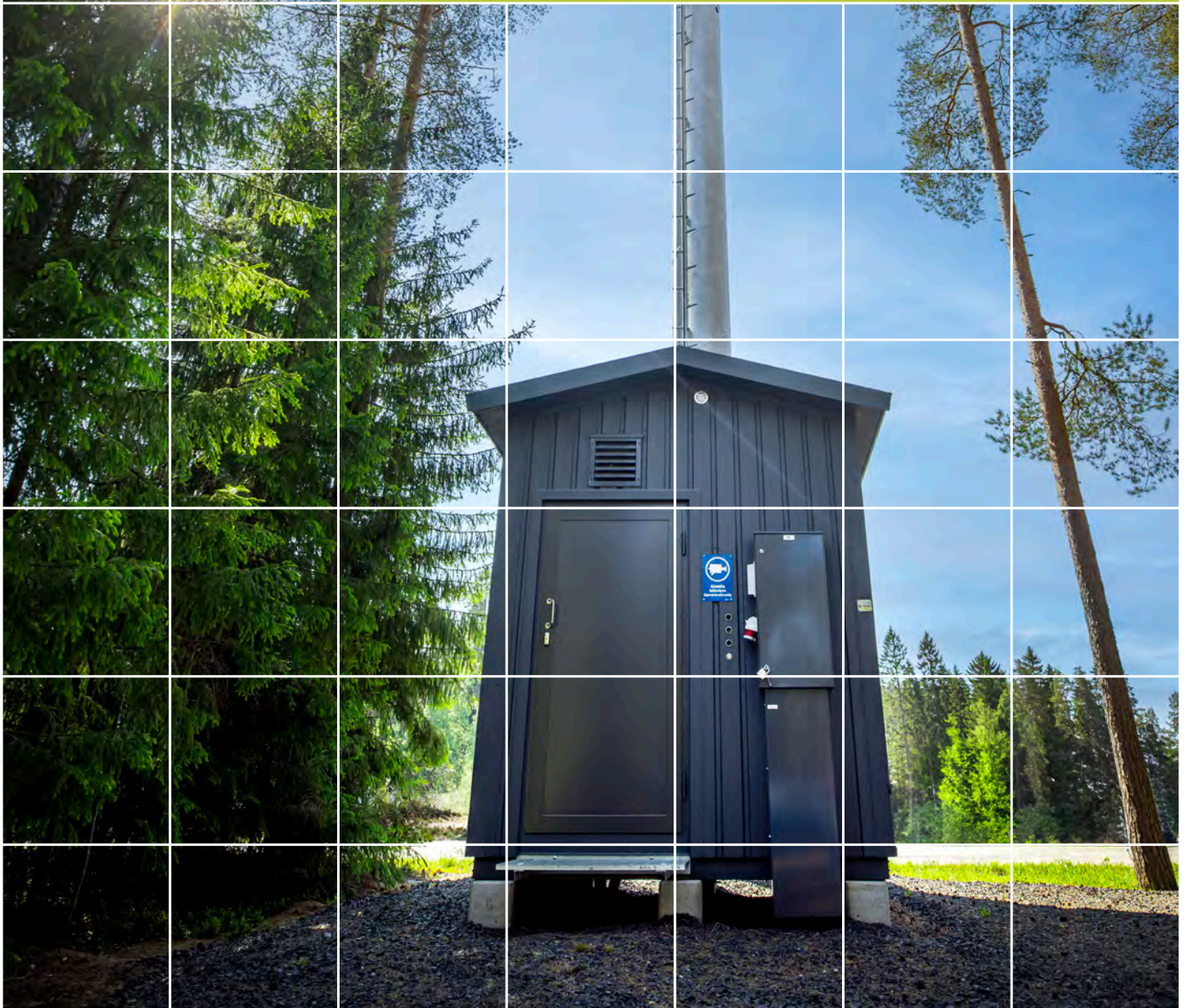


# Annual Report and Sustainability Report 2023/24





***The subsidiary Esari***

*Esari has since 1993 been pioneering engineering buildings that are well packaged with high quality and stylish design.*

**About this report**

This Annual Report is a translation from the Swedish version. Should there be any discrepancies, the Swedish version shall prevail.

The formal Annual Report includes pages 46–93. The Sustainability Report, pages 28–41, describes Lagercrantz’ sustainability work. In some cases rounding has taken place, which means that tables and calculations do not always sum up exactly.

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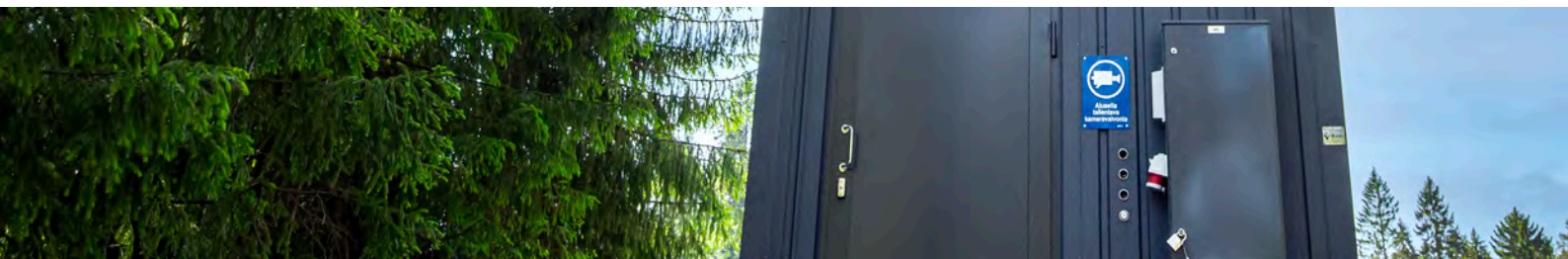
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# Lagercrantz Group

**Lagercrantz Group AB (publ) is a technology group that offers value-creating technical solutions, based on proprietary products and products from leading suppliers. The Group consists of around 80 businesses, where each company is or aims to be a leader in a specific submarket – a niche.**

The management of each profit centre works under their own responsibility according to clearly agreed targets for earnings, profitability, organic growth and tied-up capital, but with considerable freedom in other respects. This decentralised model means that business decisions are taken close to customers, markets and the rest of the business.

## VISION

Lagercrantz' vision is – to be a *leading, sustainable* supplier of *value-creating* technology with *market-leading* positions in expansive niches.

*Leading and sustainable* means good growth and profitability and creating a positive development that benefits customers and business partners, owners and society in general.

*Value creation* means adding value through the goods and services offered. This occurs by providing our own unique products and solutions, by customisation and by offering value-creating services such as technical knowledge, service and support.

A *market-leading* position means being number one or two in a defined submarket – a niche.

## FINANCIAL GOALS

Lagercrantz Group's financial goals are:

- Earnings growth of 15% per year
- Return on equity of not less than 25%

Earnings growth is measured over a business cycle as profit after net financial items. The return on equity goal is

converted internally to a return on working capital (P/WC) of not less than 45% per each established business unit and business.

## STRATEGIES

Lagercrantz shall strengthen its position as a profitable and growing company by developing its existing operations and acquiring additional companies with strong positions in expansive niches. Lagercrantz is a serial acquirer without an exit horizon where the objective is to build long-term sustainable market positions where every business contributes to societal benefit, both in its customer offering and in how the business is conducted.

Lagercrantz works with Group-wide strategies and on building a strong corporate culture in order to achieve its goals for earnings growth and profitability.

## Decentralisation and management by objectives

The Group's working method is characterised by decentralised decision-making where each subsidiary management conducts its operations independently and with a great deal of freedom, but subject to accountability. This means that the most important business decisions are made where the expertise is greatest – close to the market, customers and the organisation. Management by objectives means that each subsidiary prepares business plans with clear financial and operational targets. Goal formulation is in focus while there is great freedom around the means of achieving them. The outcome of the business plan is monitored on an ongoing basis both locally and centrally, which means that proactive actions can be taken along the way.

## Strong market positions in niches

All Lagercrantz companies strive to develop a strong and sustainable market position in an expansive niche. A niche is normally defined as a technology area, customer segment or geographical area with a total market value of less than MSEK 2,000. Through specialisation, companies focus on developing an effective offering in their niche and

## LAGERCRANTZ'S VISION

### A LEADING AND SUSTAINABLE SUPPLIER OF VALUE-CREATING TECHNOLOGY WITH POSITIONS IN EXPANSIVE NICHES

companies can thereby also be competitive against other, much larger players. Success through specialisation creates energy and enthusiasm, which attracts the best employees. This competence is requested by the leading and most demanding customers, as well as the most important suppliers, an attractive symbiotic relationship.

#### High value-added

Lagercrantz's profit centres shall create added value for customers and suppliers by customising, developing and combining attractive proprietary products and products from leading product suppliers, and offer a high degree of service, support and services in their solutions. The degree of refinement has been continually enhanced by increasing the offer of proprietary products and phasing out low value-added products. The degree of refinement, measured as the consolidated gross margin, has improved for many years from an average of about 21% (2005/06) to just over 39% (2023/24).

#### Growth, organic and via acquisitions

As a serial acquirer without an exit horizon, our growth targets shall be reached through both organic growth and acquisitions.

*Organic growth* is achieved by focusing on expansive niches in every business, on improved sales processes and value added, innovation and new products, new customers and customer segments and also through establishment in new markets and efforts to boost exports. The goal is that the total organic growth in the Group should represent at least one third of the total earnings growth target of 15%, seen over a business cycle.

*Growth through acquisitions* takes place both as supplementary or add-on acquisitions to existing businesses to strengthen the market position, but also of completely new businesses in adjacent areas. We mainly acquire B2B technology companies in northern Europe with tried-and-tested business concepts, strong market positions and a proven good stable earnings capacity. In addition, preferably companies with proprietary products or value-adding distributors with a strong established management, limited risk and good growth opportunities.

The Group contributes to organic and acquisition-led growth in the subsidiaries with experience in the board work and with tools in the form of strategic and business plans, growth-promoting initiatives, financing of new investments and assistance with foreign establishments.

#### CORPORATE CULTURE AND LAGERCRANTZ VALUES

The corporate culture in Lagercrantz has taken shape and has been continually developed since the start in 1906 within the then Bergman & Beving. Today, the culture is well established and is characterised by a long-term approach and sustainable enterprise – economically, socially and environmentally. Internally, this philosophy is communicated in the day-to-day work but also in courses, seminars, books and through our Code of Conduct. This is also described in our Sustainability Report. Companies within Lagercrantz shall act responsibly and contribute to societal benefit both in their customer offerings and in their actions locally and in relation to the market. Our shared values are an important part of our corporate culture and consist of businessmanship, accountability and freedom, simplicity and efficiency, together with willingness to change. Businessmanship is seeing and creating win-win situations and other opportunities in the daily relationship with customers, suppliers or in your own organisation. It also requires a good understanding of customers and markets as well as technology and your own capabilities.

#### LONG-TERM GOALS FOR SUSTAINABILITY

Lagercrantz has established sustainability goals with the aim of capturing business opportunities and of pursuing sustainable profitable growth. The starting point is the creation of business and societal benefits, which shall pervade the entire operations; from evaluation of new businesses during acquisitions, during investments and development of existing businesses and in our conduct as a long-term business owner. The sustainability work in the first place is carried out in Lagercrantz's decentralised structure in each subsidiary, where business opportunities that create sustainable products and solutions for customers and markets are prioritised. We present and follow up our sustainability goals regularly, including in our sustainability report, which is found later on in the annual report.

# The year in brief

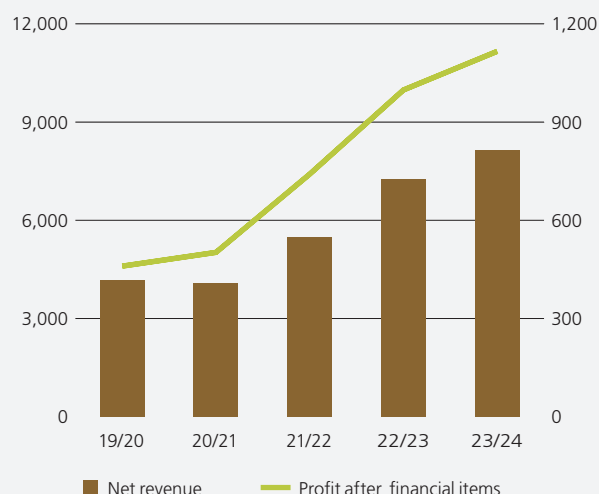
- Net revenue increased by 12% to MSEK 8,129 (7,246).
- Operating profit (EBITA) increased by 19% to MSEK 1,431 (1,205), equivalent to an operating margin of 17.6% (16.6).
- Profit after financial items (EBT) increased by 15% to MSEK 1,116 (968).
- Cash flow from operating activities increased by 24% to MSEK 1,327 (1,070).
- Earnings per share after dilution increased by 15% to SEK 4.25 (3.70).
- Return on equity was 27% (29). The equity ratio at the end of the financial year was 35% (37).
- During the financial year, nine acquisitions were completed with the total annual revenue of MSEK 1,175 (1,020), equivalent to 16% (19) of the net revenue in the previous financial year.

**15%**  
EBT growth

**SEK 4.25**  
profit per share

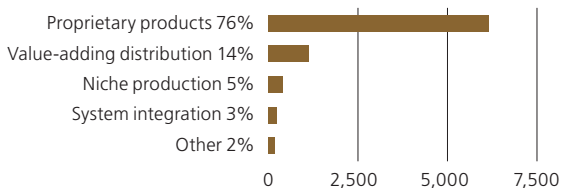
KEY RATIOS (MSEK)	2023/24	2022/23
Revenue	8,129	7,246
Revenue growth, %	12%	32%
EBITA	1,431	1,205
EBITA margin, %	17.6%	16.6%
Profit after financial items	1,116	968
Earnings growth, %	15%	31%
Earnings per share after dilution, SEK	4.25	3.70
Dividend per share, SEK (proposed 23/24)	1.90	1.60
Return on capital employed	20%	22%
Return on equity	27%	29%
Cash flow from operating activities	1,327	1,070
Average number of employees	2,788	2,410

## NET REVENUE AND PROFIT AFTER FINANCIAL ITEMS (MSEK)



Lagercrantz' strategy is to acquire and develop successful and market-leading niche companies with the potential to generate sustainable profitable growth. Over the past five years, Lagercrantz has generated annual earnings growth of about 25%.

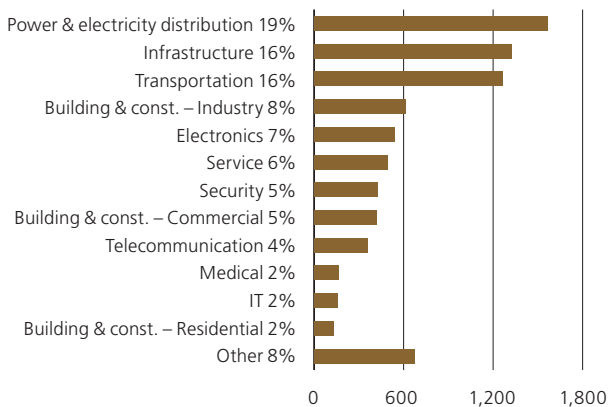
**Net revenue by product type 2023/24 (MSEK)**



◀ Lagercrantz acquires and develops technology and industrial companies that are characterised by high competence, a high degree of proprietary products and the ability to build long-term, close relationships with customers and suppliers.

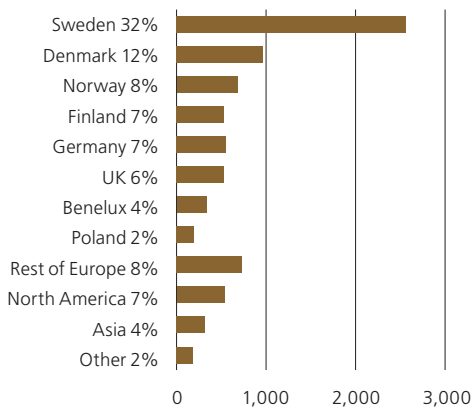
Our companies offer sustainable products and solutions that strengthen our competitiveness and that of our customers. The companies manufacture, develop and sell components, products, systems and services with a high technology content.

**Net revenue by customer segment 2023/24 (MSEK)**



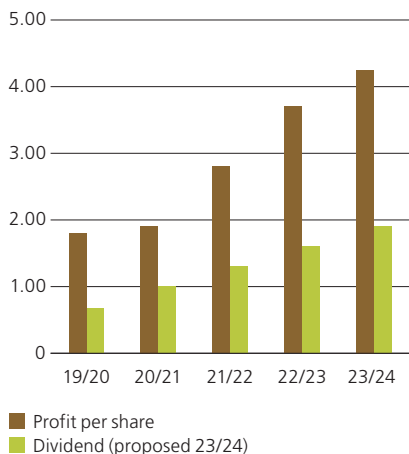
Lagercrantz customers are found in several different sectors, e.g. power and electricity distribution, infrastructure, transport, building and construction, electronics, service and security.

**Net revenue by geographic market 2023/24 (MSEK)**



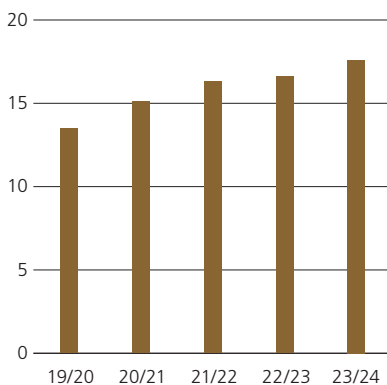
Lagercrantz consists of about 80 companies that offer their products and services in more than 25 countries, where the home markets in the Nordic countries represent about 58% and the rest of Northern Europe represents about 20%.

**Earnings and dividend per share (SEK)**



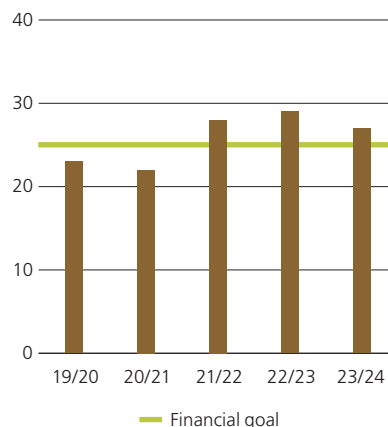
Over the past five years, Lagercrantz has generated an average annual earnings growth of about 24%. The dividend has increased stably, equivalent to about 45% of the net profit.

**EBITA margin (%)**



Over the past five years, the profitability and EBITA margin continually improved and amounted to 17.6% during 2023/24.

**Return on equity (%)**



Over the past five years, the average return on equity has amounted to 25%, which is the group's long-term objective. During 2022/23, the equity ratio was 35% and the return on equity was 27%.

# An increasingly strong platform for future growth

“We see that Lagercrantz’s approach to nurturing and further developing owner-led technology companies in particular, is increasingly attracting entrepreneurs.



## CEO COMMENT

**Lagercrantz sums up another successful financial year 2023/24. For the full-year, the operating profit (EBITA) increased by 19% to MSEK 1,431 and the EBITA margin strengthened by a further percentage point to a good 17.6%. Earnings per share thus reached SEK 4.25, an increase of 15% compared to the previous year and a new record level for the 14th consecutive year. In addition, cash flow from operating activities increased by 24% to MSEK 1,327 and we have completed nine exciting acquisitions, which add a good 16% in annual business volume with high margin content.**

### THE PAST YEAR

In relation to markets, the year as a whole was stable for the Group’s businesses. Demand was generally strong for most businesses in the Niche Products division, in electrification, for our safety products and in the marine segment, while more sluggish demand was noted from customers in segments such as infrastructure, building and construction. The Group is not unaffected by the economic situation, and we saw a lower growth rate during the year, but our many businesses provide a good diversification in terms of

products, customers and geographies. The strength of our decentralised structure is again proving to be very successful when our subsidiary management teams are focused on clear targets and adapt costs, investments and initiatives to the prevailing situation in their particular customers and the particular market.

### CONSISTENT STRATEGY BEHIND SUCCESSES

Behind Lagercrantz Group’s strong performance, lies the strategy and way of working that we have consistently applied for many years. The organisational model incorporating businessmanship, decentralisation and management by objectives is well-established. Each subsidiary works according to clearly-defined earnings and working capital targets as part of a business plan, which is adopted annually, involving concrete measures and initiatives. Management by objectives also encourages the identification of new opportunities and the making of adjustments when the market shows limited growth.

The acquisition strategy is another important success factor. We consistently acquire proven profitable B2B technology companies, preferably companies with



proprietary products and with strong market positions in niches. In recent years, we have aligned each division with attractive sustainability-oriented sectors where there is underlying structural growth. In addition, we have further increased the responsibility of the divisions for acquisitions, which has had the desired effect in terms of the number and quality of the acquisition opportunities we evaluate. The goal is to acquire an average of at least 10% of the Group’s total annual business volume which currently means 8–12 new companies. We see that Lagercrantz’s approach to nurturing and further developing owner-led technology companies in particular, is increasingly attracting entrepreneurs. They see our success with other previous acquisitions and have great confidence in our ownership concept and governance model without an exit horizon.

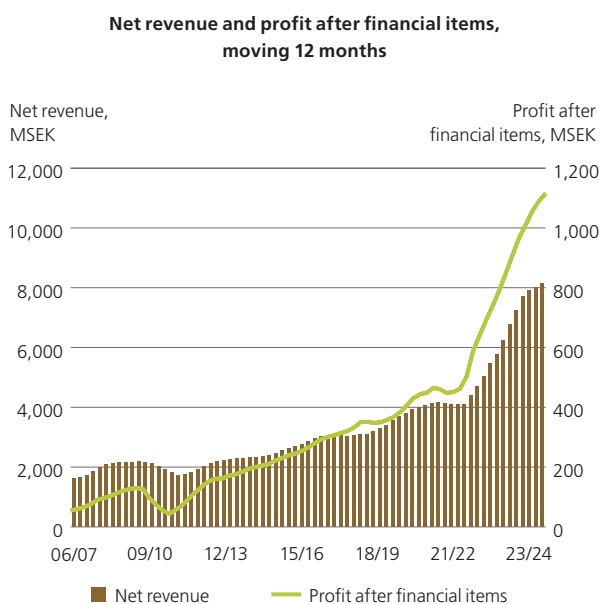
The growth in recent years has also meant that along the way we have successfully expanded our geographical scope. We have involved more employees in acquisition activities and we now have several newly acquired companies in the UK, and we are also growing in Germany, the Netherlands and in the U.S. We are growing both in existing technology areas, but we are also looking at new areas, which has resulted in a marine cluster of companies in the International division, for instance.

Our corporate governance is focused on vision and goal setting. We want to grow our profit by 15% per year over a business cycle and we want to do it with high profitability,

which means a return on equity of not less than 25%. This profit target means that the Group’s profit will double every five years and we expressed this clearly when we set the goal of SEK 1 billion in profit after net financial items. This clarification was energising and helped by a favourable market, hard work and fine acquisitions, we reached the goal already in summer 2023, i.e. after just two years instead of the target of 5 years. During autumn 2023, we therefore set the bar at doubling our profit again to SEK 2 billion within 5 years. This feels very exciting and demonstrates our strong confidence in our business concept and governance model.

In recent years, our focus on sustainability has increased. This has been a natural part of our business for a long time, and we have clarified our ambitions in the form of goals to more clearly contribute to the green transition. Measuring methods are now being introduced to meet requirements, including according to the CSRD, but we have also worked for three years now with concrete targets that are followed up at a subsidiary level. These targets are leading to improvements internally in the businesses and we also have many projects underway concerning new products and solutions for our customers.

By way of conclusion, I would like to take this opportunity to thank all the employees throughout the Group. Every company’s contribution to the Group is important and I am genuinely grateful for all the fine efforts and initiatives that are taking place in the Group’s almost 80 subsidiaries and also at a divisional and Group level. Thank you.



**OUTLOOK**

Against this backdrop, I am optimistic despite the current global and economic situation. In the near term, we see that some of our businesses are continuing to be impacted by the economic situation, but we also see improvements in other places. If interest rates and inflation now fall, the willingness to invest should gradually return. The situation remains difficult to judge, but we have strong confidence in the ability of our decentralised organization to adapt. In the longer term, the Group’s broad exposure with niche B2B technology companies in attractive sectors such as electrification, infrastructure and security & safety solutions, provides stability and good growth opportunities.

July 2024,  
 Jörgen Wigh, President and CEO

## UPDATED GOALS

# – Lagercrantz toward two billion

The corporate culture in Lagercrantz has taken shape and has been developed continually since the start in 1906. It is characterised by a long-term approach and sustainable enterprise - economically, socially and environmentally. Decentralisation and management by objectives are fundamental concepts where subsidiaries work independently towards clear growth and earnings targets and where acquisitions are an important part of the growth strategy.

**The business concept has been very successful for many years and represents a strong platform for continued expansion. To emphasise this, the “Lagercrantz toward one billion” programme was launched ahead of the 2021/22 financial year. The intention was to build a strong technology group with leading businesses in different niches, double the Group’s earnings and reach at least SEK 1 billion in profit within five years. The target was achieved already during the summer 2023, i.e. just over two years after the programme was launched.**

For that reason, we have, during the autumn 2023, updated our financial goals and also a number of strategic goals:

### ■ RESILIENT FINANCIAL GOALS

Our financial goals are expressed as earnings growth (EBT) in excess of 15% annually over a business cycle and a return on equity of not less than 25%. We therefore set an ambition of once again doubling of the result after earnings growth (EBT) to SEK 2 billion within five years. The growth will, as earlier, be at least one third organic and the rest through acquisitions.

### ■ GOOD CAPACITY IN BUSINESS DEVELOPMENT AND MORE ACQUISITIONS

Lagercrantz has many years’ experience of acquiring and further developing technology companies. In the “Lagercrantz towards two billion” programme, we want to further increase the acquisition rate to 8–12 acquisitions per year, as benefit of our division structure, giving us good opportunities to care for more units as well as run more acquisition processes simultaneously.

The M&A market continues to be favourable and there are many interesting operations to add to the Group.



### ■ FOCUS ON STRUCTURAL UNDERLYING GROWTH

Our focus on sustainability-oriented segments with structural underlying growth is strengthened and we aim to increase the share of proprietary products from today's 75% to at least 85%.

Experience shows that successful product companies generally have higher margins and a stronger market position, which gives higher profitability, better cash flow and resources for growth, not in the least for investing in export. Geographically we increase our footprint in all of northern Europe as we find attractive, niched leading technology companies.

### ■ FOCUS ON SUSTAINABILITY REPRESENTS A CORNERSTONE IN THE GROUP'S COMPANIES

Sustainability is of central importance for Lagercrantz Group. Aside from the larger societal perspective, this creates business benefits in the form of business opportunities and attractiveness for our customers, in the stock market, in the acquisition market and among existing and future employees. We have chosen to work with sustainability in the same decentralised way as other important issues, which means that at Group level, Lagercrantz Group's main

role is to inspire, impose demands and follow up that the subsidiaries are sustainable and responsible companies. The real impact takes place locally in the businesses. The Group further advanced its positions during the year and sustainability aspects are now an integrated part of the subsidiaries' business plans. Examples of concrete measures are described in further detail in the sustainability report.

The confidence in what the organisation, culture and business model can deliver is big, and historically the business model has proven very successful, which among other things is reflected in the total return. Since 2006, the total average annual return to the shareholders including re-invested dividend (TSR=Total Shareholder Return) has amounted to some 28%.

#### TSR – TOTAL SHAREHOLDER RETURN

	1 year	3 years	5 years	10 years	18 years
Lagercrantz	26%	25%	35%	30%	28%

*Note: Based on data as of end of April 2024.*

*Source: S&P Capital IQ.*



# The acquisition process

**Acquisitions are a core part of Lagercrantz's growth strategy. Our ambition is to maintain a high acquisition rate of about 8–12 new companies per year while we are selective with what companies we acquire.**

<p><b>Consistent acquisition strategy</b></p>	<p>Lagercrantz acquires B2B technology companies with tried-and-tested and long-term sustainable business concepts which have a strong market position in their niches. They should also display a good, stable earnings capacity with limited risk and good growth potential. In other words – we impose strict requirements in relation to what companies we acquire.</p> <p>Generally, we make two types of acquisitions. Firstly, we look for new independent companies that are a good fit for one of our divisions, and secondly, we make supplementary acquisitions for our existing businesses. Our working method with acquisitions has evolved and has gradually been refined over several decades. We work in a thorough and long-term way and take great responsibility when we interact with entrepreneurs and family business owners who are considering selling their life's work.</p>
<p><b>Large selection of companies</b></p>	<p>In order to be able to acquire at least 8–12 high quality companies on an annual basis, many acquisition opportunities are required. These opportunities are mainly created in two ways: firstly, through our own proactive search efforts and secondly, through incoming prospectuses from employees, customers, business partners and corporate brokers.</p> <p>Every year, we establish contact with at least 100 companies that we think are interesting. We then maintain contact with many of them, which means that we have a watch list of a large number of companies that we continually follow. Furthermore, we have a well-established network of contacts with business partners and corporate brokers in the whole of Northern Europe that contact us regularly with prospectuses of businesses which are for sale.</p>
<p><b>Rigorous acquisition process</b></p>	<p>More than 30 years' experience of successful acquisitions engenders respect. Our business mindset and tried-and-tested models ensure short, efficient decision-making processes and involves limited risks.</p> <p>After we have agreed on a valuation and have prepared a letter of intent with the seller, the due diligence work commences. Market and sustainability aspects are also analysed carefully in this phase. Concurrently, we often prepare a business plan for the company together with the management team to ensure that the company gets off to a good start in the Group.</p>
<p><b>Limited integration</b></p>	<p>When the acquisition is approved by Lagercrantz's Board, the transaction can be completed and communicated externally. Our ownership model is based on small-scale operations on a large scale. This means that our companies work independently with a great deal of freedom, but subject to accountability. We further develop the company's existing organisation, working methods and profile. Thus, the integration process is not particularly extensive, it largely consists of introducing the Group's reporting routines. The work of supporting the management in order to develop the company begins immediately.</p>
<p><b>Active business development</b></p>	<p>By being a part of Lagercrantz, the company gets an owner which supports the management through active and committed board work. Furthermore, all companies in the Group are offered our different "tools" in order to reach their full potential. These tools include, among other things, an established infrastructure to use in international expansion, expertise in specific subject areas such as digitalisation, sales management and pricing issues, capital and inventory management as well as support with supplementary acquisitions.</p> <p>Last but not least, we stimulate a vigorous exchange of ideas and experience among all management teams in the Group. By highlighting good examples, rewarding performance and regularly bringing together the companies' key people, a collegial environment is developed that the companies both benefit from and enjoy.</p>



# Completed acquisitions

During the past seven years, we have acquired a large number of companies. Here, some of the former owners tells us why they chose to sell to Lagercrantz.

*"We sold Tykoflex AB after having successfully run the company as a family business for 43 years. What was crucial in our choice of Lagercrantz Group was their long-term business philosophy, which we felt created security in relation to growth, for the staff and for the entire company in Tyresö. After six months in the Group, we feel that they understand and are showing great interest in our business and we are looking forward to a strong future together."*

Anders Örjes  
Former MD and owner

*"We were looking for a strong, longterm owner, which understood the market, respected our values and which could develop the company in line with the market's expectations. We were lucky to meet Lagercrantz, which offered all of this. We are proud and happy of Sajas Group's successes as part of Lagercrantz Group."*

Anna Sajakorpi  
Former MD and co-owner  
Board member

- 2024** ● Nordic Road Safety
- Prido
- 2023** ● Suomen Diesel Voima
- MH Modules
- DP Seals
- Letti
- Supply Plus
- Fireco
- Glova Rail
- Sassenus Packaging (asset acquisition)

- 2022** ● **Tykoflex**
- Agentuuri Neumann (asset acquisition)
- Tebul
- Waterproof Diving International
- Door and Joinery Solutions
- Stegborgs EL-evator
- PcP Corporation

- 2021** ● ARAS Security
- Westmatic
- GM Scientific
- Geonor
- AC Antennas
- Libra

*"Through mutual respect and humility, we developed a relationship together which resulted in a sale to Lagercrantz Group. Going forward, we can now more quickly achieve our goal of establishing our business in more European markets."*

Bengt Lundberg  
Founder and former owner  
Board member

- **CW Lundberg**
- RiaWatech
- Vihab
- 2020** ● Hovicon International
- Esari
- VP Metall

*"We sold our company to Lagercrantz Group in 2018 and are happy Lagercrantz is continuing to develop the business successfully, in tandem with Tormek's management team. For example, they have provided useful contacts, support and experience, which made it possible for us to start our first overseas subsidiary, in Chicago, USA."*

- **Sajas Group**
- 2019** ● Frictape Net
- Dorotea Mekaniska
- G9 / Came Danmark
- 2018** ● Schmitztechnik
- Bjurenwalls
- **Tormek**

Karin Jansson  
Former co-owner  
Board member

# Niche companies in five divisions

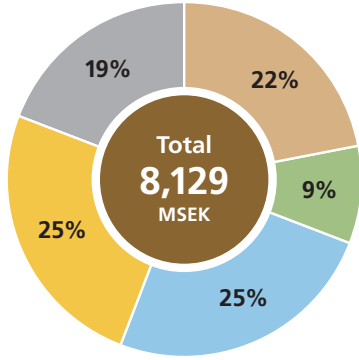
All of the companies within Lagercrantz are run in a decentralised way and with a strong entrepreneurial spirit according to the motto freedom subject to accountability. The Group and divisional management teams add value through board work in subsidiaries, and by challenging goal formulations and also through improvement projects that are expressed in terms of business and expansion plans. The Group also adds value through its network of contacts both nationally and internationally. Focus areas for all businesses are to grow organically and through supplementary acquisitions.



\* Moved to the Control division from 1 April 2024.

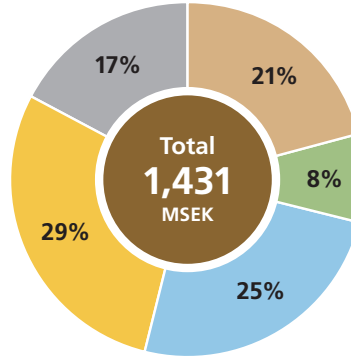
As of March 2024.

**Net revenue**  
2023/24



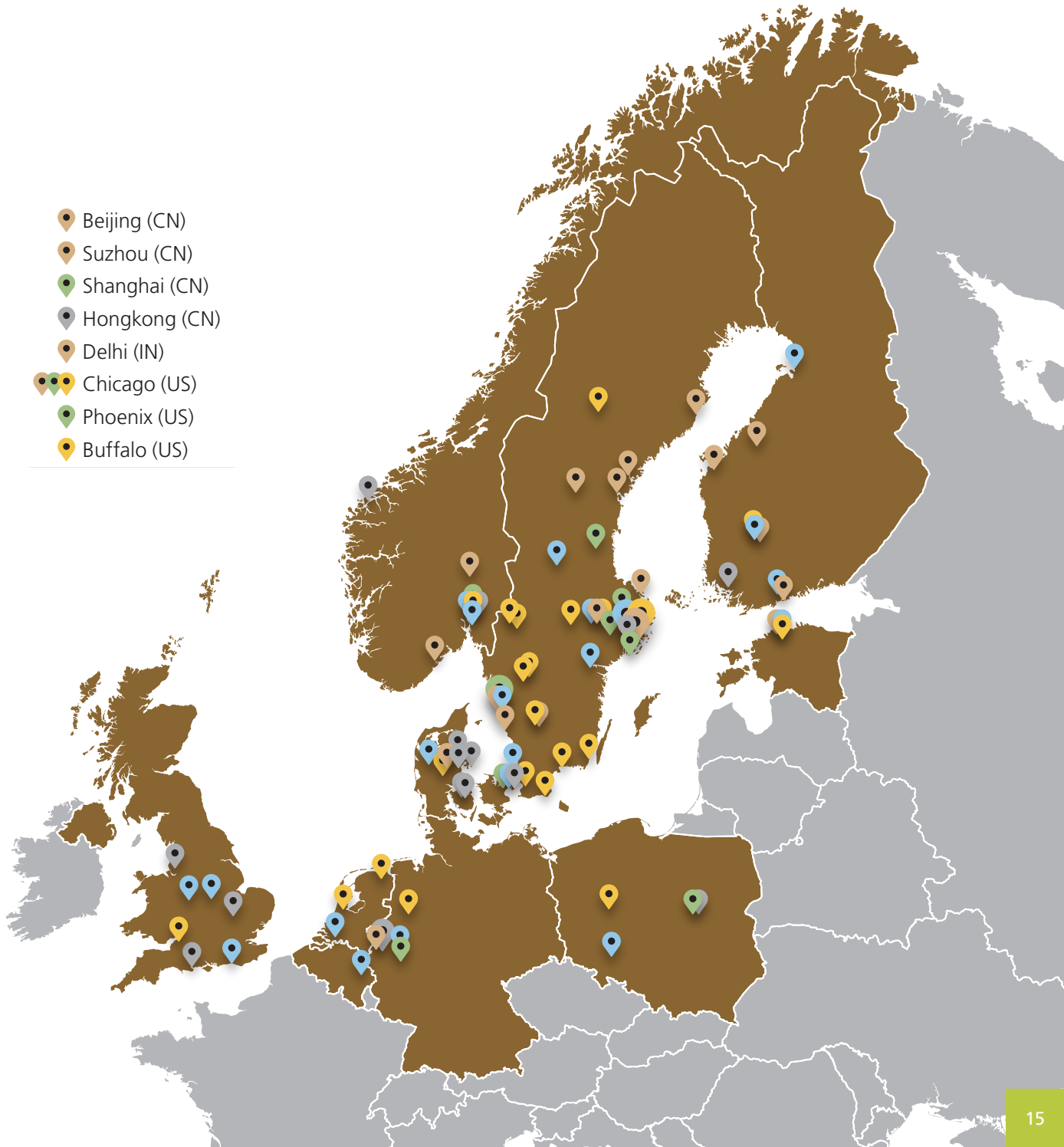
- Electrify
- Control
- TecSec
- Niche Products
- International

**Operating profit (EBITA)**  
2023/24

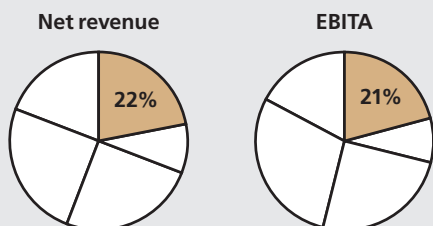


- Electrify
- Control
- TecSec
- Niche Products
- International

- Beijing (CN)
- Suzhou (CN)
- Shanghai (CN)
- Hongkong (CN)
- Delhi (IN)
- Chicago (US)
- Phoenix (US)
- Buffalo (US)



# ELECTRIFY



Share of the group for the financial year 2023/24.

MSEK	2023/24	2022/23
Net revenue	1,801	1,677
Operating profit (EBITA)	312	283
Operating margin, %	17.3	16.9
Return on working capital (P/WC), %	62	69

The companies in the Electrify division offer products and solutions for an increasingly electrified and connected society with a need for a modernized infrastructure. Investments in infrastructure and technology that improve efficiency and safety and that reduce the use of fossil fuels contribute to environmental improvements and a more sustainable society. The area is expected to have underlying structural growth of 5–15% per year in the next few years.

### ABOUT THE DIVISION

The division consists of 16 businesses with a geographical focus on Northern Europe but with an increasing share of exports. Several strong trends such as the green transition, digitalisation and urbanisation and increasing needs for good communications and security, are driving the underlying demand for products and solutions in our increasingly connected society. Many of the companies are market leaders within their field and are displaying stable growth.

The majority offer proprietary, electrical and infrastructure-related products, often well-established with long product lifecycles. The customers are mainly found in electrical distribution and electrical transmission, renewable electricity production, road and railway infrastructure, battery manufacturing and charging and in fiber optic networks, 5G and other communications infrastructure.

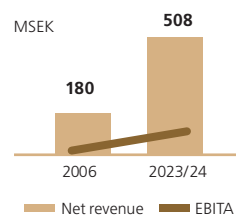
The division’s businesses can be categorised in five areas, where the companies in electrical connection provide solutions and products for electrical connection systems. The enclosures and technical buildings area, offers IP-rated enclosures, cabinets and storage solutions. A number of customised solutions are offered in the division’s three cabling businesses. The electrical products category includes safety products and systems that contribute to a safer society. Companies in infra products offer unique solutions for effective infrastructure, which contributes to safe communications, electrical and road infrastructure.

