# ANNUAL REPORT AND SUSTAINABILITY REPORT





# LATOUR ANNUAL REPORT AND SUSTAINABILITY REPORT 2023

# **Gustaf Douglas**

1938 - 2023

# A FOUNDER WITH GREAT HEART

Gustaf's courage to go his own way, sometimes against the tide but always with compassion, honesty and a genuine commitment, and not least patience, is behind Latour's fantastic success story.

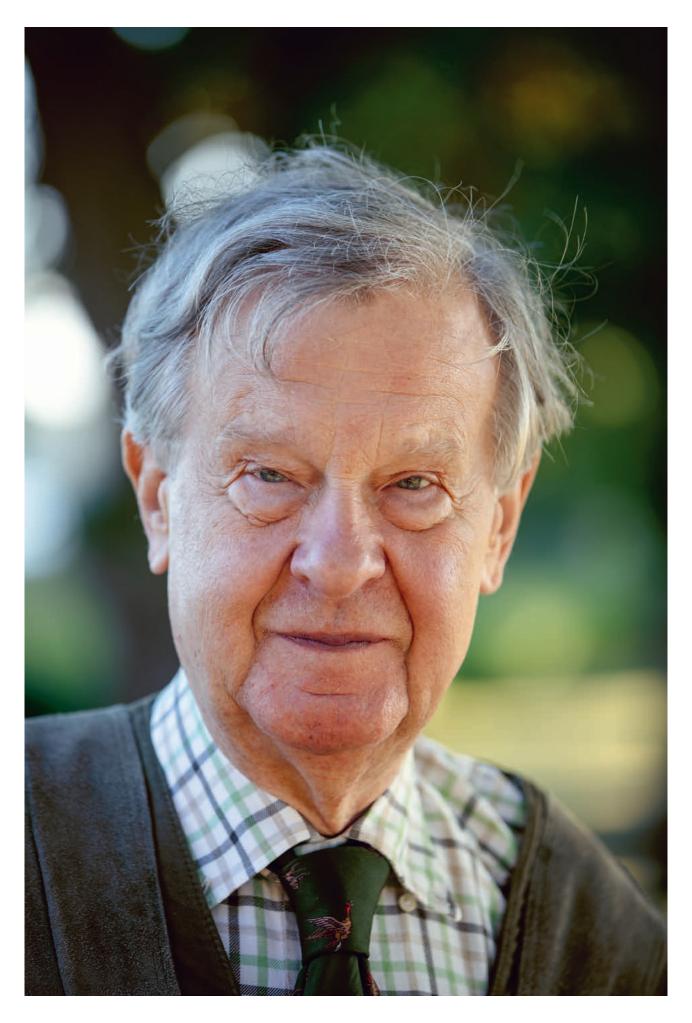
nterest in people, listen and care about others, respect their uniqueness. If there is something that characterized Gustaf as a person, it was his humanity. Helping the most vulnerable and finding people to develop with, runs like a common thread from his childhood and early youth to the successful group of companies he created, with over half a million employees today. With a genuine interest, he engaged employees at all levels in the companies he was active in. Gustaf understood that education and training under a positive leadership and encouragement can make people grow and do amazing things. It became an important guiding light when he recruited leaders for his companies, who in turn carried forward this view and other important values in their businesses.

curiosity, regardless of whether it concerned people, techniques and companies, or other enriching subjects such as art and literature, was also something that Gustaf stood for and that characterized his deed. He learned from his mistakes and dared to take risks, but above all, he understood the importance of keeping up with the latest developments, as a person and as a company. Continuously investing in R&D, with the ambition of offering products that are slightly better than previous versions, has permeated, and continues to permeate, all of Latour's holdings.

Gustaf early witnessed how great technology leaps and market events quickly could change the conditions for a business. Having a keen sense on trends, understanding how different factors link to each other and, not least, having full transparency in the value chain and being a part of the operations, in "reality" as Gustaf said, are important insights he conveyed and which we took to heart.

BUT THE LEADING STAR we perhaps strongest associate with Gustaf is his long-term perspective. Maybe he was trained from a young age in long-term thinking by growing up in the countryside, where returns on forest and land required a large portion of patience. The often difficult consideration, to try to see beyond what we can see, is something that we have learned from Gustaf. This means investing with care, building with caution and humility, with no other goal than to always become a little bit better, for employees, owners, customers and not least the society. What today is called sustainable development is thus what was Gustaf's strategy from the very beginning of Latour's history. Gustaf's memory will continue to inspire and guide us. Latour will honour his legacy with his spirit - in a responsible, long-term and sustainable way. And we will of course continue to act like Gustaf in business, to do them with the heart but calculate properly with the brain.

The friends at Latour







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# This is Latour

# We believe in active ownership

Latour makes long-term investments in companies with proprietary products and brands supported by global megatrends, and good prospects for internationalisation.

LATOUR'S OPERATIONS are primarily carried out in two business lines: a wholly-owned industrial operations and a portfolio of listed holdings. In all holdings, Latour acts as an active principal owner, where the work of the Board is the most important platform for the sustainable creation of value. There are also a handful of other holdings, mainly in Latour Future Solutions.

**IN ALL HOLDINGS,** there is a structured approach to the work of the Board, acquisition processes and integration processes. Latour's interests in several global groups can help the companies to develop in line with the adopted international expansion strategy, by enabling the holdings to exchange experiences and knowledge.

**LEADERSHIP PLAYS A** central role in the corporate governance. Leaders at Latour should be culture carriers and role models. They should assume responsibility for performance, sustainable value creation and the well-being of the organisation. The leadership style is characterised by freedom with responsibility and is favourably combined with feedback and transparency.





#### VISION

Latour's vision is to be a sustainable and attractive choice for long-term investors that want good returns. Latour creates added value in its holdings by being an active and steadfast owner that, with financial strength and solid industrial know-how, contributes to the sustainable development of the companies.



#### **BUSINESS CONCEPT**

Latour's main business concept is to invest in sustainable companies with proprietary products, strong growth potential supported by global megatrends and good future prospects. Its long-term ambition is to create international growth and added value in these holdings by means of active ownership.



#### **CORE VALUES**

- ► Long-term perspective
- ▶ Businessmanship
- ► Trust & Accountability
- ► Development

Governance is characterised by a delegated decision-making structure, with each holding having a unique corporate culture and its own strategic process. However, Latour's core values permeate all holdings.



#### A SUSTAINABLE STRATEGY

Sustainability is integrated in Latour's investment strategy. Long-term values are created by developing sustainable operations. Latour has its greatest impact by being an active and responsible owner. Through the work of Boards, Latour places high expectations on and drives the sustainable development of the holdings.

#### **LOW NET DEBT**

Latour's total net debt cap is set at 10 per cent of the investment portfolio's value and 2.5 times the wholly-owned industrial operations' EBITDA, measured as an average for the last three years and adjusted for acquisitions and divestitures.

#### **CORPORATE GOVERNANCE WORTH ITS PRICE**

Latour's shareholders are offered active corporate governance for a management fee of approximately 0.1 per cent of the managed market value.

### FINANCIAL TARGETS FOR THE INDUSTRIAL **OPERATIONS OVER A BUSINESS CYCLE\***

>10 per cent Average annual growth (minimum for every holding\*\*) Operating margin (average across all holdings) Return on operating capital (minimum for every holding)

>15 per cent >15 per cent

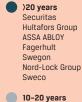
#### **DIVIDEND POLICY**

Re-distributed payment of dividend received from the investment portfolio and part-owned holdings Profit after tax in wholly-owned companies

100 per cent 40-60 per cent

#### **CREATING LONG-TERM VALUE**

Latour is a long-term investor. The diagram shows that 70 per cent of the total net asset value comes from companies that have been in the portfolio for more than 20 years.

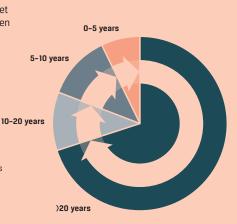


Nederman **HMS Networks** TOMRA









# **GROWING INTERNATIONALLY**

Latour's holdings have a solid foundation on which to arow with their own products and through international expansion. The wholly-owned operations' sales outside the Nordic region have increased from 61 per cent to 71 per cent in the last five years.



2018

#### THE NET ASSET VALUE AND ITS COMPONENTS

Latour's net asset value is dominated by the investment portfolio and the wholly-owned industrial operations. A description of the method used to calculate the value of the wholly-owned industrial operations can be found on Latour's website, latour.se.



#### 292,000 PER CENT TOTAL RETURN

Since the start in 1985, the Latour share has had a total return of approximately 292,000 per cent. This can be compared with 9,200 per cent for the SIXRX. Latour's market value was SEK 167.8 (126.1) billion at the end of 2023.



All amounts are in SEK billion unless stated otherwise. These figures apply as at 31 December 2023.

SIXRX

<sup>\*</sup> The financial targets apply from February, 2023.

<sup>\*\*</sup> Organic growth shall be prioritized

# Highlights of the year

# Growth remains stable amid global turbulence



the industrial operations with yet another record quarter and good underlying demand on most markets. General inflation and currency fluctuations placed high demands but were managed well.

# THE INVESTMENT PORTFOLIO

also developed well after a weak development in the previous year, increasing in value by 14.8 per cent.

SWEGON COMPLETED its acquisition of the UK company
Dalair. In the investment portfolio, Latour participated in
Alimak Group's issue of new
shares and CTEK's new share
issue, pro rata to its holding.

continued to develop positively, even though order intake was at a slightly lower level than previously, partly due to a slight downturn in the economy, but also to a normalisation in the placement of customer orders.

Activities relating to acquisitions continued IN THE INVEST-MENT PORTFOLIO; for example, ASSA ABLOY completed the significant acquisition of the American company HHI. rates and general inflation gave rise to reduced demand within a number of segments, but the industrial operations as a whole noted strong operating profits and a continued high operating margin.

# RISING INTEREST RATES and

economic concerns led to a fall in the stock market, which also contributed to a reduction in the value of the investment portfolio.

#### LATOUR FUTURE SOLUTIONS

invested in the Swedish company Quandify, which is offering a smart water meter system for commercial and private properties. GOOD END to the year for the industrial operations, with organic growth in order intake. Invoicing fell slightly compared to a record quarter the year before. Generally speaking slightly adverse conditions for the construction and real estate sectors, but with a counterbalancing, positive trend for investments in the energy efficiency of buildings.

#### IN THE INVESTMENT PORTFOLIO,

the rate of acquisition was high, for example with HMS Networks entering into an agreement for a major, transformative acquisition in the USA. Latour will be participating in the new issue of shares that forms part of the financing, pro rata to its holding.

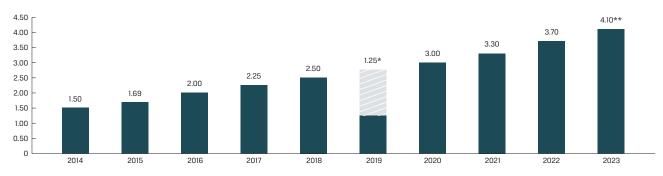


GOAL ACHIEVEMENT - LATOUR'S FINANCIAL TARGETS*  Minimum							
	2023	2022	2021	2020	2019	requirement*	
Average annual growth	13.0	23.7	23.7	9.4	16.7	>10%	
Operating margin	14.9	14.1	14.6	14.3	13.4	>15%	
Return on operating capital	16.3	15.5	16.4	14.5	17.8	>15%	

<sup>\*</sup> The financial targets were revised in February 2023. See page 9.

## **EFFECT FOR SHAREHOLDERS**

### DEVELOPMENT OF ORDINARY DIVIDEND, SEK/SHARE



 $<sup>\</sup>star$  Due to Covid-19, the original proposal of SEK 2.75 per share was reduced to SEK 1.25 per share.

## **INDUSTRIAL OPERATIONS**

13%

# Total growth of the industrial operations

- ► Net sales increased in total by 13 (24) per cent to SEK 25.6 (22.6) billion.
- ► Net sales increased by 3 (9) per cent when adjusted for foreign exchange effects and acquisitions.
- ► Operating profit increased to SEK 3.8 (3.2) billion.

# INVESTMENT PORTFOLIO

24%

# Increase in value of the investment portfolio

- ► The value increased by 23.9 (-34.6) per cent when adjusted for portfolio changes and dividends.
- ► The dividends to Latour in spring 2024 are expected to increase by 12 per cent for the comparable portfolio, to SEK 1,614 m (1,441 m).

## **NET ASSET VALUE**

**SEK 198** 

#### Net asset value per share

► At the end of 2023, Latour's estimated net asset value reached SEK 198 (156) per share, representing an increase of 27.5 per cent, adjusted for paid dividends.

## TOTAL RETURN

35%

# Total return on the share

- ➤ The total return on the Latour share for 2023 was 35.4 (-45.7) per cent, and 151.6 per cent for the 2019-2023 period.
- ► The Board of Directors proposes a dividend of SEK 4.10 (3.70) per share for the 2023 financial year.

<sup>\*\*</sup> Proposed dividend for 2023.

# Johan Hjertonsson, President and CEO:

# "YET ANOTHER RECORD YEAR IN AN UNCERTAIN ENVIRONMENT"

The loss of a visionary founder and a year of geopolitical upheaval, but also strong earnings levels. 2023 has been marked by both challenges and successes.

"I met Gustaf many times and I have been inspired by his commitment and insights. In my role as CEO of the fantastic business Gustaf created, it is natural that I should base my own leadership on his principles. These include the importance of strong entrepreneurship, trust combined with responsibility, and not least the belief in people's abilities if given the right conditions. Gustaf dared to go his own way when he built Latour. I and everyone else at Latour intend to continue on that path."

How do you see the uncertainty in the world?

"We have now had four years of successive external crises. This has been a special environment in which to manage and run a business. Unfortunately, the uncertainty seems to persist, and geopolitically it is getting worse. What is most important is to focus on the people at Latour. I already mentioned it last year, and as things in the outside world have not improved, taking care of employees is becoming increasingly important."

Latour's wholly-owned industrial operations impresses in this environment. What is the key?

"Caring for and believing in each other has created a culture where people dare to be creative and find solutions to challenges. This is the strength of a decentralized organization, which has allowed us to deliver strong results year after year. It is also about being transparent and having the courage to say if you make a mistake or fail. We learn from it, and help each other."

The operating margin was 14.9 per cent, close to the new target level you presented at the beginning of 2023?

"We increased from 10 per cent to 15 per cent for the simple reason that a target should be a challenge, something to strive for. Now, in practice, we reached this new level for the six business areas together already this year, but all of them must also individually strive to achieve a margin of at least 15 per cent. Moreover, some of our business areas are working with even higher targets."

"Gustaf dared to go his own way when he built Latour. I and everyone else at Latour intend to continue on that path."

#### Johan Hjertonsson

on the continued strong influence of Latour's founder.

Acquisition activity was unusually low, why was this?

"This has been a deliberate strategy. After acquiring 22 companies in two years, we needed to catch up a bit and make sure to integrate all of these businesses in a good way, which has now been done. At the same time, we have continued to look at and evaluate companies, but it has been difficult to reach a conclusion as the sellers' expectations have often been high. The situation started to normalise towards the end of the year, which suits us well as we are now increasing our acquisition activities again. In January 2024 alone, we made three acquisitions."





 $\bigcirc$ 

How else would you sum up the development of the industrial operations in 2023?

"Caljan has impressively adapted its operations to lower activity, while strengthening product development. Bemsiq shows strong and profitable growth and is working to increase investments in one of the most attractive segments in real estate. Swegon entered 2023 with a large order book and has raised its margins, grown its market shares and successfully integrated four acquisitions. Hultafors Group has also successfully integrated previous acquisitions and increased profitability in a challenging market. Nord-Lock Group is showing good organic growth and has set up a new organisation to enable faster global expansion of its leading wedge-locking technologies. I would like to thank Fredrik Meuller for six fantastic years as CEO and wish him all the best as CEO of a listed company. Latour Industries has merged its elevator-related activities to form a new business unit, Innovalift, with a turnover of around SEK 2 billion. Finally, Latour Future Solutions has added another investment to its portfolio of exciting companies, some of which have the potential to become really big."

What is your comment on the companies in the listed portfolio?

"In general, I am very pleased with how the companies have developed during the year, how they have dealt with various challenges and continued to increase their market shares. In addition, acquisition activity was good. ASSA ABLOY closed its largest ever acquisition, of US-based HHI, and completed a large number of small and medium-sized acquisitions in the second half of the year. HMS Networks has signed an agreement to acquire American Red Lion Controls, which will significantly expand HMS' presence in North America. We will subscribe to our share in the new share issue that HMS intends to carry out to finance the deal."

Sustainability work is a feature of all Latour companies. Anything in particular you would like to highlight?

"That it has become a natural and important part of daily activities. This includes not least environmental and social aspects, and there is a strong drive for continuous improvement and development. Work on SBTi is progressing steadily, all our business areas with the exception of Latour Industries have committed and are now working on setting climate targets. The same applies to the majority of our listed holdings, with four out of ten holdings having their targets validated by SBTi. Inclusion and gender equality is a priority, and it is progressing very positively. Among other things, we are pleased to see a continued increased share of female managers in our businesses. Of course, we also continue to follow the UN Global Compact's ten principles on labour, human rights, anti-corruption and the environment."



# THREE THINGS ON MY RADAR FOR 2024



#### OUR TALENTS

An important focus for me, free more time for what matters most at Latour, the people.



#### GEOPOLITICS

We need to be ready for different scenarios, and thus be able to act quickly if they occur.



#### **GROSS MARGIN**

One of my favourite metrics, which among other things shows how good we are at pricing.



"Inclusion and gender equality is a priority, and it is progressing very positively. Among other things, we are pleased to see a continued increased share of female managers in our businesses."

**Johan Hjertonsson** on the importance of sustainability.

What else makes Latour a good employer?

"We have such a strong focus on the people within the business. For example, when we make an acquisition, it is extremely important that the people running the company have similar values that we have. Otherwise, we will not proceed. In addition, everyone at Latour should be included in our journey. The leaders have a major responsibility in this regard and should be good role models. I had the privilege to welcome a new great leader in January 2024 when Heléne Mellquist, former CEO of Volvo Penta, joined us as COO. I am very much looking forward to working together. A high priority for us is to continue to improve career paths within Latour, which we can increasingly offer through our growth and the establishment of various networks. In 2023 alone, there are many inspiring examples of career moves within and between companies."

As for the year 2023 to you personally, have you gained any insights?

"The longer I have been a leader, the more I have realised the importance of working with the people in the company. Now that Heléne has been able to take over some of my tasks, I can spend more time with Heléne on

different initiatives to develop all of Latour's talents. Increasing this focus is also even more important in a troubled and fragmented world."

Finally, what do you expect that 2024 will bring?

"We are preparing for a weakening of the economy, hopefully at a gentle pace, but the uncertainty in the world could make the situation worse. We are always prepared for a downturn and can react and adapt quickly, as we have shown many times before. Gustaf also laid the foundation for this – the freedom to act with responsibility and always think long-term. This is how we will continue to create value, and manage the strong legacy of a founder with a very big heart."

Upole

Gothenburg, March 2024

Johan Hjertonsson President and CEO



# IN FOCUS 2023: INTEGRATION AND DEVELOPMENT

After several years of fast-paced acquisitions, 2023 was much quieter in terms of new companies. However, it was an intensive year of integrating previous acquisitions and continuing to develop existing operations.

atour acquires companies that have well-functioning business models with good profitability, own products and the opportunity to grow internationally. The companies should have a strong position in the value chain and through its industrial competence and experience Latour adds value and supports investments in R&D, marketing and production, in order to increase competitiveness and profitability.

"However, the most important thing is the people, the chemistry and understanding between us and the company's management. Our decentralised decision-making model is about giving entrepreneurs the freedom to continue their already successful business," says Johan Menckel, Chief Investment Officer at Latour.

In 2021 and 2022, a total of 22 companies were acquired in the wholly-owned industrial operations. The companies have been successfully integrated and in almost all cases the same management teams have continued to drive and develop their strategies. Acquisitions have often been made to complement and strengthen the position in a particular market or in an attractive product area. English company Dalair, which Swegon acquired in January 2023, is a good example of this.

"With Dalair's unique offer in modular units, Swegon has established a leading position in air handling in the British and Irish market."

Dalair has performed very well in 2023, as has Swegon UK and Swegon as a whole. In fact, almost all of the companies that Latour has acquired in recent years showed solid development and have contributed to the continued profitable growth of their respective business areas. This proves once again that Latour's investment criteria for acquisitions work, regardless of the macroeconomic situation.

"A crucial factor is probably our long-term perspective when we look at a new company, that they are part of and can benefit from the major megatrends we consider as value-creating."

**SOME OF THE** clearest and most powerful megatrends in the world today are the green transition and the rapid development of technology spearheaded by AI and digitalisation, which are also driving each other. Latour has a strong focus on acquiring and investing linked to these two trends, which of course span many industries, and today has a portfolio of companies with strong positions.

#### CRITERIA FOR INVESTMENTS

#### MARKET AND TRENDS

- ► Addressing identified trends
- ► Industry shows profitable growth

#### DEVELOPMENT POTENTIAL

- ► The next wave of development has begun
- Potential for geographical expansion
- Sustainable business with high ethical standards
- ► Latour adds value

#### BUSINESS AND MARKET POSITION

- Development and manufacture of own-brand products
- Sustainable products with high added value
- ► Favourable position in the value chain
- ► Strong management

# FINANCIAL CAPACITY

► Ability to meet Latour's long-term financial targets

# Johan Menckel, Chief Investment Officer:

# "The most important thing is the people, to have chemistry and consensus between us and the company's management."



The lack of acquisitions in 2023 was not because Latour's business development team did not evaluate new companies. Activity has remained high and many discussions have been initiated, but it has been more difficult than usual to reach a conclusion. The main reason for this is that the views on valuation between buyers and sellers differed significantly, a consequence of the uncertain economic situation with higher interest rates.

"It will take some time, but we believe that the difference in views on valuation will gradually decrease. This makes us hopeful of significantly more acquisitions in the wholly-owned business in 2024. However, some of the companies in the listed portfolio have made some smaller acquisitions, where we have been able to assist in the process."

AT THE SAME TIME, the team has had many other things on its 2023 agenda. The companies are investing to strengthen their competitiveness and develop their offer to enter new geographical markets and customer groups, and are supported by Latour's team in doing this. For example, Fredrika Ekman has supported Hultafors Group in North America.

"I have worked closely with Hultafors Group since I joined Latour three years ago, and during this period they have made three acquisitions where I have led the processes. The latest was Martinez Tool Company in the US in the fall of 2022, which complements Hultafors Group's North American operations," says Fredrika Ekman and continues:

"Usually, we are involved in the integration work during the first hundred days, but as there was a gap in the capacity of the local organization, I went over to the US in early spring to support the further integration. Then it turned out that they had other large structural projects, and I was asked to support the business full-time. For about six months I therefore worked on behalf of Hultafors Group on project management, strategy and

business development, in addition to the continued integration of Martinez."

Ida Saalman has also had a longer full-time involvement in one of Latour's holdings, but in this case it was a holding in the listed portfolio, Alimak Group.

"I entered the role of Interim Head of M&A at Alimak Group primarily to manage the transformative acquisition of Tractel. It was very instructive to work on a relatively complex and large transaction, but above all, it was very enjoyable to have the opportunity to work more operationally in one of our listed companies, with which we otherwise do not work as closely as we do with the wholly-owned business."

THE IMPORTANCE OF Latour's business development team in supporting the holdings has been proven many times over the years. Sometimes it also means opportunities for team members to grow within Latour. Two of Latour's six business area CEO's have a background in this team, and in 2023 Gustav Samuelsson was appointed CFO of Densiq while Niclas Nylund was appointed CFO of the largest division in Latour Industries. Anders Ardstål, on the other hand, is new to the team, having extensive experience in various operational roles in fast-growing Swedish businesses. He quickly put his skills to use.

"I have helped Nord-Lock Group to review the possibilities to strengthen the operational efficiency of their wedge-locking business, including improving the flows in the expanded production facility in Mattmar outside Östersund."

Anders concludes:

"Investment in new capacity and innovation is important for all holdings, and something Latour wants to pursue even in times of market uncertainty. This is where Latour's long-term approach comes in, a strength that has contributed to us having leading companies and products with very good market potential." •





# Acquisition in the UK

# Dalair - an important piece of the puzzle in Swegon's UK investment

Swegon is placing acquisitions at the heart of its successful growth. The UK represents a key market, and the British company Dalair joined Swegon in 2023. This guickly proved to be a successful deal.

WEGON IS A leading supplier of indoor climate solutions, a position that has been built up by growing on selected markets through acquisitions and product development. In the UK, this journey began with the establishment of a sales company. Five acquisitions have been conducted since 2013, which, along with organic growth, have made Swegon the leading player on one of Europe's largest ventilation markets.

"We started by being number one within fire safety and room control, and for a while have been working to achieve the same position within air handling. However, this required a major acquisition, ideally of the leading quality company, Dalair," says Andreas Örje Wellstam, CEO of Swegon Group.

THE FAMILY-OWNED COMPANY Dalair Ltd was established in 1981 and is now the market leader in the field of tailored modular air handling units. With high quality products, a respected brand and strong customer relations, the company has received many acquisition proposals over the years, but has never gone any further. The contacts with Swegon changed this:

"When my father and I met Robin and Andreas from Swegon, we realised that we shared the same views on quality, brand, culture, growth, customers and employees, and the chemistry between us was also good," says Darren Moseley, CEO of Dalair.

The deal was completed in January 2023. In line with both Swegon's and Latour's acquisition strategy, Dalair has continued to be run independently with Darren as CEO. A business that has developed successfully for more than

40 years, regardless of economic fluctuations, has to be allowed to continue. This was confirmed by developments during 2023.

"Our sales increased by a massive 25 per cent. Our strengthened position within the healthcare sector, which sets high demands regarding air handling, contributed to this growth on an otherwise cautious market," stresses Darren Moseley

One factor behind the success is the company's investment in product development, with ongoing contributions to improved air handling in various sectors. This is driven by proximity to customers as well as its employees' solid experience and knowledge, and means that Dalair is able to stay ahead of the competition and continue to gain market share.

"We are anticipating good growth in the year ahead as well. For example, we will be starting to deliver our largest order ever during 2024, to Citigroup in London's Canary

THE COMPANY'S REPUTATION FOR good quality means that its customer base is constantly expanding. In order to meet demand, investments are being planned in new capacity, a venture that will be made easier by being part of Swegon and Latour. In addition to Dalair, Swegon's other operations in the region are also going well. Andreas Örje Wellstam con-

"We now hold a very strong position in the UK and Ireland, where Dalair's specialised air handling solutions are complementing and extending Swegon's existing range in order to reach an even wider customer base." •

# SWEGON AND DALAIR IN FIGURES

Dalair increased sales by 25 per cent during 2023.

During 2023. Swegon achieved sales of more than GBP 100 m in the region.

Swegon has made five acquisitions in the UK and Ireland.

Dalair was founded by Darren's father, Glyn Moseley, back in 1981.

21

Sustainability report 2023

# A sustainable long-term perspective

Sustainability is of fundamental importance to Latour. It is only by developing sustainable operations that long-term values can be created.



ince it was established in 1985,
Latour has worked to generate longterm value by developing companies
and people. The foundation for this
work lies in the company's core values, which focus on caring for people and the
environment: Long-term perspective, Professionalism, Trust & Responsibility and Development.

Latour's key contribution to sustainable development is to direct investments to companies and markets that are best able to generate sustainable value, and then to be an active and responsible owner. Through the work of the Board, Latour is a driving force and has high expectations for sustainable growth in all of its holdings.

Latour has sustainability goals for both the wholly-owned operations and the listed holdings, which are followed up regularly by the management and reported back to the Board of Directors. The existing sustainability goals were revised during 2023, and now include an objective whereby all the holdings should be affiliated to the Science Based Target initiative (SBTi) with verified climate goals by

2025 at the latest.

In the wholly-owned operations, Latour works as an active owner, places demands and, at the same time, supports the operations in various ways. Latour has a clearly delegated structure, which means that each holding has its own strategic process and commitments in respect of sustainability. There are, however, a number of central guidelines, frameworks and sustainable development goals that serve as minimum requirements for all holdings. These include Latour's Code of Conduct, Latour's environmental policy and a number of sustainability goals, with results reported continuously to Latour and the respective Boards.

The listed companies have their own organisations that conduct their sustainability commitments. The companies have their own codes of conduct and other policies that satisfy Latour's requirements. As the principal owner, it is Latour's role, through the work of the Board, to establish goals and place demands on the companies and ensure they are at the forefront of sustainable development.



# ABOUT THE REPORT

Latour's statutory sustainability report includes the Parent Company and the wholly-owned operations, which comprise six business areas with over 200 companies around the world. The companies had over 8,000 employees and a total turnover of SEK 25.6 billion in 2023. The reporting takes place within three perspectives: Environment, Employees and Business Ethics. The auditor's opinion on the statutory sustainability report is presented on page 134.





# "WE CONTINUE TO RAISE OUR AMBITIONS"

As an active owner, Latour drives the sustainability work forward, including setting requirements but also through networks and knowledge sharing. **Ida Berntsson** is a key part of this work.

hy is sustainability important for Latour?

"Sustainability provides the basis for creating long-term and lasting value and goes hand in hand with profitability. As an active owner, through the board, Latour demand effective sustainability work with clear targets in all our holdings. It is also important in acquisitions and for attracting and retaining talent."

What are Latour's ambitions in this area?

"We see the opportunities we have in, for example, the green transition with companies like Bemsiq and Tomra Systems. This realisation speeds up our own transition. Latour has in 2023 revised the sustainability targets for, among other things, emissions and now require our holdings to commit to SBTi, with validated targets, by 2025. This is an extensive and solid effort where we can learn from the companies in our portfolio that have already done this, such as Fagerhult and ASSA ABLOY."

What does knowledge sharing mean at Latour?

"We are a group of over 200 companies worldwide across a range of industries. It enables networking and knowledge transfer that accelerates sustainability efforts, which we at Latour want to promote and support. Since 2020, Latour Sustainability Day is organised, with management members and people in sustainability roles from all holdings participating. The Latour Sustainability Forum is now an established network where sustainability managers throughout Latour share knowledge and ideas. During the year we also launched a forum exclusively for the sustainability managers of wholly owned companies, which helps us to be even more effective in our daily work. We also organised a digital training on SBTi for all our holdings."

Can you briefly describe the structure of the sustainability work?

"With the increasing urgency to address issues related

to climate change and resource management, we have an ongoing process regarding requirements and improvements. Having clear minimum requirements for the holdings and then gradually upgrading them means that everyone knows what is expected of them, and Latour's ambition becomes clear. Sustainability has always been high on the agenda of Latour as an owner, but it is in our companies that the work is carried out, and we follow up and support when needed. Our business areas have strengthened their organisations in recent years and have their own sustainability managers who set processes and strategies to meet Latour's expectations."

How do you respond to the stricter legislation?

"The new EU Corporate Sustainability Reporting Directive (CSRD), which comes into force shortly, imposes stricter requirements on the reporting of sustainability data. International standards and frameworks ensure transparency and enable benchmarking, but they also lead to more work. We have started preparing for the CSRD and have many analyses ready. The UN Global Compact's ten principles on human rights, labour, environment and anti-corruption should permeate all holdings, and with the Task Force on Climate-related Financial Disclosures (TCFD), we make the impact of climate change clear at Latour. We report according to the EU Taxonomy where the last four environmental targets have now been released."

What happens in 2024?

"We will have made great progress in measuring our indirect emissions from Scope 3 and our holdings have made great strides in setting science-based climate targets to be verified by SBTi. The holdings remain successful in developing sustainable products that help customers advance their positions, while making further progress in social and environmental areas in their own operations and attracting even more talent. Latour continues to invest for the future, which is our greatest contribution to sustainable development."

# How we contribute to seven selected global goals

Latour has identified seven of the UN's 17 Sustainable Development Goals (SDGs) as areas where Latour, as an investment company and active owner, believes it can have the greatest positive impact and is thus able to contribute to their achievement. Here are some examples of how Latour contributes.



# EQUAL OPPORTUNITIES

Latour's goal for all its holdings is for their boards of directors to achieve a gender ratio of 40-60 per cent by 2030 at the latest. By the end of 2023, the majority of the listed holdings had achieved this goal, although the wholly-owned holdings still have a little way to go. Another goal for Latour is to achieve a more even gender ratio among senior executives and salary-setting managers for the wholly-owned holdings.



# SUSTAINABLE ENERGY FOR ALL

Latour has set a target for all of its wholly-owned operations to exclusively be using renewable purchased energy by 2030.

One example from the holdings is the listed company CTEK, which manufactures and sells chargers and accessories for electric vehicles that contribute to a larger electric vehicle fleet and thus lower carbon emissions.



"Latour promotes sustainable development by directing financial resources to companies that clearly demonstrate the ability to generate sustainable value."

> Katarina Rautenberg Group Finance Director





# DECENT WORKING CONDITIONS AND ECONOMIC GROWTH

Accident prevention activities include reporting workplace incidents as part of Latour's commitment to achieving zero accidents and injuries in the workplace.

Latour also provides opportunities for continuous skills training and development for all of its employees in the wholly-owned operations.





# SUSTAINABLE INDUSTRY, INNOVATIONS AND INFRASTRUCTURE

A good example from the listed holdings is HMS Networks, whose products link industrial hardware with software and systems, and then ensure that these communicate. They help users to become more connected, productive and sustaina-

# 11 SUSTAINABLE CITIES AND COMMUNITIES



# SUSTAINABLE CITIES AND SOCIETIES

With its strong position and its sustainable solutions within the construction sector. Latour's ambition is to accelerate the transition to a green economy. An example of this is the listed company ASSA ABLOY which, by offering sustainable products and services related to openings and solutions for entrance automation, is helping to make towns and residential areas inclusive, safe and resilient.

# RESPONSIBLE CONSUMPTION AND PRODUCTION



### SUSTAINABLE CONSUMPTION AND PRODUCTION

A good example from the holdings is the listed company Fagerhult, who are experts when it comes to sustainable lighting. They offer circular lighting solutions that have the least possible impact on the environment. The solutions are being developed in order to be used, reused, refurbished, recycled and upgraded.

# 3 CLIMATE ACTION



# FIGHTING CLIMATE CHANGE

Latour demands that all its holdings must be committed to SBTi, with validated targets, no later than 2025.

The wholly-owned holdings Swegon and Bemsiq offer system solutions, technologies and products that help companies and communities become more resilient and adaptable to climate-related risks.



# More climate-friendly initiatives

The companies in the wholly-owned operation are continuing to enforce their commitment to reduce their climate impact. This includes more leading products, the introduction of circular concepts and commitment to the Science Based Targets initiative (SBTi).

he work of developing life cycle assessments (LCA) has continued over the past year within the wholly-owned operation. The aim is to acquire a more in-depth understanding of the environmental impact and resource flows for various products. These analyses also form the basis for Environmental Product Declarations (EPDs), which help customers to make choices with consideration for environmental performance. Both Swegon and Fristads were pioneers within their respective sectors when it comes to EPDs, and since then have supplemented this with additional information. At the same time, other companies within the wholly-owned operation have drawn up their first EPDs. Another emerging area is the development of circular offerings and business models, which include clear strategies for recycling and reuse. Swegon has introduced the RE:3 concept in order to integrate circular ideas in its offerings and thereby reduce the carbon footprint of its products. Similar initiatives are also being conducted within other parts of the wholly-owned operation, including at several brands within Hultafors Group as well as at Nord-Lock Group and Caljan.

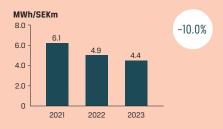
As more sustainable solutions are becoming available, the companies are continuing to invest in energy-efficient production and develop initiatives to optimise the logistics chain. New production units that satisfy stringent sustainability demands have been added, and several measures have been launched to reduce  $\mathrm{CO}_2$  emissions during transport, such as increased load capacity in the case of container freight. Many companies have also implemented or initiated investments in solar panels at their facilities, in order to benefit from renewable energy. The proportion of renewable purchased electricity in the wholly-owned operation has increased to 80 per cent.

THE MAJORITY OF THE OPERATIONS have started gathering data and assessing the Scope 3 emissions in the value chain. Five out of six business areas have committed themselves to SBTi and are now working to establish scientifically grounded climate goals, which are verified by SBTi.

The activities within Latour's business areas have positively impacted all of the central targets for reducing the environmental impact. •

# **ENERGY CONSUMPTION:**

Consumed MWh in relation to sales (SEK m)



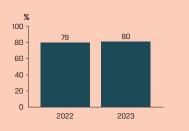
Target: 5% relative annual decrease

Scope: Own operations (Scopes 1 & 2)

Comment: The reduction is a result of various energy-saving projects and investments in several factories, plus greater awareness among employees.

# **ENERGY MIX (ELECTRICITY):**

% renewable energy of total consumption



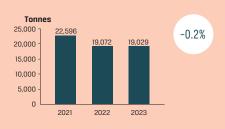
Target: 100% by 2030.

Scope: Purchased electricity (Scope 2)

Comment: Within the Swedish operations, the proportion of renewable purchased electricity is close to 100%. The challenge is bigger in the foreign operations, where access is not as great. The companies are working, for example, on investments in solar panels and electricity certificates.

## **CARBON DIOXIDE EMISSIONS:**

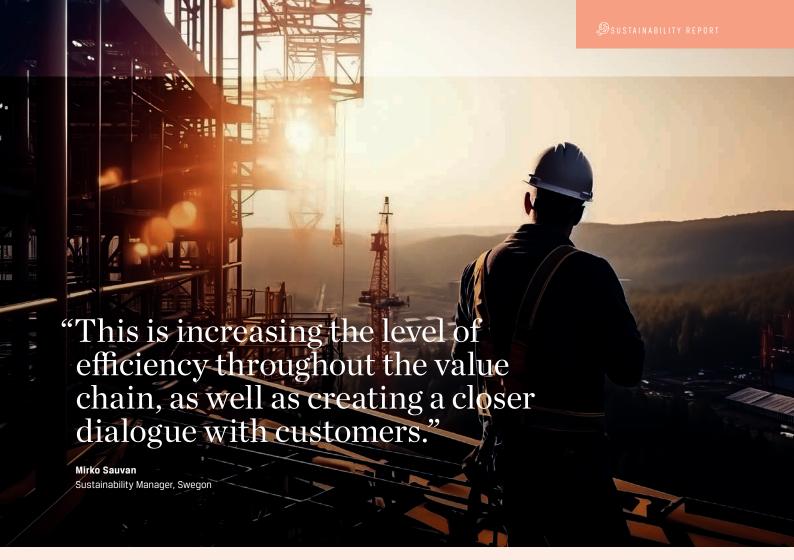
Tonnes of carbon dioxide (CO2e) in Scopes 1 & 2



Target: Reduced by 40% by 2030 (base year 2022).

Scope: Own operations (Scopes 1 & 2)

**Comment:** The reduction is the result of several projects and investments aimed at reducing our CO<sub>2</sub> footprint, as well as increased awareness among our employees. A detailed emis sions report can be found on page 142.



Swegon's circular concept RE:3 demonstrates how alternative products and solutions can lead to a reduced embedded carbon footprint.

# **SWEGON**

# Re:3 - Concept for circular business

**FOR A LONG TIME, SWEGON HAS** worked successfully to reduce the amount of energy used for ventilation, heating and cooling in buildings. In addition to minimising energy consumption in operations, Swegon is now providing an additional dimension by also focusing on the embedded carbon footprint in its products.

"We are seeing an increased awareness of the embedded and operational emissions from technical building products, such as ventilation equipment," says **Mirko Sauvan**, Sustainability Manager at Swegon.

At the start of 2023, Swegon, along with Vasakronan, Combient Pure, ASSA ABLOY and Kone, launched a programme aimed at promoting the circularity of technical building products. Mirko was made Project Manager for the programme.

"The construction industry has a linear organisation, with old products being scrapped and replaced with new ones from the factory. However, the potential offered by a circular transition is enormous, as well as being commercially viable. At Swegon, we have launched the RE:3 concept."

RE:3 stands for RE:duce, RE:use and RE:vitalise. RE:duce aims to reduce the use of materials that contain a large amount of embedded carbon, by replacing them with alternative materials or by means of a new design.

"An initial example as regards RE:duce is steel. In some products, we are now implementing steel with a recycled content of at least 75 per cent, and which has been processed using renewable energy."

RE:use means that products are taken back, refurbished or upgraded and then made available once more. RE:vitalise involves extending the service life and upgrading the functionality of products in the field, i.e. in the place where they are already of use today. This is possibly one of the most efficient ways of reducing carbon dioxide emissions. All the products remain, fewer and shorter transport operations are required and only necessary components are produced new.

"At one school in Gothenburg, a GOLD unit for air handling had been in operation since 2003, yet by updating the software and selected parts of the hardware, the unit can now provide schoolchildren with fresh air for another 20 years."

Data indicates that a circular economy is crucial when it comes to tackling challenges relating to resources and emissions, which in turn is promoting stricter legislation and new, strong market trends.

"Integrating reuse and refurbishment into the offering, such as our RE:3 concept, improves efficiency throughout the entire value chain, as well as creating a closer dialogue with our customers." •



# A large internal labour market

The wholly-owned industrial operations employ more than 8,000 people around the world. Long-term, sustainable business is created by developing and making maximum use of the expertise within the companies, which in turn increases the companies' attractiveness as employers.

ithin Latour, knowledge transfer and exchange of experiences are prioritised. A good example is the multi-disciplinary teams that are brought together from various parts of the Group in order to plan the annual Latour Sustainability Day event. In addition, various forums within Latour, including the sustainability focus area, function as platforms for sharing experiences and promoting the development of both the Group as a whole and the participating companies.

Latour runs central skills development programmes, such as the Latour Executive Programme, which are available to all of its holdings within the Group. Bemsiq, Swegon and Latour Industries, etc., also run their own leadership academies. One significant ambition for Latour is for the entire Group to be viewed as an internal labour market, where talents are given the opportunity to conduct network building and to develop further within the group.

**THE FINDINGS OF** the regular employee surveys are followed up with activities and measures. Swegon and

Hultafors Group carry out pulse measurements several times a year as a way of continuously monitoring commitment. Winningtemp is used for twice-monthly measurements by several companies within Latour Industries. Aritco Group is continuing its work with Great Place To Work® (GPTW) to create a leading workplace culture.

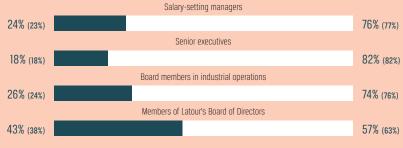
Latour makes it a priority to actively strive for a spread of experience and backgrounds. Each business area has an equal opportunities and diversity policy. Nord-Lock Group has a roadmap for achieving a positive long-term change within diversity and inclusion, and during the year it launched a global parental leave policy that is contributing to a more equal situation for all employees. One of Latour's goals is to achieve an even gender ratio at various levels in the company. The proportion of women has increased during the year, above all when it comes to board representation, yet the share of women is still low at all levels.

In order to achieve Latour's vision of zero accidents at work, incident reporting is included as a minimum requirement for the operations, where transparency is an important success factor. •

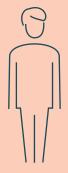
#### **GENDER RATIOS ON THREE LEVELS**

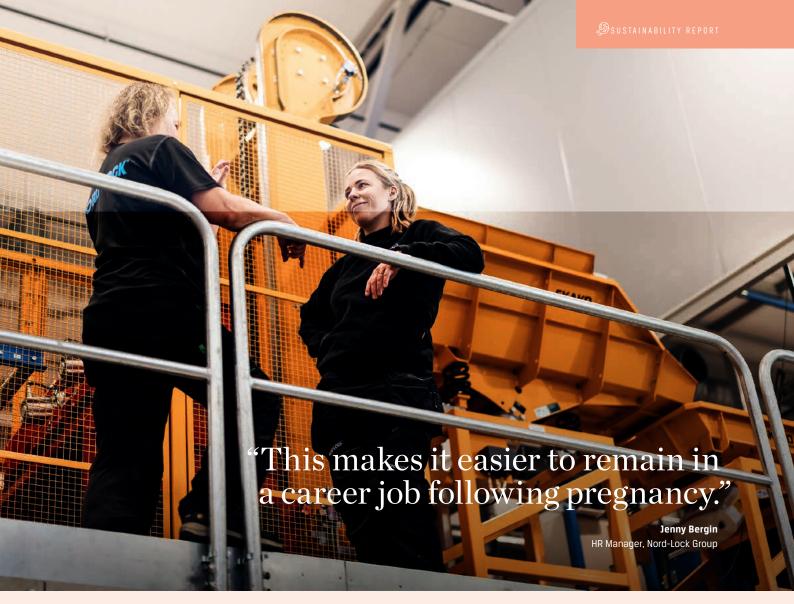
Proportion of women and men in total in the industrial operations (%)





**Target:** Achieve a gender ratio of 40-60% by 2030 at the latest within boards of directors, and by 2040 within management teams and among salary-setting managers.





Nord-Lock Group's new parental leave policy will contribute to a more equal situation within the company, and in the long term within society.

# **NORD-LOCK GROUP**

# Improved conditions for new parents

**LATOUR IS DETERMINED** to work actively to create a fair, flexible and inclusive organisation. A good example of this is the Nord-Lock Group business area's parental leave policy. In all 25 countries in which Nord-Lock Group has employees, a minimum period of paid leave has been introduced for new parents.

"Even though most countries already have generous rules when it comes to parental leave, this is not the case everywhere, and we want to provide all our employees with good conditions," says **Jenny Bergin**, HR Manager at Nord-Lock Group and the person responsible for initiating the new policy.

The policy also includes a "back to work" rule, which means that the mother, or whoever is the "primary care taker", is entitled to work 80 per cent with 100 per cent pay for up to six months during the first year of the child's life. This initiative is contributing to a better balance between work and leisure, for example.

"Quite simply, this makes it easier to remain in a career job following pregnancy, which otherwise can be a time when women in particular abandon their career ambitions."

The new parental leave policy is part of Nord-Lock Group's

roadmap for supporting the overall agenda for diversity and inclusion, with the aim of retaining and recruiting talented individuals. At the same time, it is a matter of being able to contribute to a more equal situation in society, for example by encouraging spouses to share more of the responsibility in the home. This is far from a reality at present.

"Our aim is to be involved in and contribute to this discussion and development. As a Swedish company, we have also come significantly further in our equality work than many other countries."

LATOUR HAS ESTABLISHED a goal whereby at least 40 per cent of managerial positions in its wholly-owned companies must be held by women by 2040 at the latest. This proportion currently stands at 22 per cent within Nord-Lock Group, just below the proportion for women in the Group as a whole. In order to achieve the goal, more women need to be recruited at all levels.

"This is fundamentally a matter of being a diversified and inclusive organisation, where everyone should feel welcome and want to stay." •



# We are an active and responsible owner

Latour is an active and responsible owner of many companies. They all share a common vision of the future, as well as a strong entrepreneurial spirit and fundamental principles of respect for the individual and the local community.

atour's Code of Conduct emphasises the principles that govern the relationship with its employees, business partners and other stakeholders, and constitutes minimum requirements for the wholly-owned companies, which in turn have developed their own codes of conduct.

