

2022

ELOF HANSSON
HOLDING AB

Annual
Report



Elof Hansson





2022

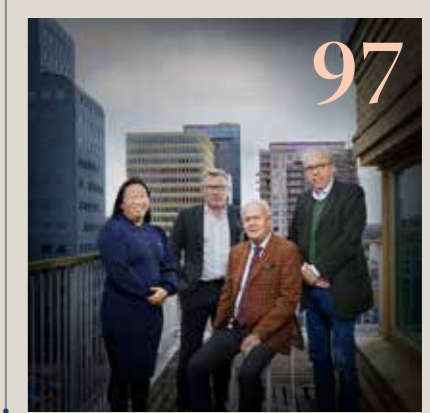
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HOLDING AB

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Report

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“Our strength lies in our ability to adapt and always enable trade”

IT HAS BEEN A post-pandemic year full of challenges in an uncertain world, not least due to the war in Ukraine. Nevertheless, Elof Hansson exits 2022 with the best financial performance in years. I am happy to see that all the hard work we put into establishing new markets and building strong relations with new suppliers, while building even stronger relationships with existing suppliers have paid off.

Elof Hansson Trade continues to be the locomotive of the Group. In a complex market, the importance of trading companies increases. Our strength lies in our ability to adapt and always enable business. Our strength lies in our ability to adapt and always enable sustainable and responsible business. For instance, since the war in Ukraine began and sanctions were imposed, all trade activities with Russia and Belarus were immediately halted in solidarity with the Ukrainian people and the international community. To find new suppliers and trade routes took a lot of effort, but we have managed it admirably.

At Elof Hansson International, we are focused on sustainable projects within clean water, renewable energy, infrastructure and healthcare. We started many projects in 2022, including a project in Ivory Coast where we are delivering a solar-powered bore hole pump system to provide clean water for villages without electricity. This project includes all sourcing and procurement activities as well as logistics. We are involved in similar projects that also include assistance with financial arrangements.

Elof Hansson Properties continues to expand in Gothenburg. The construction of

the new artificial peninsula in Göta River has finally started. This is where the new property, *Global Business Gate*, will be situated. We aim for it to be a hub for international business and trade, collaborating closely with academic centers in the region.

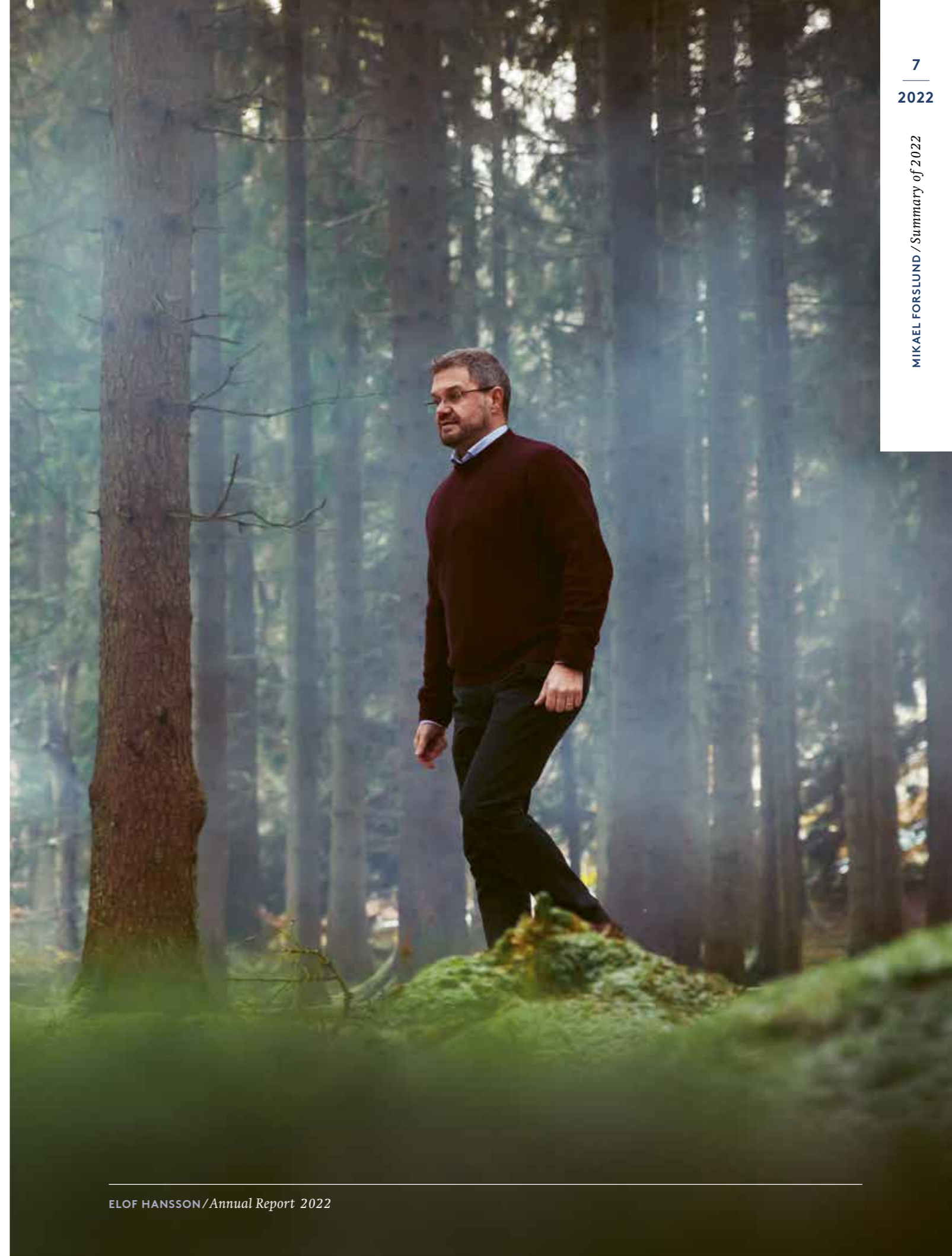
THIS COMPANY WOULD be nothing without the talented people we employ. We continue to strive for full gender equality. I am happy to say, we have also started to relocate Swedish employees on multi-year contracts to our offices around the world once again as a way to further strengthen our common company culture and values.

We are facing 2023 with factors like inflation, interest rates and energy prices still in flux. But, excepting unforeseen events, I am highly confident that it will be another good year. We enjoy a strong financial position and excellent long-term relations with our partners, customers, suppliers and financial institutions. And we have 125 years of experience and success to lean on.

IN CONCLUSION, I would like to thank Elof Hansson Foundation, the Board of Directors and all our incredible employees for all their hard work, ideas, enthusiasm and support in 2022. I look forward to another amazing year!



Mikael Forslund
CEO, Elof Hansson Group



WHO WE ARE

We are doers. We make it happen. We see opportunities and act on them – to the benefit of all parties. Since 1897 *Elof Hansson* has conducted international trade in forest, industrial and consumer products in all corners of the world, along with investing in and developing real estate projects. The rules of business laid down by our founder continue to drive us, today and in the future.

17

Global
Offices

Together we are strong. Global presence is key to delivering local expertise, giving us keen insight across markets to always find the best solutions.

214

Employees
Worldwide

Our employees' commitment, expertise and efforts combined are the magic of *Elof Hansson*. We always deliver added and sustainable value.



101

Countries
with Agents

Agents are valuable partners in our markets and they have played a very important role for us to maintain solid business and local knowledge during the Covid-pandemic.

820

MUSD
in Sales

"Sales are higher than ever. A strong focus on sustainable business is a prerequisite for success." — *Annette Jonasson*, CFO *Elof Hansson Holding AB*

38.0%

Equity-to-Asset
Ratio

Our flexible business model in combination with a solid balance sheet makes *Elof Hansson* a stable and reliable business partner over time.



"Trust is everything"

Elof Hansson business philosophy to always speak and write the truth still lives in every contact we make, everywhere we go. He had the ability to see the big potential in small things, and the unique small things in the

big perspective – a real advantage for a trading house. The "house rules" he established have been passed down from one generation to the next and continue to drive us today and in the future – with great success.

WHAT WE DO

We are entrepreneurs at heart. Trade is in our blood. It forms the base on which we stand; be it trading in pulp and paper, developing commercial real estate, or supplying equipment to sustainable projects around the globe.

Trade

Elof Hansson Trade sources forest products from leading suppliers in Europe, Asia and the Americas for customers all over the world. Our expertise is in building materials, pulp, paper and stock lots.

We do not just sell a product; rather, we offer an added-value package of financing, risk management, shipping and marketing. Simply put, we provide business expertise that makes it easier for buyers and sellers to conduct good business.

TRADE IN NUMBERS

Tonnage: 674,587
Turnover: 743.9 MUSD
Founded: 2011



Properties

Elof Hansson Properties is a real estate company located in Gothenburg that builds on 125 years of enhancing business opportunities. We focus on developing sustainable and environmentally certified properties.

Elof Hansson Properties invests in, develops, owns and manages mainly commercial sustainable properties. Therefore, we continually search for investment potential of land and property to develop, either as sole investor or together with external partners.

PROPERTIES IN NUMBERS

Number of properties: 5
Turnover: 5.8 MUSD
Founded: 2011



International

Elof Hansson International supplies equipment to the pulp & paper industry and provides expertise in and services relating to long-term financing, planning and execution of projects – global projects supporting a sustainable development.

With more than 30 years of experience in project financing, we deliver projects in collaboration with companies and institutions with which we share common values and ambitions to work towards the 17 *Global Goals* of the United Nations.

INTERNATIONAL IN NUMBERS

Number of projects: 6
Turnover: 54 MUSD
Founded: 2011



HOW WE DO IT

We favor long-term relations with partners and customers. At the same time, we are *flexible, adaptable* and *quick on our feet*. The tools of our trade are many: from navigating the global shipping scene and ensuring compliance with local regulations, to assessing and managing risks as well as enabling financing solutions – mitigating credit, commercial and political risks.

Added Value

SUSTAINABLE LOGISTICS

In everything we do it is our responsibility to act sustainably.

Sustainable logistic solutions are key to meeting our compliance and invaluable in conducting long-term sustainable business. Therefore, we challenge our carriers every day to jointly find methods and solutions. *Elof Hansson Foundation*, award grants to research within the field of sustainable logistics. This is one good way to contribute to the future flow of products in the world.

TRADE FINANCE SERVICES

Professional and committed safeguarding of every business transaction.

Elof Hansson conducts trade in more than 100 countries worldwide with various degrees of political and commercial risk. In order to be successful, it is crucial that we have a good understanding of the business as well as the capacity to meet the demands of our partners in the supply chain. One of the value adding activities is the ability and readiness to meet partners' request regarding favorable and competitive payment terms for both the long and short term. The Trade Finance team has long experience in handling and mitigating credit risk, as well as commercial and political risks.

FINANCING SOLUTIONS

Financial sustainability is an important factor in maintaining long-term relationships.

Our work with this goes way back. All the way to 1985, when Bo-Elof Hansson decided to create *Elof Hansson Foundation*. The purpose was to secure the future expansion of the Group and maintain the Group's independence. As a result, the Foundation retains the majority of its profits within the business, so that the company can continue to grow. The financial strength provides the means to finance business and take the entire credit risk. Elof Hansson's network of contacts across banks, credit institutions and industrial development agencies around the world results in more business opportunities for our suppliers and customers.

ENSURING COMPLIANCE

We believe that it is our role as a business facilitator to be experts.

We take great pride in our compliance work and take the task seriously. To educate both our employees and our business partners is important to be able to set the stage for sustainable trade, today and in the future. We continue to make business possible, navigating through continuously changing regulatory environments. You can trust that Elof Hansson will make responsible business possible.

GLOBAL PRESENCE



ROBERTO PROIETTI-SPERATI
Title: Vice President Americas
Office: Miami
Focus: Paper

“The best thing about Elof Hansson is the high ambition among us colleagues, and the company culture. Trust, commitment and professionalism are important tools in all business. Combining it with quick decision-making is a key to success in our business area. We have great cooperation within the Group, exchanging knowledge in a good atmosphere between offices and colleagues worldwide. This exchange and everyone being focused on common goals are key. It feels good to be part of a group of people from many different backgrounds.”



GERARDO JUAREZ
Title: Sales Manager
Office: Mexico City
Focus: Paper

“It’s great to work in a company that feels like a family. We grow together and work as one to develop long-term business, while seeking constant improvement. I feel valued and supported as an employee. I believe the company’s success is due to commitment, market

knowledge, aftersales follow-up and fulfilment of customers’ needs, all of which enables us to find new business opportunities. We also utilize relationships with reliable suppliers, and continuous communication has helped us improve and grow along the way.”



We combine a global presence with local expertise. *Elof Hansson* is headquartered in Gothenburg, Sweden, and has subsidiaries and agents in more than 100 countries on six continents.



HELENA LEEK
Title: Marketing/CEO assistant
Office: Gothenburg
Focus: Communication

“Elof Hansson takes good care of its employees and there are endless opportunities to grow. The industry is interesting, and I take great pride in being part of a company with a sustainable product and that values compliance. A key factor to success is commitment –

to the task, to business partners, and to the company. Also, since the pandemic, the distances between the offices around the world have decreased tremendously. Digitalization in combination with being able to travel again is very powerful.”

125 YEARS YOUNG

1980

ESTABLISHMENT IN CHINA

The establishment in China was a great strategic move for Elof Hansson. As anticipated, this has become one of our largest markets in recent years.

1920–1923

THE EAGLE BRAND IS CREATED

It was a cement deal that laid the foundation of the Eagle brand. The barrels needed to be marked to show what company they came from, and the design company of that time came back with the proposal to have an eagle soaring over the fir tops.

1897

FIRST PULP ORDER

"It did not take long before I met Mr. Nagasaki, agent for the company Mitsui & CO in Japan. He needed pulp and appointed me as his supplier. I found my business – pulp for transatlantic export" – Elof Hansson in an interview 1947.

1985

ELOF HANSSON FOUNDATION IS CREATED

Elof Hansson Foundation was created by Bo-Elof Hansson, Elof Hansson's son. Bo-Elof was chair of the foundation until 2007. The purpose of creating a foundation was to secure the future expansion of the Group and maintain the Group's independence from external influence.

1995–2001

PULP- AND PAPER MILL DOUBLE ITS YEARLY TONNAGE

Elof Hansson made its, at the time, largest business deal by making sure the integrated pulp and paper mill in Vietnam (Baibang) could double its yearly tonnage. In cooperation with i.e. SEK and EKN, Elof Hansson delivered Swedish machinery to the mill. Even then, sustainability was important, and both water treatment and burning of gases were installed.

2006

CHAIN OF CUSTODY

We work together with suppliers and customers to achieve a common goal: protecting healthy, resilient forests for everyone. FSC certification covers important aspects such as protecting fragile ecosystems and respecting native cultures and economies as well as workers' well-being. The "chain of custody" ensures that the wood comes from a certified forest.

