ASKER
HEALTHCARE GROUP

We are health in progress

Annual and Sustainability Report 2022

Contents

Health in progress

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

We are a partner to caregivers, building and acquiring leading companies that make a positive difference to the European healthcare system. With a full range of products and value-added services, we support progress in healthcare in terms of improving, saving and sustaining lives. By developing sustainable solutions and being a close, reliable and high-quality partner to caregivers, we can contribute to the required changes.

As individual companies, together as a group and in partnership with caregivers, we aim to make a difference and create better health for all – we are Health in Progress.

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

Our vision

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

Lower total costs and improve patient outcomes in healthcare
Increase sales and volume to develop purchasing power, achieve economies of scale and improve efficiency in healthcare.

Gain a leading market position
Strengthen leadership in medical supplies, devices and equipment in Europe through organic growth and a high rate of acquisitions.

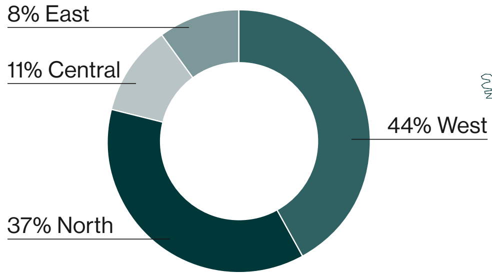
Broader offering and geographical expansion
Offer more product categories, extend to all customer categories and expand to more countries to over time cover all of Europe.

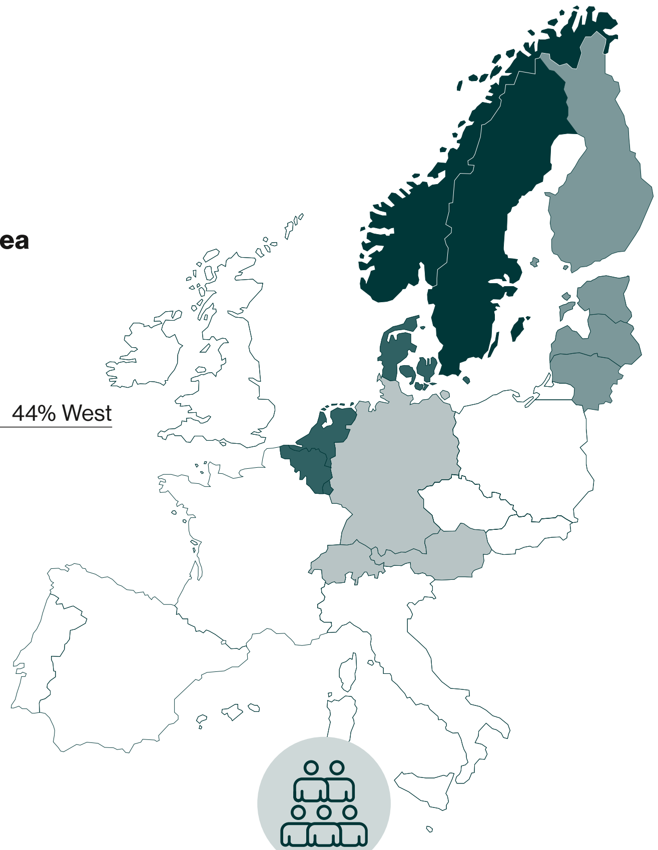
Sustainable entrepreneurship
Combine local entrepreneurship with shared values and the Asker Management Standard to ensure robust growth and a sustainable Group.

A partner in healthcare

Asker Healthcare Group is a partner to caregivers across Europe, providing safe and high-quality medical supplies, devices and equipment. We build and acquire leading companies that support the healthcare system to improve patient outcomes, reduce total cost of care and ensure a fair and sustainable value chain. The Group has 2,400 employees in 14 countries and net sales amounts to SEK 12 billion.

Net sales by business area





> **“Every day, our companies' products and services are used by tens of thousands of doctors and nurses, reaching millions of patients in Europe.”**

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.

11,718
Net sales, SEK m.

2,400
employees[1)]

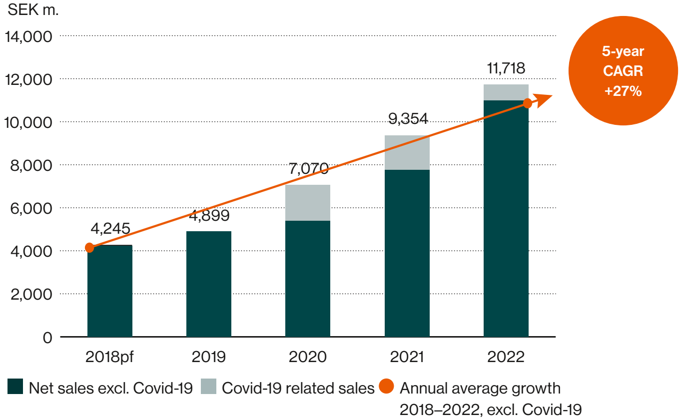
14
countries

1,500
suppliers

[1)] March 2023. The number of employees on 31 December 2022 was 2,317.

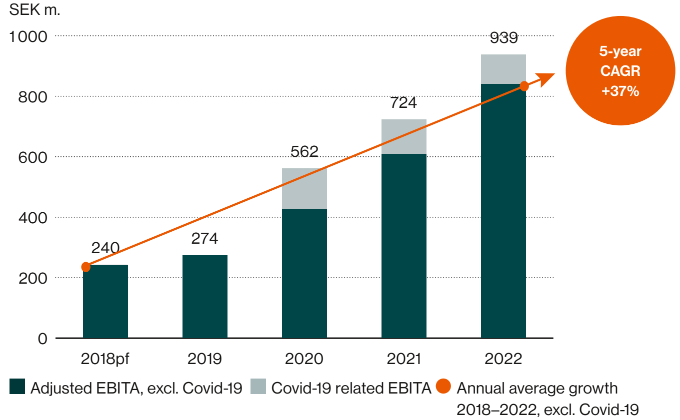
2022 – a year of strong growth

Sales



10% average organic growth in sales

EBITA



23% average organic growth in EBITA

In 2022, EcoVadis awarded Gold to Asker Healthcare Group for its sustainability work. The Gold rating ranks Asker in the top five percent among the more than 100,000 companies assessed by EcoVadis worldwide.

Financial targets

	>15%	>10%	>50%	>10	2.0–3.0x
	EBITA growth per year[1]	EBITA margin[2]	EBITA/Net working capital	Acquisitions per year	Net debt/ EBITDA
2022	**38%**	**7.6%**	**57%**	**8 acquisitions**	**2.8**
2021	43%	7.9%	45%	11 acquisitions	2.0

Sustainability targets

	Target 2030	2022	2021
Scope 1, emissions per SEK m. sales	40% reduction of total emissions	**0.18**	0.25
Scope 2, emissions per SEK m. sales (market-based)		**0.09**	0.10
Percentage of employees who have received training in and have signed the Code of Conduct	>95%	**98%**	95%
Percentage of third-party manufacturers audited in the past 24 months	>90%	**93%**	73%
Percentage of suppliers who have signed Asker's Code of Conduct or equivalent code of conduct, based on value of purchasing	100%	**71%**	–

[1] Adjusted EBITA.
[2] Adjusted EBITA in relation to net sales, excluding Covid-19.

Several acquisitions and new initiatives during the year

Q1

- Acquisition of MediReva – a group of specialised MedTech companies in the Netherlands
- Helping families and emergency care in Ukraine – Asker delivered 84 pallets of medical materials and donated SEK 500,000 to Save the Children
- Acquisition of Mobilex, Denmark – mobility aids and personal assistive equipment

Q2

- Acquisition of Gribi – surgical, orthopaedic and ostomy equipment for hospitals in Switzerland
- Acquisition of the brand Sterilean – surgical instruments for hospitals in Denmark
- Acquisition of Deforce Medical – materials and equipment for primary care and elderly care in Belgium
- Acquisition of Adcuris, Sweden – trauma products for emergency care, the police and military

Q3

- Acquisition of Aichele, Switzerland – niche products for operating theatres, neonatal care, sterilisation, gynaecology and urology
- First acquisition in Austria, Heintel Gruppe – supplies and light equipment for surgery, intensive care, radiology, cardiology and gastroenterology

Q4

- Launch of the Embra product range – consumables designed to reduce the carbon footprint of the healthcare sector
- EcoVadis awarded Gold to Asker – the sustainability rating ranks Asker in the top five percent among the more than 100,000 companies assessed by Eco-Vadis worldwide

Sales

SEK **11,718** m. +25%

Adjusted EBITA

SEK **840** m. +38%

EBITA margin (adjusted)

7.6% (7.9%)

Return on working capital (R/WC)

57% (45%)

Number of acquisitions

8 companies

Simplifying for healthcare providers is our business

In 2022, Asker expanded rapidly. Despite the troubles in the world around us, we made decisive progress in our strategy to become the European leader in distribution of medical supplies, devices and equipment, and have now taken a leading role in consolidation of the market. While doing so, we have built a platform for continued growth in Central Europe and for a sustainable and scalable corporate group, via our Asker Management Standard governance model. However, what I am most proud of is that we are always there in everyday life as a trusted partner in healthcare, helping doctors and nurses do their job by ensuring they have access to safe, high-quality products at all times.

Robust growth

Strong development in both our existing companies and our acquisitions have enabled us to achieve robust growth and comfortably surpass our target of 15 percent growth in earnings. Sales increased by 25 percent to SEK 11.7 billion (9.4). Our adjusted operating profit (adjusted EBITA) totalled SEK 840 million (609). Cash flow was strong during the year and return on net working capital improved to 57 percent (45), well above our target.

However, 2022 was characterised by a turbulent world economy. As the pandemic was entering a calmer phase and the world was starting to normalise, war broke out in Ukraine. In addition, towards year-end, the spread of the virus took off again and once more put a heavy burden on healthcare staff. The crises of recent years have clearly highlighted the vulnerability of society and the importance of a functioning and reliable system for distribution of goods and services in the vital health sector. In addition, several of our companies have made an important contribution to strengthening preparedness in Europe during both the pandemic and the war. We focus on meeting our customers' needs and challenges, whatever their circumstances. I would like to express my sincere thanks to our fantastic staff, as they are the ones who are making this possible.

A sector in transition

Healthcare systems operate differently in the various European countries, with differences in for example procurement systems, funding and governance. But the needs of patients are the same, and the delivery of care is the same. At the same time, the healthcare sector in Europe is facing major challenges. A growing, ageing population, more people living longer with chronic illnesses and major challenges in funding the higher costs of care are accentuating the need to improve efficiency and lower the total cost of care. In view of these challenges, the entire healthcare sector is having to rethink and question established structures.

We are part of driving this transformation every day, by ensuring that healthcare has access to safe, high-quality, responsibly manufactured, products to

"Several of our companies have made an important contribution to strengthening preparedness in Europe during both the pandemic and the war."

good prices and delivered on time. But we are also playing an active part in improving the efficiency and consolidating our part of the value chain, and thus creating economies of scale in healthcare.

We have expanded rapidly in recent years and today operate in 14 markets. During the year, we continued our acquisition-led growth journey in Europe, completing eight acquisitions. All eight are high-skill, well-run companies that are key elements in our strategy to become a full-range distributor of medical supplies, devices and equipment throughout Europe.

The acquisitions have expanded our offering in existing markets, but we have also entered new markets and reinforced our platform for further growth in Switzerland and Austria. In early 2022, we also made our largest acquisition to date, Medireva, a group of companies in the Netherlands with sales of SEK 1.4 billion.

Steps towards a more sustainable healthcare system

Operating at the centre of the healthcare value chain, we serve as an important link between the product companies that manufacture healthcare materials and the patients. This critical role in society also allows us to make a positive difference to the sustainability of healthcare in Europe.

Healthcare is heavily reliant on single-use products, which adds to the burden on our planet. If healthcare were a country, it would be the equivalent of the fifth largest country in the world in terms of CO_2 emissions. Against that background, our aim is to make it easier for healthcare to make more sustainable choices. During the year, we therefore launched the Embra brand, our option for medical supplies with lower impact on the climate. The brand's first product is a medical patient examination glove which has 27 percent lower CO_2 emissions than comparable products. That may sound like marginal help for the planet, but if all of Europe's healthcare switched to this glove, it would save nearly 500,000 tonnes of CO_2 emissions per year. For comparison, this equates to about 2,000 million kilometres by car. The glove has been very favourably received by our customers, and it is evident that more and more procurements include clear sustainability requirements.

Our main contribution to the SDGs lies in providing for good health and well-being. In 2022, we received solid recognition of our work to promote sustainability in the form of a Gold rating from the sustainability rating company EcoVadis. The award ranks Asker in the top five percent companies among more than 100,000 companies assessed worldwide. This shows that we are on the right track, but it also spurs us on to do more.

Launch of the Asker Management Standard and Asker Business School

In 2022, we took decisive steps to create a stable and scalable structure to ensure effective control in our growing group of companies.

We strongly believe in the philosophy of decentralised business, where the companies in the Group are largely in charge of their own operations, but where certain aspects are governed by the Group's common “rulebook”. This enables us to ensure that we operate from a framework of the same values and always take the best interests of healthcare as a starting-point when doing business, but also that we benefit from being a large group. We call this shared framework the Asker Management Standard.

Within our recently launched Asker Business School, we bring together and share our expertise in the Group. The School provides important training courses for all employees, but it also serves as a forum in which colleagues from all parts of the Group come together to share experiences and create contacts.

Consolidation has begun and is now quickly gathering pace

Unlike product companies in the healthcare sector, which has already consolidated and is characterised by a small number of large global providers, the process for distributors in the sector in Europe has only just begun. Distributors need to get bigger and stronger if they are to be able to help the healthcare system to improve efficiency and simplify for healthcare providers.

We have identified nearly 3,000 companies of interest in terms of making our offering more powerful and extending our geographical reach.

The next ten years will be crucial to transformation of the sector. But this is a marathon, and the runners have only covered a few miles so far. In this process of streamlining and consolidation, we have taken a leading position, and as a leading provider we will continue to drive positive change and support healthcare – this is Health in Progress.

Johan Falk,
CEO, Asker Healthcare Group

Asker helping with solutions to healthcare challenges

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

As a result of improvements in public health and innovations in medical technology, life expectancy is approaching 80 years in many countries of the West. According to the UN, the proportion of the population aged 65 and above is expected to increase to 16 percent by 2050. This means that one person in six will be aged 65 or above.

At the same time, the proportion of people living with chronic diseases such as diabetes is increasing. This is already a factor in shortages of health professionals and is imposing a considerable strain on the healthcare sector. Finally, use of disposable healthcare products is leading to severe pressure on the planet from production, transport and waste.

A mission to make a positive difference

Healthcare systems across Europe are undergoing major changes to meet the healthcare needs and challenges of the future. Asker is part of this current transformation and aims to contribute to improved public health, not just for the few but for the many. By fulfilling its role and following through on its mission, Asker can serve as a reliable partner, working closely with European healthcare providers to meet the challenges of the future.

Asker's mission is to play a part in solving the challenges of healthcare

Challenges	Solutions
Patients – an ageing population An ageing population that is living longer and an increasing proportion of those suffering with chronic diseases.	**Improving patient outcome** Ensuring that patients and professionals have access to the right products and the right knowledge at the right time in order to facilitate treatments and achieve the best outcomes.
Society – rising costs The costs of healthcare are constantly rising.	**Reducing the total cost of care** Asker not only helps to reduce costs by giving healthcare providers more power in purchasing, but also by creating the scope for increased efficiency in processes and treatments.
The planet – big footprint, both environmentally and socially Unfair working conditions in production and high environmental impact.	**Creating a fair and sustainable value chain** Asker offers safe, high-quality products and services while taking responsibility for a fair and sustainable value chain.

Supporting nurses for better wound care

For eight years, Maria Käll and her colleagues in the wound care team have supported healthcare professionals in dealing with patients with hard-to-heal wounds. In 2018, work started on introducing more digitalisation to the process as a whole, with an app designed for nurses who dress the wounds. Now, the team behind the OneWound app is in daily contact with nurses.

"When I meet with representatives of regions, municipalities and healthcare centres to tell them about OneWound and the app, it is not especially difficult to show the benefits it offers. Even so, they get a little puzzled. In short, they wonder why a company selling medical supplies is offering something that will make them buy less materials in the future. But that's the beauty of it all. This represents an added value. A proof, and recognition, that we don't just sell products. We're a partner in day-to-day healthcare", says Maria Käll, Head of Wound Care Development.

Maria speaks about her and her colleagues' work on the OneWound app with great enthusiasm. But also with pride. When the project started, she found it hard to believe that an app could become the channel of communication that it is today, filled with humanity and warmth. She describes herself as a sceptic when it comes to new technology, and when the app was to be developed, she was afraid it would be clinical, rigid and anonymous. Today, she realises that, fortunately, the outcome has been quite different.

"It's clear from the chat how the nurses are growing in pride and are grateful for the support they receive from our team. And it's so rewarding to see how we reach out to each other. Healthcare professionals need all the support and encouragement they can get", says Maria.

Maria is careful to emphasise that it is not just about soft values, such as more time for each patient encounter or nurses' pride. Just as importantly, they can show in real numbers how the wound care programme on which the OneWound app is based is making a difference. Reduced waste, lower total costs and fewer transport journeys, for example. Statistics that have rarely been readily available to healthcare professionals until they started to use the app for practising and monitoring wound care. But the real benefit, of course, is felt by patients, whose wounds heal faster and require less treatment when they get the right help from the start.

"To me, when a wound heals up the feeling is like the one that football fans get when the ball goes in the top corner: It's a goal! And the nurses we're in contact with are scoring goal after goal, healing wound after wound", Maria explains with pride in her voice.

Since the pandemic, there has been strong interest from the health sector. People there are ready to make improvements, but they are also more open to digital tools after years of digital meetings, both internally and with patients. But what is most interesting is that word of the app is spreading between people. Satisfied clients who proudly talk about how they have used smart technology for real change and improvement.

"Hardly a day goes by when I'm not contacted by healthcare centres, municipalities and regions that have heard about the app and want to know how it can make a difference for them. It's a win for everyone who has worked on developing the app, for those of us who advise nurses every day, and for patients. We're ready to grow with this mission and hope that no one in Sweden will have to live with hard-to-heal wounds any longer than necessary", Maria concludes.

"We're a partner in day-to-day healthcare."

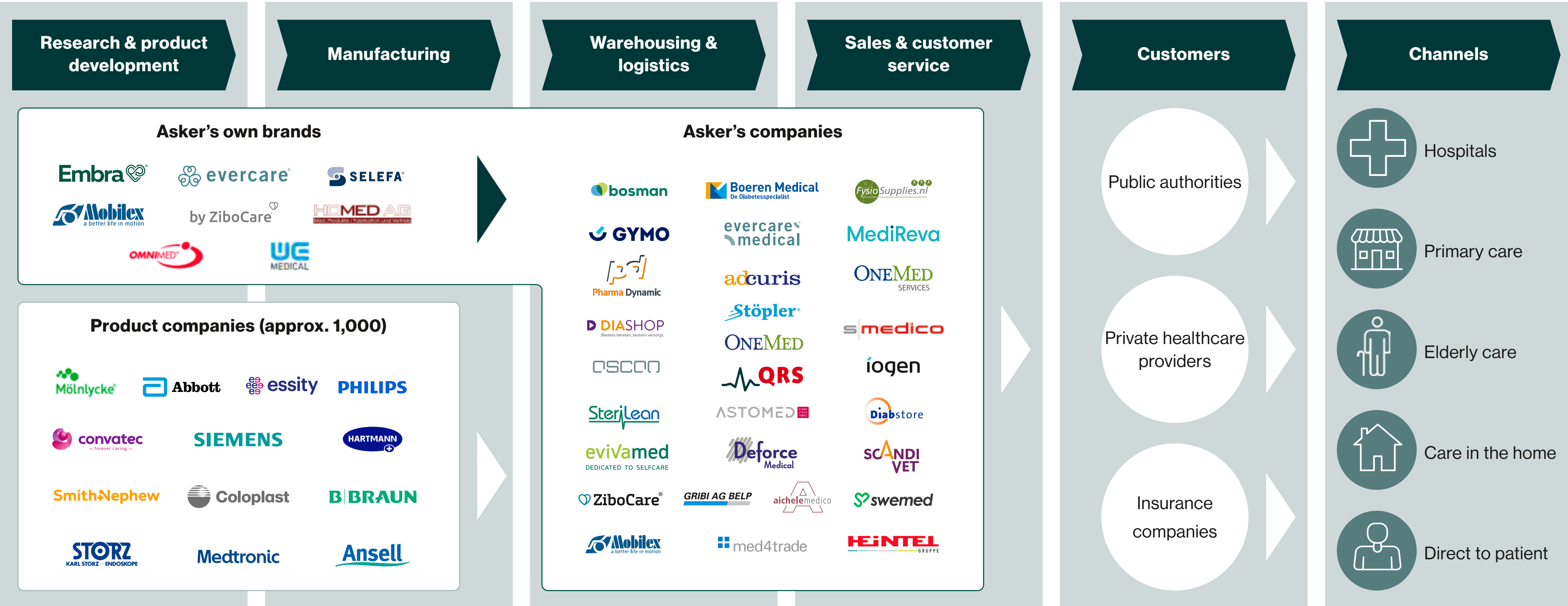
Maria Käll, Head of Healthcare Development, Wound Management

Facts about OneWound

OneWound is a tool to help healthcare professionals assess and treat hard-to-heal wounds. The service consists of an app that draws on artificial intelligence and wound experts to reduce wound treatment time by 80 percent and antibiotic use by 76 percent (validated in a study by the Nordic Health Care Group).

Asker is the link between product companies and healthcare providers

Asker companies typically function as brand-neutral, expert suppliers that have a direct relationship with the end-customer. They serve as a link between product companies and healthcare providers such as hospitals, health centres and retirement homes. By supplying the healthcare sector with the right products at the right time and in a seamless, cost-efficient manner, while at the same time offering wide-ranging expertise, Asker creates value for both customers and patients.



Asker's companies function as brand-neutral distributors of medical supplies, devices and equipment, drawing on in-depth knowledge of national healthcare systems. Healthcare professionals are offered help in selecting the products best suited, in terms of cost and quality, to each care situation, irrespective of the product company. The range on offer mostly consists of the product companies' products, but supplemented by own brands.

> "Asker's ambition is to become a specialist department store where healthcare professionals can buy everything they need and get help in choosing the right product for their needs."

A brand-neutral supplier

Asker combines its in-depth knowledge with a extensive offering and a high level of service. The Group includes both full-service suppliers selling everything the healthcare sector needs – other than medicines and heavy equipment – and specialist companies that focus on selected healthcare niches.

The around 50,000 items that Asker's companies supply to the healthcare sector include quality products from large, well-known product suppliers, along with own brands in certain product categories such as gloves and surgical gowns, but also spare parts for wheelchairs and walkers, for example. This creates an attractive overall offering to customers who, regardless of brand, get help in choosing the best products for their specific preferences and needs.

Efficient product supply cuts costs

Asker combines a local presence and expertise with the benefits of scale available in a major organisation. The Group's companies are focused on providing a high level of service to customers, via customised solutions that best fit with conditions in the local market.

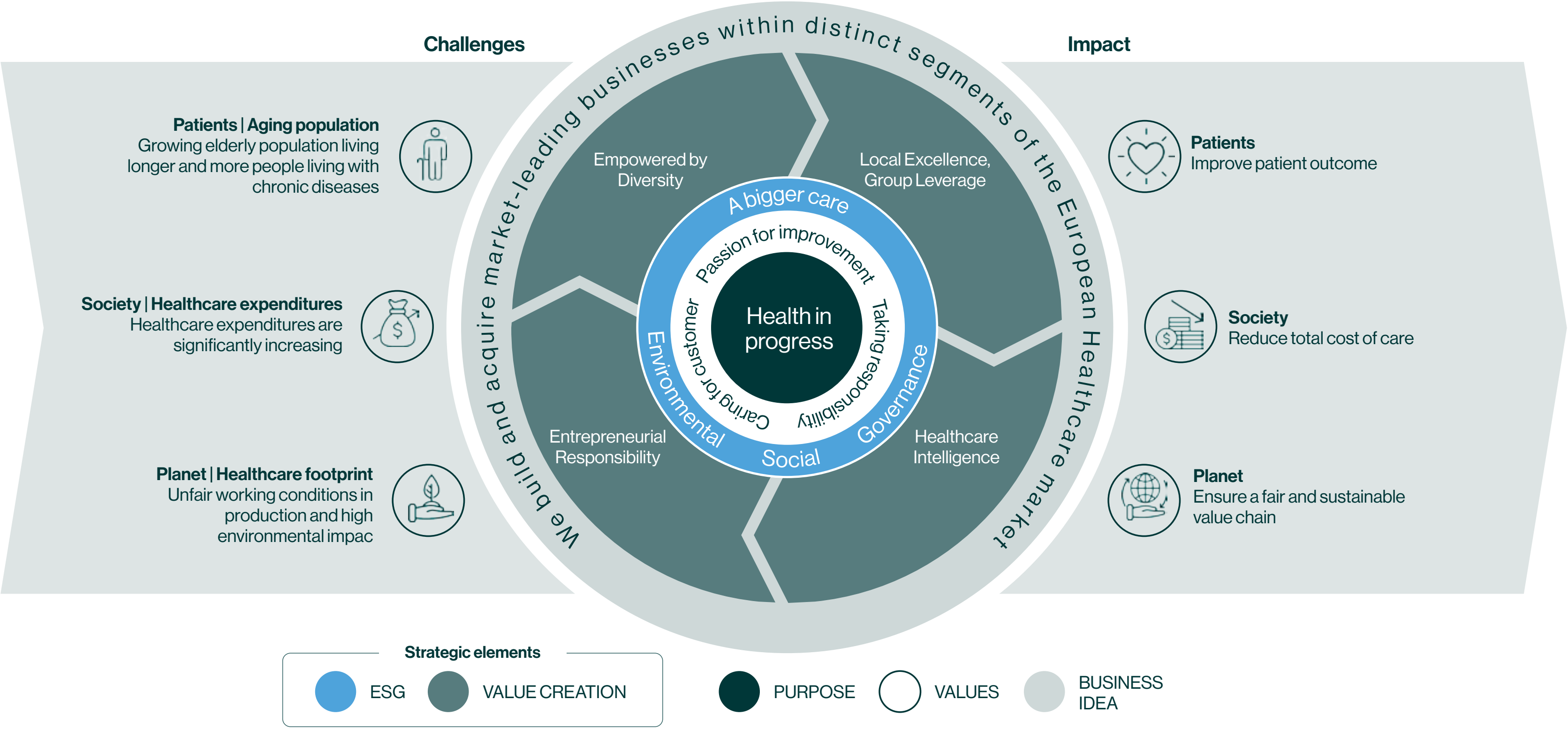
Asker has created an efficient product supply and logistics chain capable of handling the approximately 55,000 parcels sent every day. Customers can also feel confident that their products are made under safe and fair conditions. Also, by ensuring that the right product gets to the right patient at the right time, Asker helps to simplify healthcare and reduce total costs for the sector.