An important aspect is Latour's standpoint that employees should not engage in any business transaction where the grounds are dubious. Latour has a central anti-corruption and anti-bribery policy, which complements the Code of Conduct, and all Latour employees are required to adhere to this policy. All our holdings comply with this policy, as well as with local laws and regulations. In order to ensure a high level of knowledge and compliance with the Code of Conduct, policies and principles, Latour demands that all management team members as well as employees with purchasing or sales positions must carry out online training on the topic every two years. The most recent training was held during 2023.

Latour supports and respects the protection of  $% \left\{ \mathbf{r}^{\prime }\right\} =\mathbf{r}^{\prime }$ 

human rights and guarantees, through internal processes and steering documents, that it is not involved in crimes against human rights. Suppliers, distributors, consultants and other business partners must apply the principles of Latour's Code of Conduct. Latour has a centralised system for whistleblowing, WhistleB, for all the business areas, through which employees can report suspected irregularities within the business anonymously. See separate information box below regarding whistleblowing in 2023.

LATOUR WANTS TO BE a good member of society. Solvatten and Social Initiative Women & Climate are two social initiatives where Latour is contributing alongside its wholly-owned holdings, and which are promoting health, the climate and equal opportunities, linked to entrepreneurship and innovation. Many companies are also active when it comes to social involvement on both a large and small scale, including as a consequence of the companies being a significant employer in a location. •

#### WHISTLEBLOWING 2023

Latour uses WhistleB to make anonymous whistle-blowing possible, where each business area has a separate channel and Latour has access to aggregated statistics. Companies with more than 250 employees have their own channel. There were a total of 12 instances of whistleblowing during 2023. One related to a suspected breach of the Code of Conduct, which was followed up and investigated. This matter was closed after it was established that no breach had been committed, and this was reported to the management and the Board of Directors. The remaining instances of whistleblowing were established as being HR-related, and were dealt with by the relevant business area.

## **CODE OF CONDUCT**

One of Latour's minimum requirements is that all operations must implement Latour's Code of Conduct internally, or develop their own that is based on Latour's Code of Conduct. In recent years, there has been even greater focus on taking responsibility in the supply chain. All the business areas are working actively to encourage all relevant suppliers, distributors and agents to sign the companies' Code of Conduct. This is also a minimum requirement from Latour. Several of the businesses employ system support to ensure compliance.



Read more about Latour's social involvement at latour.se, and about Solvatten at solvatten.org.

# A growing and significant social commitment

**COMPANIES THAT GROW PROFITABLY** deliver positive effects in the surrounding community. For example, Latour's companies create a large number of jobs in many smaller towns. Growing together with the communities in which Latour is established also means getting involved in various local social initiatives.

"There are many examples of strong local commitments in our companies, often with a focus on helping people in need, promoting inclusion and, in particular, strengthening the rights and opportunities of children," says **Ida Berntsson**, who works with sustainability at Latour.

HULTAFORS GROUP'S SUBSIDIARY Snickers Workwear's operation in Latvia is involved in three different local initiatives, two of which are intended to strengthen children's creativity. Another of Hultafors Group's subsidiaries, the US company Johnson Level & Tool, has donated a van to Kars4Kids, an organisation that supports young people with training and advice. Vega, an Italian company within Latour Industries, is involved in a project aiming to help families with deafblind children.

"Just as with everything else we do within Latour, we also learn from each other, which in this case contributes to the

creation of even more inclusive, equal and fair societies. Taking greater responsibility in society also makes us more interesting as an employer."

Another of Latour Industries' companies, Aritco, has taken this idea of social involvement one step further and introduced a volunteer policy. It provides all employees with the opportunity to get involved in voluntary work for up to five paid working days each year. **Martin Idbrant** is the CEO of Aritco Group AB.

"For example, we have employees who have helped new arrivals in the country to create a functioning everyday life, and we also have two employees who have visited the global Solvatten initiative's project in Uganda."

Solvatten is a foundation that helps poor families in rural communities around the world to purify their water with the aid of the sun's rays. Latour has been supporting the foundation since 2018, and almost all the wholly-owned companies are now also individual contributors. **Josefin Ekvall**, one of Aritco's participants on the trip to Uganda, can certify that this is an important commitment:

"It gives me goosebumps just thinking about it. A single Solvatten kit can make a significant difference in the lives of a large family of up to ten people."

# Sustainability strategy

# Targets and achievements

Latour has established sustainability targets for both the wholly-owned industrial operations and for the listed holdings. The targets are an extension of Latour's overall vision of creating long-term values and contributing to sustainable development.

LATOUR HAS revised its sustainability targets for the wholly-owned industrial operations during 2023, as well as clarified sustainability targets for the portfolio of listed holdings. The targets are set at portfolio level, but should be viewed as minimum requirements for each holding. The targets reflect how Latour works as an

active owner in its Board work, where both the stipulation of requirements and following up are performed at Board level. For the wholly-owned companies, sustainability data is also reported quarterly to Latour for analysis and follow-up, and represents one of the foundations for Latour's Sustainability Report.

# Portfolio of listed holdings



# **ENVIRONMENT & CLIMATE**

Target	Outcome 2023	Comment
iaiyci	outcome 2023	COMMENT

▶ 40% (20%)

Reduce emissions of greenhouse

By 2025 at the latest, all holdings must have become committed to Science Based Target initiative (SBTi) with validated climate reduction targets.

4 out of 10 listed companies have validated targets and 7 out of 10 listed companies have become committed.

Latour supports climate targets that are compatible with limiting global warming to 1.5°C. Climate reduction targets that are validated by SBTi cover the emissions of both the individual organisation and the entire value chain, including materials and the user phase for sold products.



#### Target Outcome 2023 Comment

Achieve an even gender ratio.

By 2030 at the latest, the Boards of Directors of all the holdings must comprise 40-60% women. This does not include CEOs.

▶ 80% (70%)

8 out of 10 listed companies have a Board of Directors that comprises 40-60% women.

Inclusive and multicultural workplaces at all levels promote long-term success, which is a development that Latour is striving to achieve within all holdings. As the principal owner of the listed holdings, Latour has considerable potential to have a positive impact, for example through the work of the Nomination Committee

# **BUSINESS ETHICS**

#### Outcome 2023 Comment **Target**

Maintaining a high level of business ethics.

All holdings must have implemented a code of conduct.

▶ 100% have implemented a code of conduct.

For Latour, it is of the utmost importance for all holdings to be run responsibly and with high standards and high business ethics. The targets for the portfolio should be viewed as minimum requirements, and the expectations placed on the individual holdings are considerably higher. All holdings have signed the UN Global Compact.

# Portfolio of the wholly-owned industrial operations



# **ENVIRONMENT & CLIMATE**

#### **Overall targets**

Reduce energy consumption, reduce emissions of greenhouse gases and achieve environmentally sustainable production.

# Central climate & environmental targets:

- At least a 5% annual decrease in energy consumption in relation to sales.
- ▶ 100% renewable purchased electricity by 2030.
- Committed to SBTi with validated climate targets by 2025.
- ▶ Reduction in CO₂ emissions, Scope 1-3.
- ▶ 100% environmentally certified production facilities by 2025.

#### **Developments in 2023**

- ▶ The industrial operations' climate and environmental work has continued to develop positively during the year. The portfolio as a whole has reduced the relative energy consumption by 10% compared to last year following various initiatives aimed at running more energy-efficient operations. Several solar panel installations and agreements entered into regarding electricity certificates have contributed to the industrial operations' electricity mix achieving 80% renewable purchased electricity in 2023.
- ▶ The target of working with SBTi is new for this year. Due to its structure, with several small business units, Latour Industries is exempted from this target, and their business units are instead working actively with the reduction targets linked to Scope 1-3. The other five business areas have become committed, and the next step is to achieve validated targets.
- Many positive initiatives are taking place within the operations aimed at limiting emissions of greenhouse gases, where the target is a 40% reduction in CO<sub>2</sub> emissions for Scope 1 & 2 and a 20% reduction for Scope 3 by 2030 (base year 2022). Scope 3 data is currently being compiled and will be presented in the sustainability report for 2024.
- ► The operations are working hard to certify all relevant production facilities in accordance with ISO 14001, and a further 12 have been certified during the year. As Latour has a large number of production facilities, priority is being given to the largest facilities.



# **EMPLOYEES**

### **Overall targets**

Achieve inclusive and multicultural operations with a safe working environment for our employees.

#### **Central social targets:**

- ► All Boards of Directors must comprise 40–60% women by 2030 at the latest.
- All management teams and salary-setting managers must comprise 40-60% women by 2040 at the latest.
- ▶ Vision of zero accidents at work.
- Incident reporting must be in place in all business areas in order to minimise future accidents.

# Developments in 2023

- ▶ The businesses are constantly developing their processes and working methods in order to increase diversity and inclusion at the workplaces. Recruitment processes have been reviewed to promote female applicants, for example, where Latour as an industrial Group has historically experienced challenges when it comes to recruiting women. There is still a great deal left to do, as none of the business areas have reached the goal regarding gender ratios in 2023, although the trend is moving in the right direction.
- Swegon's Board of Directors comprises 33% women, Bemsiq, Nord-Lock Group and Swegon all have 29% women in their management teams, and 37% of salary-setting managers within Hultafors Group are women
- ▶ The businesses are continuing to focus on safety and the workplace environment, with several initiatives being launched during the year. This is being done, for example, by stressing the importance of awareness and transparency, daring to provide notification when something has gone wrong, or warning when something could go awry. Looking at the industrial operations as a whole, the index (number of accidents per 1,000 employees) has fallen by 2% in 2023.



# **BUSINESS ETHICS**

#### Overall targets

Maintaining a high level of business ethics.

#### Central business ethics targets:

 All holdings must have implemented Latour's Code of Conduct and anti-corruption policy, as well as implemented mandatory e-training on the topic.

#### Developments in 2023

- ▶ All business areas (100%) have implemented Latour's Code of Conduct and anti-corruption policy. The mandatory e-training has been conducted within all the business areas during the year. The whistle-blowing function is in place within all the business areas.
- Most of the businesses have placed additional focus on their supply chain, in order to manage and minimise any risks within the supply chain linked to business ethics. Latour has supported this work, for example through central procurement to make it easier to purchase system support to handle risk management in the supply chain.

# Net asset value

# Growing contribution from the wholly-owned industrial operations

**THE NET ASSET VALUE INCREASED** from SEK 159 to SEK 198 per share in 2023, which is an increase in value of 27.5 per cent, adjusted for paid dividends. This can be compared with an increase of 19.2 per cent for Nasdaq OMX Stockholm (SIXRX).

LATOUR PRIMARILY CONSISTS of two parts: the investment portfolio and the wholly-owned industrial operations. The market value of the listed holdings is simple to calculate, since clearly stated market prices are available. Determining the value of the wholly-owned operations is more difficult. This is because the market value, the price that potential buyers are willing to pay for the operations, is not as clearly defined. In order to facilitate the evaluation of the net asset value, Latour provides an estimated range for the value (Enterprise Value) of each business area based on EBIT multiples (see the table at the bottom of page 37). In some cases, the valuation multiples for comparable companies span a very large range. For this reason the multiples may be adjusted in order to avoid unreasonable values. The stock market recovered during 2023, and the SIXRX index rose by 19.2 per cent. The average of Latour's valuation multiples used for the unlisted holdings rose during the year, from 14.7 to 15.2, which means an increase of 3.4 per cent, all other things being equal. The majority of the increase in the

value of the unlisted holdings can consequently be explained by the considerably improved operating profit. The method used to calculate the value of the wholly-owned industrial operations is described in greater detail on the company's website, latour.se.

LATOUR'S GUIDELINE for the net asset value has, for some time, been considerably lower than the value that the stock market has set for Latour's share. Latour does not claim that the valuation of the wholly-owned industrial operations is anything other than a cautious indication. A net asset value can be calculated on a number of different bases. For example, the industrial operations as a whole can be measured against other established listed industrial groups with mixed industrial holdings and a clear growth agenda. The EV/EBIT multiple for these companies is higher.

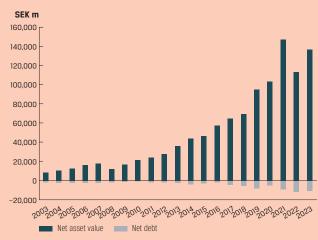
LATOUR'S LARGEST HOLDINGS, based on the net asset value at the end of the year, were ASSA ABLOY, Swegon, Hultafors Group, Sweco and Nord-Lock Group. The wholly-owned industrial operations now make up approximately 45 per cent of the Group's total net asset value, compared to 33 per cent five years ago. A result of a good profitability trend combined with acquisitions that have been undertaken.

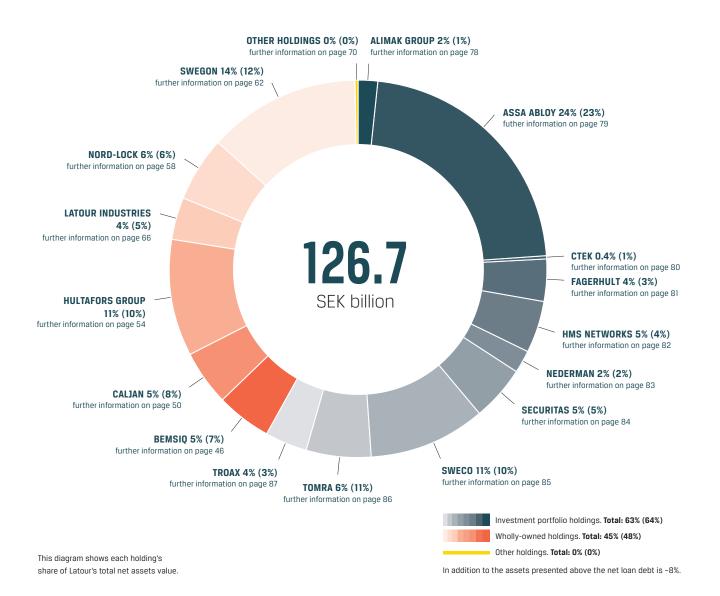
## NET ASSET DISCOUNT/PREMIUM RELATIVE TO LISTED PRICE



The diagram shows the net asset discount/premium on the last day of trading of every quarter. The trend is that the previous discount has become a valuation premium.

# NET ASSET VALUE IN RELATION TO NET DEBT





SEK m	Net sales <sup>1)</sup>	EBIT 1)	EBIT multiple	Valuation SEK m Range	Valuation average	Valuation SEK/share <sup>2</sup> Range
Bemsiq	1,583	355	17-21	6,031-7,450	6,741	9-12
Caljan	1,980	336	16-20	5,376-6,720	6,048	8-10
Hultafors Group	6,962	1,126	10-14	11,260-15,764	13,512	18-25
Latour Industries	4,336	380	12-16	4,560-6,080	5,320	7-9
Nord-Lock Group	1,875	472	15-19	7,080-8,968	8,024	11-14
Swegon	8,828	1,127	14-18	15,778-20,286	18,032	25-32
	25,564	3,796		50,085-65,268		78-102
Valuation of the industrial operations, average					57,677	90
Listed shares (see table on page 77)					78,838	123
Latour Future Solutions					170	0
Unlisted part-owned holdings 3)					28	0
Other items					-55	0
Net debt					-9,983	-15
Estimated value					126,675	198
				(1	19,083-134,267)	(186-210)

<sup>&</sup>lt;sup>1)</sup>Trailing 12 months for current company structure (pro forma).

<sup>&</sup>lt;sup>2)</sup>Calculated on the number of outstanding shares.

<sup>3)</sup> Valued according to book value.

### The Latour share

# Rising share price in a volatile stock market

Latour's share is listed on the Nasdaq OMX Stockholm Large Cap list.



### IR CONTACT

If you have any questions you are welcome to contact:

Anders Mörck, CFO: tel: +46 31891790 or e-mail: anders.morck@latour.se CONTINUED GEOPOLITICAL CONCERNS and uncertainty regarding inflation, interest rates and the economic situation resulted in a volatile trend on the stock market in 2023. Lower inflation and a drop in long-term interest rates at the end of the year resulted in price increases, and the majority of the world's stock markets ended the year higher. Latour's share rose by 33.1 per cent during 2023, against the OMXSPI (Nasdaq OMX Stockholm) which rose by 15.5 per cent. In the last year, the highest price the stock achieved was SEK 266.30 on 29 December and the lowest was SEK 181.20 on 26 October. The final price paid on 30 December was SEK 262.30. In 2023, the total return (share development including reinvested dividends) for Latour's class B share was 35.4 per cent. SIXRX rose by 19.2 per cent during the same period.

MARKET VALUE At the end of the year, Latour's total market value, calculated on the number of issued shares, amounted to SEK 167.8 billion. This makes Latour the 19th largest of the 364 companies listed on the Nasdaq OMX Stockholm market.

SALES During the year, just over SEK 12.5 billion worth of Latour shares were traded, which was SEK 4.3 billion less than in 2022.

SHARE CAPITAL At 31 December 2023, the company's share capital was unchanged and amounted to SEK 133,300,000. Class A shares totalled 47,593,968 and class B shares totalled 592,246,032, of which 552,200 were repurchased shares. The number of voting rights was 1,068,185,712.

**SHAREHOLDERS** The number of shareholders rose during 2023 from 117,131 to 126,056. At the end of the year, holdings of foreign investors amounted to 5.7 per cent (6.2).

**DIVIDEND** The Board of Directors proposes a dividend payout of SEK 4.10 (3.70) per share for the 2023 financial year. The dividend yield is 1.6 per cent based on the final share price at the end of the year.

**ANALYSTS** The following analysts were following Latour at the end of 2023:

- ▶ Derek Laliberte, ABG Sundal Collier
- ▶ Oskar Lindström, Danske Bank Markets
- ▶ Linus Sigurdsson, DNB
- ▶ Zino Engdalen Ricciuti, Handelsbanken
- ▶ **David Johansson**, Nordea
- ► Alexander Ripe, Pareto Securities

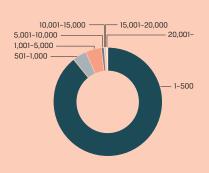
### SHAREHOLDER FACTS

- ▶ The number of shareholders increased to 126,056 (117,131).
- ▶ 76.0 per cent of the capital is owned by the principal shareholder family and companies.
- ▶ Other Board members own 0.1 per cent of the capital.
- ► Foreign ownership accounts for 5.7 per cent.

### SUBSTANTIAL SHAREHOLDINGS AT 31 DECEMBER 2023

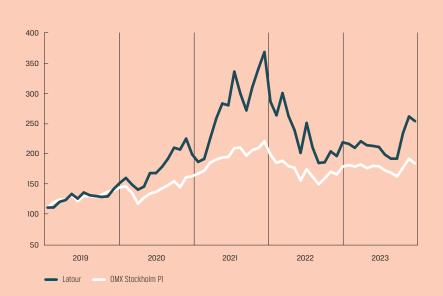
Shareholders	number of class A shares, thousands	class B shares, thousands	% of share cap- ital	% of voting rights
The Douglas family with companies	39,958	446,554	76.0	79.3
The Palmstierna family with companies	6,409	3,370	1.5	6.3
AMF - Insurance and Funds		10,644	1.7	1.0
The Nordström family with companies	800	1,817	0.4	0.9
State Street Bank and Trust Co, W9		9,223	1.4	0.9
JM Morgan Chase Bank		6,019	0.9	0.6
Spiltan Fonder		5,562	0.9	0.5
SEB Investment Management		3,781	0.6	0.4
Bertil Svensson, family and foundation		3,110	0.5	0.3
Norges Bank		2,747	0.4	0.3
Other	427	98,867	15.5	9.7
Investment AB Latour, repurchased shares		552	0.1	-
	47.594	592.246	100.0	100.0

### DISTRIBUTION OF SHAREHOLDING



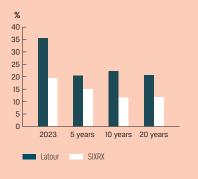
Breakdown by size of holding.

### LATOUR SHARE PRICE DEVELOPMENT



#### TYPE OF SHARE Number of shares Number of voting rights Class A (10 voting rights) 47,593,968 7.4 475,939,680 44.6 Class B (1 voting right) 592,246,032 92.6 592,246,032 55.4 639,840,000 100.0 1,068,185,7121) 100.0 Total number of shares

# AVERAGE TOTAL RETURN, LATOUR COMPARED AGAINST SIXRX



### DIVIDENDS THE LAST 10 YEARS



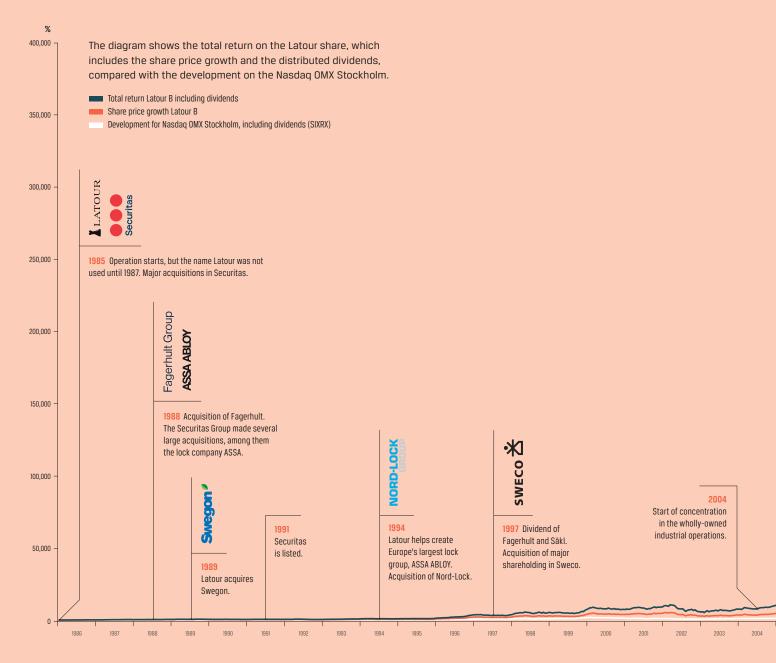
The striped section of the bar for 2019 is the proportion of the proposed dividend that was not distributed due to Covid-19.

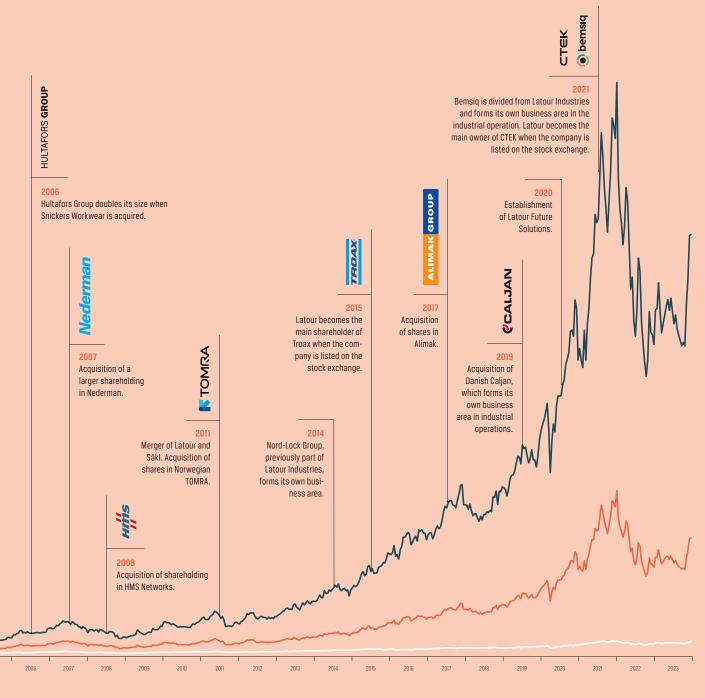
 $<sup>^{\</sup>rm h}{\rm Including}$  552,200 repurchased non-voting class B shares.

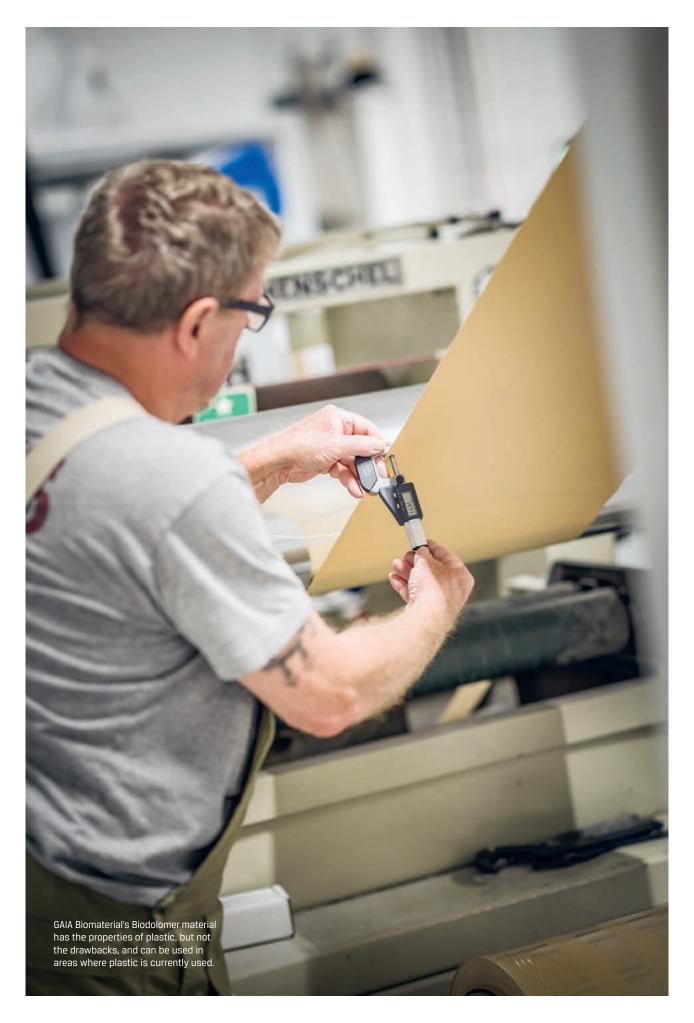
### **Total return**

# 292,000 per cent since the start

Latour's history stretches back to the end of 1985. Since then the total return, including share price growth and dividends, has reached approximately 292,000 per cent. This means that a SEK 10,000 investment in Latour at start-up would have given a total return of almost SEK 29.2 m at the end of 2023.







# Industrial operations

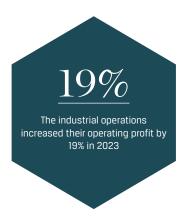
Bemsiq	46
Caljan	50
Hultafors Group	54
Nord-Lock Group	58
Swegon	62
Latour Industries	66
Latour Future Solutions	70

# Significant events in 2023

- ▶ Net sales increased by a total of 13 per cent. Organic growth reached 3 per cent.
- ► Continued international growth. Sales generated outside the Nordic region increased from 69 per cent to 71 per cent.
- ▶ The operating profit rose 19 per cent and the operating margin reached 14.9 per cent (14.1).
- ▶ One business was acquired by the wholly-owned industrial operations during the year, contributing net sales of just over SEK 300 m in 2023.
- ► Latour Future Solutions made one minority investment.

# Continued profitable growth and higher goal

Latour's wholly-owned industrial operations continued to grow profitably during 2023, based on a good order book, continued organic growth and the successful integration of previous acquisitions. The goal as regards the operating margin has been raised to 15 per cent.



**LATOUR'S WHOLLY-OWNED** industrial operations comprise six business areas with more than 200 companies and generate annual sales of approximately SEK 26 billion.

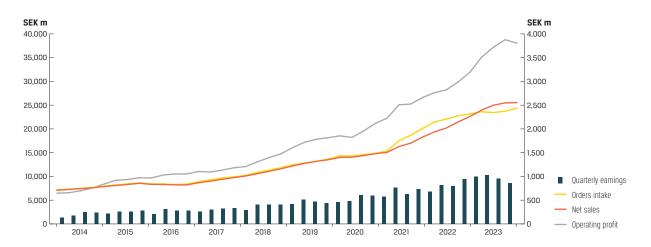
All the business areas hold leading positions in their respective niches with companies that develop, manufacture and market proprietary products for customer segments that represent considerable, growing international demand.

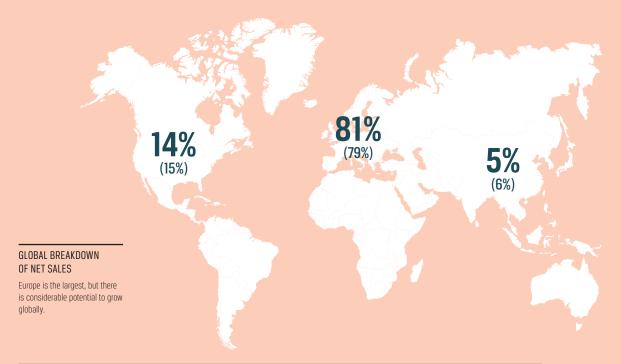
A HEALTHY ORDER BOOK at the start of the year in several of the business areas provided additional support to sales on a market that is experiencing continued strong demand. However, the order intake gradually declined during the year following a normalisation of the logistics chains, which is resulting in customers placing orders with ever shorter lead times. Investments in production, product development, sustainability and digitalisation continue to have a high priority, in order to have businesses that are at the forefront so as to be

sustainable and profitable in the long term. Following extensive acquisition activity over the previous two years, the rate of acquisition has been consciously lower during 2023. One acquisition was completed during the year within the wholly-owned industrial operation. In addition, Latour Future Solutions made an investment and stepped in as a minority shareholder in the Swedish company Quandify.

THE FINANCIAL TARGETS were revised at the start of 2023 with the aim of further strengthening profitability and yield in the long term. These targets will continue to apply over a business cycle. The growth target remains unchanged at 10 per cent annual growth in each holding. The target for the return on operating capital in each holding is now at least 15 per cent, from the previous target of 15–20 per cent. The profitability target has been adjusted upwards, from at least 10 per cent to at least 15 per cent operating margin, and is calculated as an average for all the holdings. ●

### INDUSTRIAL OPERATIONS - TRAILING 12 MONTHS





PROFIT/LOSS BUSINESS AREAS								
	1	Net sales Operating profit		0per	Operating margin %			
SEK m	2023 Full year	2022 Full year	2023 Full year	2022 Full year	2023 Full year	2022 Full year		
Bemsiq	1,583	1,265	366	293	23.1	23.1		
Caljan	1,980	2,140	336	452	17	21.1		
Hultafors Group	6,962	6,649	1,126	977	16.2	14.7		
Latour Industries	4,336	3,820	380	290	8.8	7.6		
Nord-Lock Group	1,875	1,660	472	393	25.2	23.7		
Swegon	8,828	7,085	1,127	789	12.8	11.1		
Eliminations	-14	-8	0	0	0	0		
	25,550	22,611	3,807	3,194	14.9	14.1		
Gain/loss from purchase/sale of companies	0	0	3	110				
Impairment	0	0	-115	0				
Central expenses and other items	0	0	-102	-75				
Total	25,550	22,611	3,593	3,229				
Impact IFRS 16	0	0	6	17				
	25,550	22,611	3,599	3,246				

Return on operating capital								
	Operating capital <sup>1)</sup> % <sup>2)</sup>			Growth in net sales %				
	2023	2022	2023	2022	_			
SEK m	Full year	Full year	Full year	Full year	Gross	Organic	Currency	Acquisitions
Bemsiq	2,970	2,233	12.3	13.1	25.1	7.3	4.5	11.9
Caljan	3,323	3,078	10.1	14.7	-7.5	-13.1	5.7	0.0
Hultafors Group	6,732	6,459	16.7	15.1	4.7	-0.4	4.3	0.7
Latour Industries	3,716	3,370	10.2	8.6	13.5	4.5	4.5	4.1
Nord-Lock Group	1,503	1,380	31.4	28.5	12.9	8.1	4.8	0.0
Swegon	5,140	4,038	21.9	19.5	24.6	8.5	5.1	9.7
Total	23,384	20,558	16.3	15.5	13.0	3.2	4.8	4.6

<sup>11</sup> Calculated as total assets less cash and cash equivalents and other interest-bearing assets and less non-interest-bearing liabilities. Calculated on the average for the past 12 months.
<sup>21</sup> Operating profit as a percentage of average operating capital.

FIVE-YEAR OVERVIEW									
	2023	2022	2021	2020	2019				
Net sales (SEK m)	25,550	22,611	18,280	14,783	13,519				
(of which export)	21,465	18,875	14,949	12,232	11,125				
Operating profit (SEK m)	3,593	3,229	2,559	2,041	1,817				
Average operating capital (SEK m)	23,384	20,558	16,254	14,545	10,620				
Total assets (SEK m)	32,592	32,252	26,090	19,977	18,720				
Number of employees	8,448	8,375	7,684	6,257	5,868				
Return on operating capital (%)	16.3	15.5	16.4	14.6	17.2				
Operating margin (%)	14.9	14.1	14.6	14.3	13.5				

### Mikael J. Albrektsson, CEO of Bemsig:

# "WE MAKE PROPERTIES SMART, GREEN AND ENERGY-EFFICIENT"

Bemsiq's second year as a separate business area was the same as the first. A dramatic rise in sales and earnings, driven by strong demand for solutions that lower energy consumption in properties.

hile the building and property sector, along with many related sectors, has undergone another tough year, the situation has been different for Bemsiq and the segment in which the company operates.

"Demand for technology to deliver reduced energy consumption in properties is just at the start of a strong trend. We are growing profitably and gaining market share," says **Mikael J. Albrektsson**, CEO of Bemsiq.

As a leading global supplier of technology and products for measurement, control and connectivity, Bemsiq is able to make properties more energy efficient, smarter and greener. There is a considerable need for this, linked for example to rising energy prices and climate change. In Europe, properties are estimated to account for almost 40 per cent of all energy consumption, which makes this a prioritised sector for taking action.

"This is being driven by the EU's energy directive and efforts aimed at doubling the rate of renovation, in order to improve properties' energy performance.

In the USA, a major stimulus package entitled the Inflation Reduction Act includes a number of initiatives designed to make properties more sustainable. Even though the USA and Canada are self-sufficient when it comes to energy, demand is increasing at a rapid rate with the introduction of more and more smart solutions for property automation and energy metering.

"If the technology exists, people want to invest in it, as it delivers savings. Our companies in the region, Greystone in Canada and Dent in the USA, have had another strong year."

Dent, which was acquired at the end of 2022, has been successfully integrated and has a leading offering in

the field of smart electricity meters for industrial applications. Greystone, which was acquired in 2021, holds a strong market position when it comes to sensors for property automation. When visiting trade fairs in the region, Mikael has been able to experience on site the growing interest that exists among customers.

"North America is a little way behind the trend in Europe when it comes to technical investments for energy efficiency in properties, but everyone wants to do this now and they want things to move quickly.

"You basically need good data, and that is precisely what we are able to visualise and supply."

### Mikael J. Albrektsson

on Bemsiq's most significant contributions to the green transition.

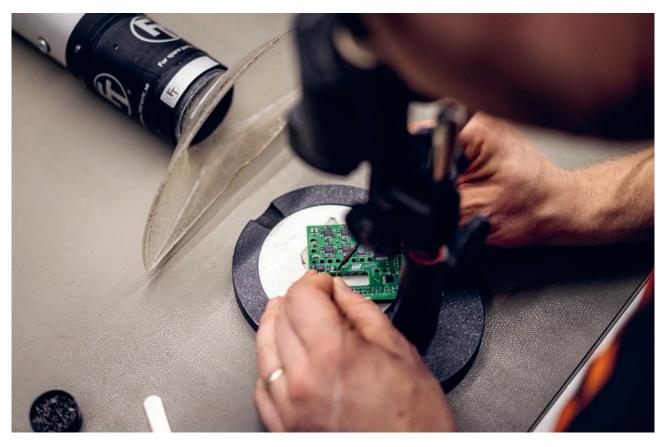
As a result, continued growth in the region remains a high priority, above all in the field of energy metering, where Bemsiq is currently a relatively small player both in North America and globally. As usual when a sector reports profitability and high growth, it attracts both a considerable amount of interest as well as capital.

"A number of major deals have been carried out in the region, and it is clear that consolidation has increased.

Bemsiq fundamentally consists of a number of acquisitions that have been built up over an extended period. This initially began within Latour Industries, before Bemsiq became a separate business area at the end of 2021. With a small central organisation in Gothenburg, Bemsiq serves as a platform for the eight companies in the Group, which in turn have all the operational responsibility. Through networks and collaborations,







Produal is a high-quality partner for the metering and control of energy-efficient property automation. The extensive product range includes control, metering, operation and commissioning, supplemented with system components.



the companies benefit at the same time from belonging to a larger group of businesses working in the same field.

"We have focused even more on this, and now have a central platform in place for running joint projects in areas such as purchasing and product development."

At the same time, there is a great deal going on within the companies themselves regarding the development of products and services – a natural feature in a segment characterised by a high technical content and strong demand. Customers are also rapidly learning what is required in order to make properties more energy-efficient.

"You basically need good data, and that is precisely what we are able to visualise and supply."

IT IS CLEAR THAT BEMSIO'S PRODUCTS are helping to speed up the green transition, but Mikael wants to take this further. The company's own operations also have to contribute more.

"We want to be able to tell our customers that our production and supply chain are completely sustainable. We have therefore focused additional attention on this, including an undertaking to develop climate goals in accordance with SBTi's criteria."

For example, Bemsiq has developed a system for collecting and analysing its own emissions, which has led to a series of activities. New investments, for example in North America where there are plans for new manufac-

### BEMSIQ

### Companies included:

- ► DENT Instruments
- ► Eelectron
- ► Elsys
- ► Elvaco
- Greystone Energy Systems
- ► Produal
- ► Sensortec
- ▶ S+S Regeltechnik

turing operations, are associated with high demands for energy efficiency and minimal environmental impact. At the same time, it is important to continue expanding.

"That is when we contribute most, above all in those regions where the transition has not come as far."

This includes not only North America, but also southern parts of Europe, the Middle East and particularly Asia. In 2023, the Middle East and Asia accounted for 10 per cent of Bemsiq's sales. This share is set to increase, in part through the acquisition of 51 per cent of the

shares in the Italian company Eelectron in January 2024.

"Eelectron is a pioneer within technology for the smart control of room applications, supplying buildings all around the world. This also entails a new product area for us."

The acquisition, which in turn also included Eelectron acquiring the German company IPAS, which operates in the same area, can be viewed as the starting shot for the next phase of Bemsiq's successful development.

"Although there is a certain risk of reduced demand in the short term in view of the economic situation, I can't see anything stopping a trend that is being driven by a need for increased energy efficiency and reduced climate impact. We will be launching new products in 2024 that will continue to drive this development, as well as making more acquisitions." •



Bemsiq consists of a portfolio of companies in building automation and energy efficiency.

### **BEMSIO AT A GLANCE**

Bemsiq's mission is to accelerate the journey towards SMART and GREEN commercial buildings by being a leading global supplier of sensor, control and connectivity technologies and products. Bemsiq is a group of international companies that deliver innovative products to the building automation and metering sector. The products that these companies develop and sell are used in an extensive range of applications that enhance the smartness and environmental performance of buildings.

### **SIGNIFICANT EVENTS IN 2023**

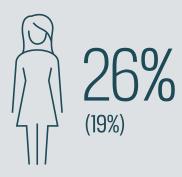
- ► Continued good order intake but some slowdown towards the end of the year.
- High organic sales growth and strong operating margins in all companies.
- Internal transfer of Bastec to Latour's business area Swegon in the second quarter
- Continued good delivery capacity to customers and an improved situation in component supply.

### STRATEGY FOR PROFITABLE EXPANSION

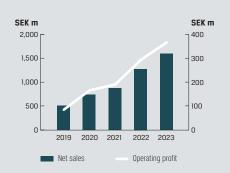
- Continued high rate of new product and technology development in building automation and energy metering.
- Further develop the position in key markets in Europe through increased activities in existing operations.
- Continue to develop the presence in North America and selected parts of Asia.
- Maintain an active acquisition agenda.

# Bemsiq in figures

PROPORTION OF FEMALE MANAGERS



NET SALES AND OPERATING PROFIT



PERCENTAGE OF NET ASSET VALUE, OPERATING PROFIT AND NET SALES



### Henrik Olesen, CEO of Caljan:

# "CONSOLIDATION IN A LONG-TERM, STRONG TREND"

Despite a market characterised by a dramatic reduction in customer activity, Caljan maintained its sales at a high level. The explanation for this was a continued healthy order book. The platform must now be set for the next growth phase.

aljan had a very special 2023. The company embarked on a year characterised by rising interest rates, non-existent volume growth within e-commerce and cautious customers, although with a historically large order book. Sales figures were buoyed by previous orders, although the number of new, large orders fell substantially.

"The lockdowns during the pandemic promoted e-commerce, and in combination with anxiety regarding deliveries, many players placed their orders earlier than normal. These have now been worked through, while at the same time customers have been hesitant about placing new orders. But a change is on the way."

The fact is that the long-term, robust underlying trend within e-commerce remains intact. It was perfectly reasonable for there to be a backlash following the extremely high rate of growth during the pandemic, but this has then been reinforced by the economic concerns. However, the growth now appears to be reverting to its long-term trend.

"We are anticipating an annual growth of seven to ten per cent within e-commerce globally over the coming years, and that its share of overall trade will continue to increase steadily."

This will contribute to a renewed acceleration in investments in new equipment aimed at optimising the loading and unloading processes, above all on the part of major global players within e-commerce and logistics. This is also the customer group that Caljan has chosen to grow alongside, which has proven to be a successful strategy.

"The biggest operators are setting a standard that other players have to adapt to. We have had the capacity and the solutions they need in order to develop, which is our highest priority in future as well."

One important area is the continued automation of parcel handling. End customers' increasing demands for speed and precision in deliveries are leading to a need for ever more efficient solutions in all parts of the supply chain. Caljan's telescopic conveyor belts and solutions for sorting and labelling are leading the way. The next stage is full automation of the actual loading and unloading of transport vehicles.

"Thanks to us, our customers are able to keep their promises to their customers."

### Henrik Olesen

on Caljan's continuous development of its customer offering.

"Thanks to us, our customers are able to keep their promises to their customers. We have now launched a solution that is streamlining the handling of loose cargo, which has attracted the interest of customers."

**SAFETY AND QUALITY** are Caljan's top priorities and have always characterised product development activities. This is particularly true of the new AutoLoader and AutoUnloader, which completely remove the need for the often difficult and non-ergonomic manual handling when parcels are to be loaded and packed onto a vehicle. The new products are manufactured in Caljan's factory in Latvia, and the first installations have been performed.

"These were carried out at Austrian Post in Austria, where we acquired the company PHS Logistiktechnik in







Caljan's offering of telescopic conveyor belts and other leading equipment is delivering cost-effective and safe optimisation of the loading and unloading processes for customers within logistics and e-commerce all around the world.



2022, which has supplied us with the technology that has enabled us to develop the innovative AutoUnloader solution."

During 2024, a version of AutoUnloader will be launched for unloading cargo from large trailers, which is the type of transport that most of the major global players employ.

"This will be able to provide a further boost to sales within this new, separate product area, which in a few years' time could account for a significantly higher proportion of our sales."

**ANOTHER PRIORITISED** product area is Aftermarket. An ever larger platform of installed equipment around the world is generating a need for a proactive service operation. In Latvia, Caljan has both established a training academy for service as well as inaugurated a new facility for developing new products and concepts.

"Our service workforce around the world is growing alongside our customers, and is an important factor for continued success. Sales within Aftermarket have more than doubled since 2020."

This initiative covers all markets, not least the USA, which is one of the world's largest e-commerce market and the home of many of Caljan's largest customers. Like other regions, the US market was characterised by a cautious approach in 2023 in terms of investments in new equipment, but Caljan has both the organisation and the production to grow and win further market share when demand picks up again.

### CALJAN

### Current product areas

- ▶ Loading & Unloading
- ► Document Handling & Labelling
- ► Automated Systems
- ► Aftermarket

"We are not the largest in the USA at present, but we have the conditions to become the largest, thanks to our leading solutions within automation technology, with our own production activities in the country and a strong service operation."

Caljan's international ambitions extend beyond Europe and the USA. With large, global players numbered among its customers, it is important to be where they are, including on the fastest-growing e-commerce market of them all – Asia.

Investigations are currently under way regarding establishing Caljan in Asia.

"Asia has always been part of our long-term growth plan, with India having the greatest potential, but we first wanted to establish stable, leading positions in Europe and North America."

AT THE SAME TIME, THE GROWTH AMBITIONS for the existing markets remain, where e-commerce still accounts for less than 20 per cent of total trade. The investments in new growth-promoting activities, such as R&D, service and digitalisation, are highly prioritised. In addition, Caljan aims to become a leader in the field of sustainability.

"Our customers are global leaders who place high sustainability demands on their suppliers. We supply them with the sector's most energy-efficient factories and solutions for the handling of loose cargo, leading to improved efficiency, increased safety and reduced environmental impact." •



Since 1963, Caljan has specialized in helping logistics companies, retailers and manufacturers around the world manage loose cargo efficiently. Today, Caljan is a global leader in a market with long-term strong growth.

### **CALJAN AT A GLANCE**

Caljan is a leading supplier of equipment, solutions and services that optimize loading and unloading processes of loose loaded cargo. Caljan supports customers at many stages of their supply chain, typically centered around e-commerce, postal and distribution. Caljan's solutions are used by large international customers for whom fast, reliable and cost-effective parcel handling represents an important competitive advantage. The business comprises four global divisions.

### **SIGNIFICANT EVENTS IN 2023**

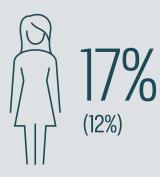
- A large order book at the beginning of the year resulted in continued good sales volumes.
- A continued decline in customer activity resulted in lower order intake.
- Profitability and earnings decreased mainly due to lower volumes.
- The assembly in Denmark was closed and production activity was consolidated in Latvia and the USA.
- ► Launch of AutoLoader and AutoUnloader which automates loading & unloading.

### STRATEGY FOR PROFITABLE EXPANSION

- ► Grow with strategic customers, especially in e-commerce.
- ► Increase production efficiency and growth in both Europe and the US.
- Increase the global presence through, among other things, increased service
- Large and rapidly growing installed base provides a good basis for strong customer contacts and recurring revenue streams.

# Caljan in figures

PROPORTION OF FEMALE MANAGERS



NET SALES AND OPERATING PROFIT



PERCENTAGE OF NET ASSET VALUE, OPERATING PROFIT AND NET SALES



## Martin Knobloch, CEO Hultafors Group:

# "PLATFORM FOR SCALING UP"

Hultafors Group is continuing to develop strongly, despite the weaker economy. In addition, the company has created even better conditions for the next growth phase in the company's successful journey.

third year as CEO of Hultafors Group. Just as with the first two years, it was a year characterised by challenges in the outside world.

"First the impact of the pandemic, then the disruptions in the global supply chains and now rising interest rates and an economic downturn. However, we are still delivering, especially when it comes to profitability," says Martin Knobloch.

artin Knobloch is able to summarise his

The reason for this is a strong focus throughout the organisation on the effective management of rising costs, as well as offering customers the right products at the right price. Sales also increased, which is positive bearing in mind the macroeconomic conditions. This means that sales have almost doubled since 2020, a period that also includes four acquisitions that have developed well.

"Two years ago, we introduced a new organisational structure, which constitutes the foundation for a scalable operation that can continue to grow rapidly, both organically and through acquisitions. We have continued the work of optimising operations by streamlining our processes and investing in a modern, powerful IT landscape that will further strengthen our growth journey."