2022

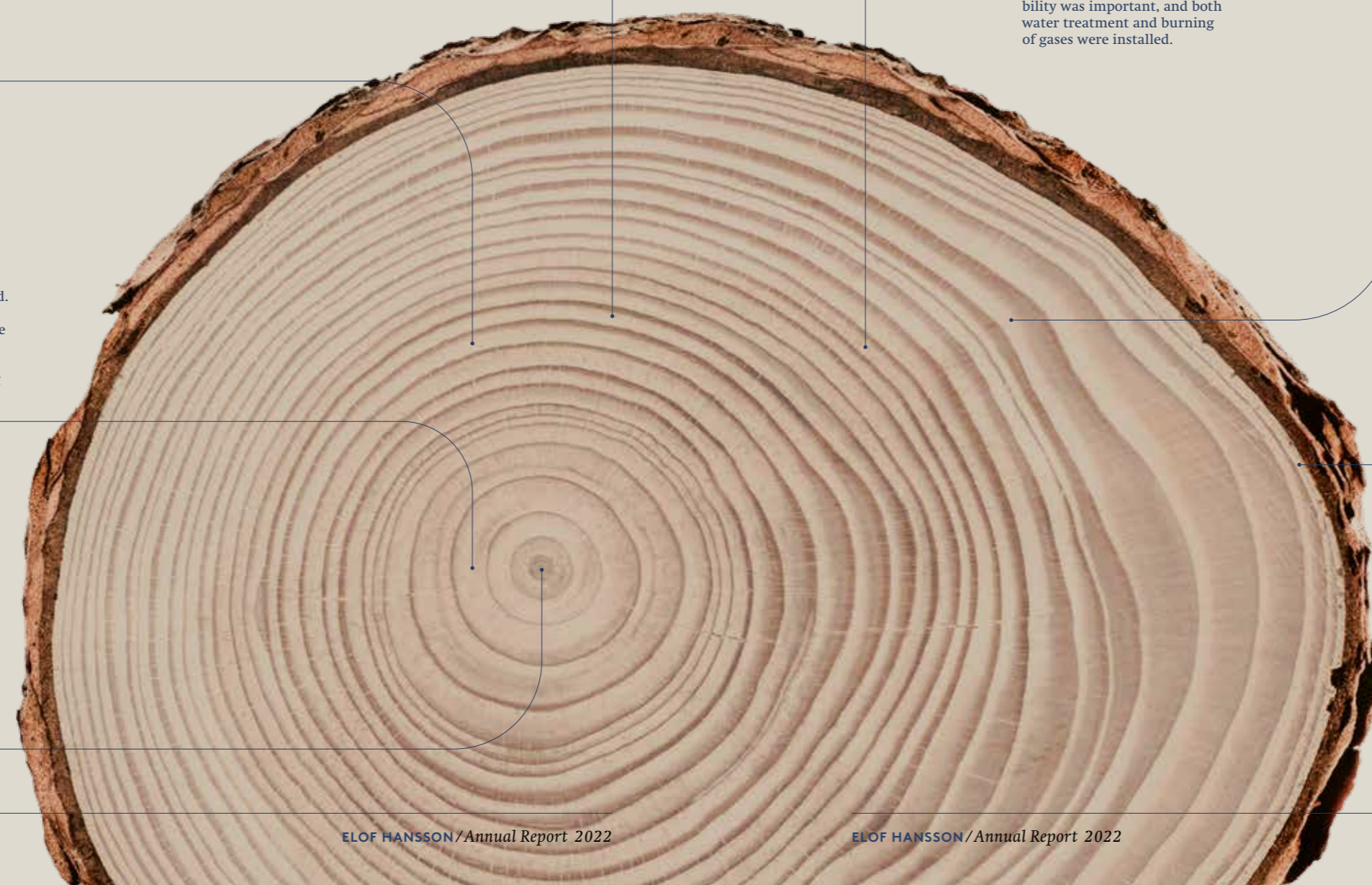
WELL-POSITIONED FOR THE FUTURE

The rapid global effort to replace plastics with paper is a fact, and our latest customers in paper are always looking for new ways to support this transformation.

2027

COMPLETED CONSTRUCTION OF GLOBAL BUSINESS GATE.

The construction of Global Business Gate will be completed, and Global Business Gate will take Swedish trade into the future and provide a knowledge hub for trade innovation.





SUSTAINABILITY REPORT

The *environmental, social,* and *financial impact* of what we do has to be continuously assessed and tweaked. We actively strive to improve ourselves. *Elof Hansson* is committed to creating sustainable economic growth by supporting the global goals.

We Make it Happen

2022 WAS ANOTHER remarkable year for Elof Hansson and has been a year full of growth. Growth and profitability are important to keep the business going; however, it is also important that our growth is sustainable. During the year our focus has been more on compliance and sustainability than it ever has, demonstrating our commitment to environmental issues, society, responsible businesses, ethics, human rights and transparency.

Elof Hansson continues to support and refer to the UN Global Goals and the principles of the Global Compact. We recognize that our responsibilities, risks, and opportunities include all ESG factors (environmental, social and governance) and are a part of the strategy. We also recognize the importance of our partnerships and collaborations with business partners to drive progress.

This report is prepared with reference to the Global Report Initiative (GRI). GRI Standards enable organizations to report information

about the most significant impacts of activities and business relationships on the economy, environment and people, including impacts on human rights. The full GRI Index can be found at www.elofhansson.com. Unless stated otherwise, the data refers to our fiscal year January 1, 2022, through December 31, 2022. The report includes all subsidiaries and divisions that Elof Hansson consolidates in its annual financial statements. 2022 is the first year of reporting with reference to the GRI.

ON THE NEXT PAGE you can learn about some of the sustainable projects and achievements of 2022, projects we are able to achieve together with our business partners. Together, we develop and gather opportunities for problem-solving and sustainable development. On the following pages we describe our ambitions, strategy, governance, risk, and opportunity assessment from a sustainability perspective.

Bringing solutions



UKRAINE – PAPER

Early in 2022, when Russia invaded Ukraine, the local demand vanished for one of our suppliers in Ukraine. Although it involved some risk for Elof Hansson, we kept buying material from the supplier and helped them find new markets.



GHANA – RAILWAY

Ghana has an obsolete infrastructure in need of rejuvenation. Elof Hansson International is partnering with Swedish suppliers to contribute to a modernized railway. This will reduce the heavy road traffic from the mines, resulting in safer, faster, and more reliable transports.



IVORY COAST – WATER

Elof Hansson International and its partners have helped realize a water project in Ivory Coast. In the project we facilitate export by Swedish companies, and thereby secure a substantial part of the project to be of Swedish content.

The Results

2,500

TONS OF SAVED MATERIAL

Leftover material that regular customers wouldn't buy and could have become waste. 2,500 tons of recycled cardboard has been bought by Elof Hansson Trade.

58,000

REPLACED ROAD TRANSPORTS

58,000 road transports per year will be replaced by rail by 2030, resulting in reduced cargo volumes on roads, increased passenger and cargo traffic on rail, lower emissions and less damage to roads.

3,000,000

PEOPLE WITH ACCESS TO CLEAN WATER

Three million people (10% of the population of Ivory Coast) will be provided with clean drinking water. The project will have a strong social and environmental impact.

Future Ambitions

We will keep finding solutions for ourselves and our business partners. To identify opportunities where no one else sees them and to collaborate with our business partners by also helping them in situations when needed is vital.

Our ambition is to continue our close partnerships with business partners and enable projects contributing to social, environmental, and economic development. We are a trustable partner with strong competence in services to meet our customers demands.

Africa represents 17% of the world's population and the number of people in need of food, water, education, infrastructure, etc. is growing rapidly. We will continuously, together with our partners, develop similar concepts in sustainable bankable projects to help fulfil these needs.

Company Overview

ELOF HANSSON WAS FOUNDED in 1897, which makes us one of Sweden's oldest companies and a well-known brand all over the world. Our vision is to always provide our business partners with added and sustainable value. Our actions are based on the Group's values: *trust, commitment, and professionalism.*

Elof Hansson is owned by *Elof Hansson Foundation*, and the ownership structures allow us entrepreneurial freedom with a strong focus on business development. We aim to be a role model for sustainable business, and we have the vision and courage to make change.

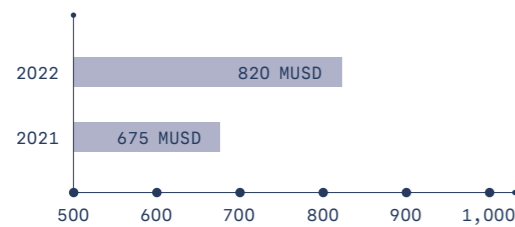
Our activities are divided into the business areas *Trade, International and Properties*, all of which contribute to *the Global Goals of the United*

Nations. The business areas complement each other and reduce the total risk for the Group.

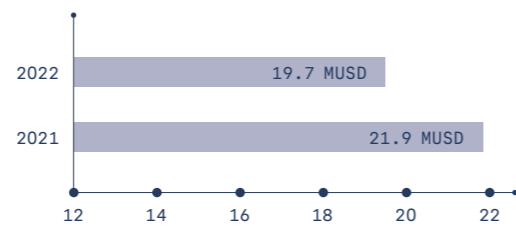
We conduct business in more than 100 countries through subsidiaries and agents. The Group consists of 214 employees and 17 global offices, with our headquarters in Gothenburg.

THE GROUP'S OVERALL goal is to generate sustainable, profitable growth. The ownership structure gives Elof Hansson stability and independence. We can and do make ethical decisions on how to develop the business in a sustainable way. The strict financial targets enable us to be a reliable business partner for the long term.

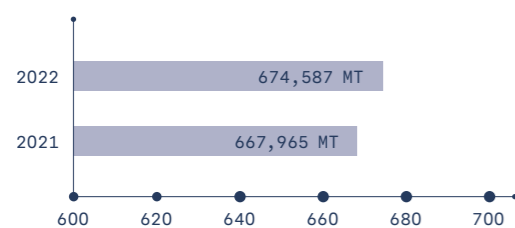
Group Revenue



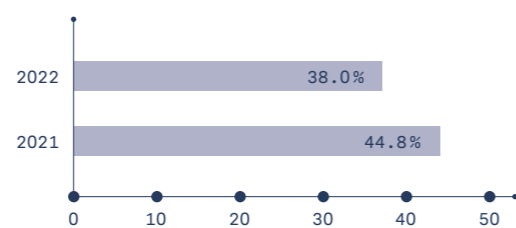
Earnings Before Interest and Tax



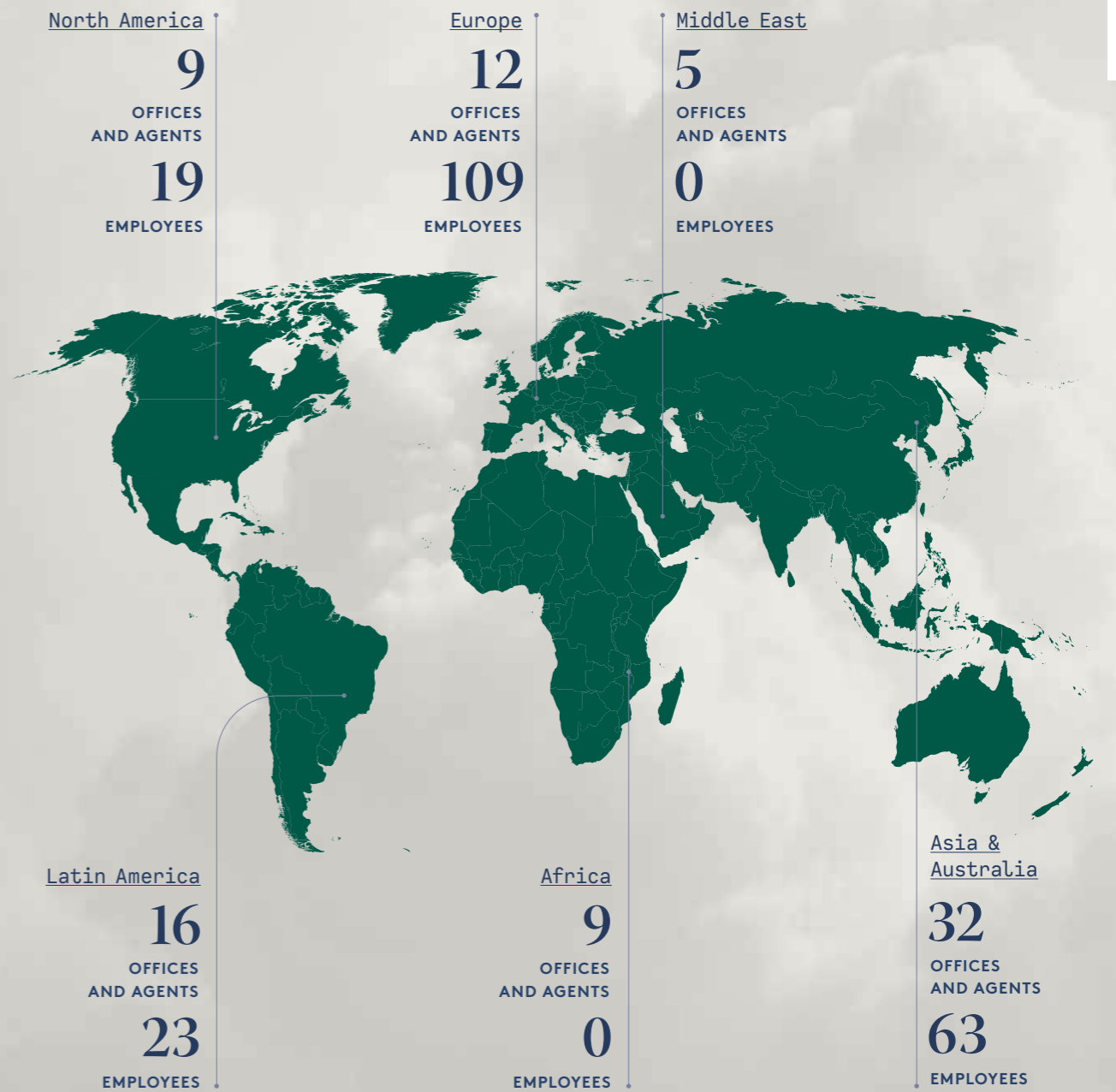
Tons of Sales



Equity



At a Glance



SUSTAINABILITY AT ELOF HANSSON

A shared vision and framework defining our way forward – this is how *Elof Hansson* incorporates the *Global Goals* into our operations.

IN 2015 the Sustainable Development Goals were set by the United Nations' General Assembly and became a global agenda for 2030, as all member states signed the goals. The 17 Sustainable Development Goals are an urgent call for action in a global partnership including both developed and developing countries. It is a shared vision and framework that defines a way forward and that is characterized by collaboration. It promotes sustainable development and international trading systems that are fair and beneficial to all.

Elof Hansson's sustainability initiatives and activities are based on the 17 Development Goals adopted by the United Nations in their 2030 Agenda for Sustainable Development. We identify closer connections and larger opportunities to influence a number of goals

even though our commitment includes all 17 of the UN's Sustainable Development Goals, which are part of the strategy and commitment to continuous improvement and integrate environmental, social and economic dimensions.

ELOF HANSSON ALSO supports the ambitions of the Paris Agreement, which is a legally binding international treaty on climate change adopted in 2016 by 196 parties at COP 21 in Paris. To achieve these ambitions, emissions need to decline, including sectors like transportation, energy, buildings, infrastructure and industry. The implementation of the agreement requires economic and social transformation and is therefore integrated into the overall strategy.



RESOURCE EFFICIENCY

ELOF HANSSON TRADE buys and sells renewable products from the forest that can replace fossil-based alternatives and thereby help to reduce global warming. Forests also contribute through their ability to absorb carbon dioxide.

