Annual and Sustainability Report 2023

We are health in progress

Welcome to Asker +
How Asker creates value +
Asker's business areas +
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- Sustainable procurement
- CRS medical – a new company in the Group
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- Collaboration throughout the value chain
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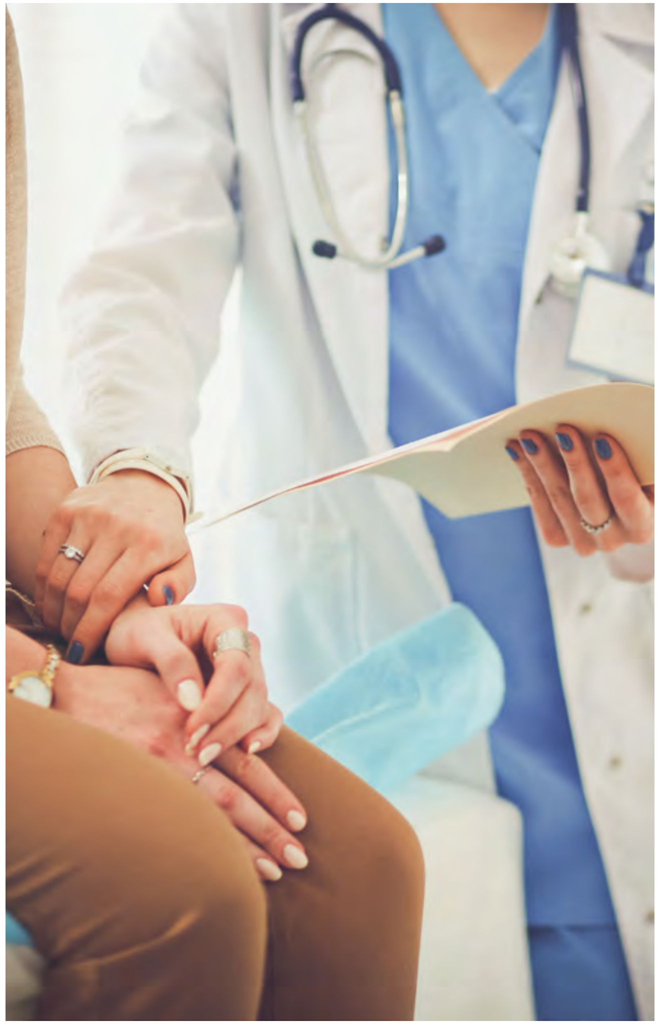

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Health in progress

Fundamental changes are needed in healthcare, progress is required. Improved patient outcomes, lower total cost of care, increased efficiency and sustainable solutions to secure tomorrow's care. That is our pledge at Asker Healthcare Group.

By being a reliable partner that offers a full range of products and value-added services, we can contribute to making the changes happen and create better health for all – we are Health in Progress.

To get an insight into how Asker operates to keep its promises, please see the six case studies: Health in Progress, in practice.

Our vision

Asker aims to be the leading healthcare group in Europe within medical supplies, devices and equipment, by building and acquiring companies that, together with healthcare providers and patients, create better health for all.

Key priorities for the next five years

Reduce total cost of care and improve patient outcomes

Increase sales and volumes to strengthen purchasing power, achieve economies of scale and improve efficiency in healthcare.

Broader offering and geographical expansion

Through organic growth and a high rate of acquisitions, broaden the offering to more product categories, extend it to all customer categories and expand into more countries to serve all of Europe over time.

Sustainable value chain

Take responsibility for reducing the environmental impact of the healthcare sector and for ensuring that products are manufactured under safe and fair conditions.

Robust entrepreneurship

Combine local entrepreneurship with shared values and the Asker Management Standard to ensure robust growth and a sustainable Group.

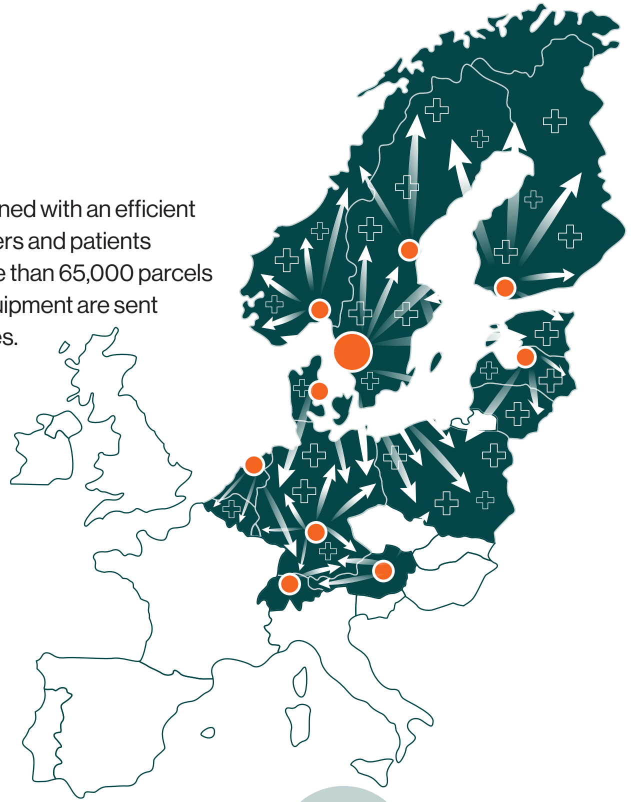
A partner in healthcare

Asker Healthcare Group is the leading distributor of medical supplies, devices and equipment in Europe.

As a partner to healthcare providers and patients, Asker helps to improve patient outcomes, reduce the total cost of care and ensure a fair and sustainable value chain. By continuously developing and growing the Group through acquisitions, a complete customer offering is being created that allows for a more efficient healthcare value chain. Asker currently has operations in 14 countries and employs 3,500 people.

> **"Every day, Asker's products and services are used by tens of thousands of doctors and nurses, reaching millions of patients in Europe."**

Local presence and expertise combined with an efficient product supply ensures that caregivers and patients receive the products they need. More than 65,000 parcels containing medical materials and equipment are sent every day to customers in 14 countries.



Products and services in three areas

Medical supplies
Including protective products, infusion products and dressings.

Medical devices
Including measuring instruments for diabetes and blood pressure.

Medical equipment
Including endoscopy equipment, incubators and ventilators.

13,453
Net sales, SEK m.

3,500
employees[1)]

>1,500
suppliers

>50,000
products

1) March 2024. The number of employees on 31 December 2023 was 2,834.

ASKER HEALTHCARE GROUP

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The link between product companies and patients

Asker is an independent link between product companies and caregivers such as hospitals, health centres and nursing homes.

The companies in the Group are brand-neutral distributors of the medical supplies, devices and equipment needed to provide care for patients and offer related services.

The Group includes full-service suppliers selling everything the healthcare sector needs – apart from medicines and heavy equipment – and specialist companies within selected niches.

In total, Asker sells around 50,000 items from more than 1,500 suppliers, mainly products from large, well-known product companies, along with its own brands. This creates an attractive, complete offering to customers who get help in choosing the best products, regardless of brand, for their specific preferences and needs.

By supplying the healthcare sector with the right products at the right time and in a seamless, cost-efficient manner, while also offering wide-ranging expertise, Asker creates value for both customers and patients.

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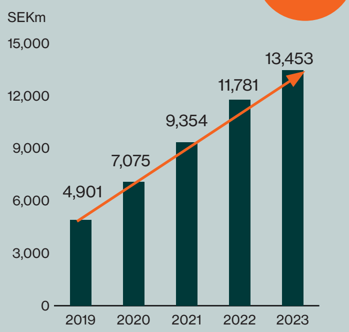
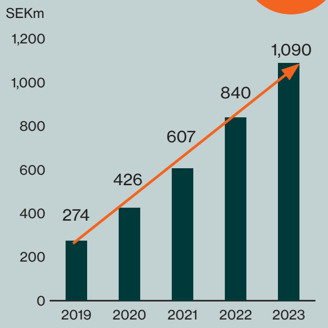
2023 – targets and achievements

Financial development

Sales

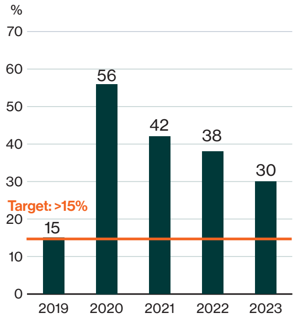


Adjusted EBITA



Financial targets

Adjusted EBITA growth per year

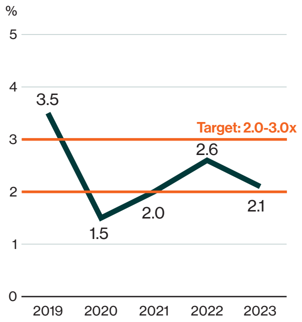


Adjusted EBITA margin

EBITA*/NWC

* Adjusted EBITA

Net debt/EBITDA



Sustainability goals

Healthy Communities

Digital solutions and product guides

17%

Target: >90% by the end of 2030

Percentage of companies offering digital solutions and product guides.

Healthy Planet

Reduced Scope 1 and 2 emissions

-19%

Target: –42% by the end of 2030

Reduced Scope 1 and 2 emissions as a percentage compared to the 2021 base year, market-based.

SCIENCE BASED TARGETS

Reduced Scope 3.1 emissions

-18%

Target: –52% by the end of 2030

Total Scope 3, category 1 emissions per SEK m gross profit (tCO_2e/SEK m).

SCIENCE BASED TARGETS

Healthy People

Asker's Code of Conduct

97%

Target: >95% by the end of 2030

Percentage of employees who have received training in and signed Asker's Code of Conduct.

Code of Conduct for suppliers

90%

Target: >90% by the end of 2030

Percentage of suppliers, who have signed Asker's Code of Conduct or equivalent, based on purchase value.

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2023 in brief – Higher rate of acquisitions and ESG progress

Stronger position in all business areas through 13 selected acquisitions

Stronger position in **technical services** for medical equipment via the acquisition of CRS medical in Germany.

Broader product offering via the add-on acquisitions of Genimedical (Netherlands), Optiikka Juurinen (Finland), Unimeda (Switzerland) Eumedics (Austria) and MC Europe (Netherlands).

Progress towards a complete offering that facilitates **care in the home** via the acquisition of Vegro (Netherlands).

Growth within **medical equipment** via the acquisitions of Dico (Norway), Adcare (Norway) and Vitri Medical (Sweden).

Enhanced offering within **surgical instruments** via the acquisitions of Dispo Medical (Netherlands), Andre Surgical (Austria) and Instrumenta (Sweden).

Find out more about this year's acquisitions in the section on Asker's business areas on pages 19–29.

Retained trust from existing customers and several new strategic contracts, including:

New contract as **logistics partner for the entire supply chain** (4PL) for medical supplies to the regions of Uppsala, Dalarna, Sörmland, Västmanland and Örebro – an area that encompasses 16 percent of the population of Sweden.

Won Denmark's largest procurement in the **diabetes** area, sealing a contract that includes distribution to 93 of Denmark's 98 municipalities and around 100,000 patients.

Heintel Gruppe appointed as Cardinal Health's **exclusive distributor** in Austria.

Contract won with the **World Health Organisation (WHO)** for medical examination and surgical gloves. All of the 16 UN organisations can place orders under this framework agreement.

Cordaan, one of the **leading elderly care companies** in the Netherlands, decided last year to replace its annual volume of almost 11.5 million medical examination gloves with Embra Proceed.

Strengthened support to **patients and pharmacies** in the Netherlands where Bosman has taken over responsibility for Apotheekzorg Hulpmiddelen's 80,000 patients and distribution to their 800 pharmacies.

Several new assignments in the area of **total defence, civil preparedness and pre-hospital care,** focused on reinforcing preparedness in all types of care situations.

Focus on sustainability

Platinum from EcoVadis
EcoVadis, the most prestigious provider of independent sustainability assessments in the world, has awarded Asker a Platinum rating. This places Asker in the top one percent of the more than 100,000 companies ranked by EcoVadis.

PLATINUM Top 1% 2023 ecovadis Sustainability Rating

More Embra products launched. Embra is one of Asker's own brands offering products with a lower climate impact. It was launched in 2022 with the medical examination glove Embra Proceed. In 2023 the range was expanded by a further six products.

Asker's emission reduction targets validated by the Science Based Targets initiative (SBTi) as being science-based and compatible with the reductions required to keep global warming at 1.5° C, in line with the Paris Agreement. Read more in the Sustainability Report on pages 30–68.

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Robust growth in a turbulent world

In 2023 we continued to grow at a fast pace thanks to the greater trust from our customers and our focus on doing everything a little better every time. At the same time, we added another 13 companies to our Group thereby widening our geographic presence and our total offering even further. 2023 was unfortunately also a turbulent year for the world. It makes me proud that our employees always step up, compassionately offering their expertise to help achieve our overall goals – improve patient outcomes, reduce the total cost of care for the healthcare system and provide safe, high-quality products made in a sustainable manner. This gives us a good foundation for the years ahead.

Major new contracts and several acquisitions

We saw robust growth during the year and surpassed our target to achieve 15 percent growth in earnings. Behind these figures lie several new contracts throughout Europe along with our organisation's commitment to deliver high quality every day to all our thousands of customers, so that healthcare professionals can fulfil their important mission, to take care of their patients. This year we have also completed 13 acquisitions that have further strengthened our position and our offering. Sales increased by 15 percent to SEK 13.5 billion (11.8), of which 10 percent was organic growth. Our adjusted operating profit (adjusted EBITA) totalled SEK 1.1 billion (0.8). This is a strong result given the significant inflation we have had to fend off, but thanks to the understanding of our customers and our leading European position, we have managed to balance the situation. We never take our eye off profitable growth and our return on net working capital (EBITA/NWC) this year is at 60 percent, well above our target.

Contributing to preparedness

The war in Ukraine along with the Covid pandemic a few years ago have shone the spotlight on the need to bolster preparedness. The provision of healthcare products is an important component of a properly functioning society and for total defence, and solving this task requires cooperation between civil functions such as government agencies and the armed forces, and companies with the relevant experience and capacity. The fact that we are a full-service supplier helps to save time in these pressured circumstances. We also believe it is important to step forward and share our knowledge in the world situation we are in today. Based from our Swedish organisation, we are currently putting efforts into reinforcing the total defence in several markets across Europe. At the same time, we try to help people exposed to events on the ground, and have donated 1,100 pallets of medical supplies to Ukraine and victims of the earthquake in Syria and Turkey.

"In recent years, we have purchased more than 40 exciting companies that have broadened our accumulated offering, and made us an even better partner to the healthcare sector."

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"I am convinced that our M&A engine, and our organisation's customer focus, sustainability agenda and constant devotion to improving, form a strong base to keep pursuing our exciting growth journey for many years to come."

Increased efficiency in a stable market
We operate in a stable market that is growing at a rate of 2–3 percent per year, primarily driven by an ageing population and more people living with chronic illnesses. At the same time, the European MedTech market is still very fragmented with around 30,000 companies in Europe alone. Most of these are small to medium-sized family businesses which, due to the challenges of new EU regulations and stricter purchasing routines from the healthcare sector, want support by being part of a larger group. Over the course of my twelve years in the company, we have purchased more than 40 exciting companies that have broadened our accumulated offering, and made us an even better partner to the healthcare sector in our 14 markets. We have now reached a leading position in Europe and we are driving the consolidation.

Consolidation of distributors is an important component of making the entire healthcare value chain – from product company to patient – more efficient. The healthcare sector works differently in the various European countries, which is why we run our companies under clear local responsibility and utilize the knowledge and strength our local entrepreneurs. We purchase almost SEK 9 billion worth of products every year and use our larger size in relevant areas to benefit from economies of scale and knowledge-sharing, for example in purchasing, IT and the distribution of the 65,000 packages we deliver every day.

We have been strong in the area of medical supplies in the Nordic countries for many years, but in recent years we have successively broadened our product range to medical equipment and established a position of strength in western Europe. We are also at the start of this journey in central Europe. For instance, in 2023 we completed our first acquisition in the market for technical service of medical equipment through the acquisition of CRS medical in Germany. With an ageing population and more patients receiving care in the home, personal service and access to products that improve quality of life are very important. Through our acquisition of Vegro, we have created a full-service offering for this sector in the Netherlands.

The power of a sustainable business model
As a leading player in our sector, we want to be a role model and not only improve our own company, but also the sector as a whole. This is particularly the case when it comes to sustainability. We are very ambitious in what we want to achieve in this area, and also for enabling the healthcare sector to make sustainable choices. Last year we developed our own brand called Embra, which focuses on medical supplies with a lower climate impact. We started with a product that the healthcare sector uses many billions of every year – medical examination gloves. This year we have launched a further six products. We are simultaneously working in close partnership with the product companies to jointly reduce the total climate impact of the products used by the healthcare sector.

Our sustainability work also generates new business opportunities as we see that our customers are becoming more interested in being able to make more sustainable choices in their purchasing.

Our long-term, consistent sustainability efforts resulted in our being awarded a Platinum ranking by EcoVadis in 2023. The Platinum ranking places us amongst the top one percent of the more than 100,000 companies ranked by EcoVadis that receive Platinum. This is confirmation that we are on the right track.

A multitude of opportunities over the next few years
We are living in problematic times, but healthcare is unfortunately something that is always needed. In the world we currently live in, the healthcare sector has an even greater need for a partner it can trust whatever the situation.

Asker is already a leader in Europe in the distribution of medical supplies, devices and equipment. We now find ourselves in a very exciting phase of our development given the transformation of our sector that is now well and truly underway. I am convinced that our M&A engine, and our organisation's customer focus, sustainability agenda and constant devotion to improving, form a strong base to keep pursuing our exciting growth journey for many years to come.

Johan Falk
CEO, Asker Healthcare Group

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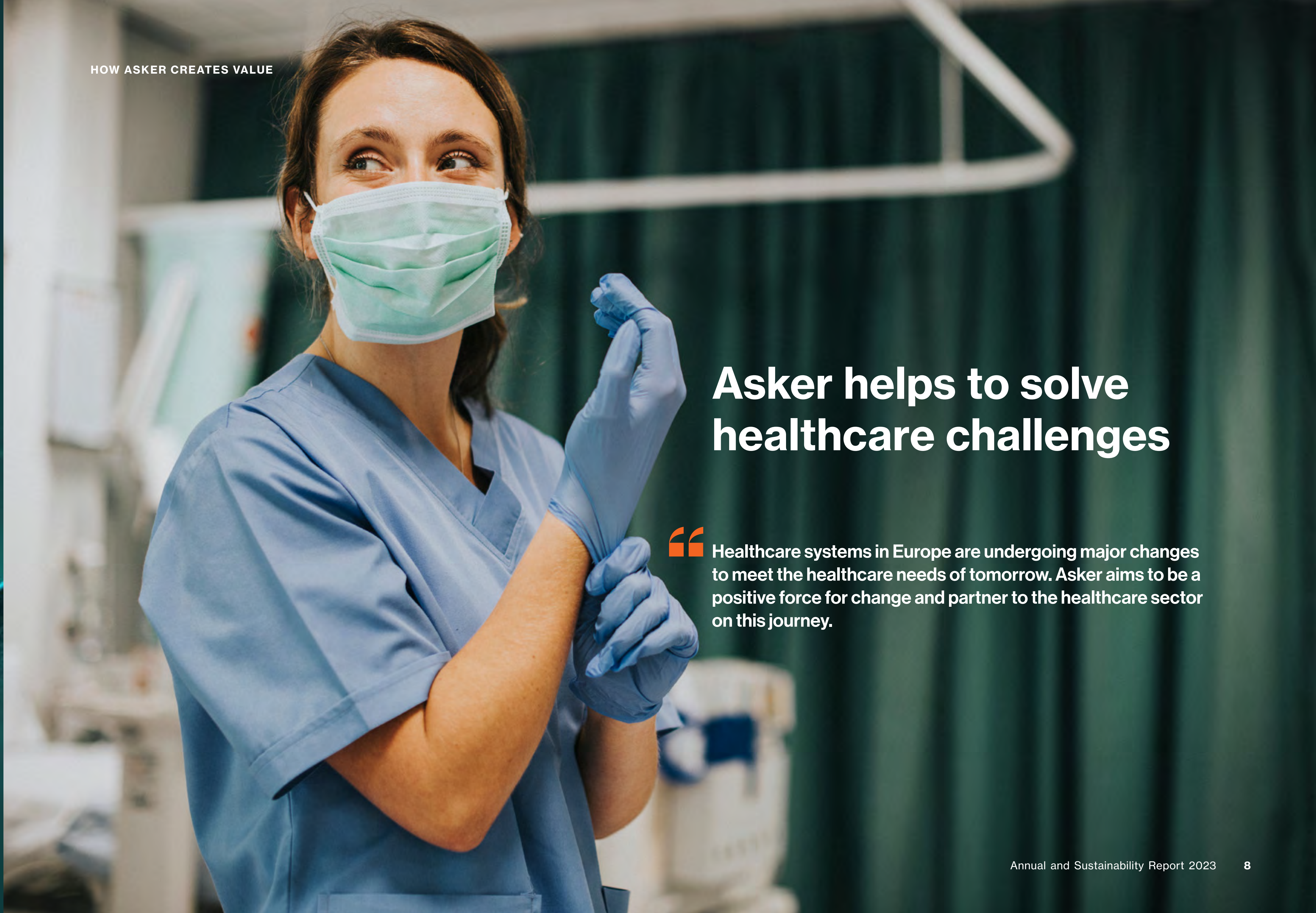

Asker helps to solve healthcare challenges

"Healthcare systems in Europe are undergoing major changes to meet the healthcare needs of tomorrow. Asker aims to be a positive force for change and partner to the healthcare sector on this journey.

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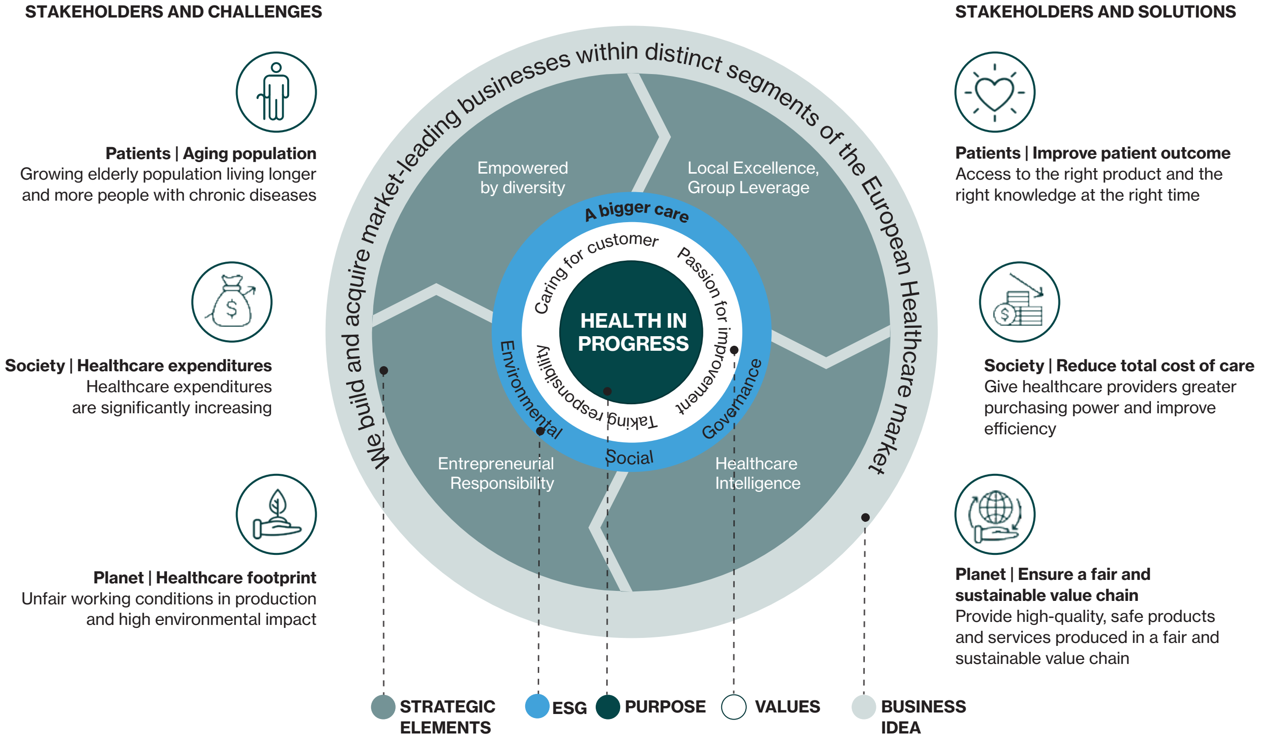
Five strategic elements for value creation

Asker's model for value creation is the company's map for achieving its vision of being the leading distributor in Europe of medical supplies, devices and equipment. It also guides the company in facilitating continuous improvement in healthcare, in line with the Asker purpose – Health in Progress. The model consists of five strategic elements that highlight how Asker differentiates itself and creates competitive advantages in the market.

Empowered by diversity
Different is good. Talented employees with a variety of skills, qualities and backgrounds, all working as a team, are what make Asker stronger as a group. An organisation that has many skilled and diverse employees is an attractive proposition for potential recruits. As people grow, so too do businesses.

Entrepreneurial responsibility
Asker strives to be the partner to which entrepreneurs want to sell their businesses. Asker attaches great value to the factors that have made these companies successful and wants to thoroughly understand and capitalise on the company's entrepreneurial thinking, and what inspires and motivates employees to help evolve the company.



Local excellence, Group leverage
Asker combines local expertise and entrepreneurship with the strength of being a large group. Local businesses have full authority and responsibility to develop their companies while capitalising on the strength of the group-wide model. This means they can draw on the Group's resources, achieve economies of scale and share experience and ideas with each other.

Healthcare intelligence
Asker aims to be the best-informed Group in the sector. Insights into complex sector issues unlock the door to new solutions and ideas. Understanding reimbursement models, procurement procedures, technological advances, best practice or the differences between various markets, requires in-depth knowledge of different healthcare systems and expertise in technology shifts and other changes.

"A bigger care"
Read further on this on the next page.→

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A Bigger Care – Asker's sustainability strategy

A Bigger Care is Asker's sustainability strategy. It expresses the company's ambition to take responsibility that extends beyond its own direct impact and to create a fair and sustainable value chain – from production to product use. This strategy is integrated into Asker's overarching strategy and the company's ambition to deliver products and services that not only improve healthcare, but also reduce the total cost of care and environmental impact.

Asker's position at the centre of the value chain creates a unique opportunity for Asker to drive progress in sustainability along with its partners and suppliers, and also to develop its own product range to help lessen climate impact.

Three focus areas

Asker's sustainability work is focused in three areas that are embedded in the Group's operations and are based on Asker's materiality assessment and ongoing stakeholder dialogues.

Each focus area has clear objectives. Asker bases its sustainability work on the framework and direction set by the UN Sustainable Development Goals (SDGs). Asker focuses on six of the global SDGs, where the Group's companies can have an impact and make a positive contribution through their operations and role in the value chain. Asker is committed to the UN Global Compact and its ten principles on human rights, labour, the environment and anti-corruption.

Overview of Asker's three focus areas

	Healthy Communities	Healthy Planet	Healthy People
	Asker will help to reduce the total cost of care and improve patient outcomes.	**Asker will reduce Scope 1, 2 and 3 emissions and collaborate with suppliers and customers to provide more resource and climate-efficient products and services**	**Asker shall be an attractive employer and provide products and services from a fair and sustainable value chain**
Activities	• Increase the percentage of sales within system sales, fourth-party logistics and direct-to-patient. These are the business models identified as being the most important for reducing the total cost of care and improving patient outcomes. • Help customers to choose the best product for their needs at a lower total cost, for example through digital solutions. • Provide high-quality products and services, in accordance with MDR and IVDR regulations.	• Reduce emissions in line with the Paris Agreement. • Develop products and services that have less impact on the environment and collaborate with suppliers to ensure that they focus on reducing the environmental impact of their products. • Collaborate with organisations, external networks and customers to reduce plastic waste within healthcare. • Reduce the use of chemicals that have a negative effect on people and the environment.	• Enable initiatives and training courses to ensure a fair, safe and equal-opportunity workplace with a high level of employee satisfaction. • All employees are to be trained in and must act in accordance with the Code of Conduct, including anti-bribery and anti-corruption. • Ensure that a supplier due diligence process is implemented in all companies to minimise the risk of human rights violations in the supply chain.
Sustainable Development Goals	3 GOOD HEALTH AND WELL-BEING	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

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"We have to search for innovative solutions to achieve our sustainability goals"

Sustainable procurement is becoming more important for driving change in the value chain. Increased regulation and legislation aimed at achieving the climate-neutrality goals of the Paris Agreement and the EU Green Deal are having an impact on the healthcare sector. During 2023 several healthcare organisations in Europe took the lead on more sustainable procurement. The public sector in the Nordic countries is relatively far ahead of the game, and Oslo municipality is a shining example.

For the last few years, Oslo municipality has systematically included sustainability requirements in its procurements, and its target is to reduce its greenhouse gas emissions by 95% by the end of 2030. To accelerate the pace of change, the municipality has intensified its expectations of suppliers with a view to achieving net-zero emissions.

"Politicians view sustainable procurement as a crucial tool for driving change and reaching our climate goals. Consequently, they have gradually increased resources and the purchasing unit for sustainable purchasing has grown from 2 to 27 people in five years, many of whom are experts in specific aspects of sustainability", explains Espen Drønnen Nicolaysen, Manager of the Central purchasing department's Sustainable development section at Oslo municipality.

Espen specifically emphasises the importance of stakeholder dialogues and of getting several perspectives from value chain participants, and weighing up alternative solutions.

"This is crucial to make sure that there is a complete understanding of the consequences of different procurement criteria", explains Espen.

Striking a balance between pushing the market towards greater sustainability and simultaneously ensuring cost-efficiency and diversity of products is tricky", says Espen. But he has seen that many players involved are positive.

"We have to search for innovative solutions to achieve our sustainability goals. This might involve evaluating suppliers with different business models such as car-pooling services instead of buying new vehicles, and thereby also reassess how the organisation is run. This adds a new dimension to the procurement process and gives it new meaning", says Espen.

Expects faster pace of transition

Espen expects that healthcare-sector purchasers will start trying to accelerate the transition to products with renewable and recyclable materials while they simultaneously endeavour to reduce single-use articles and plastics. He looks forward to the development of third-party eco-labelling and being able to introduce this as a requirement in certain areas. But Espen believes that it is largely down to promoting behavioural changes.

"Sustainable procurement is about changing behaviours for the long term. We need to break old habits and adopt new methods. The biggest challenge to achieving our sustainability goals is getting everyone to work towards the same goals", concludes Espen.

Espen Drønnen Nicolaysen, Manager of the Central purchasing department's Sustainable development section at Oslo municipality.

Greater focus on environmental aspects in procurements

Asker's position as a link between product companies and caregivers allows the Group to support customers in their climate-related efforts. At the same time, new legal requirements and the interest in sustainability is creating new business opportunities, not least in helping customers to reduce emissions. Providing products with a lower carbon footprint is one area where substantial emissions reductions can be achieved.

Examples of progress during 2023:

- Cordaan, one of the leading elderly care companies in the Netherlands, decided during the year to replace its annual volume of 11.5 million medical examination gloves made of nitrile with the Embra Proceed glove. Through this switch they will reduce their CO_2e emissions by 197 tonnes.
- A hospital in Switzerland wants to make better environmental choices without compromising on safety. Asker presented the Embra Proceed glove as a solution. The quality was praised in one test, both in terms of comfort and durability, and the hospital selected Embra Proceed as its new standard glove.
- Asker has developed several long-term relationships in Norway. One of these is with Oslo municipality which chose to switch to the Embra Proceed glove in September 2023 after a thorough evaluation. Once it has completely transitioned to the new glove, the municipality could reduce emissions by 182 tonnes of CO_2e per year.

The calculation in these examples are based on the LCA for Evercare Medical's conventional nitrile gloves compared to the replacement glove, Embra Proceed.

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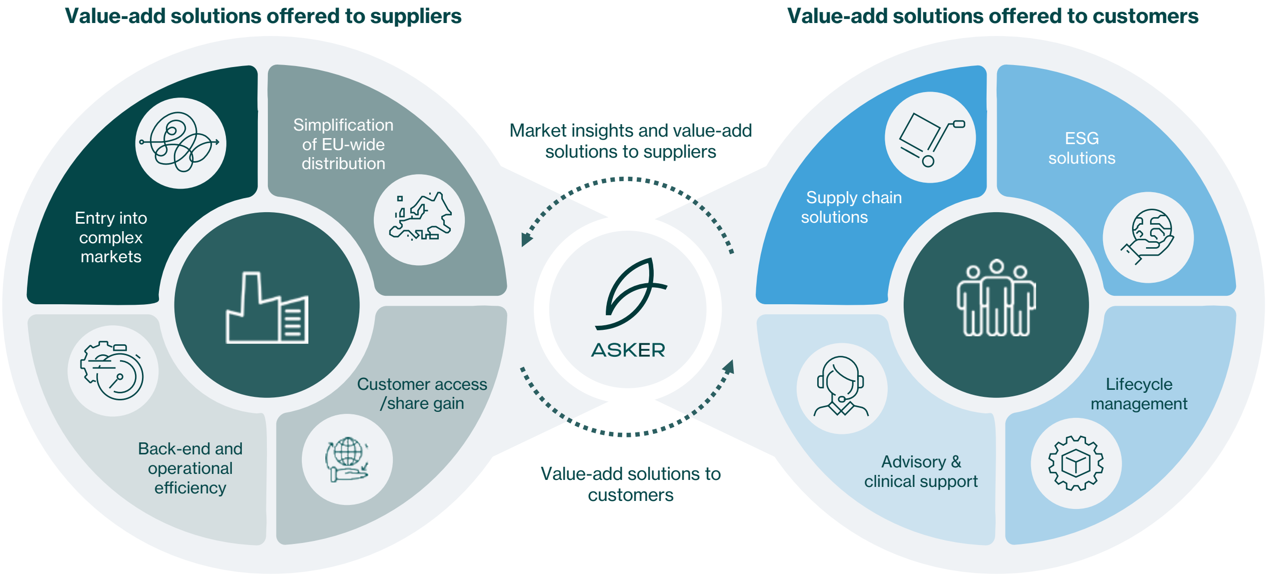
Value-adding services making a difference

Healthcare systems in Europe are undergoing major changes to meet the healthcare needs of tomorrow. Asker aims to be a positive force for change and partner to the healthcare sector on this journey. To make a difference and thus be part of solving societal challenges, simply delivering good products is not enough. Asker therefore increasingly offers value-adding solutions that are beneficial to suppliers and customers alike.



Solutions for suppliers

The European market is complex, with diverse healthcare systems in the different countries and regions, and even different forms of caregivers.

Thanks to Asker's geographic reach and deep expertise in the local healthcare systems, the Group can offer suppliers, which are mainly large global companies, several advantages. One of these is market insight, but also access to these complex markets as well as simplified distribution within Europe.

This provides the suppliers access to a wider market and a more efficient way to gain exposure to several customer groups than if they had to approach each one of the huge number of customers.

Solutions for customers

There are tens of thousands of MedTech products, several thousand suppliers and new ones emerge all the time. The healthcare sector requires a vast selection to be able to solve every care need, but this makes it challenging for the sector to find the best alternatives. Asker helps the healthcare sector to choose the most suitable products for each care situation, based on cost and quality, regardless of the product company.

Asker offers the sector a holistic solution through which caregivers only have to deal with one single supplier, which makes the entire value chain more efficient. Services include ensuring that the products are manufactured under fair conditions and switching products when new products are released on the market that either have a lower climate footprint or better functionality. Furthermore, Asker offers caregivers quality advice and support in how the products should be used, maintained, repaired and recycled.

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Stable market with solid underlying growth

The healthcare market in Europe is large, local and fragmented – with national private and public-sector healthcare providers, local distributors and global product companies. Consolidation is ongoing among the distributors, a development that Asker is actively driving. The reason for this is that in a market of fewer and larger providers, there is scope for greater efficiency and thus the possibility of reducing the total cost of care, for the benefit of society.

Asker operates in the part of the European healthcare market that is commonly referred to as the MedTech market – the market for medical supplies, devices and equipment that are used to prevent, diagnose, treat and monitor health problems. Expenditure in this part of the healthcare system amounts to almost SEK 1,300 billion annually. This does not include the costs of medicines and IT. Simply in those European countries where Asker has a presence today, sales total SEK 450 billion.[1)]

Stable growth

The MedTech market is growing at an average annual net rate of 2–3 percent. Asker's target is to grow faster than the market. Since the demand for healthcare is relatively stable over time, the sector is only marginally affected by economic fluctuations. The market is fragmented with around 33,000 MedTech companies in Europe, including product companies and distributors[2)].

Rising importance of distributors

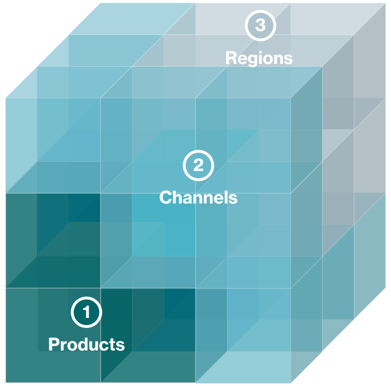
Asker focuses on improving efficiency and consolidating the part of the market that consists of around 3,000–4,000 distributors[3)].

With the healthcare sector's need for a reliable supply of a wide range of products, many healthcare providers increasingly rely on distributors. Sales are also made directly by the product companies, but these are mainly to large hospitals in the largest markets. The role of the distributor has gained in strength, and several global product companies now use distributors more and more. The distributors' market share is also growing, driven by the healthcare sector's need to become more efficient. Also, as more care is moved out of hospitals, distributors have a socially critical role to play in the practical aspects of this transformation.

Asker's customers

Customers consist of public and private-sector healthcare providers and insurance companies that procure products and services on behalf of hospitals, health centres, doctors' surgeries, nursing homes and home care services. However, products and services are also sold directly to patients.

As healthcare systems operate differently in different countries, local expertise is hugely valuable. More information on the different regions is provided on pages 20–29.



The healthcare markets in Europe work differently with differences in individual regions, channels and product requests, which impacts the choice of business model.

[1)] Global data, Euromonitor, interviews with market providers, market study. [2)] MedTech Europe. [3)] Company's estimate.

The MedTech market has annual sales of approximately SEK 1,300 billion and is divided into three segments:

SEK 380 billion
Medical supplies
Products in this segment include protective clothing, examination gloves and dressing materials.

SEK 390 billion
Medical devices
Products in this segment include measuring instruments for diabetes and blood pressure.

SEK 490 billion
Medical equipment
This segment includes endoscopy equipment, incubators and ventilators.

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External factors driving developments in the healthcare sector

Consolidation of distributors in the healthcare sector is underway and is expected to accelerate in the years ahead. This development is primarily being driven by the following factors:

1. The healthcare system of today will not be able to cope with the challenges of tomorrow

A number of demographic and socio-economic factors are placing a heavy burden on healthcare systems, in Europe and globally. These include a growing and ageing population and more people living a long time with chronic diseases. Hospital beds are costly, so care for the elderly and chronically ill is increasingly being moved from hospitals to nursing homes and people's own homes. The healthcare sector also leaves a major environmental footprint that has to be reduced for the sake of the planet's health.

2. Opportunities to improve efficiency along the value chain

European healthcare systems are country-specific and the majority of procurement of medical supplies, devices and equipment is local. On the other hand, product suppliers are either major global providers selling their own products and brands or small distributors offering a limited range of different products and brands. These market dynamics are creating an imbalance and inefficiency for healthcare providers, who need to constantly streamline operations and reduce costs.

3. Major providers needed to enable economies of scale

With thousands of healthcare product distributors spread across Europe, achieving economies of scale, and thus the improved efficiency that the healthcare sector so desperately needs, is challenging. Costs can be kept down through fewer, and larger, suppliers who can offer a wider range of products as well as coordination services to reduce administration.

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Combination of organic and acquisition-driven growth

Asker's ambition is to help bring about a more efficient value chain and become a full-range supplier of medical supplies, devices and equipment for all the products required during a person's lifetime – from birth to end-of-life – throughout Europe.

By supplementing organic growth with acquisitions of small and medium-sized companies that bring in new products, customer groups and/or channels, the company is gradually building a comprehensive customer offering. As a major provider, Asker can create the conditions for more efficiency in the healthcare value chain.

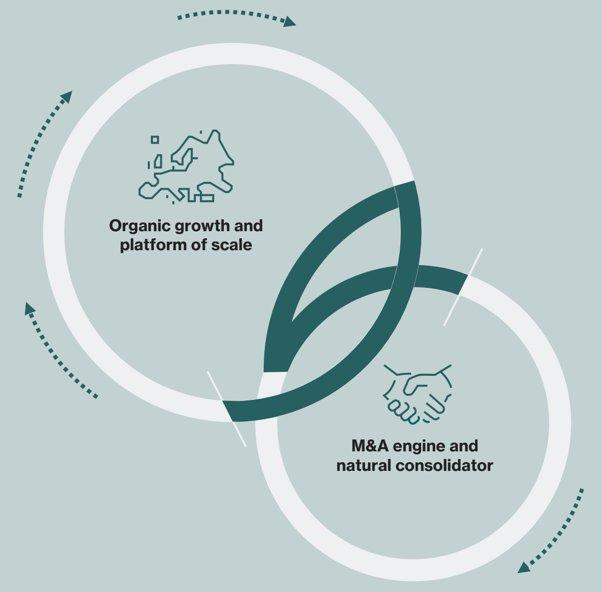
Supporting companies in their development

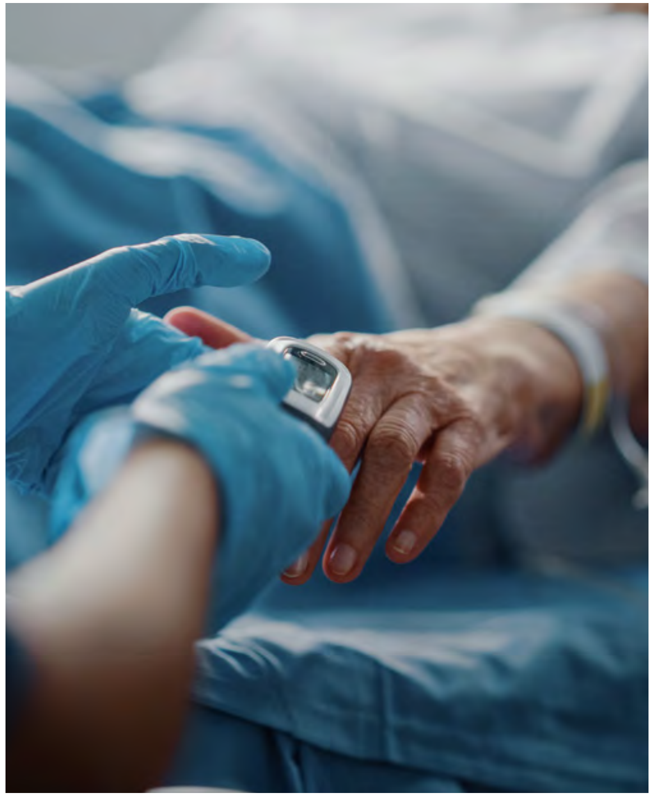
Local entrepreneurship is crucial to Asker because the company believes that the best business decisions are taken close to customers and the market. Asker's organic growth is based on local entrepreneurs, with detailed knowledge of their products, their customers and their market, being given the muscle to evolve via the size of the Asker organisation.

What Asker contributes is a clear focus on operational excellence and giving the companies access to a broader product portfolio and strong supplier relationships. Other factors include opportunities for cross-selling into new markets and niches, and access to the Group's extensive experience and expertise in procurement.

A number of Centers of Excellence have been created to harness the Group's experience in certain recurring areas. These serve as knowledge hubs and run joint projects to create best practices and common solutions to problems in different areas. Read more about this on page 18.

Asker's growth engine combines organic growth and economies of scale with growth through acquisitions and a wider offering.





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When acquiring companies, Asker focuses on four areas

Asker's ambition is to create a comprehensive offering for the healthcare sector that encompasses all products and all healthcare channels. Acquisitions can be add-on acquisitions that provide scale and complement the product range in existing markets, or major acquisitions of companies that function as platforms for reaching new geographic markets, channels and categories. Asker has set a number of criteria to guide its acquisition strategy, based on areas where the Group sees the greatest opportunity to make a difference and create value.

Asker's acquisition focus

Geography

Focus on Central and Western Europe. Over time, Asker intends to gradually expand into more European countries where distributors have a well-established position and can add value to create a more efficient healthcare sector.

Customers and channels

Focus on strengthening presence in channels and market segments that benefit from long-term macro-trends such as an ageing population and more people living with chronic illnesses, a higher percentage of care in the home, sustainability and technological progress.

Product categories

Focus on expanding into new product categories to achieve a comprehensive product offering in medical supplies, devices and equipment.

Market-leading companies

Focus on companies that are perceived as market leading by their customers. Asker contributes know-how and scale to take the company to its next step.

Structured acquisition process

A structured M&A process, a broad network and a deep understanding of the local market conditions all help to put Asker in a favourable position in the ongoing consolidation of the market.

