

# 2023

ELOF HANSSON  
HOLDING AB

Annual  
Report



*Elof Hansson*





# 2023

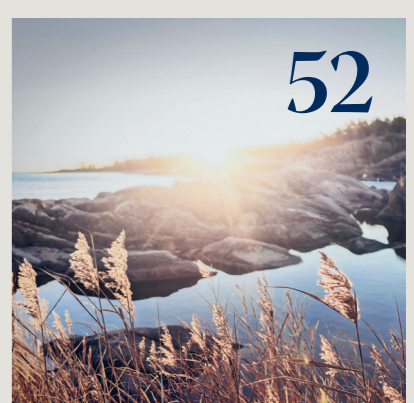
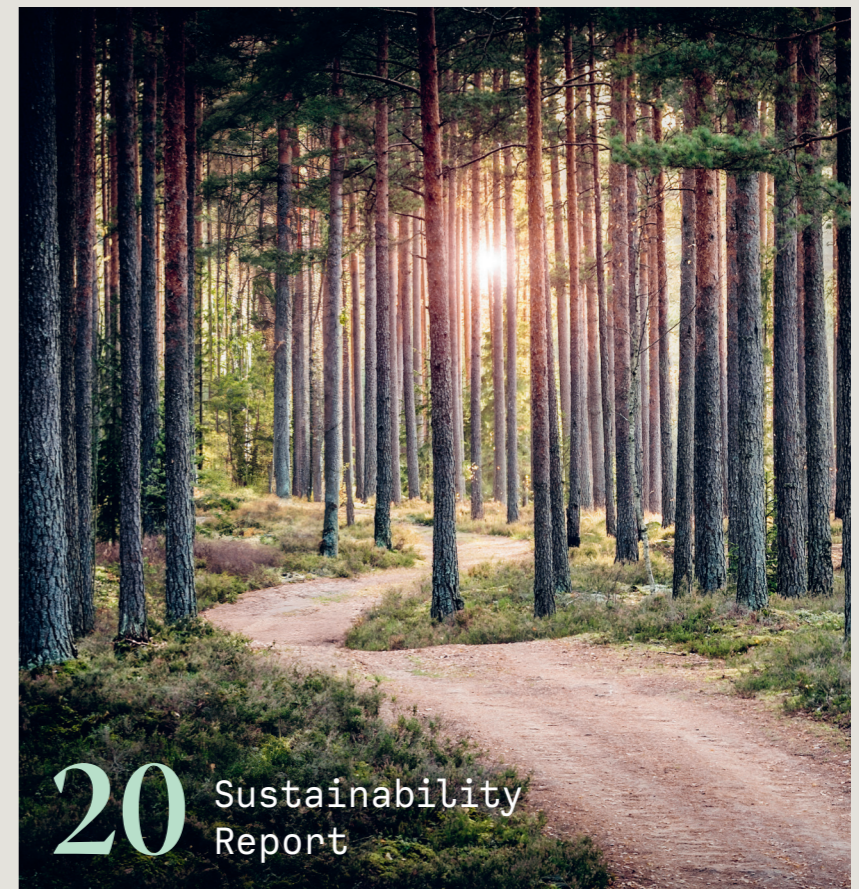
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Report

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# “We will be in a good market position when the tide turns”

**WHEN THE WORLD** is changing rapidly, and we are facing wars, inflation, and slow economies, it is important to be a flexible, sharp, and stable company. In combination with this, we need to prepare for the future and make sure that we are in a good market position when the tide turns.

One of our directives from *the Board* for 2023 was to have “all companies in black,” meaning no companies within **the Group** can present a negative result. Therefore, we have taken the opportunity to do some reconstruction within **the Group**, focusing on the US. The efforts we have made have proven to produce positive results.

Amidst the uniqueness of this year, we've successfully shown that **Elof Hansson Trade** is the locomotive of our **Group**. **Trade** has handled more tons of products than ever before. Showing that the more unstable the world is, the more we as a trading house can be useful. Balancing rising supplies and declining demand, ultimately achieving a stellar year-end result. **Elof Hansson International** ends 2023 with a steady portfolio of projects, and the partnership with **Scania** to have biogas-driven buses is progressing well. During the year, **Elof Hansson Properties**'s certification of existing properties according to SGBC is progressing well and we aim to have 100% certified properties in 2024. Furthermore, they signed a contract with a construction company for *Global Business Gate*, which means that yet another milestone has been reached.

**IDENTIFYING POTENTIAL SYNERGIES** within the internal network has been one of the focus areas for 2023, fostering smart and sustainable solutions. The trading expertise of the

former, coupled with the extensive experience in large international projects of the latter, positions us to expand and deepen our contribution to the value chain. We have a tremendous network to stand on, and I believe that it will be useful for even more than what we are doing today.

Our people are **Elof Hansson**. We rely on our common knowledge, our innovative ideas and our drive to create, identify and facilitate business deals. To grow and develop **the Group**, we have been focusing more than ever on the future. What is the future for **Elof Hansson**, what does the future of a trading house look like in 10 years and beyond, and what position do we want to take? This way of thinking has been, and will be, key in the organization going forward. I believe that by embracing a long-term concrete goal, we strive for continual improvement across all departments and business units, always seeking new opportunities.

**IN A WORLD OF** uncertainties, **Elof Hansson**, with more than 125 years of entrepreneurial expertise, thrives as a reliable business partner. We navigate challenges, find solutions, and build relationships that benefit all parties involved.

I am thankful that we have an active *Foundation* and *Board* that give directions and support growth. We are now laying down a multiyear strategy, focusing on our core business of trading. That is what I take with me into 2024 and beyond.



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.* We have more than a century’s worth of *solid experience* in trading all over the world; a world that is changing at an ever faster pace. This requires an agile mindset that can quickly hone in on *the optimal solutions for meeting the needs* of our partners and customers.

## 16

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.

## 41

Countries with Agents

Agents are valuable partners in our markets and they play a very important role for us to maintain solid business and local knowledge.



## 184

Employees Worldwide

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



## 770

MUSD in Sales

“Steady growth in our revenue is a testament to our company’s progress and success” — Annette Jonasson, CFO Elof Hansson Holding AB.

## 37.8%

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.

→ “Creating solutions for our customers is always a team effort. Through combining the power of local relationships with *Elof Hansson’s* global presence, we deliver tailored solutions to anywhere from anywhere on the planet.”

— Adam Bohatko, Managing Director, Elof Hansson Australia

# 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 stocklots.

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: 853.712  
Turnover: 746 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

No. of square meters: approx. 30 000  
Turnover: Appr. 7,8 MUSD  
Founded: 2012



## International

**Elof Hansson International** focus on sustainable projects in areas such as clean water, renewable energy, infrastructure, education, and healthcare. We assist our clients in getting long-term financing for projects that support the *UN Agenda 2030* sustainable development goals.

With decades of experience in project financing, we deliver projects in collaboration with companies and institutions with which we share common values and ambitions.

### INTERNATIONAL IN NUMBERS

Number of projects: 4  
Turnover: 16 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*. Deploying a wide range of competencies – from shipping, procurement and enabling financing solutions, to assessing and mitigating credit, commercial and political risks – we ensure that *whatever project* we take on will *run as smoothly as possible*.

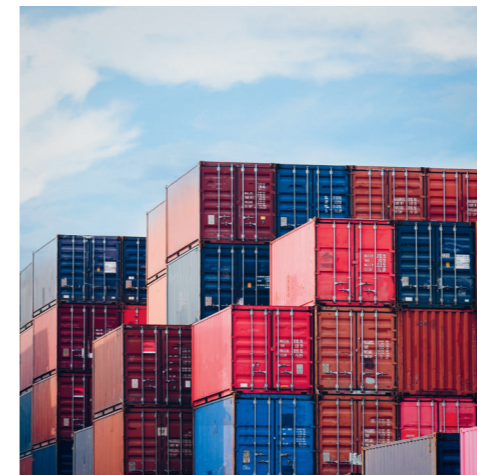
## Added Values

### SUSTAINABLE LOGISTICS

Sustainable logistics is our responsibility and an integral part of a compliant and enduring business.

We challenge carriers for collaborative solutions, we manage in-house transport efficiently, and we support research via the *Elof Hansson Foundation*. Addressing global carbon emissions, we prioritize sea deliveries and maximize container capacity for environmental efficiency.

Elof Hansson engages carriers in discussions and encourages investment in vessels for zero emissions by 2050. In 2024, the EU will introduce a "cap and trade" principle for ocean transport, an instrument for reducing greenhouse gas emissions at the lowest possible economic cost. Logistics costs remain significant, prompting discussions on emission trading with suppliers and customers. Small steps, like transitioning inland flows from truck to rail in 2023, are vital for reducing our footprint. We actively contribute to developing a sustainable supply chain, challenging the status quo with our partners.



### TRADE FINANCE SERVICES

Professional and committed to safeguarding every business transaction.

Elof Hansson conducts trade in more than 100 countries worldwide with varying degrees of political and commercial risk. To be successful, we must have a good understanding and the capacity to meet our partners' demands in the supply chain. One of the value-adding activities we offer is the ability and readiness to meet our partners' requests for 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. We maintain and build sustainable and long-term relationships with our partners, such as banks and insurance companies.



## 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 majority of the profit remains 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.

## COMPLIANCE

Encapsulating a proactive stance toward ethical business practices.

We take great pride in our compliance work, and we recognize our responsibility to pioneer a sustainable future. Our dedication extends beyond legal requirements, encapsulating a proactive stance towards ethical business practices, transparency, and meaningful stakeholder engagements. In our steadfast commitment to sustainability, we have integrated sustainability into our vision and our business strategy. This commitment underscores our dedication to fostering long-term, positive impacts on both the business landscape and the broader global community. We consider compliance a vital service that adds tangible value to our partners and the communities in which we operate.



### “This will foster a more sustainable supply chain”

**IN CONVERSATION**

**Name:** Myo Chaw  
**Age:** 45  
**Title:** Financial Manager  
**Office:** Singapore

*You have helped develop a new financial facility. Tell us more!*  
“Elof Hansson is striving to meet or even surpass our sustainability targets to achieve a positive impact on the environment and society. So, Elof Hansson has taken steps to integrate green financial solutions into the treasury KPIs, by working closely in partnership with HSBC – one of the largest banks in the world – to establish a converted sustainable trade finance instru-

ment. Their expertise in sustainable finance will ensure the success of this initiative.”  
**What will this mean in practice?**  
“We can offer customers and suppliers an end-to-end transition to sustainable supply chain solutions. The financial facility is now being put to use to support the procurement of FSC®-certified pulp from carefully selected mills. This will be a crucial part of fostering a more sustainable supply

chain for the sourcing of forest products for the pulp and paper industry.”  
**How do you feel personally about this?**  
“I’m incredibly proud to be a part of this collaboration! It’s exciting to work for a company that is committed to sustainable and responsible practices. Green facilities help to reduce negative impacts on the natural environment. And I know that HSBC is also proud to be working with Elof Hansson.”



# GLOBAL INNOVATIONS



## Elof Hansson Innovation Fund

Elof Hansson Innovation Fund was initiated in 2022 by the Board of Directors for Elof Hansson Holding AB. The fund is designed to foster and empower novel business concepts aligned with our commitment to sustainable growth. With dedicated resources, we delve deeper into innovative ideas. Throughout 2023, numerous innovative concepts surfaced, yielding successes like **Fibu**. Currently, we're actively exploring other inventive ideas, a journey that will continue. This fund inspires a fresh mindset, encouraging adaptive approaches to our processes, both internally and externally within the markets we operate in.



## Fibu

Global plastic pollution poses a universal challenge. Mitigating its environmental impacts requires a critical step: reducing plastic use. **Fibu** has developed a sustainable alternative to fossil-based foams. The vision is to replace synthetic foams with innovative wood fiber foam. The material is 100% renewable, biodegradable, recyclable, and reusable. "Thanks to Elof Hansson's investment, we have extended our reach and can convey our sustainability message and product to a broader audience. Moreover, we have been able to advance the development of our products and processes. We are committed to growth – delivering sustainable solutions of the highest quality – with Elof Hansson as our reliable partner."

— Majid Alimadadi, CEO Fibu

Through our network formed by the headquarters in Gothenburg, Sweden, and subsidiaries and agents in more than 100 countries on six continents, we find the best solutions. *Wherever you may be.*



## Solar in Angola

In Angola, seven solar plants are poised to supply renewable energy to millions, simultaneously curbing reliance on diesel generators. Elof Hansson International has adeptly handled the intricacies of this sustainable project, streamlining purchases and coordinating deliveries, includ-

ing materials like Swedish steel for Photovoltaic Solar Energy Plants, buildings, and fences. Additionally, the initiative involves the installation of CSR equipment such as street lighting and the provision of further enhancing its social impact towards a better future.

# GLOBAL BUSINESS GATE

**GLOBAL BUSINESS GATE**, slated for construction over ground in 2025, is a unique concept designed to promote international business and trade. *Global Business Gate* is a collaboration between **Elof Hansson Properties** and **Alecta** and will consist of two buildings. The buildings will become a hub, gathering a variety of tenants with an interest in furthering international business. Placing it in Gothenburg is no coincidence – from its founding days, the city has been built on international trade, and it has the largest harbor in Northern Europe. The historic setting, and the roots and inheritance of **Elof Hansson**, ensures that the property *Global Business Gate* will aid and support commercial businesses into the future. And at the same time sustaining and confirming the aim of its mother city – Gothenburg, the sustainable city that opens to the world.

The most notable building will be a 26-story high-rise. The first floors will be used for service, seminars and events. On the seventh floor, a common food court for tenants opens up to a large west-facing terrace, and on the twelfth floor, there is a gym dedicated to one of the membership levels of tenants. These informal meeting points will hopefully lead to the building of trust and the spontaneous exchange of ideas. The sister building, located by the canal connecting the harbor with the city center, will be lower, with 12 floors, and will have cafés and restaurants at street level, with offices on the upper floors. Office spaces will be flexible, adaptable to tenants' needs, and easily enlarged or reduced. In all, the two buildings will provide up to 2,500 workplaces.

**GLOBAL BUSINESS GATE** will act as a physical and digital meeting point between tenants, other

*Global Business Gate* will be a beacon and haunt for companies and organizations engaged in *international business and trade*. A mix of tenants with vested interests in international trade is rising on a new peninsula on the river in Gothenburg. Scheduled to open in 2027, it will serve as a hub and meeting place to *create new business opportunities* in the region.

interested parties and the public. The concept builds on and will strive to cluster a good mix of tenants who all have an interest in furthering international trade. From trading houses, financial institutions, law firms, communication agencies and IT companies to NGOs and government agencies – possibly even startups and business incubation opportunities.

It can be thought of as a science park, but for international trade, and will complement the other science parks in the region. By creating natural meeting places and encouraging networking and exchanges, the objective is that *Global Business Gate* will become a meeting place that generates synergies, new ideas and fresh opportunities for sustainable business in the future, strengthening the region. A lively rendezvous for cosmopolitan business, expats, students and the nearby culture scene will make *Global Business Gate* a 24/7 meeting place.

## SUSTAINABLE SOLUTIONS

*Global Business Gate* aims to be certified according to BREEAM Excellent. The buildings will be optimized for energy efficiency, with solar cells and battery storage to help shave energy consumption peaks. The basement, which will be below the river water level, will have to be constructed using traditional concrete. The upper floors will use greener concrete with a lower carbon impact.