The circular economy can design away waste and emissions and reduce the need for raw materials. It extends the life of products and materials and supports a transition away from un-sustainable production and consumption patterns. For the circular economy to be sustainable, it must be based on renewable resources. The forestry sector and Elof Hansson Trade are therefore well positioned to play a key role.

Responsible consumption and production, needs to characterize our business throughout the entire value chain. It is a challenge to ensure sustainability from production – with its energy consumption – and transportation through end use and the recycling phase. Therefore, we have clear requirements, group guidelines and strict compliance. We are committed to working with the entire value chain.



SUSTAINABLE PROPERTIES

ELOF HANSSON PROPERTIES invests in, develops, owns and manages mostly commercial sustainable properties. In all our development projects, we perform carbon impact calculations and select recycled and environmentally friendly materials aimed at reducing environmental impact. We are constantly striving to make our properties energy efficient and include solar panels on the roof if possible.

Elof Hansson Properties is one of the driving forces behind the transformation of Gothenburg into a more environmentally friendly city through its involvement in the urban development project Masthuggskajen. The project *Global Business Gate* – a hub for international business – plans to achieve BREEAM certification (by Sweden Green Building Council) level "Very Good" at least, but the target is to reach the level "Excellent." This building will be designed to meet future requirements regarding carbon emissions, environmentally friendly materials and will have green external funding.



PROJECTS FOR SUSTAINABLE DEVELOPMENT

SUSTAINABLE INNOVATION, infrastructure and industrialization enable dynamic and competitive economic forces that generate employment and income. They are vital for facilitating international trade and allowing an efficient use of resources. We all need to accelerate the development to meet the 2030 target, and this applies, in particular, for low GDP countries.

For many years Elof Hansson International has been involved in projects where we can combine increased Swedish exports with customer benefit in accordance with the wishes of our clients, partners and the needs on site. These are projects that we can proudly say contribute to sustainable development in the countries where the projects are carried out.

One of our recent projects is the development of rail capacity in Ghana. The railway does not only contribute to enabling transportation, which replaces heavy truck traffic in one of the fastest growing economies in Africa, but also strengthens Ghana's economic growth and creates job opportunities.

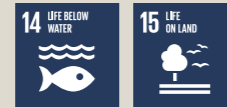


CLEAN WATER AND HEALTHCARE

THE HUMAN NEED for health and well-being for survival depends heavily on access to healthcare, sanitation, and safe and clean water. The demand is rising due to the rapid growth of the population, increasing water needs and urbanization.

Many African regions lack sufficient healthcare and clean water, resulting in issues such as high incidences of diseases, fatality, poor harvests and starvation, which can be solved by universal access to health care and clean drinking water.

Elof Hansson International is active in various projects in different regions in Africa, for example water projects in Ivory Coast and Ghana, and projects delivering equipment to new hospitals in Ghana. These projects will, directly or indirectly, affect the standard of living of millions of people in the form of access to clean water and improved health care.



RESPONSIBLE FOREST SUPPLY

ELOF HANSSON TRADE is committed to ensure that the paper and pulp come from sustainably managed forests. Forestry certification is a very important aspect of our work to protect forests, ecosystems and biodiversity. For over a decade, **Elof Hansson Trade** has maintained traceability certification in accordance with FSC® (FSC-C074512), PEFC and RCS standards.

Sustainable forestry helps preserve and protect animal habitats and plantations that do not contribute to habitat loss. It also protects communities and worker's rights, by for example providing safe working environments and prohibiting forced labor.

In line with being invested in protecting forestry, ecosystems and biodiversity, it follows that we also need to take responsibility for our impact on marine life, as most of our global deliveries are sea-borne. Sustainable and environmentally efficient transport is important to us, and is affected by consolidating volumes and building long-term partnerships with carriers that can demonstrate a systematic approach to sustainable logistics. You can read more about logistics and sustainable transportation on page 36–37.



INCLUSIVE AND EQUAL WORKPLACE

ELOF HANSSON is committed to treating employees in an equal and fair manner and promotes universal social and economic inclusion. To safeguard the proclaimed human rights, working with our values and social responsibilities becomes all the more important.

It is our responsibility to ensure that every individual has equal opportunities. At **Elof Hansson**, we provide a safe workplace free from discrimination for reasons such as race, color, nationality, gender, age, sexual orientation, pregnancy, origin, disability, marital status or any other reason.

It is important for us to work with human rights and social responsibility values throughout the entire value chain. Therefore, a close dialogue with suppliers, Partner Code of Conduct, and Supplier Guidelines are important to ensure social responsibilities and human rights throughout the entire value chain.



CONTRIBUTIONS TO SOCIETY

WORKING WITH GLOBAL projects developing infrastructure, industry, sustainable energy, communities and cities, etc., leads to economic and social development, which in turn contributes to goals such as zero poverty and hunger, quality education and peaceful communities.

Elof Hansson Group and **Elof Hansson Foundation** are giving back to society through donations, to prevent poverty, hunger, and lack of education. We are proud donors to organizations such as **UNICEF**, **The Rescue Mission**, **Act Church of Sweden** and different institutions/universities promoting education and research for development with focus on sustainability.



LONG-TERM PARTNERSHIPS

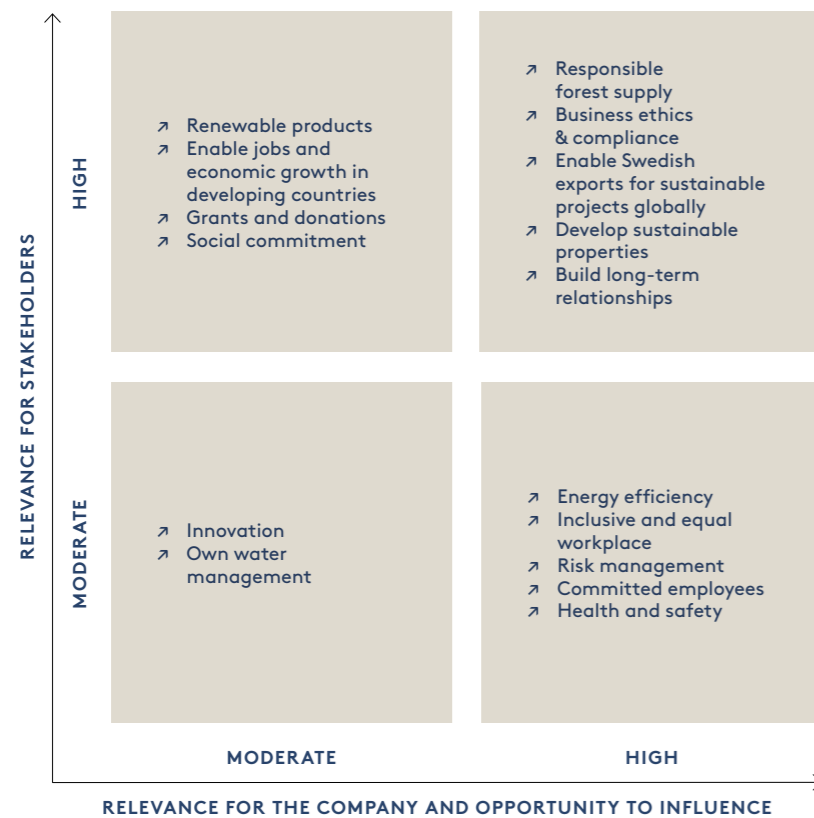
SINCE THE BEGINNING in 1897, we have built long-term and strong relationships with our business partners. Together, with our partners, we can carry out projects, business, and revitalize the global partnership for sustainable development. Turning challenges into opportunities involves multistakeholder partnerships with suppliers, customers, financiers, insurance companies, etc., sharing expertise, knowledge, and financial resources gives better results.

Many risks are reduced through partnerships. At the same time, risks arise doing business in countries deemed to be more vulnerable to risk. Therefore, it is vital that we cooperate closely and transparently with all partners when it comes to sustainability and compliance risks. It is also our responsibility to inform and educate partners throughout the value chain.

In all our relationships, we live by the core values: *Trust*, *Commitment* and *Professionalism* to be the best partner to our business partners. We are fully committed to the vision at **Elof Hansson**: *“Always provide business partners with added and sustainable value.”*

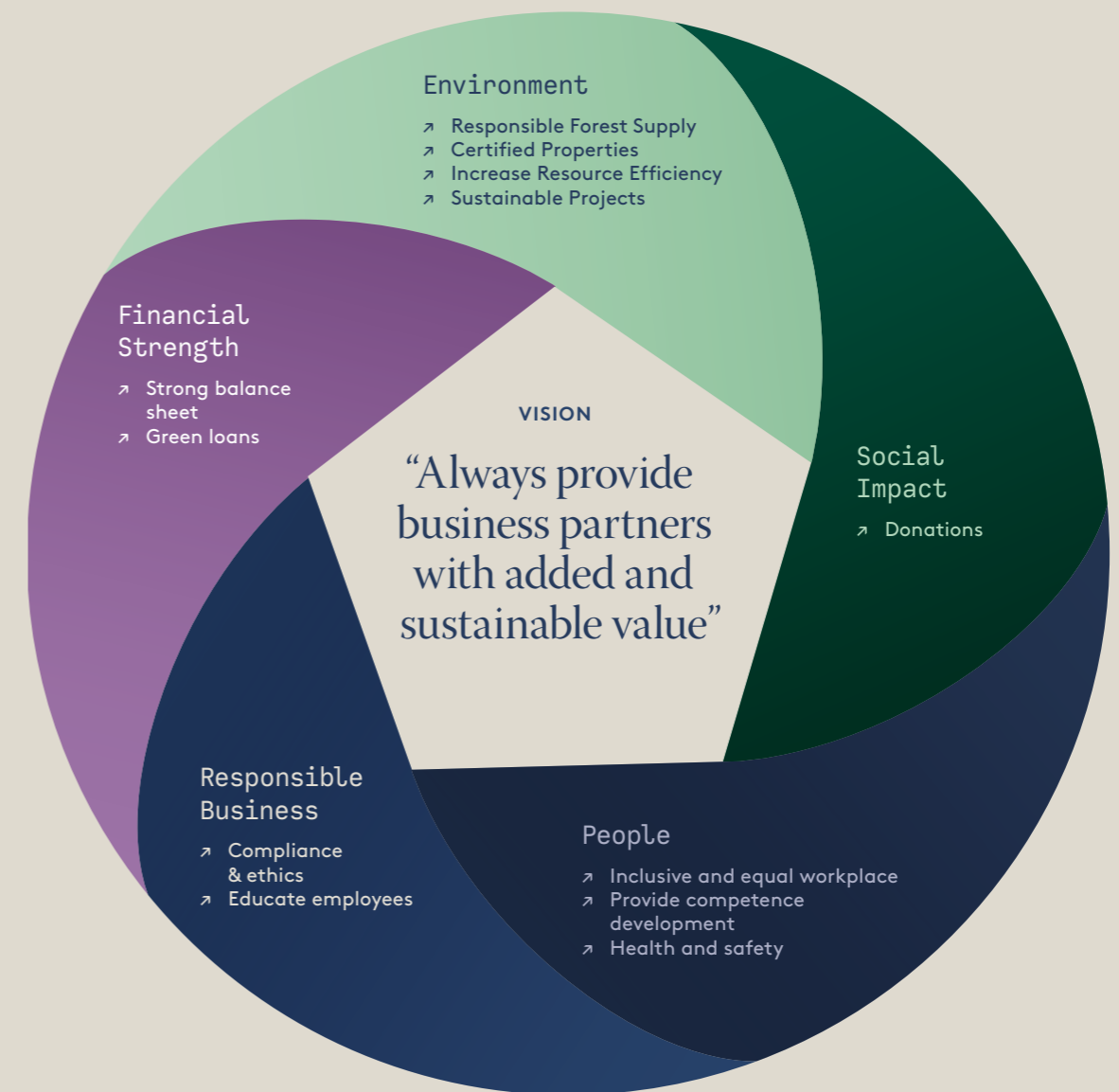
MATERIALITY ANALYSIS

We evaluate materiality topics with colleagues, management, and stakeholders. This forms our *sustainability strategy*.



←
Materiality Matrix
A materiality analysis has been carried out to illustrate issues of great significance for Elof Hansson and our stakeholders, and the opportunity to make an impact. Note that, as a trading house without self-produced products, we do not have a major impact on innovation as such, but we enable innovative products to be exported globally.

OUR STRATEGY



SUSTAINABILITY TARGETS

Elof Hansson focuses on 12 targets.

THEME	TARGETS	OUTCOME 2022
ENVIRONMENT		
Responsible Forest Supply	It is our responsibility and goal to ensure that the products come from responsibly managed forests that provide environmental, social and economic benefits.	Elof Hansson Trade, Singapore and USA maintain traceability certifications in accordance with FSC®, PEFC and RCS standards.
Certified Properties	Elof Hansson Properties has a goal of having 100% of the property portfolio environmentally certified in 2023.	50% of the properties have been environmentally certified during 2022.
Increase Resource Efficiency	We have a goal of reducing energy consumption by 50% from 2017 to 2025 at the headquarters in Gothenburg by increasing resource efficiency.	We have reduced the energy consumption by 31% since 2017
Sustainable Projects	Our target is for at least 90% of the projects Elof Hansson International is engaged in shall meet at least two of the 17 global goals of Agenda 2030.	100% of Elof Hansson International's projects are sustainable in 2022. We measure the number of projects that contributes to the UN development goals in relation to the total number of projects.
SOCIAL IMPACT		
Donations	Elof Hansson Foundation's purpose and goal is to keep donating to different scientific research institutions and organizations helping the most vulnerable people in society.	In 2022 Elof Hansson Foundation has donated to 7 scientific research and different support organizations.

PEOPLE		
Inclusive and Equal Workplace	The goal is to have an equal gender balance within group management and the company as a whole.	In 2022 there was 55% men and 45% women in group management and 58% men and 42% women in the company as a whole.
Provide Competence Development	Our goal is to open opportunities for individual development and that all our employees take advantage of 10 days per year for competence development.	Today, we are offering all employees up to 10 days each for competence development. However, we have not yet been able to measure the frequency of utilized days. The goal is to start measuring during 2023.
Health and Safety	The health and safety of our employees is one of our priorities. Our goal is to have as few long-term sick leaves as possible.	During 2022 we had an average sick leave of 4 days/year per employee.
RESPONSIBLE BUSINESS		
Compliance & Ethics	The target is for 100% of our employees to have read and signed the Code of Conduct.	In 2022, 100% of Elof Hansson Group's employees have read and signed the Code of Conduct.
Educate Employees	Our goal is for 100% of the employees to have completed our mandatory compliance e-learning courses.	81% of our employees completed the mandatory compliance e-learning courses in 2022.
FINANCIAL STRENGTH		
Strong Balance Sheet	A strong balance sheet with a high equity ratio provides financial sustainability. Our target is to have an equity/assets ratio greater than 35%.	Our 38% equity ratio in 2022 exceeds the target and is also expected to exceed the target going forward.
Green Loans	By 2025, our goal is to achieve 50% green loans to enable access to additional capital for sustainable businesses and projects.	In 2022, we achieved 0% green loans, but we are working to reach the goal prior to the target of 2025.

ENVIRONMENT

We work *together* with our partners to maintain, protect and enhance the environment.

ENVIRONMENTAL RESPONSIBILITY IS the commitment and implementation of environmentally sustainable practices that can ensure the potential of future sustainable growth, help build thriving communities and protect global ecosystems. The U.S. Environmental Protection Agency defines environmental sustainability as the *Brundtland Report* from the UN “meeting today’s needs without compromising the ability of future generations to meet their needs.”