Sustainable healthcare solutions for better health

Asker has a model for value creation. The model is the Company's map and compass for achieving its vision of being the leading group in Europe in medical supplies, devices and equipment. It also guides the work of enabling continuous improvement in health care, in line with the Asker mission – Health in Progress.

Asker's value creation model is based on the challenges facing healthcare today. The model consists of five strategic components – with ESG embracing all – that highlight how Asker differentiates itself and creates competitive advantages in the market. Successful implementation of the strategic components will secure the organisation's organic growth and create value for patients, society and the planet.

> **"Our value creation model is based on the challenges facing healthcare today."**



Value creation at Asker is based on five strategic components

A Bigger Care

Asker and its Group companies are long-term, sustainable partners to the European healthcare sector. Asker companies offer products and service solutions that safeguard the health, safety and well-being of patients, society and the planet. Asker is a positive force that takes responsibility for the entire value chain and contributes to societal benefit (for more information, please see next page and the Sustainability Report on pages 34–66 for a detailed description of Asker's work on sustainability).

Local expertise with Group support

Asker combines local expertise and entrepreneurship with the strength of being a large group. Local operations have the full mandate and responsibility to develop their businesses while benefiting from the strength of the Group-wide model. This means drawing on the Group's resources, achieving economies of scale where possible and sharing experiences and best practices.

Knowledge of healthcare systems

Being the best-informed Group in the sector is the key to success. Insights into complex issues in the sector open the way to new solutions and ideas. This may include changes in reimbursement models, understanding of procurement procedures and technological developments. It may also involve what is best practice in the sector or an ability to recognise the differences between various markets. This requires in-depth knowledge of different healthcare systems and expertise in the technology shifts that are driving change.

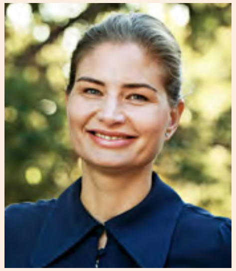
Entrepreneurial responsibility

Asker strives to be the partner entrepreneurs want to team up with, by respecting and taking good care of the companies acquired. Asker attaches high value to the factors that have made the companies successful. The ambition is to develop a deep understanding of and to capitalise on the company's entrepreneurial thinking and what inspires and motivates employees to help take the company further in its development. This is a key factor in ensuring the shared journey will be a success.

Diversity is strength

Different is good. Asker relies heavily on talented employees with a variety of skills, qualities and backgrounds. When people work as a team, Asker becomes stronger as a group. With a large group of skilled and diverse employees, Asker is an attractive proposition for potential recruits. As people grow, so too do businesses.

Reduced climate impact via new Embra product range



> **More and more customers are asking for products with lower impact on the climate."**
>
> **Sanna Norman,** Head of ESG.

The healthcare sector has a major need for disposable products, and gloves are one of the most-used products in the healthcare sector. Every year, more than 300 billion disposable medical gloves are used globally, with about 2 billion being used in Sweden. Manufacture of disposable products generates high carbon dioxide emissions, but waste is also a burden on the planet.

In 2022, Asker Healthcare Group's subsidiary Evercare Medical launched a new product line – Embra – of consumables designed to reduce the climate footprint of the healthcare sector. To qualify as an Embra product, certain criteria have to be satisfied (see fact box, right).

"More and more customers are asking for products with a lower climate impact. By performing life cycle analyses on existing products, we have identified where in the chain the largest emissions are generated and which input parameters we can alter to reduce them. The first product in our new Embra line is the Proceed medical examination glove launched last autumn. It is made from a new nitrile-based material that requires less energy in the production process and generates 27 percent lower carbon dioxide emissions than the nitrile gloves commonly used in healthcare, with comparable function and quality. We plan to launch five more Embra products in 2023", says Sanna Norman, Head of ESG.

Product range supplemented by own brands

For some products, such as medical examination gloves, Asker has chosen to supplement the product range with its own brands. These are manufactured by third parties and sold in several of Asker's markets. The aim is for the products to help healthcare providers ensure that there are more alternative products to choose from to reduce healthcare costs or, in the case of Embra, to reduce climate impact.

Facts about Embra

New range of products developed by Asker's subsidiary Evercare Medical.

The products are free from harmful substances as per the SIN List and must satisfy at least one of the following criteria:

- generate 20 percent lower CO_2 emissions than comparable products in terms of function and quality, or
- consist of at least 70 percent bio-based material (e.g. sugar cane), or
- consist of at least 50 percent recycled material (e.g. recycled plastic); or
- be 100 percent circular.

A Bigger Care – a total commitment

A Bigger Care is Asker's sustainability strategy. The company's ambition is to take responsibility that extends beyond its own direct impact. The company is endeavouring to create a fair and sustainable value chain – from production to use. The ambition is to deliver products and services that not only improve healthcare but also reduce costs and environmental impact.

As a leading supplier of medical supplies, devices and equipment in Europe, Asker Healthcare Group operates at the centre of the value chain and so serves as an important link between production and consumption. This creates a unique opportunity for Asker to drive development in sustainability along with its partners, but also by developing its own product range to help reduce climate impact.

Asker has high ambitions for its sustainability work to be a positive driving force in developing and securing the healthcare of the future. Asker performs its sustainability work in three focus areas that are integral to the company's strategy and are based on

Asker's materiality analysis and ongoing stakeholder dialogues. Each focus area has clear objectives.

Asker is part of a bigger picture

Asker aims to be a positive driving force that contributes to the benefit of society. Against that background, the company bases its sustainability work on the framework and direction set by UN's Sustainable Development Goals. Asker focuses on six of the global sustainable development goals (SDGs), where the company can influence and contribute through its 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.

Through its sustainability strategy, Asker plays a part in enabling the UN's global SDGs to be achieved

Asker focuses its sustainability efforts on three areas

Healthy lives

Climate conscious healthcare

Fair value chain and safe work environments

Asker's contribution to the SDGs

3 GOOD HEALTH AND WELL-BEING

Good health and well-being
Asker's biggest positive contribution lies in improving health outcomes and reducing costs.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Responsible consumption and production
Asker's role in the value chain allows it to contribute to more sustainable production and consumption in the healthcare sector.

13 CLIMATE ACTION

Climate action
By setting scientific climate targets and reducing the climate impact of healthcare, Asker is helping to combat climate change.

8 DECENT WORK AND ECONOMIC GROWTH

Decent work and economic growth
Asker offers employees a safe and secure work environment, equal pay for equal work, and expects the same from its suppliers.

5 GENDER EQUALITY

Gender equality
All of Asker's companies work for greater equality. Women and men have equal opportunities to achieve leadership roles and take part in decision-making.

16 PEACE AND JUSTICE STRONG INSTITUTIONS

Peace, justice and strong institutions
Asker has a highly-developed Code of Conduct and zero tolerance of bribery and corruption, in its own operations and in the value chain.

Stable market with strong 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. MedTech distribution is currently undergoing consolidation, a development that Asker is actively driving forward. A market of fewer, and larger, providers creates the scope for greater efficiency and thus the possibility of reducing the total costs of healthcare, for the benefit of society.

WHO estimates that total expenditure on healthcare globally amounts to SEK 80,000 billion annually, of which Europe accounts for SEK 10,000 billion, and this expenditure is increasing. 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. Sales total SEK 450 billion simply in the countries in Europe where Asker has a presence.[1]

The MedTech market is growing at an average annual net rate of 2–3 percent. Asker has set a target of growing faster than the market. Because the demand for healthcare is relatively stable over time, the sector is only affected to a limited extent by economic fluctuations.

The market is fragmented. In total, around 33,000 MedTech companies operate in Europe. This includes both product companies and distributors[2]. 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 are increasingly dependent on distributors. Sales are also conducted directly by the product companies, but these are mainly to large hospitals and in the largest markets in Europe. The role of the distributor is gaining in strength, and several global product companies have started using distributors more and more. The distributors' share of the market is also growing, driven by the healthcare sector's need to become more efficient. Also, as more care moves out of hospitals, distributors have a socially critical role to play in the practical aspects of this transformation.

Customers consist of public- and private-sector healthcare providers that procure products and services on behalf of hospitals, health centres, doctors' surgeries, retirement homes and home care services. However, products and services are also sold directly to patients. As healthcare systems operate differently in different countries, the proportion of public procurement versus commercial contracts also differs from one country to another. For more information, please see the region concerned on pages 23–32.

The MedTech market has annual sales of approximately SEK 1,260 billion and may be divided into three segments:

SEK 380 billion

Medical supplies

Products in this segment include protective clothing, disposable 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.

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

External factors driving developments in the sector

Consolidation among distributors in the healthcare sector has started and is expected to accelerate in the years ahead. This development is driven above all 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 long with chronic diseases. Hospital beds are costly, so care for the elderly and chronically ill is increasingly moving from hospitals to retirement homes and people's own homes. The health sector also leaves a major environmental footprint that has to be reduced to care for the health of the planet as well.

2. Opportunities to improve efficiency along the value chain

European healthcare systems are country-specific and most 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 minor distributors offering a limited range of different products and brands. 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 needs, is challenging. Fewer, and larger, suppliers who can both offer a wider range of products and coordination to reduce administration can keep costs down.

Value creation through development and acquisitions

Asker is growing both organically and through acquisitions. Asker's strategy is clearly focused on serving as a partner in healthcare and developing and acquiring market-leading businesses in selected segments of the European healthcare market.

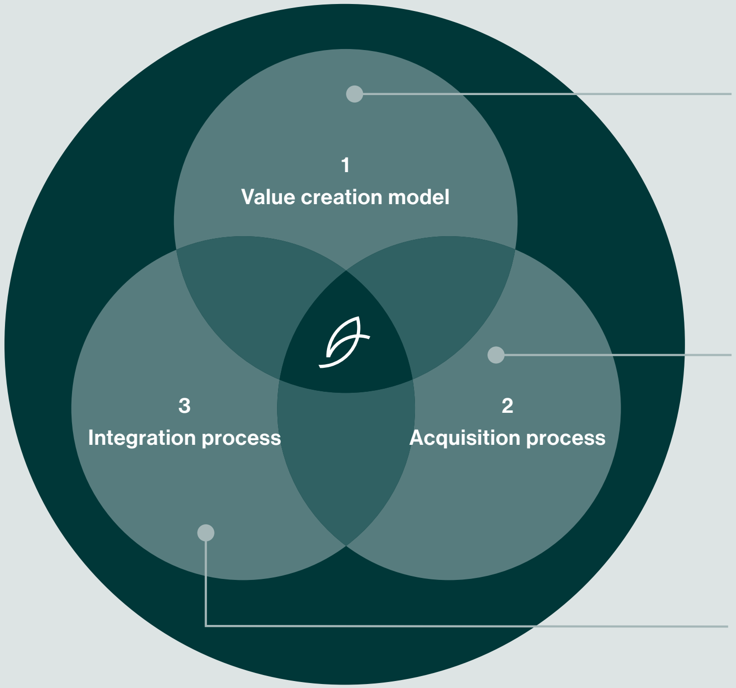
Asker develops and acquires companies that make a difference to the European healthcare sector. The ambition is to become a full-range supplier of medical supplies, devices and equipment for all the products required during a person's lifetime – from birth to end-of-life – throughout Europe.

Supporting companies in their development

At Asker, local entrepreneurship is crucial, based on the belief 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 develop via the size of the Asker organisation. Asker's contribution consists of a clear focus on operational excellence, providing companies with a broader product portfolio and strong supplier relationships. Other factors include the benefit of cross-selling opportunities into new markets and niches, and access to the Group's wide-ranging experience and expertise in procurement.

Four Centres of Excellence have been created to harness the Group's experience as regards recurring

Asker's operational strategy



1. Value creation model
Asker's strategic compass that guides organic development in the Group companies.

2. Acquisition process
Asker has a well-structured and proven acquisition process and strong governance with a focus on the soft side of the business.

3. Integration process
Asker's model aims to ensure compliance and control, while valuing entrepreneurship and customer focus.

Asker's operational strategy clearly defines how the company will grow and develop successfully, both organically and through acquisitions.

issues – including private labels, purchasing, IT and supply chain & logistics. These serve as knowledge banks and conduct joint projects to create best practices and common solutions to problems in different areas.

Growth through a clear acquisition strategy
Acquisitions are an important part of Asker's focus on generating growth. Through the acquisition of small and medium-sized companies that add new products, customer groups and/or channels, a comprehensive offering to customers is gradually being built up. Added to this are major acquisitions of companies that function as platforms for reaching new product categories or geographical markets. By being a major provider, Asker can create the conditions for a more efficient healthcare value chain.

Structured acquisition process
A structured M&A process, a broad network and a deep understanding of the entrepreneur's 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 looking for a partner ahead of an imminent change of generation, or for support to grow the business.

Entrepreneurial freedom is important to the success of the companies concerned. As a result, Asker generally does not integrate the companies that are acquired and they continue as independent companies in the Group. However, the companies are responsible for implementing and complying with the Group's values, policies and key rules.

Customers and channels
Focus on strengthening presence with all customer groups and channels – from hospitals to directly to patients.

Geography
Focus on companies in Central and Western Europe.

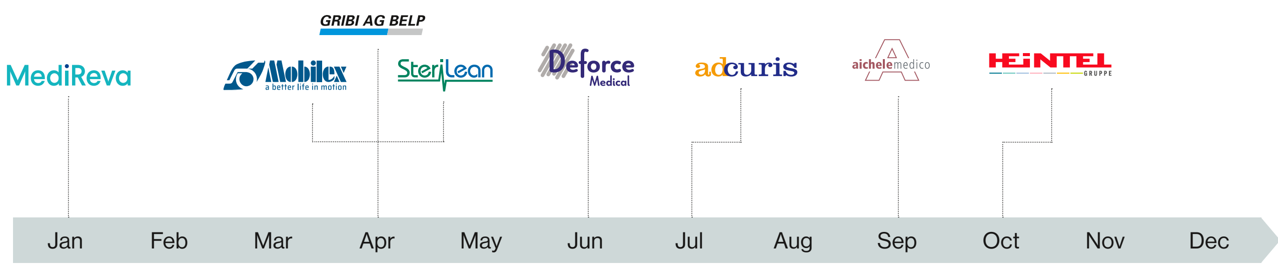
OUR FOCUS

Position in the value chain
Focus on companies that put the customer at the centre, have a direct relationship with the customer and are brand-neutral.

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

When acquiring companies, Asker focuses on four elements.

Asker acquired eight companies in 2022



Asker chosen by Gribi to gear up for faster growth

In 2022, Asker acquired Swiss MedTech supplier Gribi AG Belp from its owner and Managing Director, Cornel Kägi. Gribi is a leading supplier of medical equipment to the Swiss hospital market. With products mainly in surgery, ear-nose-and-throat, orthopaedics and ostomy.

Cornel Kägi was not actually planning to sell his company, but wanted the muscle to expand. When the dialogue with Asker began, he realised that Asker could give him and his company the opportunity to be part of a bigger picture, to be able to share ideas and knowledge with others, but still be able to run his own business. This was important, because it was one of the reasons he once chose to become an entrepreneur – to have a large measure of freedom.

"My values are very much in line with Asker's. I'm an entrepreneur to the core and was attracted by Asker's decentralised model. My team and I take responsibility for ensuring that the Group's values, rules and policies are upheld. But we're free to choose our own way forward", says Gribi Managing Director Cornel Kägi.

Opportunities for Asker in a market with many entrepreneurial operators

The Swiss healthcare system is compulsory and universal, but it has a high level of private sector involvement. Swiss healthcare is ranked among the very best in the world, but is the third most expensive, after the USA and Germany, according to OECD statistics. The Swiss market is fragmented with many small providers, and hospitals have an important role to play as purchasers of medical equipment. Consolidation is under way in the industry and many small healthcare providers are seeking various ways to streamline their operations. Many entrepreneurial companies in Switzerland are now looking for an exit. In that situation, Asker has the opportunity to become a good owner with financial muscle, and can offer support to enable companies to develop and continue growing.

"When I was approached by Asker, I saw the potential for the company's further expansion. We entered into discussions that resulted in me selling to Asker but staying on as Managing Director of the company. I feel that I've received a lot of support from Asker and I'm happy to have acquired a broader mandate. I now head Asker's entire Swiss operation, which will continue to grow, both organically and through acquisitions", continues Cornel Kägi.

Continued expansion for Asker in Switzerland

Asker sees several attractive opportunities for further acquisitions in the Swiss market, where Cornel Kägi, his team and effective networks have already created business opportunities. Asker's ambition is both to continue to expand in Switzerland and to expand its offering to include more categories and channels. At year-end 2022, Asker owned three companies in Switzerland, with a total of around 80 employees.

Cornel Kägi, Managing Director, Gribi AG Belp, and Country Manager Switzerland at Asker Healthcare Group.

Facts about Gribi AG Belp

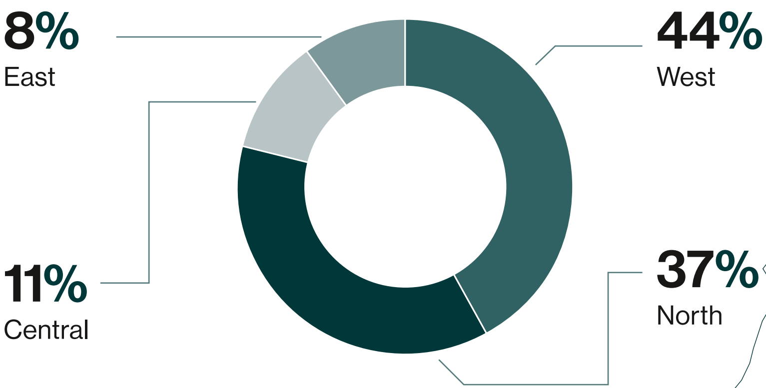
- Niche Swiss MedTech provider, founded in 1938, joined Asker in 2022.
- Annual sales of about SEK 140 million, average annual growth of 11 percent over the past five years.
- Employs 40 people, owned by Cornel Kägi for ten years until he sold 80 percent of the company to Asker.

Asker's business areas – an overview

Asker Healthcare Group focuses on Western Europe and today has a presence in 14 markets, including the Supplier Audit Unit in China. Operations are conducted in four business areas, classified per 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



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. North accounts for 37 percent of the Group's total sales. At year-end 2022, the business area included 10 companies with around 530 employees.

Market

Customers in Business Area North are largely public healthcare providers run by the regions and municipalities in Sweden and Norway, but they also include a significant element of private healthcare providers. The company's products and services are used by hospitals, health centres, retirement homes and home care services, but sales are also made directly to patients. Some sales are also made to pharmacies and individual clinics, as well as to the military.

In North, most sales are made through public procurement processes, with two-year contracts 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.

Sales[1)]

SEK **4,306** m.

EBITA[2)]

SEK **547** m.

EBITA margin

12.7%

[1)] From external customers.

[2)] EBITA excluding acquisition and integration costs.

Companies in the Business Area

ONEMED SWEDEN / ONEMED NORWAY	**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.
swemed	**Swemed** offers a wide range of equipment and medical supplies for the healthcare sector via its online store.
GYMO	**Gymo** is a reseller of medical products and equipment to hospitals, municipalities, health centres and B2B in the private healthcare sector.
SCANDI VET	**Scandivet** is a full-range supplier of veterinary equipment. Founded in 1993, the company offers a wide range of products.
ASTOMED	**Astomed** is a leading distributor of equipment and products for beauty clinics and salons in the Nordic region.

By always being there for our customers, we consolidated our position in both Sweden and Norway during the year. The proportion of procurement and contract wins remained high. Furthermore, we boosted our offering to the emergency services and defence sector via the acquisition of Adcuris."

Peter Nilsson, Business Area Manager North

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 extent, and mainly with private healthcare providers. Sales are made both for individual products and through baskets of products in specific categories or therapeutic areas.

Asker's position

Asker is market leader in Sweden and Norway through the Onemed subsidiary. The company's offering is extensive, encompassing medical supplies, devices and equipment and various digital solutions. The highest proportion of sales is to hospitals, municipalities, retirement homes, home care and the emergency services. In Sweden and Norway, Asker's Onemed companies are also the leading 4PL suppliers in both markets, with activities including product purchasing, deliveries to healthcare units and patients and customer service. In Norway, the 4PL business is managed via Onemed Services, which meets the entire demand for medical supplies to the South-Eastern healthcare area and maintains the national and regional emergency stocks for the Norwegian market.

Developments in 2022

During the beginning of the year, sales and operating profit (EBITA) was positively affected by Covid-19. The effects normalised during the year. Adjusted for the effects of Covid-19, Business Area North recorded a stable trend of sales over the year, which was also underpinned by the acquisition of Adcuris in July and the full-year effects of the acquisitions made in 2021.

Developments during the year were also positively affected by transactions related to the build-up of emergency stocks.

Companies in the Business Area

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

OneMed Services is a high-quality fourth-party logistics provider for medical equipment and pharmaceuticals. The company's main customer is HelseSør-Øst, which covers 55 percent of Norway's population.

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

Evercare Medical develops products that are making a positive difference in the European healthcare sector, with a comprehensive offering.

Business Area West

Business Area West is the largest of Asker's business areas, with 44 percent of total sales for the Group. West comprises Belgium, the Netherlands and Luxembourg, as well as Denmark, with a total population of just under 35 million. At year-end 2022, the business area consisted of 13 companies with around 1,300 employees.

Market

In the Netherlands, Business Area West's largest market, sales are made both directly to hospitals and healthcare institutions and directly to patients through an insurance system. In the system, all residents have compulsory health insurance and then 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. The company's products and services are used by public- and private-sector hospitals, health centres, doctors' surgeries, retirement homes and home care services, but sales are also made directly to patients.

In West, a high proportion of sales are made via commercial contracts, above all in the Netherlands, while in Luxembourg and Belgium sales are made via both commercial contracts and procurement. In Denmark, sales are mostly conducted via public procurement, but are also made directly to doctors. Both individual products and baskets of products in specific categories or therapeutic areas are sold.

Asker's position

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

Sales[1]

SEK 5,188 m.

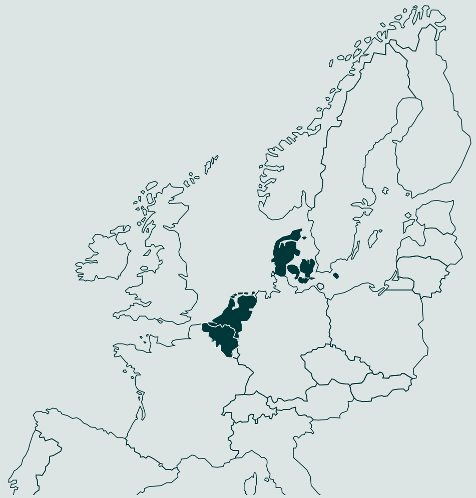
EBITA[2]

SEK 330 m.

EBITA margin

6.4%

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



Companies in the Business Area

Bosman supplies medical equipment and provides support and assistance to people needing ostomy, wound, diabetes and urological care.

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

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

FysioSupplies offers a range of products for physiotherapy practices and consumers; products include consumables, exercise equipment and measurement and treatment equipment.

Founded in 1976, **Boeren Medical** sells directly to patients with diabetes. The company offers a wide range of products for diabetes care.

In early 2022, we completed our largest acquisition to date, Medireva, further strengthening our direct-to-patient offering. We are now by far the largest operator in the region in this niche. In addition, we have developed a clear offering to hospitals and other healthcare institutions. Through these two business areas, we will focus on continued growth in the years ahead, leveraging our size to best support healthcare and patients."

Pieter-Jan Jongeling, Business Area Manager West

In Denmark, the company is strongly placed primarily in ostomy and urology through its subsidiary Onemed. During the year, it also established a strong position in the rehab segment through the acquisitions of Mobilex and Zibocare.

Developments in 2022

Business Area West grew rapidly during 2022 through the acquisition of Medireva, Mobilex, Deforce Medical and Sterilean. The acquisition of Medireva, in particular, with annual sales of SEK 1.4 billion, contributed to the strong growth in sales. Organically, West showed stable growth. The global semiconductor shortage negatively impacted sales and operating profit (EBITA) by delaying project sales of medical equipment. The integration of Medireva is progressing well, but the process of change put pressure on margins during the year.

Companies in the Business Area

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.

Diabstore is a specialist treatment centre for people with type 1 diabetes. Diabstore provides diabetes aids and medicines.

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

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.

Sterilean is a specialist company selling surgical instruments, servicing and repairs to public-sector and private-sector hospitals in Denmark.

Expert support for people with diabetes

Asker's team in the Netherlands has developed a support centre with both a website (diabetesexperts.nl) and a customer service team of specialist nurses. The website is an independent and objective source of knowledge for people with diabetes and health professionals alike, bringing together important information on diabetes.

“When someone is diagnosed with diabetes, there is a lot they need to know. As an individual, it can be difficult to deal with all the new information and challenges, and to get the support you need. Our digital service lowers the threshold for patients to access information and speak the same language with their doctor and nurse”, says Jelena Woudenberg, one of our diabetes specialists.

“Recent years have seen a major technological shift in diabetes care, with new tools and products being created to better control diabetes treatments. In the long term, this can reduce the risk of complications and extend lives. At diabetesexperts.nl, we inform about all available diabetes technology and offer handy online tools that help patients choose the right technology”, continues Jelena Woudenberg.

A product comparator, decision aid, expert advice, demonstration videos, product information and an extensive knowledge database provide patients with information and advice on their treatment and on new technologies such as insulin pumps and glucose sensors. In every case, to improve the conditions for their self-care, to facilitate day-to-day life and, ultimately, to create a better quality of life.

> “We have collected information along with expertise on developments in diabetes care at diabetesexperts.nl.”

Business Area Central

Central comprises Germany, Switzerland and Austria, with a total population of just under 140 million. Central accounts for 11 percent of the Group's total sales. At year-end 2022, the business area included seven companies with around 380 employees.

Market

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

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

Sales[1)]

SEK 1,308 m.