## THE NEW PENINSULA

*Global Business Gate* will be built on a new peninsula currently being constructed on the south bank of the Göta river at Masthuggskajen near the Järntorget public transport hub. The developer is **Älvstranden Utveckling**, a company wholly owned by the City of Gothenburg, and the peninsula is a key component of the city's plans for development of the former docks of the south bank. The peninsula dimensions will be 200 meters by 150 meters, containing properties constituting a mix of residences and commercial spaces. It will take the form of a deck resting on around 2,000 pillars of either concrete or steel, with a concrete sea wall protecting the properties from floods and future rises in sea level.

## ACTIVE TENANTS

Keeping the concept alive will take an effort, not only from **Elof Hansson** but from the other tenants as well. Finding the right mix is essential, and tenants need to uphold certain standards. Tenants will be required to

network, arrange seminars and share best practices, cases and experiences for the benefit of other tenants as well as the public. An important role for *Global Business Gate* will be to catalyze the expected synergies.



# SUSTAINABILITY REPORT

*“Elof Hansson Group is committed to sustainable growth, focusing on environmental, social and governance issues. The Board takes its role seriously in ensuring that this is part of our strategy, recognizing its necessity for a meaningful transition in the industry. Without it, we cannot be part of the transition needed and where everybody will have to contribute.”*

— Finn Jacobsen, Chair of the Board, Elof Hansson Holding AB.

# A Sustainable Elof Hansson

**SUSTAINABILITY WORK IS** a big business opportunity for Elof Hansson and remains a priority on our agenda, as it has been for many years. Our success depends on our ability to generate value that aligns with the desires and requirements of our stakeholders while considering the economic, environmental, and social implications of creating such value. Consequently, sustainability efforts at Elof Hansson must be characterized by a focus on the long-term outlook. Our ambition is for our efforts to predominantly yield benefits within the processes we can directly influence.

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 our 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 significant impacts of activities and busi-

ness relationships on the economy, environment, and people, including impacts on human rights. The full *GRI Index* can be found at [www.elofhansson.com](http://www.elofhansson.com). Unless stated otherwise, the data refers to our fiscal year January 1, 2023, through December 31, 2023. The report includes all subsidiaries and divisions that Elof Hansson consolidates in its 2023 annual financial statements.

**WE CAREFULLY OVERSEE** a spectrum of regulations, including those at national, EU and global levels. Proactive monitoring ensures our readiness for future adaptations, enabling us to align our reporting practices accordingly. Moving forward with our sustainability reporting in the upcoming years, our primary focus will revolve around the *EU Corporate Sustainability Reporting Directive (CSRD)*, which will standardize future reporting procedures along with the adaptation to *ESRS standards* (European Sustainability Reporting Standards). Key considerations will include the principles of double materiality and the constructive dialogues with key stakeholders that have already begun and are expected to be presented in the reporting for the 2025 fiscal year.

## Green Financial Solutions

Elof Hansson has partnered with HSBC and successfully established a recently converted sustainable trade finance instrument. By doing this, we've been able to leverage their expertise in sustainable finance to continue driving real, meaningful change in our operations and throughout our supply chain. This innovative financial facility is used to support the procurement of FSC®-certified pulp from carefully selected suppliers and mills. Our approach is a crucial part of our commitment to fostering a more sustainable supply chain within the sourcing of forest products for the pulp and paper industry, a field where responsible practices are vital. This exemplifies the critical role that strong partnerships and collaborations play in advancing sustainable development. Read more about adding financial and sustainable value through this collaboration on page 15.



## Research Grants

The Elof Hansson Foundation is pleased to continue its commitment to the allocation of research grants aligning with the current societal demands for sustainable development through the *Elof Hansson Visiting Professor Programme in International Business and Trade* at the University of Gothenburg. Read more on page 47.

## Circular Solutions

At Elof Hansson International, we are co-operating with Scania Group to combine biogas facilities with biogas buses. It is incredibly important that we stop using landfills around the world. Read more about this project on pages 44–45.



## Measuring Emissions

In 2023 we initiated the measurement of our emissions. This is crucial for our future sustainability work and allows us to comprehensively understand and mitigate our environmental impact. By quantifying

our emissions in different scopes, we can effectively identify areas for improvement and set concrete goals to minimize our carbon footprint. This will be presented in future reports.

# Company Overview

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

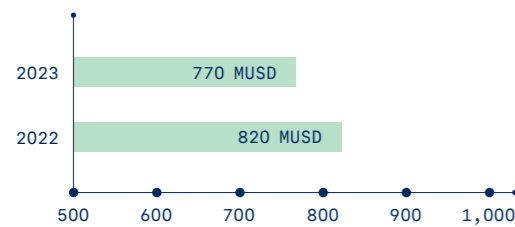
Elof Hansson is owned by *Elof Hansson Foundation*, and the ownership structure allows us entrepreneurial freedom with a strong focus on business development. We aim to be a role model for sustainable business, and we have the vision and courage to create change. *Trade, International and Properties*, all contribute to *the Global Goals of the United*

*Nations.* They complement each other and reduce the total risk for **the Group.**

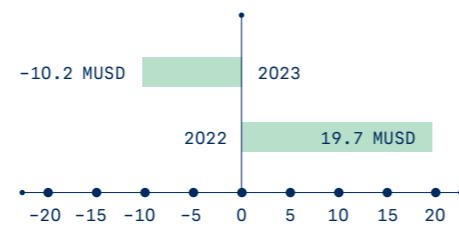
**WE CONDUCT BUSINESS** in more than 100 countries through subsidiaries and agents. **The Group** consists of 184 employees and 16 global offices, with headquarters in Gothenburg.

**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 sustainably. The strict financial targets make us a reliable business partner for the long term.

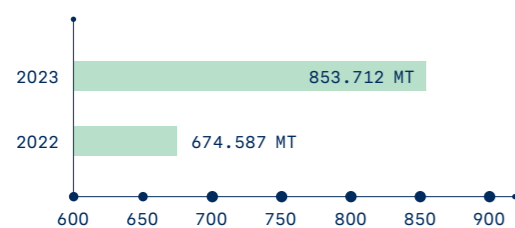
Group Revenue



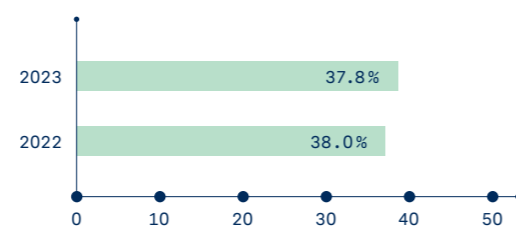
Earnings Before Interest and Tax



Tons of Sales



Equity



# At a Glance

North America

**9**  
OFFICES  
AND AGENTS  
**4**  
EMPLOYEES

Europe

**15**  
OFFICES  
AND AGENTS  
**97**  
EMPLOYEES

Middle East

**7**  
OFFICES  
AND AGENTS  
**0**  
EMPLOYEES

Latin America

**17**  
OFFICES  
AND AGENTS  
**21**  
EMPLOYEES

Africa

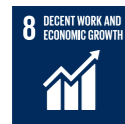
**9**  
OFFICES  
AND AGENTS  
**0**  
EMPLOYEES

Asia & Australia

**54**  
OFFICES  
AND AGENTS  
**62**  
EMPLOYEES

# SUSTAINABILITY AT ELOF HANSSON

*Elof Hansson* plays an important role in contributing to the *UN Sustainable Development Goals*, with a strong focus on goals 8, 9, 11, 12, 13, 15, and 17. We are committed backers of the *UN Global Compact* and actively engage in partnerships and cooperation to overcome global challenges.



### Our Contribution

Fostering decent work practices and fair economic growth is important for us. We do business with and support both small-, medium-, large-, and community-based companies in different geographical markets including through access to our products and services, new markets and financiers.

### Challenges Moving Forward

We recognize that balancing economic growth with environmental and social sustainability is a complex challenge. Being a global company with a global value chain brings challenges in ensuring decent work conditions and labor rights across complex and geographically dispersed operations. To tackle these challenges, we invest in employee training and development, enforce policies, and conduct due diligence.



### Our Contribution

We promote and facilitate sustainable and resilient infrastructure development, particularly in developing countries, through *Elof Hansson International's* projects. By ensuring a substantial part of Swedish content in the projects, we help realize the projects, including access to financial services. You can read more about some of these projects on pages 43–45.

### Challenges Moving Forward

Our projects come with challenges requiring a balance of sourcing with ethical considerations. To tackle these challenges, we actively involve relevant stakeholders and work closely with partners, ethical supply chain management through due diligence, risk assessments and code of conduct, as well as providing training and education for our employees.



### Our Contribution

*Elof Hansson* develops, owns, and manages sustainable properties. We are one of the driving forces behind the transformation of Gothenburg into a more environmentally friendly city through our involvement in the urban development project *Masthuggskajen*. The building *Global Business Gate* will, for example, create an environment that cultivates networking, innovation and knowledge exchange and contribute to the improvement of the business community.

### Challenges Moving Forward

Urban areas consume a significant portion of resources, and urbanization can lead to environmental degradation. Therefore, resource efficiency is important to us. To tackle these challenges, we perform carbon impact calculations and select recycled and environmentally friendly materials aimed at reducing environmental impact from our properties.



### Our Contribution

*Elof Hansson Trade* buys and sells renewable products from the forest, and we help customers replace fossil-based alternatives. We work to reduce waste by, among other things, buying leftover materials that others won't buy and helping customers find solutions on how to use them. For the circular economy to be sustainable, it must be based on renewable and natural resources. The forestry sector and *Elof Hansson Trade* are therefore playing a key role.

### Challenges Moving Forward

While we promote renewable products and facilitate the transition away from fossil-based alternatives, we recognize that challenges persist to ensure responsible consumption and production. One significant challenge arises from the complexity of global supply chains within our industry. Ensuring that all aspects of our supply chain adhere to ethical and environmentally friendly practices remains a continuous challenge which is why collaborations, requirements, and a steadfast commitment to sustainability throughout our operations and supply chain, are vital components of our work.



### Our Contribution

We always encourage the use of sustainable and carbon-efficient products that can reduce the carbon footprint and we work actively to reduce our footprint through, among other things, optimizing transportation and logistics, reducing waste and improving energy efficiency. Through our properties and projects for example, we invest in the use of renewable energy sources to reduce carbon emissions. You can read more about these projects on pages 18, 19 and 43.

### Challenges Moving Forward

As a trading house with no own production, it is a challenge to ensure energy efficiency in all parts of the value chain, from production, and transportation through end use and the recycling phase. We are tackling these challenges by supporting the development of advanced technology for more sustainable solutions, optimizing transportation and logistics, reducing waste and improving energy efficiency. We have started to measure our emissions in our different scopes and moving forward we will set targets to reduce them.



### Our Contribution

Sustainable forestry helps preserve and protect animal habitats and plantations that do not contribute to habitat loss. We are committed to ensuring that our paper and pulp come from sustainably managed forests, therefore, we prioritize sourcing products from responsibly managed forests. For over a decade, *Elof Hansson Trade* has maintained traceability certifications like *FSC®* (FSC-C074512), *PEFC* (PEFC/05-37-289) and *RCS* standards, and we prioritize compliance with clear requirements on our suppliers (supplier guidelines) and code of conduct.

### Challenges Moving Forward

While our traceability certifications and supplier guidelines help to ensure that our paper and pulp products originate from responsibly managed forests, the threat of deforestation and habitat degradation still exists and is a challenge in our industry. Ensuring compliance with our sourcing requirements also demands continuous monitoring, evaluation, risk assessments, alignment with international standards, and transparency throughout our supply chain. This underscores the importance of our commitment, making it an integral part of our work.



### Our Contribution

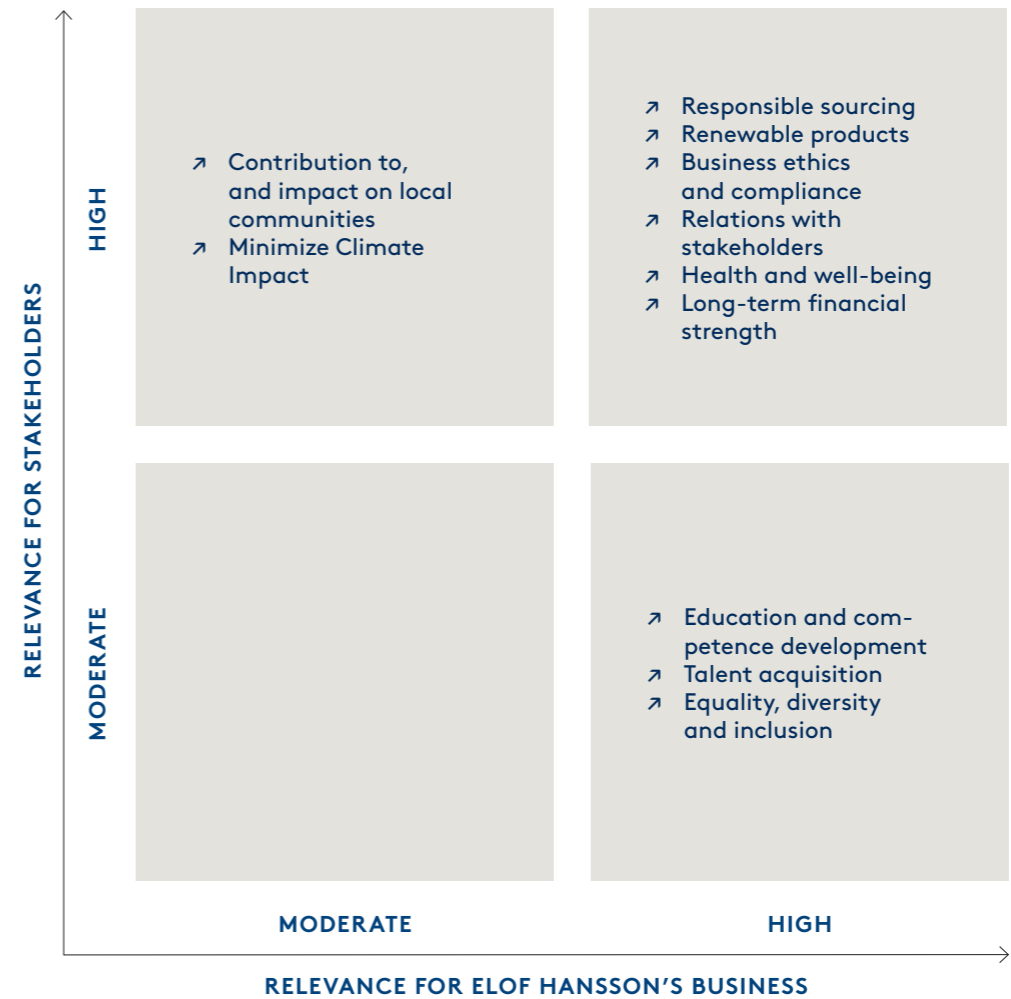
Since 1897, we have built long-term and strong relationships with our business partners. Together with our partners, we can carry out projects, businesses, and revitalize the global partnership for sustainable development in developing countries. All our projects involve multi-stakeholder partnerships with suppliers, customers, financiers, insurance companies, etc.

### Challenges Moving Forward

Ensuring accountability and transparency in partnerships is crucial to building trust among partners and achieving sustainable outcomes. Therefore, our partners must share our vision that sustainable operations are the foundation for long-term profitability. Partnerships often require a wide range of expertise and capacity. At *Elof Hansson*, we always do our best to not only meet but also surpass our stakeholders' expectations of us.