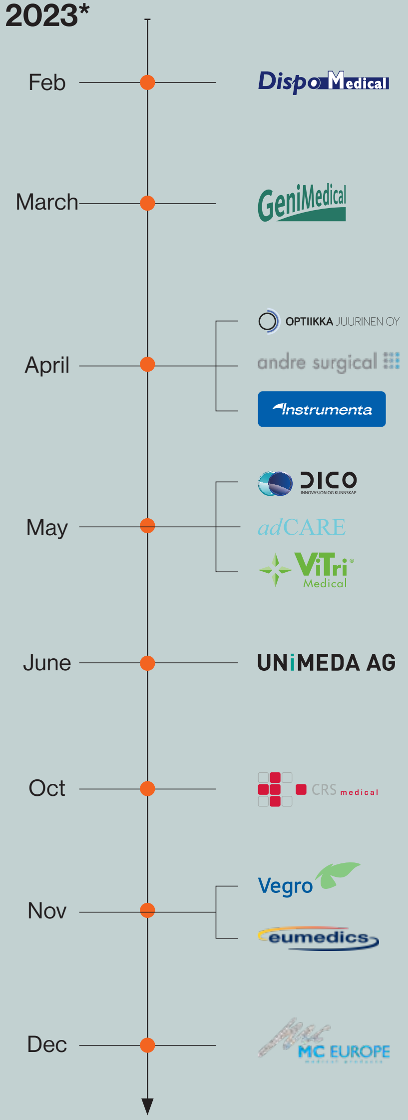
The companies that Asker acquires are often owned by the founding family who are either looking for a partner ahead of an imminent generational shift, or for support to grow the business.

As the market conditions of European countries are fundamentally different from each other, local decision-making authority is a critical success factor.

Acquired companies can either continue as independent companies in the Group under their existing brands or be integrated into the company, depending on the size of the acquired company, its market position, characteristics and any overlap with existing businesses in the market.

Subsequent to the acquisition, the management of the new company is introduced to Asker and a plan is drawn up for how the common requirements set out in the Asker Management Standard are to be fulfilled. Find out more about this on page 74.

Asker acquired 13 companies in 2023*



* In adition to these, a partnership was formed with Apotheekzorg Hulpmiddelen.

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"A stable future and new opportunities for our employees"

"When we decided to look for new owners, it was important for us as founders to find a place where the company could grow and the employees could be happy", explains Michael Schlapp, one of the founders and the Managing Director of CRS medical.

Michael Schlapp, founder and Managing Director of CRS medical.

In 2023, Asker acquired the company CRS medical, a leading supplier of technical services for medical devices, based in Germany. The company is also a niche distributor of products primarily within cardiology, neurology and transfusion technology.

CRS was founded by four people in 2004, three of whom have worked actively in the company. It has around 200 employees and is located in the town of Aßlar in the federal state of Hessen.

When the founders decided to sell the company, their main objective was to give the employees a stable future and ensure the company had an opportunity to grow.

"I was particularly proud of our talented management team during the sales process. When I discussed the acquisition with Asker, I saw many opportunities for them – both for gaining new skills and further growing the business. It was just as important to secure stability for all the employees too", says Michael Schlapp. Like most of the company's employees, he grew up and still lives in the region.

Long-term perspective and deep knowledge

It was crucial for the founders to find a buyer that had a long-term perspective and deep knowledge of the healthcare sector. Asker was the only non-German-speaking candidate in the process. But what particularly worked in Asker's favour was its vision to build a strong European group of distribution companies within medical supplies, devices and equipment – based on local presence and expertise, but with central support and knowledge-sharing.

"What also stood out was the people behind the offer. The fact that Magnus Alsterlind, Business Area Director Central at Asker, presented the offer in person and met all the founders made a big difference to us."

Healthcare in Germany is currently undergoing major structural changes, which is affecting the companies in the sector. This could present new opportunities for CRS medical to work directly with the hospitals, for instance to provide them services for devices and equipment, supply them with reliable and quality services and introduce new software solutions. Radical changes such as these require the support of an active owner and a network of companies that can share experiences and knowledge.

Collaboration within the Group - a major benefit

"It was a major benefit for us to be able to collaborate with the other companies in the Group. We can capitalise on each other's experience in a range of ways, and this started immediately after we became part of Asker", says Michael Schlapp.

CRS medical provides MedTech services to customers all over the world, including several major international product companies. "The product companies choose to outsource adjacent services for their products for different reasons, sometimes because they need expertise in local markets or because they want to separate sales and services for regulatory reasons", explains Michael Schlapp.

"We work with our customers to create innovative and needs-based solutions that meet high standards for quality, safety and functionality. Our professionalism, flexibility and efficiency makes us a valuable and long-term partner for our customers."

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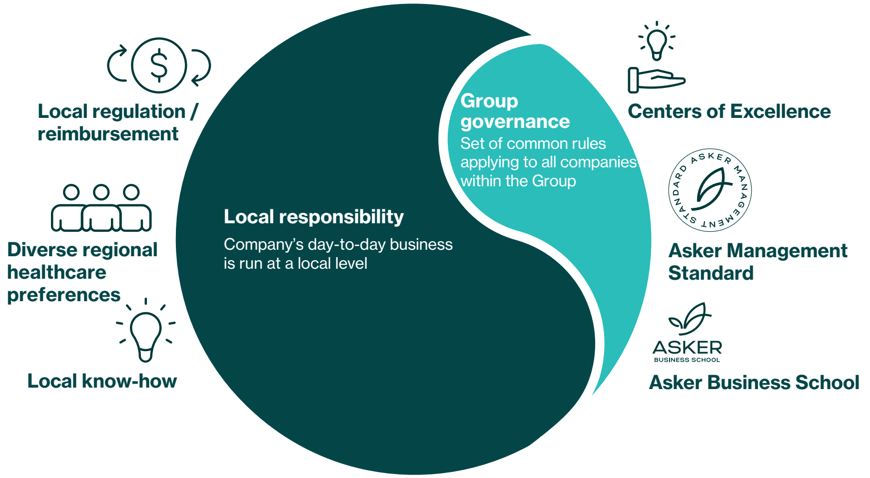
Governance model built on entrepreneurial responsibility, shared values and knowledge sharing

In order to meet the local conditions of the different European markets and ensure a stable and scalable company, Asker has adopted a governance model that combines the benefits of local responsibility with a number of internal shared rules compiled in the Asker Management Standard. Knowledge is shared through the Asker Business School and the companies also get access to training in these rules as well as to other courses. Best practices and knowledge are shared through the Centers of Excellence to help ensure economies of scale are achieved.



Centers of Excellence

Centers of Excellence have been created to ensure Asker benefits from its size and purchasing power. These act as knowledge hubs and they drive some of the group-wide projects to identify shared solutions for greater efficiency and profitability. The Centers of Excellence focus on four areas:

- *Private Labels* - sharing knowledge about working with own brands, MDR and quality.
- *Purchasing* - coordinating purchasing vis-à-vis suppliers, gaining synergies and supporting the local purchasing organisations.
- *IT* - supporting the local IT organisations with recommended systems for operations and safety, as well as development in areas such as digitalisation.
- *Supply Chain* - sharing knowledge about building efficient solutions for automation, logistics and warehousing.

Asker Management Standard

Entrepreneurial power and local decision-making are critical success factors for Asker. For that reason, the local companies are largely in charge of running their own businesses. To ensure that Asker is built on the same values and is run efficiently, and that the companies always prioritise the best interests of the healthcare sector, the Group has a common "rule book" called the Asker Management Standard (AMS). The AMS defines Asker's requirements of the companies' operations. Monitoring and control takes place centrally.

The AMS contains policies covering financial reporting and control, risk management, values, HR and health & safety, IT security, communication, corporate governance, legal, M&A, quality, environment and business ethics. Find out more in the Corporate Governance report on pages 73–81.

Asker Business School

Asker Business School is the Group's own university and is available both online and in physical form.

The purpose of Asker Business School is to build a sustainable entrepreneurial culture and to create a common knowledge base and environment that promotes good ethics and knowledge sharing. But it is, above all, a forum where entrepreneurs meet and get to know each other, exchange experiences and create business opportunities to build Asker for the future.

Training courses are available in Asker's strategy and how the companies can do their part to solve the challenges of the healthcare sector. There are also courses in financial reporting and control, corporate acquisitions and sustainability, quality, IT and business ethics. The digital courses are open to all employees in the Group.

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"All regions developed well during 2023. Several major new contracts, a broader product offering through the acquisitions and improved efficiency are behind these positive developments."

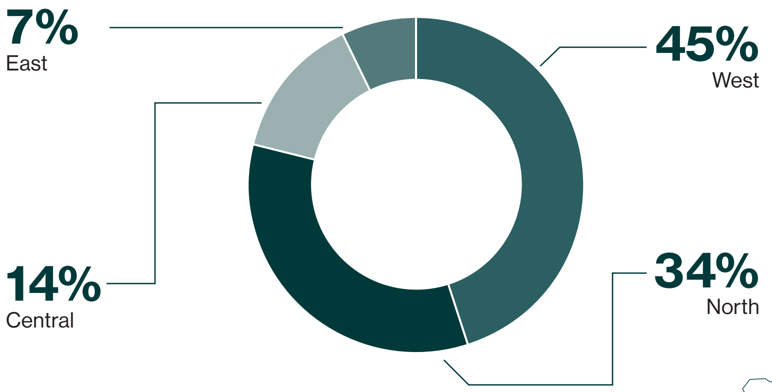
Asker's business areas

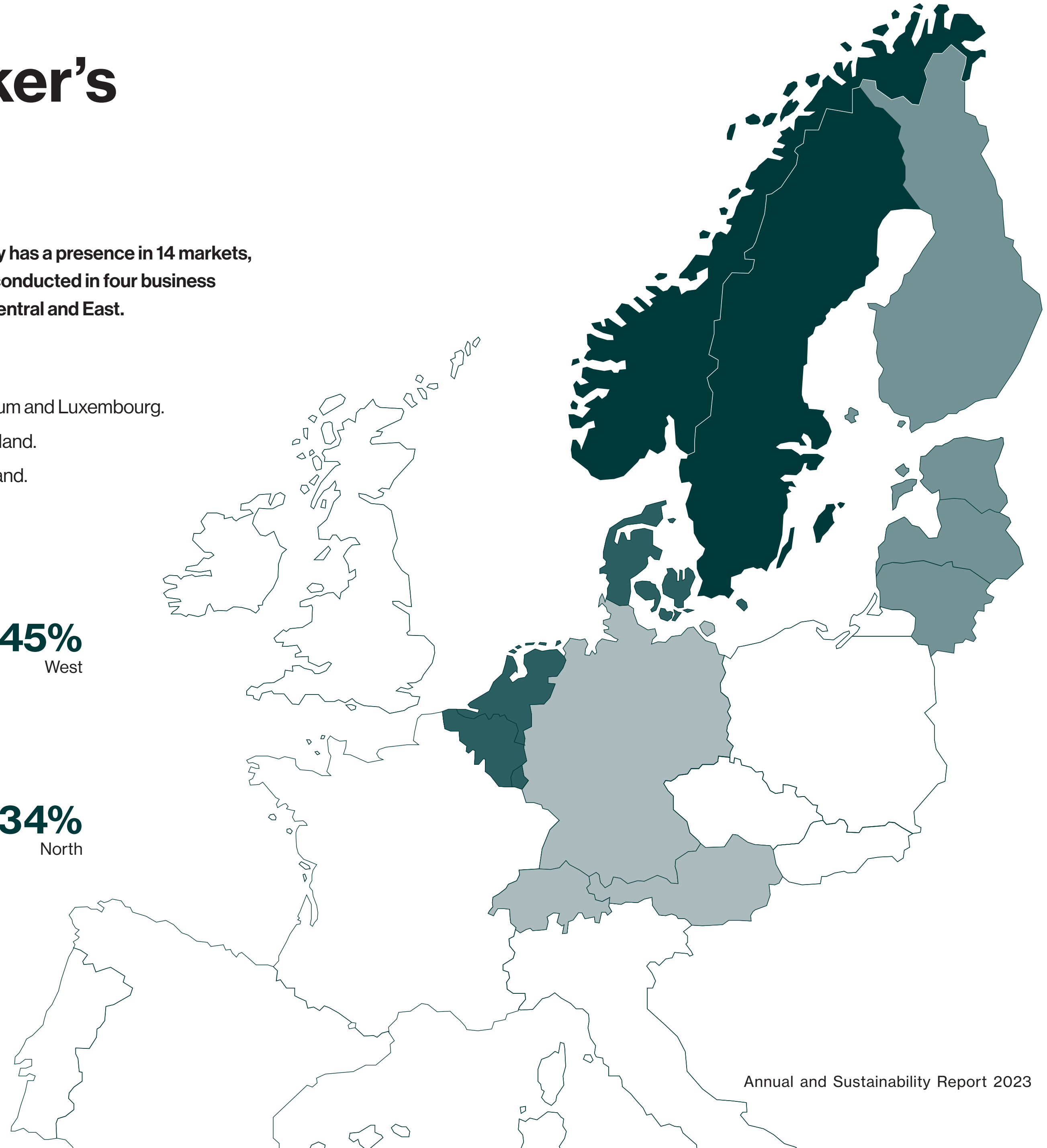
An overview of Asker's business areas

Asker Healthcare Group focuses on Western Europe and currently has a presence in 14 markets, including Asker's audit office in Asia. The Group's operations are conducted in four business areas defined by geographical market, comprising North, West, Central and East.

- Business Area **North** consists of Sweden and Norway.
- Business Area **West** consists of Denmark, the Netherlands, Belgium and Luxembourg.
- Business Area **Central** consists of Germany, Austria and Switzerland.
- Business Area **East** consists of Estonia, Latvia, Lithuania and Finland.

Net sales by business area





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Business Area North

Business Area North is the second largest of Asker's business areas. It consists of Sweden and Norway with a combined population of just under 16 million people. North accounts for 34 percent of the Group's total sales. The business area is run through 14 local companies that had around 670 employees at the end of 2023.

The market
Customers in Business Area North are largely public healthcare providers run by the regions and municipalities in Sweden and Norway. There is also a significant amount of sales of medical supplies and equipment to military and emergency services customers as well as private healthcare providers. The company's products and services (4PL, logistics) are used by hospitals, health centres, nursing homes and home care services, but sales are also made directly to patients. Some sales are also made to pharmacies and individual clinics.

In North, most sales are made through public procurements consisting of contracts of a couple of years with an option of extension for another couple of years (usually 2+2 years). Every region and municipality conducts its own procurement, which means a large number of new contracts and procurements every year. For example, there are 21 regions and 290 municipalities in Sweden and 4 regions and 356 municipalities in Norway. Regular commercial contracts also exist, but to a lesser degree, and mainly with private customers. Sales are made of individual products and through baskets of products in specific categories

SEK 4,570 m
Sales[1]

SEK 580 m
EBITA[2]

11.9%
EBITA margin[2]

1) From external customers.
2) EBITA excluding acquisition and integration costs.

Companies in the business area

Onemed Sweden and **Onemed Norway** provide around 50,000 different products from a large number of suppliers, covering the entire needs of the healthcare sector for medical supplies, devices and equipment.

Onemed Services is a high-quality fourth-party logistics provider for medical equipment and pharmaceuticals. The company's main customer is Helse Sør-Øst which encompasses 55 percent of the population of Norway.

Gymo is a reseller of MedTech products, fittings and equipment to hospitals, municipalities, health centres and B2B in the private healthcare sector.

Scandivet is a full-range supplier of veterinary equipment. The company was founded in 1993 and offers a wide range of products.

Astomed is a leading distributor of equipment and products for beauty clinics and salons in Sweden, Norway and Finland.

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"Through high quality, service, efficiency and sustainability, we have continued to demonstrate to our customers that our companies in Sweden and Norway take responsibility for the entire chain, including reliable deliveries, secure solutions and smart services for caregivers and patients, and that we are also very focused on sustainability."

Peter Nilsson
Business Area North Director

or therapeutic areas, as well as what is referred to as "system solutions" for the emergency services and the defence sectors.

Asker's market position
Asker is the market leader in Sweden and Norway through its subsidiary, Onemed. The company has an extensive product range encompassing medical supplies, devices and equipment and various digital solutions. The largest proportion of the sales is to hospitals, municipalities, nursing homes, home care, the defence sector and the emergency services.

In Sweden and Norway, Asker's Onemed companies are also the leading 4PL suppliers. This service includes the entire supply chain from product purchasing, stock, picking and deliveries to healthcare units and patients, as well as customer service.

In Norway, the 4PL business is managed via Onemed Services, which provides the entire medical supply needs to the South-Eastern healthcare area and maintains the national and regional emergency stocks for the Norwegian market.

Developments in 2023
During the first half-year the market position of the business area was strengthened via four acquisitions and the creation of a new sales unit in the general practitioners segment in Norway.

Adcare and Dico were acquired in Norway, and together with Gymo they constitute a strong range of medical equipment and hospital fittings. Two acquisitions were completed in Sweden, Instrumenta and Vitri Medical. These companies enhance the range by adding new product lines including surgical instruments, defibrillators and advanced wound care.

Onemed Sweden's military and emergency services business grew again during the year. Onemed reinforced its role as the market-leading distributor through several contracts, one of which was with the strategically important Varuförsörjningen. This is a collaborative initiative between the Dalarna, Västmanland, Sörmland, Uppsala and Örebro regions to provide the healthcare and dental care sectors with medical supplies.

Evercare Medical launched several new products under the Embra brand with the objective of taking even greater responsibility for sustainability.

Companies in the business area

Adcare is specialised in medical supplies and equipment for urology, ultrasound diagnostics, laser treatment and regenerative medicine. The company is based in Norway.

Dico is specialised in medical equipment for operating rooms, polyclinics and day surgeries and supplies specialised medical supplies as well as hygiene equipment. The company is based in Norway.

Instrumenta has supplied surgical and diagnostic instruments and medical equipment to the healthcare regions in Sweden for more than 30 years.

Vitri Medical is a leading distributor of defibrillators and wound care products to the regions of Sweden.

Ascan provides Aktiv Førsyning, an IT solution that streamlines and simplifies processes for ordering, goods delivery, service management and inventory management.

Swemed provides a wide range of medical supplies and equipment to the healthcare sector via its online store.

Adcuris is a Swedish company that provides high-quality health-related protection and trauma products for emergency care, the police service and the military.

Evercare Medical develops products that are making a positive difference in the European healthcare sector, offering a comprehensive range of 2,000 articles.

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Innovative solutions improve patient outcomes and reduce costs

Asker is always searching for innovative solutions in the field of medical supplies, devices and equipment that can improve patient outcomes and reduce the total cost of care. Hanna Merikanto and her colleagues at Onemed in Finland describe how they identified a new wound care solution that led to one patient's remarkable recovery.

Hanna Merikanto, Business Unit Director, Medical Supplies, Onemed Finland.

"We're always looking for innovative solutions that can help our customers, the Finnish healthcare sector, to take care of patients with improved outcomes, faster and at lower cost. Wound care solutions are particularly interesting as many patients are affected by wounds that don't heal easily, which causes a lot of suffering often for long periods of time", says Hanna Merikanto, Business Unit Director, Medical Supplies at Onemed Finland.

At a recent healthcare conference, Hanna and her colleagues heard about a new wound care solution called ActiGraft from a company called Red Dress. The solution uses the patient's own blood, which together with other wound-healing substances re-activates the body's natural healing process and accelerates the healing of the wound.

Much suffering and high costs

Immediately after Onemed had introduced the wound care solution to its customers in Finland, one hospital decided to test the treatment on a patient who had suffered from persistent wounds on his foot for ten years. During that period he had to go to the hospital no less than 3,120 times, which caused the man enormous suffering and was very costly for society. The cost for the previous treatments, that had not succeeded in healing the wounds, was estimated to have been more than EUR 200,000.

The new treatment commenced in early summer 2023, and the hospital noticed rapid progress. At the end of the summer, after just two months, the wound had almost completely healed and the treatment had cost only EUR 1,200.

"The results were impressive - fast recovery in combination with the low cost. But the best thing of all was that the patient no longer needed to suffer, after ten years of persistent pain and countless hospital appointments", says Hanna Merikanto.

New tests with positive outcomes

As a result of this successful attempt, the hospital in Finland has now begun more tests and clinical trials are planned for 2024. The results have been very positive so far, says Hanna Merikanto.

"These kinds of outcomes constantly drive us to look for innovative and efficient solutions within the medical supplies, devices and equipment field that improve healthcare and patient well-being."

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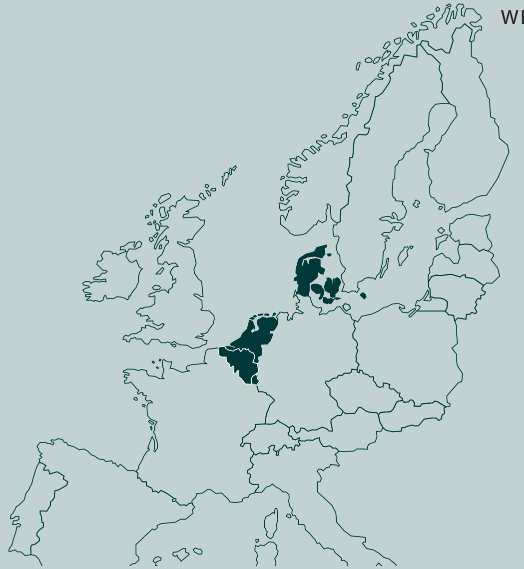


Business Area West

Business Area West is the largest of Asker's business areas, with 45 percent of the Group's total sales. West comprises Belgium, the Netherlands, Luxembourg and Denmark, with a total population of almost 36 million people. Business Area West is run through 14 local companies that had around 2,080 employees at the end of March 2024.

The market

In the Netherlands, Business Area West's largest market, sales are made directly to hospitals and healthcare institutions as well as directly to patients via an insurance system. Through this system, all residents have compulsory health insurance and choose their desired provider for the products they are prescribed. Individuals have the option to change their health insurer once a year. In Belgium, customers mainly consist of hospitals and other healthcare providers. In Denmark, customers are primarily public healthcare providers run by regions and municipalities, but private healthcare is also available. There are also some sales directly to patients.

In Business Area West, a high proportion of sales are made via commercial contracts, mainly in the Netherlands, while in Luxembourg and Belgium sales are made via commercial contracts and procurement. In Denmark, sales are mostly conducted via public procurement. The company sells individual products and baskets of products in specific categories or therapeutic areas.

SEK 6,027 m
Sales[1]

SEK 375 m
EBITA[2]

6.2%
EBITA margin[2]

1) From external customers.
2) EBITA excluding acquisition and integration costs.

Asker's market position

In the Netherlands, Asker has built up a leading market position since 2015 in diabetes, ostomy, urology, incontinence and wound care both for hospitals and directly to patients. The company is also a specialist provider of operating theatre equipment in the Benelux region and has built up a niche offering for private clinics and physiotherapists.

In Denmark, the company is strongly positioned primarily in diabetes, general practice and wound care through its subsidiary Onemed. It also has a strong position in mobility aids and personal assistive equipment through Mobilex and Zibocare.

Developments in 2023

During 2023, Business Area West grew in the Netherlands via the acquisition of Dispo Medical, Genimedical and MC Europe.

Companies in the business area

bosman — **Bosman** supplies medical devices and provides support and assistance to people needing wound, diabetes and urological care.

MediReva — **Medireva** is a group of specialist companies with a broad portfolio of products and services, including expertise in ostomy, urology and rehab.

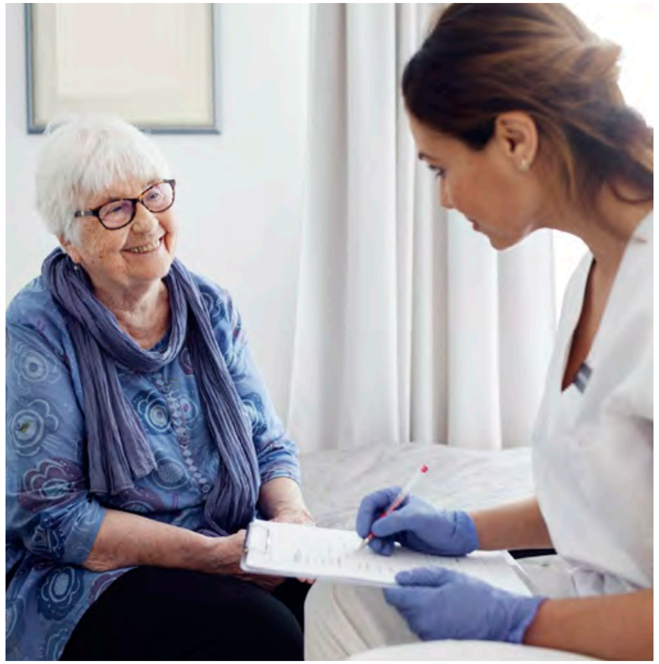
QRS — **QRS** specialises in medical equipment and supplies for healthcare professionals. The company delivers directly to hospitals, private clinics, ambulance services and healthcare institutions.

FysioSupplies.nl — **Fysiosupplies** offers a range of products for physiotherapy practices and consumers, including supplies, exercise equipment and measurement and treatment equipment.

Vegro — **Vegro** sells, lends and leases a broad assortment of medical mobility and rehab products to private individuals, nursing homes and home care providers in the Netherlands via service centres, online and directly to healthcare institutions.

"By constantly expanding our portfolio of products and brands, we have built a complete solution that meets the needs of all our customers. We have integrated several of our businesses and by capitalising on the best of Bosman and Medireva, we've been able to improve efficiency further and now have customer service of the highest quality, which will enable us to expand our market share of the direct-to-patient segment in the Netherlands. On top of that, winning a strategic public procurement in the diabetes field in Denmark opened up a new market segment for us."

Pieter-Jan Jongeling
Business Area West Director



In November 2023 an agreement was also signed to acquire Vegro, the largest supplier of mobility aids and personal assistive equipment in the Netherlands. This acquisition was closed in February 2024.

Bosman in the Netherlands continued to strengthen its offering and market position in close cooperation with Medireva as the companies shared experiences, expertise and processes. Furthermore, Bosman deepened its collaboration with Apotheekzorg Hulpmiddelen, a leading medical devices expert that supplies products to more than 800 local pharmacies and 80,000 patients.

In Denmark, Onemed entered the diabetes care market with a new distribution contract for medical supplies and equipment to 93 of Denmark's 98 municipalities.

Companies in the business area

Genimedical develops and sells orthopaedic solutions and is based in the Netherlands.

MC Europe sells and delivers high-quality medical products for breathing and ventilation to the Benelux markets.

Onemed Denmark provides around 10,000 different products from a large number of suppliers, covering the entire healthcare sector's needs for medical supplies, devices and equipment.

Zibocare is a Danish developer and distributor of rehab products, mainly pressure-relieving mattresses and pillows.

Pharma Dynamic is a specialist wholesaler of medical devices. The company offers a wide range of medical equipment.

Stöpler is a supplier of, and a knowledge resource in high-quality medical equipment, instruments and supplies to hospitals and other healthcare institutions.

Mobilex offers customers across Europe both its own and third-party brands of mobility aids and personal assistive equipment.

Deforce Medical is a market-leading distributor of medical supplies, devices and equipment to 7,000 customers in primary care and elderly care.

Dispo Medical is a manufacturer and distributor of medical supplies to the healthcare sector in the Netherlands, specialised in disposable surgical instruments.

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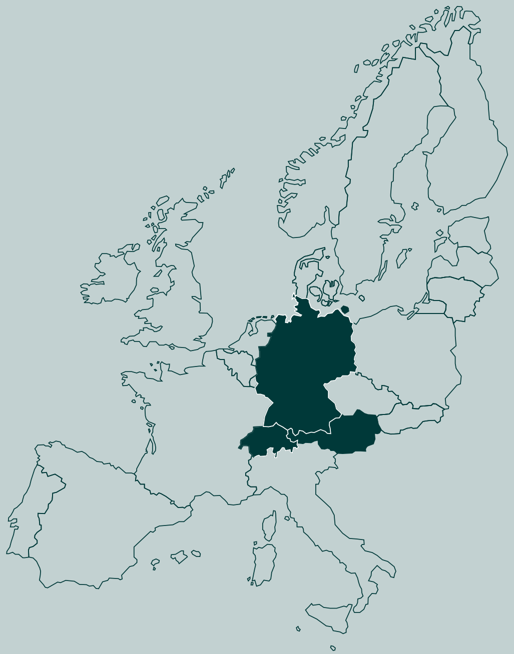
Business Area Central

Business Area Central comprises Germany, Austria and Switzerland, with a total population of just over 100 million people. Central accounts for 14 percent of the Group's total sales. The business area is run through eight local companies that had around 660 employees at the end of 2023.

The market

In Germany, a large share of the purchases are made through central purchasing organisations that buy medical supplies and equipment on behalf of several hospitals. Other major customer groups include doctors' surgeries and insurance companies. In Austria, customers mainly consist of public hospitals and hospital groups in the nine federal states, but there is also a large element of local private and public providers, including doctors' surgeries, and health centres.

Switzerland has a large number of independent healthcare providers, and the customers are individual hospitals, nursing homes, home care services and around 12,000 doctors' surgeries. In Germany, most sales go through large procurements combined with commercial contracts, while commercial contracts are the most common form of contract in Austria and Switzerland. The company sells individual products and baskets of products in specific categories or therapeutic areas.



SEK 1,861m
Sales[1]

SEK 113m
EBITA[2]

6.1%
EBITA margin[2]

1) From external customers.
2) EBITA excluding acquisition and integration costs.

Asker's market position

Business Area Central is the most recently established of Asker's business areas and its market position has been gradually built up through a number of acquisitions. Asker established itself in Germany in 2021 by acquiring three companies focused on diabetes products and wound care.

In Switzerland, where the company set up in 2020, the business area has built a strong position, mainly in disposable products for surgery, orthopaedics, incontinence and wound care.

In Austria, Asker established itself at the end of 2022 through an initial acquisition that created a foundation for further expansion.

Developments in 2023

The business area has grown via a number of acquisitions during the year. In Germany, the business area has strengthened its position in technical services for medical equipment via the acquisition of CRS medical.

Aichele Medico's position has become stronger in the hospitals segment in Switzerland due to the add-on acquisition of Unimeda, while coordination between the companies has c reated synergies in several areas.

In Austria the product range has also been boosted during the year through two add-on acquisitions to Heintel Gruppe, namely Andre Surgical and Eumedics. Heintel Gruppe has taken over several distribution contracts, including becoming the exclusive distributor of Cardinal Health's products in Austria.

> **"We have a solid platform for continued growth in Germany, Austria and Switzerland. During the year we've managed to complete several important acquisitions that have enhanced and developed our existing business, and complemented it with new areas of expertise, such as technical services. We have also invested in developing the leadership and have built an even stronger leadership team via acquisitions and recruitment."**
>
> **Magnus Alsterlind**
> Business Area Central Director

Companies in the business area

CRS medical provides technical services for medical equipment, and is a specialist distributor of products for cardiology, neurology and infusion technology in Germany.

Gribi is a leading supplier of medical equipment to hospitals in Switzerland, mainly for surgery, ear-nose-and-throat, orthopaedics and ostomy.

Eumedics is based in Austria and is focused on products for anaesthesia, intensive care, tube-feeding, paediatric care and neonatal intensive care.

Evivamed Handelsgesellschaft supplies diabetes care products to resellers, pharmacies and wholesalers.

Diashop offers diabetes products to patients through a network of 38 Diashop stores in Germany, complemented by mail order and online stores.

Med4Trade is a B2B distributor of medical supplies, devices and equipment.

Aichele Medico supplies around 800 customers in the Swiss healthcare sector with medical supplies, mainly niche products for operating theatres, neonatal care, sterilisation, gynaecology and urology.

Heintel Gruppe sells supplies and light medical equipment to hospitals in Austria, focusing on surgery, intensive care, interventional radiology, cardiology and gastroenterology.

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Business Area East

Business Area East includes Finland, Estonia, Latvia and Lithuania with a total population of just over 11 million inhabitants. East accounts for seven percent of the Group's total sales. The business area is run through three local companies that had around 130 employees at the end of 2023.

The market
Business Area East's largest customers are located mainly in Finland and in the 21 welfare areas in which the most demanding needs for specialist in-hospital, primary and elderly care are found. The products and services offered are used by all types of healthcare providers – hospitals, primary care, nursing homes, home care, and the public and private healthcare sectors. In the Baltics, the main customers are the countries' public and private-sector hospitals, but there's a growing segment in direct-to-patient sales of products for which the cost is covered by the state.

Most sales in East are made via public procurements with contracts that are usually for a couple of years, often with an extension option for another couple of years (usually 2+2 years). Regular commercial contracts also exist, but to a lesser degree, and mainly in the private sector. The company sells individual products and baskets of products in specific categories or therapeutic areas.

SEK 996 m
Sales[1]

SEK 121 m
EBITA[2]

12.0%
EBITA margin[2]

1) From external customers.
2) EBITA excluding acquisition and integration costs.

> **"We have strengthened our position during the year, mainly in the eye care and eye surgery products area, through an important acquisition that has now been integrated into our existing business. We have also once again been trusted to supply several of our existing customers who put their purchase contracts out to tender again, which demonstrates that we are a reliable partner."**
>
> **Markus Henriksson**
> Business Area East Director

Asker's position

Asker's largest company in the region, Onemed, holds a strong position as a reliable partner to the Finnish healthcare sector. This position has been built up over many years of cooperation and was further strengthened during the pandemic when the company was involved in ensuring sufficient supplies of protective equipment for the healthcare sector. Finland has major sales in personal protective equipment, wound care and incontinence products. It also has a strong position in medical equipment and support in anaesthesia, intensive care and diagnostics. In the Baltics, the company mainly focuses on wound care, incontinence and respiratory aids, as well as personal protective equipment.

Developments in 2023

During the year the company's market position and range of eye care and eye surgery products was boosted via the acquisition of Optiikka Juurinen. The company is a distributor of optical diagnostic instruments, visual aids, optical products and services in Finland, that has now been integrated into Iogen.

The business area's position has also been strengthened in other segments during the year through the renewal of several contracts in Finland and the Baltics. Furthermore, the business area has renegotiated its contract with its warehousing providers, which has reduced costs.

Companies in the business area

iogen	**Iogen** is one of Finland's leading distributors in the eye surgery field. Customers include public and private sector hospitals, as well as smaller eye clinics.
ONEMED FINLAND	**Onemed Finland** has around 10,000 different stock products from a large number of suppliers, covering the healthcare sector's needs for medical supplies and specific medical equipment.
ONEMED BALTICS	**Onemed Baltics** (comprising OneMed Estonia, OneMed Latvia and OneMed Lithuania) holds approximately 2,000 medical supply products in stock.

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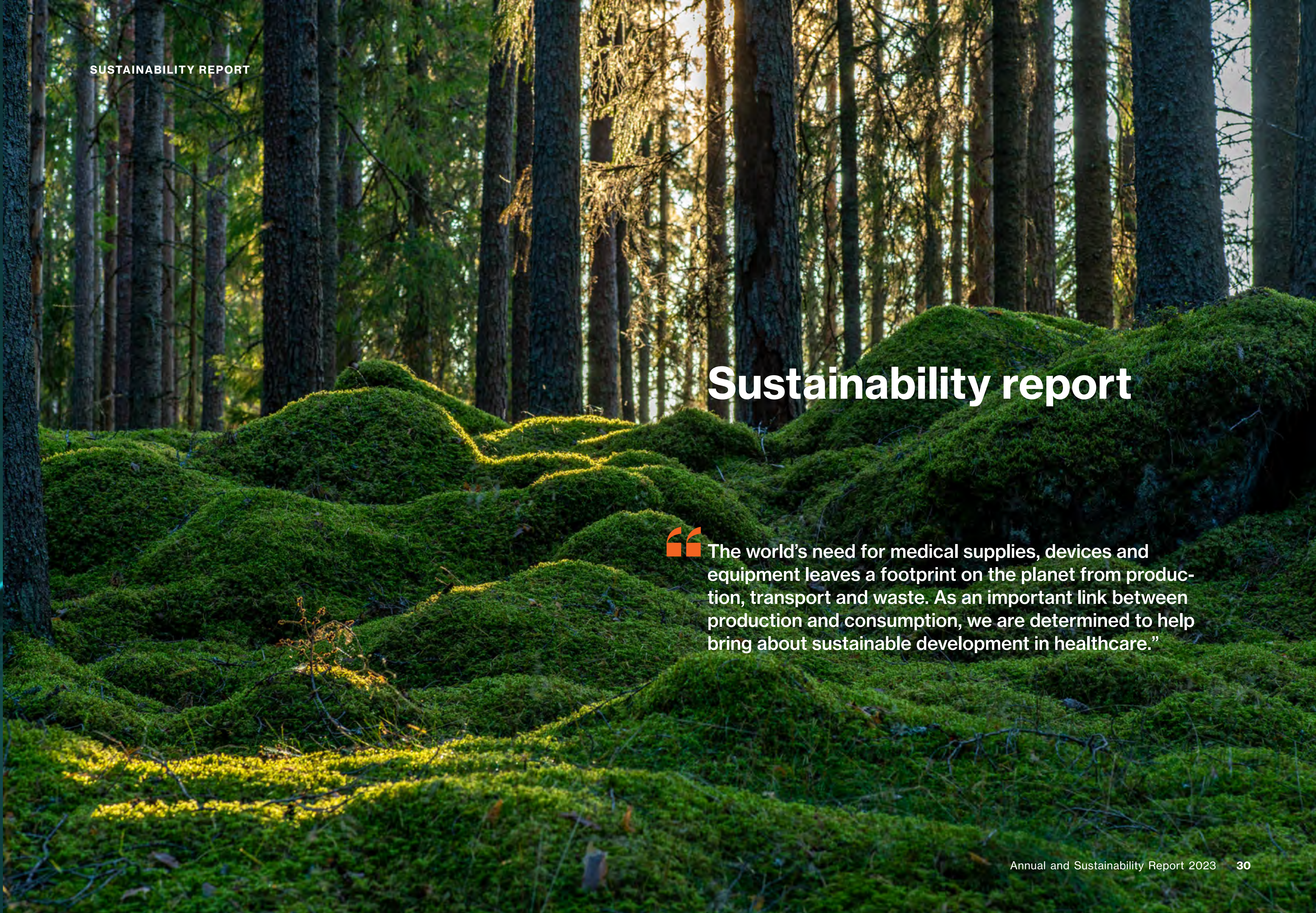

Sustainability report

"The world's need for medical supplies, devices and equipment leaves a footprint on the planet from production, transport and waste. As an important link between production and consumption, we are determined to help bring about sustainable development in healthcare."

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The world needs "A Bigger Care"

Asker's ambition is to take responsibility beyond its own direct impact, which includes creating a fair and sustainable value chain – from production to use of products. This is expressed in Asker's sustainability strategy "A Bigger Care".

Sustainability is an integral part of Asker's business strategy and goal to deliver products and services that improve healthcare by improving patient outcomes, reducing the total cost of care and reducing environmental impact. Asker's sustainability strategy "A Bigger Care" is also an important tool for delivering on the company's purpose "Health in progress", as it helps the company to mitigate negative effects on people and the environment in the countries where Asker operates.

The strategy is focused on three areas that encompass the company's entire value chain – from production to final use. Governance and monitoring of the sustainability strategy takes place through the group-wide framework Asker Management Standard.

Asker's material sustainability areas have been determined through stakeholder dialogues and the company's double materiality assessment carried out in 2023. The 2023 Sustainability Report is structured so that it acts as a first step towards complying with the new Corporate Sustainability Reporting Directive (CSRD). An overview of Asker's material areas and targets can be found on the next page.

Asker's work with sustainability is guided by six fundamental principles:

1. Focus on the sustainability-related risks and opportunities that Asker has the ability to impact, given its business activities.
2. Ensure that Asker works with sustainability as an integral part of its business models.
3. Engage the organisation in projects to drive and measure progress in sustainability.
4. Collaborate actively with customers, suppliers and manufacturers to achieve the global sustainable development goals and encourage partners to join the Science Based Targets initiative.
5. Use sustainability-related key performance indicators and information from external evaluations as a basis for developing sustainability work.
6. Expand the range with products that have a lower environmental impact than previous alternatives.

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Emissions in the value chain →	90% (Scope 3.1)*	2% (Scope 3.4)*	2% (Scope 1, 2, 3.2, 3.3, 3.5, 3.6, 3.7)*	1% (Scope 3.4)*	5% (Scope 3.11, 3.12)*
Focus area	Upstream		Own operations	Downstream	

Healthy Communities

Upstream

S4 Health of consumers
- Request that suppliers provide products that improve patient outcomes at a lower total cost of care

S4 Safety of consumers
- Reduce the number of reported product incidents, recalls and complaints

Target 2030
- Number of reported serious product incidents and recalls: 0
- Complaints per million products sold (CPM): <5

Own operations

S4 Information-related impacts for consumers
- Increase the reporting of data infringements
- Reduce the number of patient-related data infringements through systems and controls

Downstream

S3 Affected communities
- Provide products that improve patient outcomes and reduce total cost of care

Target 2030
- Percentage of Group companies that offer digital patient solutions or product guides: >90%
- Average customer satisfaction score: >9

S4 Social inclusion of consumers
- Customers are to ensure the patient's right to equal care

Healthy Planet

Upstream

E1 Climate change
- Increase the number of suppliers that join the SBTi
- Encourage third-party manufacturers to switch to renewable sources of energy
- Provide products with a lower climate impact

Target 2030
- Reduce Scope 3, category 1 emissions from products and services per SEKm gross profit (tCO2e/SEKm): >52% compared to 2021

E5 Circular economy
- Launch products that are made of circular commodities

Target 2030
- 50% of Evercare Medical's revenues from Embra sales

E2 Pollution

E3 Water and marine resources

E4 Biodiversity and ecosystems
- Analyse pollution, water and marine resources, biodiversity and ecosystems in the value chain

Target 2030
- Percentage of active third-party manufacturers audited against environmental criteria: >90%

Own operations

E1 Climate change
- Reduce the use of fossil-based energy

Target 2030
- Percentage of renewable electricity used in the Group's offices, warehouses and shops: 100%
- Reduce Scope 1 emissions: >42% compared to 2021
- Reduce Scope 2 market-based emissions: >42% compared to 2021

Downstream

E1 Climate change
- Waste management
- Demand for products with a lower climate impact
- Increase the amount of fossil-free transport

Healthy People

Upstream

S2 Workers in the value chain
- Ensure fair living and working conditions in the value chain.

G1 Business conduct
- Code of Conduct signed and audits of third-party manufacturers carried out

Target 2030
- Percentage of suppliers who have signed Asker's Code of Conduct for suppliers, based on sales: >90%
- Percentage of third-party manufacturers that have been audited in the last 24 months: >90%

Own operations

S1 Own workforce
- Reduce sick-leave and employee turnover
- Zero tolerance for accidents and fatalities
- Increase employee satisfaction

Target 2030
- Employee turnover: <15%
- Sick-leave: <4%
- Total number of lost time accidents (LTA): 0
- Work-related fatalities: 0
- At least 40% share of the underrepresented gender on the Board
- At least 40% share of the underrepresented gender in Group Management
- No unjustifiable differences in salary due to gender, age or background

G1 Business conduct
- Online training for employees in Asker's Code of Conduct

Target 2030
- Percentage of employees who have received training in and signed Asker's Code of Conduct: >95%

The model describes where different sustainability areas have the largest social, environmental and/or economic impact in the value chain, along with Asker's activities and targets for managing the risks and opportunities identified in the materiality assessment.

*See detailed descriptions of Scopes 1, 2 and 3 and the categories on page 57.

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Double materiality assessment

Asker carried out a double materiality assessment during 2023 in accordance with the European Sustainability Reporting Standards (ESRS), which are part of the new Corporate Sustainability Reporting Directive (CSRD).

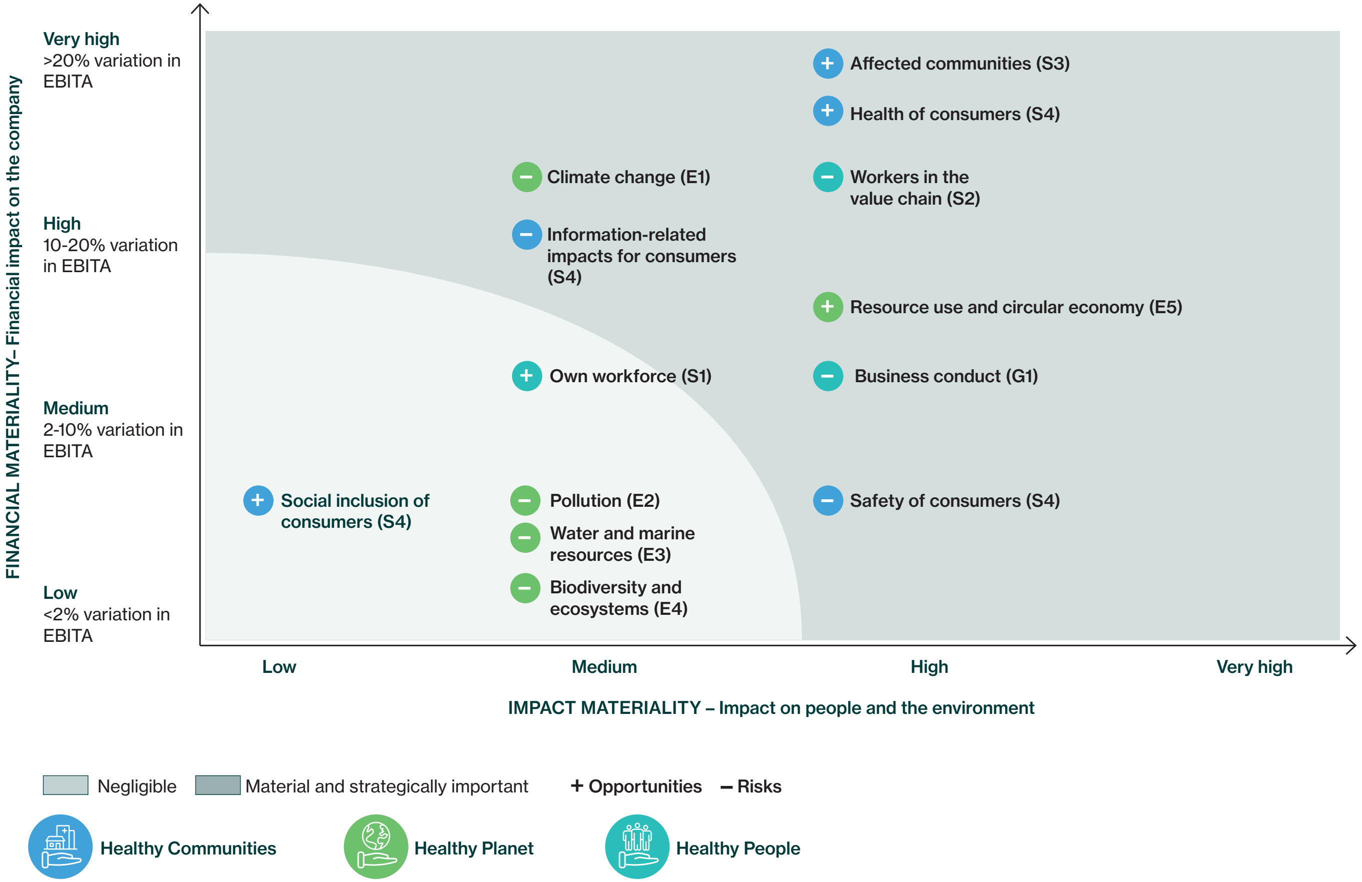
The materiality assessment is based on internal dialogues with different functions and companies in the Group, as well as external dialogues with stakeholders. Asker's Group Management Team and Board have approved the findings which form the foundation of Asker's sustainability strategy. A more detailed description of the impact materiality and financial materiality of the aspects of sustainability can be found on pages 52–54.

