

**LIFCO**

A SAFE HAVEN FOR YOUR BUSINESS

# CORPORATE GOVERNANCE REPORT

Lifco is a Swedish public company that was listed on Nasdaq Stockholm on 21 November 2014. Lifco acquires and develops market-leading, sustainable niche businesses with the potential to deliver sustainable earnings growth and robust cash flows. The Group is guided by a clear philosophy based on long-term growth, profitability and sustainability as well as a strongly decentralised organisation. Lifco comprises 211 operating companies in 30 countries. One of the company's greatest competitive advantages is that it is able to offer secure ownership for small and medium-sized businesses.

Lifco's corporate governance is designed to ensure a continued strong performance for the company and to ensure that the Group fulfils its obligations to its shareholders, customers, employees, suppliers, creditors and society. Lifco's corporate governance and all internal regulations are aimed at furthering the Group's commercial objectives, strategies and sustainability. The Group's risks have been thoroughly analysed and risk management is integrated into the work of the Board as well as the Group's operating activities. The clear connection between corporate governance and the Group's commercial goals ensures fast and flexible decision-making, which is often a crucial success factor. Lifco's organisation is structured to be able to respond rapidly to changes in the market. A strongly decentralised organisation and high degree of autonomy in the subsidiaries enable fast operational decision-making. General decisions on acquisitions, sales, strategies and focus areas are made by Lifco's Board of Directors and Group management.

## EXTERNAL AND INTERNAL REGULATIONS

Corporate governance at Lifco is based on Swedish laws, primarily the Swedish Companies Act, as well as the company's Articles of Association, Nasdaq Stockholm's rules for issuers, and other rules and recommendations issued by relevant organisations. Since its listing on Nasdaq Stockholm, Lifco has applied the Swedish Corporate Governance Code ("the Code"). The Code is based on the principle of 'comply or explain'. This means that companies which apply the Code can deviate from individual rules but are required to explain the reasons for each such deviation.

Lifco deviates from the Code in one respect, which is that the Chairman of the Board is also Chairman of the Nomination Committee. This deviation is explained below under "The Nomination Committee".

Internal regulations which affect Lifco's corporate governance include the Articles of Association, the rules of procedure for the Board of Directors, the terms of reference for the CEO, the Group's Code of Conduct and other policies.

Read more:

About the Code: [www.bolagsstyrning.se](http://www.bolagsstyrning.se)  
Lifco's Code of Conduct, Articles of Association and policies in the area of sustainability: [lifco.se](http://lifco.se)

## SHAREHOLDERS

At 31 December 2022, Lifco had 21,518 shareholders, according to Modular Finance. At 31 December 2022, Lifco's share capital consisted of 454,216,300 shares, comprising 30,379,850

Class A shares with ten votes each and 423,836,450 Class B shares with one vote each. At the end of 2022, Lifco had a stock market capitalisation of SEK 79.1 billion. The company's largest shareholder is Carl Bennet AB, which holds 68.9 per cent of the total number of votes in the company. Further information on Lifco's shareholder structure, share performance, etc. is provided on pages 72–73.

## 2022 ANNUAL GENERAL MEETING

Lifco's Annual General Meeting in Stockholm on 29 April 2022 was attended by 678 shareholders representing 81.8 per cent of the number of shares and 88.6 per cent of the total number of votes. Under the temporary law on exemptions to facilitate the holding of general meetings of businesses and associations, the shareholders had also been offered the opportunity to exercise their right to vote by post. The Chairman of the Board, Chairman of the Audit Committee, CEO, CFO and the company's auditors attended the AGM.

At the AGM, the Directors Carl Bennet, Ulrika Dellby, Dan Frohm, Erik Gabrielson, Ulf Grunander, Annika Espander, Johan Stern, Caroline af Ugglas, Axel Wachtmeister and Per Waldemarson were re-elected to the Board. Carl Bennet was re-elected Chairman of the Board. It was noted that the employee organisations had appointed Tobias Nordin and Peter Wiberg as members of the Board with Anders Lindström and Anders Lorentzson as deputies.

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

Main resolutions of the AGM: • Adoption of the presented Parent Company and consolidated income statements and balance sheets. • Approval of the Board's proposed dividend of SEK 1.50 per share. • The members of the Board and the Chief Executive Officer were released from liability in respect of the 2021 financial year. • It was resolved that fees in a total amount of SEK 6,760,000 be paid to the Directors, and that fees for committee work be paid in the amount of SEK 268,000 to the Chairman of the Audit Committee and SEK 134,000 to each of the other committee members. The Chairman of the Remuneration Committee will receive SEK 144,000 and each of the other members SEK 89,000. More detailed information can be found below in the section Directors' fees and in Note 10. • The audit firm PricewaterhouseCoopers AB was re-appointed as the company's auditors. • The AGM resolved to approve the Nomination Committee's proposed principles of appointment and terms of reference for the Nomination Committee. • Approval of the Board of Directors' remuneration report. • Approval of the Board of Directors' proposed guidelines for remuneration of senior executives.

## 2023 ANNUAL GENERAL MEETING

The 2023 Annual General Meeting will be held on Friday 28 April, at 11:00 a.m. at Bonnierhuset, Torsgatan 21, Stockholm. More information about registration, etc. will be provided in the notice.