# MATERIALITY ANALYSIS

*At Elof Hansson we evaluate materiality topics with colleagues, management, and stakeholders, which is part of the basis of Elof Hansson's sustainability strategy. The purpose is to align our goals and initiatives to make sure that our sustainability strategy is following our objectives.*



## → Elof Hansson's Materiality Analysis

ELOF HANSSON'S FIRST materiality analysis was carried out in 2022. The purpose was to identify our most material sustainability topics and use them as the basis for our sustainability strategy.

This year, we did a smaller update on our materiality analysis to make sure that we identify, assess, and prioritize the most significant environ-

mental, social and governance issues. Conducting a materiality assessment helps us ensure that we report on the issues that are material to our performance and impact. The purpose was to align our goals and initiatives to make sure that our sustainability strategy was following our objectives.

**WE IDENTIFIED** the material impacts and topics for us in our

operating environment through different workshops with our own experts in our different business areas. The stakeholder perspective is based on our continuous and ongoing discussions and dialogues with our different stakeholders and their expectations.

In preparation for reporting according to regulations such as CSRD, we will do a more comprehensive double materiality ana-

lysis using a broader range of research tools, making sure that the materiality of the sustainability topics is assessed over the entire value chain and over all time horizons, and that we are evaluating probability and consequence of the impact of the risks that are evaluated. The methodology, different parameters, and research tools will be presented as well.

# SUSTAINABILITY TARGETS

Based on our materiality topics, here are *Elof Hansson's* sustainability targets.

FOCUS AREA	TARGETS	PROGRESS IN 2023
Responsible Sourcing	It is our responsibility and goal to ensure that our 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.
Minimize Climate Impact	Our goal moving forward is to set up targets and a plan to reduce our emissions.	During 2023 we started to set up a process for measuring our scope 1, 2 and 3 emissions to help us set up a plan to reduce them.
	For our properties our goal is to have 100% of the property portfolio environmentally certified by 2023.	50% of the properties have been environmentally certified during 2023. We therefore aim to have 100% certified properties in 2024.
	We have a goal of reducing energy consumption by 50% from 2017 to 2025 at our headquarters in Gothenburg.	We have reduced our energy consumption by 24% since 2017.
Renewable Products	We do not have any targets on this topic as of 2023 but our goal is to set up a relevant target for this topic moving forward.	Elof Hansson Trade buys and sells renewable products from the forest. We continue to look for new opportunities that promote a circular economy.
Contribution to and Impact on Local Communities	Our target is for at least 90% of the projects Elof Hansson International is engaged in to meet at least two of the 17 global goals of <i>Agenda 2030</i> .	100% of Elof Hansson International projects meet at least two of the 17 global goals of <i>Agenda 2030</i> . We measure the number of projects that contribute to the UN development goals in relation to the total number of projects.

	<i>Elof Hansson Foundation's</i> purpose and goal is to keep donating to different specific scientific research institutions and organizations helping the most vulnerable people in our society.	In 2023 <i>Elof Hansson Foundation</i> has donated to 5 scientific research and different support organizations.
Talent Acquisition	For talent acquisition, it is crucial that we ensure employee satisfaction, ensuring that we stand out as an attractive employer. Our goal is to have an eNPS number of at least 32.	During 2023, we had an eNPS number of 37. An increase of 37% since 2022.
Health and Well-being	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 2023 we had an average sick leave of 1.7% in Sweden.
	Our aim is to have 0 workplace injuries. All employees receive safety training, such as fire training, on a regular basis.	1 workplace injury were reported during 2023. Necessary measures have been taken to avoid future injuries.
Education and 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
Equality, Diversity and Inclusion	The goal is to have an equal gender balance within <i>extended management team</i> and the company as a whole.	In 2023, there was 58% men and 42% women in the <i>extended management team</i> and 55% men and 45% women in the company as a whole.
	Our goal is to maintain a diverse workforce in terms of age in order to ensure diversity and inclusion.	In 2023, 23.5% of all employees in Sweden were under the age of 30, 37.5% were in the ages between 30–50, and 39% were 50+.
Business Ethics and Compliance	Our target is for 100% of our employees to have read and signed our <i>Code of Conduct</i> .	In 2023, 100% of Elof Hansson Group's employees have read and signed our <i>Code of Conduct</i> .
	Our goal is for 100% of our employees to have completed our mandatory compliance e-learning course regarding anti-corruption and bribery prevention, and embargoes and sanctions.	88% of all employees completed our e-learning course in anti-corruption and bribery prevention, and 86% of all employees completed our e-learning course in embargoes and sanctions.
Long-term Financial Strength	A strong balance sheet with a high equity ratio provides financial sustainability and conditions for achieving the other sustainability goals. Our target is to have an equity ratio greater than 35%.	Our 37.8% equity ratio in 2023 exceeds the target and is also expected to exceed the target going forward.
	By 2025, our goal is to achieve 50% green loans to enable access to additional capital for sustainable business and projects.	In 2023, we achieved 0% green loans, but we are working on reaching the goal prior to the target of 2025.



# ENVIRONMENT

## Discover our *commitment* to environmental *sustainability* amid global environmental *challenges*.

**IN A WORLD FACING** unprecedented environmental challenges, the role of our industry in sustainable development has never been more crucial. Elof Hansson recognizes the responsibility we bear in the preservation and steward-ship of our planet's vital resources. This section of our sustainability report outlines our commitment to environmental sustainability.

Our commitment to sustainability extends beyond our own operations. We understand that the origin of our products profoundly impacts the overall health of our ecosystems. We are dedicated to promoting and practicing responsible sourcing throughout our supply chain. Elof Hansson's *Supplier Guidelines* and *Code of Conduct* are used to establish clear expectations and ethical standards for suppliers and partners.

**WE UNDERSTAND THAT** forests are not merely a source but a sanctuary for biodiversity and a source of livelihood for countless communities. We work closely with our suppliers to ensure that the wood and paper products are derived from sustainably managed forests, safeguarding the ecosystems that our opera-

tions depend on. Therefore, forestry certifications are a very important part of our work to protect forests, ecosystems and biodiversity. For a decade, Elof Hansson Trade has maintained traceability certifications by FSC®, PEFC and RCS standards.

Mitigating climate change is a pressing global challenge. We recognize that our industry can have a significant carbon footprint. Even as a trading house without our own production, we still need to lower our energy consumption and carbon footprint, which mainly comes from the products and services we source, transportation of our products, our travel, and our offices. To address this, we have started calculating our emissions, and moving forward, we will set concrete goals and plans for how to achieve them.

**WE ACTIVELY INCORPORATE** renewable energy sources, such as solar panels, into our projects and facilities. We want to contribute to the development of a sustainable energy infrastructure. In our properties, energy efficiency is a priority, and our properties are equipped as needed after doing calculations for energy optimization and waste reduction.

# 50%

## Environmentally Certified Properties

Our goal is to have all of our properties environmentally certified.



# 0%

## Green Loans

By 2025, our goal is to achieve 50% green loans to enable access to additional capital for sustainable businesses and projects.

# 87%

## European Sourcing

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

# -7%

## Our Waste

Since 2022 our waste has gone down by 7%.



# 24%

## Reduced Energy Consumption

Our goal is to reduce the energy consumption at our headquarters in Gothenburg by 50% from 2017 to 2025.

# 100%

## Sustainable Projects

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



## EU Taxonomy

The EU Taxonomy serves as a crucial framework for classifying environmentally sustainable economic activities, offering clear guidance for businesses committed to reducing their environmental impact.

AS A TRADING company in the forest industry and a facilitator for sustainable infrastructure projects, several aspects of the *EU Taxonomy* are directly relevant to our operations. Specifically, we will need to ensure alignment with the EU Taxonomy's criteria related to our business areas and practices. We understand the

responsibility we bear in ensuring that our activities conform to these standards. Moving forward, we are committed to diligently report by upcoming regulations such as CSRD and the EU Taxonomy. We will continue to report according to the standards and guidelines developed for our operations.



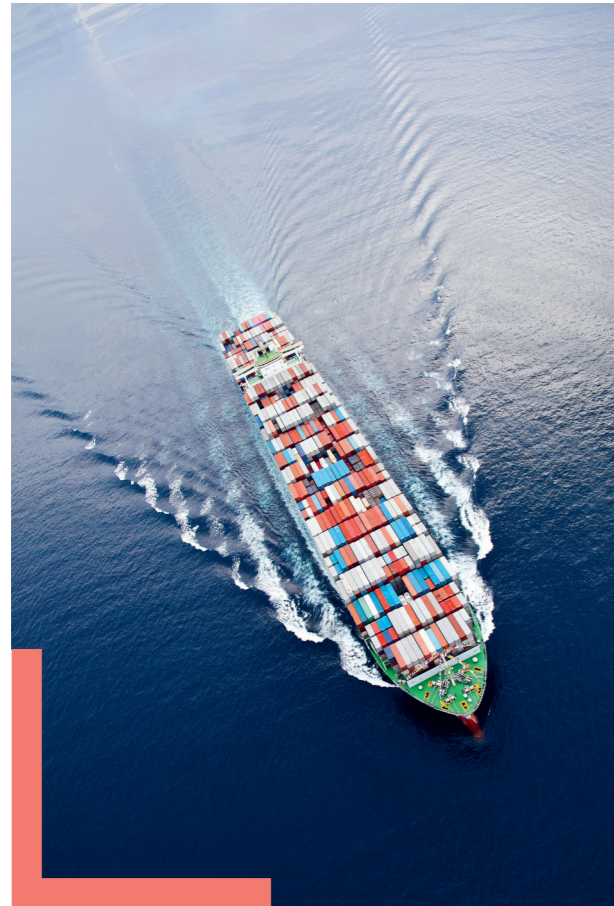
## Optimizing Logistics

WE RECOGNIZE THAT as a company without its own production, one of our primary environmental impacts arises from our transportation and logistics operations. We move the majority of our goods via ocean transport, making this aspect of our business a focal point in our sustainability efforts.

Ocean transportation is a cost-effective and energy-efficient choice, given the vast cargo capacity of ships. However, with this efficiency comes a responsibility to minimize the environmental footprint of maritime operations. We aim to mitigate our impact on the marine ecosystems by actively ensuring that we are working with carriers that have sustainability as a top priority, challenging our carriers by questioning, requiring and jointly endeavoring to find solutions, as well as actively choosing not to work with shipping companies that do not meet our requirements.

Furthermore, we are committed to embracing multi-modal transportation as an integral part of our logistics strategy. This approach not only enhances the efficiency of our supply chain but also significantly reduces carbon emissions. By seamlessly integrating sea, rail, and road transportation, we can optimize routes, decrease road transport, and further decrease our environmental impact.

WE NOT ONLY focus on optimizing our transportation and logistics but also actively support the development of advanced technology and research aimed at achieving more sustainable transportation solutions. Recognizing the critical role that technology and innovation play in reducing the environmental impact of the transportation sector, *the Elof Hansson Foundation* allocates a portion of its donations to support researchers and scientists working on groundbreaking projects with innovative solutions to make the movement of goods more sustainable.



## “Nearshoring creates great opportunities for the future”

Tell us about the business situation in Mexico at the moment.

“Since the pandemic and the logistical problems around that time, companies in the US and Canada have begun to bring their supply chains closer to home by developing so-called nearshoring solutions.

Nearshoring to Mexico has the advantages of shortening lead times and lowering production costs, while also taking the opportunity of the USMCA free trade agree-

ment between the three countries. For us, nearshoring creates great opportunities for the future.”

What position is Elof Hansson taking in this situation?

“Companies in the USA and Canada are looking for actors that work sustainably. In this, Elof Hansson has a lead compared to other actors which gives us a competitive advantage since we have the tools needed already in place.

For example, we work with sustainable sourcing of paper products, obtaining traceability certifications and overall due diligence in our supply chain.”

What effects will this have in the region?

“As a worldwide enterprise, our global presence not only provides a great opportunity but also underscores our responsibility to make a positive impact in the diverse geographical markets we serve.”

### IN CONVERSATION

Name: José Ignacio Portilla  
Age: 62  
Title: Managing Director  
Office: Mexico



OUR DOERS.

# PEOPLE

## Embracing a *workplace of lifelong learning, talent growth, and a culture of inclusivity* where every individual is empowered to contribute.

AT ELOF HANSSON, we firmly believe that our most valuable resource is our employees and nonemployee workers. Our commitment to sustainability encompasses the well-being and growth of our workforce. Acknowledging the direct impact we have on our people and their lives, we understand that a thriving and engaged team is fundamental to achieving our long-term goals while making a positive contribution.

The health and well-being of our employees is vital. To cultivate a workplace that prioritizes physical and mental health, we have implemented a range of initiatives, including our own office gym with different training classes and other activities, flexible work arrangements, and access to resources that promote a healthy work-life balance.

Empowering our employees through education and professional development is integral to our commitment. We provide ongoing training opportunities, individual professional development days, and resources to enhance the skills and knowledge of our team members. This not only enhances personal growth but

also positively impacts our business success, positioning us strongly in our industry.

**WE ARE DEDICATED** to fostering an inclusive workplace that celebrates differences and values each individual's unique perspective. Our commitment to equality extends to fair employment practices, equal opportunities, and the creation of a supportive environment where everyone feels heard and respected. We believe that diverse teams drive creativity and better decision-making, making us more adaptable to the complexities of the global market. We do not allow any forms of discrimination for reasons such as race, color, nationality, gender, age, sexual orientation, religion, ethnicity, pregnancy, origin, disability, marital status or any other reason. As of December 31, 2023, we had a total of 184 employees, of which 45% were women and 55% were men. The breakdown of our employees by gender on the supervisor level is presented on the next page. Our goal is to have an equal gender balance within group management and the company as a whole.

# 3

## Classes/Week

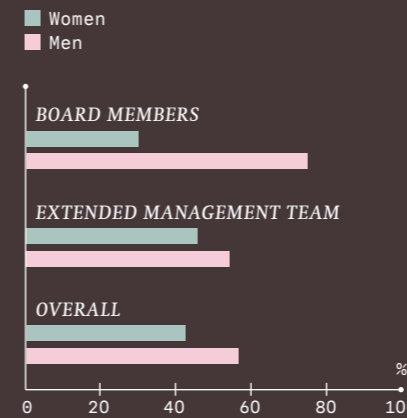
Life is not all about work. To help our employees achieve a good work-life balance, we offer access to three free training classes a week and a multi-gym at the workplace.



# 37 eNPS

## Employee Satisfaction

Ensuring employee well-being is a prerequisite for our ability to continue ensuring sustainable growth.



## Gender Ratio on Different Levels

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.

# 98.3%

## Health Attendance

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

## Age Distribution

We believe that diverse teams where different ages are represented and included drive creativity and better decision making. The chart displays our age distribution at our headquarter in Sweden.

Under 30y: 23.5%  
30-50 y: 37.5%  
50 and over: 39%



# HUMAN RESOURCES

*“Our people is the heartbeat of our organization.”* In a world where change is the only constant, *Elof Hansson* will need to continuously adapt and *stay one step ahead*. This raises challenges for HR.

**PROTECTING ITS RESOURCES** should be a priority for any company. “For **Elof Hansson**, as for any service business, the competence of the personnel is the strength of the company. It’s paramount that we take care of our people. We take that task very seriously,” says **Carina Frickeus**, Head of HR.

In **Elof Hansson’s** commitment to sustainability, the *Human Resources* philosophy is deeply rooted in shared values and a genuine concern for each individual within the organization. “We prioritize a work environment where people feel seen, heard, and valued,” continues Frickeus.