Forestry certification is a key aspect of our work to protect forests, ecosystems and biodiversity. We do our best to ensure that our paper and pulp comes from sustainably managed forests.

Elof Hansson is committed to various projects that contribute to environmental benefits, including solar panel facilities in Angola, which you can read more about on page 34. An upcoming project together with business partners to find biogas solutions for cities that want to transition to clean transportation. This project aims to utilize waste that

has a huge negative environmental impact to produce biogas for buses. We are also developing sustainable properties that are energy efficient, increasing the use of sustainable and recycled materials and several other activities to reduce our environmental footprint.

As a trading house without any own production our own emissions are limited. However, we still try to lower our impact on emissions by reducing our own energy consumption, using our resources and materials efficiently, reducing waste and increasing our reuse and recycling.

ELOF HANSSON IS AN international trading house operating in many countries around the world, which requires frequent business travel. Covid-19 has resulted in a reduction on our business travel and has taught us to choose digital solutions whenever possible. However, our business still requires certain travelling where we believe that the long-term benefit is greater than the impact of the travel itself.

100%
Commitment to Resource Efficiency

We try to minimize the environmental impact by helping customers find more appropriate products.



0%
Green Loans

This is how many of our properties had green loans in 2022. A green loan is a form of financing that can only be used for funding sustainable projects.

80%
European Sourcing

The majority of Elof Hansson Trade’s sourcing is European. This means we share EU framework for Sustainability such as the taxonomy and TCFD.

+3.5%
Our Waste

Following the post-pandemic workforce return, the amount of waste has gone up by a small amount but much less than could be expected.



31%
Reduced Energy Consumption

Our goal is to reduce the energy consumption of our properties with 50% by 2025. We have come quite far already. With a few more years to go, we will reach our goal.

100%
Sustainable Projects

All of Elof Hansson International’s projects met at least two of the 17 global goals of Agenda 2030.

From Plastic to Paper

THE SHIFT FROM disposable plastic to sustainable materials has taken over the market. The transition to paper is inevitable, since paper-based products are mainly recyclable. Unlike plastic, the environmental impact of paper is low from a lifecycle perspective.

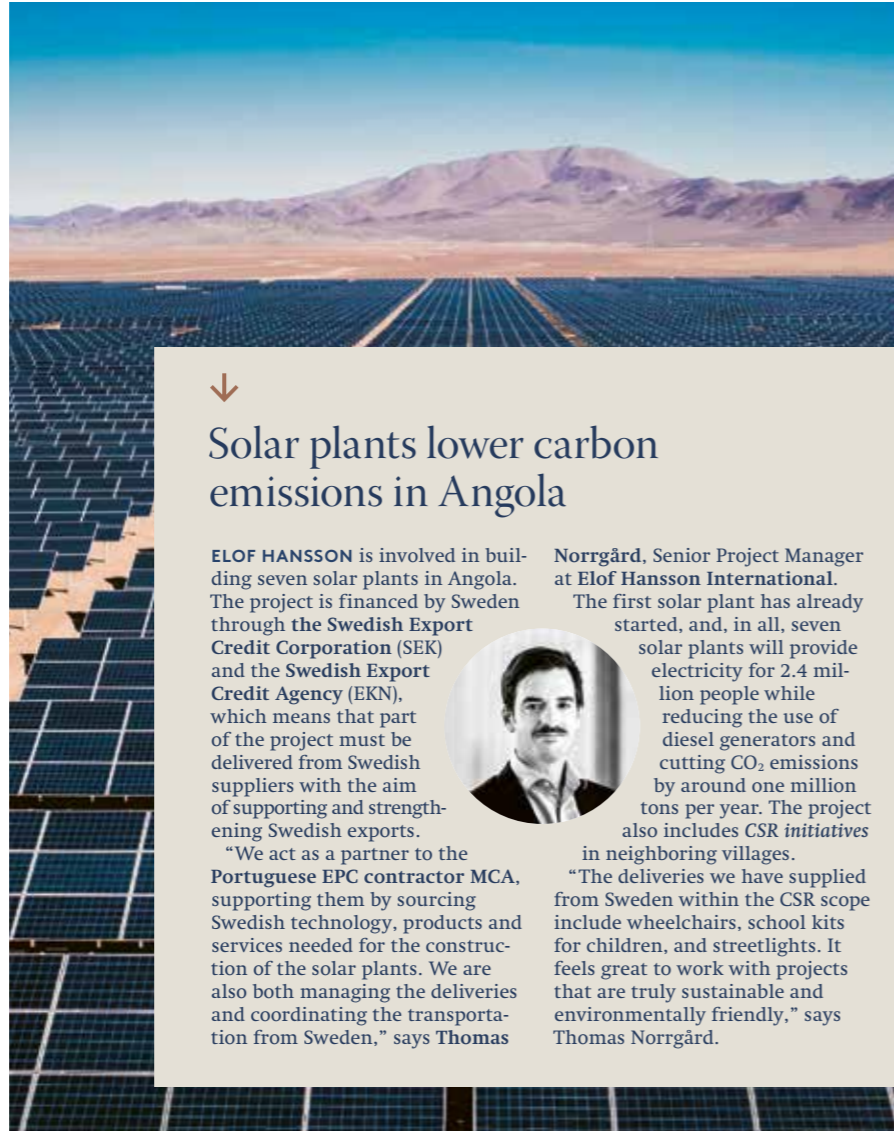
Many of our customers previously used plastic for their products, but since plastic packaging and bags are being banned in many countries, they have had to find other alternatives. We will continue to help our customers to find more environmentally friendly options at an affordable price.



↑ Trade in Africa

In Africa, we are trading paper for purposes other than what the paper is intended for, thus it can be used for several products and becomes more sustainable.

Offering discounted paper at a lower cost is important in many regions in Africa to be able to afford materials for necessary products such as school textbooks, helping children getting education. To find use and applications for sub-standard quality paper is important for environmental, social and economic purposes.



↓ Solar plants lower carbon emissions in Angola

ELOF HANSSON is involved in building seven solar plants in Angola. The project is financed by Sweden through the Swedish Export Credit Corporation (SEK) and the Swedish Export Credit Agency (EKN), which means that part of the project must be delivered from Swedish suppliers with the aim of supporting and strengthening Swedish exports.

“We act as a partner to the Portuguese EPC contractor MCA, supporting them by sourcing Swedish technology, products and services needed for the construction of the solar plants. We are also both managing the deliveries and coordinating the transportation from Sweden,” says Thomas



Norrgård, Senior Project Manager at Elof Hansson International.

The first solar plant has already started, and, in all, seven solar plants will provide electricity for 2.4 million people while reducing the use of diesel generators and cutting CO₂ emissions by around one million tons per year. The project also includes CSR initiatives in neighboring villages.

“The deliveries we have supplied from Sweden within the CSR scope include wheelchairs, school kits for children, and streetlights. It feels great to work with projects that are truly sustainable and environmentally friendly,” says Thomas Norrgård.

OUR DOERS.



“We have proved that we are trustworthy”

IN CONVERSATION

Name: Andreas Siberg
Age: 44
Title: President
Office: Elof Hansson USA, Inc

What is your main business?

“Over the years, our focus has gradually shifted to wood products. Elof Hansson USA is currently responsible for the Elof Hansson Group’s worldwide trading of wood products. We have increased our overall sales of wood products from \$41M in 2018 to \$87M in 2021, and we have increased this number to 90 MUSD in 2022.”

How does the war in Ukraine affect you?

“Russian birch ply-wood is considered the best for furniture. The situation in Russia was complex even before the war, but we had managed to find suppliers in other countries that also offered high quality products. When the war broke out, we immediately cancelled all outstanding orders from Russia, and we’ve been working on establishing new suppliers and trade routes. We always strive to conduct responsible business with a long-term perspective.”

What are your long-term plans for the company?

“I feel that we have proved to our customers and suppliers that Elof Hansson USA is a trustworthy company that intends to conduct business fairly, and this is also the measure by which Elof Hansson has been around for 125 years, and our US operations for 81 years. We want to be a significant trader of a sustainable product for many years to come.”

About Logistics

CARBON EMISSIONS IS a world-wide issue, which is specifically visible in the logistics industry. The majority of our global deliveries take place by sea, supplemented by rail and road regionally/locally. This makes us responsible for ensuring we find sustainable logistic solutions.

To contribute to sustainable and environmentally efficient transport solutions we are ensuring maximized load capacity of each container. This is done to ensure that we maximize our opportunities with carriers and reduce the amount of empty positioning.

Elof Hansson is actively ensuring that we are working with carriers that have sustainability as a top priority. We challenge our carriers by questioning, having requirements and jointly trying to find methods and solutions. This includes initiating discussions and collaborations with carriers to reduce our carbon footprint. While there is no common solution from the shipping industry within this area,

there is a common goal of zero emission from the shipping industry by 2050. The years to come will be crucial as the industry develops both methods and infrastructure to be carbon neutral by 2050.

WORKING FORWARD. Multimodal transportation is a type of freight that involves more than one mode of transportation. Multimodal transportation adds some days to the transit time, but it is fuel efficient, and the environmental impact is significantly less than an all-truck solution. The ambition is to continue to work closely with providers of efficient logistic solutions and fast multimodal transport services.

Elof Hansson has also made an active decision to not work with shipping companies that do not meet our requirements. In addition, Elof Hansson Foundation supports several technical research projects aimed at accelerating the transition to sustainable logistics.



Research in sustainable urban goods transport made possible by grant

THE ELOF HANSSON FOUNDATION awards grants to a number of institutions, including the School of Business, Economics and Law at University of Gothenburg. The university, in turn, uses the funds for research projects. In the fall of 2022, the school invited a guest professor, Anne Goodchild, to participate in a four-month project.

Anne Goodchild is a professor of civil and environmental engineering with a focus on logistics from the University of Washington in Seattle, USA. Her work experience includes fifteen years of leading freight transportation research, and she is an international border and port operations expert as well as author and co-author of more than 100 research publications.

"Being a guest researcher here in Sweden has enabled me to compare and contrast North America with Europe in general and Sweden in particular. The research team is striving to explain how political and administrative decisions influence the urban freight system. This is knowledge that will further the field and hopefully allow for

more sustainable goods transport solutions in all regions," says Anne Goodchild.

In the last few years, she says, sustainability has become the driving force in the evolution of urban goods transport.

"Just five years ago, sustainability was seen as on the edge, but now it has become the main focus and topic of conversation. We're still looking at solutions to lower the carbon footprint, but we're far from solving it. To get there, we will have to implement a mix of different solutions in combination with offsets and carbon sequestration," says Anne Goodchild.

SHE IS THANKFUL to have gotten the opportunity to spend these months in Gothenburg.

"Collaborative research is made easier by physical presence, and it enables more concrete and productive comparisons than otherwise. My stay here has been very well-organized and generous. This kind of collaboration is rather rare internationally, I think. We have nothing comparable at the University of Washington."



↑ "Via the *Elof Hansson Visiting Professor Program*, the University of Gothenburg has invited the eminent professor Anne Goodchild to do collaborative research within the area of sustainable goods transport solutions. Given Anne's considerable experience in the field, we are confident that the industry will gain from her findings and we are moving toward sustainable trade."

— Peter Hentz, Chair of Elof Hansson Foundation

PEOPLE

The way we want to do business begins with ensuring an inclusive, safe and engaging workplace for the employees at *Elof Hansson*.

A SUSTAINABLE EMPLOYER. An important factor in achieving sustainability is to take care of and invest in employees. Elof Hansson strives to be a long-term and attractive employer and carefully nurture its corporate culture. One of the challenges in the next few years will be to form a coherent culture that aligns with the companies entrepreneurial spirit and global reach.

During post-pandemic 2022, many people still worked from home, at least part-time. Elof Hansson's policy has been to not set limits on this. The office still serves as the main hub for work activity, but we trust that managers and employees are finding solutions that suit the needs of both the office and the individual.

OVERALL, THERE IS an emphasis on flexibility and individual development. All work vacancies are initially announced internally and globally within the company, providing opportunity for career advancement. There are also possibilities to work on contract in Elof Hansson offices in other countries, sharing experiences and know-how as well as

creating synergy effects and strengthening the unified company culture.

We believe having a broad demographical composition of employees is important. In line with our goal to be a sustainable employer, we will continue to even out any gaps.

Elof Hansson takes great pride in the development and education of its workforce. Every employee is encouraged to take up to ten training days per year, in dialogue with their manager. We have set the ambition high with the hope that every employee will take advantage of this opportunity.

We provide preventive healthcare and access to gyms to support employee well-being. Since 2021, we have been sponsoring training teams at our offices in Sweden. These teams are tasked with offering a wide variety of health-related activities for their colleagues, for example yoga, padel, weightlifting, soccer or running.

ALL IN ALL, we are proud to state that Elof Hansson is an employer invested in the well-being, safety and professional development of its employees.

4 days/
year

Average Sick Leave

We follow up on sick leave to understand the underlying causes and be able to take action, where necessary. The health of our employees is important to us.



27 eNPS

Employee Satisfaction

People are our most valuable asset. Ensuring employee well-being is a prerequisite for our ability to continue ensuring sustainable growth.

0%

Workplace Injuries

Health and safety is fundamental for Elof Hansson. Our aim is to have zero injuries at our workplace. All employees receive safety training, such as fire training, on a regular basis.

45%

Gender Diversity

We believe in diversity and work continuously to promote gender equality. All employees must have equal opportunities for leadership at all levels.



10

Competence Development Days

We have highly qualified employees who are eager to learn and want to grow with Elof Hansson. Thus, all employees are offered two weeks of paid education yearly.

3 classes/
week

Promote Well-being

Life is not all about work. To help our employees achieve a good work-life balance, we offer access to three free classes a week and a multi-gym at the workplace.



Education Days

BEING ABLE TO OFFER employees opportunities for individual development is incredibly important for **Elof Hansson**. Our employees at Elof Hansson International will be taking a course in EU taxonomy.

The EU taxonomy defines which activities are considered environmentally sustainable. It provides an understanding of sustainable use and is necessary for effective decision-making. The EU taxonomy helps protect against green-washing and helps shift investments and projects to where they are most needed.

“I am glad to have an employer that opens up the possibilities for my personal development and growth.”

— Jonas Heiman, Sales & Project Manager, Elof Hansson International



Encouraging Young People with New Ideas

ELOF HANSSON IS COMMITTED to opening doors for young, driven and ambitious students eager to gain experience.

“Elof Hansson gives you the keys to a new world after your studies, and you are encouraged to learn new things, meet incredible people and start thinking outside the box to create new sustainable business opportunities,” says **Arvid Åberg**, Inside Sales, Elof Hansson Trade.



One Company – One Vision

Elof Hansson is a global and multinational company, and its employees all around the world share a common vision.

“It has been a great pleasure since I joined Elof Hansson in 2016. A positive atmosphere surrounded by helpful colleagues, flexible job cultures, and interaction with a diverse group of people in a multi-national environment make me feel passionate about my work at Elof Hansson. We are appreciated for our hard work and dedication, and employees are always committed to the company’s vision, mission and long-term goals,” says **Myo Chaw**, Accounting Department, Elof Hansson Singapore.

100%

Commitment to Work-life Balance

As an employer, Elof Hansson wants to ensure healthy lives and promote well-being. We offer access to free classes and a multi-gym at the workplace.

Life is not all about work, and we want our employees to have a good work-life balance.