## Case · Elpress (elpress.net)

Elpress is the leading supplier in the Nordic countries within electrical connection materials and is also a highly respected player internationally. Through its product offering and expertise, certified solutions are provided in the entire value chain. Through a number of investments and a clear geographical expansion strategy, Elpress has taken the step into several export markets.

### Elpress in the Lagercrantz Group

Kramfors-based Elpress has existed for more than 65 years and the culture is pervaded by a long-term approach and peak competence in selected product areas. Since Elpress became a part of Lagercrantz in 2006, it has grown on a stable basis and is today one of the largest companies in the Group. The combined range of terminals with related tools, creates a high-quality system with a 10-year warranty, which provides added value for the customers. A key success factor has been the methodical development work that has been conducted over time in the Group. In the home market in the Nordic countries, the company’s position has been reinforced and developed and in verticals where Elpress is particularly strong, efforts have been made to boost exports to Europe, China and the USA, which often started as collaboration with successful Nordic customers. Manufacturing takes place in Kramfors where Lagercrantz has carried out significant investments, of which the most recent was in a new surface treatment plant, which will ensure efficient and environmentally friendly production. Other investments have also been made to secure production capacity and with the support of Lagercrantz’s growth fund, Elpress has taken the step into several markets. Today, approximately 2/3 of sales are exported outside the Nordic countries.



“Our vision is to become the leading supplier within electrical connection materials and technical expertise in the global market. With the investments made possible through Lagercrantz, we are strongly prepared to achieve our vision.” Patrik Olsson, MD



16 companies · 9 countries



**Peter Baaske**  
Head of Division



**ELECTRIFY DURING THE 2023/24 FINANCIAL YEAR**

During the 2023/24 financial year, net revenue increased by 7% to MSEK 1,801 (1,677), where acquisitions contributed 9%, while net revenue for comparable units decreased by 3%. Operating profit (EBITA) increased by 10% to MSEK 312 (283), equivalent to an operating margin of 17.3% (16.9).

The business situation is characterised by slightly weaker demand, but despite this the division delivered increased earnings and improved margins. A positive development was also noted in the largest units Elpress and Elfac, with increased demand and deliveries to the wind power industry. In infrastructure, Swedwire delivered a significant improvement in earnings and Tykoflex, focusing on fiber optic network expansion, which was acquired in December 2022, also reported a strong first year in the Group.

In September 2023, Letti AS in Norway was acquired, a leading manufacturer of installation materials and brackets for cables and cable ducts, and in March 2024, Nordic Road Safety was acquired, a leading provider of certified safety barrier systems and noise barriers with annual revenue of about

**Share of division's sales**

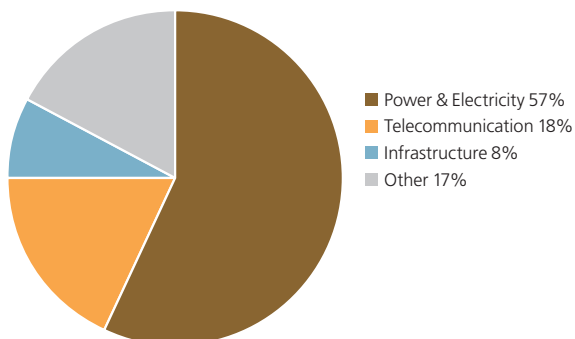
Pro forma (including companies calculated on an annual basis)



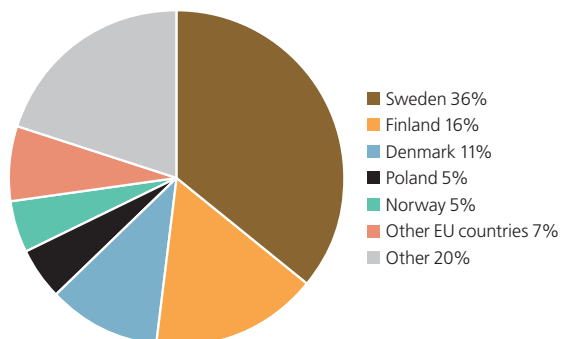
MSEK 350 and operating profit (EBITA) of about MSEK 50.

The division has a goal of doubling its profit within five years through organic improvements and acquisitions of 2–3 businesses per year.

**Revenue by market segment**  
2023/24



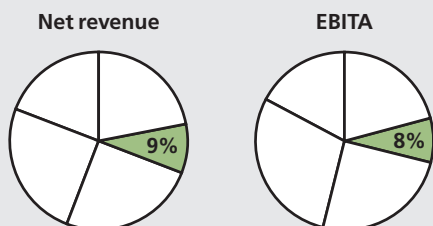
**Revenue by geographic market**  
2023/24



**SUBSIDIARIES IN THE DIVISION**

- [www.cuedee.se](http://www.cuedee.se) | [www.dooman.se](http://www.dooman.se) | [www.efc.fi](http://www.efc.fi) | [www.elfac.dk](http://www.elfac.dk) | [www.elkapsling.se](http://www.elkapsling.se)
- [www.elpress.se](http://www.elpress.se) | [www.enkom-active.fi](http://www.enkom-active.fi) | [www.esari.fi](http://www.esari.fi) | [www.exilight.fi](http://www.exilight.fi) | [www.kpro.com](http://www.kpro.com) | [www.letti.no](http://www.letti.no)
- [www.nordicroadsafety.com](http://www.nordicroadsafety.com) | [www.norwesco.se](http://www.norwesco.se) | [www.swedwire.se](http://www.swedwire.se) | [www.tykoflex.se](http://www.tykoflex.se) | [www.vpmetall.no](http://www.vpmetall.no)

# CONTROL



Share of the group for the financial year 2023/24.

MSEK	2023/24	2022/23
Net revenue	750	746
Operating profit (EBITA)	117	119
Operating margin, %	15.6	16.0
Return on working capital (P/WC), %	75	76

**The Control division acquires and develops businesses in measurement and control technology, a growing area that is driven, among other things, by the green transition with a greater need for efficiency in different processes and to be able to measure and manage equipment remotely.**

### ABOUT THE DIVISION

Over the past ten years, the division has built up a portfolio of eleven niche companies within measurement and control technology. A strong focus is put on business development where companies develop their core business while growing in adjacent areas, which involves new customer offerings.

The division is expanding thanks to an increasing need to measure and control technical equipment while technological development of sensors, signal transmission and data

processing is continually in progress. Many of the product companies in the division are world leaders in their respective niches with exports to large parts of the world. The division also includes several niche value-adding distributors for networks, signal processing, audio/video, lighting and monitoring, among other areas.

With new types of sensors and better communications solutions, the companies in the division contribute to higher efficiency, lower use of resources and to a more sustainable society.

The customers consist of companies that wish to measure, control and monitor industrial processes. At Radonova, the clientele also include public authorities and private households wishing to ensure low radon levels in the living environment.

## Case · Radonova (radonova.org)

After smoking, radon is the most common cause of lung cancer. Each year, it is estimated that about 230,000 people are affected globally as they stayed in premises with elevated radon levels. With customers in 80 countries, the subsidiary company Radonova is a global leader in measurement of radon in houses, apartment blocks and at workplaces.

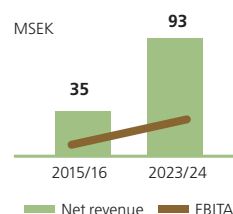
### Radonova in the Lagercrantz Group

When Lagercrantz acquired Radonova in 2015, the annual business volume had been stable at around MSEK 35 with good profitability for several years. The subsidiary management and board developed a growth strategy, which involved several investments and the management was strengthened with Business Control and competencies in digitalisation. Internationally, Radonova's business in Chicago was co-located with several other Lagercrantz companies, which created additional resources. In other markets, several new distributors were chosen and a digital platform for sales in Northern and Central Europe was added. New product investments as well as smaller supplementary acquisitions have added complementary products, and investments have also been made in production in the form of, new robot equipment for the laboratory, among other things. Today, Radonova is a world leader in radon measurement and both growth and profitability have gained momentum. During the pandemic, the growth rate declined somewhat but during the 2021/22 financial year it accelerated again and sales are now approaching MSEK 100. Since 2018, the EU Radiation Protection Directive applies, which for the first time includes requirements in relation to radon. The directive is enabling Radonova to continue expanding in the European market. The potential for expansion is increasing further due to recently entered into cooperation agreements with several national public authorities, for example in Austria, Poland and Belgium.

*"With Lagercrantz as owner, we have been able to specialise in radon measurement, we have developed our products and sales channels, and above all our digital platforms, which strongly contributed to the company's performance in recent years."* Karl Nilsson, MD



With Radonova's radon detectors, hazardous levels of radon can be identified and then remedied. This contributes to better public health with fewer cases of lung cancer.



11 companies · 8 countries



**Daniel Wedberg**  
Head of Division



**CONTROL DURING THE 2023/24 FINANCIAL YEAR**

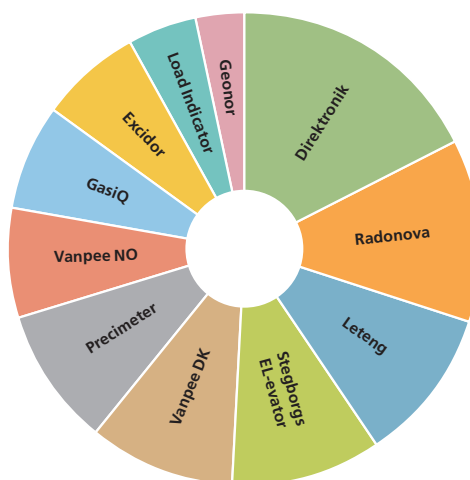
Net revenue in the Control division increased by 1% to MSEK 750 (746), where acquisitions contributed 2%, while net revenue for comparable units decreased by 2%.

Operating profit (EBITA) amounted to MSEK 117 (119), equivalent to an operating margin of 15.6% (15.6). The business situation was stable where Radonova, Direktronik, Load Indicator and Leteng reported a particularly positive development. Meanwhile, some businesses noted a continued challenging market situation, e.g. Precimeter, which was impacted by the fact that the European aluminium industry has reduced production due to increased energy prices.

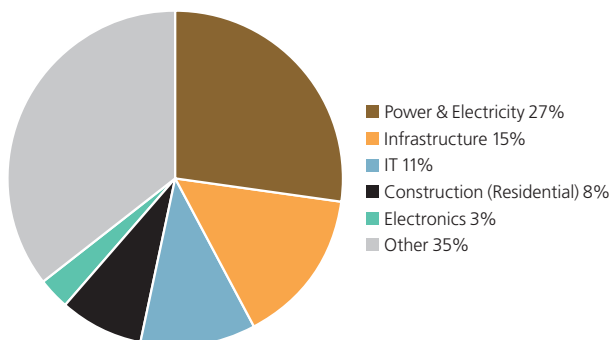
Going forward, in addition to organic growth of 5–8% annually over a business cycle, the goal is also to acquire about two new companies per year. The acquisitions either aim to complement existing businesses or to form new profit centres in expansive niches where the division can become market-leading, preferably internationally.

**Share of division's sales**

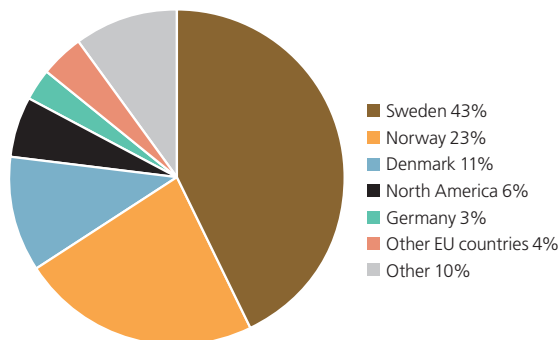
Pro forma (including companies calculated on an annual basis)



**Revenue by market segment**  
2023/24



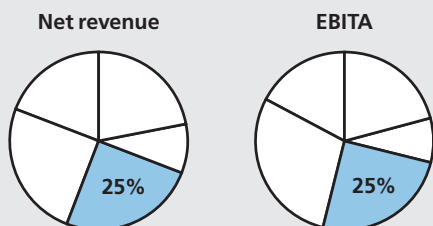
**Revenue by geographic market**  
2023/24



**SUBSIDIARIES IN THE DIVISION**

[www.direktronik.se](http://www.direktronik.se) | [www.excidor.se](http://www.excidor.se) | [www.gasiq.se](http://www.gasiq.se) | [www.geonor.no](http://www.geonor.no)  
[www.leteng.no](http://www.leteng.no) | [www.loadindicator.se](http://www.loadindicator.se) | [www.precimeter.com](http://www.precimeter.com) | [www.radonova.com](http://www.radonova.com)  
[www.stegborgs.se](http://www.stegborgs.se) | [www.vanpee.dk](http://www.vanpee.dk) | [www.vanpee.no](http://www.vanpee.no)

# TECSEC



Share of the group for the financial year 2023/24.

MSEK	2023/24	2022/23
Net revenue	2,065	1,748
Operating profit (EBITA)	367	303
Operating margin, %	17.8	17.3
Return on working capital (P/WC), %	107	129

**The technical security area is growing in line with the development of society towards greater care for people and critical societal functions and equipment. The TecSec division focuses on businesses that contribute to this societal development and these needs are expected to continue increasing, which implies growth opportunities both organically and through acquisitions. Our ambition in this way is to contribute to a safer and more sustainable society.**

### ABOUT THE DIVISION

The TecSec division currently consists of ten businesses. Most of the companies are leaders in their niche within technical security products, either with proprietary products or as a value-adding distributor or as a system

integrator. The division’s growth is driven by the pursuit of increased security in society as well as a vision zero approach in relation to occupational and traffic accidents, which is driving investments in preventive technical security and safety solutions, among other things.

The division’s customer segments include public authorities and specifically critical societal functions, companies, logistics, nursing and healthcare, building and construction as well as offshore. Important technology areas are active and passive fire protection, mechanical protection such as locking devices, fences and security doors, security solutions that prevent accidents and technical security systems for properties and infrastructure where digital systems and sensors are used to protect businesses and individuals.

## Case · Frictape (frictape.com)

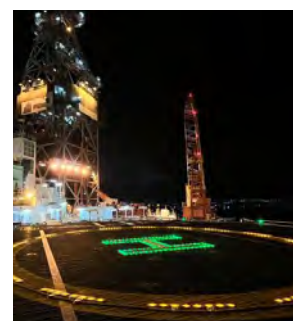
Frictape was founded in 1977 and provides safety solutions for helidecks in the global offshore market. Frictape has a unique position in the market with products that deliver the highest safety performance in the industry combined with the lowest TCO costs, which means that customers can typically save 40-80% compared to traditional alternatives. Frictape’s head office is located in Finland and manufacturing occurs in Estonia.

### Frictape in the Lagercrantz Group

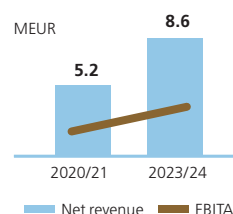
Since Lagercrantz acquired Frictape in 2019, the company has had a stable development, even though the pandemic affected the company negatively with fewer safety inspections and less investments generally in the offshore market. In recent years, Frictape has expanded its business to new markets and new customer segments such as renewable industry, where offshore wind power and the military segment have mainly been the fastest-growing areas. Frictape has also increased its ambitions in product development in order to support its demanding customers and broaden its overall product offering.

*“Frictape will continue to expand both geographically and in terms of our product offering and it feels reassuring to have the backing of Lagercrantz as our long-term owner, which can support us in this journey. Lagercrantz also helped us with some best practices from other subsidiaries in the Group, such as product development processes, business system upgrades and inventory management, for example.”*

Heikki Koivu, MD of Frictape Group



Frictape provides innovative and high performance safety solutions for helidecks in the global offshore market.





## 12 companies · 10 countries



**Martin Sirvell**  
Head of Division



### TECSEC DURING THE 2023/24 FINANCIAL YEAR

Net revenue in the TecSec division increased by 18% to MSEK 2,065 (1,748), where acquisitions contributed 16%, while net revenue for comparable units decreased by 2%.

Operating profit (EBITA) increased by 21% to MSEK 367 (303), equivalent to an operating margin of 17.8% (17.3).

The business situation continued to be stable and most of the units delivered good improvements in earnings, while the more construction-related businesses CWL and R-CON were impacted by weaker market conditions, especially during the second half of the year.

In particular, a positive development was noted in ISG Nordic, Pcp, Door and Joinery, ARAS and Frictape.

In April 2023, Fireco in the UK was acquired, which manufactures fire door components and in December, Suomen Diesel Voimaen was acquired, a leading manufacturer of generator sets for backup power solutions and fire sprinkler pumps in Finland.

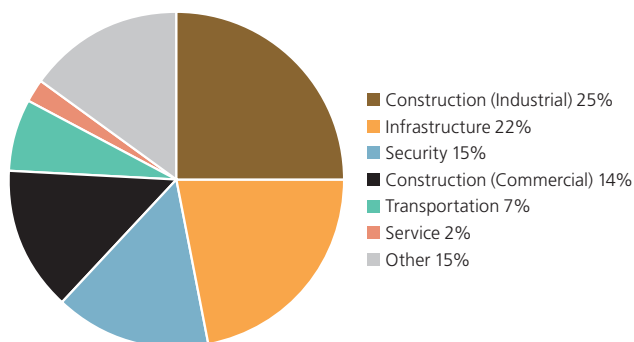
Going forward, the division's goal is organic growth

**Share of division's sales**  
Pro forma (including companies calculated on an annual basis)

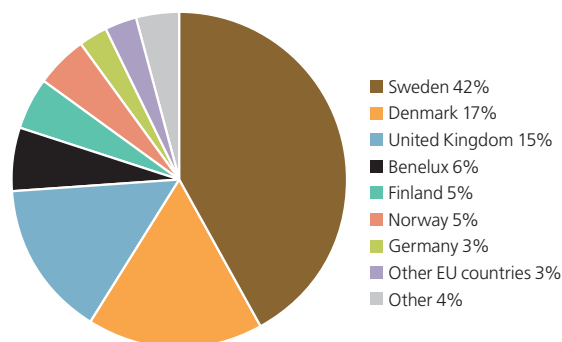


of 5–10% per year over a business cycle with maintained profitability in combination with a number of acquisitions, both as additions to existing companies but also in new businesses in the same and related sectors.

**Revenue by market segment**  
2023/24



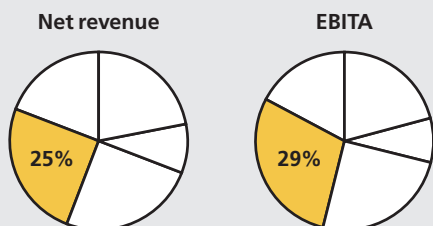
**Revenue by geographic market**  
2023/24



### SUBSIDIARIES IN THE DIVISION

[www.aras.dk](http://www.aras.dk) | [www.cobs.se](http://www.cobs.se) | [www.cwllundberg.com](http://www.cwllundberg.com) | [www.dieselvoima.fi](http://www.dieselvoima.fi)  
[www.doorandjoinery.co.uk](http://www.doorandjoinery.co.uk) | [www.fireco.uk](http://www.fireco.uk) | [www.frictape.com](http://www.frictape.com) | [www.idesco.fi](http://www.idesco.fi)  
[www.isgnordic.se](http://www.isgnordic.se) | [www.pcp-corp.com](http://www.pcp-corp.com) | [www.r-con.se](http://www.r-con.se) | [www.stv.se](http://www.stv.se)

## NICHE PRODUCTS



Share of the group for the financial year 2023/24.

MSEK	2023/24	2022/23
Net revenue	2,012	1,871
Operating profit (EBITA)	426	375
Operating margin, %	21.2	20.0
Return on working capital (P/WC), %	83	81

Lagercrantz has built the Niche Products division around a number of product companies that create clusters in various niches. Today, the division consists of 18 profit centres and each one is a leader in its respective niche with stable and high profitability. The focus is on acquiring and refining niche companies with proprietary products.

### ABOUT THE DIVISION

The division’s companies sell proprietary products and solutions in selected technology niches, for example washing systems for heavy vehicles, pumps for foodstuffs, sharpening systems for knives and other edge tools, special doors for refrigeration rooms and hospitals as well as valves for land-based fish farms.

Most of the division’s companies are based in the Nordic countries but several also have subsidiaries in countries such

as the USA, Netherlands and Poland.

In many of the companies, the technical solutions required for a more sustainable society have become an integrated part of the business. In various ways, they deliver products and solutions that directly or indirectly reduce society’s consumption of water, plastic and herbicides or protect against the effects of climate change. Several companies are now developing the next generation of products from recycled or biodegradable materials.

Aside from new acquisitions, the division is also growing through add-on acquisitions. In this way, the division’s position is being strengthened in existing niches, and sub-groups or clusters have been established, for example, within dispensers, special brushes, flow control and special conveyors.

### Case · Tormek (tormek.com)

*In the absence of a good method for sharpening tools, Torgny Jansson at the end of the 1960s developed a machine that solved the problem. Tormek was founded and in 1975 the company’s sharpening tools began to be exported to the other Scandinavian countries. Today, Germany and the USA have surpassed Scandinavia and are the company’s most important markets.*

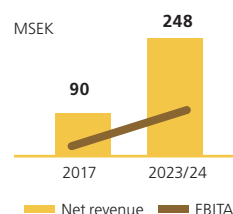
#### Tormek in Lagercrantz Group

In early 2018, Torgny’s heirs decided that the company needed a new owner and Lagercrantz was chosen. A new board was appointed where Lagercrantz and the former owners were represented. Today, the company has a strong and well-developed department for marketing and customer relations in Sweden, USA and Germany. Tormek is very active in social media both itself and through a network of influencers. Innovation is part of Tormek’s DNA and development of new products is taking place continually. The totally new kitchen knife sharpener Tormek T-1 was introduced in late 2021 and is targeted towards dedicated home chefs. In line with increasing demand for the company’s products, investments have been made in new production lines and expansion of the premises has occurred in several stages. Meanwhile, the channel strategy has also been developed and a dedicated sales and marketing operation for the USA has been created, where the company has benefited greatly from the infrastructure that was built up by other already established Lagercrantz companies in Chicago. Tormek’s products are available on marketplaces such as Amazon in the USA and Europe, and in line with the launch of the new product Tormek T-1 in more and more markets, e-commerce sales are being introduced under the company’s own management.

*“Together with our suppliers, we have managed to scale up production in line with the increasing demand. This combined with the shift in the sales organisation towards a clear online focus, is a big reason for the success.” Samuel Stenhem, MD*



Tormek’s model T-1 kitchen knife sharpener for the home chef segment



18 companies · 9 countries



**Magnus Nilsson**  
Head of Division



**NICHE PRODUCTS DURING THE 2023/24 FINANCIAL YEAR**

Net revenue in the Niche Products division increased by 8% to MSEK 2,012 (1,871), where acquisitions contributed 7%, while net revenue for comparable units decreased by 1%. Operating profit (EBITA) increased by 14% to MSEK 426 (375), equivalent to an operating margin of 21.2% (20.0). Niche Products delivered another year of good improvements in earnings and margins. The market situation was favourable for most of the division’s businesses. Tormek, Asept, the brush companies SIB and Sajas as well as Waterproof performed particularly well, while Truxor, Nikodan and PST were affected by a weaker market situation.

In December 2023, MH Modules was acquired, a leading Nordic supplier of modular conveyor and material handling systems to integrators in the automotive industry.

In February 2024, Prido was acquired, a leading Swedish manufacturer of high-quality industrial folding doors which generates annual revenue of about MSEK 270 with an operating profit of about MSEK 64–68.

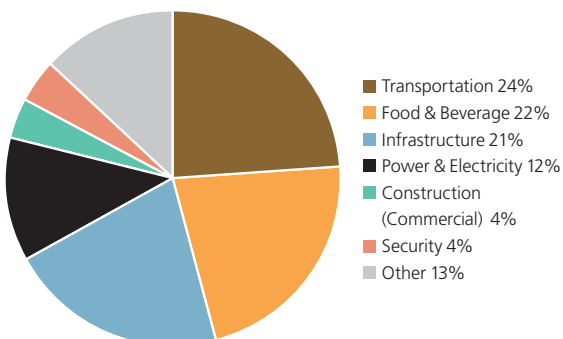
Going forward, the aim is continued earnings growth in

**Share of division’s sales**  
Pro forma (including companies calculated on an annual basis)

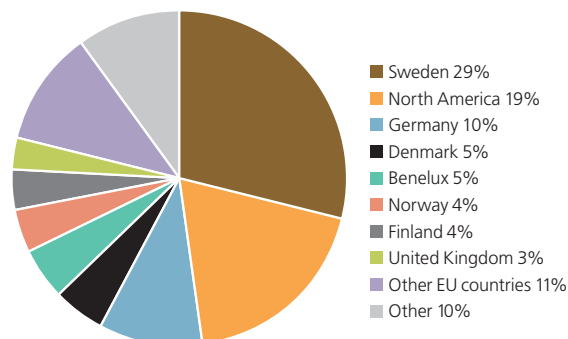


line with the rest of the Group, which means a doubling of profit within five years. The goal is to carry out 2–4 acquisitions per year, which also includes smaller supplementary acquisitions.

**Revenue by market segment**  
2023/24



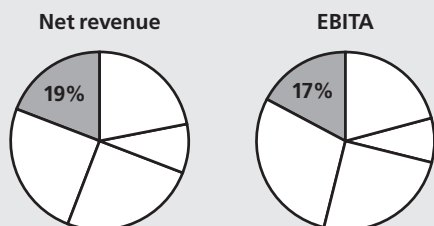
**Revenue by geographic market**  
2023/24



**SUBSIDIARIES IN THE DIVISION**

- [www.asept.com](http://www.asept.com) | [www.bereila.nl](http://www.bereila.nl) | [www.formingfunction.se](http://www.formingfunction.se) | [www.hovicon.com](http://www.hovicon.com)
- [www.mhmodules.com](http://www.mhmodules.com) | [www.nikodan.eu](http://www.nikodan.eu) | [www.prido.se](http://www.prido.se) | [www.pst.se](http://www.pst.se) | [www.profsafe.se](http://www.profsafe.se)
- [www.sajas-group.com](http://www.sajas-group.com) | [www.sibproducts.com](http://www.sibproducts.com) | [www.thermod.se](http://www.thermod.se) | [www.tormek.se](http://www.tormek.se) | [www.truxor.com](http://www.truxor.com)
- [www.vendig.se](http://www.vendig.se) | [www.wapro.com](http://www.wapro.com) | [www.waterproof.eu](http://www.waterproof.eu) | [www.westmatic.se](http://www.westmatic.se)

# INTERNATIONAL



Share of the group for the financial year 2023/24.

MSEK	2023/24	2022/23
Net revenue	1,501	1,204
Operating profit (EBITA)	252	185
Operating margin, %	16.8	15.4
Return on working capital (P/WC), %	76	66

The International division is taking Lagercrantz’s successful business concept, involving acquisitions and decentralised governance of niche technology companies, and is developing the export market. Most of the Group’s businesses in Denmark, Norway, Germany, Poland and the UK are part of the division, which also supports other areas of the Group as a sales channel in their export ambitions.

### ABOUT THE DIVISION

Today, the International Division consists of 16 businesses, all specialised with niche customer offerings for their specific markets. Almost half of the companies are value-adding distributors in electronics and electromechanics. The customers are found, for example, in shipyards, railways, power distribution and the machinery industry.

Manufacturers of hearing aids and wind turbines are also important customer segments.

The International division prioritises acquisitions of product companies but shall also grow organically. In recent years, the division has also acquired many companies with similar products. Some examples are Denmark-based ISIC, the Norwegian company Libra and Tebul in Finland, which together are building a cluster of marine product companies. Another important cluster is Schmitztechnik and the recently acquired DP Seals, which both offer special components such as rubber bushings, gaskets and membranes for industrial customers. Several of the companies have made good progress in their environmental thinking and offer sustainable solutions that contribute to positive environmental impacts.

## Case · Libra (libra.no)

Libra was founded in 1954 in Hareid, close to Ålesund in Norway, and is currently a leading manufacturer of innovative and high quality special doors, hatches etc. for marine applications, such as passenger and cargo ships, non-armoured military ships, fishing vessels and offshore installations.

*“To ensure safety and protect property on board is our most important goal and this is reflected in every single detail. As a result of this, the most advanced/high tech ships built today are equipped with Libra doors,” says Einar Pieroth, MD.*

The products are manufactured in fiberglass, steel or aluminium and are classified for different applications and locations on the vessels. Libra is positioned as a quality manufacturer, with type approval for classification levels, which is demanded in the international shipbuilding industry.

### Libra Plast in the Lagercrantz Group

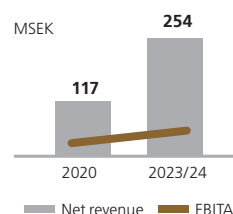
When Lagercrantz acquired Libra in 2021, the company was looking for a new owner to drive the next phase of growth in the company’s history. Libra has continued to develop strongly in the Lagercrantz Group, partly through a favourable market, but also through sales growth in the most profitable product and customer segments, greater focus on the aftermarket and by consolidating production in two locations.

*“Libra is an important part of Lagercrantz’s successful marine cluster, enabling knowledge sharing and collaboration between companies that all address the same market.”*

Bo Lander Rasmussen, Head of the marine cluster within division International



Libra manufactures high quality special doors and hatches for marine applications.





## 16 companies · 9 countries



**Fredrik Siwmark**  
Head of Division



### INTERNATIONAL DURING THE 2023/24 FINANCIAL YEAR

Net revenue in the International division increased by 25% to MSEK 1,501 (1,204), where acquisitions contributed 19% and net revenue for comparable units increased by 1%. Operating profit (EBITA) increased by 36% to MSEK 252 (185), equivalent to an operating margin of 16.8% (15.4).

The International division delivered a strong year with good growth through acquisitions and fine improvements in margins. Good improvements in earnings were noted, in particular for the marine businesses Libra in Norway, Tebul in Finland and ISIC in Denmark. E-tech in the UK and Skomö in Denmark also contributed good improvements in earnings, while NST, G9 and several of the ACTE companies were affected by weaker market conditions. The recently acquired businesses Glova Rail in Denmark as well as Supply Plus and DP Seals in the UK generally delivered good results as part of Lagercrantz.

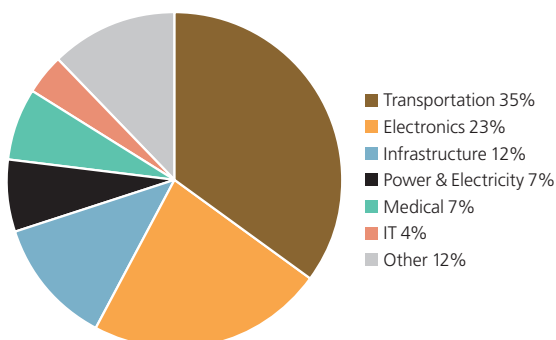
Going forward, the ambition is to grow in line with the Group’s growth targets. The UK is a particular interesting growth market for the division. The intention is to carry out

**Share of division’s sales**  
Pro forma (including companies calculated on an annual basis)

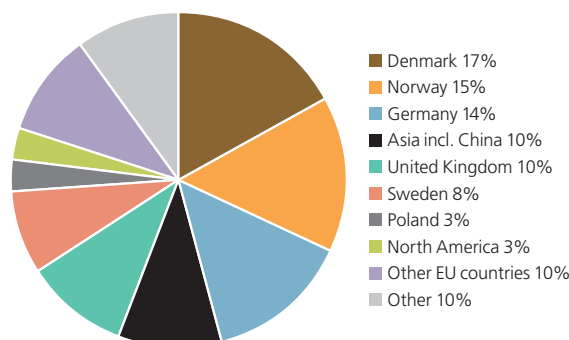


2–4 acquisitions per year as well as supplementary acquisitions for existing companies to further strengthen their market positions.

**Revenue by market segment**  
2023/24



**Revenue by geographic market**  
2023/24



### SUBSIDIARIES IN THE DIVISION

[www.acte.dk](http://www.acte.dk) | [www.acte.no](http://www.acte.no) | [www.acte.pl](http://www.acte.pl) | [www.acesolutions.se](http://www.acesolutions.se) | [www.dpseals.uk](http://www.dpseals.uk)  
[www.etchcomponents.com](http://www.etchcomponents.com) | [www.g9.dk](http://www.g9.dk) | [glovarail.com](http://glovarail.com) | [www.isic.dk](http://www.isic.dk) | [www.libra.no](http://www.libra.no) | [www.nst-dk.dk](http://www.nst-dk.dk)  
[www.schmitztechnik.de](http://www.schmitztechnik.de) | [www.skomo.dk](http://www.skomo.dk) | [supplyplus.com](http://supplyplus.com) | [www.tebul.fi](http://www.tebul.fi) | [www.unitronic.de](http://www.unitronic.de)

## CEO COMMENTS:

# Sustainability at Lagercrantz

Lagercrantz can and has a responsibility to contribute to a more sustainable world. We view this as long-term commitment of continuous improvements. Our goal is that the Group and all subsidiaries should be good and responsible companies that contribute to the societal benefit. Most of Lagercrantz's operations are conducted in our subsidiaries and it is here that the majority of the Group's sustainability work is carried out, close to customers, suppliers and local communities. During the year we have worked with reporting routines and skills improvement measures with the aim that the subsidiaries understand and are able to reduce their impact on the environment and climate.

Each business unit has business-aligned sustainability goals in their business plans. These goals are connected both to the company's own business and to the products and services they develop and sell. The goals for their own business may, for example, include reducing energy consumption, improving waste management, streamlining transports and minimising the use of hazardous chemicals. Many of the companies' products and services already contribute to the societal benefit and create conditions for improving the environment and climate, and this focus, to help our customers become more sustainable, will increase going forward. The subsidiaries' sustainability goals and initiatives are defined, managed and followed up through active work in each board. The Group's main role is to support, inspire, set requirements and monitor that the subsidiaries follow the path towards becoming more sustainable enterprises.

Growth opportunities and competitiveness are created through a focus on sustainability where we reduce our environmental impact and help our customers to become more sustainable. A clear sustainability ambition also motivates both current and future employees.



*The real impact occurs in our subsidiaries with concrete sustainability initiatives, which really make a difference for our business partners, employees and society.*

Jörgen Wigh, President and CEO

Our sustainability work is governed by our values: simplicity and efficiency, accountability and freedom, businessmanship and willingness to change. Our Code of Conduct is also an important tool.

Our sustainability report on pages 26–41, contains concrete examples from our subsidiaries on how the subsidiaries contribute to the societal benefit. More information about our collective work can be found on our website, [www.lagercrantz.com](http://www.lagercrantz.com).

## CW Lundberg (TecSec)

CW Lundberg (CWL) provides safety and fastening systems for roofs. As part of the global efforts to promote renewable energy, a new business area has been launched: fastening systems for solar panels. The company's largest climate impact comes from the raw material steel. To maximise the benefit of the materials used and minimise the negative impact, CWL designs low-weight products and works actively to reduce the amount of waste during production. CWL has environmental product declarations (EPDs) for all of its products. At its Polish facility, CWL has installed solar cells to further reduce its climate impact and carbon footprint in Poland.



## Elkapsling (Electrify)

Elkapsling AB has a strong sustainability profile which is underpinned by a clear and systematic strategy with a constant focus on reducing environmental impacts. One example is a comprehensive energy and climate audit, which during the past year has resulted in a reduction in CO<sub>2</sub>e emissions of 7.5%. Elkapsling's products and solutions improve energy efficiency and contribute to sustainable systems, such as district heating, electricity distribution and digital infrastructure. In addition, Elkapsling offers products with green roofs covered with vegetation and integrated security systems that meet modern standards for environmentally friendly and energy efficient buildings.





Sustainability  
in focus



**Geonor** (Control)

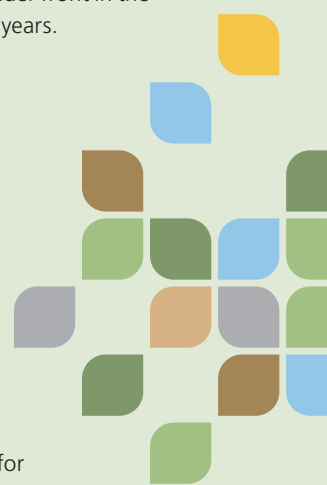
Extreme weather due to climate change has increased the need for automated monitoring. Geonor produces and sells geotechnical, hydrological, meteorological and environmental-related equipment and systems. Geonor's sensors and instruments, such as precipitation gauges and electrical pore pressure gauges, are important components in solutions that can be monitored remotely. Solutions which, for example, can be used to monitor landslides, rainfall and other natural phenomena that may threaten society's infrastructure.

**Supply Plus** (International)

Supply Plus has developed a new platform called AS Powerbeam, which makes it much easier for firefighters to take down heavy ladders from the top of fire engines. These ladders can weigh 100 kg and by using AS Powerbeam, the operator's workload is considerably reduced. The solution also enables increased gender diversity within the British fire and rescue services, for example by making the profession more accessible to women. AS Powerbeam is now being tested in the UK and Supply Plus hopes to be able to roll it out on a broader front in the next few years.

**Westmatic** (Niche Products)

Westmatic develops world-leading, environmentally friendly washing systems for heavy-duty vehicles promoting sustainability in the transportation industry by significantly reducing water consumption through innovative water recycling technologies where the same water can be effectively reused. With the development of the "Renaren" technology, all used water is purified to become free from pollutants, which benefits both the environment and the surfaces of the vehicles. These state-of-the-art washing systems essentially offer a sustainable and efficient solution that contribute to a cleaner planet and longer-lasting vehicles.





# Sustainability Report

**The global development in recent decades have made it increasingly important for companies to contribute to a more sustainable development. For Lagercrantz, sustainable operations are essential and a prerequisite for long-term value creation, enhancing competitiveness and growth opportunities, motivating our employees and creating satisfied customers. Sustainability is an integrated part of our business model and strategy with the ambition that all our businesses should act as good corporate citizens and create both business and societal benefit.**

Lagercrantz's main contribution to society is through the products, services and job opportunities that our subsidiaries offer and that provide satisfied customers and committed employees. This is a prerequisite for the Group to be able to continue growing sustainably with good profitability. We also contribute by paying taxes where the value is created. In addition, many of the businesses in the Group are located outside of metropolitan regions, which contribute to development and continued vitality of less densely populated areas.

Lagercrantz's overriding sustainability goals are to reduce the Group's environmental and climatic impact, limit the use of scarce resources, maintain and further develop secure and equal workplaces with fair working conditions and to work with a high level of business ethics in the entire value chain. The sustainability goals and focus of the sustainability work are based on analyses of Lagercrantz's operations in order to identify both positive and negative material impact areas. This is an ongoing process of continual improvements, which will lead to an expansion of the Group's sustainability efforts in the coming years where the quality of our data and the relevance of our actions will improve constantly. For the 2023 reporting, the data gathering from our subsidiaries has been both expanded and deepened in Scope 1, 2 and 3, which has increased the quality of our numbers as well as provided important insights and knowledge for us to continue working on improvements.

Lagercrantz's business model is based on a decentralised organisation and the day-to-day sustainability work is mainly conducted in the subsidiaries. At Group level, we are continually working on developing and improving follow-up and reporting, improving the quality of our data and on supporting and guiding our subsidiaries. At Group level, we are also working on developing Lagercrantz's overriding sustainability strategy.

The subsidiaries are also working actively with sustainability improvements directly linked to dialogues with customers. This includes, for example, producing Environmental Product Declarations (EPD:s), minimising the use of hazardous chemicals in accordance with the REACH directive and minimising harmful substances in electronic components according to the RoHS directive. Product evaluations in accordance with, for example Ecovadis are another tool for promoting sustainable enterprise. Also, almost half of the Group's subsidiaries are environmentally certified according to ISO 14001.

Lagercrantz has not, so far, identified any major threats or risks to its operations linked to Environmental, Social and Governance factors (known as ESG). A more detailed risk analysis will be carried out in connection with continued work on the double materiality analysis. The subsidiaries, where the majority of the Group's impact lies, are continually working to limit risks, handle threats and reducing negative impact on the environment and climate while developing products together with their customers to make their customers more sustainable. Within Social Responsibility, we do not see any major risks either as the majority of the Group's subsidiaries operate in geographical areas with good regulations of working conditions. It is also our assessment that the Group and its subsidiaries are not exposed to any major threats in the area of governance. We have a clear commitment to an ethical business climate and both the Group and all subsidiaries work actively with our Code of Conduct in relation to employees, temporary staff, customers and suppliers. See more in this Annual Report under Risks and uncertainty factors, page 50–51.