**HULTAFORS GROUP CURRENTLY** consists of 16 robust brands with products offered by distributors in 70 countries. The operations are conducted in three independent divisions that have full control over the agenda for their businesses, supported by common systems and a slimmed down central organisation.

In 2023, PPE (Personal Protection Equipment) Europe was the strongest, increasing both its sales and its profitability. The division's premium products within workwear, safety footwear and head protection are continu-

ing to bring in more and more customers. A close dialogue with users has laid the foundations for a continuous development of functions that are directly meeting demands.

"We continue to be number one on the market, for example with Snickers Workwear's work trousers with sewn-in knee pads for perfect fit and comfort, as well as Fristads Green, the world's first clothing collection with an Environmental Product Declaration (EPD)."

"Being inspired by and learning from each other is one of our most important competitive advantages, and something we intend to utilise even more in future."

### Martin Knobloch

on the collaboration between the group's businesses.

Being at the forefront in terms of sustainability is becoming an increasingly important factor for companies that want to continue developing successfully, whatever the sector. The market for protective equipment and hand tools is no exception. Hultafors Group has long-term sustainability commitments, and during the year it has started work on establishing climate goals in accordance with Science Based Targets. The company is also working to tie the sustainability issue more closely to its products and operations through improved control and coordination.

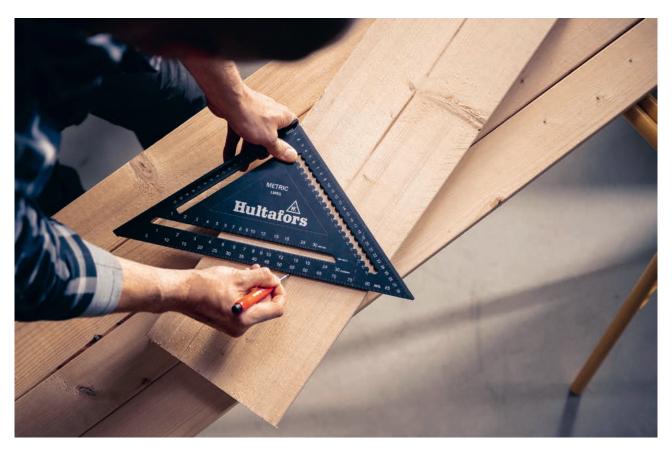
"We are living up to our customers' expectations, but we can also see that more and more of our suppliers and partners are stepping up their sustainability ambitions. This is enabling us to further advance our positions."

A decisive factor for continued progress in relation to



### MARTIN KNOBLOCH

Position: CEO of Hultafors Group Years with the Group: 3 years Previous experience: Most recently CEO of BSH Home Appliances Northern Europe within Bosch Group, where he has had a long international career. Prior to that at Siemens Group.



Hultafors' story began way back in 1883, when the engineer Karl-Hilmer Johansson Kollén designed the now world-renowned folding rule. The brand is now able to offer a wide selection of sustainable and user-friendly hand tools for professionals around the world.



sustainability is the existence of both transparency and continuous improvements along the entire value chain. All the brands work directly with their suppliers to promote sustainable production and sustainable products. The company's largest brands, Snickers Workwear and Fristads, are at the forefront thanks to their close cooperation with their major textile suppliers, and are contributing to other brands in the organisation developing in a positive direction.

"Being inspired by and learning from each other is one of our most important competitive advantages, and something we intend to utilise even more in future."

### THE MOST NATURAL TRANSFER OF KNOWLEDGE

occurs between Hultafors Group's two tool divisions, Hardware Europe and Hardware North America, where in 2023 this has included initiatives aimed at combating weaker demand on the two

markets. There is also an intersecting launch of products on each other's markets, designed to meet or generate new demands on the part of users. Sustainability is key to success here too.

"With the Swedish company Wibe Ladders' products made from greener aluminium, LED work lighting from Scangrips in Denmark, as well as Hultafors' sustainable tools where all plastic is being phased out of the packaging, we have taken significant steps in our European

### HULTAFORS GROUP

### **Current brands**

- ► Snickers Workwear
- ► EripioWear
- ▶ Fristads
- ► Kansas
- ▶ Solid Gear ► Toe Guard
- ► EMMA Safety Footwear
- ▶ Hellberg Safety
- ▶ Hultafors
- ▶ Wibe Ladders
- ► Telesteps
- ► Scangrip
- ▶ Johnson Level & Tool
- ► Martinez Tool Company
- ► CLC Work Gear
- ► Kuny's

tools division, and this is driving developments in North America."

North America is an important growth market for Hultafors Group. In 2023, the focus was on streamlining the structure, consolidating stock management and launching a new strategy. The most recent acquisition, the US company Martinez at the end of 2022, has been successfully integrated into the division.

"With this in place, we will be starting to look at new acquisitions. Our longterm approach as owners is attractive for many entrepreneurs with strong brands that want to grow and develop."

At the same time, the investments are continuing to create long-term, sustainable organic growth, with extensive investments in innovation, sales and marketing. In addition to a heavy focus on lower environmental impact, the users' need for safety, ergonomics and quality is help-

ing to drive demand for Hultafors Group's substantial offering within the various product categories, even during an economic downturn.

"As a result, we are now ready for the next phase in Hultafors Group's journey of success. Our brands will continue to develop and gain market share, while at the same time we will be adding new brands through acquisitions. I am proud of what this fantastic organisation is achieving." •

# **HULTAFORS GROUP**

Hultafors Group offers a portfolio of leading brands that help professional users stay at the forefront of functionality, safety and productivity.

### **HULTAFORS GROUP AT A GLANCE**

Hultafors Group is one of Europe's largest companies providing professional users with workwear, safety footwear, head protection, hand tools, ladders, and workplace lighting solutions. The products are developed, manufactured and sold through the company's own brands and are available via leading distributors in nearly 70 countries globally, with the emphasis on Europe and North America.

### **SIGNIFICANT EVENTS IN 2023**

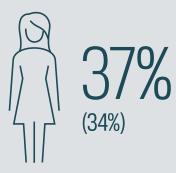
- Strong gross margin and good cost control resulted in higher profitability.
- Particularly strong development for the PPE Europe division and the workwear seament.
- Continued investments in marketing, product development, sustainability and digitalisation.

### STRATEGY FOR PROFITABLE EXPANSION

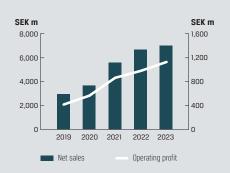
- Generate organic growth through product development, more efficient use of sales and distribution channels, increased investment in marketing and strengthened relationships with end users
- Carry out complementary acquisitions of brands with strong positions with distributors and end users.

# Hultafors Group in figures

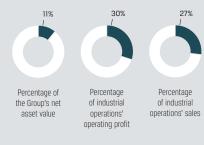
PROPORTION OF FEMALE MANAGERS



NET SAOLES AND OPERATING PROFIT



PERCENTAGE OF NET ASSET VALUE, OPERATING PROFIT AND NET SALES



## Fredrik Meuller, CEO of Nord-Lock Group:

# "GLOBAL SAFETY DEMANDS DRIVING OUR PROFITABLE GROWTH"

As a global leader in the field of bolted joints, Nord-Lock Group is continuing to strengthen public and industrial infrastructures with its rigorously tested technologies accompanied by a lifetime warranty.

ith a new and even more customeroriented organisation in place, Nord-Lock Group strengthened its leading position on the global market for boltsecuring systems in 2023.

"We have the best offering for the growing number of customers who prioritise high levels of safety in critical installations, which delivered continued profitable growth during an otherwise challenging year," says Fredrik Meuller, CEO of Nord-Lock Group.

The strategical change of having three independent business units is now driving their development with the aim of increasing their presence in new customer groups and markets. Support is available in Group-wide processes and systems, as well as in a market organisation that conducts targeted sales and marketing initiatives. The fact that this fell into place is a natural development of the strategy that Nord-Lock Group has been running for a number of years.

"We have invested in manufacturing and strengthened our innovation work, and are now able to free up many of our resources and capabilities in order to become a much larger player globally."

A GOOD EXAMPLE OF THIS is the development of Nord-Lock's locking washers in North America during 2023. New, shared premises in Pittsburgh have increased the level of cooperation with other business units, which has made it possible to make inroads with new distributors and end customers. This also resulted in the "Supplier of the Year" at Fastenal's 2023 Supplier Awards.

"Based on an in-depth analysis of 25 different metrics, such as order management, labelling and quality, Nord-Lock was ranked highest out of almost a hundred suppliers." The Group is also advancing its positions in other regions and with all its technologies. This includes China, where there have been a number of challenges to deal with the aftermath of the country's Covid-related lockdowns. Several new recruitments have been conducted during the year, and sales have increased.

"I was there in April, and enjoyed a good dialogue with customers and authorities. They understood that China is important to us, and that we are there to stay. In 2011 we had one person in Shanghai, now we have 40."

"They understood that China is important to us, and that we are there to stay. In 2011 we had one person in Shanghai, now we have 40."

Fredrik Meuller on the meetings with important partners in China in April 2023.

Nord-Lock Group is also growing in other parts of Asia Pacific, including in Japan and Australia, where national managers have established long-term growth strategies for all four world-leading technologies. The Group has its own sales organisations in 31 countries over the world, as well as selling its products via partners in a further 34 countries. Even though there is considerable growth potential in Americas and Asia Pacific, there is still a great deal left to do on Nord-Lock Group's largest market, EMEA.

"We witnessed strong organic growth in all of our business units in 2023, in part as a result of our innovation and problem-solving abilities."

This includes updated versions of the Superbolt Tool, which facilitates simultaneous tightening of large screws in critical infrastructure, such as nuclear power stations.



### FREDRIK MEULLER

**Position:** CEO of Nord-Lock Group

Years with the Group: 6 years Previous experience: Senior positions within the Trelleborg Group for 16 years, as well as several years within McKinsey & Company and JP Morgan.

0



Expander System is an award-winning pivot pin solution with more than one million systems installed since 1985. The design can be adapted to each individual application, for example offering a permanent repair method for joint lug wear in heavy machinery equipment.



Nord-Lock's wedge locking washers are the first to have attained CE marking, which shows that they meet tough safety and quality provisions and can be supplied to the EU's construction and civil engineering industry. Customised adaptations are continually being developed, such as Expander's extra large pivot pin system for "Beast of the East".

"We supplied products for one of the country's largest construction excavators, which is used in the demolition of concrete bridges and large industrial complexes in Germany, hence the name."

Being able to offer customers wide-ranging expertise and the correct solutions to all types of bolted joint challenges is a strength in a society where there are ever greater demands for sustainability and safety. Nord-Lock Group has accelerated its work within sustainability, including the use of green steel in new products. Above all, however, the products are extremely durable and come with a lifetime warranty, which provides a better lifecycle perspective.

The distribution of Nord-Lock Group's leading offering takes place primarily through satisfied customers, as well as via social media, trade fairs and specially adapted webinars.

"Sales staff and experts from all across Europe come to our film studio in the German facility in Lauchheim to provide online training for customer groups on their own markets. We train them to stand in front of the camera, and most of them do it really well. This in turn has led to business growth."

### NORD-LOCK GROUP

## Brands in the portfolio:

- ► Nord-Lock
- ▶ Superbolt
- ▶ Boltight
- ► Expander

The employees' knowledge and commitment are a central part of the strategy for profitable growth. The most recent staff survey reported a lift in all areas, including for leadership, despite the major restructuring conducted at the start of the year.

"We believe that new structure has actually helped. Change is important when it comes to developing as an individual and a company."

One way of showing commitment and trust in each other is the opportunity to nominate colleagues to be rewarded for their efforts linked to one of the company's core values – Sustainability, Speed, Quality and Passion. During 2023, a total of 260 nominations were received, out of a company with 700 employees.

"This was fantastic and is a clear demonstration of the drive that exists in the organisation. The winners were in Sweden, the USA and Japan.

FREDRIK CAN LOOK BACK on a successful 2023, and on almost six years as CEO. Investments have been implemented, the strategy is working, a new organisation is in place and the employees are demonstrating a high level of commitment. This is making it easier for him to take the next step, outside of Nord-Lock Group and Latour.

"It feels like the right time to let someone else take the business to the next level. After all, as we tend to say, the fact is that Nord-Lock Group has only just scratched the surface of its potential." •

# NORD-LOCK GROUP

With innovative products and extensive expertise, the Nord-Lock Group has been providing reliable and efficient bolted joints to customers in all major industries since 1982.

### **NORD-LOCK GROUP AT A GLANCE**

Nord-Lock Group focuses on customers in all major industrial segments where quality and safety standards are high and the consequences of failure would be serious. Over 90 per cent of production is exported. Sales take place through its own companies and a worldwide network of distributors.

### **SIGNIFICANT EVENTS IN 2023**

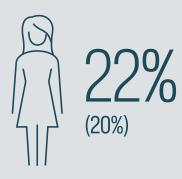
- ► Strong organic growth in all regions and increased profitability.
- ▶ Order book at historically high levels.
- ► Establishment of a new organisation with three independent business units.
- ► Investments for future growth combined with sustainability efforts.
- Business Area CEO Fredrik Meuller has decided to leave for another assignment.

### STRATEGY FOR PROFITABLE EXPANSION

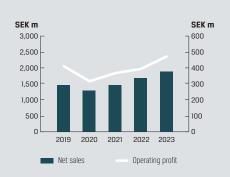
- Developing capacity and productivity in production and logistics processes to meet customer demand in a costeffective way.
- Expand the business through organic growth and value-creating acquisitions.
- Maintain the position as an industry leader through customer-oriented R&D driven by digital and smart technologies.

# Nord-Lock Group in figures

PROPORTION OF FEMALE MANAGERS



NET SALES AND OPERATING PROFIT



PERCENTAGE OF NET ASSET VALUE, OPERATING PROFIT AND NET SALES



61

# Andreas Örje Wellstam, CEO of Swegon:

# "HEALTH AND ENERGY DRIVING OUR GROWTH"

Swegon's success is continuing, driven by the focused development of a leading and innovative offering for an energy-efficient and healthy indoor climate.

W

ith a record-breaking order backlog at the start of 2023, Swegon strengthened both its sales and its profitability significantly. The operating margin equalled the previous record level, and sales have now increased by more than 50 per cent

"In addition to focusing on costs and pricing, we have successfully handled the additional orders that our customers placed to safeguard their projects when they were experiencing problems in the supply chain," says **Andreas Örje Wellstam**, CEO of Swegon.

However, the market was not entirely normal during 2023. High inflation led to dramatic interest rate rises, which both dampened consumption in many economies and applied downward pressure on housing construction. Swegon's residential business was naturally affected by this, above all in Germany and the Nordic countries.

"This is where we have greatest exposure within residential, and that is where growth was weakest. However, our growth remained strong within other regions and in our major business segments."

The four acquisitions that Swegon completed in 2022 have developed above expectations, and have benefitted from continued strong demand within air handling. They have also led to Swegon attaining leading positions on important and prioritised markets.

"With the acquisition of the British company Dalair, we are now the largest in the UK when it comes to air handling units. The company is gaining market share, for example becoming a major supplier within healthcare, where there are stringent demands when it comes to ventilation."

As the investments within residential are decreasing, the focus is shifting to industry and the public sector where there is a considerable need for both new buildings and sustainable renovation. The developments within green renovation are also being driven by the EU initiative The Renovation Wave, which aims to double the rate of renovation of Europe's ageing property stock by 2030.

"Ventilation, heating and cooling are important aspects within this initiative, and we are involved in several

"Our sector employs far too few women at present, but there are signs of change, such as an increased proportion of women on the programs from which we recruit."

**Andreas Örje Wellstam** on the need to increase the proportion of women in the sector and within Swegon.

extremely large renovation projects, such as in Docklands in London."

As a leading company within indoor climate, Swegon is conducting more and more in-house initiatives aimed at speeding up the green transition. This basically relates to helping customers to optimise their ventilation and cooling/heating production, using energy-efficient and smart products as well as environmentally friendly materials, such as the refrigerant propane. The development of Swegon INSIDE has continued during the year, a collection of digital services designed to optimise the indoor climate in a property, where the number of connected properties is increasing rapidly. Swegon also launched





Swegon INSIDE Analytics is an Al tool that analyses and recommends improvement measures for the indoor climate.



a concept for circularity, called RE:3 (RE:duce, RE:use and RE:vitalise), in order to contribute successively to a circular transition in the construction and property sector.

"For example, we are offering products made from recycled steel, manufactured using renewable energy, as well as upgrades to our air handling units that dramatically extend their lifetime."

Swegon is also helping its customers to measure the climate impact of their projects. The work has also continued on increasing the energy efficiency of its production processes. Two new factories were inaugurated during the year, in Mumbai, India, and outside London, and the expansion of Swegon's largest facility, in the Swedish town of Kvänum, was completed in February 2024.

"Here we have one of the most important success stories in today's Swegon, the manufacture of the GOLD air handling units. We are now expanding our production area by a further  $6,000~\text{m}^2$ , to  $46,000~\text{m}^2$ ."

Always putting people in focus in a technologyoriented company like Swegon is the key to continued success. Part of this is the important work to create a diverse and inclusive business, with a particular focus on increasing the share of women at all levels in the company.

"Our sector employs far too few women at present, but there are signs of change, such as an increased proportion of women on the programs from which we recruit. A growing focus on digitalisation, sustainability and health is also resulting in more women applying to us and the sector."

### SWEGON

### **Current business units:**

- Air Handling, Cooling & Heating
- ► Room Units
- ► Services

A positive trend at managerial level can also be seen at Swegon. In Sweden, for example, more than half of the 23 managerial appointments carried out over the past three years have been filled by women. In addition, the two most recent reinforcements of the Group management have been women.

"We have also appointed an entirely new position which will be focusing on

new customer groups, business models and concepts, such as Swegon INSIDE and RE:3."

**SWEGON HAS POSITIVE** driving forces, including acquisitions, new products, services and a growing customer base, which are positioning the company to become a leader within selected segments and countries. Helping customers to become more energy efficient and sustainable will most likely be an extra important success factor in a weaker economy. This can also be seen in the large-scale company transactions that have been carried out within the HVAC sector, including in companies that are contributing towards the transition to renewable heating of housing and premises. It is clear that the long-term trends in Swegon's sector remain and will probably be reinforced in the long term.

"Even though the market is not growing in the short term, we should be able to grow by focusing on niches and segments where we have an extremely strong offering. And we will naturally be continuing to raise awareness about the importance of a good indoor climate in order to feel and perform better." •



Swegon maintains its clear focus on the quality of the indoor environment in buildings, for people's well-being, health and comfort. Feel good inside.

### **SWEGON AT A GLANCE**

Swegon supplies the market with high-quality products and efficient system solutions that promote a healthy indoor environment and contribute to lower energy consumption and life-cycle costs for all types of buildings. Sales and marketing activities are conducted through its own companies in 17 countries and through distributors in other markets. Swegon has production units in Europe, North America and India.

### **SIGNIFICANT EVENTS IN 2023**

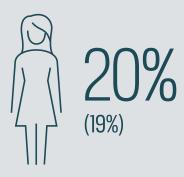
- Strong sales growth and continued improvement in profitability.
- All four acquisitions made in 2022 developed positively.
- Normalised customer behaviour and a general market slowdown resulted in lower order intake.
- ► Launch of the RE:3 concept to contribute to a circular transition.

### STRATEGY FOR PROFITABLE EXPANSION

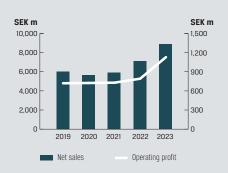
- Differentiate the offer through leading, innovative system solutions for a better indoor environment.
- Increased focus on a superior customer experience through digital solutions and service.
- Create strong positions in key markets in Europe through acquisitions and development of existing businesses.
   Continue to develop its presence in North America.

# Swegon in figures

PROPORTION OF FEMALE MANAGERS



NET SALES AND OPERATING PROFIT



PERCENTAGE OF NET ASSET VALUE, OPERATING PROFIT AND NET SALES



## Björn Lenander, CEO of Latour Industries:

# "TIME FOR THE NEXT STEP"

Latour Industries is defying a tough market climate and continuing to create value and new opportunities, including the formation of a new division for the business area's lift operations.

he pieces of the puzzle are now starting to fall into place for the establishment of a new division within Latour Industries. A first step to the formation of a new business area.

"Our primary task is to establish new business areas, just as we have done with Bemsiq and Nord-Lock Group. We have now established the Innovalift division, which encompasses five of our nine business units," says **Björn Lenander**, CEO of Latour Industries.

The new division has sales of over
SEK 2 billion and comprises of two parts:
platform lifts as well as components for conventional
lifts. The first step towards the creation of Innovalift
was taken back in 2016, with the acquisition of Aritco.

"When we acquired this leading manufacturer of platform lifts, we saw an interesting company in a sector that was being driven by strong global trends."

WITH INCREASED KNOWLEDGE, a larger network and the successful development of the business, it was then followed by the acquisitions of the Italian companies Vimec, VEGA and Esse-Ti, TKS Heis from Norway, InvaLifts and Ability Lifts from the UK, Motala Hissar from Sweden and, most recently, the German company BS Tableau at the start of 2024. The lift-related operations are now extensive, and require a management that can develop the companies further on a full-time basis. Andrea Veggian, Vimec's current CEO, is assuming the overall responsibility for Innovalift.

### LATOUR INDUSTRIES

### **Current business units:**

- ► Aritco Group
- ▶ BS Tableau
- ▶ Densiq Group
- ▶ Esse-Ti
- ▶ LSAB
- ► MAXAGV
- ► MS Group
- ► Vega
- ▶ Vimec

"Andrea joined Latour back in 2010, when his Italian family company was acquired by Swegon, where he subsequently took up a position in the management. A few years ago, when we were looking for a new CEO for Vimec, we had an excellent replacement already in place in Italy, and Andrea is consequently now taking the next step with us."

THERE ARE MANY other examples of people growing through Latour Industries. The fact is that Latour and Latour Industries offer fantastic opportunities to develop and build a career, and for managers to

find the right skills. At the same time, the fact that the operations are growing means that new expertise needs to be brought in from outside as well.

"Within Latour Industries, we intend to increase the pace of our work aimed at identifying and evaluating new companies to acquire. For this reason, we have just strengthened our team in order to be even more proactive in our acquisition activities."

The conditions on the market resulted in Latour Industries reducing its rate of acquisitions during 2023, although interest picked up again towards the end of the year, resulting in the acquisition of BS Tableau in January. Becoming part of a corporate group that stands for responsibility and a long-term perspective is attractive to many talented entrepreneurs.

"The strength of being able to grow together and support each other has been, and will continue to be, a central factor for our success and our value creation."



### **Latour Industries**

# Current business units



### **ARITCO GROUP**

The Swedish company Aritco manufactures and sells platform lifts for private, commercial and public use around the world. Sales, installation and service activities are performed through a network of partners. Aritco also includes Motala Hissar, TKS Heis and Gartec Group.



### **BS TABLEAU\***

BS Tableau is a leading manufacturer of lift components in Germany. The company, which was founded in 1995, manufactures and sells customised panels and electronic components to lift operators and lift manufacturers, primarily for modernisation projects.



### **DENSIO GROUP**

Densiq Group is an end-toend supplier in the field of advanced sealing technology for the process industry and OEMs. The company provides total solutions, based on services, products and technical consultation, that enable high levels of operating reliability. Its main customer base is in Europe.



### ESSE-TI

Esse-Ti is a leading Italian manufacturer of alarm and communication systems for lifts. The company develops and sells lift phones and gateways to lift operators, specialised distributors and lift manufacturers right across Europe.



#### **LSAB**

LSAB develops, manufactures and sells services and tool solutions for chip removal processes mainly for the woodworking and metal industries. Its primary market is Europe. LSAB has operations in Scandinavia and the Baltic states.



### MAXAGV

MAXAGV is a pioneer and leading provider of mobile robots and software systems for goods handling and internal logistics. In the last 35 years, the company has installed thousands of mobile robots within numerous industries and applications around the world.



### MS GROUP

MS Group has its head office in Gothenburg. The company develops, manufactures and sells mobility systems and electrical drive systems to the global mobility rehab market for electric and manual wheelchairs under the REAC, AAT and Batec brand names.



### VEGA

VEGA is a leading Italian designer and manufacturer of passenger interface systems and electronic systems for elevators. Vega has its production and product development operations in Italy. Its customers are mainly located in Europe, although its products are sold all over the world.



### VIMEC

The Italian company Vimec develops, produces and sells chair lifts and platform lifts for enhanced access in private homes and public spaces. Vimec has its own sales and installation operations in Italy, and works with partners in other countries.



## MORE ABOUT THE BUSINESS UNITS

To find out more about Latour Industries' current business units, visit: latourindustries.se/affarsenheter or scan the QR code.

<sup>\*</sup> Acquired January 2024.



Latour Industries is a Latour greenhouse, where active and careful ownership will result in stable and independent development of the holdings. The aim is for them to eventually become separate business areas within Latour.

### LATOUR INDUSTRIES AT A GLANCE

Latour Industries consists of nine wholly-owned holdings whose proprietary products contain high-tech components and have strong growth potential. Each holding has its own business concept and business model.

### **SIGNIFICANT EVENTS IN 2023**

- ► Increased order intake and sales, mainly due to previous acquisitions.
- Improved profitability, partly as a result of good cost control.
- The creation of a division for the elevator-related companies in the business area.
- ► Strengthened business development team.

### STRATEGY FOR PROFITABLE EXPANSION

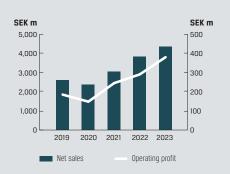
- Drive expansion in existing holdings by strengthening sales organisations, intensifying product development and complementary acquisitions.
- Continue to make new platform acquisitions in line with Latour's investment criteria.

# Latour Industries in figures

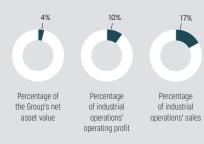
PROPORTION OF FEMALE MANAGERS



NET SALES AND OPERATING PROFIT



PERCENTAGE OF NET ASSET VALUE, OPERATING PROFIT AND NET SALES





### **Latour Future Solutions**

# GROWTH WITHIN SUSTAINABLE WATER

he Latour Future Solutions investment area is continuing to develop and expand. A seventh company was added to the portfolio during 2023, and the fourth within the same sector – water.

"We now have a cluster of robust water businesses, where we are able to offer both private and public customers solutions for metering, analysing, purifying and reducing the consumption of water. We all need to learn that water is a valuable and irreplaceable resource," says Pelle Mattisson, responsible for Latour Future Solutions.

**THE NEW COMPANY,** Quandify, which is located in Sweden, was launched in 2017 and offers an intelligent system that helps property owners to reduce their water consumption and prevent leaks. The company and its founders have won several awards, and the customer base is growing rapidly.

"Their systems offer the same potential for streamlining water consumption that is currently achieved within electricity, something that is becoming increasingly important as the price of water is increasing sharply every year."

In addition to water-related operations, Latour Future Solutions is investing in other sectors where Latour can contribute with its industrial expertise. The companies should be on the brink of a period of expansion, which will provide Latour with an opportunity to make a significant positive difference. This is a concept that is delivering, as can be seen from the developments achieved during 2023.

"Sales for our seven companies increased by 25 per cent on average, which is strong bearing in mind the circumstances in the outside world. We are also seeing that the companies, all of which are Swedish, are winning more and more international customers."

IT IS PRECISELY in this phase that Latour's expertise offers most value, by strengthening sales, product development and manufacturing in order to grow on the international markets. The fact that the companies also are or have the potential to become profitable is one of the investment criteria. With seven companies in important sectors for sustainable social development, Latour is starting to become a well-known player within this part of the capital market as well. This is resulting, for example, in a growing number of enquiries regarding investing in new, exciting companies.

"Our long-term perspective is very important here. We want as many people as possible to benefit from our companies' leading solutions. Having the opportunity to accelerate the sustainable transition in society is our most significant shared driving force." •

### **Latour Future Solutions**

# Current business units

### ANOLYTECH

Anolytech has developed a circular system for the production of effective disinfection, AnoDes, based on nature's own disinfectant hypochlorous acid, which is a natural part of the immune system. It has a customer base in a variety of markets, including the food industry.



### **AQUA ROBUR TECHNOLOGIES**

Aqua Robur Technologies designs and manufactures IoT devices, sensors, energy-harvesting products and software for the water industry. The solution enables digitalisation of water networks by collecting data from all types of water pipes.



### **GAIA BIOMATERIALS**

Gaia BioMaterials develops and manufactures biodegradable biomaterials from renewable sources to replace fossil-based plastics. The company is helping change the plastics industry with its patented biomaterial BioDoloMer®, which does not degrade into microplastics.



### SENSENODE

SenseNode has developed a complete IoT solution with associated SaaS platform for energy efficiency in all types of industries. Its offering also includes automatic reports and alarm functions and serves a Nordic customer base.



### **SWEDISH HYDRO SOLUTIONS**

Swedish Hydro Solutions offers sustainable water treatment solutions via mobile and stationary treatment systems for bilge and stormwater, process water and remediation of polluted areas. The company was founded in 2015 and has offices in Alingsås and Stockholm.



### OOITECH

Qoitech, a spinout from Sony Mobile, produces energy-optimising solutions for battery-powered products and various energy-harvesting technologies. Its products are sold through digital channels to customers in sixty or so countries.



### OUANDIFY

Quandify is the provider of a smart water meter system that enables commercial and private property owners to perform a cost-effective analysis of water consumption, detect water leaks and turn water on and off remotely.



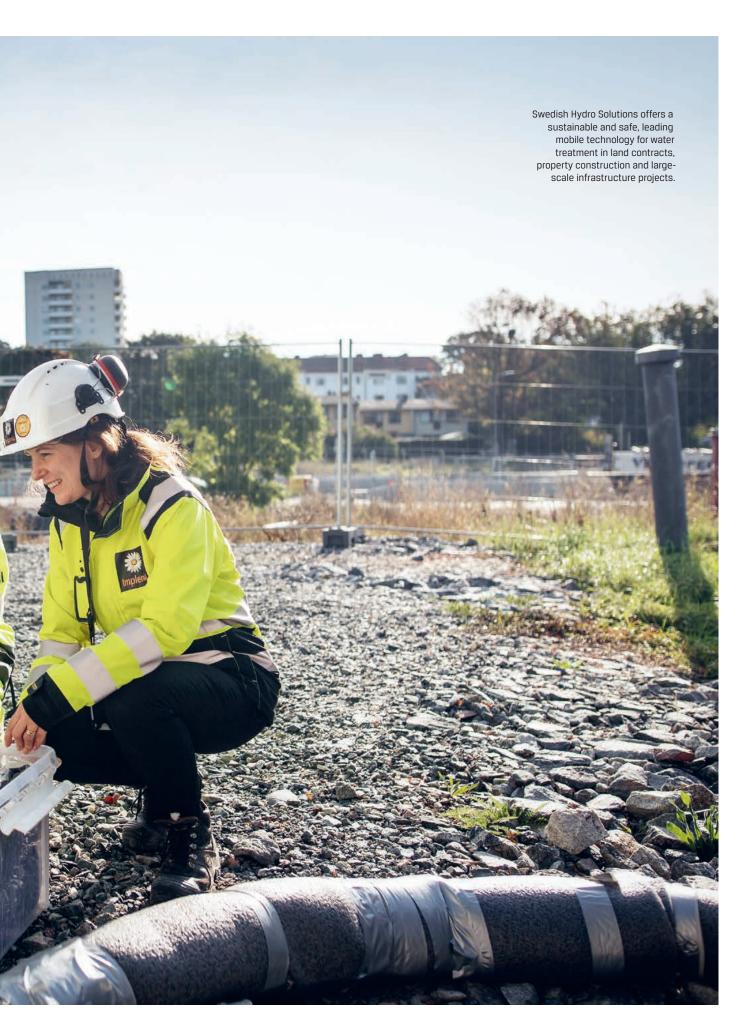
### MORE ABOUT THE BUSINESS UNITS

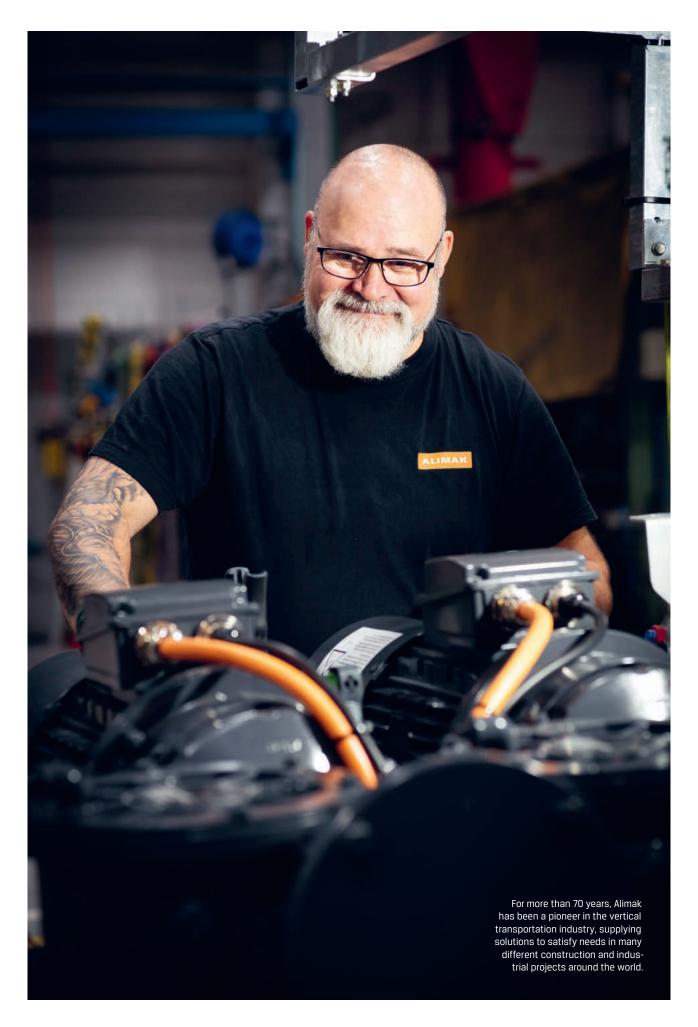
To find out more about Latour Future Solutions' current business units, visit:

latour.se/sv/latour-future-solutions or scan the QR code.











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## Significant events in 2023

- ▶ The investment portfolio had a market value of SEK 78.8 billion (64.2 billion) at the end of the year.
- ► The total return on the investment portfolio was 23.9 per cent, compared with 19.2 per cent for the SIXRX.
- ► The dividends from the investment portfolio companies in the spring of 2024 are expected to total SEK 1,614 m (1,441 m).
- ▶ Income from the investment portfolio in 2023 totalled SEK 3,499 m (1,551 m).
- lacktriangle Latour participated in the issue of new shares by Alimak Group and CTEK, pro rata to its holding.

## Active and responsible principal owner of ten listed companies



LATOUR'S INVESTMENT PORTFOLIO consists of ten companies where Latour is the principal owner, or one of the principal owners, and where it has a voting power of at least 10 per cent. Regardless of the ownership stake, a clear working method is applied to the work of the Board of Directors, where Latour often has the role of chairman. Latour operates as a transparent principal owner that contributes to initiatives to ensure sustainable growth and profitability in the companies.

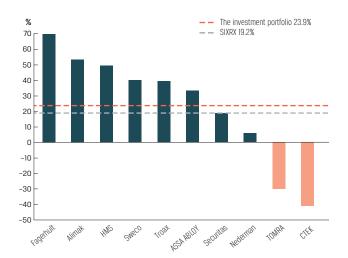
Developments on the stock market have been volatile during the year, in the wake of increased geopolitical concerns and continued uncertainty regarding the economic climate, although certain regions and sectors have continued to grow strongly. Latour's portfolio of listed holdings increased by 23.9 per cent, while the SIXRX benchmark index increased by 19.2 per cent. The majority of the holdings have recorded a positive underlying trend with good profitability.

The level of acquisition activity in the listed companies remained high during 2023. For example, ASSA ABLOY completed the major acquisition of HHI, as well as carrying out a number of add-on acquisitions. HMS Networks entered into an agreement regarding the acquisition of Red Lion Controls, which is significantly expanding HMS' presence in North America. The acquisition will be partially financed by means of a new issue of shares, where Latour has undertaken to participate with its ownership stake.

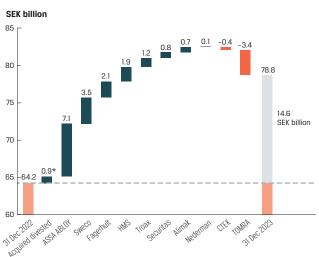
**INCOME FROM THE** investment portfolio in 2023 totalled SEK 3,499 m (1,551 m). The majority of the income comes from investment portfolio dividends. The dividends from the investment portfolio companies in the spring of 2024 are expected to total SEK 1,614 m (1,441 m), in accordance with the proposals of the respective boards. This means a 12 per cent increase for the benchmark portfolio.

TOTAL RETURN FOR THE INVESTMENT PORTFOLIO IN 2023

CHANGES IN INVESTMENT PORTFOLIO VALUE IN 2023



The total return, which includes share price growth and dividend, for each investment portfolio measured against the SIXRX benchmark index in 2023.



Changes in investment portfolio value (SEK billion). These figures do not include dividends, but the changes include acquired and divested shares.

\* Acquisition of 1,721,665 CTEK shares on the stock market as well as 6,112,324 CTEK shares in connection with a preference share issue. Acquisition of 16,016,809 Alimak shares in connection with a new issue of shares.

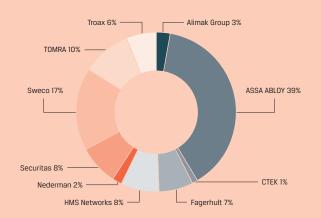
INVESTMENT PORTFOLIO							
Share 1)	Number	Market value <sup>2)</sup> SEK m	Listed price <sup>2)</sup> SEK	Cost SEK m	Dividend SEK m	Share of voting rights 3) %	Share of equity 4) %
Alimak Group	32,033,618	2,639	82	2,883	58	30.3	29.8
ASSA ABLOY 5)	105,495,729	30,678	291	1,697	506	29.5	9.5
CTEK	23,114,799	489	21	1,194	0	33.0	33.0
Fagerhult	84,708,480	5,574	66	1,899	136	48.1	47.8
HMS Networks	12,109,288	6,052	500	250	48	26.0	25.9
Nederman	10,538,487	1,876	178	306	40	30.0	30.0
Securitas 5)	62,436,942	6,178	99	2,125	215	29.6	10.9
Sweco 5)	97,867,440	13,281	136	479 <sup>6)</sup>	264	21.0	26.9
TOMRA 7)	62,420,000	7,578	123 (NOK)	1,605	108	21.1	21.1
Troax	18,060,000	4,493	249	397	65	30.2	30.1
TOTAL		78,838		12,836	1,441		

 $<sup>^{\</sup>scriptsize{1}\!\scriptsize{)}}$  All holdings are recognised as associated companies in the balance sheet.

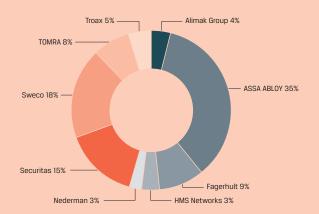
## NET CHANGE IN LATOUR'S INVESTMENT PORTFOLIO IN 2023

Share	Number 01.01.2023	Purchase	Sale	Number 31 Dec 2023
Alimak Group	16,016,809	16,016,809	-	32,033,618
CTEK	15,280,810	7,833,989	_	23,114,799

## BREAKDOWN OF INVESTMENT PORTFOLIO'S VALUE



## PERCENTAGE OF RECEIVED DIVIDENDS



<sup>&</sup>lt;sup>2)</sup> The last price paid is used as the listed price.

<sup>&</sup>lt;sup>3)</sup> Percentage of voting rights, not including repurchased shares.

Percentage of voting rights, not including reputchased shares.
 Percentage of equity calculated on total number of issued shares.
 Due to limited trading in class A shares in Sweco, and because ASSA ABLOY and Securitas class A shares are unlisted, they have been given the same listed price as the company's class B shares. In those cases where the holding consists of both class A and class B shares, they are reported in the table as a unit.
 The cost of the class B shares in the Group is SEK 34 m higher than in the parent company through the exercise of call options.
 At the end of the reporting period, the listed share price was NOK 123.0, which has been translated to SEK at the exchange rate prevailing at the balance sheet date.

## Alimak Group

Alimak Group is a global provider of sustainable, vertical transportation solutions for professional use.

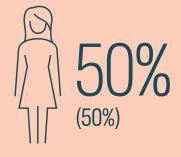
2%
PERCENTAGE
OF LATOUR'S NET
ASSET VALUE

**ALIMAK GROUP IS** a global provider of sustainable, vertical transportation solutions for professional use, with a presence in more than 100 countries. The Group develops, manufactures, sells and services lifts and work platforms under the brands Alimak, Tractel, CoxGomyl, Manntech, Avanti and Scanclimber. Alimak Group was founded in Skellefteå in 1948 and now has a 3,000-strong global workforce.

2023 was an important, successful and transformative year for Alimak Group, with a high rate of innovation, improved efficiency, strong financial growth in an uncertain macro-environment, as well as continued integration of the acquired company Tractel.



## PROPORTION OF FEMALE BOARD MEMBERS



## SALES AND EARNINGS



## SHARE PRICE GROWTH ALIMAK



KEY RATIOS ALIMAK GROUP		
	Full year 2023	Full year 2022
Net sales (SEK m)	7,097	4,512
Operating profit 1) (SEK m)	1,150	616
Operating margin 1) (%)	16.2	13.7
Earnings per share 3) (SEK)	6.76	5.90

Dividend per share <sup>2)</sup> (SEK) 2.50 3.65
Market value at 31 December (SEK m) 8,864 8,025

<sup>1)</sup> Adjusted EBITA

## PRINCIPAL OWNERS AT 31 DECEMBER 2023

	% of shares	% of voting rights
Investment AB Latour	29.8	30.3
Alantra EQMC Asset Management	10.6	10.8
NN Group N.V	10.5	10.7
AP1 Fund	6.6	6.8
Balero Holdings Sarl	6.5	6.6
Other shareholders	34.4	34.9
Repurchased shares	1.6	-
TOTAL	100.0	100.0

Chairman of the Board: Johan Hjertonsson

President and CEO: Ole Kristian Jødahl

Board members connected to Latour: Johan Hjertonsson alimakgroup.com

Proposed dividend for 2023
 Profit per share recalculated due to completed new issue of shares in 2023

## ASSA ABLOY

ASSA ABLOY is a world leader in access solutions.

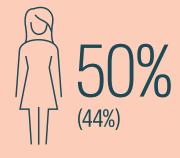
24%
PERCENTAGE
OF LATOUR'S NET
ASSET VALUE

ASSA ABLOY HELPS billions of people to experience a more open world every day through innovations that provide safe, secure and convenient solutions for both physical and digital access. The Group is a world leader in the field of access solutions, with products and services such as locks, doors, gates and entrance automation.

It was another successful year for ASSA ABLOY, with organic sales growth, higher profitability and a strong operating cash flow. A total of 24 acquisitions were completed, including the acquisition of the American HHI division within Spectrum Brands, which is supplying net annual sales of SEK 11 billion.



## PROPORTION OF FEMALE BOARD MEMBERS



SALES AND EARNINGS	
SEK m	SEK m
150,000 _	725,000
125,000	00,000
	-20,000
100,000	- 15,000
75,000 -	
50,000 -	- 10,000
	- 5,000
25,000 -	
0	0
2019 2020 2021	2022 2023
Net sales	Operating profit
iver sales	Operating profit

CALEC AND EADMINGS



KEY RATIOS ASSA ABLOY		
	Full year 2023	Full year 2022
Net sales (SEK m)	140,716	120,793
Operating profit 1) (SEK m)	22,185	18,532
Operating margin 1) (%)	15.8	15.3
Earnings per share (SEK)	13.54	11.97
Dividend per share 2) (SEK)	5.40	4.80
Market value at 31 December (SEK m)	323,537	248,883
<sup>1)</sup> EBIT <sup>2)</sup> Proposed dividend for 2023		

PRINCIPAL OWNERS AT 31 DECEMBER 2023		
	% of shares	% of voting rights
Investment AB Latour	9.5	29.5
Black Rock	5.0	3.4
Swedbank Robur Funds	3.7	2.5
Vanguard	3.6	2.5
Melker Schörling AB	3.1	10.9
Other shareholders	75.1	51.3
Repurchased shares	0.2	-
TOTAL	100.0	100.0

Chairman of the Board: Johan Hjertonsson

President and CEO: Nico Delvaux

Board members connected to Latour: Carl Douglas, Lena Olving, Johan Hjertonsson

assaabloy.com

## CTEK

0.4%

PERCENTAGE
OF LATOUR'S NET
ASSET VALUE

CTEK from Vikmanshyttan in Dalarna is an international leader in the field of battery charging solutions, principally for vehicles.

CTEK DEVELOPS PRODUCTS for the automotive industry, from 12V & 24V chargers to charging solutions for electric vehicles. Its products are sold through global distributors and dealers to more than 50 of the world's leading vehicle manufacturers, as well as through charge point operators, real estate owners and other organisations to provide access to electric charging infrastructure.

The work of strengthening profitability and cash flow through cost reductions and focused sales activities gradually started to have an effect during the year. The rate of innovation was high, for example with a new version of the award-winning destination charger, Chargestorm Connected 3.



## PROPORTION OF FEMALE BOARD MEMBERS



# SEK m 1,000 800 600 400 2019 2020 2021 2022 2023 Net sales Operating profit



KEY RATIOS CTEK		
	Full year 2023	Full year 2022
Net sales (SEK m)	884	950
Operating profit 1) (SEK m)	59	79
Operating margin 1) (%)	6.7	8.3
Earnings per share (SEK)	-3.95	0.05
Dividend per share 2) (SEK)	0	0
Market value at 31 December (SEK m)	1,482	2,049
1) Adjusted EBITA		

2) Proposed dividend for 2023

PRINCIPAL OWNERS AT 31 DECEMBER 2023		% of voting
	% of shares	rights
Investment AB Latour	33.0	33.0
AP4 Fund	9.8	9.8
Skirner AB	6.0	6.0
AMF Tjänstepension AB	4.5	4.5
Athanse Industrial Partners II	4.3	4.3
Other shareholders	42.4	42.4
Repurchased shares	_	-
TOTAL	100.0	100.0

Chairman of the Board: Hans Stråberg
President and CEO: Henrik Fagrenius
Board members connected to Latour: Björn Lenander, Johan Menckel
ctek.se

## Fagerhult Group

Fagerhult Group is one of Europe's leading lighting companies with subsidiaries in 27 countries.

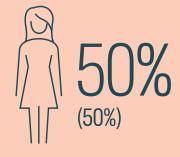
4%
PERCENTAGE
OF LATOUR'S NET
ASSET VALUE

FAGERHULT DESIGNS AND manufactures innovative and energy-efficient lighting solutions for professional settings in four business areas – Collection, Premium, Professional and Infrastructure. Operations are conducted locally via a number of companies with strong brands. Sales also take place via agents and distributors, which gives access to more than 40 markets.