EBITA[2)]

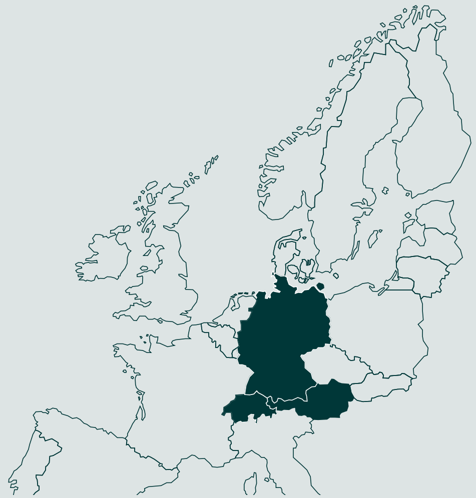
SEK 43 m.

EBITA margin

3.3%

1) From external customers.

2) EBITA excluding acquisition and integration costs.



Companies in the Business Area

GRIBI AG BELP	**Gribi** is a leading supplier of medical equipment, mainly in the form of products for surgery, ear-nose-and-throat, orthopaedics and ostomy, to hospitals in Switzerland.
evivamed DEDICATED TO SELFCARE	**Evivamed Handelsgesellschaft** supplies diabetes care products to resellers, pharmacies and wholesalers.
DIASHOP Bestens beraten, bestens versorgt.	**Diashop** offers diabetes products to patients through a network of 38 Diashop stores in Germany, complemented by mail order and online stores.
med4trade	**Med4Trade** is a B2B distributor of medical supplies, devices and equipment.

Asker's position
Business Area Central is the most recently established of Asker's business areas. The objective is also to build a leading position in these markets. Over the past two years, seven acquisitions have been made, creating a solid platform for continued growth in the region. In Germany, Asker set up operations in 2021 by acquiring three companies focused on diabetes products and wound care. In Switzerland, where operations started with an initial acquisition in 2020, we have built a strong position in mainly disposable products for surgery, orthopaedics, incontinence and wound care. In Austria, Asker established operations at year-end 2022 through an initial acquisition that will form the basis for further expansion.

Developments in 2022
The business area is growing rapidly through several acquisitions. Asker's position in Switzerland was strengthened during the year by the acquisitions of Gribi and Aichele.

In 2023, Gribi and Smedico will merge into one company to offer customers a wider range of products and more efficient solutions.

The year also saw the first acquisition in Austria, Heintel Gruppe, which will provide a platform for growth in the country. Organic growth increased slightly during the year and profitability and growth have been strengthened by the acquisitions.

"Since 2020, an active M&A agenda has enabled us to create a position in the German, Austrian and Swiss markets. During 2022, we further consolidated our position in Switzerland and have now built a platform for continued growth. We also entered the Austrian market during the year with the acquisition of one of the market's leading distributors."

Magnus Alsterlind,
Business Area Manager Central

Companies in the Business Area

SMEDICO offers orthopaedic wound care, surgical care and incontinence care products, as well as medical examination products, to hospitals, wholesalers and elderly care in Switzerland.

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.

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

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 8 percent of the Group's total sales. At year-end 2022, the business area consisted of five companies with around 110 employees.

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, retirement homes, home care, and both public and private healthcare sectors. In the Baltics, the main customers are the countries' public- and private-sector hospitals, but a growing segment is direct-to-patient sales of products whose cost is covered by the state.

Sales[1)]

SEK **916** m.

EBITA[2)]

SEK **99** m.

EBITA margin

10.8%

[1)] From external customers.

[2)] EBITA excluding acquisition and integration costs.

"We further consolidated our position as a healthcare partner during the year and expanded our offering with more products. Several new product companies have contacted us to sell their products and solutions. Adjusted for Covid-19, we have continued to grow with good profitability despite the challenges of high inflation and post-pandemic adjustment."

Markus Henriksson, Business Area Manager East

Companies in the Business Area

iogen

Iogen is one of Finland's leading distributors in eye surgery. Customers include public and private sector hospitals, as well as minor eye clinics.

ONEMED FINLAND

OneMed Finland offers 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 products within medical supplies in stock.

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

Asker's position

Asker's largest company in the region, Onemed, holds a strong position as a reliable partner in the Finnish healthcare sector. This position has been built up over many years of cooperation with its customers 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 performs strongly in medical equipment and support in anaesthesia, intensive care and diagnostics. In the Baltics, the focus is mainly on wound care, incontinence and respiratory aids, as well as personal protective equipment.

Developments in 2022

In 2021, the business area recorded major project sales related to Covid-19 protective equipment. The rapid decline in demand for this type of product in 2022 had a significantly negative impact on revenue and profit growth. However, the trend stabilised towards the end of the year and the underlying business is performing well.

Asker Business School:

Where knowledge is brought together and shared

The Asker Business School is the Group's own university. Available both online and in physical form, it is a forum for company managers and their staff. Through the school, they receive training in the Asker Management Standard, share experiences and get to know each other.

"The management teams of our acquired companies are invited to a two-day in-house training programme in the first six months after they join the Group. The programme onboards new people into Asker, via a process in which participants learn about Asker's values, governance model and the Centres of Excellence options. But it's also an opportunity for managers to get to know each other. Surveys show that it's a highly popular programme among participants", says Kerstin Mjömark, HR Manager at Asker and Principal of Asker Business School.

Honing the skills of managers and employees

The Asker Business School covers a number of areas, including the challenges of healthcare and Asker's role in the sector. Others parts address how corporate governance can be strengthened in Asker companies and what is important when making acquisitions. Areas such as sustainability and business ethics are also top priorities. Asker's ESG strategy, which permeates all parts of the organisation, is a strong focus area in the programme. IT security, supply chain and regulatory issues are also covered by the course programme.

"Our digital courses and e-learning programmes are open to all employees and will evolve over time with a growing range of courses. The company's operations and their needs determine much of the content of Asker Business School", continues Kerstin Mjömark.

Asker Business School is an important forum

The aim of the 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.

Facts about the Asker Business School

- Is Asker's own university for all employees.
- Provides both physical and digital training programmes.
- Established in 2022 and led by Kerstin Mjömark, Principal, who is also Asker's Head of HR.

"Our aim is to build a sustainable entrepreneurial culture and to create a common knowledge base and environment that promotes good ethics and knowledge sharing."

Kerstin Mjömark, Head of HR at Asker and Principal of the Asker Business School

Asker's Sustainability Report

Sustainability work

Asker has a holistic approach to sustainability that embraces every aspect of the business and takes responsibility for a fair and sustainable value chain – from manufacturing to product use. To Asker, sustainable business is about both doing good business and driving improvements that serve to improve everyone's health – this is "Health in Progress".

Asker is a link between producers of healthcare supplies and patients. By offering sustainable products and services, and by being a close, reliable and high-quality partner to healthcare providers, Asker is driving change in the healthcare sector.

Growing needs

Access to high-quality health care is an essential element in enabling people to live a healthy life. With an ageing population and more people living with chronic diseases, there is a growing need for healthcare, and at the same time increased demands for cost-effectiveness. Asker's ambition is for its products and services to improve patient outcome, reduce total cost of care and be a driving force in creating a fair and sustainable value chain.

The impact of healthcare on the planet

The healthcare sector accounts for more than four percent of global greenhouse gas emissions, mostly resulting from the production of medical supplies, devices and equipment. In addition, the high demand for disposable products in healthcare means that the sector annually generates almost six million tonnes of healthcare waste globally[1)]. Much of the waste is plastic-based. By offering healthcare providers innovative products and services with lower climate emissions, and by avoiding harmful substances, Asker is showing that it is possible to transition and reduce the sector's climate impact.

[1)] Source: Healthcare without harm.

In many cases, medical supplies, devices and equipment are produced in markets where there is a risk of corruption and human rights violations. Demand for high quality products made under fair conditions is growing. The Asker Supplier Code of Conduct and Supplier Due Diligence Procedure enables sustainable development by improving conditions at suppliers and third-party manufacturers in the value chain.

Asker's role in the transition to sustainable development

Asker's sustainability strategy is based on the UN Global Compact initiative and its ten principles relating to human rights, labour rights, the environment and anti-corruption. Asker is committed to reducing its greenhouse gas emissions under the Paris Agreement and contributing to the UN's global sustainable development goals. The global SDGs that are within Asker's power to influence and promote are an integral part of the Group's governance model and day-to-day work. With the company's materiality analysis, they form the basis of Asker's sustainability strategy – A Bigger Care.

The SDGs where Asker has the greatest positive impact

Main goal

3 GOOD HEALTH AND WELL-BEING

Good health and well-being
Asker's biggest positive contribution lies in improving health outcomes and reducing costs.

Supporting goals

5 GENDER EQUALITY

Gender equality
All of Asker's companies strive for greater equality. Women and men have equal opportunities to achieve leadership roles and take part in decision-making.

8 DECENT WORK AND ECONOMIC GROWTH

Decent work and economic growth
Asker offers employees a safe and secure work environment, equal pay for equal work, and expects the same from its suppliers.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Responsible consumption and production
Asker's role in the value chain allows it to contribute to more sustainable production and consumption in the healthcare sector.

13 CLIMATE ACTION

Climate action
By setting scientific climate targets and working to reduce the climate impact of healthcare, Asker is helping to combat climate change.

16 PEACE AND JUSTICE STRONG INSTITUTIONS

Peace, justice and strong institutions
Asker has a Group-wide Code of Conduct and zero tolerance of bribery and corruption, in its own operations and in the value chain.

A Bigger Care – Asker's sustainability strategy

Asker's sustainability strategy – A Bigger Care – is part of the company's business strategy. It sets out clearly how the Group must work to drive positive change throughout the value chain.

The company's sustainability strategy is based on the material sustainability issues identified via ongoing stakeholder dialogues and materiality analyses and an analysis of Asker's contribution to the global SDGs.

The strategy was further refined during the year and focused on three areas where Asker will proactively promote positive change:

- Healthy lives.
- Climate conscious healthcare.
- Fair value chain and safe work environments.

To deliver on the strategy, Asker operates according to a number of basic principles:

- Focus on areas where Asker has great opportunities for influence through the Group's business model.
- Integrate sustainability criteria in all Group companies.
- Engage all companies in projects to drive and measure progress in sustainability.
- Work actively with customers and suppliers towards achieving the global SDGs.
- Use sustainability-related key performance indicators and external evaluations as a basis for progressing sustainability work.

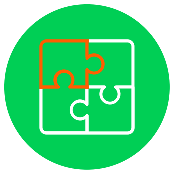
A Bigger Care – Asker's sustainability strategy

Healthy lives

Asker aims to offer effective, high-quality and safe products and services that enable more people to live healthy lives. Asker also aims to contribute to reducing the overall cost of healthcare for society.

Climate conscious healthcare

Asker focuses on reducing carbon dioxide emissions in the value chain and working with suppliers and customers to enable more resource-efficient and climate-efficient products and services to be offered.



Fair value chain and safe work environments

Asker's workplaces are to be safe and attractive. Asker also aims to offer products that are produced and delivered under fair conditions.

Healthy lives

Asker aims to offer effective, high-quality and safe products and services that enable more people to live healthy lives. Asker also aims to contribute to reducing the total cost of care for society.

According to the UN, the proportion of the population aged 65 or older is expected to increase from 11 percent today to 16 percent in 2050. This means that one person in six will be aged 65 or above. At the same time, the proportion of people living with chronic diseases such as diabetes is increasing. This is already creating shortages of health professionals and imposing considerable strain on the healthcare sector. It is a challenge that Asker can help healthcare organisations address. By offering a full range of effective, high-quality and safe products and advising on the right product, proposing alternative, more cost-efficient products or other services, Asker can improve patient outcomes and reduce the total cost of care.

Progress in 2022

During the year, efforts to improve the quality and safety of Asker's products continued on several fronts. The wound care programme OneWound, which provides digital support for patients and healthcare professionals, was launched in the Netherlands, Switzerland and Germany. The product company Evercare Medical was awarded MDR certification as confirmation of its high quality and standards.

Global goal	Target 2030	Targets to be achieved annually	Outcome 2022
3 GOOD HEALTH AND WELL-BEING UN Global Compact principles: 1-10	• All companies have implemented, and comply with, the Asker Management Standard • Customer satisfaction above industry average in all companies • All products sold are free from harmful substances as per the SIN List • All Group companies use services such as the wound care programme and the diabetes information page	• All companies' management teams are to be trained and certified in the Asker Management Standard • All employees receive career or skill-based training and regular performance and career development reviews • Certification of the Group's own brands under the Medical Device Regulation • Complaints per million products sold (CPM) less than 0.1 for own brands • No reviews by national regulators have led to business interruption • No incidents resulting in fines, penalties or warnings related to defective products or incorrect advice	• All management teams have been trained in the Asker Management Standard • Measuring of the proportion of employees who have received career or skill-based training has started. 76 percent of employees have performance and career development plans that are regularly updated • Asker's Evercare Medical subsidiary, which accounts for most of the Group's own brand sales, has been awarded certification under MDR • CPM 0.053 for Asker's subsidiary Evercare Medical • No reviews by national regulators have led to business interruption • No incidents resulting in fines, penalties or warnings related to defective products or incorrect advice

100%

of management teams trained in and acknowledged the Asker Management Standard

The newly established Asker Business School also provided internal training in patient health and product safety for all management teams.

Patient health and product safety

All medical devices on the European market must meet high standards. Healthcare providers, patients and employees should feel secure that Asker's own products have undergone a strict quality assessment based on clinical data.

Group companies must never compromise on the quality and safety of the products and services it offers. To ensure product safety, all Group companies must comply with the requirements for processes and follow-up that are set out in the Asker Management Standard. For example, companies need to ensure that they have control and quality processes in place, focus on continuous improvement and keep up to date of upcoming legislation. If shortcomings are detected, they must be remedied immediately.

All products must be certified according to applicable legislation such as the Medical Device Regulation (MDR), In Vitro Diagnostic Device Regulation (IVDR) or Personal Protective Equipment Regulation (PPE), which aim to assure high safety and quality of medical devices manufactured, imported or sold in the EU.

A partner in healthcare

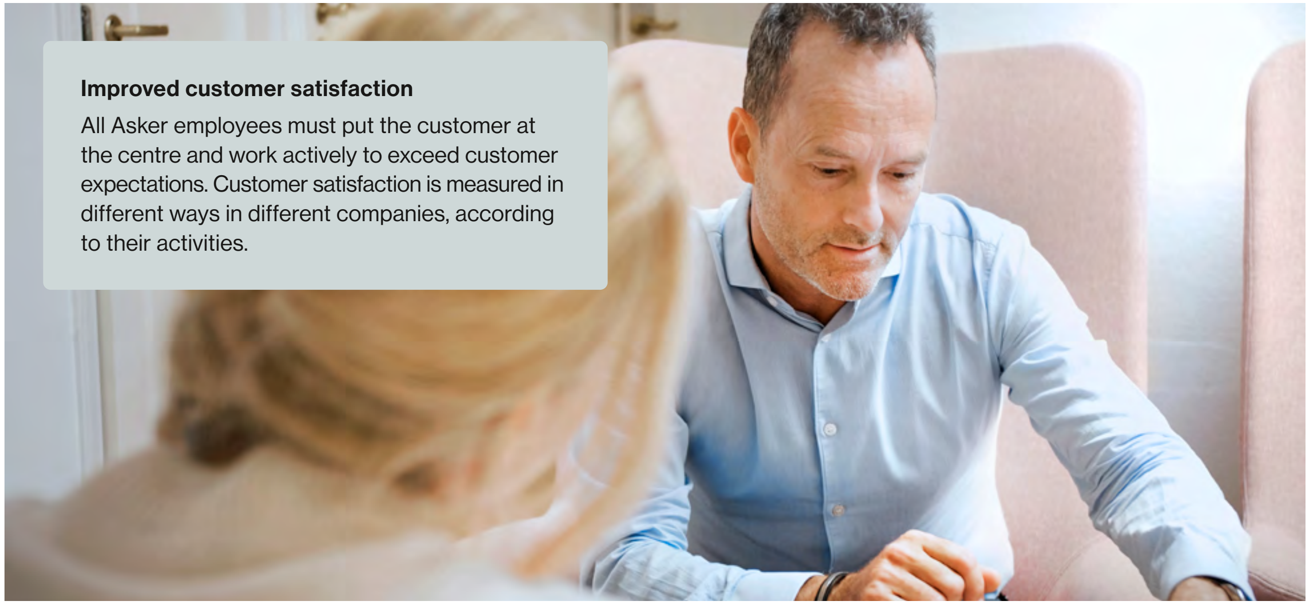
All Group companies work closely with healthcare professionals and patients. Asker offers a number of services that both help patients make informed choices and support healthcare professionals in their work.

Examples of services:

- **OneWound Programme:** a wound care programme that enables nurses to improve care outcomes, delivering better treatment results and shorter healing times for patients.
- **Diabetesexperts.nl**: a support centre with both a website and a customer service team of specialist nurses providing diabetes sufferers with information and advice on insulin sensors and glucose measurement products.
- **Asker's digital tool aScan:** a warehouse management system that simplifies and optimises the customer's ordering process to make it time- and cost-efficient and reduce the number of deliveries. This in turn reduces greenhouse gas emissions.

Support for families and intensive care in Ukraine

The war in Ukraine is causing great suffering. In 2022, Asker donated SEK 500,000 to Save the Children. Asker has also donated 84 pallets of trauma products and advanced wound care products for emergency medical treatment in Ukraine and to refugees who have sought protection in other countries. Thanks to Asker's long experience in intensive care and logistics, shipments of medical equipment were finalised and delivered within days of the outbreak of war.



Improved customer satisfaction

All Asker employees must put the customer at the centre and work actively to exceed customer expectations. Customer satisfaction is measured in different ways in different companies, according to their activities.

Climate conscious healthcare

Asker's environmental and climate work focuses on reducing carbon dioxide emissions in the value chain and on working with suppliers and customers to enable more resource-efficient and climate-efficient products and services to be offered.

Healthcare has negative climate impact both via emissions in the production of disposable products and via the high volume of waste generated after the products have been used. A 2015 study by the UK's National Health Service (NHS) reveals that 15 product categories represent 69 percent of the total weight of plastic consumed in the healthcare sector. Of these, disposable items such as gloves, protective clothing, wipes, incontinence products and plastic bags account for more than 50 percent.

Asker's central role in the value chain creates opportunities to positively influence more sustainable patterns of consumption and production. Asker's companies help healthcare companies choose more climate-efficient products. Another ambition is to exert influence on suppliers to reduce the environmental and climate impact of their products.

Global goal	Target 2030	Targets to be achieved annually	Outcome 2022
12 RESPONSIBLE CONSUMPTION AND PRODUCTION UN Global Compact principle: 7–9	• More than 50 percent of own brand sales are Embra products • All packaging for own brands is recyclable • All Group companies are to be involved in local joint projects to reduce waste from their operations, working with customers and suppliers	• Continuous development of new products that are resource-efficient and climate efficient	• Asker's subsidiary Evercare Medical has developed new products under the new Embra brand with a lower climate impact than comparable products. One Embra product has been launched and five are ready for launch • Stretch film in Norway has been replaced by recyclable stretch film
13 CLIMATE ACTION UN Global Compact principle: 7–9	• Reducing Scopes 1 and 2 emissions by more than 40 percent by 2030 • Reducing emissions from purchased products in relation to gross income by more than 50 percent by 2030 • Only renewable energy and electricity are used to heat and cool offices and warehouses	• Annual targets for Scopes 1 and 2 will be set in 2023 in line with the 2030 target • Reducing emissions from purchased products in relation to gross in line with the 2030 target	• Scopes 1 and 2 have been reduced by 3 percent compared to 2021 • Emission targets have been calculated in accordance with SBTi and submitted for authorisation in 2023 • 85 percent of the electricity used in the Group to be generated using renewable sources

3%

lower emissions in Scopes 1 and 2 than in 2021

Progress in 2022

During the year, Asker took several important steps towards climate conscious healthcare. Asker's subsidiary Evercare Medical launched Embra and the Group set targets (submitted and response expected in 2023) for CO_2 emissions under the Science Based Target initiative (SBTi) which involve:

- Reducing Scopes 1 and 2 direct emissions by more than 40 percent in the 2021–2030 period; and
- Reducing emissions from purchased products in relation to gross income by more than 50 percent in the 2021–2030 period.

Reducing material use and waste

Asker is working to improve its products by developing more sustainable and circular solutions. The aim is to reduce use of materials, increase the use of renewable materials and reduce waste and pollution.

Solutions developed by Asker to help healthcare providers reduce use of materials include:

- Asker's digital tool aScan: This warehouse management system reduces the carbon footprint because it reduces material consumption by providing the right numbers and sizes of packaging required.
- Asker's guide to gloves: A training course for healthcare professionals to provide guidance in identifying the right glove for the right occasion. Gloves are available in different models and thicknesses. In most cases, a thinner glove can fulfil the customer's needs and so reduce consumption of the material.

Climate targets

Asker's climate strategy is based on measuring greenhouse gas emissions and identifying measures to reduce the Group's climate impact. In recent years, Asker has focused on reducing emissions from the Group's transport operations by seeking optimised transport efficiency and fossil-free deliveries.

In 2022, all Group companies analysed their direct and indirect greenhouse gas emissions (Scopes 1, 2 and 3). The focus of the Group's climate work going forward will be on working with suppliers to reduce their emissions in the manufacturing process, as this constitutes the largest share of Asker's greenhouse gas emissions.

To achieve its climate goals, Asker will focus on:

- Reducing direct carbon dioxide emissions (Scopes 1 and 2) by increasing use of renewable energy and improving energy efficiency in the Group's facilities.
- Reducing indirect carbon dioxide emissions (Scope 3) by increasing the range of products with lower carbon dioxide impact.

Quality and environmental policy

Asker's environmental policy has been approved by the Board of Directors and specifies that Asker strives to maintain an environmental programme that helps to reduce its impact on the environment in its own operations and in its value chains by:

- Reducing greenhouse gas emissions.
- Setting reduction targets in accordance with SBTi.
- Reducing the use of harmful chemicals in its products by 2030.
- Increasing the share of renewable electricity used in offices and warehouses.
- Recycling 90 percent of its own waste by 2030.
- Complying with all applicable environmental laws and regulations.
- Designing new products and solutions with the focus on environmental improvements.
- Actively engaging with suppliers and other stakeholders to implement initiatives that contribute to a positive impact on the environment.
- Raising awareness of environmental issues throughout the organisation and training relevant employees on environmental topics.
- Evaluating the environmental management systems of acquisition targets as part of the M&A process.

Fair value chain and safe work environments

Asker's workplaces are to be safe and attractive. In addition, Asker is to offer products that are produced and delivered under fair conditions.

In many cases, medical supplies, devices and equipment are produced in countries where there is a higher risk of corruption and human rights violations than in Europe. Market demand for high-quality products made under fair conditions is growing. Through proactive co-operation with suppliers and third-party manufacturers, Asker is seeking to maintain a fair and safe work environment both in its own operations and throughout the value chain.

Progress in 2022

During the year, the Asker Business School was launched, offering training programmes to all employees in anti-corruption and responsible sourcing.

98 percent of employees were certified in Asker's Code of Conduct e-learning and all Group companies' management teams were trained in the Asker Management Standard.

33 audits of existing, potential and new third-party manufacturers were performed.

0 cases of corruption, bribery or fraud were reported or detected in 2022 (0 in 2021).

Global goal	Target 2030	Targets to be achieved annually	Outcome 2022
UN Global Compact principle: 6	• No pay differential based on age, gender or origin for roles with similar workload and responsibilities	• Gender equality in Group Management (40/60 – 60/40)	• Group management gender representation 44 percent women and 56 percent men
UN Global Compact principles: 1–6, 10	• Sickness absence lower than 4 percent for employees across the Group • 100 percent (based on purchase value) of suppliers of medical supplies and equipment signed up to the Asker Code of Conduct or similar code of conduct	• Employee surveys with all employees and more than 70 in employee engagement • All employees to be covered by formal collective bargaining agreements or similar working conditions • More than 90 percent of own brand third-party manufacturers to be audited at least every 24 months	• Employee engagement measured at 73 percent • 77 percent of all employees covered by collective agreements • 93 percent of own brand third-party manufacturers audited • 71 percent of suppliers of medical supplies and equipment (based on purchase value) signed up to the Asker Code of Conduct or similar code of conduct
UN Global Compact principle: 10	• All companies have implemented, and comply with, the Asker Management Standard	• More than 95 percent of all employees to be trained in the Code of Conduct • Zero vision for fatalities, injuries, harassment and discrimination • Zero vision for corruption, bribery and fraud • Zero vision for the number of complaints related to customer privacy • Zero vision for leaks, theft or loss of customer data identified	• 98 percent of employees were certified in Asker's Code of Conduct e-learning • 0 fatalities, 21 lost time accidents, 1 reported case of discrimination, which was unfounded • 0 identified cases of corruption, bribery and fraud • Recording of complaints relating to customer privacy and leaks, thefts or losses of customer data identified began during the year

93%

of third-party manufacturers audited in the past 2 years

Asker's values

- Caring for customer
- Passion for improvement
- Taking responsibility

Fair, safe and equal opportunity workplace
Asker focuses actively on providing a safe and stimulating work environment for all employees to drive motivation and commitment.

All employees are to be treated with respect and dignity, and provided with equal conditions and opportunities for development. Equal treatment is a matter of course, and no one is to be discriminated against or subject to harassment. In 2022, the Group launched the Asker Business School, with an e-learning course on Asker's Code of Conduct that clearly expresses the company's zero tolerance for discrimination and harassment and trains employees in what is regarded as discrimination and harassment. Asker employees are encouraged to report discrimination and harassment to their manager or via Asker's whistleblowing channel.

Asker's strong values are crucial to its business, promoting diversity and an inclusive culture regardless of gender, age, disability, religion or belief and ethnic origin. There should be no pay differences based on gender, age or background. Asker focuses continuously on ensuring gender balance at all management levels to reflect the broader diversity in society.

A strong culture creates the conditions for good leadership, a good work environment and committed employees. To enable Asker to develop and improve, an annual employee survey is carried out. Through the surveys, the Group obtains input from employees in the form of their views on Asker. The findings are used in an ongoing effort to improve and develop Asker into an even better workplace. The 2022 survey showed an improvement in employee engagement in 2022 versus 2021. The response rate also rose to 71 percent (70).

Asker's Code of Conduct
Asker's Code of Conduct provides guidance and sets out the framework for all employees and companies in the Group, irrespective of position or workplace. The Code describes norms, standards and responsibilities for ethical and proper business practices. The Code outlines clearly how all employees are expected to act, covering topics from responsible business conduct to anti-bribery and anti-corruption measures.

Asker does not tolerate any form of corruption, bribery or other irregularity. All staff members are required to participate in the online training in the Code of Conduct and classroom or online trainings in anti-corruption and whistleblowing. The Group's managers are responsible for communicating the principles of the Code of Conduct in their companies. In 2022, more than 98 percent of employees had completed the course and signed the Code, either via the online course or manually.