In our sustainability work, we take applicable legislation into account such as the UN Global Compact's Ten Principles for human rights, labour, the environment and anti-corruption, the ILO's core conventions for human rights at work, the OECD's Guidelines for Multinational Enterprises on responsible business conduct and the UN's 17 sustainable development goals.

Lagercrantz's sustainability work, strategic priorities, outcomes and governance are presented in this sustainability report, which together with the CEO's introductory comments on sustainability, comprises 26–41. Lagercrantz's business model is presented on pages 4–5.

## EXAMPLES OF SUSTAINABILITY ACTIVITIES

### 2023/24

- Continued work in the subsidiaries in order to reduce energy consumption and negative climate impact.
- Skills improvement measures in the subsidiaries and at Group level within the sustainability area.
- Strengthening of sustainability resources, both in the subsidiaries and centrally, on Group level.
- Sustainability reporting in each subsidiary with increased detail and more categories in Scope 3.
- More than 75 concrete sustainability initiatives in the subsidiaries as part of the business planning.
- Development and launch of tools that the subsidiaries can use in their sustainability work.

### 2024/25

- Further develop Scope 3 reporting with more categories including "Purchased goods and services" for all subsidiaries.
- Continued work with the double materiality analysis in order to understand our impact and to be able to report according to the CSRD directive.
- Development of tools and networks for more effective sustainability work in the subsidiaries and in the Group.
- Continued mapping of the supply chain based on climate impact and Lagercrantz's Code of Conduct.
- Concrete sustainability initiatives in the subsidiaries as part of the business planning.



## Materiality analysis

Lagercrantz is in the middle of the materiality analysis (double materiality analysis) to obtain an overall view of how the Group impacts the world around us and how we are affected by the ongoing climate changes and the increased focus on sustainability. Based on this assessment, we can then further focus our sustainability efforts on those parts of the operations where they have the greatest impact. The materiality analysis is also a prerequisite to be able to report in accordance with the EU’s new regulatory framework for sustainability reporting, CSRD/ESRS which Lagercrantz will be covered by, with the first reporting in 2026. An important part of the analysis is our subsidiaries’ ongoing stakeholder analyses (see sustainability note on page 91).

Our sustainability issues connected to our business are highly prioritised, in other words to ensure long-term competitiveness, maintain good profitability and continued growth, both organically and through acquisitions.

Many of our subsidiaries are manufacturing units, which has an impact on the environment and the climate through greenhouse gas emissions. Reducing this negative impact, for example through lower energy consumption and improved resource and production efficiency, is another important area. We also consider that we have a material impact in category 1 in Scope 3 “Purchased goods and services”.

Other prioritised areas include employee health, safety, equal treatment and gender equality, as well as working with good business ethics throughout the value chain and counteracting anti-corruption.

In summary, we have grouped our most important sustainability issues to date into four categories:

- Sustainable business
- Reduced climate and environmental impact
- Motivated employees and safe workplaces
- Value chain with high standard of business ethics

## Focus areas and sustainability goals

Lagercrantz has brought together its most important sustainability issues in four main strategic areas: sustainable business, reduced climate and environmental impact, motivated employees and safe workplaces and value chain with high business ethics.

**CORPORATE SOCIAL RESPONSIBILITY**  
 Training and knowledge sharing, Code of Conduct, policies and guidelines, materiality analysis, risk analysis, board meetings, Group-wide and subsidiary-specific goals, data reporting and follow-up, supplier mapping and analysis of acquisitions.

**Main areas and goals for 2030**

SUSTAINABLE BUSINESS	REDUCED CLIMATE AND ENVIRONMENTAL IMPACT	MOTIVATED EMPLOYEES AND SAFE WORKPLACES	VALUE CHAIN WITH HIGH STANDARD OF BUSINESS ETHICS
<b>ALL</b> Lagercrantz’s subsidiaries shall contribute to a sustainable development	<b>50%</b> reduced carbon intensity (CO2e/MSEK) for comparable companies and compared to the base year 2020/21	<b>NO</b> serious occupational accidents <b>35%</b> women in senior positions	<b>100%</b> compliance by Lagercrantz’s employees with Code of Conduct <b>50%</b> of the purchasing volume evaluated based on the Supplier Code of Conduct

**Important issues that we set targets on and follow up**

<ul style="list-style-type: none"> <li>• Creating economical value</li> <li>• Share of revenue that contributes to sustainable development and the UN’s global goals</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced CO2 emissions (Scope 1–3)</li> <li>• Share of renewable energy</li> <li>• Energy efficiency</li> <li>• Resource efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Health and safety</li> <li>• Equal treatment and gender equality</li> <li>• Diversity and inclusion</li> <li>• Leadership and skills development</li> <li>• Employee turnover</li> </ul>	<ul style="list-style-type: none"> <li>• Share of employees who are informed about the Code of Conduct</li> <li>• Share of purchase volume evaluated based on the Supplier Code of Conduct</li> <li>• Number of anti-corruption cases</li> <li>• Number of whistleblower cases</li> </ul>
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**Global sustainable development goals that we specifically contribute to**



## Sustainable business

**Demand for sustainable technical solutions is increasing. This is in line with Lagercrantz's operations and creates good business opportunities and great value for our customers and society in general. We offer value-creating technology that contributes to our customers' development, resulting in both sustainable business and sustainable development.**

Stakeholder	Type of value	Economic value	Added value
<b>Revenue</b>			
<b>Customers</b>	Sales revenue	8,129 (7,246) MSEK	Lagercrantz creates added value by offering high-quality products and services, which, among other things, contribute to a lower climate impact, safer working environments and increased resource efficiency.
<b>Costs</b>			
<b>Employees</b>	Salaries, remuneration and pensions	1,763 (1,296) MSEK	Lagercrantz offers stimulating and safe workplaces with fair working conditions. Lagercrantz's operations are often based in smaller localities, making it possible for employees to work and live outside metropolitan areas.
<b>Suppliers</b>	Sourcing of material, products and services	5,959 (4,304) MSEK	Lagercrantz offers long-term collaboration and good conditions for suppliers that meet Lagercrantz's requirements in relation to high product quality with low climate impact, safe workplaces and fair working conditions, among other things.
<b>Society</b>	Social security contributions and taxes paid	547 (515) MSEK	Lagercrantz pays taxes where the value is created. By being a long-term owner, Lagercrantz contributes to a positive development, both economically and in the form of job opportunities in the local communities where our subsidiaries operate. Lagercrantz uses local suppliers to a large extent, which stimulates economic growth in less densely populated areas and reduces the climate impact.
<b>Lenders</b>	Interest paid	130 (67) MSEK	Lagercrantz offers lenders an investment with good cash flows and a strong financial position as well as a portfolio of niche market-leading companies with good risk diversification.
<b>Shareholders</b>	Proposed dividend Share price development	391 (329) MSEK 26% (21%)	Lagercrantz creates shareholder value through long-term and stable profit and dividend growth as well as the opportunity to invest in a portfolio of niche market-leading companies with good risk diversification.

Lagercrantz's overriding goal for 2030 in Sustainable business is that all Lagercrantz subsidiaries shall contribute to sustainable development by supplying sustainable products and services and by conducting their businesses with a limited negative impact in relation to ESG aspects (Environment, Social, Governance). Today, our subsidiaries already contribute to the transition towards a more sustainable development in society and within

the industry sector. To achieve our goals, we have also integrated sustainability into our acquisition strategy, where we focus on businesses that contribute to a sustainable development, with a limited negative impact on the climate and environment. We actively exclude businesses that are involved in controversial products or services.





## Reduced climate and environmental impact

**The climate is one of the greatest challenges of our time where everyone must contribute by reducing their negative impact. At Group level, Lagercrantz's goal is to reduce the carbon intensity metric (CO<sub>2</sub>e/MSEK) by 50%. The climate transition also entails increased business opportunities for Lagercrantz.**

Reduced climate and environmental impact is one of Lagercrantz's prioritised sustainability areas. The Group is committed to reducing the carbon intensity and greenhouse gas emissions, increase energy efficiency and the share of renewable energy and to improve resource efficiency. The subsidiaries also work actively to minimise the use of chemicals and other hazardous substances, which have been proven harmful to our environment.

The majority of Lagercrantz's environmental work is carried out in our subsidiaries. In the larger subsidiaries, environmental/sustainability officers have been appointed. In other subsidiaries, the MD or another member of the management team, has responsibility for climate and environmental matters. The subsidiaries are responsible for ensuring compliance with environmental laws and regulations in their own businesses and also for suppliers and subcontractors. This is to ensure that Lagercrantz or Lagercrantz's subsidiaries do not have business relationships with suppliers that violate applicable legislation and/or disregard environmental issues. Companies within Lagercrantz that identify deviations or risk of deviations shall immediately take measures and report this to Group Management. Employees who detect deviations or risk of deviations or negative environmental impacts, shall report this to their line manager or MD. Employees and other stakeholders can also use Lagercrantz's whistleblower service to report deviations. No such deviations have been reported during 2023/24.

At the end of 2023, 33 subsidiaries, corresponding to 46% of the total number of companies, had an environmental management system according to ISO 14001 and more companies are working towards certification in 2024. In seven (7) of our Swedish subsidiaries, operations are conducted that require a permit according to the Swedish Environmental Code.

Our employees receive relevant training to handle, for example, hazardous waste and recycling solutions, as well as instructions to minimise consumption and emissions in the production processes.

There are no known threats that would jeopardise any of Lagercrantz's operations from an environmental standpoint. During 2023/24, Lagercrantz has not paid any fines or charges due to environmental negligence.

### CLIMATE IMPACT

Lagercrantz's overriding goal for 2030 in the area Reduced climate and environmental impact is to reduce the Group's carbon intensity metric (tonne CO<sub>2</sub>e/MSEK) by 50% for comparable units and with 2020/2021 as the base year, in line with the Paris Climate agreement. Group Management monitors that subsidiaries have processes in place and are working to reduce greenhouse gas emissions, reduce energy consumption, increase the share of renewable energy and to run their businesses with high energy and resource efficiency. The subsidiaries also work with choosing environmentally friendly products and inputs, minimising the use of non-renewable materials/increasing the use of recyclable materials and on increasing the recycling rate in their business.

A prerequisite for Lagercrantz to achieve the Group's climate targets is to collaborate with suppliers and customers, something that generates a positive effect in the entire value chain, not just in the own operations. To reduce emissions, Lagercrantz and the entire value chain depend on the availability of, for example, more environmentally friendly transports, input materials and energy sources and the development in these areas is carefully monitored to be able to adapt quickly.

The transition of society is also creating business opportunities for Lagercrantz. In several subsidiaries, continual development work is underway to reduce the proprietary products' climate and environmental impact. Several of the subsidiaries offer products where a clear competitive advantage is the products' contribution to reducing the customers' climate and environmental impact. The ability to offer energy-efficient products and products with low emission levels has a positive effect on demand and profitability.



## METHOD FOR CALCULATING CLIMATE IMPACT

Lagercrantz's greenhouse gas emissions are calculated according to the Greenhouse Gas Protocol (GHG Protocol), which divides emissions into Scope 1, 2 and 3.

- **Scope 1** refers to direct emissions from activities owned and controlled by Lagercrantz.
- **Scope 2** refers to indirect emissions from purchased and consumed electricity, heating, cooling and steam.
- **Scope 3** refers to indirect emissions upstream and downstream in the value chain from sources not owned or controlled by Lagercrantz.

The data collection from the companies for the reporting period has covered Scope 1 and Scope 2 as well as parts of Scope 3 (categories 3, 4, 6, 8 and 9) where category 6 Business travel has been added since the last Sustainability Report. Lagercrantz uses the term CO<sub>2</sub>e (carbon dioxide equivalent) in its reporting, a so-called intensity metric, in order to make comparisons, both between different types of emissions and between subsidiaries. For the period, Lagercrantz has applied a mix of location-based and market-based calculation methods according to the GHG protocol depending on what data the subsidiaries had access to.

For this Sustainability Report, Lagercrantz carried out extensive work to improve the quality of our emission figures and to increase the level of knowledge and responsibility

across the entire Group. All subsidiaries have reported emission figures for 2023 and updated figures for 2022. The calculations have been made based on a uniform methodology and the subsidiaries have conducted a thorough analysis of their emissions in the relevant categories both for 2022 and 2023. Even companies that were not included in the sustainability report for 2022/2023 have done this and the figures that Lagercrantz report here for 2022 are proforma figures that also include these companies.

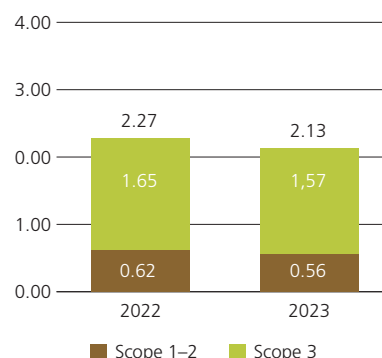
The entire Group has undergone a significant skills improvement and the data quality has improved. This work has also provided the subsidiaries with important insights about what their main impact on the climate is and what is the most important to remedy. A number of activities for reducing the Group's emissions have been identified. This includes, for example changing electricity suppliers, changing vehicle fleets and improving transport efficiency.

The reduction in CO<sub>2</sub>e from 2022 to 2023 is explained, for example, by the fact that companies have changed their vehicle fleets to a larger proportion of electric cars, changed to more environmentally friendly electricity, installed solar cell systems, streamlined manufacturing processes to make better use of raw materials, and undertaken measures to reduce the electricity consumption of the business.

## GREENHOUSE GAS EMISSIONS\*

Tonnes CO <sub>2</sub> e	2022	2023
<b>Scope 1</b>	<b>2,050</b>	<b>2,049</b>
Refrigerants	80	83
Stationary combustion	806	781
Own and finance leased vehicles	1,164	1,184
<b>Scope 2</b>	<b>2,728</b>	<b>2,463</b>
Electricity	2,242	1,968
District heating	476	485
District cooling	10	10
<b>Scope 3</b>	<b>12,716</b>	<b>12,706</b>
Fuel and energy-related activities (3)	1,058	1,013
Upstream transportation and distribution (4)	3,508	3,465
Business travel (6)	699	891
Upstream leased assets (leased cars) (8)	999	950
Downstream transportation and distribution (9)	6,452	6,387
<b>TOTAL</b>	<b>17,493</b>	<b>17,218</b>
<b>Tonnes CO<sub>2</sub>e/revenue in MSEK</b>		
Scope 1–2	0.62	0.56
Scope 3 (Category 3, 4, 6, 8 and 9)	1.65	1.57
<b>Total Scope 1–3</b>	<b>2.27</b>	<b>2.13</b>

Greenhouse gas emissions\*  
Tonnes CO<sub>2</sub>e/MSEK



\* The figures for 2022 and 2023 are full-year proforma and include all companies that Lagercrantz owned on the balance sheet date apart from recently acquired DP Seals, MH Modules, NRS, Prido and Suomen Diesel Voima.



Lagercrantz does not have Group-wide information on emissions of ozone-depleting substances, nitrogen or sulfur oxides and other emissions. Lagercrantz currently has no initiatives at Group level aimed at offsetting emissions.

#### SYSTEMATIC CLIMATE WORK

Lagercrantz's climate work is mostly carried out in the Group's subsidiaries. The MD in each company has the ultimate responsibility. Several of the larger subsidiaries have appointed dedicated sustainability officers. The divisional management teams support the companies in their climate work. The Group's main task is to have a coordinating role and a Group-wide perspective on climate issues.

All subsidiaries at Lagercrantz should work actively and systematically to reduce their climate impact. This includes conducting climate mapping to identify material climate and environmental aspects in their respective businesses. All companies set relevant sustainability goals including key performance indicators as part of the companies' business plans and these are followed up by the companies' boards and divisional management teams. In addition to this, the subsidiaries work closely with their suppliers and customers to identify improvements that can reduce negative climate impacts.

At Group level, Lagercrantz works with different forms of support and information to the subsidiaries. The Group is responsible for the overall reporting and can also take decisions about investments in order to reduce Lagercrantz's climate impact. In 2023, the resources were strengthened in the sustainability area at Group level in order to put more focus on these issues. There are plans to develop a climate manual to support the subsidiaries in their climate work and to create a shared view concerning climate and environmental issues within the Group. In the future, Lagercrantz's internal training programme may be expanded to include climate and environmental themes.

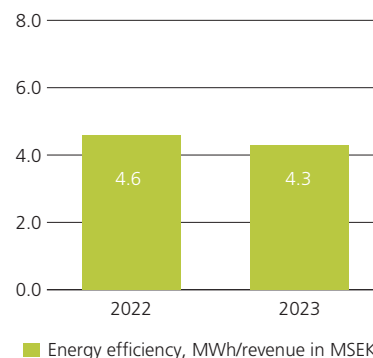
#### ENERGY AUDIT

Like all larger companies, Lagercrantz is covered by the mandatory energy audit for which the Swedish Energy Agency is responsible. On 31 March 2024, Period 2 including the years 2020–2024 of the Energy audit was completed. At the end of this period, the five subsidiaries with the highest energy consumption in the Group had implemented improvement measures and reduced their energy consumption by a total of 3,515 MWh.

#### ENERGY CONSUMPTION AND ENERGY EFFICIENCY\*

	2022	2023
Total energy consumption, MWh	35,678	34,476
Energy efficiency, MWh/revenue in MSEK	4.6	4.3
Share renewable energy, % of total energy consumption	54%	75%

Energy efficiency\*  
MWh/MSEK



## Motivated employees and safe workplaces

**To guarantee Lagercrantz's success, we are required to be an attractive employer that can offer good career and development opportunities in safe and secure workplaces. To achieve this, the Group and divisional management teams are working together with the subsidiaries to ensure a good working environment from a physical, mental and social point of view. It is fundamental that everyone who directly or indirectly works for Lagercrantz should have their basic human rights respected in accordance with the UN's Universal Declaration of Human Rights.**

### TERMS OF EMPLOYMENT

The majority of Lagercrantz's employees are permanently employed. Temporary personnel are mainly used to replace permanent employees during periods of illness or other absences. Ensuring that the Group's employees have good and secure terms of employment is primarily a working environment issue, but is also important for retaining employees over time. This is an important factor for achieving continuity in the operations and to be able to build long-term relationships with customers, suppliers and other stakeholders.

The terms of employment, including financial remuneration and working hours, offered to our employees should at least meet the minimum requirements in national legislation and collective agreements. All employees shall have their employment confirmed by a written contract of employment. Remuneration, working hours and conditions must be fair and reasonable.

Lagercrantz's Code of Conduct governs the Group's approach to employees with the overriding goal of creating clear expectations, motivated employees and safe workplaces. See more under Value chain with high business ethics.

### SAFE WORKPLACES – NO SERIOUS OCCUPATIONAL INJURIES

Health, safety, and a good working environment from a physical, mental and social point of view, are fundamental to Lagercrantz and a prerequisite for productivity and growth. Lagercrantz's goal is that no employee of Lagercrantz or of a supplier or subcontractor should be injured in the context of their employment. To achieve this vision of zero injuries, preventive safety work as well as continuous risk analysis are prioritised areas for the subsidiaries. More serious incidents and accidents must be reported to the subsidiary's board and to Group Management, who evaluate and follow up on the measures taken.

The subsidiaries must, at a minimum, comply with laws and guidelines for the work environment work. Furthermore, the subsidiaries must carry out a risk analysis of the work environment at least once a year and, if necessary, take preventive measures. The MD of each subsidiary is responsible for the work environment and for the preventive work. In 2023/24, the number of reported occupational accidents decreased to 54 (56). A smaller number of reported accidents have been more serious and resulted in loss of working days. The majority have been of a milder nature and in most cases did not result in sick leave.

### GENDER EQUALITY, DIVERSITY AND ANTI-DISCRIMINATION

Lagercrantz strives for equal workplaces and an inclusive work culture with a high level of diversity and a uniform gender distribution. We do not accept discrimination or harassment in any form. The Group's employees shall be afforded equal opportunities for development regardless of gender, age, ethnic origin, religion, political opinions, sexual orientation, disability or other distinguishing characteristics. In those cases where remuneration gaps exist, for instance between men and women, we should actively work to adjust these.

Lagercrantz currently has an imbalanced gender distribution among the employees and senior management. We are actively working to adjust these differentials since we believe that a more equal distribution contributes to better workplaces. To reach this goal, Lagercrantz is, among other things, working according to the principle that when appointments are made to senior positions, both centrally and within a subsidiary, there should be at least one female final candidate. In 2023/24, 9 new subsidiary MDs have been appointed, of which 1 is female (11%) and 11 CFOs, of which 5 are female (45%).

Employees who discover or become the subject of discrimination must first contact their line manager, or if he/she is suspected of the discriminatory act, contact the MD of the relevant subsidiary. Employees can also contact the subsidiary's chairman or use Lagercrantz's whistleblower service. Suspicions of discrimination are investigated internally by an independent party. Suspected cases received via Lagercrantz's whistleblower service are investigated within the policy for the whistleblower service. Actions are reported to Group Management and the Group's Board. During 2023/24, no cases were received in relation to discrimination.

### LEADERSHIP AND SKILLS DEVELOPMENT

Access to the right competencies is an important prerequisite for Lagercrantz's long-term operations. This is ensured by, for example, being selective during recruitments, by utilising existing knowledge and by training initiatives at both company and Group level. Many problems and solutions are common or relevant to several companies and we share experiences and knowledge through internal networks and training sessions.

Lagercrantz also attaches great weight to leadership and leaders' personal qualities, such as the ability to create a working climate that is appreciated by and motivates employees. Well-established management structures and succession planning for MDs and other key personnel in the subsidiaries are also important. This ensures continuity and that several perspectives are considered during decision-making and business development. This also offers opportunities for career development and creates the right conditions for internal recruitment.

**EMPLOYEE TURNOVER**

Employee turnover is an indicator of employee wellbeing and is followed up in each subsidiary where measures are taken if the employee turnover is considered to be higher than normal. In 2023/24, the employee turnover in the Group was 11% (12).

In 2023/24, absence due to illness was 4.4% (4.5). Divisional management teams within each division closely monitor these figures with a focus on identifying measures to reduce absence due to illness.

**ABSENCE DUE TO ILLNESS**

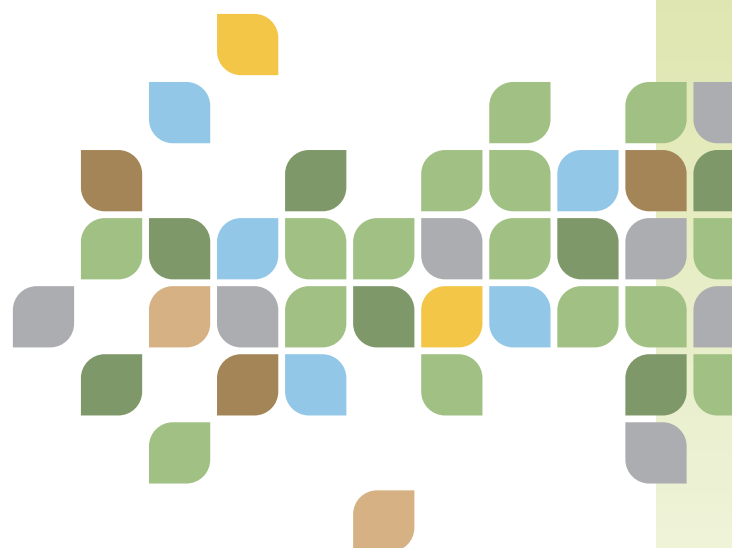
Absence due to illness is another important indicator of employee wellbeing and satisfaction. If a subsidiary has a high level of absence due to illness or shows an increasing trend, this is monitored and appropriate action is taken.

**KEY RATIOS CONCERNING EMPLOYEES**

	2022/23	2023/24
Number of occupational accidents resulting in sick days	56*	54*
Occupational accidents with fatal outcome	0*	0*
Lost workdays due to occupational accidents	235*	647*
Absence due to illness, number of sick days in relation to time worked, %	4.5%	4.4%
Employee turnover, % of average number of employees	12%	11%
Proportion of women in total workforce, %	25%	24%
Proportion of women in subsidiaries' management teams, %	19%	22%

\* The figures for 2022 and 2023 are full-year proforma and include all companies that Lagercrantz owned on the balance sheet date apart from recently acquired DP Seals, MH Modules, NRS, Prido and Suomen Diesel Voima.

Lagercrantz's overall goal in the area Motivated employees and safe workplaces is no serious occupational accidents and at least 35% women in senior positions.





## Value chain with high standard of business ethics

**Lagercrantz's operations are based on close and long-term relationships with customers, suppliers and other stakeholders, and we strive to be a sustainable, long-term and reliable partner. Therefore, it is important that business operations are conducted not only based on business-economic requirements, goals and guidelines, but also with high demands of integrity and business ethics throughout the value chain.**

### LAGERCRANTZ CODE OF CONDUCT

The Code of Conduct, together with Lagercrantz's core values (simplicity and efficiency, accountability and freedom, business-manship and willingness to change), is the basis for how we behave and act in our day-to-day work. The Code of Conduct is established by the parent company's Board and summarises the ethical values that the Lagercrantz Group believes should apply in our operations. It sets the minimum level of acceptable conduct and covers all subsidiaries and all employees in the Group, Boards in the Group, individuals or businesses that work on behalf of a subsidiary as well as larger suppliers and includes working conditions and wage conditions, health, safety, human rights and business ethics. The Code of Conduct is based on the UN's Global Compact's 10 principles in respect of human rights, the ILO's core conventions on human rights at work, the UN's Universal Declaration of Human Rights and the OECD's Guidelines for Multinational Enterprises, competition legislation and anti-corruption rules. Lagercrantz does not accept actions that violate the Code of Conduct.

All employees of Lagercrantz, both permanent and temporary staff, the Board of the parent company and colleagues who are not employed, are covered by and shall be informed about the Code of Conduct. Newly recruited employees shall be informed about the Code of Conduct in connection with employment and employees of newly acquired companies within one month of the transfer date. In 2023/24, 96% of Lagercrantz's employees have been informed about the Code of Conduct. The Group's Code of Conduct, is available at [www.lagercrantz.com](http://www.lagercrantz.com).

### SUPPLIERS

In order to deliver with high quality and effectively manage the risks in the value chain, Lagercrantz depends on collaborating with suppliers and other business partners who share the Group's views on business ethics, environmental and climate impact, social issues and human rights. The basis for the collaborations is Lagercrantz's Code of Conduct (see above). Lagercrantz must make reasonable efforts to ensure that its own suppliers follow the same principles.

Suppliers are evaluated based on, for example, price, quality and delivery capacity. These assessments also consider risks related to, for example, country or market, processes and raw materials. Risks linked to climate and environmental impact, working conditions, wage conditions, the right to collective bargaining as well as human rights and other social risks can also be considered and can be subject to follow-up reviews and audits. All of Lagercrantz's companies combined have several thousand suppliers. The work of implementing and following up the Code of Conduct in relation to suppliers is therefore decentralised and carried out in the subsidiaries.

### ANTI-CORRUPTION

Lagercrantz has zero tolerance in relation to corruption, bribery and unfair anti-competitive measures. Purchasing, sales and marketing of our products and services must be handled professionally and in accordance with relevant laws and regulations. Lagercrantz's zero tolerance is based on the fact that the Group wants to operate in a fair and efficient business environment. Lagercrantz is convinced that sound business ethics with a clear stand against corruption and money laundering contribute to strengthening the Group's and the subsidiaries' reputation and position in the value chain.

Lagercrantz's Code of Conduct includes taking a stand against conflicts of interest, which, among other things, means that employees may not be involved in activities or hold positions outside of Lagercrantz that conflict with the company's business interests. Nor may any employee give or receive gifts, remuneration, benefits or offers that may be deemed to constitute an improper benefit, in other words something that can influence the recipient to act disloyally or illegally in relation to their employer for their own gain. Gifts to employees of public authorities or in connection with public procurements are never permitted.

### LOCAL COMMUNITIES AND TAX POLICY

For Lagercrantz and its subsidiaries, it is important to be involved in and contribute to the communities where the Group conducts its operations by paying taxes where the value is created in accordance with local tax laws and regulations. By being a good corporate citizen, the subsidiaries build a good reputation in relation to customers, suppliers, employees, the community and other stakeholders.

### CUSTOMER PRIVACY AND DATA SECURITY

High cybersecurity, including the protection of personal data, is business-critical and therefore a priority for Lagercrantz. Lagercrantz cybersecurity policy (Cyber Security Baseline) governs the Group's cybersecurity and the handling of personal data. According to the policy, the subsidiaries must at least meet the Group's minimum requirements. Lagercrantz only collects personal data according to statutory processes and with the express consent of the data subject when so required. The collected data is limited to the specified purpose. Data transferred to third parties must contain clear terms and conditions related to collection, use, sharing and storage. Third parties shall undertake to follow the Group's data security and data management policies. All subsidiaries must have systems in place to handle issues surrounding cybersecurity and the capability to monitor and react to hacking and cyber attacks. The subsidiaries take independent decisions regarding the need for regular security audits of the company's systems, products and methods, which are linked to user data. The subsidiaries must also ensure that all employees have relevant and up-to-date training in cybersecurity issues and data management. In the event of loss of customer data or changed policies regarding data management, the data subjects must be informed.



**WHISTLEBLOWER SERVICE**

Lagercrantz's whistleblower service is available by email at [whistleblower@lagercrantz.com](mailto:whistleblower@lagercrantz.com) for all stakeholders, such as employees, customers, suppliers, subcontractors and local community representatives. Employees, suppliers and subcontractors are informed about the whistleblower service in the Code of Conduct, among other ways. The whistleblower service can be used to provide information about suspicions of something that is not aligned with Lagercrantz's values, ethical principles, Code of Conduct and that could seriously affect the company

or life or health. Newly recruited employees as well as all employees in companies that Lagercrantz acquires shall be informed about the whistleblower service in connection with the first working day in the Group. In 2023/24, two cases were reported via Lagercrantz's whistleblower service. These cases were handled according to established procedures and could be closed.

**KEY RATIOS REGARDING VALUE CHAIN WITH HIGH BUSINESS ETHICS**

	2022/23	2023/24
Share of employees who are informed about the Code of Conduct, %	85%	98%
Share of purchasing volume where the suppliers have signed the Code of Conduct, %	–	–
Number of legal cases related to corruption	0	0
Number of reported messages to the whistleblower service	0	2

Lagercrantz's overriding goals in the area Value chain with high business ethics are 100% compliance with Lagercrantz's Code of Conduct and that 50% of the total purchasing volume shall have been evaluated based on the Code of Conduct.



# Corporate Social Responsibility (CSR)

## Climate and environment as well as social and business ethics aspects are integrated into Lagercrantz's strategy and business model.

Lagercrantz's Board and the Group's CEO are ultimately responsible for the Group's strategy including its sustainability work covering financial performance, environment, climate, social and business ethical aspects. The Board adopts the Group-wide policies and goals in the area of sustainability. The Group's CEO is responsible for carrying out, following up and continually reporting the sustainability work including related risks and opportunities to the Board.

### DECENTRALISED ORGANISATION

Lagercrantz's business model (see pages 4–5) is based on a decentralised organisation where the subsidiaries have a high degree of independence and the CSR work mainly occurs via the subsidiaries' boards, the common Code of Conduct, policies and guidelines as well as training and follow-up of sustainability data. The MD and management of each company have operational responsibility for their sustainability work and each board is ultimately responsible for ensuring that the business follows its own and Lagercrantz's policies and guidelines.

Lagercrantz supports the development of the companies' sustainability work. Lagercrantz expects that all subsidiaries will:

- a) Monitor, identify and act on significant risks and opportunities within relevant sustainability areas. This includes areas that affect the company's business model, competitiveness and/or financial position in the short and long term.
- b) Set relevant and measurable goals for the most material sustainability aspects and then implement activities to reach the goals.
- c) Develop and implement relevant governing documents and instructions, in addition to those that are Group-wide, which are necessary to support the company's sustainability work and goal fulfilment.
- d) Act in accordance with the principles in Lagercrantz's Code of Conduct as well as other policies and support the Group-wide goals

Lagercrantz's subsidiaries report sustainability data including compliance with policies on an ongoing basis to the parent company. The Group CEO then reports important events to the Group's Board.

As part of the business planning process, the subsidiaries perform a risk analysis every year including sustainability-related risks and opportunities. Business plans and risk analyses are reported to each divisional management team, which in turn reports to Group Management, which then reports the consolidated result to the Group's Board.

Lagercrantz's risk process focuses on preventive efforts. The companies shall identify, analyse and take measures to minimise risks in the business. If risks or incidents occur that can lead to environmental damage, employees being injured, human rights being violated or Lagercrantz's business ethics being threatened, measures must be taken immediately and the situation analysed, monitored, reported to Group Management and followed up to ensure that the risk is minimised.

### EVALUATION OF THE SUSTAINABILITY WORK

Lagercrantz's Board evaluates the Group's goals and goal fulfilment in the sustainability area, sustainability indicators, the sustainability strategy and the organisation's efficiency on an annual basis. This evaluation can, for example, lead to goals being revised or resources being reallocated to increase the organisation's

efficiency. The results of the Group's sustainability work and strategy are reported annually in the sustainability report, which forms part of the Group's Annual Report.

### POLICIES

All sustainability-related Group-wide policies are adopted by the Board, where our Code of Conduct is the most important and sets the standard for how the Lagercrantz Group conducts its business ethically and in accordance with applicable laws and regulations. See more under Value chain with high business ethics.

In accordance with the decentralised governance model, the MD of each subsidiary is responsible for ensuring that business is conducted in accordance with the Group-wide policies. The subsidiaries can, on their own initiative, supplement this with their own guidelines and programmes that include stricter requirements than Lagercrantz Group-wide policies and laws and regulations.

The decentralised governance model means that the MDs in the subsidiaries determine what the training needs are concerning policies both internally and externally. Group-wide policies are available digitally for the Group's employees on a common website and/or via the subsidiaries' Intranet.

Employees who have questions or who need advice regarding policies should first contact their line manager. He/she can escalate the matter to the MD of the company concerned, who in turn can raise the matter with the Group's CEO. Shortcomings in compliance or a risk of failure to comply with policies results in measures from Group Management and more serious cases are reported to the Group's Board. Deviations may lead to disciplinary action and dismissal. Violation of the Code of Conduct by suppliers can result in the collaboration being terminated. Existing orders and assignments may also be suspended.

### IMPLEMENTATION OF THE CORPORATE CULTURE IN THE GROUP

Lagercrantz has an organisational structure where representatives from each divisional management act as a chairman or board member of the subsidiaries. These divisional representatives ensure that the subsidiaries are integrated into the Lagercrantz Group from a corporate culture perspective. One of the key tasks of the chairman in the subsidiaries is to continuously monitor that the company's MD is motivated and focuses on important issues, such as personnel matters and sustainability.

### INTERNAL CONTROL

Lagercrantz's system for internal control and risk management in connection with the company's reporting process is described in the Corporate Governance Report on page 54.

### MANAGEMENT SYSTEMS AND CERTIFICATIONS

An important part of the Group's continuous improvement work is the use of management systems, certifications and quality marks. Within the Group, there are management systems for the environment, quality, energy and quality assurance for welding, etc. The subsidiaries make independent decisions about certifications and other quality marks. In 2023/24, 49 of the subsidiaries had some form of ISO certification, which corresponds to 66% of all companies.

### LAGERCRANTZ'S MANAGEMENT MODEL

Lagercrantz is a Swedish listed company whose governance is based, inter alia, on the Swedish Companies Act, the articles of association, Nasdaq Stockholm's rules for issuers and the Swedish Corporate Governance Code. The Board, its composition, organisation, work, external audit and other board-related aspects are described in the Corporate Governance Report on pages 52–56. Lagercrantz's acquisition process including its due diligence related to sustainability is described on pages 12–13.

The governance of Lagercrantz is based on the Group's values as well as the principles of the UN Global Compact, the international framework for human rights, the ILO's core

conventions on Fundamental Principles and Rights at Work, the UN's Convention against Corruption, and the OECD's Guidelines for Multinational Enterprises.

## EU's Taxonomy

In 2023, the EU legislated on the extended scope of the Taxonomy Regulation and new economic activities have been added in

*Environmental Objective 1* – Climate Change Mitigation (CCM) and

*Environmental Objective 2* – Change Adaptation (CCA).

In addition, four new environmental objectives have been added:

*Environmental Objective 3* – Sustainable use and protection of water and marine resources (WTR),

*Environmental Objective 4* – Transition to a circular economy (CE),

*Environmental Objective 5* – Pollution prevention and control (PPC),

*Environmental Objective 6* – Protection and restoration of biodiversity and ecosystems (BIO).

Lagercrantz has analysed the additional economic activities and made the assessment that no significant part of the turnover or operating expenditures is taxonomy-eligible as it is currently designed and defined. Our subsidiaries do not carry out the type of activities that are defined in the taxonomy, for example a large proportion of the Group's subsidiaries manufacture components, which are not currently included in the framework. In addition, many of the products are not manufactured directly by the Group, but are assembled from purchased finished inputs, which are also not taxonomy-eligible.

During 2023, Lagercrantz has identified economic activities which relate to capital expenditures, firstly investments linked to energy improvements of buildings, and secondly purchases from suppliers whose activities are taxonomy-eligible. Overall, these activities are as follows:

### Climate change mitigation (CCM)

- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
- 7.3 Installation, maintenance and repair of energy efficient equipment
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings
- 7.6 Installation, maintenance and repair of renewable energy technologies
- 7.7 Acquisition and ownership of buildings

Acquisition and ownership of buildings (CCM 7.7) and the purchase of cars (CCM 6.5) are assessed as taxonomy-eligible,

but not taxonomy-aligned, as the suppliers' taxonomy-alignment could not be ensured. Capital expenditures related to CCM 7.3, 7.4 and 7.6 refer to energy saving measures related to properties, such as installation of solar cells and changeover to LED lighting. These capital expenditures have not been assessed as taxonomy-aligned because the criteria of not doing significant harm to other environmental objectives have not been met. This is due to the fact that Lagercrantz has not yet established procedures to check which chemicals the products contain based on the criteria in the taxonomy.

Key performance indicators are reported in accordance with the Taxonomy Regulation's rules and presented in separate tables for share of turnover, capital expenditures (CapEx) and operating expenditures (OpEx) (see pages 92–93).

Turnover includes the Group's total external net revenue, which is defined in accordance with IFRS 15. No other revenues have been identified that meet the definition in the Taxonomy Regulation. See Note 4 for accounting principles regarding Group revenue.

Capital expenditures refer to investments for the acquisition of non-current assets in the current year as shown in Note 16 Intangible assets excluding goodwill, Note 17 Property, plant and equipment and Note 18 Leases. The information in the notes is provided in the line items Investment during the year, Additional rights of use and Acquisitions. Taxonomy-eligible capital expenditures are the portion of the year's investments (capital expenditures) attributable to non-current assets used in the Group's economic activities that are taxonomy-eligible, as well as the Group's investments in environmentally friendly technologies.

Operating expenditures include expenses for research and development, renovation of buildings, short-term leases (under IFRS 16), maintenance, repair and servicing required for the efficient day-to-day operations of property, plant and equipment. Taxonomy-eligible operating expenditures are attributable to non-current assets used in the Group's economic activities that are taxonomy-eligible, as well as the year's expenses for environmentally friendly technologies.

Lagercrantz has policies (Code of Conduct) and procedures in place to ensure minimum safeguards regarding human rights, anti-corruption, taxation and fair competition. No court orders or fines have been issued against Lagercrantz in any of these areas during 2023.

### TAXONOMY REPORTING 2023/24 IN SUMMARY

	Total MSEK	Taxonomy-eligible		Taxonomy-aligned activities			Taxonomy-non-eligible	
		%	MSEK	%	MSEK	%	MSEK	
Turnover	8,129	0%	0	0%	0	100%	8,129	
Capital expenditures	1,124	23.4%	263	0%	0	76.6%	861	
Operating expenditures	218	0%	0	0%	0	100%	218	

Complete taxonomy tables are found on pages 92–93.

## Lagercrantz's contribution to UN's sustainable development goals

Lagercrantz contributes to 10 of the UN's 17 sustainable development goals and during the period we have worked specifically with six of these: Good health and Well-being, Gender equality, Affordable and clean energy, Decent work and economic growth, Industry, innovation and infrastructure, and Responsible production and consumption. Lagercrantz works both to ensure that our own operations meet the goals and to help our customers achieve the goals through the products and services we offer. See also the tables below where we give examples of our work under each target.

