



Elof Hansson

2020 ANNUAL REPORT

& CONSOLIDATED FINANCIAL STATEMENTS

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MESSAGE FROM THE CEO

A year that demonstrated the power of our organisation

I look back on a very special year that presented many and unexpected challenges. It was a year that tested the strength and character of our organisation, and it is with great pride that I now note that we passed the test in full. We succeeded in retaining our suppliers and delivering brilliant results, while developing completely new opportunities in some markets. For example, our sales companies have really shown their worth in their tireless efforts to keep up sales with suppliers and customers, and we have in some ways come a little closer together even though we have not been able to meet physically.

Of course, we have been negatively affected as well. Especially in business area International, where we service and start up equipment, among other things. Since we are very dependent on being able to travel and visit our customers, there was a natural and clearly negative pandemic effect. But on the other hand, it has created better opportunities to plan and prepare for 2021.

We as a company made an early decision to follow all the recommendations so as not to burden the healthcare system, and for those who have not been able to work from home, we have made sure to create a safe environment at work. We have neither received state aid nor had to discharge or lay off any employees. In short, in 2020 we have once again proved that we are making things happen, even (or perhaps especially) in difficult conditions.

SOME HIGHLIGHTS IN 2020

- The trading house had yet another strong year. In fact, it was the second best year in sales terms in ten years. This is thanks to high demand for packaging materials, rapid transformation in the organisation and the fact that we were able to fully utilise the power of our sales companies.
- In real estate, Global Business Gate has made made significant progress during the year, and we are now entering an exciting phase where the peninsula will be bought up and realised.
- We have clarified and strengthened our sustainability work. Partly with work to support the UN's global goals, and partly with endorsement and development internally.
- In business area International, we have started Sun Africa, an important and exciting project in Angola, aimed at switching from fossil fuels to solar energy. In addition to contributing to a more sustainable future, we thereby also support Swedish exports in a very concrete way.

With this behind us and continued wind in our sails, I see a very bright future. We have a board of directors that embraces change, and with ambitions to grow in the long term. I would like to take this opportunity to thank all our employees, partners, suppliers and customers for managing to make it yet another successful year.

Sincerely,

Mikael Forslund

Mikael Forslund
CEO, Elof Hansson Group



Elf Hansson

Stenmansgatan 10, Göteborg

Göteborg

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Kontorordning

Inom hvarje affär som sträftar framåt är det af vital betydelse att affärens omkostnader stå i rätt proportion till inkomsterna. Många affärsmän, som finner det nödvändigt att reducera sina affärsomkostnader, griper till det till synes enkla medlet att minska aflöningen till de anställda inom affären. Detta sätt kan verka i alldeles motsatt riktning till hvad som afses, ty affärsomkostnaderna äro ej beroende af den aflöningssumma som en affär har att betala, utan af det arbete som blir utfört dertill. Den affärsanställda som arbetar planmässigt och efter rätta principer utriktar mera, och kan göra anspråk på högre aflöning än den som arbetar

utan bestämd plan.

De bärande principerna för allt arbete äro följande:

- 1° Organisation
- 2° Punktlighet
- 3° Oavbrutet och oförstört arbete under kontorstiden.

Organisationen tillfaller i hufvudsak chefen och afdelningscheferna. Hvarje afdelningschef bör se till att afdelningen arbetar efter ofvannämnda principer 1° & 2°.

Tobaksrökning under arbetstiden undanbedes.

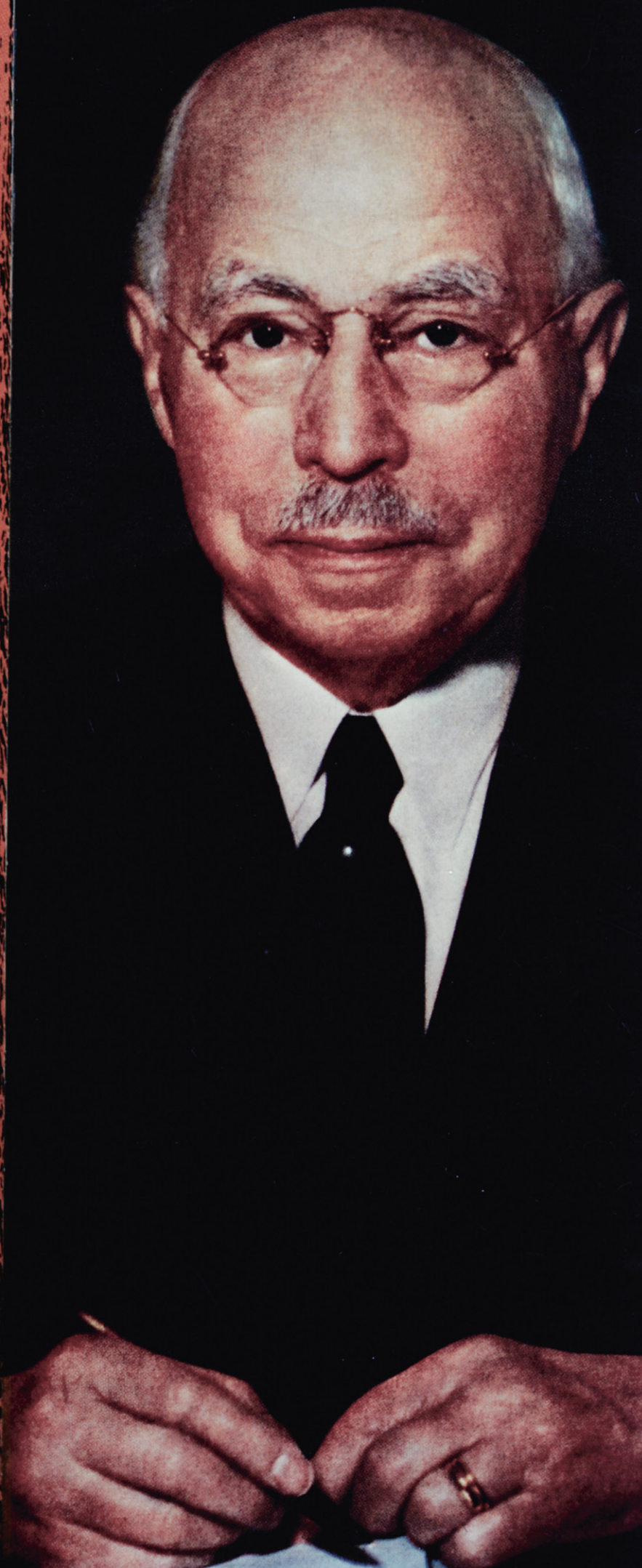
Arbetet på ett kontor är ofta tidsödande, men arbetstiden är kort. Hvarje anställd bör därför vara på sin plats och färdig att börja sitt arbete då kontorstiden börjar, således ej anlända till kontoret först då eller något senare. (ingen väntqvart) arbetstiden bör vara 8 timmar per dag från

1 September till 31 Maj 9-2 & 3-6, lördagar 9-3, från 1 Juni till 31 Augusti 9-2 & 3-5, lördagar 9-3.

Det är min tro, att om mina affärsanställda ville nogt följa denna ordning, omkostnaderna skulle kunna nedbringas, och smärre löneförbättringar dergenom blifva möjliga.

den 30 Januari 1925

Elf Hansson



ELOF HANSSON IN BRIEF

A leading international trading house

Everything we do today is based on a solid legacy. Elof Hansson Trading Company was created by a young, ambitious man who at the turn of the last century lived and worked in Hamburg. With a nose for business opportunities, he realised the potential of this fantastic trading city and so in 1896 he obtained a licence to start a business. The following year, at the age of 28, he put the plans into effect. Soon our enterprising entrepreneur met a Mr. Nagasaki, who was an agent for Mitsui & co. in Japan and in search of pulp. He appointed as his supplier Elof, who there and then felt that he had found his niche. The rest is history – our history, on which we continuously build. Drive is our DNA and is experienced through the presence we have in all the relationships we create.

Today, the Elof Hansson Group consists of 271 employees and 25 global offices divided into three business areas: Elof Hansson Trade, Elof Hansson International and Elof Hansson Properties.

BUSINESS CONCEPT

Elof Hansson initiates, develops and maintains global business relationships in well-defined

business areas. In-depth industry knowledge and expertise in marketing, sales, business financing, risk management and transport solutions, as well as the ability to perceive and transition to new conditions, enable us to profitably contribute to growth and development for our partners, while strengthening Elof Hansson's position as a leading international trading house.

VALUES

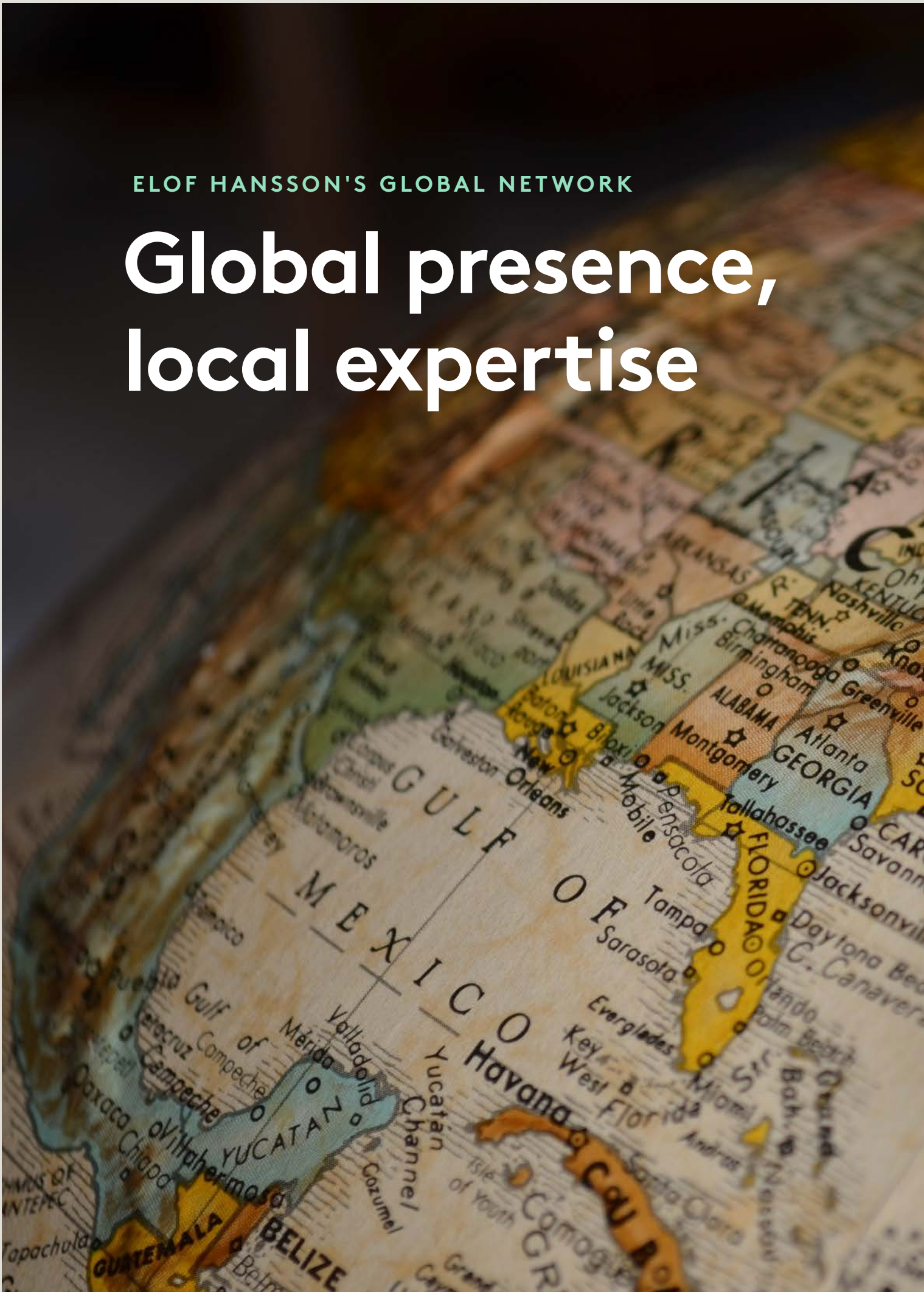
Common values and a clear set of rules have always been an important business success factor for Elof Hansson. This is evidenced not least by the fact that the values laid down by the company's founders in 1904 still live on as a mantra in the organisation.