## THE SHAREHOLDERS' MEETING

The shareholders' meeting is the company's highest decision-making body. At a shareholders' meeting the shareholders exercise their voting rights in accordance with Swedish corporate law and Lifco's Articles of Association. The shareholders' meeting elects the company's Board of Directors and auditor. Other duties of the shareholders' meeting are to adopt income statements and balance sheets, decide on the appropriation of the company's profit or loss and on release from liability for the members of the Board and CEO. The shareholders' meeting also adopts resolutions on Directors' fees, auditor's fees and guidelines for remuneration of senior executives.

The Annual General Meeting must be held within six months of the end of the financial year. In addition to the Annual General Meeting, extraordinary general meetings may be convened. Under Lifco's Articles of Association, notice of a shareholders' meeting is given by advertisement in Post och Inrikes Tidningar and through publication of the notice on the company's website. The fact that notice has been given shall be announced in Dagens Industri. Shareholders' meetings can be held either in Enköping or Stockholm.

## THE NOMINATION COMMITTEE

The duty of the Nomination Committee is to submit, prior to the Annual General Meeting, proposals concerning the election of a chairman for the AGM, the election of the Chairman of the Board and of other members of the Board of Directors, the election of auditors, and Directors' and auditors' fees.

The composition of the Nomination Committee prior to the 2023 Annual General Meeting was published in the interim report for the third quarter and on the company's website on 21 October 2022. The Nomination Committee for the 2023 Annual General Meeting consists of representatives of the registered shareholders holding the largest number of votes. The Chairman of the Board, Carl Bennet, was appointed Chairman of the Nomination Committee prior to the 2023 Annual General Meeting, which is a deviation from the rules of the Code. The reason for the deviation is that it seems natural that a representative of the largest shareholder in terms of votes should chair the Nomination Committee, as this shareholder also has a decisive influence on the composition of the Nomination Committee through its voting majority at shareholders' meetings.

Prior to the 2023 AGM, the Nomination Committee consists of the following representatives:

- Carl Bennet, Carl Bennet AB
- Jannis Kitsakis, AP4
- Frank Larsson, SHB Fonder & Liv
- Javiera Ragnartz, SEB Fonder & Liv
- Jörgen Wärmlöv, Spiltan Fonder

All shareholders have had an opportunity to submit nominations to the Nomination Committee. No remuneration is paid to the members of the Nomination Committee and the members

have determined that there are no conflicts of interest affecting their duties. The Nomination Committee held two minuted meetings prior to the 2023 Annual General Meeting. In addition, the members of the Nomination Committee have had ongoing contact and engaged in further dialogue by telephone in between meetings. The Nomination Committee has addressed all matters that it is required to address under the Code. Furthermore, to ensure that the company is able to fulfil its information disclosure obligations to the shareholders, the Nomination Committee has informed the company of how it has conducted its work and of the proposals that the committee has decided to submit.

As a basis for its work, the Nomination Committee has studied the financial statements for Lifco's operations in 2022. The committee has also studied the nomination proposals received and the evaluation of the Board and its work that has been carried out. The evaluation is done through a web-based self-evaluation and the full results have been presented both to the Nomination Committee and the Board. The results of the evaluation showed that the Directors represent a broad range of expertise and extensive industry and financial knowledge as well as knowledge about international conditions and markets. The evaluation also showed that attendance at Board meetings had been high and that all Directors had displayed a high degree of commitment. Further information on the work of the Nomination Committee is presented in the Nomination Committee's report for the 2023 Annual General Meeting.

In preparing its proposal to the Board, the Nomination Committee applies Rule 4.1, diversity policy, of the Code. The aim of the policy is that the Board of Directors should have a composition that is appropriate in view of the company's operations, development stage and other circumstances as well as diverse and broad with regard to the Directors' expertise, experience and background, and that an equal gender distribution should be strived for. The Nomination Committee's proposals for election of Directors, remuneration of the Board and election of auditors, and other relevant proposals will be submitted in conjunction with the notice of the 2023 Annual General Meeting.

The 2022 AGM resolved to appoint Directors in accordance with the Nomination Committee's proposal, which meant that ten Directors were elected, including three women and seven men, representing 30 and 70 per cent of the Directors, respectively.

## THE BOARD OF DIRECTORS

The Board of Directors is the company's second highest decision-making body after the shareholders' meeting and its highest executive body. The Board of Directors is responsible for the company's organisation and the management of its affairs. The Board is also tasked with ensuring that the organisation of the company's accounting and management of funds incorporates satisfactory control activities.

Lifco's Articles of Association state that the Board of Directors shall consist of at least three and not more than ten Directors. The members of the Board are elected annually at the Annual General Meeting for the period until the end of the next AGM. The AGM also appoints the Chairman of the Board. The Chairman's role is to lead the work of the Board and ensure that the Board's activities are well organised and conducted efficiently.

The Articles of Association do not contain provisions regarding the dismissal of Directors or amendments to the Articles of Association.

The Board of Directors operates in accordance with written rules of procedure which are reviewed and adopted annually at the statutory Board meeting. The rules of procedure regulate Board practices, functions and the division of responsibilities between the Board and CEO. Under the rules of procedure, the Board is required to review its own procedures each year. In connection with the statutory Board meeting, the Board also adopts instructions for the company's financial reporting.

The Board convenes in accordance with a schedule that is defined annually. In addition to such Board meetings, further meetings may be convened to address issues which cannot be deferred to a regular meeting. In addition to the Board meetings, the Chairman of the Board and CEO engage in ongoing dialogue concerning the management of the company. In 2022, the auditor participated in one meeting without the presence of representatives of the company.

The Board of Directors constituted itself on 29 April 2022. In 2022, 13 Board meetings were held with an average attendance of the Directors of 98 per cent. With the exception of the CEO, no member of Lifco's Board of Directors has an operational role in the company. A more detailed presentation of the Board and CEO is provided on pages 82–85.