### Targets and activities



#### 3.6 Reduce road injuries and deaths.

#### 3.9 Reduce illnesses and death from hazardous chemicals and pollution.

**Lagercrantz wants to contribute to a safer society where fewer people are exposed to injury or risks.**

- Lagercrantz's subsidiaries strive to replace hazardous chemicals, for example through the companies' **chemical management systems**.
- We choose our suppliers carefully and our goal is that they shall follow our **Code of Conduct**, which includes sections related to the environment.
- The Group includes companies that deliver products contributing to safer communities. These include, for example, road barrier ropes, road and bridge railings, and technical solutions to detect traffic queues and obstacles, which increase road safety. One of our subsidiaries markets equipment for detecting radon in, for example, homes, schools and at workplaces. Several of the Group's subsidiaries offer products that create safer workplaces, for instance, helideck safety nets, fall protection equipment, sprinkler pumps and sprinkler tanks, high-pressure pumps for firefighting and fire-resistant doors.



#### 5.5 Ensure full participation in leadership and decision-making.

**Lagercrantz does not permit any form of discrimination or harassment. We also strive for a more uniform gender distribution.**

- We are working to have an **equal recruitment base** during hiring which for Lagercrantz means to actively seek female candidates.
- Lagercrantz ensures that **all employees** are afforded equal opportunities to develop regardless of gender, age, ethnic origin, religion, political opinions, sexual orientation, disability or other distinguishing characteristics.



#### 7.2 Increase global percentage of renewable energy.

#### 7.3 Double the improvement in energy efficiency.

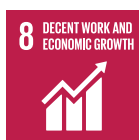
**Lagercrantz shall actively work to continually reduce the energy use in the Group's operations, products and processes and increase the share of renewable energy.**

- Many of the subsidiaries at Lagercrantz are manufacturing units requiring a lot of energy. Therefore, one of the most important focus areas for the Group is to increase the share of renewable electricity to reduce negative impacts. Subsidiaries also work with their manufacturing processes to optimise material use and energy efficiency.
- Several companies work with solutions based on solar cells, both for their own businesses and for products they offer to customers, such as electric enclosures and technical buildings powered by solar cells. Other companies work with cable solutions that help energy companies to increase their share of renewable energy and intelligent and demand-responsive lighting control.





## Targets and activities



- 8.1 Sustainable economic growth.**  
**8.5 Full employment and decent work with equal pay.**

**Financial stability and strength are basic requirements for investing in sustainable business development. Through growth, we can create more exciting, stimulating job opportunities. Lagercrantz strives to be a responsible employer where the employees feel happy and develop.**

- Lagercrantz has three basic requirements in order to realise its vision: Growth, Profitability and Development. This is continually monitored in each subsidiary during the year and in each annual report.
- The goal of our subsidiaries' products and services is to help our customers in turn to become more efficient and sustainable and thereby create sustainable growth that offers our employees full employment and decent working conditions.
- **Developing our employees** is important. During the year, 9,500 training hours were recorded in the Group.
- A majority of our companies conduct regular **employee surveys**. Also see pages 34–35 and Note 5 in the Annual Report for more data about our employees.
- In several cases, our subsidiaries strive to employ individuals who are a bit distant from the labour market, such as new arrivals or people with disabilities.



- 9.1 Develop sustainable, resilient and inclusive infrastructures.**  
**9.C Universal access to information and communications technology.**  
**9.4 Upgrade all industries and infrastructure for sustainability.**

**Each subsidiary is expected to remain at the cutting edge and develop the business in its niche. New technology, new products, improved working procedures and new IT systems are all areas that help companies become sustainable in the long term.**

- Lagercrantz's subsidiaries have understood the importance of developing sustainable products, both to contribute to a more sustainable society and to safeguard their own business.
- The Group advocates digital meetings as a way of reducing travel.
- Several companies in the Group work with solutions to reduce the need for travel, for example through advanced video conference facilities and solutions to remotely check status and fix problems with technical equipment. There are companies in the Group that offer products and services for stable communication infrastructure. There are also companies working with solutions to facilitate recycling of metals by offering return options for discarded products.



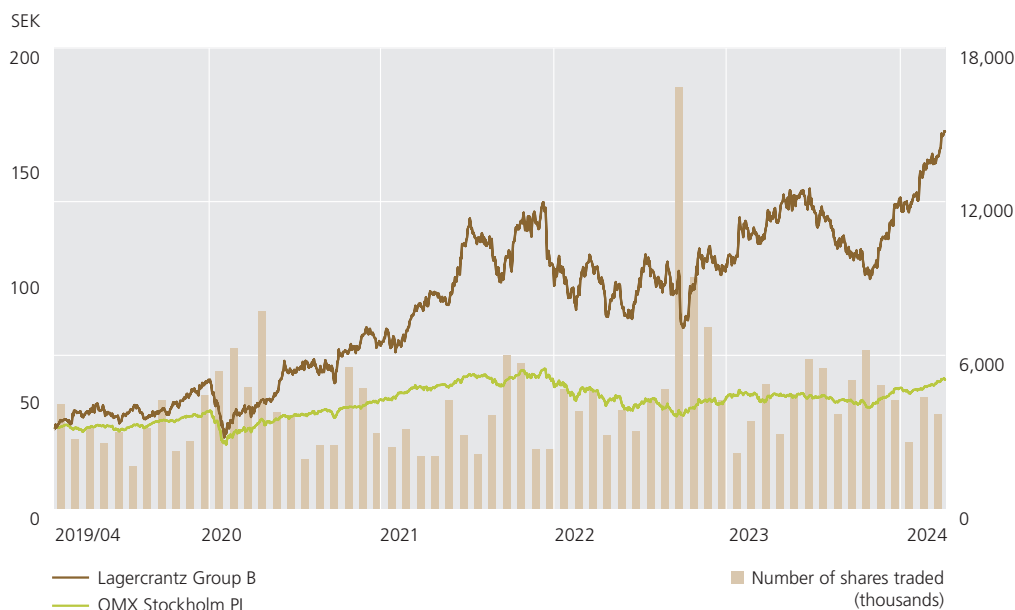
- 12.2 Sustainable management and use of natural resources.**  
**12.4 Responsible management of chemicals and wastes.**  
**12.5 Substantially reduce waste generation.**

**We are continually working to reduce our use of resources and to act responsibly. Through our Code of Conduct, we can also influence earlier stages in the chain and our long-term goal is that all suppliers to the Group's subsidiaries should comply with it.**

- A large proportion of our companies work actively on streamlining their use of natural resources and raw materials, reducing the use of hazardous chemicals and materials, and on increasing recycling rates.
- Several of the companies are working actively to optimise material use and increase the share of recycled materials in their products. Companies are also working to reduce and reuse packaging and increase the share of recycled or eco-labelled packaging. Several of the companies that work with plastic products are working on solutions to offer products made from biodegradable plastics that can replace similar products in concrete, among other initiatives. Many companies are also working to streamline their transports, for example by prioritising local suppliers and by planning and coordinating transports better.

# The Share

## LAGERCRANTZ SHARE



**Over a five-year period between 1 April 2019–31 March 2024, the market price of the Lagercrantz share has appreciated by 368%. The broad OMX Stockholm PI index rose by 64% during the same period.**

The market price of the share as of 31 March 2024 was SEK 163.80 (129.70). During the 2023/24 financial year (April–March), the market price of the share rose by 26%. During the same period, OMX Stockholm Price Index fell by 5%. Lagercrantz Group had a market capitalisation of MSEK 33,735 (26,602) as of 31 March 2024, calculated on the number of shares outstanding excluding repurchased shares.

### SHARE DATA

<b>Short name</b>	LAGR B
<b>ID</b>	SSE14335
<b>ISIN code</b>	SE0014990966
<b>Segment</b>	Large Cap
<b>Sector</b>	Industrial goods and services
<b>ICB code</b>	2700
<b>Listed since</b>	3 September 2001

### PROPOSED DIVIDEND

The dividend proposed by the Board of Directors for the 2023/24 financial year means a dividend of SEK 1.90 (1.60) per share. The total dividend corresponds to MSEK 391 (329).

### TRADING OF THE SHARE ON THE STOCK EXCHANGE

During the financial year 53.3 million (65.9) shares, equivalent to a value of MSEK 6,751 (6,621). The turnover rate for the number of outstanding shares was 64% (32). The average number of transactions per trading day in the Lagercrantz share was 871 (948).

### OWN SHARES

The 2023 Annual General Meeting authorised the Board during the period until the next AGM to acquire or sell the company's own shares in order to cover the company's obligations under outstanding option programmes, and to decide on a new issue of up to 10% of the number of B shares to finance acquisitions or to strengthen the balance sheet in connection to acquisitions.

In conjunction with redemption of options, a total of 130,587 repurchased Class B shares were sold.

At the end of the period, Lagercrantz Group held 3,263,204 Class B shares, equivalent to 1.6% of the total number of shares and 1.1% of the votes in Lagercrantz. The average cost of the repurchased shares amount to SEK 10.75 per share.

**LARGEST OWNERS IN LAGERCRANTZ GROUP, 31 MARCH 2024**

Owner	Number of A shares	Number of B shares	Holding	Votes
Anders Börjesson & Tisenhult-gruppen	8,190,630	3,445,650	5.6%	29.0%
Fidelity Investments (FMR)		20,493,464	9.8%	7.0%
SEB Investment Management		18,847,930	9.0%	6.4%
Swebank Robur Funds		16,952,594	8.1%	5.8%
Lannebo Funds		13,305,065	6.4%	4.5%
Jörgen Wigh	673,998	1,760,350	1.2%	2.9%
Handelsbanken Funds		7,860,926	3.8%	2.6%
Vanguard		7,006,415	3.4%	2.4%
Cliens Funds		6,825,800	3.3%	2.2%
Pär Säve	180,000	3,915,000	2.0%	1.9%
<b>Total 10 largest owners</b>	<b>9,044,628</b>	<b>99,078,339</b>	<b>51.9%</b>	<b>64.4%</b>
<b>Total other owners</b>	<b>746,778</b>	<b>97,085,284</b>	<b>48.1%</b>	<b>35.6%</b>
<b>Total excluding repurchased shares</b>	<b>9,791,406</b>	<b>196,138,858</b>	<b>100%</b>	<b>100%</b>
Lagercrantz Group (repurchased)		3,263,204		
<b>Total</b>	<b>9,791,406</b>	<b>199,426,827</b>		

**OWNERSHIP STRUCTURE IN LAGERCRANTZ GROUP, 31 MARCH 2024**

Number of shares	Number of owners	Holding	Votes
1–5,000	12,417	2.6%	1.8%
5,001–10,000	386	1.4%	1.0%
10,001–100,000	396	5.4%	4.4%
100,001–500,000	75	8.3%	7.3%
500,001–1,000,000	11	3.7%	2.6%
1,000,001–	29	72.9%	78.9%
Other owners	N/A	5.8%	4.3%
<b>Total</b>	<b>13,314</b>	<b>100%</b>	<b>100%</b>

Category	Number of owners	Holding	Votes
Swedish institutional owners	70	43.8%	55.6%
Swedish private individuals	12,560	20.1%	18.5%
Foreign institutional owners	73	27.6%	19.4%
Other owners	611	8.5%	6.5%
<b>Total</b>	<b>13,314</b>	<b>100%</b>	<b>100%</b>

Source: Monitor from Modular Finance AB. Compiled and processed data including from Euroclear, Morningstar and the Swedish Financial Supervisory Authority. The verification date may vary for foreign owners. Updated on 31 March 2024.

# Multi-year review

## Financial performance in summary

### INCOME STATEMENT

Amounts in MSEK	2023/24	2022/23	2021/22	2020/21	2019/20
Net revenue	8,129	7,246	5,482	4,091	4,180
<b>Profit before depreciation and amortisation</b>	<b>1,704</b>	<b>1,451</b>	<b>1,094</b>	<b>774</b>	<b>717</b>
Depreciation and amortisation, other non-current assets	-273	-246	-199	-158	-152
<b>Operating profit (EBITA)</b>	<b>1,431</b>	<b>1,205</b>	<b>895</b>	<b>616</b>	<b>565</b>
Amortisation of intangible assets that arose during acquisitions	-175	-143	-114	-87	-82
<b>EBIT (profit before financial items)</b>	<b>1,256</b>	<b>1,062</b>	<b>781</b>	<b>529</b>	<b>483</b>
Financial income and expenses	-140	-94	-40	-27	-23
<b>Profit after financial items</b>	<b>1,116</b>	<b>968</b>	<b>741</b>	<b>502</b>	<b>460</b>
Taxes	-239	-210	-169	-114	-94
<b>Net profit for the year</b>	<b>877</b>	<b>758</b>	<b>572</b>	<b>388</b>	<b>366</b>

### BALANCE SHEET

Amounts in MSEK	2024-03-31	2023-03-31	2022-03-31	2021-03-31	2020-03-31
<b>Assets</b>					
Intangible non-current assets	5,152	3,964	3,091	2,394	2,276
Property, plant and equipment	1,143	973	741	586	480
Financial assets	25	19	19	21	18
Other current assets	3,167	2,717	2,146	1,458	1,458
Cash and cash equivalents	355	360	210	151	117
<b>Total assets</b>	<b>9,842</b>	<b>8,033</b>	<b>6,207</b>	<b>4,610</b>	<b>4,349</b>
<b>Equity and liabilities</b>					
Equity	3,468	3,009	2,228	1,855	1,684
Interest-bearing provisions and liabilities	3,312	2,687	2,224	1,467	1,430
Non-interest-bearing provisions and liabilities	3,062	2,337	1,755	1,288	1,235
<b>Total equity and liabilities</b>	<b>9,842</b>	<b>8,033</b>	<b>6,207</b>	<b>4,610</b>	<b>4,349</b>
Pledged assets and contingent liabilities	219	67	82	51	22

### STATEMENT OF CASH FLOWS

Amounts in MSEK	2023/24	2022/23	2021/22	2020/21	2019/20
Profit after financial items	1,116	968	741	502	460
Adjustment for taxes paid and items not included in cash flow	473	159	146	144	143
<b>Cash flow before changes in working capital</b>	<b>1,324</b>	<b>1,127</b>	<b>887</b>	<b>646</b>	<b>603</b>
Cash flow from changes in working capital	3	-57	-293	136	-96
<b>Cash flow from operating activities</b>	<b>1,327</b>	<b>1,070</b>	<b>594</b>	<b>782</b>	<b>507</b>
Cash flow from investing activities	-1,293	-1,017	-765	-415	-351
<b>Cash flow from operating activities and investing activities</b>	<b>34</b>	<b>53</b>	<b>-171</b>	<b>367</b>	<b>156</b>
Cash flow from financing activities	-47	86	224	-333	-178
<b>Cash flow for the year</b>	<b>-13</b>	<b>139</b>	<b>53</b>	<b>34</b>	<b>-22</b>



## KEY RATIOS

Amounts in MSEK unless otherwise stated	2023/24	2022/23	2021/22	2020/21	2019/20
Revenue	8,129	7,246	5,482	4,091	4,180
Change in revenue, %	12.2	32.2	34.0	-2.1	6.3
Operating profit (EBITA)	1,431	1,205	895	616	565
Operating margin (EBITA), %	17.6	16.6	16.3	15.1	13.5
EBIT	1,256	1,062	781	529	483
EBIT margin, %	15.5	14.7	14.2	12.9	11.6
Profit after financial items	1,116	968	741	502	460
Profit margin, %	13.7	13.4	13.5	12.3	11.0
Profit after taxes	877	758	572	388	366
Equity ratio, %	35	37	36	40	39
Operating profit (EBITA)/Working capital (P/WC), %	77	78	79	67	64
Return on capital employed, %	20	22	20	17	17
Return on equity, %	27	29	28	22	23
Net debt (+)/receivables (-)*	2,957	2,327	2,014	1,314	1,312
Net debt/equity ratio, times*	0.9	0.8	0.9	0.7	0.8
Operating net debt (+)/receivables (-)	2,439	1,902	1,621	992	1,056
Operating net debt/equity ratio	0.7	0.6	0.7	0.5	0.6
Interest coverage ratio, times	8	9	15	12	13
Number of employees at year-end	2,762	2,425	1,953	1,654	1,532
Average number of employees	2,788	2,410	1,923	1,632	1,521
Revenue outside Sweden	5,561	4,830	3,559	2,650	2,706

\* Net debt and net debt/equity ratio includes pension liabilities. IFRS 16 is included from 1 April 2019. No restatement of previous periods has occurred.

## PER SHARE DATA\*

	2023/24	2022/23	2021/22	2020/21	2019/20
Number of shares at year-end after repurchases ('000)	205,955	205,930	203,637	203,421	203,178
Weighted number of shares after repurchases, ('000)	205,940	204,439	203,547	203,307	203,151
Weighted number of shares after repurchases and dilution ('000)	206,227	204,718	204,102	203,673	203,616
Earnings per share, SEK	4.26	3.71	2.81	1.91	1.80
Earnings per share, after dilution, SEK	4.25	3.70	2.80	1.91	1.80
Cash flow from operations per share after dilution, SEK	6.43	5.23	2.91	3.84	2.49
Dividend per share, SEK (dividend for the year as proposed)	1.9	1.6	1.3	1	0.67
Equity per share, SEK	16.84	14.61	10.94	9.12	8.29
Latest price paid per share, SEK	163.8	129.7	106.8	79.1	38.6

\* Restatement has been made of previous years after 3:1 split during 2020/21.

## DEFINITIONS

**Return on equity<sup>1</sup>**

Net profit for the year after tax as a percentage of average equity (opening plus closing balance for the period, divided by two).

**Return on working capital (P/WC)<sup>1</sup>**

Operating profit (EBITA) as a percentage of average working capital, (opening balance plus closing balance for the period, divided by two), where working capital consists of inventories, trade receivables and claims on customers less trade payables and advance payment from customers.

**Return on capital employed<sup>1</sup>**

Profit after financial items, plus financial expenses as a percentage of average capital employed (opening balance plus closing balance for the period, divided by two).

**EBIT margin**

Profit before net financial items as a percentage of net revenue.

**EBITDA<sup>1</sup>**

Operating profit before depreciation and impairment.

**Equity per share<sup>1</sup>**

Equity divided by the number of outstanding shares on the balance sheet date.

**Cash flow per share after dilution<sup>1</sup>**

Cash flow for the year in relation to the weighted number of shares outstanding after repurchases and adjusted for dilution.

**Cash flow from operating activities per share<sup>1</sup>**

Cash flow from operating activities in relation to the weighted average number of shares outstanding after repurchases and adjusted for dilution.

**Net debt/receivables<sup>1</sup>**

Interest-bearing provisions and liabilities, including pension liabilities and including liabilities related to financial leases according to IFRS 16, less cash and cash equivalents and investments in securities.

**Net debt/equity ratio<sup>1</sup>**

Interest-bearing provisions and liabilities including pension liabilities and including IFRS 16, less cash and cash equivalents and investments in securities, divided by equity plus non-controlling interests.

**Change in revenue<sup>1</sup>**

Change in net revenue as a percentage of the preceding year's net revenue.

**Operating net debt/receivables<sup>1</sup>**

Interest-bearing provisions and liabilities, excluding pensions and excluding liabilities related to financial leases according to IFRS 16, less cash and cash equivalents and investments in securities.

**Operating net debt/equity ratio<sup>1</sup>**

Interest-bearing provisions and liabilities, excluding pensions and excluding lease liability, less cash and cash equivalents and investments in securities, divided by equity plus non-controlling interests.

**Organic growth<sup>1</sup>**

Changes in net revenue excluding currency effects, acquisitions and disposals compared to the same period of the previous year.

**Earnings per share before dilution**

Net profit for the year attributable to the parent company's shareholders in relation to the weighted number of shares outstanding after repurchases.

**Earnings per share after dilution**

Net profit for the year attributable to the parent company's shareholders in relation to the weighted number of shares outstanding after repurchases and dilution.

**Interest coverage ratio<sup>1</sup>**

Profit after financial items plus financial expenses divided by financial expenses.

**Operating margin<sup>1</sup>**

Operating profit (EBITA) as a percentage of net revenue.

**Operating profit (EBITA)<sup>1</sup>**

Operating profit before amortisation of intangible non-current assets that arose in connection with acquisitions.

**Net debt/equity ratio<sup>1</sup>**

Interest-bearing liabilities divided by equity, plus non-controlling interests.

**Equity/assets ratio<sup>1</sup>**

Equity, plus non-controlling interests as a percentage of total assets. The equity portion of untaxed reserves is included in the parent company's calculation of the equity ratio.

**Capital employed<sup>1</sup>**

Total assets, less non-interest-bearing provisions and liabilities.

**Profit margin<sup>1</sup>**

Profit after financial items, less participations in associated companies as a percentage of net revenue.

<sup>1</sup> The key ratio is an alternative performance measure according to ESMA's guidelines..

# Report of the Board of Directors

The Board of Directors and the President of Lagercrantz Group AB (publ), corporate identity number 556282-4556, hereby submit the annual accounts and consolidated financial statements for the 2023/24 financial year.

The legal annual accounts consist of the Report of the Board of Directors, with proposed appropriation of profits, the financial statements, notes and audit report. Comparisons in brackets refer to the corresponding period of the previous year unless otherwise stated. The company has elected to prepare the sustainability report separately from the Report of the Board of Directors in accordance with Chapter 6, Section 11 of the Annual Accounts Act. According to Chapter 6, Sections 12–14 of the Annual Accounts Act, the sustainability report is printed together with the annual report and is found integrated in the sections Lagercrantz Group, Sustainability at Lagercrantz, Sustainability Report and under the section Risks and Uncertainty Factors here in the Report of the Board of Directors.

## OPERATIONS

Lagercrantz Group AB (publ) is a Swedish listed technology group consisting of about 80 stand-alone companies, which offer value-adding technology to other companies, using either proprietary products or products from leading suppliers. High value-creation is common to all the businesses and they all offer technical products and solutions to corporate customers, including a high degree of customisation, support, service and other services.

The Group has approximately 2,800 employees and generates annual revenue of just over MSEK 8,000. Lagercrantz continually acquires new companies and creates the right conditions for the companies' profitability and growth. The Lagercrantz B share is listed on Nasdaq Stockholm since 2001.

## NET REVENUE AND PROFIT

During the financial year, demand remained strong in the Group's main markets in the Nordic countries and Northern Europe, with a slightly lower growth rate in the second half of the year.

During the financial year, consolidated net revenue increased by 12% to MSEK 8,129 (7,246), where the organic growth for comparable units, measured in local currency, was minus 1% (10) and the acquired growth amounted to 11% (18). Exchange rate fluctuations impacted net revenue positively by 2% (3).

Sweden accounted for 32% (33) of the business volume during the year, followed by Denmark at 12% (13), Norway at 8% (9) and Finland at 6% (6). Revenue outside the Nordic countries has increased in recent years and now represents about 42% (39) of the business volume. In particular, sales in the UK, 6%, in the rest of Europe and in the USA have developed well.

Profitability improved and operating profit before acquisition-related amortisation of intangible assets (EBITA) for the financial year increased by 19% to MSEK 1,431 (1,205), equivalent to an operating margin of 17.6% (16.6). The higher EBITA margin was mainly driven by mix changes and increased value creation which was reflected in higher gross margins and good profitability in recently acquired companies. The share of proprietary products increased to 76% (75).

Consolidated profit after financial items increased by 15% to MSEK 1,116 (968). Net financial items amounted to MSEK -140 (-94), of which net interest items amounted to MSEK -133 (-73) and currency translation differences on loans in foreign currency amounted to MSEK -8 (-20). Profit after taxes increased by 16% to MSEK 877 (758) and the effective tax rate amounted to 21% (22). Earnings per share after dilution increased by 15% to SEK 4.25 (3.70).

## PROFITABILITY AND FINANCIAL POSITION

Return on equity amounted to 27% (29) and the return on capital employed was 20% (22). The Group's metric for return on working capital (P/WC) was 77% (78).

Equity per share amounted to SEK 16.84 (14.61) and the equity ratio was 35% (37).

At the end of the period, operating net debt amounted to MSEK 2,438 (1,902) where the increase was mainly related to acquisitions. The operating net debt/equity ratio was 0.6 (0.7). The Group's net indebtedness, including pension liability of MSEK 63 (55) and lease liability of MSEK 456 (370), amounted to MSEK 2,956 (2,327).

## CASH FLOW AND CAPITAL EXPENDITURES

Cash flow from operating activities during the financial year increased by 24% to MSEK 1,327 (1,070), equivalent to SEK 6.43 per share (5.23), where the change was mainly explained by increased profit.

Cash flow from investments in businesses was affected by acquisitions, including settlement of contingent consideration relating to acquisitions carried out in previous years, of MSEK 1,175 (846).

Investments in other non-current assets amounted to MSEK 119 (171), of which the larger items related to production equipment and facilities.

Dividend to the parent company's shareholders amounted to MSEK 329 (266), which is equivalent to SEK 1.60 (1.30) per share, where the dividend was paid during the second quarter of the financial year.

For other information about the cash flow from financing activities (shares and options) refer to the section "Share distribution, repurchases and major shareholders", pages 42–43.

## NET REVENUE AND PROFIT BY DIVISION

### Electrify

During the 2023/24 financial year, net revenue in the Electrify division increased by 7% to MSEK 1,801 (1,677), where acquisitions contributed 9%, while net revenue for comparable units decreased by 3%. Operating profit (EBITA) increased by 10% to MSEK 312 (283), equivalent to an operating margin of 17.3% (16.9).

The business situation was generally affected by a slight slowdown in demand, particularly in the second half of the year. Despite this, the division delivered an increased profit with margin improvements through good cost control and strong profit contributions from acquisitions.

A positive development was also noted in the largest units Elpress and Elfac, with increased demand and deliveries to the wind power industry. In infrastructure, Swedwire delivered improved earnings and Cue Dee reported a strong profit with good margin improvements.

Tykoflex, focusing on fiber optic network expansion, which was acquired in December 2022, also had a strong first year in the Group. In September 2023, Letti AS in Norway was acquired, a leading manufacturer of installation materials and brackets for cables and cable ducts, and in March 2024, Nordic Road Safety was acquired, a leading provider of certified safety barrier systems and noise barriers with annual revenue of about MSEK 350 and operating profit (EBITA) of about MSEK 50.

## Control

Net revenue in the Control division increased by 1% to MSEK 750 (746), where acquisitions contributed 2%, while net revenue for comparable units decreased by 2%. Operating profit (EBITA) amounted to MSEK 117 (119), equivalent to an operating margin of 15.6% (16.0).

The business situation was stable where Radonova, Direktronik, Load Indicator and Leteng reported a particularly positive development. Meanwhile, some businesses noted a continued challenging market situation, e.g. Precimeter, which was impacted by the fact that the European aluminium industry has reduced production due to increased energy prices.

## TecSec

Net revenue in the TecSec division increased by 18% to MSEK 2,065 (1,748), where acquisitions contributed 16%, while net revenue for comparable units decreased by 2%.

Operating profit (EBITA) increased by 21% to MSEK 367 (303), equivalent to an operating margin of 17.8% (17.3).

The business situation continued to be stable and most of the units delivered good improvements in earnings, while the more construction-related businesses CWL and R-CON were impacted by weaker market conditions, especially during the second half of the year.

In particular, a positive development was noted in ISG Nordic, PcP, Door and Joinery, ARAS and Frictape.

In April 2023, Fireco in the UK was acquired, which manufactures fire door components and in December, Suomen Diesel Voimaen was acquired, a leading manufacturer of generator sets for backup power solutions and fire sprinkler pumps in Finland.

## Niche Products

Net revenue in the Niche Products division increased by 8% to MSEK 2,012 (1,871), where acquisitions contributed 7%, while net revenue for comparable units decreased by 1%. Operating profit (EBITA) increased by 14% to MSEK 426 (375), equivalent to an operating margin of 21.2% (20.0). Niche Products delivered another year of good improvements in earnings and margins. The market situation was favourable for most of the division's businesses. Tormek, Asept, the brush companies SIB and Sajas as well as Waterproof performed particularly well, while Truxor, Nikodan and PST were affected by a weaker market situation.

In December 2023, MH Modules was acquired, a leading Nordic supplier of modular conveyor and material handling systems to integrators in the automotive industry.

In February 2024, Prido was acquired, a leading Swedish manufacturer of high-quality industrial folding doors which generates annual revenue of about MSEK 270 with an operating profit of about MSEK 64–68.

## International

Net revenue in the International division increased by 25% to MSEK 1,501 (1,204), where acquisitions contributed 19%, while net revenue for comparable units increased by 1%. Operating profit (EBITA) increased by 36% to MSEK 252 (185), equivalent to an operating margin of 16.8% (15.4).

The International division delivered a strong year with good growth through acquisitions and fine improvements in margins. Good improvements in earnings were noted, in particular for the marine businesses Libra in Norway, Tebul in Finland and ISIC in Denmark. E-tech in the UK and Skomö in Denmark also contributed good improvements in earnings, while NST, G9 and several of the ACTE companies were affected by weaker market conditions. The recently acquired businesses Glova Rail in Denmark as well as Supply Plus and DP Seals in the UK generally delivered good results as part of Lagercrantz.

## THE PARENT COMPANY

The Parent Company's net revenue for the financial year amounted to MSEK 70 (63) and profit after taxes amounted to MSEK 596 (478). The result includes dividends from subsidiaries of MSEK 387 (280). The Parent Company's equity ratio was 41% (46).

## EMPLOYEES

The number of employees at the end of the period was 2,762 (2,425), of which 386 employees were added through acquisitions.

For further information regarding working environment, gender equality etc., refer to the company's Sustainability Report and Code of Conduct, which are published on the company's website.

## REMUNERATION TO SENIOR EXECUTIVES

The Annual General Meeting establishes guidelines for remuneration to the President and other members of the Group Management and Board members, to the extent that they receive compensation in addition to what was approved at the Annual General Meeting. Regarding employment conditions that are governed by regulations other than Swedish rules, appropriate adjustments may be made to comply with local rules and practices.

### Remuneration to the President and senior executives

With the aim of attracting and retaining qualified employees who, in the best possible way, maximise long-term shareholder value and safeguard the Group's interests, the remuneration shall be market-related and competitive, and should be commensurate with responsibility and authority. Remuneration shall normally consist of fixed and variable salary, pension and other benefits. In addition to this, the Annual General Meeting, for example, can resolve on incentive schemes and share-based remuneration.

The fixed salary shall be paid as a cash salary and constitute a main component in the remuneration. The fixed salary shall be reviewed annually. In addition to fixed salary, variable salary should normally also be paid where the outcome is determined annually after the audited annual accounts have been adopted. Linking the executive's variable salary to the business area's goals in relation to earnings, growth and profitability, promotes a development in value for the benefit of Lagercrantz and its shareholders. The variable salary shall be linked to predetermined and measurable targets that may be financial or non-financial and individual performance. Variable salary shall normally include pension expense on the variable salary and shall correspond to a maximum of 40% of the fixed annual salary. This includes a bonus of 20% of the variable salary received, which is used for acquisition of shares in Lagercrantz Group. Pension benefits are paid to the President and other senior executives in accordance with individual agreements.

As a general rule, the retirement age shall be 60–65 years and in addition to an ITP plan, only defined contribution pension plans will normally be offered. Premiums for defined contribution pensions must not exceed 40% of the pensionable salary. Salary waivers can be utilised for an enhanced occupational pension through one-off pension contributions, provided that the total cost for the company is neutral.

Other benefits, which may include company car, travel benefits, extra health and medical insurance, occupational health care and health and wellness training, and, where applicable, reimbursement for double accommodation costs, shall be market-based and only constitute a minor part of the total compensation. In the event of termination by the company, a notice period of a maximum of 12 months shall apply.

The notice period for the executive should normally reflect the notice period for the company and the estimated time it takes to find a replacement but must never exceed 12 months. In the event of termination by the company, senior executives may be entitled to, in addition to salary and other employment benefits during the notice period, termination benefits corresponding to a maximum of 12 months' fixed salary. The aim should be to link rules on loyalty and a non-compete clause to the termination benefits in accordance with prevailing legal practice and rules on set-off against other income.

#### *Share-based incentive programmes adopted by the annual general meeting*

The Board shall evaluate the need for a share-based incentive programme on an annual basis and when necessary submit a proposal for approval at the general meeting of shareholders.

#### *Fees to Board members*

Lagercrantz Group's Board members elected by the annual general meeting can in special cases be compensated for services that do not constitute board work for a limited period of time. For these services (including services performed by a wholly-owned company of the member), the fees shall be market-based and the fees for each Board member during a period of one year may not be more than twice the annual director's fees.

#### *Preparation and decision-making process*

The Board has established a Remuneration Committee. The committee's duties include preparing the Board's resolution on a proposal to the annual general meeting on guidelines for remuneration to senior executives. The guidelines shall be adopted at the annual general meeting, but shall be reviewed at least every four years. The Remuneration Committee shall also follow up and evaluate programmes for variable remuneration to senior executives, the application of guidelines for remuneration, compensation structures and remuneration levels for senior executives. Remuneration to the President shall be decided by the Board after preparation by the Remuneration Committee. At the suggestion of the President, the Remuneration Committee shall decide on remuneration to other members of the Management team. When the Board is dealing with and deciding on remuneration-related issues, the President or other senior executives are not present, to the extent that they are affected by the issues.

#### *Departures from the guidelines*

In individual cases, the Board may decide to depart from these guidelines if there are special reasons for this and a departure is made in order to safeguard the long-term interests of the Lagercrantz Group and its shareholders.

## SHARE DISTRIBUTION, REPURCHASES AND MAJOR SHAREHOLDERS

The share capital amounted to MSEK 49 at the end of the financial year. The quota value per share amounted to SEK 0.23.

Classes of shares were distributed as follows on 31 March 2024:

Classes of shares	Number of shares
A shares	9,791,406
B shares	199,426,827
Repurchased B shares	-3,263,204
<b>Total</b>	<b>205,955,029</b>

Lagercrantz Group's Class B shares are quoted on Nasdaq Stockholm's Large Cap list. The Articles of Association allow for conversion of Class A shares into Class B shares. During the financial year, 0 (0) shares were converted.

One shareholder held more than 10% of the votes as of 31 March 2024: Anders Börjesson & Tisenhult-gruppen, which held 29.0% of the total number of votes, adjusted for repurchased B shares. Fidelity Investments with 9.8% of the capital, was the largest owner in terms of the share of equity, where SEB Fonder was the second largest owner with 9.0% of the capital.

The 2023 Annual General Meeting authorised the Board during the period until the next AGM to acquire or sell the company's own shares in order to cover the company's obligations under outstanding option programmes, and to decide on a new issue of up to 10% of the number of B shares to finance acquisitions or to strengthen the balance sheet in connection with acquisitions.

At 31 March 2024, Lagercrantz Group held 32,263,204 own Class B shares, equivalent to 1.6% of the total number of shares and 1.1% of the votes in the Lagercrantz Group. Lagercrantz's own holdings of repurchased B shares cover the company's obligations in outstanding call option programmes.

During the financial year, 800,000 call options for B shares with a redemption price of SEK 143.10 were issued in accordance with the resolution of the 2023 AGM. These options were acquired by about 85 senior executives for a total of MSEK 10.6.

During the financial year, repurchases of call options amounted to MSEK 13 (17) and redemption of call options amounted to MSEK 2 (7).

At the end of the financial year, there were four outstanding call option programmes for a total of 3,009,750 shares as follows:

Option programme	2024-03-31	Redemption price
2020/24	746,750	78.50
2021/25	714,000	146.50
2022/26	778,000	127.70
2022/26	771,000	143.10
<b>Totalt</b>	<b>3,009,750</b>	



## ACQUISITIONS

Lagercrantz is continually searching for companies to acquire and since 2006 the Group has carried out around 80 acquisitions. During the 2023/24 financial year, the following nine acquisitions (including subsidiaries) were carried out:

Acquisition	Takeover	Equity interest, %	Annual revenue at acquisition date, MSEK	Number employees	Division
Glova Rail A/S, Denmark	April 2023	100	90	18	International
Fireco Ltd, UK	April 2023	95	90	64	TecSec
Supply Plus Ltd, UK	June 2023	80	100	67	International
Letti AS, Norway	September 2023	100	30	13	Electrify
DP Seals Ltd, UK	December 2023	100	65	51	International
MH Modules Europe AB, Sweden	December 2023	97	90	33	Niche Products
Suomen Diesel Voima Oy, Finland	December 2023	86	90	31	TecSec
Prido AB, Sweden	February 2024	96	350	61	Niche Products
Nordic Road Safety, Sweden	March 2024	85	270	56	Electrify

**1,175**

In April 2023, Glova Rail A/S in Denmark was acquired for the International division. Glova Rail is a leading supplier of vacuum toilets for railway vehicles which generates annual revenue of about MDKK 58.

In late April 2023, an agreement was signed to acquire 80% of the shares of Supply Plus Limited in the UK for the International Division. Supply Plus is a market leading manufacturer of fire rescue equipment, mainly ladders and hose reels, to the fire and rescue services, which generates annual revenue of about MGBP 7. After approval by the UK public authorities, the acquisition was completed in June 2023.

At the end of April/start of May 2023, 95% of the shares of Fireco Ltd in the UK were acquired for the TecSec division. Fireco is a leading manufacturer of components for fire doors and generates annual revenue of about MGBP 7.

In September 2023, Letti AS in Norway was acquired for the Electrify Division. Letti is a leading manufacturer of installation materials and brackets for cables and cable ducts which generates annual revenue of about MNOK 30.

In December 2023, DP Seals Ltd in the UK was acquired for the International division. DP Seals is a leading supplier of rubber sealings and mouldings for high specification applications and generates annual revenue of about GPB 5.

In December 2023, 97% of the shares in MH Modules Europe AB in Sweden were acquired for the Niche Products division. MH Modules is a leading Nordic supplier of modular conveyor and material handling systems to integrators in the automotive industry and generates annual revenue of about MSEK 90.

In December 2023, 86% of the shares in Suomen Diesel Voima Oy (SDV) in Finland were acquired for the TecSec division. SDV is a leading manufacturer of generator sets for backup power solutions and fire sprinkler pumps in Finland and generates annual revenue of about MEUR 8.

An agreement was signed in December 2023 for the acquisition of 85% of the shares in Nordic Road Safety AB (NRS) in Sweden for the Electrify division. NRS is a leading provider of certified safety barrier systems and noise barriers. In 2023, the company generated annual revenue of about MSEK 350 with an operating profit (EBITA) of about MSEK 50. The acquisition was completed at a so-called EV/EBITA multiple of 6.5, excluding a potential earn-out and takeover occurred in March 2024, after approval by the authorities.

In February 2024, 96% of the shares in Prido AB in Sweden were acquired for the Niche Products division. Prido is a leading Swedish manufacturer of high-quality industrial folding doors. For the year ending on 30 April 2024, Prido's annual revenue is expected to be about MSEK 270 with an operating profit of about MSEK 64–68. The acquisition was completed at a so-called EV/EBITA multiple of just over 7, and takeover occurred in February 2024, after approval by the authorities.

The preliminary purchase price allocation for the acquired businesses is presented in Note 39 Investments in businesses.

## RELATED-PARTY TRANSACTIONS

Transactions between Lagercrantz and related parties with a significant impact on the company's financial position and results have not occurred.

## SOCIAL RESPONSIBILITY

Lagercrantz Group's operations are based on long-term relationships with customers and suppliers, as well as strong ethics and great respect for all individuals in the company and in connection with external contacts. The Group has adopted guidelines for business ethics (Code of Conduct) for how employees, suppliers and other stakeholders should be treated in a lawful, fair and ethical manner. For a further description of Lagercrantz Group's goals, strategies and governance as well as taking of responsibility, risks and opportunities from a sustainability perspective, see the Sustainability Report.

## ENVIRONMENTAL IMPACT

Responsibility for improving the environment and participating in a lasting sustainable development is a key point of departure for the Group's business. The Group's impact on the environment is limited and is mainly associated with transportation of finished products, purchased goods, business trips and waste management. In addition, some of the Group's companies are large consumers of electric power in their production operations. The Group's companies continually work to reduce the environmental impact of their operations. The environmental work is conducted locally, based on the specific conditions of each individual company. In certain instances, e.g. in procurement of transport services and electric power, some coordination among companies occurs.

The Group's companies strive for high efficiency in their use of energy and natural resources, promote systems for reuse and recycling of materials and energy, and also prevent and limit environmental pollution. The ambition is to be sensitive to the wishes of customers and suppliers, thereby meeting market demands for proactive environmental work. Several of the companies in the Group work with situation-adapted quantitative goals in their environmental efforts. The Group conducts operations in seven of its Swedish subsidiaries that require a permit under the Swedish Environmental Code.