The values affect working methods, characterise meetings and guide decisions. Our conviction is that this is crucial to achieving sustainable goals and long-term relationships.

Elof Hansson's values: Trust, commitment and professionalism.

ELOF HANSSON'S GLOBAL NETWORK

Global presence, local expertise





25

global offices

34

countries with agents

271

employees

45%

equity/assets ratio

650

MUSD sales



BUSINESS AREA: TRADE

A strong year, against all odds

International trade in building materials, paper, pulp and warehouse items from leading suppliers in Europe, Asia and America to customers all over the world. The Trade business area not only sells a product, but through its expertise creates added value in financing, risk management, shipping and marketing.

Despite the extreme circumstances presented in 2020, Elof Hansson was well equipped as the pandemic spread and crippled large parts of the market.

A turbulent freight market with rising prices, closed banks and ever-increasing commodity prices are some examples of the challenges we faced – and still face – in the wake of the pandemic.

“Thanks to a strong finish in 2019 and a good start to 2020, we did well and thus made it one of our better years. This can be explained partly by increased demand for packaging materials as a result of greatly increased e-commerce, but also by the fact that we, together with our sales companies, managed to change our way of working and find flexible solutions in a fast and efficient way,” says Mikael Forslund, CEO of Elof Hansson Trade.

As in 2020, 2021 has started strongly on a commercial level, although the market is still suffering from rising prices for both raw materials and freight. The focus is on ensuring more suppliers, and thus continuing to make life easier for the large number of customers through unique expertise and solid experience.

BUSINESS AREA: INTERNATIONAL

Enabling solar power in Angola

Elof Hansson International manufactures and trades in components, machines and equipment for the pulp and paper industry. The company is also active as a project coordinator and exporter of equipment in major international projects, which are secured through state export guarantees, as well as suppliers to projects in the pulp and paper industry.

Elof Hansson International is playing a key role in a pathfinder project aimed at transforming a large part of Angola's energy production from fossil fuels to sustainable solar energy. While at the same time, Sweden's exports are getting a big boost. Project financing is one of the most important cornerstones for implementing projects in Africa. The majority of this particular project is financed from SEK (Swedish Export Credit Corporation) under an export credit guarantee from EKN (Swedish Export Credit Agency) and arranged by ING Bank. The credit is granted to the Angolan government on the condition that at least 30% of the goods and services supplied to the project come from Sweden. And it is against this background that Elof Hansson's expertise really comes into its own.

“The project will be a major boost for Sweden's exports to Africa, while creating new opportunities for Swedish companies to sell goods and services to similar projects in the future. Together with

equipment from Hitachi ABB Power Grids, we have succeeded in providing a wide range of services and products from Swedish suppliers so as to meet the financial requirements of EKN and SEK. We were tasked with identifying suitable Swedish suppliers in everything from cables, buildings and furniture to tools, fences, safety equipment and meteorological instruments. We currently expect that approximately 15-20 Swedish suppliers will deliver to the project,” says Björn Olausson, CEO of Elof Hansson International.

With an export credit of EUR 560 million, approximately 1 million solar panels are to be supplied and installed in seven different locations in Angola, with a total capacity of 370 MW. The Sun Africa Project, where MCA Grupo from Portugal is responsible for the entire project delivery, is in line with the UN's Global Goal No. 7 – Sustainable Energy for All – and is fully in line with Elof Hansson's overall work on sustainability within the Group. Completion of the seven solar parks is expected to be in 2022, and the company is already planning for several similar projects with a focus on sustainability in 2021 and 2022. A project like this is made possible by a combination of Elof Hansson Group's knowledge of project financing, Elof Hansson International's competence in project implementation, as well as market presence and knowledge.





BUSINESS AREA: PROPERTIES

Global Business Gate is paving the way for the future

Elof Hansson Properties is a young real estate company in Gothenburg that builds on a 120-year tradition of seeing and grasping business opportunities. The company invests in, develops, owns and manages mainly commercial properties and also invests in new projects.

One of the development projects is Masthuggskajen in Gothenburg where Elof Hansson Properties and other actors are creating a new urban environment with housing, offices and the concept Global Business Gate. Global Business Gate, which is owned by Elof Hansson Properties and Alecta, will be a hub for companies, organisations and people who are active in international business. The concept on which it is based will also help strengthen Gothenburg as an international trading city.

“This will be a unique meeting place that strengthens companies' competitiveness and facilitates

complex business. A unique and attractive working environment improves companies' recruitment opportunities and thus their competitiveness. When concrete solutions such as common meeting and project areas are combined with access to expertise, openness and innovation, conditions are created that drive development almost automatically.

Global Business Gate is quite simply a place where it is natural to do business and where both organisations and individuals can develop. The work on Global Business Gate has made great strides forward during the year, and we are now entering an exciting phase where the peninsula on which the building shall be built will be procured and construction started. The plan is for Global Business Gate to be ready for the first tenants to move into in 2025,” says Lennart Hedström, CEO of Elof Hansson Properties.

CHALLENGES ARE OUR DRIVING FORCE,
ACHIEVING GOALS IS OUR PASSION.

**In all contexts where we are
involved, we want to find solutions,
make a difference and do good
business. That's why we exist.**

We do it together.

With the same conviction since 1897.

We take on the challenge and steer our activities towards our intentions and our goals. Suppliers, customers, needs and specific situations determine our direction and planning. Our toolbox for success is both wide and deep and caters for our partners' needs.

Together we are strong. Everyone's contributions, skills and efforts combined are the magic ingredient that makes us succeed.

We'll make it happen!

Absolutely the most important thing for us is to generate a good result for all parties involved, in all aspects. This has been our guiding principle from the start of the group and that is what drives us to make it happen.

That is why our partners choose to work with us.

HUMAN RESOURCES

A challenging and developing year

Our operation is based on people doing business with people. That is why our employees are the most important thing we have. We have summarised who we are and the values we bring to each business transaction in three words: Trust, Commitment & Professionalism.

An ever-changing world places high demands for development and flexibility not only on the group as a whole, but also at an individual level on all our employees and managers. We therefore continue to invest heavily in competence development in different forms for all our employees. During 2020, we have focused on e-learning for our formal managers in areas such as work environment responsibility, goal management and feedback.

In 2020, we faced completely new challenges for the work environment, and the concept of a safe and secure workplace took on a completely new meaning. Thanks to great flexibility, well-functioning existing policies and cooperation, we quickly managed to change things around and ensure that the physical work environment of our employees around the world met the different legal requirements and recommendations that each country's authorities introduced. The fact that a large proportion of our employees now work remotely also sets other requirements for the work

environment in the home and the psychosocial work environment. Efforts such as regular staff meetings, other digital meetings (both formal and informal), digital Christmas celebrations and, not least, the work of the managers in each staff group have maintained our great community and kept our teams strong.

We have invested in a digital platform that allows us to measure our employees' well-being in real time while analysing trends over time. Through this, we have been given the opportunity not only to pick up any signs of downward trends but also to share success factors between departments. We have also been able to measure our employees' confidence in the company's handling of Covid-19 and have generally had very good results. So far this has only been done in Sweden, but the ambition is to implement the same digital platform for taking the pulse of several of our subsidiaries.

Elof Hansson prides itself on being a good employer and an exciting workplace where people can develop. Each employee shall have clear, challenging goals and be given feedback on their development. They shall have an opportunity to grow in their role and find career paths within the group. Good, long-term relationships are a key issue for us at Elof Hansson, especially with our employees.



VISION

**Always provide
business partners
with added and
sustainable value.**

An aerial photograph of a winding asphalt road with double yellow lines, cutting through a dense, lush green forest. The road curves from the top left towards the bottom left. The forest is composed of many tall, thin trees, creating a textured canopy of various shades of green. The entire image is framed by a thin, light green border.

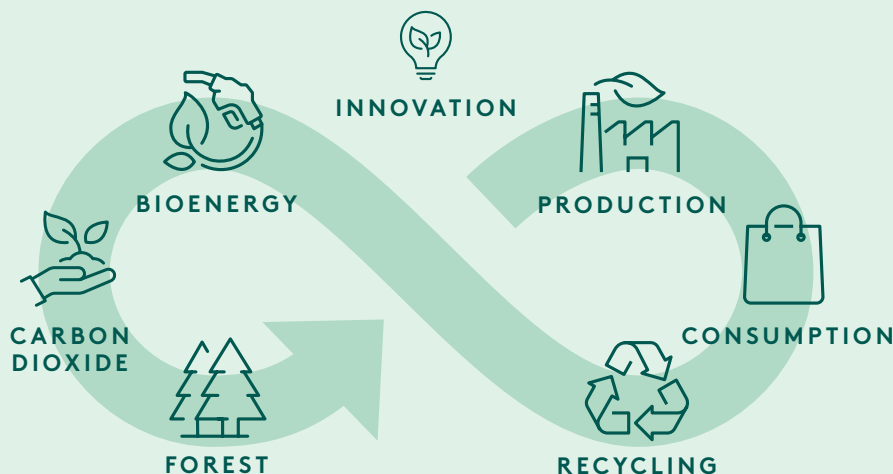
SUSTAINABILITY REPORT

SUSTAINABILITY

Our values for sustainability

Sustainability has been the foundation of Elof Hansson's business since its inception over 120 years ago. We have created value by delivering superior service to our partners. After so many years of successful sourcing of renewable materials such as pulp and paper globally, we know what it takes to safeguard both our environmental and our social responsibilities. It is our joint responsibility to contribute to a better world, and we therefore support the global goals.