Independence: Lifco meets the requirements of the Code in respect of the independence of Directors. The company is of the view that Per Waldemarson, in his capacity as CEO, was not to be considered independent of the company and management, and that Carl Bennet, Dan Frohm, Erik Gabrielson and Johan Stern, as representatives and Directors of Lifco's main shareholder, Carl Bennet AB, are not to be considered independent of major shareholders. The Director Erik Gabrielson is a partner of Advokatfirman Vinge, a law firm which provides legal services to Lifco AB and Carl Bennet AB. However, the Nomination Committee has made the overall assessment that Erik Gabrielson is nonetheless to be regarded as independent of the company and of management. The other Directors – Ulrika Dellby, Annika Espander, Ulf Grunander, Caroline af Ugglas and Axel Wachtmeister – are considered to be independent of the company, management and major shareholders.

Therése Hoffman, CFO, has acted as secretary at the meetings of the Board. At its regular meetings the Board addresses those standing agenda items which are specified in the rules of procedure for the Board, such as the business situation, financial planning, and preparation of the annual accounts and interim reports. The Board has also addressed general issues concerning the effects of the war in Ukraine, the coronavirus pandemic, economic conditions and related cost issues, acquisitions and other investments, long-term strategies including sustainability management, financial matters, and structural and organisational matters.

As part of the effort to improve the efficiency of and deepen the work of the Board on certain matters, two committees have been established: the Audit Committee and Remuneration Committee. The committees were appointed at the statutory meeting of the Board. The delegation of responsibilities and decision-making power to these committees is described in the rules of procedure for the Board. Matters addressed and resolutions adopted at meetings of the committees are minuted and a report is submitted at a subsequent meeting of the Board.

The Chairman ensures that an annual evaluation is made of the work of the Board of Directors and Chief Executive Officer, and that the Nomination Committee is given an opportunity to study the results of the evaluation. The evaluation was conducted through an online questionnaire given to the members of the Board. The Chairman of

the Board has presented the results to the Board of Directors and Nomination Committee.

## THE AUDIT COMMITTEE

The Audit Committee is appointed annually by the Board of Directors. The Audit Committee shall, without prejudice to other responsibilities and duties of the Board, monitor the company's financial reporting, monitor the effectiveness of Lifco's internal control, internal reviews and risk management, keep itself informed on the audit of the annual accounts and consolidated financial statements, assess and monitor the impartiality and independence of the auditor, paying particular attention to whether the auditor provides other services than auditing to the company. The Committee is also tasked with evaluating the audit work and submitting this information to the Nomination Committee, and assisting the Nomination Committee in producing proposals for auditors and the fees to be paid for auditing services.

After the 2022 AGM, the Audit Committee had the following composition: Ulf Grunander, chairman, Ulrika Dellby, member, Dan Frohm, member, and Caroline af Ugglas, member. In 2022, the committee held four minuted meetings and had informal contacts in between meetings, as required. All members attended all meetings of the committee during the year. The company's auditor participated at all meetings of the Audit Committee. The committee discussed and determined the extent of the audit together with the auditor.

## THE REMUNERATION COMMITTEE

The Remuneration Committee is appointed annually by the Board of Directors. The Remuneration Committee is tasked with preparing proposals for remuneration principles and for remuneration and other terms of employment for the CEO and senior executives. The Remuneration Committee has not used payroll consultants or engaged other external assistance. After the 2022 AGM, the Remuneration Committee had the following composition: Carl Bennet, chairman, Erik Gabrielson, member, Annika Espander, member, Johan Stern, member, and Axel Wachtmeister, member. In 2022, the committee held two minuted meetings and had informal contacts in between meetings, as required. All members attended all meetings of the committee during the year.

## PRESIDENT AND CEO

The Chief Executive Officer reports to the Board of Directors and is responsible for the day-to-day administration and operational management of Lifco. The division of responsibilities between the Board of Directors and CEO is set out in the rules of procedure for the Board and the terms of reference for the CEO. The CEO is also responsible for drafting reports and compiling information from management in preparation for Board meetings and for presenting the material at the meetings.

Under the instructions for financial reporting, the CEO is responsible for financial reporting in the company and is required to ensure that the Board receives sufficient information to enable it continuously to evaluate the company's financial position.

The CEO is required to keep the Board continuously informed about the development of the company's operations, its sales performance, earnings and financial situation, its liquidity and credit situation, significant business events, sustainability management and any other event, circumstance or relationship that may be of material importance to the company's shareholders.

## FINANCIAL REPORTING

The Board of Directors monitors the quality of financial reporting by issuing instructions to the CEO and Audit Committee and by defining requirements for the content of the reports on financial conditions that are submitted to the Board on an ongoing basis through an instruction on financial reporting. The Board studies and ensures that financial reports such as year-end reports and annual reports are produced, and has delegated to management responsibility for ensuring that press releases with financial content and presentation material in connection with meetings with the media, shareholders and financial institutions are produced.

## EXTERNAL AUDITORS

The auditor-in-charge at PricewaterhouseCoopers AB is the Authorised Public Accountant Cecilia Andrén Dorselius, with the Authorised Public Accountant Vicky Johansson as co-auditor. Neither Cecilia Andrén Dorselius nor Vicky Johansson holds shares in the company. When PricewaterhouseCoopers is engaged to provide other services than auditing this is done in accordance with the rules adopted by the Audit Committee concerning approval of the nature and scope of the services and payment for these. Lifco does not consider that the performance of these services has jeopardised PricewaterhouseCoopers' independence.