Greatest opportunity to create value

The materiality assessment shows that Asker has the greatest opportunity to create social and economic value through the company's efforts related to *Affected communities* and *Health of consumers*. Asker can also make a positive contribution in the *Resource use and circular economy* area. Circularity has become more important in the healthcare sector and Asker's customers need innovative suggestions and solutions to reduce the sector's plastic waste and climate impact.

Largest risks

The materiality assessment shows that the company's largest risks are linked to *Climate change, Information-related impacts for consumers*, *Workers in the value chain*, *Business conduct* and *Safety of consumers*.



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Target achievement 2023

Focus area	CSRD topic	Key performance indicator	Measurement	Outcome 2023	Progress towards 2030 targets	Targets for 2030	SDG
Healthy Communities	S3 Affected communities	Percentage of Group companies offering digital patient solutions or product guides	%	17%	🔵	>90%	
		Percentage of Group companies reporting customer satisfaction	%	93%	🟢	>90%	
	S4 Safety of consumers	Number of product-related incidents or recalls received and processed		66	🟢	<100	3 GOOD HEALTH AND WELL-BEING
		Complaints per million products sold for own brands	Complaints Per Million (CPM)	0.08	🟢	<1	
		Complaints per million products sold for distributors	Complaints Per Million (CPM)	0.2	🟢	<1	
	S4 Information-related impacts for consumers	Number of data infringements related to end-users (patients)		157	🟢	<200	
		Number of data infringements related to end-users (patients) reported to authorities		124	🟢	<200	
Healthy Planet	E1 Climate change	Percentage of renewable energy	%	49%	🔵	>90%	13 CLIMATE ACTION
		Change in Scope 1 and 2 emissions (market-based) compared to 2021	%	–19%	🟢	–42%	
		Change in Scope 3, category 1 emissions per SEK m gross profit (tCO2e/SEKm) compared to 2021	%	–18%	🟢	–52%	
	E2 Pollution E3 Water and marine resources E4 Biodiversity and ecosystems	Percentage of active third-party manufacturers in high-risk areas audited against environmental criteria in the last 24 months	%	34%	🔵	>90%	
Healthy People	S1 Own workforce	Employee satisfaction		75	🟢	>70	8 DECENT WORK AND ECONOMIC GROWTH
		Employee turnover (voluntary)	%	18%	🔵	<15%	
		Sick-leave	%	5.1%	🔵	<4%	
		Total number of accidents	LTA	29	🔵	0	
		Work-related fatalities		0	🟢	0	
		Average hours of training per employee (only Group, digital courses)	%	1.11	🔵	>3	
		Percentage of the under-represented gender on the Board	%	22% (women)	🔵	>40%	5 GENDER EQUALITY
		Percentage of the under-represented gender in the Group Management Team	%	44% (women)	🟢	>40%	
		Basic salary and compensation for women compared to men at manager level	%	91%	🔵	100%	
		Basic salary and compensation for women compared to men for all employees	%	98%	🔵	100%	
	S2 Workers in the value chain	Percentage of active third-party manufacturers in high-risk areas audited against labour rights criteria in the last 24 months	%	93%	🟢	>90%	8 DECENT WORK AND ECONOMIC GROWTH
	G1 Business conduct	Percentage of employees who received training in and signed Asker's Code of Conduct	%	97%	🟢	>95%	
		Percentage of suppliers that have signed Asker's Code of Conduct for suppliers	%	58%	🔵	>70%	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
		Percentage of suppliers that have signed Asker's Code of Conduct for suppliers, based on sales	%	88%	🔵	>90%	

🟢 Target achieved 🔵 According to plan

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Healthy Communities

Healthy Communities

Asker will help to reduce the total cost of care and improve patient outcomes

Activities
- Increase the percentage of sales within system sales, fourth-party logistics and direct-to-patient. These are the business models identified as being the most important for reducing the total cost of care and improving patient outcomes.
- Help customers to choose the best product for their needs at a lower total cost, for example through digital solutions.
- Provide high-quality products and services, in accordance with MDR and IVDR regulations.

Sustainable development goals

CSRD
- Affected communities (S3)
- Health of consumers (S4)
- Information-related impacts for consumers (S4)
- Social inclusion of consumers (S4)
- Safety of consumers (S4)

Asker Management Standard
- Quality and regulatory
- IT security and integrity

Governance documents
- Quality and environmental policy
- IT policy

Asker provides effective, high-quality, safe products and gives advice on alternative, more cost-efficient products and services. In this way, Asker can help to improve patient outcomes and reduce the total cost of care.

According to the UN, the percentage of people aged 65 or above will increase from the current 11 percent to 16 percent by 2050. This means that one in six people will be aged 65 or above by 2050. At the same time, the percentage of people living with chronic illnesses such as diabetes is on the rise, which increases the need for healthcare personnel and increases healthcare costs.

Affected communities (S3)
Asker conducts business through various sales channels, depending on the customer's needs and the different country healthcare systems. Customers include hospitals, primary care, elderly care, home care services or direct sales to patients.

Asker has identified the business models that work best for improving patient outcomes at a lower total cost of care:

- **System sales** – Long-term contracts through which the customer, often a region or a municipality, is supplied with its complete needs for medical supplies, devices and equipment, or its entire needs for products within a specific product category. The product portfolio is compiled to optimise value for the customer by offering the best possible product quality and performance at the lowest possible cost of care.
- **Fourth-party logistics (4PL)** – These contracts comprise the customer's entire supply chain from purchasing to handling product deliveries from suppliers, repackaging of products in accordance with the customer's requirements, optimisation of the logistics flows and delivery to the customer's warehouse or to hospital departments.
- **Direct-to-patient** – Patients are supported by a customer service centre whose personnel, often qualified nurses, possess the right knowledge to recommend a choice of products best suited to the patient's needs, from different suppliers.

Asker's ambition is to increase the proportion of these types of services in existing and new markets.

Consumers and end-users (S4)
Asker prioritises the patient perspective in all business decisions by ensuring a high level of product and service quality and user safety. To achieve this, Asker measures and reports key performance indicators related to quality, such as product-safety incidents, patient satisfaction and product defects.

Quality policy embedded in the Asker Management Standard

Asker's Quality policy is part of the Asker Management Standard. Compliance by the companies is monitored through internal audits that are carried out by Asker's quality and regulatory team. This process ensures an integrated and proactive approach to quality and safety and continuous improvements in the development, production and sales of products and services.

Asker focuses on product quality by working proactively with complaints, complaints handling, online training for quality management, root cause analysis and problem solving.

All companies report quarterly on complaints, incidents and recalls that are managed and monitored with the relevant suppliers.

When Asker acquires new companies, the acquired company's quality and regulatory compliance is assessed first and plans are drawn up to ensure the company conforms with Asker's quality standards. The company's quality system is updated and continuous reporting of key performance indicators commences.

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Regulatory compliance

Companies with operations in the EU that provide medical supplies, devices and equipment must comply with laws, regulations and standards such as the Medical Device Regulation (MDR), the In Vitro Diagnostic Medical Device Regulation (IVDR) and the Personal Protective Equipment Regulation (PPE).

To ensure that the products conform with EU laws and directives, all the businesses must also follow other regulations such as the Registration, Evaluation, Authorisation and Restriction of Chemicals Regulation (REACH), the Restriction of Hazardous Substances Directive (RoHS) and the Waste from Electrical and Electronic Equipment Directive (WEEE).

Regulatory compliance within the Group is monitored as part of the Asker Management Standard. "Best practices" are shared between the businesses via Asker's quality and regulatory team, to ensure seamless and efficient work methods and processes. Furthermore, Asker's employees have access to training courses, for example in MDR and IVRD, via the Asker Business School and to documentation via Asker's intranet.

ISO certifications in 2023

Onemed Sweden, Asker's largest distributor within the Group, became ISO 45001 certified in 2023. This is an international quality standard for occupational health and safety. Evercare Medical, Asker's largest manufacturer of own brands, became certified under the ISO 14001 standard, covering environmental management systems. These certifications demonstrate the Group's commitment to environmental management and the working environment.

Information-related impact on consumers (S4)

Asker's data integrity process underpins Asker's efforts regarding patient privacy, and it applies to all the companies in the Group. Compliance with the data integrity process is monitored as part of the Asker Management Standard. All management teams and Asker employees concerned are trained in the area via digital courses within the Asker Business School.

Data privacy

Some of Asker's companies handle sensitive information such as patient data and patient details from which conclusions can be drawn about the patient's health status. For this reason Asker sets strict requirements regarding data privacy processes within its companies.

Asker has created a data privacy work group that is in charge of ensuring that patient data is handled correctly and that processes are in place to reduce risks associated with data privacy. The work group consists of Asker's Data Protection Officer (DPO), the company's IT security committee and local data privacy managers. The local data privacy managers are part of Asker's Data Privacy Network which is led by Asker's DPO and is where experience about the topic is shared.

In addition to legal requirements to report personal data incidents, each company reports the number of incidents, as defined by the GDPR, to Asker's DPO and Legal Counsel every quarter. The outcome is also followed up by the audit committee of the Board.

An example of a personal data incident that happened in 2023 was when patients received another patient's home delivery. As a result of this, it was possible for patients to gain knowledge of the other patient's health status. The reasons for this type of incident can include mistakes on the part of the carrier or human error.

In order to further ensure that personal data incidents are identified and handled correctly, additional training will be held in 2024 for targeted groups.

PARTNERING FOR COMMUNITY ENGAGEMENT

Basic HealthCare Services

Asker wants to make a difference in society and is devoted to better healthcare for everyone. Over and above the positive impact of the Group's regular business activities, Asker also supports a number of selected organisations through community engagement.

One of these is Basic HealthCare Services (BHS) – a non-profit organisation in India that provides high-quality primary care to families in rural areas and migrant workers in Rajasthan, India. The initiative is run in collaboration with Social Initiative.

Asker supports healthcare providers to improve patient outcomes, reduce the total cost of care and ensure a fair and sustainable value chain. Supporting BHS, which operates in a region where Asker has third-party manufacturing, is part of this community engagement.

Asker's support has enabled several improvements in 2023:

- The quality of maternity care and the health of new-born babies has improved, for instance children's vaccinations are registered.
- In one primary care centre, BHS has implemented a triage/prioritisation system for emergency care, to save lives.
- BHS supports the health centres through a nurse that can provide 24-hour support over the phone.

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HEALTHCARE GROUP

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Digital solutions for improved patient quality and more efficient care with optimal resource consumption

Using digital solutions, Asker can make it simpler for patients and care professionals to find the right product and thus reduce costs and make the care professional's work more efficient. Such solutions bring about long-term, sustainable growth for Asker and create societal value.

Shared value is when companies create economic value while solving societal challenges and promoting sustainability.

Wound care improved by digital solutions

Challenge:

European caregivers often lack the knowledge and capacity to treat complex wounds efficiently, which has an adverse effect on healthcare in the form of long treatment times.

Solution:

The **WoundCare** programme helps healthcare professionals to assess and treat persistent wounds by shortening the healing time and reducing antibiotic usage. A study by the Nordic Health Group shows that the WoundCare programme helped to shorten wound healing time by 75 percent and reduce antibiotic usage by 76 percent, in the cases included in the study.*

Furthermore, the number of wound care treatments can be reduced by 67 percent and costs reduced by 80 percent. The programme also has a positive effect on the environment as it leads to a decrease in waste of 67 percent and a decrease in travel of 77 percent, compared to traditional wound care treatment.

The service includes an app built using artificial intelligence based on the knowledge of wound experts. The caregiver takes a photo of the patient's wound and can then use the app to get advice from wound care specialists on appropriate treatment products. They can also communicate with wound care specialists via the app's chat function.

Qualityzorg in the Netherlands is another of Asker's specialist wound care providers. The company offers different patient services, including digital solutions, designed to help patients manage their wound care for themselves at home.

These digital tools allow collection and analysis of wound care data. By sharing analyses and cooperating with other stakeholders, such as hospitals and researchers, new knowledge can be distributed to more parties, thus raising the standard of wound care in society.

*Source: Onemed Finland, Nordic Healthcare Group analysis

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Partnering for improved patient service

Challenge:

Rapidly soaring costs in the healthcare sector in the Netherlands are leading insurance companies to request better service for caregivers and patients from their suppliers.

Solution:

Through a strong partnership between **Bosman** and **Apotheekzorg Hulpmiddelen**, 800 local pharmacies and 80,000 patients in the Netherlands benefit from improved service and improved logistics. Using Bosman's expertise and digital solutions, Apotheekzorg Hulpmiddelen can make care more accessible to its patients and let them choose if they would like to receive deliveries via the pharmacy or at home.

The nurses who work at Apotheekzorg Hulpmiddelen have extensive experience of advising and instructing patients who use products in their home environments. This thus helps ensure more efficient use of medicines which also reduces waste. All medicine parcels sent conform with Good Distribution Practice (GDP) and both refrigerated and non-refrigerated products are monitored during transportation using a track & trace system.

This combination of digital solutions, smart logistics and local service maintains a high-level of patient service, in accordance with the insurance company contracts. Customer surveys show that patients appreciate the accessibility to skills and product knowledge, the personal contact and the national coverage.

APOTHEEKZORG Hulpmiddelen

Smart, digital solutions improve logistics

Challenge:

Inefficient purchasing and warehouse management is time-consuming for caregivers as valuable patient care time is used for finding, ordering and receiving the right products. A lack of time often leads to inadequate control of stock levels and the risk of products being out of stock, leading to the risk of cancelled treatments.

Solution:

Ascan is an automated warehouse management system that simplifies and optimises material ordering for nursing homes, hospitals, home care and emergency departments. Materials management is tailored to the customer's range and work flows, so that the customer receives the right goods and sizes of packages. This is a time and cost-efficient solution that also reduces the number of deliveries and their impact on the environment. Reduced material consumption and transportation saves cost and time, which can be put into improved care.

Amy is a digital tool that can help trace healthcare equipment. The tool provides information on where the material and equipment is, and for how long and where it has been used before. On average the tool can save 20–30 minutes per employee and work shift. The storage location of the products is searchable via an app, and the feature can also be used to update the status of repairs carried out on medical equipment. The equipment can thus be used more efficiently, which saves time and reduces the risk of more equipment than needed being purchased.

Guide to healthcare personnel regarding prescriptions – It can be difficult for healthcare personnel to navigate the different product categories and various medicines to find the right products for individual patients. Onemed Sweden's guide for medicine prescribers provides comprehensive information and help to match aids to specific care situations and patients. The guide thereby reduces waste, minimises unnecessary transportation and optimises resource utilisation.

GUIDE

Smart Order – Efficient order management is crucial for avoiding unnecessary transportation and material consumption. Onemed Sweden's digital ordering service, Smart Order, optimises order management by filling entire boxes, which minimises transportation and thereby reduces costs and environmental impact.

SmartOrder

Vårdtagarportal – Onemed Sweden has developed a patient portal to meet the higher demand from the growing number of patients who need care in the home, and the increased use of digital aids by the elderly. The digital platform gives the patient faster and simpler access to prescribed medicines and aids as they can place their orders at any time.

Vårdtagarportalen

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Healthy Planet

Healthy Planet

Asker will reduce Scope 1, 2 and 3 emissions and collaborate with suppliers and customers to provide more resource and climate-efficient products and services

Activities

- Reduce emissions in line with the Paris Agreement
- Develop products and services that have less impact on the environment and collaborate with suppliers to ensure that they focus on reducing the environmental impact of their products
- Collaborate with organisations, external networks and customers to reduce plastic waste in healthcare
- Reduce the use of chemicals that have a negative effect on people and the environment

Sustainable development goals

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

CSRD

- Climate change (E1)
- Pollution (E2)
- Water and marine resources (E3)
- Biodiversity and ecosystems (E4)
- Resource use and circular economy (E5)

Asker Management Standard

- Environment

Governance documents

- Quality and environmental policy

Asker's central role in the value chain offers an opportunity to actively facilitate the healthcare sector's climate transition, from production and sustainable transport to helping customers choose products with less environmental impact.

2023 has been a year of extreme heat, forest fires, floods and storms that have affected people's lives and communities all over the world. The "planetary boundaries" concept describes nine critical environmental problems that each have a boundary value. Transgressing one or more planetary boundaries results in irreversible and damaging changes to the stability of the planet and to human well-being. New research published in 2023 in the journal Science Advances shows that six of the nine planetary boundaries have been transgressed.

Due to climate change, climate-related health risks are expected to rise. Paradoxically, the healthcare system which treats these health problems is also a contributor to greenhouse gas emissions. It is estimated that the healthcare sector globally accounts for 4.4 percent of global greenhouse gas emissions. This negative impact on the climate primarily comes from emissions in the manufacturing of disposable items, but it is also a result of the high volume of waste generated after the products have been used. The healthcare sector therefore has an obligation to do its part to reduce greenhouse gas emissions.

Environmental policy

Through the environmental policy the Group commits to reducing its environmental impact, complying with environmental laws and regulations, integrating environmental concerns in the design of products and services in collaboration with suppliers, and increasing the awareness of environmental matters amongst its employees. All businesses are required to measure and report their emissions, implement initiatives to reduce environmental impact, reduce harmful chemicals in all products by 2030, ensure that at least 90 percent of the waste generated is recycled by 2030, and increase the proportion of renewable electricity used in offices and warehouses to 90 percent by 2030. These policy commitments are part of the requirements and the monitoring process within the Asker Management Standard.

Climate change (E1)

Asker is dedicated to reducing greenhouse gas emissions in cooperation with customers and suppliers. Since 2021 Asker has reported its direct and indirect emissions, Scopes 1, 2 and 3, annually in accordance with the Greenhouse Gas Protocol.

Science Based Targets initiative

Asker joined the Science Based Targets initiative (SBTi) in 2023 and its emissions targets have been validated. SBTi is based on the Carbon Disclosure Project (CDP), UN Global Compact, World Resources Institute and WWF, and helps companies to establish science-based climate targets in line with the Paris Agreement.

In 2023, Asker implemented a new system for sustainability reporting to facilitate collection, reporting and follow-up of environmental data. The system will simplify and improve data collection so that the outcomes and target achievement can be reported more transparently.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Asker's validated science-based emissions targets:

- Reduce the company's absolute emissions, Scopes 1 and 2, by at least 42 percent by 2023, with 2021 as the base year.
- For the same period, reduce Scope 3, category 1 emissions per SEK m gross profit (tCO_2e/SEK m) by at least 52 percent.

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Life cycle assessment

Asker's intensified focus on product life cycles is an important element of its environmental strategy. Asker performs life cycle assessments (LCA) – a comprehensive and scientific method for evaluating the environmental impact of products and services during their entire life cycle – to ensure that the company's environmental strategy is not only based on scientific views, but also on more exact and comprehensive calculations. LCAs also make it easier for Asker to identify areas for improvement, make better-informed decisions, apply more effective measurements and communicate more precise environmental data to stakeholders. Asker collaborates with academics, researchers and experts to improve even further and drive the sustainability agenda forward. In 2023 Asker became a partner in the Swedish Life Cycle Center.

Group companies are expected to:

- Request that their suppliers join the SBTi.
- Collect LCAs and environmental product declarations (EPDs) or product information such as weight, number of packs and country of origin to quantify the environmental impact of the product portfolio.
- Identify which product groups account for the highest amount of emissions and take measures to reduce emissions where the impact is greatest.
- Grow the sales of medical supplies, devices and equipment with fewer emissions than the current product portfolio.
- Provide customer service solutions, including digital solutions, that enable more efficient patient care with reduced product usage.
- Implement fossil-free forms of transport.

Asker has implemented various initiatives during 2023 to reduce emissions:

- Six new products were launched under the Embra brand with products that either generate a lower level of carbon dioxide emissions (verified through life cycle assessments), or lower usage of resources through a higher proportion of recycled or renewable materials, or that are certified with the EU Ecolabel, or Nordic ecolabels such as Svanen or Bra Miljöval.
- Distribution centres in Norway and Sweden are now fully equipped with solar panels, and the district heating used in Sweden has the "Bra Miljöval" ecolabel.
- In Oslo, Bergen and the OFA region in Norway, all local transport* is 100 fossil-free, and in Sweden 75 percent is fossil-free.
- Onemed Sweden has focused on smart logistics planning and has started to collaborate with the Postnord postal service on electric transportation.
- Onemed Finland provides maintenance and service of medical equipment, which leads to a high share of car transportation for service technicians. When the service technicians replaced the fuel with renewable diesel, Finland's total Scope 1 and 2 emissions decreased by 35 percent.

* Last mile deliveries to customers (scope 3)

PARTNERING FOR COMMUNITY ENGAGEMENT

Sungai Watch

As part of its community engagement, Asker has become involved in an initiative run by the environmental organisation Sungai Watch. Sungai Watch was founded in 2020 and is active in Indonesia's most polluted regions.

The organisation installs rubbish barriers in rivers and other water courses to collect plastic before it reaches the ocean. The process also includes sorting and up-cycling/recycling of the plastic waste. Sungai Watch has installed 250 barriers so far and collected more than 1,700 tonnes of plastic.

The healthcare sector has an extensive need for single-use products and plastic, a major proportion of which is produced in Asia and regions with wide-reaching waste management problems. That is why Asker has chosen to support Sungai Watch.

One of the outcomes of Asker's support is the establishment of a new plastics cleaning and sorting facility in Indonesia.

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Pollution (E2)

Global challenge The manufacturing process for medical products can cause different types of pollution. Water and air pollution resulting from chemical usage can affect ecosystems and is potentially harmful to humans. Air pollution can occur due to emissions from manufacturing plants that use fossil fuels, which reduces the air quality in the nearby area. Contaminated waste water from the production process can lead to water pollution.

Impact/initiative from Asker Asker's own operations do not pollute land or water as the Group handles finished goods in warehouses. However, pollution is generated in some parts of its value chain in the manufacturing of medical supplies, devices and equipment. Life cycle assessments for gloves show that there is a widespread problem in the sector, linked to over-fertilisation of lakes and oceans.

Water and marine resources

Global challenge The manufacturing process for medical products can demand large amounts of water in areas where water is a scarce resource.

Impact/initiative from Asker Water usage in Asker's own operations is low as the company does not have any production of its own. However, water is used in the production process of some of the products that Asker purchases, such as gloves and cotton wound care products. Asker's risk analysis shows that the level of criticality and the likelihood of a water shortage is low as production of the gloves that Asker purchases takes place in areas where there is no shortage of water.

Biodiversity and ecosystems (E4)

Global challenge The loss of biodiversity is one of the major threats facing humankind.

Disposable products in healthcare are often made of plastic that can have a negative impact on biodiversity, both in incineration and as landfill. Customers' growing demand for bio-based materials such as sugar cane or viscose can worsen the impact on biodiversity as a result of large-scale cultivation or deforestation.

Impact/initiative from Asker Asker will perform an analysis of the company's impact on biodiversity related to paper packaging used for raw materials, cotton and viscose products, sugar cane aprons and absorbent materials in incontinence products, as there is a biodiversity risk associated with these product categories.

Asker has implemented a comprehensive due diligence process that includes a thorough risk assessment of the type of wood used in the paper packaging of its own brands. Asker ensures that products originating from imported wood, intended for the European market, are compatible with the EU Timber Regulation.

Resource use and circular economy (E5)

Global challenge There is a great need for disposable products within healthcare, and the sector creates a large amount of plastic waste as a result of the use of disposable surgical items, medical protective clothing, nitrile rubber (NBR) gloves, surgical drape sheets, plastic packaging and more. The plastic used in these products adds to carbon dioxide emissions as a result of the extraction and refining of the crude oil needed in the production of the petrochemicals in the plastic. The waste management that takes place after the products have been used also creates carbon dioxide emissions, through landfill and incineration.

Reducing, reusing and recycling plastic waste requires a systematic approach that involves both manufacturers and customers. It is also important that the transition to more sustainable alternatives and better waste management does not compromise on patients' safety or the quality of the product.

Impact/initiative from Asker Asker generates a limited amount of waste within its own operations, but its objective is to reduce waste throughout the entire value chain. Given the high percentage of disposable products needed in healthcare, large amounts of plastic waste is generated when the products are used by customers and patients.

Asker collaborates with suppliers and customers to promote more circular healthcare solutions, for instance by:

- Investigating whether it is possible to reuse the material from used examination gloves.
- Providing reusable instruments instead of disposable instruments.
- Investigating the possibility to switch from disposable to reusable protective clothes.
- Evaluating possibilities to recycle raw materials from incontinence protection.

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Innovation and collaboration for reduced environmental impact

Innovative solutions and collaboration are needed throughout the entire value chain in order to respond to today's and tomorrow's environmental and social challenges. For the last few years, Evercare Medical has been developing a range of products that reduce negative environmental and social impact.

Evercare is one of the Group companies that develops and sells medical supplies under its own brands, Evercare, Selefa and Embra. Of these, Embra is particularly advanced in terms of having a lower environmental impact than comparable products.

Evercare Medical identifies new innovative solutions, sustainable manufacturing methods and alternative raw materials as a way to reduce climate impact. They collaborate with raw material suppliers, third-party manufacturers, distributors and customers in a dynamic development process, in order to reduce climate impact while simultaneously maintaining product safety, quality and performance.

"We aim to find raw materials and innovative production processes that help us to reduce the environmental impact. All our products conform to Asker's Code of Conduct and quality requirements throughout the entire value chain. Embra takes it a step further when it comes to environmental impact. It's our way of taking care of patients, caregivers and the future", says Olof Bachman, Business Manager, Gloves & Protection at Evercare Medical.


Olof Bachman, Business Manager, Gloves & Protection at Evercare Medical

About Embra

To be included in Embra's range, the product must either have lower carbon dioxide emissions, contain recycled or renewable material, be reusable or comply with external environmental certifications.

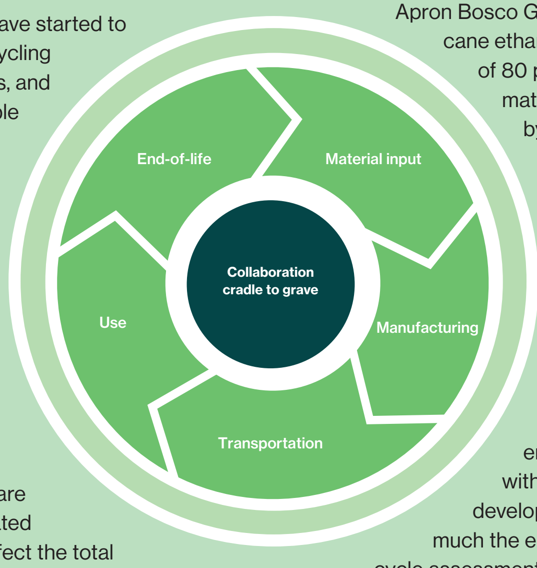
Collaboration throughout the value chain – from "cradle to grave"

1. Materials
Through the evaluation of different materials, resource consumption can be reduced and the proportion of renewable or recycled materials can be increased. For instance, the Embra Apron Bosco Green is made of 70 percent sugar cane ethanol, and Embra surgical caps are made of 80 percent viscose, which is a renewable material. The products are always tested by healthcare professionals before launch to ensure the right balance between functionality, comfort and materials.

2. Manufacturing
Manufacturing of disposable items is often associated with high energy consumption. One of the reasons for testing and using new materials is that they can be a way to reduce energy consumption.* When products with a reduced environmental impact are developed, it is important to measure how much the environmental impact is reduced. Life cycle assessments (LCA) are used to identify where in a product's life cycle the major impact takes place, and can help to ensure that the right outcomes are achieved. LCA's are often carried out in conformance with the standards of the ISO 14040 series, or equivalent.

3. Transportation
Evercare Medical proactively reduces its climate footprint from transport by optimising volumes and material weights, and by influencing the choice of transport, the fuels used and where the products are produced. Production can be relocated closer to customers if it does not affect the total cost of care or quality. As an example, the manufacturing of Embra surgical caps was moved to Europe in 2023.

4. Usage and obsolete products
Evercare Medical and its partners have started to investigate new solutions within recycling and the waste management process, and if appropriate they replace disposable products with reusable products. There is great need to identify solutions to create a more circular economy within the healthcare sector.



* For example, the medical examination glove Embra Proceed is made from a completely nitrile-based material that requires less energy in the production process and therefore generates 27 percent lower CO_2e than Evercare Medical's standard nitrile glove Selefa Sense Blue.

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Healthy People

Healthy People

Asker shall be an attractive employer and provide products and services from a fair and sustainable value chain

Activities
- Enable initiatives and training courses to ensure a fair, safe and equal-opportunity workplace with a high level of employee satisfaction.
- All employees are to be trained in and must act in accordance with the Code of Conduct, including anti-bribery and anti-corruption.
- Ensure that a supplier due diligence process is implemented in all companies to minimise the risk of human rights violations in the supply chain.

Sustainable development goals

CSRD
- Own workforce (S1)
- Workers in the value chain (S2)
- Business conduct (G1)

Asker Management Standard
- Business ethics
- HR and health & safety
- Core values

Governance documents
- Code of Conduct
- Responsible sourcing policy
- Anti-corruption and anti-bribery policy
- HR policy

With healthy and engaged colleagues who are given the opportunity to contribute, Asker becomes a workplace where employees are happy and can develop.

Asker's core values serve as guiding principles for how Asker is to run its operations. These values – *Caring for customers*, *Passion for improvement* and *Taking responsibility* – define Asker's strengths and form the core of the company's culture, which is characterised by leadership and commitment. Within its businesses and throughout the entire value chain, Asker pursues fair working conditions and compliance with local and international work-related laws and regulations.

Own workforce (S1)

Asker is to be an inspiring workplace where all employees feel motivated and engaged. All employees are to be treated with respect and dignity, and provided with equal conditions and opportunities to develop. Equal treatment is a matter of course, and no one is to be discriminated against or be subjected to harassment.

As part of Asker's ambition to be a responsible employer that constantly improves, the company carries out an annual employee survey. This survey is important for capturing employee perspectives and opinions on Asker. The 2023 survey showed an improvement in results, 75 versus 73 in 2022, and the response rate also rose to 74 percent (71).

Asker Business School

Asker Business School is Asker's internal university where the Group comes together and shares knowledge. Both physical and digital training programmes are provided with the aim of promoting a sustainable entrepreneurial culture, a high level of quality in products and services, compliance with Asker's policies and a high standard of ethics. Asker Business School introduces employees and managers to the Group, its values, mission, business strategy and ESG strategy. The Code of Conduct is one of the courses that is compulsory for all employees.

The management teams of acquired companies are invited to Asker Business School for an internal training course aimed at giving the participants insight into the strategy and the Asker Management Standard. It is also an opportunity for the leaders to get to know each other.

Diversity and inclusion

Asker believes that diversity and inclusion are important for creating a sustainable, profitable and innovative work environment and therefore actively promotes diversity in gender, age and nationality at all levels of the Group. For that reason, offering employees equal salaries regardless of gender, age and background is a priority.

Asker is committed to providing fair remuneration to all employees in the Group and to providing benefits packages that meet or exceed statutory minimum requirements and sector standards.

During 2023, all employees' salaries were benchmarked against the WageIndicator Foundation's global Living Wage Database. The concept of a reasonable living wage is a theoretic level of income that allows individuals or families to earn enough money to achieve an adequate standard of living. The result of the salary evaluation showed that Asker pays all its employees a reasonable living wage.

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HEALTHY PEOPLE IN PRACTICE

How Onemed Sweden prevents discrimination

Asker's company Onemed Sweden is focused on promoting equal rights and opportunities in working life.

The company runs a number of different initiatives related to working conditions, parenthood and work, salaries and terms of employment, recruitment and promotion, education and skills development. These are conducted through collaborative working groups in which employee representatives and employees proactively identify ways to develop and improve the workplace.

In one specific example, the working groups distributed digital and anonymous employee surveys linked to specific topics, analysed the results and proposed potential areas for improvement.

Results of the surveys carried out so far show that the majority of employees have not experienced any form of discrimination or unequal treatment. Employees express that they are generally satisfied with Onemed's efforts to ensure equal rights and opportunities in the workplace, and in 2023 the Employee Net Promoter Score (eNPS) rose to 33 (from 25 in 2022).

Actions so far include:

- Training on setting of salaries and on the salary policy for managers.
- Updating of the internal Code of Conduct.
- Produced check-list for managing employee work time in the period before, during and after parental leave.

Plans for 2024

Ahead of 2024, Onemed Sweden has planned a digital training programme to promote equal treatment and prevent discrimination. The aim of the programme is to increase knowledge of laws and regulations in the area and raise awareness of own behaviours and how staff express themselves, and how these are connected to the company's culture.

Social security and health insurance

Asker complies with all the mandatory social security and health insurance requirements in the individual countries where it operates. In countries where public healthcare and social security may be considered inadequate, for example, China, India and Malaysia, employees have access to additional health insurance. In cases where employees are not covered by collective bargaining agreements, their terms and conditions of work and employment reflect those applying in other companies in the Group.

Workers in the value chain (S2)

Asker places great emphasis on social responsibility and works to ensure good working conditions throughout the entire value chain. The supply chains for medical supplies, devices and equipment are often complex and consist of materials and components from several different countries. There is also a risk of inadequate social responsibility further along the chain than Asker's direct suppliers. Asker must promote transparency and responsibility in its supply chain to be able to work with social and environmental responsibility throughout a product's entire life cycle.

Audits and risk assessments

In order to manage any shortcomings in social responsibility that exist in Asker's value chain, Asker performs risk assessments and audits beyond its direct suppliers, and in some cases all the way back to the commody supplier level. Asker involves and trains suppliers in how to implement the OECDs guidelines in their operations. The audits focus specifically on detecting risks and eliminating them before business relationships are established.

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Code of Conduct for suppliers

Asker's Code of Conduct for suppliers forms the basis for Asker's work with suppliers. The Code of Conduct states the requirements that Asker has of its suppliers with regard to the environment, human rights and animal protection. All Asker's suppliers have to sign the Code of Conduct or have their own corresponding standards. Asker's Code of Conduct for suppliers conforms with the UN Guiding Principles on Business and Human Rights.

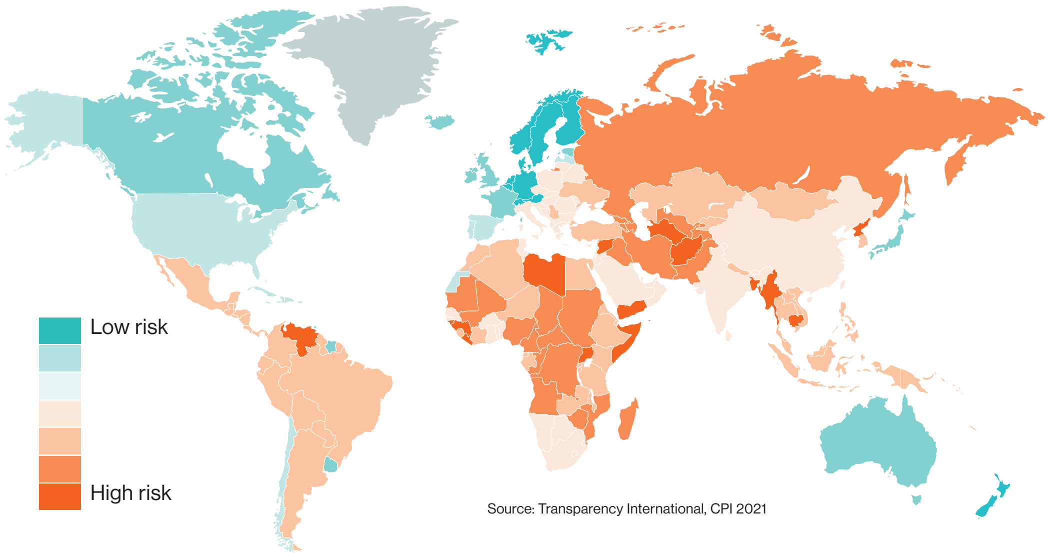
Suppliers to Asker have to demonstrate a systematic approach to the Group's Code of Conduct and act to address the sustainability risks that Asker's companies identify. For instance, these suppliers may need to provide evidence of environmental certifications or workplace environment audits, or participate in collaborative projects with several stakeholders. Asker's suppliers are screened against sanctions lists and whether they have been mentioned in the media for failings in business ethics, and the products are checked if they are produced in high-risk countries. All Asker's third-party manufacturers are audited according to social and environmental sustainability requirements, including risks related to human rights such as forced labour, health and safety and child labour. The audits focus specifically on detecting risks and eliminating them before business relationships are established.

Over the years, when Asker has discovered specific risks such as working conditions for migrant workers in the glove industry or risks of discrimination, harassment and restricted right of association, the Code of Conduct for suppliers has been updated to specifically highlight and minimise these risks.

Identifying risk areas

Asker has identified product categories such as medical examination gloves, disposable instruments, cotton products, surgical garments and electronic equipment as categories with a higher risk of forced or child labour in the manufacturing process.

Overview of countries and level of risk in connection with human rights, working conditions and corruption



The risk is greatest in Asia where there is generally a higher proportion of forced labour and child labour.

Audits in high-risk areas

To ensure that audits of third-party manufacturers in high-risk areas are objective, audits are performed by qualified, trained employees. During the audit they examine whether the third-party manufacturer adheres to the requirements in Asker's Code of Conduct and whether applicable laws and regulations are complied with.

An audit usually involves a comprehensive inspection of the organisation – from stock-taking to final product. By auditing relevant documents and registers, conducting employee interviews and interviews with the factory management, the auditors can form a view of the entire production flow. If any discrepancies arise in relation to codes of conduct or applicable laws and regulations, these are registered in the audit report and in a corrective action plan. In most cases, deviations can be addressed quickly and it is rare that discrepancies are discovered that are so critical that they need to be addressed immediately. Improvements in processes or work methods often require some time to implement, and if this is necessary the third-party manufacturers are given more time to integrate the measures systematically into their management system. Asker supports the manufacturers

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throughout the entire improvement process. For instance, Asker can provide knowledge or visit the manufacturer regularly to jointly follow up on progress regarding the corrective measures. Asker's Code of Conduct for suppliers, due diligence process and supplier and third-party manufacturer audit process are evaluated and updated annually based on new knowledge obtained in cooperation with expert organisations and NGOs.

Supported by Asker Management Standard

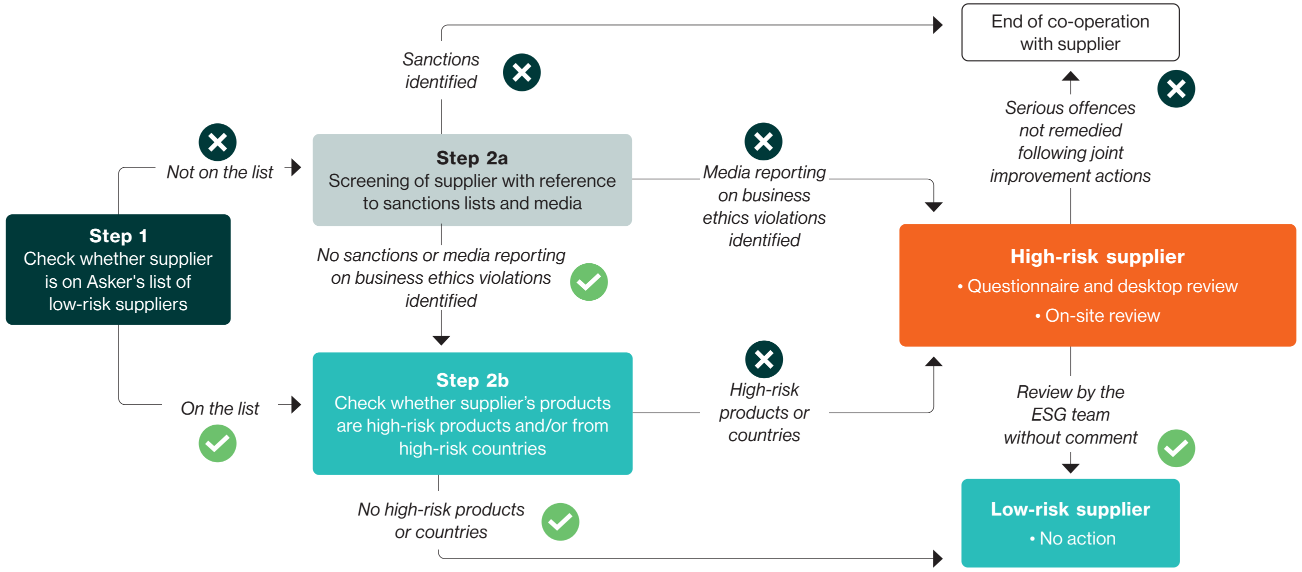
In accordance with the Asker Management Standard, all companies in the Group are required to conform with Asker's supply chain due diligence process. This process starts with a business ethics audit that includes sanctions-checking and risk assessments of product categories and countries of origin. Third-party manufacturers in high-risk countries are audited through in-person visits, as are third-party manufacturers to new companies in the Group, which are audited on-site as soon as possible after the new company has been integrated into the Group.

Collaborative projects

Asker is a member of the Ethical Trading Initiative (ETI), which facilitates co-operation with customers who are invited to participate in on-site audits of third-party manufacturers. In recent years, Asker has taken part in projects with customers, suppliers and other stakeholders with the aim of eliminating child labour in the supply chain of disposable instruments in Pakistan. Where local laws restrict the right to freedom of association and collective bargaining, third-party manufacturers are encouraged to allow and facilitate alternative forms of employee representation through associations and bargaining.

In cases where negative social impact has been identified, Asker has collaborated with third-party manufacturers to remedy problems.

Asker's risk assessment process for risks linked to suppliers and third-party manufacturers



As a result of the collaboration between Asker and other members of the Responsible Business Alliance (RBA), manufacturers have raised the compensation for migrant workers and have also paid extra salary retrospectively.

Audits in 2023

Asker has carried out several on-site audits in Pakistan to improve working conditions, increase compensation and improve occupational safety for workers who manufacture disposable instruments. Third-party manufacturers in Pakistan are audited with a specific focus on detecting employment of minors or hazardous work being performed without proper safety equipment. No cases of employment of minors were identified during the audits in 2023.

An increased risk of poor working conditions for migrant workers was identified in Taiwan during the 2023 audits. Taiwan is not normally a country that is linked to a high risk of human rights violations. Asker consequently reinforced its auditing of third-party manufacturers in Taiwan.

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Business conduct (G1)

Asker's guidelines on business ethics and conduct apply to all employees in the Group and reflect Asker's view on responsible business conduct. Asker's Code of Conduct is based on international guidelines and covers areas such as responsible deals, bribery and anti-corruption. The Code of Conduct is based on the UN's Universal Declaration of Human Rights, the European Convention for the Protection of Human Rights, the Conventions of the International Labour Organization, OECD guidelines for multinational companies, UN Convention on the Rights of the Child and the UN Global Compact. The Code of Conduct demonstrates how the Group constantly reinforces its commitment and the systems in place for ensuring compliance. The Code of Conduct is available on Asker's intranet and at asker.com. All employees do training in the Code of Conduct, either in person or digitally through Asker Business School. This also applies for anti-corruption and whistleblowing training.

In 2023 the Group drew up an anti-corruption and anti-bribery policy which clearly states that Asker does not tolerate any form of bribery, corruption or anti-competitive conduct.

Whistleblowing

Asker is committed to creating an open corporate culture whereby the company's employees are encouraged to discuss, react and take action to address any business-related behaviour that goes against the company's values. The Group has implemented an external channel for whistleblowing https://www.report.whistleb.com/asker. The whistleblower service is anonymous and managed by a third party. It is available 24 hours a day all year round and available in several countries and in different languages.

Employees are encouraged to report suspected ethical breaches and conduct that breaches laws, internal regulations, processes or codes of conduct. Asker does not tolerate any form of reprisals against a person who has reported a suspected case of ethical violations. All whistleblowing cases are reported to the company's Board, and reports are shared externally if required. Any necessary actions are to be taken immediately.