IMPROVE OUR ENVIRONMENT

Forests – a valuable and renewable resource

Our main business at Elof Hansson Trade is based on trading in raw materials and products from the forest. Forests can help to reduce the carbon footprint by replacing energy-intensive fossil materials in a number of industries and applications. Through innovation, materials such as packaging and paper are developed and refined, but so are new materials in construction, textiles, bio-based chemicals etc. In this way, we support society's transition to a bio-based and circular economy.

Certifications:

As part of our environmental work, Elof Hansson holds certificates for traceability according to FSC® (FSC-C074512), PEFC standards and RCS.

ELOF HANSSON INTERNATIONAL

In the International business area, we deliver sustainable projects, which means that the projects have a clear positive impact on the world around us and support the global goals. Examples of sustainable projects are solar cell plants, agriculture, irrigation and railways. The projects also require a close partnership with large Swedish

and international financiers, and are increasingly financed through green financing. We also sell components to the paper and pulp industry.

ELOF HANSSON PROPERTIES

In the Properties business area, we are focused on developing sustainable properties from day one of our projects. Energy efficient buildings, green financing, sustainable materials and recycling are some methods we use to reduce our environmental footprint. Certified sustainable properties contribute to the environment but also make us more attractive to tenants and increase the value of the properties.

TRANSPORT

An important part of our global operations is to have the greatest possible focus on sustainable logistics. This work is mainly managed from Gothenburg. Through consolidated volumes and long-term partnerships, we can negotiate competitive prices with partners who strive to deliver environmentally efficient freight.



COMMITMENT & GROWTH

People – a resource we develop

PASSIONATELY ENGAGED IN SOCIETY

Through its large involvement in learning, Elof Hansson contributes to a higher level of knowledge both in the company and in society at large. The foundation aims to promote research and education, primarily within trade. Therefore, grants are given to schools such as Chalmers University, the University of Gothenburg, the London Business School and others. The foundation also provides grants to organisations that support the especially vulnerable in society, including Nordic Luther Aid.

Elof Hansson regularly welcomes students to work in the company to supplement their education with relevant work experience. We also provide the opportunity for students to write academic papers in areas within the group's operations.

GROW WITH OUR EMPLOYEES

Elof Hansson has a strong growth ambition. The most important thing we have is our employees. We want to grow with our employees and we therefore invest in each employee's development. This means, among other things, that we offer up to 10 days of competence development per year. We also aim to have satisfied employees, and regularly measure how our employees are doing and how they feel about the company. Well-being is also strongly linked to health and we therefore offer both wellness in various forms as well as affordable insurance.

As a company, we stand up for an inclusive environment and culture. We strive for a balance between men and women at all levels of the company. At the individual level, we work for a healthy work-life balance.

SUSTAINABLE BUSINESS

Trust at all levels

Elof Hansson has long experience and the ability and willingness to conduct business transactions globally. By operating in many of the world's countries and in a number of product areas, we have developed unique opportunities to create value for our customers and suppliers. As a leading player in the pulp and paper industry, Elof Hansson is subject to a large number of regulations on health and safety, the environment, financial crime, sanctions, money laundering and corruption. We have a great responsibility within all these areas, as well as to drive development together with our customers and suppliers.

COMMON VALUES

Then as now, common values and a clear set of rules are crucial to ensure that we comply not only with our values, but also with the laws that exist in all the countries in which we operate.

Elof Hansson's principles are described by our values: Trust, Commitment and Professionalism and these shall characterise everything we do. These values are complemented by Elof Hansson's Code of Conduct, which the group's management and all employees have signed.

Elof Hansson works continuously with the entire value chain to ensure compliance and to promote better standards in the communities in which we operate. As part of our commitment to society, we support the UN Declaration of Human Rights and the implementation of the 17 Global Goals.

Elof Hansson has always taken a clear stand against corruption. This work is also an important part of the work on human rights and environmental impact, since corruption can hinder the authorities and processes that are needed to deal with these important issues. In 2020, we have therefore had a special focus on training our staff in this area.

We work for and support the protection of human rights through our Code of Conduct and internal processes. We expect our partners, both suppliers and customers, to apply similar principles, as also documented in our Partner Code of Conduct.

SECURITY IN EVERY BUSINESS TRANSACTION

Our approach to sustainable risk management means that we are certified according to global standards and have policies and frameworks in place for compliance with laws and regulations. Our processes help us to identify and minimise risks associated with regulations. Our long experience in managing and covering significant political and commercial risks enables us to continue to operate, even in more challenging markets globally. In these markets, we facilitate economic development and help reduce poverty.

The objective for sustainable risk management is to continuously develop our work so that Elof Hansson is in the best position to continue to be a leading global trading house with the highest level of trust by customers, suppliers, banks, insurance companies, authorities and all other actors we are in contact with.

Sustainability goals

	GOAL	Outcome 2020
Equity ratio	> 35%	45%
Equity ratio (equity/assets ratio) provides financial sustainability. Long-term partnerships and the strength to operate in both good and more difficult times in the same way and with the highest confidence require a strong balance sheet.	35% equity/assets ratio ensures financial stability.	The equity ratio exceeds the target and is also expected to exceed the target going forward.
Gender equality in group management	50%	50%
We want an equal gender balance within both group management and the organisation as a whole.	Group management wants to lead the way.	We reach our target.
Share of sustainable projects	> 90%	83%
Elof Hansson International deliver sustainable projects. Our definition of sustainable projects is those that clearly support the global goals.	We measure the number of projects that contribute to the global goals in relation to the total number of projects.	A high proportion of current projects support the global goals even if the target has not yet been reached.
Environmentally certified properties with green financing	> 50%	0%
More than 50 per cent of the property portfolio shall be environmentally certified and with green funding by 2025.	This goal requires long-term and continuous work.	Activities are ongoing according to the strategic plan so as to reach the 2025 target.
Code of Conduct	100%	100%
Ethics are the foundation of long-term and sustainable business. All employees shall annually sign that they have read and work in accordance with the Code of Conduct established by the board.	Common values require that everyone in the group knows them and works towards them.	All employees have read and signed our Code of Conduct.

The seventeen global goals

Through Agenda 2030, the world has committed to 17 global goals for achieving the following by 2030:

- ✓ **Eliminating extreme poverty**
- ✓ **Reducing inequalities**
- ✓ **Solving the climate crisis**
- ✓ **Promoting peace and justice**

The global goals require all countries to act nationally and globally in order to achieve the goals by 2030. All countries are responsible for implementation but it is also necessary for industry and individuals to become involved.

BUSINESS OPPORTUNITIES

To eliminate extreme poverty, reduce inequalities, promote peace and solve the climate crisis by 2030 is a major challenge. But this also means business opportunities and at Elof Hansson we have made the decision to contribute to the implementation of these goals by continuing to do more business that is also more sustainable and value-creating.

THE 17 GLOBAL GOALS



EXAMPLES OF ACTIVITIES THAT SUPPORT THE GLOBAL GOALS



The foundation

- ✓ Support for universities
- ✓ Support for aid organisations
- ✓ Sustainable business areas

Trade

- ✓ Certifications for traceability of our products
- ✓ Sales to companies in low GDP countries
- ✓ Products that can reduce our carbon footprint

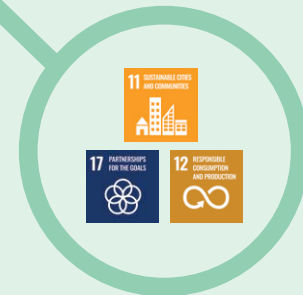


International

- ✓ Projects that facilitate economic growth
- ✓ Projects that improve the human carbon footprint
- ✓ Partnerships to enable projects

Properties

- ✓ Builds and facilitates the development of sustainable urban environments
- ✓ Works with reduced waste
- ✓ Collaborates with the city and other actors



A man and a woman are leaning over a large table, looking at a large architectural drawing or map. The woman is on the left, wearing a white shirt, and the man is on the right, wearing a dark sweater. They are both looking down at the drawing with interest. The background is slightly blurred, showing a modern office environment.

ANNUAL REPORT

THE BOARD OF DIRECTORS OF ELOF HANSSON HOLDING AB
PRESENTS THE FOLLOWING ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL
YEAR 01/01/2020 – 31/12/2020.

The group operates in three business areas:

Trade, International and Properties. Elof Hansson Holding AB, a subsidiary of Elof Hansson Foundation, reg. no. 857204-9032, has been the parent company of Elof Hansson Group since 2011. All amounts are reported in SEK thousand unless otherwise stated.

ADMINISTRATION REPORT

Significant events during the financial year

2020 has continued to be a very strong year for the Trade business area. Despite an ongoing pandemic and a decrease in sales, we have a better result than last year in which Trade AB, which is the largest subsidiary within the trading house, accounts for the majority of this year's profit increase.

In 2020, the Properties business area continued to perform very strongly without any great impact from the current pandemic, where the sale of the building rights in Ridhuset had a significant positive impact on earnings. Despite the pandemic, the large Global Business Gate project has continued to develop according to the planned schedule.

For the International business area, we see a strong Covid-19 impact on results for 2020, when ongoing projects have been put on hold and their earnings postponed until 2021, while new projects were not possible as we were unable to carry out any travel.

FUTURE EXPECTATIONS

The Trade business area is expected to deliver yet another strong result in 2021, as we have seen increased demand for building materials, paper, pulp and warehouse items in the wake of the pandemic.

Elof Hansson Properties' project for Global Business Gate will enter an implementation phase with construction starting within the next few years, where the first step is the procurement of the construction of the peninsula.

For the International business area, we see continued great uncertainty due to the ongoing pandemic, which is predicted to have a continued impact on both the national and international economies in 2021.

RISK MANAGEMENT

Elof Hansson's global presence (*Europe, North & South America, Africa, Asia, Middle East and Australia*), means that we are exposed to a continuous number of new business opportunities, but also a number of risks and uncertainties. The group's risk management strives to prevent and minimise all the main risk factors for the group's financial position. The most significant risks are described below:

Covid-19

The pandemic has affected many people globally and posed major challenges for communities and businesses. Through its flexible organisation and great adaptability, the group has been able to continue to operate in virtually all markets and with maintained business volume.

Credit risk

One of the group's most significant financial risks is the credit risk, i.e. our customers being unable to pay their liabilities. Accounts receivable represent 37% of the group's balance sheet. In part, credit risk is limited by the large number of customers, which are spread globally and in several different segments.

The group's global policy for sales and credit granting describes how we manage credit risk, as well as follow-up and control. The credit risk is taken care of through risk cover through the use of trade finance instruments and credit insurance. The group has been working closely for many years with a number of leading banks and insurance companies, all with a high credit rating.

Through a structured process for credit granting and follow-up, as well as a flexible product range of hedging instruments, a very high degree of risk cover of accounts receivable is achieved.

Price changes

The price risk mainly relates to changes in world market prices and the effects of these fluctuations on our business. The risk is taken care of through our customer and supplier agreements, where our business model does not involve long agreements that carry the risk of price changes. On the other

hand, the group's sales vary with changes in world market prices.

Financing risk

The group has bilateral credit facilities with banks, where the financing risk is linked to the ability to refinance them on maturity. A spread over the maturity dates of credit facilities reduces the financing risk. The group's borrowing opportunities in 2020 were good.