In particular, employees are encouraged to attain a healthy work/life balance. “**Elof Hansson** is a company that takes into consideration that life ... happens. We understand that each person’s journey is unique, and we actively cultivate an atmosphere that supports indi-

vidual needs and aspirations, whether it’s embracing flexible work arrangements or promoting a healthy work/life balance. We care for our people through the parenting years, when they approach retirement, and everything in between. Also, healthcare is important to us, not least preventing stress-related illnesses.”

**NAVIGATING AN EVOLVING** landscape, HR faces a dynamic set of challenges that demand adaptability and innovation. As we progress in a world marked by constant change, **Elof Hansson’s** commitment to sustainability extends to addressing the transformative challenges that lie ahead. The business – and the world – is shifting, and **Elof Hansson** will most likely need a wider spectrum of competencies in the coming years.

“The problem is that it has never been harder to anticipate which competencies we

“Elof Hansson is a company that takes into consideration that life ... happens.”

— **Carina Frickeus**,  
Head of HR



will actually need. We are facing major energy and environment transitions, the world map is being redrawn, technology is evolving rapidly, and new opportunities and products have arisen. Sudden shifts in the world in which we operate can have major consequences, and we have to be ready to act on them. For example, in the coming years we need to focus more on fostering a culture of continuous learning,” says Frickeus.

**INCLUSIVITY AND DIVERSITY** will continue to be focal points for HR in the future. The call for equitable workplaces and diverse teams requires ongoing efforts to dismantle barriers and create an environment where every individual feels empowered and represented. HR plays a pivotal role in driving initiatives that foster inclusivity, ensuring that our workforce reflects the richness of perspectives needed for innovation and success.

“The gender distribution is another area of interest – it is looking pretty good at the executive level both at headquarters and on a global scale, but we want to even out the numbers at all levels. In particular, we lack female

traders. Interestingly enough, the number of female traders at our Asian offices has risen rapidly in recent years, and we hope to accomplish the same in all our offices.”

**ANOTHER CHALLENGE IS** building a cohesive culture in the corporation. The company culture at our headquarters in Gothenburg is characterized by the international environment there, but the culture may vary in the smaller offices spread over multiple continents. Moreover, the global nature of operations demands a heightened focus on cross-cultural competency and understanding. HR must actively foster a global mindset, providing resources and training to enable effective collaboration across diverse teams and ensuring that the organizational culture resonates universally. “That said, when I meet people from our international subsidiaries, I’m struck by how much of a sense of family I get – that must mean that we’re doing something right. We need to keep shaping the collective culture in the direction we need it to go. Culture is not all about the soft values – a strong and healthy culture increases productivity and profits,” says Frickeus.

# OUR DOERS.



“I’ve been given a unique career opportunity”

**IN CONVERSATION**

**Name:** Arvid Åberg  
**Age:** 25  
**Title:** Sales Manager Pulp  
**Office:** Singapore

**How did you start working at Elof Hansson?**

“I was doing my Bachelor in Financial and Industrial Management at the School of Business, Economics and Law at the University of Gothenburg. I got a summer job at Elof Hansson through a career fair at school, and later was offered to work extra during terms doing back office and financial analyses. When it was time to do my masters, I had got a taste for working in an international business environment,

and when I was offered a job at the Paper Division I gladly accepted.”

**What roles have you had during your time at the company?**

“The summer job was mostly back office and administrative tasks, and when I joined full-time in the summer of 2022, I supported Traders at the Paper Division to learn more about the business. Now I have started working within the Pulp Division in Singapore as a Sales

Manager working towards the Asian market.”

**Elof Hansson gave you the opportunity to work at the office in Singapore after less than three years. How do you feel about that?**

“It’s a dream come true! Since childhood, I’ve yearned to live and work abroad, and I never expected to get the chance this early in life. It’s great to be able to meet customers and suppliers more easily in person, and it’s a unique career opportunity.”

## Go Eagles!

OUR EMPLOYEES ARE what make Elof Hansson, and prioritizing their well-being is vital. To foster a healthy workplace culture, we’ve invested in our own office gym. We’re delighted to boast a dedicated group of employees, *GO Eagles*, which organizes weekly group training sessions, races, and educates on the subject.

This is a great opportunity for our team to enhance their health, strengthen bonds with colleagues, and maintain great performance. The benefits of regular exercise extend beyond physical well-being, positively impacting mental health. Engaging in physical activity has been shown to reduce stress, elevate mood, and enhance mental clarity.



### Next Generation

“I am currently working part-time at Elof Hansson alongside my studies in *Logistics and Business Economics*. The flexible and inclusive work culture has given me the chance to grow in my role at the company as well as being able to balance my studies with work. Since starting my employment with Elof Hansson, I have gained a 360-degree understanding of business logic, which I have been able to complement my studies of the more theoretical aspects of business operations. Working at a company with a wide international range has given me valuable experience in understanding different business cultures and the opportunity to interact and connect with people all over the world.”

— Sarah Ödefors, Paper Division, Elof Hansson Trade.



### 45 years at Elof Hansson

“I STARTED MY journey at Elof Hansson on June 12, 1978, initially working at the import department *Sundries*, where we, at the time, managed the bag division, imported goods from the Far East and distributed them in the Nordic countries.

Since then, my career has evolved through various departments and roles, including my years within the gloves department, where we presented collections and created showrooms. Throughout the years, my professional voyage has encompassed diverse experiences,



including international travel and participation in trade fairs across Europe and Asia, culminating in my current position within the Paper Division since 2010.

**THE REASON** I chose to stay at Elof Hansson throughout the years lies not only in the opportunity to diversify in my role, but also mainly in the pleasure of collaborating with brilliant colleagues.”

— Marie Hammarbäck, Paper Division, Elof Hansson Trade.

# SOCIAL IMPACT

Ingrained in our mission lies a *commitment* to fostering *positive social impacts*.

**OUR COMMITMENT TO** creating positive social impacts within the local communities where we operate is an important part of our business. Our reach extends across various business areas, encompassing trade, sustainable projects, and property management. We understand that contributing to the well-being of these communities is not just a corporate responsibility, it's a fundamental element of our sustainability strategy.

Operating in over 100 countries worldwide, we embrace the challenge of working in diverse and often difficult markets. Our presence in these regions has far-reaching benefits that extend beyond our business interests.

**WE TRY TO** contribute to socioeconomic development by being present in developing countries and create work opportunities. This, in turn, reduces poverty and improves living standards for local populations through, for example, our projects contributing to clean water and renewable energy in communities where it's needed. We facilitate infrastructure development and recognize

that it is a powerful catalyst for community and economic growth.

Our commitment to local communities goes further. *Elof Hansson Foundation* provides annual donations to local nonprofit organizations that support the vulnerable individuals in our local community, empower individuals and foster community development, creating a cycle of positive change. Each year, *Elof Hansson Foundation* also grants donations to different institutions for long-term scientific research and education in the mercantile field. *Elof Hansson Foundation* takes great pride in being able to give back to society by both helping child refugees in need and enabling the work of education and leading research.

**ELOF HANSSON BELIEVES** that true success is not just measured by our bottom line but by the positive and lasting impact we have on the communities where we are privileged to operate. Our dedication to these values underscores our unwavering commitment to corporate social responsibility and a more inclusive, equitable, and prosperous future for all.

We are proud to be a part of a large number of sustainable projects in Africa, Asia, and South America, in line with the *UN Sustainable Goals*.

## Solar in Angola

Angola has a high solar resource potential and in the need of providing electricity. *Elof Hansson International* are involved in a project in Angola where we support by sourcing Swedish technology, products, and services needed for the construction of the solar plants, while also coordinating the deliveries. Seven solar plants will provide renewable energy for millions of people.



**2.4 million** people provided with electricity

This project will provide 2.4 million people with electricity and prevent more than 900,000 tons of CO<sub>2</sub> emissions per year.

## Ghana Railway

Ghana has an aging infrastructure in need of rejuvenation. A modernized railway, serving mines and plantations, will reduce heavy road traffic and result in safer, faster, more reliable and more sustainable transportation. *Elof Hansson International* coordinated a large share of the required Swedish interest making the project eligible for *Swedish Export Credit Financing*.



**58,000** replaced road transport

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

## Water in Côte d'Ivoire

Access to clean water is a widespread problem in Côte d'Ivoire, not least in remote areas. With the help of wells and solar-powered pump systems, at least 10 percent of the population will be provided with drinking water. *Elof Hansson International* is facilitating the procurement and packaging of high-quality equipment from various suppliers, to ensure that the eligibility criteria of the Swedish interest are met.



**3 million** people with access to clean water

Three million people will be provided with clean drinking water. The project will have a strong social impact.

# OUR DOERS.



## “We will provide a circular and sustainable biogas solution”

*Tell us about Elof Hansson's collaboration with Scania.*

“Let me give you some background first. Sweden is a world leader in sustainable transportation, waste management, and biogas production from waste. We have learned to use our waste as a resource, nearly eliminating landfills, and the solutions we have developed here could be of great benefit to other countries. So, what Elof Hansson has done is to put together a unique package with Scania, to provide a complete and circular sustainable solution for biogas production and biogas vehicles that can be used in many parts of the world.”

*What does the package include?*  
“Elof Hansson will take an en-



gineering, procurement and supply role, manage and facilitate projects, provide financial and funding know-how, coordinate suppliers and logistics, and partner with local contractors to provide a biogas production solution to transform organic waste into a resource. Scania will deliver biogas vehicles, for example buses and trucks, and provide driver training and service facilities. The goal is to build capacity on-site and support the client with suitable business models.”

*What benefits will this give?*

“Transportation and landfills are both major greenhouse gas emitters, so this will be an important step toward a sustainable society and will reduce emissions significantly. The biogas production

will also result in fertilizer, and methane for cooking or electricity, and the project will provide new jobs – not least for women.”

*How far along are the plans?*

“We recently attended a *Clean Transport Tour* joint event held by the Embassy of Sweden and Scania in Tanzania, where we presented the full concept to a delegation that included the *Minister of Energy*. They are extremely positive. Tanzania already has an infrastructure for natural gas that can easily be adapted for biogas.”

### IN CONVERSATION

**Name:** Jessica Magnusson  
**Age:** 53  
**Title:** Senior Manager, Sustainable Business Development  
**Office:** Gothenburg

# The Rescue Mission

WHEN BO-ELOF HANSSON founded the *Elof Hansson Foundation*, one of the objectives was to find good ways to give back to the local community. At **Elof Hansson** we're driven by the commitment to the well-being of our local community, and one way of doing this is through donations to and partnerships with organizations that help the most vulnerable in our community.

We are very grateful and moved by the profound impact that **the Rescue Mission** has on the lives of the vulnerable in our community. Their efforts to provide support, compassion and a path to stability embodies the true spirit of selflessness. Our decision to give this support is rooted in the belief that a strong community is one where every member is valued and supported. Homelessness has a ripple effect, impacting not only individuals but the society as a whole. **Elof Hansson** is one of the **Rescue Mission's** "Future Partners".

"Elof Hansson has for many years been one of the 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.

"For me, this café is absolutely life-changing. I have been here every day for 4–5 years; I have nowhere else to go."

— Kenny, café guest

The annual donations we receive from **Elof Hansson** contribute to the continuity of our operations", says **Johanna Salenfalk**, **The Rescue Mission**.

EVERY DAY, **The Rescue Mission's Breakfast Café** passionately serves over 100 guests in Gothenburg, and they also offer showers, laundry, clothes, and help with authorities. **Elof Hansson** proudly contributes to this, empowering our employees to volunteer at the café and make a meaningful impact on the lives of those in need. We are thankful that the **Rescue Mission** gives us the possibility to contribute.

## Grants for Scientific Research

ELOF HANSSON FOUNDATION operates with the purpose to give back to the community, directing resources to initiatives that resonate with our sustainability vision.

Recognizing the pivotal role of education in fostering sustainable practices, *Elof Hansson Foundation* actively supports local educational

programs. *The Foundation* sees education as a catalyst for change and seeks to empower individuals who foster awareness and knowledge that can drive positive change toward sustainability, by directing funds towards research in areas such as climate change, sustainable transport systems, eco-friendly technologies, etc.



"*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 child refugees in need and enabling the work of leading researchers to improve commercial processes.

— Peter Hentz, Chair of *Elof Hansson Foundation*



## Elof Hansson Visiting Professor Program

VIA THE ELOF HANSSON Visiting Professor Program, **Elof Hansson** can support the *University of Gothenburg* to invite professors for collaborative research initiatives in important areas for sustainable development. *Elof Hansson Foundation* wants to foster an impactful academic environment, supporting the exchange of expertise and ideas for the advancement of sustainable practices.

"*Elof Hansson Foundation's* financing of an international guest professor program at the *School of Business, Economics and Law, University of Gothenburg*, constitutes a significant contribution to

our development towards becoming an increasingly strong academic institution with high societal relevance. In times of heightened geopolitical tensions and trends toward regionalization of trade and international business, the importance of cross-border knowledge development about the international economic system has become increasingly significant. *The Elof Hansson Visiting Professor Programme* in International Business and Trade uniquely enables this."

— Per Cramér, Dean, *School of Business, Economics and Law, University of Gothenburg*



# Business Ethics & Compliance

**BEING A GLOBAL** company today requires an awareness of the responsibility that comes with it. Operating our business with a commitment to environmental, social and economic responsibility is a part of our corporate strategy and ethos. We maintain zero-tolerance for unethical business conduct within the value chains under our influence.

Elof Hansson Group's Compliance Program has been set up to support and guide sustainable business practices. The program includes laws and regulations, policies, guidelines and procedures, communication and education, and internal governance and control. Elof Hansson has further implemented group-wide whistleblowing channels for both internal and external parties. At Elof Hansson, we encourage an open and honest culture in which all our employees, business partners and stakeholders can report suspicions of misconduct, and we are obligated to investigate all cases, ensuring that necessary actions are taken. No cases of non-compliance have been recorded in 2023.

As a global company engaged in sourcing and selling products across multiple markets worldwide, we acknowledge that we may face various risks. We apply ongoing risk management to identify ethical, human rights, and environmental risks associated with our businesses. We use various sources of information, risk indexes and tools in our risk analyses and

regular assessments. Our risk management approach is based on the *UN Global Compact*, *UN Guiding Principles on Business & Human Rights*, *OECD Guidelines for Multinational Companies*, *IMM*, and *Transparency International*.

**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. Our work to prevent anti-corruption issues includes risk assessment, employee training, 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.

As a multinational corporation with operations in various countries, we are exposed to diverse local tax rules and regulations. In response, we have established a comprehensive tax policy that outlines roles and responsibilities. The board of directors is responsible for the overall tax position and approving the tax policy, while the Chief Financial Officer is responsible for the process and ensuring the execution of the Tax Policy. The local managing directors and finance teams are responsible for adhering to local tax regulations with support from the Chief Financial Officer.



## 88%

### Completion Rate

Mandatory e-learning and seminars are tools that are necessary to increase knowledge and awareness. In 2023, 88% of Elof Hansson Group's employees completed our training in *Anti-Corruption and Bribery Prevention*.



## 100%

### Signed Internal Codes of Conduct

Elof Hansson's Code of Conduct is the Group's policy for sustainable and compliant business and is therefore a key element of our Group's sustainability initiatives. Our Code of Conduct has been adopted by the Board of Directors and defines our position on key 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 are required to sign our Code of Conduct. Compliance is an integral part of our corporate values, and Elof Hansson continuously safeguards compliance throughout the value chain. Therefore, we have a corresponding *Partner Code of Conduct* for all our business partners.