Based on strong megatrends and rapidly growing demand for renovation and upgrading, new records were achieved as regards order intake, sales, gross margin, operating profit and cash flow in 2023. The investments in innovation are starting to produce dividends.



## PROPORTION OF FEMALE BOARD MEMBERS



## SALES AND EARNINGS



## SHARE PRICE GROWTH FAGERHULT



KEY RATIOS FAGERHULT		
	Full year 2023	Full year 2022
Net sales (SEK m)	8,560	8,270
Operating profit 1) (SEK m)	901	833
Operating margin 1) (%)	10.5	10.
Earnings per share (SEK)	3.09	3.27
Dividend per share 2) (SEK)	1.80	1.60
Market value at 31 December (SEK m)	11,659	7,167

<sup>)</sup> EBIT

## PRINCIPAL OWNERS AT 31 DECEMBER 2023

	% of shares	% of voting rights
Investment AB Latour	47.8	48.0
Nordea Funds	6.5	6.5
AP4	5.1	5.1
Handelsbanken Fonder	3.5	3.5
AP3 Fund	2.5	2.6
Other shareholders	34.0	34.3
Repurchased shares	0.6	-
TOTAL	100.0	100.0

Chairman of the Board: Jan Svensson

President and CEO: Bodil Sonesson

Board members connected to Latour: Eric Douglas, Jan Svensson fagerhultgroup.com

<sup>2)</sup> Proposed dividend for 2023

## **HMS Networks**

5%

PERCENTAGE

OF LATOUR'S NET

ASSET VALUE

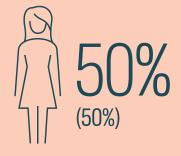
HMS Networks is a world-leading supplier of software and hardware for industrial ICT (Information & Communication Technology).

over 90 per cent of HMS NETWORKS' SALES are to some 60 countries outside of Sweden. Its head office is in Halmstad and it has offices in 18 countries. The company supplies the market with industrial communication solutions under the Anybus®, Ewon®, Ixxat® and Intesis® brands. The products enable robots, motors, sensors and other industrial devices to communicate with their surroundings.

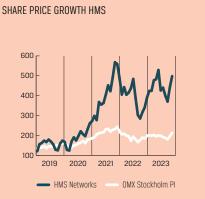
The company experienced strong growth during 2023. Net sales rose 21 per cent and the operating margin amounted to 24.9 per cent (26.0). An agreement was entered into regarding the acquisition of Red Lion Controls, which is significantly strengthening the company's presence in North America.



## PROPORTION OF FEMALE BOARD MEMBERS







KEY RATIOS HMS		
	Full year 2023	Full year 2022
Net sales (SEK m)	3,025	2,506
Operating profit 1) (SEK m)	753	653
Operating margin 1) (%)	24.9	26.0
Earnings per share (SEK)	3.24	10.89
Dividend per share 2) (SEK)	4.40	4.00
Market value at 31 December (SEK m)	23,400	15,900
<sup>1)</sup> EBIT <sup>2)</sup> Proposed dividend for 2023		

	% of shares	% of voting rights
Investment AB Latour	25.9	26.0
Staffan Dahlström with companies	13.0	13.1
AMF Fonder	8.1	8.2
SEB Fonder	7.6	7.7
AP1 Fund	5.0	5.0
Other shareholders	39.9	40.1
Repurchased shares	0.5	-
TOTAL	100.0	100.0

Chairman of the Board: Charlotte Brogren
President and CEO: Staffan Dahlström
Board members connected to Latour: Anders Mörck
hms.se

## Nederman

2%
PERCENTAGE
OF LATOUR'S NET
ASSET VALUE

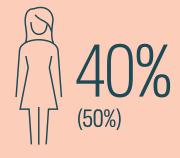
Nederman is a world-leading environmental technology company that develops advanced air purification products and systems.

NEDERMAN'S SOLUTIONS protect people, production and the environment from the harmful effects of industrial processes. The portfolio includes individual products, complete future-proof IIoT solutions, planning, installation, commissioning and service. Sales are made to more than 50 markets through the company's own sales organisation, agents or distributors.

Nederman is continuing to advance its global position within industrial air purification. In an uncertain macro-environment, the company's sales increased to more than SEK 6 billion in 2023, with profitability and cash flow being further strengthened. One small acquisition was carried out in Denmark.



## PROPORTION OF FEMALE BOARD MEMBERS



## 



KEY RATIOS NEDERMAN		
	Full year 2023	Full year 2022
Net sales (SEK m)	6,188	5,179
Operating profit 1) (SEK m)	715	489
Operating margin 1) (%)	11.6	9.4
Earnings per share (SEK)	9.7	9.4
Dividend per share 2) (SEK)	3.95	3.75
Market value at 31 December (SEK m)	6,256	6,059
1) Adjusted EBITA		

2) Proposed dividend for 2023

		% of voting
	% of shares	rights
Investment AB Latour	30.0	30.0
Neudi Kapital AB	10.0	10.0
IF Skadeförsäkring	9.9	9.9
Cliens Småbolag	5.8	5.8
AP4	5.7	5.7
Other shareholders	38.4	38.5
Repurchased shares	0.2	-
TOTAL	100.0	100.0

Chairman of the Board: Johan Menckel
President and CEO: Sven Kristensson
Board members connected to Latour: Johan Menckel
nederman.se

## Securitas

Securitas is a world-leading partner within intelligent security solutions.

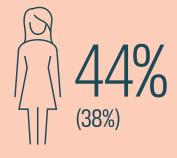
5%
PERCENTAGE
OF LATOUR'S NET
ASSET VALUE

security services in the world, with a presence in 44 markets and an offering ranging from surveillance to technical security. Together with its approximately 340,000 employees, the company creates sustainable value for its customers by protecting what is most important to them – their employees and assets.

The year entailed good growth, increased profitability and a strong cash flow, primarily driven by operations within technology and security solutions, where the previously acquired company STANLEY Security made a significant contribution.



## PROPORTION OF FEMALE BOARD MEMBERS



## SEK m 200,000 150,000 100,000 50,000 SEK m 115,000 12,000 100,000 100,000 100,000 100,000 100,000

Operating profit

SALES AND EARNINGS

Net sales





KEY RATIOS SECURITAS		
	Full year 2023	Full year 2022
Net sales (SEK m)	157,249	133,237
Operating profit 1) (SEK m)	10,247	8,033
Operating margin 1) (%)	6.5	6.0
Earnings per share (SEK)	9.59	10.77
Dividend per share 2) (SEK)	3.80	3.45
Market value at 31 December (SEK m)	56,731	49,862
<sup>1)</sup> EBIT <sup>2)</sup> Proposed dividend for 2023		

	% of shares	of voting rights
Investment AB Latour	10.9	29.6
Melker Schörling AB	5.0	11.3
Macquarie Investment Management Limited	4.7	3.3
Incentive AS	3.6	2.6
Vanguard	3.2	2.3
Other shareholders	72.5	51.0
Repurchased shares	0.1	-
TOTAL	100.0	100.0

Chairman of the Board: Jan Svensson

President and CEO: Magnus Ahlqvist

Board members connected to Latour: Jan Svensson, Johan Menckel securitas.com

## Sweco

Sweco plans and designs the sustainable communities and cities of the future.

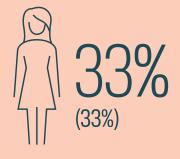
11%
PERCENTAGE
OF LATOUR'S NET
ASSET VALUE

**SWECO IS EUROPE'S** leading architecture and engineering consulting company. Together with its customers, Sweco's 22,000 architects, engineers and other specialists are developing solutions to manage urbanisation, harness opportunities offered by the digital transformation and create a more sustainable future for communities.

In 2023, Sweco's diversified and decentralised business model continued to deliver good organic growth, a strong cash flow and a new record for EBITA. A total of ten acquisitions were carried out, supplying SEK 1.8 billion in revenue and more than 1,200 new experts.



## PROPORTION OF FEMALE BOARD MEMBERS



SALES AN	ID EARI	NINGS				
SEK m						SEK m
30,000						3,000
25,000 -						- 2,500
20,000		-	П			2,000
15,000						- 1,500
10,000						- 1,000
5,000						- 500
ا ٥						<b></b> _0
	2019	2020	2021	2022	2023	
	■ Net sa	ales		Operati	ing profit	



KEY RATIOS SWECO		
	Full year 2023	Full year 2022
Net sales (SEK m)	28,523	24,296
Operating profit 1) (SEK m)	2,531	2,225
Operating margin 1) (%)	8.9	9.2
Earnings per share (SEK)	4.65	4.61
Dividend per share 2) (SEK)	2.95	2.70
Market value at 31 December (SEK m)	49,293	36,271
<sup>1)</sup> Adjusted EBITA <sup>2)</sup> Proposed dividend for 2023		

		%
	% of shares	of voting rights
Nordström family with companies	13.9	34.0
Investment AB Latour	26.9	21.1
Foundation for Technical Scientific Research		
in memory of J. Gust. Rochert	1.7	9.4
Swedbank Robur Funds	5.2	3.0
NN Group N.V	5.1	2.9
Other shareholders	46.0	29.6
Repurchased shares	1.1	_
TOTAL	100.0	100.0

Chairman of the Board: Johan Nordström

President and CEO: Åsa Bergman

Board members connected to Latour: Johan Hjertonsson swecogroup.com

## **TOMRA**

TOMRA is a world leader in sorting and recycling technologies for optimal resource productivity.

6%

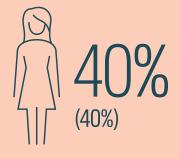
PERCENTAGE
OF LATOUR'S NET
ASSET VALUE

TOMRA WAS FOUNDED in Norway in 1972. Today it has over 100,000 installations in more than 100 countries around the world, and approximately 5,000 employees. The company's products and services are offered through three business areas: TOMRA Collection, TOMRA Recycling and TOMRA Food.

Strong global trends for a more circular economy and increased resource productivity are driving demand for TOMRA's solutions. Net sales and order intake rose to new record levels during 2023, with a strong end to the year for TOMRA Collection and TOMRA Recycling. For TOMRA Food, 2023 was a more demanding year.



## PROPORTION OF FEMALE BOARD MEMBERS



SALES AND EAR	NINGS		
NOK m			NOK m
20,000			72,000
15,000 -			- 1,500
10,000 -			- 1,000
5,000 –			- 500
0			0
2019	2020 2021	2022 2023	3
Net s	ales	Onerating prof	iit .



KEY RATIOS TOMRA		
	Full year 2023	Full year 2022
Net sales (NOK m)	14,756	12,188
Operating profit 1) (NOK m)	1,873	1,625
Operating margin 1) (%)	12.7	13.3
Earnings per share 2) (NOK)	2.36	3.48
Dividend per share 2)3) (NOK)	1.95	1.80
Market value at 31 December (SEK m)	36,413	51,819

<sup>1)</sup> Adjusted EBITA

PRINCIPAL OWNERS AT 31 DECEMBER 2023		
	% of shares	% of voting rights
Investment AB Latour	21.1	21.1
The Bank of New York Mellon	6.8	6.8
Danske Bank A/S	6.2	6.2
Folketrygdfondet	4.9	5.0
Clearstream Banking S.A.	4.0	4.0
Other shareholders	56.7	56.9
Repurchased shares	0.2	-
TOTAL	100.0	100.0

Chairman of the Board: Johan Hjertonsson
President and CEO: Tove Andersen
Board members connected to Latour: Johan Hjertonsson
tomra.com

<sup>2)</sup> Comparative year figures restated to take account

of the 1:2 share split in 2022 3) Proposed dividend for 2023

## Troax

Troax is a world-leading supplier of perimeter protection for indoor use.

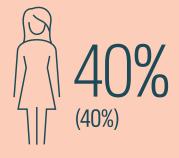
4%
PERCENTAGE
OF LATOUR'S NET
ASSET VALUE

TROAX'S MISSION is to develop sustainable, high-quality and innovative security systems that protect people, property and processes. Since it was founded in 1955, Troax has developed into a successful, listed international group, with some 1,200 employees and local representation in 45 countries.

Lower customer activity in an uncertain market led to Troax's order intake and invoicing declining somewhat during 2023, although the focus on costs and other initiatives resulted in increased profitability and a continued strong cash flow. One major acquisition, of the Swedish company Garantell, was completed at the end of the year.



## PROPORTION OF FEMALE BOARD MEMBERS



## 

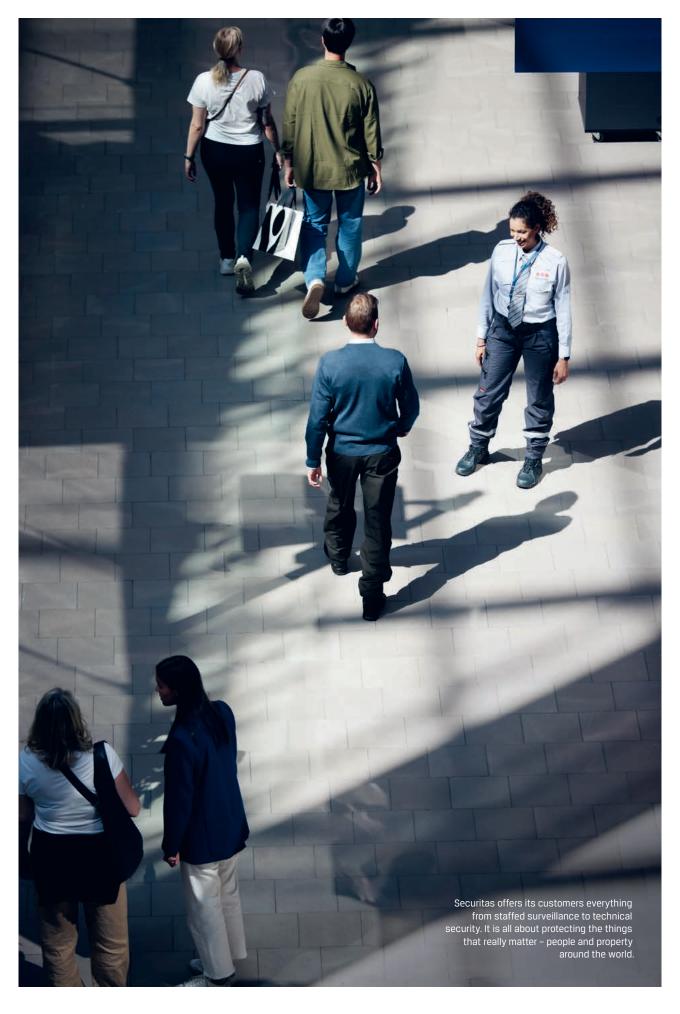
SALES AND EARNINGS



KEY RATIOS TROAX		
	Full year 2023	Full year 2022
Net sales (EUR m)	264	284
Operating profit 1) (EUR m)	51.9	51.1
Operating margin 1) (%)	19.6	18.0
Earnings per share (EUR)	0.60	0.61
Dividend per share 2) (EUR)	0.34	0.32
Market value at 31 December (SEK m)	14,928	10,956
1) EBITA 2)Proposed dividend for 2023		

PRINCIPAL OWNERS AT 31 DECEMBER 2023		
	% of shares	% of voting rights
Investment AB Latour	30.1	30.2
SEB Investment Management	6.7	6.7
Spiltan Fonder	6.1	6.1
Thoms Widstrand	5.8	5.8
API Fund	4.0	4.0
Other shareholders	47.1	47.2
Repurchased shares	0.2	-
TOTAL	100.0	100.0

Chairman of the Board: Anders Mörck
President and CEO: Thomas Widstrand
Board members connected to Latour: Anders Mörck
troax.com



## Annual Report 2023

The Board of Directors and the Chief Executive Officer of Investment AB Latour (publ) herewith present the Annual Report and consolidated financial statements for 2023.

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## Directors' report

## The Group

INVESTMENT AB LATOUR is a mixed investment company. Latour's investments mainly consist of a wholly-owned industrial operation grouped into six business areas and an investment portfolio containing ten holdings in which Latour is the principal owner or one of the principal owners. At 31 December 2023, the market value of the investment portfolio was SEK 79 billion. In addition to the above two operational branches, Latour has an investment area that focuses on sustainability-oriented growth companies, Latour Future Solutions, as well as a small portfolio of part-owned holdings.

Group operations are run by Latour's subsidiaries Nordiska Industri AB and Latour-Gruppen AB. The subsidiary Karpalunds Ångbryggeri AB trades in shares and other securities and the subsidiary Latour Förvaltning AB specialises in the management of securities.

### **CHANGES TO INDUSTRIAL OPERATIONS**

Latour's aim is at least 10 per cent annual growth of its industrial operations over a business cycle through a combination of organic growth and acquisitions. The goal is to own stable and sustainable industrial companies with proprietary products and favourable conditions for international expansion.

One acquisition was completed in the business areas during 2023. In early January, the Swegon business area completed its acquisition of the entire shareholding of Dalair Ltd. The company makes modular air handling units and is a leading manufacturer of AHUs in the UK with a highly regarded brand. Its units are used in offices and commercial buildings as well as several sectors, including the retail, healthcare and pharmaceutical industries. Dalair has 150 employees and is supplying net sales of just over SEK 300 m in 2023.

See Note 43 for more information on company acquisitions.

## **CHANGES TO THE INVESTMENT PORTFOLIO**

In the first quarter, Latour participated in the issue of new shares by Alimak Group, pro rata to its holding, purchasing 16,016,809 shares in the company for SEK 747 m. Also in the first quarter, Latour participated in the issue of preference shares by CTEK, pro rata to its holding, purchasing 6,112,324 shares in the company for SEK 107 m. During the fourth quarter, Latour increased its ownership stake in CTEK from 31.6 to 33.0 per cent of the voting rights through the acquisition of 1,721,665 shares.

## CHANGES IN LATOUR FUTURE SOLUTIONS AND IN OTHER HOLDINGS

Latour Future Solutions has carried out an investment during the year, which took place through a directed new issue of shares. Latour Future Solutions became a minority shareholder with approximately 22 per cent of the shares in the Swedish company Quandify during the third quarter. The company is the provider of a smart water meter system that enables commercial and private property owners to perform a cost-effective analysis of water consumption, detect water leaks and turn water on and off remotely.

## **EVENTS AFTER THE REPORTING PERIOD**

In January 2024, three companies were acquired for the wholly-owned industrial operations. On 9 January 2024, Latour Industries acquired 100 per cent of the shares in the German company BS Tableau GmbH, a leading manufacturer of lift components. The company was founded in 1995 and manufactures and sells customised panels for lift cars as well as a wide selection of electronic components to lift operators and manufacturers, primarily for modernisation projects. Sales amount to approximately EUR 6 m, the majority of which are on the German market. The company has 40 employees.

On 15 January, Bemsiq acquired 51 per cent of the shares in the Italian company Eelectron S.P.A. Eelectron was founded in 1994, is a pioneer within KNX technology and has more than 25 years' experience of developing hardware and software devices for smart buildings, energy efficiency and hotel applications, with a strong focus on design and technology. The company's head office and manufacturing facilities are located in Milan, Italy, and it has customers all over the world. The products are used in airports, hotels, hospitals, museums, administrative buildings and office buildings, as well as in small commercial buildings and private homes. One aspect of Bemsiq becoming the new majority shareholder in the company was that Eelectron acquired the German company IPAS GmbH on the same day. IPAS develops and manufactures KNX and DALI devices for property automation. Eelectron and IPAS jointly have around 60 employees, estimated annual sales of EUR 26 m and a profit level that is well above Latour's

On 18 January, Nord-Lock Group acquired the Canadian companies Precision Bolting Ltd (PBL) and Condor Machinery Ltd (Condor). PBL and Condor are based in Edmonton, have 28 employees and achieved sales of approximately CAD 7 m in 2023. PBL distributes Nord-Lock Group's products in northwestern Canada while Condor manufactures niche metal components – which in combination with Nord-Lock Group's products provide considerable added value for customers. The companies will strengthen Nord-Lock Group's position in Canada and make a positive contribution to the global offering to customers primarily within the mining industry.

On 16 February 2024, the Swedish Financial Supervisory Authority approved an updated base prospectus for the existing MTN programme.

In January 2024, the Board of Directors of HMS Networks was tasked with approving a new issue of shares totalling approximately USD 120 m, which constitutes part of the financing for the acquisition of Red Lion Controls. Latour has undertaken to participate pro rata to its holding of 25.9 per cent.

## **RESULTS AND FINANCIAL POSITION**

The Group's profit after financial items was SEK 6,645 m (4,833 m). Profit after tax was SEK 5,901 m (4,168 m), which

is equivalent to SEK 9.22 (6.51) per share. Impairments and reversals of impairments of shares in associates had a positive net impact of SEK 639 m (-1,557 m). Impairment of goodwill has been conducted during the period at SEK 115 m (0 m).

The operating cash flow of SEK 4,731 m (1,583 m) was significantly better than the previous year. The Group's reported cash flow after acquisitions and financial items amounted to SEK 557 m (51 m). The Group's cash in hand and liquid investments reached SEK 2,235 m (1,710 m). Interest-bearing debt, excluding pension liabilities and lease liabilities, totalled SEK 11,925 m (12,244 m). The Group's net debt was SEK 11,433 m (12,532 m). Net debt, excluding lease liabilities, was SEK 9,983 m (11,067 m). The equity ratio was 83 (80) per cent calculated on reported equity in relation to total assets, including undisclosed surpluses in associated companies.

For further information, see the ten-year overview on page 152.

### **INVESTMENTS**

During the period, SEK 425 m (377 m) was invested in property, plant and equipment, of which SEK 287 m (312 m) was machinery and equipment and SEK 138 m (65 m) was buildings. Fixed assets in newly acquired companies account for SEK 89 m (69 m) of investments for the year.

## Parent company

**PARENT COMPANY PROFIT** The parent company's profit after financial items was SEK 2,294 m (2,146 m). The parent company's equity ratio was 56 (57) per cent.

## THE LATOUR SHARE

Not including repurchased shares, the number of outstanding shares at 31 December 2023 was 639,287,800.

The share option scheme from 2019 expired in 2023 and 87,700 repurchased shares were sold net through redemption of call options. Remaining options from the share option scheme from 2019 were redeemed at market value. In addition, 637,000 options were repurchased from the share option scheme from 2021. At 31 December 2023, the number of call options issued to senior executives was 1,986,200, which give the right to purchase the same number of shares. 686,000 of the call options were issued during the year in accordance with the mandate granted by shareholders at the 2023 Annual General Meeting on market-related terms.

In September, Latour undertook a buy-back of its own shares via the market, after which Latour holds a total of 552,200 class B shares.

6,480 class A shares were converted to class B shares in December. After this, the allocation of issued shares is 47,593,968 class A shares and 592,246,968 class B shares. See pages 38 and 39 and Note 33 for more share information.

## **PERSONNEL**

The average number of employees in the Group was 8,448 (8,375). Of these, 6,210 (6,107) were employed abroad. See

Note 10 for information on salaries and remuneration and a breakdown of employee numbers.

## **CURRENCY EXPOSURE**

The subsidiaries' sales and purchases in foreign currencies are balanced through the Group's joint finance function. At the balance sheet date, sales covered by forward exchange contracts totalled SEK 904 m. Currency hedging amounted to SEK 324 m, not including hedging through currency clauses in major import deals. There is a relatively good balance between purchases and sales in foreign currencies, with the exception of net sales in NOK, GBP and EUR and net purchases in USD.

See Note 32 for further information.

### **RISKS IN INDUSTRIAL OPERATIONS**

As an owner of diversified industrial operations and an investment portfolio with ten holdings, Latour automatically has a relatively good diversification of risks. The Group has customers in a range of industries with a preponderance in the construction industry. Sales in the construction industry are well balanced across the new build sector and the repairs and maintenance sector. Moreover, there is a good geographic spread and a relatively even balance between commercial, public and residential properties. The Board conducts an annual, structured risk analysis, including sustainability-related risks and opportunities, to assess and evaluate Latour's risk exposure. Further information about risk management can be found on pages 135–138 of the Corporate Governance Statement.

## FINANCIAL RISKS

See Note 32 for information on financial instruments and risk exposure.

## **RELATED PARTY TRANSACTIONS**

The Group did not enter into any related party transactions that had a material effect on its performance and financial position, except for dividend payments.

## BOARD OF DIRECTORS

Latour's Board of Directors consists of eight members, including the Chief Executive Officer. There are no deputies. All members are elected for a one-year term. Except for the Chief Executive Officer, no members have an operational role in the Group. The secretary of the Board is the Chief Financial Officer of the Group. Joakim Rosengren was elected Chairman of the Board by the 2023 Annual General Meeting.

Members of the Board represent 78 per cent of the company's voting power and 74 per cent of its share of equity. Employees are represented in the subsidiary Latour-Gruppen AB, which is the parent company of the wholly-owned companies within the industrial operations. They are therefore not represented in the investment company's board.

Cont.

### ► Board of Directors cont.

Each year, the Board of Directors establishes written rules of procedure that regulate the Board's meetings, the business of these meetings, the division of responsibilities among Board members and the Chief Executive Officer and certain other matters. The Board issues instructions for the Chief Executive Officer that regulate his work tasks and reporting obligation to the Board of Directors.

The Board has had four ordinary meetings during the year to date, not including the inaugural Board meeting and three additional Board meetings. Two Board members were unable to attend on one occasion, otherwise the Board has been fully present.

The company's auditor attended two Board meetings and presented reports and observations from the audit performed.

Matters dealt with by the Board include strategic changes in the investment portfolio, acquisitions and sales of subsidiaries, the company's strategic process and risk exposure, budgets and forecasts for the subsidiaries, as well as a financial review and sustainability-related issues.

Under the direction of the Chairman, the Board has evaluated its work and all Board members have presented their views.

The Corporate Governance Statement is presented on pages 135–138 and 140.

## **GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES**

The following guidelines were approved at the 2023 Annual General Meeting: Remuneration to the Chief Executive Officer and other senior executives consists of basic salary, variable remuneration and pension. Other senior executives refer to other senior executives who are part of the parent company's management team, as well as business area managers. Variable remuneration is based on the achievement of targets and can amount to 0–100 per cent of the basic salary. To promote a long-term perspective, the Board may decide on compensation, in addition to the annual variable remuneration, related to the long-term development of the business area's value over a period of three years, capped at one-third of the basic salary per year over a three-year period.

Variable remuneration will not be pensionable for the Chief Executive Officer or other senior executives who are members of the parent company's management team. For business area managers, variable remuneration can only be pensionable to the extent deriving from mandatory collective agreement provisions. The pension premiums for defined contribution pensions will amount to a maximum of 35 per cent of the basic salary.

The Board of Directors may waive the guidelines approved at the Annual General Meeting should there be particular reason for doing so in any individual case.

The Board may also allow a supplemental remuneration to company management in the form of share-related incentive schemes, for example a call option programme, provided that they promote long-term commitment to the business and they are on market-related terms.

### SUSTAINABILITY REPORT

Sustainability issues have always played a central role within Latour, and this is presented in Latour's statutory sustainability report on pages 22–35 and pages 142–150. The auditor's opinion on the statutory sustainability report is presented on page 134.

### **ENVIRONMENTAL IMPACT**

The Latour Group's wholly-owned companies run operations requiring licensing and registration under the Swedish Environmental Code. In Sweden, one of the Group's subsidiaries is required to have a licence and eleven of the subsidiaries are required to register under the Code. The companies that are required to be licensed and registered have production operations in the engineering industry. The environmental impact is emissions to air and discharges into municipal treatment plants.

All of these companies have the necessary permits and have complied with the current requirements for their operations.

### **RUSSIA'S INVASION OF UKRAINE**

Russia's invasion of Ukraine affected Latour's operations during the year, but only to a limited extent. One small Russian operation was discontinued in 2022, since when no Russian companies have been included in the Group. Sales to customers in Russia account for less than 0.1 per cent of total Group sales and have been preceded by checks against the register of sanctions. These sales relate to the delivery of previously placed orders, and all sales to customers in Russia have been stopped.

The Group has a factory in Ukraine that remained in operation throughout the year, with the safety of the employees a top priority.

## PROPOSED DIVIDENDS AND ALLOCATION OF PROFITS

The Board of Directors proposes that the Annual General Meeting approve an increase in the ordinary dividend to SEK 4.10 (3.70) per share, which in absolute terms equates to a dividend of SEK 2,621 m. The Board's proposal for the allocation of profits is presented in full on page 129.

## **OUTLOOK FOR 2024**

2023 has been characterised by a challenging geopolitical situation and the fact that we are experiencing an economic downturn, even though this has not struck with full force yet. Order intake has levelled off during the second half of the year, a consequence of both reduced demand and a normalisation of the logistics chain with customers placing orders with shorter lead times. The underlying demand is difficult to assess and order intake is generally volatile. The order book is at a lower level now than at the start of 2023. Nevertheless, the conditions look good for our operations to continue growing profitably over the long term and for us to further advance our positions, although no forecast is being provided for 2024.

## Consolidated income statement

SEK m Note	2023	2022
Net sales 4-6	25,550	22,611
Cost of goods sold	-15,597	-14,137
Gross profit	9,953	8,474
Sales costs	-3,689	-3,229
Administrative costs	-2,028	-1,653
Research and development costs	-663	-563
Other operating income	254	338
Other operating expenses 13	-228	-121
Operating profit 7–12	3,599	3,246
Income from interests in associates	3,505	1,551
Management costs attributable to the investment portfolio	-31	-30
Profit before financial items	7,073	4,767
Finance income	56	223
Finance expense 16	-484	-157
Profit after financial items	6,645	4,833
Taxes 17	-744	-665
Profit for the year	5,901	4,168
Attributable to:		
Parent company shareholders	5,894	4,162
Non-controlling interests	7	6
Earnings per share, based on earnings attributable to shareholders of the parent company 33		
Basic share	SEK 9.22	SEK 6.51
Diluted share	SEK 9.19	SEK 6.49

## Statement of comprehensive income

SEK m	Note	2023	2022
Profit for the year		5,901	4,168
Other comprehensive income:			
Items that will not be recycled to the income statement			
Restatement of net pension obligations	35	-7	44
		-7	44
Items that may subsequently be recycled to the income statement (net after tax)			
Translation differences	33	-133	1,208
Change in hedging reserve for the year	33	-87	-188
Share of other comprehensive income from associates		394	2,551
		174	3,571
Other comprehensive income, net after tax		167	3,615
Comprehensive income for the year		6,068	7,783
Attributable to:			
Parent company shareholders		6,061	7,779
Non-controlling interests		7	4

## Consolidated balance sheet

SEK m Note	2023	2022
ASSETS		
Fixed assets		
Intangible assets	14,805	14,824
Property, plant and equipment		
Buildings 19	2,108	2,118
Land and land improvements 20	85	87
Machinery 21	636	622
Equipment 22	459	427
Construction work in progress and advances 23	181	120
Financial assets		
Interests in associates 25	29,429	26,012
Other long-term securities holdings 26	30	68
Deferred tax asset 37	481	523
Other non-current receivables 27	56	46
	48,270	44,847
Current assets		
Inventories etc. 28		
Raw materials and consumables	1,586	1,719
Work-in-progress	333	398
Finished work and goods for resale	2,566	3,100
Work in progress	34	27
Advance payments to suppliers	49	39
Current receivables		
Accounts receivable 29	4,033	4,573
Current tax asset	291	216
Derivative instruments 30	22	7
Other current receivables	475	367
Prepaid expenses and accrued income	371	370
Cash and cash equivalents 31	2,235	1,710
	11,995	12,526
Total assets	60,265	57,373

## Consolidated balance sheet

SEK m	Note	2023	2022
EQUITY			
Capital and reserves attributable to parent company shareholders	33		
Share capital		133	133
Repurchased shares		-80	-173
Other reserves		1,155	1,375
Profit brought forward		39,635	35,851
		40,843	37,186
Non-controlling interests		55	55
Total equity		40,898	37,241
LIABILITIES			
Long-term liabilities			
Retirement benefit obligations	35	212	196
Deferred tax liability	37	715	652
Other provisions	38	195	192
Leasing liabilities	12	1,162	1,208
Interest-bearing liabilities	36	7,646	7,528
		9,930	9,776
Current liabilities			
Bank overdraft facilities	39	20	151
Debts to credit institutions	32	4,253	4,866
Advances from customers		477	898
Accounts payable	32	1,770	1,774
Current tax liability		323	311
Other provisions	38	24	28
Derivative instruments	30	127	79
Leasing liabilities	12	288	258
Other liabilities		465	392
Accrued expenses and deferred income	40	1,690	1,599
		9,437	10,356
Total liabilities		19,367	20,132
Total equity and liabilities		60,265	57,373

## Consolidated cash flow statement

SEK m Note	2023	2022
Operating profit	3,599	3,246
Depreciation/amortisation	711 -4	593 -38
Capital gains	-4 115	-38
Impairment of goodwill	4	-2
Other adjustments to non-cash items Paid tax	-731	-558
Operating cash flows before movements in working capital	3,694	3,241
Speciality data none serior internetion in norming suprice	0,001	0,2 11
Movements in working capital		
Inventories	684	-996
Accounts receivable	574	-591
Current receivables	-90	-72
Current operating liabilities	-255	11
	913	-1,648
Operating cash flows	4,607	1,593
Investments		
Acquisition of subsidiaries 43	-362	-1,580
Sale of subsidiaries	-	100
Acquisition of fixed assets	-444	-440
Sale of fixed assets	17	328
Investing cash flows	-789	-1,592
Equity investment		
Dividends received	1,441	1,345
Management costs etc.	-11	-34
Purchase of listed shares etc.	-	-29
Purchase of shares in associates	-933	-1,100
Sale of listed shares	-	15
Sales of shares in associates	-	129
Cash flows from equity investment	497	326
Cash flows after investments and equity investment	4,315	327
Financial payments		
Interest received	56	6
Interest paid	-504	-95
Net change in borrowings 34	-906	1,959
Dividends paid	-2,366	-2,110
Exercise of call options	-25	-94
Issued call options	12	15
Repurchase of own shares	-25	43
Cash flows from financial payments	-3,758	-276
Change in cash and cash equivalents	557	E1
		1 516
Cash and cash equivalents at beginning of the year  Exchange rate difference in cash and cash equivalents	1,710 -32	1,516 143
Cash and cash equivalents at end of the year 31	2,235	1,710
oush and oush equivalents at that of the year	۷,۷۵۵	1,710

## Change in consolidated equity

Attributable to parent company shareholders
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SEK m	Note	Share capital	Repurchased shares	Reserves	Profit brought forward	Non- controlling interests	Total
Opening balance 1 Jan 2022		133	-164	357	31,227	133	31,686
Total comprehensive income				1,018	6,761	4	7,783
Change in non-controlling interests						-82	-82
Issued call options					15		15
Exercise of call options			11		-42		-31
Repurchased shares			-20				-20
Dividends					-2,110		-2,110
Closing equity 31 Dec 2022 (adjusted)	33	133	-121	1,375	35,799	55	37,241
Opening balance 1 Jan 2023		133	-121	1,375	35,799	55	37,241
Total comprehensive income				-220	6,281	7	6,068
Change in non-controlling interests						-7	-7
Reclassification			107		-107		0
Issued call options					12		12
Exercise of call options			11		-36		-25
Repurchased shares			-25				-25
Dividends					-2,366		-2,366
Closing equity 31 Dec 2023	33	133	-80	1,155	39,635	55	40,898

## Change in consolidated interest-bearing net debt

		Change in cash	<b>a</b> 1		
SEK m	31 Dec 2022	and cash equivalents	Change in loans	Other changes	31 Dec 2023
Receivables	37			8	45
Swap	-59			-68	-127
Cash and cash equivalents	1,710	471		54	2,235
Retirement benefit obligations	-196			-15	-211
Lease liability, long-term	-1,208			46	-1,162
Long-term liabilities	-9,228		1,587	-6	-7,647
Utilised bank overdraft facilities	-151			131	-20
Lease liability, short-term	-258			-30	-288
Current liabilities	-3,179		-1,079		-4,258
Interest-bearing net debt	-12,532	471	508	120	-11,433

## Parent company income statement

SEK m Note	2023	2022
Income from interests in Group companies – dividends	1,200	1,057
Income from interests in associates	1,211	1,145
Income from equity investment	-	-
Management costs	-26	-24
Profit before financial items	2,385	2,178
Interest income	194	82
Interest expense	-285	-114
Profit after financial items	2,294	2,146
Taxes 17	_	-
Profit for the year	2,294	2,146

## Statement of comprehensive income for the parent company

SEK m Note	2023	2022
Profit for the year	2,294	2,146
Other comprehensive income:		
Items that may subsequently be recycled to the income statement		
Change in fair value reserve for the year	-	-
Other comprehensive income, net after tax	0	0
Comprehensive income for the year	2,294	2,146

## Parent company balance sheet

SEK m Note	2023	2022
ASSETS		
Fixed assets		
Financial assets		
Interests in subsidiaries 24	3,746	3,746
Interests in associates 25	11,291	10,406
Receivables from Group companies	5,900	7,000
	20,937	21,152
Current assets		
Current receivables		
Receivables from Group companies	376	-
Prepaid expenses and accrued income	25	24
Cash and cash equivalents	-	-
	401	24
Total assets	21,338	21,175
EQUITY AND LIABILITIES		
Equity 33		
Restricted equity		
Share capital	133	133
Other funds	96	96
Non-restricted equity		
Profit brought forward	9,519	9,777
Profit for the year	2,294	2,146
	12,042	12,152
Long-term liabilities		
Debts to credit institutions	6,200	7,050
Other non-interest-bearing liabilities	-	_
	6,200	7,050
Current liabilities		
Debts to Group companies	-	196
Debts to credit institutions	2,950	1,700
Derivative instruments	127	59
Prepaid income and accrued expenses	19	18
	3,096	1,973
Total equity and liabilities	21,338	21,175

## Parent company cash flow statement

SEK m Note	2023	2022
Current operating assets	_	1
Current operating liabilities	-1	-]
Operating cash flows	-1	0
Equity investment		
Dividends received	1,205	1,145
Management costs etc.	-19	-25
Acquisition of associated companies etc.	-886	-712
Cash flows from equity investment	300	408
Cash flows after investments and equity investment	299	408
Financial payments		
Interest received	219	66
Interest paid	-241	-46
New borrowings	927	271
Dividends received from subsidiaries	1,200	1,057
Dividends paid	-2,366	-2,110
Exercise of call options	-25	-94
Issued call options	12	15
Repurchase of own shares	-25	43
Cash flows from financial payments	-299	-798
Change in cash and cash equivalents	0	-390
Cash and cash equivalents at beginning of the year	0	390
Cash and cash equivalents at end of the year	0	0
	0	0

## Change in parent company equity

		_	Other fu	inds		
SEK m	Note	Share capital	Reserve fund	Fair value fund	Profit brought forward	Total
Opening balance 1 Jan 2022		133	96	0	11,923	12,152
Total comprehensive income					2,146	2,146
Dividends paid					-2,110	-2,110
Repurchase of own shares					-101	-101
Exercise of call options					50	50
Issued call options					15	15
Closing equity 31 Dec 2022	33	133	96	0	11,923	12,152
Opening balance 1 Jan 2023		133	96	0	11,923	12,152
Total comprehensive income					2,294	2,294
Dividends paid					-2,366	-2,366
Repurchase of own shares					-25	-25
Exercise of call options					-25	-25
Issued call options					12	12
Closing equity 31 Dec 2023	33	133	96	0	11,813	12,042

## Notes to the financial statements

(All amounts are in SEK m unless stated otherwise)

## NOTE 1 General information

Investment AB Latour (publ), corporate registration number 556026-3237, is a mixed investment company with wholly-owned industrial operations and an investment portfolio, which consists of ten substantial holdings. The parent company is a limited company registered in Gothenburg, Sweden. The head office address is J A Wettergrens gata 7, Box 336, SE-401 25 Gothenburg, Sweden. The parent company is listed on the Nasdaq OMX Stockholm Large Cap list.

The Board of Directors and the Chief Executive Officer have approved these consolidated financial statements for publication on 14 March 2024. The Annual Report and consolidated financial statements will be presented to the Annual General Meeting on 14 May 2024 for approval.

## NOTE 2 Accounting policies

### Basis of preparation of the consolidated financial statements

The consolidated financial statements for Investment AB Latour have been prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standard Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC IC) which have been approved by the EU. Furthermore, the Group has applied the Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups.

The consolidated financial statements have been prepared using the cost method except for revaluations of available-for-sale financial assets, and financial assets and liabilities (including derivative instruments) measured at fair value through the income statement.

The preparation of statements in conformity with the IFRS requires the use of certain important estimates for accounting purposes. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas that involve a significant degree of estimation, that are complex, or where assumptions and estimates are critical to the consolidated financial statements, are set out in Note 47.

The parent company applies the same accounting policies as the Group, except in the cases presented below in "Parent company accounting policies". The differences between the parent company's and the Group's policies are due to limitations in the ability to apply the IFRS in the parent company because of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act (Tryggandelagen) and also, in some cases, because of tax reasons.

## New and amended accounting policies

New and amended standards that are mandatory for the first time for the financial year beginning 1 January 2023.

As from 1 January 2023, changes came into force in IAS 1 Presentation of Financial Statements, which are intended to clarify when a liability should be classified as short-term. The demand for information regarding accounting policies was also changed, to apply to material instead of significant accounting policies.

Other new standards and interpretations that became mandatory on 1 January 2023 have not had a material impact on the financial performance or position of Investment AB Latour.

New standards, amendments to and interpretations of existing standards that have not yet come into effect and have not been adopted early.

A number of new standards and interpretations are effective for annual reporting periods starting after 31 December 2023 and have not been adopted for the preparation of these financial statements. These new standards and interpretations are not expected to have any significant impact on the Group's financial statements in current or future periods, nor on future transactions.

The Group is covered by the OECD's model rules for Pillar Two. The legislation regarding Pillar Two has been adopted in Sweden and will enter into force on 1 January 2024. The Group applies the exemption for reporting and providing information about deferred tax assets and liabilities related to income tax from Pillar Two, which was specified in the changes to IAS 12 that were issued in May 2023.

According to the legislation, the Group is obliged to pay an additional tax for the difference between the effective tax rate calculated according to the GloBE rules for each jurisdiction and the minimum tax rate of 15%. Just about all the companies in the Group have an effective tax rate that exceeds 15%.

The Group is currently evaluating its exposure to the legislation within Pillar Two. Due to the complexity in the application of the legislation and the calculation of GloBE revenue, the quantitative effect of the adopted legislation or the legislation adopted in practice is not yet possible to estimate with any reasonable degree of certainty. As a result, for companies with a reported effective tax rate above 15%, there may still be tax consequences in relation to Pillar Two. Latour is currently working alongside tax specialists to understand and be able to apply the legislation.

## Consolidated financial statements

## Subsidiaries

Business combinations are accounted for using the acquisition method. This method means that equity, including the capital portion of untaxed reserves in the subsidiary at the acquisition date, is entirely eliminated. Consequently, only profit generated after the acquisition date is included in Group equity.

The purchase price for the acquisition of a subsidiary is the fair value of transferred assets, liabilities and the shares issued by the Group. The purchase price includes the fair value of all assets or liabilities resulting from an agreement on conditional consideration. The Group determines, for each acquisition, whether all the non-controlling interests in the acquired entity will be valued at fair value or the proportional share of the acquired entity's net assets.

Companies acquired during the year are included in the consolidated financial statements with amounts relating to the post-acquisition period. Acquisition-related expenses are recognised among other operating expenses in the income statement.

## Associated companies

Associated companies are entities over which the Group exercises significant influence, but not control. As a rule, significant influence exists when the Group holds between 20 per cent and 50 per cent of the voting rights.

Latour holds shares in AB Fagerhult representing 48 per cent of the voting rights. The management has concluded that Latour does not have a controlling influence over Fagerhult and the holding is therefore regarded as an associated company. This is based on the following factors:

Even though Latour has a significant ownership interest, there are several other large shareholders, the three largest of which (apart from Latour) have approximately 21 per cent. Moreover, two of these shareholders are represented in the Nomination Committee. Fagerhult's Board operates as a professional board with a majority of members with no relationship to Latour. Fagerhult is operated as a wholly independent company and not as an integrated company. The companies' management functions are completely separate from one another and there is no exchange or other practical circumstances whatsoever to suggest that Fagerhult's executive management reports to Latour.

The majority of the holdings in associates is accounted for using the equity method. The share of earnings from holdings in associates is recognised, for the investment portfolio, as Income from interests in associates, and for unlisted holdings under Other operating income or Other operating expenses.

Cont. ▶

### Note 2 cont.

Unlisted holdings in the portfolio within Latour Future Solutions, where the ownership stake exceeds 20 per cent, constitute part of the portfolio of investments with a clear focus separate from the Group's regular operations, and can be equated with venture capital. The exemption rule in IAS 28 is thereby considered applicable, which means that associates are recognised here at fair value with changes in value over the income statement.

### Revenue

Revenue in the ordinary operations comprises the sale of goods or services. Revenue from the sale of services is defined as invoiced business activities that do not include physical goods, or where the physical good is of subordinate importance to the service in the agreement. Goods that are not covered by a service agreement are recognised as separate performance obligations and classified as revenue from the sale of goods. Revenue is recognised when control has passed to the buyer. The sale is recognised net of volume discounts, returns and other variable remuneration. Revenue from the sale of goods is recognised at a point in time. Revenue from service and/or maintenance agreements is recognised either at a point in time or over a period of time. For income and expenses arising from the rendering of services, revenue and costs should be recognised by reference to the stage of completion of the transaction at the balance sheet date (the percentage-of-completion method). The stage of completion of a transaction is determined by comparing the costs incurred at the balance sheet date with estimated total costs.

The Group receives advances from customers in certain sales. At year-end, these totalled SEK 898 m. As the time between receipt of these advances and actual delivery of the goods is less than 12 months, the transaction price is not adjusted for the effects of the advances as a significant financing component.

Any expected losses on agreements are recognised in full in the period when the loss is likely to occur and can be estimated. See Notes 3, 4 and 6 for a breakdown of revenue by segment, geographic area and category.

Revenue from contracts with customers per business area
Revenue from sales of goods and services are obtained in their entirety from
the six business areas within the industrial operations.

## Bemsia

Bemsiq's sales consist mainly of product sales, although also a certain proportion of services. The products are made up of various types of smart field devices such as sensors, gateways, metering and communication devices. The products all gather data, which is then used in various applications and areas of use. These areas of use include supplying a property's control system with data, but they can also be used to send data that e.g. energy companies can use to create billing information for their customers. Supplied services include servicing, monitoring and meter reading services. Bemsiq's customers include system integrators, OEMs, energy companies and property owners. Sales take place both via distributors and directly to end customers. Revenue is recognised when the products are delivered to customers, and associated services are invoiced on an ongoing basis.

## Caljan

Caljan's sales comprise approximately 80 per cent product sales and 20 per cent services. The product sales are made up of various types of telescopic conveyor belts and automated solutions that are used within logistics depots, as well as spare parts. The services primarily comprise the installation and servicing of sold products. The customers include both logistics and transport companies as well as e-commerce companies. Sales are mainly conducted through the company's own channels directly to the end customer, although also through distributors. Revenue is recognised when the products have been delivered to the customer, and the services are invoiced on an ongoing basis following completed installation or servicing.