Interest rate risk

Interest rate risk may arise in the financing of accounts receivable and of properties. Through a mix of variable and fixed interest rates, the interest rate risk in the group's borrowings is reduced. A change in the interest rate base of 0.50% points would have an effect on earnings of approximately SEK 0.5 million.

Currency risks

Elof Hansson operates internationally and is exposed to currency risks arising from various currency exposures, which can mainly be described as translation exposure and transaction exposure respectively.

Translation exposure

Items included in each subsidiary's annual report are calculated according to the currency in which

the subsidiary is domiciled. Translation exposure occurs when the subsidiaries' accounts are converted to SEK. The exchange rate differences that arise are recognised in equity. Elof Hansson is also exposed to a translation exposure when the parent company's financial lending to individual subsidiaries takes place in the currency of each subsidiary, which is handled in accordance with financial policy.

Transaction exposure

The group's main currency exposure is in USD for both input and output payment flows, although some exposure exists to a larger number of currencies. Different types of currency hedging instruments are used to minimise currency risk. Normally, hedge accounting is applied.

Liquidity risk

Liquidity risk means the risk that the company will not be able to meet its payment obligations without significantly increasing the cost of obtaining funds. Liquidity risk is limited by a combination of our own liquidity in the form of assets in bank accounts and liquidity buffers in the form of credit facilities, which were virtually unused throughout 2020.

Surplus liquidity

Surplus liquidity can be invested in accordance with our financial policy, which means account placement or short-term investments in securities/interest-bearing instruments at very low credit risk (*normally AAA*).

Legal risks

No fines, sanctions or legal action have occurred during the year against any company in Elof Hansson due to violations of the law in compliance or competition inhibitive activities. The group has common core values and a common Code of Conduct, which all employees undertake to follow. The group works continuously to regularly further develop procedures and processes in compliance with both internal and external regulations.

Significant changes

Other than Covid-19, no significant changes have occurred during the year. Through a low risk profile in each business transaction and a strong balance sheet, as well as the ability to quickly adapt the organisation, the group is perceived to have operational and financial readiness in the event that significant external changes occur in the future.

COMPLIANCE

Transparency

Elof Hansson stands for an open and transparent business environment and works for long-term partnerships. We have many options for questioning things within the company and we encourage initiatives that improve us as a company. To ensure that everyone can make their voice heard anonymously as well as externally, Elof Hansson implements an external procedure and policy for whistleblowing.

MULTI-YEAR COMPARISON OF THE GROUP (SEK MILLION)

THE GROUP	2020	2019	2018	2017	2016
Net sales	5,558	6,705	6,403	6,229	4,633
Profit after financial items	102	61	83	75	26
Balance sheet total	2,325	2,419	2,789	2,717	2,920
Number of employees	271	270	277	242	253
Equity/assets ratio %	45.1	40.3	34.3	34.4	30.6
Return on total capital, %	5.3	4.0	4.3	4.2	2.1
Return on equity %	9.7	6.0	8.7	8.2	2.9

For definitions of key figures, see Note 1 Accounting and valuation principles.

The registered office of the company is in Gothenburg.

PROPOSAL FOR THE ALLOCATION OF PROFITS

The board proposes that the disposable profit funds (TSEK):

Retained profit	182,423
Share premium reserve	178,459
Loss for the year	-1,647
	359,235
is allocated so that	
Dividend paid to shareholders is	5,000
Carry forward to next year is	354,235
	359,235

The proposed dividend to shareholders reduces the company's equity/assets ratio to 39.2% and the group's equity/assets ratio to 45%. Because the company's and the group's activities continue to be operated with profitability, the equity ratio and liquidity are satisfactory.

The board's view is that the proposed dividend does not prevent the company, and the other companies in the group, from fulfilling their obligations in the short and long term, nor from fulfilling the necessary investments. The proposed dividend can therefore be justified in consideration of what is stated in the Companies Act chapter 17, section 3, point 2-3 (the cautionary rule).

Regarding the group's and the parent company's financial results and position in general, reference is made to the following income statements and balance sheets and associated notes, as well as cash flow statements.

CONSOLIDATED INCOME STATEMENT

TSEK

NOTE

01/01/2020**– 31/12/2020****01/01/2019****– 31/12/2019**

Net sales	2, 3	5,557,721	6,704,923
Other operating income		84,534	114,188
		5,642,255	6,819,111
Operating expenses			
Merchandise		-5,128,667	-6,268,163
Other external expenses	4, 5	-138,572	-186,799
Personnel expenses	6	-230,261	-255,439
Depreciation and impairment of tangible and intangible non-current assets		-34,859	-32,498
Operating profit		109,896	76,211
Profit from financial items			
Interest income and similar income items	7	12,708	20,280
Interest expenses and similar income items		-20,798	-35,118
Profit after financial items	14	101,806	61,374
Profit before tax		101,806	61,374
Tax on profit for the year	29	-17,192	-26,944
Minority share in profit for the year		0	204
PROFIT FOR THE YEAR		84,614	34,634

CONSOLIDATED BALANCE SHEET

TSEK

NOTE

31/12/2020**31/12/2019****ASSETS****Non-current assets****INTANGIBLE NON-CURRENT ASSETS**

Software and capitalised development work

8

5,067

6,326

Goodwill

9

28,049

38,547

Total intangible non-current assets**33,116****44,873****TANGIBLE NON-CURRENT ASSETS**

Buildings and land

10

627,018

538,499

Inventory

11

16,296

15,294

Total tangible non-current assets**643,314****553,793****FINANCIAL NON-CURRENT ASSETS**

Shares in associated companies

16, 17

13,751

9,481

Deferred tax assets

34

11,517

11,684

Other non-current receivables

32,226

30,641

Total financial non-current assets**57,494****51,806****Total non-current assets****733,924****650,472****Current assets****GOODS IN STOCK ETC.**

Completed goods and merchandise

221,605

297,881

Advances to suppliers

40,116

22,361

Total goods in stock etc.**261,721****320,242****CURRENT RECEIVABLES**

Accounts receivable

855,042

1,114,732

Receivables from group companies

33

0

67

Current tax receivables

4,581

0

Other receivables

18

133,806

41,583

Prepaid expenses and accrued income

19

13,580

33,521

Total current receivables**1,007,009****1,189,903****CASH AND BANK DEPOSITS**

322,305

259,069

Total cash and bank deposits**322,305****259,069****Total current assets****1,591,035****1,769,214****TOTAL ASSETS****2,324,959****2,419,686**

CONSOLIDATED BALANCE SHEET

NOTE

31/12/2020**31/12/2019**

TSEK

EQUITY AND LIABILITIES

20

Equity

Share capital

75,000

75,000

Other equity

889,471

866,994

Profit for the year

84,614

34,634

Total equity**1,049,085****976,628****Minority interest**

Minority interest

0

-1,141

Total minority interest**0****-1,141****Provisions**

21

Provisions for pensions and similar obligations

47,709

37,451

Deferred tax liabilities

12,546

27,406

Total provisions**60,255****64,857****Non-current liabilities**

Liabilities to credit institutions

22

357,250

432,787

Other liabilities

23

101,044

5,052

Total non-current liabilities**458,294****437,839****Current liabilities**

Liabilities to credit institutions

8,324

29,989

Advance payments from customers

19,498

18,279

Trade accounts payable

445,589

673,736

Current tax liabilities

4,598

1,212

Other liabilities

65,605

19,841

Accrued expenses and deferred income

24

213,712

198,446

Total current liabilities**757,325****941,503****TOTAL EQUITY AND LIABILITIES****2,324,959****2,419,686**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TSEK

	Share capital	Retained profit incl. profit for the year	Total	Minority interest	Total equity
Opening equity 01/01/2019	75,000	873,107	948,107	-936	947,171
Dividend		-5,000	-5,000		-5,000
Exchange rate differences		-1,113	-1,113		-1,113
Profit for the year		34,634	34,634	-205	34,429
Total comprehensive income		28,521	28,521	-205	28,316
Closing equity 31/12/2019	75,000	901,628	976,628	-1,141	975,487
Opening equity 01/01/2020	75,000	901,628	976,628	-1,141	975,487
Dividend		-5,000	-5,000		-5,000
Exchange rate differences		-7,345	-7,345		-7,345
Acquisition of minority interest				1,141	1,141
Profit for the year		84,614	84,614		84,614
Effect of changed tax rate untaxed reserves		188	188		188
Total comprehensive income		72,457	72,457	1,141	73,598
Closing equity 31/12/2020	75,000	974,085	1,049,085	0	1,049,085

CONSOLIDATED CASH FLOW STATEMENT

TSEK

NOTE

**01/01/2020
– 31/12/2020****01/01/2019
– 31/12/2019**

Current operations			
Profit after financial items		101,806	61,374
Adjustments for non-cash flow items etc.	31	7,479	28,514
Tax paid		-16,957	-17,606
Cash flow from operating activities before changes in working capital		92,328	72,281
Cash flow from changes in working capital			
Change in goods in stock and work in progress		58,521	-54,801
Change in current receivables		239,714	226,494
Change in current liabilities		-69,906	31,995
Cash flow from current operations		320,656	275,969
Investment activities			
Investment in tangible non-current assets		-182,804	-117,889
Sale of tangible non-current assets		36,704	316,383
Investment in financial non-current assets		-9,118	553
Cash flow from investment activities		-155,218	199,047
Financing activities			
New borrowing		261,777	0
Repayment of loans		-358,979	-276,528
Dividends paid		-5,000	-5,000
Change in current investments		0	-171,298
Cash flow from financing activities		-102,202	-452,826
CASH FLOW FOR THE YEAR		63,236	22,190
Cash and cash equivalents at start of year			
Cash and cash equivalents at start of year		259,069	236,872
Cash and cash equivalents at end of year		322,305	259,069

PARENT COMPANY INCOME STATEMENT

TSEK

NOTE

**01/01/2020
– 31/12/2020****01/01/2019
– 31/12/2019**

Net sales	2	42,771	45,491
Total operating income		42,771	45,491
Operating expenses			
Other external expenses	4, 5	-49,803	-46,323
Personnel expenses	6	-28,773	-24,594
Depreciation and impairment of tangible and intangible non-current assets		-14	-14
Other operating expenses		-5,466	-14,002
Total operating expenses		-84,056	-84,933
Operating profit		-41,285	-39,442
Profit from financial items			
Profit from interests in group companies	27	745	-125,070
Profit from holdings in associated companies and jointly operated companies		225	-1,155
Interest income and similar income items	7	21,872	30,720
Interest expenses and similar income items		-7,814	-14,460
Total financial items		15,028	-109,965
Profit after financial items		-26,257	-149,407
Appropriations	28	24,610	27,300
Profit before tax		-1,647	-122,107
Tax on profit for the year	29	0	-2,642
PROFIT FOR THE YEAR		-1,647	-124,749

PARENT COMPANY BALANCE SHEET

TSEK

NOTE

31/12/2020**31/12/2019****ASSETS****Non-current assets**

INTANGIBLE NON-CURRENT ASSETS

Software	8	0	179
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Total intangible non-current assets		0	179
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TANGIBLE NON-CURRENT ASSETS