## 86%

### Completion Rate

In 2023, 86% of Elof Hansson Group's employees completed our training in *Embargoes and Sanctions*.

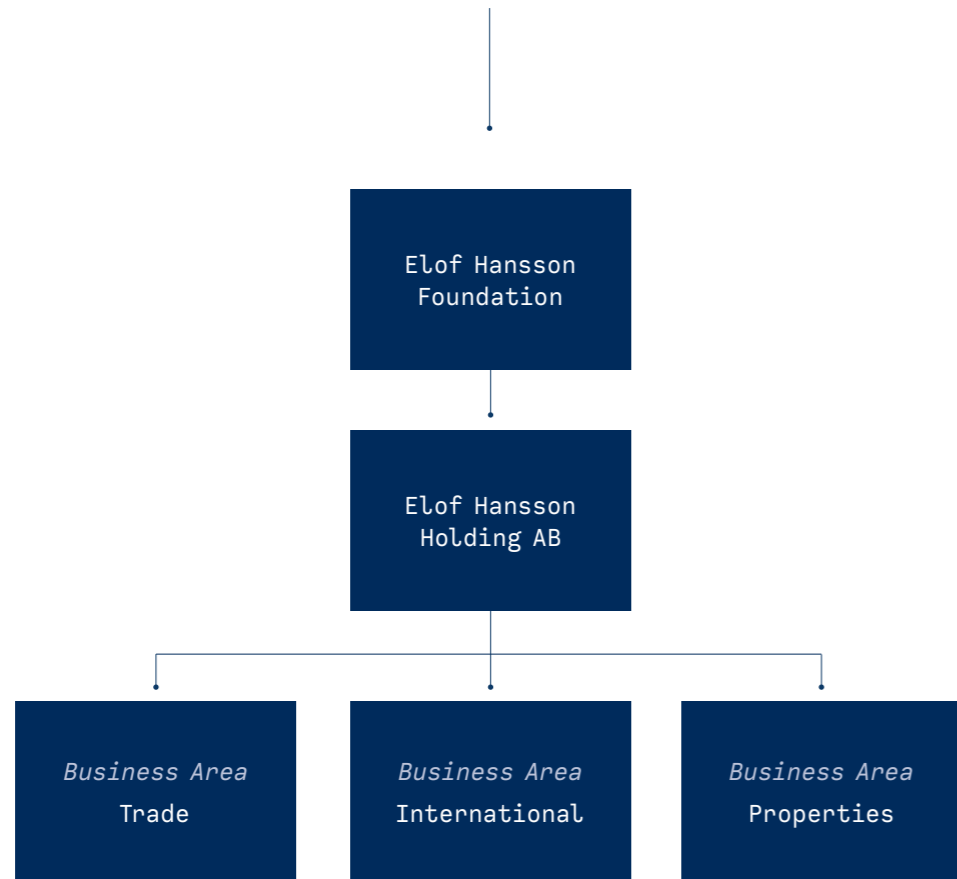
## 0%

### Zero-tolerance for Unethical Business Conduct

We maintain zero-tolerance for unethical business conduct within the value chains under our influence. Our commitment to ethical business guides our decisions, interactions, and partnerships, from sourcing raw materials to interacting

with stakeholders. *Transparency, fairness, and accountability* are embedded in every aspect of our business, not only for compliance purposes; it's about fostering trust and respect within our community.

# 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 100.

**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 fulfillment 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 our 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 culture. 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 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

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 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

In an increasingly uncertain and changeable world, *Elof Hansson* stands strong. We have made some reconstructions to solidify our foundations, focusing on *strengthening stability* and *long-term sustainability*. Improving and developing *the Group* in the years ahead will rely on foresight and a *flexible, innovative mindset* to *navigate challenges* and find the *best solutions*.

# Significant events during the financial year

## ADMINISTRATION REPORT

*The Board of Directors of Elof Hansson Holding AB, corporate identity number 556064–6977, is issuing the following annual report and consolidated accounts for the financial year 2023.01.01–2023.12.31.*

The Group operates in three business areas: Trade, International and Properties.

Elof Hansson Holding AB, a subsidiary of the Elof Hansson Foundation, corp. ID no. 857204–9032, has been the parent company of the Elof Hansson Holding Group since 2011.

Unless otherwise stated, all amounts are reported in thousands of Swedish kronor (SEK).

### DEVELOPMENT OF OPERATIONS IN 2023

The past year has been a period of extraordinary challenges and changes. Despite the influencing factors, we have actively addressed these challenges and taken measures to ensure the stability and future of our business.

2023 was characterized by a major restructuring of our US company. To address these challenges, we implemented several strategies, including a task force focusing on business model adaptation and cost savings. We have taken measures to mitigate the impact of the current challenges in the US, such as restructuring and a different business focus. Our main

focus has been to maintain the Group's stability and long-term sustainability.

We have continuously adapted to the changing circumstances and acted flexibly to meet the needs of our customers, suppliers and stakeholders. Our team has shown outstanding commitment and adaptability during these slightly more challenging times. Otherwise, we have seen a very good volume growth in our trading activities in both paper and cellulose, where we have had a 40 per cent volume increase compared to 2022.

The financial position during this year has of course been affected by these restructurings, but since we had a strong year in 2022, we will continue to have strong equity and focus on long-term sustainability and profitability. Our financial results this year are a reflection of our efforts and strategic decisions.

During the past financial year, our real estate company has successfully renegotiated the majority of the lease agreements in our management properties, and we have also had a great success in attracting new tenants. Our commitment to improving the energy efficiency

of our properties has continued with high intensity and we are proud to have achieved environmental certification at the *Miljöbyggnad Silver iDrift* level for half of our property portfolio.

In collaboration with **Riksbyggen**, the real estate company has taken important steps forward with our joint development project, a 16-story residential building with commercial premises on the bottom three floors. We have secured building permits and procured a contractor for the construction. In addition, we have successfully rented out about half of the commercial space and, despite challenging economic times in the world, we plan to start the project in the first quarter of 2024.

Our involvement in **Masthuggskajen** has also progressed well. During the autumn, a cooperation agreement was signed with **BRA Bygg** for the construction of the *Global Business Gate*. The project's foundations and production of the peninsula are progressing according to plan.

For the *Global Business Gate* project, which we own together with **Alecta**, **EH GBG Fastighets AB** provided an unconditional capital injection of SEK 75 million to **Global Business Gate JV KB** on February 28, 2023. The capital injection was conditional on **Alecta Pension Insurance** providing equivalent capital on the same terms.

During the year, the International business area has had to deal with changed conditions in Ghana, a country whose economy is under great strain and where both the **IMF** and other stakeholders are working to bring the country's finances into balance. Several projects were being planned in Ghana, and since these have had their project starts severely postponed or paused during the implementation phase, this has had an impact on turnover and results, which meant that the result target for 2023 was not fully achieved.

It is very positive that projects, including a solar energy park in Angola and a vocational college in Zibo in Shandong province in China, went well during the year. The "Water for All" project in Côte

d'Ivoire has been successfully launched and deliveries of equipment for solar-powered borehole water pumps, among other things, have started.

In addition to the technical equipment and construction, **Elof Hansson International** also delivers a lot of CSR content. In the Angola project, for example, deliveries to the solar farm are being supplemented with everything from wheelchairs to school equipment and street lighting.

We are proud to see that these projects, and our contribution to Swedish exports, have received attention in several media and are presented as positive examples by the **Export Credit Board (EKN)**, **Svensk Exportkredit (SEK)** and **Business Sweden**, among others.

### FUTURE EXPECTATIONS

#### LONG-TERM APPROACH

We are committed to developing and implementing a long-term strategy to recover and overcome upcoming obstacles. We will continue to work to strengthen our brand and create value for all our stakeholders.

#### SUSTAINABILITY INTEGRATION

In 2024, we will intensify our focus on sustainability integration in our business processes and decision-making. We will focus on reducing our impact on the environment, promoting social justice and creating a positive economic impact.

#### SUSTAINABILITY TARGETS AND MEASURABLE INDICATORS

In 2024, we will face several new challenges, one of which is within sustainability reporting. We strive to clearly define our sustainability goals and identify measurable indicators to gauge our progress and responsibility towards society and the environment.

#### STAKEHOLDER ENGAGEMENT

We will intensify our cooperation with our stakeholders to understand their expectations and

### MULTI-YEAR COMPARISON OF THE GROUP (SEK MILLION)

THE GROUP	2023	2022	2021	2020	2019
Net sales	7,657	8,301	5,607	5,558	6,705
Profit after financial items	-123	162	153	102	61
Balance sheet total	2,913	3,324	2,596	2,325	2,419
Number of employees	184	214	255	271	270
Equity/assets ratio %	37.76	38.00	44.76	45.12	40.31
Return on total capital, %	-3.23	6.30	7.60	5.27	4.00
Return on equity %	-11.16	12.83	13.20	9.70	6.00

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

The registered office of the company is in Gothenburg.

requirements in both the compliance and sustainability areas. This includes customers, suppliers, employees, investors and countries where we operate.

#### SUSTAINABILITY REPORT

In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, reference is made to the company's website [www.elfohansson.com](http://www.elfohansson.com) for information on the Group's sustainability report.

#### GROUP STRUCTURE

The Group has subsidiaries in Sweden, USA, Brazil, Mexico, Germany, India, Israel, Australia, Vietnam, Singapore, Japan and China, see also note 14.

#### RISK MANAGEMENT

Elof Hansson's global presence means exposure to a continuous number of new business opportunities, but also a number of risks and uncertainties. The Group has clear policies for all identified risks, and risk management seeks to prevent and minimize all the main risk factors for the Group's financial position. The most significant risks are described below:

#### POLITICAL AND REGULATORY 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. The aim is to reduce risks through a diversified business and flexible organization, but new requirements and regulations may affect our opportunities in one or more markets.

#### CREDIT RISKS

One of the Group's most significant financial risks is credit risk, i.e., the inability of our customers to pay their debts. Accounts receivable represent 40.9% of the consolidated balance sheet. The credit risk is partly limited by the large number of customers spread globally and in several different segments. The Group's global sales and lending policy describes how we manage credit risk, follow-up and control. Credit risk is managed through risk hedging via the use of trade finance instruments and credit insurance. The Group has many years of cooperation with several leading banks and insurance companies, all of which have a high credit rating. A very high degree of accounts receivable risk is hedged through a structured process for lending

and follow-up, as well as a flexible product portfolio of hedging instruments.

#### PRICE CHANGES

Price risk relates primarily to changes in world market prices and the effects of these fluctuations on our business. The risk is managed through our customer and supplier agreements, where our business model does not involve long agreements containing the risk of price changes. However, the Group's revenue will vary with changes in world market prices.

#### FINANCING RISKS

The Group has bilateral credit facilities with banks, where the financing risk is linked to the opportunities to refinance these on maturity. Financing risk is reduced by a low credit volume and a spread over maturities of credit facilities. The Group's borrowing opportunities in 2023 were good.

#### INTEREST RATE RISKS

Interest rate risks may arise in the financing of accounts receivables and real estate. A mix of floating and fixed interest rates reduces the interest rate risk in the Group's borrowing.

#### CURRENCY RISKS

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

*Translation exposure.* Items included in each subsidiary's annual report are calculated following the currency in which the subsidiary has its legal domicile. Translation exposure arises 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 conversion exposure as the parent company's financial lending in individual subsidiaries takes place in the respective subsidiary's currency, which is handled in accordance with the 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. Various types of currency hedging instruments are used to minimize currency risk. Hedge accounting is normally applied.

#### LIQUIDITY RISKS

Liquidity risk is the risk that the company will not be able to meet its payment obligations without a significant increase in the cost of obtaining funds. The liquidity risk is limited by a combination of own liquidity in the form of assets in bank accounts and liquidity buffers in the form of credit facilities.

#### COMPLIANCE RISKS

Elof Hansson conducts business in more than 100 countries and works continuously to further develop procedures and processes within both compliance and adhering to internal and external regulations. No fines, sanctions or legal action due to violations of law in the areas of compliance or anti-competitive activities have been taken against any company in Elof Hansson in 2023. The Group has common core

values and a Code of Conduct that all employees undertake to follow.

#### EXPECTED FUTURE DEVELOPMENT

There is still a lot of uncertainty in the world around us and this can of course affect us both positively and negatively. We expect that 2024 will also be a geopolitically unstable year with great uncertainty that can very quickly affect the markets in which we operate.

Despite the challenges we have faced in the US, for example, we are optimistic about the future. We have identified several lessons from this year that will strengthen us and contribute to our sustainability in the long term. We will continue to invest in new businesses in continents such as the US and Africa to prepare for future opportunities and challenges.

## PROPOSAL FOR THE ALLOCATION OF PROFITS

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

Retained profit	66,408,025
Share premium reserve	178,459,000
Loss for the year	-111,193,372
	<b>133,673,653</b>
Dividend paid to shareholders is	5,000,000
Carried forward	128,673,653
	<b>133,673,653</b>

The dividend proposed to shareholders reduces the company's equity ratio to 21.5% and the Group's equity ratio to 37.6%. Solvency and liquidity are reassuring given that the company's and the Group's operations continue to be carried out with profitability.

The Board of Directors is of the opinion that the proposed dividend does not prevent the Company, and other Group companies, from fulfilling their obligations in the short and long term, nor from fulfilling the required investments. The proposed dividend can thus be defended with regard to what is stated in Chapter 17, Section 3, paragraphs 2–3 (the precautionary rule) of the Swedish Companies Act.

With regard to the Group's and the parent company's profit and loss and other financial position, please refer to the following income statement and balance sheet with associated notes and cash flow statements.