All fees paid to the auditors over the past two years are presented in Note 8. Lifco's auditor participated at all meetings of the Audit Committee in 2022 and at one Board meeting. In connection with the Board meeting, the auditor held a meeting with the Board of Directors at which no representatives of the company participated.

Under the Articles of Association, Lifco is required to have one or two auditors with up to two deputies. The appointed auditor must be an Authorised Public Accountant or registered audit firm.

## OPERATING ACTIVITIES

The CEO and other members of Group management hold ongoing meetings to review monthly results, update forecasts and plans, and discuss strategic matters. Lifco's Group management team consists of three individuals, who are presented on page 86. In addition to operational matters concerning each business area, Group management addresses matters of concern to the Group as a whole. Group management consists of the Chief Executive Officer, Chief Financial Officer and Head of Business Area Systems Solutions.

The Board is responsible for ensuring that an effective system for internal control and risk management is in place. Responsibility for establishing a good framework for working on these matters has been delegated to the CEO. Group management and managers at different levels of the company have this responsibility in their respective areas. Authority and responsibilities are defined in policies, guidelines and descriptions of responsibilities.

## DIRECTORS' FEES

The 2022 AGM approved the payment of Directors' fees in a total amount of SEK 6,760,000, of which SEK 1,352,000 was payable to the Chairman of the Board and SEK 676,000 to each of the Non-Executive Directors. The AGM also approved the payment of remuneration for work on the Audit Committee in the amount of SEK 268,000 to the Chairman and SEK 134,000 to each of the other members, and the payment of remuneration for work on the Remuneration Committee in the amount of SEK 144,000 to the Chairman and SEK 89,000 to each of the other members.

## SYNTHETIC OPTIONS

On 31 May 2021, Lifco was informed by the company's main owner, Carl Bennet AB, that Directors and senior executives of Lifco had acquired synthetic call options on shares in Lifco issued by Carl Bennet AB.

Carl Bennet AB made an offer to all AGM-appointed Directors, with the exception of Carl Bennet, and all senior executives in Lifco, a total of 21 individuals, to acquire synthetic call options on shares in Lifco issued by Carl Bennet AB. A total of 415,201 options were acquired at a price equal to the options' market value on the transaction date, based on an external valuation statement. The total market value of the options on the transaction date was estimated at SEK 9.5 million.

The synthetic call options refer to Lifco's series Class B shares and have a term of four years. The options can be exercised during the period 1 March 2025 to 31 May 2025. The exercise price is SEK 223.71 per option, which is equal to 122 per cent of the volume-weighted average price paid for Lifco's Class B shares on Nasdaq Stockholm on each trading day during the period 24–28 May 2021. Upon exercise of the option, the holder receives a cash payment from the option issuer equal to the market price of the shares at the time of exercise less the exercise price. The terms of the options contain a cap which limits the payout for each option to SEK 326.40. The options are not subject to any transfer restrictions.

## SHARE/SHARE PRICE-BASED INCENTIVE SCHEMES

There are no outstanding share- or share price-based incentive schemes for the members of the Board of Directors, the CEO or other senior executives.

## REMUNERATION OF SENIOR EXECUTIVES

The 2022 AGM adopted the below guidelines for remuneration of senior executives. Of the votes cast, 96.39 per cent approved the proposal and 0.12 per cent abstained from voting. The guidelines essentially match the principles applied to date.

### 1. SCOPE OF THE GUIDELINES

These guidelines pertain to remuneration and other terms and conditions of employment for the persons who during the time the guidelines apply are members of Lifco AB's Group management, referred to jointly below as "senior executives". The guidelines are to be applied to remuneration that is agreed, and changes made to already agreed remuneration, after the time that the guidelines have been adopted by the 2022 AGM. The guidelines do not encompass remuneration resolved by the shareholders' meeting.

Concerning terms of employment subject to regulations other than those applying in Sweden, appropriate adjustments may be made to comply with such mandatory regulations or established local practices, whereby the overall objectives of these guidelines must be met to the extent possible.

### 2. THE GUIDELINES' PROMOTION OF THE COMPANY'S BUSINESS STRATEGY, LONG-TERM INTERESTS AND SUSTAINABILITY

Lifco's business concept is to acquire and develop market-leading niche businesses that conduct sustainable operations and have the potential to deliver sustainable earnings growth and robust cash flows. The Group pursues a distinct business strategy focusing on results, simplicity and decentralisation. Lifco's overall aim is to increase earnings every year, which has been achieved

through both organic growth and acquisitions. For further information on Lifco's business strategy, see the annual report.

A prerequisite for successful implementation of the company's business strategy and safeguarding of Lifco's long-term interests, including its sustainability, is that the company is able to recruit and retain qualified employees. To achieve this, the company must be able to offer competitive remuneration. These guidelines make it possible to offer competitive total remuneration to senior executives. Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

### 3. FORMS OF REMUNERATION, ETC.

Remuneration shall be market-aligned and may comprise the following components: fixed cash salary, variable cash salary, pension benefits and other benefits. The shareholders' meeting may also – regardless of these guidelines – resolve on, for example, share- and share price-related remuneration.

#### Fixed remuneration

The fixed remuneration, the basic salary, shall be based on the individual executive's area of responsibility, authorities, field of competence and experience.