There are no known threats from an environmental viewpoint that could jeopardise these operations.

## PRODUCT DEVELOPMENT

With the aim of strengthening and developing their positions in their respective area of operation, the companies allocate resources to product development. Development occurs in close cooperation

with the customers and normally based on identified customer needs.

Development expenditure consists of ongoing costs for product development under own management and in collaboration with customers and suppliers as well as amortisation of investments in new products and acquired intangible assets.

### RISKS AND UNCERTAINTY FACTORS

As a larger Group with operations in different parts of the world, Lagercrantz is exposed to various risks and uncertainty factors. Lagercrantz Group's earnings, financial position and future development are affected by internal factors which are controlled by the Group itself, and by external factors, where opportunities to influence the course of events are limited and where the focus instead is on managing the consequences of these. Risk management in Lagercrantz is focused on identifying, evaluating and reducing risks related to the Group's business and operations. Lagercrantz has policies and instructions for identifying deviations that may develop into risks. The risk level in the operations is followed up systematically in Board meetings and monthly reports where deviations or risks are identified and rectified.

The most important risk factors for the Group are the economic situation, or other events that affect the economy, such as the global Covid-19 pandemic or geopolitical conflicts in the neighbouring area, such as Russia's invasion of Ukraine, in combination with structural changes and the competitive situation in the Group's markets, customer and supplier dependence, as well as IT security and cyber risks. Lagercrantz is also affected by financial risks such as transaction exposure, translation exposure, financing and interest rate risk as well as credit and counterparty risk, which are described below.

#### Economic situation

Demand for Lagercrantz's products and services is affected by macroeconomic factors that are beyond the company's control, such as the development and willingness to invest of manufacturing industry, the state of the economy in general and global capital market conditions, or outbreaks of pandemics or geopolitical conflicts affecting the business climate. A deterioration in these factors in the markets where Lagercrantz operates can have negative effects on the company's financial position and earnings.

Since Lagercrantz Group almost exclusively sells its products and services to companies and public authorities, it is primarily these entities' buying decisions that affect the Group's operations. Lagercrantz Group tries to meet the risks that result from changes in market conditions through sector diversification, niche focus and its decentralised structure. Sector diversification means that, seen across the entire Group, the Group's customers are in different phases of an economic cycle. As a consequence of its niche focus, the Group is less dependent on one or a few end markets for its growth and profitability. This means that a change in market conditions in one sector or country may have an impact on an individual company niched towards parts of this sector or geographical area, but it will have a minor effect on the Group's overall performance. This decentralised structure means that it is the responsibility of the individual profit centres to keep on top of their respective markets and take swift action when they start to detect changes in market conditions.

#### Structural changes

Globalisation, digitalisation and rapid technological development are driving structural change. This development can both increase the demand for Lagercrantz's products and services, but it can also lead to Lagercrantz's customers disappearing through mergers, closures and relocation to, for example, low-cost countries.

The effect of this has diminished over the years in line with the Group becoming more niche-oriented, as new companies more

focused on infrastructure and the construction sector are acquired and as several of the customers who previously moved their production in recent years have chosen to bring their production back to the Nordic countries and Northern Europe again.

Cost aspects are important for the choice of location but proximity also provides flexibility and access to development resources, to customers and markets. Aspects such as product quality, possibilities for customisation and high value added in other ways than price often explain why customers choose to work with Lagercrantz-owned companies. In spite of this, the Group is still dependent on customers and industrial production in the markets we operate in.

Another structural change that affects our businesses is the fast pace of technological development, and the generally short product life cycles. This imposes demands on our companies to stay close to the customers in order to identify new trends, and to know when it is commercially warranted to enter a new technology area, or to phase out an existing one. Lagercrantz Group generally strives for relatively long product life cycles.

To further offset the risks in any structural changes, the Group's product companies work with a diversified structure as regards manufacturing, where certain products are produced by subcontractors, while certain other products are manufactured in own facilities.

#### Competition

Most of Lagercrantz's subsidiaries operate in industries that are exposed to competition, where new technological solutions and efficiency mean a constant requirement to innovate. To compete successfully, Lagercrantz Group operates in niches with a focus on developing and maintaining a strong market position. A niche is defined internally as a well-defined technology area or customer segment with a total market value of approximately MSEK 200–2,000. In each niche, Lagercrantz Group attempts to develop a strong position through a high level of value creation for customers and suppliers. With strong customer relationships, a well-adapted product offering, high quality, service, support and other additional services we become a sought-after supplier. This limits the competition from global players and Lagercrantz Group's businesses can continue their positive development in the short and long term.

#### Customer and supplier dependence

In order to deliver products, Lagercrantz depends on external suppliers fulfilling the agreements entered into, for example, with regard to volume, quality and delivery time. Incorrect, delayed or missed deliveries can have a negative impact on Lagercrantz's financial position and earnings. Lagercrantz's reputation is also dependent on suppliers having a high level of business ethics, for example with regard to human rights, working conditions and the environment.

Lagercrantz has many and good relationships with carefully selected suppliers which reduces the risk that Lagercrantz will not be able to deliver as promised. Lagercrantz Group has a broad customer structure, spread over a number of industrial segments and geographical markets. No single customer represents more than 5% of the Group's overall revenue.

Dependency on individual customers and suppliers is one of the most significant risks for an individual subsidiary to manage. Some of the companies in the Group have developed their business based on one or a few such strong relationships. If one of these were to disappear, it would affect the company, especially in the short term, before alternatives have been found. In order to minimise this risk, the subsidiaries work closely with their customers and suppliers in order to create strong relationships on several levels and thereby ensure that they are an established partner and that any changes can be dealt with in good time. The Group also increasingly works on analysing customer and supplier relationships based on contract structure, product liability issues and insurable risks to minimise the consequences of the loss of a customer or supplier.

The Group works in a focused way on reducing the risks associated with late payment, or non-payment by customers. Measures have included credit assessment and follow-up of new and existing customers, as well as active management of late payments. During the financial year, the Group had no significant bad debt losses, see Note 27 Trade receivables.

### IT security and cyber risks

Digital risks are continually increasing right across society. Lagercrantz like most companies, is dependent on various information systems and other technology to manage and develop the business. Unplanned outages and cybersecurity incidents, such as hacking, viruses, sabotage and other cyber-crime, can result in both loss of revenue and loss of reputation. IT incidents or cyber incidents at third parties, such as suppliers or customers, can also affect Lagercrantz's delivery and earning capacity.

In order to ensure stable IT environments and prevent incidents, Lagercrantz works with regular risk analyses and continual maintenance and review of IT security, both at a Group and subsidiary level. The risks are limited through the decentralised organisational model where the different subsidiaries work with individual solutions and separate IT infrastructures. Lagercrantz also uses external cybersecurity experts to ensure that the security level is adapted and updated based on prevailing threats and customers' growing cybersecurity requirements.

### Environment

Changed environmental legislation can affect sales of Lagercrantz's products, transports of goods and the way that customers use the products. An inability to meet customers' stricter environmental requirements can affect sales. There is also a risk that one of the Group's subsidiaries, through its corporate identity number, may be linked to a historical responsibility under the Environmental Code. Lagercrantz mainly engages in activities that have a limited direct environmental impact. The Group monitors the operations and environmental-related risks through sustainability reporting and all companies follow the Group's Code of Conduct. Lagercrantz conducts an analysis of environmental risks in connection with acquisitions.

### Ability to recruit and retain staff

Lagercrantz's continued success depends on being able to retain experienced employees with specific competencies and recruit new knowledgeable people. There are key people both among senior executives and among the Group's employees in general. There is a risk that one or more senior executives or other key people will leave the Group at short notice, for example due to stress, the working environment or development opportunities. In the event that Lagercrantz is unable to recruit suitable replacements for them or new competent key people going forward, it may have a negative impact on Lagercrantz's financial position and earnings.

Lagercrantz prioritises creating good conditions for staff to develop and feel satisfied within the Group. As part of the acquisition strategy, the companies' key people must be well motivated to continue running the company independently as a member of the Group. Lagercrantz Business School enhances the internal knowledge transfer, further develops the employees and refines the corporate culture.

### Organisation

Lagercrantz's decentralised organisation is based on the subsidiaries having significant local responsibility for their own business. This imposes strict demands in relation to financial reporting and follow-up, and shortcomings with this can lead to inadequate control and management of the business.

Lagercrantz manages its subsidiaries through active board work, Group-wide policies, financial goals as well as instructions regarding financial reporting. By being an active owner and following the development of the subsidiaries, risks can be quickly identified and remedied in accordance with the Group's guidelines.

### Seasonal effects

Lagercrantz's operations do not involve any significant seasonal effects. The operations normally follow the seasonal pattern of manufacturing industry, which means lower sales during holiday periods. The number of production days and customer demand and willingness to invest can also vary between quarters. Based on a historical pattern, almost half of the Group's profit is generated during the first two quarters, in other words the period April to September, and slightly more than half of the profit during the last two quarters of the financial year, in other words, the period October to March.

### Business ethics and human rights

Lagercrantz's continued success is dependent on our good reputation and business ethics. Violations of human rights in our own or suppliers' operations would have a negative impact on the Group's reputation among employees, customers and other stakeholders and would affect demand for the Group's products. The Group works internally with business ethics and annually follows up compliance with rules on anti-corruption and human rights, which are clearly communicated in our internal Code of Conduct. Lagercrantz has many and good relationships with carefully selected suppliers which reduces the risk of breaches of our Code of Conduct occurring at our suppliers.

### Acquisitions and goodwill

Lagercrantz has historically carried out a large number of acquisitions of businesses and companies. Strategically, acquisitions will continue to represent an important part of the growth. Intangible surplus values normally arise in connection with acquisitions. The risk of impairment of intangible surplus values and goodwill arises if a business unit underperforms in relation to the assumptions that applied at the valuation and any impairment may adversely affect the Group's financial position and earnings. Additional risks associated with acquisitions are integration risks and exposure to unknown obligations.

Lagercrantz has many years of experience of acquiring and pricing companies. All potential acquisitions and their operations are carefully examined before the acquisition is completed. There are well-established processes and structures for pricing, carrying out acquisitions and integrating acquired companies. The agreements entered into strive to obtain the necessary guarantees to limit the risk of unknown obligations. The relatively large number of companies acquired also means a significant risk diversification.

### Financial risks

Lagercrantz is exposed to different kinds of financial risks through its operations. Currency risk refers to the risk that changes in exchange rates may have a negative impact on the Lagercrantz's financial position and earnings. Transaction exposure is the risk arising from the fact that the Group has incoming and outgoing payments in foreign currency. Translation exposure arises as a result of the fact that the Group has recognised assets and liabilities in foreign currencies. The Group is also exposed to financing risk, i.e. the risk that financing of the Group's capital requirements will become more difficult or more expensive. Interest rate risk refers to the risk that changes in interest rate levels may have a negative impact on Lagercrantz's financial position and earnings.

Lagercrantz strives for a structured and efficient management of the financial risks that arise in the operations in accordance with the finance policy adopted by the Board. The finance policy expresses the ambition to identify, minimise and control the financial risks and how the responsibility for managing these risks is to be allocated within the organisation. The goal is to minimise the effect on earnings of the financial risks. For a further description of the Group's and the Parent Company's financial risks and sensitivity analysis, refer to Note 41 Financial risk factors and risk management.

# Corporate Governance Report

Since the 2009/10 financial year, the Board of Directors of Lagercrantz Group has prepared a statutory corporate governance report in accordance with Chapter 6, Sections 6–9 of the Swedish Annual Accounts Act (1995:1554), which is subject to review by the company's auditor. In addition to this, Lagercrantz Group applies the Swedish Corporate Governance Code ("the Code") in accordance with the revised version of the Code that entered into force on 1 January 2024. Since the legislation and the Code partially overlap, Lagercrantz Group submits the following Corporate Governance Report, which takes account of the Swedish Annual Accounts Act as well as the Code. The company complies with the Code in all material respects. In one respect (which is found in the Audit Committee section) an explanation is provided for the deviation. The report also contains an account of the work of the Election Committee ahead of the 2024 Annual General Meeting.

## CORPORATE GOVERNANCE STRUCTURE

Lagercrantz Group is a Swedish public limited liability company with its registered office in Stockholm. The company, through its subsidiaries, conducts technology trading and has been listed on the Nasdaq Stockholm exchange since 2001, and on its Large Cap list since January 2022. Governance and control of the company is regulated through a combination of written rules and practices. In the first instance, the regulatory framework consists of the Swedish Companies Act and the Swedish Annual Accounts Act, but also the Swedish Corporate Governance Code and the rules that apply to the regulated market where the company's shares are listed for trading.

The Companies Act contains basic rules regarding the company's organisation. The Swedish Companies Act stipulates that there should be three decision-making bodies: the General Meeting of Shareholders, the Board of Directors and the President and Chief Executive Officer, in a hierarchical relationship with each other. There must also be a monitoring body, the auditor, who is appointed by the General Meeting of Shareholders.

## SHAREHOLDERS

As of 31 March 2024, the number of shareholders was 13,314, compared to 11,340 at the beginning of the financial year. The combined shareholding of the ten largest shareholders was 52% (59) of the shares outstanding and 64% (69) of the votes. The above calculations are based on the number of shares outstanding, not including repurchased shares held by Lagercrantz Group. For detailed information about shareholders, see page 43.

## GENERAL MEETING OF SHAREHOLDERS AND ARTICLES OF ASSOCIATION

The General Meeting of Shareholders is the highest decision-making body in Lagercrantz Group. Here, shareholders exercise their influence through discussions and resolutions. The General Meeting decides on all issues that do not expressly fall under the jurisdiction of another corporate body. Every shareholder has the right to participate in and to vote for their shares at the General Meeting in accordance with the provisions of the Articles of Association.

Lagercrantz Group's Annual General Meeting (AGM) shall be held in Stockholm within six months of the end of the financial year. The AGM appoints the company's Board of Directors and the auditors and determines their fees. In addition, the AGM adopts the financial statements and determines the appropriation of earnings and discharge from liability for the Board of Directors and the President, and decides on other matters that according to the Articles of Association or legislation should be considered by the General Meeting

The Articles of Association have been adopted by the General Meeting. This document prescribes that the company's shares are issued in two classes, where Class A shares carry 10 votes and Class B shares carry one vote per share. The company's share capital shall be a minimum of SEK 25,000,000 and a maximum of SEK 100,000,000. The minimum number of shares outstanding shall be 112,500,000 and the maximum number of shares outstanding shall be 450,000,000. Both classes of shares carry the same rights to share in the company's assets and profit. The Articles of Association allows for conversion of class A shares into class B shares. The Articles of Association also stipulate that the Company's Board of Directors shall consist of not less than three and not more than nine members, and regulates the forms of notice for General Meetings. The Articles of Association contain no limitations on how many votes each shareholder may cast at a General Meeting. For the entire Articles of Association, which in their current form were adopted on 29 August 2023, see the company's website, the section Corporate governance/Articles of Association.

Notice for Annual General Meetings, and notice for Extraordinary General Meetings (EGMs), where an amendment of the Articles of Association will be on the agenda, shall be issued not more than six weeks and not less than four weeks before the Meeting. Notice for other EGMs shall be issued not more than six weeks and not less than two weeks before the Meeting. Notice convening a General Meeting shall be in the form of an announcement in the Swedish Official Gazette and on the company's website. It shall also be concurrently announced in the newspaper Dagens Industri that notice has been issued.

Shareholders who wish to participate in the General Meeting shall (i) be included in the print-out or other presentation of the entire share register showing the state of affairs five weekdays before the General Meeting, (ii) give notice to the company for himself/herself and up to two assistants not later than 3:00 p.m. on the date specified in the notice for the General Meeting.

## ANNUAL GENERAL MEETING 2023

The 2023 AGM was held on 29 August in Stockholm. Notice for the Meeting was announced in the form of a press release on 26 July 2023, and was published on the company's website on the same day. On the same date, it was also announced in the newspaper Dagens Industri that notice that had been issued. The notice was also published in Swedish Official Gazette. At the AGM, shareholders representing 108 million shares and 191 million votes, respectively, were present. This is equivalent to 52% (52) of the number of shares outstanding and 65% (64) of the votes in the Company.

Resolutions passed by the AGM included the following:

- A dividend of SEK 1.60 per share was declared in accordance with the proposal of the Board of Directors.
- Discharge from liability was granted to the Board of Directors and the President for their administration during 2022/23.
- All Board members that stood for re-election were re-elected and Fredrik Börjesson was elected as Chairman of the Board of Directors in accordance with the proposal of the Election Committee and Deloitte AB was elected as auditor where Alexandros Kouvatzos was appointed as auditor in charge.
- Fees for the Board of Directors and the auditors were determined.
- Routines were established for appointment of an Election Committee ahead of the next AGM.
- Principles for remuneration and other terms of employment for senior executives were resolved upon.
- In accordance with the proposal of the Board of Directors, the AGM resolved that the company – in a departure from the pre-emptive rights of shareholders – invite managers and senior executives to acquire up to 800,000 call options on repurchased Class B shares.



- The Board of Directors was authorised during the period until the next AGM, on one or more occasions, to acquire the company's own Class B shares, representing up to 10% of the shares in the company and to sell previously repurchased Class B shares. This is for the purpose of adapting the Group's capital structure, payment in connection with acquisitions or delivery of shares in connection with incentive programmes.
- The Board of Directors was authorised during the period until the next AGM, on one or more occasions, to carry out a new issue of up to 10% of the number of B shares in the company for the purpose of adapting the Group's capital structure, payment in connection with acquisitions, to finance acquisitions or strengthen the balance sheet in connection with acquisitions.

## BOARD OF DIRECTORS

It is the duty of the Board of Directors to manage the affairs of the company in the best possible way and to safeguard the interests of the shareholders. Lagercrantz Group AB's Board of Directors consisted of six ordinary members. Together the members possess broad, commercial, technical and public experience:

- Fredrik Börjesson, Chairman of the Board
- Ulf Södergren
- Anna Almlöf
- Anna Marsell
- Anders Claeson
- Jörgen Wigh, President and CEO

A detailed presentation of the members of the Board of Directors, including information about other assignments is provided under Board of Directors and Auditors on page 98. Other officers in the Group can participate in Board meetings as a reporting member or secretary.

## CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman of the Board of Directors leads the work of the Board and has a special responsibility to follow the company's development between Board meetings, and to ensure that the members of the Board are continually provided with the information necessary to perform satisfactory work. The Chairman maintains regular contact with members of the Management team and holds meetings with them as required. The Chairman is also responsible for evaluating the work of the Board and for ensuring that the Election Committee is informed of the result of the evaluation.

## THE BOARD'S WORK

The Board of Directors held eight recorded meetings during the 2023/24 financial year, one of which was the statutory meeting in conjunction with the AGM. The work of the Board follows rules of procedure that are adopted on an annual basis. These rules of procedure lay down the division of labour between the Board of Directors and the executive management, the responsibility of the Chairman and the President, respectively, and the forms for the financial reporting.

The President is a member of the Board of Directors and presents reports at Board meetings. The Board has appointed the Group's CFO to serve as secretary. The Board of Directors forms a quorum when at least four directors are present and, where possible, decisions are made after discussion that leads to consensus. The Board was in full attendance at all meetings during the year.

During regularly scheduled Board meetings, the company's economic and financial position are dealt with as well as risks facing the company and internal control and one item on the agenda concerns acquisitions. The Board is kept continually informed by way of written information about the company's operations and other important information.

During 2023/24, the work of the Board was dominated by questions relating to acquisitions, market development and business models. One Board meeting was devoted solely to discussing the Group's position and strategy.

The work of the Board is evaluated annually which includes discussions around:

- Number of meetings, agenda and material for the Board of Directors
- Strategic plan and direction
- Auditing review
- Overall responsibility
- Competence
- Work of the Chairman

The Board of Directors dealt with the most recent evaluation during a meeting in February 2024. The Board's views on the Board work are documented and presented for the Election Committee. In accordance with the Code, the Board of Directors evaluated the work of the President & CEO at a meeting where neither the President nor other senior executives were present.

Total fees to the Board of Directors of Lagercrantz Group for 2023/24, including fees for the Remuneration Committee, amounted to SEK 2,980,000 (2,880,000). In accordance with an AGM resolution, the Chairman of the Board received SEK 1,030,000 (1,000,000), and the other ordinary members who are not employees of the company received SEK 435,000 (420,000) each. See also Note 5.

## REMUNERATION COMMITTEE

The Board of Directors has internally appointed a Remuneration Committee tasked with preparing the Board's proposal to the Annual General Meeting regarding guidelines for remuneration to the President and CEO, and other senior executives. The Committee also has the task of following up and implementing the AGM's resolutions with respect to principles of remuneration for senior executives. During 2023/24, the Remuneration Committee consisted of Chairman of the Board Fredrik Börjesson and Ulf Södergren. The President & CEO participates in a reporting capacity but does not participate in matters concerning him. The Committee held one meeting during the year. All members of the Committee were present at this meeting. Compensation of SEK 105,000 is paid as fees to members of the Remuneration Committee.

## AUDIT COMMITTEE

The Board has appointed an Audit Committee, which has the task of analysing and discussing the company's risk management, governance and internal control. During 2023/24, the Committee consisted of all Board members with the exception of the President & CEO. In the opinion of the Board of Directors, this is most appropriate in view of Lagercrantz Group's business. The Audit Committee maintains contact with the company's auditors to discuss the direction and scope of the audit work. In connection with the adoption of the annual accounts, the company's auditors report on their observations from the audit and their assessment of the internal control. Because of the structure with an annual self-assessment of the internal control, which is performed by each company during the third quarter and whose results are received by the company's auditors, and the extensive work that a traditional examination by the company's auditors would entail, the Board of Directors has chosen to deviate from the Code's recommendation calling for a review of the half-yearly report or the interim report for the third quarter.

## AUDITORS

At the 2023 AGM, the registered auditing firm Deloitte AB was elected auditor for the period until the end of the 2024 AGM. The audit firm appointed the Alexandros Kouvatso, Authorised Public Accountant, to serve as auditor in charge.



In order to ensure oversight and control by the Board of Directors, it is given an opportunity each year to provide its opinion on the auditors' planning of the audit's scope and focus. After completing their review of the internal control and accounting records, the auditors report on their findings at the Board meeting in May. In addition to this, the auditors are invited to attend Board meetings when the Board of Directors or the auditors feel that there is a need. The independence of the auditors is ensured by the audit firm's internal guidelines. Their independence has been confirmed to the Audit Committee.

## MANAGEMENT

The Chief Executive Officer and Group Management draw up and implement Lagercrantz Group's overall strategies and deal with issues such as acquisitions, disposals and major capital investments. Such issues are prepared by Group Management for decision by the Parent Company's Board of Directors. The President and CEO is responsible for day-to-day management of the Company in accordance with the decisions and guidelines of the Board of Directors.

Lagercrantz Group's Group Management during 2023/24 has consisted of the President & CEO, Executive Vice President, the Group's Chief Financial Officer, the Group's Head of Acquisitions and the Head of Business Development, five persons in total. From and including 2024/25, Group Management will consist of the President & CEO, the Executive Vice President who is also Head of Acquisitions and the Group's Chief Financial Officer, three persons in total. The Management team has consisted of Group Management and division heads, in total nine persons who constitute the Group's senior executives. A detailed presentation of Group Management can be found under Group Management on page 99.

The Management team meets on a monthly basis to discuss the Group's and the subsidiaries' results and financial position, as well as issues pertaining to strategy, acquisitions, earnings follow-up, forecasts and the performance of the business. Other issues discussed include acquisitions, joint projects, consolidated financial reporting, communication with the stock market, internal and external information, sustainability issues as well as coordination and follow-up of security, environmental matters and quality.

## REMUNERATION TO SENIOR EXECUTIVES

Lagercrantz Group's principles for remuneration of senior executives mean that compensation to the President & CEO and other persons in the Management team may consist of basic salary, variable remuneration, pension, other benefits and financial instruments. The guidelines for remuneration to senior executives resolved upon by the 2023 AGM and information about existing incentive programmes are presented in Note 7 of this annual report and are summarised below.

The overall remuneration must be market-related and competitive, and should be commensurate with responsibility and authority. The annual variable salary component should be maximised to about 40% of the fixed salary. The variable portion of the compensation should also be based on outcome relative to set goals and on individual performance.

The retirement age shall be 60–65 years and in addition to an ITP plan, only defined contribution pension plans will normally be offered. In the case of termination of employment, termination benefits equivalent to a maximum of one annual salary may be offered, in addition to salary during the period of notice.

Apart from existing incentive programmes and the programme proposed to the AGM, no other share-based or share-price-related programmes will be offered. In individual cases and where special circumstances exist, the Board may depart from the above guidelines.

The Board's proposal to the 2024 Annual General Meeting means that the same guidelines for remuneration to senior executives are adopted. The proposal for guidelines is in line with the Company's existing application of remuneration to senior

executives and should aim to provide a clear framework for remuneration and have the degree of flexibility that is deemed appropriate based on the levels of remuneration, and the design should benefit the Company's business strategy, long-term interests, including long-term value creation for shareholders and sustainability. The new guidelines are prepared against the background of the new legal requirements that have been implemented as a result of the EU's Shareholder Rights Directive (Directive (EU) 2017/828 of the European Parliament and of the Council). The Board of Director's final proposal for guidelines will be presented in the notice convening the Annual General Meeting.

## OPERATIONAL CONTROL

The Group's operating activities are carried on in subsidiaries of the Lagercrantz Group. Active Board work is conducted in all subsidiaries under the management of division heads. The subsidiaries' Boards follow the day-to-day operations and establish business plans. Operations are conducted in accordance with the rules, guidelines and policies adopted by Group Management and according to guidelines established by each subsidiary's Board of Directors. Subsidiary presidents have profit responsibility for their respective companies, as well as responsibility to ensure growth and development in their companies. Allocation of investment capital in the Group is determined following a decision by the Parent Company Lagercrantz Group's Board of Directors in accordance with an annually updated capital expenditure policy.

Operational control in the Lagercrantz Group is defined by clear demands from Group Management and freedom of action for each subsidiary to make decisions and to reach established goals.

## DIVERSITY POLICY

The guidelines adopted by the Group's Board of Directors for business ethics (Code of Conduct) for how employees, suppliers, customers and other stakeholders should be treated in a lawful, fair and ethical manner, also contain guidelines on diversity.

Lagercrantz strives to ensure that employees in the Group shall be afforded equal opportunities for career advancement, training, remuneration, work content and conditions of employment. The Group also works to achieve a more uniform gender breakdown in recruitment and offers equal employment opportunities regardless of race, religion, gender, age, disability, family circumstances or sexual orientation. By participating in the recruitment work, the Group's operational management ensures that the Board's guidelines are complied with and developed.

## INTERNAL CONTROL

The purpose of the internal control is to ensure that the company's strategies and goals are followed up and that shareholder investments are protected. A secondary purpose is to ensure accurate and relevant information to the stock market in accordance with generally accepted accounting principles in Sweden and that laws, regulations and other requirements on listed companies are complied with across the entire Group. The Board of Directors of Lagercrantz Group has delegated the practical responsibility to the President & CEO, who in turn has allocated the responsibility to the other members of the Management team and to subsidiary presidents.

Control activities take place in the entire organisation at all levels. Follow-up is included as an integrated part of Management's day-to-day work. For the financial reporting there are policies and guidelines, and also automatic control in systems as well as reasonability assessment of flows and amounts.

Management makes regular assessments of any new financial risks that may arise and the risk for errors in the existing financial reporting. At each Board meeting, the management reports its assessment of existing risks and any other possible issues concerning internal control. The Board can then call for further measures if considered necessary. The Group's financial department under the management of the Group's CFO conducts an annual evaluation of the internal control in the companies. This is performed by each company as a self-assessment based on pre-defined questions,

which are drawn up by the financial department in consultation with the Group's auditors. This evaluation aims to examine the Group's internal control routines and compliance with them. The result is reviewed by the Group's financial department, which makes proposals on possible improvements to the companies concerned. The Group's auditors also receive the results, who in turn report their observations and recommendations to the Audit Committee and to the entire Board. The Board evaluates if this procedure is still fit-for-purpose on an annual basis and calls for possible changes in the internal control work in consultation with the company's auditors.

Controls are made taking transaction flows, staffing and control mechanisms into account. The focus is on significant income statement and balance sheet items and areas where there is a risk that the consequences of any errors would be significant.

The Board of Directors is of the opinion that a business of Lagercrantz Group's scope, in a decentralised organisation, does not require a more extensive audit function in the form of an internal audit department. The Board of Directors reviews this issue on an annual basis.

To ensure good communication with the capital market, the Board of Directors has adopted a communications policy. This policy determines what should be communicated, by whom and how. The basic premise is that regular financial information is provided in the form of:

- Press releases about significant or price-sensitive events
- Interim Reports, Year-end Report and press release in conjunction with the Annual General Meeting
- Annual Report

Through openness and transparency, the Board of Directors and management of Lagercrantz Group work to provide the company's owners and the stock market with relevant and accurate information.

#### ELECTION COMMITTEE

The principal task of the Election Committee is to propose Board members, the Chairman of the Board of Directors and auditors and to propose fees for Board members, the Chairman and auditors, so that the AGM can make well-founded decisions. At the AGM 2023, the principles for the Election Committee's mandate were determined, and how the Committee shall be appointed. This shall be valid until the AGM decides to change these principles. This means that the Chairman of the Board was tasked with contacting the largest shareholders in terms of votes as of 31 December 2023, and requesting them to appoint members, to form an Election Committee together with the Chairman of the Board. In accordance with this, an Election Committee was formed consisting of:

- Fredrik Börjesson, Chairman of the Board
- Anders Börjesson.  
(own ownership, and appointed by Tisenhult-gruppen AB)
- Leif Almhorn  
(appointed by SEB Investment Management AB)
- Marianne Nilsson  
(appointed by Swedbank Robur Fonder)
- Per Trygg  
(appointed by Lannebo Fonder)

The Election Committee has access to the evaluation performed by the Board of Directors of its work, and information about the company's business and strategic direction. The proposals of the Election Committee as well as its motives will be published in connection with the notice convening the AGM and will also be made available on the company's website. The Election Committee's term of office extends until a new Election Committee has been appointed. No fees are payable for Election Committee work.

The Board of Directors and the Election Committee are of the opinion that a majority of the Board members are independent in relation to the company and corporate management, and that at least three of these members are also independent in relation to the company's major shareholders.

#### INCENTIVE PROGRAMME

Long-term incentive programmes have been in place since 2006 for managers and senior executives in the Group in accordance with an AGM resolution. The programmes aim to increase motivation and create participation among managers and senior executives regarding the opportunities in the company's development. The programmes also aim to motivate managers and senior executives to remain employed in the Group. The programmes consist of call options on repurchased Class B shares.

Options have been issued every year from 2006–2023, according to the resolution of the AGM each year. As of closing day on 31 March 2024, the 2020, 2021, 2022 and 2023 programmes are outstanding. A complete description of the outstanding incentive programmes is provided in Note 7.

#### POST-BALANCE SHEET EVENTS

No significant events for the company have occurred after the balance sheet date on 31 March 2024.

#### FUTURE DEVELOPMENT

Lagercrantz operates in an international market where demand is affected by macroeconomic factors to a considerable extent. The Group's broad focus with companies operating in different, but carefully selected niches with a main emphasis on electrification and infrastructure as well as safety products, constitutes a strong base and ensures an equalising effect between sectors, geographical markets and customer segments. The Group's independent entrepreneur-led companies work continually on adapting to changes based on their market and competitive situation.

Lagercrantz's most important goal is to create strong and sustainable earnings growth of at least 15% per year, partly through organic growth and improvements in existing businesses and partly through value-creating acquisitions. This business concept has been successful for many years and historically Lagercrantz's continual pursuit of earnings growth, profitability and development has delivered good value growth. Our strong cash flow and robust financial position is a good foundation for continued stable, profitable and sustainable earnings growth with an unchanged business concept.

Through our strategic focus, we are well-positioned in areas with good structural growth, such as increased electrification, infrastructure and safety products. In crises, companies with stable business models and strong financial conditions can also take advantage of new opportunities that arise. Therefore it is important that we continue to focus on our long-term goals.

Otherwise, the risk and uncertainty factors are the same as in previous periods. The Parent Company is indirectly impacted by risks and uncertainty factors through its function in the Group.

#### DIVIDEND

Lagercrantz's dividend policy contains a goal that the company shall declare dividends equivalent to 30–50% of the Group's average profit after taxes, over a business cycle. In making the proposal for dividend, the Group's financial position, equity ratio, financing and investment needs and growth plans were considered as well as other factors that the Board deems to be of importance.

The Board of Directors proposes a dividend of SEK 1.90 (1.60) per share to the AGM in August 2024. The dividend is equivalent to a total of MSEK 391 (329) and constitutes 45% (43) of the previous year's profit.

The size of the dividend is based on a balance between the Group's capital structure and future opportunities for expansion. The Board of Directors is of the opinion that the proposed dividend allows scope for the Group to fulfil its obligations, make necessary investments and to carry out further value-creating acquisitions.

**PROPOSED APPROPRIATION OF PROFITS**

The Board of Directors proposes that the following profits, SEK 2,763,179 thousand, at the disposal of the Annual General Meeting shall be allocated as follows:

Dividend to the shareholders SEK 1.90 x 205,955,029 shares*	391,315
To be carried forward	2,371,864
<b>Total</b>	<b>2,763,179</b>

*\*Based on the total number of shares outstanding as of 31 March 2024. The total dividend amount is subject to change until the record day, depending on share repurchases and transfer of shares to participants in long-term incentive programmes.*

In making the proposal for dividend, the company's dividend policy, equity ratio and financial position in other respects were taken into account, and due consideration was given to the company's ability to fulfil present and anticipated payment obligations in a timely manner and to carry out necessary investments.

**BOARD ASSURANCE**

The consolidated and Parent Company income statements and the consolidated statement of financial position and the Parent Company balance sheet will be subject to approval at the Annual General Meeting on 26 August 2024. We consider that the consolidated financial statements have been prepared in accordance with the international financial reporting standards referred to in regulation (EG) No. 1606/2002 of 19 July 2002 of the European Parliament and the Council on the application of international financial reporting standards and provide a true and fair view of the financial position and results of operations of the Group. The annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and provide a true and fair view of the financial position and results of operations of the Parent Company. The Report of the Board of Directors for the Group and the Parent Company provides a true and fair overview of the business activities, financial position and results of operations of the Group and the Parent Company and describes the significant risks and uncertainty factors facing the Group and the Parent Company.

*Stockholm, 4 July 2024*

Fredrik Börjesson  
Chairman of the Board

Ulf Södergren  
Board member

Anna Marsell  
Board member

Anna Almlöf  
Board member

Anders Claeson  
Board member

Jörgen Wigh  
President and Board member

Our audit report was submitted on 4 July 2024.

DELOITTE AB

Alexandros Kouvatso  
Authorised Public Accountant

# Financial statements

## Consolidated Statement of Comprehensive Income

Amounts in MSEK	Note	2023/24	2022/23
Net revenue	3	8,129	7,246
Cost of goods sold		-4,932	-4,506
<b>Gross profit</b>		<b>3,197</b>	<b>2,740</b>
Other operating income	8	91	65
Selling expenses		-1,279	-1,095
Administrative expenses		-687	-590
Other operating expenses	9	-66	-58
<b>Profit before net financial items (EBIT)</b>	3, 4, 5, 6, 10, 11, 14	<b>1,256</b>	<b>1,062</b>
<i>Profit from financial items</i>			
Financial income	12	32	47
Financial expenses	13	-172	-141
<b>Profit before taxes</b>	14	<b>1,116</b>	<b>968</b>
Taxes	15	-239	-210
<b>Net profit for the year attributable to the parent company's shareholders</b>		<b>877</b>	<b>758</b>
Earnings per share after dilution, SEK	36	4.25	3.70
Earnings per share, SEK	36	4.26	3.71
Number of shares outstanding after repurchases during the period ('000)		205,940	204,439
Weighted number of shares after repurchases during the period, adjusted after dilution ('000)		206,227	204,718
Weighted number of shares after repurchases during the period ('000)		205,955	205,930
Proposed dividend per share, SEK		1.90	1.60

## Other Consolidated Comprehensive Income

Amounts in MSEK	Note	2023/24	2022/23
Net profit for the year		877	758
<b>Other comprehensive income</b>			
<i>Items transferred or that may be transferred to net profit</i>			
Translation differences for the year		37	77
Taxes related to the above item		-4	-8
<i>Items that may not be transferred to profit/loss for the year</i>			
Actuarial effects on pensions		-7	13
Taxes attributable to actuarial effects		1	-2
<b>Comprehensive income for the year</b>		<b>904</b>	<b>838</b>



# Consolidated Statement of Financial Position

Amounts in MSEK	Note	31 Mar 2024	31 Mar 2023
<b>ASSETS</b>	3		
<b>Non-current assets</b>			
Goodwill	16	3,110	2,446
Other intangible assets	17	2,042	1,518
Property, plant and equipment	18	695	608
Right-of-use assets	11	448	365
Other non-current receivables	21, 30	11	10
Deferred tax assets	28	14	12
<b>Total non-current assets</b>		<b>6,320</b>	<b>4,959</b>
<b>Current assets</b>			
Inventories		1,369	1,167
Trade receivables	23	1,271	1,146
Contract assets	24	101	91
Tax receivables		208	166
Other receivables		115	53
Prepaid expenses and accrued income	25	103	91
Cash and cash equivalents	30	355	360
<b>Total current assets</b>		<b>3,522</b>	<b>3,074</b>
<b>TOTAL ASSETS</b>		<b>9,842</b>	<b>8,033</b>

# Consolidated Statement of Financial Position

Amounts in MSEK	Note	31 Mar 2024	31 Mar 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	26		
Share capital		49	49
Other paid-up capital		415	415
Reserves		72	39
Retained earnings including net profit for the year		2,932	2,506
<b>Total equity attributable to the parent company's shareholders</b>		<b>3,468</b>	<b>3,009</b>
<b>Non-current liabilities</b>	3, 30, 31		
<i>Non-current interest-bearing liabilities</i>			
Provisions for pensions	27	63	55
Liabilities to credit institutions	31	2,292	2,227
Non-current lease liabilities	11	306	247
Other non-current interest-bearing liabilities		1	–
		<b>2,662</b>	<b>2,529</b>
<i>Non-interest-bearing liabilities, non-current</i>			
Deferred tax liability	28	540	409
Non-interest-bearing liabilities, non-current		8	8
Other provisions	29	34	34
		<b>582</b>	<b>451</b>
<b>Total non-current liabilities</b>		<b>3,244</b>	<b>2,980</b>
<b>Current liabilities</b>	3, 30, 31		
<i>Current interest-bearing liabilities</i>			
Committed credit facilities	31	490	14
Liabilities to credit institutions	31	10	19
Current lease liabilities	11	149	123
Other current interest-bearing liabilities		1	2
		<b>650</b>	<b>158</b>
<i>Non-interest-bearing liabilities, current</i>			
Advanced payments from customers		73	22
Trade payables		631	588
Tax liabilities		248	173
Contract liabilities	24	117	85
Other liabilities		929	581
Accrued expenses and deferred income	32	417	386
Provisions	29	65	51
		<b>2,480</b>	<b>1,886</b>
<b>Total current liabilities</b>		<b>3,130</b>	<b>2,044</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,842</b>	<b>8,033</b>

# Consolidated Statement of Changes in Equity

<b>31 Mar 2024</b>					
<b>Amounts in MSEK</b>	<b>Share capital</b>	<b>Other paid-up capital</b>	<b>Translation reserve</b>	<b>Retained earnings including net profit for the year</b>	<b>Total equity</b>
Opening balance	49	415	39	2,506	3,009
<b>COMPREHENSIVE INCOME</b>					
Net profit for the year				877	877
Actuarial effects on pensions				-7	-7
Taxes attributable to actuarial effects				1	1
Translation effect for the year			37	-	37
Tax related to translation effects			-4	-	-4
<b>Comprehensive income for the year</b>			<b>33</b>	<b>871</b>	<b>904</b>
<b>Transactions with owners</b>					
Dividend				-329	-329
Dividend to minority shareholders in subsidiaries				-40	-40
Repurchased options				-13	-13
Issued options				11	11
Redemption of options				2	2
Debt instruments measured at fair value				-76	-76
<b>Closing balance</b>	<b>49</b>	<b>415</b>	<b>72</b>	<b>2,932</b>	<b>3,468</b>

<b>31 Mar 2023</b>					
<b>Amounts in MSEK</b>	<b>Share capital</b>	<b>Other paid-up capital</b>	<b>Translation reserve</b>	<b>Retained earnings including net profit for the year</b>	<b>Total equity</b>
Opening balance	49	345	-36	1,870	2,228
<b>COMPREHENSIVE INCOME</b>					
Net profit for the year				758	758
Actuarial effects on pensions				13	13
Taxes attributable to actuarial effects				-2	-2
Translation effect for the year			77	-	77
Tax related to translation effects			-8	-	-8
<b>Comprehensive income for the year</b>			<b>69</b>	<b>769</b>	<b>838</b>
<b>Transactions with owners</b>					
Dividend				-265	-265
Dividend to minority shareholders in subsidiaries				-23	-23
New issue		70		-	70
Sale of own shares*				156	156
Repurchased options				-17	-17
Issued options				9	9
Redemption of options				7	7
Debt instruments measured at fair value			6	-	6
<b>Closing balance</b>	<b>49</b>	<b>415</b>	<b>39</b>	<b>2,506</b>	<b>3,009</b>

\* Refers to redemption of options.