Business ethics risk analysis

During 2022, Asker analysed its business ethics risks regarding bribery, corruption and anti-competitive behaviour. The risk analysis covered 61 percent of the Group's total sales, or 98 percent of the sales in 78 percent of the companies. It highlighted the businesses, countries and external business relationships that Asker needs to focus on to minimise these risks. Controls were introduced thereafter to lower risk exposure and a training programme has been developed in the Asker Business School for employees in roles that are particularly exposed to a high risk of bribery, corruption and anti-competitive conduct.

The findings from the risk assessment indicate that:

- Geographical risk is low, apart from in the Baltics (<2% revenue) where the risk of corruption is higher than in Asker's other markets.
- Risk relating to customer segments is low, as sales are mainly conducted via public procurement, including well-regulated electronic procurement with a small number of intermediaries.
- Product and IT risks are low, as several companies are covered by ISO 13485 and IT security is high.
- Policy and process controls are limited due to a high degree of decentralisation and a high pace of integration of new companies.

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Better conditions in the value chain through local presence

Many countries have adopted laws intended to deal with poor working conditions and environmental pollution. Unfortunately compliance with these laws is sometimes inadequate. To ensure the compliance of third-party manufacturers, Asker has its own audit office based in China, India and Malaysia.

The office carries out routine visits and audits, including unannounced ones, to ensure that all third-party manufacturers meet Asker's standards. Since the Shanghai office was set up in 2012, they have carried out more than 225 audits.

These have led to clear improvements in the health and safety of workers, reasonable working hours and the implementation of robust systems for ensuring that third-party manufacturers fulfil their social responsibility.

Allen Fang is the Supplier Sustainability Manager and has worked in Asker's audit office since 2013. He has learnt many things over the years.

What's the most important thing to keep in mind when planning an audit?

"It's incredibly important to ensure that our audits have the desired effect. We conform with recognised, international standards and each audit visit is tailored to deal with the risks specific to the factory or site to be audited. Our team is trained in how to carry out audits under SA8000, and we ensure that all audits are performed correctly and followed up and escalated if required."

What are the biggest challenges?

"We always need to keep ourselves updated on new or changing laws and regulations. Sometimes the third-party manufacturers aren't completely transparent and hide information about actual working hours or the actual supply chain. In between the audits we put a lot of time into checking that they implement actions to address the problems that we've identified."

Can you give an example of an audit when you identified a problem and the supplier then implemented improvements?

"We carried out an audit in Pakistan where a third-party manufacturer had a four-storey building with only one emergency evacuation exit. As a secondary exit was required, we suggested that they install an outside staircase, which they had done by the next time we visited them.

Another example is a Chinese third-party manufacturer that engaged a full-time environment, health and safety (EHS) specialist to manage EHS risks as a direct consequence of poor results in our audit.

During an audit in Taiwan, we discovered that foreign workers from Indonesia had paid recruitment fees to the third-party manufacturer to be able to get jobs there. These fees have been paid back to the workers."

When did you realise that you wanted to work with human rights and business ethics?

"It was when I travelled to Malaysia for the first time ten years ago. I saw 30-40 migrant workers squeezed into a small dormitory, with no access to their passports.

I felt that there was a lot of opportunity for me to make a difference, and even if it takes time, improvements are happening. During the last eight years enormous changes have taken place, and many things are completely different now compared to before, although there is always more than can be done.

Allen Fang is part of Asker's audit office that is based in China, India and Malaysia.

It's a great advantage to have employees on the ground in Asia to supervise and implement social standards at the Asker companies' third-party manufacturers:

- Provides more in-depth monitoring through local knowledge of the culture and conditions
- Enables rapid local support and training and direct communication
- Reduces language barriers
- Enables hands-on support for implementation of and compliance with social standards and continuous access to expertise
- Enables continuous monitoring

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Governance and management of sustainability work

Asker's management and owners – Nalka, AP6 and Ilmarinen – have a long-term owner strategy which gives high priority to Asker's sustainability work.

Board follow-up
The Board has the ultimate responsibility for Asker's sustainability strategy and for ensuring that Asker achieves its long-term sustainability goals. Every year the Board provides its input to and signs off the company's materiality assessment and sustainability strategy. The Board also receives regular updates on the outcomes of the work on sustainability as well as more specific updates on areas of sustainability on which the Board requests more information. Major complaints, incidents and actions (whistleblower cases) are reported to the Board continuously. The outcomes and effectiveness of the work on sustainability are regularly reported to the Board in connection with the Board's approval of the Annual and Sustainability Report. Beyond this, other items on the Board agenda in 2023 have included follow-up on CSRD preparations, ethical risks in certain production countries and community projects.

Responsibility of the CEO and Group Management
Asker's CEO and Group Management bear operational and strategic responsibility for ensuring that the company's purpose and vision are achieved and values are upheld, and for reviewing and approving processes, goals and reporting regarding the outcomes of the sustainability work. The Group Management is also responsible for preparing the Sustainability Report. Sustainability is a standing agenda item of the Group Management's monthly meetings with representatives from every function of the company, where the Head of ESG reports on progress and current initiatives. The central ESG team works alongside the local ESG representatives in each part of the business.

Sustainability criteria are part of the variable remuneration
Sustainability criteria are part of the Group's variable remuneration scheme for Group Management and Business Area Directors and Managing Directors in the companies. The remuneration structure is devised by the CEO and approved by the Board. At least ten percent of the variable remuneration for the Group Management and Business Area Directors is linked to sustainability and is subject to three sustainability targets being achieved. In 2023, all three targets were achieved.

Increasing positive impact and reducing risk through training
Asker is committed to increasing the company's positive impact on society, both upstream and downstream, and does so by training employees regularly through Asker Business school.

As an example, Asker's Code of Conduct is a compulsory training course for all employees. It deepens employees' understanding of Asker's core values, and ensures that they act in accordance with them.

All employees that have external supplier relationships are provided training in responsible sourcing and learn how to apply Asker's due diligence process throughout the entire supply chain. The employees subsequently educate suppliers in Asker's requirements for respecting human rights, providing reasonable living wages, and zero-tolerance for bribery, corruption, harassment and discrimination.

All employees are offered training in quality to ensure that they have risk processes in place to minimise quality risks and to follow up key performance indicators. This leads to suppliers improving their processes in order to fulfil the requirements set by Asker.

All employees who work in warehousing operations receive extensive and compulsory training in safety, which ensures that they adhere to safety procedures, thus reducing the risk of accidents.

Reviewing sustainability data
Asker's ESG team is in charge of consolidating, measuring and following up the companies' non-financial reporting, and evaluating progress versus the Group's sustainability targets. The Group Sustainability Manager reviews the sustainability data that is reported by all the companies in the Group. During the first quarter of the year, data is collected for the prior year's reporting. The sustainability data is checked by the Group Sustainability Manager and is reviewed by an external party. Starting in 2024, Asker will use a new tool for the companies to report sustainability data.

Basis of Asker's sustainability work:

Policies (*out of a total of 17 policies, nine form the main basis for sustainability work*)
- Code of Conduct
- Finance policy
- HR policy
- IT policy
- M&A policy
- Quality and environmental policy
- Responsible sourcing policy
- Policy against corruption, bribery and anti-competitive behaviour
- Risk policy

External guidelines
- ILO Core Conventions
- UN Declaration of Human Rights
- UN Global Compact
- UN Sustainable Development Goals
- The Paris Agreement
- OECD's Due Diligence Guidance for Responsible Business Conduct

Asker is a member of the following organisations:
- Ethical Trading Initiative (ETI)
- Responsible Labour Initiative (RLI)
- UN Global Compact
- Swedish Anti-Corruption Institute

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Stakeholder dialogues

Asker conducts continuous dialogues with its stakeholders through which it receives views on the sustainability issues that are material in the businesses and the value chain.

Pursuing Asker's sustainability agenda requires an understanding of the company's impact on the environment and people, as well as governance of the business so that it minimises negative impacts.

Continuous dialogue with different internal and external stakeholder groups gives Asker insight into the sustainability issues that are deemed to be significant. Findings from the ongoing dialogue provide the foundation for Asker's assessment of the issues that are material. Asker has carried out in-depth interviews with priority stakeholder groups, such as customers that prioritise sustainability issues such as the risk of human rights violations in complex supply chains, and requirements for environmental and climate criteria in purchasing and procurements.

Stakeholder dialogues have been supplemented with surveys to managers and employees that work closely with customers, as well as to representatives from the capital markets, such as banks, owners and investors. In 2023, more in-depth stakeholder dialogues have been held with eco-certification organisations, life cycle assessment organisations, universities, state-owned institutions, and non-profit organisations that represent workers in the value chain.

Stakeholder dialogues

Through continuous dialogue with stakeholders, Asker is able to identify synergies and partnerships with other parties and address sustainability challenges that the company cannot solve on its own.

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Ongoing dialogues with priority stakeholders

CUSTOMERS AND CONSUMERS (healthcare providers, patients and civil society)

How Asker companies involve their customers:

Example: public and private-sector customers in the Nordic region.

- Quarterly or semi-annual meetings with customers' sustainability departments to discuss how Asker can assist in their sustainability work.
- Round-table discussions on specific sustainability challenges in the healthcare sector, along with Asker's customers' sustainability departments and non-profit organisations (NGOs).

TRANSPORT OPERATORS

How Asker companies involve their transport operators:

Examples: Schenker, Postnord, Kuehne + Nagel and other transport operators/forwarders handling the company's logistics.

- Quarterly meetings at Group level to develop green transport initiatives and improve emissions reporting.
- Monthly operational follow-up meetings to ensure effective implementation of emission reduction initiatives.

EMPLOYEES

How Asker involves its employees:

- Annual employee/manager performance reviews to monitor performance, identify development opportunities and draw up a plan that aligns with Asker's objectives and the employee's personal ambitions.
- Ongoing dialogue with employees on Asker's Code of Conduct, including training and discussions on ethical dilemmas.
- Annual employee survey for all employees in the Group. The survey is followed up through discussions of the findings and the development of plans for areas of improvement within each individual work team.

OWNERS, BOARD OF DIRECTORS AND CREDITORS

How Asker involves its owners:

- The main forum for owner involvement in sustainability issues is through Asker's Board of Directors. Sustainability is a recurring topic on the Board's agenda, with representatives of the owners providing feedback on sustainability-related proposals.
- Annual dialogue that serves as the basis for the sustainability goals that are relevant to Asker's majority owners.
- Asker's owners share useful examples from their holdings including, but not limited to, training for Asker's Group Management Team.

NON-GOVERNMENTAL AND NON-PROFIT ORGANISATIONS

Example: Stakeholder organisations such as the Responsible Business Alliance (RBA) and the Ethical Trading Initiative (ETI); non-governmental organisations such as Transparency International (TI); industry associations such as Swedish Medtech; and academic institutions.

How Asker involves non-profit organisations:

- In 2021, Asker signed up to the UN Global Compact. This means that the company supports the ten principles on human rights, labour law, the environment and anti-corruption. Asker's initial involvement was to take an active role in a working group on the UN SDGs.
- Meetings and training sessions with non-governmental organisations to gain knowledge and develop Asker's responsible sourcing programme (ETI UK/SE/NO, RBA Responsible Sourcing Network), anti-bribery and corruption (TI) and sustainability (Nordic Ecolabel).
- Meetings with employees and university students to collaborate on sustainability projects (e.g. value chain mapping and risk assessments of potential human rights violations).

SUPPLIERS

Examples: Suppliers of medical devices and equipment and third-party manufacturers of own brands.

How Asker involves its suppliers:

- Process initiated to ensure that all suppliers' products comply with the new Medical Device Regulation.
- Direct contact with the suppliers producing the Group's own brands, via on-site audits.
- For the suppliers identified by the ESG team as higher risk, on-site audits are conducted every two years and corrective action plans are followed up.
- Suppliers are expected to set emissions targets that align with the Paris Agreement and to have them validated by the Science Based Targets initiative.
- Suppliers are expected to work with ISCC+ certification when using recycled material.

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ESRS – impact and financial materiality

Every sustainability topic has been assessed for impact and financial materiality, as described below. The sustainability issues are mapped out in the materiality assessment on page 33.

	Topic	Impact materiality	Financial materiality
S1	**Own workforce**	Asker supports freedom of association and collective bargaining and ensures that all employees in its own businesses are offered reasonable remuneration. Laws and regulations reduce potential workplace-related risks as Asker's own operations are located in Europe. Health and safety procedures are required in all offices and warehouses to limit the risk of accidents. Asker's business operations primarily take place in warehouses containing final products which means that the company's personnel are not exposed to the generally high risks that arise in heavy industry or through the use and manufacturing of hazardous chemicals. Asker ensures equal salaries are paid for equal responsibilities, and offers employees training and skills development.	Asker's own businesses are based in Europe, which means that there is a low level of risk related to human rights violations for the company's own employees. Improvement in productivity may lead to a 2–5 percent effect on the EBITA. No single Asker company is large enough to have a significant impact.
S2	**Workers in the value chain**	Medical supplies, devices and equipment are often manufactured in regions where there is a higher risk of workers receiving a lower salary than the reasonable living wage, and a risk of forced labour and child labour. Asker can have a positive impact on third-party manufacturers in these markets through Asker's Code of Conduct and by training third-party manufacturers in how to improve living and working conditions for their employees. The negative effects can be very serious which is why Asker has implemented robust control mechanisms, such as Asker's supplier due diligence process, to ensure control, as well as regular dialogues with third-party suppliers in high-risk countries and for high-risk products.	Reputational risks and loss of income if Asker is unable to manage the risks of forced labour and child labour or other violations of human rights that occur in the value chain. Risk of fines for deficient compliance with upcoming regulations such as CSDDD may be up to 5 percent of the Group's sales, but the probability of deficient compliance is low as Asker has a due diligence process that extends throughout the entire value chain.
S3	**Affected communities**	Asker has identified the business models that work best for improving patient outcomes at a lower total cost of care. System sales – Long-term contracts through which the customer, often a region or a municipality, is provided with its complete needs for medical supplies, devices and equipment, or its entire needs for products within a specific product category. The product portfolio is compiled to optimise value for the customer by offering the best possible product quality and performance at the lowest possible cost of care. Fourth-party logistics (4PL) – These contracts comprise the customer's entire supply chain in the form of handling product deliveries from different manufacturers, repackaging of products in accordance with the customer's requirements, optimisation of logistics flow and delivery to the customer's loading bays or the customer's hospital departments. Direct-to-patient – Patients are supported by a customer service centre whose personnel, often qualified nurses, possess the right knowledge to recommend products from different manufacturers that are best suited to the patient's needs.	Asker delivers customer value through successful business models such as direct-to-patient, system sales and 4PL services, to improve patient outcomes and reduce the total cost of care. The objective of these business models is to support customers so that patients receive the best products for their health conditions, and to support patients in making better product choices based on health, cost and environmental impact. There is a very large economic opportunity from providing support to customers and patients and from improving patient outcomes at a reduced total cost of care.
S4	**Health of consumers**	Asker is devoted to good health and well-being for patients and the healthcare professionals who use the products. The products and services sold by Asker have a direct impact on millions of people in Europe. Asker also provides digital solutions such as the OneWound app and the Diabetes.nl website, to ensure improved patient outcomes at a lower cost.	The potential to improve people's health lies at the heart of Asker's purpose and mission, and Asker is dedicated to providing improved patient outcomes at a reduced total cost of care.

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	Topic	Impact materiality	Financial materiality
S4	Information-related impacts for consumers	Asker handles patient data such as names, addresses and products bought by the patient. Given this patient data and the increased use of digital tools, there is a risk of negative impacts on the privacy of individuals. Protecting patients' personal data is important and it is a right for the patient. As patient data handled by Asker rarely consists of actual medical records, and is more often data that allows conclusions to be drawn about the patient's health status, the level of severity is somewhat lower even though a large number of people could suffer. The probability of personal data leaking, which would be the most serious of incidents, or of data being misused is small given the GDPR and Asker's security controls.	The assessment of the financial impact is consistent with the company's systematic risk management work which defines IT-related incidents and cybersecurity as very high risks. Asker's operations are primarily within the EU/EES where the GDPR applies. GDPR fines can amount to 4 percent of the Group's annual sales, but as the probability for compliance with laws and regulations is high within the Group, and as control processes have been implemented, the risk to the EBITA is only estimated to be high.
S4	Safety of consumers	The safety and quality of medical supplies, devices and equipment is very important to Asker. Asker must comply with the prevailing laws and regulations and take responsibility for ensuring that all producers fulfil quality requirements. When sterile products are handled, the right processes and procedures must be followed to prevent the sterile packaging from getting damaged. A small percentage of sales is for invasive medical products which constitute a higher risk for the patient. Patients or customers may be adversely affected in the event of defective product quality, and it is important that Asker has processes in place to ensure that the suppliers take responsibility for minimising such risks. Manufacturers carry the largest risk and in cases where Asker provides its own brands, the risk is lower as the products are not invasive.	Asker sells products that are manufactured by other companies, and these companies are responsible for product quality and have to comply with the Medical Device Regulation. When Asker is registered as the responsible manufacturer or the importer of products into the EU, the financial impact is considered to be relatively low as these companies do not sell products with higher than a class II MDR classification.
S4	Social inclusion of consumers	Asker sells products to public healthcare providers, insurance companies and other healthcare providers. Patients are provided products in accordance with the reimbursement system of each country's healthcare system.	Low financial impact on Asker's business as Asker mainly operates in markets where society is responsible for all citizens receiving care as needed.
E1	Climate change	Asker's total climate footprint is approximately 500 kt CO_2e. The entire healthcare sector accounts for approximately 4.4 percent of global emissions, with the products accounting for approximately 70 percent of the emissions of health institutions' value chains. Asker has assessed that its impact on climate change is medium-high. Asker has set approved SBTi targets to reduce emissions in line with the Paris Agreement. Climate change is a subject that worries customers, owners and employees and has a negative effect on human health.	Through its position in the value chain, between customers and producers, Asker has the opportunity to support customers with their climate strategy. Offering products with a lower climate footprint, or service solutions that help to reduce emissions, can create new business opportunities and increase sales. Asker's TCFD reporting (Task Force on Climate-Related Financial Disclosures) shows that Asker's physical risks are relatively low as Asker rents offices and warehouses and therefore has the possibility to relocate, for example if these places are affected by extreme weather or as a result of climate change. If Asker does not manage to reduce its own emissions or offer products with a lower climate impact, the transition risks may rise which could lead to lower sales or could adversely affect Asker's brand or reputation.
E2	Pollution	Asker will carry out an in-depth analysis of the environmental consequences of suppliers that are at risk of polluting air, land or water. Asker's own operations do not pollute air, land or water as Asker handles final products in warehouses. However, pollution does occur in certain parts of the value chain during the manufacturing of medical supplies, devices and equipment. Asker works actively with suppliers and third-party manufacturers to raise awareness of their impact from air, water and land pollution. Asker has also commenced full environmental assessments of third-party suppliers.	Asker will request analyses from suppliers related to air, water and land pollution of different product groups, with high-risk products being prioritised. The risk of losing customers due to suppliers' air, water and land pollution is deemed to be low as Asker is able to switch products and suggest alternative products to customers if suppliers do not address the problems.

	Topic	Impact materiality	Financial materiality
E3	**Water and marine resources**	Asker uses small amounts of water in its own operations as the company does not conduct any manufacturing of its own. However, some of the products that Asker purchases require large amounts of water during production. Asker will carry out an in-depth analysis of the impact on water consumption and marine resources in those instances where production demands large amounts of water or where products are produced in areas where there is a shortage of water. There can, for example, be a risk of high water consumption in glove manufacturing. However, as production takes place in areas where water is not a scarce resource, the risk is deemed to be low, and water consumption can be reduced through the introduction of systems for water recycling. Large amounts of water are also used on cotton plantations, and cotton is used for wound care products. Asker is therefore currently in the process of exchanging cotton-based wound care products for other materials. Asker has also commenced full environmental assessments of third-party suppliers.	Asker will request analyses from suppliers related to the impact of different product groups on water and marine resources. The risk of losing customers due to suppliers' impact on water and marine resources is deemed to be low as Asker is able to switch products and suggest alternative products to customers if suppliers do not address the problems. Water consumption in the glove industry is state-controlled and the suppliers are responsible for complying with prevailing laws and regulations, and the sector is constantly improving. Sales of cotton products comprise less than 1 percent of Asker's sales.
E4	**Biodiversity and ecosystems**	Asker will carry out an in-depth analysis of the impact on biodiversity of suppliers that manufacture products made of commodities such as paper, pulp, cotton, viscose and sugar cane, which are used in personal protective and incontinence products. The majority of the products sold are disposable products, made from plastic, which are incinerated after use in the countries where Asker sells such products. Use of wood-based material for packaging, sugar cane for aprons and cotton which is used in certain wound care products has an impact on biodiversity when the commodity is extracted. Asker has commenced comprehensive environmental audits of third-party suppliers.	Asker will request analyses from suppliers related to the impact of product groups on biodiversity and ecosystems. The risk of losing customers due to suppliers' impact on biodiversity and ecosystems is deemed to be low as Asker is able to switch products and suggest alternative products to customers if suppliers do not propose solutions or address the problems.
E5	**Resource use and circular economy**	The volumes of inflows and outflows of materials in Asker's own operations are almost the same because Asker buys and sells final products. Packaging waste is generated by Askers' business activities. Given the high proportion of disposable products sold, the majority of the plastic waste is generated after the product has been used. A substantial amount of non-recyclable waste, including consumer-related waste from disposable products, has a negative impact on the environment. Large amounts of oil-based, virgin commodities are used in the products. The products are also usually incinerated after usage rather than being recycled or reused.	The demand for circular products and reductions in waste will rise globally, especially in Europe as a result of the EUs Green Deal. Asker can collaborate with customers and suppliers to develop circular solutions for medical devices and equipment. There are already some circular initiatives underway in the healthcare sector, but more progress can be made. It is very likely that this will happen as customers are increasingly requesting multi-use products rather than products for single-use applications, which has been a trend over the last few decades. There is a potential conflict between manufacturing products based on recycled material and the MDR requirements on medical devices and equipment, which must be taken into account in the innovation process.
G1	**Business conduct**	Asker has a positive impact on the sector through a code of conduct that places stringent requirements on employees and suppliers. Asker Management Standard ensures that Asker upholds good business ethics. Asker's risk analysis for corruption, bribery and fraud carried out in 2022 shows that there is a low risk of exposure to bribes, corruption and fraud within the Group due to the nature of Asker's market and the high proportion of public procurements within the healthcare sector.	In the event of a breach of the policies or procedures in the business or by employees within the Group, there is a risk of a negative impact on Asker's reputation, which could lead to lower income. Total sales generated from products from the Group's largest supplier represents more than 2 percent of the Group's EBITA. If a supplier relationship is terminated due to a breach of Asker's Code of Conduct, this could lead to a loss of profits for all products from that supplier.

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Impact and governance of Asker's sustainability work

		Healthy Communities	Healthy Planet	Healthy People
Impact	Asker's opportunity to have a positive impact	• Provide more cost-effective, high-quality products • Innovative solutions	• Choice of suppliers, materials and transport that help reduce emissions along the value chain	• Place high standards on suppliers and monitor compliance with the Code of Conduct for suppliers
	Negative impact from activities and business relationships	• Hazardous substances, disposable items • Waste from the production and supply chain • Products that fail to meet product and patient safety requirements	• The company's own activities and activities in the value chain have a negative impact on the climate • Long-term, financial impact if Asker does not succeed in realigning its operations	• Potentially negative impact from a complex supply chain in high-risk countries • Violations of human rights and children's rights • Corruption and bribery
Governance	Policies and commitments	• Code of Conduct • Code of Conduct for suppliers • Quality and environmental policy • HR policy • IT policy	• Code of Conduct • Code of Conduct for suppliers • Quality and environmental policy	• Code of Conduct • Code of Conduct for suppliers • Quality and environmental policy • Responsible sourcing policy • HR policy • Policy against corruption, bribery and anti-competitive behaviour
	Section in Asker Management Standard, see page 74	• IT security and integrity • Quality and regulatory	• Environment	• Business ethics • HR and health & safety • Core values
Actions	Actions to manage impacts	• Quality management system • Customer satisfaction survey • Processes to ensure product compliance with: MDD/MDR, IVDD/IVDR and PPE	• Emissions (Scopes 1–3) have been mapped • Climate risks included in the company's ERMP process	• Audits of suppliers • Audits of third-party suppliers • Employee anti-corruption training • Whistleblower system • Employee survey
Monitoring	Monitoring the effectiveness of actions taken	• Internal monitoring and reporting to Management and Board	• Internal monitoring and reporting to Management and Board • Internal and external climate reporting • Monitoring of climate targets • External TCFD report	• Internal monitoring and reporting to Management and Board

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Overall principles for reporting

Asker reports sustainability data on all material sustainability topics, along with the assumptions, methodology and conversion factors used to produce the data. Information on limitations and comments on outcomes are provided where the data is presented. Unless otherwise indicated, the information presented refers to the 2023 calendar year. All Asker companies were included in the reporting, apart from the companies that have not been part of the Group for twelve months. In addition, companies with fewer than 10 employees are excluded from environmental reporting as they have an insignificant impact on the Group's results. In 2023, 38 companies were included in the reporting. In 2022, 24 companies were included. The difference in the number of companies between the years affects the year-on-year comparison.

Companies not included in the sustainability reporting
All the companies listed on pages 121–122 are included in the sustainability reporting, apart from the companies listed below that were acquired during 2023 and were only included in the calculation of number of employees.

Dispo Medical
Genimedical
Instrumenta
Adcare
Dico
Vitri Medical
CRS medical
Eumedics
Vegro
Apotheekzorg Hulpmiddelen (partnership via Bosman)
Asker Healthcare Service s.r.o.
SmedicoPhils Inc (subsidiary to Gribi AG Belp)

Data was obtained through a number of channels, including a new reporting system that was implemented in 2023 and Asker's financial management system. The data was provided by the local companies and consolidated by the group's ESG team. For the Scope 1, 2 and 3 calculations, the ESG team was assisted by a consultancy firm to ensure that emission reporting was in line with the Greenhouse Gas Protocol.

Asker has updated Scopes 1, 2 and 3 and energy consumption. These updates were made as errors were detected in the data reported previously and to reflect new data that was not available during the previous reporting period.

Healthy Communities

Affected communities (S3)	2023
Number of companies that measure customer satisfaction	39
Percentage of companies that measure customer satisfaction	93%
Number of companies that use digital patient solutions or product guides	7
Percentage of companies that use digital patient solutions or product guides	17%

Consumers and end-users (S4)	2023
Number of complaints per million products sold (CPM) for manufacturers	0.08
Number of complaints received per million products sold (CPM) for distributors and importers	0.2
Number of product-related incidents, warnings or recalls received and processed	66
Number of audits from national regulators that have led to business interruption	0
Number of incidents resulting in fines, penalties or warnings related to defective products or incorrect advice	0

Information-related impacts for consumers (S4)	2023
Number of personal data incidents (leaks identified, theft or loss of data) related to customers	157
Number of personal data incidents (leaks identified, theft or loss of data) related to customers, that have been reported to authorities	124

All identified personal data incidents reported herein took place in 2023 and are not related to prior years. All incidents were reported by customers or were identified via internal processes, and none came from external supervisory bodies. A significant amount of the incidents were caused when the forwarding agent delivered a home delivery to the wrong person. In approx. 90 percent of cases, Asker handles personal data as the data processor, with the caregiver being the data controller and thus the party that assesses whether an incident should be reported to the authorities or not. Asker does not have any information from caregivers on whether incidents have been reported to authorities. The number of incidents reported is therefore based on Asker's internal criteria for whether an incident must be reported to authorities, and not on whether it has actually been reported by the caregiver.

External certifications	2023
ISO 9001	>74% of Group sales
ISO 13485	>12% of Group sales
ISO 14001	>27% of Group sales
ISO 45001	>25% of Group sales

Healthy Planet

Climate change (E1) Energy consumption, MWh	2023	2022	2021
Total consumption of non-renewable fuel (natural gas, diesel and petrol)	9,380	8,959	7,158
Total consumption of renewable fuel (biodiesel)	691	217	27
Purchased electricity, heating, cooling and steam for consumption	14,681	14,053	11,488
- of which energy purchased for cooling	*146*	*163*	*66*
- of which energy purchased for electricity	*7,609*	*8,230*	*6,373*
- of which energy purchased for heating	*6,926*	*5,661*	*5,049*
- of which energy purchased for steam	*N/A*	*N/A*	*N/A*
Percentage of renewable energy	49%	26%	27%
Self-generated electricity, heating, cooling and steam not consumed		–	–
Electricity, heating, cooling and steam sold		–	–
Total	**24,752**	**23,229**	**18,673**

Energy consumption increased in 2023 compared to 2022 due to new companies being integrated into the Group. Companies that become part of the Group the year before are included in the energy reporting

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the subsequent year. Unlike emissions calculations, the baseline for energy consumption is not adjusted upwards, which explains the large increases in energy consumption from year to year.

In the updated reporting process, local data contributors collected energy data for their warehouses, office and company car fleet and reported them into a new system for reporting. A local data approver then controlled the data against evidence documents to ensure accurate reporting. Additional data boundaries were introduced this year and data providers had to provide an explanation if their reported activity data differed by more than 10 percent compared to the previous reporting period.

Emissions

Scope 1 includes emissions from company cars, stationary heating and own vehicles for freight transport. Scope 2 covers electricity consumption and district heating and cooling in offices, shops and warehouses. Calculations for Scope 2 are both market-based, where GHG emissions are based on electricity from a specific electricity contract, and location-based where GHG emissions are based on an average value of grid electricity in the region/country.

Scope 3 categories included:

Category 1: Purchased goods and services
Category 2: Capital goods
Category 3: Fuel and energy-related activities
Category 4: Upstream transport and distribution
Category 5: Waste generated by business operations
Category 6: Business travel
Category 7: Employee commuting
Category 11: Use of products sold
Category 12: Final treatment of products sold

The categories not reported (Categories 8–10 and 13–15) are not relevant in Asker's business model.

Asker does not trade emission rights and does not carbon offset in any of Scopes 1, 2 or 3.

Update of baseline for emission calculations

The Group has set 2021 as the base year for its science-based targets which makes it the base year for the annual reporting of emission changes compared to the base year.

Historical data for Scope 1 and 2 and Scope 3, category 1 that are linked to the science-based targets has been updated to include companies integrated into the Group after 2021. As a result the same updates have also been made to Scope 3, categories 3 and 12 that are linked to Scope 3, category 1. There has been no baseline update for Scope 3, categories 2, 4, 5, 6, 7 and 11 as they are not included in the science-based target.

Emission calculations

The emission calculations include the following greenhouse gases: CO_2, CH4, N2O, HFC, PFC, SF6, NF3, and the operational control method has been used to consolidate and calculate total greenhouse gas emissions. The Group also reports biogenic emissions from biofuel consumption for company cars. The calculation method has been refined and is based on the most up-to-date emission factors. Emission factors from the UK Department for Business, Energy & Industrial Strategy (BEIS, formerly DEFRA) have been used for Scope 1 and district heating calculations.

Where possible, emissions data was collected in carbon dioxide equivalents to avoid conversion. When data was provided in a different format, estimates and conversion factors from the Intergovernmental Panel on Climate Change (IPPC) or the European Environment Agency (EEA) were used to convert CO_2 to CO_2e.

Scope 3 upstream emissions (categories 1–7)

Data for upstream emissions is based on various sources of data. For Scope 3 category 1, calculations are based on sales data coupled with emission factors applied in order of accuracy and data availability. These range from primary data from suppliers in the form of EPD and LCAs, weight-based emission factors by material composition from EcoInvent, and if no other data is available, spend-based emission factors from DEFRA. Scope 3, category 7 has been calculated by applying DEFRA emissions factors to CAPEX. For Scope 3, category 2, all reporting companies provided a combination of activity data and emission reports from local partners, such as transport providers and waste management companies. When activity data was provided, relevant emission factors from DEFRA, IEA and Ecoinvent were applied for the emissions calculations. An extrapolation was used for part of the Scope 3, category 4 calculations to compensate for a lack of primary emissions data for inbound transportation of branded suppliers. Statistical data has been used to estimate distances and modes of transport for Scope 3, category 7.

Scope 3 downstream emissions (categories 11 and 12)

Input for Scope 3, category 11 is based on a mapping of sold products that use electricity during their use-phase. IEA emission factors were applied to the life-time electricity consumption of these products to calculate the emissions for this category. Scope 3, category 12 uses the same input data as Scope 3, category 1. DEFRA and EcoInvent emission factors based on material composition and end-of-life treatment were applied for the final calculations.

Scopes 1 and 2 (tCO_2e)[1]	2023	2022	2021
Scope 1	2,245	2,579	2,823
Scope 2 (market-based)	903	1,145	1,087
Scope 2 (location-based)	2,161	1,843	1,724
Total, market-based emissions	**3,148**	**3,724**	**3,910**
Total, location-based emissions	**4,406**	**4,422**	**4,547**

1) For Astomed, an estimate of the emissions was made based on the number of employees.

Scope 1 and 2 emissions per SEK m (tCO_2e/SEK m)	2023	2022	2021
Scope 1	0.17	0.22	0.30
Scope 2 (market-based)	0.07	0.10	0.12
Scope 2 (location-based)	0.16	0.16	0.18
Total, market-based emissions	**0.23**	**0.32**	**0.42**
Total, location-based emissions	**0.33**	**0.38**	**0.49**

Scope 1 and 2 emissions have been adjusted for both 2021 and 2022 compared to last year's report, due to the inclusion of new acquisitions, updated activity data and emissions factors, and corrections of errors related to data input from the local companies and the earlier manual process used for data consolidation.

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Scope 3 emissions (tCO_2e)	2023	2022	2021
Category 1: Purchased goods and services	435,091	489,062	465,012
Category 2: Capital goods	3,363	5,092	5,806
Category 3: Fuel and energy-related activities	1,369	1,164	1,128
Category 4: Upstream transport and distribution[1]	15,839	13,799	11,993
Category 5: Waste generated by business operations[1]	1,128	304	88
Category 6: Business travel	915	577	233
Category 7: Employee commuting	1,975	1,772	1,297
Category 11: Use of products sold	7,061	1,442	730
Category 12: Final treatment of products sold	17,935	17,073	17,047
Total	**484,676**	**530,285**	**503,334**

1) No primary data was provided by Astomed for Scope 3, categories 3-5 and Aichele for Scope 3, categories 4 and 5.

Scope 3 emissions for 2021 and 2022 have been adjusted compared to last year's report due to an updated method of calculation for category 1 and category 4, recalculation of the Scope 1 and 2 emissions that affect category 3, correction of data errors in last year's report for categories 5 and 6, updated method of calculation for category 7, error corrections for the estimation of energy consumption in category 11, and the new method recommended by SBTi to calculate energy recovery for category 12.

Emissions intensity including Scope 3

	2023	2022	2021
Scope 3, category 1 emissions per SEK m gross profit (tCO_2e/SEKm)	97.1	120.8	117.9
Scopes 1, 2 and 3 emissions per SEK m net sales (tCO_2e/SEKm)	36.3	45.6	54.2

Emission reduction

Asker's science-based targets were validated in 2023. With a base year of 2021, Asker set absolute emission targets for Scopes 1 and 2 of a reduction of 42%, and an intensity target for Scope 3, category 1 of a reduction of 52% compared to SEK m of gross profit, which is consistent with the global target to limit global warming to 1.5°C.

For Scope 1, policies are being implemented to favour electric or hybrid cars and for using renewable diesel. For Scope 2 emissions, which consist of electricity and heat consumption in offices, shops and warehouses, steps are being taken to become increasingly energy self-sufficient through solar panels and other renewable energy sources.

Reductions in Scopes 1 and 2 compared to 2022 can mainly be attributed to a switch to renewable diesel in Finland and the consolidation of warehouses in Switzerland.

Biogenic emissions[1]		2023	2022	2021
Biodiesel	tCO_2e	146	56	8

1) Biogenic emissions from biofuel-based district heating could not be reported because the emission factors used are supplier-specific and do not include information on the volume of bound carbon dioxide. Biogenic emissions have not been included for Scope 3 as life cycle assessments are not available for bio-based products.

Water and marine resources (E3)

Water consumption	2023	2022	2021
m^3 consumed water[1]	16,394	6,635	2,963

1) The following companies did not report water consumption in 2023: Diashop, Ascan, Onemed Services, Astomed and Smedico.

The data reported includes water used by the companies' personnel in offices and warehouses. Asker does not have any production which is why its water consumption is low.

Biodiversity and ecosystems (E4)

Biodiversity

Timber products made by third-party manufacturers meet the requirements of the EU Timber Regulation. A monitoring system has been set up that includes a risk assessment for the timber species used. The system is based on sources including the IUCN Red List of Threatened Species.

Circular economy (E5)

Waste from own operations1) (mT	2023	2022	2021
Recycled waste	1,395	740	746
Waste to landfill	25	51	19
Incinerated waste with energy recovery	228	243	38
Incinerated waste without energy recovery	492	7	N/A
Other waste management methods (non-hazardous)	212		
Other recycling methods (non-hazardous)	4		
Hazardous waste	19	17	28
Unknown waste management method		506	N/A
Total	**2,356**	**1,564**	**831**

1) Aichele and Astomed did not report waste management data for 2023.

The reported data refers solely to operational waste, i.e. waste from warehouses (cardboard boxes, packaging materials, wrapping plastics etc.). Asker companies without stocks of goods have not been included in the reporting. Also excluded are companies where waste management data is not available, or where such data was reported in a unit of measurement that was not convertible to metric tonnes. As not all companies have reported waste classified as recycled, sent to landfill, incinerated or hazardous, the total volume of waste is higher than the sum of the sub-groups.

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Own workforce (S1)

Total number of employees as of 31 December 2023

Region	Permanent employees, Women	Permanent employees, Men	Temporary employees, Women	Temporary employees, Men	Number of employees, by country
Austria	36	48		1	85
Baltic countries	17	5	3		25
Benelux	490	354	257	134	1,235
China	4	3			7
Czech Republic		3			3
Denmark	61	54	5	10	130
Finland	63	41	1	1	106
Germany	295	142	13	7	457
Norway	63	84			147
Philippines	20	8			28
Poland	6	10			16
Sweden	237	269	3	2	511
Switzerland	43	38	2	1	84
Total	**1,335**	**1,059**	**284**	**156**	**2,834***

The total number of employees on 31 December 2023, divided into full-time and part-time employees, and non-guaranteed working hours divided into women and men.

Region	Full-time, Women	Full-time, Men	Part-time, Women	Part-time, Men	Non-guaranteed hours, Women	Non-guaranteed hours, Men	Number of employees by country
Austria	28	48	8	1			85
Baltic countries	20	5					25
Benelux	143	344	582	114	22	30	1,235
China	4	3					7
Czech Republic		3					3
Denmark	49	44	17	17		3	130
Finland	61	40	3			2	106
Germany	125	122	175	14	8	13	457
Norway	62	82	1	2			147
Philippines	19	7	1	1			28
Poland	6	10					16
Sweden	213	257	24	14	3		511
Switzerland	20	31	25	8			84
Total	**750**	**996**	**836**	**171**	**33**	**48**	**2,834**

*The number of employees rose in 2023 compared to 2022 because of the new companies added to the Group in 2023.

Age structure of employees as of 31 December 2023 (%)	Female	Male
Less than 20 years	1%	2%
21 - 30 years	9%	8%
31 - 40 years	15%	12%
41 - 50 years	13%	10%
51 - 60 years	14%	10%
More than 60 years	3%	3%
Total	**55%**	**45%**

Age and gender distribution refers to the distribution as of December 2023 for all employees where data is available in Asker's financial system. Data for employees in Business Area Central is missing from the system and is therefore excluded.

Total number of non-employed workers as of 31 December 2023 (number)	2023	2022
Asia	4	4
Austria	6	0
Baltic countries	10	0
Benelux	284	163
Denmark	3	2
Finland	0	1
Germany	1	2
Norway	51	27
Poland	2	0
Sweden	50	46
Switzerland	1	0
Total	**412**	**245**

Workers who are not employees work mainly in the warehouse operations in the Netherlands, where they are employed by temporary staffing agencies and work in the warehouse during periods of higher customer demand. The reason for the increase in non-employed workers in 2023 compared to 2022 is an increased need to engage consultants that have specific knowledge in areas such as IT, finance and logistics.

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Employee turnover	2023	2022	2021
New employees	419	527	217
Voluntary employee turnover	330	445	107
Total employee turnover	401	520	197
Employee turnover, percent[1]	17.7%	24.8%	15.5%

1) Including internal employee turnover

Employee turnover was highest in the Netherlands, where labour demand exceeds supply, but is also affected by internal personnel movements between Group companies. All Group companies continuously seek to be an attractive employer, by offering competitive terms and conditions, along with development opportunities and training.

Discrimination and harassment	2023	2022	2021
Number of reported cases of discrimination/harassment	0/1	1/0	0/2

Asker's HR policy encourages employees to report discrimination and harassment to their line manager. If the matter cannot be resolved, or if it is not appropriate for the line manager to handle the case, it is to be escalated to the manager above or to HR. All forms of discrimination and harassment are to be investigated, managed appropriately and followed up locally by the company concerned. If the employee finds it difficult to raise an issue locally, or if it is of a serious or sensitive nature, it may be reported via Asker's whistleblower system.

Ratio of basic salary and remuneration of women to men

	2023		2022	
	Managers	Employees	Managers	Employees
Total	**91%**	**98%**	**88%**	**98%**

Basic salary refers to full-time monthly salaries in December 2023 for all employees where data is available in Asker's financial management system. There is no salary data in the salary reporting system for employees in Business Area Central, which is therefore excluded. Salaries of the Group Management team are excluded.

Asker promotes equal opportunity and diversity in its workforce. The basic principle is that remuneration and other conditions are to be based on local market conditions and individual remuneration levels are to be based on experience, skills, responsibilities and performance. Asker applies nationally based remuneration in accordance with commitments to equal opportunity, diversity and inclusion, and in accordance with local labour practices and collective bargaining agreements. All Group companies must work actively to even out any known structural differences in remuneration between the genders. A higher proportion of men in senior positions is a contributory factor to the pay gap for managers. Salary differences between female and male managers have decreased compared to last year's measurement. Asker will continue to focus on narrowing the pay gap between women and men through follow-up and training of managers.

Health and safety Accident frequency rate	2023	2022	2021
Number of Lost Time Accidents (LTA)[1]	29	21	11
Number of accidents (Incidence Rate, IR): LTA/200,000 working hours	1.59	1.47	1.29
Frequency Rate, (FR): LTA/1,000,000 working hours	7.97	7.35	6.46
Accident Severity Rate (ASR): DLA[2] to LTA ratio	0.08	0.03	N/A
Fatal accidents	0	0	0

1) Accidents that prevent an employee from working the next scheduled working day or shift.
2) Number of working days lost due to a LTA.

The outcomes for 2021 were based on regular working hours, while the outcomes for 2022 and 2023 were based on actual working hours. As a result of improved monitoring of accident numbers in 2023, the number of recorded accidents increased. The highest risk of occupational accidents or injuries exists in warehouse operations, because the work environment there consists of heavy objects, machines and moving parts.

Asker is proactive and systematic in improving health and safety, and has a zero-vision for work-related accidents. Risk assessments are carried out continuously to identify, mitigate and monitor risks to prevent injuries and accidents to employees and visitors. By identifying potential hazards, the risk of accidents can be reduced. When an accident occurs, an analysis is carried out to determine how the accident happened and how it can be avoided in the future.

Sick-leave	2023	2022	2021
Austria	5.2%	N/A	N/A
Baltic countries	0.5%	0.6%	0.2%
Benelux	5.8%	6.1%	6.3%
China	0.8%	0.8%	0.5%
Denmark	2.9%	4.0%	3.4%
Finland	3.5%	1.8%	2.2%
Germany	5.6%	8.4%	N/A
Norway	7.7%	9.9%	5.2%
Sweden	5.0%	5.0%	6.8%
Switzerland	4.9%	3.6%	3.7%
Group	**5.1%**	**5.7%**	**5.5%**

Total sick-leave in 2023 was 5.1 percent (5.7). The level decreased in 2023 compared to 2022 as the numbers in 2022 were still affected by absenteeism due to the pandemic.

Anti-corruption, bribery and fraud	2023	2022	2021
Number of reported cases of corruption, bribery and fraud	0	0	0

Social security, health insurance and collective bargaining agreements

Asker's businesses comply with the mandatory social security and health insurance requirements in the individual countries. In countries where public healthcare and social security may be considered inadequate (for example, China, India and Malaysia), employees get additional health insurance. In cases where employees are not covered by collective bargaining agreements, their terms and conditions of work and employment reflect those applying in other companies in the Group.

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Percentage of total number of employees[1] (%)	2023
Percentage of employees who received training in health and safety	97%
Percentage of employees represented in formal joint health and safety committees	86%
Percentage of employees covered by formal collective bargaining agreements	88%
Percentage of employees represented by formally elected employee representatives	49%
Percentage of employees who received career or skills development training[2]	91%
Percentage of employees with performance and career development plans that are regularly updated	98%

1) 87% of all employees are included

2) Bosman and Medireva are not included

Percentage of suppliers of medical supplies, devices and equipment who have signed the Asker Code of Conduct or similar code of conduct

	2023	2022
As percentage of number	58%	37%
As percentage of purchasing value	88%	71%

Training and education	2023	2022
Total number of training hours in the Group[1]	3,148	3,069
Average number of training hours per employee	1.11	1.32

1) Only training hours provided by Asker Business School and Onemed Academy (Benelux only) via e-learning or via the Asker Leadership Conference.

