05  
E-mail: [ir@lifco.se](mailto:ir@lifco.se)  
[www.lifco.se](http://www.lifco.se)

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