Note 30 contains further information regarding equity.

# Consolidated Statement of Cash Flows

Amounts in MSEK	Note	2023/24	2022/23
<b>Operating activities</b>			
Profit after financial items		1,116	968
Adjustments for items not included in the cash flow etc.	34	473	414
		<b>1,589</b>	<b>1,382</b>
Taxes paid		-265	-255
<b>Cash flow from operating activities before changes in working capital</b>			
<i>Cash flow from changes in working capital</i>			
Increase (-) / Decrease (+) in inventories		52	-8
Increase (-) / Decrease (+) in operating receivables		-33	-54
Increase (+) / Decrease (-) in operating liabilities		-16	5
<b>Cash flow from operating activities</b>			
<b>Investing activities</b>			
Investments in businesses	35	-1,175	-847
Sold subsidiaries	35	-	1
Investments in intangible non-current assets		-34	-39
Purchase of property, plant and equipment		-91	-139
Divestment of property, plant and equipment		3	7
Changes in financial assets		4	-
<b>Cash flow from investing activities</b>			
<b>Financing activities</b>			
Sale of own shares*		-	163
Repurchased options		-10	-17
Issued options		10	9
Dividends paid to the parent company's shareholders		-329	-265
Dividend paid to minority owner in subsidiaries		-42	-23
Borrowings		701	1,582
Amortisation of loans		-677	-993
Amortisation of lease liabilities		-146	-99
Change in committed credit facilities and other financial liabilities	31	446	-270
<b>Cash flow from financing activities</b>			
<b>Cash flow for the year</b>			
Cash and cash equivalents at the beginning of the year		360	210
Exchange difference in cash and cash equivalents		7	10
<b>Cash and cash equivalents at end of the year</b>			

\* Within option programme.

## CHANGE IN NET LOAN LIABILITIES/ RECEIVABLES

Amounts in MSEK	Note	2023/24	2022/23
Net loan liabilities(+) / receivables (-) at the start of the year		<b>2,327</b>	2,014
Change in interest-bearing liabilities		<b>615</b>	444
Interest-bearing liabilities in acquired businesses		<b>18</b>	27
Changes in interest-bearing pension provisions		<b>-8</b>	-8
Cash and cash equivalents in acquired businesses		<b>-139</b>	-178
Change in cash and cash equivalents, other		<b>143</b>	28
<b>Net loan liabilities (+) / receivables (-) at end of year</b>			

# Parent Company Income Statement

Amounts in MSEK	Note	2023/24	2022/23
Net revenue	3	70	63
<b>Gross profit</b>		<b>70</b>	<b>63</b>
Administrative expenses		-114	-118
Other operating income and operating expenses		–	0
<b>Operating profit</b>	3, 6, 10, 11, 14	<b>-44</b>	<b>-55</b>
<i>Profit from financial items</i>			
Profit from participations in Group companies	12	911	673
Interest income and similar profit/loss items	12	29	101
Interest expenses and similar profit/loss items	13	-151	-105
<b>Profit after financial items</b>	14	<b>745</b>	<b>614</b>
<i>Appropriations</i>			
Change in untaxed reserves		-90	-84
<b>Profit before taxes</b>		<b>655</b>	<b>530</b>
Taxes	15	-59	-52
<b>Net profit for the year</b>		<b>596</b>	<b>478</b>

# Other Comprehensive Income, Parent Company

Amounts in MSEK	Note	2023/24	2022/23
Net profit for the year		596	478
Other comprehensive income		–	–
<b>Comprehensive income for the year</b>		<b>596</b>	<b>478</b>



# Parent Company Balance Sheet

Amounts in MSEK	Note	31 Mar 2024	31 Mar 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	18	2	2
Participations in Group companies	19	4,863	3,836
Receivables from Group companies	20	925	759
Deferred tax assets	28	3	3
<b>Total non-current assets</b>		<b>5,793</b>	<b>4,600</b>
<b>Current assets</b>			
<i>Current receivables</i>	30		
Receivables from Group companies	30	1,437	1,293
Tax receivables		99	64
Other receivables		5	1
Prepaid expenses and accrued income	25	30	7
Cash and bank balances	30	–	–
<b>Total current assets</b>		<b>1,571</b>	<b>1,365</b>
<b>TOTAL ASSETS</b>		<b>7,364</b>	<b>5,965</b>

# Parent Company Balance Sheet

Amounts in MSEK	Note	31 Mar 2024	31 Mar 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	26		
Share capital		49	49
Legal reserve		13	13
<b>Restricted equity</b>		<b>62</b>	<b>62</b>
Retained earnings		2,168	2,021
Net profit for the year		596	477
<b>Non-restricted equity</b>		<b>2,764</b>	<b>2,498</b>
<b>Total equity</b>		<b>2,826</b>	<b>2,560</b>
Untaxed reserves		288	198
<b>Provisions</b>			
Provisions for pensions	27	21	21
<b>Non-current liabilities</b>	30, 31		
<i>Non-current interest-bearing liabilities</i>			
Liabilities to credit institutions	31	2,272	2,211
Liabilities to Group companies		1	12
<b>Total non-current liabilities</b>		<b>2,294</b>	<b>2,244</b>
<b>Current liabilities</b>	30, 31		
<i>Current interest-bearing liabilities</i>			
Committed credit facilities	31	476	5
Liabilities to credit institutions	31	–	–
		<b>476</b>	<b>5</b>
<i>Non-interest-bearing liabilities, current</i>			
Trade payables		8	2
Liabilities to Group companies		870	597
Tax liabilities		113	93
Other liabilities		439	218
Accrued expenses and deferred income	3	50	48
		<b>1,480</b>	<b>958</b>
<b>Total current liabilities</b>		<b>1,957</b>	<b>963</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,364</b>	<b>5,965</b>

# Parent Company Statement of Changes in Equity

<b>31 Mar 2024</b>				
<b>Amounts in MSEK</b>	<b>Share capital</b>	<b>Legal reserve</b>	<b>Retained earnings including net profit for the year</b>	<b>Total equity</b>
Opening balance	49	13	2,498	2,560
<b>COMPREHENSIVE INCOME</b>				
Net profit for the year			596	596
Other comprehensive income				–
<b>Comprehensive income for the year</b>			<b>596</b>	<b>596</b>
<b>Transactions with owners</b>				
Dividend			-329	-329
New issue			–	–
Sale of own shares*			–	–
Repurchased options			-13	-13
Issued options			11	11
Redemption of options			2	2
<b>Closing balance</b>	<b>49</b>	<b>13</b>	<b>2,764</b>	<b>2,826</b>

<b>31 Mar 2023</b>				
<b>Amounts in MSEK</b>	<b>Share capital</b>	<b>Legal reserve</b>	<b>Retained earnings including net profit for the year</b>	<b>Total equity</b>
Opening balance	49	13	2,060	2,123
<b>COMPREHENSIVE INCOME</b>				
Net profit for the year			478	478
Other comprehensive income			–	–
<b>Comprehensive income for the year</b>			<b>478</b>	<b>478</b>
<b>Transactions with owners</b>				
Dividend			-265	-265
New issue			70	70
Sale of own shares*			156	156
Repurchased options			-17	-17
Issued options			9	9
Redemption of options			7	7
<b>Closing balance</b>	<b>49</b>	<b>13</b>	<b>2,498</b>	<b>2,560</b>

\* Refers to redemption of options.

Note 30 contains further information regarding equity.

# Parent Company Cash Flow Statement

Amounts in MSEK	Note	2023/24	2022/23
<b>Operating activities</b>			
Profit after financial items		745	614
Adjustments for items not included in the cash flow etc.	34	-427	-400
		<b>318</b>	<b>214</b>
Taxes paid		-76	-71
<b>Cash flow from operating activities before changes in working capital</b>			
<i>Cash flow from changes in working capital</i>			
Increase (-) / Decrease (+) in operating receivables		-85	33
Increase (+) / Decrease (-) in operating liabilities		275	162
<b>Cash flow from operating activities</b>			
<b>Investing activities</b>			
Investments in businesses		-823	-318
Purchase of property, plant and equipment		-	-2
Change in financial assets		-166	-613
<b>Cash flow from investing activities</b>			
<b>Financing activities</b>			
Sale of own shares		-	156
Repurchased options		-1	-17
Issued options		11	9
Redemption of options		-13	7
Dividend paid		-329	-265
Received/provided Group contributions		379	338
Borrowings		700	1,581
Amortisation of loans		-650	-984
Change in committed credit facilities	34	470	-230
Changes in liabilities to Group companies		-10	-
<b>Cash flow from financing activities</b>			
<b>Cash flow for the year</b>			
Cash and cash equivalents at the beginning of the year		-	-
Exchange difference in cash and cash equivalents		-	-
<b>Cash and cash equivalents at end of the year</b>			

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# Notes

## Note 1 Accounting policies

### General accounting policies

The annual accounts for the Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Commission for application in the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups is applied.

The annual accounts of the Parent Company have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. The Parent Company's and the Group's accounting principles are the same with the exception of the instances specified in the section "Parent Company accounting policies".

Discrepancies that exist between the Parent Company's and the Group's policies are due to limitations in applying IFRS in the Parent Company as a result of the Swedish Annual Accounts Act and the Pension Obligation Vesting Act and in certain cases for tax reasons.

The consolidated financial statements and the Parent Company's annual accounts were approved for publication by the Board of Directors on 28 June 2024. The consolidated income statement and statement of financial position and the Parent Company's income statements and balance sheets are subject to adoption by the Annual General Meeting on 26 August 2024.

### Significant accounting policies

The Group discloses information on its significant accounting policies. Significant accounting policies mean that the underlying transaction is significant and that the information in the accounting policy is material to an understanding of the transaction, for example, whether the Group has made a policy choice or whether the accounting policy is company-specific. In those cases where the Group applies an accounting policy only as described in IFRSs, disclosure of the policy is not made provided that the policy is not necessary for an understanding of the recognised transactions or events.

### Presentation of the annual accounts

The financial statements are presented in millions of Swedish kronor (MSEK) unless otherwise stated. The Parent Company's functional currency is SEK, which also constitutes the presentation currency for the Parent Company and the Group.

Assets and liabilities are recognised at historical cost, with the exception of certain financial assets and liabilities, which are measured at fair value. Financial assets and liabilities recognised at fair value consist of derivative instruments and financial assets classified as financial assets measured at fair value through profit or loss.

Non-current assets and available-for-sale disposal groups are recognised at the lower of the previous carrying amount and fair value, after deduction of selling expenses.

Set-off of receivables and liabilities and of revenue and costs occurs only where required or expressly permitted under IFRS.

Preparing the financial statements in accordance with IFRS requires that the company management makes assessments and estimates as well as assumptions that affect the application of accounting policies and the recognised amounts of assets, liabilities, revenue and costs. Estimates and assumptions are based on historical experience and on a number of other factors that, under prevailing circumstances, are considered reasonable. The result of these judgments and assumptions is then used to judge the carrying amounts of assets and liabilities that would not be evident from other sources. The actual outcome may differ from these estimates and judgments. Estimates and assumptions are reviewed regularly.

The annual accounts are prepared in accordance with IAS 1 Presentation of financial statements, which means, among other things, that separate statements are prepared with regard to profit or loss, other comprehensive income, financial position, change in equity and cash flow, and that a description of the applied accounting policies and disclosures is provided in notes.

The specified accounting policies for the Group have been consistently applied for all periods presented in the consolidated financial statements, unless otherwise stated.

### Amended accounting policies

New IFRS standards and interpretations, that will only become effective in future financial years, have not been early adopted in the preparation of these financial statements.

### New or revised standards and interpretations that are applied from the 2023/24 financial year

The Group applies the amendment to IAS 1 Presentation of Financial Statements which aims to present significant accounting policies as described under the heading Significant Accounting Policies above. Other new or amended standards have not had a material impact on the consolidated financial statements.

### New and revised IFRS that apply from the 2024/25 financial year

IFRS 18 Presentation and Disclosure in financial statements replaces IAS 1 and is applicable for the Group from the 2027/2028 financial year. It has still not been adopted by the EU. The Group has not yet evaluated the effects of the new standard. There are no new IFRS standards or IFRIC interpretations that will have a material impact on the Group's results and financial position during the 2023/24 financial year. None of the newly issued IFRS standards or interpretations have been early adopted. The OECD's Pillar Two rules entered into force on 1 January 2024. Lagercrantz is not subject to the rules as the Group's turnover is below the threshold, and no Pillar Two tax exposure has arisen.

### Operating segment reporting

An operating segment is a part of the Group that conducts business from which it can generate income and incur costs and for which independent financial information is available. Operating segments are reported in a manner consistent with the Group's internal reporting, which is followed up by the chief operating decision-maker. The Group's chief operating decision-maker is the function responsible for allocating resources and evaluating the operating segments' results. Refer to Note 3 for additional description of the breakdown and presentation of operating segments.

### Basis of consolidation

#### Subsidiaries

The consolidated financial statements include the annual accounts of the Parent Company and the entities over which the Parent Company exercises a controlling influence. Control exists if the Parent Company has influence over the investment object, is exposed to or has rights to variable returns from its involvement, and can exert its influence over the investment to affect those returns.

Subsidiaries are recognised according to the acquisition method. This method means that the acquisition of a subsidiary is treated as a transaction in which the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The acquisition cost to the Group is determined by a purchase price allocation in conjunction with the acquisition. The analysis establishes the cost of the shares or entity, the fair values of acquired identifiable assets, and assumed liabilities and contingent liabilities, as well as any non-controlling interests. Transaction expenses incurred are recognised directly in profit or loss. The difference between the cost of acquisition of the shares in a subsidiary and the fair value of acquired assets, assumed liabilities and contingent liabilities is recognised as goodwill in the Group. When the difference is negative, it is recognised directly in profit or loss. Contingent consideration is recognised at fair value at the date of acquisition and is remeasured at each reporting date and any change in value is recognised in profit or loss.

In the subsidiaries where Lagercrantz does not hold 100% of the shares, Lagercrantz always has a mutual call/put option, which gives the company the right to acquire the remaining shares at a predetermined price from the holder of the shares (i.e. the seller of the rest of the shares in the company in question), and the holder has a put option to sell the shares to Lagercrantz at a predetermined price. In other words, Lagercrantz has control over these shares as they can be acquired and incorporated into the Group's total bulk of assets when so desired. The subsidiary is thus 100% consolidated and the value of the option is recognised as a financial liability in the Group. Changes in the liability are recognised in equity. Therefore, the Group does not recognise any minority interests.

The financial statements of subsidiaries are consolidated from the date of acquisition until the date when control ceases.

#### Transactions eliminated on consolidation

Intra-Group receivables and liabilities, revenue or costs and unrealised gains or losses arising in intra-Group transactions between Group companies are eliminated in their entirety when preparing the consolidated financial statements.

### Exchange rate effects

#### Transactions in foreign currency

Transactions in foreign currency are translated to the functional currency using the rate of exchange that prevailed on the transaction date. Monetary assets and liabilities in foreign currency are translated to the functional currency at the exchange rate prevailing on the balance sheet date. Non-monetary assets and liabilities that are recognised at historical cost are translated at the exchange rate on the transaction date. Non-monetary assets and liabilities that are recognised at fair value are translated to the functional currency at the exchange rate that prevailed at the time of fair value measurement. Exchange rate differences arising during translations are recognised in the income statement. Exchange differences on operating receivables and operating liabilities are included in operating profit, while exchange differences on financial receivables and liabilities are recognised in financial items.

#### Translation of financial statements of foreign Group companies

Assets and liabilities in foreign operations, including goodwill and other surpluses and deficits in the Group, are translated to Swedish kronor at the exchange rate that prevailed at the end of the reporting period. Revenue and costs in a foreign operation are converted to Swedish kronor at an average rate. Translation differences arising in connection with currency translation of foreign operations and the related effects of hedging of net investments, are recognised in other comprehensive income.

### Revenue

The Group recognises revenue when the Group fulfils a performance obligation, which is when a promised product or service is delivered to the customer and the customer assumes control of the product or service. Control of a performance obligation can be transferred over time or at a point in time. The majority of

the Group's revenues are recognised at a point in time. Revenue is the amount that the company expects to receive as remuneration for goods or services transferred. In order for the Group to report revenue from an agreement with customers, each customer agreement is analysed according to the five stage model that is provided in the IFRS standard.

#### Sale of goods

Sale of goods occurs in all of the Group's segments and revenue is usually recognised at a certain point in time when the goods have been delivered to the buyer, i.e. when the control over the goods has been transferred. Volume discounts to customers occur and then reduce the revenue. Guarantees exist but do not constitute a separate performance and do not affect revenue recognition. Revenue is not recognised if it is probable that the economic rewards will not accrue to the Group. If the sold product includes installation at the buyer, and the installation constitutes a significant part of the delivery, revenue is recognised when the installation is completed.

#### Revenue from the sale of property

Income from property sales is normally recognised on the date of taking possession unless the risks and rewards have been transferred on another date.

#### Rendering of services

Revenue from rendering of services is normally recognised when the service is performed. Revenue from rendering of services of the service and maintenance agreement type is recognised in accordance with the principles of the so-called percentage of completion method. The stage of completion is normally determined based on the proportion of expenditure incurred at the end of the reporting period compared to the estimated total expenditure. In certain companies, recorded time is used as a basis for the stage of completion. An expected loss is immediately recognised in the consolidated income statement.

#### Government grants

Government grants are recognised in the statement of financial position as prepaid income when there is reasonable assurance that the grant will be received and that the Group will be able to fulfil the conditions associated with the grant. Grants are systematically allocated to the correct periods in profit or loss in the same way and in the same periods as the costs that the grants are intended to compensate for. Government grants related to assets are recognised as a reduction in the carrying amount of the asset.

### Operating expenses and financial income and expenses

#### Payments relating to leases

The minimum leasing fees are allocated to interest expense and repayment of the outstanding liability. The interest expense is distributed over the lease term in such a way that each accounting period is charged with an amount equivalent to a fixed rate of interest for the liability recognised during each period. Variable fees are expensed in the periods in which they arise.

#### Financial income and expenses

Financial income and expenses consists of interest income on bank balances, receivables and interest-bearing securities, interest expense on loans, dividend income, exchange differences, changes in value of financial assets measured at fair value through profit or loss, impairment losses on financial assets and gains and losses on hedging instruments recognised in profit or loss.

Interest income on receivables and interest expense on liabilities are calculated using the effective rate method. The effective rate is the rate that means that the present value of all estimated future incoming and outgoing payments during the expected fixed interest term equals the carrying amount of the receivable or the liability. Interest income includes allocated amounts of transaction costs and any rebates, discounts, premiums and other differences between the original value of the receivable and the amount received at maturity.

Interest expense includes allocated amounts of transaction costs in connection with raising loans.

Borrowing costs are recognised in profit or loss using the effective interest method, except to the extent they are directly attributable to the acquisition, construction or production of assets that take a substantial period of time to get ready for their intended use or sale, in which case they are included in the cost of the assets.

Dividend income is recognised when the right to receive payment has been determined. Exchange gains and exchange losses are recognised net.

### Financial instruments

Financial instruments are measured and recognised in the Group in accordance with the rules in IFRS 9. Financial instruments on the asset side that are recognised in the balance sheet include cash and cash equivalents, trade receivables, other receivables, financial investments and derivatives. Liabilities include borrowings, trade payables other liabilities and derivatives.

#### Recognition and derecognition in the balance sheet

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the contractual terms of the instrument. A financial asset or part of a financial asset is derecognised when the rights in the contract are realised, lapse or the Group loses control over them. A financial liability is derecognised when the contractual liability is discharged or otherwise expires.

A financial asset and a financial liability are offset and recognised as a net amount in the balance sheet only where there is a legal right to offset the amounts and it is intended that the items will be settled by a net amount or that the asset will be realised and the liability settled simultaneously. Acquisition and disposal of financial

assets are recognised on the transaction date, which represents the day when the Group committed to acquire or dispose of the assets.

#### Classification and measurement

Financial instruments are initially recognised at cost corresponding to the fair value of the instrument plus transaction costs for all financial instruments, apart from derivatives and financial assets and liabilities that are recognised at fair value via profit or loss, which are recognised at fair value excluding transaction costs. A financial instrument's classification determines how it is measured after initial recognition. The classification of financial assets under IFRS 9 is based on the company's business model for the management of the financial assets and the characteristic features of the contractual cash flows from the financial asset.

The instruments are classified as:

- Amortised cost
- Fair value via profit or loss

The Group's holdings of financial instruments are classified as follows:

#### Trade receivables, other receivables which are financial assets and cash equivalents

Trade receivables, other current receivables, non-current receivables and cash and cash equivalents are recognised at amortised cost less any provision for impairment losses. Amounts are not discounted when it has no material effect. The items are recognised after deduction of expected credit losses. Any write-down requirement in respect of the receivables is assessed on the basis of an individual assessment of the credit risk when the receivable initially arises and then during its entire term. The companies in the Group measure the credit risk using available information about historical credit events, current circumstances and forecasts for future development. Credit risk is generally spread over a large number of customers and reflects the Group's trading operations well where the total revenue is made up of many business transactions and a good risk diversification of sales in various industries and companies. Historically, there have only been a few cases of confirmed bad debt losses in the Lagercrantz Group and they have been minor. The credit quality of the trade receivables that have not fallen due is considered good.

Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss.

#### Financial liabilities measured at amortised cost

Loans, trade payables and certain other operating liabilities are included in this category. Borrowing is recognised at amortised cost and any difference between the amount borrowed (net after transaction costs) and the repayment amount is recognised in net profit for the year, allocated over the term of the loan using the effective interest method. Borrowing is classified as current liabilities unless the Group has an unconditional right to defer payment for at least 12 months after the balance sheet date. Trade payables and other operating liabilities are not discounted, since it does not have a material effect.

#### Financial liabilities measured at fair value

Liabilities for contingent considerations arising in business combinations are measured at fair value through profit or loss. Liabilities for call options arising in business combinations are measured at fair value through comprehensive income. The measurement of these items pertains to Level 3 of the valuation hierarchy, where the measurement is based on the operations' expected future financial performance, which has been estimated by the company management.

#### Cash and cash equivalents

Cash and cash equivalents in the balance sheet include cash and bank balances and other investments in securities with a remaining maturity of three months or less from the date of acquisition.

#### Financial investments

Financial investments are classified as either financial assets or investments in securities depending on the purpose of the holding. If the term or the expected holding period is more than one year, they are classified as financial assets.

### Derivatives and hedge accounting

The Group's derivative instruments are acquired to hedge the exchange rate risks to which the Group is exposed. Currency exposure relating to future contracted and forecast flows is hedged using currency futures, swaps and currency clauses in customer and supplier contracts. Embedded derivatives, for example currency clauses are separated from the host contract and are recognised separately if the host contract is not a financial asset and special requirements are met. Derivatives are initially measured at fair value, which means that transaction costs are charged to profit or loss for the period. After initial recognition, the derivative instrument is measured at fair value. Hedge accounting is not applied at present for the futures, the swaps or the embedded derivatives in the currency clauses. Increases and decreases in value are recognised as revenue and expenses, respectively, within operating profit.

#### Hedging of forecast sales in foreign currency – cash flow hedges

Currency futures contracts used for hedging of highly likely forecast sales in foreign currency are recognised in the statement of financial position at fair value. Changes in value for the period are recognised in other comprehensive income and the accumulated changes in value are recognised under financial assets and liabilities until the hedged flow affects profit or loss, whereupon the accumulated changes in value of the hedging instrument are reclassified to net profit for the year when the hedged item (sales revenue) affects profit or loss.

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Note 1 continued

#### Receivables and liabilities in foreign currency

Currency futures contracts can be used for hedging an asset or a liability against currency risk. For such hedges, no hedge accounting is required since the hedged item as well as the hedging instrument are measured at fair value through the income statement in respect of exchange differences. Changes in value of operations-related receivables and liabilities are recognised in operating profit, while changes in value of financial receivables and liabilities are recognised in net financial items.

#### Net investments

Investments in foreign subsidiaries (net assets including goodwill) have been partially hedged by raising loans in the corresponding currency. On closing day, these items are translated at the closing day rate. The period's translation differences relating to financial instruments used as hedging instruments in hedging a net investment in a Group company are recognised, to the extent the hedge is effective, in other comprehensive income and the accumulated changes are recognised as a special component of equity (the translation reserve). This procedure is used to offset the translation differences that affect other comprehensive income when Group companies are consolidated.

### Property, plant and equipment

#### Owned assets

Property, plant and equipment is recognised as an asset in the statement of financial position if it is probable that future economic benefits will accrue to the company and the cost of the asset can be reliably measured.

Property, plant and equipment is recognised in the Group at cost less accumulated depreciation and any impairment losses. The purchase price is included in the cost as well as expenses directly attributable to the asset in order to bring it to the location and in the condition to be used in accordance with the aim of the acquisition. Examples of directly attributable costs included in the cost of acquisition are costs for delivery and handling, installation, registration of title, consulting services and legal services.

Property, plant and equipment consisting of units with different useful lives are treated as separate items of property, plant and equipment. The carrying amount of an item of property, plant and equipment is derecognised on retirement or disposal or when no future economic benefits can be expected from use or disposal/sale of the asset. Gains or losses arising from disposal or retirement of an asset consist of the difference between the selling price and the asset's carrying amount less directly related selling expenses. Gains and losses are recognised as other operating income/expenses.

#### Leased assets

Leases that are longer than 12 months and of material value are initially recognised as a value in use and a lease liability in the balance sheet. The rights of use are initially recognised at cost, i.e. the lease liability's original value and other prepaid expenses. After the initial recognition, the rights of use are recognised on an ongoing basis at cost less depreciation. The lease liabilities are initially recognised at the present value of future unpaid leasing fees. The leasing fees are discounted by the incremental borrowing rate. Thereafter, the carrying amount is increased by interest expenses and reduced by paid lease fees. Depreciation of the rights of use and the interest on the lease liabilities are recognised in the income statement. Payments attributable to the amortisation of lease liabilities are recognised in the cash flow within financing activities and payments relating to interest as cash flow from operating activities. Short-term leases and low-value leases are exempted from the measurement and are recognised as an expense in the income statement.

#### Additional expenditure

Additional expenditure is added to the cost only if it is probable that the future economic benefits associated with the asset will accrue to the company and the cost can be measured in a reliable way. All other additional expenditure is recognised as a cost in the period in which it arises.

#### Depreciation methods

Assets are depreciated on a straight-line basis over their estimated useful life. Land is not depreciated. The Group applies component depreciation, which means that the components' estimated useful life forms the basis for depreciation.

Estimated useful lives:

■ buildings, business premises	15–50 years
■ plant and machinery	3–10 years
■ equipment, tools, fixtures and fittings	3–5 years

Business premises consist of a number of components with varying useful lives. The main classification is buildings and land. The land component is not depreciated since its useful life is considered to be unlimited. Buildings, however, consist of a number of components where the useful lives vary.

The useful lives have been deemed to vary between 15 and 50 years for these components.

Assessment of the residual value and useful life of an asset is made on an annual basis.

### Intangible assets

#### Goodwill

Goodwill represents the difference between the cost of a business combination and the fair value of the assets acquired and the liabilities and contingent liabilities assumed. Goodwill is measured at cost less any accumulated impairment losses.

Goodwill is distributed to cash-generating units and tests are performed on an annual basis or as soon as there are indications the asset in question has suffered an impairment loss (also see the impairment losses section).

In business combinations where the cost of acquisition is less than the net value of acquired assets, and liabilities and contingent liabilities assumed, the difference is recognised directly in profit or loss.

#### Research and development

Research expenditure aimed at obtaining new scientific or technological knowledge is recognised as a cost when it is incurred.

Development expenditure, where research results or other knowledge is applied in order to produce new or improved products or processes, is carried as an asset in the statement of financial position, if the product or process is technologically and commercially useful and the company has sufficient resources to complete development and subsequently use or sell the intangible asset. The carrying amount includes expenditure for material, direct expenditure for salaries and indirect expenditure, which can be attributed to the asset in a reasonable and consistent manner. Other development expenditure is recognised in profit or loss as a cost as it is incurred. Recognised development expenditure in the statement of financial position is carried at cost less accumulated amortisation and any impairment losses.

#### Other intangible assets

Other intangible assets, not including trademarks, acquired by the Group are recognised at cost, less accumulated amortisation and impairment losses. This also includes capitalised IT expenditure for development and purchase of software. Acquired trademarks are recognised at cost, less any impairment losses. The useful life of trademarks is assessed on a case-by-case basis, in cases where the useful life is indefinite, the value is tested annually for impairment. Trademarks with a fixed useful life are amortised on a straight-line basis over the useful life. Costs incurred for internally generated goodwill and internally generated trademarks are recognised in profit or loss when the cost is incurred.

#### Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the intangible assets, provided such useful lives are determinable. Goodwill, trademarks and intangible assets with an indeterminate useful life are tested for impairment on an annual basis or as soon as there are indications suggesting that the asset in question has decreased in value. Intangible assets that may be amortised are amortised from the date on which they are available for use.

The estimated useful lives are:

■ Patents, innovations and customer relationships	5–20 years
■ Capitalised development expenditure and software	3–7 years
■ Trademarks with limited useful life	3–30 years

### Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and for bringing about a sale. The cost of inventories is calculated by applying the first-in first out method (FIFO), or weighted average acquisition cost and includes expenditure arising on the acquisition of the inventory items and transporting them to their current location and condition. For manufactured goods and work in progress, the cost of acquisition includes a reasonable portion of indirect costs based on normal capacity utilisation.

### Impairment losses

The carrying amounts of the Group's assets are tested on each balance sheet date to determine if any impairment has occurred. Goodwill and trademarks with indefinite useful lives are tested for impairment at least annually. If there is an indication that an asset may be impaired, the asset's recoverable amount is calculated. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separate identifiable cash flows (cash generating units). For the Group, this means that the assessment is made at segment level, which corresponds to the Group's divisions. In calculating value in use, future cash flows are discounted using a discount factor that takes into account the risk-free rate of interest and the risk associated with the specific asset.

#### Impairment of financial assets

The recoverable amount of financial assets which are measured at amortised cost, is calculated as the present value of future cash flows discounted by the effective rate that applied upon initial recognition of the asset. On each reporting date, the company assesses if there is objective evidence that a write-down requirement exists for a financial asset or group of assets. Assets with short maturities are not discounted. An impairment loss is recognised as a cost in profit or loss.

#### Reversal of impairment losses

Impairment losses on loans and receivables recognised at amortised cost are reversed if a later increase in the recoverable amount can be objectively attributed to an event that occurred after the impairment was made.

Impairment losses on other assets are reversed where there has been a change in the assumptions on which the calculation of the recoverable amount was made. An impairment loss is reversed only to the extent the carrying amount of the asset after the reversal does not exceed the value the asset would have had if no impairment loss had been recognised, taking into account the amortisation that would then have occurred. Impairment losses on goodwill are not reversed.

**Equity**

The Group's equity can be divided into share capital, other paid-up capital, reserves, retained earnings and non-controlling interests.

*Repurchase of own shares*

Holdings of own shares and other equity instruments are recognised as a decrease in equity. The acquisition of such instruments is recognised as a deduction from equity. Proceeds from the sale of equity instruments are recognised as an increase in equity. Any transaction expenses are recognised directly against equity.

*Dividends*

Dividends are recognised as a liability after the general meeting has approved the dividend.

*Earnings per share*

The calculation of earnings per share is based on the Group's net profit for the year attributable to the Parent Company's shareholders and on 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 account of the effects of dilutive potential ordinary shares, which during reported periods were attributable to options issued to employees. Dilution from options affects the number of shares and occurs only when the redemption price is lower than the market price.

**Employee benefits***Defined contribution plans*

Obligations in respect of charges for defined contribution plans are recognised as an expense in the income statement as they arise.

*Defined benefit plans*

The Group's net obligations relating to defined benefit plans are calculated separately for each plan through an estimate of the future remuneration that the employee has earned as a result of his/her employment. A provision for special payroll tax is included in IAS 19. The measurement is based on the difference between the pension obligation determined in the legal entity and the Group. Interest on pension provisions is recognised in net financial items.

Actuarial gains and losses are recognised directly in equity under other comprehensive income in the period in which they arise. Other cost and income items are recognised over operating profit. The obligations are measured at the present value of expected future payments.

The discount rate used in the present value computation is based on housing bonds with an equivalent term to the pension obligation.

The company's obligations for defined benefit retirement pensions are handled within the so-called FPG/PRI system in accordance with the ITP plan. Family pensions and new vesting of retirement pensions are secured by insurance in Alecta. Alecta does not provide the information necessary to recognise these obligations as a defined benefit plan. These pensions secured by insurance in Alecta are therefore recognised as defined contribution plans (under UFR10). The collective consolidation level is defined as the market value of Alecta's assets as a percentage of the insurance commitments calculated in accordance with Alecta's actuarial calculation assumptions. Alecta's surplus can be distributed to the policyholders and/or the insured.

*Remuneration upon termination of employment*

In connection with termination of personnel, a provision is only made when the company is demonstrably obligated, without a realistic opportunity to reverse the decision, by a formal detailed plan to terminate employment before the normal point in time. When remuneration is offered to encourage voluntary redundancy, it is recognised as a cost if it is likely that the offer will be accepted and the number of employees accepting the offer can be reliably estimated.

*Employee share option plan*

The Group's option plan enables senior executives to acquire shares in the company. The employees have paid a market-related premium for this opportunity. Premiums received are carried in equity as a transaction with the owners.

**Provisions**

A provision is recognised in the statement of financial position when there is an existing legal or informal obligation as a result of past events, and it is probable that an outflow of financial resources will be required to settle the obligation and the amount can be reliably estimated. In cases where the effect of payment timing is significant, provisions are calculated by discounting the expected future cash flow at an interest rate before tax that reflects current market assessments of the time value of money, and if applicable, the risks specific to the obligation.

**Cash flow statement**

When preparing a cash flow statement, the indirect method is applied according to IAS 7 Statement of Cash Flows. The year's changes of operating assets and operating liabilities have been adjusted for the effects of exchange rate fluctuations. Acquisitions and disposals are recognised in investing activities. The assets and liabilities that the acquired and divested companies had at the time of the change are not included in the statement of changes in working capital, nor are changes in balance sheet items recognised in investing and financing activities. Apart from cash and

bank flows, cash and cash equivalents also include investments in securities, which may be converted to bank funds at an amount that is essentially known in advance. Cash and cash equivalents include investments in securities with a term of less than three months.

**Parent Company accounting policies**

The Parent Company applies the same accounting policies as the Group except in the instances where the Swedish Annual Accounts Act and the Pension Obligation Vesting Act prescribe a different application or when connection to taxation leads to different accounting treatment. The Parent Company has prepared its annual accounts according to the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. Statements issued by the Swedish Financial Reporting Board for listed companies are also applied. RFR 2 means that the Parent Company in the annual accounts for the legal entity should apply all IFRS and statements approved by the EU to the greatest extent possible within the framework of the Swedish Annual Accounts Act and with due regard to the relationship between accounting and taxation. The recommendation sets out which exceptions and supplements are to be made from IFRS.

The Parent Company has opted not to apply IFRS 9 for financial instruments. However, some of the principles in IFRS 9 are still applicable such as for impairment losses, recognition/derecognition, criteria for applying hedge accounting and the effective interest method for interest income and interest expenses. In the Parent Company, financial assets are measured at cost less any impairment losses and financial current assets according to the lower of cost or net realisable value. For financial assets recognised at amortised cost, the impairment rules in IFRS 9 are applied.

Overall, this results in differences between the Group's and the Parent Company's accounting in the areas indicated below.

**Classification and presentation**

The Parent Company's income statement and balance sheet are presented in accordance with the format used in the Swedish Annual Accounts Act. Differences compared to IAS 1 Presentation of Financial Statements applied in preparing the consolidated financial statements are primarily in the recognition of financial income and expenses, non-current assets and equity

**Subsidiaries**

Participations in subsidiaries are recognised in the Parent Company in accordance with the cost method, which means that transaction costs are included in the carrying amount for holdings in subsidiaries. In the subsidiaries where Lagercrantz does not hold 100 percent of the shares, there is always a mutual call/put option, i.e. Lagercrantz/the seller of shares has the right to acquire/sell the remaining shares at a predetermined price. Lagercrantz has a controlling influence over these shares as they can be acquired and incorporated into the Group's total bulk of assets.

Dividends received from subsidiaries' retaining earnings are recognised as revenue. Larger dividends can result in impairment losses and thereby reduce the carrying amount of the participation.

**Revenue***Anticipated dividends*

Anticipated dividends from subsidiaries are recognised if the Parent Company has the exclusive right to determine the size of the dividend and the Parent Company has decided on the size of the dividend before publishing its financial statements.

**Property, plant and equipment***Owned assets*

Items of property, plant and equipment in the Parent Company are recognised at cost less accumulated depreciation and any impairment losses in the same way as in the Group but with the addition of any write-ups.

*Leased assets*

All lease agreements in the Parent Company are recognised in accordance with the rules for operating leases. This means that the Parent Company has elected to apply the possibility in RFR 2 to not adopt the IFRS 16 lease standard.

**Taxes**

In the Parent Company, untaxed reserves are recognised including deferred tax liability. In the consolidated financial statements, on the other hand, untaxed reserves are divided into deferred tax liability and equity.

**Group contributions and shareholders' contributions for legal entities**

Group contributions received are recognised as dividends and group contributions paid are recognised as investments in shares in subsidiaries, or where nothing of value is added as an impairment loss on the shares via the income statement. Shareholders' contributions are recognised directly in equity in the case of the receiver and capitalised in shares and participations by the grantor, to the extent that impairment is not required.

**Financial guarantees**

Lagercrantz Group has chosen not to apply the rules in IAS 39 regarding financial guarantee agreements in favour of subsidiaries in accordance with RFR 2.

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## Note 2 Critical estimates and judgments

Carrying amounts for certain assets and liabilities are based partly on estimates and judgments. This mainly applies to testing the need for impairment of goodwill (Note 16) and defined benefit pension commitments (Note 31). Estimates and assumptions are continually evaluated and are based on historical experience and on future events, which appear reasonable under the existing circumstances.

### Impairment testing of goodwill

The Group tests if any impairment of goodwill has occurred, at least on an annual basis. The recoverable amount of the cash-generating units is determined through a calculation of the value in use. For these calculations, certain estimates must be made (see Note 16).

### Acquisitions

Determining the fair value of assets acquired and liabilities assumed in a business combination involves judgment and assumptions. Distribution of surplus values (see Note 35). The valuation of the liability for contingent considerations and the option liability for the acquisition of minority interests is based on the expected future performance of the acquired company, which is subject to Management's estimates and judgments.

## Note 3 Segment reporting

Segment reporting is prepared for the Group's operating segments and is based on the chief operating decision-maker, i.e. the Management team's follow-up of business operations. The Group's internal reporting system is thus built based on follow-up of earnings, cash flows and the return generated by the Group's goods and services. This follow-up forms the basis for the chief operating decision-maker's decisions about the best possible allocation of resources in relation to what the Group produces and sells in the segments.

The segments' results and non-current assets include directly attributable items, which can be allocated to the segments in a reasonable and reliable manner. Segment investments in non-current assets include all capital expenditures, both in intangible assets and plant, property and equipment. Assets added as a result of acquisitions are not included, but amortisation of Group surplus values is included.