Asker has a Supplier Code of Conduct that reflects Asker's own Code of Conduct and sets expectations and clear requirements that suppliers who manufacture products should take social and environmental responsibility and ensure that neither they themselves nor their subcontractors commit human rights violations.

An important tool in Asker's work in business ethics is the whistleblower system. Employees and external stakeholders can anonymously report suspected irregularities at: https://www.report.whistleb.com/asker.

Code of Conduct
Asker's Code of Conduct is based on guidelines from the ILO, the UN Declaration of Human Rights and the UN Global Compact.

Reports made via the whistleblowing system are investigated through established procedures and findings are reported internally to management and the Board. In case of need, reports are shared externally and corrective actions are being taken.

Responsible sourcing

Asker endeavours to develop good supplier relationships based on shared values and respect for human rights in all parts of the supply chain. Asker screens all suppliers and third-party manufacturers according to social and environmental sustainability requirements (SA 8000). The audits examine risks related to human rights, forced labour, migrant labour and heavy manual labour, among other issues.

Asker has identified categories such as medical examination gloves, disposable instruments, cotton products, surgical garments, electronic equipment and the Asian region as categories and countries with a higher risk of forced or child labour in the manufacturing process. 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. Asker aims to conduct on-site audits of at least 90 percent of its third-party manufacturers in Asia every two years.

In both 2021 and 2022, a review of the Asker process was carried out to improve supply chain control. Where potential risks have been identified, the third-party manufacturer is required to address the issue immediately and follow-up audits are performed. Asker educates third-party manufacturers about the risks involved, and sets requirements for risk mitigation within defined time limits.

All new suppliers and third-party manufacturers are to be screened according to Asker Supplier Due Diligence Procedure. If irregularities are detected during due diligence, a new business relationship will not start until the irregularities have been corrected.

Since, over the years, Asker has identified specific risks such as working conditions of migrant workers in the glove industry and risks of child labour and/or risks of discrimination, harassment and restricted freedom of association, the supplier code has been updated to reflect these risks. As a result of the collaboration between Asker, other customers and the Responsible Business Alliance (RBA), manufacturers have ensured that migrant workers were compensated for recruitment fees. In cases where Asker has identified negative social impacts, Asker took active steps to address and rectify the situation for the workers involved. In 2022, a helpline was introduced at third-party manufacturers to facilitate dialogue between migrant workers and their employers.

Asker's companies are members of organisations involving both customers and other manufacturers. These include the Ethical Trading Initiative (ETI), where activities, risks and improvements are reported for customers. On several occasions, customers have been invited to, and have participated in, on-site audits of third-party manufacturers to increase transparency throughout the value chain.

Disposable instruments are often produced in countries where there is a risk of child labour. The audits therefore focus specifically on detecting risks and eliminating them before business relationships are established.

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, suppliers are encouraged to allow and facilitate alternative forms of employee representation through associations and bargaining.

Asker's audits of suppliers and third-party manufacturers secure the value chains

A lot of the manufacturing of consumer healthcare supplies takes place in Asia. Products include items such as disposable gloves, plastic aprons and shoe covers. Today, countries like Thailand, Malaysia, China, Vietnam and Indonesia have considerable expertise in this heavy, energy-intensive industry.

"Many countries have legislation against poor working conditions and environmental degradation, but the laws are not always observed. In order to ensure that the conditions at our third-party manufacturers are acceptable, we have had our own employees on site since 2013. They undertake regular visits and audits, including unannounced ones, to ensure that our suppliers meet our standards", says Julien Rolland, Group Sustainability Director at Asker, who himself worked for 12 years in China but is now based at Asker's headquarters just outside Stockholm.

Sustainable value chains are important

Asker focuses actively on ensuring that the products it sells are of high quality and have been manufactured under good working and environmental conditions, and that human rights are respected along the entire value chain. It is important to maintain close dialogue with manufacturers, government agencies and other organisations locally, where production takes place, so that abuses can be addressed.

"The OECD's global guidelines on, for example, respect for human rights and sustainable development form the basis of Asker's process to assure due diligence in the global supply chain. We work to identify risks and put pressure on third-party manufacturers to introduce improvements, both socially and environmentally", Julien Rolland continues.

Intensified focus on control and follow-up

As Asker brings its own brands to market, the importance of having transparency in the value chain increases. Own brands are growing rapidly in specific product categories where customers can obtain added value from the ability of Asker's companies to offer products at good prices with high demands on sustainability and quality.

Facts about the Supplier Audit Unit

- Asker's employees in Asia who are trained in how to conduct SA8000[1] supplier audits are responsible for ensuring that all audits are performed correctly and that findings are followed up and escalated to Asker's management as necessary.
- Since 2013, Asker has performed 180 third-party manufacturer audits and today employs 10 people in the region.
- Asker has a total of around 30 third-party manufacturers, most of which are based in Asia.

1) SA8000 is an internationally recognised standard that establishes a structured approach to assuring or improving workers' rights, workplace conditions and an effective management system.

"We have a clear process to ensure due diligence in the global supply chain."

Julien Rolland, Group Sustainability Director

High demands on suppliers and third-party manufacturers

An important aspect in the assessment of suppliers and third-party manufacturers is identifying those that are characterised by high risk. Initial criteria in the assessment are whether those concerned are on UN sanctions lists or have been criticised in the media. Other criteria that indicate increased risk are the countries (low or high risk) in which the supplier/third-party manufacturer is based and its sector, as well the products that the supplier manufactures.

Asker's risk assessment identifies the manufacturing countries and commodities that represents a higher risk of, for example, forced or child labour. Asker screens out suppliers if the assessment reveals that significant risks of irregularities linked to human rights, working conditions and corruption exist in the supply chain.

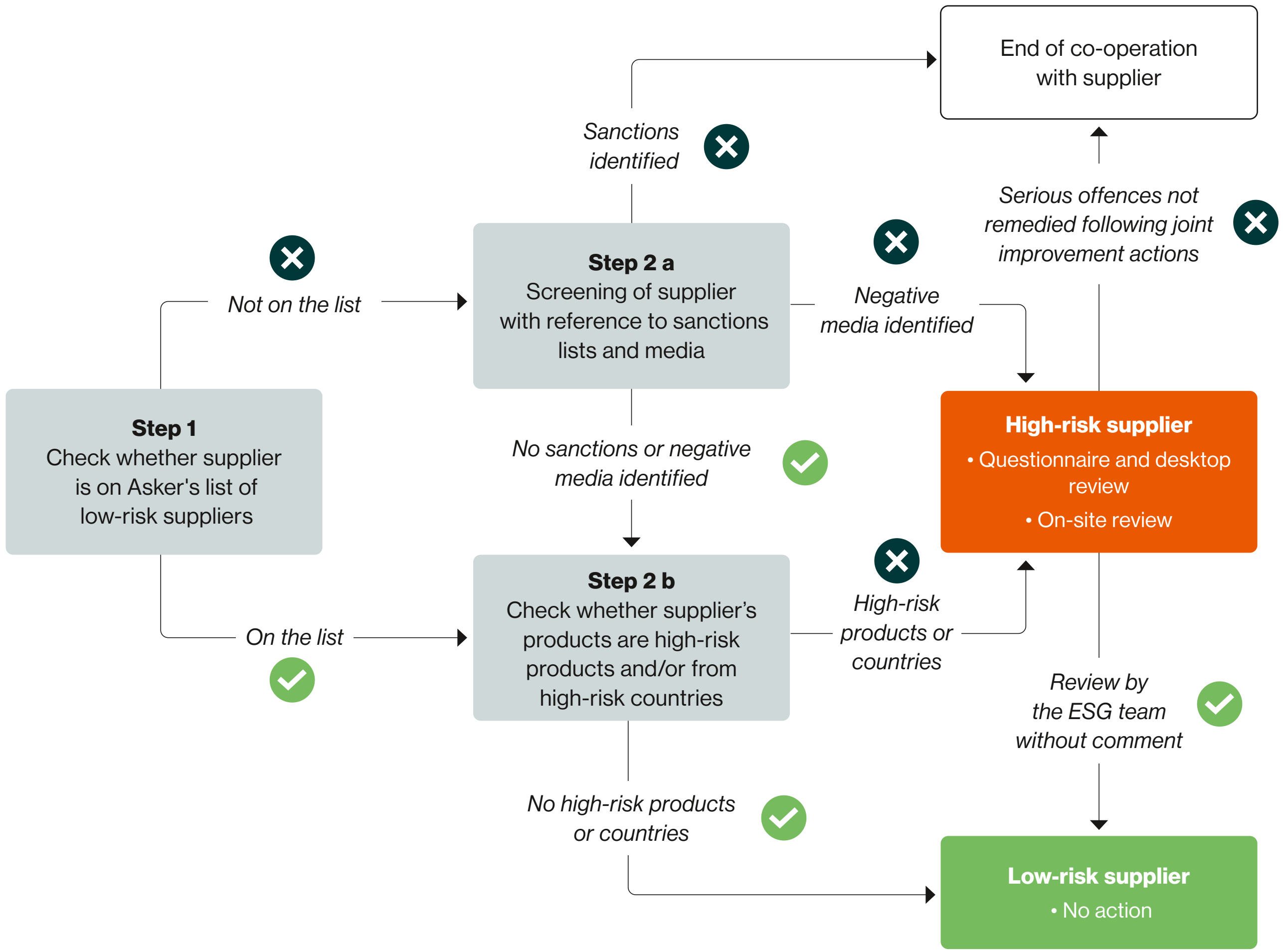
Asker bases its work on the OECD Guidelines for Responsible Business. This means, for example, that Group companies continuously review the suppliers that they have chosen to work with based in high risk countries or producing high risk commodities.

Asker's supply chain

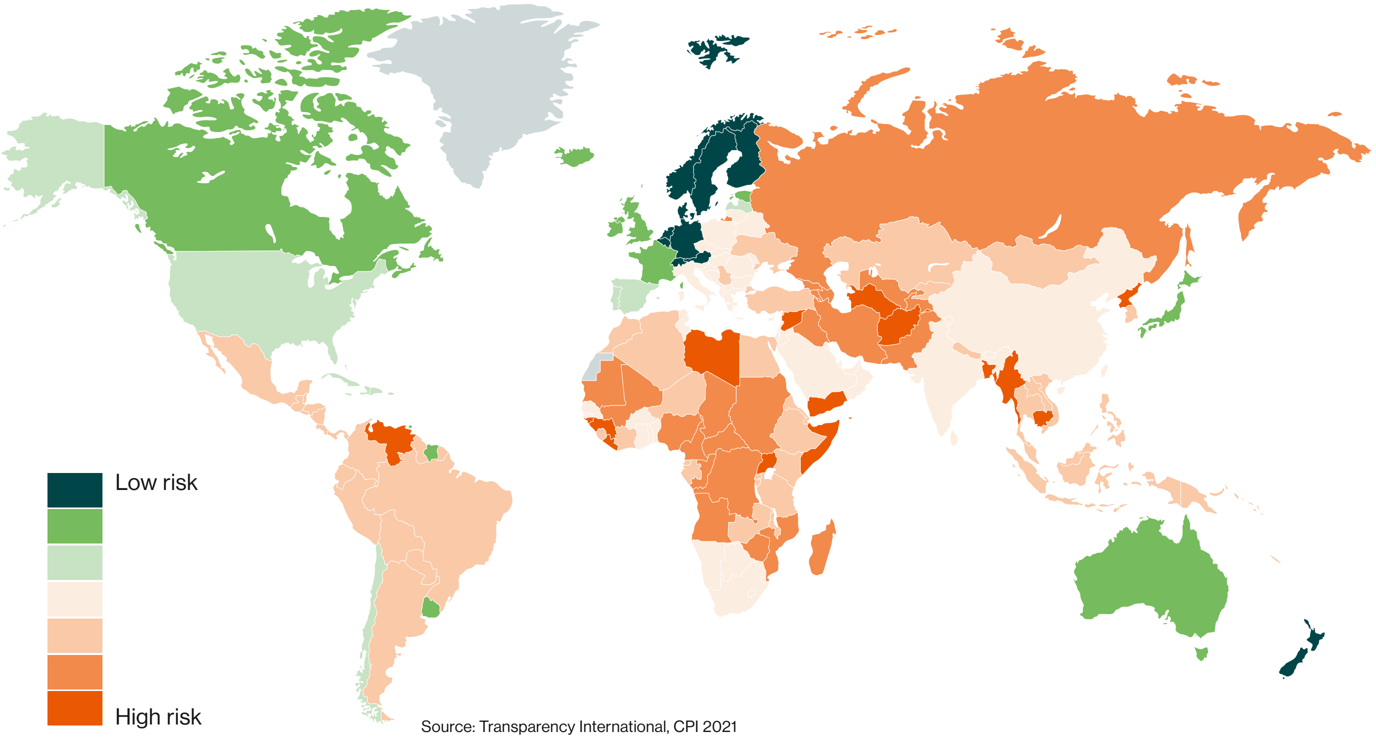
1,500 suppliers

30 third-party manufacturers

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



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



Source: Transparency International, CPI 2021

Examples of commercial goods associated with a high risk of human rights violations, working conditions and corruption

- Components from high-risk industries such as mineral mining or cotton harvesting.
- Historical risks identified through media and civil society.
- Heavy manual labour.
- Migrant labour.

Business ethics

During 2022, the Group assessed its business ethics risks, such as bribery, corruption and anti-competitive behaviour. The risk analysis highlighted the countries and external business relationships that the Group companies need to focus extra on to minimise the risk of corruption, bribery and fraud. Accordingly, controls have been introduced to lower risk exposure and a training programme has been developed in the Asker Business School for employees in roles exposed to high risk. Business ethics will continue to be an area that is closely assessed and monitored during 2023.

The risk analysis was conducted using data from companies that accounted for 98 percent of the Group's sales in 2021 (sales to public- and private-sector customers). Detailed analyses have also been conducted at several subsidiaries where data has been collected for 78 percent of the subsidiaries, representing 61 percent of the Group's sales in 2021. The findings from the risk assessment indicate:

- that geographical risk is low, other than in the Baltics (<2% revenue) where the risk of corruption is higher than in Asker's other markets
- that 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
- that product and IT risks are low, as several companies are covered by ISO 13485 and IT security is high
- that policy and process controls are limited due to a high degree of decentralisation and a high pace of integration of new companies

Governance of sustainability

The starting point for Asker's sustainability strategy – A Bigger Care – and associated goals is the ongoing dialogue with stakeholders, together with the company's materiality analysis.

It is important for Asker to actively drive the transition into a climate conscious and circular society. Doing the right thing means that Asker need to understand its full impact in order to reduce negative impact and actively promote sustainable development of the business.

Ongoing stakeholder dialogue

Ongoing dialogue with various stakeholder groups gives Asker insight into the sustainability topics that stakeholders consider important when taking decisions linked to the company's operations. For Asker to successfully develop and improve its sustainability work, it has to be responsive to the expectations of the outside world and stakeholders. The findings from the dialogue serve as the basis for Asker's materiality analysis.

In 2021, Asker conducted in-depth interviews with prioritised stakeholder groups. Key sustainability topics highlighted were the risk of human rights violations in complex supply chains, and customer demands regarding environmental and climate criteria in sourcing and procurement. In 2022, the stakeholder dialogue was supplemented by surveys of managers and employees who work closely with customers, and of capital market representatives.

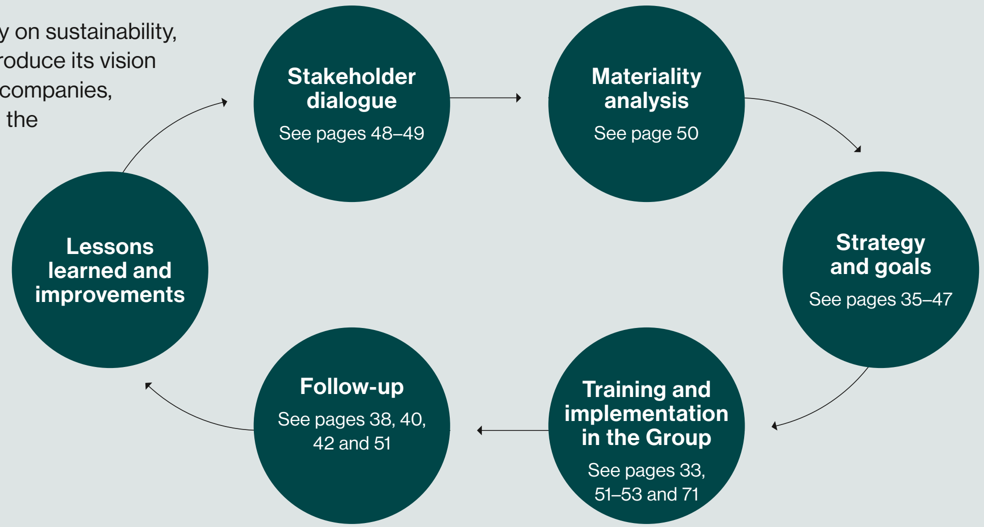
Through ongoing dialogue with stakeholders Asker is also able to identify synergies and partnerships with other actors and address sustainability challenges that the company cannot deal with on its own.

Asker's prioritised stakeholders

- Suppliers
- Customers (healthcare providers)
- Consumers (patients)
- Employees
- Lenders
- Owners
- Government agencies
- Civil society

Systematic sustainability work

By focusing systematically on sustainability, Asker aims not only to introduce its vision and requirements to new companies, but also to gradually raise the standard of sustainability across the Group as a whole.



Ongoing dialogues with priority stakeholders

CUSTOMERS (healthcare providers)

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.
- Roundtable discussions on specific sustainability challenges in the healthcare sector, along with our 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 develop a plan in line 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 via both discussion of the findings and the development of plans for areas of improvement within each individual work team.

OWNERS & BOARD OF DIRECTORS

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 management team.

NON-GOVERNMENTAL 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 MedTech Sweden; 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's 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 work (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.

Materiality analysis

In 2022, the 2021 double materiality analysis was further developed based on the criteria set by the GRI Standards. Initial analysis took into account the degree of impact that various sustainability topics have on the world around us and on Asker from the business and financial perspectives. During the year, additional dialogues with employees and ESG analysts were conducted and the analysis was taken a stage further by adapting the sustainability topics to the requirements of SASB's industry standards and the TCFD framework.

One sustainability topic that Asker identifies as more material in 2022 than in previous years is education and development. Topics that Asker viewed as less important to focus on in 2022 than in previous years were waste management, diversity and equal opportunities.

The materiality analysis was approved by Group Management and the Board and forms the basis of the company's updated sustainability strategy.

Based on the materiality analysis, six sustainability topics have been identified as significant from the economic, environmental and social perspectives. These topics also have a material bearing on Asker's financial position and performance.

Sustainability risks

Asker's overall risk analysis (see pages 67–70) takes in a number of sustainability risks, including specific risks such as business ethics, environmental and climate risks. Sustainability is also an integral part of areas such as IT security in terms of, for example, risks of non-compliance with GDPR and risks of supply chain disruptions, in which climate risks have also been analysed according to TCFD. The full TCFD report is available at asker.com.

Asker's key sustainability topics in 2022

Important but not material sustainability topics

- Diversity and gender equality
- Health and work environment
- Energy
- Discrimination
- Use of materials
- Working conditions
- Customer privacy

Key sustainability topics

- Patient health and patient safety
- Resource- and climate-efficient products and services
- Education and development
- Supply chain
- Anti-corruption
- Emissions

Low

Impact on the economy, environment and people, and on Asker's financial performance and business

High

Governance and monitoring

Asker's owners – Nalka, AP6 (the Sixth Swedish National Pension Fund), Ilmarinen and Asker's management – has a long-term approach to their ownership and focus actively on developing the Group's sustainability work.

Board's monitoring of sustainability strategy

The Board has ultimate responsibility for Asker's sustainability strategy and for ensuring that the Group achieves its long-term sustainability goals. The Board has established the company's purpose, vision and values. The Board has also adopted the materiality analysis, along with the sustainability strategy, sustainability goals and Code of Conduct. The Board is presented with reports on the outcomes of the work on sustainability regularly, in conjunction with Board meetings.

Major complaints, cases of non-compliance and actions linked to Asker's sustainability work are reported to the Board as they arise. 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.

Group Management's monitoring of sustainability work

Asker's CEO and Group Management bear operational and strategic responsibility for ensuring that the company's purpose, vision and values achieved, and for reviewing and approving processes, goals and reporting regarding the results of the sustainability work.

Group Management is also responsible for preparing the sustainability report.

Ongoing sustainability work

Asker's Head of ESG is a member of Group Management. Together with the Group's central ESG team, the Head of ESG is responsible for developing and executing the sustainability strategy and for monitoring the outcomes of the sustainability work. The central ESG team works alongside the local ESG representatives appointed in the Group's various companies.

> **"All managers are responsible for making the organisation more sustainable. Sustainability is therefore one of the criteria for variable remuneration."**

The sustainability strategy – A Bigger Care – with its three focus areas and associated targets and key performance indicators is monitored continuously by the Group's various management teams and monthly by Group Management. Since 2022, Asker has included sustainability criteria as part of the Group's variable remuneration scheme for selected managers (Group Management, Business Area Directors and Managing

How sustainability is integrated into the organisation

Sustainability is integral to all parts of the organisation. It is based on the long-term approach and clear directives on proactive sustainability work of the company's owners. The Board has ultimate responsibility for Asker's sustainability strategy and for ensuring that the Group achieves its long-term sustainability goals. Operational and strategic responsibility, including for monitoring, lies with the CEO, Head of ESG and other members of Group Management. The strategy is implemented locally in each company and in driving the sustainability agenda the central ESG team works with the local ESG representatives appointed in the Group's various companies.

"Employees in the Group regularly receive training in sustainability via Asker Business School."

Directors in local companies). Ten percent of variable remuneration is linked to three sustainability targets being met. In 2022, all three targets were achieved. Asker Management Standard and the standardised and certified management systems that Asker applies help to ensure that sustainability criteria are implemented in the Group's various companies. Asker Management Standard facilitates integration of new companies into the Group and provides an understanding of how Asker works on sustainability. The Group-wide standard ensures that Group companies share the same ethical values and work together to reduce the Group's climate impact, and that they take measures to maintain high quality in the supply chain.

Sustainability is an integral part of many of Asker Business School's programmes. The School introduces managers and employees to the Group, its values, mission, business strategy and ESG strategy. Some of the programmes, for example, the online course in the Asker Code of Conduct, are mandatory.

Basis of Asker's sustainability work:

Policies (out of a total of 16 policies, eight 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
- 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 Initative (ETI)
- Responsible Labour Initiative (RLI)
- UN Global Compact

Sustainability was one of the criteria for variable remuneration in 2022

- Reduce greenhouse gas emissions by substituting biofuels for diesel in Finland and introducing electric car policies in Sweden and the Netherlands.
- More than 95 per cent of employees must be certified in or have signed Asker's Code of Conduct.
- Management of all companies must be trained in the Asker Management Standard.

Impact and governance of focus areas

	Healthy lives	Climate conscious healthcare	Fair value chain and safe work environments
Impact (actual and potential, negative or positive)	Asker helps ensure that patients have access to cost-effective care and high quality products. Innovative solutions that replace products.	The company's business and the value chain have negative impact on the climate. Choice of suppliers, materials and transport that help reduce emissions along the value chain.	The business is potentially subject to negative impact from a complex supply chain in high-risk countries. By making high demands of its suppliers and checking compliance with the Supplier Code of Conduct, the company has positive impact on the value chain.
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.	Greenhouse gas emissions in own operations and in the value chain. In the long term, financial impact if Asker does not succeed in realigning its operations.	Violations of human rights and children's rights. Corruption and bribery.
Policies and commitments	Code of Conduct Supplier Code of Conduct Quality and environmental policy HR policy	Code of Conduct Supplier Code of Conduct Quality and environmental policy	Code of Conduct Supplier Code of Conduct Quality and environmental policy Responsible sourcing policy HR policy
Actions to manage impacts	Quality management system Customer satisfaction survey Processes to ensure that product compliance: • MDD/MDR • IVDD/IVDR • PPE	Emissions (Scopes 1–3) have been mapped as a basis for setting reduction targets. Climate risks included in the company's ERMP process.	Screening of suppliers. Screening of third-party manufacturers. Employee training in risks of corruption and bribery. Whistleblower system. Employee survey.
Monitoring the effectiveness of actions taken	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.
How stakeholders are informed about the effectiveness of actions taken	Stakeholder dialogues. Annual and Sustainability Report.	Stakeholder dialogues. Annual and Sustainability Report.	Stakeholder dialogues. Annual and Sustainability Report.

Sustainability data

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 with the data presented.

Overall principles of reporting

Unless otherwise indicated, the information presented refers to the calendar year 2022. All Asker companies were included in the reporting, other than the companies that have not been part of the Group for 12 months. In addition, companies with fewer than 10 employees are excluded from environmental reporting as they have insignificant impact on the Group's results. In 2022, 24 companies were included in the reporting. In 2021, 11 companies were included. The difference in the number of companies between the years affects the year-on-year comparison.

Companies not included in sustainability reporting in 2022[1]
Adcuris
Aichele Medico
Gribi AG Belp
Heintel Gruppe
Mobilex
Sterilean

[1] Companies acquired in 2022. The companies are included in calculation of the number of employees.

Data were obtained through a number of channels, including questionnaires, Excel and Asker's financial management system. The data were 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 aided 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 – energy consumption, water consumption and waste management – data for previous years. The data were updated in view of expansion of the scope, for example reporting of new categories in Scope 3, data errors detected and adjustments in data reporting where companies with fewer than 10 employees have been excluded from environmental reporting.

Focus area: Healthy lives

Patient health and safety

Product complaint data are based on feedback from customers or users regarding faults in design, performance or labelling that may affect the health and safety of the patient or user. Such complaints may be received from various sources such as patients, care providers, manufacturers, regulators and the public. They range from minor problems such as missing instructions and mislabelling on the product or packaging to more serious issues such as ill-effects on patients.

Reporting product complaints is important in terms of ensuring patient safety and improving device performance. When a device fails to meet expectations, it is important to identify and address the underlying problems as quickly and effectively as possible. This may help prevent harm and improve overall quality and safety.

Such reports are used by manufacturers to improve the quality of medical devices and the way they are used. Complaints Per Million products sold (CPM) is a good way to evaluate the incidence of quality and safety problems and to gain a better understanding of how products and materials are used.

Asker's manufacturing companies continuously seek to improve product quality, taking all complaints seriously and seeing them as an opportunity to improve products and services.

All medical devices sold by Asker's subsidiary Evercare Medical under its own brands (and its statutory manufacturer OneMed Group Oy) are manufactured and CE marked in accordance with the most recent statutory requirement MDR (EU) 2017/745.