## Hultafors

The majority of the revenue can be attributed to sales of workwear, work shoes, hearing protection, safety goggles, hand tools, ladders, work lighting and similar products for use by professional tradespeople. Some products are used by other professional groups, such as paramedics, industrial workers or private individuals. The products are sold via distributors, e-commerce platforms or directly to end customers or end users on the geographic markets where the company operates or has export partners. Revenue is recognised when the ownership of the products is transferred to the purchaser according to the agreed delivery terms. The size of the revenue is recognised net following deductions for any customer bonuses. A valuation of customers' rights of return and warranties is performed based on historical results, and revenue is adjusted where applicable.

### Latour Industries

The Latour Industries business area generates revenue from the sale of passenger lifts, lift equipment, wheelchairs and wheelchair accessories. The business area also encompasses the sale of sealing solutions for the process industry, automated forklifts, as well as tools and solutions for the wood and metal industries. Revenue is divided by geographic area, based on where the customer is domiciled. Sales take place both via distributors and directly to customers. Revenue is primarily recognised at the time when control is transferred. Sales of extended warranties, service agreements and projects are recognised over the term of the contract.

### Nord-Lock Group

Revenue within the Nord-Lock Group business area is generated from the sale of finished products in the fields of bolt-securing systems and pivot pin assemblies. Revenue is divided by geographic area, based on where the customer is domiciled. Sales take place both via distributors and directly to the customer, and are recognised at the time when control is transferred.

### Swegon

The Swegon business area's revenue is generated from the sale of products for ventilation, heating, cooling and climate optimisation, as well as connected services and technical support. Sales activities are conducted through its own companies in 16 countries and through distributors in other markets. Revenue is primarily recognised at the time when control is transferred. Services, servicing operations and projects are recognised over the term of the contract.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in first-out method or the weighted average cost method if this is a good estimate of FIFO. The net realisable value is the estimated sales price in the operating activities, with a deduction for applicable variable sales costs. The value of finished goods and work-in-progress includes raw materials, direct work, other direct costs and production-related overheads. Obsolescence is depreciated separately. When assessing net realisable values, consideration is given to the age and turnover rate for the items in question. The change between the opening and closing provision for obsolescence for the year affects operating profit in its entirety.

## Translation of foreign currencies

## $Functional\ and\ presentation\ currencies$

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Swedish crowns (SEK), which is the parent company's functional and presentation currency.

## Transactions and balances

Transactions in foreign currencies are translated into the functional currency at the exchange rates ruling at the date of the transaction. Currency gains and losses arising on payment of such transactions and on translation of monetary assets and liabilities denominated in foreign currencies at the exchange rate ruling at the balance sheet date are recognised in the income statement. The exception to this is when the transactions relate to qualifying cash flow hedges and qualifying net investment hedges, in which case gains/losses are recognised in equity.

Translation differences on non-monetary items, such as shares measured at fair value through the income statement, are recognised as part of the fair value gain/loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are taken to a reserve for fair value in equity.

## Group companies

The results and financial position of all Group companies (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the Group's presentation currency as follows: On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. On disposal of a foreign operation, the exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of that operation and are translated at the balance sheet rate.

### Property, plant and equipment

Land and buildings largely comprise factories, warehouses and offices. Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation of assets is calculated using the straight line method over the following estimated useful economic lives:

Buildings 25–50 years
Land improvements 10–20 years
Machinery 5–10 years
Vehicles and computers 3–5 years
Other inventories 5–10 years

The residual values and useful lives of the assets are reviewed, and adjusted if necessary, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### Intangible assets

### Goodwill

Goodwill is the amount by which the cost exceeds the fair value of the Group's share of the acquired subsidiary's or associated company's identifiable net assets on the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associated companies is included in the value of holdings in associates.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses recognised in respect of goodwill are not reversed. Gains or losses on the disposal of an entity include the remaining carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

## Trademarks, patents and licences

Trademarks, patents and licences are recognised at cost. These assets have finite useful lives and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method to spread the cost over their estimated useful lives (5–20 years).

## Financial instruments

Financial instruments recognised in the balance sheet comprise accounts receivable, securities, loan receivables and derivatives. Accounts payable, any issued debt or equity instruments, loan liabilities and derivatives are recorded as liabilities and equity.

Financial instruments are initially recognised at cost equal to the fair value of the instrument including transaction costs for all financial instruments except those categorised as Financial assets recognised at fair value through the income statement. Recognition then takes place on the basis of classification as specified below.

Acquisitions and disposals of financial assets are recognised on the transaction date. This is the date on which the company pledges to acquire or dispose of the asset. Fair value of listed financial assets is the equivalent of the asset's listed purchase price at the balance sheet date. The basis of fair value for unlisted financial assets is determined using valuation techniques, such as recent transactions, the price of comparable instruments or discounted cash flows. See Note 35 for further information.

The Group measures future expected credit losses on investments in debt instruments that are recognised at amortised cost or fair value, with changes in value recognised in other comprehensive income based on forward-looking information. The Group uses the provision method based on whether there has been a significant increase in credit risk or not.

The classification of investments in debt instruments depends on the Group's business model for managing financial assets and the contractual cash flow characteristics of the assets. Measurement of an equity investment not held for trading depends on whether the Group made an irrevocable election at initial recognition to measure it at fair value through other comprehensive income.

Financial assets are classified in three categories, which are based on the Group's business model and the asset's contractual cash flows.

Financial assets measured at fair value through comprehensive income
This category includes equity instruments not held for trading for which the
Group made an irrevocable election at initial recognition to measure the
holding at fair value through other comprehensive income.

Financial assets measured at fair value through the income statement Assets that do not meet the requirements to be recognised at amortised cost or fair value through other comprehensive income are measured at fair value through the income statement. A gain or loss on debt instruments recognised at fair value through the income statement and which is not in a hedging relationship is recognised net in the income statement in the period in which the gain or loss occurs.

### Amortised cost

Assets held with the objective of collecting the contractual cash flows that are solely payments of principal and interest, and that are not designated as measured at fair value through the income statement, are measured at amortised cost. The carrying amount of these assets is adjusted for any recognised expected credit losses.

The Group applies the simplified approach for accounts receivable whereby the provision will equal the expected credit loss over the entire life of the receivable. To measure the expected credit losses, accounts receivable have been put into groups based on shared credit risk characteristics and days past due. The Group uses forward-looking factors for expected credit losses. Expected credit losses are recognised under Sales and administrative costs in the consolidated statement of comprehensive income.

### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed in an active market. Assets in this category are measured at amortised cost. Amortised cost is calculated based on expected contractual cash flows that are solely payments of principal and interest.

### Other financial liabilities

Financial liabilities not held for trading are initially measured at fair value, net after transaction costs, and thereafter at amortised cost.

## Derivatives used in hedge accounting

Derivative instruments are initially recognised at fair value in the balance sheet on the contract date and are subsequently remeasured at their fair value. The method of recognising the resulting gains or losses depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item hedged. The Group identifies certain derivatives as either: a hedge of a very probable forecast transaction (cash flow hedge); or a hedge of a net investment in a foreign operation.

When a transaction is entered into, the Group documents the relationship between the hedge instrument and the hedged item as well as the purpose of the risk management and strategy in order to take various hedging measures. The Group also documents its assessment when initiating the hedge and continuously thereafter to see if the derivative instruments used in hedging transactions are effective as an offset to changes in the fair value or cash flows of hedged items.

## Cash flow hedges

The effective portion of changes in the fair value of derivative instruments that are identified as cash flow hedges and qualify for hedge accounting is recognised in other comprehensive income and becomes a part of equity.

## Net investment hedges

Hedges of net investments in foreign operations are recognised in the same way as cash flow hedges. Gains or losses attributable to the hedging instrument associated with the effective portion of the hedge are recognised in equity.

## Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in fair values of derivative instruments that do not qualify for hedge accounting are recognised directly in the income statement as Other income or Other expenses.

## Non-current receivables and other current receivables

These receivables belong to the category of amortised cost. Amortised cost is calculated based on expected contractual cash flows that are solely payments of principal and interest.

## Income taxes

Recognised income taxes comprise tax that is payable or receivable for the current year, adjustment of tax attributable to previous years and changes in deferred taxes.

Cont. >

Note 2 cont.

All tax liabilities and assets are measured at nominal amounts using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

### Cash flow statement

The cash flow statement is prepared using the indirect method. The reported cash flow includes only transactions involving inflows and outflows of cash.

### Leases

The Group's leases primarily consist of rights-of-use to facilities and equipment. The leases are recognised as a right-of-use asset with a corresponding lease liability when the leased asset is available for use by the Group. Short-term leases and leases for which the underlying asset is of low value are exempted.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group's incremental borrowing rate is used.

Payments for leases where the term is less than 12 months and for leases of low-value assets are expensed on a straight-line basis in the income statement. Low-value assets include IT equipment and small office furniture. Latour has determined that assets with a value of SEK 200 thousand or less are classified as low-value assets.

### Government grants

Grants that are compensation for expenses incurred are recognised on a systematic basis in the same way and in the same periods in which the expenses are recognised. Grants pertaining to investments in property, plant and equipment have reduced the carrying amounts of the assets.

### Pensions

The Group has several defined contribution and defined benefit pension plans. In Sweden, Norway, Germany, Switzerland and Italy, employees are covered by defined benefit or defined contribution pension plans. In other countries they are covered by defined contribution plans.

In defined contribution plans, the company pays fixed fees to a separate legal entity and has no obligation to pay any additional fees. Costs are expensed to the consolidated income statement as the benefits are earned.

In defined benefit plans, remuneration to employees and ex-employees is paid on the basis of salary at the point of retirement and the number of years of service. The Group bears the risk for payment of the pledged remuneration.

The company's obligations are measured at the present value of anticipated future payments by using a discount rate. The Group primarily determines this rate using the interest rate for high-quality government bonds measured in the currency in which the benefits are to be paid. For obligations in Sweden, the Group uses the interest rate for 12-year mortgage bonds which are then extrapolated with the growth rate estimate for the 23-year government bond rate to correspond to the remaining maturity period for the obligations in question.

The most important actuarial assumptions are set out in Note 35.

## Segment reporting

Latour is divided up into operating segments based on how the operations are followed up and evaluated, corresponding to the Company's internal structure for control and reporting.

The Group's operations are managed and grouped into Industrial operations and Equity investment. The industrial operations are, in turn, grouped into six business areas: Bemsiq, Caljan, Hultafors Group, Latour Industries, Nord-Lock Group and Swegon. Together with equity investment, these business lines make up the Group's operating segments.

The reported items in the operating segments' results, assets and liabilities are presented on the basis of how they are followed up by the Company's CEO and by the respective business area manager, who is the senior executive decision-maker. The operating segment results, assets and liabilities include items directly attributable to the segment as well as those that can be allocated on a reasonable and reliable basis. Non-allocated items are attributed to Latour's overall function and are attributable to the investment operations, and on the profit side are made up of management costs, net financial items and tax. Where transactions occur between different operating segments, market prices are applied.

### Parent company accounting policies

The parent company complies with the requirements of the Swedish Annual Accounts Act and the Swedish Corporate Reporting Board's recommendation RFR 2 Accounting for legal entities. RFR 2 requires the parent company to comply with IFRS/IAS as far as possible. Differences between parent company and Group accounting policies are primarily due to the Swedish Annual Accounts Act and the Pension Obligations Vesting Act (Tryggandelagen) and, in certain cases, special tax regulations. In the following cases, the parent company's accounting policies are not consistent with the IFRS.

IFRS 9 does not apply to the parent company. Instead, the parent company applies those items set out in RFR 2 (IFRS 9 Financial Instruments, p. 3–10). Financial instruments are valued at cost. In subsequent periods, financial assets that have been acquired with the intention of being held in the short term will be recognised in accordance with the lowest value principle, at either the cost or the fair value, whichever is the lowest. Derivative instruments will also be valued according to the lowest value principle.

The Parent Company applies portfolio valuation to shares in associated companies where the company has a documented risk pricing strategy and the financial instruments can be clearly identified.

For financial fixed assets in respect of shares in subsidiaries and associated companies, impairment takes place to the fair value or the present value of the executive management's best assessment of the future cash flows that the asset is expected to provide, whichever is the highest. For other financial assets, IFRS 9 is applied, in accordance with p.8 of RFR 2. This means that impairment testing is carried out in the same way as for receivables recognised as current assets (see below).

When calculating the net realisable value of receivables that are recognised as current assets, the principles for impairment testing and loss risk provisioning in IFRS 9 should be applied. For a claim that is recognised at amortised cost at Group level, this means that the loss risk reserve that is recognised in the Group in accordance with IFRS 9 should also be recognised in the parent company.

The parent company recognises associated companies using the cost method.  $\,$ 

The parent company's defined benefit pension plans have been calculated according to the Pension Obligations Vesting Act (Tryggandelagen) and the Swedish Financial Supervisory Authority's regulations since this is a prerequisite for fiscal deductions.

A currency interest rate swap that is linked to part of issued option loans is not considered to be an item in the parent company that satisfies the criteria for hedge accounting. The derivative is valued in the company according to the lowest value principle.

From a fiscal perspective, Investment AB Latour is an investment company. Profits on sales of shares are not liable to tax and losses are not deductible. The company must however declare 1.5 per cent of the market value of all shareholdings at the beginning of the year as standard taxable income. However this is only valid for listed shares where the share of votes is under 10 per cent. Dividends received are taxable and dividends paid are deductible. Interest income is taxable while management costs and interest costs are deductible.

## NOTE 3 Segment reporting

## DEVELOPMENT BY BUSINESS AREA 1 JAN 2023 - 31 DEC 2023

	Industrial operations								
SEK m	Bemsiq	Caljan	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other	Equity investment	Total
REVENUE									
External sales	1,570	1,980	6,962	4,336	1,875	8,827			25,550
Internal sales	13					1	-14		0
Cost of goods sold	-770	-1,384	-4,063	-2,995	-767	-5,618			-15,597
INCOME									
Operating profit	366	336	1,126	380	472	1,127	-208		3,599
Income from equity investment								3,474	3,474
Finance income									56
Finance expense									-484
Taxes									-744
Profit for the year									5,901
OTHER DISCLOSURES									
Assets	3,165	3,560	7,495	4,733	1,841	6,946	298	29,269	57,307
Unallocated assets									2,958
Total assets									60,265
Liabilities	192	361	1,120	1,055	238	1,777	94	12	4,849
Unallocated liabilities									14,518
Total liabilities									19,367
Investments in:									
property, plant and equipment	31	30	71	49	40	200	4		425
intangible fixed assets	9	0	18	7	1	263			298
Depreciation/amortisation	15	38	101	71	54	116	316		711

## DEVELOPMENT BY BUSINESS AREA 1 JAN 2022 - 31 DEC 2022

		Industrial operations							
SEK m	Bemsiq	Caljan	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Other	Equity investment	Total
REVENUE		-	-		-				
External sales	1,327	2,140	6,649	3,820	1,660	7,015			22,611
Internal sales	7						-7		0
Cost of goods sold	-635	-1,453	-4,116	-2,641	-715	-4,584	7		-14,137
INCOME									
Operating profit	304	452	977	290	393	778	52		3,246
Income from equity investment								1,521	1,521
Finance income									223
Finance expense									-157
Taxes									-665
Profit for the year									4,168
OTHER DISCLOSURES									
Assets	3,167	4,121	8,175	4,946	1,777	6,398	270	26,743	55,597
Unallocated assets									1,776
Total assets									57,373
Liabilities	201	772	1,070	1,062	220	1,702	76	36	5,139
Unallocated liabilities									14,993
Total liabilities									20,132
Investments in:									
property, plant and equipment	15	58	47	78	41	137	1		377
intangible fixed assets	561	61	292	284	1	326			1,525
Depreciation/amortisation	12	32	90	62	49	97	251		593

The executive management has determined the operating segments based on the reports reviewed by Latour's Board of Directors that are used to make strategic decisions. The Board primarily assesses the business areas from an operational perspective but also on the basis of geographic area of interest

The operations can be divided into two main areas: wholly-owned industrial operations and equity investment. The industrial operations are grouped into six business areas: Bemsiq, Caljan, Hultafors Group, Latour Industries, Nord-Lock Group and Swegon.

Equity investment primarily consists of portfolio management of long-term holdings where Latour owns at least 10 per cent of the votes.

Segment results, assets and liabilities include items directly attributable to the segment as well as those that can be allocated on a reasonable and reliable basis. Segment assets and liabilities do not include tax assets and tax liabilities (deferred and current), nor do they include interest-bearing assets and liabilities. Segment investments in property, plant and equipment and intangible fixed assets include all investments, except for those in expendable equipment and low-value equipment.

## NOTE 4 Geographic markets

## Breakdown of assets by geographic markets:

	2023	2022
Sweden	36,281	38,601
Nordic countries, excluding Sweden	5,066	2,825
Germany	2,172	1,742
UK	1,630	983
Rest of Europe	6,355	5,555
USA	4,656	4,245
Other markets	1,154	1,646
Total	57,314	55,597

## Breakdown of investments by geographic markets:

	2023	2022
Sweden	100	405
Nordic countries, excluding Sweden	48	47
Germany	23	212
UK	381	146
Rest of Europe	81	301
USA	69	769
Other markets	21	22
Total	723	1,902

Historically, the Group's domestic market has been the Nordic countries, with the majority of production located in Sweden. Today, the Group's main area of expansion is Europe, although it is expanding in other parts of the world too. Based on the size criteria, no specific countries are deemed large enough to be reported separately.

## NOTE 5 Related party transactions

The Douglas family has a controlling influence over Investment AB Latour. Privately and through companies, the Douglas family controls 79.2 per cent of the voting rights in Latour. Two members of the family each received Board fees of SEK 1,100,000, i.e. a total of SEK 2,200,000.

Investment AB Latour has a holding of 552,200 own shares at the end of the period. The total number of call options issued to senior executives in the Latour Group is 1,986,200, which give the right to purchase the same number of shares. The Board of Directors was authorised by the Annual General Meeting on 10 May 2023 to resolve on the repurchase and transfer of the company's own shares. The options are based on market-related terms. See Note 10 for details about salaries and other remuneration to the Board, the Chief Executive Officer and other senior executives.

Purchasing and sales between Group companies in the Latour Group total SEK 10,461 m (9,712 m) for the year. There were no purchases or sales with the parent company.

There have been no transactions with other related parties or other companies during the year.

## NOTE 6 Breakdown of revenues

	Industrial operations						
Net sales 2023	Bemsia	Caljan	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Total
Geographic areas:	- Jemoiq	- varjan			ш.очр		
Sweden	275	17	1.384	699	84	1.626	4,085
Nordic countries, excluding Sweden	220	30	1,213	672	61	1,218	3,414
Germany	210	332	686	331	268	1,727	3,554
UK	32	520	262	451	0	1.181	2,446
Rest of Europe	358	529	2,135	1,424	387	2,340	7,173
USA	229	492	1,114	224	506	399	2,964
Other markets	246	60	168	535	569	336	1,914
	1,570	1,980	6,962	4,336	1,875	8,827	25,550
Revenue type:							
Revenue from the sales of goods	1,537	1,649	6,962	3,727	1,875	7,776	23,526
Revenue from services	33	331	0	609	0	1,051	2,024
	1,570	1,980	6,962	4,336	1,875	8,827	25,550
Sales channels:							
Sales directly to customers	791	1,980	778	2,240	1,531	4,860	12,180
Sales via distributors	778	. 0	6,184	2,096	344	3,967	13,369
	1,570	1,980	6,962	4,336	1,875	8,827	25,550
Time of revenue reporting:							
Revenue reported at one point in time	1,531	1,980	6,652	3,922	1,875	7,959	23,920
Revenue reported over time	38	. 0	310	414	0	868	1,630
	1,569	1,980	6,962	4,336	1,875	8,827	25,550

## Note 6 cont.

	Industrial operations						
Net sales 2022	Bemsiq	Caljan	Hultafors Group	Latour Industries	Nord-Lock Group	Swegon	Total
Geographic areas:							
Sweden	212	15	1,392	607	80	1,431	3,737
Nordic countries, excluding Sweden	202	51	1,178	604	63	1,255	3,353
Germany	198	492	475	260	259	1,410	3,094
UK	37	614	235	360	56	717	2,019
Rest of Europe	308	334	1,942	1,170	274	1,628	5,656
USA	68	533	1,193	252	417	336	2,799
Other markets	232	101	234	567	511	308	1,953
	1,257	2,140	6,649	3,820	1,660	7,085	22,611
Revenue type:							
Revenue from the sales of goods	1,228	1,832	6,646	3,386	1,660	6,626	21,378
Revenue from services	29	308	3	434	0	459	1,233
	1,257	2,140	6,649	3,820	1,660	7,085	22,611
Sales channels:							
Sales directly to customers	639	2,140	3,010	1,935	1,099	4,251	13,074
Sales via distributors	618	0	3,639	1,885	561	2,834	9,537
	1,257	2,140	6,649	3,820	1,660	7,085	22,611
Time of revenue reporting:							
Revenue reported at one point in time	1,257	2,140	6,608	3,623	1,660	6,541	21,829
Revenue reported over time	0	0	41	197	0	544	782
	1.257	2.140	6.649	3.820	1.660	7.085	22.611

## NOTE7 Breakdown of expenses by type of cost

THE GROUP	2023	2022
Product costs	12,659	11,628
Remuneration to personnel	6,226	5,340
Depreciation/amortisation	711	593
Other expenses	2,355	1,804
Total	21,951	19,365

## NOTE 8 Exchange rate differences

Operating profit includes exchange rate differences relating to operating receivables and liabilities as follows:

-52	42
-1	6
6	4
-4	9
-18	-15
-69	46
	-1 6 -4 -18

## NOTE 9 Remuneration to auditors

THE GROUP	2023	2022
Ernst & Young		
Audit services	21	18
of which to Ernst & Young AB	8	6
Non-audit work	2	1
of which to Ernst & Young AB	1	1
Tax advisory services	1	0
of which to Ernst & Young AB	0	0
Other services	5	4
of which to Ernst & Young AB	3	4
Total	29	23
Audit fees to others	12	8
Total	41	31

Remuneration to auditors for audit services in the parent company amounted to SEK 54,000 (54,000) and for other services SEK 104,000 (79,000).

## NOTE 10 Personnel

### Salaries, other remuneration and social costs

	2023		2022		
	Salaries and other remuneration	Social costs (of which pension costs)		Salaries and other remuneration	Social costs (of which pension costs)
Parent company	10	4 (0)		11	4 (0)
Subsidiaries	5,033	1,199 (339)		4,331	912 (313)
The Group	5,043	1,203 (339)		4,342	916 (313)

SEK 30 m (30 m) of the Group's pension costs relate to boards and chief executive officers.

Breakdown of salaries and other remuneration by country and between board members and others, and employees:

	2023 Board and CEO			2022		
			Board and CEO			
	(of which bonus)	Other employees	(of which bonus)	Other employees		
Parent company						
Sweden	10		11 (0)	-		
Subsidiaries						
Sweden	99 (36)	1,220	80 (1)	1,104		
Germany	26 (4)	557	20 (3)	499		
UK	15 (2)	553	14 (1)	386		
USA	14 (4)	417	6 (1)	344		
Italy	17 (3)	435	12 (2)	341		
Norway	9 (1)	159	7 (1)	159		
Finland	15 (1)	213	14 (1)	194		
Hong Kong	1 (0)	9	1 (0)	9		
Poland	3 (0)	119	3 (0)	100		
Switzerland	8 (2)	160	8 (1)	119		
Canada	7 (4)	188	5 (0)	166		
Denmark	17 (1)	196	27 (14)	204		
Liechtenstein	8 (0)	20	8 (0)	17		
Ireland	2 (0)	31	2 (0)	27		
The Netherlands	8 (1)	85	10 (7)	80		
Other countries	11 (1)	411	7 (1)	358		
Group total	270 (60)	4,773	235 (51)	4,107		

Periods of notice within the Group are between 3 and 24 months, depending on age and position.

## Remuneration to senior executives

## Policies

The Chairman of the Board and Board members receive the remuneration decided by the Annual General Meeting. No fee is paid for committee work.

Remuneration to the Chief Executive Officer and other senior executives followed the principles adopted by the 2020 Annual General Meeting. In brief, the policies entail the following. Remuneration to senior executives consists of basic salary, short-term variable remuneration (STI), long-term variable remuneration (LTI), pension and other benefits. STI can be evaluated for a period of one year and is capped at 100 per cent of the basic salary. LTI can be paid over a period of three years and is capped at one third of the basic salary per year over the three-year period. Pension premiums for defined contribution pensions will amount to a maximum of 35 per cent of the basic salary. Other senior executives are the members of Group manage-

ment and business area managers, who report directly to a member of Group management.

The variable remuneration to the Chief Executive Officer is based on goals achieved during the year and amounted to 83 per cent of basic salary in 2023. Variable remuneration to other senior executives is based on the performance achieved by the units for which they are responsible.

The Board also has the right to approve additional remuneration to the company management in the form of share-related incentive schemes (e.g. a call option programme) provided that they promote long-term commitment to the organisation and they are provided on market-related terms. The Board of Directors may waive the guidelines approved at the Annual General Meeting should there be particular reason for doing so in any individual case.

#### 2023 Remuneration and other benefits during the year

SEK 000	Basic salary/ Board fees	Variable remu- neration <sup>2)</sup>	LTI <sup>3)</sup>	Other benefits	Pension costs	Total
Chairman of the Board	3,000	-	-	_	-	3,000
Other Board members (6 people) 1)	6,600	-	-	_	_	6,600
Chief Executive Officer	10,458 6)	8,710 5)	3,558	82	3,683	26,491
Other senior executives (8 people)	33,325 7)	13,865	17,188	768	9,456	74,602

<sup>1)</sup> Other Board members have received SEK 1,100,000 each.

#### 2022 Remuneration and other benefits during the year

Basic salary/	remune-	171	Other	Pension	Total
Board rees	ration	LII	Denents -	COSTS	Total
2,300	_	-	-	-	2,300
7,350	_	-	-	-	7,350
10,815 5)	8,500 4)	-	107	3,558	22,980
23,499 6)	9,403	11,175	605	7,145	51,827
	Board fees 2,300 7,350 10,815 50	Board fees         ration 3)           2,300         -           7,350         -           10,815 5)         8,500 4)	Basic salary/ Board fees         remune- ration 30         LTI           2,300         -         -           7,350         -         -           10,815 51         8,500 40         -	Basic salary/ Board fees         remune- ration 30         LTI         Other benefits 20           2,300         -         -         -           7,350         -         -         -           10,815 51         8,500 40         -         107	Basic salary/Board fees         remune-ration 30         LTI         Other benefits 20         Pension costs           2,300         -         -         -         -         -           7,350         -         -         -         -         -           10,815 50         8,500 40         -         107         3,558

<sup>1)</sup> Other Board members have received SEK 1,050,000 each.

#### Pensions

The Chief Executive Officer is entitled to retire at the age of 65.

The retirement age for other senior executives is 65. Pension premiums are paid continually, at up to 35 per cent of the fixed salary.

#### Option schemes

Share option schemes from 2019 matured during 2023, and 87,700 options were redeemed for shares and 464,800 options were redeemed at market value. During the year, 637,000 options were repurchased from the share option scheme from 2021.

The table below shows the option schemes outstanding at the end of the year.

THE GROUP	No. issued options	Equivalent to the number of shares	Option price	Exercise price
2020/2024	547,400	547,400	19.50	214.75
2020/2024	40,000	40,000	21.00	234.00
2021/2025	37,300	37,300	30.50	345.20
2022/2026	675,500	675,500	21.60	253.00
2023/2027	686,000	686,000	19.80	238.40

#### Severance payment

The period of notice between the company and Chief Executive Officer is 6 months. In the case of dismissal by the company, the Chief Executive Officer will receive a severance payment equal to 12 months of salary. Severance pay is not set off against any other income. The Chief Executive Officer must give 6 months' notice and does not receive severance pay.

The period of notice between the company and other senior executives varies from 6 to 12 months. In the case of dismissal by the company, the senior executives receive their salary during their notice period. Senior executives must give 6 months' notice and do not receive severance pay.

## Preparation and decision process

The policies for remuneration to senior executives are decided by the Annual General Meeting. The Chief Executive Officer's salary and employment terms are set by the Board. The Board has given the Chairman the task of reaching an agreement with the Chief Executive Officer after contact with the Remuneration Committee. The Board is then informed of the outcome of the negotiations.

Remuneration to other senior executives is determined by the Chief Executive Officer in consultation with the Chairman of the Board.

#### Gender ratios on the Board and within the executive management

	2023		2022	
	Men %	Women %	Men %	Women %
Board members	63	38	67	33
Group management	100	0	100	0

#### Average number of employees

Variable

_				
	202	23	202	22
PARENT COMPANY	Number of employees	Of which men %	Number of employees	Of which men %
Sweden	-	-	-	-
SUBSIDIARIES				
Sweden	2,238	75	2,268	75
UK	959	78	774	71
Germany	764	76	776	71
Italy	723	77	730	81
USA	350	73	349	73
Poland	514	58	532	68
Latvia	371	64	363	65
Finland	365	75	376	77
Norway	238	74	238	75
Denmark	182	69	240	73
Switzerland	138	75	140	76
Other countries	1,606	61	1,589	59
Total in subsidiaries	8,448	71	8,375	71
Total	8,448	71	8,375	71
OPERATING AREAS		2023		2022
Industrial operations		8 447	_	8 374

OPERATING AREAS	2023	2022
Industrial operations	8,447	8,374
Equity investment	1	1
Total	8,448	8,375

<sup>2)</sup> Variable remuneration to the Chief Executive Officer was equal to 83 per cent of his basic salary. For other senior executives, it ranged from 5-71 per cent of their basic salary.

<sup>3)</sup> Over a three-year period, the cost for LTI amounts at most to a third of the basic salary per year, but may exceed the limit during an individual period, depending on accruals.

<sup>4)</sup> Other benefits relate mainly to car benefits.

<sup>5)</sup> SEK 2,500,000 of the variable remuneration is conditional on the acquisition of shares and/or options in Latour.

<sup>6)</sup> Includes change in holiday pay debt amounting to SEK -98,000.

<sup>7)</sup> Includes change in holiday pay debt.

<sup>2)</sup> Other benefits relate mainly to car benefits.

a) Variable remuneration to the Chief Executive Officer was equal to 79 per cent of his basic salary. For other senior executives, it ranged from 0-70 per cent of their basic salary.

<sup>4)</sup> SEK 2,500,000 of the variable remuneration is conditional on the acquisition of shares and/or options in Latour.

<sup>5)</sup> Includes change in holiday pay debt amounting to SEK 615,000.

<sup>6)</sup> Includes change in holiday pay debt.

# NOTE 11 Depreciation/amortisation

Amortisation of intangible fixed assets in the Group amounts to SEK 82 m (76 m) and depreciation of property, plant and equipment amounts to SEK 629 m (517 m). Of depreciation of property, plant and equipment, SEK 314 m (243 m) refers to depreciation of lease assets. A breakdown of depreciation/amortisation by function in the income statement is shown below:

THE GROUP	2023	2022
Trademarks, licences		
Cost of goods sold	18	14
Sales costs	11	14
Administrative costs	32	29
Research and development costs	21	19
Total	82	76
Buildings		
Cost of goods sold	36	30
Sales costs	2	2
Administrative costs	269	215
Research and development costs	2	1
Total	309	248
Land and land improvements		
Cost of goods sold	2	2
Total	2	2
Machinery		
Cost of goods sold	136	109
Sales costs	1	1
Administrative costs	12	13
Research and development costs	7	7
Total	156	130
Equipment		
Cost of goods sold	64	54
Sales costs	19	17
Administrative costs	75	63
Research and development costs	4	2
Total	162	136
Total depreciation	711	593

# NOTE 12 Leases

Recognition of amortisation of right-of-use assets instead of lease payments affected the operating profit by SEK 6 m (17 m). Interest on lease liabilities had a negative SEK –16 m (–11 m) impact on net financial items. The SEK -10 m (5 m) impact on earnings before tax was due to IFRS 16. As the main payment is recognised as a financing activity, the cash flow from financing activities decreases with a corresponding increase in the cash flow  $\,$ from operating activities. The interest rate part of the lease payment remains cash flow from operating activities and is included in net financial items. The Group recognises a right-of-use asset in the balance sheet as well as a lease liability at the present value of future lease payments. The leased asset is depreciated on a straight-line basis over the lease term or over the  $useful\ life\ of\ the\ underlying\ asset\ if\ it\ is\ deemed\ reasonably\ certain\ that\ the$ Group will take over ownership at the end of the lease term. The lease cost is recognised as depreciation within operating profit and interest expense within net financial items. If the lease is considered to include a low-value asset or has a lease term that ends within 12 months, or includes service components, these lease payments are recognised as operating expenses in the income statement over the lease period.

Information is presented below about these leases, as well as short-term leases and low-value leases.

#### Amounts reported in the balance sheet

The following amounts related to leases are reported in the balance sheet:

Right-of-use assets	2023	2022
Buildings	1,275	1,367
Vehicles	122	82
Machinery	1	3
	1,398	1,452
Lease liability		
Long-term	1,162	1,208
Current	288	258
Total	1,450	1,466

#### Amounts reported in the income statement

The following amounts related to leases are reported in the income statement:

Amortisation/depreciation of right-of-use assets	2023	2022
Buildings	-261	-207
Vehicles	-51	-33
Machinery	-2	-3
	-314	-243
Interest costs (included in finance expense)	-17	-11
Expenditure attributable to short-term leases and to leases for		
which the underlying asset is of a low value	-478	-353

No significant variable lease payments that are not included in the lease liability have been identified.

The total cash flow related to leases amounted to SEK 308 m (262 m).

# NOTE 13 Operating income and operating expenses

#### Other operating income

THE GROUP	2023	2022
Capital gains on sales	-	135
Exchange rate differences	4	9
Adjustment of earn-out	48	8
Other income	202	186
Total	254	338

#### Other operating expenses

THE GROUP	2023	2022
Acquisition costs	-33	-27
Impairment of goodwill	-115	-
Share of earnings in associated companies	-4	-5
Exchange rate differences	-18	-15
Other expenses	-58	-74
Total	-228	-121

# NOTE 14 Income from interests in associates

THE GROUP	2023	2022
Income from interests after tax	2,853	3,143
Dilutive effect	7	-35
Impairment	639	-1,557
Underwriting commitment	6	_
Total	3,505	1,551

#### Individual holdings have affected results as follows:

	2023	2022
Alimak Group	698	-725
ASSA ABLOY	1,272	1,288
CTEK	-270	-434
Fagerhult	580	-36
HMS Networks	149	118
Nederman	106	101
Securitas	159	445
Sweco	478	465
TOMRA	215	214
Troax	118	115
Total	3,505	1,551

Since Latour normally cannot wait for the income statements from each associated company, Latour applies the principle of basing each company's quarterly financial report on the outcome of the previous quarter and then extrapolating an estimated outcome. The companies' results vary, which means the reported profit share can deviate from the recorded outcome, but this is corrected in the next quarterly financial report. The book value of interests in associates is compared with the market value, which is adjusted for impairment if necessary.

#### Parent company

In the parent company, the dividend income from associates comprises SEK 1,211 m (1,145 m).

# NOTE 15 Finance income

THE GROUP	2023	2022
Interest income	19	4
Exchange gains	19	217
Other finance income	18	2
Total	56	223

# NOTE 16 Finance expense

THE GROUP	2023	2022
Lease interest	-16	-10
Other cost interest	-362	-96
Exchange losses	-97	-48
Other finance expense	-9	-3
Total	-484	-157

# NOTE 17 Tax on profit for the year

THE GROUP	2023	2022
Current tax expense for the period	-668	-571
Deferred tax attributable to changes in temporary differences		
Deferred tax income	171	70
Deferred tax expense	-247	-164
Total	-744	-665

SEK 6 m (3 m) of deferred tax is included in consolidated comprehensive income in Change in hedging reserve for the year SEK –188 m (–58 m).

Difference between actual tax expense and tax expense based on the effective tax rate.  $\,$ 

THE GROUP	2023	2022
Profit before tax	6,645	4,833
Tax according to effective tax rate, 20.6%	-1,369	-996
Tax effect of special taxation rules for investment companies	225	224
Associated companies are recognised net after tax	497	96
Tax effect of non-deductible costs	-47	-13
Tax effect of previous year adjustments	-8	-6
Tax effect of non-taxable income	7	60
Other tax effects	-50	-30
Tax on profit for the year according to the income statement	-744	-665

PARENT COMPANY	2023	2022
Profit before tax	2,294	2,146
Tax according to effective tax rate, 20.6%	-473	-442
Tax effect of special taxation rules for investment companies	473	442
Tax on profit for the year according to the income statement	0	0

The effective tax rate for the Group and the parent company is 20.6 per cent. Investment companies are allowed a tax deduction for the dividend approved at the subsequent Annual General Meeting. Capital gains are not taxable while capital losses are not deductible. Investment companies are taxed on a standardised basis. See also Note 37.

# NOTE 18 Intangible assets

		Trademarks,	
THE GROUP	Goodwill	licences	Tota
Accumulated cost			
Opening balance 1 Jan 2022	12,819	736	13,555
Opening cost			_
from acquisitions	-	_	(
Acquisitions for the year	1,400	125	1,525
Sales for the year	-231	-24	-255
Reclassification	-	_	(
Translation difference	990	72	1,062
Closing balance 31 Dec 2022	14,978	909	15,887
Opening balance 1 Jan 2023	14,978	909	15,887
Opening cost			
from acquisitions	-	14	]4
Acquisitions for the year	241	43	284
Sales for the year	-1	-12	-13
Reclassification	-18	-	-18
Translation difference	-94	-3	-9
Closing balance 31 Dec 2023	15,106	951	16,05
Accumulated depreciation			
Opening balance 1 Jan 2022	0	-407	-40
Depreciation for the year	-	-76	-70
Sales for the year	-	19	19
Reclassification	-	0	(
Translation difference		-46	-41
Closing balance 31 Dec 2022	0	-510	-510
Opening balance 1 Jan 2023	0	-510	-510
Depreciation for the year	_	-82	-82
Sales for the year	_	7	
Reclassification	_	_	(
Translation difference	_	1	
Closing balance 31 Dec 2023	0	-584	-58
Accumulated impairment losses			
Opening balance 1 Jan 2022	-553	0	-55
Impairment for the year	-	-	(
Closing balance 31 Dec 2022	-553	0	-55
Opening balance 1 Jan 2023	-553	0	-55
Impairment for the year	-115		-11
Closing balance 31 Dec 2023	-668	0	-668
Book value	14,438	367	14,80
Carrying amounts			
At 1 Jan 2022	12,266	329	12,59
At 31 Dec 2022	14,425	399	14,82
At 1 Jan 2023	14,425	399	14,82
	14,438	367	14,805

See Note 11 for the impact of depreciation on earnings.

All goodwill refers to the segment Industrial operations. An impairment test on goodwill resulted in a write-down of SEK 115 m (0 m).

# Testing goodwill for impairment

Certain valuation assumptions, which are the basis of the evaluation, have been given for the Group's most significant goodwill items.

A breakdown of the Group's value of goodwill is shown below:

11 breamagnin of the Group's value of good will is shown serow.		
THE GROUP	Book value, SEK m	
Bemsiq	2,343	
Caljan	2,230	
Hultafors Group	3,595	
Latour Industries	2,504	
Nord-Lock Group	658	
Swegon	3,108	
	14,438	

Assumptions for the Group's significant goodwill items are given below.

31 Dec 2023	Book value, SEK m	Growth assumption (forecast) %	Margin assumption (forecast) %
Caljan	2,230	-28.7-55.5	10.9-20.0
Solid Gear Snickers	623	8.1-10.0	20.0-20.9
Hardwear NA	1,641	7.7-10.0	9.0-18.0
Scangrip	689	10.0-11.9	21.9-22.0
S+S	514	5.0-9.0	24.3-28.0
Dent Instrument	512	6.0-8.0	18.4-36.0
Aritco	821	1.0-5.0	7.4-12.0
Produal	598	5.0-7.0	16.8-20.0
Commercial Swegon	2,709	4.0-5.0	11.6-11.6
Tensioning	380	4.0-19.2	7.2-13.0
	Discount rate (before tax)	Growth assumption	Margin assumption
31 Dec 2023	%	(terminal) %	(terminal) %
Caljan	10.8	2	20.0
Solid Gear Snickers	10.7	2	20.0
Hardwear NA	12.9	3	18.0
Scangrip	10.6	2	22.0
S+S	9.7	2	28.0
Dent Instrument	10.2	5	20.0
Aritco	11.6	2	12.0
Produal	7.1	2	20.0
Commercial Swegon	10.6	2	11.6
Tensioning	12.5	2	12.0
31 Dec 2022	Book value. SEK m	Growth assumption (forecast) %	Margin assumption (forecast) %
<b>31 Dec 2022</b> Calian	value, SEK m		assumption (forecast) %
Caljan		assumption (forecast) %	assumption
Caljan Solid Gear Snickers	<b>value, SEK m</b> 2,241 623	assumption (forecast) % 5.0-16.5 8.0-8.0	assumption (forecast) % 18.5-20.0 19.1-20.0
Caljan Solid Gear Snickers Hardwear NA	value, SEK m 2,241	assumption (forecast) % 5.0-16.5	assumption (forecast) % 18.5-20.0
Caljan Solid Gear Snickers Hardwear NA Scangrip	value, SEK m 2,241 623 1,709	assumption (forecast) % 5.0-16.5 8.0-8.0 7.4-10.0	assumption (forecast) % 18.5-20.0 19.1-20.0 11.0-18.0
Caljan Solid Gear Snickers Hardwear NA Scangrip Vega	value, SEK m 2,241 623 1,709 689 371	assumption (forecast) % 5.0-16.5 8.0-8.0 7.4-10.0 10.0-20.1	assumption (forecast) % 18.5-20.0 19.1-20.0 11.0-18.0 20.0-20.7 17.3-20.0
Caljan Solid Gear Snickers Hardwear NA Scangrip Vega MS Group	value, SEK m 2,241 623 1,709 689 371 423	assumption (forecast) % 5.0-16.5 8.0-8.0 7.4-10.0 10.0-20.1 4.0-12.0 3.0-10.0	assumption (forecast) % 18.5-20.0 19.1-20.0 11.0-18.0 20.0-20.7 17.3-20.0 9.0-11.0
Caljan Solid Gear Snickers Hardwear NA Scangrip Vega MS Group Aritco	value, SEK m 2,241 623 1,709 689 371 423 823	3.0-10.0 3.0-10.0 3.0-10.0 3.0-10.0 3.0-10.0 3.0-11.2	assumption (forecast) % 18.5-20.0 19.1-20.0 11.0-18.0 20.0-20.7 17.3-20.0 9.0-11.0 10.0-16.1
Caljan Solid Gear Snickers Hardwear NA Scangrip Vega MS Group Aritco Produal	value, SEK m 2,241 623 1,709 689 371 423 823 593	assumption (forecast) % 5.0-16.5 8.0-8.0 7.4-10.0 10.0-20.1 4.0-12.0 3.0-10.0	assumption (forecast) % 18.5-20.0 19.1-20.0 11.0-18.0 20.0-20.7 17.3-20.0 9.0-11.0
Caljan Solid Gear Snickers Hardwear NA Scangrip Vega MS Group Aritco	value, SEK m 2,241 623 1,709 689 371 423 823	\$5.0-16.5 8.0-8.0 7.4-10.0 10.0-20.1 4.0-12.0 3.0-10.0 3.0-11.2 5.0-19.5	assumption (forecast) % 18.5-20.0 19.1-20.0 11.0-18.0 20.0-20.7 17.3-20.0 9.0-11.0 10.0-16.1 17.0-20.0
Caljan Solid Gear Snickers Hardwear NA Scangrip Vega MS Group Aritco Produal Commercial Swegon	value, SEK m  2,241 623 1,709 689 371 423 823 593 1,503 519  Discount	assumption (forecast) % 5.0-16.5 8.0-8.0 7.4-10.0 10.0-20.1 4.0-12.0 3.0-10.0 3.0-11.2 5.0-19.5 4.4-5.0 5.0-6.5	assumption (forecast) % 18.5-20.0 19.1-20.0 11.0-18.0 20.0-20.7 17.3-20.0 9.0-11.0 10.0-16.1 17.0-20.0 11.6-11.6 15.2-15.2
Caljan Solid Gear Snickers Hardwear NA Scangrip Vega MS Group Aritco Produal Commercial Swegon	value, SEK m  2,241 623 1,709 689 371 423 823 593 1,503 519  Discount rate	assumption (forecast) % 5.0-16.5 8.0-8.0 7.4-10.0 10.0-20.1 4.0-12.0 3.0-10.0 3.0-11.2 5.0-19.5 4.4-5.0 5.0-6.5	assumption (forecast) % 18.5-20.0 19.1-20.0 11.0-18.0 20.0-20.7 17.3-20.0 9.0-11.0 10.0-16.1 17.0-20.0 11.6-11.6 15.2-15.2
Caljan Solid Gear Snickers Hardwear NA Scangrip Vega MS Group Aritco Produal Commercial Swegon Swegon UK	value, SEK m  2,241 623 1,709 689 371 423 823 593 1,503 519  Discount	assumption (forecast) % 5.0-16.5 8.0-8.0 7.4-10.0 10.0-20.1 4.0-12.0 3.0-10.0 3.0-11.2 5.0-19.5 4.4-5.0 5.0-6.5	assumption (forecast) % 18.5-20.0 19.1-20.0 11.0-18.0 20.0-20.7 17.3-20.0 9.0-11.0 10.0-16.1 17.0-20.0 11.6-11.6 15.2-15.2
Caljan Solid Gear Snickers Hardwear NA Scangrip Vega MS Group Aritco Produal Commercial Swegon	value, SEK m  2,241 623 1,709 689 371 423 823 593 1,503 519  Discount rate (before	assumption (forecast) % 5.0-16.5 8.0-8.0 7.4-10.0 10.0-20.1 4.0-12.0 3.0-10.0 3.0-11.2 5.0-19.5 4.4-5.0 5.0-6.5	assumption (forecast) % 18.5-20.0 19.1-20.0 11.0-18.0 20.0-20.7 17.3-20.0 9.0-11.0 10.0-16.1 17.0-20.0 11.6-11.6 15.2-15.2
Caljan Solid Gear Snickers Hardwear NA Scangrip Vega MS Group Aritco Produal Commercial Swegon Swegon UK	value, SEK m  2,241 623 1,709 689 371 423 823 593 1,503 519  Discount rate (before tax) %	assumption (forecast) % 5.0-16.5 8.0-8.0 7.4-10.0 10.0-20.1 4.0-12.0 3.0-10.0 3.0-11.2 5.0-19.5 4.4-5.0 5.0-6.5	assumption (forecast) % 18.5-20.0 19.1-20.0 11.0-18.0 20.0-20.7 17.3-20.0 9.0-11.0 10.0-16.1 17.0-20.0 11.6-11.6 15.2-15.2 Margin assumption (terminal) %
Caljan Solid Gear Snickers Hardwear NA Scangrip Vega MS Group Aritco Produal Commercial Swegon Swegon UK	value, SEK m  2,241 623 1,709 689 371 423 823 593 1,503 519  Discount rate (before tax) %	assumption (forecast) %	assumption (forecast) % 18.5-20.0 19.1-20.0 11.0-18.0 20.0-20.7 17.3-20.0 9.0-11.0 10.0-16.1 17.0-20.0 11.6-11.6 15.2-15.2 Margin assumption (terminal) %
Caljan Solid Gear Snickers Hardwear NA Scangrip Vega MS Group Aritco Produal Commercial Swegon Swegon UK  31 Dec 2022 Caljan Solid Gear Snickers	value, SEK m  2,241 623 1,709 689 371 423 823 593 1,503 519  Discount rate (before tax) % 10.8 10.9	assumption (forecast) %	assumption (forecast) % 18.5-20.0 19.1-20.0 11.0-18.0 20.0-20.7 17.3-20.0 9.0-11.0 10.0-16.1 17.0-20.0 11.6-11.6 15.2-15.2 Margin assumption (terminal) %
Caljan Solid Gear Snickers Hardwear NA Scangrip Vega MS Group Aritco Produal Commercial Swegon Swegon UK  31 Dec 2022 Caljan Solid Gear Snickers Hardwear NA Scangrip	value, SEK m  2,241 623 1,709 689 371 423 823 593 1,503 519  Discount rate (before tax) % 10.8 10.9 11.9	assumption (forecast) %	assumption (forecast) % 18.5-20.0 19.1-20.0 11.0-18.0 20.0-20.7 17.3-20.0 9.0-11.0 10.0-16.1 17.0-20.0 11.6-11.6 15.2-15.2 Margin assumption (terminal) %
Caljan Solid Gear Snickers Hardwear NA Scangrip Vega MS Group Aritco Produal Commercial Swegon Swegon UK  31 Dec 2022 Caljan Solid Gear Snickers Hardwear NA Scangrip Vega	value, SEK m  2,241 623 1,709 689 371 423 823 593 1,503 519  Discount rate (before tax) % 10.8 10.9 11.9	assumption (forecast) % 5.0-16.5 8.0-8.0 7.4-10.0 10.0-20.1 4.0-12.0 3.0-11.2 5.0-19.5 4.4-5.0 5.0-6.5 Growth assumption (terminal) %	assumption (forecast) % 18.5-20.0 19.1-20.0 11.0-18.0 20.0-20.7 17.3-20.0 9.0-11.0 10.0-16.1 17.0-20.0 11.6-11.6 15.2-15.2 Margin assumption (terminal) % 20.0 20.0 20.0
Caljan Solid Gear Snickers Hardwear NA Scangrip Vega MS Group Aritco Produal Commercial Swegon Swegon UK  31 Dec 2022 Caljan Solid Gear Snickers Hardwear NA Scangrip	value, SEK m  2,241 623 1,709 689 371 423 823 593 1,503 519  Discount rate (before tax) % 10.8 10.9 11.9 11.2 10.5	assumption (forecast) %	assumption (forecast) % 18.5-20.0 19.1-20.0 11.0-18.0 20.0-20.7 17.3-20.0 9.0-11.0 10.0-16.1 17.0-20.0 11.6-11.6 15.2-15.2 Margin assumption (terminal) % 20.0 20.0 20.0
Caljan Solid Gear Snickers Hardwear NA Scangrip Vega MS Group Aritco Produal Commercial Swegon Swegon UK  31 Dec 2022 Caljan Solid Gear Snickers Hardwear NA Scangrip Vega MS Group Aritco	value, SEK m   2,241   623   1,709   689   371   423   823   593   1,503   519     Discount rate (before tax) %   10.8   10.9   11.9   11.2   10.5   10.3   10.8	Assumption (forecast)   Miles	assumption (forecast) % 18.5-20.0 19.1-20.0 19.1-20.0 20.0-20.7 17.3-20.0 9.0-11.0 10.0-16.1 17.0-20.0 11.6-11.6 15.2-15.2  Margin assumption (terminal) % 20.0 20.0 10.0 20.0 11.0 16.0
Caljan Solid Gear Snickers Hardwear NA Scangrip Vega MS Group Aritco Produal Commercial Swegon Swegon UK  31 Dec 2022 Caljan Solid Gear Snickers Hardwear NA Scangrip Vega MS Group	value, SEK m   2,241   623   1,709   689   371   423   823   593   1,503   519     Discount rate (before tax) %   10.8   10.9   11.9   11.2   10.5   10.3	assumption (forecast) %	assumption (forecast) % 18.5-20.0 19.1-20.0 19.1-20.0 20.0-20.7 17.3-20.0 9.0-11.0 10.0-16.1 17.0-20.0 11.6-11.6 15.2-15.2  Margin assumption (terminal) % 20.0 20.0 10.0 20.0 11.0 11.0

The Group's goodwill items have been evaluated, as required by IAS 36, in order to determine the individual recoverable amount for all of the smallest cash-generating units. The valuations are not market value. Individual assumptions about growth, profit margins, tied-up capital, investment needs and risk premiums have been made for each of the Group's goodwill items. The risk premium increment that has been added to the risk-free interest level is made up of a general risk premium for company investments and of a specific risk premium for individual operations based on their circumstances.