Inventory	11	14	28
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Total tangible non-current assets		14	28
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FINANCIAL NON-CURRENT ASSETS

Shares in group companies	12, 13 14, 15	483,883	492,390
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Receivables from group companies	33	485,600	580,109
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Shares in associated companies	16, 17	13,751	9,480
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Other non-current receivables	32	17,907	14,146
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Total financial non-current assets		1,001,141	1,096,125
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Total non-current assets		1,001,155	1,096,332
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Current assets

CURRENT RECEIVABLES

Accounts receivable		0	256
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Receivables from group companies		23,218	21,406
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Other receivables		5,363	3,642
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Prepaid expenses and accrued income	19	2,979	13,796
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Total current receivables		31,560	39,100
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CASH AND BANK DEPOSITS

		61,801	22,247
--	--	--------	--------

Total cash and bank deposits		61,801	22,247
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Total current assets		93,361	61,347
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TOTAL ASSETS		1,094,516	1,157,679
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PARENT COMPANY BALANCE SHEET

TSEK

NOTE

31/12/2020**31/12/2019****EQUITY AND LIABILITIES****Equity****RESTRICTED EQUITY**

Share capital

75,000

75,000

Statutory reserve

2

2

Total restricted equity**75,002****75,002****UNRESTRICTED EQUITY**

Share premium reserve

178,459

178,459

Retained profit

182,423

312,148

Profit for the year

-1,647

-124,749

Unrestricted equity**359,235****365,858****Total equity****434,237****440,860****Non-current liabilities**

Liabilities to group companies

620,060

697,547

Total non-current liabilities**620,060****697,547****Current liabilities**

Trade accounts payable

3,066

4,006

Liabilities to group companies

26,432

182

Other liabilities

1,953

1,290

Accrued expenses and deferred income

24

8,768

13,794

Total current liabilities**40,219****19,272****TOTAL EQUITY AND LIABILITIES****1,094,516****1,157,679**

PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

TSEK

	Share capital	Restricted reserves	Unrestricted equity	Total equity
Opening equity 01/01/2019	75,000	2	495,607	570,609
Dividend			-5,000	-5,000
Profit for the year			-124,749	-124,749
Closing equity 31/12/2019	75,000	2	365,858	440,860
Opening equity 01/01/2020	75,000	2	365,858	440,860
Dividend			-5,000	-5,000
Profit for the year			-1,647	-1,647
Profit from merger			24	24
Closing equity 31/12/2020	75,000	2	359,235	434,237

Share capital consists of 750,000 shares.

PARENT COMPANY CASH FLOW STATEMENT

TSEK

NOTE

01/01/2020
– 31/12/2020

01/01/2019
– 31/12/2019

Current operations

Profit after financial items		-26,257	-149,407
Adjustments for non-cash items	31	14	131,759
Tax paid		0	-1,969

Cash flow from current operations before change in working capital

-26,243 **-19,617**

Cashflow from change in working capital

Change in current receivables		48,802	49,810
Change in current liabilities		17,550	-8,593

Cash flow from current operations

40,109 **21,600**

Investment activities

Investments in intangible non-current assets		0	-153
Acquisition of operations		1,000	0
Investment in financial non-current assets		77,845	-68,651

Cash flow from investment activities

78,845 **-68,804**

Financing activities

New borrowing		-74,400	54,311
Dividends paid		-5,000	-5,000

Cash flow from financing activities

-79,400 **49,311**

Cash flow for the year

39,554 **2,107**

Cash and cash equivalents at start of year

Cash and cash equivalents at start of year		22,247	20,140
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Cash and cash equivalents at end of year

61,801 **22,247**

NOTES

TSEK

Note 1 Accounting and valuation principles

GENERAL FINANCIAL REPORTING PRINCIPLES

The annual report and consolidated report have been prepared in accordance with the Annual Reports Act (1995:1554) and also in accordance with the Swedish Accounting Standards Board's general guidelines BF-NAR 2012:1 Annual reports and consolidated reports (K3).

CONSOLIDATED FINANCIAL STATEMENTS

Elof Hansson Holding AB prepares consolidated financial statements. Companies where Elof Hansson holds the majority of the votes at the general meeting and companies where Elof Hansson has a controlling influence are classified as subsidiaries and consolidated in the consolidated financial statements. Information about group companies can be found in the note on financial non-current assets. Subsidiaries are included in the consolidated accounts from the date on which the controlling influence is transferred to the group. They are excluded from the consolidated accounts from the date on which the controlling interest ceases.

Consolidation method

The consolidated financial statements are prepared in accordance with the acquisition method. The date of acquisition is the date on which the controlling influence is obtained. Identifiable assets and liabilities are initially measured at fair value at the time of acquisition. The minority's share of the acquired net assets is measured at fair value. Goodwill consists of the difference between the acquired identifiable net assets at the time of acquisition and the acquisition value including the value of the minority interest, and is initially valued at acquisition value.

Reporting of associated companies

Investments in associates are recognised in the consolidated financial statements in accordance with the acquisition value method. The method means that the share in associates is included in the balance sheet at acquisition value. Dividends received from associates are recognised as income in the income statement.

For part-owned companies where no party has the controlling influence, the proportional method has

been applied. This refers to the companies Masthugget 28:9 Fastighets AB and Första Långgatan Fastigheter i Göteborg HB, which are partly owned by Elof Hansson Fastigheter AB.

Transactions between group companies

Dealings between group companies are eliminated in full.

Translation of foreign subsidiaries

Subsidiaries in other countries prepare their annual accounts in foreign currency. In consolidation, the items in the balance sheet and income statement of these companies are converted at the balance sheet and spot rates respectively for the day each business event took place. The exchange differences that arise are recognised in accumulated exchange rate differences in the group's equity.

FOREIGN CURRENCY

When currency hedging is not applied, monetary asset and liability items in foreign currency are valued at the spot rate on the balance sheet date. Transactions in foreign currency are translated at the spot rate on the transaction date.

For the valuation of transactions and balance sheet items when currency hedging is applied, see the section on financial instruments, subheading documented hedges of foreign currency financial liabilities (*hedge accounting*).

REPORTING FOR BUSINESS SEGMENTS AND GEOGRAPHICAL MARKETS

The group operates in three business areas: Trade, International and Properties. The group operates in 25 countries.

INCOME

Income has been incorporated at fair value of what is received or will be received and entered to the extent that it is probable that the financial benefits will be credited to the company and the income can be calculated reliably. Other revenues include public grants received in the form of transition amounting to SEK 677 thousand.

Goods

Sale of goods is reported when significant risks and benefits transfer from the seller to the buyer in accordance with the sales conditions. Sales are reported after deductions for VAT and discounts.

Service assignments

For fixed-price service assignments, the income and expenses attributable to a service assignment performed are recognised as income and expense in relation to the degree of completion of the assignment at the balance sheet date (successive profit settlement). The degree of completion of an assignment is determined by comparing expenditure incurred at the balance sheet date with estimated total expenditure. Where the outcome of an assignment cannot be reliably calculated, income is recognised only to the extent that corresponds to assignment expenses which are likely to be reimbursed by the client. An anticipated loss on an assignment is immediately recognised as an expense.

For service assignments on an ongoing account basis, income that relates to a service assignment that has been performed is reported as income as and when work is performed and material is delivered or consumed.

Other types of income

Interest income is reported in accordance with the effective interest rate method. Dividend is reported when the right to receive the dividend has been ensured.

LEASING AGREEMENTS

The group does not have any significant financial leases. Leasing agreements where financial benefits and risks referring to the leasing object remain in all significant respects with the lease provider are classified as operational leasing. Payments, including an initial increased rent, are recognised under these agreements as expense on a straight-line basis over the lease term.

REMUNERATION TO EMPLOYEES

Short-term remuneration

Short-term remuneration in the group consists of salary, social security contributions, paid leave, paid sick leave, healthcare and bonuses. Short-term remuneration is recognised as an expense and a liability when there is a legal or informal obligation to pay remuneration.

Remuneration to employees after end of employment

The company only has defined benefit pension plans. Reporting is done according to the simplification rules. The company has defined benefit pension plans where a pension premium is paid and reports these plans as defined contribution plans in accordance with the simplification rule of BFNAR 2012:1 (K3). The company has defined benefit pension plans financed through Alecta, which are reported as defined contribution plans when there is not enough information to report the plan as defined benefit.

The company has a defined benefit pension obligation that is linked to a pension foundation. The company reports a provision for the part of the foundation's assets, valued at market value, that is less than the obligation.

The company has defined benefit pension plans in the group's American subsidiaries, which comprise a total of 63 employees. Reporting is in accordance with the same principles as in the subsidiary; FASB ASC 715-30. The pension plans are unconditional and there are no earning requirements.

Termination benefits

Termination benefits are payable when any company within the group decides to terminate an employment before the normal date of termination of employment or when an employee accepts an offer of voluntary resignation in exchange for such remuneration. If the remuneration does not confer any future financial advantage on the company, a liability and an expense are recognised when the company has a legal or informal obligation to provide such remuneration. The remuneration is valued at the best estimate of the remuneration that would be required to settle the obligation on the balance sheet date.

INCOME TAXES

Current taxes are valued on the basis of the rates of tax and tax rules that apply on the balance sheet date. Deferred tax is valued on the basis of the rates of tax and tax rules that are decided before the balance sheet date.

Deferred tax liability for temporary differences related to investments in subsidiaries is not recognised in the consolidated financial statements as the parent company can in all cases control the timing of reversal of the temporary differences and it is not considered

likely that a reversal will take place in the foreseeable future.

Deferred tax assets relating to loss carry-forwards or other future tax deductions are recognised to the extent that the deduction is likely to be used against future taxable profits. For further information, see Note 26. Receivables and liabilities are only reported net when there is a legal right to offset them.

Current tax and changes in deferred tax are reported in the income statement if the tax does not relate to an event or transaction that is reported directly in equity. In such cases, the tax effect is also recognised in equity.

NON-CURRENT ASSETS

Intangible non-current assets

Intangible non-current assets are reported at acquisition value after deduction of accumulated depreciation and impairment. The consolidated financial statements apply the activation model for internally generated intangible assets. Depreciation occurs on a straight line basis over the assessed useful life.

Software and capitalised development work are depreciated over 5 years. Goodwill is depreciated on a straight line basis over the estimated useful life, which is 5 - 10 years.

Tangible non-current assets

Tangible non-current assets are reported at acquisition value with a deduction for depreciation. The acquisition value includes expenses that can be directly attributed to the acquisition of the asset.

When a component in a non-current asset is replaced, any remaining part of the old component is scrapped and the new component's acquisition value is capitalised.

Subsequent expenses that refer to assets that are not divided into components are added to the acquisition value to the extent that the asset's performance increases in relation to its value on the date of acquisition. Expenses for ongoing repairs and maintenance are reported as costs.