#### Variable remuneration and criteria for payment of variable cash remuneration, etc.

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability. The amount of variable remuneration in relation to basic salary must be in proportion to the senior executive's responsibility and authority. Variable remuneration is linked to predefined and measurable criteria which have been defined with the aim of promoting the creation of long-term value by the company. Fulfilment of criteria for the payment of variable cash salary shall be measured over a period of one year. When the measurement period for fulfilment of criteria for payment of variable cash salary has ended, an assessment is to be made of the extent to which the criteria have been met.

For the CEO, variable remuneration is capped at 100 per cent of the basic salary. The variable remuneration shall be based on individual targets proposed by the Remuneration Committee and adopted by the Board. Examples of such targets include earnings, volume growth, working capital and cash flow. For other senior executives, the variable remuneration shall be based, partly, on the outcome of his/her own area of responsibility and, partly, on individually set targets. Examples of such targets include earnings, volume growth, working capital and cash flow. The CEO is responsible for the assessment of variable cash salary paid to other executives.

No variable remuneration shall be paid if a pre-tax loss is reported.

#### Pension benefits and other benefits

Pension rights for the CEO and other senior executives shall apply no earlier than from age 65. For the CEO, an amount corresponding to 60 per cent (excluding payroll expenses) of the annual basic salary will be reserved in capital, pension, life and health insurances. Other senior executives are entitled to pension benefits of a maximum of 35 per cent (excluding payroll expenses) of the annual basic salary. Pension agreements shall be entered into based on applicable local rules in the senior executive's country of residence. All pension benefits are defined contribution benefits and vested, meaning they are not conditional on future employment in Lifco.

Other benefits, such as a company car, extra health insurance or occupational health care, may be offered to the extent that this is considered to be in line with market practice for senior executives in equivalent positions in the labour market in which the executive is active. The total value of such benefits must, however, represent a minor portion of the total compensation.

#### Termination of employment

The employment contract of the CEO is terminable on six months' notice in case of termination by the CEO. If the employment of the CEO is terminated by the company, a period of notice of not more than 18 months will apply. If the employment of other senior executives is terminated by the company, a period of notice of not more than 12 months will apply. The right to salary and other benefits is retained during the period of notice. Basic salary during the period of notice and severance pay shall, combined, not exceed an amount corresponding to basic salary for two years. Other income shall not be deducted from termination pay.

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

When preparing the Board's proposal on these remuneration guidelines, salary and terms of employment for the company's employees have been considered by having information on the employees' total remuneration, components of the remuneration and the increase and rate of increase in remuneration over time constitute part of the Remuneration Committee's and the Board's decision documentation when assessing the fairness of the guidelines and the limitations that follow from them.

#### 5. DECISION-MAKING PROCESS FOR ADOPTING, REVIEWING AND IMPLEMENTING THE GUIDELINES

The Board has established a Remuneration Committee. This committee's tasks include preparing the Board's resolution on the proposed guidelines for remuneration of senior executives. The Board shall formulate proposals for new guidelines when needs arise for significant changes in the guidelines, although at least every fourth year, and submit the proposal for resolution by the AGM. The guidelines are to apply until new guidelines have been adopted by the shareholders' meeting. The Remuneration Committee shall also monitor and evaluate variable remuneration programs for the company management, the application of guidelines for remuneration of senior executives and applicable remuneration structures and remuneration levels in the company. Members of the Remuneration Committee are independent in relation to the company and executive management. Neither the CEO nor other members of company management participate in the Board of Directors' processing of and decisions on remuneration-related matters, insofar as they are impacted by these matters.

#### 6. DEVIATION FROM THE GUIDELINES

The Board shall be entitled to partly or fully deviate from the guidelines if there is special reason to do so in an individual case and such deviation is necessary to satisfy the company's long-term interests, including its sustainability, or to safeguard the company's financial viability. As stated above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions on remuneration-related matters.

#### AUDITORS' FEES

PricewaterhouseCoopers AB has been engaged as the company's auditor. Audit engagement refers to the examination of the annual accounts and accounting records and of the Board of Directors' and Chief Executive Officer's administration of the company, other tasks incumbent on the company's auditor as well as advice and other assistance occasioned by observations made in the course of such examination or the carrying-out of such other tasks. Other services refer essentially to advisory services in the area of accounting and tax as well as assistance in connection with acquisitions. Auditors' fees for the audit engagement in 2022 totalled SEK 12 (11) million while fees for other services totalled SEK 2 (2) million, see Note 8.

#### INTERNAL CONTROL AND RISK MANAGEMENT RELATED TO FINANCIAL REPORTING

Internal control over financial reporting is an integral part of corporate governance in the Lifco Group. It includes processes and methods for safeguarding the assets of the Group and the accuracy of its financial reporting, and thus also the shareholders' investment in the company.

#### CONTROL ENVIRONMENT

Lifco's organisation is structured to be able to respond rapidly to changes in the market. A strongly decentralised organisation and high degree of autonomy in the subsidiaries enable fast operational decision-making. General decisions on acquisitions, sales, strategies and focus areas are made by Lifco's Board of Directors and Group management. The internal control activities for financial reporting have been designed to handle these circumstances. The basis for internal control related to financial reporting consists of the control environment, including organisation, decision paths, authority and responsibilities, as documented and communicated in governing documents.

Each year, the Board adopts rules of procedure, which regulate the duties of the Chairman of the Board and Chief Executive Officer among other matters. The Board has established an Audit Committee to improve transparency and control of the company's accounting, financial reporting and risk management as well as a Remuneration Committee to handle matters relating to remuneration of management.

Each operating unit has one or more administrative centres that are responsible for ongoing transaction management and accounting. Each operating unit has a financial officer who is responsible for the financial governance of the unit and for ensuring that financial reports are correct and complete and delivered in time for the preparation of the consolidated financial statements.