## CONSOLIDATED INCOME STATEMENT

TSEK

	NOTE	01/01/2023 – 31/12/2023	01/01/2022 – 31/12/2022
Net sales	2, 3	7,657,350	8,300,514
Other operating income		23,110	19,673
		<b>7,680,460</b>	<b>8,320,187</b>
<b>Operating expenses</b>			
Merchandise		-7,240,893	-7,714,772
Other external expenses	4, 5	-233,240	-134,339
Personnel expenses	6	-257,542	-238,853
Depreciation and impairment of tangible and intangible non-current assets		-50,251	-33,250
<b>Operating profit</b>		<b>-101,466</b>	<b>198,973</b>
<b>Profit from financial items</b>			
Result from subsidiaries		0	-22,834
Other interest income and similar income items	7	17,219	13,593
Interest expenses and similar income items		-38,562	-27,748
<b>Profit after financial items</b>		<b>-122,809</b>	<b>161,984</b>
<b>Profit before tax</b>		<b>-122,809</b>	<b>161,984</b>
Tax on profit for the year	29	-23,459	-44,979
<b>PROFIT FOR THE YEAR</b>		<b>-146,268</b>	<b>117,005</b>

## CONSOLIDATED BALANCE SHEET

TSEK

	NOTE	31/12/2023	31/12/2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
INTANGIBLE NON-CURRENT ASSETS			
Software and capitalised development work	8	165	2,463
Goodwill	9	0	5,065
<b>Total intangible non-current assets</b>		<b>165</b>	<b>7,528</b>
TANGIBLE NON-CURRENT ASSETS			
Buildings and land	10	625,502	672,373
Inventory	11	6,874	6,249
Tangible assets under development	12	133,942	109,809
<b>Total tangible non-current assets</b>		<b>766,318</b>	<b>788,431</b>
FINANCIAL NON-CURRENT ASSETS			
Shares in associated companies	16, 17	41,857	37,857
Deferred tax assets	34	14,837	15,095
Other non-current receivables		55,287	45,232
<b>Total financial non-current assets</b>		<b>111,981</b>	<b>98,184</b>
<b>Total non-current assets</b>		<b>878,464</b>	<b>894,143</b>
<b>Current assets</b>			
GOODS IN STOCK ETC.			
Completed goods and merchandise		254,867	316,870
Advances to suppliers		18,163	44,982
<b>Total goods in stock etc.</b>		<b>273,030</b>	<b>361,852</b>
CURRENT RECEIVABLES			
Accounts receivable		1,193,166	1,617,099
Current tax receivables		10,105	19,405
Other receivables	18	137,294	152,607
Prepaid expenses and accrued income	19	132,750	78,401
<b>Total current receivables</b>		<b>1,473,315</b>	<b>1,867,512</b>
CASH AND BANK DEPOSITS			
		288,652	200,430
<b>Total current assets</b>		<b>2,034,997</b>	<b>2,429,794</b>
<b>TOTAL ASSETS</b>		<b>2,913,461</b>	<b>3,323,937</b>

## CONSOLIDATED BALANCE SHEET

TSEK

	NOTE	31/12/2023	31/12/2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		75,000	75,000
Other equity and profit for the year		1,025,122	1,187,237
<b>Total equity</b>		<b>1,100,122</b>	<b>1,262,237</b>
<b>Provisions</b>			
Provisions for pensions and similar obligations	21	17,058	21,008
Deferred tax liabilities		36,477	35,166
Other provisions		13,503	5,566
<b>Total provisions</b>		<b>67,038</b>	<b>61,740</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	22	255,000	167
Other liabilities	23	47,873	46,594
<b>Total non-current liabilities</b>		<b>302,873</b>	<b>46,761</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	22	400,715	662,080
Advance payments from customers		36,244	35,763
Trade accounts payable		722,192	952,832
Current tax liabilities		4,471	53,313
Other liabilities		29,898	25,042
Accrued expenses and prepaid income	24	249,908	224,169
<b>Total current liabilities</b>		<b>1,443,428</b>	<b>1,953,199</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,913,461</b>	<b>3,323,937</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TSEK

	Share capital	Retained profit incl. profit for the year	Total	Minority interest	Total equity
Opening equity 01/01/2022	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
<b>Total comprehensive income</b>		<b>100,463</b>	<b>100,463</b>	<b>0</b>	<b>100,463</b>
Closing equity 31/12/2022	75,000	1,187,237	1,262,237	0	1,262,237
Opening equity 01/01/2023	75,000	1,187,237	1,262,237	0	1,262,237
Dividend		-5,000	-5,000		-5,000
Exchange rate differences		-12,867	-12,867		-12,867
Actuarial pensions		2,020	2,020		2,020
Profit for the year		-146,268	-146,268		-146,268
<b>Total comprehensive income</b>		<b>-162,115</b>	<b>-162,115</b>		<b>-162,115</b>
Closing equity 31/12/2023	75,000	1,025,122	1,100,122	0	1,100,122

## CONSOLIDATED CASH FLOW STATEMENT

TSEK

	NOTE	01/01/2023 – 31/12/2023	01/01/2022 – 31/12/2022
Profit after financial items		-122,809	161,984
Adjustments for non-cash flow items etc.	31	45,110	834
Tax paid		-63,001	-18,542
<b>Cash flow from operating activities before changes in working capital</b>		<b>-140,700</b>	<b>144,276</b>
<b>Cash flow from changes in working capital</b>			
Change in goods in stock and work in progress		88,822	-83,614
Change in current receivables		384,898	-660,063
Change in current liabilities		-201,494	301,018
<b>Cash flow from current operations</b>		<b>131,526</b>	<b>-298,383</b>
<b>Investment activities</b>			
Investment in tangible non-current assets		-35,909	0
Sale of tangible non-current assets		16,656	-144,945
Investment in financial non-current assets		-13,798	-14,587
<b>Cash flow from investment activities</b>		<b>-33,051</b>	<b>-159,532</b>
<b>Financing activities</b>			
New borrowing		0	325,983
Repayment of loans		-5,253	0
Dividends paid		-5,000	-3,000
<b>Cash flow from financing activities</b>		<b>-10,253</b>	<b>322,983</b>
<b>CASH FLOW FOR THE YEAR</b>		<b>88,222</b>	<b>-134,932</b>
Cash and cash equivalents at start of year		200,430	335,362
<b>Cash and cash equivalents at end of year</b>		<b>288,652</b>	<b>200,430</b>



## PARENT COMPANY INCOME STATEMENT

TSEK

	NOTE	01/01/2023 – 31/12/2023	01/01/2022 – 31/12/2022
Net sales	2	52,047	44,496
<b>Total operating income</b>		<b>52,047</b>	<b>44,496</b>
<b>Operating expenses</b>			
Other external expenses	4, 5	-65,938	-56,629
Personnel expenses	6	-38,521	-37,738
Depreciation and impairment of tangible and intangible non-current assets		-85	0
Other operating expenses		-7,326	-4,365
<b>Total operating expenses</b>		<b>-111,870</b>	<b>-98,732</b>
<b>Operating profit</b>		<b>-59,823</b>	<b>-54,236</b>
<b>Profit from financial items</b>			
Profit from interests in Group companies	27	-109,353	-29,772
Profit from interests in associated companies and jointly operated companies		-2	0
Interest income and similar income items	7	49,343	25,800
Interest expenses and similar income items		-41,450	-22,107
<b>Total financial items</b>		<b>-101,462</b>	<b>-26,079</b>
<b>Profit after financial items</b>		<b>-161,285</b>	<b>-80,315</b>
<b>Appropriations</b>	28	50,100	47,000
<b>Profit before tax</b>		<b>-111,185</b>	<b>-33,315</b>
Tax on profit for the year	29	-8	-1,211
<b>PROFIT FOR THE YEAR</b>		<b>-111,193</b>	<b>-34,526</b>

## PARENT COMPANY BALANCE SHEET

TSEK

	NOTE	31/12/2023	31/12/2022
<b>ASSETS</b>			
<b>Non-current asset</b>			
<b>TANGIBLE NON-CURRENT ASSETS</b>			
Inventory	11	424	0
<b>Total tangible non-current assets</b>		<b>424</b>	<b>0</b>
<b>FINANCIAL NON-CURRENT ASSETS</b>			
Shares in Group companies	13, 14, 15	488,913	519,913
Receivables from group companies	33	268,841	460,765
Shares in associated companies	16, 17	41,857	37,857
Other non-current receivables	32	42,020	31,076
<b>Total financial non-current assets</b>		<b>841,631</b>	<b>1,049,611</b>
<b>Total non-current assets</b>		<b>842,055</b>	<b>1,049,611</b>
<b>Current asset</b>			
<b>CURRENT RECEIVABLES</b>			
Receivables from Group companies		53,546	48,467
Other receivables		8,424	5,299
Prepaid expenses and accrued income	19	4,692	4,377
<b>Total current receivables</b>		<b>66,662</b>	<b>58,956</b>
<b>CASH AND BANK DEPOSITS</b>		<b>40,639</b>	<b>49,295</b>
<b>Total current assets</b>		<b>107,301</b>	<b>108,251</b>
<b>TOTAL ASSETS</b>		<b>949,356</b>	<b>1,157,862</b>

## PARENT COMPANY BALANCE SHEET

TSEK

	NOTE	31/12/2023	31/12/2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>RESTRICTED EQUITY</b>			
Share capital		75,000	75,000
Statutory reserve	2	2	2
<b>Total restricted equity</b>		<b>75,002</b>	<b>75,002</b>
<b>UNRESTRICTED EQUITY</b>			
Unrestricted share premium reserve		178,459	178,459
Retained profit		66,408	105,934
Profit for the year		-111,193	-34,526
<b>Total unrestricted equity</b>		<b>133,674</b>	<b>249,867</b>
<b>Total equity</b>		<b>208,676</b>	<b>324,869</b>
<b>Non-current liabilities</b>			
Liabilities to Group companies		90,000	0
<b>Total non-current liabilities</b>		<b>90,000</b>	<b>0</b>
<b>Current liabilities</b>			
Trade accounts payable		6,147	4,487
Liabilities to Group companies		638,371	818,291
Other liabilities		2,140	1,822
Accrued expenses and prepaid income	24	4,022	8,393
<b>Total current liabilities</b>		<b>650,680</b>	<b>832,993</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>949,356</b>	<b>1,157,862</b>

## PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

TSEK

	Share capital	Restricted reserves	Unrestricted equity	Total equity
<b>Opening equity 01/01/2022</b>	<b>75,000</b>	<b>2</b>	<b>287,393</b>	<b>362,395</b>
Dividend			-3,000	-3,000
Profit for the year			-34,526	-34,526
<b>Closing equity 31/12/2022</b>	<b>75,000</b>	<b>2</b>	<b>249,867</b>	<b>324,869</b>
<b>Opening equity 01/01/2023</b>	<b>75,000</b>	<b>2</b>	<b>249,867</b>	<b>324,869</b>
Dividend			-5,000	-5,000
Profit for the year			-111,193	-111,193
<b>Closing equity 31/12/2023</b>	<b>75,000</b>	<b>2</b>	<b>133,674</b>	<b>208,676</b>

## PARENT COMPANY CASH FLOW STATEMENT

TSEK

	NOTE	01/01/2023 – 31/12/2023	01/01/2022 – 31/12/2022
<b>Current operations</b>			
Profit after financial items		-161,285	-80,314
Adjustments for non-cash items	31	212,065	-50,595
Tax paid		-1,362	-5
<b>Cash flow from current operations before change in working capital</b>		<b>49,418</b>	<b>-130,914</b>
<b>Cashflow from change in working capital</b>			
Change in current receivables		43,246	67,552
Change in current liabilities		13,190	47,834
<b>Cash flow from current operations</b>		<b>105,854</b>	<b>-15,528</b>
<b>Investment activities</b>			
Investment in financial non-current assets		-4,509	-41,736
Sales of financial non-current assets		0	32,699
<b>Cash flow from investment activities</b>		<b>-4,509</b>	<b>-9,037</b>
<b>Financing activities</b>			
Amortization loan		-105,000	0
Dividends paid		-5,000	-3,000
<b>Cash flow from financing activities</b>		<b>-110,000</b>	<b>-3,000</b>
<b>Cash flow for the year</b>		<b>-8,655</b>	<b>-27,565</b>
<b>Cash and cash equivalents at start of year</b>			
Cash and cash equivalents at start of year		49,294	76,859
<b>Cash and cash equivalents at end of year</b>		<b>40,639</b>	<b>49,294</b>

## Notes

TSEK

## NOTE 1 - ACCOUNTING AND VALUATION POLICIES

## GENERAL FINANCIAL REPORTING PRINCIPLES

The annual accounts and consolidated financial statements have been prepared following the Swedish Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board's general advice BFNR 2012:1 Annual Accounts and Consolidated Accounts (K3).

## CONSOLIDATED FINANCIAL STATEMENTS

Elof Hansson Holding AB prepares consolidated accounts. Companies in which Elof Hansson holds the majority of the votes at the Annual General Meeting and companies in which Elof Hansson has a controlling influence by agreement are classified as subsidiaries and are consolidated in the consolidated financial statements. Details of Group companies can be found in the note on financial assets. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Group. They are excluded from the consolidated financial statements from the date on which control ceases.

## CONSOLIDATION METHOD

The consolidated financial statements have been prepared following the acquisition method. The acquisition date 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 share of the net assets acquired is measured at fair value. Goodwill is the difference between the net identifiable assets acquired at the time of acquisition and the cost including the value of the minority interest and is initially measured at cost.

## REPORTING OF ASSOCIATED COMPANIES

Holdings in associated companies are recognized in the consolidated financial statements using the cost method. The method means that the share in associated companies is recognized at cost in the balance

sheet. Dividends received from associated companies are recognized as income in the income statement. The proportional method has been applied to jointly owned companies where no party has a controlling interest. This relates to the by Elof Hansson Fastigheter AB co-owned company Global Business Gate JV.

## TRANSACTIONS BETWEEN GROUP COMPANIES

The differences between Group companies are eliminated in their entirety.

## TRANSLATION OF FOREIGN SUBSIDIARIES

Subsidiaries in other countries prepare their annual accounts in foreign currency. On consolidation, the items in these companies' balance sheets and income statements are translated at the balance sheet date exchange rate and the spot rate for the day on which the respective business event took place. The exchange rate differences that arise are recognized in accumulated exchange rate differences in the Group's equity.

## FOREIGN CURRENCY

When currency hedging is not applied, monetary assets and liabilities in foreign currencies are valued at the spot rate on the balance sheet date. Transactions in foreign currencies are converted at the spot rate on the transaction date.

Regarding the valuation of transactions and balance sheet items when currency hedging is applied, see the section on financial instruments, sub-heading documented hedging of financial liabilities in foreign currency (*hedge accounting*).

## REPORTING FOR BUSINESS SEGMENTS AND GEOGRAPHICAL MARKETS

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

## INCOME

Income has been recognized at the fair value of what has been received or will be received and is recognized to the extent that the financial benefits will probably benefit the company and the income can be calculated reliably.

### GOODS

Sales of goods are recognized when significant risks and benefits pass from seller to buyer under the terms of sale.

Sales are reported after the deduction of VAT and discounts.

### SERVICE ASSIGNMENT

For service assignments at a fixed price, the income and expenses attributable to a service assignment performed are recognized as income and expense respectively to the completion rate of the assignment on the balance sheet date (successive profit and loss accounting). The degree of completion of an assignment is determined by comparing expenses incurred on the balance sheet date with estimated total expenses. In cases where the outcome of an assignment cannot be calculated reliably, revenue is only recognized to the extent that it corresponds to the incurred assignment expenses that are likely to be reimbursed by the client. An anticipated loss on an assignment is reported immediately as an expense.

For current account service assignments, income attributable to a completed service assignment is recognized as income as work is performed and materials are delivered or consumed.

### OTHER TYPES OF INCOME

Interest income is recognized in accordance with the effective interest method. Dividends are recognized when the right to receive the dividend is secured.

### LEASING AGREEMENTS

The Group has no significant financial leases.

Leases, where the financial benefits and risks attributable to the leased asset remain substantially with the lessor, are classified as operating leases. Payments, including an initial rent increase, under these agreements are recognized as costs on a linear basis over the lease period.

## REMUNERATION TO EMPLOYEE

### SHORT-TERM REMUNERATION

Short-term remuneration in the Group consists of salaries, social security contributions, paid holidays, paid sick leave, medical care and bonuses. Short-term compensation is recognized as an expense and a liability when there is a legal or informal obligation to pay compensation.

### REMUNERATION TO EMPLOYEES AFTER END OF EMPLOYMENT

The company has defined-benefit pension plans. Accounting takes place in accordance with 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 in BFNAR 2012:1 (K3).

The company has defined-benefit pension plans financed via Alecta, which are reported as defined-contribution plans as there is insufficient 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 recognizes a provision for the portion of the foundation's assets, measured at market value, that is less than the obligation.

The company has defined-benefit pension plans in the group's US subsidiaries, which comprise a total of 63 employees. Accounting is carried out according to 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 a 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 termination in exchange for such compensation. If the compensation does not give the company any future financial advantage, a liability and an expense are recognized when the company has a legal or informal obligation to provide such compensation. The remuneration is measured as 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 tax rates and tax rules in force on the balance sheet date. Deferred taxes are measured on the basis of the tax rates and tax rules adopted before the balance sheet date.