In connection with property acquisitions, an assessment is made of whether the property is expected to give rise to future costs for demolition and restoration of the site. In such cases, a provision is made and the acquisition value is increased by the same amount.

Realisation gains and losses on the disposal of a non-current asset are reported as Other operating income and Other operating expenses respectively.

Tangible non-current assets are depreciated systematically over the estimated useful life of the asset. When determining the depreciable amount of the assets, the residual value of the assets is taken into account where appropriate. Depreciation is included in the income statement items Cost of goods sold, Sales expenses and Administrative expenses. The group's land has an unlimited useful life and is not depreciated. Other types of non-current assets are depreciated on a straight line basis.

Building shells	150 years
Façades	75 years
Roofs	20 years
Windows	20 years
Technical equipment	20 years
Inventory buildings	10 years
Inventory tools and installations	5-20 years

FINANCIAL INSTRUMENTS

Financial instruments

Financial instruments are recognised in accordance with the rules in chapter 11 of K3, which means that valuation is made on the basis of acquisition value.

Financial instruments that are recognised in the balance sheet include accounts receivable and other receivables, accounts payable, loan liabilities and derivative instruments. The instruments are recognised in the balance sheet when the company becomes a party to the instrument's contractual terms.

Financial assets are removed from the balance sheet when the entitlement to receive cash flows from the instrument has expired or been transferred and the group has transferred more or less all the risks and benefits associated with ownership. Financial liabilities are removed from the balance sheet when the obligations have been settled or otherwise terminated.

Impairment of non-financial assets

When there is an indication that an asset's value has decreased, a test is made of the need for impairment. If the asset has a recoverable value that is less than the reported value, it is impaired to the recoverable value. When assessing the impairment requirement, assets are grouped at the lowest levels where there are sepa-

rate identifiable cash flows (*cash-generating units*). For assets, other than goodwill, that have previously been impaired, a test is made on each balance sheet date to determine whether reversal is necessary.

In the income statement, impairments and reversals of impairment losses are recognised in the function in which the asset is used.

Accounts receivable and other receivables

Receivables are included in current assets, with the exception of items with maturity dates more than 12 months after the balance sheet date, which are classified as non-current assets. Receivables are reported at the amount that is expected to be received after deduction for individually assessed uncertain receivables. Receivables that are interest-free or that carry interest that deviates from the market rate and that have a maturity in excess of 12 months are recognised at a discounted present value and the time value change is recognised as interest income in the income statement.

Other non-current receivables

The item consists mainly of endowment insurance. The holding is on a long-term basis. Assets included in this item are initially reported at acquisition value. Adjustments are affected depending on endowment insurance payments.

Loan liabilities and supplier liabilities

Loan liabilities and supplier liabilities are initially reported at acquisition value after deduction of transaction costs. If the reported amount differs from the amount that shall be repaid on the maturity date, the difference is divided into instalments as interest expense over the duration of the loan, using the instrument's effective interest rate. In this way, on the maturity date the reported amount and the amount to be repaid agree.

Derivative instruments included in hedge accounting

Elof Hansson uses currency futures to manage the currency risk that arises from all purchases and sales of goods. For these transactions, hedge accounting is normally applied. When the transaction is entered into, the relationship between the hedging instrument and the hedged item is documented, as well as the group's risk management objectives and the hedging risk management strategy. Elof Hansson also documents the company's assessment, both when the hedging is entered into and on an ongoing basis, of whether the

derivative instruments used in hedging transactions are to a large extent effective in counteracting changes in cash flows attributable to the hedged items.

Documented hedges of financial liabilities in foreign currency (hedge accounting)

Elof Hansson hedges all purchases and sales of goods at Trade and International. The forward contracts protect Elof Hansson against changes in exchange rates by setting the rate at which the foreign currency liability will be realised. When currency hedging of these purchases and sales occurs, the hedging instruments are not revalued at changed exchange rates and the currency future is not recognised in the balance sheet. The difference between the forward rate and the spot rate (*the interest element*) of a contract is accrued over the term of the contract as interest if the difference is material. If the difference is not material, the alternative rule is used and the asset or liability is valued at the hedged rate.

Termination of hedge accounting

Hedge accounting ceases when the hedging instrument matures, is sold, disposed of or redeemed, as well as if the hedging no longer fulfils the conditions for hedge accounting. Any profit from a hedging transaction that is terminated early is immediately recognised in the income statement.

Offset of financial receivables and financial liabilities

A financial asset and a financial liability are offset and reported as a net amount in the balance sheet only where there is a legal right to offset and when an adjustment by a net amount is intended to occur or when simultaneous disposal of the asset and of the liability is intended to occur.

Impairment testing of financial non-current assets

At each balance sheet date, Elof Hansson assesses whether there is any indication of impairment requirements in any of the financial non-current assets. Impairment occurs if loss of value is considered to be permanent. Impairment loss is recognised in the income statement item Profit from other securities and receivables that are non-current assets.

The impairment requirement is tested individually for shares and units and other individual financial assets that are material. Examples of indications of impairment requirements are negative financial circumstances or unfavourable changes in industry condi-

tions in companies whose shares Elof Hansson invested in.

Impairment of assets valued at accrued acquisition value is calculated as the difference between the reported value 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. For floating rate assets, the interest rate at the balance sheet date is used as a discount rate.

GOODS IN STOCK

Goods in stock are valued by application of the first in, first out principle at the lower of acquisition value and net sales value on the balance sheet date.

PROVISIONS

The company makes a provision when there is a legal or constructive obligation, and a reliable estimate of the amount can be made. The company estimates the current value of obligations that are expected to be settled after more than 12 months. The increase in the provision due to time passing is recognised as interest expense.

Provisions for restructuring are made when there is an established and detailed restructuring plan and the relevant individuals have been informed.

CASH FLOW STATEMENT

The cash flow statement is prepared in accordance with the indirect method. The cash flow reported only covers transactions that involve receipts or payments.

Besides cash and bank balances, short-term financial investments that are exposed to low risk in value fluctuations are classified as cash and cash equivalents.

THE PARENT COMPANY'S ACCOUNTING AND VALUATION PRINCIPLES

The same accounting and valuation principles are applied in the parent company as in the group, except in the cases listed below.

Income

Income has been incorporated at fair value of what is received or will be received and entered to the extent that it is probable that the financial benefits will be credited to the company and the income can be calculated reliably.

Leasing

All leasing agreements where the company is the lessee are reported as operational leasing, regardless of whether the agreement is financial or operational. Leasing charges are reported as a cost on a straight line basis over the leasing period.

Appropriations

Changes in untaxed reserves are reported as appropriations in the income statement. Group contributions are reported as appropriations.

Shares and participations in subsidiary companies

Shares and participations in subsidiaries are recognised at acquisition value after deductions for any impairment losses. The cost includes the purchase price paid for the shares and acquisition costs. Any capital injections and group contributions are added to the cost when they are given. Dividends from subsidiaries are recognised as income.

Equity

Equity is divided into restricted and unrestricted capital, in accordance with the classification of the Annual Reports Act.

Untaxed reserves

Untaxed reserves are reported as a gross amount in the balance sheet, including the deferred tax liability that is attributable to the reserves.

KEY FIGURE DEFINITIONS

Equity/assets ratio

Equity and untaxed reserves (*with deduction for deferred tax*) in relation to balance sheet total.

Return on total capital

Profit before deduction of interest expenses in relation to balance sheet total.

Return on equity

Profit after financial items in relation to equity and untaxed reserves (*with deduction for deferred tax*).

Note 2 Estimates and assumptions

THE GROUP

The company/group makes estimates and assumptions about the future. The estimates for accounting purposes resulting from these will, by definition, rarely correspond with the actual outcome. The estimates and assumptions that involve a risk of adjustments in the reported values for assets and liabilities within the next year are discussed below.

Project accounting

The group conducts project activities regarding international supplies of goods and services. The group applies successive profit settlement in accordance with a method aimed at reflecting the degree of completion of the project. If the income cannot be reliably determined, the income is assumed to be equal to the costs that are expected to be recovered.

The degree of completion is the percentage of an assignment considered completed at the balance sheet date. If the project shows a loss, provision is made for this as of the balance sheet date.

Valuation of accounts receivable

The company/group makes an individual assessment regarding the reservation requirement in outstanding accounts receivable. Determining the reserve requirement is a significant and difficult assessment issue.

Valuation of goods in stock

The group makes an individual assessment regarding the valuation of goods in stock. Determining any obsolescence is a significant and difficult assessment issue.

Valuation of deferred tax assets

Deferred tax assets relating to loss carry-forwards or other future tax deductions are recognised to the extent that the deduction is likely to be used against future taxable profits.

Valuation of goodwill

Goodwill has arisen in connection with acquisitions. The item is depreciated in a straight line over the useful life, which is within 5-10 years. The item is tested annually for possible impairment.

Valuation of properties

The group's properties are reported at acquisition value after deduction of cumulative depreciation. Note 10 Buildings and land provides information about assessed market value carried out by an external party.

Note 3 Sales by market

THE GROUP

	01/01/2020 – 31/12/2020	01/01/2019 – 31/12/2019
Sales, stated in %		
Africa	3	3
Asia and Australia	42	46
China	23	20
Middle East	4	3
North and South America	18	16
Rest of Europe	6	9
Sweden	2	2
Rest of Scandinavia	1	1
	100	100
Sales by business segment, %		
Properties	1	1
International	4	5
Trade	95	94
	100	100

Note 4 Audit fees etc.

THE GROUP

	01/01/2020 – 31/12/2020	01/01/2019 – 31/12/2019
Ernst & Young AB		
Audit assignment	2,210	2,674
Tax consultancy	226	363
Other services	402	322
	2,838	3,359
Other agencies		
Audit assignment	1,284	763
Other services	257	0
	1,541	763

PARENT COMPANY

	01/01/2020 – 31/12/2020	01/01/2019 – 31/12/2019
Ernst & Young AB		
Audit assignment	358	753
Tax consultancy	42	520
Other services	402	0
	801	1,273

Note 5 Operational leasing agreements

THE GROUP

	01/01/2020 – 31/12/2020	01/01/2019 – 31/12/2019
As a lessee		
Lease payments	9,721	11,721
	9,721	11,721
Future minimum lease payments		
Within 1 year	3,616	6,938
2-5 years	894	3,706
Later than 5 years	43	9
	4,553	10,653
As a lessor		
Lease charges to be received in respect of non-cancellable agreements	173,883	151,338
	173,883	151,338
Future minimum lease payments		
Within 1 year	55,141	10,870
2-5 years	118,485	140,468
Later than 5 years	258	0
	173,883	151,338

PARENT COMPANY

	01/01/2020 – 31/12/2020	01/01/2019 – 31/12/2019
As a lessee		
Lease payments	4,188	3,122
	4,188	3,122
Future minimum lease payments		
Within 1 year	2,127	1,537
2-5 years	103	141
	2,230	1,678
As a lessor		
Lease charges to be received in respect of non-cancellable agreements	5,081	5,423
	5,081	5,423
Future minimum lease payments		
Within 1 year	5,081	5,423
	5,081	5,423

Of the parent company's leasing costs, most relate to intra-group office rent that is re-invoiced to subsidiaries. In the amounts of future lease payments, this is shown in the note for the parent company as lessee and lessor.