#### RISK ASSESSMENT

Risk assessment is based on the Lifco Group's financial targets. The general financial risks have been defined and are largely industry-specific. Through quantitative and qualitative risk analyses based on the consolidated balance sheet and income statement, Lifco identifies those key risks which could jeopardise the Group's ability to achieve its commercial and financial targets. In each operating unit, analyses are also made of several subsidiaries to obtain a more detailed view of the actual application of existing regulations. Measures aimed at minimising the identified risks are then defined centrally in the Group.

#### CONTROL ACTIVITIES

Identified risks related to financial reporting are managed through the company's control activities. There are, for example, automated controls in IT-based systems which manage authorisations and authorisation rights as well as manual controls. Detailed financial analyses of results supplement business-specific controls and provide a general confirmation of the quality of the reporting.

#### INFORMATION AND COMMUNICATION

Lifco has information and communication paths which are aimed at promoting completeness and accuracy in financial reporting. Policies and instructions are available on the company's intranet. Information about the effectiveness of internal control in the Group is prepared and reported on a regular basis to relevant parties in the organisation.

#### REVIEW AND MONITORING

Each month, management and the central finance function analyse the Group's financial reporting at a detailed level. At its meetings, the Audit Committee reviews the financial reporting and receives reports from the company's auditors containing their observations and recommendations. The Board receives financial reports on a monthly basis and discusses the Group's financial situation at each meeting. The effectiveness of the Group's internal control activities is reviewed regularly at different levels of the Group, covering an assessment of design and operational functionality.

In 2022, the review of the Group's internal control was completed by Group management and Lifco's central finance function with the assistance of the external auditors. The Audit Committee also plays an important role in internal control, having the task of evaluating the audit services and internal control. The review showed that in all essential respects documentation and control activities have been established in the Group. Based on the completed internal control activities, the Board has made the assessment that there is currently no need to introduce a separate audit function (internal audit function).

#### ONGOING ACTIVITIES

Over the coming year, the ongoing internal control activities in the Lifco Group will focus mainly on risk assessment, control activities, and review and monitoring activities.

# THE BOARD OF DIRECTORS



## CARL BENNET

Chairman of the Board

Born in 1951. Elected in 1998.

B.Sc. (Econ.), Ph.D h.c. (Med.), Ph.D. h.c. (Tech.)

Current posts: CEO Carl Bennet AB. Deputy Chairman of the Boards of Arjo, Elanders and Getinge. Director of Holmen and L E Lundbergföretagen.

Previous posts: President and CEO of Getinge.

Shareholding through companies, 31 December 2022: 30,379,850 Class A shares, 197,502,023 Class B shares.

Nationality: Swedish

Independent of the company and of management: Yes

Independent of main owner: No



## ULRIKA DELLBY

Director

Born in 1966. Elected in 2015.

M.Sc. in Economics and Business

Current posts: Chairman of Fasadgruppen Group AB. Director of BICO AB, Linc AB, SJ AB, Werksta Nordic AB and Business Executives Council of the Royal Swedish Academy of Engineering.

Previous posts: Partner of Fagerberg & Dellby Fond I AB and of The Boston Consulting Group, CEO of Brindfors Enterprise IG (now Brand Union), Vice Chairman of Norrporten, Director of among all Kavli Holding AS and Cybercom Group AB.

Own and related parties' shareholdings, 31 December 2022: 65,000 Class B shares and 10,926 synthetic call options<sup>1</sup>.

Nationality: Swedish

Independent of the company and of management: Yes

Independent of main owner: Yes



## ANNIKA ESPANDER

Director

Born in 1964. Elected in 2016.

B.Sc. in Chemistry and MBA

Current posts: CEO of Asperion Ltda.

Previous posts: Head of Private Banking at Handelsbanken, Chairman of SHB Luxemburg. Senior positions at Catella Healthcare, Enskilda Securities and other companies. Director of Elekta AB, Biotage AB, Probi AB and Stille AB.

Own and related parties' shareholdings, 31 December 2022: 10,000 Class B shares and 10,926 synthetic call options<sup>1</sup>.

Nationality: Swedish

Independent of the company and of management: Yes

Independent of main owner: Yes



## DAN FROHM

Director

Born in 1981. Elected in 2020.

M.Sc. in Engineering

Current posts: CEO of DF Advisory LLC. Chairman of the Board of Elanders AB and Director of Arjo AB, Carl Bennet AB, Getinge AB and the Swedish-American Chamber of Commerce, Inc.

Previous posts: Management consultant at Applied Value LLC in New York.

Own and related parties' shareholdings, 31 December 2022: 253,090 Class B shares and 10,926 synthetic call options<sup>1</sup>.

Nationality: Swedish

Independent of the company and of management: Yes

Independent of main owner: No

<sup>1</sup> The synthetic options are issued by Carl Bennet AB.



## ERIK GABRIELSON

Director

Born in 1962. Elected in 2001.

LL.M.

Current posts: Lawyer and partner, Advokatfirman Vinge. Chairman of Allegresse AB, Eldan Recycling A/S and Redoma Recycling AB. Director of Carl Bennet AB, Elanders AB, ECG Vignoble AB, ECG Vininvest AB and Zutec Holding AB.

Previous posts: Director of Advokatfirman Vinge AB, Advokatfirman Vinge Skåne AB, Generic Sweden AB, Rosengård Invest AB and Storegate AB.