We encourage our employees to have both time and energy for their free time.

“I really look forward to the experience”

IN CONVERSATION

Name: Ali Amini
Age: 38
Title: Senior Sales Manager Middle East & Asia
Office: Gothenburg, moving to Ho Chi Minh City

You’re moving abroad on a contract to work at the office in Vietnam. Why have you chosen to take this step?

“For a long time, I’ve wanted to try to live and work abroad, but the thought of doing it on my own has been a bit overwhelming. After the pandemic, the opportunity to work abroad for a few years arose here at Elof Hansson. It’s a good step on the career ladder for me, and I really look forward to the experience.”

What will you be doing once you’ve arrived?

“I’ll be working with paper trading, like I already do in Sweden, and visiting mills and customers in both Vietnam and neighboring countries. But the very first step is to get to know the office, the job routines and the people I’ll be working with. **Thu Bui**, who is responsible for Elof Hansson in Vietnam, has already made me feel welcome. I hope that we can find synergies between the offices in Sweden and

Vietnam and further strengthen the collaboration. But, most importantly, we will conduct good business together.”

You’re bringing your family with you. What do they think?

“For us as a family we are really looking forward to this adventure! Especially the experience of getting to know the Vietnamese culture and customs. I am certain that this will be a memory for life and I’m glad that we can do this together.”



SOCIAL IMPACT

Identifying and managing *business impacts*, both positive and negative, is key for *social sustainability*.

ELOF HANSSON HAS the goal to generate positive social impact. We recognize our responsibility to be socially accountable to the public, ourselves and our stakeholders. We also recognize that leveraging our power as a business to do good can inspire others in our sector to do the same.

OURSELVES. Having positive employee relationships and contributing to job satisfaction and well-being is a priority. We believe that the base of the social dimension of corporate sustainability is human rights. Any type of discrimination, modern slavery or forced labor is not tolerated by Elof Hansson, including abusive working conditions, violence, child labor, sexual harassment, or any other kind of inhuman treatment. This includes our suppliers and customers.

STAKEHOLDERS. Society achieves transformative change when working together through partnerships. It opens doors and helps build opportunities for people and communities around the world. This is the reason why partnerships are key for us. In all the countries we

operate in, we are committed to keep engaging proactively with stakeholders and partners to have a positive social impact together.

PUBLIC. Through our various projects, trading, and donations, we generate an overall positive social impact. Our projects in Africa, for example, help developing communities, creating jobs and improving the lives of millions of people by providing clean water, improving infrastructure and equipment for hospitals such as wheelchairs.

Trading paper and pulp helps society to transition away from fossil-based alternatives that have both a negative environmental and social impact, since the intense use, lack of recycling and leakage into nature negatively affect oceans, rivers, wildlife, and humans.

We acknowledge that we can directly affect our local community. Elof Hansson is a donor to multiple organizations helping the most vulnerable in our community, as well as institutions and researchers. Our donations are our way of further strengthening social development.

The Rescue Mission

"Elof Hansson has for many years been one of The Rescue Mission's corporate friends and largest donors. Being responsible for our corporate fundraising, I see the effects of this first-hand. Most of our work to prevent homelessness and social vulnerability is based on donations – our donors make it possible. The annual donations we receive from Elof Hansson contribute to continuity in our operations."

— Johanna Salenfolk, The Rescue Mission



Institutions

Elof Hansson Foundation has been a donor to different institutions for many years. The purpose is to promote long-term scientific research and education in the mercantile field. The main focus is on trade and business activities such as marketing, international trade, accounting, commercial law and business languages.



Stakeholder Engagement

Development in society and the industry influence businesses and it's important to be aware of what is happening around us. Networking is a great way to acquire knowledge, broaden perspectives, create value in the economic and social field, as well as working together to respond to changes in society. Elof Hansson is, for example, a member of CSR Västsverige which is a network for Sustainable Business Development



2nd
Largest Donor

Elof Hansson is The Rescue Mission's second largest donor, and we are proud of our work to make real change.

7
Institutions Granted

Elof Hansson Foundation distributes grants to seven different institutions for education and research purposes.

15+
Memberships

Elof Hansson Group is a member of more than 15 different organizations, covering a wide spectrum of aspects.

OUR DOERS.



“Transport is essential, and it affects business”

IN CONVERSATION

Name: Kajsa Hulthén
Age: 52
Title: Professor at the Division of Supply and Operations Management
Office: Chalmers University of Technology

You're heading a research project in the transport sector. What is your connection to Elof Hansson?
“Elof Hansson Foundation has awarded a grant to Chalmers University of Technology that is financing my research team during this two-year project. We are grateful that the Foundation wants to support the project, since it addresses a growing concern among Swedish businesses, especially those relying on international business partners.”

What are you studying?
“We are looking at the shift in the transport sector towards a ‘green’ fossil-free and energy-efficient transport system by studying a number of initiatives from several different actors and applying our knowledge of industrial networks. There is a lot of change in the sector, which has resulted in new customer and supplier behavior patterns. Technologies related to electrification, batteries, electric roads, fuel cells, AI, Internet

of Things and even 3D printing will potentially affect how the shift in transport develops. We're mapping the emerging technologies and how they might synergize with and affect each other.”

What will the project result in?
“For example, we hope to identify possibilities and potential obstacles, how and in what ways actors should collaborate, and policy and legislation changes that are needed.”

2,500 New Workplaces

Global Business Gate will create about 2,500 new workplaces, including both offices designed and adapted to the customers' wishes and a physical environment in the form of innovative meeting spaces and other areas and solutions that promote a project focus – so-called co-working spaces.



↑ Global Business Gate

GOTHENBURG, A CITY on the Swedish west coast, is a famous hub for international trade. This is, in large part, thanks to the city's advantageous geographic location, which has made Gothenburg Sweden's main export region.

International trade creates new job opportunities while prompting economic growth. Our commercial office project *Global Business Gate* – a hub for international business – will be a place where both organizations and individuals can grow. It will create space for different actors to meet and create new partnerships, and it will reinforce the space of international trade. *Global Business Gate* and its surroundings will create an environment that cultivates networking, innovation and knowledge exchange and will contribute to the improvement of the business community.

Additionally, *Global Business Gate*'s contribution is to create a welcoming environment in living street level, cultivations on terraces and various solutions for mobility.

“*Elof Hansson's* strong brand helps us develop sustainable properties, reduce our environmental footprint, gain city trust and create new business opportunities.”

— Daniel Holmén,
Real Estate Developer,
Elof Hansson International



↑ Improving health-care in Ghana

In Africa, the mean life expectancy is significantly lower than in the rest of the world and overall health development is quite low. Elof Hansson International is helping to modernize the Effia Nkwanta Hospital and construct a new 250-bed regional hospital in Ghana. We are supplying high-quality med-tech equipment from Sweden, which is helping Ghana improve healthcare in its western region.

← “*Elof Hansson Foundation's* statutes include the allocation of research grants in the mercantile field. The Foundation takes great pride in being able to give back to society both by helping people in need and enabling the work of leading researchers to improve commercial processes. The research led by Kajsa Hulthén is very important for future transport and trade.”

— Peter Hentz, Chair of Elof Hansson Foundation

RESPONSIBLE BUSINESS

Elof Hansson is convinced that doing business fairly and in compliance with legal requirements is key to building trust and long-term partnerships.

BEING A GLOBAL COMPANY today requires an awareness of the responsibility that comes with it. We are committed to conducting international trade and business in a responsible and sustainable manner throughout the value chain. In 2022, we set up a *compliance program* that aims to support and guide *Elof Hanssons* business practices. Through our compliance program, our principles of compliance are implemented, including policies and guidelines, auditing, communication, internal governance and control, as well as our whistleblowing channels for all our internal and external parties. Training and education of our employees is a vital part of the program. It is mandatory for all our employees to complete compliance e-learning courses, including topics such as embargoes, sanctions and bribery prevention.

OUR CODE OF CONDUCT, adopted by the *Board of Directors*, defines our position on legal

requirements and responsibilities and plays an important role in expressing our beliefs when it comes to ethical standards. *Elof Hansson's Code of Conduct* describes how the company operates regarding different issues such as anti-corruption, AML, laws and regulations, trade compliance, environmental considerations and human rights. All our employees have signed our *Code of Conduct*. Compliance is an integral part of our corporate values, and *Elof Hansson* is continuously safeguarding compliance throughout the value chain. Therefore, we have a corresponding *Partner Code of Conduct* for all our business partners.

We support the *UN Guiding Principles on Business and Human Rights*, which are a set of guidelines for companies to prevent, address and remedy human rights abuses committed in business operations. The safety, health and well-being of our employees is crucial, as is that of the employees of our business partners. *Elof Hansson* has *Supplier Guidelines* con-



taining our expectations of our suppliers when it comes to ethics and social and environmental responsibilities, including human rights.

AT ELOF HANSSON, we encourage an open and honest culture in which all of our employees, business partners and stakeholders can report suspicions of misconduct, and we are obliged to investigate all cases, ensuring that necessary actions are taken. We offer our employees various internal channels to report violations. Our whistleblowing hotline where reporting can be made anonymously is available on our website for all our business partners and all stakeholders.

Elof Hansson prohibits all forms of corruption, as it violates laws, prevents free competition and interferes with economic and social development. *Elof Hansson* is committed to providing a culture where we address and discuss these matters openly and regularly.

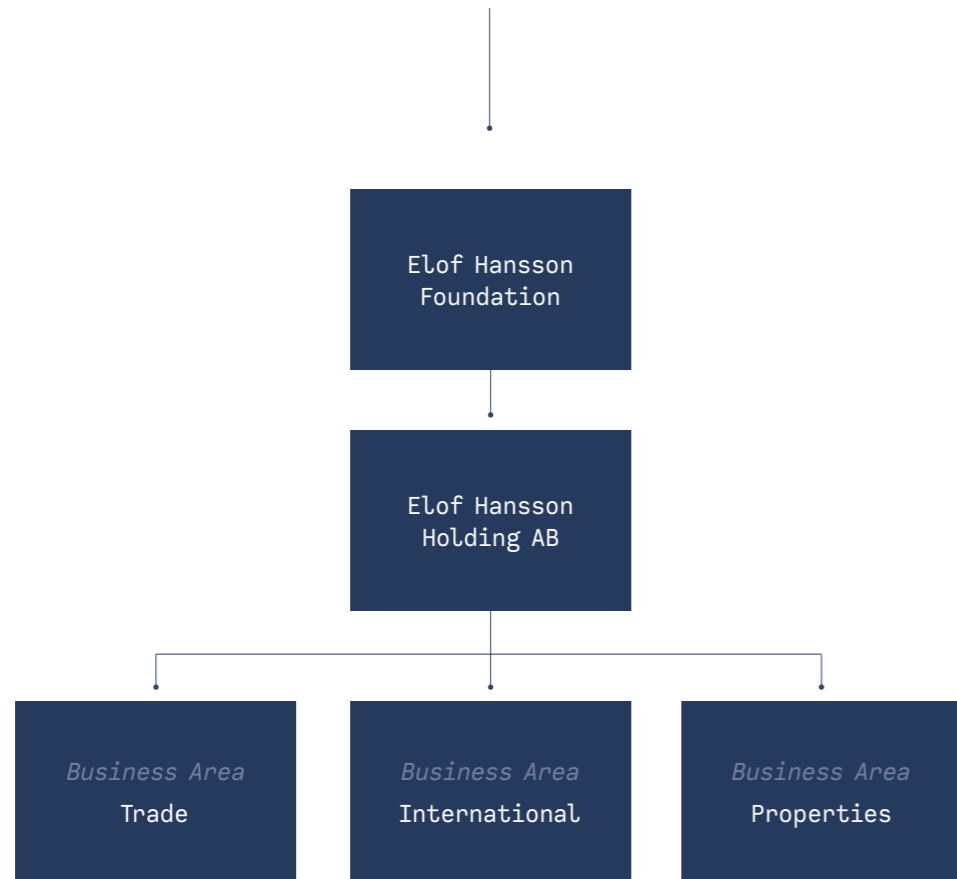
Mandatory e-learning and seminars are tools to increase knowledge and awareness. Additionally, our work to prevent anti-corruption issues includes risk assessment, reporting and supplier guidelines. We also engage with stakeholders and business partners to provide a united voice against corruption, as collective action is essential for bringing an end to this complex and disruptive issue.

WE ARE COMMITTED to keep learning and to raise our standards even higher in the future. We are committed to not only better ourselves and keep educating our employees, but to also educate our business partners so that we can cooperate to ensure continuous work within compliance for sustainable trade and business.

“We are committed to conduct international trade and business in a responsible and sustainable manner throughout the entire value chain.”

— Mia Basara,
Compliance Officer

Our Governance Model



FOR FINANCIAL SUSTAINABILITY, it is important to maintain long-term partnerships. Being owned by a *Foundation* means that the shareholder requirements on our operations remain unchanged in good times and bad. The highest governing body in the Group is the *Board of Directors* of Elof Hansson Holding AB. The Board has overall responsibility for the Group's values, code of conduct, policies and shared sustainability areas. The members of the Board of Directors are presented on page 96.

THE CEO IS RESPONSIBLE for the daily management of the business and the execution of the Group's strategy. The heads of the Group

functions are responsible for the fulfilment of Group objectives, and the organization is characterized by short reporting lines, clear responsibilities and personal accountability. The three business areas are managed with a strong business-driven focus. Flat structures promote profitable growth, strict and prudent risk management and personal accountability. The subsidiaries and operational units are responsible for compliance with the Group's shared values and contributing to continuous efforts to improve within the five sustainability areas.

All employees and managers throughout the Group are responsible for actively providing added and sustainable value.

Governance Value

RISK MANAGEMENT

To manage the full range of risks to which it is exposed, Elof Hansson has developed a system of policies, routines and a culture. As a point of departure for this system, Elof Hansson requires compliance with all applicable laws and supports sustainable business practices wherever it operates. Employees are both personally and collectively responsible for ensuring that their actions are compliant. We have developed a compliance program to support, guide and correct actions in order to continuously improve and mitigate compliance risk. Our compliance officer is responsible for mapping compliance risks, working together with functional and operational units, and educating our employees. The vice president of Finance and Risk is responsible for the assessment of the risk probability and the potential impact of a specific risk on the business.

TOWARD A BETTER SOCIETY

The Elof Hansson Group is committed to applying the highest ethical standards to its business conduct, guided by the Group's core values: *trust, commitment and professionalism*. Wherever it does business, the Group must comply with applicable national laws and regulations as well as internationally recognized standards for responsible business.

As a complement to applicable regulatory frameworks, the Group has also formulated and adopted guidelines for how we are to act in our interactions with customers, employees and the world around us.

PROTECTION OF PERSONAL DATA AND CONFIDENTIAL INFORMATION

We apply a number of technological solutions to ensure the security of the personal data of our employees, suppliers and customers in accordance with applicable laws (for example, the *General Data Protection Regulation*). Our work in this area is based on our policies and guidelines, and our staff undergo regular training in various aspects of personal data protection and cyber security.

CODES TO FOLLOW

- Global Goals
- UN Global Compact
- UN Guiding principles on business and human rights
- OECD Guidelines for multinational enterprises
- IMM and Transparency International – to prevent corruption in business



ANNUAL REPORT

The combination of *solid experience, entrepreneurial spirit* and *intimate knowledge* is golden. Despite the turbulence in the world, our 125th year has been one of the best financially in the history of *Elof Hansson* – and serves as an acknowledgment that we have successfully implemented a challenging yet realistic strategy. Our core business is thriving and continues to develop and improve.