Note 6 Employees and personnel costs broken down by country

THE GROUP

	01/01/2020 – 31/12/2020		01/01/2019 – 31/12/2019	
Average number of employees broken down by country	Total	of which male	Total	of which male
Australia	5	80%	4	75%
Belgium	1	100%	1	100%
Brazil	14	57%	15	60%
Chile	2	50%	2	50%
Denmark	8	63%	12	58%
U.A.E.	1	100%	2	50%
Netherlands	4	57%	14	67%
India	32	94%	30	93%
Japan	5	60%	5	60%
China	13	62%	13	62%
Cuba	2	50%	2	50%
Mexico	3	67%	2	100%
Russia	6	67%	6	67%
Singapore	11	45%	13	62%
Sweden	94	47%	84	52%
Thailand	1	100%	1	100%
Germany	45	64%	40	75%
USA	17	67%	16	63%
Vietnam	5	20%	5	20%
Austria	3	100%	3	100%
Total	271	60%	270	64%

Salaries and other remuneration

	01/01/2020 – 31/12/2020	01/01/2019 – 31/12/2019
Board of Directors and CEO	22,723	35,776
Other employees	135,605	137,279
	158,328	173,055
Of which, bonuses to the board and CEO	2,822	5,550
Social expenses		
Board of Directors and CEO	8,307	9,321
Other statutory and contractual social expenses	57,541	53,588
	65,848	62,909
Pension obligations		
Present board and CEO	3,913	3,941
Former board and CEO	14,083	14,156
	17,996	18,097

PARENT COMPANY

	01/01/2020 – 31/12/2020		01/01/2019 – 31/12/2019	
Average number of employees broken down by country	Total	of which male	Total	of which male
Sweden	25	44%	13	46%
Total	25	44%	13	46%

Salaries and other remuneration

	01/01/2020 – 31/12/2020	01/01/2019 – 31/12/2019
Board of Directors and CEO	5,353	4,220
Other employees	13,014	9,568
	18,367	13,788
Of which, bonuses to the board and CEO	0	524
Social expenses		
Board of Directors and CEO	1,783	3,328
Other employees	3,785	6,342
	5,567	9,670
Pension obligations		
Pension costs for the board and CEO	1,504	1,284
Pension costs for other employees	2,371	2,351
	3,876	3,635

Bonus to CEO is taken up by the subsidiary Elof Hansson Trade AB.

In the parent company, the board members consist of one woman and three men.

Senior executives in the parent company consist of five women and four men.

Note 7 Interest income and similar profit items

GROUP

	01/01/2020 – 31/12/2020	01/01/2019 – 31/12/2019
Other interest income	9,620	16,218
Rate differences	0	4,062
Other financial income	3,088	0
	12,708	20,280

PARENT COMPANY

	01/01/2020 – 31/12/2020	01/01/2019 – 31/12/2019
Interest income from group companies	21,163	30,124
Other financial interest income	708	596
	21,872	30,720

Note 8 Software and capitalised development work

GROUP

	31/12/2020	31/12/2019
Opening acquisition value	8,300	6,733
Purchasing	197	1,786
Sales	-179	-1,026
Reclassifications	768	807
Translation differences	-34	0
Closing accumulated acquisition value	9,053	8,300
Opening depreciation	-1,974	-919
Reclassifications	-742	67
Depreciation for the year	-1,270	-1,122
Closing accumulated depreciation	-3,985	-1,974
Closing reported value	5,067	6,326

PARENT COMPANY

	31/12/2020	31/12/2019
Opening acquisition value	179	332
Purchasing	0	873
Sales	-179	-1,026
Closing accumulated acquisition value	0	179
Closing reported value	0	179

Note 9 Goodwill

GROUP

	31/12/2020	31/12/2019
Opening acquisition value	92,231	87,045
Investments	2,744	4,854
Translation differences	-1,008	332
Closing accumulated acquisition value	93,966	92,231
Opening depreciation	-53,684	-40,955
Translation differences	459	-250
Depreciation for the year	-12,692	-12,479
Closing accumulated depreciation	-65,917	-53,684
Closing reported value	28,049	38,547

Note 10 Buildings and land

THE GROUP

	31/12/2020	31/12/2019
Opening acquisition value	675,807	869,481
Purchasing	173,003	117,889
Sales/disposals	-59,250	-316,383
Reclassifications inventory	-35,967	4,563
Translation differences	-10,284	257
Closing accumulated acquisition value	743,309	675,807
Opening depreciation	-137,308	-124,239
Reclassifications inventory	35,965	0
Depreciation for the year	-15,137	-13,069
Translation differences	190	0
Closing accumulated depreciation	-116,291	-137,308
Closing reported value	627,018	538,499
Information on managed properties		
Reported value	626,645	533,864
Fair value	1,351,000	1,443,000

Note 11 Inventory

THE GROUP

	31/12/2020	31/12/2019
Opening acquisition value	131,092	131,669
Purchasing	9,604	8,884
Sales/disposals	-8,511	-4,546
Reclassification differences	-4,025	-352
Reclassification from building	0	-4,563
Closing accumulated acquisition value	128,159	131,092
Opening depreciation	-114,205	-109,353
Sales/disposals	6,775	1,953
Depreciation for the year	-5,760	-6,950
Translation difference	2,919	145
Closing accumulated depreciation	-110,270	-114,205
Opening impairment	-1,593	-1,593
Closing accumulated impairment	-1,593	-1,593
Closing reported value	16,296	15,294

PARENT COMPANY

	31/12/2020	31/12/2019
Opening acquisition value	265	264
Closing accumulated acquisition value	265	264
Opening depreciation	-236	-222
Depreciation for the year	-14	-14
Closing accumulated depreciation	-250	-236
Closing reported value	14	28

Note 12 Information about the parent company

THE GROUP

Elof Hansson Holding AB, corp. reg. no. 556064-6977, based in Gothenburg, is the parent company of the Elof Hansson Holding Group. Elof Hansson Holding AB is 100% owned by Elof Hanssons Stiftelse, corp. reg. no. 857204-9032, based in Gothenburg.

The parent company's net sales to other group companies amounted to SEK 43 million (45).
Purchases from group companies amounted to SEK 7 million (5).

The parent company of the smallest group in which the company is included and which prepares consolidated financial statements is Elof Hansson Holding AB with corporate registration number 556064-6977 and its registered office in Gothenburg.

The parent company of the largest group in which the company is included and which prepares consolidated financial statements is Elof Hanssons Stiftelse with corporate registration number 857204-9032 and its registered office in Gothenburg.

Note 13 Shares in group companies

PARENT COMPANY

	31/12/2020	31/12/2019
Opening acquisition value	680,466	680,604
Purchasing	1,000	0
Liquidation	0	-138
Merger	-16,507	0
Shareholder contribution	7,000	0
Closing accumulated acquisition value	671,959	680,466
Opening impairment	-188,076	-167,398
Impairment for the year	0	-20,678
Closing accumulated impairment	-188,076	-188,076
Closing reported value	483,883	492,390

During the year, a shareholder contribution to Adexi A/S, acquisition of the last 0.01% of Elof Hansson Trade AB and a merger of the wholly owned subsidiary Elof Hansson Bygghandel AB have been made.

Note 14 Merger

PARENT COMPANY

Name of the company	Corp. reg. no.	Merger date
Elof Hansson Bygghandel AB	556082-8922	22/05/2020

The transfer of the accounts has taken place as of 22/05/2020. Prior to the merger date, net sales in the transferring company amounted to SEK 785 thousand and operating profit amounted to SEK 745 thousand. Assets and liabilities have been taken in the acquiring company at their group values.

	22/05/2020
Balance sheet in summary	
Other current receivables	17,119
Cash and cash equivalents	156
Total assets	17,275
Equity	-17,275
Total equity and liabilities	-17,275

Note 15 Specification of shares in group companies

PARENT COMPANY

Name	Share of equity	Share of votes	Number of shares	Book value
Elof Hansson Trade AB	100	100	750,000	264,959
Elof Hansson USA Inc	100	100	7,500	24,700
Elof Hansson International AB	100	100	500	21,400
Elof Hansson Singapore Pulp & Paper Pte Ltd	100	100	10,000	0
Elof Hansson (India) Pvt Ltd	100	100	999	23
Elof Hansson Fastigheter AB	100	100	500	91,858
Elof Hansson Ltda	100	100	899,999	4,874
Elof Hansson Fiber B.V	100	100	102	0
Elof Hansson LLC	100	100	100	2
Adexi A/S	100	100	1,200	15,212
Paper Testing Instruments GmbH	100	100		22,360
Pinnau Holz GmbH	100	100		2,000
Conrad Jacobson Zellstoff GmbH	100	100	100	36,495
				483,883

Name	Corp. reg. no.	Headquarters
Elof Hansson Trade AB	556088-5633	Gothenburg
Elof Hansson USA Inc	13-3430782	New York
Elof Hansson International AB	556835-3535	Gothenburg
Elof Hansson Singapore Pulp & Paper Pte Ltd	201301772D	Singapore
Elof Hansson (India) Pvt Ltd		Chennai
Elof Hansson Fastigheter AB	556874-2232	Gothenburg
Elof Hansson Ltda		São Paulo
Elof Hansson Fiber B.V	66514835	Heemstede
Elof Hansson LLC	06243264	Saint-Petersburg
Adexi A/S	25057708	Aarhus
Paper Testing Instruments GmbH	FN139822	Birkenau
Pinnau Holz GmbH	HRB39766	Hamburg
Conrad Jacobson Zellstoff GmbH	HRB75032	Hamburg

Note 16 Holdings in associated companies and jointly operated companies

THE GROUP

	31/12/2020	31/12/2019
Opening acquisition value	9,481	9,370
Purchasing	0	121
Reclassifications	0	-10
Shareholder contribution	4,270	0
Closing accumulated acquisition value	13,751	9,481
Closing reported value	13,751	9,481

PARENT COMPANY

	31/12/2020	31/12/2019
Opening acquisition value	9,481	9,370
Purchasing	0	121
Reclassifications	0	-10
Shareholder contribution	4,270	0
Closing accumulated acquisition value	13,751	9,481
Closing reported value	13,751	9,481

During the year, Elof Hansson Holding AB made a shareholder contribution to Tyumen Invest Pvt Ltd.