### Pension assumptions

Pension assumptions are an important element of the actuarial methods used to measure pension obligations and they can have an effect on the recognised pension liability and the annual cost of pensions. One of the most critical assumptions is the discount rate, which is important for measuring the year's pension expense as well as the present value of the defined benefit pension obligations. The assumed discount rate is reviewed at least once per year for each plan in each country. Other assumptions may relate to demographic factors, such as retirement age, mortality and employee turnover and are not reviewed as often. The actual outcome often differs from the actuarial assumptions for economic and other reasons. The discount rate makes it possible to measure future cash flows at present value at the time of measurement. This interest rate should correspond to the return on investment grade corporate bonds, or government bonds (including housing bonds) or, if no functioning market for such bonds exists, government bonds. A reduced discount rate increases the present value of the pension liability and the annual cost.

### Operating segments

The Group consists of the following operating segments:

- **Electrify division:** Offers products and solutions that meet the need of an increasingly electrified and connected society.
- **Control division:** Offers products and solutions within control technology, for example sensors and radon measurement.
- **TecSec division:** Offers different types of products and solutions within the growing security and surveillance area, examples of solutions are alarms, sprinklers and fire protection.
- **Niche Products division:** Offers proprietary products and solutions in selected technology niches, for example pumps for foodstuffs, sharpening systems and special doors.
- **International division:** Offers innovative products and technologies in, for instance, automation, railway infrastructure and expansion of renewable energy with a geographical distribution mainly in Northern Europe.

### Sales and profit by operating segment

	Electrify		Control		TecSec		Niche Products		International	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
<b>Revenue</b>										
External sales	1,801	1,677	750	746	2,065	1,748	2,012	1,871	1,501	1,204
Internal sales	22	18	5	14	2	1	7	8	0	2
<b>Total revenue</b>	<b>1,823</b>	<b>1,695</b>	<b>755</b>	<b>759</b>	<b>2,067</b>	<b>1,749</b>	<b>2,019</b>	<b>1,879</b>	<b>1,501</b>	<b>1,205</b>
<b>Operating profit (EBITA)</b>	<b>312</b>	<b>283</b>	<b>117</b>	<b>119</b>	<b>367</b>	<b>303</b>	<b>426</b>	<b>375</b>	<b>252</b>	<b>185</b>
Amortisation of intangible assets that arose during acquisitions	-22	-16	-16	-17	-55	-44	-48	-43	-34	-24
<b>EBIT (profit before financial items)</b>	<b>290</b>	<b>267</b>	<b>101</b>	<b>102</b>	<b>312</b>	<b>258</b>	<b>378</b>	<b>332</b>	<b>218</b>	<b>162</b>
							Parent Company, central functions and eliminations		Total	
							2023/24	2022/23	2023/24	2022/23
<b>Revenue</b>										
External sales							-	-	8,129	7,246
Internal sales							-36	-43	-	-
<b>Total revenue</b>							<b>-36</b>	<b>-43</b>	<b>8,129</b>	<b>7,246</b>
<b>Earnings</b>										
<b>EBIT (profit before financial items)</b>							<b>-43</b>	<b>-60</b>	<b>1,256</b>	<b>1,062</b>
Financial income									32	47
Financial expenses									-172	-141
<b>Profit before taxes</b>									<b>1,116</b>	<b>968</b>
Taxes									-239	-210
<b>Net profit</b>									<b>877</b>	<b>758</b>

Transaction pricing between operating segments occurs on market-related terms.



## Other information by operating segment

	Electrify		Control		TecSec		Niche Products		International		Parent Company		Total	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Assets	2,080	1,700	705	763	2,124	1,999	2,650	2,080	1,654	1,339	113	91	9,327	7,972
Undistributed assets	–	–	–	–	–	–	–	–	–	–	–	–	515	61
<b>Total assets</b>	<b>2,080</b>	<b>1,700</b>	<b>705</b>	<b>763</b>	<b>2,124</b>	<b>1,999</b>	<b>2,650</b>	<b>2,080</b>	<b>1,654</b>	<b>1,339</b>	<b>113</b>	<b>91</b>	<b>9,842</b>	<b>8,033</b>
Liabilities	436	424	172	208	502	605	582	526	367	321	3,453	2,661	5,512	4,744
Undistributed liabilities	–	–	–	–	–	–	–	–	–	–	–	–	862	280
<b>Total liabilities</b>	<b>436</b>	<b>424</b>	<b>172</b>	<b>208</b>	<b>502</b>	<b>605</b>	<b>582</b>	<b>526</b>	<b>367</b>	<b>321</b>	<b>3,453</b>	<b>2,661</b>	<b>6,374</b>	<b>5,024</b>
Investments	22	50	21	18	28	31	29	46	23	22	0	3	124	169
Depreciation and amortisation	86	73	49	48	122	103	113	99	73	59	5	6	448	389

## External sales by geographical market

The basis for sales by geographical market is the country where invoicing occurs.

	2023/24	2022/23
Sweden	2,569	2,416
Denmark	965	958
Norway	681	680
Finland	532	462
UK	527	279
Germany	557	471
Poland	197	195
Rest of Europe	1,065	894
Asia	317	242
Rest of the world	718	649
	<b>8,129</b>	<b>7,246</b>

## Capital expenditures and non-current assets by geographical market

	Capital expenditures		Non-current assets	
	2023/24	2022/23	2024-03-31	2023-03-31
Sweden	64	105	3,314	2,496
Denmark	29	38	1,252	1,145
Norway	4	3	518	451
Finland	9	12	504	415
UK	5	3	423	152
Germany	1	0	164	172
Poland	5	4	60	54
Rest of Europe	2	3	66	55
Rest of the world	4	2	3	19
Undistributed assets	–	–	18	–
	<b>123</b>	<b>170</b>	<b>6,321</b>	<b>4,959</b>

## Parent Company, central functions and eliminations

	2023/24	2022/23
<b>Internal net revenue by operating segment</b>		
Electrify	16	14
Control	19	18
TecSec	10	9
Niche Products	20	11
International	22	19
	<b>87</b>	<b>71</b>
<b>Internal net revenue by geographical market</b>		
Sweden	47	42
Denmark	20	13
Norway	7	6
Finland	7	6
UK	3	–
Germany	2	2
Other countries	1	2
	<b>87</b>	<b>71</b>

## External net revenue by product category 2023/24

	Electrify	Control	TecSec	Niche Products	International	Total
Proprietary products	1,299	352	1,608	1,956	951	6,166
Trading	105	350	94	43	542	1,134
Niche Production	375	39	–	–	–	414
System integration	1	–	234	1	–	236
Other Net revenue	21	9	129	12	8	179
	<b>1,801</b>	<b>750</b>	<b>2,065</b>	<b>2,012</b>	<b>1,501</b>	<b>8,129</b>

## External net revenue by market 2023/24

	Electrify	Control	TecSec	Niche Products	International	Total
Power & Electricity distribution	1,022	133	52	248	111	1,566
Infrastructure	144	115	458	428	177	1,322
Transportation	6	62	62	1	0	131
Building & Construction – Industry	6	16	286	90	21	419
Building & Construction – Commercial	8	0	508	63	33	612
Building & Construction – Private	75	24	98	0	343	540
Electronics	103	9	153	478	525	1,268
Service	28	1	300	76	24	429
Security	6	0	34	444	5	489
Telecommunication	329	11	4	0	14	358
IT	14	83	0	0	58	155
Pulp & paper industry	15	13	0	73	10	111
Medical	7	2	49	7	102	167
Other	38	281	61	104	78	562
	<b>1,801</b>	<b>750</b>	<b>2,065</b>	<b>2,012</b>	<b>1,501</b>	<b>8,129</b>

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## External net revenue by product category 2022/23

	Electrify	Control	TecSec	Niche Products	International	Total
Proprietary products	1,190	346	1,362	1,824	685	5,407
Trading	101	366	77	37	510	1,091
Niche Production	367	28	–	–	–	395
System integration	1	–	207	2	–	210
Other Net revenue	18	6	102	8	9	143
	<b>1,677</b>	<b>746</b>	<b>1,748</b>	<b>1,871</b>	<b>1,204</b>	<b>7,246</b>

## External net revenue by market 2022/23

	Electrify	Control	TecSec	Niche Products	International	Total
Power & Electricity distribution	972	149	43	221	102	1,487
Infrastructure	141	115	341	454	105	1,156
Transportation	68	9	119	429	367	992
Building & Construction – Industry	–	–	442	5	6	453
Building & Construction – Commercial	–	11	275	79	22	387
Building & Construction – Private	–	42	57	2	–	101
Electronics	89	23	89	–	331	532
Service	7	–	51	439	2	499
Security	19	1	272	87	38	417
Telecommunication	296	11	–	–	14	321
IT	16	84	–	–	36	136
Pulp & paper industry	28	15	–	86	10	139
Medical	7	1	37	8	82	135
Other	34	285	22	61	89	491
	<b>1,677</b>	<b>746</b>	<b>1,748</b>	<b>1,871</b>	<b>1,204</b>	<b>7,246</b>

## Note 4 Operating costs allocated by type of cost

	2023/24	2022/23
<b>Group</b>		
Cost of goods sold	3,700	3,460
Compensation-related personnel costs	2,045	1,556
Depreciation and amortisation	448	389
Other operating expenses	771	844
<b>Total operating expenses</b>	<b>6,964</b>	<b>6,249</b>

During the financial year, operating expenses were reduced by MSEK 0 (4) related to government support concerning Covid-19. Reclassification has occurred between compensation-related personnel costs and other operating expenses in the previous period.

## Note 5 Employees, personnel costs and fees to the Board of Directors

	Average number of employees		of whom	
	2023/24	2022/23	men	men
<b>Parent Company</b>				
Sweden	19	20	68%	80%
<b>Other Group companies</b>				
Sweden	1,281	1,134	78%	78%
Denmark	613	620	74%	71%
Norway	126	110	78%	81%
Finland	283	245	64%	62%
Germany	49	51	73%	69%
Poland	85	83	78%	76%
UK	217	36	83%	83%
Other countries	115	111	80%	82%
<b>Total in Group companies</b>	<b>2,769</b>	<b>2,390</b>	<b>76%</b>	<b>75%</b>
<b>Group total</b>	<b>2,788</b>	<b>2,410</b>	<b>76%</b>	<b>75%</b>

## Salaries, other remuneration and social security expenses

	2023/24		2022/23	
	Salaries and remuneration	Social security expenses	Salaries and remuneration	Social security expenses
Parent Company	49	31	51	31
(of which pension expense)		(15) <sup>1)</sup>		(14) <sup>1)</sup>
Other Group companies	1,565	400	1,115	359
(of which pension expense)		(149)		(116)
<b>Group total</b>	<b>1,614</b>	<b>431</b>	<b>1,166</b>	<b>390</b>
(of which pension expense)		(149) <sup>2)</sup>		(130) <sup>2)</sup>

<sup>1)</sup> MSEK 2 (3) of the Parent Company's pension expense refers to the group Board of Directors and President. This group also includes executive vice presidents. There are no outstanding pension obligations.

<sup>2)</sup> MSEK 24 (21) of the Group's pension expense refers to the group Board of Directors, President and executive vice presidents and presidents of Group companies. The Group's outstanding pension obligations to this group amount to MSEK 0 (0).

## Salaries and other remuneration distributed by country and among Board members etc. and other employees

	2023/24		2022/23	
	Board of Directors and President	Other employees	Board of Directors and President	Other employees
<b>Sweden</b>				
Parent Company	17	32	16	31
(of which, bonus etc.)	(3)	(4)	(3)	(9)
Other Group companies in Sweden.	61	571	46	428
(of which, bonus etc.)	(5)	(10)	(8)	(17)
<b>Sweden total</b>	<b>78</b>	<b>603</b>	<b>62</b>	<b>459</b>
	(8)	(14)	(11)	(26)
<b>Outside Sweden</b>				
Denmark	36	447	20	332
(of which, bonus etc.)	(3)	(4)	(3)	6
Norway	18	82	11	67
(of which, bonus etc.)	(4)	(8)	(3)	6
Finland	16	102	14	78
(of which, bonus etc.)	(2)	(4)	(2)	3
Germany	6	31	4	26
(of which, bonus etc.)	(1)	(1)	(1)	0
USA	4	52	3	38
(of which, bonus etc.)	(-)	(5)	(0)	3
Poland	2	24	2	13
(of which, bonus etc.)	(-)	(1)	-	1
UK	19	62	7	3
(of which, bonus etc.)	(2)	(3)	(1)	(0)
Other countries	2	31	(0)	27
(of which, bonus etc.)	(0)	(0)	(-)	0
<b>Group companies outside Sweden total</b>	<b>103</b>	<b>830</b>	<b>61</b>	<b>585</b>
(of which, bonus etc.)	(11)	(25)	(10)	(18)
<b>Group total</b>	<b>181</b>	<b>1,433</b>	<b>123</b>	<b>1,043</b>
(of which, bonus etc.)	(18)	(39)	(21)	(44)

The group Board of Directors and Presidents includes directors, presidents and executive vice presidents. Adjustment of comparative figures has been made in view of changed internal follow-up and classification of personnel-related costs. This is aimed at providing a fairer view of changes between financial years.

## Remuneration and other benefits to senior executives 2023/2024

SEK '000	Basic salary	Bonus*	Other remuneration	Other benefits	Pension expense	Total
<b>President &amp; CEO</b>	7,361	1,750	724	116	1,841	11,792
<b>Executive Vice President</b>	3,508	846	262	119	1,026	5,761
<b>Other senior executives (3 persons)</b>	8,315	2,074	1,174	204	2,137	13,904
<b>Total</b>	<b>19,184</b>	<b>4,671</b>	<b>2,160</b>	<b>439</b>	<b>5,004</b>	<b>31,457</b>

\* Bonus baseras till 80% på resultatmål och till 20% på avkastningsmål (R/RK). Under året har utfallet uppgått till 81% (78%). Omfattar även organisk tillväxtbonus upp till 10% av övrig bonus.

## Ersättningar och övriga förmåner till ledande befattningsinnehavare 2022/2023

SEK '000	Basic salary	Bonus*	Other remuneration	Other benefits	Pension expense	Total
<b>President &amp; CEO</b>	6,377	1,872	1,094	106	1,940	11,389
<b>Executive Vice President</b>	3,237	846	522	105	844	5,554
<b>Other senior executives (3 persons)</b>	7,766	2,040	672	268	2,135	12,882
<b>Total</b>	<b>17,380</b>	<b>4,866</b>	<b>2,288</b>	<b>479</b>	<b>4,919</b>	<b>29,932</b>

\* Bonus is based 80% on earnings targets and 20% on return on equity target (P/WC). During the year, the outcome was 86% (81%). Also includes organic growth bonus up to 10% of other bonus.

## Change in remuneration and the company's results during the past five financial years

	2023/24 vs 2022/23	2022/23 vs 2021/22	2021/22 vs 2020/21	2020/21 vs 2019/20	2019/20 vs 2018/19
<b>Remuneration to President &amp; CEO<sup>1)</sup></b>					
Annual change in total remuneration (%)	4%	3%	13%	8%	-3%
<b>The company's earnings trend</b>					
Annual change in Net profit for the year after taxes (%), Group	16%	33%	47%	6%	7%
<b>Remuneration to employees<sup>2)</sup></b>					
Annual change in total remuneration (%), Sweden	18%	-6%	3%	-2%	-7%

<sup>1)</sup> The remuneration refers to the sum of all compensation components that are reported in the table below.

<sup>2)</sup> Calculated on average number of employees based on full-time equivalents in Group companies in Sweden. The number of employees in the Parent Company, excluding Group Management, is considered to be too small to constitute a relevant basis for comparison.

## Total remuneration to the President &amp; CEO during 2023/24

SEK '000 / Proportion of total remuneration	Basic salary	One-year variable remuneration	Multi-year variable remuneration	Benefits <sup>1)</sup>	Occupational pension <sup>2)</sup>	Total remuneration
<b>President &amp; CEO</b>	7,361 / 62%	1,750 / 15%	724 / 6%	116 / 1%	1,841 / 16%	11,792
<b>Executive Vice President</b>	3,508 / 61%	846 / 15%	262 / 5%	119 / 1%	1,026 / 18%	5,761

<sup>1)</sup> Mainly refers to car and fuel.

<sup>2)</sup> Pension is only payable on the basic salary.

## Gender distribution in company managements

	31 Mar 2024 Proportion women	31 Mar 2023 Proportion women
<b>Parent Company</b>		
Board of Directors	33%	33%
Other senior executives	0%	0%
<b>Group total</b>		
Board of Directors	9%	5%
Other senior executives	4%	2%

## Principles of remuneration for the Board of Directors and senior executives

Fees paid to the Chairman of the Board and to other Board members were set by the Annual General Meeting (AGM). Fees for work in the Remuneration Committee were paid of SEK 199,000. Board members received fees as remuneration.

In accordance with the resolution of the AGM regarding guidelines for remuneration of senior executives, remuneration to the President & CEO and other senior executives consists of basic salary, variable remuneration, other benefits, pension and financial instruments. The total remuneration shall be market-related and competitive, and should be commensurate with responsibility and authority. The variable annual portion of the compensation shall be maximised to approximately 40% of the fixed salary. The variable portion of the compensation should also be based on outcome relative to set goals and on individual performance. The retirement age shall be 60–65 years and in addition to an ITP plan, only defined contribution pension plans will normally be offered. In the case of termination of employment, termination benefits equivalent to a maximum of one annual salary may be offered, in addition to salary during the period of notice. Apart from existing incentive programmes and the programme proposed to the AGM, no other share-based or share-price-related programmes will be offered.

In individual cases and where special circumstances exist, the Board of Directors may depart from the above guidelines.

As regards remuneration to the President and CEO and other senior executives, the Board of Directors has appointed a Remuneration Committee consisting of the Chairman of the Board and one Board member, with the President and CEO as a reporting member. The task of the Committee is to evaluate and propose principles of remuneration to the Board of Directors (refer to the Corporate Governance Report).

The Board of Directors submits proposals to the AGM for resolution. The proposal to the 2024 AGM is set out in the Report of the Board of Directors.

## Remuneration Board members (incl. fee Remuneration Committee)

SEK '000	2023/24	2022/23
Fredrik Börjesson, Chairman of the Board	1,135	1,100
Anna Almlöf, Board member	435	420
Anders Claesson, Board member	435	420
Anna Marsell, Board member	435	420
Ulf Södergren, Board member	540	520
<b>Total</b>	<b>2,980</b>	<b>2,880</b>

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Note 5 continued

In addition to the President & CEO, senior executives refers to the Management team consisting of: Executive Vice President 1 person (1), The Group's CFO 1 person, the Group's Head of Acquisitions 1 person and the Group's Business Development function 1 person. Remuneration to this group, a total of 5 (5) persons in 2023/24, was covered by the resolution of the 2023 AGM regarding principles of remuneration for senior executives. The Remuneration Committee has verified compliance with the AGM's resolution. Among other things, the Remuneration Committee has verified conformity with market conditions by making a comparison with the remuneration in other similar listed companies.

#### Pensions

The retirement age for the President & CEO is 63 years. The retirement age for other senior executives is 65 years. Pension is paid equivalent to the ITP plan, which is a defined contribution plan.

#### Termination benefits

The period of notice for the President is 12 months when termination is initiated by the company and 6 months when termination is initiated by the President. In the case of termination initiated by the company, the President is entitled to termination benefits equivalent to one year's salary in addition to salary during the period of notice. No termination benefits are payable in the case of termination initiated by the President. The period of notice for the other members of the Group Management is 6–12 months when termination is initiated by the company and up to 6 months when termination is initiated by the employee. In the case of termination initiated by the company, members of Group Management are entitled to termination benefits equivalent to up to one year's salary, in addition to salary during the period of notice. No termination benefits are payable in the event of termination at the member's own request. The termination benefits are usually set off against other income.

## Note 6 Fees to auditors

### Audit fees and reimbursements

	Group		Parent Company	
	2023/24	2022/23	2023/23	2022/23
<b>Deloitte</b>				
Audit assignment	7	–	2	–
<b>KPMG</b>				
Audit assignment	–	6	–	2
Tax advisory assignments	–	0	–	–
Other assignments	–	0	–	–
<b>Other auditors</b>				
Audit assignment	6	4	–	–
Tax advisory assignments	0	0	–	–
Other assignments	1	1	–	–

Audit assignment refers to the review of the annual accounts and the administration by the Board of Directors and the President, other tasks the company's auditors are obliged to perform, and advice or other assistance prompted by observations in the course of such review.

## Note 7 Incentive programme

The 2023 AGM resolved on an incentive programme for managers and senior executives in the Lagercrantz Group. This programme consists of call options on Lagercrantz Group repurchased shares, where each call option gives the holder a right to acquire one repurchased share of Class B. The program has two redemption periods that expire after 3 years and 3.5 years, respectively, and where redemption can take place during these two periods; (i) during a two week period from the day after the company publishes its Interim Report for the period 1 April 2026–30 September 2026, (ii) after the company has published its Year-end Report for the period 1 April 2026–31 March 2027 (probably the period 24 May–4 June 2027). In all programmes, the share is acquired at a redemption price determined as a percentage mark-up of an average share price after the AGM in accordance with the quoted prices paid. The programmes cover senior executives and managers with a direct possibility of affecting the Group's results. Board members have not been entitled to acquire call options, with the exception of the company's President & CEO. In order to be allocated call options, the employee must have concluded a special pre-emption agreement with the company. Pre-emption shall occur at the market value at the time of termination of employment, an offer from a third party for all shares in the company and in cases when the call options are to be transferred to a third party. In all other respects the call options are freely transferable.

The options premium in the programme has been calculated by the independent firm People & Corporate Performance AB using the generally accepted valuation method, the Black & Scholes model. The assumptions in the calculations have been that the redemption price was set at 125% of the calculated average of the highest and lowest prices paid during the measurement period, the volatility has been based on statistical information based on historical data, the risk-free interest rate has been based on the interest rate for government bonds, the term and redemption period according to the terms and conditions of the programmes and dividends according to the analyst estimates available in conjunction with the Group's dividend policy.

The allocation resolved by the 2020 AGM for 2020 comprised 63 persons and a total of 400,000 call options (1,200,000 after split), and the programme was fully subscribed. Allocations varied between 500–41,400 options per person (before split). The measurement period to determine the average share price, which was SEK 186.70 (before split), was 7 September–11 September 2020. The redemption price for the call options, which was resolved to be 125% of the average price was set at SEK 234.50 (before split) and was restated at SEK 78.20 after split (now remeasured to SEK 78.50). The market value of the call options was set at SEK 17.00 per option (before split) by an independent valuation institution. Options programme 2020/24 extends to 31 May 2024.

The allocation resolved by the 2021 AGM for 2021 comprised 80 persons and a total of 800,000 call options, and the programme was fully subscribed. Allocations varied between 1,000–67,000 options per person. The measurement period to determine the average share price, which was SEK 116.42, was 30 August–10 September 2021. The redemption price for the call options, which was resolved to be 125% of the average price, was set at SEK 145.50 (now remeasured to SEK 146.50). The market value of the call options was set at SEK 10.80 per option by an independent valuation institution. Options programme 2021/25 extends to 30 May 2025.

The allocation resolved by the 2022 AGM for 2022 comprised 80 persons and a total of 800,000 call options, and the programme was fully subscribed. Allocations varied between 1,000–65,000 options per person. The measurement period to determine the average share price, which was SEK 100.10, was 6 September–16 September 2022. The redemption price for the call options, which was resolved to be 125% of the average price, was set at SEK 127.7. The market value of the call options was set at SEK 11.00 per option by an independent valuation institution. Options programme 2022/26 extends to 29 May 2026.

The allocation resolved by the 2023 AGM for 2023 comprised 84 persons and a total of 800,000 call options, and the programme was fully subscribed. Allocations varied between 1,000–65,000 options per person. The measurement period to determine the average share price, which was SEK 114.46, was 5–15 September 2023. The redemption price for the call options, which was resolved to be 125% of the average price, was set at SEK 143.10. The market value of the call options was set at SEK 13.30 per option by an independent valuation institution. Options programme 2023/27 extends to 28 May 2027.

In addition to this, redemption of options relating to the 2020 programme meant an increase in equity of MSEK 2, in connection with the Parent Company's sale of repurchased Class B shares to the option holders and repurchased options according to the pre-emption principle of MSEK 1.

Option programme*	31 Mar 2024		31 Mar 2023	
	SEK/option	Number	SEK/option	Number
2020/24	78.50	746,750	78.20	1,200,000
2021/25	146.50	714,000	145.50	714,000
2022/26	127.70	778,000	127.70	800,000
2023/27	143.10	771,000		
<b>Total number of outstanding options</b>		<b>3,009,750</b>		<b>2,714,000</b>

Holding on 31 Mar 2024*	President & CEO	
	Subscribed	Number remaining
2020/24	124,200	100,000
2021/25	67,000	67,000
2022/26	65,000	65,000
2023/27	64,000	64,000
<b>Total number of options</b>		<b>296,000</b>

\* Restated after 3:1 split.

## Note 8 Other operating income

	2023/24	2022/23
<b>Koncernen</b>		
Övriga ersättningar och bidrag	5	5
Kursvinster på fordringar/skulder av rörelsekaraktär	30	37
Återföring av tilläggsköpeskilling tidigare förvärv	29	3
Övrigt	27	19
	<b>91</b>	<b>64</b>

## Note 9 Other operating expenses

	2023/24	2022/23
<b>Group</b>		
Exchange losses on receivables/liabilities of an operating character	-30	-28
Reversal of contingent consideration previous acquisitions	-5	–
Other expenses	-31	-29
	<b>-66</b>	<b>-58</b>

**Note 10 Depreciation and amortisation of property, plant and equipment and intangible assets**

	2023/24	2022/23
<b>Group</b>		
<i>Depreciation and amortisation according to plan allocated by asset</i>		
Intangible assets	-199	-160
Lands and buildings	-12	-10
Costs incurred in leasehold property	-4	-3
Plant and machinery	-56	-48
Equipment, tools, fixtures and fittings	-29	-31
Right-of-use assets	-148	-137
	<b>-448</b>	<b>-389</b>
<i>Depreciation and amortisation according to plan allocated by function</i>		
Cost of goods sold	-133	-116
Selling expenses	-254	-216
Administrative expenses	-61	-57
	<b>-448</b>	<b>-389</b>
<b>Parent Company</b>		
<i>Depreciation and amortisation according to plan allocated by asset</i>		
Equipment, tools, fixtures and fittings	0	0
	<b>0</b>	<b>0</b>
<i>Depreciation and amortisation according to plan allocated by function</i>		
Administrative expenses	0	0
	<b>0</b>	<b>0</b>

**Note 11 Leases**

	31 Mar 2024	31 Mar 2023
<b>Maturity structure lease liabilities</b>		
Within one year	156	127
1–2 years	116	92
2–5 years	172	125
More than 5 years	40	44
<b>Expected future payments, undiscounted</b>	<b>484</b>	<b>388</b>
<b>Recognised amount, discounted</b>	<b>455</b>	<b>370</b>

	2023/24	2022/23
<b>Costs from leases</b>		
Depreciation of right-of-use assets	148	137
Interest on lease liabilities	10	7
Costs for short-term leases	2	2
Costs for leased assets of low value	1	1
<b>Lease expenses</b>	<b>161</b>	<b>147</b>

	31 Mar 2024	31 Mar 2023
<b>The recognised right-of-use assets are distributed as follows:</b>		
Properties	367	303
Vehicles	66	51
Other	15	11
<b>Total right-of-use assets</b>	<b>448</b>	<b>365</b>

	31 Mar 2024	31 Mar 2023
<b>Depreciation for the year by type of asset</b>		
Properties	112	105
Vehicles	32	27
Other	4	5
<b>Total right-of-use assets</b>	<b>148</b>	<b>137</b>

Opening lease liability according to IFRS 16 at the beginning of the 2023/24 financial year amounted to MSEK 370. At the end of the 2023/24 financial year, the lease liability amounted to MSEK 455, of which MSEK 156 was current and MSEK 328 was non-current. The Group's right-of-use assets mainly refer to rented premises and cars but also to IT equipment etc. Cash flow related to amortisation of lease liability amounted to MSEK 146 million (99). Depreciation of right-of-use assets is included in Note 10 Depreciation and amortisation.

**Note 12 Financial income**

	2023/24	2022/23
<b>Group</b>		
Interest income	10	3
Exchange gains	19	44
Other financial income	2	–
	<b>32</b>	<b>47</b>
<b>Parent Company</b>		
<i>Result from participations in Group companies</i>		
Interest income from Group companies	110	38
Group contributions received	434	393
Dividends	387	280
Write-down of participations in Group companies	-20	–
	<b>911</b>	<b>711</b>
<i>Other interest income and similar profit/loss items</i>		
Exchange gains	24	62
Other	5	1
	<b>29</b>	<b>63</b>

**Note 13 Financial expenses**

	2023/24	2022/23
<b>Group</b>		
Interest expenses pensions	-2	-1
Interest expenses lease liabilities	-10	-7
Other interest expenses	-130	-67
Exchange losses	-30	-66
Other	–	–
	<b>-172</b>	<b>-141</b>
<b>Parent Company</b>		
<i>Result from participations in Group companies</i>		
Interest expenses to Group companies	-12	-4
Exchange losses	–	–
Impairment losses	–	–
	<b>-12</b>	<b>-4</b>
<i>Other interest expenses and similar profit/loss items</i>		
Other interest expenses	-125	-63
Effect of interest hedge	–	–
Other	-14	-38
	<b>-139</b>	<b>-101</b>
<b>Total financial expenses in the Parent Company</b>	<b>-151</b>	<b>-105</b>

**Note 14 Exchange differences that affected profit**

	2023/24	2022/23
<b>Group</b>		
Exchange differences affecting operating profit	0	9
Financial exchange differences	-8	-20
	<b>-8</b>	<b>-11</b>
<b>Parent Company</b>		
Financial exchange differences	9	19
	<b>9</b>	<b>19</b>



**Note 15 Tax on net profit for the year**

	2023/24	2022/23
<b>Group</b>		
<i>Current tax expense (-) / tax revenue (+)</i>		
Taxes for the period	-267	-226
Adjustment of taxes pertaining to prior years	2	-2
	<b>-265</b>	<b>-228</b>
<i>Deferred tax expense (-) / tax revenue (+)</i>		
Deferred tax related to temporary differences	25	18
Change in deferred tax related to change in capitalised tax value of loss carryforwards	-	-
	<b>25</b>	<b>18</b>
<b>Total recognised tax expense/ tax revenue in the Group</b>	<b>-239</b>	<b>-210</b>

The value of tax loss carryforwards is taken into account when it is deemed they will result in lower tax payments in the future.

<b>Reconciliation of effective tax</b>	2023/24	2022/23
<b>Group</b>		
Profit before taxes	1,116	968
Tax according to tax rate for the Parent Company, 20.6%	-230	-199
Effect of other tax rates in Group companies outside Sweden	-8	-9
Non-deductible expenses	0	-7
Non-taxable income	-11	4
Taxes pertaining to prior years	2	-2
Other	7	1
<b>Recognised effective tax</b>	<b>-239</b>	<b>-210</b>

	2023/24	2022/23
<b>Parent Company</b>		
<i>Current tax expense (-) / tax revenue (+)</i>		
Tax expense for the period	-59	-52
	<b>-59</b>	<b>-52</b>
<i>Deferred tax expense (-) / tax revenue (+)</i>		
Deferred tax related to temporary differences	0	0
	<b>0</b>	<b>0</b>
<b>Total recognised tax expense/tax revenue in the Parent Company</b>	<b>-59</b>	<b>-52</b>

<b>Reconciliation of effective tax</b>	2023/24	2022/23
<b>Parent Company</b>		
Profit before taxes	654	530
Tax according to current tax rate, 20.6%	-135	-109
Dividends from Group companies	80	58
Non-deductible expenses	-4	1
<b>Recognised effective tax</b>	<b>-59</b>	<b>-52</b>

**Note 16 Goodwill**

	31 Mar 2024	31 Mar 2023
<b>Group</b>		
<i>Accumulated cost</i>		
Opening balance	2,446	2,006
New purchases	652	400
Reclassification	-7.5	-
Amortisation for the year	-2	-2
Exchange difference	22	42
<b>Carrying amount at the end of the period</b>	<b>3,110</b>	<b>2,446</b>
<i>Goodwill allocated by division and cluster</i>		
Electrify	659	477
Control	235	235
TecSec	673	585
Niche Products	950	685
International	585	456
Other	7	7
<b>Total goodwill</b>	<b>3,110</b>	<b>2,446</b>

**Impairment testing of goodwill**

The Group's recognised goodwill amounts to MSEK 3,110 (2,446). Goodwill is not amortised under IFRS. Instead the value of goodwill is tested annually in accordance with IAS 36. The most recent test was performed during March 2024. Goodwill is allocated to cash-generating units, which consist of clusters of companies in each division. These clusters have been established by grouping companies that have similar operations and business models and that have common market conditions.

The recoverable amount is calculated based on the value in use and a current assessment of the cash flows for the next three-year period. The most important variables for estimating the value include the sales trend, gross margin, overhead levels, working capital requirement and the need for capital expenditures. Assumptions are made based on previous experience and statistical analysis. These parameters are normally set to correspond to the forecast levels for the next financial year, mainly based on the relevant entity's business plan equivalent to growth rates of 0–10% (0–10) annually. For subsequent years, growth has been based on an estimated sustainable GDP growth rate of 2% (2).

Cash flows have been discounted using a weighted cost of capital equivalent to about 11.7% before taxes and 9.3% after taxes (10.8 and 8.6% last year). The calculation showed that the value in use exceeded the carrying amount. Thus the impairment testing did not result in any write-down requirement. No risk of a write-down requirement exists based on reasonable change assumptions. The sensitivity of the calculations demonstrate that the goodwill value can be defended going forward, even if the sustainable growth rate was 0% instead of 2%, or if the recoverable amount of each cluster were to decline by 10%.

**Note 17 Other intangible assets**

	31 Mar 2024	31 Mar 2023
<i>Trademarks allocated by division and cluster</i>		
Electrify	166	51
Control	50	70
TecSec	153	97
Niche Products	175	110
International	112	139
Other	1	1
<b>Total trademarks</b>	<b>657</b>	<b>468</b>

Trademarks with indefinite useful lives amount to MSEK 180. Every year impairment testing of trademarks with indefinite useful lives is carried out according to the same principles used in the testing of goodwill. The calculation showed that the value in use exceeded the carrying amount. Thus the impairment testing did not result in any write-down requirement. No risk of a write-down requirement exists based on reasonable change assumptions. Other trademarks are amortised according to plan over 5–30 years.

31 Mar 2024	Trade- marks	Patents and products	Customer relations	Other	Total Group
<i>Accumulated cost</i>					
<b>Opening balance</b>	<b>535</b>	<b>1,136</b>	<b>566</b>	<b>215</b>	<b>2,452</b>
New purchases	2	9	–	25	36
Purchases via new companies	213	230	217	–	660
Transferred from construction in progress	–	–	–	–	–
Disposals	0	0	0	-1	-1
Reclassifications	–	8	–	–	8
Exchange difference	4	9	8	2.8	24
<b>Closing balance</b>	<b>755</b>	<b>1,391</b>	<b>791</b>	<b>241</b>	<b>3,179</b>
<i>Accumulated amortisation according to plan</i>					
<b>Opening balance</b>	<b>-67</b>	<b>-470</b>	<b>-238</b>	<b>-159</b>	<b>-933</b>
Amortisation for the year according to plan	-31	-96	-54	-16	-196
Disposals	0	0	0	0	0
Reclassifications	0	0	-1	0	-1
Exchange difference	0	-2	-2	-2	-6
<b>Closing balance</b>	<b>-98</b>	<b>-568</b>	<b>-294</b>	<b>-176</b>	<b>-1,136</b>
<b>Carrying amount at year-end</b>	<b>657</b>	<b>823</b>	<b>497</b>	<b>66</b>	<b>2,042</b>

31 Mar 2023	Trade- marks	Patents and products	Customer relations	Other	Total Group
<i>Accumulated cost</i>					
<b>Opening balance</b>	<b>404</b>	<b>872</b>	<b>380</b>	<b>189</b>	<b>1,846</b>
New purchases	–	–	–	23	23
Purchases via new companies	126	244	175	–	545
Transferred from construction in progress	–	–	–	–	–
Disposals	–	–	–	-6	-6
Reclassifications	–	–	–	–	–
Exchange difference	5	19	11	9	44
<b>Closing accumulated acquisition cost</b>	<b>535</b>	<b>1,136</b>	<b>566</b>	<b>215</b>	<b>2,452</b>
<i>Accumulated amortisation according to plan</i>					
<b>Opening balance</b>	<b>-45</b>	<b>-380</b>	<b>-194</b>	<b>-142</b>	<b>-761</b>
Amortisation for the year according to plan	-21	-83	-38	-14	-157
Disposals	0	0	0	4	4
Reclassifications	–	–	–	–	–
Exchange difference	0	-7	-6	-7	-20
<b>Closing balance</b>	<b>-67</b>	<b>-470</b>	<b>-238</b>	<b>-159</b>	<b>-933</b>
<b>Carrying amount at the end of the period</b>	<b>469</b>	<b>666</b>	<b>328</b>	<b>57</b>	<b>1,518</b>

## Note 18 Other property, plant and equipment

31 Mar 2024	Group				Total the Group	Parent Company Equipment, tools, fixtures and fittings
	Lands and buildings	Costs incurred in leasehold property	Plant and machinery	Equipment, tools, fixtures and fittings		
<i>Accumulated cost</i>						
<b>Opening balance</b>	<b>273</b>	<b>38</b>	<b>587</b>	<b>348</b>	<b>1,246</b>	<b>4</b>
New purchases	8	4	28	52	92	0
Purchases via new companies	27	4	49	12	92	–
Transferred from construction in progress	–	–	–	–	–	–
Disposals	-5	0	-8	-11	-24	–
Reclassifications	40	1	30	-74	-2	–
Exchange difference	8	0	6	3	17	–
<b>Closing balance</b>	<b>351</b>	<b>48</b>	<b>692</b>	<b>330</b>	<b>1,421</b>	<b>4</b>
<i>Accumulated depreciation according to plan</i>						
<b>Opening balance</b>	<b>-53</b>	<b>-19</b>	<b>-367</b>	<b>-199</b>	<b>-638</b>	<b>-2</b>
Depreciation for the year according to plan	-12	-4	-56	-29	-102	0
Disposals	–	0	8	13	21	–
Reclassifications	0	-1	0	0	-1	–
Exchange difference	-1	0	-4	-2	-7	–
<b>Closing balance</b>	<b>-66</b>	<b>-24</b>	<b>-419</b>	<b>-217</b>	<b>-726</b>	<b>-2</b>
<b>Carrying amount at the end of the year</b>	<b>285</b>	<b>24</b>	<b>273</b>	<b>113</b>	<b>695</b>	<b>2</b>
<i>Accumulated cost</i>						
<b>Opening balance</b>	<b>156</b>	<b>33</b>	<b>495</b>	<b>277.0</b>	<b>961</b>	<b>2</b>
New purchases	17	3	32	84.0	136	2
Purchases via new companies	91	0	49	8.0	148	–
Transferred from construction in progress	3	–	5	-21.0	-13	–
Disposals	–	0	-11	-8.0	-19	–
Reclassifications	–	0	6	0.0	12	–
Exchange difference	6	2	11	8.0	27	–
<b>Closing balance</b>	<b>273</b>	<b>38</b>	<b>587</b>	<b>348.0</b>	<b>1,246</b>	<b>4</b>
<i>Accumulated depreciation according to plan</i>						
<b>Opening balance</b>	<b>-41</b>	<b>-15</b>	<b>-320</b>	<b>-170.0</b>	<b>-546</b>	<b>-2</b>
Depreciation for the year according to plan	-10	-3	-47	-28.0	-88	0
Disposals	–	0	9	5.0	14	–
Reclassifications	–	0	0	-1.0	-1	–
Exchange difference	-2	-1	-9	-5.0	-17	–
<b>Closing balance</b>	<b>-53</b>	<b>-19</b>	<b>-367</b>	<b>-199.0</b>	<b>-638</b>	<b>-2</b>
<b>Carrying amount at the end of the year</b>	<b>220</b>	<b>19</b>	<b>220</b>	<b>149</b>	<b>608</b>	<b>2</b>

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## Note 19 Participations in Group companies

	31 Mar 2024		31 Mar 2023		Koncernbolag <sup>1)</sup> / Org nr / Säte	Number of participations	Participation as % <sup>2)</sup>	Carrying amount	
								2024	2023
<b>Parent Company</b>								31 Mar	31 Mar
<i>Accumulated cost</i>									
Opening balance		3,972		3,535	ISG Nordic AB, 556318-0032, Solna	38,300	100.0	48	48
External acquisitions		1,050		387	KPRO AB, 556509-1096, Västerås	5,000	100.0	20	20
Shareholders' contributions paid		–		44	Forming Function AB( fd Kondator AB), 556500-1947, Tyresö	2,000	100.0	71	71
Repaid shareholders' contributions		-77		–	Lager CC AB, 556260-2127, Stockholm	1,000	100.0	3	3
Adjustment of contingent consideration and call options		74		6	Laurea Teknisk Säkerhet AB, 559115-2904, Norrköping	45,500	100.0	176	176
		<b>5,019</b>		<b>3,972</b>	R-Contracting AB, 556681-9404, Norrköping	5,000	100.0	–	–
<i>Accumulated impairment losses</i>					Bjurenwall Laurea AB, 556217-6098, Kolbäck	5,000	100.0	–	–
Opening balance		-136		-136	Leteng AS, 952 002 872, Tynset, Norway	12,968	95.0	50	51
Impairment losses for the year		-20		–	Letti AS, 993541850, Søndeled, Norway	500	100.0	102	–
		<b>-156</b>		<b>-136</b>	Libra Plast AS, 950 603 739, Hareid, Norway	750	75.0	251	230
<b>Carrying amount at the end of the period</b>		<b>4,863</b>		<b>3,836</b>	Libra Plast SIA, 485 030 11 528, Sandes, Latvia	10	100.0	–	–
					Material Handling Modules Europe AB, 556490-7458, Ystad, Sweden	3,982	97.0	85	–
					Fastigheten Ystad Ingelstorp 49:59 AB, 559306-7316, Ystad, Sweden	250	100.0	–	–
					Load Indicator AB, 556081-3569, Hisings Backa	1,000	100.0	35	35
					Norwesco AB, 556038-4090, Täby	15,000	100.0	61	61
					Nordic Road Safety AB, 559022-0173, Timrå, Sweden	594	99.0	341	–
					Plåt och Spiralteknik i Torsås AB, 556682-9197, Torsås	10,000	100.0	46	46
					Precimeter Control AB, 556511-8980, Hököpinge	10,000	100.0	36	36
					Precimeter Inc, 20-0110568, Phoenix, USA	100	100.0	–	–
					Precimeter GmbH, 212/5752/0032, Wiehl, Germany	1	100.0	13	13
					Prido AB, 556182-2981, Tråväd, Sweden	8,640	96.0	521	–
					Prido Norway AS, 912462455, Askim, Norway	1,000	100.0	–	–
					Prido OY, 3245984-4, Tråväd, Finland	1,000	100.0	–	–
					Profsafe AB, 556722-2459, Anderstorp	4,000	100.0	67	67
					Profsafe Norge AS, 911552388, Oslo, Norway	100	100.0	–	–
					Skandex i Bromma AB, 556515-1189, Anderstorp	5,000	100.0	–	–
					Radonova Laboratories AB, 556690-0717, Uppsala	1,000	100.0	66	66
					GW Scientific Ltd, 11106167, Yatton, UK	1,000	100.0	–	–
					Radonova, Inc, 70206544, Chicago, USA	100	100.0	–	–
					Schmitztechnik GmbH, HRB 956, Mönchengladbach, Germany	135,015	90.0	124	120
					STV Sv Tele & Video Konsult AB, 556307-4565, Stockholm	65,000	100.0	16	16
					Steele AB, 556842-6000, Värnamo	100,000	100.0	32	32
					Stegborgs EL-elevator AB, 556284-9686, Strängnäs	1,000	100.0	56	54
					Svenska Industriborstar i Västerås AB, 556109-2221, Västerås	5,000	100.0	42	42
					SwedWire AB, 556297-0060, Varberg	100,000	100.0	95	95
					Thermod AB, 556683-7125, Klässbol	1,000	100.0	47	47
					Tormek AB, 556586-5788, Lindsberg	960	96.0	193	189
					Tormek Inc., 352653923, Westmont, USA	100	100.0	–	–
					Truxor Wetland Equipment AB (formerly Dorotea Mekaniska), 556407-7823, Dorotea	2,500	100.0	83	83
					Tykoflex AB, 556692-9344, Tyresö	50,000	100.0	217	207
					Unitronic GmbH, HRB 40042, Düsseldorf, Germany	153,600	100.0	28	28
					Vanpee AB, 556213-2406, Stockholm	50,000	100.0	0	20
					Vanpee Norge AS, 976 286 324, Oslo, Norway	100	100.0	113	113
					Vendig AB, 556626-7976, Skara	5,000	100.0	29	29
					VP Ledbelysning AB, 556084-5975, Nyköping	4,000	100.0	2	2
					VP metall AS, 982 082 048, Raufoss, Norway	600	100.0	88	88

<sup>1)</sup> Group companies recognised at carrying amount. Other companies are owned indirectly via Group companies

<sup>2)</sup> The participating interest in the capital is referred to, which also corresponds to the share of the votes of the total number of shares.