In 2022, the health and safety effects of all products manufactured by Evercare Medical AB and OneMed Group Oy were assessed. The CPM was 0.053 CPM compared to 0.12 CPM in 2021, which is below the annual target of less than 0.1 CPM.

The figure of 0.053 CPM includes product-related complaints. No complaints related to labelling or marketing were reported in 2022. All complaints concerned products. They were considered valid and so are included in the metric.

There were no cases in Group companies of non-compliance with laws and regulations that led to fines, penalties or warnings in 2022. The focus on quality, combined with an increased share of sales of own brands, resulted in a decrease in the number of complaints relating to the number of products sold in 2022.

Training and education

	2022
Total number of training hours in Group[1]	3,069
Average number of training hours per employee	1.32

[1] Only training hours provided by Asker Business School and OneMed Academy (Benelux only) via e-learning and from the Asker Leadership Conference.

Asker invests in employee training in the knowledge of how important it is to long-term profitability in all companies. Formal training, alongside other development activities such as coaching, may be used to supplement continuous learning at work.

In September 2022, Asker launched a Group-wide training programme, Asker Business School. As this is a new initiative for 2022, the full-year impact of the training programme will only emerge in 2023. Training provided by the local companies (for example, skills training, certifications and local leadership programmes) has been excluded from the reporting.

External certifications

	2022
ISO 9001	>35% of Group sales
ISO 13485	>10% of Group sales
ISO 14001	>25% of Group sales
ISO 45001	>25% of Group sales

Focus area: Climate conscious healthcare

Companies with fewer than 10 employees, or acquired after 1 January 2022, have been excluded from reporting within this focus area.

Energy consumption[1)] MWh	**2022**	**2021**	**2020**
Total consumption of non-renewable fuel (natural gas, diesel and petrol)	8,992	7,139	6,112
Total consumption of renewable fuel (biodiesel)	205	29	19
Purchased electricity, heating, cooling and steam for consumption	13,992	11,596	8,308
Percentage of renewable electricity used in the Group's offices, warehouses and shops (electricity consumption for electric cars not included)	86%	88%	-
Self-generated electricity, heating, cooling and steam not consumed	-	-	-
Electricity, heating, cooling and steam sold	-	-	-
Total	**23,189**	**18,763**	**14,438**

1) Activity data have been converted to kWh using conversion factors from BAFA (Federal Office for Economic Affairs and Export Control, Germany).

In 2022, the methodology for energy accounting was revised to include energy consumption related to mobile combustion, in order to obtain a more accurate representation of total energy use in the Group.

Recalculated, energy consumption in 2020 and 2021 increased compared to the figures in the 2021 Sustainability Report.

Companies added to the Group in 2021 were only included in energy accounting in 2022, hence the increase in energy consumption for the Group in 2022 compared to 2021. The baseline for energy consumption has not been adjusted upwards to include new companies, as for the emissions calculations.

The energy accounting was performed by each individual company, consolidated at Group level and quality-checked by an external consultant. In 2022, electricity, heating from natural gas, diesel and petrol as well as district heating, district cooling and fuel use in own vehicles, are included. The higher energy consumption in 2022 compared to 2021 is also attributable to higher fuel consumption by own vehicles as a result of increased business travel for customer visits. In 2020 and 2021, own vehicles were used to a lesser extent as a result of fewer customer visits during the pandemic.

Emissions

Asker started reporting on emissions in 2020 but has chosen 2021 as the base year for Scopes 1, 2 and 3 in the Science Based Targets initiative (SBTi). This is because 2021 was the first year when all data were reported comprehensively and when new companies were also included in the reporting.

- Scope 1 includes emissions from company cars, stationary heating and own fleet 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 actively purchased by the organisation – and location-based – where GHG emissions are based on an average value of grid electricity in the region/country.
- Scope 3 categories covered:
  - 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 the activity
  - Category 6: Business travel
  - Category 7: Employee commuting
  - Category 11: Use of products sold
  - Category 12: Final treatment of products sold

Data for purchase-related categories (Categories 1 and 12) are based on emission factors related to materials and production, geographical origin and LCA data from suppliers. Estimates have also been made based on costs, DEFRA emission factors and extrapolation where more detailed data were not available. The categories not reported (Categories 8–10) 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.

Scopes 1 and 2 (tCO_2e)	**2022**	**2021**	**2020**
Scope 1	2,194	2,342	2,246
Scope 2 (market-based)	990	958	931
Scope 2 (location-based)	1,779	1,676	1,296
Total, market-based emissions	**3,184**	**3,301**	**3,177**
Total, location-based emissions	**3,974**	**4,018**	**3,541**

In the case of companies joining the Group in 2021, emissions have been calculated for 2022 and then extrapolated and added to the emission calculations for previous years, in order to make the baseline comparable between years. This calculation method has been adopted as the Group has, each year, acquired several new companies which have had emissions in previous years, although they were not part of the Group at the time.

Scopes 1 and 2 emissions (tCO_2/SEK m)	**2022**	**2021**	**2020**
Scope 1	0.19	0.25	0.32
Scope 2 (market-based)	0.08	0.10	**0.13**
Scope 2 (location-based)	0.15	0.18	0.18
Total, market-based emissions	**0.27**	**0.35**	**0.45**
Total, location-based emissions	**0.34**	**0.43**	**0.50**

Scope 3 emissions (tCO_2e)[1)]	**2022**	**2021**	**2020**
Category 1: Purchased goods and services[1)]	311,211	425,383	279,564
Category 2: Capital goods	5,092	5,806	3,041
Category 3: Fuel- and energy-related activities	1,309	575	345
Category 4: Upstream transport and distribution	14,789	17,281	22,551
Category 5: Waste generated by the activity	304	88	16
Category 6: Business travel	577	270	98
Category 7: Employee commuting	1,801	875	592
Category 11: Use of products sold	45,680	15,692	53,666
Category 12: Final treatment of products sold[1)]	301,657	69,123	48,818
Total	**682,418**	**535,092**	**408,691**

1) Results reported in 2022 for categories 1 and 12 have been calculated using an updated methodology. Calculations for 2020 and 2021 will be updated in the 2023 sustainability report.

Scope 3, emissions per SEK m. sales (tCO_2/SEK m.)	2022	2021	2020
Total	58.2	57.2	57.8

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 and district heating.

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.

Market-based emissions from electricity consumption have been calculated using supplier-specific emission factors. Where supplier-specific data were not available, the European Residual Mix factors published by the Association of Issuing Bodies (AIB) were used. The location-based figures have been calculated using emission factors from the International Energy Agency.

Where possible, emissions data were collected in carbon dioxide equivalents to avoid conversion. When data were 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.

Accounting for Scope 3 emissions was improved in 2022 by the inclusion of additional categories that account for a large share of Asker's total carbon footprint.

Data have been extrapolated in Scopes 1 and 2 for companies where data were not available in 2022, or where data are missing for 2020 and 2021. In Scope 3, data have been extrapolated on the basis of expenditure for individual categories when, for example, new companies in the Group have been added that sell products that were not included in the product database.

Biogenic emissions[1)]

Source	Unit	2022	2021	2020	Comments
Vehicle consumption of biodiesel	Litres	22,672	3,202	2,077	Scope 1 – Fuel combustion
Emission factor					
Biodiesel HVO	kg CO_2e/L	2.47	2.43	2.36	DEFRA - 2020/2021/2022 – "out of scope" – biodiesel HVO
Emissions					
Biodiesel	tCO_2e	56	8	5	

1) General comment: 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 no access to life cycle analyses are available for bio-based products.

Emission reduction emissions

Asker has submitted short-term targets to the Science Based Targets initiative (SBTi) 2022 for approval. With a base year of 2021, absolute emission targets were set for Scopes 1 and 2, in line with the target of limiting global warming to 1.5°C. Scope 3 emissions from purchased goods and services will be measured in relation to gross profit in SEK million.

For Scope 1, policies are being implemented to favour electric or hybrid cars and to encourage employees to use 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.

Water consumption

	2022	2021	2020
m^3 of water consumed[1)]	6,635	2,963	3,228

1) The following companies did not report water consumption in 2022: Diashop, aScan, OneMed Services, Astomed and Smedico.

Reported water consumption for 2020 and 2021 has been adjusted downwards by about 300 m^3 for 2021 and 1,400 m^3 for 2020, as companies with fewer than 10 employees have been excluded in this year's report. The data reported include water used by the companies' personnel in offices and warehouses. Asker does not have production why its water consumption is low.

Waste from own operations[1)] (mt)

	2022	2021	2020
Recycled waste	740	746	701
Waste to landfill	51	19	20
Incinerated waste with energy recovery	243	38	37
Incinerated waste without energy recovery	7	N/A	N/A
Hazardous waste	17	28	3
Unknown waste management method	506	N/A	N/A
Total	**1,564**	**831**	**761**

1) The following companies have not reported waste management data for 2022: Bosman, FysioSupplies, Pharma Dynamic, QRS Healthcare and Astomed.

Total reported waste for 2021 has been adjusted downwards by 800 mt compared to the figure reported for 2021, as the data for one company have been corrected.

The reported data refer 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 accounts. Also excluded are companies where waste management data are not available, or where such data were 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 subgroups.

Biological diversity

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

Focus area: Fair value chain and safe work environments

Total number of employees as of 31 December 2022

	Permanent employees, men	Permanent employees, women	Temporary employees, men	Temporary employees, women	Temporary employees, non-binary	Number of employees, by country
Baltics	5	18	0	0	0	23
Benelux	306	416	138	239	1	1,154
Denmark	38	53	1	0	0	92
Finland	36	48	0	2	0	86
Germany	48	180	1	3	0	232
Norway	57	35	1	0	0	93
Sweden	205	186	24	19	0	434
Switzerland	19	15	0	0	0	34
Other[1]						169
Total	**768**	**951**	**165**	**263**	**1**	**2,317**

[1] "Other" consists of small companies that joined the Group in 2022 and so have not reported numbers of employees broken down into permanent and temporary employment.

The total number of employees on 31 December 2022, divided into full-time and part-time employees and non-guaranteed working hours divided into women and men.

	Full-time, men	Full-time, women	Full-time, non-binary	Part-time, men	Part-time, women	Non-guaranteed hours, men	Non-guaranteed hours, women	Number of employees, by country
Baltics	5	18	0	0	0	0	0	23
Benelux	321	127	1	115	468	57	65	1,154
Denmark	32	44	0	7	9	0	0	92
Finland	35	48	0	0	2	1	0	86
Germany	40	73	0	9	110	0	0	232
Norway	57	35	0	0	1	0	0	93
Sweden	226	195	0	2	5	1	5	434
Switzerland	18	11	0	1	4	0	0	34
Other[1]								169
Total	**734**	**551**	**1**	**134**	**599**	**59**	**69**	**2,317**

[1] "Other" consists of small companies that joined the Group in 2022 and so have not reported breakdowns per permanent and temporary employment.

The number of employees increased in 2022 compared to 2021 through the new companies added to the Group in 2021.

Workers who are not employees	2022
Asia	11
Baltics	0
Benelux	163
Denmark	2
Finland	1
Germany	2
Norway	27
Sweden	46
Switzerland	0
Total	**252**

In 2021, the number of workers who are not employees was not reported and so a comparison between 2022 and 2021 is not possible. Workers who are not employees work mainly in the warehouse operations in the Netherlands, where they are employed by temporary employment agencies and work in the warehouse during periods of higher customer demand.

Personnel turnover	2022	2021
New employees	527	217
Voluntary personnel turnover	445	107
Total personnel turnover	520	197
Personnel turnover, percent	24.8%	15.5%

Personnel turnover was higher than in 2021. It was highest in the Netherlands, where labour demand exceeds supply, but is also affected by internal personnel movements between Group companies. All Group companies seek at all times to be an attractive employer, by offering competitive terms and conditions and conditions, along with development and training.

Diversity

Asker reports employee numbers based on gender but has yet to start monitoring other diversity areas such as age, ethnic origin, minority group or particularly vulnerable groups.

Health and safety

Accident rate	2022	2021	2020
Number of Lost Time Accidents (LTA)1)	21	11	5
Number of accidents (Incidence Rate, IR): LTA/200,000 working hours	1.47	1.29	0.64
Frequency Rate (FR): LTA/1,000,000 working hours	7.35	6.46	3.19
Accident Severity Rate (ASR): DLA2) to LTA ratio	0.03	N/A	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 an LTA.

In 2022, the methodology for calculating accident rates was changed. The outcomes for 2020 and 2021 were based on regular working hours, while the outcomes for 2022 were based on actual working hours. As a result of improved monitoring of accident numbers in 2022, the number of recorded accidents increased. The highest risk of occupational accidents or injuries exists in warehouse activities, in that the work environment consists of many objects, machines and moving parts.

Asker engages in proactive and systematic health and safety work, with a zero vision for work-related accidents. Risk assessments are conducted 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 prevented in the future.

Sick leave

	2022	2021	2020
Baltics	0.6%	0.2%	0.4%
Benelux	6.1%	6.3%	3.4%
China	0.8%	0.5%	1.7%
Denmark	4.0%	3.4%	2.0%
Finland	1.8%	2.2%	2.4%
Germany	8.4%		
Norway	9.9%	5.2%	7.1%
Sweden	5.0%	6.8%	4.6%
Switzerland	3.6%	3.7%	
Group	**5.7%**	**5.5%**	**3.9%**

Total sick leave in 2022 was 5.7 percent (5.5). The level is regarded as higher than normal as a result of the pandemic and what was at times a high rate of virus transmission among employees and their families. Because most of the Group's employees work in warehouses, there was no scope for home working.

Ratio of basic salary and remuneration of women to men

	Managers	Employees
Total1)	88%	98%
Business Area North	86%	99%
Business Area West	86%	98%
Business Area East	103%	88%

1) The Central business area was established in 2021, so data are not yet available.

Basic salary refers to full-time monthly salaries in December 2022 for all employees where data are available in Asker's financial management system. Salaries are weighted according to the number of employees per country, and when the figures are aggregated salaries are weighted on the basis of the number of employees per business area. 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 is to be based on local market conditions and individual remuneration levels are to be based on experience, competence, responsibility 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 in the pay gap for managers. Asker will continue to actively focus on narrowing the pay gap between women and men through follow-up and training of managers.

Code of Conduct for employees

Country/ Region	Number of e-learning programmes performed	Total number of employees1)	E-learning programmes performed/Total number of employees1)
Baltics	23	23	100%
Benelux	617	617	100%
Denmark	88	92	96%
Finland	86	86	100%
Germany	232	232	100%
Norway	69	72	96%
Sweden	434	455	95%
Switzerland	34	34	100%
Group	**1,583**	**1,611**	**98%**

1) Total number of employees offered training. Medireva was acquired in 2022 and is not included in the data, so the number of employees is lower than the total number of employees in the Group.

E-learning on the Code of Conduct has been offered to all employees since 2021. In 2021 and 2022, 1,583 employees (98%) completed the training.

Discrimination and harassment

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 next manager or 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. Asker companies reported 1 case of discrimination in 2022 (0 cases in 2021) and 0 cases of harassment (2). After investigation by local management, the case was considered groundless and no further action was required.

Anti-corruption

Asker does not tolerate bribery, corruption or anti-competitive behaviour in any form, and everyone at Asker has a role to play in ensuring high ethical standards. In 2022, a comprehensive risk analysis was carried out in the Group to determine risks of corruption, bribery and fraud. Recommendations on how to act in different situations are provided in relevant Group-wide governance documents, including policies, procedures and training programmes in Asker Business School (including the Asker Code of Conduct and Procedure for Whistleblowing).

Social security, health insurance and collective bargaining agreements

Asker's activities 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 benefit from 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.

	Number of employees	Percentage of total number of employees
Number of employees represented in formal joint health and safety committees (71%)[1]	836	78%
Number of employees covered by formal collective bargaining agreements (97%)[1]	1,646	77%
Number of employees represented by formally elected employee representatives (83%)[1]	961	58%
Number of employees who received career or skills development training (69%)[1] [2]	304	33%
Number of employees with performance and career development plans that are regularly updated (94%)[1]	1,577	76%

[1] Percentage of companies included in 2022 sustainability reporting that have reported data on this CPI. In September 2022, Asker launched a Group-wide training programme, Asker Business School.

[2] Registered skills development programmes. Only a few companies currently register skills development programmes completed. A registration and reporting process is being developed to enable follow-up.

Percentage of suppliers of medical supplies, devices and equipment signed up to the Asker Code of Conduct or similar code of conduct	2022
As percentage of number	37%
As percentage of purchasing value	71%

Percentage of third-party manufacturers screened against labour rights criteria	2022	2021	2020
Number of active third-party manufacturers	27	26	27
Number of third-party manufacturers screened against labour rights criteria in the past 24 months	25	19	18
Percentage of third-party manufacturers screened in the last 24 months	93%	73%	67%
Number of manufacturing sites screened (a third-party manufacturer may have several sites)	30	19	27
Number of audits conducted on existing, potential and new third-party manufacturers	33	30	38
Percentage of new third-party manufacturers screened against social criteria	100% (2/2)	N/A	100%
Number of third-party manufacturers identified as having major negative social impact	4 (15%)	8	21
Number of third-party manufacturers identified as having remedied major negative social impact	3 (11%)	8	21
Number of third-party manufacturers where Asker terminated the cooperation during the year due to major negative social impact	2 (7%)	0	0
Cases of discrimination at, and measures taken by, third-party manufacturers	2 (7%)	2	3
Third-party manufacturers where the right to freedom of association and collective bargaining may be at risk	23 (85%)	22	23
Third-party manufacturers where there is a risk of child/forced labour	1/3	1/0	0/2

Percentage of active third-party manufacturers screened against environmental criteria	2022
Number of active third-party manufacturers	27
Number of active third-party manufacturers screened against environmental criteria	1
Percentage of active third-party manufacturers screened against environmental criteria	4%

Reporting encompasses all third-party manufacturers for Evercare Medical and Smedico. Third-party manufacturers for companies that joined the Group in 2021 will be included in reporting from 2023.

About the Sustainability Report

The Sustainability Report is an integral part of Asker's 2022 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 2022 (listed on page 54). The reporting accords with Asker's financial year and thus covers the period 1 January 2022 to 31 December 2022. The Sustainability Report has been audited by an external party. The Auditor's Assurance Report is on page 66.

The Sustainability Report presents the Group's ambitions, its long-term goals and the results of the year's work. It is a progress report that describes how Asker is working to develop both its sustainability work and reporting on the progress made. The report is based on Asker's ongoing stakeholder dialogues, materiality analysis and ESG strategy.

The report is an important part of Asker's dialogue with various stakeholders and aims to promote transparency and continuous improvement. The scope of the report is specified in the GRI index on pages 61–65. 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.

EcoVadis

In 2022, EcoVadis awarded a Gold Medal to Asker Healthcare Group for its sustainability work. The Gold rating ranks Asker in the top five percent among the more than 100,000 companies assessed by EcoVadis worldwide. 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 input from external experts and stakeholders.

GRI content index

Level of application: Asker has reported in accordance with GRI standards for the period 1 January 2022 to 31 December 2022.
GRI 1: Foundation 2021.

GRI standard/Other source	Disclosure	Page reference	Deviations		
			Deviation from requirements	Reason	Explanation
GRI 2: General disclosures 2021	2-1 Organisational details	54, 71, 81, 83, 119–120			
	2-2 Entities included in the organisation's sustainability reporting	54–60			
	2-3 Reporting period, frequency and contact point	60			
	2-4 Restatements of information	54			
	2-5 External assurance	66			
	2-6 Activities, value chain and other business relationships	4, 9, 11–14, 43–47			
	2-7 Employees	57			
	2-8 Workers who are not employees	57			
	2-9 Governance structure and composition	71–75, 77–79	2-9 C) viii	Not applicable	The Board does not have representatives from stake-holder groups other than owners.
	2-10 Nomination and selection of the highest governance body	74			
	2-11 Chair of the highest governance body	73, 77			
	2-12 Role of the highest governance body in overseeing the management of impacts	51–52			
	2-13 Delegation of responsibility for managing impacts	51–52			

GRI standard/Other source	Disclosure	Page reference	Deviations: Deviation from requirements	Deviations: Reason	Deviations: Explanation
GRI 2: General disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	51–52, 74			
	2-15 Conflicts of interest	74			
	2-16 Communication of critical concerns	51–52, 54, 58–59, 73			
	2-17 Collective knowledge of the highest governance body	51			
	2-18 Evaluation of the performance of the highest governance body	72–73			
	2-19 Remuneration policies	52, 75, 119			
	2-20 Process to determine remuneration	52, 74–75	2-20b	Not applicable	As an unlisted company, Asker does not prepare a public remuneration report for approval at the annual general meeting.
	2-21 Annual total compensation ratio		2-21	Missing/ incomplete information	Asker has a decentralised governance model and lacks the systems required for this calculation. The information will be provided at the latest when it becomes statutory.
	2-22 Statement on sustainable development strategy	7–8			
	2-23 Policy commitments	41–47, 52, 72–73			
	2-24 Embedding policy commitments	33, 42–47, 52, 72–73			
	2-25 Processes to remediate negative impacts	39, 51–52, 76			
	2-26 Mechanisms for seeking advice and reporting concerns	39, 43–44, 51–52, 76			

GRI standard/Other source	Disclosure	Page reference	Deviations		
			Deviation from requirements	Reason	Explanation
GRI 2: General disclosures 2021	2-27 Compliance with laws and regulations	39, 51–52, 76	The report does not include breaches of laws and regulations, nor the related penalties.		No significant breaches of laws or regulations were reported during the period.
	2-28 Membership associations	52			
	2-29 Approach to stakeholder engagement	48–49			
	2-30 Collective bargaining agreements	42, 59			
Material topics					
GRI 3: Material topics in 2021	3-1 Process to determine material topics	48–50			
	3-2 List of material topics	50			
Anti-corruption					
GRI 3: Material topics in 2021	3-3 Management of material topics	42–49, 53, 58–59, 73			
GRI 205: Anti-corruption in 2016	205-1 Operations assessed for risks related to corruption	45–49, 58–59			
Energy					
GRI 3: Material topics in 2021	3-3 Management of material topics	40–41, 48–49, 53, 55			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	55			

GRI standard/Other source	Disclosure	Page reference	Deviations		
			Deviation from requirements	Reason	Explanation
Emissions					
GRI 3: Material topics in 2021	3-3 Management of material topics	40–41, 53, 55			
GRI 305: Emissions 2016	305-1 Direct greenhouse gas emissions (GHG) (Scope 1)	55			
	305-2 Indirect greenhouse gas (GHG) emissions (Scope 2)	55			
	305-3 Other indirect greenhouse gas (GHG) emissions (Scope 3)	55			
Training and education					
GRI 3: Material topics in 2021	3-3 Management of material topics	38, 42, 52–53			
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	54	Data not broken down by gender and role.	Data are not available.	
Diversity and equal opportunities					
GRI 3: Material topics in 2021	3-3 Management of material topics	42–43, 53, 58			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity and Equal Opportunity	42, 77–79	Employee data are only reported for gender but not age.	Data are not available in existing systems.	Data will be included in 2023.
	405-2 Ratio of basic salary and remuneration of women to men	58			
Non-discrimination					
GRI 3: Material topics in 2021	3-3 Management of material topics	42–43, 53, 58–59			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	58–59			
Freedom of association and collective bargaining					
GRI 3: Material topics in 2021	3-3 Management of material topics	42–43, 53, 59			

GRI standard/Other source	Disclosure	Page reference	Deviations		
			Deviation from requirements	Reason	Explanation
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	59			
Child labour					
GRI 3: Material topics in 2021	3-3 Management of material topics	42–43, 53, 59			
GRI 408: Child labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	59			
Forced or compulsory labour					
GRI 3: Material topics in 2021	3-3 Management of material topics	45–47, 53, 59			
GRI 409: Forced or compulsory labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	59			
Supplier social assessment					
GRI 3: Material topics in 2021	3-3 Management of material topics	45–47, 53, 59			
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	59			
	414-2 Negative social impacts in the supply chain and actions taken	59			
Customer health and safety					
GRI 3: Material topics in 2021	3-3 Management of material topics	38–39, 53–54			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	54			
Resource- and climate-efficient products and services					
GRI 3: Material topics in 2021	3-3 Management of material topics	40–41, 53			
	Number of products specifically designed based on resource and climate efficiency and circularity criteria	15, 40–41			

Auditor's report on Review of Asker Healthcare Group AB's sustainability report

To Asker Healthcare Group AB, CIN 559184-9848

Introduction

We have been engaged by the board of directors of Asker Healthcare Group AB to review Asker Healthcare Group AB's sustainability report for the year 2022. The company has defined the scope of the sustainability report as comprising the areas referred to in the GRI index on pages 61–65.

Responsibilities of the board of directors and management

The board of directors and management are responsible for preparing the sustainability report in accordance with the applicable criteria. The criteria are specified on page 60 of 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 report, as well as the company's own accounting and calculation principles. This responsibility also includes such internal control as is deemed necessary for the preparation of a sustainability report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express a conclusion on the sustainability report based on our review. Our mandate is limited to the information contained in this document and the historical information presented, and thus does not include forward-looking information.

We conducted our review in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits and Reviews of Historical Financial Information. A review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability report, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices.

The audit firm applies ISQM 1 (International Standard on Quality Management) and thus has a comprehensive quality control system that includes documented policies and procedures regarding compliance with professional ethics, 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 procedures performed in a review do not enable us to obtain assurance to enable us to become aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not offer the same level of assurance as an conclusion expressed on the basis of an audit.

Our review of the sustainability report is based on the criteria selected by the board of directors and management, as defined above. We believe that these criteria are appropriate for the preparation of the sustainability report.

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

Opinions

Based on our review, 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 set out above by the board of directors and management.

Stockholm, 12 April 2023
Ernst & Young AB

Stefan Andersson Berglund
Authorised Public Accountant

Outi Alestalo
Specialist Member, 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, and financial risks, as well as 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, and 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 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 risks the Group is unwilling to take. A company-wide risk assessment process is carried out every year to identify and take action on material risks in the Group.