## Key assumptions

Tests were performed with forecasts for 10 years, justified by the nature of the companies that Latour owns. The companies are positioned within long-term sustainable megatrends, which generally demonstrate higher predictable growth. Future cash flows have been estimated on the basis of the assets' existing structure and do not include future acquisitions. The required return after tax varies from 7.0–12.8 per cent (6.8–11.8 per cent).

#### Market, growth and margin

The forecasts are based on previous experience and external sources of information.

#### Personnel expenses

The forecast for personnel expenses is based on anticipated inflation, a certain real wage increase (historical average) and planned rationalisations in company production. The forecast concurs with previous experience and external sources of information.

#### Exchange rates

Exchange rate forecasts are based on current listed exchange rates and forward rates. The forecast concurs with external sources of information.

Exchange rate CAD	8.15
Exchange rate CHF	12.35
Exchange rate DKK	1.59
Exchange rate EUR	11.85
Exchange rate GBP	13.8
Exchange rate NOK	1.03
Exchange rate PLN	2.55
Exchange rate USD	11.00

The recoverable amount for the Group's most important units exceeds the carrying amounts by a clear margin. The effect of a minor change to a key assumption is not so great that the recoverable amount could fall below its carrying amount. This applies to all cash-generating units where significant value is created. However, the risk is greater for some of the smallest goodwill items because the margin is smaller. Yet they have no significant impact on the Latour Group. The greatest risk of the occurrence of impairment is when disruptive changes in an industry radically alter the position of a company in the market. Each company conducts a comprehensive risk analysis every year to review and modify its operations in the light of such risks.

# NOTE 19 Buildings

THE GROUP	2023	2022
Opening cost	2,958	2,619
Opening cost from acquisitions	86	7
Purchases	278	588
Sale	-140	-426
Reclassification	1	10
Translation differences	-26	160
Closing cost	3,157	2,958
Opening depreciation	-840	-694
Sale	91	146
Depreciation for the year	-309	-248
Reclassification	-1	-6
Translation differences	10	-38
Closing depreciation	-1,049	-840
Book value	2,108	2,118

Depreciation for the year, see Note 11  $\,$ 

The item buildings includes a property owned by the Group through a finance lease with the following amounts:

	2023	2022
Cost - capitalised finance lease	173	172
Accumulated depreciation	-101	-92
Carrying amount	72	80
ourrying unrounc		00

# NOTE 20 Land and land improvements

THE GROUP	2023	2022
Opening cost	97	119
Purchases	-	2
Sales and disposals	-	-30
Translation differences	-	6
Closing cost	97	97
Opening depreciation	-10	-8
Depreciation for the year	-2	-2
Translation differences	_	_
Closing depreciation	-12	-10
Book value	85	87

Depreciation for the year, see Note 11.

# NOTE 21 Machinery

THE GROUP	2023	2022
Opening cost	1,769	1,550
Opening cost from acquisitions	_	54
Purchases	176	141
Sale	-66	-39
Reclassification	_	-18
Translation differences	-7	81
Closing cost	1,872	1,769
Opening depreciation	-1,147	-1,005
Sale	62	35
Depreciation for the year	-155	-131
Reclassification	_	6
Translation differences	4	-52
Closing depreciation	-1,236	-1,147
Book value	636	622

Depreciation for the year, see Note 11.

# NOTE 22 Equipment

THE GROUP	2023	2022
Opening cost	1,187	1,027
Opening cost from acquisitions	3	10
Purchases	202	157
Sale	-121	-100
Reclassifications	-6	33
Translation differences	_	60
Closing cost	1,265	1,187
Opening depreciation	-760	-635
Sale	109	83
Depreciation for the year	-161	-136
Reclassifications	4	-35
Translation differences	2	-37
Closing depreciation	-806	-760
Book value	459	427

Depreciation for the year, see Note 11.

# NOTE 23 Construction work in progress and advances for property, plant and equipment

THE GROUP	2023	2022
Opening cost	120	47
Costs expended during the year	81	81
Completed facilities	-19	-11
Translation differences	-1	3
Book value	181	120

# NOTE 24 Interests in subsidiaries

	2023	2022
Opening cost	3,746	3,746
Change for the year	-	-
Closing cost	3,746	3,746

Company name	CRN	Domicile	No. shares	Share of equity (%)	Book value (SEK m
Carpalunds Ångbryggeri AB	556000-1439	Stockholm	3,600	100	
atour Förvaltning AB	556832-2209	Stockholm	500	100	1,00
atour-Gruppen AB	556649-8647	Gothenburg	400,000	100	2,54
Bemsiq AB	559013-7351	Gothenburg		100	
Elsys AB	556694-5548	Umeå		70	
Elvaco AB	556248-6687	Kungsbacka		100	
Elvaco GmbH	HRB7421	Germany		100	
Greystone Energy Systems Inc.	705521	Canada		100	
Greystone Energy Systems Private Limited	U7499KA2016FTC093450	India		100	
Greystone Energy Systems SDN BHD	201701003861	Malaysia		100	
Greystone Energy Systems 2014 BHD	201133155D	*		100	
		Singapore			
Greystone Energy Systems DMCC	DMCC56028	United Arab Emirates		100	
HK Instruments OY	0873072-9	Finland		100	
Produal Holding Oy	2497873-2	Finland		100	
Produal Oy	0680909-7	Finland		100	
Produal Sverige AB	556538-4236	Stockholm		100	
Produal A/S	33378203	Denmark		100	
Produal S.A.S.	75264028400010	France		100	
Produal Sp. z.o.o	0000800683	Poland		100	
Produal S.R.L	03122740214	Italy		100	
Sensortec AG	CHE-110.126.181	Switzerland		100	
Sensortec Holding AG	CH-036-3055894-8	Switzerland		100	
Sensir AG	CHE-105.140.229	Switzerland		100	
Produal UK LTD	04657762	UK		100	
S+S Regeltechnik GmbH	HRB 17846	Germany		100	
Consens GmbH	HRB 304895	Germany		100	
Dent Instruments Inc	EIN 93-1118853	USA		100	
Caljan AS	30205618	Denmark		100	
Caljan Limited	03223165	UK		100	
Caljan LSEZ SIA	52103036881	Latvia		100	
Caljan Gmbh	HRB 10918	Germany		100	
Caljan Inc	84-1274727	USA		100	
Caljan SARL	849 333 653	France		100	
Caljan Austria GmbH	FN 467654 b	Austria		100	
Hultafors Group AB	556365-0752	Gothenburg		100	
Hultafors AB	556023-7793	Bollebygd		100	
Hultafors Group Finland OY	0664406-9	Finland		100	
Hultafors Group Norge AS	983513328	Norway		100	
Hultafors Group Danmark AS	14252533	Denmark		100	
Hultafors UMI S.R.L.	332/572/22.11.1996	Romania		100	
Hultafors Group Italy	1660130210	Italy		100	
Fisco Tools Ltd.	755735	UK		100	
				100	
Hultafors Group NL BV	8054149	The Netherlands			
Hultafors Group Sverige AB	556113-7760	Bollebygd		100	
Hultafors Group UK Ltd.	01952599	UK		100	
Snickers Production SIA Latvia	40003077239	Latvia		100	
Hultafors Group Belgium NV	0444.346.706	Belgium		100	
Hultafors Group France SARL	529 004 046	France		100	
Hultafors Group Poland Sp. z o.o.	146309299	Poland		100	
Hultafors Group Switzerland AG	CH 036.3.044.124-4	Switzerland		100	
Hultafors Group Ireland Ltd	65695194	Ireland		100	
Hultafors Group Germany GmbH	147860778	Germany		100	
Hultafors Group Austria GmbH	ATU 65856344	Austria		100	
Hultafors Group Holding Inc	38-4080874	USA		100	
Hultafors Group Digital Sales GmbH	364583929	Germany		100	
Fristads AB	556023-8486	Borås		100	
Fristads AS	915463568	Norway		100	
Fristads Kansas Ltd	08828565	UK		100	
Fristads BV	27185890	The Netherlands		100	
Sanctuary Kansas Austria GmbH	FN95014b	Austria		100	
Fristads Kansas Group Asia Ltd	1092659	China		100	
Fristads Production Sia	40003693027	Latvia		100	
Fristads Finland Oy	0949961-0	Finland		100	
Fristads GmbH	HRB3322N0	Germany		100	
Kansas A/S	11987273	Denmark		100	
Stritex	05468127	Ukraine		100	
Fristads Production AMC	31755115	Ukraine		100	
Scangrip A/S	54274718	Denmark		100	
Scangrip Asia Ltd	91310000MA1GW2PU8W 61-1857435	China USA		100 100	
Scangrip North America					

mpany name	CRN	Domicile	No. shares	Share of equity (%)	Book value (SEK
Johnson Level & Tool Mfg. Co.	39-1041797	USA		100	
Custom LeatherCraft Mfg. LLC	81-0966824	USA		100	
Kuny's Corp.	884737818	USA		100	
Skillers GmbH	HRB 755172	Germany		100	
Telesteps AB	556471-5323	Tranås		100	
Hultafors Group Logistics Sp. z.o.o	8622663376	Poland		100	
Daan Holding BV	57162581	The Netherlands		100	
Dentgen Vastgoed BV	68643896	The Netherlands		100	
Emma Holding BV	57164371	The Netherlands		100	
Emma Safety Footwear BV	59429038	The Netherlands		100	
Protag Shoe Supply BV	14128428	The Netherlands		100	
Hellberg Safety AB	556214-4898	Lerum		100 100	
Martinez Tool Company LLC Latour Industries AB	202252515970 556018-9754	USA		100	
LSAB Group AB	556655-6683	Gothenburg		100	
Fortiva AB	556563-6742	Långshyttan Malmö		100	
Fortiva Danmark A/S	182650	Denmark		100	
LSAB Norge AS	95882479	Norway		100	
LSAB Sverige Försäljning AB	556248-1936	Långshyttan		100	
LSAB Sverige Produktion AB	556222-1746	Långshyttan		100	
LSAB Sverige Produktion AB	0140601-0	Finland		100	
LSAB Vändra AS	10120018	Estonia		100	
LSAB Latvia SIA	40003381260	Latvia		100	
	40003381260 556442-0767	Vansbro		100	
LSAB Westlings AB					
Micor AB	556557-7862	Laholm		100	
Lahden Teräteos OY	1110515-8	Finland		100	
Densiq AB	556198-5077	Gothenburg		100	
Densiq AS	997495365	Norway		100	
Densiq ApS	35645144	Denmark		100	
Densiq Oy	2494676-5	Finland		100	
MS Group AB	559201-8328	Gothenburg		100	
REAC AB	556520-2875	Gothenburg		100	
REAC A/S	19353508	Denmark		100	
REAC Poland Sp. z.o.o.	0000444016	Poland		100	
REAC Components Sp. z.o.o	0000551205	Poland		100	
AAT Alber Antriebstechnik GmbH	HRB401006	Germany		100	
Aritco Group AB	556720-1131	Järfälla		100	
Aritco Lift AB	556316-6114	Järfälla		100	
Aritco DE GmbH	HRB 753033	Germany		100	
Artico Homelift Ltd	91310000MA1GBK649Y	China		100	
Aritco Lift Thailand Ltd	105560115885	Thailand		100	
Aritco UK Limited	07920808	UK		100	
Gartec Ltd	02898632	UK		100	
TKS Heis AS	940568420	Norway		100	
Steeco Lifts Ltd	08104893	UK		100	
Invalifts Ltd	03950068	UK		100	
Ability Lifts Ltd	05307764	UK		100	
Vimec Srl	00758850358	Italy		100	
Vimec Polska Sp. z.o.o.	0000366667	Poland		100	
Vimec Accessibility Ltd	05967788	UK		100	
Vimec Iberica Accesibilidad SL	B84584457	Spain		100	
Vimec France Accessibilité Sarl	FR08492484357	France		100	
Motala Hissar	556212-3066	Motala		100	
Esse-Ti S.r.l	01475310437	Italy		100	
MAXAGV AB	559387-6765	MöÍndal		100	
Soft Design RTS Aktiebolag	556316-2402	Mölndal		100	
atab automationsteknik AB	556652-8906	Mölndal		100	
Vega s.r.l	01578140442	Italy		100	
Vega Style Italia LTDA	07.416.646/0001-01	Brazil		100	
Vega Elevator Components Shanghai Co Ltd.	913100003295710797	China		100	
V America LLC	83-0576366	USA		100	
Claddagh Indùstria e comerico de produtos					
eletricos e eletronicos LTDA	36.472.339/001-38	Brazil		100	
LCP S.r.I.	02425820442	Italy		100	
VR Elettromeccanica	L31330501G	Albania		100	
VM Kompensator A/S	36937963	Denmark		100	
Depac Anstalt	FL-0002.010.123-3	Liechtenstein		100	
Depac GmbH	981323769	Austria		100	
Latour Future Solutions	556863-5964	Gothenburg		100	
ord-Lock International AB	556610-5739	Gothenburg		100	
Nord-Lock AG	CH-320.3.028.873-7	Switzerland		100	
Nord-Lock ApS	33 878 605	Denmark		100	
Nord-Lock Co. Ltd	310000400676819	China		100	
Nord-Lock AB	556137-1054	Åre		100	
Nord-Lock Inc.	38-3418590	USA		100	
		usa Australia		100	
Nord-Lock Australia Pty Ltd	602531279				
Superbolt Inc.	25-1478791	USA		100	

▶ Note 24 cont.

npany name	CRN	Domicile	No. shares Share of equi	•
Nord-Lock Ltd	4117670	UK		100
Nord-Lock Poland Sp. z. o.o.	0000273881	Poland		100
Nord-Lock France	439-251-901	France		100
Nord-Lock Japan Co, Ltd	1299-01-047553	Japan		100
Nord-Lock OY	0893691-1	Finland		100
Nord-Lock s.r.o.	27294714	The Czech Republic		100
Nord-Lock Latin America SpA	76.921.019-9	· ·		100
·		Argentina		
Nord-Lock GmbH	HRB 510204	Germany		100
Nord-Lock Switzerland GmbH	CH 020.4.041.709-1	Switzerland		100
Nord-Lock AS	895 421 812	Norway		100
Nord-Lock Italy s.r.l	2 464 160 015	Italy		100
Nord-Lock PTE, LTD.	201110682R	Singapore		100
Boltight Ltd	03832926	UK		100
3	814794151	USA		100
Boltight Inc				
Twin-Lock AB	559009-2614	Gothenburg		100
Nord-Lock Korea Co Ltd.	606-86-01043	South Korea		100
Nord-Lock India Pvt. Ltd.	U28999MH2017FTC301839	India		100
Nord-Lock Iberia S.L	A81843575	Spain		100
Nord-Lock Canada, Inc	1394384-4	Canada		100
Nord-Lock Sdn Bhd	20220104434 (1490031-M)	Malaysia		100
Nord-Lock Bağlantı Teknolojileri A.Ş	6311820782	Turkey		51
Expander System Sweden AB	556392-6442	Åtvidaberg		100
Expander America Inc	0967510-8	USA		100
wegon Group AB	559078-3964	Gothenburg		100
Swegon Operation AB	556077-8465	Gothenburg		100
Swegon Sverige AB	559078-3931	Gothenburg		100
Swegon GmbH	HRB209158	Germany		100
Swegon Germany GmbH	HRB187767	Germany		100
Swegon A/S	247231	Denmark		100
Swegon Ltd	01529960	UK		100
Swegon Cooling Ltd	01744381	UK		100
Swegon Service Ltd	03443661	UK		100
•				
Swegon Air Management Ltd	00738495	UK		100
Swegon SARL	409-770-195	France		100
Swegon AG	48-205-4517	Switzerland		100
Swegon North America Inc	1916764	Canada		100
Swegon USA Inc.	46-0524581	USA		100
Barcol-Air Group AG	CHE-106.004.451	Switzerland		100
•				
Barcol-Air AG	CHE-441.027.122	Switzerland		100
Barcol-Air France SAS	418585683	France		80
Dalair Ltd	01578326	UK		100
Swegon Klimadecken Gmbh	HRB203358	Germany		100
Barcol-Air Production GmbH	HRB722564	Germany		100
Barcol-Air Italia S.r.l	06322530962	Italy		100
		,		
Zent-Frenger GmbH	HRB21013	Germany		100
Samp S.p.A	05073490962	Italy		100
Swegon AS	933-765-806	Norway		100
OY Swegon AB	10108352-2	Finland		100
Waterloo Group Limited	04934917	UK		100
Waterloo IPR Limited	07809705	UK		100
Waterloo Air Products Limited		UK		100
	04911865			
Aircell Ventilation Limited	07507522	UK		100
Swegon SLT GmbH	HRB211010	Germany		100
Safegard Systems Limited	IE 213635	UK		100
720 Holding Oy	3208705-9	Finland		72
720 Degrees Oy	2512103-6	Finland		100
ABC Ventilationsprodukter AB		Borås		100
·	556178-2581			
Swegon Sp. z.o.o.	0000106255	Poland		100
		Belgium		100
Swegon Belgium S.A.	893.224.696			100
	893.224.696 IE8213635D	Ireland		100
Swegon Belgium S.A. Safeguard Systems Ltd	IE8213635D			
Swegon Belgium S.A. Safeguard Systems Ltd Swegon ILTO 0Y	IE8213635D 1615732-8	Finland		100
Swegon Belgium S.A. Safeguard Systems Ltd Swegon ILTO 0Y Swegon BB s.r.I	IE8213635D 1615732-8 03991770276	Finland Italy		100 100
Swegon Belgium S.A. Safeguard Systems Ltd Swegon ILTO OY Swegon BB s.r.I Swegon Operations s.r.I	IE8213635D 1615732-8 03991770276 02481290282	Finland Italy Italy		100 100 100
Swegon Belgium S.A. Safeguard Systems Ltd Swegon ILTO OY Swegon BB s.r.I	IE8213635D 1615732-8 03991770276	Finland Italy		100 100
Swegon Belgium S.A. Safeguard Systems Ltd Swegon ILTO OY Swegon BB s.r.I Swegon Operations s.r.I	IE8213635D 1615732-8 03991770276 02481290282	Finland Italy Italy		100 100 100
Swegon Belgium S.A. Safeguard Systems Ltd Swegon ILTO OY Swegon BB s.r.I Swegon Operations s.r.I Swegon Blue Box Private Limited	IE8213635D 1615732-8 03991770276 02481290282 U74210MH2008 0418560270	Finland Italy Italy India Italy		100 100 100 100
Swegon Belgium S.A. Safeguard Systems Ltd Swegon ILTO 0Y Swegon BB s.r.I Swegon Operations s.r.I Swegon Blue Box Private Limited Swegon Components S.r.I bluMartin GmbH	IE8213635D 1615732-8 03991770276 02481290282 U74210MH2008 0418560270 HRB187767	Finland Italy Italy India Italy Germany		100 100 100 100 100 100
Swegon Belgium S.A. Safeguard Systems Ltd Swegon ILTO 0Y Swegon BB s.r.I Swegon Operations s.r.I Swegon Blue Box Private Limited Swegon Components S.r.I bluMartin GmbH Swegon Operations Belgium S.A	IE8213635D 1615732-8 03991770276 02481290282 U74210MH2008 0418560270 HRB187767 829.386.721	Finland Italy Italy India Italy Germany Belgium		100 100 100 100 100 100 100
Swegon Belgium S.A. Safeguard Systems Ltd Swegon ILTO 0Y Swegon BB s.r.I Swegon Operations s.r.I Swegon Blue Box Private Limited Swegon Components S.r.I bluMartin GmbH Swegon Operations Belgium S.A P.L Group S.A.	IE8213635D 1615732-8 03991770276 02481290282 U74210MH2008 0418560270 HRB187767 829.386.721 429.188.970	Finland Italy Italy India Italy Germany Belgium Belgium		100 100 100 100 100 100 100 100
Swegon Belgium S.A. Safeguard Systems Ltd Swegon ILTO 0Y Swegon BB s.r.I Swegon Operations s.r.I Swegon Blue Box Private Limited Swegon Components S.r.I bluMartin GmbH Swegon Operations Belgium S.A	IE8213635D 1615732-8 03991770276 02481290282 U74210MH2008 0418560270 HRB187767 829.386.721	Finland Italy Italy India Italy Germany Belgium	840,000	100 100 100 100 100 100 100

Smaller inactive subsidiaries are not included above.

# NOTE 25 Interests in associates

THE GROUP	2023	2022
Opening book value	26,012	22,184
Acquisitions during the year	928	1,100
Sold during the year	_	-26
Reclassification	41	-
Profit share for the year after tax	2,849	3,141
Dilutive effect	7	-36
Dividends received	-1,441	-1,345
Impairment	-184	-1,557
Reversed impairment	823	-
Net change in capital	394	2,551
Closing value	29,429	26,012

PARENT COMPANY	2023	2022
Opening book value	10,406	9,693
Acquisitions during the year	885	713
Closing value	11,291	10,406
Alimak Group AB	2,875	2,129
ASSA ABLOY AB	1,200	1,200
CTEK	1,193	1,054
AB Fagerhult	1,728	1,728
HMS Networks AB	250	250
Nederman Holding AB	306	306
Securitas AB	1,297	1,297
Sweco AB	445	445
TOMRA Systems ASA	1,600	1,600
Troax Group AB	397	397
Closing value	11,291	10,406

THE GROUP	Description of business	Number of shares	Share of equity	Market value 1)	Cost	Share of equity (%)	Share of votes (%)
Alimak Group (CRN 556714-1857 Domicile Stockholm) 2)	See page 78	32,033,618	2,640	2,639	2,883	30	30
ASSA ABLOY AB (CRN 556059-3575 Domicile Stockholm) 2)	See page 79	105,495,729	9,837	30,678	1,697	10	29
CTEK AB (CRN 556217-4659 Domicile Vikmanshyttan)	See page 80	23,114,799	490	489	1,194	33	33
AB Fagerhult (CRN 556110-6203 Domicile Habo)	See page 81	84,708,480	3,948	5,574	1,899	48	48
HMS Networks AB (CRN 556661-8954 Domicile Halmstad)	See page 82	12,109,288	694	6,052	250	26	26
Nederman Holding AB (CRN 556576-4205 Domicile Helsingborg)	See page 83	10,538,487	923	1,876	306	30	30
Securitas AB (CRN 556302-7241 Domicile Stockholm) 2)	See page 84	62,436,942	4,341	6,178	2,125	11	30
Sweco AB (CRN 556542-9841 Domicile Stockholm)	See page 85	97,867,440	3,071	13,281	480	27	21
TOMRA Systems ASA (CRN N0927124238 Domicile Asker)	See page 86	62,420,000	2,433	7,578	1,605	21	21
Troax Group AB (CRN 556916-4030 Domicile Hillerstorp)	See page 87	18,060,000	879	4,493	397	30	30
Other smaller holdings			173	173	184		
			29,429	79,011	13,021		

# Summary of balance sheet information

		Current		Long-term	Current	Total	
2023	Fixed assets	assets	Total assets	liabilities	liabilities	liabilities	Net assets
Alimak Group AB	9,695	3,987	13,682	4,907	1,821	6,728	6,954
ASSA ABLOY AB	147,357	48,994	196,351	60,131	44,576	104,707	91,644
CTEK	936	580	1,516	610	171	781	735
AB Fagerhult	8,726	4,281	13,007	3,952	1,871	5,823	7,184
HMS Networks AB	1,783	1,228	3,011	449	630	1,079	1,932
Nederman Holding AB	3,412	3,010	6,422	2,185	1,865	4,050	2,372
Securitas AB	74,702	41,690	116,392	39,060	40,634	79,694	36,698
Sweco AB	14,735	10,777	25,512	5,330	9,587	14,917	10,595
TOMRA Systems ASA	8,475	8,039	16,514	4,199	5,409	9,608	6,906
Troax Group AB	2,267	1,331	3,598	1,101	584	1,685	1,913

<sup>&</sup>lt;sup>1)</sup> Listed holdings at purchase price. Unlisted holdings firstly at the last valuation, secondly at the last traded price and thirdly at the acquisition price.
<sup>2)</sup> Class A shares in ASSA ABLOY, Loomis and Securitas are unlisted. In this table they have been given the same listed price as corresponding class B shares.
<sup>3)</sup> The cost of Sweco B is SEK 34 m higher in the Group due to the exercise of a call option.

▶ Note 25 cont.

# Summary of balance sheet information

2022	Fixed assets	Current assets	Total assets	Long-term liabilities	Current liabilities	Total liabilities	Net assets
Alimak Group AB	10,026	4,301	14,327	6,188	3,762	9,950	4,377
ASSA ABLOY AB	107,170	47,394	154,564	28,936	39,602	68,538	86,026
CTEK	1,147	561	1,708	632	414	1,046	662
AB Fagerhult	8,723	4,610	13,333	4,512	1,939	6,451	6,882
HMS Networks AB	1,693	1,037	2,730	434	686	1,120	1,610
Nederman Holding AB	2,646	2,083	4,729	1,654	1,357	3,012	1,717
Securitas AB	75,635	39,871	115,506	49,338	29,730	79,068	36,438
Sweco AB	12,817	9,099	21,916	3,929	8,045	11,974	9,942
TOMRA Systems ASA	7,251	6,681	13,932	3,557	3,804	7,361	6,571
Troax Group AB	1,835	1,393	3,229	995	510	1,505	1,724

The following table summarises information from profit/loss and comprehensive income

2023	Revenue	Profit/loss	Other com- prehensive income	Total com- prehensive income	Dividends received
Alimak Group AB	7,097	515	-151	364	58
ASSA ABLOY AB	140,716	13,639	-2,685	10,954	506
CTEK	898	-257	1	-256	0
AB Fagerhult	8,560	544	-45	499	136
HMS Networks AB	3,025	571	24	595	48
Nederman Holding AB	6,179	341	-26	315	40
Securitas AB	157,249	1,297	940	2,237	215
Sweco AB	28,523	1,667	-101	1,566	264
TOMRA Systems ASA	14,756	750	223	973	108
Troax Group AB	3,034	411	8	419	65
2022					
Alimak Group AB	4,512	52	315	367	53
ASSA ABLOY AB	120,793	13,296	7,809	21,105	443
CTEK	957	3	-]	2	0
AB Fagerhult	8,270	576	311	887	110
HMS Networks AB	2,506	508	89	597	36
Nederman Holding AB	5,179	329	263	592	37
Securitas AB	133,237	4,316	3,519	7,835	175
Sweco AB	24,296	1,652	486	2,138	240
TOMRA Systems ASA	12,188	1,068	379	1,447	195
Troax Group AB	3,020	391	-71	320	57

#### Summarised reconciliation of financial information 1)

	Opening net		Changes in		Closing net	Holdings in		
2023	assets	Profit/loss	equity	Dividends	assets	associates	Goodwill	Book value
Alimak Group AB	4,377	525	2,713	-194	7,421	1,634	1,249	2,883
ASSA ABLOY AB	86,026	12,960	3,213	-5,332	96,867	9,200	637	9,837
CTEK	662	-256	329	0	735	-367	857	490
AB Fagerhult	6,882	576	128	-282	7,304	3,513	435	3,948
HMS Networks AB	1,610	580	-15	-186	1,989	516	178	694
Nederman Holding AB	2,186	359	88	-131	2,502	751	172	923
Securitas AB	36,438	1,288	4,110	-1,977	39,859	4,341	0	4,341
Sweco AB	9,943	1,700	275	-968	10,950	2,984	87	3,071
TOMRA Systems ASA	6,946	920	-164	-525	7,177	1,516	917	2,433
Troax Group AB	1,724	406	-45	-213	1,872	565	314	879
2022								
Alimak Group AB	3,840	302	426	-177	4,391	-54	1,249	1,195
ASSA ABLOY AB	69,592	12,867	9,472	-2,333	89,598	8,510	637	9,147
CTEK	655	29	4	0	688	-230	857	627
AB Fagerhult	6,219	557	285	-229	6,832	2,991	435	3,426
HMS Networks AB	1,177	467	33	-140	1,537	399	178	577
Nederman Holding AB	1,717	333	283	-123	2,210	664	172	836
Securitas AB	20,800	4,316	12,926	-1,604	36,438	3,969	0	3,969
Sweco AB	8,604	1,600	338	-876	9,666	2,638	87	2,725
TOMRA Systems ASA	6,318	996	864	-936	7,242	1,566	948	2,514
Troax Group AB	1,459	406	129	-200	1,794	541	315	856

<sup>&</sup>lt;sup>1)</sup> The carrying amounts are estimated full-year values, based on each company's 03 report, which may include some differences from the actual results presented in previous tables (Summary of information from the balance sheet, income and comprehensive income statements).

# NOTE 26 Other securities owned

THE GROUP	2023	2022
Opening cost	69	55
Purchases	4	14
Sales	-	-
Reclassification	-41	-
Closing cost	32	69
Opening impairment	-1	-1
Impairment for the year	-1	_
Closing impairment	-2	-1
Book value	30	68

# NOTE 27 Non-current receivables

THE GROUP	2023	2022
Opening cost	46	31
Increase for the year	12	16
Decrease for the year	-2	-1
Book value	56	46

The Group's interest-bearing receivables have an average interest rate of 0 per cent and run for an average period of 12 months.

# NOTE 28 Inventories

The value of goods pledged as security for loans or other obligations is SEK 0 (0).

Inventory value:	2023	2022
At net realisable value		
Raw materials and consumables	79	98
Work-in-progress	7	8
Finished work and goods for resale	26	21
At cost		
Raw materials and consumables	1,507	1,621
Work-in-progress	326	390
Finished work and goods for resale	2,540	3,079
Work in progress	34	27
	4,519	5,244

# NOTE 29 Accounts receivable

THE GROUP	2023	2022
Nominal value	4,189	4,684
Provision for bad debts	-156	-111
Net accounts receivable	4,033	4,573
Reserve for bad debts		
Opening reserve	-111	-68
Opening reserve for acquired companies	-7	-18
Provisions for bad debts for the year	-47	-31
Realised losses during the year	7	2
Reversed unutilised amount	2	9
Exchange rate differences	_	-5
	-156	-111

Individually assessed accounts receivable that are considered uncollectable are written off by directly reducing the carrying amount. Other receivables are assessed collectively to determine whether there is objective evidence of impairment. For these receivables, the estimated impairment losses are recognised in a separate provision for doubtful debts. Objective evidence of impairment is considered to exist if any of the following indicators are present: a debtor has significant financial difficulties, default or delinquency in payments (more than 30 days), or a probability that the debtor will enter into bankruptcy or financial reorganisation. Receivables for which an impairment provision was previously recognised are written off against the provision when the Group is no longer expected to recover additional cash. Impairment losses are recognised in the income statement within other expenses. If, in a subsequent period, the amount of the impairment loss decreases, the amount of the reversal of the previously recognised impairment is recognised in the consolidated income statement.

Apart from impairment losses made, the credit risk is deemed to be small since the receivables relate to bona fide, paying customers.

Age analysis of accounts receivable	2023	2022
Not past due	3,180	3,706
Past due but not impaired at 31 December		
Due less than 3 months	735	746
Due 3 to 6 months	64	76
Due more than 6 months	54	45
	4.033	4 573

# NOTE 30 Derivative instruments

THE GROUP	2023	2022
Assets		
Forward exchange contracts	22	7
Currency interest rate swap	_	
	22	7
Liabilities		
Forward exchange contracts	_	20
Currency interest rate swap	127	59
	127	79

## $Forward\ exchange\ contracts$

The nominal amount of outstanding forward exchange contracts at 31 December was SEK 1,226 m (1,004 m). See Note 32.

It is considered that the cash flow hedges meet the terms for effective hedge accounting and the change is therefore recognised in its entirety in other comprehensive income. The impact from the hedging on other comprehensive income during the year was SEK 26 m (-18 m).

## $Currency\ interest\ rate\ swaps$

The gain or loss associated with the effective portion of a currency interest rate swap, which hedges variable-rate bond funding and currency changes, is recognised in other comprehensive income and amounts to SEK –68 m (–170 m).

# NOTE 31 Cash and cash equivalents

Cash and cash equivalents comprise SEK 2,233 m (1,708 m) in bank balances and SEK 2 m (2 m) in short-term bank deposits. The Group receives interest on bank balances according to a floating interest rate based on the bank's daily rate.

# NOTE 32 Financial instruments and financial risk management

#### Hedge accounting

Latour uses hedge accounting on forward exchange contracts. Changes in  $market\ values\ of\ cash\ flow\ hedges\ are\ recognised\ in\ other\ comprehensive$ income when they are considered effective, otherwise directly in the income statement. Latour uses currency interest rate swaps for some of the Group's borrowing within the framework of the finance policy. The market value  $\,$  $change\ is\ recognised, like\ forward\ exchange\ contracts, in\ other\ comprehendation and the comprehendation of the comprehendation o$ sive income if efficiency is achieved. Accumulated amounts in other comprehensive income are recycled to the income statement during the periods the hedged item affects results. Unrealised gains or losses that arise from market valuation of derivative instruments attributable to hedges of net investments, and which are attributable to exchange rate fluctuations, are  $recognised\ in\ other\ comprehensive\ income.$ 

#### Book value and fair value of financial assets and liabilities

The table below shows how fair value is determined for the financial instruments measured in the statement on financial position. Fair value is determined according to three different levels. There were no transfers between  $\,$ the different levels of the fair value hierarchy and there were no changes in the valuation techniques and/or principles used in 2023 compared with the 2022 annual accounts.

The Group 2023	Fair value through comprehensive income	Fair value through the income statement	Amortised cost	Total carrying amount
Financial assets				
Listed shares management	01)			0
Other long-term securities holdings	30 <sup>2)</sup>			30
Other non-current receivables			57	57
Unrealised gains, currency derivatives	22 2)			22
Other current receivables			4,508	4,508
Cash and cash equivalents			2,235	2,235
Total	52	0	6,800	6,852
Financial liabilities				
Long-term loans		214 3)	7,432	7,646
Bank overdraft facilities			20	20
Current loans		13 3)	4,246	4,259
Other current liabilities			2,707	2,707
Unrealised gains, currency derivatives	127 2)			127
Total	127	227	14,405	14,759

<sup>1)</sup> Level 1 – fair value is measured using quoted prices in an active market for identical assets.

<sup>3)</sup> Level 3 - fair value is measured using inputs for the assets and liabilities that are not based on observable market inputs.

The Group 2022	Fair value through comprehensive income	Fair value through the income statement	Amortised cost	Total carrying amount
Financial assets				
Listed shares management	0 1)			0
Other long-term securities holdings	68 <sup>2)</sup>			68
Other non-current receivables			46	46
Listed shares - trading		01)		0
Unrealised gains, currency derivatives	72)			7
Other current receivables			4,940	4,940
Cash and cash equivalents			1,710	1,710
Total	75	0	6,696	6,771
Financial liabilities				
Long-term loans		239 <sup>3)</sup>	8,989	9,228
Bank overdraft facilities			151	151
Current loans		34 <sup>3)</sup>	3,145	3,179
Other current liabilities			2,153	2,153
Unrealised gains, currency derivatives	2 2)			79
Total	2	273	14,438	14,790

<sup>2)</sup> Level 2 – fair value is measured using inputs other than quoted market prices included within Level 1 that are observable for the assets and liabilities.

<sup>&</sup>lt;sup>1)</sup> Level 1 – fair value is measured using quoted prices in an active market for identical assets.
<sup>2)</sup> Level 2 – fair value is measured using inputs other than quoted market prices included within Level 1 that are observable for the assets and liabilities.

<sup>3)</sup> Level 3 – fair value is measured using inputs for the assets and liabilities that are not based on observable market inputs.

The basis of fair value for listed financial assets is the quoted market price at the balance sheet date. The basis of fair value for unlisted financial assets is determined using valuation techniques, such as recent transactions, the price of comparable instruments or discounted cash flows.

Currency derivatives comprise forward exchange contracts and are included in level 2. Valuation at fair value of forward exchange contracts is based on forward rates established by banks on an active market.

The fair values of accounts receivable and other receivables, other current receivables, cash and other liquid funds, accounts payable and other liabilities, and long-term liabilities are estimated as being the same as their carrying amounts. The market interest rate for the interest-bearing long-term liabilities is not expected to deviate significantly from the discount rate. The carrying amounts are therefore assumed in essence to approximate their fair values.

The Group's valuation process is carried out by the Group finance and treasury department where a team works with valuation of the financial assets and liabilities held by the Group.

#### Financial risk management

The Group's financing operations and management of financial risks is primarily centralised to Group staff. Operations are run according to the finance policy adopted by the Board and are characterised by a low level of risk. The aim is to secure the Group's long-term financing, minimise the Group's capital expense and effectively manage and control the Group's financial risks.

#### Currency exposure

The Group's operations face currency exposure in the form of exchange rate fluctuations. The Group's currency exposure consists partly of transaction exposure relating to purchases and sales in foreign currency, and partly to translation exposure relating to net investments in foreign subsidiaries and exchange rate fluctuations when the results from foreign subsidiaries are translated into Swedish crowns.

#### $Transaction\ exposure$

The Group's goal for transaction exposure is to hedge 50 per cent of the coming 12 months' budgeted cash inflows and outflows. The impact of hedging transactions on income was SEK 26 m (–18 m) and is recognised in other comprehensive income. See Note 33.

A breakdown of the net currency flows for Swedish entities for the year is shown below:

Currencies (amounts in SEK m)	2023	2022
NOK	647	596
DKK	166	160
GBP	531	300
USD	-1,013	-1,604
EUR	1,303	1,474
CHF	235	117
Total	1,869	1,043

+ = net inflow, - = net outflow

Assuming the same net transaction exposure as in 2023 and provided no hedging has been used, profit would have been positively impacted by SEK 19 m (10 m) if the Swedish crown had increased by one percentage point against all transaction currencies. The effect per currency would have been SEK 6 m in NOK, SEK 13 m in EUR, SEK 2 m in DKK, SEK 5 m in GBP and SEK –10 m in USD.

A breakdown by currencies and due dates of the Group's outstanding forward foreign exchange contracts at 31 December 2023 is shown below:

Amount in SEK m	2024	2025	Total
Sell EUR	561	7	568
Sell NOK	-	-	0
Sell USD	104	-	104
Sell DKK	109	-	116
Sell GBP	48	7	48
Sell CHF	67	-	67
Sell total	889	14	903
Buy USD	197	-	197
Buy CNY	126	-	126
Buy total	323	0	323
	1,212	14	1,226

The measurement of fair value of forward foreign exchange contracts is accounted for as derivative instruments and totals SEK 22 m (-13 m), which is recognised in the consolidated balance sheet.

#### Translation exposure

The need to hedge net assets in foreign subsidiaries is decided on a case-to-case basis and hedges are based on the group-wise value of the net assets. Hedging is conducted through loans in foreign currencies. Profit/loss from hedges in foreign operations is SEK  $-45\,\mathrm{m}$  (0 m). The amount is reported in other comprehensive income and in reserves in equity. See Note 33.

A breakdown of the net assets of the foreign subsidiaries is shown below:

	20	23	2	022
Currency	Amount SEK m	%	Amount SEK m	%
EUR	7,051	44	6,851	44
DKK	3,892	24	3,955	25
NOK	284	2	279	2
USD	2,217	14	2,372	15
GBP	804	5	741	5
RON	46	0	42	0
CAD	540	3	428	3
PLN	425	3	394	3
CHF	540	3	425	3
JPY	29	0	32	0
CNY	102	1	152	1
Other	19	0	73	0
Total	15,949	100	15,744	100

The exchange rate difference for the year arising on the translation of foreign net assets was SEK –133 m (1,208 m) and is reported in other comprehensive income and reserves in equity. See Note 35.

# Financing risk and liquidity risk

The Group handles the more short-term liquidity risk within the framework of the financing risk. In a business like Latour's, where long-term financial resources are procured centrally, the short-term liquidity risk is automatically handled within long-term financing. Nonetheless, high demands are placed on the regular reporting of the cash flow situation in each of the individual business units.

In order to reduce the risk of difficulties in procuring capital in the future and refinancing of matured loans, the Group has the following contracted lines of credit:

Cont. >

Note 32 cont.

			utiliset	a creatt ilmits			
Credit maturity structure SEK m	MTN	Bank/RCF*	Other liabilities	Additional purchase prices	Total	%	Unutilised banking facilities
Overdraft facilities		0	19		19	0%	320
0-1 years	2,950	1,244	48	13	4,255	36%	3,191
1-2 years	2,250		60	40	2,350	20%	2,000
2-3 years	2,200		0	85	2,285	19%	
3-4 years	1,750		12	76	1,838	15%	2,175
4–5 years			12	13	25	0%	
>5 years		1,110	43		1,153	10%	
	9,150	2,354	194	227	11,925	100%	7,686
Unutilised. MTN	5,850						
RAM MTN	15,000						

<sup>\*</sup> Promissory notes with maturities of up to 1 year are recognised in the balance sheet as current liabilities, even though they are included under long-term credit facilities.

At 31 December 2023, the Group's net financial liabilities, excluding share-holdings and other securities, stood at SEK 11,433 m. The majority of the Group's loans, SEK 9,150 m, are included in the bond market, with the remainder, amounting to SEK 2,354 m, through the Group's lines of credit. SEK 7,304 m of the liability has exposure to EUR through Swap derivatives or loans in EUR.

The interest-bearing liabilities of SEK 11,925 m, due through 2029, are equivalent to a cash outflow, including interest, of SEK 400 m.

Contracts for granted credits with terms longer than one year contain financial covenants, which state that net debt may not exceed a certain level in relation to the listed market price of the Group's listed securities. This condition was complied with in 2023.

#### Interest rate risk

The Latour Group's main sources of financing are cash flows from its operating activities and its equity investment, as well as from loans. The loans are interest-bearing and thus expose the Group to interest rate risk. The Group uses interest rate swaps to minimise the interest rate risk. See

Interest rate risk relates to the possibility of change in the interest rate level having an adverse impact on the Group's net interest and/or cash flows. The Group's financing policy establishes guidelines for setting fixed rates and average loan periods for borrowings. The Group strives to achieve a balance between the estimated cost of servicing loans and the risk that major interest rate fluctuations might adversely affect profits. At the end of 2023, the average fixed loan period was approximately 14 months.

If the interest rate level had been one percentage point higher, the impact on profit/loss for the year would have been SEK -126 m (-126 m). No other effects on equity.