Deferred tax liabilities relating to temporary differences attributable to investments in subsidiaries are not recognized in the consolidated financial statements as the parent company can in all cases control the timing of the reversal of the temporary differences and it is not deemed 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 recognized to the extent that it is probable that the deduction can be utilized against future taxable profits. For further information, see note 34.

Receivables and liabilities are recognized on a net basis when there is a legal right of set-off.

Current tax, as well as changes in deferred tax, is recognized in the income statement unless the tax is attributable to an event or transaction that is recognized directly in equity. In such cases, the tax effect is also recognized in equity.

## NON-CURRENT ASSETS

### INTANGIBLE NON-CURRENT ASSETS

Intangible non-current assets are reported at cost less accumulated depreciation and impairment losses. In the consolidated accounts, the capitalization model for internally generated intangible assets is applied. Depreciation is made on a linear basis over the estimated useful life.

Software and capitalized development work are depreciated over 5 years.

Goodwill is depreciated on a linear basis over the estimated useful life of 5–10 years.

### TANGIBLE NON-CURRENT ASSETS

Tangible non-current assets are reported at cost less depreciation. Cost includes expenses directly attributable to the acquisition of the asset.

When a component of an asset is replaced, any remaining part of the old component is scrapped and the acquisition value of the new component is capitalized.

Additional expenses relating to assets that are not broken down into components are added to the cost to the extent that the asset's performance increases in relation to the asset's value at the time of acquisition.

Expenses for ongoing repair and maintenance are reported as costs.

In connection with property acquisitions, it is assessed 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.

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

Tangible fixed assets are depreciated systematically over the asset's estimated useful life. When determining the depreciable amount of assets, the residual value of the asset is taken into account, where applicable. Depreciation is included in the income statement items Cost of goods sold, Sales costs and Administration costs. The Group's land has an unlimited useful life and is not depreciated. The linear depreciation method is used for other types of tangible assets.

Structure	150 years
Facades	75 years
Roofs	20 years
Windows	20 years
Technical devices	20 years
Building inventory	10 years
Inventory, tools and installation	5-20 years

## FINANCIAL INSTRUMENTS

### FINANCIAL INSTRUMENTS

Financial instruments are reported in accordance with the rules in K3 Chapter 11, which means that valuation is based on acquisition value.

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

Financial assets are derecognised from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred substantially all risks and benefits associated with ownership. Financial liabilities are removed from the balance sheet when the obligations have been settled or otherwise ceased.

IMPAIRMENT OF NON-FINANCIAL ASSETS

When there is an indication that the value of an asset has decreased, an impairment test is carried out. If the asset has a recoverable amount that is lower than the carrying amount, it is written down to the recoverable amount. When assessing impairment, 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 written down, an assessment is made at each balance sheet date as to whether reversal should be made.

Impairment losses and reversals of impairment losses are recognized in the income statement in the function where the asset is used.

ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

Receivables are recognized as current assets with the exception of items with a maturity more than 12 months after the balance sheet date, which are classified as non-current assets. Receivables are recognized up to the amount expected to be paid after deduction for individually assessed unsecured receivables. Receivables that are interest-free or subject to interest rates that deviate from the market rate and have a maturity exceeding 12 months are recognized at discounted present value and the change in fair value is recognized 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 recognized at cost less transaction costs. If the recognized amount differs from the amount to be repaid at maturity, the difference is accrued as an interest expense over the term of the loan using the instrument's effective interest rate. As a result, the amount recognized and the amount to be repaid match at the due date.

DERIVATIVE INSTRUMENTS INCLUDED IN HEDGE ACCOUNTING

Elof Hansson uses currency forwards to manage the currency risk that arises from all purchases and sales of goods. Hedge accounting is normally applied to

these transactions. 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 risk management strategy for the hedge. Elof Hansson also documents the company's assessment, both at the time of hedging and on an ongoing basis, of whether the derivative instruments used in hedging transactions are highly 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 the trading and industrial segments. The currency forward contracts protect Elof Hansson from changes in exchange rates by setting the rate at which the debt in foreign currency will be realized. When currency hedging of these purchases and sales takes place, the hedging instruments are not revalued in the case of changes in currency exchange rates and the currency forward is not recognized in the balance sheet. The difference between the forward rate and the spot rate (interest element) in a contract is accrued over the term of the contract as interest if the difference is significant. If the difference is not material, the alternative rule is used and the asset or liability is valued at the hedged price.

CESSATION OF HEDGE ACCOUNTING

Hedge accounting ceases if the hedging instrument expires, is sold, settled or redeemed, or the hedging relationship no longer meets the conditions for hedge accounting. Any profit from a hedging transaction that is terminated prematurely is recognized immediately in the income statement.

IMPAIRMENT TESTING OF FINANCIAL NON-CURRENT ASSETS

A financial asset and a financial liability are offset and recognized with a net amount in the balance sheet only when there is a legal right to offset and when a settlement with a net amount is intended to take place or when a simultaneous disposal of the asset and settlement of the liability is intended to take place.

IMPAIRMENT TESTING OF FINANCIAL ASSETS

At each balance sheet date, Elof Hansson assesses whether there is any indication of impairment in

any of the financial assets. An impairment loss is recognized if the decline in value is deemed to be permanent. Impairment losses are recorded in the income statement under "Result from other securities and receivables held as fixed assets." The impairment requirement is assessed individually for shares and participations and other individual financial fixed assets that are significant. Examples of indications of impairment are negative economic circumstances or unfavorable changes in industry conditions in companies in which Elof Hansson has invested.

Impairment of assets measured at amortized cost is calculated as the difference between the asset's carrying amount and the present value of the company management's best estimate of the future cash flows discounted at the asset's original effective interest rate. For floating rate assets, the current interest rate on the balance sheet date is used as the discount rate.

GOODS IN STOCK

Goods in stock are valued, on a first-in, first-out basis, at the lowest of cost and net realizable value at the balance sheet date.

PROVISIONS

The company makes a provision when there is a legal or informal obligation and a reliable estimate of the amount can be made. The company calculates the present value of obligations that are expected to be settled after more than 12 months. The increase in the provision due to the passage of time is recognized as an interest expense.

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

CASH FLOW STATEMENT

The cash flow statement is prepared according to the indirect method. The reported cash flow only includes transactions that resulted in incoming or outgoing payments.

In addition to cash and cash equivalents, short-term financial investments that are subject to low risk of 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 specified below.

INCOME

Revenue has been recognized at the fair value of what has been received or will be received and is recognized to the extent that the financial benefits will probably benefit the company and the revenue can be calculated reliably.

LEASING

All leases where the company is a lessee are reported as operating leases (rental agreements), regardless of whether the agreements are financial or operational. The lease payment is recognized as an expense on a linear basis over the lease term.

APPROPRIATIONS

Changes in untaxed reserves are recognized as appropriations in the income statement.

Group contributions are reported as appropriations.

SHARES AND PARTICIPATIONS IN SUBSIDIARY COMPANIES

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

EQUITY

Equity is divided into restricted and non-restricted equity, following the Swedish Annual Accounts Act.

UNTAXED RESERVES

Untaxed reserves are recognized as gross amounts in the balance sheet, including the deferred tax liability attributable to the reserves.

KEY FIGURE DEFINITIONSEQUITY/ASSETS RATIO

Equity and untaxed reserves (less deferred tax) in relation to total assets.

RETURN ON TOTAL CAPITAL

Earnings before deduction of interest expenses in relation to total assets.

RETURN ON EQUITY

Profit/loss after financial items in relation to equity and untaxed reserves (less deferred tax).

**NOTE 2 - ESTIMATES AND ASSUMPTIONS****THE GROUP**

The company/group makes estimates and assumptions about the future. The estimates for accounting purposes resulting from these will, by definition, rarely correspond with the actual outcome. The estimates and assumptions that involve a 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**

	01/01/2023 – 31/12/2023	01/01/2022 – 31/12/2022
<b>Sales, stated in %</b>		
Africa	8	6
Asia and Australia	35	39
China	26	14
Middle East	4	5
North and South America	18	24
Rest of Europe	8	10
Sweden	1	1
	<b>100</b>	<b>100</b>
<b>Sales by business segment, %</b>		
Properties	1	1
International	2	8
Trade	97	91
<b>Closing reported value</b>	<b>100</b>	<b>100</b>

**NOTE 4 - AUDIT FEES, ETC.**

## THE GROUP

	01/01/2023 – 31/12/2023	01/01/2022 – 31/12/2022
<b>Ernst &amp; Young AB</b>		
Audit assignment	3,277	2,717
Tax consultancy	313	197
Other services	735	623
	<b>4,325</b>	<b>3,537</b>
<b>Other agencies</b>		
Audit assignment	325	541
Tax consultancy	14	14
Other services	30	129
	<b>369</b>	<b>684</b>

## PARENT COMPANY

	01/01/2023 – 31/12/2023	01/01/2022 – 31/12/2022
<b>Ernst &amp; Young AB</b>		
Audit assignment	462	190
Tax consultancy	30	0
Other services	635	390
	<b>1,127</b>	<b>580</b>

**NOTE 5 - OPERATIONAL LEASING AGREEMENTS**

## THE GROUP

	01/01/2023 – 31/12/2023	01/01/2022 – 31/12/2022
<b>As a lessee</b>		
Lease payments	3,101	6,203
	<b>3,101</b>	<b>6,203</b>
<b>Future minimum lease payments</b>		
Within 1 year	2,400	4,466
2–5 years	4,950	6,375
Later than 5 years	551	0
	<b>7,901</b>	<b>10,841</b>
<b>As a lessor</b>		
Lease charges to be received in respect of non-cancellable agreements	166,632	131,421
	<b>166,632</b>	<b>131,421</b>
<b>Future minimum lease payments</b>		
Within 1 year	57,331	57,280
2–5 years	109,301	73,941
Later than 5 years	0	200
	<b>166,632</b>	<b>131,421</b>

## PARENT COMPANY

	01/01/2023 – 31/12/2023	01/01/2022 – 31/12/2022
<b>As a lessee</b>		
Lease payments	7,891	5,207
	<b>7,891</b>	<b>5,207</b>
<b>Future minimum lease payments</b>		
Within 1 year	3,489	2,563
2-5 years	682	152
	<b>4,171</b>	<b>2,715</b>
<b>As a lessor</b>		
Lease charges to be received in respect of non-cancellable agreements	8,361	6,526
	<b>8,361</b>	<b>6,526</b>
<b>Future minimum lease payments</b>		
Within 1 year	8,361	6,526
	<b>8,361</b>	<b>6,526</b>

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	01/01/2023 – 31/12/2023		01/01/2022 – 31/12/2022	
	Total	of which male	Total	of which male
Australia	3	67%	3	67%
Brazil	16	63%	16	63%
Chile	2	50%	2	50%
India	30	93%	30	93%
Indonesia	1	100%	0	0%
Japan	3	33%	3	33%
China	11	27%	6	33%
The Caribbean	1	0%	2	50%
Mexico	3	67%	3	67%
Singapore	9	44%	17	54%
Sweden	90	46%	95	48%
Thailand	1	100%	0	0%
Germany	7	57%	14	57%
USA	3	33%	19	74%
Vietnam	4	25%	4	0%
<b>Total</b>	<b>184</b>	<b>55%</b>	<b>214</b>	<b>58%</b>

### Salaries and other remuneration

	01/01/2023 – 31/12/2023	01/01/2022 – 31/12/2022
Board of Directors and CEO	42,901	33,968
Other employees	118,775	115,175
	<b>161,676</b>	<b>149,143</b>
Of which, bonuses to the board and CEO	9,305	3,087
Social expenses		
Board of Directors and CEO	9,936	7,071
Other statutory and contractual social expenses	43,613	40,963
	<b>53,549</b>	<b>48,034</b>
Pension obligations		
Present board and CEO	3,117	3,574
	<b>3,117</b>	<b>3,574</b>

### PARENT COMPANY

Average number of employees broken down by country	01/01/2023 – 31/12/2023		01/01/2022 – 31/12/2022	
	Total	of which male	Total	of which male
Sweden	18	36%	25	44%
<b>Total</b>	<b>18</b>	<b>36%</b>	<b>25</b>	<b>44%</b>

### Salaries and other reueneration

	01/01/2023 – 31/12/2023	01/01/2022 – 31/12/2022
Board of Directors and CEO	7,942	4,771
Other employees	11,792	15,159
	<b>19,734</b>	<b>19,930</b>
Social expenses		
Board of Directors and CEO	2,795	1,719
Other employees	4,253	5,255
	<b>7,048</b>	<b>6,974</b>

### Salaries and other remuneration

	01/01/2023 – 31/12/2023	01/01/2022 – 31/12/2022
<b>Pension obligations</b>		
Pension costs for the board and CEO	1,233	1,385
Pension costs for other employees	2,231	3,782
	<b>3,464</b>	<b>5,167</b>

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	42%	45%
Proportion of men among other senior executives	58%	55%



**NOTE 7 – INTEREST INCOME AND SIMILAR PROFIT ITEMS**

## THE GROUP

	01/01/2023 – 31/12/2023	01/01/2022 – 31/12/2022
Other interest income	12,629	11,218
Exchange rate difference	956	0
Other financial income	3,634	2,375
<b>Total</b>	<b>17,219</b>	<b>13,593</b>

## PARENT COMPANY

	01/01/2023 – 31/12/2023	01/01/2022 – 31/12/2022
Interest income from group companies	46,333	24,138
Other financial interest income	3,010	1,662
<b>Total</b>	<b>49,343</b>	<b>25,800</b>

**NOTE 8 – SOFTWARE AND CAPITALISED DEVELOPMENT WORK**

## THE GROUP

	31/12/2023	31/12/2022
Opening acquisition value	8,306	9,308
Sales	0	-991
Translation differences	-20	-11
<b>Closing accumulated acquisition value</b>	<b>8,286</b>	<b>8,306</b>
Opening depreciation	-5,843	-5,153
Sales/disposals	0	343
Depreciation for the year	-183	-613
Translation differences	0	-420
<b>Closing accumulated depreciation</b>	<b>-6,026</b>	<b>-5,843</b>
Write-downs for the year	-2,095	0
<b>Closing accumulated write-downs</b>	<b>-2,095</b>	<b>0</b>
<b>Closing reported value</b>	<b>165</b>	<b>2,463</b>

**NOTE 9 - GOODWILL**

## THE GROUP

	31/12/2023	31/12/2022
Opening acquisition value	61,245	94,540
Translation differences	-91	596
Sales/disposals	0	-33,892
<b>Closing accumulated acquisition value</b>	<b>61,154</b>	<b>61,245</b>
Opening depreciation	-56,179	-79,294
Translation differences	57	244
Depreciation for the year	-5,032	-8,904
Sales/disposals	0	31,775
<b>Closing accumulated depreciation</b>	<b>-61,154</b>	<b>-56,179</b>
<b>Closing reported value</b>	<b>0</b>	<b>5,065</b>

## NOTE 10 - BUILDINGS AND LAND

## THE GROUP

	31/12/2023	31/12/2022
Opening acquisition value	800,416	768,073
Purchasing	37,611	33,560
Sales/disposals	-13,479	-17,602
Reclassifications inventory	1,466	-12,328
Translation differences	-5,987	28,713
<b>Closing accumulated acquisition value</b>	<b>820,027</b>	<b>800,416</b>
Opening depreciation	-128,043	-115,776
Sales/disposals	0	5,372
Reclassifications inventory	-24,133	3,836
Depreciation for the year	-23,020	-20,663
Translation differences	-3,633	-812
<b>Closing accumulated depreciation</b>	<b>-178,829</b>	<b>-128,043</b>
Opening write-downs	0	0
Write-downs for the year	-16,144	0
Translation difference	448	0
<b>Closing accumulated write-downs</b>	<b>-15,696</b>	<b>0</b>
<b>Closing reported value</b>	<b>625,502</b>	<b>672,373</b>
<b>Information on managed properties</b>		
Reported value	442,286	458,406
Fair value	1,380,805	1,367,000