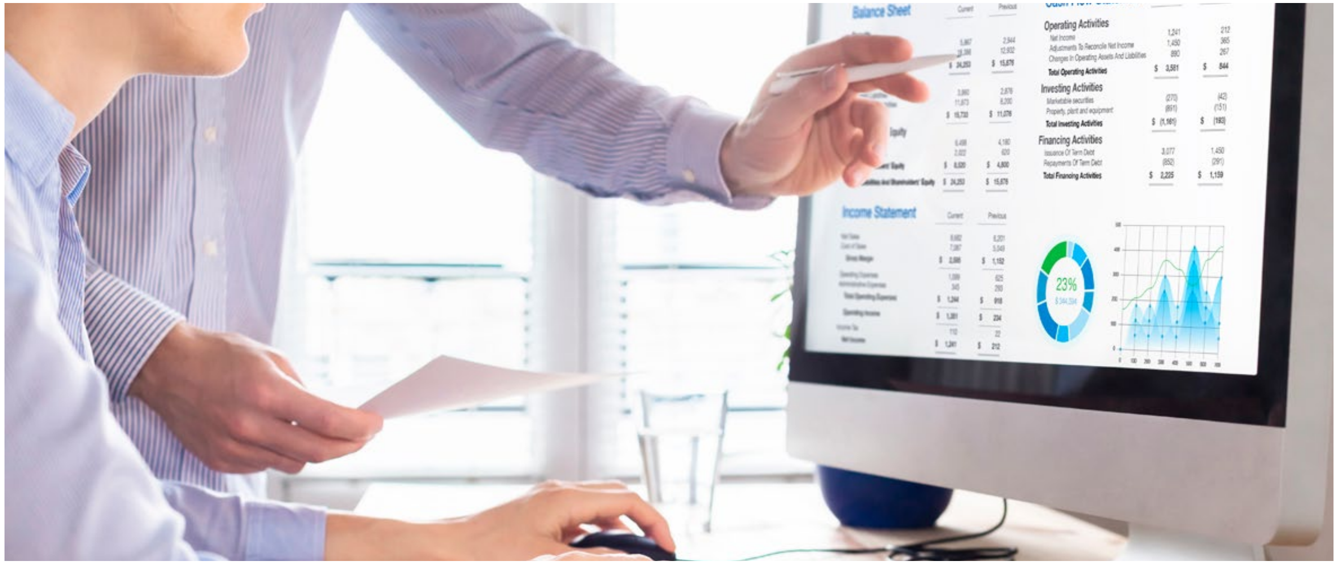
Systematic risk management

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 aim 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 based on 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 risk and action plans are continuously followed by Asker's Management Team and is regularly reported to the Audit Committee and ultimately to the Board.



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 occurs 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 makes use of risk analyses, continuous maintenance, and reviews and invests in IT equipment and security, at both Group and subsidiary level. In addition, regular GDPR compliance audits take place and employees receive compulsory training in data security and privacy awareness. Asker's decentralised business model and 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, for example, 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 the 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 works actively with 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 and the decentralised business model 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, meaning the risk that the financing of the Group's capital requirements is made 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 costs and lower investments in projects and non-current assets.	The Group has a financial and treasury policy that is adopted by the Board every year. It stipulates that financial risks are to be managed based on a structured and effective process. The Group's financial management is centralised with Group Treasury, which identifies, evaluates and hedges financial risks in close collaboration with the Group's operating units, with the aim of minimizing earnings effects of the financial risks. 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.

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 and regulations and also 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 is also associated with employees who do not comply with the Group's ethical guidelines, data privacy laws, 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 Risks for business being conducted with customers or suppliers that breaches 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 Supplier Code of Conduct. Also, unlawful or unethical behaviour could tarnish confidence in the company and entail material financial consequences.	Asker has a zero tolerance policy for all breaches of these regulations. A Group-wide Code of Conduct applies to all employees and all of Asker's suppliers are to sign the Supplier Code of Conduct or equivalent code of at least the same level. The Group also works systematically to train 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 operationally or financially according to plan. This could lead to higher costs than expected or the expected synergies not being fully achieved 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 analysis. 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.

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, fines and 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 and 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, and 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. Following the decentralised governance model, 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 no qualified personnel with the right skills are available. Difficulties in recruiting and retaining employees could limit growth opportunities for the Group.	Asker applies the principle of paying market-based salaries and offering part-ownership to motivate key personnel to remain working at the company and developing the operations for the long term. The Group's education program – Asker Business School – is the Group's own university that offers online and onsite education for employees, and aims to onboard 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 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 set 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 changes is described in the external TCFD report (visit asker.com).
Political risks Asker's companies conduct operations in countries in which healthcare is partly or wholly publicly funded and thus is 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

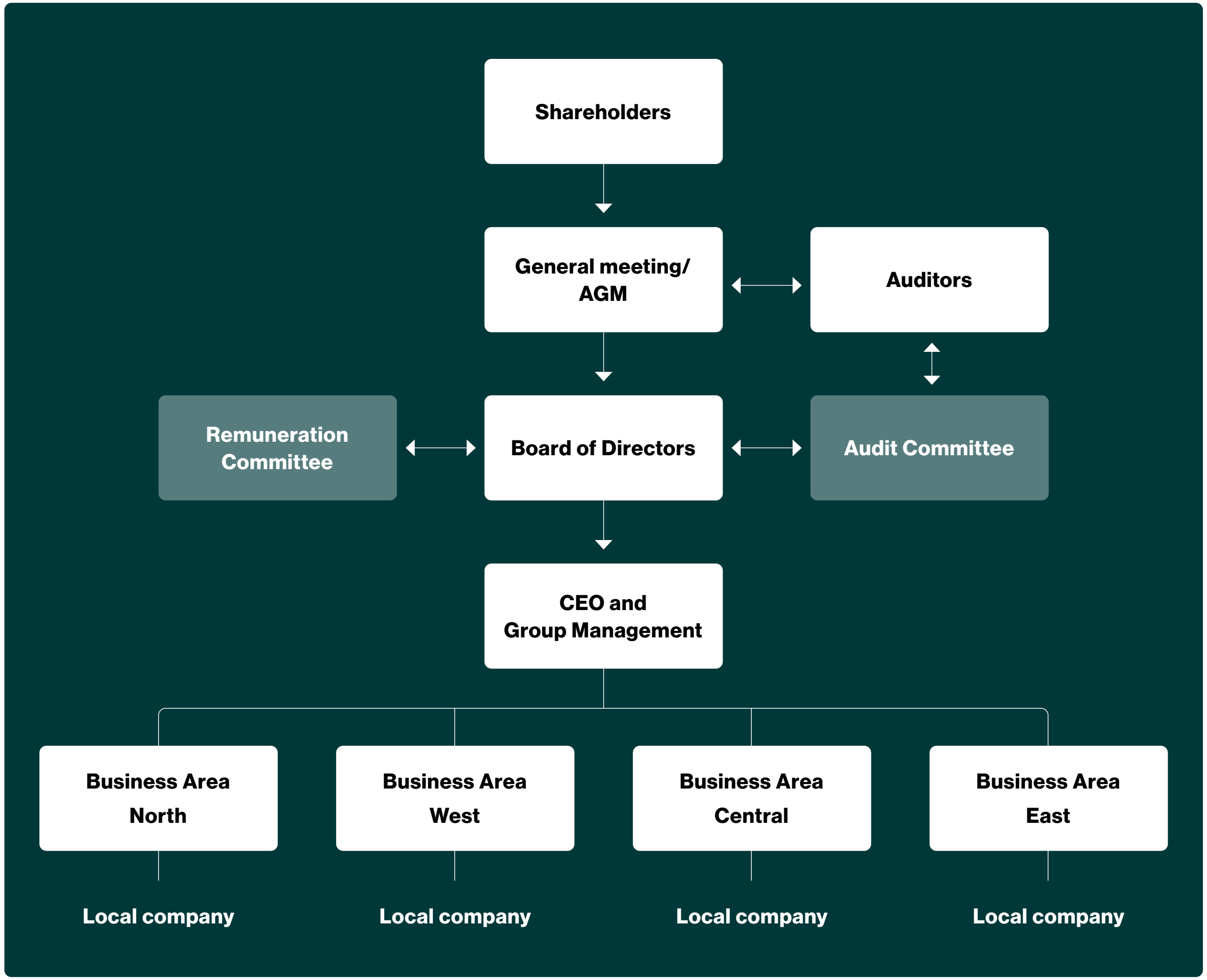
Corporate governance at Asker Healthcare Group is designed to support the Group's long-term strategy and ensure that the operations are governed sustainably, responsibly and effectively based on a good corporate culture and internal control. It defines the decision-making systems and structures and the division of responsibilities and duties. The purpose is to provide guidance for employees, ensure a good risk culture and create internal processes for adequate control. Robust corporate governance is ultimately a matter of Asker maintaining the confidence of shareholders, employees and other stakeholders.

The 2022 corporate governance report has not been audited separately by Asker's auditors. The report contain disclosures in accordance with Chapter 6, Section 6 of the Swedish Annual Accounts Act.

Corporate governance structure

The Group's Parent Company is Asker Healthcare Group AB (the company), with 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. Examples of external regulations are:

- Swedish Companies Act
- Accounting legislation, including the Swedish Bookkeeping 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 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.

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

The healthcare systems in Europe vary between each country and hence it is important to have strong local operations that know the market and its conditions. Asker has adopted internal rules to govern the Group and processes to monitor compliance in order to ensure adherence with laws and regulatory requirements and the values and requirements that Asker also sets for all of the businesses within the Group. This corporate governance framework is called the Asker Management Standard. The purpose of the Asker Management Standard is to clarify the local responsibility for strategy and results, cooperation within the Group and the requirements the Group sets on the operations of subsidiaries. This is a decentralised governance model under which the subsidiaries have full responsibility for strategies and earnings.

The Asker Management Standard has been adopted by Asker’s Board and Group Management Team, and 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 documents define how Asker’s operations are to be conducted, controlled and organised. The governing documents form the basis of Asker’s decentralised organisation and are available to all business areas and employees on the Group-wide intranet. Read more about Asker’s values on asker.com. Important internal governing documents 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

More information about Asker’s corporate governance is available at asker.com.

Ethics, sustainability and risk management

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

Asker's Code of Conduct provides guidance on how all employees are expected to act. All employees also receive training to ensure they have a sound understanding of the content. The training and Code of Conduct also include actions and processes that prevent corruption and bribery. The Code of Conduct also clarifies that Asker is to promote equality and diversity. Asker makes decisions when recruiting, employing, developing and promoting employees based on their merits, and does not take into consideration their sex, transgender identity or expression, age, sexual orientation, disability, ethnicity, religion or other belief. The Code of Conduct is followed up and adopted every year by the Board, which is the highest level in the company.

The Supplier Code of Conduct is based on Asker's Code of Conduct and internationally acknowledged conventions and declarations, and 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. Asker sets exactly the same requirements for its suppliers. The Supplier Code of Conduct is followed up and adopted every year by the Group Management Team.

The countries analyse risks every quarter, and follow-up takes place every six months together with the business areas and all central functions. These analyses involve ensuring that all identified risks have an action plan to minimise the impact and remain at an acceptable level. Risk management activities also provide continuous material for long-term business decisions. The Board studies the risk report every year, or more often if necessary.

Read more about Asker's sustainability activities on pages 34–66.

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

Composition of the Board

In 2022, the Board comprised six members and two deputies.

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

1) Does not include per capsulam meetings.
2) Martin Lagerblad was elected on 17 February 2022 and Richard Silén stepped down on 28 April 2022.

as adopting the 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 not earlier than six weeks and not 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 (69 percent) and AP6 (19 percent). The Articles of Association do not contain any voting restrictions. The 2022 AGM authorised the Board, with or without preferential rights for shareholders, to resolve on new issues of shares, issues of convertibles and warrants, but at a maximum amount corresponding to 11,446,987 shares.

Board of Directors

As regards to Board members elected at the shareholders' meeting, the Board is, in accordance with the Articles of Association, to comprise of one to ten Board members and a maximum of five deputy Board members. The Board 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 divestment, 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 2022. The CEO, CFO and COO attend all Board meetings. The company's General Counsel is the Board secretary. All Board meetings followed an approved agenda based on the Board's established year wheel, 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 at hand. The work of the Board and the CEO is also evaluated every year in order to develop work practices and efficiency.

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 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 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 Committee also monitors to ensure compliance with the rules on auditor rotation. The external auditors regularly participate in 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 Committee prepares recommendations for the Board's decisions on incentive programs and examines the outcome of variable remuneration components.

Remuneration of Board of Directors

The 2022 AGM resolved that fees for the Board, for the period until the end of the following AGM, would amount to a total of SEK 1,075,000. Fees for the Chairman amount to SEK 400,000 and each of the other Board members who are independent of the owners are to receive SEK 300,000. Fees for the Chairman of the Audit Committee amount to SEK 75,000.

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 2022 AGM elected Ernst & Young Aktiebolag as the external auditor until the end of the 2023 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 Board and Audit Committee meet 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 alongside the normal auditing activities. The company's auditor continuously assesses their independence in relation to the company and provides written assurance to the Board every year that the accounting 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 2022, the Group Management Team held 20 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 79.

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 program 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 is also 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 expense insurance and 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 shall 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 efficiency 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 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.

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 based on 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 our 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 available in several countries and in different languages. Employees are encouraged to report conduct that could breach laws, Asker's internal regulations/processes/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 a suspected case of ethical violations. All whistleblowing cases are reported to the Board. One whistleblowing case was reported in the whistleblowing channel in 2022.

Data protection

Asker has established procedures and has a data privacy organisation in place to report and handle data privacy breaches. The data privacy organisation comprises of Asker's Data Protection Officer, the IT Security Committee and local data protection managers. In addition to the legal requirements on reporting data privacy breaches, 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.

Board of Directors

Håkan Björklund
Chairman of the Board and member of Remuneration Committee

Born: 1956

First elected: 2019

Education: PhD in Neuroscience from Karolinska Institute

Professional positions: Board member of Bonesupport. Partner at Tellacqpartners. Advisor to Rothschild private equity

Professional experience: CEO of Nycomed and 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

Born: 1980

First elected: 2019

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

Professional positions: Investment Director AP6 – Sixth Swedish National Pension Fund

Professional experience: Former Board member of Waterjet Sweden AB, Yanzi Networks, Hoist Group Holding and deputy Board member Volvo Finance

Independent of Asker: Yes

Independent of major shareholders (>10%): No

Nina Linander
Board member and Chairman of Audit Committee

Born: 1959

First elected: 2021 and OneMed Group (2015– 2019)

Education: BSc Economics Stockholm School of Economics and MBA at IMD Business School, Lausanne

Professional positions: Chairman GreenIron H2 AB. Board member of Swedavia AB and Suominen Corporation

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

Independent of Asker: Yes

Independent of major shareholders (>10%): Yes

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

Born: 1982

First elected: 2021

Education: MSc Industrial Engineering, KTH Royal Institute of Technology

Professional positions: Managing Director Nalka, Board member of Open Air Group AB, Best Transport AB and Precis Digital AB

Professional experience: Management consultant at Bain & Company

Independent of Asker: Yes

Independent of major shareholders (>10%): No

Richard Silén
Board member

Born: 1973

First elected: 2019

Education: MSc in Banking & Finance, University Lausanne, MSc Business Administration & Economics, Stockholm University

Professional positions: Managing Director of IH Long-Term Equity Advisors AB, investment committee member and Board member of Inter LongTerm Capital SA, Board member of ABB E-mobility AG and Cibes Lift Group AB

Professional experience: Senior Director at Nalka Invest AB

Independent of Asker: Yes

Independent of major shareholders (>10%): No

Birgitta Stymne Göransson
Board member

Born: 1957

First elected: 2020

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

Professional positions: Chairman of Industrifonden and MinDoktor and Board member of Elekta AB, Pandora AS and Bure Equity AB

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

Anders Nyman
Deputy Board member and member of Audit Committee

Born: 1987

First elected: 2019

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

Professional positions: Investment Manager Nalka Invest, Board member Cibes Lift Group AB and Office Management AB

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

Independent of Asker: Yes

Independent of major shareholders (>10%): No

Niklas Rohdin
Deputy Board member

Born: 1973

First elected: 2019

Education: MSc Business, Gothenburg University

Professional positions: Investment Director AP6 – Sixth Swedish National Pension Fund

Professional experience: Investment Manager Knutsson Holding, Director KPMG

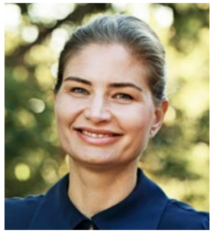
Independent of Asker: Yes

Independent of major shareholders (>10%): No

Group Management Team

Johan Falk
Title: CEO
Born: 1971
Joined: 2012
Education: Master of Science Mechanical Engineering KTH Royal Institute of Technology
Professional experience: Director Getinge, B&B Tools, McKinsey
Other appointments: Board member of Uponor Oyj

Kerstin Mjömark
Title: Head of Human Resources
Born: 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
Born: 1976
Joined: 2018
Education: Master of Mechanical Engineering, Chalmers University of Technology
Professional experience: Senior Purchasing Manager Procter & Gamble, Senior Director Procurement SC Johnson

Peter Gustafsson
Title: Chief Operational Officer
Born: 1972
Joined: 2013
Education: Master of Science Mechanical Engineering, KTH Royal Institute of Technology
Professional experience: Director Getinge, B&B Tools, McKinsey

Thomas Moss
Title: CFO
Born: 1973
Joined: 2019
Education: BA, M.Eng University of Cambridge
Professional experience: Senior financial positions at Diageo plc, Vattenfall AB and Intrum AB

Mattias Jaran
Title: Head of IT Integrity
Born: 1972
Joined: 2014
Education: Master of Science in Engineering Physics, Uppsala University
Professional experience: CIO, Arjo-Huntleigh, IS/IT Director & Head of IS/IT Post Merger Integration, Nycomed
Other appointments: Chairman of the Board of aScan AS

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

Emma Rheborg
Title: Head of Communication
Born: 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

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

Asker Healthcare Group AB • 559184-9848 • Annual Report and consolidated financial statements • 1 January – 31 December 2022

Contents

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.

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 2022–31 December 2022.

The Annual Report is presented in millions of Swedish kronor (SEK m) unless otherwise stated. Amounts in parenthesis 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 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 and comprises more than 30 companies in 14 countries. The company supports healthcare providers and patients to improve patient outcomes, reduce total cost of care and ensure a fair and sustainable value chain – from manufacturing to consumed material. Every day, the services and products of the Asker companies reach tens of thousands of doctors, nurses and healthcare professionals who meet millions of patients across Europe annually.

By developing sustainable solutions and being a close, reliable, and high-quality partner to caregivers, Asker supports the changes needed for the European healthcare system.

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 2022 was as follows: North approx. 37 percent, West approx. 44 percent, Central approx. 11 percent and East approx. 8 percent.

Overall development and financial position

SEK m	2022	2021	2020	2019[1]
Net sales	11,718	9,354	7,075	4,134
Earnings before amortisation of intangible assets (EBITA)	875	666	520	117
EBITA margin	7%	7%	7%	3%
Net debt	2,568	1,487	831	1,176
Working capital	1,767	1,356	856	571
Average number of full-time employees	1,877	1,333	857	726

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

Important events during the year

During the year, Asker acquired and completed eight companies, including one asset acquisition. These acquisitions took place in the North, West and Central business areas. The acquisitions are part of the company’s long-term strategic plan and are crucial to strengthen the Group’s position in these markets.

The Group acquired the following companies during the year: Medireva in the Netherlands, Deforce Medical in Belgium, Gribi AG Belp and Aichele Medico in Switzerland, Heintel Gruppe in Austria, Mobilex in Denmark and Adcuris in Sweden. The Group also carried out an asset acquisition in Denmark, in which the Sterilean brand and associated products and services were acquired. For additional information about the Group’s acquisitions, refer to Note 28 Business combinations.

The pandemic, war in Ukraine and its consequences on the economy and people have clearly demonstrated how vulnerable society is, and how important it is to have functioning and reliable distribution of goods and services in the essential healthcare sector. Despite a backdrop of global turmoil during the year, the Group took crucial steps forward in its strategy to become a European leader in the distribution of medical supplies, devices and equipment.

The effects of the Covid-19 pandemic on the Group’s sales gradually declined in 2022 and were marginal by year-end.

During the year, Asker entered into an amendment agreement for the Group’s primary financing with Nordea and Danske Bank that applies until March 2025.

The directed new share issue, which was decided in December 2021 and generated proceeds of approximately SEK 400 m for the company, was registered in February 2022 and a total of 3,644,293 common shares (Series A) were issued. Participants in the share issue include Nalka, Sixth Swedish National Pension Fund (AP6), Ilmarinen and members of Asker management.

Significant events after the reporting period

On January 26, the Group acquired the remaining 40 percent of the shares in Smedico in Switzerland. Asker now owns 100 percent of the shares and number of votes in the company.

On 7 February, the Group acquired 100 percent of the shares and number of votes in Dispo Medical B.V in the Netherlands.

A decision was made on 20 February to carry out a directed equity issue, 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.

On 1 March, the Group acquired the remaining 49 percent of the shares in Norwegian company Ascan. Asker now owns 100 percent of the shares and number of votes in the company.

On 1 March, the Group acquired 100 percent of the shares and number of votes in GeniMedical B.V in the Netherlands.

On 22 March, the Administrative Court handed down their judgement related to an ongoing tax dispute, refer also to Note 32 for disclosures on contingent liabilities. This judgement rejected Asker's earlier appeal of the Swedish Tax Agency's decision in the matter. Asker intends to appeal the Administrative Court's judgement.

On 27 March, the remaining 38 percent of the shares in Iogen in Finland were acquired. The Group now owns 100 percent of the shares and number of votes in the company.

On 3 April, the Group acquired 100 percent of the shares and number of votes in Andre Surgical GmbH in Austria.

On 3 April, the Group acquired 100 percent of the shares and number of votes in Optiikka Juurinen Oy in Finland.

Material risks and uncertainties

Asker has established a framework for risk management in order to routinely 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 in which the Group operates, the company's business and operating model, compliance with laws and ordinances and financial reporting.

The Group's operations are dependent on circumstances on both global markets and individual countries in order to be able to supply safe and high-quality medical supplies, devices and equipment. Asker's decentralised business model with more than 30 companies in 14 countries means that the Group has low exposure to individual countries or companies, which helps to diversify risk. At the same time, decentralisation gives the markets the opportunity to make quick, local business decisions, while central financing from the Parent Company offers flexibility for local decision-making.

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 and uncertainties 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 67-70.

In addition, the Group is impacted by financial risks such as currency risks, liquidity risks and refinancing risks. Asker endeavours to efficiently manage financial risks arising in the operations in a structured manner and in accordance with the Finance and Treasury Policy adopted by the Board. This policy states the aim to identify, minimise and control financial risks and the distribution of the responsibility of these risks within the organisation. The goal is to minimise the effect 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 by acquiring companies that positively contribute to improvements in the health-care system and patient health as well as to reduce total care costs and introduce more sustainable product options.

Research and development

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

Sustainability information

The Group has prepared a sustainability report that is incorporated in pages 34-66 of the Annual and Sustainability Report.

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) purses a long-term and sustainable approach to its investments and provides Asker Healthcare Group with a strong financial basis. Nalka shares its origin with Inter IKEA through its owner, Interogo Holding AG, with its registered office in Switzerland, and is a committed investor representing strong values and an entrepreneurial approach. The other owners are AP6, a Swedish national pension fund that integrates sustainability in 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 1,452,493,307 is available for appropriation by the Annual General Meeting, of which loss for the year comprises SEK –32,726,928. The Board proposes that the amount be carried forward.

Non-restricted equity	1,485,220,235
Loss for the year	–32,726,928
Total	**1,452,493,307**
To be carried forward	1,452,493,307

Consolidated income statement

SEK m	Note	1 Jan 2022–31 Dec 2022	1 Jan 2021–31 Dec 2021
Net sales	5	11,718	9,354
Other operating income	7	33	24
Total operating income		**11,751**	**9,378**
Operating expenses			
Goods for resale		–7,936	–6,741
Other external expenses	9	–1,187	–843
Personnel costs	10	–1,487	–935
Other operating expenses	8	–38	–31
Depreciation of tangible assets	16	–228	–162
Earnings before amortisation of intangible assets (EBITA)		**875**	**666**
Amortisation of intangible assets	15	–167	–68
Operating profit		**708**	**598**
Profit from financial items	11		
Financial income		266	133
Financial expenses		–413	–187
Net financial items		**–147**	**–54**
Profit before tax		**561**	**544**
Income tax	12	–127	–74
Profit for the year		**434**	**470**
Profit attributable to:			
Parent Company's shareholders		430	467
Non-controlling interests		4	3
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		11.66	13.87

Consolidated statement of comprehensive income

SEK m	1 Jan 2022–31 Dec 2022	1 Jan 2021–31 Dec 2021
Profit for the year	**434**	**470**
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	142	18
Other comprehensive income	**142**	**18**
Total comprehensive income for the year	**576**	**488**
Of which, attributable to:		
Parent Company's shareholders	573	485
Non-controlling interests	3	3

Consolidated balance sheet

SEK m	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
Intangible assets	15		
Capitalised expenditure for software development		94	120
Trademarks, patents, licenses and similar rights		307	77
Customer relationships		1,023	189
Goodwill		4,469	3,362
Total intangible assets		**5,894**	**3,748**
Tangible assets	16		
Land and buildings		640	384
Plant and machinery		229	190
Construction in progress		34	33
Total tangible assets		**904**	**607**
Financial assets			
Derivative instruments	3, 17	2	7
Other non-current receivables	17	11	8
Deferred tax assets	12	17	37
Total financial assets		**29**	**52**
Total non-current assets		**6,826**	**4,407**
Current assets			
Inventories			
Finished goods and goods for resale	18	1,420	1,116
Current receivables			
Accounts receivable	17, 19	1,394	1,106
Derivative instruments	3, 17	32	52
Current tax receivables		20	13
Other receivables	17	212	105
Prepaid expenses and accrued income	17, 20	119	68
Cash and cash equivalents	17, 21	211	494
Total current assets		**3,408**	**2,954**
TOTAL ASSETS		**10,234**	**7,361**

SEK m	Note	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
Equity	22		
Share capital		0	0
Other capital contributions		1,508	1,109
Reserves		137	–6
Retained earnings including profit or loss for the year		1,118	688
Equity attributable to Parent Company's shareholders		**2,763**	**1,791**
Non-controlling interests		28	29
Total equity		**2,791**	**1,820**
LIABILITIES			
Non-current liabilities			
Borrowing	17, 23	3,992	3,038
Derivative instruments	3, 17	0	–
Deferred tax liabilities	12	339	88
Lease liabilities	17, 29	485	344
Other non-current liabilities	17	341	298
Other provisions	24	53	93
Total non-current liabilities		**5,210**	**3,861**
Current liabilities			
Borrowing	23	115	141
Derivative instruments	3, 17	5	5
Accounts payable	17	1,047	866
Currents tax liabilities		91	60
Lease liabilities	17, 29	149	106
Other liabilities	17	426	213
Accrued expenses and deferred income	17, 25	399	289
Total current liabilities		**2,233**	**1,680**
TOTAL EQUITY AND LIABILITIES		**10,234**	**7,361**

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 2021	22	**0**	**1,108**	**–24**	**221**	**1,305**	**0**	**1,305**
Profit for the year		–	–	–	467	**467**	3	**470**
Other comprehensive income for the year		–	–	18	–	**18**	0	**18**
Total comprehensive income		**–**	**–**	**18**	**467**	**485**	**3**	**488**
Share issue		0	1	–	–	**1**	–	**1**
Dividends		–	–	–	–	**–**	–2	**–2**
Transactions attributable to non-controlling interests		–	–	–	–	**–**	28	**28**
		0	**1**	**–**	**–**	**1**	**26**	**27**
Closing balance on 31 December 2021		**0**	**1,109**	**–6**	**688**	**1,791**	**29**	**1,820**

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	22	**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**
Paid 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**

1) Share capital amounted to SEK 54 thousand (53).