Own and related parties' shareholdings, 31 December 2022: 10,926 synthetic call options<sup>1</sup>.

Nationality: Swedish

Independent of the company and of management: Yes

Independent of main owner: No



## ULF GRUNANDER

Director

Born in 1954. Elected in 2015.

M.Sc. in Economics and Business

Current posts: Director of AMF Fonder AB, AMF Tjänstepension AB, Arjo AB, Djurgården Hockey AB and Episurf Medical AB.

Previous posts: CFO of Getinge Group.

Own and related parties' shareholdings, 31 December 2022: 14,000 Class B shares and 10,926 synthetic call options<sup>1</sup>.

Nationality: Swedish

Independent of the company and of management: Yes

Independent of main owner: Yes



## JOHAN STERN

Vice Chairman

Born in 1951. Elected in 2001.

M.Sc. in Economics and Business

Current posts: Chairman of Healthinvest Partners AB, Rolling Optics AB, Skanör Falsterbo Fastighets AB and Stiftelsen Harry Cullbergs Fond. Director of Carl Bennet AB, Elanders AB and Estea AB.

Previous posts: Roles at SEB in Sweden and the US. Director of Getinge AB and RP Ventures AB.

Own and related parties' shareholdings, 31 December 2022: 230,000 Class B shares and 10,926 synthetic call options<sup>1</sup>.

Nationality: Swedish

Independent of the company and of management: Yes

Independent of main owner: No



## CAROLINE AF UGGLAS

Director

Born in 1958. Elected in 2020.

M.Sc. in Economics from Stockholm University

Current posts: Director of ACQ BURE, Beijer Alma, Billia, Spiltan Invest och Trapets.

Previous posts: Deputy CEO at the Confederation of Swedish Enterprise, head of Equities at Livförsäkrings AB Skandia and Director of Acando AB, AMF, Connecta, Lindab and Latour.

Own and related parties' shareholdings, 31 December 2022: 5,000 Class B shares and 10,926 synthetic call options<sup>1</sup>.

Nationality: Swedish

Independent of the company and of management: Yes

Independent of main owner: Yes

<sup>1</sup> The synthetic options are issued by Carl Bennet AB.



## AXEL WACHTMEISTER

Director

Born in 1951. Elected in 2006.

M.Sc. in Engineering.

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

Own and related parties' shareholdings, 31 December 2022: 81,000 Class B shares and 10,926 synthetic call options<sup>1</sup>.

Nationality: Swedish

Independent of the company and of management: Yes

Independent of main owner: Yes



## PER WALDEMARSON

Director and CEO.

Born in 1977. Elected in 2019.

M.Sc. in Business Administration

Current posts outside Lifco: -

Previous posts: Deputy CEO Lifco, Head of Business Area Dental, CEO Brokk AB, Management Consultant Bain & Co.

Own and related parties' shareholdings, 31 December 2022: 513,500 Class B shares, 180,000 Class B shares through a pension plan and 87,412 synthetic call options<sup>1</sup>.

Nationality: Swedish

Independent of the company and of management: No

Independent of main owner: Yes



## TOBIAS NORDIN

Director, employee representative PTK

Born in 1983. Elected in 2022. Employed at Brokk.

Own and related parties' shareholdings, 31 December 2022: -

Nationality: Swedish



## PETER WIBERG

Director, employee representative LO

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

Own and related parties' shareholdings, 31 December 2022: 1,575 Class B shares.

Nationality: Swedish

<sup>1</sup> The synthetic options are issued by Carl Bennet AB.





## ANDERS LINDSTRÖM

Employee representative, deputy, LO

Born in 1958. Elected in 2019. Employee of Lifco Dental AB.  
Own and related parties' shareholdings, 31 December 2022: -  
Nationality: Swedish



## ANDERS LORENTZSON

Employee representative, deputy, PTK

Regular Director 2018–2021.  
Born in 1957. Elected in 2017. Employee of Rapid Granulator AB.  
Own and related parties' shareholdings, 31 December 2022: -  
Nationality: Swedish

## AUDITOR

PricewaterhouseCoopers AB has been Lifco's auditor since 2010.

At the 2022 Annual General Meeting, PricewaterhouseCoopers were re-appointed for the period until the end of the 2023 AGM.

Cecilia Andrén Dorselius is the auditor-in-charge. Cecilia Andrén Dorselius is an Authorised Public Accountant and member of FAR.

Vicky Johansson is co-auditor. Vicky Johansson is an Authorised Public Accountant and member of FAR.

The address of PricewaterhouseCoopers is Torsgatan 21, SE-113 97 Stockholm.

## DIRECTORS' ATTENDANCE

Director	Board meeting	Audit Committee	Remuneration Committee
Carl Bennet	13/13		2/2
Ulrika Dellby	12/13	4/4	
Annika Espander	13/13		2/2
Dan Frohm	13/13	4/4	
Erik Gabrielson	13/13		2/2
Ulf Grunander	13/13	4/4	
Anders Lindström	13/13		
Anders Lorentzson	12/13		
Tobias Nordin <sup>1</sup>	9/9		
Johan Stern	12/13		2/2
Caroline af Ugglas	13/13	4/4	
Axel Wachtmeister	13/13		2/2
Per Waldemarson	13/13		
Peter Wiberg	10/13		
<b>Total number of meetings</b>	<b>13</b>	<b>4</b>	<b>2</b>

<sup>1</sup> Appointed at the 2022 Annual General Meeting.

# GROUP MANAGEMENT



## PER WALDEMARSON

President and CEO

Born in 1977. Appointed in 2019. Hired in 2006.