Asker invests in employee training as the Group understands the importance of training to long-term profitability in all companies. Formal training, alongside other personal development activities such as coaching, may be used to supplement continuous learning at work.

Training provided by the local companies (for example, skills training, certifications and local leadership programmes) has been excluded from the reporting.

Workers in the value chain (S2)

Auditing of third-party manufacturers against social criteria	2023	2022	2021
Number of active third-party manufacturers in high-risk areas	29	25	26
Number of active third-party manufacturers in high-risk areas audited against labour rights criteria in the last 24 months	27	21	14
Percentage of active third-party manufacturers in high-risk areas audited in the last 24 months	93%	84%	54%
Number of manufacturing sites audited	32	26	18
Number of audits conducted on existing, potential and new third-party manufacturers	36	32	23
Number of new third-party manufacturers	9	3	0
Percentage of third-party manufacturers audited against labour rights criteria in the last 24 months	100%	100%	N/A
Number of third-party manufacturers identified as having a major negative social impact	1	4	8
Number of third-party manufacturers that have remedied major negative social impact	1	3	8
Number of third-party manufacturers with which Asker terminated cooperation during the year due to major negative social impact	1	2	0
Cases of discrimination at, and measures taken by, third-party manufacturers	0	2	2
Third-party manufacturers where the right to freedom of association and collective bargaining may be at risk	27	24	21
Third-party manufacturers where there is a risk of child/forced labour	0/0	1/3	1/0

Auditing of third-party manufacturers against environmental criteria	2023	2022
Number of active third-party manufacturers	29	25
Number of active third-party manufacturers audited against environmental criteria	10	1
Percentage of active third-party manufacturers audited against environmental criteria	34%	4%

Reporting encompasses all third-party manufacturers for Evercare Medical and Gribi. Third-party manufacturers for companies that joined the Group in 2021 and later will be included in the reporting from 2024.

Business conduct (G1)

Code of Conduct for employees

Country/ Region	Number of e-learning programmes conducted	Total number of employees[1]	E-learning programmes conducted/ Total number of employees[1]
Austria	68	74	92%
Baltic countries	25	25	100%
Benelux	267	304	88%
China	7	7	100%
Denmark	130	130	100%
Finland	99	99	100%
Germany	241	247	98%
Norway	124	124	100%
Sweden	464	464	100%
Switzerland	77	81	95%
Group	**1,518**	**1,571**	**97%**

1) Total number of employees offered Code of Conduct training in 2023 as they have been part of the Group for the entire year. Employees in Bosman and Medireva are excluded due to errors in their reporting system.

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About the Sustainability Report

The Sustainability Report is an integral part of Asker's 2023 Annual and Sustainability Report. The report constitutes Asker's statutory sustainability report under the Swedish Annual Accounts Act and has been prepared in accordance with the requirements of the GRI Standards.

The Sustainability Report covers the entire Group, with the exception of the companies acquired in 2023 (listed on page 56). The reporting is aligned with Asker's financial year and thus covers the period 1 January 2023 to 31 December 2023. The Sustainability Report has been audited by an external party. The Auditor's Assurance Report is on page 68.

The Sustainability Report presents the Group's ambitions, its long-term goals and the outcomes of the year's work. It is a progress report that describes what Asker does to develop its sustainability work and reports on the progress made. The sustainability reporting is based on Asker's regular stakeholder dialogues, the materiality analysis and the company's ESG strategy.

The sustainability reporting is an important part of Asker's dialogue with various stakeholders and aims to promote transparency and continuous improvement. The scope of the Sustainability Report is specified in the GRI index on pages 63–67. An account of how Asker complies with the ten principles of the Global Compact is included in this report, which is also shared with unglobalcompact.org. For any questions or feedback regarding the report or Asker's sustainability work, contact: esg@asker.com.

Asker was awarded a Platinum rating by EcoVadis

In 2023, Asker Healthcare Group was awarded a Platinum rating by EcoVadis, a world-leading provider of independent sustainability assessments. The Platinum rating ranks Asker in the top one percent of the more than 100,000 companies assessed by EcoVadis worldwide. This is the second year that Asker has been assessed by EcoVadis. In 2022, Asker was awarded a Gold rating and was amongst the top 5 percent of companies ranked. Asker improved its rating in 2023 by setting higher targets and constantly improving processes. EcoVadis ranked Asker particularly high in the area of sustainable procurement. Sustainable procurement includes supplier evaluations, third-party audits, and ensuring that suppliers sign the Code of Conduct for suppliers.

EcoVadis assesses companies based on GRI, UN Global Compact, ILO and ISO 26000 criteria in four areas: environment, labour and human rights, ethics and sustainable procurement. The assessment is based on internal documentation from Asker and opinions from external experts and stakeholders.

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GRI content index

General disclosures (2021)

Level of application: Asker has reported in accordance with GRI standards for the period 1 January 2023 to 31 December 2023.
GRI 1: Foundation 2021.

		Deviations		
Disclosure	**Page reference**	**Deviation from requirements**	**Reason**	**Explanation**
2-1 Organisational details	20, 56, 74			
2-2 Entities included in the organisation's sustainability reporting	20, 55–61, 120–121			
2-3 Reporting period, frequency and contact point	62			Report was signed on 10 April 2024
2-4 Restatements of information	57			
2-5 External assurance	68			
2-6 Activities, value chain and other business relationships	2–3, 5, 11–12, 16, 44–48			
2-7 Employees	59			
2-8 Workers who are not employees	59			
2-9 Governance structure and composition	74–79, 80–82	2–9 C) vi and viii	Not applicable	There are no employee representatives on the Board.
2-10 Nomination and selection of the highest governance body	76–81			
2-11 Chair of the highest governance body	76, 80–81			
2-12 Role of the highest governance body in overseeing the management of impacts	49–50, 77			
2-13 Delegation of decision-making for the management of impacts	49–50			
2-14 Role of the highest governance body in sustainability reporting	49, 77			
2-15 Conflicts of interest	77	B)	Not applicable	Conflict of interests are not shared with stakeholders.
2-16 Communication of critical concerns	49, 55			

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		Deviations		
Disclosure	**Page reference**	**Deviation from requirements**	**Reason**	**Explanation**
2-17 Collective knowledge of the highest governance body	49			
2-18 Evaluation of the performance of the highest governance body	75–78			
2-19 Remuneration policy	49, 78, 120			
2-20 Process to determine remuneration	49, 76, 78–79	2–20b	Not applicable	Asker has a process for the Board to adopt and approve remuneration, but does not prepare a public remuneration report. The major shareholders are represented in the remuneration committee.
2-21 Annual total compensation ratio		2–21	Missing/ incomplete information	Asker does not collect data centrally as business operations are run locally.
2-22 Statement on sustainable development strategy	7			
2-23 Policy commitments	35–36, 39, 43–47, 49, 55			
2-24 Embedding policy commitments	18, 43–47, 49, 75–76			
2-25 Processes to rectify negative impacts	35, 44, 49, 72–73, 79			
2-24 Mechanisms for seeking advice and reporting concerns	36, 43–47, 49, 79			
2-27 Compliance with laws and regulations	35–36, 49, 79			No significant breaches of laws or regulations were reported during the period.
2-28 Membership associations	49			
2-29 Approach to stakeholder engagement	50–51			
2-30 Collective bargaining agreements	43–44, 61			

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Area-specific data

GRI standard/Other source	Disclosure	Page reference	Deviations: Deviation from requirements	Deviations: Reason	Deviations: Explanation
Material topics					
GRI 3: Material topics in 2021	3-1 Process to determine material topics	33, 50–51			
	3-2 List of material topics	33			
Anti-corruption					
GRI 3: Material topics in 2021	3-3 Management of material topics	35–49, 55, 75–76			
GRI 205: Anti-corruption in 2016	205-1 Operations assessed for risks related to corruption	44–50, 61			
Energy					
GRI 3: Material topics in 2021	3-3 Management of material topics	34, 39–42, 50–51, 55–56			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	56			
Emissions					
GRI 3: Material topics in 2021	3-3 Management of material topics	34, 39–42, 55, 57–58			
GRI 305: Emissions 2016	305-1 Direct greenhouse gas (GHG) emissions (Scope 1)	57–58			
	305-2 Indirect greenhouse gas (GHG) emissions (Scope 2)	57–58			
	305-3 Other indirect greenhouse gas (GHG) emissions (Scope 3)	57–58			
Training and education					
GRI 3: Material topics in 2021	3-3 Management of material topics	34, 35, 43, 49, 55			
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	61	Data not broken down by gender and role.	Data not available.	

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			Deviations		
GRI standard/Other source	**Disclosure**	**Page reference**	**Deviation from requirements**	**Reason**	**Explanation**
Diversity and Equal Opportunity					
GRI 3: Material topics in 2021	3-3 Management of material topics	34, 43–44, 55, 60			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity in leadership and amongst employees	43, 80–83	Governance body's age distribution has not been included in the overview.		Information on governance body's age distribution can be found on page 79–81.
	405-2 Ratio of basic salary and remuneration of women to men	60			
Non-discrimination					
GRI 3: Material topics in 2021	3-3 Management of material topics	34, 43–44, 55, 60			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	60–61			
Freedom of association and collective bargaining					
GRI 3: Material topics in 2021	3-3 Management of material topics	34, 43–44, 55, 61			
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	61			
Child labour					
GRI 3: Material topics in 2021	3-3 Management of material topics	34, 43–48, 55, 61			
GRI 408: Child labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	45–46, 61			
Forced or compulsory labour					
GRI 3: Material topics in 2021	3-3 Management of material topics	34. 44–48, 55, 61			
GRI 409: Forced or compulsory labour 2016	409-1 Businesses and suppliers at significant risk for incidents of forced or compulsory labour	61			

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			Deviations		
GRI standard/Other source	**Disclosure**	**Page reference**	**Deviation from requirements**	**Reason**	**Explanation**
Supplier social assessment					
GRI 3: Material topics in 2021	3-3 Management of material topics	34, 44–48, 55, 61			
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were audited against social criteria	61			
	414-2 Negative social impacts in the supply chain and actions taken	61			
Customer health and safety					
GRI 3: Material topics in 2021	3-3 Management of material topics	34–36, 55–56			
GRI 416: Customer health and safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	56			
Information-related impacts for consumers					
GRI 3: Material topics in 2021	3-3 Management of material topics	34–36, 55–56			
GRI 418: Customer privacy 2016	418-1 Number of formal complaints concerning loss of customer data	56			
Resource-efficient and climate-efficient or circular products and services					
GRI 3: Material topics in 2021	3-3 Management of material topics	34, 39–42, 55			
	Number of products specifically designed based on resource-efficiency, climate-efficiency and circularity criteria	5, 39–42			

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Auditor's Limited Assurance Report on Asker Healthcare Group AB's Sustainability Report and auditor's opinion on the statutory sustainability report

This is the translation of the auditor's report in Swedish.
To Asker Healthcare Group AB, org.nr 559184-9848

Introduction
We have been engaged by the Board of Directors of Asker Healthcare Group AB to undertake a limited assurance engagement of Asker Healthcare Group AB's Sustainability Report for the year 2023. The scope of the Sustainability Report has been defined by the company to the areas referred to in the GRI index on pages 63-67. The scope of the Statutory Sustainability Report has been defined by the company to the areas defined on page 62.

Responsibilities of the Board and Executive management
The Board of Directors and Executive Management are responsible for the preparation of the Sustainability Report in accordance with applicable criteria. The criteria are defined on page 62 in the Sustainability Report, and consist of the parts of the sustainability reporting framework published by GRI (Global Reporting Initiative) that are applicable to the sustainability reporting, and of the company's own accounting and calculation principles. This responsibility includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor
Our responsibility is to express a conclusion on the Sustainability Report based on our limited assurance procedures. Our engagement is limited to historical information presented in this document and does therefore not cover future-oriented information.

We have conducted our engagement in accordance with ISAE 3000 (Revised) *Assurance engagements other than audits or reviews of historical financial information*. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR 12. A limited assurance engagement and an examination according to RevR 12 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.

The firm applies ISQM 1 (International Standard on Quality Management) which requires the firm to design, implement and maintain a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Asker Healthcare Group AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

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

Conclusions
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report has not been prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management

A Statutory Sustainability Report has been prepared.

Stockholm, 10 April 2024
Ernst & Young AB

Stefan Andersson Berglund
Authorized Public Accountant

Outi Alestalo
Expert member of FAR

How Asker identifies and manages risk

Asker has established a framework for risk management in order to regularly identify, analyse and monitor strategic, operational, regulatory, financial and sustainability risks. Risk management is an integral part of the Group's business planning process and monitoring of business performance. The framework is adapted to the prevailing industry and market conditions where the Group operates, as well as the company's business and operating model.

The Group's strategic and operational position, and the expected trend in its earnings and financial position, may be affected by risks and uncertainties to which the Group is exposed. Asker works continuously to identify and monitor risks so that it can leverage opportunities to achieve business targets or mitigate risks the Group is unwilling to take. A company-wide risk assessment process is carried out every year to identify and address material risks in the Group. The Group Management Team monitors and reports risks and action plans to the Board every quarter.

Systematic risk management

The governing documents, which are adopted every year by the Board, and the policy framework include a risk management policy and a policy on internal control and regulatory compliance. The purpose of risk management at Asker is to increase insight and understanding of the risks to which the Group is exposed, identify defined risk ownership and ensure a high level of governance and control of risks in the Group. COSO is the foundation of Asker's framework for internal control and all units within the Group are encompassed by the framework. The scope of Asker's requirements for risk management and internal control in each company is determined by the size and risk level.

Asker Management Standard is the Group's framework for corporate governance by which Asker regularly follows up on risk management of the Group's strategic, operational, regulatory and financial risks. The Group's accounting manual describes in more detail how internal control over the financial reporting is conducted within the Group.

Training is provided through Asker Business School as part of the integration process of new companies in the Group, which includes risk management, Asker Management Standard and internal control over the financial reporting. Monitoring and reporting of risks, Asker Management Standard and internal control of financial reporting and action plans are continuously monitored by Asker's Group Management Team and regularly reported to the Audit Committee and ultimately to the Board.

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Primary risks and management

Risk	Management
IT and information security The risk that the Group's IT systems are disrupted by hacker attacks, computer viruses, network errors or other factors, which could lead to the IT systems being unavailable, that interruptions occur or that sensitive information becomes available to unauthorised persons. The risk could involve a loss of income, loss of data, negative publicity or a breach of data protection regulations.	The Group has an IT policy and an information security policy that are adopted by the Board every year, and compliance is continuously monitored. In order to ensure stable IT environments and prevent incidents, Asker performs risk analyses and continuous maintenance, and reviews and invests in IT equipment and security, at both Group and subsidiary level. In addition, regular GDPR compliance audits are carried out and employees receive compulsory training in data security and privacy awareness. Independent subsidiaries help reduce vulnerability to individual incidents at Group level.
Supply chain disruptions Risk that deliveries to customers cannot be made in full or in part. Disruptions can be caused by geopolitical impacts on the global supply chain, IT disruptions, terrorist attacks, pandemics, natural disasters or climate change. Incidents or disruptions may result in physical risks for the Group's employees or entail restrictions in operations that cause negative financial effects due to closures, difficulties in receiving products and goods from suppliers and significantly higher costs for freight and increased energy prices.	Asker actively maintains contingency plans, systems and processes to counteract the effects of incidents and disruptions to the Group's distribution centres. Asker operates in a large number of geographic locations with differing types of customers, products and suppliers which helps to counteract the risks in individual distribution channels and the risks of a shortage of specific products.
Currency risks and financial stability Currency risk is the risk that exchange rates have a negative impact on Asker's financial position and earnings. Transaction exposure is the risk that arises as a result of the Group having inward and outward payments due to payment flows in foreign currency. Translation exposure arises as a result of the Group having net investments in foreign currencies through its foreign subsidiaries. The Group is also exposed to refinancing risk, i.e., the risk that the financing of the Group's capital requirements becomes more difficult or more expensive. Risks and uncertainties in the global economy and economic fluctuations could lead to variations in inflation, currency and interest, which could lead to general cost increases, higher financing expenses and lower investments in projects and non-current assets.	The Group has a finance and treasury policy that is adopted by the Board. It stipulates that financial risks are to be managed based on a structured and efficient process. The Group's financial management is centralised to Group Treasury, which identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units, with the aim of minimizing the effect of financial risks on earnings. The risk of financial instability is partly counteracted by the Group conducting operations in several markets and that demand for products, services and solutions in the healthcare systems is relatively stable in relation to such economic fluctuations. Asker's strategy of acquiring companies and thereby further broadening its customer base and increasing geographic diversification also helps to reduce risks in individual markets and in individual customer groups.

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Primary risks and management (cont.)

Risk	Management
Reputation The risk that Asker's reputation is tarnished as perceived by customers, suppliers and the general public, which could lead to fewer business opportunities. Asker's reputation is affected by the strategy and direction chosen by the Board and management, and by the business decisions made throughout the entire Group, which also includes non-compliance with laws, regulations, internal policies and guidelines. Events that occur in the industry that are not directly related to Asker's companies or the Group could also result in negative consequences for Asker's reputation or the industry as a whole. Reputational risk can also arise when employees do not comply with the Group's ethical guidelines, or can be due to shortcomings in data privacy, defective products or reduced delivery capacity.	Asker works proactively to establish a healthy business culture and values through leadership, internal frameworks and training to mitigate incidents and decisions that could harm Asker's reputation. The Group has a Code of Conduct and compulsory training for all employees. In addition, all management teams in the Group's subsidiaries receive training in the company's framework, which includes values and business ethics.
Business ethics Risk of business being conducted with customers or suppliers that do not fully comply with laws and regulations. This includes breaches of competition rules, anti-corruption and trading rules as well as internal regulations such as the Code of Conduct and Code of Conduct for suppliers. Unlawful or unethical conduct of Asker's business partners contravenes Asker's values and could tarnish confidence in the company and entail material financial consequences.	Asker has a zero-tolerance policy for all breaches of laws and these regulations. A Group-wide Code of Conduct applies to all employees, and all of Asker's suppliers that also go through a thorough selection process, have to sign the Code of Conduct for suppliers or equivalent code of at least the same level. The Group also systematically trains all management teams in the Group's subsidiaries in ethics and ethical dilemmas. Risk assessments and regular internal monitoring are used to prevent corruption and identify areas of non-compliance. Employees are encouraged to report serious faults using the Group's and companies' whistleblowing system.
Acquisition process The risk that Asker is unable to carry out acquisitions due to competition with other purchasers, a lack of financing or unacceptable terms. Acquisitions may also present the risk of assuming unknown or uncertain commitments. In addition, there is the risk that the integration of acquired companies is unsuccessful or the businesses do not perform according to plan, operationally or financially. This could lead to higher costs than expected or inability to fully achieve the expected synergies or within the expected timeframe.	Asker has an M&A team with extensive experience of acquisitions to support all acquisition and integration processes in the Group. Asker performs due diligence in areas relevant to the acquisition in question and carries out thorough market analyses. Examples of areas that are investigated are operational, financial, tax and legal due diligence, IT and sustainability. The Group can assess risks based on these analyses and negotiate guarantees and/or withhold consideration. Asker also reduces risk by clearly regulating terms and restrictions in written purchase agreements that are prepared and reviewed by legal advisers. Asker has established and implemented a structured acquisition process that requires analysis, documentation and approval by the M&A Steering Committee and the Board prior to each acquisition.

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Primary risks and management (cont.)

Risk	Management
Regulatory compliance The risk that laws and regulations within the Group are not adhered to, which could lead to higher costs, restricted growth, inefficient processes and, in the worst case scenario, penalties, fines or loss of licenses.	Asker has adopted internal rules to govern the Group, and processes to monitor compliance in order to ensure adherence with laws and regulatory requirements as well as with the values and requirements that Asker also sets for all of the businesses within the Group. This framework is called the Asker Management Standard and has been adopted by Asker's Board and Group Management Team. It contains the values, Code of Conduct, compulsory policies and procedures and non-compulsory guidelines for all companies within the Group. The documents are updated every year to reflect new legal requirements and regulations, as well as any changes to the risk profile. The subsidiaries are fully responsible for routinely implementing, monitoring and reporting to the Group Management Team and Board.
Personnel The risk that in certain geographic areas Asker encounters difficulties with recruiting suitable employees due to stiff competition in certain categories of personnel or because no qualified personnel with the right skills are available. Difficulties in recruiting and retaining employees could limit growth opportunities for the Group.	Asker makes it a principle to pay market-based salaries and offers part-ownership to motivate key personnel to remain at the company and develop the operations for the long term. The Group's education programme – Asker Business School – is the Group's own university that offers online and on-site education for employees, and aims to on-board new companies, develop employees' skills and create a joint pool of know-how that promotes a high standard of ethics and knowledge sharing. An annual employee survey is carried out in the entire Group to identify areas for improvement.
Environment and climate Drought, flooding and torrential rain could limit Asker's access to resources in the supply chain and present a risk for both Asker and the supply chain in the form of a negative impact on infrastructure, stock levels and production units. Changes in the business environment linked to climate change could affect suppliers and customers.	Asker has a quality and environmental policy that applies to all companies within the Group. The larger companies also have environmental management systems that are ISO 14001 certified. A follow-up of all companies in the Group compared with targets for the various improvement areas takes place every year. Asker incorporated the Task Force on Climate-Related Financial Disclosures (TCFD) framework into its sustainability strategy during the year. The evaluation of risks related to the consequences of climate change is described in the external TCFD report (visit asker.com).
Political risks Asker's runs businesses in countries in which healthcare is partly or wholly publicly funded and is thus exposed to political risk. Government limitations could also lead to lower demand for certain services, the closure of operations, or customers experiencing financial difficulties and/or making late payments, terminating or not renewing their contracts.	Asker serves 14 markets and operates in several customer and healthcare channels, which reduces the impact of individual political decisions. The Group's operations are conducted locally, with extensive knowledge, insight and contact with customers and suppliers, which allows for a high level of contingency and flexibility. The Group's acquisition strategy also further increases long-term risk diversification between markets, companies and individual customers.

Corporate Governance Report

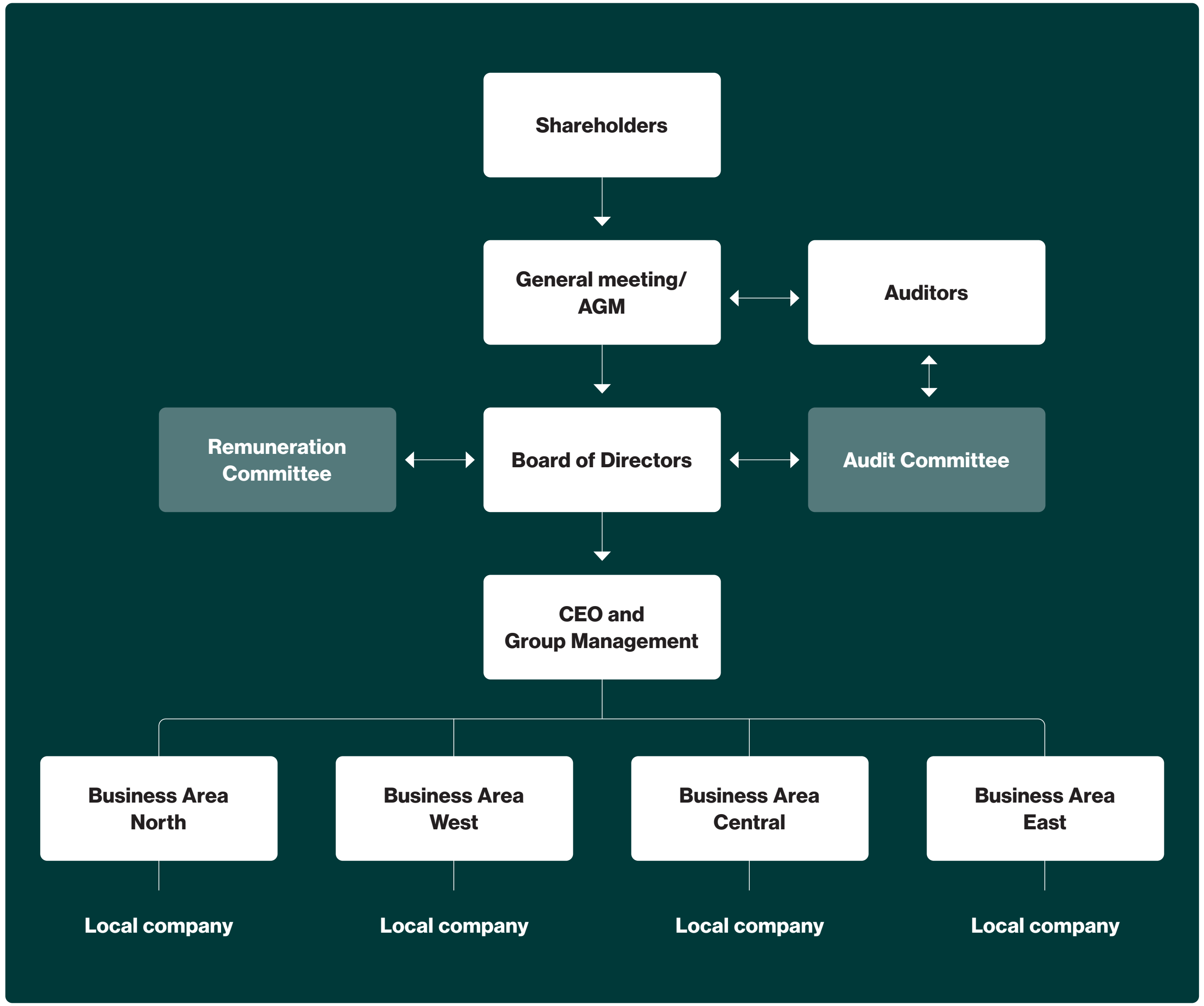
The purpose of corporate governance at Asker is to support the Group's long-term strategy and ensure that the operations are governed sustainably, responsibly and effectively. It defines the decision-making systems and structures and the division of responsibilities and duties within the Group, and thereby promotes a high level of risk awareness and effective internal control within the organisation. The objective of robust corporate governance is to maintain the confidence of the company's shareholders, employees and other stakeholders.

Corporate governance structure

The Group's Parent Company is Asker Healthcare Group AB (Asker or the Company), which has its registered office in Danderyd, Sweden. The operations are conducted in four business areas by geography. The operating subsidiaries are independent and report to the relevant Business Area Director. As a Swedish private limited liability company, Asker is subject to a number of external regulations that affect its corporate governance. These include:

- The Swedish Companies Act
- Accounting legislation, including the Swedish Book-keeping Act, Swedish Annual Accounts Act and International Financial Reporting Standards (IFRS)
- Applicable EU regulations, such as the EU Medical Device Regulation 2017/745 (MDR), the EU In Vitro Diagnostic Medical Devices Regulation 2017/746 (IVDR) and the General Data Protection Regulation (GDPR)

The Swedish Corporate Governance Code (the "Code") is based on the principle of "comply or explain" and primarily applies to listed companies, but it also symbolises market expectations of good corporate governance. Accordingly, Asker aims to implement the Code in its operations as far as possible. However, any deviations will not be noted separately in this report.



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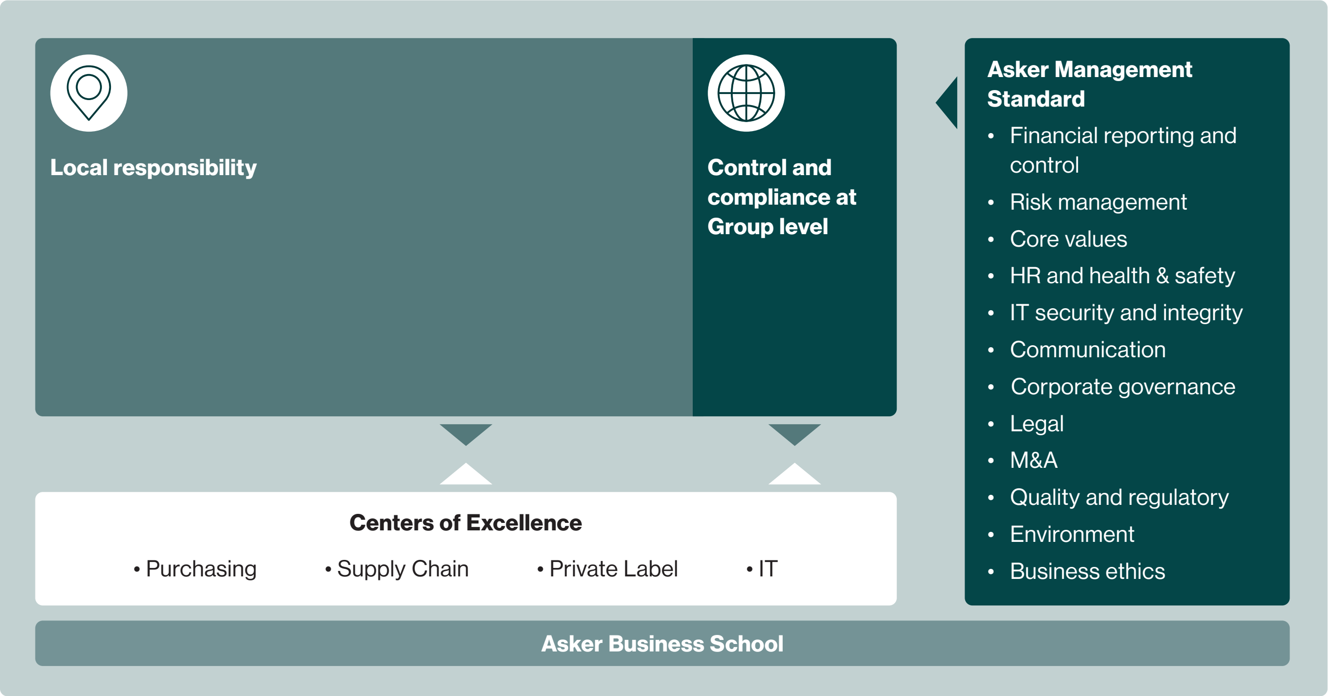
Asker Management Standard – framework for Asker's decentralised corporate governance

Given that the healthcare systems in Europe vary between each country, the operations of Asker's companies are decentralised to retain a strong focus on local knowledge, skills and responsibility. The Asker Management Standard is the group-wide corporate governance that encompasses the Group's shared values as well as internal and external regulations. Outside of the Asker Management Standard each company has responsibility for the strategy and results of its local business operations.

The Asker Management Standard has been adopted by Asker's Board and Group Management Team. It contains compulsory and non-compulsory governing documents as well as Asker's core values. Asker's Code of Conduct is the most important governing document and is compulsory for all employees. The documents are updated every year to reflect new legal requirements, or any changes to the risk profile. They are available to all employees on the group-wide intranet.

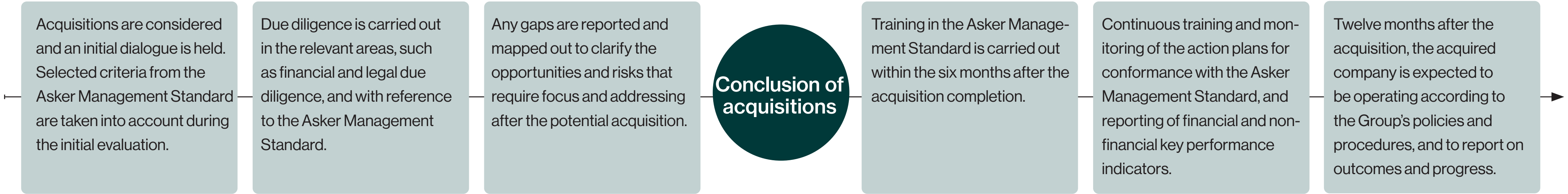
Important internal governing documents included in Asker Management Standard are:

- Articles of Association
- Rules of Procedure for the Board and its Committees
- Instructions for the CEO
- The Group's governing documents (group-wide policies, procedures and guidelines)
- Asker's Code of Conduct



The Asker Management Standard is an integral part of the acquisition process

After Asker has acquired a company, every section of the Asker Management Standard is followed up by the Management Team and the company's other employees concerned. Once acquired, the acquired company has to prepare a plan for how it will fulfil the requirements set out in the Asker Management Standard within twelve months after the acquisition.



Ethics, sustainability and risk management

It is vitally important for a healthcare company like Asker to always act ethically, transparently and responsibly. This applies to all its relationships and partnerships – from suppliers to customers. Ethics, sustainability and risk management are thus integral to operations and are areas that the Board and Group Management Team continuously discuss. The Board adopts the overall sustainability strategy every year.

The Code of Conduct translates Asker's values into behaviour and provides guidance on how employees are expected to act. All employees also receive training to ensure they have a sound understanding of the content. The Code of Conduct includes information on how to prevent corruption and bribery. It also clarifies Asker's view on equality and diversity. It stipulates that Asker makes all employee-related decisions, such as recruiting, employing, developing and promoting employees, based on their merits, and does not take into consideration their sex, gender identity or expression, age, sexual orientation, disability, ethnicity, religion or other beliefs. The Code of Conduct is followed up and adopted every year by the Board.

Asker also has a Code of Conduct for suppliers, which is based on Asker's internal Code of Conduct and internationally acknowledged conventions and declarations. It includes the areas of: Human rights and labour; Occupational health and safety and well-being; Environment; Responsible value chain; and Business ethics. Asker is to conduct responsible and sustainable business activities, and Asker sets exactly the same requirements for its suppliers. The Code of Conduct for suppliers is followed up and adopted every year by the Group Management Team.

Risk management is a priority at every level of Asker's organisation. An action plan must be created for all identified risks that fall outside of the company's risk appetite. These plans describe what Asker will do to minimise the impact of these risks or the probability that they will happen, or alternatively to monitor that they remain at an acceptable level. The countries analyse risks every quarter, and follow-up takes place every six months together with the business areas and all central functions. This process results in a risk report that is shared with the Board at least once per year.

General meetings

The general meeting is Asker's highest decision-making body and it is where shareholders exercise their decision-making power. At the Annual General Meeting (AGM), shareholders decide on central matters, such as adopting the

Composition of the Board of Directors

In 2023, the Board comprised seven members and two deputies.

Board members	Elected (year)	Year of birth	Sex	Attendance Board, total no. of meetings[1]	Attendance Audit Committee, total no. of meetings	Attendance Remuneration Committee, total no. of meetings	Independent [4] in relation to the company and Group Management	Independent [4] in relation to the company's major shareholders
Håkan Björklund	2019	1956	M	6/6	–	2/2	Yes	Yes
Vidar Andersch	2019	1980	M	6/6	–	2/2	Yes	No
Johan Hesser	2023	1973	M	4/5 [2]	–	–	Yes	No
Martin Lagerblad	2021	1982	M	6/6	5/6	2/2	Yes	No
Nina Linander	2021	1959	F	6/6	6/6	–	Yes	Yes
Richard Silén	2019	1973	M	1/1 [2]	–	–	Yes	No
Birgitta Stymne Göransson	2020	1957	F	5/6	–	–	Yes	Yes
Mikael Vinje	2023	1979	M	1/1 [3]	–	–	Yes	Yes
Anders Nyman (deputy)	2019	1987	M	6/6	5/6	–	Yes	No
Niklas Rohdin (deputy)	2019	1973	M	3/6	–	–	Yes	No

1) Does not include per capsulam meetings.
2) Johan Hesser was elected and Richard Silén stepped down on 27 April 2023.
3) Mikael Vinje was elected on 12 December 2023.
4) Independence is assessed in accordance with the definition in the Swedish Corporate Governance Code.

income statement and balance sheet, dividends, the composition of the Board, discharge of liability for the Board members and the CEO and the election of external auditors. The shareholders aim to achieve diversity, breadth and an even gender distribution when electing Board members.

Asker's financial year is from 1 January to 31 December, and the AGM is to be held within six months after the end of the financial year. Notice of the general meeting is to be issued by mail or e-mail no earlier than six weeks and no later than two weeks before the meeting.

Resolutions at a general meeting are normally made by a simple majority and when electing, the party that received the highest number of votes is deemed to have been elected. However, certain resolutions, such as amendments to the Articles of Association, require a qualified majority.

Shareholders that represent more than one-tenth of the company's votes are: Nalka Invest (68 percent) and AP6 (18 percent). The Articles of Association do not contain any voting restrictions. The 2023 AGM authorised the Board to resolve on new issues of shares, issues of convertibles and warrants, with or without preferential rights for shareholders, but at a maximum amount corresponding to 11,540,211 shares.

Board of Directors

As regards to Board members elected at the general meeting, the Articles of Association stipulate that the Board must be comprised of one to ten Board members and a maximum of five deputy Board members. The Board of Directors is responsible for the company's organisation and management of the company's affairs.

Accordingly, the Board makes decisions on the Group's strategy, annual reports, investments and divestments, appointing the CEO and matters concerning the Group's organisational structure. The Board also approves the Group's Sustainability Report.

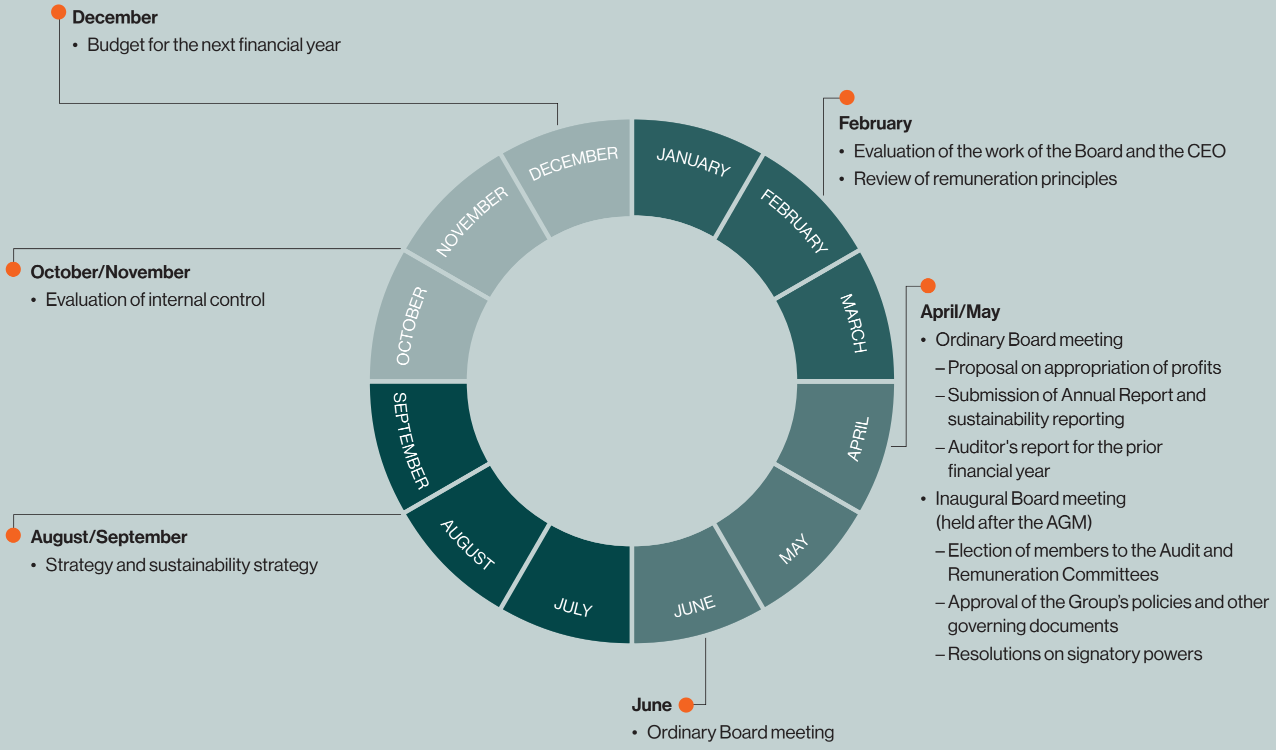
The Board held six physical Board meetings in 2023. The CEO, CFO and COO attend all Board meetings.

The company's General Counsel is the Board secretary. All Board meetings follow an approved agenda based on the Board's established annual cycle, which is provided to Board members well in advance of Board meetings together with documentation for each item on the agenda.

Any potential conflicts of interest or disqualification situations are continuously addressed and in accordance with the Board's Rules of Procedure. This means that they are reported at each meeting and the Board member neither takes part in the discussion nor in the decision on the matter

Annual cycle for the Board

The agenda for Board meetings is summarised below in accordance with the established annual cycle for the Board's work. In addition to the below, all ordinary meetings of the Board include a financial update and a business operations update, review of outstanding items from the prior meeting, and reports on whistleblowing and IT security.



at hand. Transactions with associated companies are otherwise managed in accordance with clearly defined guidelines within the Asker Management Standard. The work of the Board and the CEO is also evaluated every year in order to develop work practices and efficiency. Actions are taken pursuant to the outcomes of this evaluation. In 2023 for example, the Audit Committee received training in CSRD and the Board's international acquisitions skills have been enhanced through a new Board member.

Chairman

The Chairman leads the Board in its work and maintains regular contact with the CEO to remain informed about the Group's operations and performance. The Chairman is responsible for ensuring that the work of the Board is well organised and conducted efficiently and that the Board fulfils its obligations. The Chairman is also responsible for ensuring that other Board members receive the introduction, information and documentation necessary for maintaining a high level of quality in discussions and decision-making, and ensuring that the Board's decisions are executed.

Board Committees

The Board's responsibility cannot be delegated but the Board can establish a committee for preparatory work and to investigate certain matters ahead of a decision being made. The Board has established two committees to provide structure, improve efficiency and ensure the quality of its work: (i) Audit Committee, and (ii) Remuneration Committee. These committees serve to prepare and process matters. The matters addressed at the committee meetings are minuted and reports submitted to the next Board meeting.

Both of the committees act independently and if an external adviser or expert is engaged, the committee makes sure that no conflicts of interest arise.

The main task of the Audit Committee is to assist the Board in monitoring the financial reporting, reporting procedures and accounting policies, and monitoring the audit of the company's and the Group's financial statements. The Audit Committee also evaluates the quality of the Group's reporting, internal control and risk management, and examines reports and statements from Asker's external auditors. The Audit Committee follows up the external auditors' assessment of their impartiality and independence and ensures that procedures are in place that stipulate which non-auditing services they provide to the company and the Group. The Audit
Committee also monitors compliance with the rules on auditor rotation. The external auditors regularly participate in Audit Committee meetings.

The main task of the Remuneration Committee is to prepare recommendations for Board decisions on the appointment or dismissal of the CEO, including salary and other remuneration, and members of the Group Management Team.

The Remuneration Committee prepares recommendations for the Board's decisions on incentive programmes and examines the outcome of variable remuneration components.

Remuneration of Board of Directors

The 2023 AGM resolved that fees for the Chairman for the period until the end of the following AGM would amount to SEK 420,000 and each of the other independent Board members were to receive SEK 315,000. Fees for the Chairman of the Audit Committee amount to SEK 75,000. Total fees for the Board amounted to SEK 1,125,000 at the time of the AGM.

External auditors

In accordance with the Articles of Association, the company is to have one or two auditors and a maximum of two deputy auditors or one registered public accounting firm. The 2023 AGM elected Ernst & Young Aktiebolag (EY) as the external auditor until the end of the 2024 AGM. Authorised Public Accountant Stefan Andersson Berglund is the Auditor in Charge.
The company's auditor follows an audit plan and reports their observations to the Board, both during the audit process and when the annual accounts are adopted. EY is the auditor for the majority of Asker Healthcare Group AB's subsidiaries. The Audit Committee meets the company's auditor once a year without the attendance of senior executives.

The independence of the external auditors is regulated in separate instructions decided by the Audit Committee that state the areas in which the external auditor may be engaged in matters outside of the normal auditing activities. The company's auditor continuously assesses its independence in relation to the company and provides written assurance to the Board every year that the auditing firm is independent in relation to Asker. Over the past year, the auditors were engaged to provide advisory services mainly regarding accounting, acquisitions and tax matters.

CEO and Group Management Team

The CEO is appointed by the Board and leads the company and the Group in accordance with the instructions adopted by the Board. The CEO is responsible for the day-to-day management of the company's and the Group's operations and is supported by the other members of the Group Management Team. The CEO's work is evaluated every year at a Board meeting without the attendance of senior executives. The CEO has no significant business relationships with the company or its Group companies.

In 2023, the Group Management Team held 13 scheduled meetings focusing on strategy, business updates, sustainability, IT security, risk-reducing activities and establishing a strong corporate culture.

Information regarding the CEO and other members of the Group Management Team is presented on page 81.

Guidelines for remuneration of the CEO and members of the Group Management Team

Asker's remuneration is to be competitive and market-based, and may comprise the following components: fixed remuneration, short-term variable remuneration, pension and other benefits. Total remuneration also includes participation in an investment programme for the Group Management Team and certain key individuals.

Fixed remuneration is re-evaluated every year and forms the basis for calculating variable remuneration.

The aim of short-term variable remuneration is to promote Asker's business strategy and long-term interests, including its sustainability activities. The short-term variable remuneration may also be dependent on the individual's fulfilment of annually established criteria. This means that the remuneration is clearly linked to the individual's efforts and performance. The criteria may be financial or non-financial, qualitative or quantitative.

Pension benefits, including health insurance, are defined-contribution based. Other benefits may include preventive healthcare, medical insurance and a company car. The outcome of short-term variable remuneration is followed up every year. Fulfilment of the criteria is assessed when the measurement period for criteria fulfilment for paying the short-term variable remuneration has ended. The Remuneration Committee is responsible for this assessment. Short-term variable remuneration for the CEO is also subsequently approved by the Board. Asker must have the opportunity, according to law and any related restrictions, to claw back variable remuneration paid on incorrect grounds.