Significant events during the financial year

ADMINISTRATION REPORT

DEVELOPMENT OF OPERATIONS IN 2022

The year has been one of the most successful ever for the Group, and we have accelerated our strategic development in earnest.

In the wake of the pandemic, we saw increased demand for building materials, paper, pulp, and stock lots. A contributing factor is the transition of the packaging industry from plastic to paper. This is beneficial for Elof Hansson as a trading house and for Business Area Trade.

We operated against a backdrop of challenging external circumstances during 2022: the war in Ukraine and exceptional cost inflation levels that accelerated throughout the year and peaked in Q3. However, the weakened Swedish krona and a high market price were advantageous to us. Elof Hansson Trade AB is the largest subsidiary within the trading house. With increased turnover and profit, Trade AB accounts for most of the increase in the Group's profit in 2022. Furthermore, the Group's pulp operations in Singapore continued to show remarkably strong development throughout 2022.

Major disruptions in the form of congestion and strikes in Europe as well as the war in Ukraine affected the punctuality of shipping. As a result, we experienced greater delays in our deliveries compared to previous years at the same time as shipping in several trades hit record-high levels.

In 2022, Business Area International finally started many of the projects in Africa that had been under development for a long time. All of the projects can be classified as sustainable and have a direct connection to the global goals of the United Nation.

Together with Riksbyggen, Business Area Properties is planning to build a 16-story residential building in Gothenburg with commercial premises on the bottom three floors. In January, Riksbyggen took possession of Property 28:11, which is part of the 3D property formation following the partial sale of the building rights (F2) the year before. Program and system documentation were planned during the year, and production is expected to start in 2023.

Work on the development of Masthuggskajen continued through Global Business Gate JV KB, a joint venture with Alecta. In May, we signed a neighborhood contracting agreement with Älvstranden Utveckling for the implementation of neighborhood land and general site land for the peninsula. Production, which started after the summer, will take just over three years. We expect to take occupancy of our main part (HD5) in 2025.

Business Area Properties continued to focus on reducing the energy consumption of its premises. During the year, we also started work on an environmental certification – Environmental Building in Operation – of our properties. This work is expected to be completed in 2023/2024.

FUTURE EXPECTATIONS

There is considerable uncertainty in the world around us. Russia's invasion of Ukraine is changing the geopolitical situation in the world on a day-to-day basis, and it is difficult to assess developments on the global market. We expect to see continued volatility and geopolitical uncertainty that can rapidly impact the markets in which we operate.

Our Machinery division will be transferred from Business Area International to Business Area Trade. We see an opportunity for more synergies between the Machinery division and the other Trading divisions.

Several potential projects in Business Area International are still pending. We see great opportunities in the future for project sales – mainly in Africa but also on other continents. The objective is to diversify our customer base and geographical spread given the volatility of the African economies.

We will further intensify the work on our development projects in Business Area Properties in 2023. We expect a good balance between earnings and growth.

RISK MANAGEMENT

Elof Hansson has a global presence with 17 subsidiaries in Europe, the Americas, Africa, Asia, Middle East, and

Australia. We conduct business in more than 100 countries. Elof Hansson is exposed to several risks and uncertainties but also to opportunities. We take a cautious approach to risk and actively try to keep risks at an acceptably low level while maintaining the stability of the Group's financial position.

We work continuously to assess and evaluate the risks to which Elof Hansson is or could be exposed. We perform a structured review annually and present the review to the Board of Elof Hansson Holding AB.

The most significant risks are described below.

CREDIT RISK

One of the Group's most significant financial risks is credit risk, i.e., the risk that our customers will not be able to pay their liabilities. Accounts receivable represent 48.7% of Elof Hansson's balance sheet. We limit credit risk in part by having a large number of customers that are spread out globally and belong to several different segments. We also work closely with leading banks and insurance companies, all of which have a high credit rating. Our global sales policy includes a structured process for lending and follow-up. We achieve a very high degree of risk cover for accounts receivable by utilizing a flexible product range of hedging instruments.

PRICE CHANGES

Price risk mainly relates to price fluctuation on the global market and the effects of such fluctuation on our business. We manage this risk through customer and supplier agreements. Our business model does not utilize long agreements that carry the risk of price changes. On the other hand, Elof Hansson's sales vary as prices on the global market change.

FINANCING RISK

Elof Hansson has bilateral credit facilities with banks where the financing risk is linked to our ability to refinance these facilities as they mature. We are able to reduce financing risk by having a low

credit volume and spreading out the maturity of credit facilities over time. Borrowing opportunities in 2022 were good.

INTEREST RATE RISK

Interest rate risk may arise in the financing of accounts receivable and properties. We reduce the interest rate risk associated with borrowings through a mix of variable and fixed interest rates.

CURRENCY RISKS

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

Translation exposure. Items included in each subsidiary's annual report are calculated using the currency of the country in which the subsidiary is domiciled. Translation exposure occurs when the subsidiaries' accounts are converted to SEK. The exchange rate differences that arise are recognized 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. We manage this exposure in accordance with our financial policy.

Transaction exposure. The Group's main currency exposure is in USD and EUR for both incoming and outgoing payment flows, although there is some exposure to a larger number of currencies. We use different types of currency hedging instruments to minimize currency risk. Normally, the Group applies hedge accounting.

LIQUIDITY RISK

Liquidity risk is 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.

Surplus liquidity. In accordance with our financial policy, liquidity can be invested as an account placement or in short-term investments in securities/interest-bearing instruments at very low credit risk.

COMPLIANCE RISKS

Elof Hansson conducts business in more than 100 countries. We are exposed to compliance risks in every transaction but work continuously to develop procedures and processes to further mitigate such risks. No fines, sanctions, or legal action were incurred in 2022 due to violations of the law related to compliance or anti-competitive activities.

POLITICAL AND GEOPOLITICAL RISKS

Elof Hansson's global operations may be affected by political decisions in areas such as forestry, environmental policy, trade policy and sanctions, transport policy, etc. We aim to reduce these risks through a diversified business and flexible organization. New requirements and regulations could impact on the opportunities available to us in one or more markets.

SIGNIFICANT CHANGES

There were no significant changes at Elof Hansson. With a low risk profile in every business transaction, a strong balance sheet, and the ability to quickly adapt the organization, we are well prepared to create growth and further develop the business in the future.

PROPOSAL FOR THE ALLOCATION OF PROFITS

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

Retained profit	105,933,688
Share premium reserve	178,459,000
Loss for the year	-34,525,662
	249,867,026
Dividend paid to shareholders is	5,000,000
Carried forward	244,867,026
	249,867,026

The dividend proposed by the Board of Directors reduces the Parents Company's equity/assets ratio to 27.7% and the Group's equity/assets ratio to 38%. The equity/assets ratio is adequate given that the Company and Group continues to operate profitably.

The Board is of the opinion that the proposed dividend is reasonable considering the ability to meet the Company's future obligations, and the Group's consolidation needs, liquidity, and position in general. Consequently, the proposed dividend can be justified according to the provisions of Chapter 17, Section 3, Paragraphs 2 and 3 of the Swedish Companies Act.

The Group's and Parent Company's result of operations and position in general are shown in the following income statements, balance sheets, statements of changes in shareholders' equity, cash flow statements and notes to the financial statements.

MULTI-YEAR COMPARISON OF THE GROUP (SEK MILLION)

THE GROUP	2022	2021	2020	2019	2018
Net sales	8,301	5,607	5,558	6,705	6,403
Profit after financial items	162	153	102	61	83
Balance sheet total	3,324	2,596	2,325	2,419	2,789
Number of employees	214	255	271	270	277
Equity/assets ratio %	38.00	44.76	45.12	40.31	34.30
Return on total capital, %	6.30	7.60	5.27	4.00	4.30
Return on equity %	12.83	13.20	9.70	6.00	8.70

For definitions of key figures, see Note 1 Accounting and valuation principles.
The registered office of the company is in Gothenburg.

CONSOLIDATED INCOME STATEMENT

TSEK

	NOTE	01/01/2022 – 31/12/2022	01/01/2021 – 31/12/2021
Net sales	2, 3	8,300,514	5,606,997
Other operating income		19,673	121,475
		8,320,187	5,728,472
Operating expenses			
Merchandise		-7,714,772	-5,124,658
Other external expenses	4	-134,339	-132,625
Personnel expenses	6	-238,853	-252,515
Depreciation and impairment of tangible and intangible non-current assets		-33,250	-35,123
Operating profit		198,973	183,551
Profit from financial items			
Result from subsidiaries		-22,834	-26,850
Other interest income and similar income items	7	13,593	12,541
Interest expenses and similar income items		-27,748	-16,038
Profit after financial items		161,984	153,204
Profit before tax		161,984	153,204
Tax on profit for the year	29	-44,979	-38,930
PROFIT FOR THE YEAR		117,005	114,274

CONSOLIDATED BALANCE SHEET

TSEK

	NOTE	31/12/2022	31/12/2021
ASSETS			
Non-current assets			
INTANGIBLE NON-CURRENT ASSETS			
Software and capitalised development work	8	2,463	4,155
Goodwill	9	5,065	15,246
Total intangible non-current assets		7,528	19,401
TANGIBLE NON-CURRENT ASSETS			
Buildings and land	10	672,373	551,131
Tangible assets under development	12	109,809	101,166
Inventory	11	6,249	13,725
Total tangible non-current assets		788,431	666,022
FINANCIAL NON-CURRENT ASSETS			
Shares in associated companies	16, 17	37,857	22,841
Deferred tax assets	34	15,095	14,519
Other non-current receivables		45,232	37,957
Total financial non-current assets		98,184	75,317
Total non-current assets		894,143	760,740
Current assets			
GOODS IN STOCK ETC.			
Completed goods and merchandise		316,870	274,905
Advances to suppliers		44,982	8,334
Total goods in stock etc.		361,852	283,239
CURRENT RECEIVABLES			
Accounts receivable		1,617,099	957,922
Current tax receivables		19,405	28,190
Other receivables	18	152,607	174,670
Prepaid expenses and accrued income	19	78,401	55,451
Total current receivables		1,867,512	1,216,233
CASH AND BANK DEPOSITS			
		200,430	335,362
Total current assets		2,429,794	1,834,834
TOTAL ASSETS		3,323,937	2,595,574

CONSOLIDATED BALANCE SHEET

TSEK

	NOTE	31/12/2022	31/12/2021
EQUITY AND LIABILITIES			
Equity			
Share capital		75,000	75,000
Other equity		1,070,232	972,500
Profit for the year		117,005	114,274
Total equity		1,262,237	1,161,774
Provisions			
	21		
Provisions for pensions and similar obligations		21,008	39,827
Deferred tax liabilities		35,166	29,496
Other provisions		5,566	27,813
Total provisions		61,740	97,136
Non-current liabilities			
Liabilities to credit institutions	22	167	257,448
Other liabilities	23	46,594	89,270
Total non-current liabilities		46,761	346,718
Current liabilities			
	22		
Liabilities to credit institutions		662,080	78,815
Advance payments from customers		35,763	37,363
Trade accounts payable		952,832	592,007
Current tax liabilities		53,313	35,661
Other liabilities		25,042	57,983
Accrued expenses and prepaid income	24	224,169	188,117
Total current liabilities		1,953,199	989,946
TOTAL EQUITY AND LIABILITIES		3,323,937	2,595,574

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TSEK

	Share capital	Retained profit incl. profit for the year	Total	Minority interest	Total equity
Opening equity 01/01/2021	75,000	974,085	1,049,085	0	1,049,085
Dividend		-5,000	-5,000		-5,000
Exchange rate differences		-5,271	-5,271		-5,271
Actuarial pensions		8,686	8,686		8,686
Profit for the year		114,274	114,274		114,274
Total comprehensive income		112,689	112,689		112,689
Closing equity 31/12/2021	75,000	1,086,774	1,161,774	0	1,161,774
Opening equity 01/01/2022	75,000	1,086,774	1,161,774	0	1,161,774
Dividend		-3,000	-3,000		-3,000
Exchange rate differences		-29,873	-29,873		-29,873
Actuarial pensions		16,331	16,331		16,331
Profit for the year		117,005	117,005		117,005
Total comprehensive income		100,463	100,463	0	100,463
Closing equity 31/12/2022	75,000	1,187,232	1,262,237	0	1,262,237

CONSOLIDATED CASH FLOW STATEMENT

TSEK

	NOTE	01/01/2022– 31/12/2022	01/01/2021– 31/12/2021
Profit after financial items		161,984	153,204
Adjustments for non-cash flow items etc.	31	834	75,947
Tax paid		-18,542	-31,475
Cash flow from operating activities before changes in working capital		144,276	197,676
Cash flow from changes in working capital			
Change in goods in stock and work in progress		-83,614	-21,518
Change in current receivables		-660,063	-185,616
Change in current liabilities		301,018	119,357
Cash flow from current operations		-298,383	109,899
Investment activities			
Investment in tangible non-current assets		0	-182,531
Sale of tangible non-current assets		-144,945	141,474
Investment in financial non-current assets		-14,587	-21,474
Cash flow from investment activities		-159,532	-62,531
Financing activities			
New borrowing		325,983	2,448
Repayment of loans		0	-31,759
Dividends paid		-3,000	-5,000
Cash flow from financing activities		322,983	-34,311
CASH FLOW FOR THE YEAR		-134,932	13,057
Cash and cash equivalents at start of year		335,362	322,305
Cash and cash equivalents at end of year		200,430	335,362

PARENT COMPANY INCOME STATEMENT

TSEK

	NOTE	01/01/2022– 31/12/2022	01/01/2021– 31/12/2021
Net sales	2	44,496	43,007
Total operating income		44,496	43,007
Operating expenses			
Other external expenses	4, 5	-56,629	-57,975
Personnel expenses	6	-37,738	-35,048
Depreciation and impairment of tangible and intangible non-current assets		0	-14
Other operating expenses		-4,365	-2,122
Total operating expenses		-98,732	-95,159
Operating profit		-54,236	-52,152
Profit from financial items			
Profit from interests in Group companies	27	-29,772	-73,296
Profit from interests in associated companies and jointly operated companies		0	292
Interest income and similar income items	7	25,800	17,963
Interest expenses and similar income items		-22,107	-5,877
Total financial items		-26,079	-60,918
Profit after financial items		-80,315	-113,070
Appropriations	28	47,000	45,780
Profit before tax		-33,315	-67,290
Tax on profit for the year	29	-1,211	448
PROFIT FOR THE YEAR		-34,526	-66,842

PARENT COMPANY BALANCE SHEET

TSEK

	NOTE	31/12/2022	31/12/2021
ASSETS			
Non-current assets			
INTANGIBLE NON-CURRENT ASSETS			
Software	8	0	0
Total intangible non-current assets		0	0
TANGIBLE NON-CURRENT ASSETS			
Inventory	11	0	0
Total tangible non-current assets		0	0
FINANCIAL NON-CURRENT ASSETS			
Shares in Group companies	13, 14, 15	519,913	556,300
Receivables from group companies	33	460,765	388,937
Shares in associated companies	16, 17	37,857	22,841
Other non-current receivables	32	31,076	21,902
Total financial non-current assets		1,049,611	989,980
Total non-current assets		1,049,611	989,980
Non-current assets		813	0
CURRENT RECEIVABLES			
Receivables from Group companies		48,467	68,149
Other receivables		5,299	7,821
Prepaid expenses and accrued income	19	4,377	3,538
Total current receivables		58,956	79,508
CASH AND BANK DEPOSITS		49,295	76,858
Total current assets		108,251	156,366
TOTAL ASSETS		1,157,862	1,146,346