## NOTE 11 - INVENTORY

## THE GROUP

	31/12/2023	31/12/2022
Opening acquisition value	108,419	128,799
Purchasing	3,708	2,944
Sales/disposals	-3,178	-21,625
Reclassification differences	-294	-1,699
<b>Closing accumulated acquisition value</b>	<b>108,655</b>	<b>108,419</b>
Opening depreciation	-100,541	-113,481
Sales/disposals	3,003	15,037
Reclassifications	0	8
Depreciation for the year	-2,825	-3,069
Translation difference	793	964
<b>Closing accumulated depreciation</b>	<b>-99,570</b>	<b>-100,541</b>
Opening impairment	-1,629	-1,593
Depriciations for the year	-582	-36
<b>Closing accumulated impairment</b>	<b>-2,211</b>	<b>-1,629</b>
<b>Closing reported value</b>	<b>6,874</b>	<b>6,249</b>

## PARENT COMPANY

	31/12/2023	31/12/2022
Opening acquisition value	265	265
Purchasing	509	0
<b>Closing accumulated acquisition value</b>	<b>774</b>	<b>265</b>
Opening depreciation	-265	-265
Depreciation for the year	-85	0
<b>Closing accumulated depreciation</b>	<b>-350</b>	<b>-265</b>
<b>Closing reported value</b>	<b>424</b>	<b>0</b>

**NOTE 12 - TANGIBLE ASSETS UNDER DEVELOPMENT**

## THE GROUP

	31/12/2023	31/12/2022
<b>Adjustments for tenants</b>		
Opening acquisition value	0	18,737
Purchasing	0	4,520
Completed	0	-23,257
	<b>0</b>	<b>0</b>
<b>New developments</b>		
Opening acquisition value	109,809	82,429
Purchasing	39,022	41,577
Sales/disposals	-1,719	-14,035
Completed	-13,170	-162
	<b>133,942</b>	<b>109,809</b>
<b>Closing reported value</b>	<b>133,942</b>	<b>109,809</b>

**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 52 million (44). Purchases from group companies amounted to SEK 7 million (6).

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

	31/12/2023	31/12/2022
Opening acquisition value	695,089	754,454
Merger	0	-59,365
<b>Closing accumulated acquisition value</b>	<b>695,089</b>	<b>695,089</b>
Opening impairment	-175,176	-198,154
Sales/disposals	0	22,978
Impairment for the year	-31,000	0
<b>Closing accumulated impairment</b>	<b>-206,176</b>	<b>-175,176</b>
<b>Closing reported value</b>	<b>488,913</b>	<b>519,913</b>

## 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	57,703
Elof Hansson International AB	100	100	5,000	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	974,000	4,874
Elof Hansson Fiber B.V	100	100	102	0
Conrad Jacobson Paper GmbH	100	100	100	36,496
<b>Total</b>				<b>488,913</b>

	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 Paper GmbH	HRB 75032	Hamburg

## NOTE 16 – HOLDINGS IN ASSOCIATED COMPANIES AND JOINTLY OPERATED COMPANIES

## THE GROUP

	31/12/2023	31/12/2022
Opening acquisition value	37,857	22,841
Purchasing	4,000	15,016
Closing accumulated acquisition value	<b>41,857</b>	<b>37,857</b>
Closing reported value	<b>41,857</b>	<b>37,857</b>

## PARENT COMPANY

	31/12/2023	31/12/2022
Opening acquisition value	37,857	22,841
Purchasing	4,000	15,016
Closing accumulated acquisition value	<b>41,857</b>	<b>37,857</b>
Closing reported value	<b>41,857</b>	<b>37,857</b>

## 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
Fibu AB	14	100	100	4,000
<b>Total</b>				<b>41,857</b>

	Corp. reg. no.	Headquarters
Tyumen Invest Pte Ltd	201701177E	Singapore
Elof Hansson Clean Tech GmbH	HRB247942	Starnberg
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
Fibu AB	559196-9109	Västerås

### 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
Fibu AB	14	100	100	4,000
<b>Total</b>				<b>41,857</b>

	Corp. reg. no.	Headquarters
Tyumen Invest Pte Ltd	201701177E	Singapore
Elof Hansson Clean Tech GmbH	HRB247942	Starnberg
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
Fibu AB	559196-9109	Västerås

## NOTE 18 - OTHER CURRENT RECEIVABLES

### THE GROUP

	31/12/2023	31/12/2022
VAT Claim	2,622	0
Receivable sale of property	79,990	100,088
Other receivables	54,682	52,519
<b>Total</b>	<b>137,294</b>	<b>152,607</b>

## NOTE 19 - PREPAID EXPENSES AND ACCRUED INCOME

### THE GROUP

	31/12/2023	31/12/2022
Prepaid insurance	2,606	2,764
Prepaid rents	4,582	3,835
Other	123,402	70,111
Accrued income	2,160	1,691
<b>Total</b>	<b>132,750</b>	<b>78,401</b>

### PARENT COMPANY

	31/12/2023	31/12/2022
Prepaid rents	3,067	2,436
Other	1,295	1,536
Accrued income	330	405
<b>Total</b>	<b>4,692</b>	<b>4,377</b>

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

We have decided to establish two facilities for the production of sheet materials for the construction industry in the USA, where the raw material is recycled fiber-based.

**NOTE 21 - PROVISIONS****THE GROUP**

	31/12/2023	31/12/2022
<b>Pensions and similar commitments</b>		
Amounts at the start of the year	21,008	39,827
Amount utilised during the year	-2,978	-23,672
Conversion	-972	4,853
<b>Total</b>	<b>17,058</b>	<b>21,008</b>
<b>Other provisions</b>		
Amounts at the start of the year	5,566	27,813
Provisions for the year	13,460	10,566
Utilized provisions	0	-31,850
Conversion	-5,523	-963
<b>Total</b>	<b>13,503</b>	<b>5,566</b>
<b>Deferred tax</b>		
Amounts at the start of the year	35,166	29,496
Amount utilised during the year	1,502	7,440
Reclassification	-191	0
Conversion	0	-1,770
<b>Total</b>	<b>36,477</b>	<b>35,166</b>

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

	Loan amount 31/12/2023	Loan amount 31/12/2022
<b>Non-current liabilities</b>		
Liabilities to credit institutions	255,000	167
<b>Total</b>	<b>255,000</b>	<b>167</b>
<b>Current liabilities</b>		
Liabilities to credit institutions	50,000	305,000
Overdraft facilities utilised	350,715	357,080
<b>Total</b>	<b>400,715</b>	<b>662 080</b>
<b>Credit granted</b>		
Overdraft facilities granted	749,786	700,000
<b>Total</b>	<b>749,786</b>	<b>700,000</b>

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 years.

**NOTE 23 - NON-CURRENT LIABILITIES****THE GROUP**

	31/12/2023	31/12/2022
<b>Other non-current liabilities</b>		
Notes payable	44,977	44,977
Other liabilities	2,896	1,617
<b>Total</b>	<b>47,873</b>	<b>46,594</b>

**NOTE 24 - ACCRUED EXPENSES AND PREPAID INCOME**

## THE GROUP

	31/12/2023	31/12/2022
Accrued salaries and holiday pay	46,683	45,842
Accrued social expenses	28,872	26,272
Project balance on successive profit settlement	18,560	101,940
Other accrued expenses	27,151	21,513
Prepaid income	128,642	28,602
<b>Total</b>	<b>249,908</b>	<b>224,169</b>

## PARENT COMPANY

	31/12/2023	31/12/2022
Accrued salaries and holiday pay	2,918	3,391
Accrued social expenses	2,017	2,537
Other accrued expenses	-913	2,465
<b>Total</b>	<b>4,022</b>	<b>8,393</b>

**NOTE 25 - PLEDGED ASSETS**

## THE GROUP

For own liabilities and provisions

	31/12/2023	31/12/2022
<b>For liabilities to credit institutions</b>		
Properties	355,000	355,000
Accounts receivable	44,577	64,163
Business mortgages	325,000	331,000
Shares	0	48,825
<b>Total</b>	<b>724,577</b>	<b>798,988</b>
<b>For other non-current liabilities</b>		
For own pension commitments (endowment insurance)	1,234	1,396
<b>Total</b>	<b>1,234</b>	<b>1,396</b>

**NOTE 26 - CONTINGENT LIABILITIES**

## PARENT COMPANY

	31/12/2023	31/12/2022
Guarantee commitment for group companies	22,898	223,704
<b>Total</b>	<b>22,898</b>	<b>223,704</b>

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

	01/01/2023– 31/12/2023	01/01/2022– 31/12/2022
Dividends from group companies	113,034	4,456
Impairment of shares in group companies	-31,000	-12,129
Impairment of loans to group companies	-191,385	-22,098
Tax free interest income	-2	0
<b>Total</b>	<b>-109,353</b>	<b>-29,772</b>

**NOTE 28 - GROUP CONTRIBUTIONS RECEIVED**

## PARENT COMPANY

	01/01/2023– 31/12/2023	01/01/2022– 31/12/2022
Group contributions received	50,100	47,000
<b>Total</b>	<b>50,100</b>	<b>47,000</b>

## NOTE 29 - TAX EXPENSES FOR THE YEAR

## THE GROUP

	01/01/2023 – 31/12/2023	01/01/2022 – 31/12/2022
<b>Tax on profit for the year</b>		
Current tax	-18,886	-37,555
Change in deferred tax relating to temporary differences	-4,573	-7,424
<b>Total reported tax</b>	<b>-23,459</b>	<b>-44,979</b>

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

	01/01/2023 – 31/12/2023		01/01/2022 – 31/12/2022	
	Per cent	Total	Per cent	Total
<b>Reported profit before tax</b>		-122,809		161,984
Tax at current rate	20.6	25,299	20.6	-33,369
Tax effect of other tax rates abroad		-1,102		-1,373
Undisclosed deferred tax on loss carryforwards		-34,096		-6,210
Non-deductible costs/non-taxable income		-7,520		6,068
Previous undisclosed deferred tax on loss carryforwards		120		-1,567
Deferred tax		-4,573		-7,424
Other taxes and adjustment of the previous year's provision for tax		-1,587		-1,105
<b>Reported effective tax</b>	<b>-19.1</b>	<b>-23,459</b>	<b>27.8</b>	<b>-44,979</b>

## PARENT COMPANY

	01/01/2023 – 31/12/2023	01/01/2022 – 31/12/2022
<b>Tax on profit for the year</b>		
Current tax	-8	-1,211
<b>Total reported tax</b>	<b>-8</b>	<b>-1,211</b>

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

	01/01/2023 – 31/12/2023		01/01/2022 – 31/12/2022	
	Per cent	Total	Per cent	Total
<b>Reported profit before tax</b>		-111,185		-33,315
Tax at the applicable tax rate in Sweden	20.6	22,904	20.6	6,863
Non-deductible costs		-46,202		-9,067
Non-taxable income		23,289		0
Profit from interests in group companies		0		997
Other taxes and adjustment of the previous year's provision for tax		0		-4
<b>Reported effective tax</b>	<b>0.0</b>	<b>-8</b>	<b>-3.6</b>	<b>-1,211</b>

## NOTE 30 – ALLOCATION OF PROFIT OR LOSS

## PARENT COMPANY

Proposed allocation of profit

	31/12/2023	31/12/2022
<b>The following funds in the parent company are at the disposal of the annual general meeting</b>		
Share premium reserve	178,459	178,459
Retained earnings	66,408	105,934
Profit for the year	-111,193	-34,526
<b>Total</b>	<b>133,674</b>	<b>249,867</b>
<b>Is allocated so that</b>		
Dividend paid to shareholders is	5,000	5,000
Carried forward	128,674	244,867
<b>Total</b>	<b>133,674</b>	<b>249,867</b>



**NOTE 31 – NON-CASH ITEMS**

## THE GROUP

	31/12/2023	31/12/2022
Depreciations as per schedule	50,251	33,250
Rate differences	-15,861	-77,317
Change in provisions	9,249	4,578
Capital gain	-549	23,992
Recalculation pension	2,020	16,331
<b>Total</b>	<b>45,110</b>	<b>834</b>

## PARENT COMPANY

	31/12/2023	31/12/2022
Impairment of shares in group companies	31,000	12,129
Impairment of loans to group companies	191,385	22,098
Impairment of receivable to external companies	0	6,028
Rate differences	-10,320	10,340
<b>Total</b>	<b>212,065</b>	<b>50,595</b>

**NOTE 32 - OTHER NON-CURRENT RECEIVABLES**

## PARENT COMPANY

	31/12/2023	31/12/2022
Opening acquisition value	31,076	21,902
Additional receivables	4,670	5,272
Translation difference	6,274	3,902
<b>Total</b>	<b>42,020</b>	<b>31,076</b>

**NOTE 33 - RECEIVABLES FROM GROUP COMPANIES**

## PARENT COMPANY

	31/12/2023	31/12/2022
Opening acquisition value	584,496	551,933
Rate differences	-296,178	32,562
<b>Closing accumulated acquisition value</b>	<b>288,318</b>	<b>584,496</b>
Opening impairment	-123,731	-162,996
Sales/disposals	104,254	39,266
<b>Closing accumulated impairment</b>	<b>-19,477</b>	<b>-123,731</b>
<b>Closing reported value</b>	<b>268,841</b>	<b>460,765</b>

**NOTE 34 - DEFERRED TAX ASSETS**

## THE GROUP

	31/12/2023	31/12/2022
Amounts at the start of the year	15,095	14,519
Amounts recognised in the income statement during the year	307	16
Reclassification	103	-65
Conversion	-668	625
<b>Total</b>	<b>14,837</b>	<b>15,095</b>

Gothenburg, 26/03/2024



Finn T. Jacobsen  
Chair



Anette Asklin



Magnus Örtorp



Per-Åke Färnstrand



Mikael Forslund  
CEO

Our auditor's report has been submitted on 26/03/2024  
Ernst & Young AB



Andreas Mast  
Certified Public Accountant





## Board of Directors

- 1**  
**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.*
- 2**  
**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 Jernhusen AB and Aranäs AB, board member of Fabega AB, Genova Property Group AB and member of the funding committee at the University of Gothenburg.*
- 3**  
**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.*
- 4**  
**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.*



**PETER HENTZ**  
*Chair, Member since: 2007*



**CAMILLA HANSSON AHLBOM**  
*Member since: 2010*



**FINN JACOBSEN**  
*Member since: 2015*



**MAGNUS ÖRTORP**  
*Member since: 2016*

## 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.

**FUNDING:**

*The foundation distributes grants to institutions such as:*

- Chalmers University of Technology, Supply and Operations Management
- 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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2023 has set the direction for the future for *Elof Hansson*. *Elof Hansson Group* has adeptly navigated the global, variable conditions, owing to the dedication of our teams across the globe. As we look to the future, *Elof Hansson Group* will continue to cultivate our global perspective while maintaining our local actions. Enhancing our entrepreneurial capabilities is essential to discover new, sustainable, and innovative business solutions. This strategy is key to ensuring our success *for the next 125 years and beyond*.



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