Internal control

The Board has the overall responsibility for ensuring that the Group has efficient systems in place for management and internal control. This responsibility includes annually evaluating the financial reporting that the Board receives and setting requirements for its content and presentation so as to assure the quality of the reporting.

The Board's work on internal control is based on the Asker Management Standard which includes the control environment, risk assessment, control activities, information and communication and monitoring activities. Internal control has been designed to provide reasonable assurance that the company's objectives can be achieved in terms of appropriate and effective operations, reliable financial reporting and compliance with laws and regulations. The CFO provides an annual report to the Board on the Group's financial internal control and the Legal Counsel provides a report on compliance with the Asker Management Standard.

Asker does not have a separate internal audit function. Every year, the Audit Committee and Board evaluate the need for such a function, and there is not currently deemed to be such a need given the size and structure of the company. The Board monitors the internal control over the financial reporting through regular monitoring together with the Audit Committee.

Whistleblowing channel

Asker is committed to creating an open corporate culture whereby employees are encouraged to discuss, react and take action to address anything that goes against the Group's values. For this reason, the Group has implemented an external channel for whistleblowing. The channel is anonymous and managed by a third party. It is available 24 hours a day all year round, and allows reporting from several countries and in different languages. In accordance with the EU Whistleblower Directive, internal and independent channels have been set up for companies with more than 50 employees.

Employees are encouraged to report conduct that could breach laws, or Asker's internal regulations, processes or Code of Conduct, or suspicions of other ethical violations. All reports are followed up and investigated. Asker does not tolerate any form of reprisals against someone who, in good faith, has reported suspected violations. All whistleblowing cases are reported to the Board. Two whistleblowing cases were reported and followed up in the whistleblowing channel in 2023.

Data protection

Asker has established procedures and has a data protection organisation in place to ensure that any personal data incidents are reported and managed appropriately. The data protection organisation comprises Asker's Data Protection Officer, the IT Security Committee and local data protection managers.

In addition to the legal requirements on reporting personal data incidents, the countries report the number of such incidents regularly in connection with the quarterly reporting. The results of such incidents are then reported to the Audit Committee.

More information about Asker's corporate governance can be found on asker.com.

The 2023 Corporate Governance Report has not been audited separately by Asker's auditors. The report contains disclosures in accordance with Chapter 6, Section 6 of the Swedish Annual Accounts Act.

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Board of Directors

Håkan Björklund
Chairman of the Board and member of Remuneration Committee

Year of birth: 1956

Elected: 2019

Education: PhD in Neuroscience from Karolinska Institute.

Other assignments: Chairman of the Board of Intervacc. Board member of Bonesupport. Partner at Tellacqpartners. Advisor to Rothschild private equity.

Professional experience: CEO of Nycomed. Board member of Alere, Coloplast, Danisco, Lundbeck and Biovitrum.

Independent of Asker: Yes

Independent of major shareholders (>10%): Yes

Vidar Andersch
Board member and member of Remuneration Committee

Year of birth: 1980

Elected: 2019

Education: M.Sc. - MS Mechanical Engineering, Industrial Economy, Lund University, Finance and Risk Management, and Production Management and Logistics, Technical University Munich.

Other assignments: Investment Director AP6 – Sixth Swedish National Pension Fund.

Professional experience: Former Board member of Waterjet Sweden, Yanzi Networks, Hoist Group Holding. Deputy Board member Volvo Finance.

Independent of Asker: Yes

Independent of major shareholders (>10%): No

Johan Hesser
Board member

Year of birth: 1973

Elected: 2023

Education: M.Sc. in Finance & Accounting, Stockholm School of Economics, and University of Chicago Booth School of Business.

Other assignments: Advisor at Nalka. Board member of Cibes, Lekolar, Prototal and Caprifol.

Professional experience: Managing Director of Nalka. Adviser at Catella Investments and SEB Corporate Finance.

Independent of Asker: Yes

Independent in relation to major shareholders (>10%): No

Martin Lagerblad
Board member, Chairman of Remuneration Committee and member of Audit Committee

Year of birth: 1982

Elected: 2021

Education: M.Sc. Industrial Engineering, KTH Royal Institute of Technology.

Other assignments: Managing Director of Nalka. Board member of Open Air Group, Best Transport and Precis Digital.

Professional experience: Management consultant at Bain & Company.

Independent of Asker: Yes

Independent of major shareholders (>10%): No

Nina Linander
Board member and Chairman of Audit Committee

Year of birth: 1959

Elected: 2021 and OneMed Group (2015– 2019)

Education: B.Sc. Economics Stockholm School of Economics and MBA at IMD Business School, Lausanne.

Other assignments: Board member of Swedavia and Suominen Corporation.

Professional experience: Partner at Stanton Chase International, SVP and Head of Treasury at Electrolux.

Independent of Asker: Yes

Independent of major shareholders (>10%): Yes

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Birgitta Stymne Göransson
Board member

Year of birth: 1957

Elected: 2020

Education: MBA from Harvard Business School and M.Sc. in Chemical Engineering and Biotechnology from KTH Royal Institute of Technology.

Other assignments: Chairman of Industrifonden. Board member of Elekta, Pandora, Bure Equity and RVRC Holding.

Professional experience: CEO of Memira Group, CEO of Semantix Group, COO/CFO of Telefos and various management positions, including McKinsey, Gambro and Åhléns.

Independent of Asker: Yes

Independent of major shareholders (>10%): Yes

Mikael Vinje
Board member

Year of birth: 1979

Elected: 2023

Education: M.Sc. Business Economics Stockholm School of Economics.

Other assignments: -

Professional experience: Regional Manager Anticimex North America, Group COO and Head of M&A Anticimex, Director Arle Capital Partners, Director Candover Partners.

Independent of Asker: Yes

Independent of major shareholders (>10%): Yes

Anders Nyman
Deputy Board member and member of Audit Committee

Year of birth: 1987

Elected: 2019

Education: MSc in Finance & Accounting, Stockholm School of Economics.

Other assignments: Investment Manager Nalka Invest, Board member Cibes Lift Group and Avoki.

Professional experience: Management Consultant Boston Consulting Group and Deputy Board member Ryds Bilglas.

Independent of Asker: Yes

Independent of major shareholders (>10%): No

Niklas Rohdin
Deputy Board member

Year of birth: 1973

Elected: 2019

Education: M.Sc. Business, University of Gothenburg.

Other assignments: Investment Director AP6 – Sixth Swedish National Pension Fund.

Professional experience: Investment Manager Knutsson Holding, Director KPMG.

Independent of Asker: Yes

Independent of major shareholders (>10%): No

Group Management Team

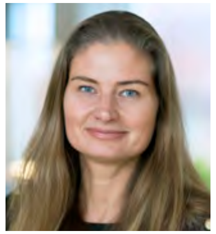
Johan Falk
Title: CEO
Year of birth: 1971
Joined: 2012
Education: Master of Science Mechanical Engineering KTH Royal Institute of Technology
Professional experience: Management positions at Getinge, B&B Tools, McKinsey

Thomas Moss
Title: CFO
Year of birth: 1973
Joined: 2019
Education: B.A, M.Eng University of Cambridge
Professional experience: Senior positions at Diageo, Vattenfall and Intrum

Ola Nordh
Title: Head of Mergers & Acquisitions
Year of birth: 1977
Joined: 2022
Education: MSc in Economics, Lund University
Professional experience: Head of M&A Anticimex, Corporate development & M&A at MTG

Peter Gustafsson
Title: Chief Operating Officer
Year of birth: 1972
Joined: 2013
Education: Master of Science Mechanical Engineering KTH Royal Institute of Technology
Professional experience: Management positions at B&B Tools and McKinsey

Kerstin Mjömark
Title: Head of Human Resources
Year of birth: 1979
Joined: 2022
Education: MSc Business and Economics, Uppsala University
Professional experience: Director Corporate Responsibility, Boliden, Senior HR positions at Tele2 and Telia



Sanna Norman
Title: Head of ESG
Year of birth: 1976
Joined: 2018
Education: Master of Mechanical Engineering, Chalmers University of Technology
Professional experience: Senior Purchasing Manager Procter & Gamble, Senior Director Procurement SC Johnson

Jennie Espelund
Title: General Counsel
Year of birth: 1984
Joined: 2021
Education: Law degree (LLM), Lund University
Professional experience: Legal Counsel Skanska AB (publ), Senior Associate Setterwalls law firm, Law clerk Malmö District Court

Mattias Jaran
Title: Head of IT Integrity
Year of birth: 1972
Joined: 2014
Education: Master of Science in Engineering Physics, Uppsala University
Professional experience: CIO, ArjoHuntleigh, IS/IT Director & Head of IS/IT Post Merger Integration, Nycomed

Emma Rheborg
Title: Head of Communication
Year of birth: 1972
Joined: 2021
Education: MSc in Finance from School of Business, Economics and Law, University of Gothenburg
Professional experience: Head of Communication & IR Internationella Engelska Skolan, Head of Communication, Nordea Sweden and Head of External communication, Nordea Group, Head of Communication, Ratos

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Directors' Report

The Board of Directors and the CEO of Asker Healthcare Group AB, corporate registration number 559184-9848, hereby submit the Annual Report and consolidated financial statements for the financial year of 1 January 2023 to 31 December 2023. The Annual Report is presented in millions of Swedish kronor (SEK m) unless otherwise stated. Amounts in parentheses refer to the preceding year. There may be differences in totals since individual items have been rounded to the nearest whole SEK m.

Operations

Asker Healthcare Group ("Asker" or the "Group") is the leading distributor of medical supplies, devices and equipment in Europe. As a partner to healthcare providers and patients, Asker helps to improve patient outcomes, reduce the total cost of care and ensure a fair and sustainable value chain. By continuously developing and growing the Group through acquisitions, a complete customer offering is being created that allows for a more efficient healthcare value chain. Asker currently has operations in 14 countries and employs 3,500 people.

Asker is an independent link between product companies and caregivers such as hospitals, health centres and nursing homes. The companies in the Group are brand-neutral distributors of the medical supplies, devices and equipment needed to provide care for patients and offer related services. The Group includes full-service suppliers selling everything the healthcare sector needs – apart from medicines and heavy equipment – and specialist companies within selected niches. In total, Asker sells around 50,000 items from more than 1,500 suppliers, mainly products from large, well-known product companies, along with its own brands. This creates an attractive, complete offering to customers who get help in choosing the best products, regardless of brand, for their specific preferences and needs. By supplying the healthcare sector with the right products at the right time and in a seamless, cost-efficient manner, while also offering wide-ranging expertise, Asker creates value for both customers and patients.

The Group's operations are divided into four business areas: North (Sweden and Norway), West (Denmark, Netherlands, Belgium and Luxembourg), Central (Germany, Switzerland and Austria) and East (Estonia, Latvia, Lithuania and Finland). The share of total sales for each business area in 2023 was as follows: North approx. 34 percent, West approx. 45 percent, Central approx. 14 percent and East approx. 7 percent.

Overall performance and financial position

Asker's sales increased by 15 percent to SEK 13,453 m (11,718), of which 10 percent was organic growth. All regions contributed to growth. Acquisitions accounted for 7 percent of sales growth, with the positive translation effect of currency fluctuations accounting for 6 percent, and Covid-19 sales for –8 percent. Covid sales were related to 2022, no Covid-related sales were recognised in the Group in 2023. Adjusted EBITA increased by 30 percent to SEK 1,090 m (840), corresponding to an adjusted EBITA margin of 8.1 percent (7.6). EBITA amounted to SEK 839 m (875), and operating profit (EBIT) to SEK 579 m (708). EBITA and EBIT were affected by non-recurring items of SEK –251 m (35), which mainly consisted of revaluation effects of future earn-outs due to improved performance of acquired companies, transaction costs from acquisitions and completion of restructuring projects. Amortisation and impairment of intangible assets amounted to SEK –260 m (–167), of which SEK –186 m (–90) related to amortisation of intangible assets from acquisitions. Net profit amounted to SEK 205 m (434). Net financial items amounted to SEK –271 m (–147), with the change due to higher interest rates on external loans and a lower positive impact from hedges than last year. Income tax amounted to SEK –103 m (–127), resulting in an effective tax rate of 33.4 percent (22.6) due to increased non-deductible expenses.

Five-year overview

SEK m	2023	2022	2021	2020	2019[1]
Net sales	13,453	11,718	9,354	7,075	4,134
Earnings before amortisation of intangible assets (EBITA)	839	875	666	520	117
EBITA margin	6.2%	7.5%	7.1%	7.3%	2.8%
Net debt	2,507	2,568	1,487	831	1,176
Working capital	1,796	1,767	1,356	856	571
Average number of full-time employees	2,366	1,877	1,333	857	726

1) Refers to March-December 2019, which was the period for the consolidated financial statements in 2019.

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Important events during the year

The basis of Asker's favourable performance in 2023 was several expanded and new contracts around Europe together with 13 acquisitions that have further broadened Asker's product and service offering. The acquisitions were made in all business areas and are part of Asker's long-term strategy to create a full-service offering over time and strengthen the Group's position in these markets. The Group acquired the following companies during the year: Dispo Medical, Genimedical and MC Europe in the Netherlands, Andre Surgical and Eumedics in Austria, Optiikka Juurinen in Finland, Instrumenta and Vitri Medical in Sweden, Adcare and Dico in Norway, Unimeda in Switzerland and CRS medical in Germany. All acquisitions involved acquiring 100 percent of the shares and number of votes in the company. In addition, Asker has entered into a partnership with the Dutch company Apotheekzorg Hulpmiddelen under which Asker will assume responsibility for 80,000 patients and distribution to 800 pharmacies. In connection with the partnership, Bosman acquired 50.00001 percent of the shares in Apotheekzorg Hulpmiddelen.

In addition to the 13 acquisitions, minority buy-outs have been made in the following companies: Smedico, Ascan, Iogen, Evivamed and Diashop, all of which except Iogen were related to combined put and call options. The Group now owns 100 percent of these companies. For additional information about the Group's acquisitions, refer to Note 30 Business combinations.

A decision was made in February to carry out a private placement, which generated proceeds of approximately SEK 63 m for the company and a total of 294,556 common shares and 852,737 preference shares were issued. The private placement was made in connection with acquisitions to enable the selling entrepreneur to invest in Asker Healthcare Group.

Important events after the end of the year

On 2 February, the acquisition of Vegro Verpleegartikelen B.V., the largest provider of mobility aids and rehab equipment in the Netherlands, was completed. In 2023, Vegro had 586 full-time employees and sales of approximately SEK 820 m.

On 1 March, Asker acquired 100 percent of the shares in Praximedico, a specialised distributor of medical products to the nursing home segment in Switzerland. In 2023, Praximedico had 12 full-time employees and sales of approximately SEK 60 m.

In March, Asker also signed an amendment agreement regarding the Group's main financing and added a new lending institution to the financing group. The other main changes were: new Capex facility of EUR 20 m, increase in the revolver facility from SEK 550 m to SEK 800 m, and an extension of the maturity of all facilities to the first quarter of 2026.

Material risks and uncertainties

Asker has established a framework for risk management that ensures a process for routinely identifying, analysing and monitoring strategic, operational, regulatory, financial and sustainability risks. Risk management is an integral part of the Group's business planning process and monitoring of business performance. The framework is adapted to the prevailing industry and market conditions in which the Group operates, the company's business and operating model, compliance with laws and ordinances and financial reporting.

Asker has a business model under which the local companies in the 14 countries are responsible for their respective operations and with a large number of customers. The ten largest customer contracts account for about 15 percent of revenue, which means that the Group as a whole has less exposure to individual companies, helping to spread risks. Decentralisation gives the markets the opportunity to make quick, local business decisions, while central financing from the Parent Company offers flexibility for their continued growth.

The Group's strategic and operational position, and the expected trend in its earnings and financial position, may be affected by risks and uncertainties that the Group is exposed to. Asker works continuously to identify and monitor risks so that it can leverage opportunities to achieve business targets or mitigate such risks that the Group is unwilling to take. Asker's material risks can be divided into four categories: strategic, operational, financial and regulatory.

A company-wide risk assessment process is carried out every year to identify and take action on the risks deemed to be material in the Group. The material risks that are deemed to have the greatest impact on the Group are strategic and operational risks related to geopolitics and disruptions to the global supply chain, IT and information security-related risks and financial stability. The risks are presented in more detail on pages 69–72. In addition, the Group is impacted by financial risks such as currency risks, liquidity risks and refinancing risks. Asker endeavours to manage financial risks arising in the operations efficiently, in a structured manner and in accordance with the Finance and Treasury policy adopted by the Board. This policy regulates the control of financial risks and the distribution of the responsibility for managing these risks within the organisation. The goal is to minimise the negative effects of financial risks. A detailed description of how Asker manages financial risks is provided in Note 3.

Future development

Costs of healthcare are rising significantly in Europe with an ageing population and an increasing number of people living with chronic illnesses. At the same time, the healthcare system is a burden on the environment above all due to its use of disposable products. The combination of these factors results in a need for change to the European healthcare system, and to make it more efficient. Asker has a favourable position in this change by both ensuring that healthcare has access to safe high-quality products and being actively involved in the consolidation and efficiency enhancements in the fragmented distributor market. It does this by acquiring

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companies that positively contribute to improvements in the healthcare system and patient health, reduce total care costs and introduce more sustainable product options.

Research and development
The Group carries out limited research and development for its own brands.

Sustainability information
A statutory sustainability report was prepared in accordance with chapter 6, section 11 of the Swedish Annual Accounts Act, and is incorporated in pages 30-68 of the Annual Report and consolidated financial statements.

Foreign branches
Asker Healthcare AB's subsidiary, OneMed Company Ltd in Hong Kong, has a branch in Shanghai, China.

Ownership
The principal owner Nalka Invest AB (corporate registration number 556228-6350) pursues a long-term and sustainable approach to its investments and provides Asker Healthcare Group with a strong financial foundation. Nalka's origins are shared with Inter IKEA through its owner, Interogo Holding AG, which has its registered office in Switzerland, and Nalker is a committed investor with strong values and an entrepreneurial approach. Asker's other owners are AP6, a Swedish national pension fund that integrates sustainability into its investment operations, the Finnish pension fund Ilmarinen that endeavours to achieve carbon neutrality in its investments and the management of Asker Healthcare Group.

Proposed dividend
The Board of Directors proposes that no dividend be paid for the financial year.

Proposed appropriation of profit
According to the balance sheet, SEK 1,403,493,085 is available for appropriation by the Annual General Meeting, of which loss for the year comprises SEK –111,872,747. The Board proposes that the amount be carried forward.

Non-restricted equity	1,515,365,832
Loss for the year	–111,872,747
Total	**1,403,493,085**
To be carried forward	1,403,493,085

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Consolidated income statement

SEK m	Note	2023	2022
Net sales	5	13,453	11,718
Other operating income	7	38	33
Total operating income		**13,491**	**11,751**
Operating expenses			
Goods for resale		–8,934	–7,936
Other external expenses	9	–1,481	–1,187
Personnel costs	10	–1,858	–1,487
Other operating expenses	8	–91	–38
Depreciation of tangible assets	16	–288	–228
Earnings before amortisation of intangible assets (EBITA)		**839**	**875**
Amortisation of intangible assets	15	–260	–167
Operating profit		**579**	**708**
Profit from financial items	11		
Financial income		80	266
Financial expenses		–352	–413
Net financial items		**–271**	**–147**
Profit before tax		**308**	**561**
Income tax	12	–103	–127
Profit for the year		**205**	**434**
Profit attributable to:			
Parent Company's shareholders		203	430
Non-controlling interests		2	4
Earnings per share based on earnings attributable to Parent Company's shareholders for the year (stated in SEK per share)	13		
Earnings per share before and after dilution		5.40	11.66

Consolidated statement of comprehensive income

SEK m	2023	2022
Profit for the year	**205**	**434**
Other comprehensive income		
Items that have been or can be reclassified to the income statement		
Translation differences for the year on translation of foreign operations	11	142
Other comprehensive income	**11**	**142**
Total comprehensive income for the year	**216**	**576**
Of which, attributable to:		
Parent Company's shareholders	214	573
Non-controlling interests	2	3

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Consolidated balance sheet

SEK m	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Intangible assets	15		
Capitalised expenditure for software development		82	94
Trademarks, patents, licenses and similar rights		367	307
Customer relationships		1,138	1,023
Goodwill		4,701	4,469
Total intangible assets		**6,288**	**5,894**
Tangible assets	16		
Land and buildings		678	640
Plant and machinery		268	229
Construction in progress		57	34
Total tangible assets		**1,003**	**904**
Financial assets			
Derivative instruments	3, 17	2	2
Investments accounted for using the equity method	18	2	–
Other non-current receivables	17	12	11
Deferred tax assets	12	24	17
Total financial assets		**39**	**29**
Total non-current assets		**7,331**	**6,826**
Current assets			
Inventories			
Finished goods and goods for resale	19	1,439	1,420
Current receivables			
Accounts receivable	17, 20	1,744	1,394
Derivative instruments	3, 17	7	32
Current tax receivables		32	20
Other receivables	17	47	212
Prepaid expenses and accrued income	17, 21	289	119
Cash and cash equivalents	17, 22	391	211
Assets held for sale	23	47	–
Total current assets		**3,996**	**3,408**
TOTAL ASSETS		**11,326**	**10,234**

SEK m	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Equity	24		
Share capital		0	0
Other capital contributions		1,571	1,508
Reserves		148	137
Retained earnings including profit or loss for the year		1,304	1,118
Equity attributable to Parent Company's shareholders		**3,023**	**2,763**
Non-controlling interests		18	28
Total equity		**3,042**	**2,791**
LIABILITIES			
Non-current liabilities			
Interest-bearing liabilities	17, 25	3,987	3,992
Derivative instruments	3, 17	2	0
Deferred tax liabilities	12	366	339
Lease liabilities	17, 31	565	485
Other non-current liabilities	17	427	341
Other provisions	26	73	53
Total non-current liabilities		**5,420**	**5,210**
Current liabilities			
Interest-bearing liabilities	25	251	115
Derivative instruments	3, 17	8	5
Accounts payable	17	1,433	1,047
Currents tax liabilities		117	91
Lease liabilities	17, 31	170	149
Other liabilities	17	449	426
Accrued expenses and deferred income	17, 27	437	399
Total current liabilities		**2,864**	**2,233**
TOTAL EQUITY AND LIABILITIES		**11,326**	**10,234**

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Consolidated statement of changes in equity

SEK m	Note	Equity attributable to Parent Company's shareholders: Share capital[1]	Other capital contributions	Reserves[2]	Retained earnings including profit or loss for the year	Total	Non-controlling interests	Total equity
Opening balance on 1 January 2023	24	**0**	**1,508**	**137**	**1,118**	**2763**	**28**	**2,791**
Profit for the year		–	–	–	203	**203**	2	**205**
Other comprehensive income for the year		–	–	11	–	**11**	0	**11**
Total comprehensive income		**–**	**–**	**11**	**203**	**214**	**2**	**216**
Paid share issue		–	63	–	–	**63**	–	**63**
Dividends		–	–	–	–	**–**	–4	**–4**
Transactions attributable to non-controlling interests[3]		–	–	–	–17	**–17**	–8	**–25**
		–	**63**	**–**	**–17**	**46**	**–12**	**35**
Closing balance on 31 December 2023		**0**	**1,571**	**148**	**1,304**	**3,023**	**18**	**3,042**

[1] Share capital amounted to SEK 55 thousand (54).
[2] Reserves relate entirely to translation reserve.
[3] Buy-out for the year of the minority interest in Iogen and acquired minority share in Apotheekzorg Hulpmiddelen.

SEK m	Note	Equity attributable to Parent Company's shareholders: Share capital[1]	Other capital contributions	Reserves[2]	Retained earnings including profit or loss for the year	Total	Non-controlling interests	Total equity
Opening balance on 1 January 2022	24	**0**	**1,109**	**–6**	**688**	**1,791**	**29**	**1,820**
Profit for the year		–	–	–	430	**430**	4	**434**
Other comprehensive income for the year		–	–	143	–	**143**	–1	**142**
Total comprehensive income				**143**	**430**	**573**	**3**	**576**
Share issue		0	399	–	–	**399**	–	**399**
Dividends		–	–	–	–	**–**	–4	**–4**
Transactions attributable to non-controlling interests		–	–	–	–	**–**	–	**–**
		–	**399**	**–**	**–**	**399**	**–4**	**395**
Closing balance on 31 December 2022		**0**	**1,508**	**137**	**1,118**	**2,763**	**28**	**2,791**

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Consolidated statement of cash flows

SEK m	Note	2023	2022
Operating activities			
Operating profit		579	708
Adjustments for non-cash items	29	666	430
Interest received/paid		–189	–95
Paid tax		–126	–100
		930	**943**
Change in current receivables		–217	–22
Change in inventories		21	–12
Change in current liabilities		317	67
Cash flow from operating activities		**1,052**	**976**
Investing activities			
Acquisition of intangible and tangible assets	15, 16	–151	–123
Sale of intangible and tangible assets	15, 16	–	1
Acquisition of Group companies	30	–632	–1,738
Cash flow from investing activities		**–783**	**–1,860**
Financing activities			
Borrowings	31	77	902
Repayments of borrowings	31	–41	–582
Repayment of lease liabilities	31	–178	–152
Change in non-current receivables and liabilities		–	9
Share issue		63	399
Dividends paid to holders of non-controlling interests		–4	–4
Cash flow from financing activities		**–83**	**572**
Cash flow for the year		**185**	**–312**
Cash and cash equivalents at the beginning of the year		211	494
Exchange-rate differences in cash and cash equivalents		–5	29
Cash and cash equivalents at year-end		**391**	**211**

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NOTE 1 General information

Asker Healthcare Group is a partner to caregivers across Europe, providing medical supplies, devices and equipment. The Group builds and acquires leading companies that make a positive difference in the European healthcare ecosystem. The operations are conducted in 14 countries. The Group is organised into four business areas.

The Parent Company Asker Healthcare Group AB, corporate registration number 559184-9848, is a registered limited liability company with its registered office in Danderyd, Sweden. For further details, refer to the Parent Company Notes PC1 and PC5.

Interogo Holding, which has its registered office in Switzerland, is the ultimate Parent Company of the Group. Refer also to the Directors' Report for further information about ownership.

This Annual and Sustainability Report was approved by the Board for publication on 10 April 2024. The Group's and the Parent Company's income statements and balance sheet will be adopted at the Annual General Meeting on 25 April 2024.

NOTE 2 Accounting policies

The general accounting policies applied in the preparation of these consolidated financial statements and the application of new standards are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation of the financial statements

Asker Healthcare Group's consolidated financial statements are prepared in accordance with IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board) and the interpretations of the IFRS Interpretation Committee, as endorsed by the EU. Recommendation RFR 1 Supplementary Accounting Rules for Groups from the Swedish Financial Reporting Board has also been applied, which specifies additions to IFRS disclosures that are required pursuant to the provisions of the Swedish Annual Accounts Act. The consolidated financial statements are prepared on a going concern basis.

2.1.1 Basis for valuation and classification applied to the preparation of the financial statements

Assets and liabilities are measured under the historical cost convention, except for financial assets and financial liabilities (including derivative instruments) measured at fair value through profit or loss. Assets are recognised as current assets and non-current assets. An asset is recognised as a current asset if it is expected to be realised within one year from the balance sheet date. If the asset does not meet the requirements for a current asset, it is classified as a non-current asset. Liabilities are divided into current and non-current liabilities. Current liabilities fall due for payment within twelve months from the balance sheet date. If the liability does not meet the requirements for a current liability, it is classified as a non-current liability.

Receivables and liabilities/revenue and expenses are only offset if this is required or expressly permitted in an IFRS.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 Critical estimates and judgements.

2.1.2 Changes in accounting policies and disclosures

Standards, amendments to and interpretations of existing standards that have not yet come into effect and have not been applied in advance by the Group

None of the IFRS or IFRIC interpretations that have yet to come into effect are expected to have any material impact on the consolidated financial statements.

Standards, amendments to and interpretations of existing standards that have come into effect for the financial year

None of the amendments to IFRS or IFRIC interpretations that came into effect during the year had any material impact on the consolidated financial statements.

2.2 Functional currency and presentation currency

The Parent Company's functional currency is Swedish kronor (SEK), which is also the presentation currency for the Group. This means that the financial statements are presented in SEK. All amounts, unless otherwise stated, are rounded off to the nearest million. Amounts in parentheses refer to last year's carrying amount.

2.3 Consolidated financial statements

2.3.1 Subsidiaries

The consolidated financial statements include subsidiaries over which the Group exercises a direct or indirect controlling influence. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are excluded from the consolidated financial statements from the date on which the control ceases.

Transactions with non-controlling interests that do not result in loss of control are recognised as equity transactions – that is, as transac-

Note 2 Accounting policies, cont.

tions with the owners in their capacity as owners. For acquisitions from non-controlling interests, the difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recognised in equity. Gains or losses on disposals to non-controlling interests are also recognised in equity.

2.3.2 Business combinations

For each acquisition, the Group assesses whether it is a business combination or an asset acquisition. A business combination is when the company obtains a controlling influence over the business. A business is an integrated set of activities and assets for the purpose of providing goods or services to customers, generating investment income or generating other income from ordinary activities. The Group applies the acquisition method when accounting for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, liabilities and the shares issued by the Group. The consideration transferred includes the fair value of all liabilities resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree of each acquisition, either at fair value or at the non-controlling interest's proportionate share of the carrying amounts of the acquiree's identifiable net assets. If the Group has a commitment to acquire non-controlling interests in the future, these are recognised as financial liabilities.

Goodwill is initially recognised at the amount by which the total consideration for the non-controlling interest exceeds the fair value of identifiable acquired assets and assumed liabilities. If the fair value of the acquired net assets exceeds the total consideration, the difference is recognised directly in profit or loss. Acquisition-related costs are expensed directly in profit or loss for the year as other operating expenses as incurred. Contingent consideration is measured at fair value on the acquisition date and remeasured on every reporting date with any changes recognised in profit or loss. Issued put options or compound call and put options in acquisition agreements related to non-controlling interests are recognised as a financial liability, initially at the present value of the redemption value, and are remeasured on every reporting date with any changes recognised in profit or loss under financial items.

2.3.3 Eliminations

Inter-company transactions, balance-sheet items, income and costs on transactions between Group companies are eliminated. Unrealised gains and losses on inter-company transactions are also eliminated.

When necessary, accounting policies for subsidiaries have been adjusted in the consolidated financial statements to ensure that the Group's accounting policies are applied consistently.

2.4 Translation of foreign currencies

All of the accounts of subsidiaries are recognised in local currency. The consolidated financial statements are presented in SEK, which is the Parent Company's functional currency and presentation currency.

Transactions and balance-sheet items

Transactions in foreign currencies are translated to the functional currency based on the exchange rates prevailing on the transaction date. Exchange rate gains and losses resulting from the translation or settlement of such transactions, and from the translation at the closing rate of monetary assets and liabilities in foreign currencies are recognised in profit or loss. Exchange-rate gains and losses attributable to loans and cash and cash equivalents are recognised in profit or loss as financial income or expenses. All other exchange-rate gains and losses are presented in the items "Other operating income" and "other operating expenses" in profit or loss.

Translation of foreign Group companies

Items that are included in the financial statements for all Group companies are translated from the functional currency of the foreign operations to the Group's presentation currency. SEK is used in the consolidated financial statements, which is the Parent Company's functional currency and presentation currency.

The results and financial position of all the Group companies (none of which has the currency of a hyper-inflationary economy) that have a functional currency that is different from the presentation currency are translated into the Group's presentation currency as follows:
– assets and liabilities for the subsidiaries' balance sheets are translated at the closing rate;
– income and expenses for each income statement are translated at average exchange rates;
– all resulting exchange differences are recognised in other comprehensive income and accumulated in the Group's translation reserve in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.5 Segment reporting

The CEO is the Group's chief operating decision-maker. Management has determined the operating segments based on the information considered by the CEO, and that is used as supporting data for allocating resources and evaluating the results of operations. Operating segments are reported in a manner consistent with the internal reporting provided to the CEO. The CEO is responsible for allocating resources and assessing the performance of the operating segments. For segment information, refer to Note 6.

2.6 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance used for marketing, production or providing goods or services. The recognition criteria for an asset is that it is probable that future economic benefits attributable to the asset will flow to the company and the cost of the asset can be measured reliably. Subsequent expenditure for an intangible asset is added to the cost only if it increases economic benefits that exceed the original assessment and if the expenditure can be reliably calculated. All other expenditure is expensed when it arises.

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Capitalised expenditure for software development

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and,
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software development include employee costs and an appropriate portion of relevant overheads.

Other development costs that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Computer software development costs recognised as assets are amortised over their estimated useful lives, but at a maximum of ten years.

Trademarks, patents and licenses

Trademarks acquired in a business combination are measured at fair value at the acquisition date and are deemed to have an indefinite useful life and are tested for impairment at least once annually when testing goodwill for impairment. Trademarks, patents and licenses acquired separately are recognised at cost and are deemed to have a finite useful life and are recognised at cost/fair value less accumulated amortisation and any impairment. Amortisation is carried out on a straight-line basis in order to allocate the cost of trademarks, patents and licenses over their estimated useful lives of 5 to 20 years.

Customer relationships

Customer relationships acquired in a business combination are measured at fair value at the acquisition date and subsequently recognised at cost less accumulated amortisation and any impairment. Amortisation is carried out on a straight-line basis over the estimated time that the customer relationships are deemed to be active over their estimated useful lives of 5 to 10 years.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the amount by which the consideration exceeds Asker's share of the fair value of identifiable acquired net assets and the fair value of non-controlling interests in the acquiree. Goodwill from business combinations is allocated to the cash-generating unit within the Group that is expected to benefit from synergies from the acquisition. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill is tested for impairment every year or more often if there are indications of an impairment requirement. Impairment takes place if the carrying amount exceeds the recoverable amount, which is the higher of value in use and the fair value less selling expenses. Any impairment is recognised immediately as an expense in profit or loss and is not subsequently reversed.

2.7 Tangible assets

Tangible assets are recognised at historical cost less accumulated depreciation and any impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent expenditure is included in the asset's carrying amount or recognised as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. A decisive factor for the assessment regarding subsequent expenditure to be added to the cost is whether the expenditure refers to the replacement of identified components, in which case such expenditure is capitalised and depreciated over the estimated useful life. If a new component is acquired, the expenditure is added to the cost. Any undepreciated carrying amounts on replaced components, or parts of components, are discarded and recognised as expenses in connection with the replacement. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation takes place on a straight-line basis over the estimated useful life, taking into account any residual value, as follows:

- Buildings 20-50 years
- Plant and machinery 3-10 years
- Equipment, tools, fixtures and fittings 3-10 years

Tangible assets comprising parts with different useful lives are treated as separate components. The carrying amount of a tangible asset is derecognised from the balance sheet on disposal or divestment when no future economic benefits are expected from the use of the asset. Gains and losses on divestment of a tangible asset are determined by comparing the sales proceeds and the carrying amount, and direct selling expenses. The result is presented in the other operating income and other operating expenses in profit or loss.

2.8 Impairment testing of non-financial assets that are not goodwill

Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount is not recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separate independent cash inflows (cash-generating units).

Intangible assets that have not been put into use are tested for impairment at least once annually.

2.9 Inventories

Inventories are recognised at the lower of cost and net realisable value. Any obsolescence risk is taken into account. Cost is calculated according to the first-in/first-out (FIFO) principle. Cost comprises the purchase price from suppliers and any direct expenses, such as

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freight and customers. Net realisable value is the estimated selling price in the company's operating activities less any estimated costs for completion and estimated costs that are necessary for achieving a sale. Estimated costs are defined as all costs necessary for achieving a sale.

2.10 Non-current assets (or disposal groups) classified as assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are recognised at the lower of carrying amount and fair value less selling expenses.

2.11 Financial Instruments

Recognition and initial measurement

The Group classifies its financial instruments in the following categories:

Financial assets

– Amortised cost
– Fair value through profit or loss

Financial liabilities:

– Amortised cost
– Fair value through profit or loss

Financial assets are cash and cash equivalents, loans, accounts receivable, derivatives and accrued income. Cash and cash equivalents include cash and bank balances and other current investments with maturity dates within three months from the acquisition date. Financial liabilities comprise accounts payable, loans, lease liabilities, contingent consideration, liabilities for put options or compound call and put options, derivatives and accrued expenses. Financial assets and financial liabilities are recognised in the balance sheet when the Group becomes party to the contractual terms of the instruments. Accounts receivable are recognised when invoiced. Accounts payable are recognised once the counterpart has performed and there is a contractual obligation for the Group to pay. Loans are classified as current liabilities unless the Group has an unconditional right to defer payment of the liability for at least 12 months after the end of the reporting period. Overdraft facilities are recognised as current liabilities in the balance sheet. A financial asset is derecognised from the balance sheet when the rights in the contract have been realised, expired or the Group no longer has control of them. A financial liability is derecognised from the balance sheet when the obligation in the contract has been completed or has expired.

Financial assets and liabilities are measured at fair value on initial recognition. Accounts receivable are initially recognised at the transaction price.

Financial assets and liabilities are offset and the net amount recognised in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Financial assets – classification and subsequent measurement

Financial assets are not reclassified after initial recognition except in cases when the Group changes the business model for holding the financial assets.

A financial asset is recognised at amortised cost if it meets the following requirements, and is not measured at fair value through profit or loss: it is held under a business model whose objective is to hold the financial asset to collect the contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Accounts receivable are subsequently measured at the amounts expected to be received less doubtful receivables that are individually assessed. Accounts receivable are recognised at nominal amounts without discounting since the expected lifetime is short. Amortised cost is reduced by any impairment. Interest income, exchange-rate gains/losses and impairment are recognised in profit or loss.

All financial assets that are not initially measured at amortised cost are measured at fair value through profit or loss. These assets are subsequently measured at fair value. Net gains/losses include interest and dividends, and are recognised in profit or loss.

Financial liabilities – classification and subsequent measurement

Financial liabilities are classified at fair value through profit or loss if they are classified as held for trading, as a derivative or other identification as described above. The Group recognises derivatives and contingent considerations according to this classification. Financial liabilities measured at fair value through profit or loss are subsequently measured at fair value and net gains/losses including interest expenses are recognised in profit or loss.

Financial liabilities classified at amortised cost comprise loans and other financial liabilities including accounts payable. Subsequent measurement is at amortised cost according to the effective interest method. Accounts payable are recognised at nominal amounts without discounting since the expected lifetime is short. Interest expenses and exchange-rate gains/losses are recognised in profit or loss. Gains and losses on derecognition from the balance sheet are recognised in profit or loss.

Impairment of financial assets

The Group recognises loss allowances for expected credit losses based on an expected loss impairment model for financial assets measured at amortised cost, of which the majority refers to accounts receivable. This model is based on past credit losses over the expected lifetime of accounts receivable, adjusted for future estimates. The Group recognises the loss allowance at an amount corresponding to the expected credit losses for the full expected lifetime, which is expected to be less than one year. Credit risk is deemed to be low considering the Group's customer base. Refer to Note 20 for the maturity structure of accounts receivable.

2.12 Equity

Common shares are classified as equity. Transaction costs directly attributable to the issue of new common shares are recognised in equity, net after tax, as a deduction from the issue proceeds.

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2.13 Income tax

Income tax comprises current tax and deferred tax. Income tax is recognised in profit or loss except when the tax is attributable to items recognised in other comprehensive income. Current tax expense is calculated on the basis of the tax laws enacted or substantively enacted on the balance sheet date in the countries in which the Parent Company and its subsidiaries operate and generate taxable income.

According to the balance sheet method, deferred tax is recognised on all temporary differences arising between the carrying amounts of assets and liabilities in the consolidated financial statements and its tax bases. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is calculated by applying the tax rates that have been enacted or substantially enacted on the balance sheet date and that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets on loss carry-forwards are recognised insofar as it is probable that tax surpluses will be available in the future against which the loss carry-forwards can be utilised. Deferred tax assets and liabilities are offset when a legal right to offset exists for the tax assets and tax liabilities in question, the deferred tax assets and tax liabilities are attributable to taxes levied by one and the same tax authority and pertain to either the same tax subject or different tax subjects, and there is intent to settle balances by making net payments.

2.14 Remuneration to employees

Pension obligations

In accordance with IAS 19, pensions are recognised as defined-benefit or defined-contribution pension plans. The Group has both defined-contribution pension plans and multi-employer defined-benefit pension plans. The Group also has a small number of direct pension solutions based on endowment insurance.

The defined-contribution pension plans primarily encompass old-age pensions, disability pension and family pension. Premiums are paid continuously during the year by each company to separate legal entities, for example, insurance companies. The amount of the premium is based on salary. The contributions are recognised as personnel costs in profit or loss when they fall due for payment. Prepaid contributions are recognised as an asset insofar as cash repayments or reductions of future payments can benefit the Group.

Obligations for old-age and family pensions for salaried employees are insured through separate insurance, for the Group's Swedish companies through Alecta. According to statement UFR 10 from the Swedish Financial Reporting Board, Alecta is a multi-employer defined-benefit plan. If Alecta is unable to provide sufficient information in order to determine an individual company's share of the total obligation and its plan assets, these pension plans are recognised as defined contribution. Pension plans in the Netherlands also comprise defined-benefit plans that are multi-employer based (pension plans based on the Bedrijfstakpensioenfonds). These plans are also recognised as defined-contribution plans.

Defined-benefit plans entail the company having a pension obligation that is based on one or more factors when the outcome is currently unknown. Under defined-benefit pension plans, remuneration is paid to employees and former employees based on their salary upon retirement and the number of years of service.

Pension agreements with endowment insurance

Pension agreements were entered into whereby the Group acquired endowment insurance policies and pledged these to secure employee pension obligations. The relevant employees are only entitled to remuneration corresponding to the value of the endowment insurance when it is redeemed. The endowment insurance is regularly measured at fair value, while the pension liability is remeasured to correspond to the value of the endowment insurance. The endowment insurance and pension liability are recognised net in the financial statements. A provision for specific employer contributions has been established based on the fair value of the endowment insurance.

Short-term remuneration

Other remuneration, such as salaries to employees, are recognised as an expense in profit or loss and, where appropriate, as a liability in the balance sheet.

Bonus and performance-based remuneration

The Group recognises a liability and an expense for bonuses and other performance-based remuneration for employees. The Group recognises a non-current liability if the liability falls due for payment after twelve months from the balance sheet date or a current liability if the liability falls due for payment within twelve months from the balance sheet date.

Termination benefits

Termination benefits are payable when an employment is terminated by the Group before the normal retirement date or when the employee accepts voluntary redundancy in exchange for such benefits. The Group recognises termination benefits at the earliest of the following dates:

a. when the Group demonstrably intends to terminate employment according to a detailed formal plan without any option to withdraw it.
b. termination as a result of an offer made as an incentive for voluntary resignation.

In the event that the company has put forth an offer in order to encourage voluntary redundancy, termination benefits are expected to be based on the number of employees expected to accept the offer. Benefits that mature more than 12 months after the end of the reporting period are discounted to the present value.

2.15 Revenue recognition

Asker supplies products, services and solutions in medical supplies, devices and equipment in four business areas.

Sale of goods

The majority of contracts with customers are for supplies for which revenue is recognised when control is passed to the customer, often in connection with delivery. Most of these contracts with customers are based on framework agreements secured through public procurement processes. The time between order and delivery is usually short. Asker also sells medical devices and equipment that require installation, for example, at the hospital. In all of these contracts, the equipment and

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installation are distinct performance obligations according to the definitions stated in IFRS 15, that is to say, the contract includes several performance obligations for which revenue recognition takes place at different points in time (when control of the equipment and control of the installation have been transferred). For some of these contracts, this means that control of the equipment is transferred on delivery, whereas for others control is not transferred until the equipment has been installed and the customer has given final approval. Control related to installation is continuously transferred in line with the installation completion.

For customer contracts that include sales of both medical equipment and installation for which both performance obligations are distinct, the total transaction price is divided between their relative standalone selling prices. There is generally no significant variable remuneration in customer contracts, although some contracts do include volume and cash discounts. In such cases, an estimate is made of the variable remuneration expected to be repaid to the customer, which is recognised as a liability in its entirety until it is settled when the final amount is determined.

Sale of services

Asker has a number of third-party logistics contracts under which Asker is responsible for logistics, i.e. supplying and distributing products specified by a customer at a price determined by the customer and sub-supplier. Under these contracts, Asker receives remuneration for the actual logistics service. For some of these contracts, Asker is considered to be the principal according to the IFRS 15 rules, mainly based on the criterion concerning inventory risk, while in other contracts Asker is considered to be the agent. The classification as either principal or agent affects recognition by, in the latter contracts, Asker recognising transaction flows net, which means that only revenue related to the actual logistics service impacts net sales.

Asker also provides maintenance services. Some contracts are invoiced in advance and are allocated over the contract period, whereas other contracts are invoiced and recognised as revenue when the maintenance is performed.

2.16 Government grants

Government grants are transfers of resources to a company by government in return for past or future compliance with certain conditions relating to the operating activities. The Group operates in a field in which government grants are normally insignificant in scope. Government grants are recognised as other income or as a reduction in personnel costs. Grants from the government are measured at fair value when there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions. Government grants intended to cover costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. The accounting policy for government grants applies to the recognition of all types of government grants.