2) Reserves relate entirely to translation reserve.

Consolidated statement of cash flows

SEK m	Note	1 Jan 2022– 31 Dec 2022	1 Jan 2021– 31 Dec 2021
Operating activities			
Operating profit		708	598
Adjustments for non-cash items	27	430	137
Interest received/paid		–95	–61
Income tax paid		–100	–85
		943	**589**
Change in current receivables		–22	239
Change in inventory		–12	–181
Change in current liabilities		67	–265
Cash flow from operating activities		**976**	**382**
Investing activities			
Acquisition of intangible and tangible assets	15, 16	–123	–124
Sale of intangible and tangible assets	15, 16	1	0
Acquisition of Group companies	28	–1,738	–719
Cash flow from investing activities		**–1,860**	**–843**
Financing activities			
Borrowings	29	902	858
Repayments of borrowings	29	–582	–120
Repayment of lease liabilities	29	–152	–115
Change in non-current receivables and liabilities		9	–3
Share issue		399	1
Dividends paid to holders of non-controlling interests		–4	–2
Cash flow from financing activities		**572**	**619**
Cash flow for the year		**–312**	**158**
Cash and cash equivalents at the beginning of the year		494	333
Exchange-rate differences in cash and cash equivalents		29	3
Cash and cash equivalents at year-end		**211**	**494**

Notes to the consolidated financial statements

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 more than 30 companies 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, with 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 on 12 April 2023. The Group's and the Parent Company's income statements and balance sheet will be adopted at the Annual General Meeting on 27 April 2023.

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 have been 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 Corporate Groups from the Swedish Financial Reporting Board has also been applied, which specifies the additions to IFRS disclosures that are required under the Swedish Annual Accounts Act. The consolidated financial statements were 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 were measured under the amortised cost method, 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 under a specific standard.

The preparation of financial statements in accordance 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 correspond 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

Note 2 Accounting policies, cont.

transactions 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 acquires non-controlling interests in the future, these are recognised as financial liabilities.

Goodwill is initially recognised at the amount by which the total consideration an non-controlling interest exceed 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 expense 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 currency 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 currency 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 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 Operating segments

The CEO of the Parent Company 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 the function that 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 is probable that future economic benefits that are 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.

Note 2 Accounting policies, cont.

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 straight-line 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, divestment of 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

Note 2 Accounting policies, cont.

freight and customs. 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 expired.

A financial asset and liability 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 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 it is 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 eexpected credit loss 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 19 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.

Note 2 Accounting policies, cont.

2.13 Income tax

Income tax comprises current tax and deferred tax. Income tax is recognised in profit or loss expect 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 carryforwards are recognised insofar as it is probable that tax surpluses will be available in the future against which the loss carryforwards 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 Remunerations 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 and are multi-employer based (pension plans based on the Bedrijfstakpensioenfonds). These plans are also recognised as defined contribution plans.

Defined benefit plans entail that the company has 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 on retirement and the number of years of service.

Pension agreements with endowment insurance

Pension agreements were signed 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 special employers' contributions is 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 fall 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 case 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 on the basis of public procurement processes. The time between order and delivery is usually short. Asker also sells medical devices and equipment that

Note 2 Accounting policies, cont.

require installation, for example, at the hospital. In all of these contracts, the equipment and 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 passed). For some of these contracts, this means that control of the equipment is passed on delivery, whereas for others control is not passed until the equipment has been installed and the customer has given final approval. Control related to installation is continuously passed in line with the installation being completed.

For contracts with customers 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 in general 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, meaning 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 entailing 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 of an insignificant extent. 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, sometime with an extension option.

The Group recognises a right-of-use asset and a lease liability on the date the leased asset became 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 as at 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.

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 straight-line 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 that operating profit is 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 is the effect is material.

Provisions that can be recognised include, for example, expenses for restructuring and severance pay. An expense for benefits in connection with the termination of employment is recognised only if there is 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 occurred events 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 PC2 for the Parent Company for how deviations under RFR 2 are treated.

2.23 Events after the reporting period

Events that occurred after the reporting date but circumstances that existed on the balance sheet date have been included in the accounts. If a significant event occurs after the reporting date but did not affect earnings or 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 shares outstanding during the year. When calculating earnings per share after dilution, the average number of shares is adjusted to take into account the effects of dilutive potential common shares.

NOTE 3 Financial risk management

Framework for financial risk management

Through its operations, the Group is exposed to a financial risks such 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 makes hedges in the external market.

Market risk

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

Currency risk

Asker conducts extensive trading abroad 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 payments 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 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 secure their currency risk centrally with Asker Treasury AB, which in turn makes hedges in the external market.

The impact on the Group's earnings of the SEK strengthening/weakening 1 percent against other currencies is SEK +/- 2.2 m (+/- 2.5).

Transaction exposure

Transaction exposure encompasses all future contracted and forecast inward and outward payments in foreign currency. The Group's currency flows are usually managed as flows in foreign currency from purchases and sales. 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 inventory) in every major currency for the following 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	2022	2021
EUR	–270	–34
GBP	1	0
DKK	–28	–1
NOK	–17	–2
USD	–14	–6
CHF	60	0
PLN	5	2

Translation exposure

The Group has several holdings in foreign operations, which 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 assets are distributed between the various currencies as follows:

	2022		2021	
Net investments	SEK m	Sensitivity analysis[1]	SEK m	Sensitivity analysis[1]
EUR	4,347	217	2,420	121
CHF	200	10	25	1
DKK	407	20	255	13
NOK	114	6	71	4
PLN	15	1	–	–
HKD	4	0	0	0
Total	**5,087**	**254**	**2,771**	**138**

[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 attributable 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 2022, the debt portfolio comprised overdraft facilities and external loans outstanding at floating interest rates (0-3 months) in SEK, EUR and CHF. In 2022, 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 +/– 45.5 m (+/– 31.4).

Credit risk

Credit risk is managed on 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", conducted by an independent appraiser, are accepted.

Before entering an agreement the Group's customers' credit is checked, whereby information about customers' financial position is collected from different credit agencies. Additionally, other factors are considered in the combined assessment. The customers' financial position are also monitored and examined continuously. Monitoring of accounts receivable is conducted continuously with control of receivables overdue. The management is not expecting any losses due to failure of payment 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 also a description of the customer loss model that Asker uses for past due accounts receivable, refer to Note 19.

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 the Group's cash position in order 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. In order to manage surpluses and deficits in various currencies, Asker Treasury AB makes use of 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, undiscounted cash flows with regard to repayments and estimated interest payments based on actual interest rates.

NOTE 3 Financial risk management, cont.

31 Dec 2022	Up to 3 months	Between 3 months and 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowing	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**

31 Dec 2021	Up to 3 months	Between 3 months and 1 year	Between 1 and 5 years	More than 5 years	Total
Borrowing	59	82	1,792	–	1,933
Shareholder loans	–	–	1,187	–	1,187
Overdraft facility	–	–	–	–	0
Lease liabilities	31	92	280	109	512
Loans from minority shareholders	–	–	59	–	59
Contingent consideration and put/call options	–	67	236	–	303
Derivative instruments	2	3	0	–	5
Accounts payable	866	–	–	–	866
Total	**958**	**243**	**3,554**	**109**	**4,865**

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 foreign exchange contract

	31 Dec 2022		31 Dec 2021	
	Purchases foreign currencies	Sales foreign currencies	Purchases foreign currencies	Sales foreign currencies
USD	50	4	108	0
EUR	1	4	63	19
NOK	0	13	0	167
DKK	0	38	0	23

NOTE 4 Significant accounting estimates and judgements

The consolidated financial statements were prepared in accordance with IFRS. The Group 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 4,469 m (3,362) Additional information is provided in Note 15.

Provisions for disputes

The Covid-19 pandemic increased the risk of disputes related to delivery precision and replacement products. Accordingly, provisions were made during the pandemic for any expected commitments related to this. As the effects of the pandemic gradually subsided in 2022 and were deemed to be marginal at year-end, a final reversal of the unutilised portion of the provisions took place during the year. Additional information is provided in Note 24. The possibility of any potential disputes related to the pandemic are continuously monitored to take into account indications of any changed conditions and consequent need to adjust the provision.

Note 4. Critical estimates and judgements, cont.

Measurement of fair value on acquisitions

The Group measures identifiable assets and liabilities (net liabilities) 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 28.

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 18.

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, which some equipment requiring installation. The performance obligation for both the sale of supplies and 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 passed 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 standalone selling prices. See below for a specification of net sales between goods recognised at a point in time and services recognised over time.

2022	North	West	Central	East	Total
Goods recognised at a point in time	3,979	5,187	1,271	899	11,337
Services recognised over time	326	1	37	17	381
Total	**4,305**	**5,188**	**1,308**	**915**	**11,718**

2021	North	West	Central	East	Total
Goods recognised at a point in time	4,113	2,889	925	1,116	9,043
Services recognised over time	278	1	17	15	311
Total	**4,391**	**2,890**	**942**	**1,131**	**9,354**

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 passed until the equipment has been installed and the customer has given final approval. Payment terms for these contracts entail that Asker has received 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	2022	2021
Assets		
Accounts receivable (Note 19)	1,394	1,106
Accrued income (Note 20)	44	24
Liabilities		
Deferred income (Note 25)	4	5

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. The operations have been evaluated based on four business areas and operating segments as of 2021: 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.

Note 6 Segment information, cont.

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**

No impairment or reversal of impairment of intangible assets with indefinite useful lives took place during the period.

2021	North	West	Central	East	Other and eliminations	Total
Revenue from external customers	4,392	2,889	942	1,131	–	9,354
Revenue from other operating segments	286	12	–	47	–345	0
Segment revenue	**4,678**	**2,901**	**942**	**1,178**	**–345**	**9,354**
Depreciation of tangible assets	–66	–58	–24	–12	–2	–162
EBITA	**423**	**208**	**22**	**123**	**–110**	**666**
Undistributed operating expenses (amortisation of intangible assets)						–68
Operating profit						**598**
Net financial items						–54
Profit before tax						**544**
Income tax						–74
Profit for the year						**470**

External operating revenue by country

	2022	2021
Sweden	3,485	3,365
Finland	781	944
Denmark	660	649
Norway	716	937
Netherlands	3,974	2,053
Germany	1,073	878
Other	1,029	528
Total	**11,718**	**9,354**

The Group has no single customer that accounts for more than 10 percent of the Group's total revenue.

Intangible and tangible assets by country

	2022	2021
Sweden	169	194
Finland	32	52
Denmark	85	77
Norway	183	188
Netherlands	398	158
Germany	80	68
Austria	51	–
Switzerland	79	10
Other	6	6
Total	**1,083**	**753**

Intangible assets are recognised excluding goodwill and acquired trademarks and customer relationships. Goodwill is not monitored internally at a 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.

NOTE 7 Other operating income

	2022	2021
Exchange-rate gains	19	20
Other items	14	4
Total	**33**	**24**

NOTE 8 Other operating expenses

	2022	2021
Exchange-rate losses	–38	–31
Other items	0	–
Total	**–38**	**–31**

NOTE 9 Remuneration of auditors

	2022	2021
EY		
Audit assignment	9	4
Auditing activities in addition to audit assignment	0	–
Tax consulting	–	–
Other services	0	1
Total	**10**	**5**

	2022	2021
Other auditors		
Audit assignment	4	2
Auditing activities in addition to audit assignment	0	–
Tax consulting	2	5
Other assignments	–	15
Total	**6**	**22**

EY has been appointed as the Group's auditors. Audit assignment refers to the fee for the statutory audit, meaning 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	2022	2021
Salary and other remuneration	1,138,064	698,837
Social security contributions	202,481	140,593
Pension expenses	98,731	67,959
Total	**1,439,276**	**907,389**

Salary and other remuneration

SEK thousands	2022	2021
Board members, CEO and other senior executives	34,538	32,714
Other employees	1,103,526	666,123
Total	**1,138,064**	**698,837**

Pension expenses

SEK thousands	2022	2021
CEO and other senior executives	6,104	5,198
Other employees	92,627	62,761
Total	**98,731**	**67,959**

Board members and other senior executives on balance sheet date	2022		2021	
	Total	Of whom women	Total	Of whom women
Board members (Parent Company)	6	33%	5	40%
CEO and other senior executives (Group)	9	44%	8	38%
Total	**15**		**13**	

Average number of full-time employees	2022		2021	
	Total	Of whom women	Total	Of whom women
Sweden	409	45%	408	45%
Finland	96	60%	94	59%
Norway	95	41%	89	37%
Denmark	97	53%	86	62%
Baltic	23	78%	22	86%
Benelux	875	53%	391	52%
Germany	187	76%	198	73%
Switzerland	62	47%	38	45%
Austria	17	37%	–	–
Poland	9	33%	–	–
China	7	57%	7	57%
Total	**1,877**	**53%**	**1,333**	**53%**

The number of employees at year-end was 2,317 (1,364).

Note 10 Remuneration of employees, cont.

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**

Remuneration of the Board, CEO and other senior executives, 2021

SEK thousands	Basic salary/ Directors' fee	Variable remuneration	Other benefits	Pension expenses	Total
Board (5 people)	867	–	–	–	867
CEO and other senior executives (8 people)	15,949	14,735	1,163	5,198	37,045
	16,816	**14,735**	**1,163**	**5,198**	**37,912**

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 expected remaining service period. Expected contributions for the next reporting period for the ITP 2 plans secured with Alecta amounts to SEK 7 m (8). 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. To strengthen the collective consolidation level, if it is deemed to be too low, one measure could be 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 2022, Alecta's surplus in the form of the collective consolidation level amounted to 193 percent (172).

In the Netherlands, there is a defined benefit plan (Bedrijfstakpensioenfonds Detailhandel) that encompasses many employers within retail. For the period, the company has not had access to information in order to be able 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 expected remaining service period. Expected fees for the next reporting period amount to SEK 20 m (14). 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 36 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 8 m (6). A provision for special employers' contributions was calculated based on the fair value of the endowment insurance.

Severance pay

A notice period of 12 months from the company and 6 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 6 months apply between the company and other senior executives. Severance pay is due on termination for 0-6 months.

NOTE 11 Financial income and expenses

	2022	2021
Financial income		
Interest income	1	1
Fair value gains on interest-rate swaps/ currency derivatives	–	98
Exchange differences from financing activities	264	33
Other financial income	1	1
Total	**266**	**133**
Financial expenses		
Interest expenses on shareholder loans	–71	–67
Fair value losses on interest-rate swaps/currency derivatives	–26	–
Fair value losses on call and put options	–56	–
Exchange differences from financing activities	–152	–49
Interest expenses	–64	–33
Interest expenses lease liabilities	–25	–21
Other financial expenses	–19	–17
Total	**–413**	**–187**
Total net financial items	**–147**	**-54**

NOTE 12 Tax

	2022	2021
Current tax		
Current tax on profit or loss for the year	–121	–40
Total current tax	**–121**	**–40**
Deferred tax		
Occurrence and reversal of temporary differences	–6	–34
Total deferred tax	**–6**	**–34**
Tax expense	**–127**	**–74**

Reconciliation of effective tax

	2022	2021
Profit before tax	**561**	**544**
Tax at Swedish tax rate, 20.6% (20.6)	–116	–112
Tax effect of		
Non-taxable income	11	19
Non-deductible expenses	–23	–20
Utilisation of loss carryforwards for which no deferred tax is recognised	–	15
Adjustment of previous year's tax	8	43
Changed tax rate	–	–
Other differences	–1	–6
Effect of different tax rates for foreign subsidiaries	–6	–13
Reported tax	**–127**	**–74**

The effective tax rate for the Group is 22.6 percent (13.7).

Deferred tax assets and tax liabilities are attributable to:

	31 Dec 2022		
	Deferred tax assets	**Deferred tax liabilities**	**Net receivables (+) liabilities (–)**
Intangible assets	–	–307	–307
Tangible assets	5	–	5
Derivative instruments	1	–7	–6
Loss carryforwards	5	–	5
Untaxed reserves	–	–23	–23
Other provisions	2	–	2
Other items	4	–2	2
Deferred tax assets/ liabilities	**17**	**–339**	**–322**

	31 Dec 2021		
	Deferred tax assets	**Deferred tax liabilities**	**Net receivables (+) liabilities (–)**
Intangible assets	–	–64	–64
Tangible assets	4	–	4
Derivative instruments	1	–12	–11
Loss carryforwards	12	–	12
Untaxed reserves	–	–10	–10
Other provisions	17	–	17
Other items	3	–2	1
Deferred tax assets/liabilities	**37**	**–88**	**–51**

Changes in deferred tax

	2022	2021
Opening carrying amount deferred tax asset (+) / liability (-)	**–51**	**50**
Recognised in profit or loss	–6	–34
Acquisitions	–246	–67
Exchange differences	–19	–
Closing net carrying amount deferred tax asset (+) / liability (-)	**–322**	**–51**

The majority of the deferred tax liabilities become due 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 2022, the Group had loss carryforwards of SEK 60 m (16) which are not valued. Approximately SEK 21 m (52) of these are not subject to time limitation. It is the assessment of the management that the loss carry forwards 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

	2022	2021
Earnings per share		
Earnings per share before dilution	11.66	13.87
Earnings per share after dilution	11.66	13.87

The basis for calculating earnings per share is provided below.

Earnings per share before and after dilution

The calculation of earnings per share in 2022 was based on profit or loss for the year attributable to the Parent Company's shareholders amounting to SEK 430 m (467) and a weighted average number of common shares outstanding in 2022 amounting to 36,885 thousand (33,670). The two components were calculated as follows:

	2022	2021
Profit for the year attributable to Parent Company's shareholders	430	467

Weighted average number of shares for the year before dilution

In thousands of shares	**2022**	**2021**
Total number of shares	36,885	33,670
Weighted average number of shares for the year before dilution	**36,885**	**33,670**

NOTE 14 Exchange differences

Exchange differences have been recognised in profit or loss as follows:

	2022	2021
Other operating income (Note 7)	19	20
Other operating expenses (Note 8)	-38	-31
Financial income (Note 11)	264	33
Financial expenses (Note 11)	-152	-49
Total	**93**	**-27**

NOTE 15 Intangible assets

31 Dec 2022	Goodwill	Trademarks, patents, licenses and similar rights	Customer relationships	Capitalised development expenditure	Total
Opening cost	**3,362**	**155**	**204**	**358**	**4,079**
Purchases for the year	–	33	–	27	**61**
Acquisitions	1,035	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**
31 Dec 2021					
Opening cost	**2,765**	**78**	**–**	**283**	**3,126**
Purchases for the year	–	23	–	31	**54**
Acquisitions	580	82	201	16	**879**
Reclassifications	–	–30	–	27	**–3**
Sales and disposals	–	–	–	–	**–**
Translation differences	17	2	3	1	**23**
Closing accumulated cost	**3,362**	**155**	**204**	**358**	**4,079**
Opening amortisation and impairment	**0**	**–45**	–	**–189**	**–234**
Amortisation for the year	–	–8	–15	–45	**–68**
Acquisitions	–	–24	–	–3	**–27**
Reclassifications	–	0	–	0	**0**
Sales and disposals	–	0	–	0	**0**
Translation differences	–	0	–	0	**0**
Impairment for the year	–	–1	–	–1	**–2**
Closing amortisation and impairment	**0**	**–78**	**–15**	**–238**	**–331**
Carrying amount on 31 December 2021	**3,362**	**77**	**189**	**120**	**3,748**

The Group recognised goodwill of SEK 4,469 m (3,362) 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 a 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 named 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 7.8 percent (8.0) 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

Note 15 Intangible assets, cont.

not result in any impairment requirement. Reasonable adjustments in important assumptions are not deemed to result in an impairment requirement. The Group does 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 2022	31 Dec 2021
North	1,558	1,507
West	1,935	1,168
Central	499	215
East	477	472
Closing carrying amount	**4,469**	**3,362**

NOTE 16 Tangible assets

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	Sum	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**

NOTE 16 Tangible assets, cont.

31 Dec 2021	Land and buildings	Right-of-use assets	Total	Plant and machinery	Right-of-use assets	Total
Opening cost	**6**	**303**	**309**	**206**	**54**	**260**
Acquisitions	5	80	85	93	0	**93**
Acquisitions for the year	2	171	173	40	53	**93**
Sales and disposals	–2	–28	–30	–7	–15	**–22**
Reclassifications	0	0	0	5	0	**5**
Translation differences	0	12	12	6	1	**7**
Closing accumulated cost	**11**	**538**	**549**	**343**	**93**	**436**
Opening depreciation	**–3**	**–93**	**–96**	**–117**	**–22**	**–139**
Acquisitions	–2	0	–2	–56	0	**–56**
Sales and disposals	1	28	29	8	15	**23**
Depreciation for the year	–1	–92	–93	–41	–28	**–69**
Translation differences	0	–3	–3	–5	0	**–5**
Closing accumulated depreciation	**–5**	**–160**	**–165**	**–211**	**–35**	**–246**
Carrying amount	**6**	**378**	**384**	**132**	**58**	**190**

31 Dec 2021	Construction in progress and advance payments for tangible assets	Right-of-use assets	Total	Sum	Right-of-use assets	Total
Opening cost	**9**	**–**	**9**	**221**	**357**	**578**
Acquisitions	0	–	0	98	80	**178**
Acquisitions for the year	28	–	28	70	224	**294**
Sales and disposals	0	–	0	–9	–43	**–52**
Reclassifications	–5	–	–5	0	0	**0**
Translation differences	1	–	1	7	13	**20**
Closing accumulated cost	**33**	**–**	**33**	**387**	**631**	**1,018**
Opening depreciation	**–**	**–**	**–**	**–120**	**–115**	**–235**
Acquisitions	–	–	–	–58	0	**–58**
Sales and disposals	–	–	–	9	43	**52**
Depreciation for the year	–	–	–	–42	–120	**–162**
Translation differences	–	–	–	–5	–3	**–8**
Closing accumulated depreciation	**–**	**–**	**–**	**–216**	**–195**	**–411**
Carrying amount	**33**	**–**	**33**	**171**	**436**	**607**

NOTE 17 Financial assets and liabilities by measurement category

Assets and liabilities in the balance sheet

		31 Dec 2022		31 Dec 2021	
	Fair value hierarchy	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
FINANCIAL ASSETS					
Accounts receivable		–	1,394	–	1,106
Cash and cash equivalents (included blocked funds)[1]		–	211	–	494
Other loans and receivables		–	214	–	117
Derivative instruments	2	34	–	59	–
Accrued income		–	44	–	24
Total financial assets		**34**	**1,863**	**59**	**1,738**
FINANCIAL LIABILITIES					
Accounts payable		–	1,047	–	866
Borrowing		–	4,108	–	3,179
Lease liabilities		–	634	–	450
Other financial liabilities	3	108	381	103	195
Derivative instruments	2	5	–	5	–
Accrued expenses		–	386	–	274
Total financial liabilities		**113**	**6,556**	**108**	**4,964**

1) 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 prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 2022, 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]	
	2022	**2021**
Opening balance	**103**	**40**
Acquisitions	68	49
Payments	–53	–
Remeasurement[2]	-11	13
Exchange differences	1	1
Closing balance	**108**	**103**

1) Refers only to earnouts.

2) The earnings effect of the remeasurement of contingent consideration amounts to SEK -11 m (-13) and was recognised under Operating expenses in the consolidated income statement.

NOTE 18 Inventories

	31 Dec 2022	31 Dec 2021
Finished goods and goods for resale	1,620	1,311
Obsolescence reserve	–200	–195
Total	**1,420**	**1,116**

The item goods for resale in the income statement includes costs related to inventories of SEK –7,936 m (–6,741). No significant impairment reversals took place in 2022 or 2021.

NOTE 19 Accounts receivable

	31 Dec 2022	31 Dec 2021
Accounts receivable	1,417	1,118
Less: loss allowance	–22	–12
Accounts receivable – net	**1,394**	**1,106**

Maturity structure of accounts receivable

	31 Dec 2022	31 Dec 2021
– not past due	1,211	935
– past due by less than one month	131	142
– past due by one to two months	24	16
– past due by more than two months	28	13
Total	**1,394**	**1,106**

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 applies to all receivables not past due for which other deferred borrower-specific factors have been observed. On 31 December 2022, accounts receivable amounting to SEK 183 m (171) were past due, of which SEK 28 m (13), 2.0 percent (1.2) past due by more than two months.

NOTE 20 Prepaid expenses and accrued income

	31 Dec 2022	31 Dec 2021
Prepaid rent	28	19
Prepaid insurance	3	2
Prepaid leases	1	1
Prepaid interest	0	–
Other prepaid expenses	42	22
Accrued income	44	24
Total	**119**	**68**

NOTE 21 Cash and cash equivalents

Cash and cash equivalents in the balance sheet and statement of cash flows include the following:

	2022	2021
Bank balances	211	446
Blocked funds	–	48
Total	**211**	**494**

NOTE 22 Share capital and other capital contributions

	Date	Number of shares (thousand)	Share capital	Other capital contributions	Total
At the beginning of the year	**2021-01**	**110,610**	**0**	**1,108**	**1,108**
Share issue	2021-12	1	0	1	1
At year-end	**2021-12**	**110,611**	**0**	**1,109**	**1,109**
At the beginning of the year	**2022-01**	**110,611**	**0**	**1,109**	**1,109**
Share issue	2022-02	3,644	0	399	399
At year-end	**2022-12**	**114,255**	**0**	**1,508**	**1,508**

The company was founded on 29 November 2018 and registered on 11 December 2018.

Share capital comprises 114,254,813 shares (110,610,520) with a quotient value of SEK 0.0005. The number of votes per share is one. Final payment and registration of the new share issue that was decided on 23 December 2021 took place in 2022. Share capital amounted to SEK 54 thousand (53) on 31 December 2022.