The average cost for outstanding long and short term borrowing at the balance sheet date (for long-term borrowing, see also Note 36):

	Debt 20	)23	Debt 2	022
	%	SEK m	%	SEK m
Long-term borrowing SEK	3.8	6,293	2.5	8,794
Long-term borrowing EUR	4.5	1,201	0.8	346
Long-term borrowing DKK	0.2	96	1.4	13
Long-term borrowing USD	2.5	40	2.5	50
Long-term borrowing other	0.0	16	2.0	25
	3.8	7,646	2.4	9,228
Short-term borrowing SEK	3.2	3,950	2.8	1,911
Short-term borrowing EUR	4.2	292	2.6	1,397
Short-term borrowing other	0.0	16	0.0	22
	3.3	4,258	2.7	3,330

#### Capital management

The Group's long-term capital structure goals are to ensure that the Group is able to continue developing its operations, so that it can generate returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure in order to keep capital expenses low. The Group is able to change the dividend that is paid to the shareholders or sell assets to reduce

debt in order to maintain or adjust the capital structure. The Group assesses its capital adequacy by reference to its debt levels. Latour's Board of Directors has set limits on debt levels. The Group's debt cap is set at 10 per cent of the investment portfolio's value and 2.5 times the wholly-owned industrial operations' EBITDA, measured as an average for the last three years and adjusted for acquisitions and disposals. The debt has always been well below this threshold.

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#### Credit risk

The Group has limited exposure to credit risks. These risks are primarily related to outstanding accounts receivable. Losses on accounts receivable arise when customers become insolvent or for other reasons fail to meet their payment obligations. The risks are limited through credit insurance policies. Certain businesses also require payment in advance. Group management is of the opinion that there is no significant credit risk concentration in relation to any specific customer or counterparty or in relation to any specific geographic region.

#### Price risk

The Group is exposed to a price risk concerning shares due to investments held by the Group and which, in the Group's balance sheet, are classified as either available-for-sale financial instruments or assets measured at fair value through the income statement. The price risk on shares consists of  $\,$ share price risks, liquidity risks and counterparty risks. Share price risk is the risk of value loss due to changes in prices on the stock market. This is the greatest risk in Latour's business and occurs primarily in the valuation of the investment portfolio. If the market value of holdings in the investment portfolio changed by 5 per cent, it would affect comprehensive income and equity by SEK 0 m (0 m). Share prices are regularly analysed and monitored by Latour's group management. Latour has an influence on the companies' strategies and decisions through its active ownership, exercised through board representation and in other ways. Liquidity risk can occur if a share is hard to sell, for example. However, liquidity risk is limited. Counterparty risk is the risk that a party in a transaction with a financial instrument cannot fulfil its obligations and thereby creates a loss for the

The Group is not exposed to any price risk concerning raw materials or commodities.  $\,$ 

#### Operational risks

Operational risk is the risk of loss due to inadequate or failed internal processes and systems. A number of internal guidelines and regulations, as well as policies adopted by the Board of Directors, are the basis for Latour's risk management. Legal reviews of contracts and relations are performed regularly. The Group also has a system of continuous controls that regulate and ensure responsibility and authority in operating activities.

Insurance risks in the Group are managed according to the assessed need for insurance. Matters concerning confidentiality and information security are highly prioritised at Latour and are regulated by internal guidelines. Latour also continually controls and develops its systems and procedures for IT security.

# NOTE 33 Equity

Reserves THE GROUP	Hedging reserve	Translation reserve	Fair value reserve	Total
Opening balance 1 Jan 2022	54	303	0	357
Translation differences for the year		1,206		1,206
Available-for-sale financial assets:				
Revaluations recognised directly in equity				0
Recognised in the income statement on disposal				0
Cash flow hedges	-18			-18
Interest rate swaps	-170			-170
Hedge of net investment				0
Closing other reserves 31 Dec 2022	-134	1,509	0	1,375
Opening balance 1 Jan 2023	-134	1,509	0	1,375
Translation differences for the year		-133		-133
Available-for-sale financial assets:				
Revaluations recognised directly in equity				0
Recognised in the income statement on disposal				0
Cash flow hedges	26			26
Currency interest rate swaps	-68			-68
Hedge of net investment	-45			-45
Closing other reserves 31 Dec 2023	-221	1,376	0	1,155

#### Share capital

The parent company's share capital. The par value of each share is SEK 0.21.

#### $Other\ contributed\ capital$

Refers to equity contributed by the shareholders. Contributed capital is included here as a form of issue in kind and a new issue at a rate exceeding the par value.

#### Repurchased shares

Repurchased shares comprise the historic cost of the company's shares held by the parent company and are recognised as a deduction from equity. Proceeds from the sale of own shares are recognised as an increase in equity and transactions costs are recognised directly in equity.

#### Reserves

#### Translation reserve

The translation reserve includes all exchange rate differences arising when the currencies of the financial statements of foreign operations are translated into the presentation currency of the consolidated financial statements. The parent company and the Group present their financial statements in Swedish crowns (SEK).

#### Hedging reserve

The hedging reserve comprises foreign exchange differences arising from the translation of debts, derivatives classified as hedging instruments of net investments in a foreign operation and interest rate swaps.

#### Fair value reserve

The fair value reserve includes the accumulated net change of the fair value of available-for-sale financial assets until the asset is derecognised in the balance sheet.

Profit brought forward including part of comprehensive income for the year Profit brought forward including part of comprehensive income for the year contains profits earned in the parent company, its subsidiaries and associates. Previous provisions to the statutory reserve, not including transferred share premium reserves, are included in this equity item.

#### Non-controlling interests

Non-controlling interests comprise the share of equity not owned by the parent company.

#### Dividends

Dividends are proposed by the Board of Directors in accordance with the rules laid down by the Swedish Companies Act and are approved by the Annual General Meeting. The dividend proposed, but not as yet approved, for 2023 is SEK 2,621 m (SEK 4.10 per share). The amount has not been reported as a liability.

#### Earnings per share

Larinings per snare		
THE GROUP	2023	2022
Profit for the year	5,894	4,162
Average number of shares outstanding		
basic shares	639,336,210	639,350,718
Average number of shares outstanding		
diluted shares	641,678,550	641,578,330
Earnings per share related to profit attributable		
to parent company shareholders		
Basic share	SEK 9.22	SEK 6.51
Diluted share	SEK 9.19	SEK 6.49

Outstanding shares	Class A	Class B	Total
Number of shares at 1 January 2023	47,600,448	591,724,652	639,325,100
Net disposal of own shares	-	-37,300	-37,300
Conversion	-6,480	6,480	0
Total outstanding shares at 31 December 2023	47,593,968	591,693,832	639,287,800
Own shareholding	Class A	Class B	Total
Shares held at 1 January 2023	0	514,900	514,900
Repurchase during the year	-	125,000	125,000
Disposal	-	-87,700	-87,700
T. I I. I. I	0	552.200	552,200
Total own shareholding at 31 December 2023	U	332,200	332,200

Cont. 🕨

► Note 33 cont.

The par value of own holdings that were repurchased was SEK  $0.1\,\mathrm{m}$  at 31 December 2023. This corresponds to  $0.1\,\mathrm{per}$  cent of the share capital. The transaction costs relating to the repurchases are recognised as a deduction from equity. These costs have not affected recognised tax expenses. A repurchase

of own shares has been performed to create added value for continuing shareholders in Latour. Call options have been issued to senior executives on all repurchased shares.

	2023		2022	
Own shareholding	Number	Cost	Number	Cost
Accumulated at beginning of the year	514,900	94	517,200	103
Repurchase during the year	125,000	11	452,700	11
Disposal	-87,700	-25	-455,000	-20
Accumulated at end of the year	552,200	80	514,900	94

# NOTE 34 Reconciliation of loans related to financing activities

			Changes with no cash-flow effects				
	31 Dec 2022	Cash flow	Effect of move- ments in for- eign exchange	Altered assessment	Interest	Acquisition company	31 Dec 2023
Interest-bearing receivables	37	8					45
Pension provisions	-196	-12			-4		-212
Long-term liabilities	-7,255	-158				-6	-7,419
Additional purchase price	-273	-18		64			-227
Liabilities, leasing	-1,466	6	10				-1,450
Utilised bank overdraft facilities	-151	132					-19
Interest-bearing current liabilities	-4,879	621	-1				-4,259
Net debts related to financing activities	-14,183	579	9	64	-4	-6	-13,541

# NOTE 35 Retirement benefit obligations

Nearly all Latour Group employees are covered by either defined benefit or defined contribution pension plans. Defined benefit pension plans mean that the employee is guaranteed a pension corresponding to a certain percentage of his or her salary. The pension plans comprise retirement pension, sickness pension and family pension. The pension obligations are secured through provisions in the balance sheet and through premiums to insurance companies which thereby assume the obligations towards the employees. The Group's employees outside of Sweden, Norway, Italy, Germany and Switzerland are covered by defined benefit pension plans. Payments for these plans normally constitute a percentage of the employee's salary.

Obligations for retirement and family pensions for white-collar workers in Sweden are largely secured through insurance with Alecta. Since Alecta is unable to provide sufficient details to report the ITP plan as a defined benefit plan, it is reported as a defined contribution plan. Payments for pension insurance policies with Alecta are SEK 58 m (60 m) for the year. Alecta's surplus can be divided amongst the insurance policy holders and/or the insured. At the end of 2023, Alecta's surplus in the form of the collective consolidation level was 178 (172) per cent. Pension plans for blue-collar workers in Sweden are defined contribution plans.

The company's costs and the value of outstanding obligations for defined benefit plans are calculated using actuarial calculations which aim to establish the present value of the obligations.

THE GROUP	2023	2022
Defined benefit obligations		
Present value at the beginning of the period	320	330
Acquisitions	108	12
Pension earned	52	22
Interest	5	3
Pension payments	-20	-20
Actuarial gain/loss	-3	-32
Translation difference	1	5
Closing balance	463	320
Plan assets		
Opening balance	124	102
Change in reserves	127	22
Closing balance	251	124
Net defined benefit obligations	212	196

#### 2023

Defined benefit obligations by country	Present value of obligations	Fair value of plan assets	Total
Sweden	112	-	112
Norway	37	-34	3
Switzerland	204	-184	20
Germany	55	-33	22
Italy	50	_	50
Other	5	_	5
Total	463	-251	212

#### 2022

Defined benefit obligations by country	Present value of obligations	Fair value of plan assets	Total
Sweden	110	-	110
Norway	37	-32	5
Switzerland	67	-59	8
Germany	54	-33	21
Italy	49	-	49
Other	3	-	3
Total	320	-124	196

At the last measurement date, the present value of the defined benefit obligation was approximately SEK 77 m, attributable to active employees, and SEK 14 m to retired employees.

Amounts reported in the income statement	2023	2022
Interest on pension provision	5	3
Cost of defined benefit plans	5	3
Costs of defined contribution plans	327	308
Special employer's tax and taxes on return	40	40
Total pension costs	372	351

			2023		
%	Switzer- land	Germany	Italy	Norway	Sweden
Discount rate 1)	1.9	4.1	3.7	3.7	3.8
Inflation	1.2	2.1	3.0	3.5	1.6
Pay increases	3.5	0.0	2.0	3.75	0.0
Pension indexation	0.0	4.5	0.0	0.0	0.0

2022

	Switzer-				
%	land	Germany	Italy	Norway	Sweden
Discount rate 1)	1.9	0.9	3.7	3.0	3.7
Inflation	1.2	2.1	3.0	3.3	2.0
Pay increases	3.0	0.0	2.0	3.5	0.0
Pension indexation	0.0	4.5	0.0	0.0	0.0

<sup>1)</sup> See policies in Note 2 on page 87.

If the discount rate is lowered by 0.5 per cent, the present value of the obligations increases by 5.7 per cent. If the interest rate is raised by 0.5 per cent, the present value of the obligations decreases by 5.2 per cent.

# **NOTE 36** Financial liabilities

At 31 December 2023	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total contractual cash flows	Carrying amount
Financial liabilities					
Debts to credit institutions	4,253	7,353	12	11,618	11,618
Other financial liabilities	6	281		287	287
Leasing liabilities	288	437	725	1,450	1,450
Accounts payable	1,770			1,770	1,770
	6,317	8,071	737	15,125	15,125

# NOTE 37 Taxes

## Deferred tax in the balance sheet

Temporary differences exist where the carrying amount and taxation value differ for a given asset or liability. Temporary differences have resulted in total deferred tax assets and deferred tax liabilities for the Group as follows:

THE GROUP	2023	2022
Deferred tax assets		
Intangible assets	179	266
Land and buildings	19	10
Machinery and equipment	5	6
Inventories	96	120
Current receivables	87	17
Provisions	37	40
Current liabilities	8	7
Other items	50	57
	481	523
Deferred tax liabilities		
Intangible assets	-172	-183
Land and buildings	-10	-3
Machinery and equipment	-23	-26
Current receivables	-4	-10
Untaxed reserves	-432	-384
Provisions	-30	-23
Other items	-44	-23
	-715	-652

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same tax system. Deferred tax of SEK –7 m (–6 m) is recognised in other comprehensive income.

No current tax is recognised in the Group's or the parent company's statement of comprehensive income.

The SEK 3,720 m (3,393 m) tax loss carryforward with an unlimited carryforward period in the parent company has not taken deferred tax into account.

# NOTE 38 Other provisions

THE GROUP	Guarantee provisions	Other provisions	Total
Opening value 1 Jan 2022	95	76	171
Acquisition (company)	4	11	15
Provisions for the year	0	-25	-25
Divestiture (company)	13	34	47
Amounts claimed during the year	-15	-19	-34
Exchange rate difference	6	7	13
Closing value 31 Dec 2022	116	104	220
Acquisition (company)	_	-	0
Provisions for the year	34	24	58
Amounts claimed during the year	-28	-29	-57
Exchange rate difference	-1	-1	-2
Closing value 31 Dec 2023	121	98	219
The provisions consist of:		2023	2022
Long-term part		195	192
Current part		24	28
		219	220

Other provisions primarily consist of provisions for restructuring costs.

# NOTE 39 Bank overdraft facilities

The overdraft facility available to the Group is SEK 320 m (320 m), of which SEK 20 m (151 m) has been used.

# NOTE 40 Accrued expenses and deferred income

THE GROUP	2023	2022
Accrued interest expenses	23	45
Accrued social security fees	212	181
Accrued other pay-related costs	618	536
Other items	837	837
Total	1,690	1,599

# NOTE 41 Pledged assets

THE GROUP	2023	2022
For own liabilities and provisions		
Relating to pension obligations		
- Floating costs		_
- Other securities	1	1
Shares as collateral for net loans <sup>1)</sup>	4,901	4,810
Other		
- Property mortgages	-	20
- Other securities	2	9
Total	4,904	4,837
PARENT COMPANY	2023	2022
For the Group's liabilities		
Shares as collateral for net loans 1)	516	516
Total collateral pledged	516	516

<sup>&</sup>lt;sup>10</sup> As collateral for loans from credit institutions, 37,200,000 Assa Abloy class B and 20,600,000 Securitas class B shares have been pledged at a market value of SEK 12,856 m and a book value in the Group of SEK 4,901 m and in the company of SEK 516 m. The collateral is for the duration of the loan.

# NOTE 42 Contingent liabilities

THE GROUP	2023	2022
Underwriting agreements	338	1,090
Other obligations	6	23
Total	344	1,113
PARENT COMPANY	2023	2022
Guarantees for subsidiaries	2,628	3,075
Total	2,628	3,075

The parent company has pledged to assume certain obligations that may be fall Group companies.

# NOTE 43 Business combinations

	2023	2022
Intangible assets	-	65
Property, plant and equipment	86	73
Financial assets	-	39
Inventories	14	240
Accounts receivable	49	274
Other current receivables	5	174
Cash	54	201
Long-term net borrowing	-6	-184
Current liabilities	-40	-434
Net identifiable assets and liabilities	162	448
Group goodwill	254	1,397
Total purchase price	416	1,845
Additional purchase price	_	-61
Cash settlement purchase price	416	1,784
Acquisition of non-cash items	-	-3
Cash and cash equivalents in acquired companies	-54	-201
Effect on Group cash and cash equivalents	362	1,580

#### Dalair Ltd.

On 3 January 2023, the Group acquired 100 per cent of the shares in Dalair Ltd. The acquired operations contributed SEK 308 m in revenues and SEK 0 m in net profit for the period 3 January to 31 December 2023. If the acquisition had been made on 1 January 2023, the company's revenues and profit would have been the same. Goodwill is attributable to the synergies that will be created when the manufacturing and sales organisations are merged with Swegon's existing operations. Transaction costs for the acquisition, which were charged to the income statement for the period, amounted to SEK 7 m.

Property, plant and equipment	86
Inventories	14
Accounts receivable	49
Other receivables	5
Cash	54
Long-term net borrowing	-6
Current liabilities	-40
Net identifiable assets and liabilities	162
Group goodwill	254
Cash and cash equivalents in acquired companies	-54
Change in Group cash and cash equivalents on acquisition	362

The Director's Report on page 90 provides further details about business combinations.

All acquired goodwill relates to Group goodwill on acquisition which is non tax-deductible.

## NOTE 44 Correction of faults

The item Share of other comprehensive income from associates (referred to in the interim report as Change in associated companies' equity) is overstated in the 2022 Annual Report, at SEK 783 m.

The comparison figure has now been corrected retrospectively, which means that the Group's established Other comprehensive income, Equity and Interests in associates as per 31 December 2022 have been corrected as follows:

THE GROUP	According to the established 2022 Annual Report	Cor- rected	Attributable to
			Share of other
			comprehensive income
Other comprehensive income	4,398	3,615	from associates
			Share of other
			comprehensive income
Equity	38,024	37,241	from associates
Financial assets	27,433	26,650	Interests in associates

The error relates to the equity in Securitas being overstated in connection with their new issue of shares at the end of 2022.

# NOTE 45 Government grants

Government grants have affected the Group's income statement and balance sheet as follows:

THE GROUP	2023	2022
Grants that affected income for the year	17	11
Grants that affected assets	_	-

Grants received that are recognised in the income statement consist primarily of electricity support as well as development and investment aid. Grants received pertaining to Covid-19 support amount to SEK 0 m (2 m).

# NOTE 46 Events after the reporting period

In January 2024, three companies were acquired for the wholly-owned industrial operations. The estimated acquisition price amounts to approximately SEK 400 m. These acquisitions will not have any material impact on the Group's goodwill. Read more about the acquisitions in the Director's Report.

On 16 February 2024, the Swedish Financial Supervisory Authority approved an updated base prospectus for the existing MTN programme.

In January 2024, the Board of Directors of HMS Networks was tasked with approving a new issue of shares totalling approximately USD 120 m, which constitutes part of the financing for the acquisition of Red Lion Controls. Latour has undertaken to participate pro rata to its holding of 25.9 per cent.

# NOTE 47 Companies that utilise their exemption option

The subsidiaries Fristads GmbH and Caljan GmbH are utilising their exemption option according to German legislation § 264 III HGB

This exemption means that the companies do not have to submit full annual reports and audits.

# NOTE 48 Significant estimates and judgements

To be able to prepare the financial statements in accordance with generally accepted accounting practice, the executive management and the Board of Directors must make judgements and assumptions that affect the asset and liability items and the revenue and expense items reported in the annual accounts, as well as other disclosures, for example contingent liabilities. These judgements are based on historic experience and the various assumptions that the management and the Board of Directors consider reasonable in the current circumstances. In cases where it is not possible to ascertain the carrying amounts of assets and liabilities through information from other sources, these estimations and assumptions form the basis of the valuation. Actual outcomes could differ from these estimates if other assumptions are made or other circumstances arise.

The assumptions can have a significant effect on Latour's result and financial position especially in the areas of income accounting and uncertain receivables, measurement of intangible and fixed assets, obsolescence assessment of inventories, restructuring measures, pension obligations, taxes, disputes and contingent liabilities (see each respective note).

Executive management and the audit committee have discussed the development, selection and disclosures concerning the Group's critical accounting policies and estimates and the application of these policies and estimates.

## Forecast shares in associates

Latour's holdings in the investment portfolio are valued as associates using the equity method. In cases when Latour cannot wait for the investment portfolio's reported results, an assessment is made, along with an estimate of their financial results for the most recent quarter. This assessment is made on the basis of known facts about the company's development and future prospects. When the investment portfolio's financial reports are

released, a correction is made in the coming quarter and a new forecast is produced.

#### Goodwill impairment

Each year, the Group assesses whether goodwill has suffered any impairment loss, based on the accounting policy described in Note 2.

The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of certain estimates (Note 18).

#### **Business combinations**

The business combinations are accounted for using the acquisition method, which means that acquired assets and liabilities are recognised at fair value at the time of acquisition. To determine fair values, the executive management uses valuation models with elements of estimates and assumptions. The purchase price includes an assessment of any contingent additional purchase prices.

#### Pension obligations

The present value of the pension obligations depends on a number of factors that are established on an actuarial basis using a number of assumptions. Discount interest is included in the assumptions used to determine the net cost (income) of pensions.

The Group establishes appropriate discount interest rates at the end of every year. This is the interest used to determine the present value of estimated future payments that are assumed necessary to pay for pension obligations. See Accounting Policies Note 2 for information on how the Group determines an appropriate discount rate.

Other principal actuarial assumptions for pension obligations are based in part on current market conditions. See Note 35 for further details.

#### Warranties

The management of each subsidiary estimates necessary reserves to guarantee future warranty requirements based on information about past warranty requirements and current trends that indicate that the past information may differ from future requirements.

The factors that may affect the information about warranty requirements include the success of the Group's productivity and quality initiatives and the cost of labour and materials.

#### Climate-related risks

Latour has been following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) since 2021. All the whollyowned companies continually assess their climate-related risks and opportunities and their overall financial impact. The significant ones are included in the companies' annual risk reviews. No climate-related risks have been judged to be material at Group level in the short or medium term.

During 2023, both investments and measures that have an impact on results have been implemented to reduce the Group's impact on the environment and the climate. In addition, an external analysis of Latour's entire portfolio of holdings has been performed, which strengthens the management's opinion that Latour is well-positioned and has significant opportunities. In summary, none of the analyses give any indication that climaterelated risks will have a negative impact on either the balance sheet or the income statement in the short or medium term.

# NOTE 49 Definitions

Diluted earnings per share

**Return on equity** Net profit in the income statement as a percentage of average shareholders' equity.

**Return on operating capital**Operating profit as a percentage of average operating capital.

Return on total capital Profit/loss after net financial items plus financial expense in relation to the average balance sheet total.

**Direct return** Dividends as a percentage of the share purchase price.

Operating profit (EBITDA) Earnings before interest, tax, depreciation of property, plant and equipment and amortisation of acquisition-related intangible assets,

acquisition-related costs and income, and items impacting comparability.

Operating profit (EBITA) Earnings before interest, tax, amortisation of acquisition-related intangible assets, acquisition-related costs and income, and items impacting comparability.

Operating profit (EBIT) Earnings before interest and taxes.

Operating margin (EBITA) % Earnings before interest, tax, amortisation of acquisition-related intangible assets, acquisition-related costs and income, and items impacting comparability,

as a percentage of net sales.

Operating margin (EBIT) % Operating profit divided by net sales.

EBIT multiple Operating profit in relation to market value adjusted for net debt.

EV (Enterprise Value) The company's market value plus net debt.

Adjusted equity Equity and the difference between book value and fair value in associated companies.

Adjusted equity ratio Equity and the difference between book value and fair value in associated companies in relation to adjusted total assets.

Net debt/equity ratio Interest-bearing liabilities and interest-bearing provisions less cash and cash equivalents in relation to adjusted equity.

Net debt Interest-bearing liabilities plus interest-bearing provisions less cash and cash equivalents and interest-bearing receivables.

Operating capital Total assets less cash and cash equivalents and other interest-bearing assets and non-interest-bearing liabilities.

Organic growth Increase in revenue for the period, adjusted for acquisitions/disposals and exchange rate changes, as a percentage of the previous year's revenue adjusted

for acquisitions and disposals.

P/E ratio The share purchase price in relation to profit after paid tax.

**Basic earnings per share** Profit for the period divided by the number of outstanding shares in the period.

Calculations:

Jan-Dec 2023: 5,894/639,336,210 x 1,000' = 9.22 Jan-Dec 2022: 4,162/639,350,718 x 1,000' = 6.51

Calculations:

Jan-Dec 2023: 5,894/641,678,550 x 1,000' = 9.19

Jan-Dec 2022: 4,162/641,578,330 x 1,000' = 6.49

The call options that had been issued as at the balance sheet date were included in the calculation of diluted earnings.

Equity ratio Equity in relation to total assets.

Net asset value The difference between the Group's assets and liabilities, when the investment portfolio (incl. associated companies) is recognised at market value and

operative subsidiaries that are owned at the end of the period are recognised in an interval based on EBIT multiples for comparable listed companies in

each business area.

**Total growth** Increase in revenue for the period as a percentage of the previous year's revenue.

Currency-driven growth Increase in revenue due to currency changes for the period as a percentage of the previous year's revenue.

**Profit margin** Profit after net financial items plus finance expense as a percentage of invoiced sales.

Other The amounts in tables and other charts have each been rounded off. There may therefore be minor differences in the totals due to rounding-off.

# Proposed allocation of profits

The following profits in the parent company are at the disposal of the Annual General Meeting:

Profit brought forward SEK 9,518.7 m
Profit for the year SEK 2,294.0 m
SEK 11,812.7 m

At 14 March 2024, the number of shares entitling the holder to receive dividends was 639,287,800 after the exclusion of repurchased shares.

The Board of Directors proposes the following allocation:

A total dividend of SEK 4.10 per share is paid to the shareholders SEK 2,621.1 m

To be carried forward SEK 9,191.6 m

To be carried forward  $\frac{\text{SEK 9,191.6 m}}{\text{SEK 11,812.7 m}}$ 

The Board of Directors is of the opinion that the proposed dividend payment is justified in view of the demands that the operations place on the amount of equity, taking into consideration the scope and risks of the business and the company's and the Group's consolidation requirements, liquidity and overall position.

The income statement and balance sheet will be presented for approval by the Annual General Meeting on 14 May 2024.

The Board of Directors and the Chief Executive Officer declare that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as approved by the European Union, and that they give a true and fair view of the Group's financial position and performance. The Annual Report has been prepared in line with generally accepted accounting practice in Sweden and gives a true and fair view of the parent company's financial position and performance. The Directors' Report for the Group and the parent company gives a true and fair view of the development of Group and parent company operations, financial positions and performance, and describes the principal risks and uncertainties faced by the parent company and the Group's companies.

#### Gothenburg, 14 March 2024

Mariana Burenstam Linder	Joakim Rosengren	Anders Böös				
Board member	<i>Chairman</i>	Board member				
Carl Douglas	Johan Hjertonsson	Eric Douglas				
Board member	Chief Executive Officer	Board member				
Lena Olving Board member		Ulrika Kolsrud Board member				

Our independent Auditor's Report was given on 21 March 2024 Ernst & Young AB

Staffan Landén Authorised Public Accountant Principal Auditor

# Auditor's Report

Investmentaktiebolaget Latour, Corporate ID no. 556026-3237

# Statement on the Annual Report and the consolidated financial statements

#### ПРІМІОМ

We have conducted an audit of the Annual Report and consolidated financial statements of Investmentaktiebolaget Latour (publ) for 2023. The company's Annual Report and consolidated financial statements are presented on pages 89–129 of this document.

In our opinion, the Annual Report has been prepared as required by the Swedish Annual Accounts Act and presents fairly, in all material respects, the financial position of the parent company at 31 December 2023, and its financial performance and cash flows for the year, in accordance with the Swedish Annual Accounts Act. The consolidated financial statements have been prepared as required by the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the Group at 31 December 2023, and its financial performance and cash flows for the year, in accordance with the International Financial Reporting Standards (IFRS), as approved by the European Union, and the Swedish Annual Accounts Act. The Directors' Report is consistent with the other sections of the Annual Report and the consolidated financial statements.

We therefore recommend that the General Meeting of Shareholders adopts the income statement and the balance sheet of the parent company and the Group.

Our opinion in this statement on the Annual Report and the consolidated financial statements is consistent with the content of the additional report that has been presented to the parent company's Audit Committee in accordance with Article 11 of Regulation (EU) No. 537/2014 on requirements regarding statutory audit of public-interest entities.

#### **BASIS FOR OPINION**

We conducted our audit in line with International Standards on Auditing (ISA) and generally accepted auditing practices in Sweden. Our responsibility under these standards is described in more detail in the section "Responsibilities of the auditors". We are independent from the parent company and the Group in accordance with generally accepted auditing practices in Sweden and have otherwise executed our audit responsibilities in compliance with professional ethics as required by these standards. This means that, to the best of our knowledge and belief, no prohibited non-audit services as referred to in Article 5.1 of the Regulation (EU) No. 537/2014 on specific requirements regarding statutory audit of public-interest entities have been provided to the audited entity or, where applicable, to its parent company or its regulated entities within the EU.

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

#### **KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the current period. These matters were addressed in the context of our audit of the Annual Report and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The description below regarding the implementation of the audit in these areas must be read in this context.

# Valuation of goodwill

# Description of the area

On 31 December 2023, reported goodwill amounts to SEK 14,438 m, which corresponds to 24% of total assets in the Group. As can be seen from Notes 2, 18 and 48 of the Annual Report, goodwill is tested annually for impairment in accordance with IAS 36. This testing is based on an assessment of the recoverable amount for all of the cash-generating units identified by the executive management, with individual assumptions about growth, profit margins, operating capital requirements, investment needs as well as discount rates. The executive management's estimate of future cash flows is based on market, growth and margin on the basis of the asset's existing structure with no effect from future acquisitions. The test is based on complex valuation models and assessments of key assumptions with inherent uncertainty. Changes in assumptions can have a significant impact on the recoverable amount. In addition, the value of goodwill amounts to significant sums. In view of that set out above, we consider that the valuation of goodwill constitutes a particularly significant area in our audit.

How this area was taken into account in the audit

Our audit procedures for evaluating the executive management's impairment testing have included:

- evaluation of models and assumptions. The evaluation has included whether the model has been prepared according to generally accepted valuation techniques, as well as the appropriateness of applied discount rates and assumptions benchmarked against comparable companies;
- ▶ testing of the executive management's sensitivity analysis, as well as conducting an independent sensitivity test of key assumptions in order to identify whether a reasonable future change in these might lead to an impairment requirement:
- assessment of the reasonableness of future cash flows against the adopted budget, forecast and business plan, as well as other information received following discussion with the executive management and a review of the minutes of board meetings and other management meetings;
- evaluation of the executive management's accuracy in estimating future cash flows by comparing historical forecasts against outcomes: and
- evaluation of whether the executive management has provided the necessary information in the Annual Report as at 31 December 2023.

# Information other than the Annual Report and the consolidated financial statements

**THIS DOCUMENT** also contains other disclosures than the Annual Report and the consolidated financial statements, and these can be found on pages 1–88 and 135–153. This other information also comprises the remuneration report that we obtained before the date of this auditor's report. The Board of Directors and the Chief Executive Officer are responsible for this other information.

Our opinion on the Annual Report and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Annual Report and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Annual Report and consolidated financial statements. In this procedure, we also take into account the knowledge we have otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

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

# RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

The Board of Directors and the Chief Executive Officer are responsible for the preparation of the Annual Report and the consolidated financial statements and for ensuring that they give a fair presentation in accordance with the Swedish Annual Accounts Act and, concerning the consolidated financial statements, in accordance with the International Financial Reporting Standards (IFRS), as approved by the European Union. The Board of Directors and the Chief Executive Officer are also responsible for such internal control as they determine necessary to enable preparation of an Annual Report and consolidated financial statements that are free from material misstatement, whether caused by fraud or error.

In preparing the Annual Report and the consolidated financial statements, the Board of Directors and the Chief Executive Officer are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters that can impact the ability to continue as a going concern and to use the going concern basis of accounting. The Board of Directors and the Chief Executive Officer cannot use the going concern basis of accounting, however, if they intend to liquidate the company, cease trading or have no realistic alternative but to do so.

The Board's Audit Committee must oversee the company's financial reporting activities, without it affecting the responsibilities and duties of the Board.

# **AUDITOR'S RESPONSIBILITY**

The objectives of our audit are to obtain reasonable assurance that the Annual Report and the consolidated financial

statements as a whole are free from material misstatement, whether caused by fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Annual Report and the consolidated financial statements.

As part of an audit in accordance with ISA, we use professional judgment and adopt a professionally sceptical attitude throughout the audit. In addition:

- ▶ we identify and assess the risks of material misstatement in the Annual Report and the consolidated financial statements, whether due to fraud or error, we design and perform audit procedures based in part on these risks, and we obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of failing to detect a material misstatement as a result of fraud is higher than for a material misstatement due to error, since fraud may include actions carried out in collusion, forgery, intentional omissions, misinformation or the disregard of internal controls.
- we gain an understanding of the part of the company's internal controls that is relevant to our audit, in order to design audit procedures that are appropriate in the circumstances, but not in order to comment on the effectiveness of the internal controls.
- ▶ we evaluate the appropriateness of the accounting policies that are used and the reasonableness of the Board of Directors' and CEO's estimates in the accounts and related disclosures
- ▶ we draw a conclusion on the appropriateness of the Board of Directors and the CEO using the going concern basis of accounting in the preparation of the Annual Report and the consolidated financial statements. We also draw a conclusion, based on the audit evidence obtained, on whether there is any material uncertainty regarding such events or circumstances that could lead to significant doubt regarding the company's ability to continue operations. If we conclude that there is a material uncertainty, we must draw attention in the Auditor's report to the disclosures in the Annual Report relating to the material uncertainty or, if such disclosures are insufficient, we must modify our statement on the Annual Report and the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of the Auditor's report. However, future events or circumstances may result in a company no longer being able to continue its operations.
- ▶ we evaluate the overall presentation, structure and content of the Annual Report and the consolidated financial statements, including the disclosures, and whether the Annual





- Report and the consolidated financial statements reflect the underlying transactions and events in a manner that gives a true and fair view.
- ▶ we obtain sufficient and appropriate audit evidence regarding the financial information for the entities or business activities within the Group to make a statement regarding the consolidated financial statements. We are responsible for the governance, monitoring and execution of the Group audit. We are solely responsible for our statements.

We must notify the Board of Directors about e.g. the planned scope and focus of the audit as well as its timing. We must also provide information about significant observations made during the audit, including any significant deficiencies that we have identified in the internal controls.

We must also provide the Board of Directors with a statement confirming that we have complied with relevant professional ethical requirements in respect of independence, and address any relationships and other circumstances that might reasonably affect our independence, as well as, where applicable, measures that have been implemented to eliminate threats or countermeasures that have been taken.

Of the areas that are communicated with the Board of Directors, we determine which of these areas have been the most significant for the audit of the Annual Report and the consolidated financial statements, including the most important assessed risks of material misstatement, and which therefore constitute the areas of particular importance for the audit. We describe these areas in the Auditor's report, unless legal or statutory requirements prevent disclosures regarding this matter.

# Statement on other legal and statutory requirements

THE AUDITOR'S AUDIT OF THE ADMINISTRATION AND THE PROPOSAL FOR APPROPRIATION OF THE COMPANY'S PROFIT OR LOSS

#### OPINION

In addition to our audit of the Annual Report, we have also audited the administration of the Board of Directors and the Chief Executive Officer of Investmentaktiebolaget Latour (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend that the General Meeting of Shareholders appropriate the profit as proposed in the Directors' Report and grant the members of the Board and the Chief Executive Officer discharge from liability for the financial year.

#### **BASIS FOR OPINION**

We conducted the audit in line with generally accepted auditing practice in Sweden. Our responsibility under this practice is described in more detail in the section "Responsibilities of the auditors". We are independent from the parent company and the Group in accordance with generally accepted auditing practices in Sweden and have otherwise executed our audit responsibilities in compliance with professional ethics as required by these standards.

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

# RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. A proposal for a dividend payout includes an assessment of whether the dividend is justifiable considering the requirements placed by the company's and the Group's type of operations, scope and risks on the size of the parent company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board is responsible for the company's organisation and management of the company's affairs. This involves regularly assessing the company's and the Group's financial situation and ensuring that the company's organisation is structured to allow satisfactory controls of its accounts, funds management and financial affairs in general. The Chief Executive Officer is in charge of day-to-day management in accordance with guidelines and instructions from the Board of Directors and is responsible for taking necessary measures to ensure that the company's accounts are prepared in accordance with legal requirements and that funds management is controlled in a satisfactory manner.

#### **AUDITOR'S RESPONSIBILITY**

Our objective concerning the audit of the management of the company's affairs, and thereby our opinion about discharge from liability, is to obtain audit evidence to ascertain, with a reasonable degree of assurance, whether any Board member or the Chief Executive Officer, in any material respect:

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

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

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

As part of an audit in accordance with generally accepted auditing practice in Sweden, we use professional judgment and adopt a professionally sceptical attitude throughout the audit. The audit of the management and the proposal for appropriation of the company's profit or loss are mainly based on the audit of the accounts. Which additional audit procedures are performed are based on our professional assessment, on the basis of risk and materiality. This means that we focus the audit on those measures, areas and circumstances that are significant for the business, and where any deviations or breaches would be particularly important for the company's situation. We review and examine decisions taken, decision-making data, implemented measures and other circumstances that are relevant to our opinion about discharge from liability. As a basis for our opinion on the Board of Directors' proposal for appropriation of the company's profit or loss, we have examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to

assess whether the proposal is in compliance with the Swedish Companies Act.

# Auditor's review of the ESEF report

#### OPINION

In addition to our audit of the Annual Report and the consolidated financial statements, we have also examined whether the Board of Directors and the CEO have prepared the Annual Report and the consolidated financial statements in a format that enables uniform electronic reporting (the ESEF report) in accordance with Chapter 16, section 4(a) of the Securities Market Act (2007:528) for Investmentaktiebolaget Latour (publ) for the year 2023.

Our review and opinion relate solely to the statutory requirement.

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

#### **BASIS FOR OPINION**

We have conducted our audit in accordance with FAR's recommendation RevR 18 Auditor's review of the ESEF Report. Our responsibility under this recommendation is described in more detail in the section Auditor's responsibility. We are independent from Investment AB Latour (publ) in accordance with generally accepted auditing practices in Sweden and have otherwise executed our audit responsibilities in compliance with professional ethics as required by these standards.

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

# RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

The Board of Directors and the CEO are responsible for ensuring that the ESEF report has been prepared in accordance with Chapter 16, section 4(a) of the Securities Market Act (2007:528), and for such internal control that the Board of Directors and the CEO deem necessary to prepare the ESEF report without material misstatement, whether due to fraud or error.

# **AUDITOR'S RESPONSIBILITY**

Our task is to express our opinion with reasonable certainty as to whether the ESEF report has, in all material respects, been prepared in a format that meets the requirements of Chapter 16, section 4(a) of the Securities Market Act (2007:528), based on our review.

RevR 18 requires us to plan and implement our audit procedures to achieve reasonable assurance that the ESEF report has been prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but is not a guarantee that a review conducted in accordance with RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF Report.

The audit firm applies ISQM 1 Quality control for firms that perform audits and reviews of financial statements, and other assurance and related services, which requires that the company formulates, implements and manages a quality control system, including guidelines and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The review includes obtaining evidence, through various measures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the Annual Report and the consolidated financial statements. The auditor decides which procedures to use, by assessing the risks of material misstatement in the Report, whether due to fraud or error. In making these risk assessments, the auditor considers the elements of the internal control that are relevant to how the Board of Directors and the Chief Executive Officer produce the data, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. The review also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the CEO.

The assurance engagement procedures mainly involve affirmation that the ESEF report has been prepared in a valid XHTML format and that there is consistency between the ESEF report and the audited Annual Report and the consolidated financial statements.

Furthermore, the assurance engagement includes an assessment of whether the Group's income statement, balance sheet, equity and cash flow statements, and notes in the ESEF report, are marked up with iXBRL tags as required by the ESEF Regulation.

Ernst & Young AB, with Staffan Landén as the principal auditor, was appointed Investment AB Latour's auditor by the Annual General Meeting on 10 May 2023, and has been the company's auditor since 11 May 2020.

Gothenburg, 21 March 2024 Ernst & Young AB

Staffan Landén Authorised Public Accountant

# Auditor's opinion on the statutory sustainability report

To the General Meeting of Shareholders of Investment AB Latour (publ), corporate registration number 556026-3237

#### **DUTIES AND RESPONSIBILITIES**

The Board of Directors is responsible for the sustainability report for 2023, presented on pages 22–35 and 142–149, and for ensuring that it has been properly prepared in accordance with the Swedish Annual Accounts Act.

#### **SCOPE AND APPROACH OF THE REVIEW**

We conducted our review in accordance with FAR's auditing standard RevR 12 *The auditor's opinion on the statutory sustainability report*. This means that our review of the sustainability report has a different approach and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing practices in Sweden. We believe that this review provides us with sufficient evidence on which to base our opinion.

#### OPINION

A sustainability report has been prepared.

Gothenburg, 21 March 2024 Ernst & Young AB

Staffan Landén Authorised Public Accountant Principal Auditor

# Corporate Governance Statement

INVESTMENT AB LATOUR (publ) is a Swedish public limited company whose shares are listed on the Nasdaq OMX Stockholm Large Cap list. Latour's corporate governance is based on laws, listing agreements, guidelines and best practice. This corporate governance statement has been prepared in accordance with the provisions of the Swedish Corporate Governance Code ("the Code"), and chapter 6, sections 6-9 of the Swedish Annual Accounts Act and chapter 9, section 31 of the Swedish Companies Act and is applicable to the 2023 financial year. The auditor is of the opinion that the Corporate Governance Statement has been prepared and that disclosures according to chapter 6, section 6, second paragraph, items 2-6 of the Swedish Annual Accounts Act (for example, the key elements of the company's system of internal control and risk management pertaining to financial reporting) are consistent with other parts of the Annual Report. Latour's Articles of Association and further information about Latour's corporate governance practices can be found on the website latour.se under Corporate Governance.

#### **ANNUAL GENERAL MEETING**

The Annual General Meeting is Latour's highest decision-making body, at which the shareholders exercise their voting rights and decide on matters such as the company's Articles of Association and corporate governance. The Annual General Meeting must be held within six months of the end of the financial year. The Annual General Meeting may be held in Gothenburg or Stockholm. Only those shareholders who are entered in the register of members before the Annual General Meeting and who have announced their intention to attend are entitled to attend and vote for their entire shareholding.

The 2023 Annual General Meeting authorised the Board of Directors to decide on the acquisition of Latour shares on one or more occasions until the next Annual General Meeting. Both class A and class B shares may be acquired and the total number of shares may be such that, after acquisition, the company does not hold more than ten (10) per cent of all shares issued in the company.

#### **NOMINATING COMMITTEE**

At the Annual General Meeting, the Nomination Committee presents proposals for a chairman for the meeting, the Chairman and other members of the Board, remuneration to the Board and possible remuneration for committee work.

The Nomination Committee is appointed after the Chairman of the Board has ascertained which are the company's four largest shareholders, based on the number of voting rights and according to the shareholder statistics available on the last banking day in August prior to the Annual General Meeting. Representatives of the four largest shareholders make up the Nomination Committee and the names of these representatives shall be published on the company's website as soon as they are appointed and no later than six months prior to the Annual General Meeting.

Since then, the following members have been appointed to

the Nomination Committee for the 2024 Annual General Meeting: Jan Svensson, (Chairman, Förvaltnings AB Wasatornet including related entities), Eric Douglas (Wasatornet Holding AB including related entities), Fredrik Palmstierna (own holding including related entities) and Anders Oscarsson (AMF). The Nomination Committee's representatives have extensive experience of board and nomination committee work.

The Nomination Committee shall take into consideration

at all times the applicable requirements and regulations of the Swedish Code of Corporate Governance. The Nomination Committee is required to present proposals for members of the Board and in so doing shall ensure that the Board has an appropriate composition characterised by diversity and breadth in the expertise, experience and backgrounds of the elected members of the Board, and shall also

None of them has received any remuneration for their work in the Nomination Committee.

#### **BOARD OF DIRECTORS**

strive to achieve a gender balance.

Latour's Board of Directors comprises eight members, including the Chief Executive Officer (see page 140). There are no deputies. All members are elected for a one-year term. The secretary of the Board is the Chief Financial Officer of the Group. Joakim Rosengren was elected Chairman of the Board by the 2023 Annual General Meeting. All members except the Chief Executive Officer are independent of the company and the company management. Two of the members, Eric Douglas and Carl Douglas, are not independent from the company's principal owner. Together with the family, they control 79 per cent of the company's voting power and 76 per cent of its share capital. Employees are represented in the subsidiary Latour-Gruppen AB, which is the parent company of the wholly-owned companies within the industrial operations. They are therefore not represented in the investment company's board.

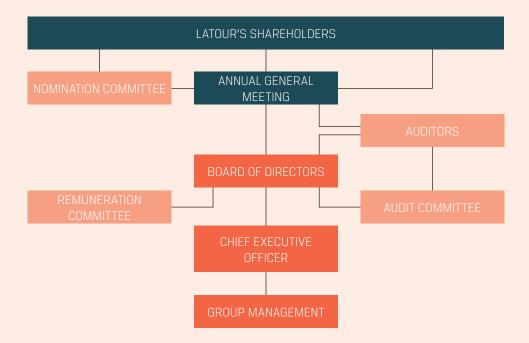
Each year, the Board of Directors establishes written rules of procedure that regulate the Board's meetings, the business of these meetings, the division of responsibilities among Board members and the Chief Executive Officer and certain other matters. The Board issues instructions for the Chief

THE COMPOSITION OF THE BOARD OF DIRECTORS, THE NUMBER OF MEETINGS AND ATTENDANCE TO DATE IN THE 2023/2024 FINANCIAL YEAR

		Remuneration, SEK
Name	Board meetings 1)	000
Mariana Burenstam Linder	8 of 8	1,100
Anders Böös	7 of 8	1,100
Carl Douglas	8 of 8	1,100
Eric Douglas	8 of 8	1,100
Johan Hjertonsson	8 of 8	0
Ulrika Kolsrud	8 of 8	1,100
Lena Olving	7 of 8	1,100
Joakim Rosengren	8 of 8	3,000

<sup>1)</sup> Of which one was the inaugural Board meeting.





Latour's corporate governance process from owner to Group management. The Annual General Meeting is the highest decision-making body in the Group, where the company's Board of Directors is elected.

Executive Officer that regulate his work tasks and reporting obligation to the Board of Directors.

The present Board has had four ordinary meetings to date, not including the inaugural meeting and three additional Board meetings. Two Board members were unable to attend on one occasion, otherwise the Board has been fully present. The company's auditor attended two Board meetings and presented reports and observations from the audit performed.

The Board of Directors is responsible for the company's overall strategy, including how the management of risks and opportunities linked to sustainability is integrated into the business. Guidelines and policies adopted by the Board of Directors provide a framework for the supervision of risks and opportunities. Latour's overall measurement tools for sustainability governance are anchored in the Board of Directors.

Matters dealt with by the Board include strategic changes in the investment portfolio, acquisitions and sales of subsidiaries, the company's risk exposure, including sustainability-related risks and opportunities, budgets and forecasts for the subsidiaries as well as a financial review of operations. Commitment to sustainability permeates all aspects of the Board's work.

Under the direction of the Chairman, the Board has evaluated its work and all Board members have presented their views. The purpose of the evaluation is to develop the day-to-day work of the Board of Directors and establish the direction of its work in the future. It also acts as a check to ascertain that the Board has the requisite skills and competencies and to analyse its current set of skills. The Chairman has compiled the comments that were submitted and has reported them to the Board for discussion. The evaluation also serves as a basis for the Nomination Committee's task of proposing new Board members, which means that the results of the evaluation have been presented to the Nomination Committee.