M.Sc. in Economics and Business

Previous posts: Deputy CEO Lifco, Head of Business Area Dental, CEO Brokk AB, Management Consultant Bain & Co.

Own and related parties' shareholdings, 31 December 2022: 513,500 Class B shares, 180,000 Class B shares through a pension plan and 87,412 synthetic call options<sup>1</sup>.

Nationality: Swedish



## THERÉSE HOFFMAN

Chief Financial Officer

Born in 1971. Appointed in 2011. Hired in 2007.

High School Economist, International Marketing

Previous posts: CFO at Nordenta AB.

Own and related parties' shareholdings, 31 December 2022: 1,500 Class B shares and 10,926 synthetic call options<sup>1</sup>.

Nationality: Swedish



## MARTIN LINDER

Head of Business Area Systems Solutions

Born in 1972. Appointed in 2019. Hired in 2008.

M.Sc. in Engineering, Ph.D.

Previous posts: CEO Proline Group, CEO Leab Group, senior positions at Note.

Own and related parties' shareholdings, 31 December 2022: 203,000 Class B shares, 51,250 Class B shares through a pension plan and 43,706 synthetic call options<sup>1</sup>.

Nationality: Swedish

<sup>1</sup> The synthetic options are issued by Carl Bennet AB.

# AUDITOR'S REPORT

Unofficial translation

To the general meeting of the shareholders of Lifco AB (publ), corporate identity number 556465-3185

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### OPINIONS

We have audited the annual accounts and consolidated accounts of Lifco AB (publ) for the year 2022 except for the corporate governance statement and the statutory sustainability report on pages 80-88 and 14-65 respectively. The annual accounts and consolidated accounts of the company are included on pages 14-121 and 124-134 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement and the statutory sustainability report on pages 80-88 and 14-65 respectively. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

### OUR AUDIT APPROACH

#### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management and the Board of Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management and the Managing Director override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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

#### Materiality

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

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

### KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

**Key audit matters****Valuation of intangible assets**

With reference to Note 2, Note 4 and Note 14.

Goodwill and other intangible assets with an indefinite useful life represents a significant part of the Balance Sheet of Lifco. The Company performs an impairment assessment of the assets based on a calculation of the discounted cash flow for the cash generating units in which goodwill and other intangible assets are reported.

This impairment test is based on a high level of judgments and assumptions regarding future cash flows. Information is provided in Notes 2, 4 and 14 as to how the Company's management has undertaken its assessments, and also provides information on important assumptions and sensitivity analyses. Key variables in the test are growth rate, profit margins, and discount factor (cost of capital).

It is presented that no impairment requirement has been identified based on the assumptions undertaken.

**Recognition of acquisitions**

With reference to Note 2, Note 4 and Note 31.

In the financial year 2022, Lifco made a number of acquisitions across all business areas. Information on these acquisitions is presented in Note 31.

The recognition of acquisitions involves a high degree of judgement by management. Significant estimates and judgements refer to the allocation of fair value in acquisition analyses for assets and liabilities, as well as referring to adjustments for adaptation to the group's accounting principles

**How our audit addressed the Key audit matter**

In our audit, we have evaluated the calculation model applied by management. We have reconciled and critically tested essential variables. We have analyzed the accuracy on how previous years assumptions have been met and assessed any adjustments to assumptions compared to previous year, as a result from changes in the business and external factors.

We have tested the sensitivity analysis for key variables in order to assess the risk of need for impairment. We have also assessed the correctness of the disclosures included in the financial statements.

Our audit of the acquisitions was partially based on assessing of the acquisition agreements as well as supporting documents for opening balances in the acquired companies. We have also evaluated the implemented adjustments for adaptation to the group's accounting principles.

Our audit has also included an examination of the company's assessments and calculations in the allocation of group-wise excess and undervalues in acquisition analyses.

We have checked the information provided in the annual report linked to the acquisitions and reviewed the documents that form the basis for the accounting of the acquisitions.

**OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS**

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-65, 122-123 and 135-155. The Board of Directors and the Managing Director are responsible for this other information.

The other information also consists of the 2022 Compensation Report that we obtained prior to the date of this auditor's report. The Board of Directors and the CEO are responsible for this other information.

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

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

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

**RESPONSIBILITIES OF THE BOARD OF DIRECTOR'S AND THE MANAGING DIRECTOR**

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

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

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

## AUDITOR'S RESPONSIBILITY

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

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Lifco AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

### BASIS FOR OPINIONS

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

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

### RESPONSIBILITIES OF THE BOARD OF DIRECTOR'S AND THE MANAGING DIRECTOR

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

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This

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

### AUDITOR'S RESPONSIBILITY

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

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

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

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

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

## THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

### OPINION

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Lifco AB (publ) for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

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 performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more

detail in the Auditors' responsibility section. We are independent of Lifco AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

## RESPONSIBILITIES OF THE BOARD OF DIRECTOR'S AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to 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 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 ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

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

The Board of Directors is responsible for that the corporate governance statement on pages 80-88 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

## AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

It is the board of directors who is responsible for the statutory sustainability report on pages 14-65 and that it has been prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Lifco AB (publ) by the general meeting of the shareholders on the 29 April 2022 and has been the company's auditor since the general meeting of the shareholders in 2010.

Enköping 29 March 2023

PricewaterhouseCoopers AB

Cecilia Andrén Dorselius  
Authorized Public Accountant  
Auditor in charge

Vicky Johansson  
Authorized Public Accountant

# LIFCO

A SAFE HAVEN FOR YOUR BUSINESS

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