Note 17 Specification of shares in associated companies

THE GROUP

Name	Share of equity	Share of votes	Number of shares	Book value
Tyumen Invest Pte Ltd	10	10	110	13,630
NanoInfraTech GmbH	40	40	10,000	121
				13,751

	Corp. reg. no.	Headquarters
Tyumen Invest Pte Ltd	201701177E	Singapore
NanoInfraTech GmbH	HRB247942	Starnberg

PARENT COMPANY

Name	Share of equity	Share of votes	Number of shares	Book value
Tyumen Invest Pte Ltd	10	10	195	13,630
NanoInfraTech GmbH	40	40	10,000	121
				13,751

	Corp. reg. no.	Headquarters
Tyumen Invest Pte Ltd	201701177E	Singapore
NanoInfraTech GmbH	HRB247942	Starnberg

Note 18 Other current receivables

GROUP

	31/12/2020	31/12/2019
Receivable sale of shares	52,239	0
Compensation for costs incurred in the sale of shares	40,253	0
Other receivables	41,314	41,583
	133,806	41,583

Note 19 Deferred costs and accrued income

THE GROUP

	31/12/2020	31/12/2019
Prepaid insurance	1,662	3,137
Prepaid rents	2,753	2,421
Other	0	16,489
Accrued income	9,166	11,474
	13,580	33,521

PARENT COMPANY

	31/12/2020	31/12/2019
Prepaid rents	2,187	1,855
Other	443	467
Accrued income	350	11,474
	2,979	13,796

Note 20 Events after the balance sheet date

THE GROUP

In spite of the ongoing pandemic, operations have continued according to plan and the group has taken a number of measures to attempt to minimise the risks that may come in the wake of the pandemic. The spread of the coronavirus has continued to have a negative impact on some parts of the company's operations after the balance sheet date. Due to the uncertainty surrounding future policy decisions and the behaviour of people and companies, it is difficult to quantify the future impact of the spread of the virus on the business.

Note 21 Provisions

THE GROUP

	31/12/2020	31/12/2019
Pensions and similar commitments		
Amounts at the start of the year	37,451	35,422
Provisions for the year	17,472	713
Amount utilised during the year	-1,379	-145
Conversion	-5,835	1,461
	47,709	37,451
Deferred tax		
Amounts at the start of the year	27,406	26,729
Provisions for the year	1,384	0
Amount utilised during the year	-21,686	-4,398
Conversion	-546	43
Tax	5,988	5,032
	12,546	27,406

Note 22 Liabilities to credit institutions

THE GROUP

	Loan amount 31/12/2020	Loan amount 31/12/2019
Non-current liabilities		
Liabilities to credit institutions	357,250	432,787
	357,250	432,787
Current liabilities		
Amount granted	457,845	334,114
Amount used	8,324	29,989
	466,169	364,103

All non-current liabilities mature within 1-5 years.

PARENT COMPANY

The parent company has not had any debts to credit institutions in the last two years.

Note 23 Non-current liabilities

THE GROUP

	31/12/2020	31/12/2019
Other non-current liabilities		
Notes payable	-96,655	0
Other liabilities	-4,389	-5,052
	-101,044	-5,052

Note 24 Accrued expenses and prepaid income

THE GROUP

	31/12/2020	31/12/2019
Accrued salaries and holiday pay	35,288	25,481
Accrued social expenses	23,401	24,936
Project balance on successive profit settlement	63,736	55,707
Accrued other costs	91,286	92,322
	213,712	198,446

PARENT COMPANY

	31/12/2020	31/12/2019
Accrued salaries and holiday pay	7,048	5,210
Accrued social expenses	1,716	2,986
Other accrued expenses	5	5,598
	8,768	13,794

Note 25 Pledged assets

THE GROUP

For own liabilities and provisions

	31/12/2020	31/12/2019
For liabilities to credit institutions		
Properties	540,045	540,045
Accounts receivable	7,912	0
Business mortgages	230,200	230,200
Shares	58,771	58,771
	836,928	829,016
For other non-current liabilities		
Regarding Bank Guarantees (Blocked Funds)	15,116	8,189
For own pension commitments (endowment insurance)	2,581	3,823
	17,697	12,012

Corrections have been made to the previous year's values for liabilities owed to credit institutions.

Note 26 Contingent liabilities

PARENT COMPANY

	31/12/2020	31/12/2019
Guarantee commitment for group companies	124,929	176,332
	124,929	176,332

The guarantees are either linked directly to the external credit of the subsidiaries and their maturity or general. At present, there is no information that they will have to be redeemed.

Note 27 Profit from shares in group companies

PARENT COMPANY

	01/01/2020 – 31/12/2020	01/01/2019 – 31/12/2019
Impairment of shares in group companies	0	-20,678
Write down of loans to group companies	0	-104,254
Liquidation of subsidiaries	0	-138
Merger of subsidiaries	-745	0
	-745	-125,070

Note 28 Group contributions received

PARENT COMPANY

	01/01/2020 – 31/12/2020	01/01/2019 – 31/12/2019
Group contributions received	24,610	27,300
	24,610	27,300

Note 29 Tax expenses for the year

THE GROUP

	01/01/2020 – 31/12/2020	01/01/2019 – 31/12/2019
Tax on profit for the year		
Current tax	-17,021	-27,497
Change in deferred tax relating to temporary differences	-171	554
Total reported tax	-17,192	-26,944

Difference between the year's tax cost and the tax cost based on prevailing tax rates

	01/01/2020 – 31/12/2020	01/01/2019 – 31/12/2019
	Total	Total
Reported income before taxes	101,806	61,373
Tax at current rate	-19,687	-10,529
Tax effect of other tax rates abroad	-1,443	-1,970
Undisclosed deferred tax on loss carryforwards	-1,094	-3,233
Non-deductible costs/non-taxable income	9,849	-4,056

Previous undisclosed deferred tax on loss carryforwards	-4,816	-7,156
Reported effective tax	-17,192	-26,944

PARENT COMPANY

	01/01/2020 – 31/12/2020	01/01/2019 – 31/12/2019
Tax on profit for the year		
Current tax	0	-2,641
Total reported tax	0	-2,641

Difference between the year's tax cost and the tax cost based on prevailing tax rates

		01/01/2020 – 31/12/2020		01/01/2019 – 31/12/2019
	Per cent	Total	Per cent	Total
Reported income before taxes		-26,257		-122,107
Tax at the applicable tax rate in Sweden	21.40	5,619	21.40	26,131
Profit from interests in group companies		0		-342
Non-deductible costs/non-taxable income		-5,619		-28,430
Reported effective tax	0	0	-2.16	-2,641

Note 30 Allocation of profit or loss

PARENT COMPANY

Proposed allocation of profit

	31/12/2020	31/12/2019
The following funds in the parent company are at the disposal of the annual general meeting		
Share premium reserve	178,459	178,459
Retained earnings	182,423	312,148
Profit for the year	-1,647	-124,749
	359,235	365,858
is allocated so that		
Dividend paid to shareholders is	5,000	5,000
Carried forward	354,235	360,857
	359,235	365,857

Note 31 Non-cash items

THE GROUP

	31/12/2020	31/12/2019
Depreciations as per schedule	34,859	32,498
Acquisitions minority share	1,141	0
Rate differences	-987	-1,278
Change in provisions	-4,602	-2,706
Capital gain	-22,932	0
	7,479	28,514

PARENT COMPANY

	31/12/2020	31/12/2019
Depreciation	14	14
Impairment of shares in group companies	0	20,708
Impairment of loans to group companies	0	104,254
Impairment of loans to external companies	0	6,783
	14	131,759

Note 32 Other non-current receivables

PARENT COMPANY

	31/12/2020	31/12/2019
Opening acquisition value	20,929	15,169
Additional receivables	3,761	5,760
Closing accumulated acquisition value	24,690	20,929
Opening impairment	-6,783	0
Impairment for the year	0	-6,783
Closing accumulated impairment	-6,783	-6,783
Closing reported value	17,907	14,146

Note 33 Receivables from group companies

THE GROUP

	31/12/2020	31/12/2019
Opening acquisition value	67	0
Receivables from Elof Hansson Stiftelse	0	67
Change for the year	-67	0
Closing accumulated acquisition value	0	67
Closing reported value	0	67

PARENT COMPANY


	31/12/2020	31/12/2019
Opening acquisition value	684,363	621,103
Intra-group new lending	0	63,260
Reclassifications / Correction IB 2019	19,476	0
Amortisation for the year	-94,509	0
Closing accumulated acquisition value	609,330	684,363
Opening impairment	-104,254	0
Reclassifications / Correction IB 2019	-19,477	0
Impairment for the year	0	-104,254
Closing accumulated impairment	-123,731	-104,254
Closing reported value	485,600	580,109

Note 34 Deferred tax assets

THE GROUP

	31/12/2020	31/12/2019
Deferred tax assets	11,517	11,684
	11,517	11,684

Gothenburg 19/05/2021



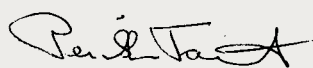
Finn T. Jacobsen
Chair



Magnus Örtorp



Anette Asklin



Per-Åke Färnstrand



Mikael Forslund
CEO

Our auditor's report has been submitted on 19/05/2021

Ernst & Young AB



Thomas Nilsson
Certified Public Accountant



BOARD OF DIRECTORS ELOF HANSSON HOLDING AB

Magnus Örtorp (1968)

Board member since: 2015

Education: Bachelor of Law

Main occupation:
Lawyer, Setterwalls

Other board memberships:
Ongoing assignments as a member of boards in different industries

Finn T. Jacobsen (1956)

Chair of the board since: 2020

Education: Lic.oec HSG, St. Gallen, Switzerland

Main occupation: CEO African Plantations for Sustainable Development -Ghana Ltd.

Other board memberships: APSD Ghana Ltd.

Anette Asklin (1961)

Board member since: 2020

Education: Degree in business administration, University of Gothenburg

Main occupation:
Own business

Other board memberships: Chair of the board of GU Ventures AB, Inhouse Tech Göteborg AB, RO-Gruppen Förvaltning AB, board member of Fabège AB, Jernhusen AB and member of the funding committee at the University of Gothenburg

Per-Åke Färnstrand (1951)

Board member since: 2013

Education: M.Sc Chem Eng KTH

Main occupation:
Independent Board Director

Other board memberships:
Chair of the board of BIM Kemi AB



BOARD OF DIRECTORS ELOF HANSSONS STIFTELSE

Elof Hansson is owned by Elof Hanssons Stiftelse. The foundation supports academic education and research and education in the commercial sector. The main focus is on trade and business activities such as marketing, international trade, accounting, commercial law and business languages.

Foundation

Magnus Örtorp (1968)
Member since 2016

Camilla Hansson Ahlbom (1975)
Member since 2010

Finn T. Jacobsen (1956)
Member since 2015

Peter Hentz (1945)
Chair, Member since 2007

Funding


The foundation distributes grants to institutions such as:

Chalmers University of Technology,
Supply and Operations Management,
University of Gothenburg,
Stockholm School of Economics,
London Business School,
INSEAD and
Sweden-America Foundation.

**We don't
just aim high.**



We soar.

The image is a full-page background photograph of a forest. In the foreground, there is a large, detailed pile of cut logs, showing their circular cross-sections with visible wood grain and bark. The logs are stacked in a somewhat haphazard manner, filling the bottom third of the frame. Behind the logs, a dense forest of evergreen trees stretches into the distance. The atmosphere is misty or foggy, with a soft, diffused light filtering through the trees, creating a sense of depth and tranquility. The colors are muted greens, browns, and greys, typical of a misty forest scene.

Elof Hansson Holding AB

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