PARENT COMPANY BALANCE SHEET

TSEK

	NOTE	31/12/2022	31/12/2021
EQUITY AND LIABILITIES			
Equity			
RESTRICTED EQUITY			
Share capital		75,000	75,000
Statutory reserve	2	2	2
Total restricted equity		75,002	75,002
UNRESTRICTED EQUITY			
Unrestricted share premium reserve		178,459	178,459
Retained profit		105,934	175,776
Profit for the year		-34,526	-66,842
Total unrestricted equity		249,867	287,393
Total equity		324,869	362,395
Non-current liabilities			
Liabilities to Group companies		0	1,717
Total non-current liabilities		0	1,717
Current liabilities			
Trade accounts payable		4,487	2,541
Liabilities to Group companies		818,291	755,772
Other liabilities		1,822	552
Accrued expenses and prepaid income	24	8,393	23,368
Total current liabilities		832,933	587,234
TOTAL EQUITY AND LIABILITIES		1,157,862	1,146,346

PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

TSEK

	Share capital	Restricted reserves	Unrestricted equity	Total equity
Opening equity 01/01/2021	75,000	2	359,235	434,237
Dividend			-5,000	-5,000
Profit for the year			-66,842	-66,842
Closing equity 31/12/2021	75,000	2	287,393	362,395
Opening equity 01/01/2022	75,000	2	287,393	362,395
Dividend			-3,000	-3,000
Profit for the year			-34,526	-34,526
Closing equity 31/12/2022	75,000	2	249,867	324,869

PARENT COMPANY CASH FLOW STATEMENT

TSEK

	NOTE	01/01/2022 – 31/12/2022	01/01/2021 – 31/12/2021
Current operations			
Profit after financial items		-80,314	-113,070
Adjustments for non-cash items	31	-50,595	48,922
Tax paid		-5	448
Cash flow from current operations before change in working capital		-130,914	-63,700
Cashflow from change in working capital			
Change in current receivables		67,552	-2,168
Change in current liabilities		47,834	162,073
Cash flow from current operations		-15,528	96,205
Investment activities			
Investment in financial non-current assets		-41,736	-26,584
Sales of financial non-current assets		32,699	437
Cash flow from investment activities		-9,037	-26,147
Financing activities			
New borrowing		0	-50,000
Dividends paid		-3,000	-5,000
Cash flow from financing activities		-3,000	-55,000
Cash flow for the year		-27,565	15,058
Cash and cash equivalents at start of year			
Cash and cash equivalents at start of year		76,859	61,801
Cash and cash equivalents at end of year		49,294	76,859

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 BFAR 2012:1 Annual reports and consolidated reports (K3).

CONSOLIDATED FINANCIAL STATEMENTS

Elof Hansson Holding AB prepares consolidated accounts. Companies where Elof Hansson holds the majority of the votes at the general meeting and companies where, through an agreement, 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

Outstanding balances 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, Industry 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.

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 34.

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.

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.

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

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 separate 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

This item primarily consists of endowment insurance. The holding is held 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 AND FOREIGN CURRENCY (HEDGE ACCOUNTING)

Elof Hansson hedges all purchases and sales of goods within trading and industry. 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.

CESSATION 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 conditions 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 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.

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 substantial 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**

	01/01/2022 – 31/12/2022	01/01/2021 – 31/12/2021
Sales, stated in %		
Africa	6	4
Asia and Australia	39	39
China	14	19
Middle East	5	3
North and South America	24	24
Rest of Europe	10	8
Sweden	1	2
Rest of Scandinavia	0	1
	100	100
Sales by business segment, %		
Properties	1	1
International	8	4
Trade	91	95
Closing reported value	100	100

NOTE 4 - AUDIT FEES, ETC.

THE GROUP

	01/01/2022 – 31/12/2022	01/01/2021 – 31/12/2021
Ernst & Young AB		
Audit assignment	2,717	2,776
Tax consultancy	197	189
Other services	623	430
	3,537	3,396
Other agencies		
Audit assignment	541	783
Tax consultancy	14	17
Other services	129	222
	684	1,022

PARENT COMPANY

	01/01/2022 – 31/12/2022	01/01/2021 – 31/12/2021
Ernst & Young AB		
Audit assignment	190	1,506
Tax consultancy	0	20
Other services	390	319
	580	1,845

NOTE 5 - OPERATIONAL LEASING AGREEMENTS

THE GROUP

	01/01/2022 – 31/12/2022	01/01/2021 – 31/12/2021
As a lessee		
Lease payments	6,203	5,882
	6,203	5,882
Future minimum lease payments		
Within 1 year	4,466	2,790
2–5 years	6,375	5,132
Later than 5 years	0	8
	10,841	7,930
As a lessor		
Lease charges to be received in respect of non-cancellable agreements	131,421	144,120
	131,421	144,120
Future minimum lease payments		
Within 1 year	57,280	54,914
2–5 years	73,941	86,858
Later than 5 years	200	2,348
	131,421	144,120

PARENT COMPANY

	01/01/2022 – 31/12/2022	01/01/2021 – 31/12/2021
As a lessee		
Lease payments	5,207	4,692
	5,207	4,692
Future minimum lease payments		
Within 1 year	2,563	2,416
2-5 years	152	142
	2,715	2,558
As a lessor		
Lease charges to be received in respect of non-cancellable agreements	6,526	5,966
	6,526	5,966
Future minimum lease payments		
Within 1 year	6,526	5,996
	6,526	5,996

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 gross in the note for the parent company as lessee and lessor.

NOTE 6 - EMPLOYEES AND PERSONNEL COSTS BROKEN DOWN BY COUNTRY

THE GROUP

Average number of employees broken down by country	01/01/2022– 31/12/2022		01/01/2021– 31/12/2021	
	Total	of which male	Total	of which male
Australia	3	67%	4	50%
Brazil	16	63%	14	57%
Chile	2	50%	2	50%
Denmark	0	0%	8	64%
U.A.E.	0	0%	1	100%
India	30	93%	29	93%
Indonesia	0	0%	1	100%
Japan	3	33%	10	60%
China	6	33%	12	58%
The Caribbean	5	67%	5	67%
Singapore	17	54%	10	50%
Sweden	95	48%	92	47%
Thailand	0	0%	1	100%
Germany	14	57%	40	70%
USA	19	74%	18	72%
Vietnam	4	0%	5	20%
Austria	0	0%	3	100%
Total	214	58%	255	61%

Salaries and other remuneration

	01/01/2022– 31/12/2022	01/01/2021– 31/12/2021
Board of Directors and CEO	33,968	30,696
Other employees	115,175	121,440
	149,143	152,137
Of which, bonuses to the board and CEO	3,087	2,481
Social expenses		
Board of Directors and CEO	7,071	6,530
Other statutory and contractual social expenses	40,963	38,408
	48,034	44,939
Pension obligations		
Present board and CEO	3,574	3,843
Former board and CEO	0	14,197
	3,574	18,039

PARENT COMPANY

	01/01/2022– 31/12/2022		01/01/2021– 31/12/2021	
Average number of employees broken down by country	Total	of which male	Total	of which male
Sweden	25	36%	19	44%
Total	25	36%	19	44%

Salaries and other remuneration

	01/01/2022– 31/12/2022	01/01/2021– 31/12/2021
Board of Directors and CEO	4,771	5,874
Other employees	15,159	13,817
	19,930	19,691
Of which, bonuses to the board and CEO	0	0
Social expenses		
Board of Directors and CEO	1,719	2,214
Other employees	5,255	5,041
	6,974	7,255

Pension obligations		
Pension costs for the board and CEO	1,385	1,519
Pension costs for other employees	3,782	1,255
	5,167	2,773
Bonus to CEO is taken up by the subsidiary Elof Hansson Trade AB.		
Gender balance amongst senior executives		
Proportion of women on the Board of Directors	25%	25%
Proportion of men on the Board of Directors	75%	75%
Proportion of women among other senior executives	45%	45%
Proportion of men among other senior executives	55%	55%

NOTE 7 – INTEREST INCOME AND SIMILAR PROFIT ITEMS

THE GROUP

	01/01/2022 – 31/12/2022	01/01/2021 – 31/12/2021
Other interest income	11,218	11,135
Other financial income	2,375	1,406
	13,593	12,541

PARENT COMPANY

	01/01/2022 – 31/12/2022	01/01/2020 – 31/12/2020
Interest income from group companies	24,138	17,055
Other financial interest income	1,661	908
	25,799	17,963

NOTE 8 – SOFTWARE AND CAPITALISED DEVELOPMENT WORK

THE GROUP

	31/12/2022	31/12/2021
Opening acquisition value	9,308	9,053
Purchasing	0	0
Sales	-991	0
Reclassifications	0	45
Translation differences	-11	211
Closing accumulated acquisition value	8,306	9,308
Opening depreciation	-5,153	-3,985
Sales/disposals	343	0
Reclassifications	0	-44
Depreciation for the year	-613	-1,265
Translation differences	-420	142
Closing accumulated depreciation	-5,843	-5,153
Closing reported value	2,463	4,155

NOTE 9 - GOODWILL

THE GROUP

	31/12/2022	31/12/2021
Opening acquisition value	94,540	93,966
Investments	0	0
Translation differences	596	575
Sales/disposals	-33,892	0
Closing accumulated acquisition value	61,244	94,540
Opening depreciation	-79,294	-65,917
Translation differences	244	-312
Depreciation for the year	-8,904	-13,065
Sales/disposals	31,775	0
Closing accumulated depreciation	-56,179	-79,294
Closing reported value	5,065	15,246

NOTE 10 - BUILDINGS AND LAND

THE GROUP

	31/12/2022	31/12/2021
Opening acquisition value	768,073	658,907
Purchasing	33,560	16,976
Sales/disposals	-17,602	0
Reclassifications inventory	-12,328	-16,372
Translation differences	28,713	7,396
Closing accumulated acquisition value	800,416	666,907
Opening depreciation	-115,776	-116,291
Sales/disposals	5,372	0
Reclassifications inventory	3,836	17,063
Depreciation for the year	-20,663	-16,459
Translation differences	-812	-89
Closing accumulated depreciation	-128,043	-115,776
Closing reported value	672,373	551,131
Information on managed properties		
Reported value	458,406	421,977
Fair value	1,367,000	1,409,805

During the year 109.809 TSEK was reclassified from Buildings and land to Tangible assets under development, see note 12.

NOTE 11 - INVENTORY

THE GROUP

	31/12/2022	31/12/2021
Opening acquisition value	128,799	128,159
Purchasing	2,945	1,408
Sales/disposals	-21,625	-2,689
Reclassification differences	-1,699	2,016
Reclassification from building	0	-95
Closing accumulated acquisition value	108,420	128,799
Opening depreciation	-113,481	-110,270
Sales/disposals	15,037	2,617
Reclassifications	8	328
Depreciation for the year	-3,069	-4,336
Translation difference	964	-1,821
Closing accumulated depreciation	-100,541	-113,481
Opening impairment	-1,593	-1,593
Depriciations for the year	-36	0
Closing accumulated impairment	-1,629	-1,593
Closing reported value	6,249	13,725

PARENT COMPANY

	31/12/2021	31/12/2021
Opening acquisition value	265	265
Closing accumulated acquisition value	265	265
Opening depreciation	-265	-250
Depreciation for the year	0	-14
Closing accumulated depreciation	-265	-265
Closing reported value	0	0

NOTE 12 - TANGIBLE ASSETS UNDER DEVELOPMENT

THE GROUP

	31/12/2022	31/12/2021
Adjustments for tenants		
Opening acquisition value	18,737	13,292
Purchasing	4,520	5,811
Completed	-23,257	-366
	0	18,737
New developments		
Opening acquisition value	82,429	71,110
Purchasing	41,577	17,195
Sales/disposals	-14,035	-5,876
Completed	-162	0
	109,809	82,429
Closing reported value	109,809	101,166

During the year 109.809 TSEK was reclassified from Buildings and land to Tangible assets under development, see note 10.

NOTE 13 - 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 the Elof Hansson Foundation, corp. reg. no. 857204-9032, based in Gothenburg.

The parent company's net sales to other group companies amounted to SEK 44 million (43). Purchases from group companies amounted to SEK 6 million (7).

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 the Elof Hansson Foundation with corporate registration number 857204-9032 and its registered office in Gothenburg.

NOTE 14 - SHARES IN GROUP COMPANIES

PARENT COMPANY

	31/12/2022	31/12/2021
Opening acquisition value	754,454	671,959
Purchasing	0	0
Liquidation	0	-2
Merger	-59,365	0
Shareholder contribution	0	82,496
Closing accumulated acquisition value	695,089	754,454
Opening impairment	-198,154	-188,076
Sales/disposals	22,978	0
Impairment for the year	0	-10,078
Closing accumulated impairment	-175,176	-198,154
Closing reported value	519,913	556,300

During the year all shares in Adexi A/S, Pinnau Holz GmbH and Paper Testing Instruments GmbH were divested.

NOTE 15 – SPECIFICATION OF SHARES IN GROUP COMPANIES

THE 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	88,703
Elof Hansson International AB	100	100	500	33,000
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
Conrad Jacobson Paper GmbH	100	100	100	36,495
				519,913

	Corp. reg. no.	Headquarters
Elof Hansson Trade AB	556088-5633	Göteborg
Elof Hansson USA Inc	13-3430782	New York
Elof Hansson International AB	556835-3535	Göteborg
Singapore Pulp & Paper Pte Ltd	201301772D	Singapore
Elof Hansson (India) Pvt Ltd		Chennai
Elof Hansson Fastigheter AB	556874-2232	Göteborg
Elof Hansson Ltda		São Paulo
Elof Hansson Fiber B.V	66514835	Heemstede
Conrad Jacobson Zellstoff GmbH	HRB 75032	Hamburg

NOTE 16 – HOLDINGS IN ASSOCIATED COMPANIES AND JOINTLY OPERATED COMPANIES

THE GROUP

	31/12/2022	31/12/2021
Opening acquisition value	22,841	13,751
Purchasing	15,016	9,065
Shareholder contribution	0	25
Closing accumulated acquisition value	37,857	22,841
Closing reported value	37,857	22,841

PARENT COMPANY

	31/12/2022	31/12/2021
Opening acquisition value	22,841	13,751
Purchasing	15,016	9,065
Shareholder contribution	0	25
Closing accumulated acquisition value	37,857	22,841
Closing reported value	37,857	22,841

NOTE 17 - SPECIFICATION OF SHARES IN ASSORTED COMPANIES

THE GROUP

Name	Share of equity	Share of votes	Number of shares	Book value
Tyumen Invest Pte Ltd	10	10	195	13,631
Elof Hansson Clean Tech GmbH	50	50	12,500	145
K.E.E Swedish Care Turkey AB	4	4	36,986	7,000
K.E.E Swedish Care India AB	6	6	15,000	2,000
K.E.E Swedish Care AB	6	6	18,000	3,032
K.E.E Swedish Care China AB	6	6	3,313	12,048
				37,857

	Corp. reg. no.	Headquarters
Tyumen Invest Pte Ltd	201701177E	Singapore
Elof Hansson Clean Tech GmbH	HRB247942	Stornburg
K.E.E Swedish Care Turkey AB	559338-4182	Stockholm
K.E.E Swedish Care India AB	559338-4174	Stockholm
K.E.E Swedish Care AB	559286-5132	Stockholm
K.E.E Swedish Care China AB	559159-1523	Stockholm

PARENT COMPANY

Name	Share of equity	Share of votes	Number of shares	Book value
Tyumen Invest Pte Ltd	10	10	195	13,631
Elof Hansson Clean Tech GmbH	50	50	12,500	145
K.E.E Swedish Care Turkey AB	4	4	36,986	7,000
K.E.E Swedish Care India AB	6	6	15,000	2,000
K.E.E Swedish Care AB	6	6	18,000	3,032
K.E.E Swedish Care China AB	6	6	3,313	12,048
				37,857

	Corp. reg. no.	Headquarters
Tyumen Invest Pte Ltd	201701177E	Singapore
Elof Hansson Clean Tech GmbH	HRB247942	Stornburg
K.E.E Swedish Care Turkey AB	559338-4182	Stockholm
K.E.E Swedish Care India AB	559338-4174	Stockholm
K.E.E Swedish Care AB	559286-5132	Stockholm
K.E.E Swedish Care China AB	559159-1523	Stockholm

NOTE 18 - OTHER CURRENT RECEIVABLES

THE GROUP

	31/12/2022	31/12/2021
Receivable sale of property	100,088	0
Other receivables	52,519	174,760
	152,607	174,760

NOTE 19 - PREPAID EXPENSES AND ACCRUED INCOME

THE GROUP

	31/12/2022	31/12/2021
Prepaid insurance	2,764	2,663
Prepaid rents	3,835	2,773
Other	70,111	45,551
Accrued income	1,691	4,464
	78,401	55,451

PARENT COMPANY

	31/12/2022	31/12/2021
Prepaid rents	2,436	2,234
Other	1,536	946
Accrued income	405	359
	4,377	3,538

NOTE 20 - EVENTS AFTER THE BALANCE SHEET DAY**THE GROUP**

In February 2023 the Group decided to start the process of liquidating Clean Combustion AB. Clean Combustion AB is a wholly-owned subsidiary to Elof Hansson International AB.