2.17 Financial income and expenses

The Group's financial income and expenses comprise interest income, interest expenses, dividends, net gains/losses on financial assets measured at fair value through profit or loss, exchange-rate gains/losses and impairment. Interest income and interest expenses are recognised using the effective interest method. Dividends are recognised on the date on which the Group's right to receive payment is established. Dividend income in the Group is eliminated in the consolidated financial statements. When the value of a receivable in the category of loans and accounts receivables has declined, the Group reduces the carrying amount to the recoverable amount, which comprises the estimated future cash flow, discounted by the original effective interest rate for the instrument, and continues to dissolve the discount effect as interest income. Interest income on impaired loans and accounts receivable is recognised at the original effective interest.

2.18 Leases

When the Group enters into a contact, it determines whether the arrangement contains a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. The Group's right-of-use assets primarily relate to premises, cars, machinery and equipment.

Leases are normally signed for periods of between one and ten years, sometimes with an extension option.

The Group recognises a right-of-use asset and a lease liability on the date the leased asset becomes available for use by the Group. The asset and liability are initially recognised at present value. Lease liabilities include the present value of the following lease payments;

- fixed payments, including in-substance fixed payments when signing the lease, and variable lease payments that depend on an index or a rate, initially measured using the index or rate on the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option for the underlying asset that the Group is reasonably certain to exercise;
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Lease payments to be made for reasonably certain extension options are also included in the measurement of the liability. Asker has no appreciable residual values in the leases. Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is usually the case for the Group's leases, the Group's incremental borrowing rate is used, which is the rate of interest that a lessee would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. This rate is based on the Group's borrowing rate. The lease liability is divided into a non-current and current portion, and each lease payment is allocated between repayment of the liability and the interest. The rate is recognised in profit or loss over the term in a manner that entails a fixed rate for lease liability recognised in each period.

The right-of-use assets are measured at cost and include the following:

- the initial amount of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs:
- costs to restore the underlying asset or the site on which it is located.

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The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Once the length of the lease has been established, management considers all available information providing an economic incentive to exercise an extension option, or not exercise an option to terminate a contract. Extension options are only included in the term of the lease if it is reasonably certain that the lease will be extended. The assessment is reviewed if a significant event occurs.

Asker applies the exemptions regarding short-term leases (leases for which the term is less than 12 months) and low-value leases. Expenses that arise in connection with these leases are recognised on a straight-line basis over the lease term as operating expenses in profit or loss.

2.19 Statement of cash flows

The statement of cash flows is prepared in accordance with an indirect method. This method entails operating profit being adjusted for transactions of a non-cash nature during the period and any items of income or expense associated with the Group's investing or financing activities.

2.20 Provisions

Provisions are recognised when the Group has a legal or constructive obligation that has arisen as a result of a past event, it is likely that resources will be required to settle the obligation and the amount can be estimated reliably. Provisions are recognised at the present value of the amount expected to be required to settle the obligations. However, the present value is only calculated if the effect is material.

Provisions that can be recognised include expenses for restructuring and severance pay. An expense for benefits in connection with the termination of employment is recognised only if there is a formal detailed plan to prematurely terminate an employment contract. The provision is not recognised until the restructuring plan has been established and the restructuring has either commenced or been announced. If a number of obligations exist, the probability of an outflow of resources being required to settle this entire group of obligations is assessed. A provision is recognised even if the probability of an outflow for a specific item in this group of obligations is small.

2.21 Contingent liabilities

A contingent liability is recognised when there is a possible obligation deriving from events that have occured and whose existence is confirmed only by one or more uncertain event(s) in the future or when there is an obligation that has not been recognised as a liability or provision since it is not likely that an outflow of resources will be required.

2.22 Deviations between the Group's and the Parent Company's accounting policies

The Parent Company's and the Group's accounting policies are primarily the same. Refer to Note M2 for the Parent Company for how deviations under RFR 2 are treated.

2.23 Events after the balance sheet date

Events that occurred after the balance sheet date but circumstances that existed on the balance sheet date have been included in the accounts. If a significant event occurs after the balance sheet date but did not affect earnings or the financial position, the event is described under a separate heading in the Directors' Report and in a separate note.

2.24 Earnings per share

Asker reports earnings per share together with its income statement. The calculation is based on profit or loss for the year in the Group attributable to the Parent Company's shareholders and the weighted average number of common shares outstanding during the year. When calculating earnings per share after dilution, the average number of common shares is adjusted to take into account the effects of any dilutive common shares.

NOTE 3 Financial risk management

Framework for financial risk management

Through its operations, the Group is exposed to financial risks such as market risk (currency risks, interest rate risks in fair values and interest rate risks in cash flows), credit risks and financing and liquidity risks. The Group endeavours to manage the financial risks effectively and in a structured manner, and has a group-wide finance and treasury policy adopted by the Board that identifies and defines the financial risks and regulates the division of responsibilities for these risks between the Board, CEO, CFO, central treasury and other Group companies. The purpose of the financing activities is to provide support for the business activities and to reduce financial risks. The Group's external financial management is centralised with Group Treasury, which identifies, evaluates and secures financial risks in close collaboration with the Group's operating units. The subsidiaries hedge their risk with Asker Treasury AB, which in turn hedges in the external market.

Market risk

The most significant market risks for the Group are currency risks and interest rate risks, which are described in separate sections below.

Currency risk

Asker conducts extensive foreign trade and thus currency exposure arises in the Group that must be managed in such a manner that minimises earnings effects due to exchange rate fluctuations. The Group operates internationally and is exposed to currency risks that arise from different currency exposures, especially with regards to the US dollar (USD) and Euro (EUR). Currency risk arises as a result of future payment flows in foreign currency, known as transaction exposure, and recognised assets and liabilities and net investments in foreign operations, known as translation exposure. The effects of exchange rate fluctuations are reduced by making purchases and sales in the same currency, by purchasing or selling currency derivatives and by the Group partly financing using loans in foreign currency (EUR). The finance and treasury policy states that Group companies are to manage their currency risk against their functional currency. The Group companies are to hedge their currency risk centrally with Asker Treasury AB, which in turn hedges in the external market.

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The impact on the Group's earnings of the SEK strengthening/weakening by 1 percent against other currencies is SEK +/–0.4 m (+/–2.2).

Transaction exposure
Transaction exposure encompasses all future contracted and forecasted inward and outward payments in foreign currency. The Group's currency flows mainly arises from purchases of goods and sales in foreign currency. Transaction exposure also includes financial transactions and balances. The effects of exchange-rate fluctuations are reduced by making purchases and sales in the same currency and by purchasing or selling currency derivatives. The Group's risk management policy is to hedge between 50 percent and 70 percent of expected cash flow in the first year and 30–50 percent in the second year (mainly export sales and purchase of inventories) in every major currency for the subsequent 24 months. Hedge accounting does not take place for forward contracts and these contracts are instead classified as financial assets measured at fair value through profit or loss.

The Group's payment flows in foreign currency

Net flows, SEK m	2023	2022
EUR	71	–270
GBP	–2	1
DKK	6	–28
NOK	48	–17
USD	8	–14
CHF	6	60
CZK	6	–
PLN	–2	5

Translation exposure
The Group has several holdings in foreign operations, where the net assets are exposed to currency risks. Currency exposures that arise from the net assets in the Group's foreign operations are not actively hedged.

The Group's net investments are distributed between the various currencies as follows:

	2023		2022	
Net investments	SEK m	Sensitivity analysis[1]	SEK m	Sensitivity analysis[1]
EUR	4,726	236	4,347	217
CHF	332	17	200	10
DKK	441	22	407	20
NOK	168	8	114	6
PLN	16	1	15	1
HKD	4	0	4	0
Total	**5,687**	**284**	**5,087**	**254**

[1] +/–5 percent in exchange rates has the below impact on the Group's equity.

Interest-rate risk regarding cash flows and fair values
Interest-rate risk is due to the risk of changes in market interest rates negatively affecting the Group's net earnings. The Group's liabilities are managed by Group Treasury to ensure efficiency and risk control. Loans are primarily raised at Parent Company level and transferred to subsidiaries in the form of loans or capital contributions. Interest-rate risk arises from non-current borrowings. Borrowings with floating interest rates expose the Group to interest-rate risk in relation to cash flows. Borrowings with fixed interest rates expose the Group to interest-rate risks in relation to fair values. In 2023, the debt portfolio comprised overdraft facilities and external loans outstanding at floating interest rates (0-3 months) in SEK, EUR and CHF. In 2023, the Group had no interest-rate swaps.

The impact on the Group's net financial items for the next 12 months of a 1 percentage point increase/decrease in interest rates is SEK +/– 45.8 m (+/–45.5).

Credit risk
Credit risk is managed at Group level, with the exception of credit risks concerning accounts receivable outstanding. Each Group company is responsible for monitoring and analysing the credit risk for each new customer before the standard terms and payments and delivery are offered. Credit risk arises from cash and cash equivalents, derivative instruments and balances at banks and credit institutes and credit exposure towards customers, wholesalers and retailers, including receivables outstanding and agreed transactions. Only banks and credit institutions with a minimum credit rating of "A", according to an independent appraiser, are accepted.

Before entering an agreement the Group's customer credit is checked, whereby information about the customer's financial position is collected from different credit agencies. Other factors are also assessed. The customer's financial position is also monitored and examined continuously. Monitoring of accounts receivable is conducted continuously with control of overdue receivables. No losses due to failure of payment are expected since the Group's counterparties mainly comprise large companies with an appropriate credit history, hence the credit risk is assessed as low. For the maturity structure and a description of the customer loss model that Asker uses for past due accounts receivable, refer to Note 20.

Refinancing risk and liquidity risk
Refinancing risk is defined as the risk that the financing of the Group's capital requirements is made more difficult or more expensive. Asker follows a central approach to financing. The vast majority of external financing is raised by the Parent Company. Liquidity risk is defined as the risk that the Group is unable to realise its current payment obligations. The Group limits its liquidity risk by coordinating management of surplus liquidity and financing within the Group. The Group closely monitors rolling forecasts for its cash position to ensure that the Group has sufficient cash and cash equivalents to meet the needs of the operating activities. Surplus liquidity is primarily used to repay credits outstanding. To manage surpluses and deficits in various currencies, Asker Treasury AB uses currency swaps from time to time.

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative instruments that comprise financial liabilities, divided into the time remaining to the agreed date of maturity at the balance sheet date. Derivative instruments that comprise financial liabilities are included in the analysis if their agreed dates of maturity are essential in order to understand the timing of future cash flows. The amounts presented in the table are the agreed upon, undicounted cash flows with regard to repayments and estimated interest payments, based on actual interest rates.

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NOTE 3 Financial risk management, cont.

31 Dec 2023	Up to 3 months	Between 3 months and 1 year	Between 1 and 5 years	More than 5 years	Total
Liabilities to credit institutions	199	108	2,658	–	2,964
Shareholder loans	–	–	1,337	–	1,337
Overdraft facility	–	–	–	–	0
Lease liabilities	–	198	447	209	854
Loans from minority shareholders	–	–	3	–	3
Contingent consideration and put/call options	80	109	427	–	616
Derivative instruments	2	6	2	–	10
Accounts payable	1,433	–	–	–	1,433
Total	**1,720**	**415**	**4,872**	**209**	**7,215**

31 Dec 2022	Up to 3 months	Between 3 months and 1 year	Between 1 and 5 years	More than 5 years	Total
Liabilities to credit institutions	62	35	2,665	–	2,762
Shareholder loans	–	–	1,259	–	1,259
Overdraft facility	18	–	–	–	18
Lease liabilities	41	124	378	146	690
Loans from minority shareholders	–	–	69	–	69
Contingent consideration and put/call options	61	85	341	–	487
Derivative instruments	5	–	–	–	5
Accounts payable	1,047	–	–	–	1,047
Total	**1,234**	**244**	**4,712**	**146**	**6,336**

Capital management

Asker's goal regarding capital structure is to ensure the Group's ability to carry on its operations, so that it can continue to generate returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure in order to keep the capital costs low and comply with the covenants in its existing credit facility agreements. The covenants that Asker must follow are net debt/EBITDA and interest coverage ratio. During the year, Asker met the covenants set by the bank in connection with lending. Asker considers its total equity and shareholder loans as capital. To maintain or adjust its capital structure, the Group may issue new shares, decide on dividends or raise/repay shareholder loans.

Nominal amount of forward contracts outstanding in local currency

	31 Dec 2023		31 Dec 2022	
	Purchases foreign currencies	Sales foreign currencies	Purchases foreign currencies	Sales foreign currencies
USD	32	0	50	4
EUR	10	–17	1	4
NOK	13	–3	0	13
DKK	22	0	0	38

NOTE 4 Critical estimates and judgements

The consolidated financial statements are prepared in accordance with IFRS. The Management Team makes estimates and assumptions regarding the future. There is a risk that the estimates made for accounting purposes do not correspond to actual outcomes. Estimates and judgements are continuously evaluated. They are based on historical experience and other factors, including expectations regarding future events that are deemed to be reasonable under the current circumstances. The estimates and assumptions that involve a significant risk of material changes in the carrying amounts of assets and liabilities in the subsequent financial years are outlined below.

Impairment testing of goodwill and intangible assets with indefinite useful lives

Every year, or when there is an indication of a decline in value, the Group tests for impairment of goodwill and other intangible assets with indefinite useful lives, in accordance with the accounting policy described in Note 2 and the applicable standards. Judgements and estimates are continuously evaluated based on historical experience and expectations regarding future events that are deemed to be reasonable under the current circumstances. The carrying amount of goodwill attributable to the cash generating unit is compared with the recoverable amount. Any impairment is recognised immediately as an expense. The carrying amount of goodwill is SEK 4,701 m (4,469). Additional information is provided in Note 15.

Measurement of fair value on acquisitions

The Group measures identifiable assets and liabilities (net assets) at fair value in connection with business combinations, in accordance with the accounting policy described in Note 2 and the applicable standards. Assumptions forming the basis of acquisition analyses are based on judgements and estimates of fair value adjustments regarding net assets, mainly intangible assets (primarily customer relationships and trademarks). Assumptions that form the basis for fair value measurement are based on past experience and individual assumptions for each acquisition. External valuation specialists are engaged for the Group's larger acquisitions. Additional information about acquisition analyses and goodwill is provided in Note 30.

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Note 4. Critical estimates and judgements, cont.

Obsolescence reserve – inventories

The Group's calculation of obsolescence in inventories is based on established principles for assumptions regarding impairment and obsolescence. Judgements and estimates are continuously evaluated and based on established principles and past experience. Additional information is provided in Note 19.

NOTE 5 Net sales

Satisfying performance obligations and meeting payment terms

Asker's range primarily comprises products, services and solutions in medical supplies, devices and equipment, with some equipment requiring installation. The performance obligation for both the sale of supplies, medical devices and equipment is satisfied when Asker delivers the supplies and equipment in accordance with the delivery terms in the specific contract and control is thus transferred to the customer. Two performance obligations have been identified in customer contracts comprising delivery of medical equipment that includes installation, since both the equipment and installation are deemed to be distinct performance obligations. Installation of medical equipment is a service that is recognised over time as it is performed. The same applies for service contracts. Asker does not provide any material contracts with extended guarantees that would entail a separate performance obligation, neither does it have any material contracts with customers with a right of return that would mean that return provisions would have to be recognised. Also, Asker does not have any material costs for obtaining contracts with customers.

Allocation of net sales

Customer contracts with sales of medical supplies, devices and equipment within Asker meet the conditions for being recognised as net sales at a point in time as described above. However, service contracts and installation work are recognised over time. The distribution of the transaction price in contracts with customers that include sales of both equipment and installation of medical equipment are based on their stand-alone selling prices. See below for a specification of net sales between goods recognised at a point in time and services recognised over time.

2023	North	West	Central	East	Total
Sale of goods	4,226	6,026	1,801	975	13,027
Sale of services	344	1	59	21	426
Total	**4,570**	**6,027**	**1,861**	**996**	**13,453**

2022	North	West	Central	East	Total
Sale of goods	3,979	5,187	1,271	899	11,337
Sale of services	326	1	37	17	381
Total	**4,305**	**5,188**	**1,308**	**915**	**11,718**

Contract balances

Accounts receivable are non-interest-bearing receivables with general payment terms of 30–90 days. The payment date generally coincides with the time of delivery, which correlates to the time of revenue recognition, on which no large contract balances in the form of accrued or deferred income arise. However, deliveries that take place at the period-end closing mean that accrued income arises since invoicing has not yet taken place. For some contracts with customers related to the sale of medical equipment, control is not transferred until the equipment has been installed and the customer has given final approval. Payment terms for these contracts entail Asker receiving payment for part of the equipment that has already been delivered to the customer, for which deferred income arises. Deferred income also arises in service contracts for which advance invoicing takes place.

Contract balances	2023	2022
Assets		
Accounts receivable (Note 20)	1,744	1,394
Accrued income (Note 21)	204	44
Liabilities		
Deferred income (Note 27)	26	4

Transaction price allocated to outstanding performance obligations

Since the time between order and delivery is short, no material transaction price is allocated to outstanding performance obligations.

NOTE 6 Segment information

Asker is organised in four business areas that form the basis for allocating resources and evaluating the Group's earnings, which is why Asker reports its business areas as operating segments. The CEO is the Group's chief operating decision-maker and the operating segments are based on the information considered by the CEO.

The CEO evaluates the operations based on a geographic perspective, which entails the following four business areas and operating segments: North, West, Central and East. The North operating segment includes Sweden and Norway, West includes Denmark, the Netherlands, Belgium and Luxembourg, Central includes Germany, Switzerland and Austria, and East includes Finland, Estonia, Latvia and Lithuania. Eliminations comprise internal sales between operating segments.

The earnings of operating segments are based on their EBITA (earnings before amortisation of intangible assets). Interest income and interest expenses are not allocated between segments because they are affected by measures taken by the central treasury function, which manages the Group's cash position. Unallocated operating expenses comprise amortisation of intangible assets. Separate information about assets and liabilities are not regularly reported to the CEO. Sales between segments are on an arm's-length basis.

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Note 6 Segment information, cont.

2023	North	West	Central	East	Other and eliminations	Total
Revenue from external customers	4,570	6,027	1,861	996	0	13,453
Revenue from other operating segments	303	65	3	14	–385	0
Segment revenue	**4,873**	**6,092**	**1,864**	**1,009**	**–385**	**13,453**
Depreciation of tangible assets	–85	–137	–55	–10	–1	–288
EBITA	**517**	**335**	**89**	**126**	**–228**	**839**
Undistributed operating expenses (amortisation of intangible assets)						–260
Operating profit						**579**
Net financial items						–271
Profit before tax						**308**
Income tax						–103
Profit for the year						**205**

No impairment or reversal of impairment of intangible assets with indefinite useful lives took place during the period.

2022	North	West	Central	East	Other and eliminations	Total
Revenue from external customers	4,306	5,188	1,308	916	–	11,718
Revenue from other operating segments	320	52	–	36	–408	0
Segment revenue	**4,626**	**5,240**	**1,308**	**952**	**–408**	**11,718**
Depreciation of tangible assets	–80	–99	–39	–10	–	–228
EBITA	**604**	**283**	**–24**	**99**	**–87**	**875**
Undistributed operating expenses (amortisation of intangible assets)						–167
Operating profit						**708**
Net financial items						–147
Profit before tax						**561**
Income tax						–127
Profit for the year						**434**

External operating revenue by country

	2023	2022
Sweden	3,725	3,485
Finland	856	781
Denmark	636	660
Norway	761	716
Netherlands	4,657	3,974
Germany	1,217	1,073
Other	1,601	1,029
Total	**13,453**	**11,718**

The ten largest customer contracts account for about 15 percent of revenue.

Intangible and tangible assets by country

	2023	2022
Sweden	222	169
Finland	37	32
Denmark	101	85
Norway	163	183
Netherlands	372	398
Germany	101	80
Austria	48	51
Switzerland	76	79
Other	59	6
Total	**1,178**	**1,083**

Intangible assets are recognised excluding goodwill and acquired trademarks and customer relationships. Goodwill is not monitored internally at any level lower than the operating segments, which is why the segments correspond to the Group's cash-generating units (CGU). Goodwill distributed between the Group's operating segments is recognised separately in Note 15.

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NOTE 7 Other operating income

	2023	2022
Exchange-rate gains	30	19
Other items	8	14
Total	**38**	**33**

NOTE 8 Other operating expenses

	2023	2022
Exchange-rate losses	–34	–38
Other items	–57	0
Total	**–91**	**–38**

Other items include revaluations of earn-outs of SEK –57 m (–).

NOTE 9 Remuneration of auditors

	2023	2022
EY		
Audit assignment	11	9
Auditing activities in addition to audit assignment	0	0
Tax consulting	0	–
Other services	1	0
Total	**12**	**10**

	2023	2022
Other auditors		
Audit assignment	5	4
Auditing activities in addition to audit assignment	1	0
Tax consulting	1	2
Other assignments	1	–
Total	**9**	**6**

EY has been appointed as the Group's auditors. Audit assignment refers to the fee for the statutory audit, which is the work necessary to submit an auditor's report, and audit advice provided in connection with the audit assignment. Tax consulting is an advisory service in tax matters. Other services are advisory services that cannot be attributed to any of the other above-mentioned categories.

NOTE 10 Remuneration of employees

SEK thousands	2023	2022
Salary and other remuneration	1,403,510	1,138,064
Social security contributions	259,891	202,481
Pension expenses	114,432	98,731
Total	**1,777,833**	**1,439,276**

Salary and other remuneration

SEK thousands	2023	2022
Board members, CEO and other senior executives	36,991	34,538
Other employees	1,366,519	1,103,526
Total	**1,403,510**	**1,138,064**

Pension expenses

SEK thousands	2023	2022
CEO and other senior executives	6,445	6,104
Other employees	107,988	92,627
Total	**114,432**	**98,731**

Board members and other senior executives on balance sheet date	2023 Total	2023 Whereof women	2022 Total	2022 Whereof women
Board members (Parent Company)	7	29%	6	33%
CEO and other senior executives (Group)	9	44%	9	44%
Total	**16**		**15**	

Average number of full-time equivalents	2023 Total	2023 Whereof women	2022 Total	2022 Whereof women
Sweden	441	45%	409	45%
Finland	103	59%	96	60%
Norway	130	39%	95	41%
Denmark	107	50%	97	53%
Baltic	23	78%	23	78%
Benelux	984	52%	875	53%
Germany	371	45%	187	76%
Switzerland	71	44%	62	47%
Austria	85	33%	17	37%
Poland	15	33%	9	33%
China	7	57%	7	57%
Other countries	30	12%	–	–
Total	**2,366**	**48%**	**1,877**	**53%**

The number of employees at year-end was 2,834 (2,317).

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Note 10 Remuneration of employees, cont.

Remuneration of the Board, CEO and other senior executives

None of the Board members are party to agreements entitling them to remuneration on termination of their assignment. Additionally, no Board members are entitled to pensions or similar benefits when leaving their assignments.

Senior executives have defined-contribution pension plans and direct pension solutions. The pension expense is the expense that affected profit or loss for the year. For more information on pensions, see below.

The Chairman of the Board did not receive any remuneration apart from a directors' fee.

Pensions

Regarding the ITP pension plan for the current period that is secured through insurance with Alecta, the Group did not have access to information to enable it to recognise its proportionate share of the plan's commitments, plan assets and costs, and as a result it was not possible to recognise the plan as a defined-benefit plan. Accordingly, the pension plan is recognised as a defined-contribution plan. The premium for the defined-benefit, old-age and family pensions is calculated individually and depends on such factors as salary, previously earned pension and the expected remaining period of service. Expected contributions for the next reporting period for the ITP 2 plans secured with Alecta amounts to SEK 9 m (7). The Group's share of the total contributions to the plan is not significant.

The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance commitment calculated in accordance with Alecta's actuarial methods and assumptions, which do not correspond with IAS 19. The collective consolidation level is normally permitted to vary between 125 percent and 175 percent. If it is deemed to be too low, one measure that could be used to strengthen the collective consolidation level is raising the price of new insurances and increasing existing benefits. Premium reductions may be introduced if the collective consolidation level exceeds 150 percent. At the end of 2023, Alecta's surplus in the form of the collective consolidation level amounted to 157 percent (193).

In the Netherlands, there is a defined benefit plan (Bedrijfstakpensioenfonds Detailhandel) that encompasses many employers within retail. During this period, the company has not had access to information that would allow the company to report its proportional share of the plan's obligations, plan assets and expenses, which resulted in it not being possible to post the plan as a defined-benefit plan. The premium for the defined-benefit, old-age and family pensions is calculated individually and depends on such factors as salary, previously earned pension and the expected remaining period of service. Expected fees for the next reporting period amount to SEK 20 m (20). The Group's share of the total contributions to the plan is not significant.

Pension agreements with endowment insurance

The retirement age of the CEO and other senior executives is between 62 and 65. Pension premiums defrayed by the company amount to a maximum of 33 percent of the CEO's pensionable salary. For other senior executives, pension premiums amount to between 26 percent and 33 percent.

The value of the endowment insurance related to the Group's direct pension solutions, which are recognised net in the balance sheet, amounts to SEK 11 m (8). A provision for special employer contributions was calculated based on the fair value of the endowment insurance.

Severance pay

A notice period of 12 months from the company and six months from the CEO apply between the company and the CEO. Basic monthly salary and other remuneration pursuant to the applicable employment contract are payable during this period. In this case, remuneration from the company shall be reduced by other potential remuneration the CEO may receive during the notice period. Mutual notice periods of six months apply between the company and other senior executives. Severance pay is due on termination for 0–6 months.

Remuneration of the Board, CEO and other senior executives, 2023

SEK thousands	Basic salary/ Directors' fee	Variable remuneration	Other benefits	Pension expenses	Total
Board (7 people)	1,033	–	–	–	1,033
CEO and other senior executives (9 people)	21,128	14,766	1,097	6,445	43,436
	22,161	**14,766**	**1,097**	**6,445**	**44,469**

Remuneration of the Board, CEO and other senior executives, 2022

SEK thousands	Basic salary/ Directors' fee	Variable remuneration	Other benefits	Pension expenses	Total
Board (6 people)	1,000	–	–	–	1,000
CEO and other senior executives (9 people)	21,297	11,109	1,132	6,104	39,642
	22,297	**11,109**	**1,132**	**6,104**	**40,642**

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NOTE 11 Financial income and expenses

	2023	2022
Financial income		
Interest income	3	1
Fair value gains on call and put options	5	–
Exchange differences from financing activities	72	264
Other financial income	0	1
Total	**80**	**266**
Financial expenses		
Interest expenses on shareholder loans	–76	–71
Fair-value losses on interest-rate swaps/currency derivatives	–35	–26
Capital losses on call and put options	–28	–
Fair-value losses on call and put options	–	–56
Exchange differences from financing activities	–9	–152
Interest expenses	–160	–64
Interest expenses lease liabilities	–28	–25
Other financial expenses	–16	–19
Total	**–352**	**–413**
Total net financial items	**–271**	**–147**

NOTE 12 Tax

	2023	2022
Current tax		
Current tax on profit or loss for the year	–166	–121
Total current tax	**–166**	**–121**
Deferred tax		
Recognition and reversal of temporary differences	63	–6
Total deferred tax	**63**	**–6**
Tax expense	**–103**	**–127**

Reconciliation of effective tax

	2023	2022
Profit before tax	**308**	**561**
Tax according to Swedish tax rate, 20.6% (20.6)	–63	–116
Tax effect of		
Non-taxable income	7	11
Non-deductible expenses	–38	–23
Utilisation of tax loss for which no deferred tax is recognised	3	–
Adjustment of previous year's tax	–5	8
Changed tax rate	–	–
Other	0	–1
Differences between Swedish and foreign tax rates	–7	–6
Reported tax	**–103**	**–127**

The effective tax rate for the Group is 33.4 percent (22.6).

Deferred tax assets and tax liabilities are attributable to:

	31 Dec 2023		
	Deferred tax assets	**Deferred tax liabilities**	**Net receivables (+) liabilities (–)**
Intangible assets	–	–335	–335
Tangible assets	–	–7	–7
Right-of-use assets	157	–	157
Derivative instruments	2	–2	0
Loss carryforwards	2	–	2
Untaxed reserves	–	–22	–22
Other provisions	3	–	3
Lease liabilities	–	–144	–144
Other items	4	–	4
Deferred tax assets/liabilities	**168**	**–510**	**–342**
Netting of deferred tax assets/liabilities	**–144**	**144**	**0**
Net deferred tax assets/liabilities	**24**	**–366**	**–342**

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NOTE 12 Tax, cont.

	31 Dec 2022		
	Deferred tax assets	Deferred tax liabilities	Net receivables (+) liabilities (–)
Intangible assets	–	–307	–307
Tangible assets	–	–	–
Right-of-use assets	139		139
Derivative instruments	1	–7	–6
Loss carryforwards	5	–	5
Untaxed reserves	–	–23	–23
Other provisions	2	–	2
Lease liabilities		–134	–134
Other items	4	–2	2
Deferred tax assets/liabilities	**151**	**–473**	**–322**
Netting of deferred tax assets/liabilities	**–134**	**134**	**0**
Net deferred tax assets/ liabilities	**17**	**–339**	**–322**

Changes in deferred tax

	2023	2022
Opening carrying amount deferred tax asset (+) / liability (-)	**–322**	**–51**
Recognised in profit or loss	63	–6
Acquisitions	–77	–246
Exchange differences	–6	–19
Closing net carrying amount deferred tax asset (+) / liability (-)	**–342**	**–322**

The majority of the deferred tax liabilities mature after more than 12 months.

Deferred tax assets on loss carryforwards are recognised insofar as it is probable that tax surpluses will be available in the future against which the tax loss carryforwards can be utilised. As of 31 December 2023, the Group had loss carryforwards of SEK 89 m (60). Approximately SEK 20 m (21) of these are not subject to time limitation. It is the assessment of the management that the loss carryforwards will be able to be used within a reasonable period of time.

NOTE 13 Earnings per share

Earnings per share based on earnings attributable to Parent Company's shareholders (SEK per share) before and after dilution

	2023	2022
Earnings per share		
Earnings per share before dilution	5.40	11.66
Earnings per share after dilution	5.40	11.66

The basis for calculating earnings per share is provided below.

Earnings per share before and after dilution

The calculation of earnings per share in 2023 was based on profit or loss for the year attributable to the Parent Company's shareholders amounting to SEK 203 m (430) and a weighted average number of common shares outstanding in 2023 amounting to 37,556 thousand (36,885). The two components were calculated as follows:

	2023	2022
Profit for the year attributable to Parent Company's shareholders	203	430

Weighted average number of shares for the year before dilution

In thousands of shares	**2023**	**2022**
Total number of shares	37,556	36,885
Weighted average number of shares for the year before dilution	**37,556**	**36,885**

NOTE 14 Exchange differences

Exchange differences have been recognised in profit or loss as follows:

	2023	2022
Other operating income (Note 7)	30	19
Other operating expenses (Note 8)	–34	–38
Financial income (Note 11)	72	264
Financial expenses (Note 11)	–9	–152
Total	**59**	**93**

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NOTE 15 Intangible assets

31 Dec 2023	Goodwill	Trademarks, patents, licenses and similar rights	Customer relationships	Capitalised development expenditure	Total
Opening cost	**4,554**	**454**	**1,133**	**395**	**6,536**
Purchases for the year	–	35	–	32	**67**
Acquisitions	230	51	285	–	**565**
Reclassifications	–	–	–	–	**–**
Sales and disposals	–	–1	–	–105	**–106**
Translation differences	5	2	13	0	**20**
Closing accumulated cost	**4,788**	**541**	**1,431**	**322**	**7,082**
Opening amortisation and impairment	**–85**	**–147**	**–110**	**–301**	**–643**
Amortisation for the year	–	–29	–186	–46	**–260**
Acquisitions	–	–	–	–	**–**
Reclassifications	–	–	–	–	**–**
Sales and disposals	–	1	–	105	**106**
Translation differences	–3	1	4	1	**3**
Impairment for the year	–	–	–	–	**–**
Closing amortisation and impairment	**–88**	**–174**	**–292**	**–240**	**–794**
Carrying amount on 31 December 2023	**4,701**	**367**	**1,138**	**82**	**6,288**
31 Dec 2022					
Opening cost	**3,362**	**155**	**204**	**358**	**4,079**
Purchases for the year	–	33	–	27	**61**
Acquisitions	1035	234	847	–	**2,116**
Reclassifications	–	–	–	–	**–**
Sales and disposals	–	–	–	–	**–**
Translation differences	157	31	82	10	**280**
Closing accumulated cost	**4,554**	**454**	**1,133**	**395**	**6,536**
Opening amortisation and impairment	**0**	**–78**	**–15**	**–238**	**–331**
Amortisation for the year	–	–23	–90	–54	**–167**
Acquisitions	–49	–36	–	–	**–85**
Reclassifications	–	–	–	–	**–**
Sales and disposals	–	–	–	–	**–**
Translation differences	–36	–11	–5	–9	**–60**
Impairment for the year	–	–	–	–	**0**
Closing amortisation and impairment	**–85**	**–147**	**–110**	**–301**	**–643**
Carrying amount on 31 December 2022	**4,469**	**307**	**1,023**	**94**	**5,894**

The Group recognised goodwill of SEK 4,701 m (4,469) distributed between the Group's cash-generating units (CGU) that have been identified as the Group's operating segments. Goodwill is not monitored internally at any level lower than the operating segments, which is why the segments correspond to the Group's cash-generating units (CGU). The recoverable amount is calculated based on the value in use and proceeds from an up-to-date assessment of cash flows for the next few years.

Budgeted earnings and investments in working capital and non-current assets for the next financial year are based on previous outcomes and experience. The budget is prepared based on a detailed budget process for all parts of the Group. The most important components in the cash flow are sales, the various costs for the operations and investments in working capital and non-current assets.

- Assessments regarding sales growth are based on such factors as awarded procurements, order intake, economic climate and market situation.
- Budgeting of operating expenses is based on levels of margins and expenses in previous years, adjusted by the expectation for the current year based on such aspects as those mentioned for the sales trend and any adjustments to salary agreements, etc.
- Expected investments in working capital and non-current assets are related to the sales trend.

Forecasts for the forthcoming financial years are prepared based on management's budget and long-term business plans and strategies for future growth. Cash flows calculated after the forecast period are based on an annual growth rate of 2 percent (2), which is the Group's expectation for the long-term rate of growth for all markets. Cash flows have been discounted by a weighted costs of capital corresponding to approximately 9.7 percent (7.8) after tax. The important assumptions that have the largest effect on the recoverable amount are: operating margin, discount rate and long-term rate of growth. The calculation shows that the value in use exceeds the carrying amount. Accordingly, the impairment test did not result in any impairment requirement. Reasonable adjustments in important assumptions are not deemed to result in an impairment requirement. The Group does

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Note 15 Intangible assets, cont.

not have any individual material intangible assets other than goodwill that are not amortised. No impairment or reversal of impairment took place during the period.

Goodwill distributed between the Group's operating segments

	31 Dec 2023	31 Dec 2022
North	1,717	1,558
West	1,905	1,935
Central	596	499
East	482	477
Closing carrying amount	**4,701**	**4,469**

NOTE 16 Tangible assets

31 Dec 2023	Land and buildings	Right-of-use assets	Total	Plant and machinery	Right-of-use assets	Total
Opening cost	**146**	**826**	**973**	**543**	**113**	**656**
Acquisitions	9	42	51	16	7	**23**
Acquisitions for the year	3	173	176	58	66	**124**
Sales and disposals	0	–14	–15	–47	–31	**–78**
Reclassifications	0	0	0	–1	0	**–1**
Translation differences	4	–15	–11	2	–1	**1**
Closing accumulated cost	**162**	**1,012**	**1,174**	**570**	**154**	**724**
Opening depreciation	**–59**	**–273**	**–332**	**–373**	**–53**	**–427**
Acquisitions	0	0	0	–2	0	**–2**
Sales and disposals	0	14	14	43	31	**74**
Depreciation for the year	–16	–168	–184	–63	–41	**–104**
Translation differences	–1	7	6	3	1	**3**
Closing accumulated depreciation	**–76**	**–420**	**–495**	**–394**	**–62**	**–456**
Carrying amount	**86**	**592**	**678**	**177**	**92**	**268**

31 Dec 2023	Construction in progress and advance payments for tangible assets	Right-of-use assets	Total	Total	Right-of-use assets	Total
Opening cost	**34**	**–**	**34**	**724**	**939**	**1,663**
Acquisitions	0	–	0	25	49	**74**
Acquisitions for the year	23	–	23	84	239	**323**
Sales and disposals	0	–	0	–47	–45	**–93**
Reclassifications	1	–	1	0	0	**–**
Translation differences	–3	–	–3	1	–16	**–15**
Closing accumulated cost	**57**	**–**	**57**	**787**	**1,165**	**1,952**
Opening depreciation	**–**	**–**	**–**	**–433**	**–326**	**–759**
Acquisitions	–	–	**–**	–2	0	**–2**
Sales and disposals	–	–	**–**	43	45	**89**
Depreciation for the year	–	–	**–**	–79	–209	**–288**
Translation differences	–	–	**–**	1	8	**9**
Closing accumulated depreciation	**–**	**–**	**–**	**–470**	**–481**	**–950**
Carrying amount	**57**	**–**	**57**	**318**	**684**	**1,003**

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NOTE 16 Tangible assets, cont.

31 Dec 2022	Land and buildings	Right-of-use assets	Total	Plant and machinery	Right-of-use assets	Total
Opening cost	**11**	**538**	**548**	**343**	**93**	**436**
Acquisitions	113	157	269	134	9	**144**
Acquisitions for the year	10	116	126	42	22	**64**
Sales and disposals	–	–23	–23	–3	–18	**–21**
Reclassifications	6	–	6	4	–	**4**
Translation differences	7	38	45	24	6	**29**
Closing accumulated cost	**146**	**826**	**973**	**543**	**113**	**656**
Opening depreciation	**–5**	**–160**	**–164**	**–211**	**–35**	**–246**
Acquisitions	–46	–	–46	–86	–	**–86**
Sales and disposals	–	23	23	2	18	**20**
Depreciation for the year	–6	–125	–131	–64	–33	**–97**
Translation differences	–2	–11	–14	–14	–3	**–17**
Closing accumulated depreciation	**–59**	**–273**	**–332**	**–373**	**–53**	**–427**
Carrying amount	**87**	**553**	**640**	**169**	**60**	**229**

31 Dec 2022	Construction in progress and advance payments for tangible assets	Right-of-use assets	Total	Total	Right-of-use assets	Total
Opening cost	**33**	**–**	**33**	**387**	**631**	**1,018**
Acquisitions	–	–	–	247	166	**413**
Acquisitions for the year	10	–	10	62	139	**200**
Sales and disposals	–	–	–	–3	–40	**–44**
Reclassifications	–10	–	–10	–	–	**–**
Translation differences	1	–	1	32	44	**76**
Closing accumulated cost	**34**	**–**	**34**	**724**	**939**	**1,663**
Opening depreciation	**–**	**–**	**–**	**–216**	**–195**	**–411**
Acquisitions	–	–	–	–132	–	**–132**
Sales and disposals	–	–	–	2	40	**43**
Depreciation for the year	–	–	–	–70	–158	**–228**
Translation differences	–	–	–	–17	–14	**–30**
Closing accumulated depreciation	**–**	**–**	**–**	**–433**	**–326**	**–759**
Carrying amount	**34**	**–**	**34**	**291**	**613**	**904**

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NOTE 17 Financial assets and liabilities by measurement category

Assets and liabilities in the balance sheet

	Fair value hierarchy	31 Dec 2023 Fair value through profit or loss	31 Dec 2023 Amortised cost*	31 Dec 2022 Fair value through profit or loss	31 Dec 2022 Amortised cost*
FINANCIAL ASSETS					
Accounts receivable		–	1,744	–	1,394
Cash and cash equivalents (including blocked funds)		–	391	–	211
Other loans and receivables		–	250	–	214
Derivative instruments	2	9		34	–
Accrued income		–	204	–	44
Total financial assets		**9**	**2,589**	**34**	**1,863**
FINANCIAL LIABILITIES					
Accounts payable		–	1,433	–	1,047
Interest-bearing liabilities		–	4,238	–	4,108
Lease liabilities		–	735	–	634
Other financial liabilities	3	377	284	108	381
Derivative instruments	2	10		5	–
Accrued expenses		–	409	–	386
Total financial liabilities		**387**	**7,099**	**113**	**6,556**

*Carrying amount is deemed to correspond to fair value since the discount effect is deemed to be immaterial.

Measurement of fair value

The table below shows financial instruments measured at fair value in the balance sheet based on the classification in the fair value hierarchy. The different levels are defined as follows:

- Level 1: Quoted prices (unadjusted) for similar assets or liabilities in active markets.
- Level 2: Other observable inputs for the asset or liability than quoted prices included in level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable data).

Fair value for forward contracts is determined by rates for forward contracts on the balance sheet date, where the resulting value is discounted to a present value. Fair value for interest-rate swaps is measured as the present value of future expected cash flows based on observable yield curves. As of 31 December 2023, the Group holds no interest-rate swaps. The fair value of receivables with floating interest rates corresponds to its fair value. No transfers between levels took place during the year.

Reconciliation of fair values in Level 3

	Other financial liabilities[1] 2023	Other financial liabilities[1] 2022
Opening balance	**108**	**103**
Acquisitions	209	68
Payments	–5	–53
Remeasurement[2]	61	–11
Exchange differences	4	1
Closing balance	**377**	**108**

1) Refers only to earn-outs.
2) The earnings effect of the remeasurement of contingent consideration including the discount effect amounted to SEK –61 m (11).

NOTE 18 Investments accounted for using the equity method

Associated company/Corp. Reg. No./registered office	Share-holdings, %	31 Dec 2023	31 Dec 2022
Avetana GmbH, HRB 362834, Karlsruhe, Germany	50%	2	–
Total		**2**	**–**

During the year, a share of profit in associated companies of SEK 0.2 m (–) was recognised in profit or loss.

NOTE 19 Inventories

	31 Dec 2023	31 Dec 2022
Finished goods and goods for resale	1,590	1,620
Obsolescence reserve	–151	–200
Total	**1,439**	**1,420**

The item goods for resale in the income statement includes costs related to inventories of SEK –8,934 m (–7,936). No significant impairment reversals took place in 2023 or 2022.

NOTE 20 Accounts receivable

	31 Dec 2023	31 Dec 2022
Accounts receivable	1,774	1,417
Deducted: loss allowance	–31	–22
Accounts receivable – net	**1,744**	**1,394**

Maturity structure of accounts receivable

	31 Dec 2023	31 Dec 2022
– not past due	1,509	1,211
– past due by less than one month	149	131
– past due by one to two months	56	24
– past due by more than two months	30	28
Total	**1,744**	**1,394**

The Group applies the simplified approach according to IFRS 9 Financial Instruments to measure expected credit losses. The "expected loss impairment model" uses the expected risk of loss for the remaining lifetime of all accounts receivable and contract assets. This model is based on past credit losses over the expected lifetime of accounts receivable, adjusted for future estimates. Based on statistics of confirmed credit losses, past losses have had an insignificant effect on credit losses and thus the loss allowance is entirely based on individual estimates of future developments. All past-due receivables are individually assets and a loss carryforward is recognised on the difference between the carrying amount of the asset and the present value of the estimated future cash flows for all receivables deemed to be uncertain. The same principles are applied to all receivables not past due for which other deferred borrower-specific factors have been observed. On 31 December 2023, accounts receivable amounting to SEK 235 m (183) were past due, of which SEK 30 m (28), 1.7 percent (2.0) were past due by more than two months.

NOTE 21 Prepaid expenses and accrued income

	31 Dec 2023	31 Dec 2022
Prepaid rent	35	28
Prepaid insurance	6	3
Prepaid leases	12	1
Prepaid interest	0	0
Other prepaid expenses	32	42
Accrued income	204	44
Total	**289**	**119**

NOTE 22 Cash and cash equivalents

Cash and cash equivalents in the balance sheet and statement of cash flows include the following:

	2023	2022
Bank balances	391	211
Blocked funds	–	–
Total	**391**	**211**

NOTE 23 Assets held for sale

In November 2023, management decided to sell inventories related to a specific product line in the Netherlands. The carrying amount of the inventories as of 31 December 2023 was SEK 47 m. A sale is expected to be completed in the first half of 2024.

NOTE 24 Share capital and other capital contributions

	Date	Number of shares (thousand)	Share capital	Other capital contributions	Total
At the beginning of the year	**2022-01**	**110,611**	**0**	**1,109**	**1,109**
Share issue	2022-12	3,644	0	399	399
At year-end	**2022-12**	**114,255**	**0**	**1,508**	**1,508**
At the beginning of the year	**2023-01**	**114,255**	**0**	**1,508**	**1,508**
Share issue	2023-02	1,147	0	63	63
At year-end	**2023-12**	**115,402**	**0**	**1,571**	**1,571**

The company was founded on 29 November 2018 and registered on 11 December 2018.

Share capital comprises 115,402,106 shares (114,254,813) with a quotient value of SEK 0.0005, comprising both common shares and preference shares. The number of votes per share is one. Share capital amounted to SEK 55 thousand (54) on 31 December 2023.

Other capital contributions comprise shareholder contributions of SEK 1,050 m (1,050) and the share premium reserve of SEK 521 m (458).

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NOTE 25 Interest-bearing liabilities

	31 Dec 2023	31 Dec 2022
Non-current interest-bearing liabilities		
Liabilities to credit institutions	2,647	2,664
Shareholder loans	1,337	1,259
Loans from minority shareholders	3	69
Total	**3,987**	**3,992**
Current interest-bearing liabilities		
Liabilities to credit institutions	251	115
Total	**251**	**115**
Total borrowing	**4,238**	**4,108**

The fair value of long-term interest-bearing liabilities is consistent with the carrying amount since the loans carry variable interest rates. The fair value of short-term interest-bearing liabilities corresponds to its carrying amount since the discount effect is not material.