Other capital contributions comprise shareholder contributions of SEK 1,050 m (1,050) and the share premium reserve of SEK 458 m (58).

NOTE 23 Borrowing

	31 Dec 2022	31 Dec 2021
Long-term borrowing		
Liabilities to credit institutions	2,664	1,792
Shareholder loans	1,259	1,187
Loans from minority shareholders	69	59
Total	**3,992**	**3,038**
Short-term borrowing		
Liabilities to credit institutions	115	141
Total	**115**	**141**
Total borrowing	**4,108**	**3,179**

The fair value of short-term borrowing 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 2022	31 Dec 2021
– within 3 months	80	59
– between 3 months and 1 year	35	82
– between 1 and 2 years	70	202
– between 2 and 3 years	3,923	2,836
– between 3 and 4 years	–	–
– between 4 and 5 years	–	–
– after more than 5 years	–	–
Total	**4,108**	**3,179**

Carrying amounts per currency for borrowing

	31 Dec 2022	31 Dec 2021
SEK	2,149	2,125
EUR	1,904	1,014
CHF	55	30
DKK	0	10
Total	**4,108**	**3,179**

The Group has the following unutilised credit facilities:

	31 Dec 2022	31 Dec 2021
Floating interest		
– expires within one year	–	–
– expires after more than one year	586	1,267
Fixed interest		
– expires within one year	–	–
– expires after more than one year	–	–
Total	**586**	**1,267**

Financing

During the year, Asker entered into an amendment agreement for the Group's primary financing with Nordea and Danske Bank that applies until March 2025.

The Group has an overdraft facility in SEK of SEK 100 m (95). Of this overdraft facility, SEK 18 (0) has been utilised on 31 December 2022. The overdraft facility bears interest at a rate of 3.39 percent (0.58) that is paid monthly. The terms of the overdraft facility are in accordance with the Group's senior loan agreements.

NOTE 24 Provisions

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**

31 Dec 2021	Covid-19 reserve	Personnel	Guarantees	Other	Total
Opening balance	**163**	**–**	**1**	**18**	**182**
Other new provisions	32	–	–	4	**36**
Acquisitions	0	–	–	3	**3**
Utilised provisions during the year	0	–	–	–21	**–21**
Reversed unutilised provisions	–107	–	–	0	**–107**
Translation differences	0	–	–	0	**0**
Closing balance, provisions	**88**	**–**	**1**	**4**	**93**

NOTE 25 Accrued expenses and deferred income

	31 Dec 2022	31 Dec 2021
Accrued personnel-related costs	237	177
Accrued customer bonuses	33	30
Accrued consultancy costs	21	12
Rent and electricity	10	10
Auditing fees	8	2
Transport costs	24	12
Purchases of goods	53	31
Accrued interest expenses	0	0
Deferred income	4	5
Other accrued expenses and deferred income	9	10
Total	**399**	**289**

NOTE 26 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.

	2022	2021
Depreciation of right-of-use assets	159	120
Interest expenses on lease liabilities	25	21
Expenses for low-value leases refer to short-term contracts	60	25
Total expenses attributable to leases	**244**	**166**

The Group recognises a cash outflow attributable to leases of SEK 237 m (161). For a maturity analysis of the Group's lease liabilities, refer to Note 3.

	2022	2021
Cash flow impact of leases		
Repayment of lease liabilities in financing activities	152	115
Interest expenses paid for the year	25	21
Payment made for low-value and/or short-term leases	60	25
Total cash flow impact	**237**	**161**

Future cash flows from leases that had not yet commenced in 2022 but for which Asker as lessee has a commitment amounted to SEK 2 m (24). 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 27 Non-cash items

	31 Dec 2022	31 Dec 2021
Depreciation/amortisation	395	230
Changes in provisions	–78	–88
Capital gains/losses, sales of Group companies	0	0
Exchange-rate gains/losses	106	–13
Other non-cash items	7	8
Total non-cash items	**430**	**137**

NOTE 28 Business combinations

Eight acquisitions were carried out in 2022. These acquisitions complement the Group's existing operations since they provide a broader range of products and services or access to more geographic markets. Seven acquisitions took place by acquiring shares and one was an asset acquisition. The percentage of shares acquired is the same as the share of votes acquired in all acquisitions. The acquisitions for the year are presented by segment below. Refer also to Note PC5 of the Parent Company.

North

On 1 July, 100 percent of the shares in the Swedish company Adcuris were acquired, a company that offers qualitative trauma and health-related protection products for emergency care, police and military. Sales for the split financial year 2020/2021 amounted to approximately SEK 8 m.

West

The acquisition of 100 percent of the shares in Medireva was completed on January 14. The Medireva Group consists of a group of specialised companies with operations in the Netherlands, Belgium, Germany and Austria. Medireva has a broad product and service portfolio with expertise in ostomy and urology with related medical devices. Medireva has approximately 500 employees and sales of roughly SEK 1.4 billion per year.

On 4 April, 86 percent of the shares in the Danish mobility company Mobilex A/S were acquired. Mobilex provides customers across Europe both with its own and with branded mobility and personal aids. Sales amounted to approximately SEK 200 m in 2021.

On 1 June, the acquisition was completed of 100 percent of the shares in Deforce Medical B.V., a Belgian distributor of medical consumables and MedTech equipment to primary and geriatric care that is a leader in its market. Sales amounted to approximately SEK 60 m in 2021.

Note 28 Business combinations, cont.

Central

On 1 April, 80 percent of the shares of Swiss company Gribi AG Belp were acquired. Gribi is a leading provider of medical devices mainly within surgery, ENT, orthotics and ostomy products to hospitals in Switzerland. Sales amounted to approximately SEK 135 m in 2021.

On 1 September, 100 percent of the shares were acquired in the Swiss medical supplies distributor Aichele Medico AG, which provides medical supplies, mainly with focus on niche products to operating rooms, care, neonatology, sterilisation, gynaecology and urology in Switzerland. The company had sales of approximately SEK 70 m in 2021.

On 3 October, 100 percent of the shares were acquired in the Austrian distributor of medical supplies Heintel Gruppe, which sells supplies, devices and light equipment to hospitals in Austria. The company had sales of approximately SEK 250 m in 2021.

Effects of acquisitions made in 2022 and 2021

The effect on the Group's net sales of the acquired companies since the acquisition date was SEK 2,044 m and the effect on the Group's EBITA for the period amounted to SEK 117 m. If all acquired companies had been consolidated from 1 January 2022, net sales for the year would have amounted to SEK 12,133 m and EBITA to SEK 923 m. Acquisition-related costs of SEK 20 m are included in other external expenses in the consolidated income statement for the 2022 financial year.

Acquired assets 2022 and 2021

Acquired assets measured at fair value	2022	2022 – of which Medireva	2021
Intangible assets	1,045	546	272
Tangible assets	114	44	40
Right-of-use assets	166	85	80
Financial non-current assets	15	0	4
Inventories	227	84	188
Other current assets [1]	364	263	258
Cash and cash equivalents	115	34	65
Deferred tax assets/liabilities	–246	–130	–67
Provisions	–36	–13	–3
Borrowing	–373	–235	–102
Lease liabilities	–166	–85	–80
Other financial liabilities	–85	0	–76
Other operating liabilities	–244	–165	–298
Total identifiable net assets	**896**	**428**	**281**
Goodwill	986	520	580
Non-controlling interests	0	0	–28
Consideration	**1,882**	**948**	**833**
Paid consideration and contingent consideration			
Paid consideration	1,800	948	784
Contingent consideration	82	0	49
Total estimated consideration	**1,882**	**948**	**833**

[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 accompanying 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 82 m (49).

The Group has seven companies in which Asker has commitments to acquire an additional 14-49 percent of the shares and these commitments are valued at SEK 379 m after remeasurement. They are calculated based on expected EBITDA and are calculated at present value and recognised as interest-bearing liabilities. Changes for the year are recognised as financial income or expenses.

Transaction costs for the acquisitions made during the year amounted to SEK 20 m (26) 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 that 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 2021 were confirmed during the year and no material adjustments were made.

Effect of acquisitions on cash flow:

Consideration including contingent consideration	2022	2021
Consideration	–1,882	–833
Of which consideration not paid	82	49
Cash and cash equivalents in acquired companies	115	65
Consideration paid for prior years' acquisitions	–53	–
Total effect on cash flow:	**–1,738**	**–719**

NOTE 29 Changes in liabilities in financing activities

31 Dec 2022	Borrowing	Lease liabilities	Other non-current liabilities	Total
Opening balance	**3,179**	**450**	**298**	**3,927**
Cash flows in financing activities	**320**	**–152**	**–57**	**111**
Total cash flows in financing activities	**320**	**–152**	**–57**	**111**
Non-cash changes				
Acquired businesses	373	166	167	**706**
Exchange differences	154	32	14	**200**
Reclassifications	–	–	–145	**–145**
Changes in fair value	–	–	45	**45**
Additional lease liabilities	–	138	–	**138**
Other	82	–	19	**101**
Total non-cash changes	**609**	**336**	**100**	**1,045**
Closing balance	**4,108**	**634**	**341**	**5,083**

31 Dec 2021	Borrowing	Lease liabilities	Other non-current liabilities	Total
Opening balance	**2,252**	**251**	**151**	**2,654**
Cash flows in financing activities	**739**	**–115**	**–4**	**620**
Total cash flows in financing activities	**739**	**–115**	**–4**	**620**
Non-cash changes				
Acquired businesses	102	80	125	**307**
Exchange differences	10	9	4	**23**
Reclassifications	–	–	13	**13**
Additional lease liabilities	–	225	–	**225**
Other	76	–	9	**85**
Total non-cash changes	**188**	**314**	**151**	**653**
Closing balance	**3,179**	**450**	**298**	**3,927**

NOTE 30 Related-party transactions

Asker Healthcare Group AB is controlled by Nalka Invest AB through its holding of 69 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 loan bears interest at 6 percent, accrued interest is capitalised yearly. No repayments are made and the loans mature in 2024. Refer also to Note 23 Borrowing.

Loans to minority owners

The Group is partly funded by interest-bearing loans from minority owners. The loan bears 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.

	2022	2021
Interest expenses on shareholder loans, Asker Healthcare Group AB	71	67
Interest expenses on loans to minority owners	1	1
Total	**72**	**68**

	31 Dec 2022	31 Dec 2021
Shareholder loans Asker Healthcare Group AB	1,259	1,187
Loans to minority owners	69	59
Total	**1,328**	**1,246**

NOTE 31 Pledged assets

Pledged assets for own liabilities

	2022	2021
Chattel mortgages with Nordea Bank	63	63
Endowment insurance	8	6
Equity, Asker Healthcare Holding AB Group	2,069	1,909
Total	**2,140**	**1,978**

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 32 Contingent liabilities

	2022	2021
Guarantee Swedish Customs	71	7
Rental guarantees	14	39
Bank guarantees	46	–
Tax disputes	21	21
Other	20	–
Total	**173**	**46**

Contingent liabilities as of 31 December 2022 pertain to a SEK 0 m (29) submitted rental guarantee in Norway and a SEK 14 m (10) rental deposit in Finland.

NOTE 33 Events after the reporting period

- On January 26, the Group acquired the remaining 40 percent of the shares in Smedico in Switzerland. Asker now owns 100 percent of the shares and number of votes in the company.
- On 7 February, the Group acquired 100 percent of the shares and number of votes in Dispo Medical B.V in the Netherlands.
- A decision was made on 20 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 (Series A) and 852,737 preference shares were issued.
- On 1 March, the Group acquired the remaining 49 percent of the shares in Norwegian company Ascan. Asker now owns 100 percent of the shares and number of votes in the company.
- On 1 March, the Group acquired 100 percent of the shares and number of votes in GeniMedical B.V in the Netherlands.
- On 22 March, the Administrative Court handed down their judgement related to an ongoing tax dispute, refer also to Note 32 for disclosures on contingent liabilities. This judgement rejected Asker's earlier appeal of the Swedish Tax Agency's decision in the matter. Asker intends to appeal the Administrative Court's judgement.
- On 27 March, the remaining 38 percent of the shares in Iogen in Finland were acquired. The Group now owns 100 percent of the shares and number of votes in the company.
- On 3 April, the Group acquired 100 percent of the shares and number of votes in Andre Surgical GmbH in Austria.
- On 3 April, the Group acquired 100 percent of the shares and number of votes in Optiikka Juurinen Oy in Finland.

Parent Company's income statement

SEK m	Note	1 Jan 2022– 31 Dec 2022	1 Jan 2021– 31 Dec 2021
Operating income			
Net sales		15	18
Total		**15**	**18**
Other external expenses		–5	–4
Personnel costs	PC3	–19	–23
Total operating expenses		**–24**	**–27**
Operating loss		**–9**	**–9**
Profit from financial items			
Interest income and similar items	PC4	173	148
Interest expenses and similar items	PC4	–240	–166
Total net financial items		**–67**	**–18**
Group contributions received		47	13
Profit before tax		**–29**	**–14**
Tax		–3	0
Loss for the year		**–32**	**–14**

Parent Company's balance sheet

SEK m	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
Financial non-current assets			
Participations in Group companies	PC5, PC8	3,527	987
Other financial non-current assets	PC8	5	3
Total		**3,532**	**990**
Total non-current assets		**3,532**	**990**
Current assets			
Current receivables			
Receivables from Group companies	PC8	1,884	2,956
Other receivables	PC8	–	398
Total		**1,884**	**3,354**
Cash and cash equivalents	PC6, PC8	**18**	**68**
Total current assets		**1,902**	**3,422**
TOTAL ASSETS		**5,434**	**4,412**

SEK m	Note	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
Equity			
Share capital[1]		0	0
Statutory reserve		1,508	1,508
Retained earnings		–23	–9
Loss for the year		–32	–14
Total equity		**1,453**	**1,485**
Untaxed reserves		**5**	**–**
Provisions			
Provisions		5	3
Total provisions		**5**	**3**
Non-current liabilities			
Borrowing	PC7, PC8	2,056	2,843
Total non-current liabilities		**2,056**	**2,843**
Current liabilities			
Current tax liabilities		3	1
Borrowing	PC7, PC8	70	70
Liabilities to Group companies	PC8	1,832	–
Accrued expenses	PC8, PC9	10	10
Total current liabilities		**1,915**	**81**
TOTAL EQUITY AND LIABILITIES		**5,434**	**4,412**

[1] The number of shares amounted to 114,253,813 (110,610,520).

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 2021		**0**	**1,099**	**1,099**
Ongoing new share issue		0	400	400
Loss for the year		–	–14	–14
Closing balance on 31 December 2021		**0**	**1,485**	**1,485**

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	PC12	–	–32	–32
Closing balance on 31 December 2022		**0**	**1,453**	**1,453**

Parent Company statement of cash flows

SEK m	Note	1 Jan 2022–31 Dec 2022	1 Jan 2021–31 Dec 2021
Operating activities			
Operating profit		–9	–9
Adjustments for non-cash items		1	0
Interest received		–46	1
Interest paid		12	–35
Paid tax		–1	0
Cash flow before changes in working capital		**–43**	**–43**
Change in current receivables		0	1
Change in current liabilities		–1	–1
Cash flow from operating activities		**–44**	**–43**
Investing activities			
Received shareholder contributions		–347	–
Investments in subsidiaries		–48	–
Cash flow from investing activities		**–395**	**–**
Financing activities			
Borrowings	PC10	763	678
Repayments of borrowings	PC10	–70	–70
Share issue		399	1
Group contributions received		13	17
Change in receivables/liabilities to Group companies		–718	–568
Cash flow from financing activities		**387**	**58**
Cash flow for the year		**–52**	**15**
Cash and cash equivalents at the beginning of the year		68	53
Exchange-rate differences in cash and cash equivalents		1	0
Cash and cash equivalents at year-end		**18**	**68**

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 parenthesis 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 an expense straight-line 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 employers' contributions 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 market value.

On every balance-sheet date, the Parent Company test 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.

NOTE PC3 Remuneration of employees, etc.

	2022	2021
Salary and other remuneration	12	15
Social security contributions	5	5
Pension expenses	2	3
Total	**19**	**23**

Salary and other remuneration

	2022	2021
Board members, CEO and other senior executives	19	23
Total	**19**	**23**

Pension expenses

	2022	2021
CEO and other senior executives	2	3
Total	**2**	**3**

	2022		2021	
Board members and other senior executives on balance sheet date	**Total**	**Of whom women**	**Total**	**Of whom women**
Board members	6	33%	5	40%
CEO and other senior executives	2	0%	2	0%
Total	**8**		**7**	

	2022		2021	
	Total	**Of whom women**	**Total**	**Of whom women**
Average number of full-time employees (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.

Severance pay

A notice period of 12 months from the company and 6 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 6 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

	2022	2021
Financial income		
Interest income from Group companies	88	97
Exchange differences from financing activities	85	51
Total	**173**	**148**
Financial expenses		
Interest expenses on shareholder loans	–71	–67
Exchange differences from financing activities	–99	–55
Interest expenses	–56	–27
Other financial expenses	–14	–17
Total	**–240**	**–166**
Total net financial items	**–67**	**–18**

NOTE PC5 Participations in Group companies

	31 Dec 2022	31 Dec 2021
Opening cost	3,527	987
Closing cost	**3,527**	**987**

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 in Danderyd, Sweden. The share of equity and share of voting power amounts to 100 percent. On 31 December 2022, equity amounted to SEK 3,257 m (655). 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	Share-holdings
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	798	62%
OneMed AS	Oslo, Norway	953424894	700	100%
Gymo AS	Randaberg, Norway	921549202	100	100%
OneMed OÜ	Tallinn, Estonia	10891247	1	100%
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%
Stöpler Belgium N.V.	Groot Bijgaarden, Belgium	0474934962	56,258	100%
Stöpler Luxembourg SA	Bertrange, Luxembourg	B110601	8,260	100%
Agoramed B.V.	Ixelles, Belgium	0755707006	150	50%
Cocune Care Products B.V.	Utrecht, Netherlands	83160841	80	80%

NOTE PC5 Participations in Group companies, cont.

	Registered office	Corp. Reg. No.	No. of shares	Share-holdings
Ascan AS	Vettre. Norway	922818363	51,000	51%
Ascan International AS	Vettre. Norway	919601256	15,300	51%
Smedico AG	St.Gallen, Switzerland	293375428	300	60%
DIASHOP GmbH	Munich, Germany	11712440033	66,000	60%
EvivaMed Handelsgesellschaft mbH	Munich, Germany	24412591077	15,000	60%
Med4Trade GmbH	Regensburg, Germany	24413221028	15,000	60%
HuCo B.V.	Maastricht, Netherlands	14627993	2,000,000	100%[1]
Medireva B.V.	Maastricht, Netherlands	59610360	18,000	100%[1]
Medireva Revalidatie B.V.	Maastricht, Netherlands	62072080	18,000	100%[1]
Holding Empé B.V.	Maastricht, Netherlands	73396249	100	100%[1]
Empé B.V.	Maastricht, Netherlands	56931719	1,600,000	100%[1]
Excen B.V.	Maastricht, Netherlands	34308418	18,000	100%[1]
Qualityzorg B.V.	Maastricht, Netherlands	52225658	18,000	100%[1]
We-Medical B.V.	Maastricht, Netherlands	57348820	100	90%[1]
DWC B.V.	Maastricht, Netherlands	63522578	100	100%[1]
Bbrain B.V.	Maastricht, Netherlands	75772752	100	100%[1]
Wondzorgcentrum BVBA	Genk, Belgium	0507952079	310	100%[1]
Woundworks GmbH	Cologne, Germany	HRB93879	0	100%[1, 2]
Empé logistics B.V.	Maastricht, Netherlands	64578550	100	100%[1]
Ekromed Bandagist GmbH	Graz, Austria	FN503763d	0	70%[1, 2]
Mobilex Holding ApS	Hinnerup, Denmark	40509860	111,110	86%[1]
Mobilex A/S	Skanderborg, Denmark	27147720	600,000	86%[1]
Mobilex S.p. z.o.o.	Lodz, Poland	48609	780	86%[1]
Gricka Holding AG	Oberägeri, Switzerland	CHE-447.956.971	80	80%[1]
Gribi AG Belp	Belp, Switzerland	CHE-106.541.045	960	80%[1]
Homed AG	Laupersdorf, Switzerland	CHE-107.387.717	80	80%[1]

	Registered office	Corp. Reg. No.	No. of shares	Share-holdings
Deforce BV	Ardooie, Belgium	0427495331	1,663	100%[1]
Adcuris AB	Karlsborg, Sweden	556816-3900	1,000	100%[1]
Aichele Medico AG	Aesch, Switzerland	CHE-103.587.602	400	100%[1]
Rudolf Heintel GmbH	Vienna, Austria	FN 119977m	0	100%[1, 2]
MSP Medizintechnik GmbH	Vienna, Austria	FN 586575 k	0	100%[1, 2]
HEI Com. GmbH	Vienna, Austria	FN 514738 v	0	100%[1, 2]

1) Acquired in 2022
2) Shares do not exist in this form of company.

NOTE PC6 Cash and cash equivalents

	31 Dec 2022	31 Dec 2021
Cash and bank balances	18	20
Blocked funds	–	48
Total	**18**	**68**

NOTE PC7 Borrowing

Non-current liabilities

	31 Dec 2022	31 Dec 2021
Liabilities to credit institutions	797	1,656
Shareholder loans	1,259	1,187
Total	**2,056**	**2,843**

Current liabilities

	31 Dec 2022	31 Dec 2021
Current portion of liabilities to credit institutions	70	70
Total	**70**	**70**

NOTE PC8 Financial assets and liabilities by measurement category

In the Parent Company, financial instruments are measured at cost. The Group applies IFRS which is why the carrying amount of financial instruments differs between the Group and the legal entity. The cost of the Parent Company's financial assets and liabilities is recognised based on the same fair value categories as those presented in Note 17 for the Group. The Parent Company's financial risk management is managed under the Group's central treasury function. For this reason, refer to the Group's Note 3 for additional information on the Parent Company's risk management.

Assets and liabilities in the balance sheet

	Amortised cost	
	31 Dec 2022	31 Dec 2021
FINANCIAL ASSETS		
Non-current assets		
Other financial non-current assets	5	3
Total non-current receivables	**5**	**3**
Current assets		
Receivables from Group companies	1,884	2,956
Other receivables	–	398
Cash and cash equivalents	18	68
Total current receivables	**1,902**	**3,422**
Total financial assets	**1,907**	**3,425**
FINANCIAL LIABILITIES		
Non-current liabilities		
Borrowing	2,056	2,843
Total non-current liabilities	**2,056**	**2,843**
Current liabilities		
Borrowing	70	70
Liabilities to Group companies	1,832	–
Accrued expenses	10	10
Total current liabilities	**1,912**	**80**
Total financial liabilities	**3,968**	**2,923**

NOTE PC9 Accrued expenses and deferred income

	31 Dec 2022	31 Dec 2021
Personnel costs	8	8
Other expenses	2	2
Total	**10**	**10**

NOTE PC10 Changes in liabilities in financing activities

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**

31 Dec 2021	Borrowing
Opening balance	**2,220**
Cash flows in financing activities	608
Total cash flows in financing activities	**608**
Non-cash changes	
Exchange differences	9
Capitalised borrowing costs	9
Capitalised interest expenses	67
Total non-cash changes	**85**
Closing balance	**2,913**

NOTE PC11 Related parties

Refer to the Group's Note 30 Related-party transactions for transactions with related parties.

NOTE PC12 Proposed appropriation of profit

According to the balance sheet, SEK 1,452,493,307 is available for appropriation by the Annual General Meeting, of which loss for the year comprises SEK –32,726,928. The Board proposes that this amount be carried forward.

Non-restricted equity	1,485,220,235
Loss for the year	–32,726,928
Total profits	**1,452,493,307**

The Board proposes that the profit be distributed as follows:

Dividends per share to be paid to shareholders	–
To be carried forward	1,452,493,307

NOTE PC13 Pledged assets and contingent liabilities

	31 Dec 2022	31 Dec 2021
Pledged assets for external loans	2,069	1,909
Contingent liabilities	None	None
Endowment insurance	5	3

Refer also to the Group's Note 31 Pledged assets.

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 2022 financial year.

Stockholm, 12 April 2023

Håkan Björklund
Chairman

Richard Silén
Board member

Vidar Andersch
Board member

Birgitta Stymne Göransson
Board member

Nina Linander
Board member

Martin Lagerblad
Board member

Johan Falk
CEO

Our auditor's report was submitted on 12 April 2023
Ernst & Young AB

Stefan Andersson Berglund
Authorised Public Accountant
Auditor in Charge

Auditor’s report

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 2022. The annual accounts and consolidated accounts of the company are included on pages 81–123 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 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. 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 1–80 and 124–128. The Board of Directors and the CEO are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the CEO 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 CEO 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 CEO 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 CEO intend to liquidate the company, to cease operations, or has 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the CEO.

- Conclude on the appropriateness of the Board of Directors' and the CEO'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 identified.

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 CEO of Asker Healthcare Group AB for the year 2022 and the proposed appropriations of the company's profit or loss. We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of 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 CEO

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 organisation 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 organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The CEO 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 CEO in any material respect:

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

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

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

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 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 of our electronical signature
Ernst & Young AB

Stefan Andersson Berglund
Authorised Public Accountant

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 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 possibility of paying dividends, 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 excl. expenses attributable to leases and acquisitions
Net debt as a percentage of EBITDA excluding expenses attributable to finance leases and acquisitions (rolling 12 months). 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.

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 working capital
Total of inventories and accounts receivable less accounts payable, average for the four most recent quarters.

Return on working capital (EBITA/WC), %
EBITA rolling 12 months as a percentage of average working capital. Used to analyse profitability and is a metric that puts a premium on high EBITA and low 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 shares.

Financial key performance indicators

	2022	2021
Net sales	11,718	9,354
EBITA	875	666
EBITA margin, %	7.5%	7.1%
Adjusted EBITA	840	609
Adjusted EBITA margin, %	7.6%	7.9%
EBITDA excl. expenses attributable to leases and acquisitions	934	756
Average capital employed, SEK m	7,113	4,934
Return on capital employed, %	10.0%	12.1%
Equity/assets ratio, %	27.3%	24.7%
Average equity, SEK m	2,614	1,648
Return on equity, %	16.6%	28.5%
Net debt, SEK m	2,568	1,486
Net debt/EBITDA excl. expenses attributable to leases and acquisitions	2.8	2.0
Debt/equity ratio	0.9	0.8
Average working capital, SEK m	1,538	1,481
Return on working capital, %	56.9%	45.0%
Average number of full-time employees	1,877	1,074
Number of employees at the end of the period	2,317	1,364
Cash flow from operating activities, SEK m	976	382

We are health in progress

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