NOTE 21 - PROVISIONS**THE GROUP**

	31/12/2022	31/12/2021
Pensions and similar commitments		
Amounts at the start of the year	39,827	47,709
Provisions for the year	0	0
Amount utilised during the year	-23,672	-10,967
Conversion	4,853	3,085
	21,008	39,827
Other provisions		
Amounts at the start of the year	27,813	0
Provisions for the year	10,556	26,986
Utilized provisions	-31,850	0
Reclassification	0	814
Conversion	-963	13
	5,566	27,813
Deferred tax		
Amounts at the start of the year	29,496	12,546
Amount utilised during the year	7,440	1,059
Reclassification	0	17,172
Conversion	-1,770	-1,282
	35,166	29,496

NOTE 22 - LIABILITIES TO CREDIT INSTITUTIONS**THE GROUP**

	Loan amount 31/12/2022	Loan amount 31/12/2021
Non-current liabilities		
Liabilities to credit institutions	167	257,448
	167	257,448
Current liabilities		
Overdraft facilities utilised	357,080	28,815
Liabilities to credit institutions	305,000	50,000
	662,080	78,815
Credit granted		
Overdraft facilities granted	700,000	492,098
	700,000	492,098

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**

	31/12/2022	31/12/2021
Other non-current liabilities		
Notes payable	44,977	84,039
Other liabilities	1,617	5,230
	46,594	89,270

NOTE 24 - ACCRUED EXPENSES AND PREPAID INCOME

THE GROUP

	31/12/2022	31/12/2021
Accrued salaries and holiday pay	45,842	38,108
Accrued social expenses	26,272	23,262
Project balance on successive profit settlement	101,940	17,591
Other accrued expenses	21,513	45,819
Prepaid income	28,602	63,337
	224,169	188,118

PARENT COMPANY

	31/12/2022	31/12/2021
Accrued salaries and holiday pay	3,391	3,318
Accrued social expenses	2,537	3,070
Other accrued expenses	2,465	16,981
	8,393	23,369

NOTE 25 - PLEDGED ASSETS

THE GROUP

For own liabilities and provisions

	31/12/2022	31/12/2021
For liabilities to credit institutions		
Properties	355,000	440,118
Accounts receivable	64,163	28,814
Business mortgages	331,000	231,000
Shares	48,825	58,771
	798,988	758,703
For other non-current liabilities		
Regarding Bank Guarantees (Blocked Funds)	0	5,463
For own pension commitments (endowment insurance)	1,396	2,085
	1,396	7,548

NOTE 26 - CONTINGENT LIABILITIES

PARENT COMPANY

	31/12/2022	31/12/2021
Guarantee commitment for group companies	223,704	145,551
	223,704	145,551

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

	01/01/2022– 31/12/2022	01/01/2021– 31/12/2021
Dividends from group companies	4,456	11,049
Impairment of shares in group companies	-12,129	-10,078
Impairment of loans to group companies	-22,098	-74,703
Liquidation of subsidiaries	0	436
	-29,772	-73,296

NOTE 28 - GROUP CONTRIBUTIONS RECEIVED

PARENT COMPANY

	01/01/2022– 31/12/2022	01/01/2021– 31/12/2021
Group contributions received	47,000	45,780
	47,000	45,780

NOTE 29 - TAX EXPENSES FOR THE YEAR

THE GROUP

	01/01/2022 – 31/12/2022	01/01/2021 – 31/12/2021
Tax on profit for the year		
Current tax	-37,555	-37,784
Change in deferred tax relating to temporary differences	-7,424	-1,146
Total reported tax	-44,979	-38,930

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

		01/01/2022 – 31/12/2022	01/01/2021 – 31/12/2021
	Per cent	Total	Total
Reported profit before tax		161,984	153,204
Tax at current rate	20.60	-33,369	-31,560
Tax effect of other tax rates abroad		-1,373	-835
Undisclosed deferred tax on loss carryforwards		-6,210	-1,667
Non-deductible costs/non-taxable income		6,068	-9,761
Previous undisclosed deferred tax on loss carryforwards		-1,567	6,499
Deferred tax		-7,424	-1,146
Other taxes and adjustment of the previous year's provision for tax		-1,105	-460
Reported effective tax	27.77	-44,979	-38,930

PARENT COMPANY

	01/01/2022 – 31/12/2022	01/01/2021 – 31/12/2021
Tax on profit for the year		
Current tax	-1,211	448
Total reported tax	-1,211	448

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

		01/01/2022 – 31/12/2022	01/01/2021 – 31/12/2021	
	Per cent	Total	Per cent	Total
Reported profit before tax		-33,315		-67,290
Tax at the applicable tax rate in Sweden	20.60	6,863	20.60	13,862
Profit from interests in group companies		997		0
Non-deductible costs/non-taxable income		-9,067		-15,267
Previous undisclosed deferred tax on loss carryforwards		0		1,406
Other taxes and adjustment of the previous year's provision for tax		-4		448
Reported effective tax	20.60	-1,211	20.60	448

NOTE 30 – ALLOCATION OF PROFIT OR LOSS

PARENT COMPANY

Proposed allocation of profit

	31/12/2021	31/12/2021
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	105,934	175,776
Profit for the year	-34,526	-66,842
	249,867	287,393
Is allocated so that		
Dividend paid to shareholders is	5,000	3,000
Carried forward	244,867	284,393
	249,867	287,393

NOTE 31 - NON-CASH ITEMS

THE GROUP

	31/12/2022	31/12/2021
Depreciations as per schedule	33,250	38,775
Rate differences	-77,317	2,187
Change in provisions	4,578	29,097
Capital gain	23,992	-2,798
Recalculation pension	16,331	8,686
	834	75,947

PARENT COMPANY

	31/12/2022	31/12/2021
Depreciation	0	14
Impairment of shares in group companies	12,129	10,078
Impairment of loans to group companies	22,098	39,266
Impairment of receivable to external companies	6,028	0
Capital gain	0	-436
Rate differences	10,340	0
	50,595	48,922

NOTE 32 - OTHER NON-CURRENT RECEIVABLES

PARENT COMPANY

	31/12/2022	31/12/2021
Opening acquisition value	21,901	17,907
Additional receivables	5,271	3,995
Translation difference	3,904	0
Closing accumulated acquisition value	31,076	21,901
Opening impairment	0	0
Closing accumulated impairment	0	0
Closing reported value	31,076	21,901

NOTE 33 - RECEIVABLES FROM GROUP COMPANIES

PARENT COMPANY

	31/12/2022	31/12/2021
Opening acquisition value	551,933	609,330
Amortisation for the year	0	-57,397
Rate differences	32,562	0
Closing accumulated acquisition value	584,496	551,933
Opening impairment	-162,996	-123,731
Sales/disposals	39,266	0
Impairment for the year	0	-39,266
Closing accumulated impairment	-123,731	-162,996
Closing reported value	460,765	388,937

NOTE 34 - DEFERRED TAX ASSETS

THE GROUP

	31/12/2022	31/12/2021
Amounts at the start of the year	14,519	11,517
Amounts recognised in the income statement during the year	16	-87
Reclassification	-65	1,786
Conversion	625	1,304
	15,095	14,519

Gothenburg, 06/04/2023



Finn T. Jacobsen
Chair



Magnus Örtorp



Anette Asklin



Per-Åke Färnstrand

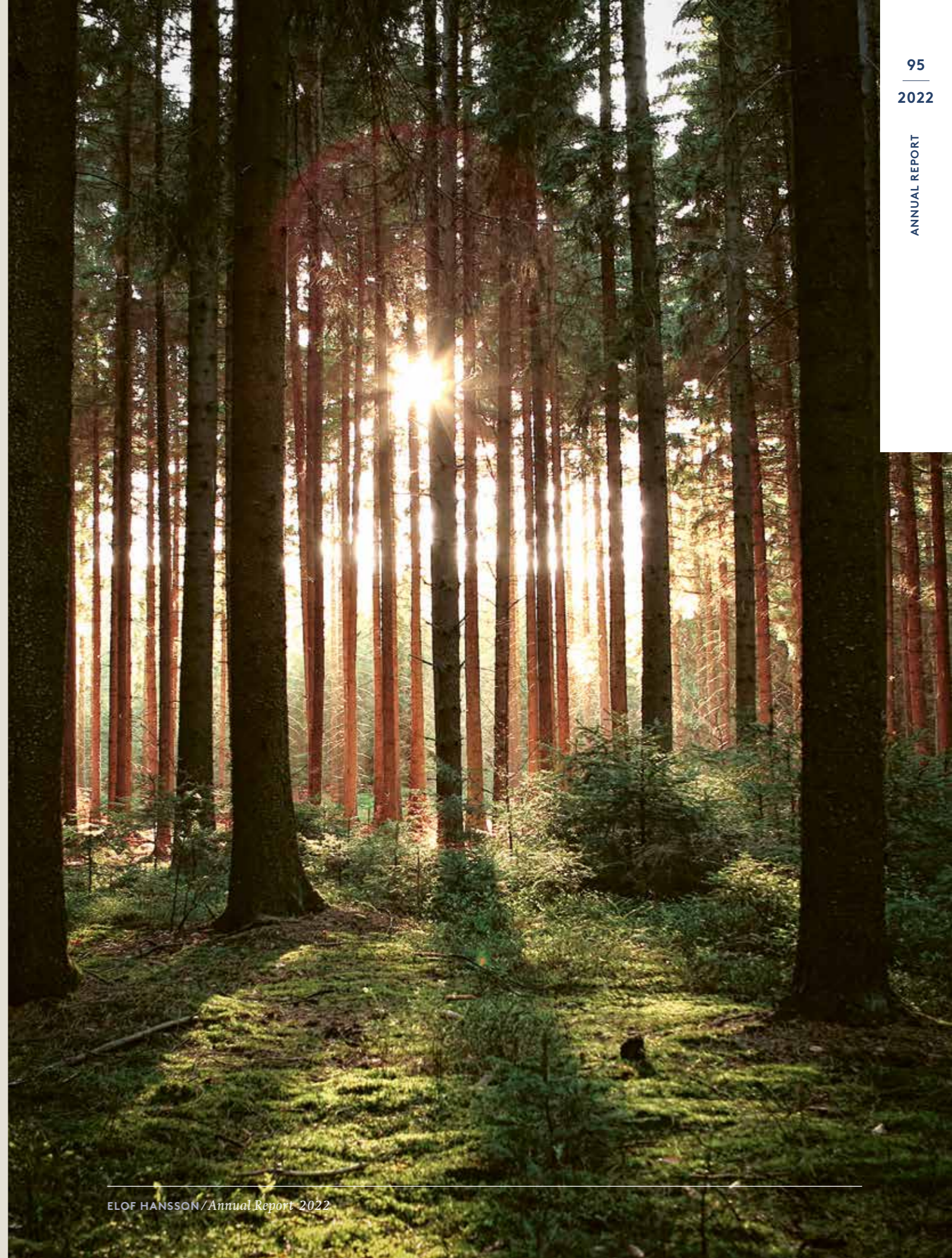


Mikael Forslund
CEO

Our auditor's report has been submitted on 06/04/2023
Ernst & Young AB



Andreas Mast
Certified Public Accountant





Board of Directors

Anette Asklin (1961)
Board member since: 2020
Education: Degree in Business Administration, School of Business, Economics and Law at the 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 Fabege AB, Jernhusen AB and member of the funding committee at the University of Gothenburg.

Finn Jacobsen (1956)
Chair of the board since: 2020
Member since: 1992
Education: Lic.oec HSG, St. Gallen, Switzerland
Main occupation: CEO African Plantations for Sustainable Development – Ghana Ltd.
Other board memberships: APSD Ghana Ltd.

Per-Åke Färnstrand (1951)
Board member since: 2013
Education: M.Sc Chem Eng KTH
Main occupation: Independent board member (Board Director)
Other board memberships: Chair of the board of BIM Kemi 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 various industries.



*IN THE PICTURE,
FROM THE LEFT:*
Camilla Hansson Ahlbom,
Magnus Örtorp, Peter Hentz
and Finn Jacobsen.

Elof Hansson Foundation

Elof Hansson is owned by the *Elof Hansson Foundation*. The foundation gives support to academic education and research, as well as 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:
Peter Hentz (1945)
Chair, Member since: 2007

Finn Jacobsen (1956)
Member since: 2015

Magnus Örtorp (1968)
Member since: 2016

Camilla Hansson Ahlbom (1975)
Member since: 2010

FUNDING:
The foundation distributes grants to institutions such as:

- ↘ Chalmers University of Technology, Supply and Operations Management
- ↘ INSEAD
- ↘ University of Gothenburg, School of Business, Economics and Law
- ↘ Swedish Chamber of Commerce for the UK
- ↘ The Sweden-America Foundation
- ↘ INSEAD
- ↘ London Business School
- ↘ Act Church of Sweden

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125 years in the trade. Swedish merchant *Elof Hansson* started the company in 1897 in Hamburg, Germany, and quickly found his niche: pulp for transatlantic export. Sales increased rapidly, and business expanded to other countries, with a new phase of expansion in the post-war period. After Elof Hansson passed away in 1955, his sons took over. The youngest, Bo-Elof Hansson, has donated the majority of his shares to *the Elof Hansson Foundation*. Today, *the Group* stands stronger than ever, looking ahead to the future.



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