The maturity structure of the Group's financial interest-bearing liabilities over the next few years is as follows:

	31 Dec 2023	31 Dec 2022
– within 3 months	185	80
– between 3 months and 1 year	66	35
– between 1 and 2 years	2,647	70
– between 2 and 3 years	1,340	3,923
Total	**4,238**	**4,108**

Carrying amounts per currency for interest-bearing liabilities

	31 Dec 2023	31 Dec 2022
SEK	2,307	2,149
EUR	1,898	1,904
CHF	33	55
DKK	0	0
Total	**4,238**	**4,108**

The Group has the following unutilised credit facilities:

	31 Dec 2023	31 Dec 2022
Floating interest		
– expires within one year	–	–
– expires after more than one year	569	586
Total	**569**	**586**

Financing

The Group has committed overdraft facilities in SEK of SEK 100 m (100) and in EUR of EUR 3 m (0). Of these committed overdraft facilities, SEK 0 m (18) has been utilised, as at 31 December 2023. The overdraft facility in SEK bears interest at a rate of 4.97 percent (3.39) that is paid monthly. The terms of the overdraft facility are in accordance with the Group's senior loan agreements.

NOTE 26 Provisions

31 Dec 2023	Covid-19 reserve	Personnel	Guarantees	Other	Total
Opening balance	**–**	**29**	**1**	**23**	**53**
Other new provisions	–	3	1	28	**32**
Acquisitions	–	4	–	5	**9**
Utilised provisions during the year	–	–	–	–	**0**
Reversed unutilised provisions	–	–3	–	–11	**–14**
Reclassification	–	4	–	–7	**–3**
Translation differences	–	–2	0	–2	**–4**
Closing balance, provisions	**–**	**35**	**2**	**36**	**73**

31 Dec 2022	Covid-19 reserve	Personnel	Guarantees	Other	Total
Opening balance	**88**	**–**	**1**	**4**	**93**
Other new provisions	–	4	–	21	**25**
Acquisitions	–	24	–	12	**36**
Utilised provisions during the year	–	–	–	–	**–**
Reversed unutilised provisions	–88	–	–	–15	**–103**
Translation differences	0	1	–	1	**2**
Closing balance, provisions	**–**	**29**	**1**	**23**	**53**

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NOTE 27 Accrued expenses and deferred income

	31 Dec 2023	31 Dec 2022
Accrued personnel-related costs	257	237
Accrued customer bonuses	27	33
Accrued consultancy costs	22	21
Rent and electricity	8	10
Auditing fees	8	8
Transport costs	24	24
Purchases of goods	63	53
Accrued interest expenses	1	0
Deferred income	26	4
Other accrued expenses and deferred income	1	9
Total	**437**	**399**

NOTE 28 Leases

The amounts attributable to lease operations recognised in profit or loss during the year are presented below. For depreciation for the year on right-of-use assets, refer to Note 16. Interest expenses on lease liabilities are recognised under financial income, refer to Note 11.

	2023	2022
Depreciation of right-of-use assets	209	159
Interest expenses on lease liabilities	28	25
Expenses for low-value leases refer to short-term contracts	66	60
Total expenses attributable to leases	**302**	**244**

The Group recognises a cash outflow attributable to leases of SEK 272 m (237). For a maturity analysis of the Group's lease liabilities, refer to Note 3.

	2023	2022
Cash flow impact of leases		
Repayment of lease liabilities in financing activities	178	152
Interest expenses paid for the year	28	25
Payment made for low-value and/or short-term leases	66	60
Total cash flow impact	**272**	**237**

Future cash flows from leases that had not yet commenced in 2023 but for which Asker as lessee has a commitment amounted to SEK 0 m (2). Asker has no material extension options or other guarantee commitments that have not been taken into account in the measurement of the lease liabilities.

NOTE 29 Non-cash items

	31 Dec 2023	31 Dec 2022
Depreciation/amortisation	548	395
Changes in provisions	18	–78
Capital gains/losses, sales of Group companies	1	0
Exchange-rate gains/losses	39	106
Other non-cash items	60	7
Total non-cash items	**666**	**430**

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NOTE 30 Business combinations

Acquisitions in 2023

13 acquisitions were carried out in 2023. These acquisitions complement the Group's existing operations since they provide a broader range of products and services or access to more geographic markets. All acquisitions took place by acquiring shares. The percentage of shares acquired is the same as the share of votes acquired in all acquisitions, except in one case. The acquisitions for the year are presented by segment below. Refer also to Note PC5 of the Parent Company.

North

On 2 May, Onemed Sverige AB acquired 100 percent of the shares in the Swedish company Instrumenta Diagnostiska och Kirurgiska AB. For over 30 years, Instrumenta has supplied Sweden's regions with surgical and diagnostic instruments and the company's range and services complement Asker's existing operations in Sweden. In 2022, Instrumenta had 10 employees and sales of approximately SEK 63 m.

On 1 June, Onemed Sverige AB acquired 100 percent of the shares in the Swedish company Vitri Medical AB, a leading distributor of defibrillators and wound care products to the regions in Sweden. In wound care, the company sells products under its own brand as well as private labels for some customers. In 2022, Vitri Medical had five employees and sales of approximately SEK 50 m.

On 1 June, Onemed AS acquired 100 percent of the shares in the two Norwegian companies, Adcare AS and Dico AS, two medical equipment distributors in the Norwegian market. With these acquisitions, Asker is taking another step in its strategy to ensure healthcare providers can easily access a complete offering of high-quality supplies, devices and equipment. In 2022, Adcare had twelve employees and Dico had eight employees and each company had sales of approximately SEK 60 m.

West

On 7 February, QRS Group BV acquired 100 percent of Dispo Medical B.V. The company has been supplying and producing medical consumables to hospitals and healthcare institutions in the Netherlands for over 30 years. The company's deep knowledge in the specific customer requirements and the hospitals' transformation to custom-made disposable products in procedures will complement Asker's current offering well. Dispo Medical has 41 employees and net sales in 2022 amounted to approximately SEK 55 m.

On 1 March, QRS Group BV acquired 100 percent of Genimedical B.V. The company develops and sells orthopedic solutions such as splints, braces and plaster products in the Netherlands, Belgium, Austria and Denmark. The company's innovative orthopaedical solutions will broaden Asker's offering to caregivers in Europe with a new niche of high-quality products. In 2022, Genimedical had five employees and sales of approximately SEK 40 m.

On 2 October, Bosman entered into a partnership with Dutch company Apotheekzorg Hulpmiddelen B.V. Through the partnership, Asker will assume responsibility for 80,000 patients and distribution to 800 pharmacies. In connection with the partnership, the Group acquired 50.00001 percent of the shares in Apotheekzorg Hulpmiddelen B.V.

On 1 December, QRS Group BV acquired 100 percent of the shares in MC Europe BV, a Dutch distributor of anesthesia and intensive care products for hospitals in the Netherlands and Belgium. In 2022, MC Europe had six employees and sales of approximately SEK 22 m.

Central

On 3 April, Rudolf Heintel GmbH acquired 100 percent of the shares of the Austrian company Andre Surgical GmbH. Andre Surgical is a specialist distributor of disposable operating-room equipment and special surgical instruments to hospitals in Austria. Andre Surgical had 0 employees and net sales in 2022 amounted to approximately SEK 5 m.

On 1 June, Aichele Medico AG acquired 100 percent of the shares in the Swiss company Unimeda AG, a Swiss medical supplies distributor focusing mainly on distribution of niche products in selected areas of anesthesia, sterilisation, disposable instruments, arthroscopy, surgery and dialysis sets. In 2022, Unimeda had four employees and sales of approximately SEK 30 m.

On 2 October, Asker Healthcare AB acquired 100 percent of the shares in the German company CRS medical GmbH, a leading German provider of technical services for medical devices and equipment. In 2022, CRS medical had 169 employees and sales of approximately SEK 187 m.

On 2 November, Rudolf Heintel GmbH acquired 100 percent of the shares of the Austrian company Eumedics Medizintechnik GmbH, a distributor of medical supplies and specialised products in Austria. In 2022, Eumedics Medizintechnik had seven employees and sales of approximately SEK 35 m.

East

On 3 April, Iogen OY acquired 100 percent of the shares of the Finnish company Optiikka Juurinen Oy. The company is a distributor of optical diagnostics, sight aids, optical products and services in Finland. In 2022, Optiikka Juurinen had three employees and sales of approximately SEK 12 m.

Acquisition of minority shareholdings

In addition to the above business combinations, acquisitions of outstanding minority interests in four companies took place by exercising combined call and put options. On 26 January, the Group acquired the remaining 40 percent of the shares in Smedico AG in Switzerland in the Central segment. On 1 March, the Group acquired the remaining 49 percent of the shares in Norwegian company Ascan AS in the North segment. On 28 April, the Group acquired the remaining 40 percent of the shares in two German companies Evivamed and Diashop in the Central segment. Asker now owns 100 percent of the shares and voting power in these companies. In addition, on 27 March the Group acquired the remaining 38 percent of the shares in the Finnish company Iogen Oy in the East segment.

Effects of acquisitions made in 2023 and 2022

The effect on the Group's net sales of the acquired companies since the acquisition date was SEK 340 m (2,044) and the effect on the Group's EBITA for the period amounted to SEK 50 m (117). If all acquired companies had been consolidated from 1 January 2023, net sales for the year would have amounted to SEK 13,770 m (12,133) and the EBITA would have been SEK 869 m (923).

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Note 30 Business combinations, cont.

Acquired assets 2023 and 2022

Acquired assets measured at fair value	2023	2023 –of which Medireva	2022	2022 –of which Medireva
Intangible assets	335	82	1045	546
Tangible assets	23	1	114	44
Right-of-use assets	51	–	166	85
Financial non-current assets	6	–	15	0
Inventories	92	–	227	84
Other current assets[1]	135	–24	364	263
Cash and cash equivalents	39	–	115	34
Deferred tax assets/liabilities	–77	–22	–246	–130
Provisions	–9	–	–36	–13
Interest-bearing liabilities	–13	–	–373	–235
Lease liabilities	–51	–	–166	–85
Other financial liabilities	–	–	–85	0
Other operating liabilities	–100	29	–244	–165
Total identifiable net assets	**431**	**66**	**896**	**428**
Goodwill	230	–66	986	520
Non-controlling interests	–10	–	0	0
Consideration	**651**	**–**	**1,882**	**948**
Paid consideration and contingent consideration				
Paid consideration	442	–	1,800	948
Contingent consideration	209	–	82	0
Total estimated consideration	**651**	**–**	**1,882**	**948**

[1] Primarily accounts receivable

Since individual disclosures about acquisitions are immaterial, disclosures are provided in aggregated form, except for the acquisition of Medireva for which individual disclosures are provided. Fair-value adjustments to intangible assets comprise customer relationships and trademarks. Goodwill is justified based on high profitability and the personnel included in the acquired companies. Acquired goodwill is not tax deductible. Refer to Note 15 for more information about recognised goodwill. Acquired receivables primarily comprise accounts receivable and are measured at fair value and no impairment requirement has been identified. The Group measures non-controlling interests at fair value. If the Group has a commitment to acquire non-controlling interests in the future, these are recognised as financial liabilities.

For acquisitions, Asker applies a normal acquisition structure with basic consideration and possible contingent consideration. The contingent consideration is based on the earnings of the acquiree. The contingent consideration is initially measured at the present value of the probable outcome, which for this year's acquisitions amounted to SEK 209 m (82).

The Group has three acquisitions (seven) with commitments to acquire 14-49 percent of the companies and these commitments are valued at SEK 240 m (379) after remeasurement. They are calculated based on expected EBITDA and are calculated at present value and recognised as interest-bearing liabilities. Changes attributable to revaluations for the year are recognised as financial income or expenses.

Transaction costs for the acquisitions made during the year amounted to SEK 27 m (20) and are included in Other external expenses in profit or loss.

Asker prepares preliminary acquisition analyses for the period during which there is uncertainty regarding the outcome of specific components of the acquisition agreements, for example, during the period in which the company engages external valuation specialists and the external valuation has not yet been completed, but the valuation period never extends for more than one year from the acquisition date. The acquisition analyses for the companies acquired up to and including December 2022 were confirmed during the year and no material adjustments were made.

Effect of acquisitions on cash flow:

Consideration including contingent consideration	2023	2022
Consideration	–651	–1,882
Of which consideration not paid	209	82
Cash and cash equivalents in acquired companies	39	115
Consideration paid for prior years' acquisitions	–20	–53
Consideration paid for minorities	–209	–
Total effect on cash flow:	**–632**	**–1,738**

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NOTE 31 Changes in liabilities in financing activities

31 Dec 2023	Interest-bearing liabilities	Lease liabilities	Total
Opening balance	**4,108**	**634**	**4,742**
Cash flows in financing activities	**36**	**–178**	**–142**
Total cash flows in financing activities	**36**	**–178**	**–142**
Non-cash changes			
Acquired businesses	13	51	**64**
Exchange differences	–6	–10	**–16**
Reclassifications	–	–	**0**
Changes in fair value	–	–	**0**
Additional lease liabilities	–	238	**238**
Other	87	–	**87**
Total non-cash changes	**94**	**279**	**373**
Closing balance	**4,238**	**735**	**4,973**

31 Dec 2022	Interest-bearing liabilities	Lease liabilities	Total
Opening balance	**3,179**	**450**	**3,629**
Cash flows in financing activities	**320**	**–152**	**168**
Total cash flows in financing activities	**320**	**–152**	**168**
Non-cash changes			
Acquired businesses	373	166	**539**
Exchange differences	154	32	**186**
Reclassifications	–	–	**0**
Changes in fair value	–	–	**0**
Additional lease liabilities	–	138	**138**
Other	82	–	**82**
Total non-cash changes	**609**	**336**	**945**
Closing balance	**4,108**	**634**	**4,742**

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NOTE 32 Related-party transactions

Asker Healthcare Group AB is controlled by Nalka Invest AB through its holding of 68 percent of the shares, which means that Nalka Invest has a controlling influence over the Group. The remaining participations are owned by AP6, the Finnish pension company Ilmarinen, and employees and members of the Board of Asker and minority owners of the Group's subsidiaries. Remuneration of Board members, the CEO and other senior executives is presented in Note 10. Purchases and sales within the Group took place on an arm's-length basis.

Shareholder loans Asker Healthcare Group AB
The Group is partly funded by interest-bearing loans from the majority of shareholders, the loans bear interest at 6 percent, accrued interest is capitalised yearly. No repayments are made and the loans mature in 2025. Refer to Note 25 Interest-bearing liabilities.

Loans from minority shareholders
The Group is partly funded by interest-bearing loans from minority owners. The loans bear market-based interest rates, accrued interest is capitalised yearly. No repayments are made and the loans mature according to the structure stated in Note 23 Borrowing.

	2023	2022
Interest expenses on shareholder loans, Asker Healthcare Group AB	76	71
Interest expenses on loans from minority owners	0	1
Total	**76**	**72**

	31 Dec 2023	31 Dec 2022
Shareholder loans Asker Healthcare Group AB	1,337	1,259
Loans from minority shareholders	3	69
Total	**1,340**	**1,328**

NOTE 33 Pledged assets

Pledged assets for own liabilities

	2023	2022
Chattel mortgages with Nordea Bank	63	63
Endowment insurance	11	8
Equity, Asker Healthcare Holding AB Group	2,599	2,069
Total	**74**	**2,140**

Jointly with other subsidiaries, Asker Healthcare Group AB has entered contingent liabilities ("sureties") for the Group's external group-wide liabilities to credit institutions. As collateral for the contingent liabilities entered, pledged in favour of Group companies, Asker Healthcare Holding AB has pledged collateral in the form of shares in Group companies, bank accounts and some contract rights. The shares in Group companies are measured in accordance with the consolidation value method. In addition to Asker's pledged assets, certain subsidiaries have placed collateral in the form of shares in Group companies, receivables from Group companies, bank accounts and floating charges for the group-wide external finance. The subsidiaries' pledged assets are not recognised in the consolidated financial statements because the consolidation value method is applied. However, assets pledged for the subsidiaries' own liabilities are included.

NOTE 34 Contingent liabilities

	2023	2022
Guarantee, Swedish Customs	7	71
Rental guarantees	23	14
Bank guarantees	65	46
Tax disputes	–	21
Other	22	20
Total	**117**	**173**

The contingent liability of rental guarantees as of 31 December 2023 pertains to a SEK 23 m (14) rental deposit in Finland. The tax dispute from last year was expensed and settled during the year.

NOTE 35 Events after the balance sheet date

- On 2 February, Asker acquired 100 percent of the shares in Vegro, the largest provider of mobility aids and rehab equipment in the Netherlands. In 2023, Vegro had 586 full-time employees and sales of approximately SEK 820 m.
- On 1 March, Asker acquired 100 percent of the shares in Praximedico, a specialised distributor of medical products to the nursing-home segment in Switzerland. In 2023, Praximedico had 12 full-time employees and sales of approximately SEK 60 m.
- In March, Asker signed an amendment agreement regarding the Group's main financing and added a new lending institution to the financing group. The other main changes were: new Capex facility of EUR 20 m, increase in the revolver facility from SEK 550 m to SEK 800 m, and an extension of the maturity of all facilities to the first quarter of 2026.

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Parent Company's income statement

SEK m	Note	2023	2022
Operating income			
Net sales		15	15
Total		**15**	**15**
Other external expenses		–48	–5
Personnel costs	PC3	–23	–19
Total operating expenses		**–71**	**–24**
Operating loss		**–56**	**–9**
Profit from financial items			
Interest income and similar items	PC4	73	173
Interest expenses and similar items	PC4	–203	–240
Total net financial items		**–130**	**–67**
Group contributions received		84	47
Loss before tax		**–102**	**–29**
Tax		–10	–3
Loss for the year		**–112**	**–32**

Parent Company's balance sheet

SEK m	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Non-current assets			
Financial non-current assets			
Participations in Group companies	PC5	3,563	3,527
Other financial non-current assets		7	5
Total		**3,570**	**3,532**
Total non-current assets		**3,570**	**3,532**
Current assets			
Current receivables			
Receivables from Group companies		2,089	1,884
Other receivables		–	–
Total		**2,089**	**1,884**
Cash and cash equivalents	PC6	**6**	**18**
Total current assets		**2,095**	**1,902**
TOTAL ASSETS		**5,665**	**5,434**

SEK m	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Equity			
Share capital[1]		0	0
Statutory reserve		1,571	1,508
Retained earnings		–55	–23
Loss for the year		–112	–32
Total equity		**1,404**	**1,453**
Untaxed reserves		**22**	**5**
Provisions			
Provisions		7	5
Total provisions		**7**	**5**
Non-current liabilities			
Interest-bearing liabilities	PC7	2,138	2,056
Total non-current liabilities		**2,138**	**2,056**
Current liabilities			
Current tax liabilities		12	3
Interest-bearing liabilities	PC7	70	70
Liabilities to Group companies		2,002	1,832
Accrued expenses	PC8	10	10
Total current liabilities		**2,094**	**1,915**
TOTAL EQUITY AND LIABILITIES		**5,665**	**5,434**

[1] The number of shares amounted to 115,402,106 (114,253,813).

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Parent Company's statement of changes in equity

SEK m	Note	Restricted equity – Share capital	Non-restricted equity – Retained earnings including profit or loss for the year	Total
Opening balance on 1 January 2022		**0**	**1,485**	**1,485**
Loss for the year		–	–32	–32
Closing balance on 31 December 2022		**0**	**1,453**	**1,453**

SEK m	Note	Restricted equity – Share capital	Non-restricted equity – Retained earnings including profit or loss for the year	Total
Opening balance on 1 January 2023		**0**	**1,453**	**1,453**
Ongoing new share issue		0	63	63
Loss for the year	PC11	–	–112	–112
Closing balance on 31 December 2023		**0**	**1,404**	**1,404**

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Parent Company statement of cash flows

SEK m	Note	2023	2022
Operating activities			
Operating profit		–56	–9
Adjustments for non-cash items		–	1
Interest received		–	–46
Interest paid		–51	12
Paid tax		–3	–1
Cash flow before changes in working capital		**–110**	**–43**
Change in current receivables		0	0
Change in current liabilities		3	–1
Cash flow from operating activities		**–107**	**–44**
Investing activities			
Received/paid shareholder contributions		–36	–347
Investments in subsidiaries		–	–48
Cash flow from investing activities		**–36**	**–395**
Financing activities			
Borrowings	PC9	77	763
Repayments of borrowings	PC9	–78	–70
Share issue		63	399
Group contributions received		52	13
Change in receivables/liabilities to Group companies		18	–718
Cash flow from financing activities		**132**	**387**
Cash flow for the year		**–11**	**–52**
Cash and cash equivalents at the beginning of the year		18	68
Exchange-rate differences in cash and cash equivalents		0	1
Cash and cash equivalents at year-end		**7**	**18**

NOTE PC1 General information

Asker Healthcare Group AB (559184-9848) is the Parent Company of the Asker Healthcare Group. The Parent Company is a registered limited liability company with its registered office in Danderyd, Sweden.

Asker Healthcare Group AB
Svärdvägen 3A
SE-182 33 Danderyd
www.asker.com

Unless otherwise indicated, all amounts are in millions of Swedish kronor (SEK m). Amounts in parentheses refer to the preceding year.

NOTE PC2 Parent Company accounting policies

The Annual and Sustainability Report for the Parent Company have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. RFR 2 means that in the Annual and Sustainability Report for the legal entity, the Parent Company is to apply all IFRS and statements endorsed by the EU as far as possible within the framework of the Annual Accounts Act and taking into account the relationship between accounting and taxation. The recommendation states the exceptions and additions that can be made in relation to IFRS/IAS.

The preparation of financial statements in conformity with RFR 2 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Parent Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Annual and Sustainability Report are disclosed in Note 4 Critical estimates and judgements of the consolidated financial statements.

The Group's accounting policies under IFRS/IAS are found in Note 2. The Parent Company applies the accounting policies presented for the Group, except for the following:

Presentation formats
The income statement and balance sheet follow the Annual Accounts Act's format. The statement of changes in equity follows the Group format but includes the components listed in the Annual Accounts Act. Furthermore, there are differences in terminology compared with the consolidated financial statements, particularly in respect of financial income and expenses and equity.

Participations in subsidiaries and shareholder contributions
Participations in subsidiaries are recognised according to the cost method, which means that they are recognised at cost less any impairment. Cost includes acquisition-related costs. When there is an indication that participations in subsidiaries have decreased in value, an estimate of the recoverable amount is carried out. If the recoverable amount is lower than the carrying amount, impairment is recognised. Impairment is recognised in the item "Result from participations in Group companies." Any contingent consideration is added to the cost.

Shareholder contributions are recognised directly in equity with the recipient and added to the value of shares and participations of the recipient.

Untaxed reserves
Tax legislation in Sweden allows companies to defer tax payments by making provisions to untaxed reserves in the balance sheet via the income statement item "Appropriations." Untaxed reserves recognised in the Parent Company include deferred tax liabilities.

Group contributions
Group contributions are recognised in the Parent Company according to the alternative rule. Group contributions paid/received are recognised in the Parent Company as appropriations. Shareholder contributions are recognised directly in equity with the recipient and capitalised in the shares and participations of the donor, unless impairment is required.

Leases
The Parent Company does not apply IFRS 16 in accordance with the exemption in RFR 2. As a lessee, lease payments are recognised as a straight-line expense over the lease term and thus right-of-use assets and lease liabilities are not recognised in the balance sheet.

Dividends
Dividends are recognised when:
– the right to receive the dividend has been established
– it is probable that the economic benefits associated with the dividend will accrue to the company
– the dividend can be reliably measured

Endowment insurance
Endowment insurance is measured at cost and recognised at gross amount in the balance sheet. A provision for special employer contribution is established based on the fair value of the endowment insurance.

Financial instruments
Financial instruments are measured at cost. Financial assets acquired with the intention of holding them on a short-term basis are recognised in subsequent periods in accordance with the lower-value principle, at the lowest of cost and fair value.

On every balance-sheet date, the Parent Company tests for any impairment requirement for any of the financial non-current assets. Impairment is recognised if the decline in value is deemed permanent. Impairment on interest-bearing financial assets recognised at amortised cost is calculated as the difference between the carrying amount and present value of the asset, based on management's best estimate of the future cash flows discounted by the original effective rate of interest for the asset. The impairment amount for other financial non-current assets is set as the difference between the carrying amount and the higher of fair value less selling expenses and the present value of future cash flows, based on management's best judgement.

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NOTE PC3 Remuneration of employees, etc.

	2023	2022
Salary and other remuneration	16	12
Social security contributions	5	5
Pension expenses	2	2
Total	**23**	**19**

Salary and other remuneration

	2023	2022
Board members, CEO and other senior executives	23	19
Total	**23**	**19**

Pension expenses

	2023	2022
CEO and other senior executives	2	2
Total	**2**	**2**

	2023		2022	
Board members and other senior executives on balance sheet date	**Total**	**Whereof women**	**Total**	**Whereof women**
Board members	7	29%	6	33%
CEO and other senior executives	2	0%	2	0%
Total	**9**		**8**	

	2023		2022	
	Total	**Whereof women**	**Total**	**Whereof women**
Average number of full-time equivilents (Sweden)	**2**	**0%**	**2**	**0%**

None of the Board members are party to agreements entitling them to remuneration on termination of their assignment. Additionally, no Board members are entitled to any reserved or accrued amounts for pensions or similar benefits when leaving their assignments. The Chairman of the Board did not receive any remuneration apart from a directors' fee.

Pensions

The company's employees have an Alternative ITP - individual solution, including direct pension solutions through endowment insurance. The pension expense is the expense that affected profit or loss for the year. The retirement age of the CEO and other senior executives is 65. Pension premiums defrayed by the company amount to a maximum of 33 percent of the CEO's pensionable salary. For other senior executives, pension premiums amount to 30 percent. In all other regards, refer to the Group's Note 10 Remuneration of employees.

The value of the endowment insurance related to the direct pension solutions, which are recognised gross in the balance sheet, amounts to SEK 6 m (5). A provision for special employers' contributions was calculated based on the fair value of the endowment insurance.

Severance pay

A notice period of twelve months from the company and six months from the CEO apply between the company and the CEO. Basic monthly salary and other remuneration pursuant to the applicable employment contract are payable during this period. In this case, remuneration from the company shall be reduced by other potential remuneration the CEO may receive during the notice period. Mutual notice periods of six months apply between the company and other senior executives. Severance pay is due on termination for 0–6 months.

NOTE PC4 Financial income and expenses

	2023	2022
Financial income		
Interest income from Group companies	66	88
Exchange differences from financing activities	7	85
Total	**73**	**173**
Financial expenses		
Interest expenses on shareholder loans	–76	–71
Exchange differences from financing activities	0	–99
Interest expenses	–113	–56
Other financial expenses	–14	–14
Total	**–203**	**–240**
Total net financial items	**–130**	**–67**

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NOTE PC5 Participations in Group companies

	31 Dec 2023	31 Dec 2022
Opening cost	3,527	987
Shareholder contributions	36	2,493
Investments	–	47
Closing cost	**3,563**	**3,527**

The Parent Company Asker Healthcare Group AB owns all of the shares in Asker Healthcare Holding AB (556832-5772). Asker Healthcare Holding AB has its registered office is in Danderyd, Sweden. The share of equity and share of voting power amounts to 100 percent. On 31 December 2023, equity amounted to SEK 3,274 m (3,257). A number of the Group's subsidiaries are not wholly owned.

The Asker Healthcare Group includes the following companies:

	Registered office	Corp. Reg. No.	No. of shares	Shareholdings
Asker Healthcare Group AB	Danderyd, Sweden	559184-9848	110,610,520	
Asker Healthcare Holding AB	Danderyd, Sweden	556832-5772	1,202,707,410	100%
Asker Healthcare AB	Danderyd, Sweden	556824-6069	50,000	100%
OneMed Company Ltd	Hong Kong, China	1469102	2	100%
OneMed Group Oy	Helsinki, Finland	2039640-1	31,795,025	100%
Asker Treasury AB	Danderyd, Sweden	556580-2732	501,000	100%
OneMed Sverige AB	Gothenburg, Sweden	556764-4140	2,000	100%
Evercare Medical AB	Gothenburg, Sweden	556580-2708	1,000	100%
OneMed Service AS	Oslo, Norway	917134650	1,000	100%
Astomed Holding AB	Stockholm, Sweden	559094-3410	255	51%
Säker Klinik Sverige AB	Södertälje, Sweden	559074-4008	510	51%
Astomed Klinikutrustning Sverige AB	Södertälje, Sweden	556709-9964	510	51%
Nordic Medical Sweden AB	Stockholm, Sweden	556834-2504	255	51%
Astomed Oy	Helsinki, Finland	3185802-6	100	41%
Astomed AS	Høvik, Norway	928730824	100,000	26%
Astomed Denmark ApS	Copenhagen, Denmark	43406922	40,000	51%
Klinikinredning Sverige AB	Stockholm, Sweden	559120-2071	500	100%
Scandivet AB	Enköping, Sweden	556488-9565	100	100%
Adcuris AB	Karlsborg, Sweden	556816-3900	1,000	100%
OneMed Oy	Helsinki, Finland	1558201-5	5,050	100%
WL-Medical Oy	Helsinki, Finland	0753031-1	159,380	100%
Iogen Oy	Tampere, Finland	2203646- 9	1,288	100%
OneMed AS	Oslo, Norway	953424894	700	100%
Gymo AS	Randaberg, Norway	921549202	100	100%
OneMed OÜ	Tallinn, Estonia	10891247	1	100%

	Registered office	Corp. Reg. No.	No. of shares	Shareholdings
Mercurio UAB	Vilnius, Lithuania	303936897	2,500	100%
OneMed SIA	Riga, Latvia	40003551944	24,600	100%
OneMed UAB	Vilnius, Lithuania	111822140	1,200	100%
OneMed A/S	Hinnerup, Denmark	19846679	1,500	100%
OneMed Two Aps	Hinnerup, Denmark	35648615	500	100%
ZiboCare A/S	Horsens, Denmark	29610274	500	100%
Zibo Care Denmark ApS	Horsens, Denmark	34483175	80	100%
Asker Benelux Holding B.V	Eindhoven, Netherlands	62500058	1,000	100%
OneMed B.V.	Eindhoven, Netherlands	17082092	400	100%
Diabstore B.V.	Rotterdam, Netherlands	51071169	18,000	100%
QRS Groep BV	Oss, Netherlands	68939949	10,000	100%
QRS Health Care B.V.	Oss, Netherlands	17182862	1,800	100%
QRS Service B.V.	Oss, Netherlands	55711987	1,800	100%
Disporta Eerstelijn B.V.	Oss, Netherlands	18045377	200	100%
Stöpler Healthcare B.V.	Temse, Belgium	0818450069	186	100%
Fysiosupplies B.V.	Groningen, Netherlands	50074423	180	100%
MoMa Trading BV	Grijpskerk, Netherlands	59182164	160	80%
Pharma Dynamic	Grijpskerk, Netherlands	59758120	360	80%
Stöpler Medical Holding B.V.	Zeist, Netherlands	62769405	18,000	100%
Stöpler Medical B.V.	Utrecht, Netherlands	30004507	90,757	100%

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NOTE PC5 Participations in Group companies, cont.

	Registered office	Corp. Reg. No.	No. of shares	Shareholdings
Stöpler Belgium N.V.	Groot Bijgaarden, Belgium	0474934962	56,258	100%
Stöpler Luxembourg SA	Bertrange, Luxembourg	B110601	8,260	100%
Cocune Care Products B.V.	Utrecht, Netherlands	83160841	100	100%
Ascan AS	Vettre, Norway	922818363	100,000	100%
Ascan International AS	Vettre, Norway	919601256	30,000	100%
Smedico AG	St.Gallen, Switzerland	293375428	500	100%
DIASHOP GmbH	Munich, Germany	11712440033	110,000	100%
EvivaMed Handelsgesellschaft mbH	Munich, Germany	24412591077	25,000	100%
Med4Trade GmbH	Regensburg, Germany	24413221028	25,000	100%
HuCo B.V.	Maastricht, Netherlands	14627993	2,000,000	100%
Medireva B.V.	Maastricht, Netherlands	59610360	18,000	100%
Medireva Revalidatie B.V.	Maastricht, Netherlands	62072080	18,000	100%
Holding Empé B.V.	Maastricht, Netherlands	73396249	100	100%
Excen B.V.	Maastricht, Netherlands	34308418	18,000	100%
Qualityzorg B.V.	Maastricht, Netherlands	52225658	18,000	100%
We-Medical B.V.	Maastricht, Netherlands	57348820	100	90%
DWC B.V.	Maastricht, Netherlands	63522578	100	100%
Bbrain B.V.	Maastricht, Netherlands	75772752	100	100%
Woundworks GmbH	Cologne, Germany	HRB93879	-	100%[2]
Mobilex Holding ApS	Hinnerup, Denmark	40509860	111,110	86%
Mobilex A/S	Skanderborg, Denmark	27147720	600,000	86%
Mobilex S.p. z.o.o.	Lodz, Poland	48609	780	86%
Gricka Holding AG	Oberägeri, Switzerland	CHE-447.956.971	80	80%
Gribi AG Belp	Belp, Switzerland	CHE-106.541.045	960	80%
SmedicoPhils Inc	Cainta, Philippines	20220600 57413-02	1,000,000	80%
Homed AG	Laupersdorf, Switzerland	CHE-107.387.717	80	80%
Deforce BV	Ardooie, Belgium	0427495331	1,663	100%
Adcuris AB	Karlsborg, Sweden	556816-3900	1,000	100%
Aichele Medico AG	Aesch, Switzerland	CHE-103.587.602	400	100%
Rudolf Heintel GmbH	Vienna, Austria	FN 119977m	-	100%[2]
MSP Medizintechnik GmbH	Vienna, Austria	FN 586575 k	-	100%[2]
Dispo Medical International B.V.	Bloemendaal, Netherlands	08211190	18,000	100%[1]
GeniMedical B.V.	Nieuwegein, Netherlands	33299059	18,000	100%[1]
Andre Surgical GmbH	Dornbirn, Austria	FN 66090 t	0	100%[1]
Instrumenta Diagnostiska och Kirurgiska AB	Gothenburg, Sweden	556376-1310	3,000	100%[1]
Ingenjörsfirman Björn Bergdahl AB	Gothenburg, Sweden	556176-5057	1,000	100%[1]
Asker Healthcare Services s.r.o	Prague, Czechia	193 60541	0	100%[1]
Adcare AS	Høvik, Norway	983847412	1,275	100%[1]
Dico AS	Oslo, Norway	985691088	1,300	100%[1]
Mindmed AS	Oslo, Norway	919437901	2,000	100%[1]
Vi Tri Medical AB	Skärholmen, Sweden	556677-6679	5,010	100%[1]
UNiMEDA AG	Schwyz, Switzerland	CHE-307.169.475	1,000	100%[1]
CRS Medical GmbH	Asslar, Germany	HRB 4969	4	100%[1]
ApotheekZorg Hulpmiddelen B.V.	Stein, Netherlands	34132685	5,092,001	50%[1]
Eumedics Medizintechnik GmbH	Vienna, Austria	FN 188112k	–	100%[1,2]
MC Europe B.V.	Weert, Netherlands	14124863	180	100%[1]
Asker Germany Holding GmbH	Munich, Germany	HRB287296	25,000	100%[1]

[1] Founded or acquired in 2023

[2] Shares do not exist in this form of company.

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NOTE PC6 Cash and cash equivalents

	31 Dec 2023	31 Dec 2022
Cash and bank balances	6	18
Total	**6**	**18**

NOTE PC7 Interest-bearing liabilities

Non-current liabilities

	31 Dec 2023	31 Dec 2022
Liabilities to credit institutions	801	797
Shareholder loans	1,337	1,259
Total	**2,138**	**2,056**

Current liabilities

	31 Dec 2023	31 Dec 2022
Current portion of liabilities to credit institutions	70	70
Total	**70**	**70**

NOTE PC8 Accrued expenses and deferred income

	31 Dec 2023	31 Dec 2022
Personnel costs	9	8
Other expenses	1	2
Total	**10**	**10**

NOTE PC9 Changes in liabilities in financing activities

31 Dec 2023	Borrowing
Opening balance	**2,126**
Cash flows in financing activities	–1
Total cash flows in financing activities	**–1**
Non-cash changes	
Exchange differences	–3
Reclassifications	–
Capitalised borrowing costs	10
Capitalised interest expenses	76
Total non-cash changes	**83**
Closing balance	**2,208**

31 Dec 2022	Borrowing
Opening balance	**2,913**
Cash flows in financing activities	693
Total cash flows in financing activities	**693**
Non-cash changes	
Exchange differences	101
Reclassifications	-1,662
Capitalised borrowing costs	10
Capitalised interest expenses	71
Total non-cash changes	**–1,480**
Closing balance	**2,126**

NOTE PC10 Related parties

Refer to the Group's Note 32 Related-party transactions for transactions with related parties.

NOTE PC11 Proposed appropriation of profit

According to the balance sheet, SEK 1,403,493,085 is available for appropriation by the Annual General Meeting, of which loss for the year is SEK –111,872,747. The Board proposes that the amount be carried forward.

Non-restricted equity	1,515,365,832
Loss for the year	–111,872,747
Total profits	**1,403,493,085**

The Board proposes that the profit be distributed as follows:

Dividends per share to be paid to shareholders	–
To be carried forward	1,403,493,085

NOTE PC12 Pledged assets and contingent liabilities

	31 Dec 2023	31 Dec 2022
Contingent liabilities	None	None
Endowment insurance	6	5

The Parent Company does not have any pledged assets. Refer to the Group's Note 33 Pledged assets.

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The Annual and Sustainability Report and consolidated financial statements for Asker Healthcare Group AB (corporate registration number 559184-9848) for the 1 January – 31 December 2023 financial year.

Stockholm, 10 April 2024

Håkan Björklund
Chairman

Vidar Andersch
Board member

Johan Hesser
Board member

Martin Lagerblad
Board member

Nina Linander
Board member

Birgitta Stymne Göransson
Board member

Mikael Vinje
Board member

Johan Falk
CEO

Our auditor's report was submitted on 10 April 2024
Ernst & Young AB

Stefan Andersson Berglund
Authorised Public Accountant
Auditor in Charge

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To the general meeting of the shareholders of Asker Healthcare Group AB, corporate identity number 559184-9848

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Asker Healthcare Group AB for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 82–124 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 the parent company as of 31 December 2023 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 2023 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. 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.

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.

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

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 1–81 and 125–129. The Board of Directors and the Managing Director 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, based on the work performed concerning this information, 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 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 have no realistic alternative but to do so.

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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit 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.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors (and the Managing Director).
- Conclude on the appropriateness of the Board of Directors' (and the Managing Director's) use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identify.

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 Directors and the Managing Director of Asker Healthcare Group AB for the year 2023 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 Directors 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 Directors 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's 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 a 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.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with a starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm on the date shown in our electronic signature
Ernst & Young AB

Stefan Andersson Berglund
Authorized Public Accountant

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Definitions

EBITA
Operating profit before amortisation and impairment of intangible assets. EBITA provides an overall view of profit generated by the operating activities and is a metric that the Group considers to be relevant for investors who want to understand earnings generation before investments in intangible assets.

EBITA margin, %
EBITA as a percentage of net sales.

Adjusted EBITA
EBITA excluding acquisition and integration expenses, Covid-19 effects and other adjustment items. Adjusted EBITA is useful for analysing performance since it eliminates the impact of items that are considered to be of a non-recurring nature and therefore do not reflect the underlying operations.

Adjusted EBITA margin, %
Adjusted EBITA as a percentage of net sales excluding Covid-19 effects.

EBITDA excl. expenses attributable to leases and acquisitions
Operating profit before amortisation and impairment of tangible and intangible assets excluding expenses attributable to financial leases and acquisitions. The metric shows the company's earnings generation before investments in non-current assets as if all leases had been recognised as operating leases and adjusted for acquisitions.

Capital employed
Equity and interest-bearing liabilities. Capital employed is a metric that the Group considers to be relevant for investors who want to understand the company's net assets that are to generate profit.

Average capital employed
Average total equity and interest-bearing liabilities for the four most recent quarters.

Return on capital employed, %
Operating profit (EBIT) rolling 12 months as a percentage of average capital employed. The metric is an indication of how efficient the Group is at utilising its capital resources.

Average equity
Average equity for the four most recent quarters.

Return on equity, %
Profit (rolling 12 months) as a percentage of average equity. This KPI shows the return the owners generated on their invested capital.

Equity/assets ratio, %
Total equity as a percentage of total assets. The equity/assets ratio shows the Group's long-term solvency and states the percentage of assets financed by equity.

Net debt
Non-current and current interest-bearing liabilities to credit institutions less cash and cash equivalents. This KPI is used as a supplement to assess the feasibility of paying dividends and making strategic investments and assessing the Group's ability to meet its financial commitments. The metric is used to monitor the debt trend and see the size of refinancing requirements.

Net debt/EBITDA excluding lease costs and acquisition and integration expenses and other adjustment items
Net debt as a percentage of EBITDA (rolling 12 months) excluding expenses attributable to leases and acquisition and integration expenses and other adjustment items. This KPI is a debt ratio that shows how many years it would take to pay off the company's debt, provided that its net debt and EBITDA are constant and without taking into account cash flows for interest, tax and investments.

Debt/equity ratio
Net debt as a percentage of total equity.

Net working capital
Total of inventories and accounts receivable less accounts payable. This metric shows the capital that the company has available to finance the operating activities.

Average net working capital
Total of inventories and accounts receivable less accounts payable, average for the four most recent quarters.

Return on net working capital (Adjusted EBITA/NWC), %
Adjusted EBITA rolling 12 months as a percentage of average net working capital. Used to analyse profitability and is a metric that puts a premium on high EBITA and low net working capital requirements.

Cash flow from operating activities
Total of cash flow for the period from operating activities. Cash flow from operating activities is used in the Group as a KPI for cash and cash equivalents that flow in and out of the operations.

Average number of full-time employees
Calculated as the average number of employees for the year, taking into account the percentage of full-time employment.

Number of employees at the end of the period
The number of employees in the Group at the end of the period.

Earnings per share
Profit for the period attributable to the Parent Company's shareholders divided by the average number of common shares.

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Financial key performance indicators

	2023	2022
Net sales	13,453	11,718
EBITA	839	875
EBITA margin, %	6.2%	7.5%
Adjusted EBITA	1,090	840
Adjusted EBITA margin, %	8.1%	7.6%
EBITDA excl. expenses attributable to leases and acquisitions	1,142	991
Average capital employed, SEK m	8,086	7,113
Return on capital employed, %	7.2%	10.0%
Equity/assets ratio, %	26.9%	27.3%
Average equity, SEK m	3,055	2,614
Return on equity, %	6.6%	16.5%
Net debt, SEK m	2,507	2,569
Net debt/EBITDA excl. expenses attributable to leases and acquisitions	2.2	2.6
Debt/equity ratio	0.8	0.9
Average net working capital, SEK m	1,822	1,538
Return on net working capital, %	59.8%	54.6%
Average number of full-time employees	2,366	1,877
Number of employees at the end of the period	2,834	2,317
Cash flow from operating activities, SEK m	1,052	976

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History of Asker

Over the past 15 years, Asker Healthcare Group has welcomed more than 40 companies and is today the leading distributor in Europe within medical supplies, devices and equipment as well as value-add solutions. During this time, we have evolved from having a Nordic focus within selected areas under one brand into the Asker Healthcare Group with pan-European operations including a wide range of products and services and many different leading brands. Within our group we have companies with over 100 years of history and our combined experience of being a trusted partner to healthcare adds up to thousands of years.

2006

Several companies merged to establish a Nordic group under the name OneMed.

2015

Acquisition of
Bosman

Asker Healthcare Group begins the journey to become the leading healthcare group in Europe. The acquisition of Bosman is the first stepping stone outside the Nordics.

2016

Acquisition of
Lensvelt (part of Bosman)

Establishment of
OneMed Services

2017

Acquisition of
Boeren Medical (part of Bosman)

2018

Acquisition of
Megra Medical (part of OneMed Finland)

2019

Acquisition of
Mercurio (part of OneMed Baltics)
aScan
QRS

2020

Acquisition of
Astomed
Smedico (part of Gribi)

2021

Acquisition of
DIASHOP
EvivaMed
Med4Trade
FysioSupplies
Gymo
Iogen
Pharma Dynamic
Scandivet
Stöpler
SweMed
ZiboCare

2022

Acquisition of
MediReva
Gribi
Mobilex
Sterilean (part of OneMed Denmark)
Deforce Medical
ADCURIS
Aichele Medico
Heintel Gruppe

2023

Acquisition of
Dispo Medical
GeniMedical (part of Stöpler/QRS)
Optiikka Juurinen (part of Iogen)
Andre Surgical (part of Heintel Gruppe)
Instrumenta
adCARE
DICO
UNiMEDA (part of Aichele Medico)
ViTri Medical
ApotheekZorg Hulpmiddelen (partnership with Bosman)
CRS medical
Eumedics (part of Heintel Gruppe)
Vegro (completed Feb 2024)
MC Europe

Health in Progress, in practice
Sustainable procurement
CRS medical – a new company in the Group
Innovative solutions
Digital solutions
Collaboration throughout the value chain
Asker's audit office

The Annual Report is prepared in Swedish and translated into English. Should differences occur between the Swedish Annual Report and the English translation, the Swedish version shall prevail.
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We are health in progress

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