#### **COMMITTEES**

The Board has appointed a Remuneration Committee and an Audit Committee. The Remuneration Committee consists of Joakim Rosengren (chairman), together with Anders Böös and Eric Douglas. The Audit Committee comprises the entire Board except the Chief Executive Officer.

The Remuneration Committee has held two meetings and all members were present. The task of the Remuneration Committee is to prepare questions concerning the salary and other conditions for the Chief Executive Officer, which are then decided by the Board of Directors. On a proposal from the Chief Executive Officer, the Remuneration Committee decides on remuneration for other senior executives.

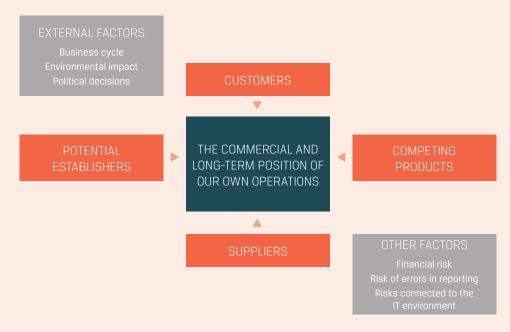
The Chief Executive Officer receives fixed and variable remuneration. Variable remuneration is based on the achievement of individual goals. Remuneration to other senior executives consists of a basic salary and variable remuneration based on a fixed key ratio. The variable remuneration is capped at a certain number of monthly salaries.

The Audit Committee has met twice. All members and the company's auditor were present. The business of the meetings has included the Group's financial risks and the focus of auditing. The auditor also presented observations made during the audit.

#### **AUDITORS**

The 2023 Annual General Meeting elected Ernst & Young AB to serve as auditors. Staffan Landén is the Principal auditor. Staffan Landén has worked at the auditing firm since 1987 and has been involved in the audit of Latour's financial statements since 2020. Apart from Latour, he also performs auditing services for the listed company Ambea AB, which is included on the main list. He is also an exchange auditor appointed by Nasdaq. The auditors presented oral and written reports at the Board meetings in December 2023 and March 2024 con-

# Risk management analysis



Latour analyses risk exposure in the company and the investment portfolio every year. The assessment of each business area is based on a number of critical factors shown in the diagram.

cerning auditing and internal control, to the extent that it is relevant to the Group's financial reporting.

#### **GROUP MANAGEMENT**

Latour's industrial operations are grouped into six business areas. The investment portfolio is managed by the parent company, Investment AB Latour, and the wholly-owned subsidiary Latour Förvaltning AB. The wholly-owned subsidiary Latour-Gruppen AB is the parent company for all the business areas that are part of the wholly-owned industrial operations.

The Group management consists of the Group's Chief Executive Officer, Investment Director and Chief Financial Officer. The business area managers lead the operations in their respective business area and are responsible for the performance and management of their business area. The Group's business organisation is built on decentralisation of responsibilities and powers. The business areas are responsible for the respective operation's sustainable, strategic and operational development and for meeting financial and non-financial targets, including return on operating capital, tied-up capital, operating margins, growth and emissions reduction.

Latour's management team is responsible for driving and implementing Latour's strategy. The Company's CEO, together with the CFO, is responsible for ensuring that climate-related risks and opportunities are integrated into the overall risk and strategy identification and management, although each individual business area has its own responsibility as regards assessing where the business has the greatest opportunities and risks related to climate change and further managing these at individual company level. The guidelines and tools that Latour uses for risk assessment are also implemented in the wholly-owned companies to address risks and opportunities in a cohesive way.

## INTERNAL CONTROL

Group-wide internal control guidelines are in place to further

clarify which procedures and processes are expected to be in place in all operations. These guidelines cover five areas: policies and steering documents, risk analysis, risk management, evaluation and reporting, and comply with Nasdaq's Internal Control Guidelines.

Internal control, both for financial reporting and in general, is based on a control environment that includes the organisational structure, decision-making channels, authorisation and responsibilities documented and communicated in steering documents, such as the Group's Code of Conduct, the delegation of duties between the Board and the Chief Executive Officer, and instructions for authorisation, accounting and reporting. The risks identified concerning financial reporting are managed by the Group's control structure.

Steering documents have been distributed to the appropriate staff to support complete and correct financial reporting. Follow-up of efficiency and compliance is conducted through programmed controls and manual procedures. All reporting is done in the Group's common reporting system. The Group management conducts regular reviews of the subsidiaries' performance and growth. The financial review of their operations is an important part of this process. There is also active participation in the Boards of the subsidiaries, at which financial reporting as well as feedback on sustainable development and risk management are reviewed.

The Board of Latour receives monthly financial reports and the Group's financial situation is discussed at every Board meeting.

A review of the Group's internal control of essential processes has been carried out. The majority of the companies have presented a self-assessment concerning the reliability of their procedures. The inadequacies that were noted did not affect the reliability of control over reporting, but necessary measures are being taken. This is followed up throughout the year. The company's internal controls assessment has been reported to the Board of Directors in compliance with



Nasdaq's guidelines and the company's own guidelines for internal control.

The above information concerning internal control has not been reviewed by an auditor.

#### STRUCTURED PROCESS FOR RISK MANAGEMENT

Risk assessments are carried out regularly in Latour's day-today operational activities. Every year, a coherent and structured analysis is performed of the risk exposure in the company and the aggregate investment portfolio. This analysis assesses each business area on the basis of a number of external and internal factors. External factors include business cycles, environmental impact and political decisions. Internal factors are financial risk and risks connected to IT structure and management, as well as customer, competition and supplier trends and developments, the company's position as regards sustainability, and analysis of alternative technologies that may pose a risk in the future. The identification and assessment of climate-related risks is integrated into the overall risk management at Latour. The environmental and climate perspective takes both acute and long-term risks into account, and includes environmental, political, regulatory, technological, market and reputational risks. Further details of the climate-related risks and opportunities identified in the wholly-owned industrial operations are given on page 150.

Each identified risk is handled by the relevant whollyowned company based on guidelines from Latour.

Latour's investment portfolio companies are analysed from financial, industrial and geographic perspectives. The primary supervision of sustainability-related risks and opportunities takes place at the regular Board meetings in which Latour's Board representative is involved. Latour's ambition is to continue to discuss climate-related risks and opportunities related to the financial impact at the listed companies through the work of the Board.

When both of the portfolios have been analysed, a balanced risk assessment is performed for Latour's total portfolio.

An important risk exposure that was identified from an investment portfolio perspective is the fact that many holdings have customers in construction-related sectors. However,

construction-related sectors have multiple dimensions as described in the Directors' Report.

From a financial perspective, another potential risk is the need for new share issues in the larger listed holdings. However, the risk of defensive new share issues or crisis issues is considered low at present. Offensive new share issues for expansion are not considered a risk. They are considered the same as any other investment opportunity.

An account of how Latour manages financial risks is presented in Note 32.

Latour's policy is that it will own high-quality, sustainable companies with long-term, sound profitability, and minimise risks by investing in product development, focusing on quality in internal processes, maintaining cost awareness and ensuring access to competent employees and managers. Latour stipulates high demands in association with acquisitions and only invests in companies that meet Latour's sustainability requirements. Latour's business development team is responsible for ensuring that sustainability is an integral factor in acquisition analyses.

The Board is of the opinion that, from a business perspective, the Group has a well-balanced spread of risk in line with the comprehensive and communicated company policy.

# APPLICATION OF THE SWEDISH CODE OF CORPORATE GOVERNANCE

Latour applies the Swedish Code of Corporate Governance with the following exceptions.

The special auditing function in the form of internal auditing does not exist in the Latour Group. Discussions with the company's external auditors concerning the focus of auditing, together with the controls performed by Group management and existing control functions in the various business areas, are considered to be of an acceptable level.

Gothenburg, 14 March 2024

Board of Directors Investment AB Latour (publ)

# Auditor's opinion on the Corporate Governance Statement

To the Annual General Meeting of shareholders of Investment AB Latour (publ), Corporate identity number 556026-3237

#### **DUTIES AND RESPONSIBILITIES**

A Corporate Governance Statement has been prepared covering pages 135–138 and 140 of the Annual Report. The Board of Directors is responsible for the Corporate Governance Statement and for ensuring that it has been properly prepared in accordance with the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance.

#### **SCOPE AND APPROACH OF THE REVIEW**

We conducted our review in accordance with FAR's recommendation RevR 16 Review of the Corporate Governance Statement Performed by the Auditor. This means that our review of the Corporate Governance Statement has a different approach and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing practices in Sweden. We believe that this review provides sufficient appropriate evidence on which to base our opinion.

#### OPINION

A Corporate Governance Statement has been prepared. Disclosures in accordance with Chapter 6, section 6, paragraph 2, items 2–6 of the Swedish Annual Accounts Act and Chapter 7, section 31, paragraph 2 of the same Act are consistent with the Annual Report and the consolidated financial statements, and are in compliance with the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance.

Gothenburg, 21 March 2024 Ernst & Young AB

Staffan Landén Authorised Public Accountant Principal Auditor

# **Board of Directors**



From the left: Carl Douglas, Eric Douglas, Mariana Burenstam Linder, Anders Böös, Joakim Rosengren, Johan Hjertonsson, Lena Olving and Ulrika Kolsrud.

#### Joakim Rosengren born 1960.

Board member since 2019. Bachelor of Science (Econ.). Board member of Stena Metall AB and Stena Recycling AB. Shares in Latour \*: 34,950 class B (with family and companies)

# Mariana Burenstam Linder born 1957.

Board member since 2011. Bachelor of Science (Econ.). CEO of Proactivemedicine Stockholm AB. Board member of BTS AB. Shares in Latour \*: 91.448 class B

#### Anders Böös born 1964.

Board member since 2005. Economic college graduate. Chairman of the Board of Einride AB, Crafty HoldCo AB and Valamis OY. Board member of Wall to Wall Group AB. Shares in Latour \*: 120,000 class B (through companies)

#### Carl Douglas born 1965.

Board member since 2008.
BA (Bachelor of Arts), D. Litt (h.c.) (Doctor of Letters).
Sole trader. Vice Chairman of ASSA ABLOY AB.
Shares in Latour through related companies\*: 39,870,860 class A and 435,175,600 class B

#### Eric Douglas born 1968.

Board member since 2002.

Studied "Entrepreneurial Economics" for three years at the University of Lund. Sole trader since 1992.

Vice chairman of AB Fagerhult.

Shares in Latour \*: 1,816,000 class B (including related parties) and through related companies: 39,870,860 class A and 435,175,600 class B

#### Johan Hjertonsson born 1968.

Board member since 2019. Bachelor of Science (Econ.).

President and CEO of Investment AB Latour.

Chairman of the Board of Alimak Group, ASSA ABLOY and TOMRA System ASA. Member of the board of Sweco AB.

Shares in Latour  $^*$ : 82,000 class B and 1,440,000 call options that give the right to buy 1,440,000 class B shares.

#### Lena Olving born 1956.

Chairman of the Board of ScandiNova Systems AB and The Royal Swedish Opera AB.

Board member of ASSA ABLDY AB, Vestas A/S, NXP Semiconductors N.V. and Stena

Metall AB. Member of the Royal Swedish Academy of Engineering Sciences.

Shares in Latour\*: 7,040 class B

#### Ulrika Kolsrud born 1970.

Board member since 2021. M.Sc. Engineering. Business Area Manager Health & Medical, Essity. Board member of Essity Hygiene and Health AB. Member of the Royal Swedish Academy of Engineering Sciences. Shares in Latour \*: 4,045 class B

Except for Johan Hjertonsson, everyone is independent from the company and the company management.

Except for Carl Douglas and Eric Douglas, everyone is independent from the company's major shareholders.

\* Ownership at the end of 2023.

# Latour



From the left: Maria Asterholm, Sofia Bornetjärn, Johan Menckel, Johan Hjertonsson, Katarina Rautenberg, Jonas Davidsson, Torbjörn Carlén, Fredrika Ekman, Hedvig Wennerholm, Fredrik Lycke, Ida Saalman, Anders Mörck, Anders Ardstål and Ida Berntsson.

## **CLEAR AND DELEGATED RESPONSIBILITIES**

Latour's corporate culture is characterised by the fact that it is a small, flexible organisation with short decision-making channels. The parent company consists of fifteen employees and the aim is for it to be an attractive place to work that offers stimulating and rewarding duties. The main functions in the parent company are business management, treasury and finance and business development. Group management has the overriding responsibility for management, business development, financial governance, follow-up of results and communication.

## **GOOD RELATIONSHIPS WITH STAKEHOLDERS**

Latour is committed to maintaining good relationships with representatives in the company's network and other stakeholders with long-term, substantial influence on the company.

External stakeholders should feel that the company's communication with the wider community is open and maintains a high standard of quality, and that contact with Latour is easy and straight-forward.

# Group management

#### Johan Hjertonsson born 1968 President and CEO since 2019. Bachelor of Science (Econ.). Shares in Latour: 82,000 class B and 1,440,000 call options class B that give the right to buy 1,440,000

class B shares.

#### Anders Mörck born 1963 CFO since 2008. Bachelor of Science (Econ.). Shares in Latour: 252,000 class B and 69,000 call options class B that give the right to buy 69,000 class B shares.

#### Johan Menckel born 1971 Chief Investment Officer since 2021. M.Sc. Engineering. Shares in Latour: 60,000 call options class B that give the right to buy 60,000 class B shares.

#### Heléne Mellquist born 1964 Chief Operating Officer since January 2024 Bachelor's degree in International Affairs Shares in Latour: None

# Auditors

Ernst & Young AB Staffan Landén born 1963. Authorised public accountant, Principal auditor.

# Sustainability key ratios

# CO<sub>2</sub>e emissions

Presents emissions of greenhouse gases ( $\mathrm{CO_2}\mathrm{e}$ ) for the industrial operations and the parent company.

The goal is, by 2030, to have reduced emissions by 40% in Scopes 1 & 2 and by 20% in Scope 3 (base year 2022).

	Scope 1		Scop	Scope 2 ¹ Total Scope			copes 1+2 1 2		
Tonnes CO <sub>2</sub> e	2023	2022	2023	2022	2023	2022	Change		
Bemsiq	364	344	208	225	572	569	1%		
Caljan	1,715	1,748	224	266	1,939	2,014	-4%		
Hultafors Group	2,283	2,240	1,140	1,166	3,423	3,406	0%		
Latour Industries	2,030	2,257	2,943	3,329	4,973	5,587	-11%		
Nord-Lock Group	716	899	679	705	1,395	1,605	-13%		
Swegon	4,453	4,286	2,260	1,599	6,713	5,885	14%		
Investment AB Latour (Parent company)	14	6	0	0	14	6	130%		
Total	11,575	11,781	7,454	7,291	19,029	19,072	-0%		

<sup>1</sup> Scope 2: Market-based.

<sup>&</sup>lt;sup>2</sup> The figures for 2022 have been adjusted somewhat due to erroneous summaries discovered in some of the smaller business units.

	Scop		
Tonnes CO₂e	2023	2022	Change
Purchased goods and services	431	316	36%
Business travel	96	49	96%
Commuter travel	8	9	-11%
Total	535	374	43%

<sup>&</sup>lt;sup>3</sup> Refers to the Parent company. During 2023, the industrial operations have started gathering Scope 3 data, and this will be presented starting from 2024.

# Scope 3 category 15 investments

Investment AB Latour's indirect emissions from the investment portfolio.

That data relates to 2022 and is based on Latour's share of equity in each holding.

Investment portfolio	Share of equity (%)	Tonnes CO <sub>2</sub> e (Scopes 1+2)
Alimak Group	29.6%	1,389
ASSA ABLOY	9.5%	22,275
CTEK	30.6%	19
Fagerhult	47.8%	6,937
HMS Networks	25.9%	122
Nederman	30.0%	869
Securitas	10.9%	16,746
Sweco	26.9%	3,928
TOMRA	21.1%	6,187
Troax	30.1%	1,133
Total		59,604

# Energy consumption

Presents consumed MWh in relation to sales (SEK m) for the wholly-owned industrial operations. The goal is an annual relative decrease of at least 5%.

MWh / SEK m	2023	2022*	Change
Bemsiq	1.9	2.3	-14%
Caljan	5.7	5.7	0%
Hultafors Group	3.1	3.2	-5%
Latour Industries	4.4	5.2	-15%
Nord-Lock Group	7.1	8.5	-16%
Swegon	5.1	5.8	-12%
Total	4.4	4.9	-10%

<sup>\*</sup> The figures for 2022 have been adjusted somewhat due to erroneous summaries discovered in some of the smaller business units.

# Energy mix

Presents the proportion of renewable energy out of the total electricity consumption for the industrial operations and the parent company. The goal is to achieve 100% renewable energy by 2030 at the latest.

	2023			2022			
Share of renewable energy	Sweden	Abroad	Total	Sweden	Abroad	Total	
Bemsiq	92%	48%	53%	91%	58%	62%	
Caljan	-	66%	66%	=	63%	63%	
Hultafors Group	97%	72%	83%	94%	69%	80%	
Latour Industries	100%	91%	95%	100%	78%	88%	
Nord-Lock Group	98%	55%	85%	100%	42%	85%	
Swegon	98%	51%	74%	99%	52%	76%	
Investment AB Latour (Parent company)	100%	-	100%	100%	-	100%	
Total	98%	64%	80%	98%	61%	79%	

# Environmentally certified facilities

Presents the proportion of ISO 14001 certified production facilities in the industrial operations. Larger facilities are prioritised in the first instance. The goal is to achieve 100% environmentally certified facilities by 2025 at the latest.

Share of ISO 14001 certified facilities	2023	2022
Bemsiq	44%	29%
Caljan	33%	0%
Hultafors Group	79%	80%
Latour Industries	50%	36%
Nord-Lock Group	50%	33%
Swegon	41%	37%
Total	51%	39%

# Science Based Target initiative (SBTi)

Presents which holdings have become affiliated to SBTi and which have also had their climate goals verified. The goal is for all holdings to have become affiliated to SBTi with validated climate goals by 2025 at the latest. Due to its structure with several small business units, Latour Industries is exempted from this target.

	2023			
Wholly-owned companies	Affiliated	Validated goals		
Bemsiq	Yes	No		
Caljan	Yes	No		
Hultafors Group	Yes	No		
Nord-Lock Group	Yes	No		
Swegon	Yes	No		
Total	5/5	0/5		
Investment portfolio				
Alimak Group	No	No		
ASSA ABLOY	Yes	Yes		
CTEK	Yes	Yes		
Fagerhult	Yes	Yes		
HMS Networks	Yes	No		
Nederman	No	No		
Securitas	Yes	Yes		
Sweco	Yes	No		
TOMRA	Yes	No		
Troax	No	No		
Total	7/10	4/10		

# Sustainability key ratios cont.

# Gender ratio

Presents the gender ratios at various levels in the industrial operations and the parent company, as well as in our listed holdings. The goal is to achieve a gender ratio of 40-60% women in all boards of directors by 2030 at the latest, and to achieve a gender ratio of 40-60% women in the industrial operations' and the parent company's management teams and for salary-setting managers by 2040 at the latest.

	Board members		Salary-setting managers				Senior executives					
	202	3	202	22	202	3	202	2	202	3	202	22
Wholly-owned companies	Wom	Men	Wom	Men	Wom	Men	Wom	Men	Wom	Men	Wom	Men
Bemsiq	29%	71%	33%	67%	26%	74%	20%	80%	29%	71%	67%	33%
Caljan	25%	75%	0%	100%	17%	83%	12%	88%	14%	86%	14%	86%
Hultafors Group	20%	80%	20%	80%	37%	63%	34%	66%	0%	100%	0%	100%
Latour Industries*	-	-	-	-	24%	76%	29%	71%	25%	75%	0%	100%
Nord-Lock Group	20%	80%	20%	80%	22%	78%	20%	80%	29%	71%	27%	73%
Swegon	33%	67%	33%	67%	20%	80%	19%	81%	29%	71%	17%	83%
Investment AB Latour (Parent company)	43%	57%	38%	63%	25%	75%	25%	75%	25%	75%	0%	100%
Target achievement	1/6	5	0/0	3	0/7	7	0/7	7	0/7	7	0/3	7

<sup>\*</sup>Latour Industries does not conduct any in-house Board work, and is therefore not included in the target for Board members.

	Board members					
	202	3	202	22		
Investment portfolio	Wom	Men	Wom	Men		
Alimak Group	50%	50%	50%	50%		
ASSA ABLOY	50%	50%	44%	56%		
CTEK	29%	71%	29%	71%		
Fagerhult	50%	50%	50%	50%		
HMS Networks	50%	50%	50%	50%		
Nederman	40%	60%	50%	50%		
Securitas	44%	56%	38%	62%		
Sweco	33%	67%	33%	67%		
TOMRA	40%	60%	40%	60%		
Troax	40%	60%	40%	60%		
Target achievement	8/10 7/10			)		

# Incidents

Presents the number of incidents (near-misses) in the industrial operations as an index per thousand employees. The goal is increased transparency in order to prevent future accidents.

Index per thousand employees	2023	2022
Bemsiq	8	6
Caljan	50	138
Hultafors Group	91	159
Latour Industries	51	54
Nord-Lock Group	110	233
Swegon	240	233
Total	133	158

# Workplace accidents

Presents the number of workplace accidents that lead to at least one day's absence in the industrial operations as an index per thousand employees. The goal is a zero vision.

# ACCIDENTS IN OUR OPERATIONS

Index per thousand employees	2023	2022
Bemsiq	4	4
Caljan	2	25
Hultafors Group	3	5
Latour Industries	15	10
Nord-Lock Group	8	6
Swegon	21	20
Total	13	13

## Taxonomy reporting 2023

The last four environmental goals in the EU Taxonomy were released in 2023, and Latour is reporting eligibility for all six environmental goals. For environmental goals 1 and 2, alignment is also being reported. The economic activities that have been classed as environmentally sustainable according to the Taxonomy are making a significant contribution to the climate change goal, through energy-efficient cooling and ventilation systems, category 3.5 (i), and for smart monitoring, heat metering and sensor equipment, category 3.5 (n, o, q). The technical screening criteria have been reviewed and are deemed to have been met. For category 3.5 (i), energy labels A+ and A according to Eurovent Certita Certification have been used in the assessment, a third party verified certification system within the EU. In addition, DNSH has been carried out in accordance with the guidelines in the Taxonomy Regulation, including through climate risk and vulnerability analyses. Latour meets the criteria for minimum safeguards.

There has been an increase compared with last year within all taxonomy-aligned financial activities. Sales increased to SEK 1,716 m (SEK 1,221 m), OPEX increased to SEK 83 m (SEK 38 m) and CAPEX increased to SEK 8 m (SEK 1 m). The increase is the result of higher general sales, the fact that more alignment analyses have been able to be completed, as well as the result of investments in solar panels, for example.

In 2022, Latour issued two green bonds for a total of SEK 700 m, which have been used for refinancing Swegon's taxonomy-aligned operations in Kvänum. More details about the green bonds can be found in the Annual Report which is available to download from latour.se.

#### **NET SALES**

Net sales comprise total external sales of the wholly-owned industrial operations. See Notes 4–6. Financial activities that are covered by the Taxonomy, but that do not exceed 1 per cent of the reporting unit's sales, are excluded from the reporting. No companies have identified the same activities and the same sales under multiple different appendices, and there is consequently no risk of double accounting having occurred.

#### **OPEX**

Taxonomy-related operating expenses include expenditure related to assets or processes associated with the production of products and services that ultimately generate business turnover. In the calculation of operating expenses in accordance with the Taxonomy, adjustments have been made for indirect, non-financial activities. The assessment of what is deemed to be covered and to be aligned with the Taxonomy follows the same structure as the analysis for sales.

Latour has decided to exclude expenditure that leads to the business becoming low-carbon or to a reduction in CO emissions, so-called stand-alone OPEX, from taxonomy-eligible and/or taxonomy-aligned OPEX where the amount is considered not to be significant.

Latour has decided to exclude expensed investments that relate to future sales that will be subject to taxonomy within five years, as no operations have established specific plans for this purpose, which is required to include the expenditure as taxonomy-eligible and/or taxonomy-aligned.

#### **CAPEX**

Taxonomy-related capital expenses include all types of investments capitalised during the year, except for leases that do not confer the right of ownership. See Notes 20-24.

Latour has set a minimum threshold amount of SEK 0.5 million for investments that lead to the business becoming low-carbon or to a reduction in  ${\rm CO}_2$  emissions, so-called stand alone capex, from taxonomy-eligible and/or aligned CAPEX where amounts below the threshold are considered not to be significant.

Latour has decided to exclude investments that relate to future sales that will be subject to taxonomy within five years, as no operations have established specific plans for this purpose, which is required to include the expenditure as taxonomy-eligible and/or taxonomy-aligned CAPEX.

# Taxonomy reporting cont.

TAXONOMY (TURNOVER)																			
					Criteria	for substa	ntive con	tribution		Criter	ria for Do	No Sign	ificant	Harm (	DNSH)				
Economic activities (1)	Code/codes (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution prevention and control (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution prevention and control (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of turnover aligned with the	Category (enabling activities or) (19)	Category (transition
		SEK m	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	т
A. Activities covered by the Taxonomy																			
A.1. Environmentally sustainable activities																			
(taxonomy-aligned)																			
Manufacture of energy-saving																			
equipment for buildings	CCM 3.5	1,716	7%	Υ	N/EL	N/EL	N/EL	N/EL	N/EL	Υ	Υ	Υ	Υ	Υ	Υ	Υ	5%	E	
Total (A.1)		1,716	7%	7%	-	-	-	-	-	Y	Y	Υ	Y	Y	Υ	Y	5%		
Of which enabling		1,716	7%	7%	-	-	-	-	-	Υ	Υ	Υ	Υ	Υ	Υ	Υ	5%	E	
Of which transition activities		0	0%							-	-	-	-	-	-	-	0%		T
A.2. Activities covered by the Taxonomy but not yet documented as environmentally sustainable																			
Manufacture of low-carbon																			
technology for transport	CCM 3.3	63	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								٠.		
Manufacture of energy-saving																			
equipment for buildings	CCM 3.5	2,878	11%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								16%		
Installation, maintenance and	CCM 7.3	000	10/	EL	N/EL	NI/FI	N/EL	N/FI	N/EL								1%		
repair of energy-efficient equipment Installation, maintenance and repair of instruments and devices for the measure- ment, regulation and control of energy	CUM 7.3	233	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								176		
performance of buildings	CCM 7.5	72	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Repair, renovation and reuse	CE 5.1	154	1%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Sale of spare parts	CE 5.2	20	0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								-		
Total (A.2)		3,420	13%	13%			1%										17%		
Total (A.1+A.2)			20%														23%		
B. Activities that are not covered by the Taxonomy																			
Turnover of activities not covered																			
by the Tayonomy (D)		20 414	0.09/																

## by the Taxonomy (B) 20,414 80% Total (A+B) 25,550 100%

#### Percentage of sales/total sales

	Taxonomy compatibility per target	Targets covered by the Taxonomy
CCM	7%	19%
CCA	0%	0%
WTR	0%	0%
CE	0%	1%
PPC	0%	0%
BIO	0%	0%

TAXONOMY (OPEX)										ı									
					Criteria	for subst	antive cor	ntribution		Criteri	a for Do	No Sign	ificant	Harm (	DNSH)				
Economic activities (1)	Code/codes (2)	Absolute Opex (3)	Percentage of Opex (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution prevention and control (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution prevention and control (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of OPEX aligned with the	Category (enabling activities or) (19)	Category (transition
		SEK m	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Activities covered by the Taxonomy																			
A.1. Environmentally sustainable activities (taxonomy-aligned) Manufacture of energy-saving																			
equipment for buildings	CCM 3.5	83	7%	Υ	N/EL	N/EL	N/EL	N/EL	N/EL	Υ	Υ	Υ	Υ	Υ	Υ	Υ	3%	E	_
Total (A.1)		83	7%	7%	-	-	-	-	-	Υ	Υ	Υ	γ	γ	Υ	γ	3%		
Of which enabling		83	7%	7%	-	-	-	-	-	Υ	Υ	Υ	Υ	Υ	Υ	Υ	3%	Е	
Of which transition activities		0	0%							-	-	-	-	-	-	-	0%		T
A.2. Activities covered by the Taxonomy but not yet documented as environmentally sustainable Manufacture of low-carbon																			
technology for transport	CCM 3.3	2	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Manufacture of energy-saving equipment for buildings	CCM 3.5	166	14%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								12%		
Installation, maintenance and repair of	001170	0	00/	F1	N/EI	NIE	NI/EI	NIE	NI/EI								10/		
energy-efficient equipment  Installation, maintenance and repair of instruments and devices for the measurement,	CCM 7.3	6	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
regulation and control of energy performance of buildings	CCM 7.5	6	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Repair, renovation and reuse	CE 5.1	17	1%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								-		
Sale of spare parts	CE 5.2	2	0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								-		
Total (A.2)		199	17%	15%			2%										14%		
Total (A.1+A.2)		282	24%	22%			2%										18%		
B. Activities that are not covered by the Taxonomy																			
Opex of activities not covered				-															
by the Taxonomy (B)		908	76%																
Total (A+R)		1 190	100%																

#### Proportion of OpEx/total OpEx

1,190 100%

	Taxonomy compatibility per target	Targets covered by the Taxonomy
CCM	7%	22%
CCA	0%	0%
WTR	0%	0%
CE	0%	2%
PPC	0%	0%
BIO	0%	0%

Total (A+B)

# Taxonomy reporting cont.

					Critoria	for substa	intive cont	ribution		Critori	a for Do	No Sian	ifican	Harm	UNCH)				
Economic activities (1)	Code/codes (2)	Absolut Capex (3)	Percentage of Capex (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution prevention and control (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution prevention and control (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of CAPEX aligned with the Taxonomy in 2022 (18)	Category (enabling activities) (19)	Category (transition activities) (20)
		SEK m	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	т
A. Activities covered by the Taxonomy																			
A.1. Environmentally sustainable activities (taxonomy-aligned)																			
Manufacture of energy-saving equipment for buildings	CCM 3.5	8	2%	Υ	N/EL	N/EL	N/EL	N/EL	N/EL	Υ	Υ	Υ	Υ	Υ	Υ	Υ	0%	Е	
Total (A.1)		8	2%	2%			-		-	Υ	γ	Υ	γ	Υ	Υ	Υ	0%		
Of which enabling		8	2%	2%	_	_	_	_	_	Υ	Υ	Υ	Υ	Υ	Υ	Υ	0%	E	ш
Of which transition activities		0	0%							-	-	-	-	-	-	-	0%		T
A.2. Activities covered by the Taxonomy but not yet documented as environmentally sustainable Manufacture of low-carbon technology											_	_		_	_			_	_
for transport Manufacture of energy-saving	CCM 3.3	1	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
equipment for buildings	CCM 3.5	52	14%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								11%		
Production of electricity from solar PV	CCM 4.1	3	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3%		
Production of electricity from geothermal energy	CCM 4.6	1	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Installation, maintenance and repair of energy-efficient equipment	CCM 7.3	-	-	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of instruments and devices for the measurement, regulation and control of energy performance of	001175	0	OW	FI	N/FI	N/FI	N/FI	N/FI	NI/EI								00/		
buildings  Danair renovation and reuse	CCM 7.5 CE 5.1	0	0% 1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Repair, renovation and reuse Sale of spare parts	CE 5.1	3	0%	N/EL N/EL	N/EL	N/EL N/EL	EL EL	N/EL N/EL	N/EL N/EL								<u> </u>		
Total (A.2)	UL J.Z	60	16%	15%	IV/LL	IV/LL	1%	IV/LL	TW/ LL								13%		
Total (A.1+A.2)		68	18%	17%			1%										14%		

#### Percentage of CapEx/total CapEx

311 82%

379 100%

	•	
	Taxonomy compatibility per target	Targets covered by the Taxonomy
CCM	2%	17%
CCA	0%	0%
WTR	0%	0%
CE	0%	1%
PPC	0%	0%
BIO	0%	0%

by the Taxonomy (B)

Total (A+B)

#### NUCLEAR ENERGY AND FOSSIL GAS-RELATED OPERATIONS

Row	Nuclear energy-related operations	Yes/No
1.	The Company conducts, finances or is exposed to the research, development, demonstration and expansion of innovative electricity production plants that produce energy from nuclear energy processes with minimal waste from the fuel cycle.	No
2.	The Company conducts, finances or is exposed to the establishment and safe operation of new nuclear facilities for the production of electricity or process heat, including for district heating or industrial processes, such as hydrogen production, as well as for safety upgrades of these, using the best available technology.	No
3.	The Company conducts, finances or is exposed to the safe operation of existing nuclear facilities that are producing electricity or process heat, including for district heating or industrial processes, such as hydrogen production from nuclear energy, as well as safety upgrades of these.	No
Row	Fossil gas-related operations	
4.	The Company conducts, finances or is exposed to the establishment or operation of electricity production plants that produce electricity using gaseous fossil fuels.	No
5.	The Company conducts, finances or is exposed to the establishment, renovation and operation of plants for the combined production of heating/cooling and electricity using gaseous fossil fuels.	No
6.	The Company conducts, finances or is exposed to the establishment, renovation and operation of heating production plants that produce heating/cooling using gaseous fossil fuels.	No

### **TCFD**

Management of risks and identification of opportunities in connection with climate change are increasingly key components of corporate governance, risk assessment and strategic management and planning activities. Latour commenced its work on the recommendations from Task Force on Climaterelated Financial Disclosures (TCFD) during 2021, and this work has continued during the subsequent years.

Risk assessments, including sustainability-related risks and opportunities, are carried out on a regular basis. A comprehensive risk assessment is carried out annually in the whollyowned industrial operations. All the wholly-owned companies have assessed their climate-related risks and opportunities

and their overall financial impact. The significant ones were included in the companies' annual risk review in June 2023. The table below provides a summary of the Group's identified climate-related risks and opportunities. Sustainability-related risks and opportunities in the listed holdings are assessed, monitored and addressed primarily at the board meetings in which Latour participates.

In the analyses that are being carried out in connection with Latour's preparations ahead of the introduction of the CSRD, the insights regarding climate-related risks and opportunities are being further extended.

#### CLIMATE-RELATED RISKS AND OPPORTUNITIES

### RISKS Latour's climate-related

financial risks exist in the holdings

#### Physical risks

- Risks in the supply chain
- Risks in own production

#### Transition risks

- Political and regulatory risks
- Investments green transition
- Market

#### OPPORTUNITIES

Latour's opportunities are mainly within governance, and investment in and promotion of the transition

- An entrepreneurial culture that promotes transition
- A strong network
- Investment aid
- An active owner
- An overall sustainability strategy that is driving change
- Investment strategy with the focus on sustainability

#### TCFD INDEX

The following index shows where Latour provides information about climate-related risks and opportunities according to the recommendations in the TCFD framework.

MANAGEMENT	PAGE	RISK MANAGEMENT	PAGE
a) The Board's monitoring of climate-related risks and opportunities	8, 150, 135-138	a) Processes for identifying and assessing climate-related risks	150, 135-138
b) The role of the management in assessing and managing		b) Processes for managing climate-related risks	135-138
climate-related risks and opportunities	8, 150, 135-138	c) Integrating the above processes into the organisation's overall risk	
		management	150, 135-138
STRATEGY	PAGE	INDICATORS AND OBJECTIVES	PAGE
a) Identified climate-related risks and opportunities	150, 135-138	a) Indicators for evaluating climate-related risks and opportunities	28, 35, 142-144
b) The impact of risks and opportunities on operations, strategy and		b) Scope 1, 2 and 3 emissions according to the Greenhouse Gas Pro-	
financial planning	150, 135-138	tocol and related risks	35,142
c) The resilience of the strategy with regard to various climate-re-		c) Targets for management and performance in relation to climate-re-	
lated scenarios	150	lated risks and opportunities	35. 142-144

# Information by quarter

SEK m	Full year	Q4	2023 Q3	Q2	Q1	Full year	04	2022 03	<b>Q2</b>	Q1
	,					,				
INCOME STATEMENT Net sales	25,550	6,463	6,109	6,605	6,372	22,611	6,402	5,629	5,561	5,019
Cost of goods sold	-15,597	-3,963	-3,710	-4,045	-3,878	-14,137	-4,021	-3,573	-3,439	-3,104
Gross profit	9,953	2,500	2,399	2,560	2,494	8,474	2,381	2,056	2,122	1,915
uross pront	0,000	2,000	2,000	2,000	2,707	7,41,0	2,001	2,000	2,122	1,010
Operating costs etc.	-6,354	-1,642	-1,595	-1,583	-1,534	-5,228	-1,386	-1,292	-1,320	-1,230
Operating profit	3,599	858	804	977	960	3,246	995	764	802	685
, 3,										
Total equity investment	3,474	936	32	1,148	1,358	1,521	747	8	204	562
Profit before financial items	7,073	1,794	836	2,125	2,318	4,767	1,742	772	1,006	1,247
Net financial items	-428	-225	-120	11	-94	66	-179	92	136	17
Profit after financial items	6,645	1,569	716	2,136	2,224	4,833	1,563	864	1,142	1,264
Taxes	-744	-159	-160	-234	-191	-665	-148	-182	-202	-133
Profit for the period	5,901	1,410	556	1,902	2,033	4,168	1,415	682	940	1,131
KEN DATIOO										
KEY RATIOS	0.00	2.20	0.07	0.07	0.10	0.51	0.01	1.00	1.47	177
Earnings per share, SEK Cash flow for the period	9.22 557	2.20 568	0.87 153	2.97 54	3.18 -218	6.51 51	2.21 195	1.06 360	1.47 154	1.77 -658
Adjusted equity ratio %	83	83	79	81	-216 80	80	80	80	82	-006
Adjusted equity  Adjusted equity	90,480	90,480	76,127	88,216	85,841	75,522	75,522	69,206	75,323	89,576
Net asset value	126,675	126,675	110,061	123,527	119,185	101,707	101,707	94,396	101,150	119,142
Net asset value per share	120,073	120,073	172	193	186	159	159	148	158	186
Listed price	263	263	193	214	211	197	197	186	202	301
Eloted price	200	200	100	217	211	107	107	100	202	001
NET SALES										
Bemsig	1,583	346	380	425	447	1,334	349	326	338	321
Caljan	1,980	467	457	595	461	2,140	562	669	556	352
Hultafors Group	6,962	1,835	1,631	1,688	1,808	6,649	1,876	1,563	1,614	1,596
Latour Industries	4,336	1,163	1,044	1,113	1,016	3,820	1,089	933	977	821
Nord-Lock Group	1,875	470	458	470	477	1,660	413	425	416	406
Swegon	8,828	2,185	2,142	2,319	2,165	7,015	2,117	1,714	1,661	1,524
	25,550	6,463	6,109	6,605	6,374	22,611	6,402	5,629	5,561	5,019
Other companies and items	-	-	-	-	-2	0	0	0	0	0
	25,550	6,463	6,109	6,605	6,372	22,611	6,402	5,629	5,561	5,019
OPERATING PROFIT										
Bemsiq	366	55	94	101	118	304	64	82	77	81
Caljan	336	75	60	129	72	452	105	156	143	48
Hultafors Group	1,126	307	266	258	296	977	316	176	236	250
Latour Industries	380	95	105	107	73	290	71	82	90	47
Nord-Lock Group	472	98	127	117	129	393	74	104	112	103
Swegon	1,127	226	290	308	301	778	299	184	154	140
Onia llana franca and Januarhana of husinessa	3,807	856	942	1,020	989	3,194	929	784	812	669
Gain/loss from sale/purchase of businesses	-112 -102	30 -32	-118 -20	-9 -32	-15 -18	110 -75	76 -23	-6 -18	11 -21	29
Other companies and items	3,593	854	804	979	956	3,229	982	760	802	-14 684
	3,333	034	004	3/3	330	3,223	302	700	002	004
OPERATING MARGIN (%)										
Bemsiq	23.1	15.8	24.8	23.7	26.4	22.8	18.5	25.1	22.8	25.1
Caljan	17.0	16.1	13.1	21.6	15.7	21.1	18.6	23.3	25.7	13.7
Hultafors Group	16.2	16.7	16.3	15.3	16.3	14.7	16.8	11.2	14.6	15.6
Latour Industries	8.8	8.1	10.0	9.6	7.2	7.6	6.5	8.8	9.2	5.7
Nord-Lock Group	25.2	20.9	27.8	25.0	27.0	23.7	17.9	24.6	26.8	25.3
Swegon	12.8	10.3	13.5	13.3	13.9	11.1	14.1	10.7	9.3	9.2
	14.9	13.2	15.4	15.4	15.5	14.1	14.5	13.9	14.6	13.3

## Ten-year overview

SEK m	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
PARENT COMPANY										
Dividends paid	2,6211)	2,366	2,110	1,918	799	1,598	1,437	1,277	1,077	957
Adjusted equity ratio <sup>2)</sup> (%)	56	57	57	66	57	76	100	100	99	95
THE GROUP 8)										
Dividends received	1,441	1,345	1,042	927	1,148	1,037	862	737	671	606
Return on equity (%)	15	12	14	19	22	11	14	21	28	15
Return on total capital (%)	12	9	11	15	17	9	13	17	22	13
Adjusted equity ratio <sup>2)</sup> (%)	83	80	88	86	85	86	88	91	89	85
Adjusted equity 2)	90,480	75,522	108,004	77,245	71,398	52,395	51,758	47,208	43,161	33,015
Net debt/equity ratio <sup>2)</sup> (%)	13	17	9	7	11	9	8	3	5	11
Net asset value <sup>2)</sup>	126,675	101,707	137,845	98,024	86,974	63,980	60,521	55,500	50,572	39,859
DATA PER SHARE 8)										
Profit after tax 3)	9.22	6.51	6.85	8.32	8.33	3.66	4.37	5.75	6.45	2.94
Listed price 31 December	263	197	369	200	153	112	101	86	78	51
Net asset value per share 4)	198	159	216	153	136	100	95	87	79	63
Listed price as a percentage of net asset value 4) (%)	133	124	171	131	113	112	106	98	98	81
Basic earnings per share	9.22	6.51	6.85	8.32	8.33	3.66	4.37	5.75	6.45	2.94
Diluted earnings per share	9.19	6.49	6.82	8.29	8.31	3.64	4.36	5.73	6.43	2.93
Management cost as a percentage of the	0.00	0.09	0.06	0.06	0.06	0.07	0.00	0.06	0.07	0.08
market value of total assets (%)	0.09 7.4	2.5	2.8	3.6	2.8	1.7	0.09 1.5	1.3	0.07 1.2	0.08
Operating cash flow per average number of shares Equity <sup>5)</sup>	7.4 64	2.5 59	2.8 50	3.b 46	2.8 41	34	32	30	1.2 25	0.8 21
Dividends paid	4.10 <sup>6)</sup>	3.70	3.30	3.00	1.25	2.5	2.25	2	1.69	1.5
Direct return (%)	1.67)	1.9	0.9	1.5	0.8	2.3	2.23	2.3	2.2	2.9
P/E ratio	29	30	54	24	18	31	23	15	12	17
172 10110	20	00	04	24	10	JI	20	10	12	17
Total outstanding shares (000)	639,288	639,325	639,323	639,380	639,283	639,117	638,848	638,544	638,232	637,972
Average number of shares outstanding	639,336	639,351	639,409	639,339	639,214	638,005	638,720	638,416	638,124	637,780
Average number of fully diluted shares outstanding	641,679	641,578	641,454	641,434	641,358	641,230	640,983	640,792	640,716	640,484
Repurchase of own shares (000)	552	515	517	461	558	723	992	1,292	1,612	1,868
Average number of repurchased shares	504	489	431	501	626	835	1,142	1,452	1,716	2,060

Proposed dividend calculated on the number of shares outstanding at 12 February 2024.
 Including fair value gain in associates.
 Calculated on the average number of shares outstanding.
 Calculated on the average of the multiple span applied since 2006.

 $<sup>^{\</sup>rm 5)}$  Calculated on the number of shares outstanding at the balance sheet date.

<sup>&</sup>lt;sup>6)</sup> Proposed dividend.

<sup>7</sup> Calculated on the proposed dividend.
8 Comparative prior-year figures restated to take account of the 4:1 share split in June 2017.

### Shareholder information

#### **ANNUAL GENERAL MEETING**

The Annual General Meeting will be held on Wednesday 14 May 2024.

#### **DIVIDENDS**

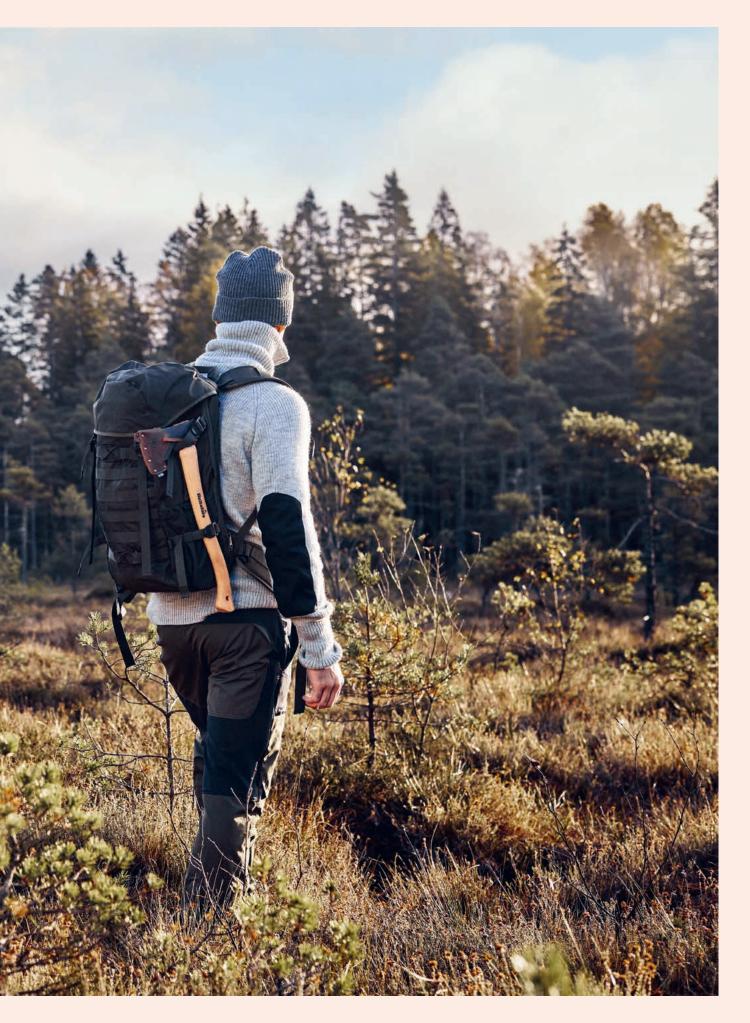
The Board of Directors recommends that the Annual General Meeting of shareholders approves a dividend payment of SEK 4.10 per share, and that Thursday 16 May 2024 be set as the record date. Subject to shareholders approving this recommendation at the Annual General Meeting, the dividend is expected to be issued on Tuesday 21 May 2024 by Euroclear Sweden AB to shareholders on the share register on the record date.

#### **INFORMATION DATES**

26 April 2024Interim report, Q114 May 2024Annual General Meeting20 August 2024Interim report, Q26 November 2024Interim report, Q311 February 2025Year-end report for 2024March 2025Annual Report 2024

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