Koncernbolag <sup>1)</sup> / Org nr / Säte	Number of participations	Participation as % <sup>2)</sup>	Carrying amount	
			2024	2023
			31 Mar	31 Mar
Waterproof Diving International AB, 556575-8959, Gothenburg	15,810	93.0	132	126
Waterproof Diving GmbH, 62356, Darmstadt, Germany	1000	100.0	–	–
Waterproof Pro & Service GmbH, 93127865, Eckenförde, Germany	1000	100.0	–	–
Wapro AB, 556352-1466, Karlshamn	1,000	100.0	55	55
Wapro Inc., Chicago, USA	100	100.0	–	–
Westmatic Invest AB, 556494-1242, Arvika	164	82.0	254	227
Westmatic i Arvika AB, 556326-7185, Arvika	2,000	100.0	–	–
Westmatic AS, 978 640 818, Oslo, Norway	900	100.0	–	–
Westmatic Corporation, 71-0980723, St Claire Shores, USA	10,000	100.0	–	–
Westmatic Inc, 690492, Newbrunswick, Canada	1,000	100.0	–	–
Lagercrantz A/S, 81 74 67 10, Köpenhamn, Denmark	6	100.0	131	131
ACTE A/S, 71 28 89 19, Köpenhamn, Denmark	2	100.0	–	–
Lagercrantz Asia Ltd, Hong Kong, China	20,000	100.0	–	–
ACTE Poland Sp Z o.o., 5 753, Warszawa, Poland	2	100.0	–	–
Aras Security A/S, 27 55 65 74, Rødovre, Denmark	500	100.0	–	–
Aras Security AB, 559236-0027, Malmö	25,000	100.0	–	–
Elfac A/S, 17 46 50 31, Silkeborg, Denmark	1	100.0	–	–
G9 landskab, park & byrum A/S, 22 65 29 32, Randers, Denmark	500,000	100.0	–	–
Camé Danmark A/S, 33 06 10 21, Randers, Denmark	33,400	100.0	–	–
ISIC A/S, 16 70 45 39, Århus, Denmark	33,400	100.0	–	–
Glova Rail A/S, 10120268, Odense, Denmark	500,000	100.0	–	–
AC Antennas A/S, 25 67 37 86, Glostrup, Denmark	500,000	100.0	–	–
Stramatt ApS, 34 73 26 04, Glostrup, Denmark	80,000	100.0	–	–
Nikodan Conveyor Systems A/S, 13 47 38 03, Snede, Denmark	555,334	80.0	–	–
NST A/S, 25844998, Odense, Denmark	600,000	100.0	–	–
Wapro A/S (Proagria Miljø A/S), 27443745, Otterup, Denmark	1,000,000	100.0	–	–
LcG Software A/S, 36 55 76 80, Brøndby, Denmark	500,000	100.0	–	–
PcP Corporation A/S, 35242147, Vildbjerg, Denmark	9,500,000	95.0	–	–
PcP. Danmark A/S, 14310940, Vildbjerg, Denmark	2,000	100.0	–	–
P.F. Værktøj. Herning ApS, 10012600, Herning, Denmark	3,600	100.0	–	–
Nordjysk Dønggalvanisering A/S, 76819718, Støvring, Denmark	200	100.0	–	–
ElefantRiste A/S, 48332013, Herning, Denmark	500	100.0	–	–
Elefant Gratings Ltd, 3626194, Wolverhampton, UK	200	100.0	–	–
PcP. Norge AS, 929693264, Stavanger, Norway	11,000	100.0	–	–
PcP Gratings Ltd., 1991883, Wolverhampton, UK	2	100.0	–	–
PcP Deutschland GmbH, HRB 5921, Breckerfeld, Germany	50	100.0	–	–
PcP Nederland B.V, 20032748, Oudenbosch, Netherlands	15,000	100.0	–	–
Pcp. Belgium S.A, 433582575, Sprimont, Belgium	92,000	100.0	–	–
PcP. Sverige AB, 556648-3292, Göteborg, Sweden	2	100.0	–	–
Guardrail Engineering Ltd., 3020408, Wolverhampton, UK	100	100.0	–	–
Skomø A/S, 11801978, Ebeltoft, Denmark	500,000	100.0	–	–
Vanpée A/S, 25 69 58 01, Köpenhamn, Denmark	500	100.0	–	–

Koncernbolag <sup>1)</sup> / Org nr / Säte	Number of participations	Participation as % <sup>2)</sup>	Carrying amount	
			2024	2023
			31 Mar	31 Mar
Lagercrantz Holding Oy, 3010692-2, Vasa, Finland	100	100.0	128	205
EFC Finland Oy, 1750567-0, Korsholm, Finland	1,550	100.0	–	–
EFC Estonia OÜ, 12681821 Estonia	1	100.0	–	–
Enkom Active Oy, 0183125-2, Helsingfors, Finland	1,800	100.0	–	–
Exilight Oy, 1865741-4, Tammerfors, Finland	8,000	100.0	–	–
FN Holding Oy, 3020211-3, Helsingfors, Finland	10,000,000	100	–	–
Frictape Net Oy, 1079463-3, Helsingfors, Finland	100	100.0	–	–
Frictape Net Oü, 11831750, Harju maakond, Estonia	1	100.0	–	–
Idesco OY, 2024497-7, Uleåborg, Finland	403,391	90.2	–	–
Oy Esari Ab, 1599414-0, Kaustinen, Finland	93	100.0	–	–
Sajakorpi Oy, 0154773-7, Ylöjärvi, Finland	5,000	100.0	–	–
Saja GmbH, 110696, Hagen, Germany	1	100.0	–	–
Sajas Group Estonia Oü, 10570900, Jüri, Estonia	1	100.0	–	–
Suomen Diesel Voima OY, 1885764-3, Tampere, Finland	143	85.6	–	–
Tebul OY, 0792836-2, Lieto, Finland	8,000	80.0	–	–
Lagercrantz UK Limited, 4209447, Hampshire, UK	49,999	100.0	44	44
Door and Joinery Solutions Limited, 4732923, Burton-On-Trent, UK	6	100.0	–	–
D. P. Seals Limited, 739542, Dorset, UK	300	100	–	–
E-Tech Components UK Ltd, Liverpool, UK	5,000	100.0	–	–
Fireco Limited, 2965550, Brighton, UK	122,987	95.0	–	–
Seeback 162 Limited, 11786022, Cambridgeshire, UK	20,000,000	80.0	–	–
Supply Plus Limited, 1047919, Cambridgeshire, UK	3,550	100.0	–	–
Supply Plus (Ireland) Limited, 686947, Cork, Ireland	1	100.0	–	–
			<b>4,863</b>	<b>3,836</b>

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**Note 20 Receivables from Group companies**

	31 Mar 2024	31 Mar 2023
<b>Parent Company</b>		
<i>Accumulated cost</i>		
Opening balance	759	107
Additional receivables	150	645
Settled receivables	-3	-2
Exchange difference	19	9
<b>Carrying amount at the end of the period</b>	<b>925</b>	<b>759</b>

**Note 21 Other non-current receivables**

	31 Mar 2024	31 Mar 2023
<b>Group</b>		
<i>Accumulated cost</i>		
Opening balance	10	7
Additional receivables	5	3
Settled receivables	-4	-1
Exchange difference		1
<b>Carrying amount at the end of the year</b>	<b>11</b>	<b>10</b>

**Note 22 Inventories**

<b>Inventories etc.</b>	31 Mar 2024	31 Mar 2023
Raw materials and consumables	537	493
Work in progress	114	117
Finished goods and goods for resale	718	557
<b>Total inventories</b>	<b>1,369</b>	<b>1,167</b>

During the year, impairments losses of MSEK 14 (10) on the inventory value were recognised.

**Note 23 Trade receivables**

<b>Age analysis, not impaired trade receivables due</b>	31 Mar 2024	31 Mar 2023
<b>Group</b>		
Trade receivables not due	1,086	1,013
Trade receivables due 0–30 days	151	100
Trade receivables due > 30–90 days	21	22
Trade receivables due > 90–180 days	4	5
Trade receivables due > 180 days	9	6
<b>Total</b>	<b>1,271</b>	<b>1,146</b>
<b>Provision account for bad debt losses</b>	<b>31 Mar 2024</b>	<b>31 Mar 2023</b>
<b>Group</b>		
Opening balance	8	4
Reversal of previously recognised impairment losses	-2	-
Impairment losses for the year	3	4
Exchange difference	-	-
<b>Closing balance</b>	<b>9</b>	<b>8</b>

Confirmed bad debt losses during the year of MSEK 0 (0) were charged to earnings.

**Note 24 Contract balances**

<b>Contract assets</b>	31 Mar 2024	31 Mar 2023
<b>Group</b>		
Opening balance	91	90
New companies	5	-
New contracts and increase in existing contracts	192	155
Reclassification of contract assets to trade receivables	-187	-154
<b>Closing balance</b>	<b>101</b>	<b>91</b>
<b>Contract liabilities</b>	<b>31 Mar 2024</b>	<b>31 Mar 2023</b>
<b>Group</b>		
Opening balance	85	72
New companies	4	-
Increase in contract liabilities during the year	130	90
Contracts taken up as income	-102	-77
<b>Closing balance</b>	<b>117</b>	<b>85</b>

Contract assets primarily relate to the Group's right to remuneration for performed but non-invoiced work at the balance sheet date. Contract liabilities primarily relate to the advances received from the customer for installations and inventories and service assets where no assets are created and where the customer consumes the service when it is provided e.g. service contracts, for which revenue is recognised over time. Of the MSEK 72 recognised as a contract liability at the beginning of the period, MSEK 45 was recognised as revenue.

**Note 25 Prepaid expenses and accrued income**

	31 Mar 2024	31 Mar 2023
<b>Group</b>		
Prepaid rent	24	19
Prepaid insurance premiums	5	3
Other items	74	69
	<b>103</b>	<b>91</b>
<b>Parent Company</b>		
Prepaid rent	1	-
Accrued interest income	26	-
Other items	3	7
	<b>30</b>	<b>7</b>

**Note 26 Equity**

**Parent Company**  
Under Swedish law, equity shall be allocated between non-distributable (restricted) and distributable (non-restricted) funds.

**Restricted reserves**

Restricted funds consist of share capital and the following reserves:

*Legal reserve*

The purpose of the legal reserve is to set aside the portion of net earnings not required to cover a loss brought forward.

**Non-restricted equity**

Non-restricted funds consist of retained earnings:

*Retained earnings*

Consist of the preceding year's unrestricted equity after any allocation to legal reserve and after any dividends paid. Constitute the total unrestricted equity together with this year's income, i.e. the amount available for payment as dividends to the shareholders. Retained earnings include the effect of put options issued to non-controlling interests.

**Share capital**

*Distribution and change of Class of share*

<b>Classes of shares</b>	<b>Number of shares</b>	<b>Number of votes</b>
A shares, 10 votes per share	9,791,406	97,914,060
B shares, 1 vote per share	199,426,827	199,426,827
The company's repurchased B shares	-3,263,204	-3,263,204
<b>Total</b>	<b>205,955,029</b>	<b>205,955,029</b>
	<b>A shares</b>	<b>B shares</b>
Number of outstanding shares at start of period	9,791,406	199,426,827
<b>Number of shares at end of period</b>	<b>9,791,406</b>	<b>199,426,827</b>

**Number of repurchased shares**

At the start of the period	3,287,969
Shares used during redemption of options	-24,765
<b>At the end of the period</b>	<b>3,263,204</b>



The share capital amounted to MSEK 48.9 at the end of the period. The B share is listed on the Nasdaq Stockholm exchange. According to the Articles of Association, the share capital shall not be less than MSEK 25 and not more than MSEK 100. The share's quota value is SEK 0.23.

The options programmes described in Note 7 are secured by shares repurchased at an average cost of SEK 10.75.

When the call options are exercised at a redemption price of SEK 78.50, SEK 145.50, SEK 127.7 and SEK 143.1, respectively, per share, the number of outstanding shares may increase by the number of call options redeemed, or a total of 3,009,750 shares. The number of repurchased shares will then decline by an equivalent amount.

#### Group

The Group's equity consists of share capital and the following items:

##### Other paid-up capital

Refers to equity contributed by the owners.

##### Reserves

Reserves refer to translation reserve

The translation reserve includes all exchange differences that arise when translating the financial statements of foreign operations. These entities prepare their financial statements in other currencies than the Group and the Parent Company, which report in Swedish kronor (SEK). The translation reserve also consists of exchange rate differences that arise upon remeasurement of net investments in a foreign operation.

##### Retained earnings

Retained earnings include earned profit in the Parent Company and its subsidiaries.

Net profit for the year is reported separately in the statement of financial position.

Prior provisions to the legal reserve, excluding transferred share premium reserves, are included in this equity item.

##### Capital management

The Group's goal according to its finance policy, is to maintain a good capital structure and financial stability in the interest of retaining the confidence of investors, credit institutions and the market. In addition, this constitutes a foundation for continued development of the business operations. Capital is defined as total shareholders' equity, not including non-controlling interests.

The ambition of the Board of Directors is to retain a balance between a high return and the security of a large capital base. The Group's goal is to achieve a return on equity of at least 25% per year. During the 2023/24 financial year, the return was 27% (29). Profit amounted to MSEK 877 (758) and average equity during the year amounted to MSEK 3,239 (2,619).

The Group's policy is to pay a dividend of 30–50% of the net profit for the year with cash flow and capital expenditure needs taken into account. Ahead of the 2024 AGM, the Board of Directors has proposed a dividend of SEK 1.90 (1.60) per share. The proposed dividend is equivalent to a dividend payout ratio of 45% (43) and corresponds to 11% (11) of consolidated equity on the balance sheet date.

The Group's Board of Directors has a mandate from the 2021 Annual General Meeting to repurchase shares. No shares were repurchased during the year. The timing of repurchases is determined by the share price. The repurchased shares are, in part, intended to cover the Group's commitment under outstanding option programmes, where senior executives and certain key persons have the opportunity to acquire class B shares by exercising acquired options. There is no formal repurchase plan. Decisions to buy and sell shares in the Group are instead made by the Board of Directors within the framework of the mandate given by the AGM. The Board of Directors is again proposing that the 2023 AGM authorise the Board of Directors to repurchase the company's own shares.

There was no change in the Group's capital management during the year.

## Note 27 Provisions for pensions and similar obligations

### Defined benefit obligations

Lagercrantz Group has defined benefit pension plans in just a few countries. The plans in Sweden cover certain Group companies. The plans provide benefits based on the remuneration and length of service the employees have at or close to retirement.

The pension plan according to ITP, secured by insurance with Alecta, is recognised as a defined contribution plan since the company has not had access to such information to make it possible to recognise this plan as a defined benefit plan. The collective consolidation ratio in Alecta amounted to 163% (169%) as of 31 March 2024.

	31 Mar 2024	31 Mar 2023
<b>Group</b>		
The present value of unfunded defined benefit obligations	65	55
<b>Net obligations including adjustments</b>	<b>65</b>	<b>55</b>
<b>Distribution of amount on plans in the following countries</b>	<b>31 Mar 2024</b>	<b>31 Mar 2023</b>
Sweden	64	54
Germany	1	1
<b>Amount in statement of financial position</b>	<b>65</b>	<b>55</b>

Actuarial gains and losses may arise when the present value of the obligation and the fair value of managed assets are determined. They arise either when the actual outcome differs from the previously made assumption, or when assumptions are changed.

Pension expense	2023/24	2022/23
<b>Group</b>		
<i>Defined benefit plans</i>		
Cost of pensions earned during the year	0	0
Change payroll tax	-2	-2
Interest expenses	-2	-1
<b>Cost of defined benefit plans</b>	<b>-4</b>	<b>-3</b>
Cost of defined contribution plans	-149	-130
<b>Total cost of payments, post-employment</b>	<b>-153</b>	<b>-133</b>

The pension expense relating to the most important defined benefit pension plans is recognised in the income statement in the line items Selling expenses, Administrative expenses and Interest expenses. Since virtually no new salaries are earned in this category, the change in the liability for payroll tax and the interest portion of the pension expense represent the main part of this. The change in the liability for payroll tax is recognised as an administrative expense of MSEK 2 (1) and the interest expense as a financial expense of MSEK 2 (1). The pension expense for defined contribution plans amounted to MSEK 149 (130). The total pension expense for defined benefit and defined contribution plans amounted to MSEK 153 (133).

The forecast for the period 2024/25 is that the pension expense will be in line with 2023/24, of which the financial expense for defined benefit plans is estimated at MSEK 2.

### Reconciliation of net amount of pensions in the statement of financial position

The following table explains how the net amount in the statement of financial position changed during the period:

	2023/24	2022/23
<b>Opening balance: Present value of obligation</b>	<b>55</b>	<b>63</b>
Additional Group companies	–	–
Cost of defined benefit plans	3	3
Payments disbursed	-2	-3
Changes in actuarial gains/losses	9	-8
Exchange rate differences	–	–
<b>Closing balance: Present value of obligation</b>	<b>65</b>	<b>55</b>
<b>Net amount in statement of financial position, closing balance</b>	<b>65</b>	<b>55</b>

### Actuarial assumptions

The following significant actuarial assumptions have been applied when calculating the obligations:

(weighted average values)	31 Mar 2024	31 Mar 2023
Discount rate	3.7%	3.9%
Expected inflation	2.0%	2.0%

As in prior years, the basis for the discount interest rate in Sweden is the interest rate on housing bonds. The Group estimates that MSEK 3 will be paid during 2024/25 to funded and unfunded defined benefit plans.

For life expectancy assumptions, DUS21 is used, which is a more recently updated study than the one in the Swedish Financial Supervisory Authority's technical bases.

### Sensitivity analysis

#### Change of the unfunded defined benefit obligation, MSEK:

	31 Mar 2024	31 Mar 2023
Discount rate, decrease of 0.5%		3.3
Discount rate, increase of 0.5%		-3.7
Inflation, decrease of 0.5%		-3.4
Inflation, increase of 0.5%		3.7
Life expectancy, increase of 1 year		2.5
Life expectancy, decrease of 1 year		-2.5

	31 Mar 2024	31 Mar 2023
<b>Parent Company</b>		
Provision for pensions	21	21
	<b>21</b>	<b>21</b>

### Pledged assets for pension obligations

The Parent Company has guaranteed the PRI liabilities of Group companies.

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**Note 28 Deferred tax**

31 Mar 2024	Deferred tax assets	Deferred tax liabilities	Net
<b>Group</b>			
Non-current assets	5	-408	-404
Pension provisions	4		4
Other provisions	2	-13	-11
Untaxed reserves	–	-119	-119
Loss carryforwards	4		4
Other	–	–	–
	<b>14</b>	<b>-540</b>	<b>-526</b>

31 Mar 2023	Deferred tax assets	Deferred tax liabilities	Net
<b>Group</b>			
Non-current assets	5	-298	-293
Pension provisions	2		2
Other provisions	3		3
Untaxed reserves	–	-94	-94
Loss carryforwards	2	-17	-15
Other	–	–	–
	<b>12</b>	<b>-409</b>	<b>-397</b>

The value of tax loss carryforwards is taken into account to the extent it is deemed possible that they will result in lower tax payments in the future.

**Change of deferred tax in temporary differences and loss carryforwards**

	Opening balance	Recognised over profit or loss	Recognised over financial position	Recognised via other comprehensive income	Change via acquisitions	Closing balance
<b>Group</b>						
Non-current assets	-316	40	2		-130	-404
Pension provisions	2	–		2	–	4
Other provisions	4	-3	–	–	-12	-11
Untaxed reserves	-90	-13		–	-16	-119
Loss carryforwards	1	3	–	–	–	4
Other	2	-2	–	–	–	–
	<b>-397</b>	<b>25</b>	<b>2</b>	<b>2</b>	<b>-158</b>	<b>-526</b>

The company recognises no deferred taxes on temporary differences attributable to investments in Group companies. Any effects in the future will be recognised when the company can no longer control the reversal of such differences, or when it for other reasons is no longer probable that reversal will take place within the foreseeable future.

The Parent Company has a deferred tax asset of MSEK 3 (3).

**Note 29 Other provisions**

	31 Mar 2024	31 Mar 2023
<b>Group</b>		
<i>Other provisions such as non-current liabilities</i>		
Guarantee reserve	26	27
Other	8	7
	<b>34</b>	<b>34</b>
<i>Other provisions such as current liabilities</i>		
Costs for restructuring measures	15	4
Other provisions	58	47
	<b>73</b>	<b>51</b>
<b>Carrying amount at start of the period</b>	<b>84</b>	<b>46</b>
Provisions in acquired subsidiaries	10	21
Provisions made during the period.	36	31
Amounts claimed during the period	-15	-13
Unutilised amount reversed during the period	-4	-1
<b>Carrying amount at end of the period</b>	<b>111</b>	<b>84</b>

**Restructuring**

Reserved restructuring costs mainly consist of measures related to structural and personnel changes.

**Note 30 Financial assets and liabilities****Financial instruments by category**

Fair values of financial assets and liabilities essentially correspond to the carrying amounts. Contingent considerations are measured using a cash flow-based measurement. Measurement that is not based on observable inputs is included in IFRS 13's level 3.

Group	Financial assets measured at		Total
	amortised cost	fair value via profit or loss	
<b>31 Mar 2024</b>			
<i>Assets in statement of financial position</i>			
Non-current receivables	11		11
Trade receivables	1,271		1,272
Other receivables	115		115
Cash and cash equivalents	355		355
<b>Total</b>	<b>1,752</b>		<b>1,752</b>

All financial assets of MSEK 1,752 (1,569) are measured at amortised cost. Cash and cash equivalents consist of bank balances.

Group	Financial liabilities measured at		Total
	amortised cost	fair value via profit or loss/OCI	
<b>31 Mar 2024</b>			
<i>Liabilities in statement of financial position</i>			
Current liabilities to credit institutions	650		650
Non-current liabilities to credit institutions	2,598		2,598
Trade payables	631		631
Other current liabilities	224	705	929
<b>Total</b>	<b>4,103</b>	<b>705</b>	<b>4,808</b>

There are contingent considerations and call options of MSEK 705. Of these, MSEK 199 fall due within one year. Contingent considerations are measured at fair value via profit or loss and call options are measured via equity. The year's restatement of call options recognised in equity amounted to MSEK 76 (6).

Other financial liabilities of MSEK 4,103 (3,399) are measured at amortised cost. Financial liabilities are mostly payable within 24 months. Other items are non-financial.

Group	Financial assets measured at		Total
	amortised cost	fair value via profit or loss	
<b>31 Mar 2023</b>			
<i>Assets in statement of financial position</i>			
Non-current receivables	10	–	10
Trade receivables	1,146	–	1,146
Other receivables	53	0	53
Cash and cash equivalents	360	–	360
<b>Total</b>	<b>1,569</b>	<b>0</b>	<b>1,569</b>

All financial assets of MSEK 1,569 (1,169) are measured at amortised cost.

Group	Financial liabilities measured at		Total
	amortised cost	fair value via profit or loss/OCI	
<b>31 Mar 2023</b>			
<i>Liabilities in statement of financial position</i>			
Current liabilities to credit institutions	156		156
Non-current liabilities to credit institutions	2,474		2,474
Trade payables	588		588
Other current liabilities	181	400	581
<b>Total</b>	<b>3,399</b>	<b>400</b>	<b>3,799</b>

There are contingent considerations and call options of MSEK 400. Of these, MSEK 42 fall due within one year. Contingent considerations are measured at fair value via profit or loss and call options are measured via equity. The year's restatement of call options recognised in equity amounted to MSEK 6 (12).

**Change in contingent considerations including call options (category 3)**

	2023/24	2022/23
Opening balance	400	269
Additional liabilities during the year	305	144
Settled liabilities	-70	-37
Remeasured liabilities	64	4
Exchange difference	6	20
<b>Carrying amount at the end of the period</b>	<b>705</b>	<b>400</b>

Contingent considerations are measured at fair value via profit or loss and call options are measured via comprehensive income. The year's restatement of call options recognised in equity amounted to MSEK 76 (6).

**Parent Company**

31 Mar 2024	Loans and trade receivables	Contingent consideration and call options	Total
<i>Assets in the balance sheet</i>			
Non-current receivables from subsidiaries	924		924
Other current receivables	1,437		1,437
Cash and cash equivalents	0	–	0
<b>Total</b>	<b>2,361</b>	<b>–</b>	<b>2,361</b>

31 Mar 2024	Other liabilities	Contingent consideration and call options	Total
<i>Liabilities in the balance sheet</i>			
Non-current liabilities to Group companies	0		0
Current liabilities to credit institutions	476		476
Non-current liabilities to credit institutions	2,272		2,272
Trade payables	8		8
Other current liabilities	435	423	858
<b>Total</b>	<b>3,191</b>	<b>423</b>	<b>3,614</b>

Contingent consideration payments and call options are recognised of MSEK 423 measured using the acquisition method and based on the probability that the consideration will be paid. Any changes in provisions/receivables are added to/reduce the acquisition value.

31 Mar 2023	Loans and trade receivables	Contingent consideration and call options	Total
<i>Assets in the balance sheet</i>			
Non-current receivables from subsidiaries	759	–	759
Other current receivables	1,293	–	1,293
Cash and cash equivalents	0	–	0
<b>Total</b>	<b>2,052</b>	<b>–</b>	<b>2,052</b>

31 Mar 2023	Other liabilities	Contingent consideration and call options	Total
<i>Liabilities in the balance sheet</i>			
Non-current liabilities to Group companies	12	–	12
Current liabilities to credit institutions	5	–	5
Non-current liabilities to credit institutions	2,211	–	2,211
Trade payables	2		2
Other current liabilities	383	203	586
<b>Total</b>	<b>2,613</b>	<b>203</b>	<b>2,816</b>

Contingent consideration payments and call options are recognised of MSEK 203 measured using the acquisition method and based on the probability that the consideration will be paid. Any changes in provisions/receivables are added to/reduce the acquisition value.

**Note 31 Interest-bearing liabilities and provisions**

The Group's interest-bearing liabilities are allocated in the statement of financial position as follows: Provision for pensions MSEK 63 (55), Non-current liabilities MSEK 2,296 (2,227), Current liabilities to credit institutions MSEK 10 (19), Committed credit facilities 490 (14) and Other non-current liabilities MSEK 1 (0). Total MSEK 2,860 (2,315). The provision for pensions is defined as an interest-bearing provision since the present value of defined benefit pension obligations is calculated using a discount rate in accordance with IAS 19. For details, see Note 31.

Credit terms on trade payables in the Group follow normal industry practice, i.e. 30 days payment terms. Nominal value of interest-bearing liabilities and provisions essentially correspond to carrying amounts.

**Liabilities to credit institutions**

	31 Mar 2024	31 Mar 2023
<b>Group</b>		
Short-term portion	10	19
Maturity date, 1–2 years from the balance sheet date	2,279	2,217
Maturity date, 3–5 years from the balance sheet date	8	7
Maturity date, more than 5 years from the balance sheet date	5	3
	<b>2,302</b>	<b>2,246</b>

**Parent Company**

Short-term portion	–	–
Maturity date, 1–2 years from the balance sheet date	0	2,211
Maturity date, 3–5 years from the balance sheet date	0	–
Maturity date, more than 5 years from the balance sheet date	0	–
	<b>1</b>	<b>2,211</b>

**Committed credit facilities**

	31 Mar 2024	31 Mar 2023
<b>Group</b>		
Approved credit limit	826	509
Unutilised portion	-336	-495
<b>Utilised credit amount</b>	<b>490</b>	<b>14</b>

Credit limits on committed credit facilities are extended annually.

**Parent Company**

Approved credit limit	800	500
Unutilised portion	-324	-495
<b>Utilised credit amount</b>	<b>476</b>	<b>5</b>

The credit limit on committed credit facilities is extended annually.

**Pledged assets for committed credit facilities**

	31 Mar 2024	31 Mar 2023
<b>Group</b>		
Chattel mortgages	121	22
	<b>121</b>	<b>22</b>

**Note 32 Accrued expenses and deferred income**

	31 Mar 2024	31 Mar 2023
<b>Group</b>		
Personnel expenses	267	246
Other items	150	140
	<b>417</b>	<b>386</b>

**Parent Company**

Personnel expenses	21	30
Other items	29	18
	<b>50</b>	<b>48</b>

**Note 33 Interest paid and received**

	2023/24	2022/23
<b>Group</b>		
Interest received	10	1
Interest paid	-131	-66
<b>Parent Company</b>		
Interest received	115	39
Interest paid	-137	-67

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**Note 34 Cash flow****Reconciliation of liabilities arising from financing activities**

	Opening balance 31 Mar 2023	Cash flows	Changes not affecting cash flow			Closing balance 31 Mar 2024
			Exchange rate	Acquisition of subsidiaries	Leasing	
<b>Group</b>						
Committed credit facilities	14	475	1			490
Liabilities to credit institutions	2,247	25	15	15		2,302
Liabilities relating to leases	370	-145	2	0	228	455
<b>Total liabilities arising from financing activities</b>	<b>2,631</b>	<b>355</b>	<b>18</b>	<b>15</b>	<b>228</b>	<b>3,247</b>

	Opening balance 31 Mar 2022	Cash flows	Changes not affecting cash flow			Closing balance 31 Mar 2023
			Exchange rate	Acquisition of subsidiaries	Leasing	
<b>Group</b>						
Committed credit facilities	242	-228				14
Liabilities to credit institutions	1,589	584	73			2,246
Liabilities relating to leases	329	-136	9	0	168	370
<b>Total liabilities arising from financing activities</b>	<b>2,160</b>	<b>220</b>	<b>83</b>	<b>0</b>	<b>168</b>	<b>2,631</b>

	Opening balance 31 Mar 2023	Cash flows	Exchange rate		Closing balance 31 Mar 2024
Committed credit facilities	5	459	12		476
Liabilities to credit institutions	2,211	50	12		2,273
<b>Total liabilities arising from financing activities</b>	<b>2,216</b>	<b>509</b>	<b>24</b>		<b>2,749</b>

	Opening balance 31 Mar 2022	Cash flows	Exchange rate		Closing balance 31 Mar 2023
Committed credit facilities	235	-230	–		5
Liabilities to credit institutions	1,577	597	37		2,211
<b>Total liabilities arising from financing activities</b>	<b>1,812</b>	<b>367</b>	<b>37</b>		<b>2,216</b>

**Adjustment for non-cash items**

	2023/24	2022/23
<b>Group</b>		
Depreciation and amortisation	448	389
Other provisions	-3	3
Reversal contingent consideration	-8	5
Other items	36	17
	<b>473</b>	<b>414</b>
<b>Parent Company</b>		
Depreciation and amortisation	1	0
Group contributions not yet received	-440	-399
Unpaid Group contributions	6	2
Other items	8	-10
	<b>-427</b>	<b>-407</b>

## Note 35 Investments in businesses

Acquisition	Country	Acquisition date	Estimated annual net revenue, (MSEK)	Division
Glova Rail A/S, Denmark	Denmark	April 2023	90	International
Fireco Ltd, UK	UK	April 2023	90	TecSec
Supply Plus Ltd, UK	UK	June 2023	100	International
Letti AS, Norway	Norway	September 2023	30	Electrify
DP Seals Ltd, UK	UK	December 2023	65	International
MH Modules Europe AB, Sweden	Sweden	December 2023	90	Niche Products
Suomen Diesel Voima Oy, Finland	Finland	December 2023	90	TecSec
Prido AB, Sweden	Sweden	February 2024	270	Niche Products
Nordic Road Safety AB, Sweden	Sweden	March 2024	350	Electrify

### Specification of acquisition

- Glova Rail is a leading supplier of vacuum toilets for railway vehicles which generates annual revenue of about MDKK 58.
- Fireco is a leading manufacturer of components for fire doors.
- Supply Plus is a market leading manufacturer of fire rescue equipment, mainly ladders and hose reels, to the fire and rescue services.
- Letti is a leading manufacturer of installation materials and brackets for cables and cable ducts.
- DP Seals is a leading supplier of rubber sealings and mouldings for high specification applications
- MH Modules is a leading Nordic supplier of modular conveyor and material handling systems to integrators in the automotive industry
- Suomen Diesel Voima Oy is a leading manufacturer of generator sets for backup power solutions and fire sprinkler pumps in Finland.
- NRS is a leading provider of certified safety barrier systems and noise barriers.
- Prido is a leading Swedish manufacturer of high-quality industrial folding doors.

The outcome of contingent considerations depends on the results achieved in the companies and has a set maximum level. The acquisitions during the financial year include contingent considerations of MSEK 163, which represents 71% of the maximum outcome.

During the financial year, MSEK 24 (38) was paid in contingent consideration for previous acquisitions. Goodwill is motivated by expected future sales development and earnings growth also by the staff and acquired knowledge included in the acquired businesses. Goodwill in the Group as of 31 March 2024 amounted to MSEK 3,110 (2,446), goodwill is deemed not to be tax deductible.

### Net assets of acquired companies at the time of acquisition

	Carrying amount in companies	Fair value adjustment	Fair value in the Group
Intangible non-current assets	0	659	659
Other non-current assets	92	–	92
Inventories	229	–	229
Other current assets	310	–	310
Interest-bearing liabilities	-17	–	-17
Other liabilities	-227	-142	-369
<b>Net identifiable assets/liabilities</b>	<b>388</b>	<b>517</b>	<b>905</b>
Goodwill			638

**Estimated consideration** **1,542**

### Net assets of acquired companies at the time of acquisition

	2023/24	2022/23
Net identifiable assets/liabilities	905	825
Goodwill	638	400

**Estimated consideration** **1,543** **1,225**

### Cash flow effect

	2023/24	2022/23
<b>Group</b>		
Intangible non-current assets	-1,297	-923
Property, plant and equipment	-92	-142
Inventories	-229	-173
Other current assets	-310	-345
Provisions	17	108
Non-current liabilities	16	–
Current liabilities	353	250

**Total consideration** **-1,542** **-1,225**

Cash and cash equivalents in the acquired businesses	140	178
Unpaid consideration	305	168
Payment via newly issued shares	–	70

**Impact on the Group's cash and cash equivalents from acquisitions during the year** **-1,098** **-809**

Adjustment of estimated contingent consideration in older acquisitions	-77	-38
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**Cash flow related to investments in businesses** **-1,175** **-847**

### Distribution of intangible assets in connection with acquisitions

	2023/24	2022/23
Goodwill	638	400
Trademarks	213	120
Other intangible assets	447	433
<b>Total intangible assets via acquisitions</b>	<b>1,298</b>	<b>953</b>

### Contribution of the acquired units to consolidated revenue and earnings

	2023/24	2022/23
Revenue	457	782
Profit contribution before acquisition costs	86	120
Transaction costs	-10	-5
Amortisation of surplus values	-16	-20
<b>Profit contribution after acquisition costs</b>	<b>60</b>	<b>95</b>
Financing costs	-23	-25
<b>Profit contribution after financing costs</b>	<b>37</b>	<b>71</b>

### Contribution of the acquired units to Group revenue and earnings if they had been included for the entire year

	2023/24	2022/23
Revenue	1,193	1,068
Profit contribution before acquisition costs	204	169
Transaction costs	-10	-5
Amortisation of surplus values	-33	-32
<b>Profit contribution after acquisition costs</b>	<b>161</b>	<b>132</b>
Financing costs	-55	-37
<b>Profit contribution after financing costs</b>	<b>106</b>	<b>96</b>

Transaction costs relating to acquisitions during the year of MSEK 10 (5) are recognised as administrative expenses.

## Note 36 Earnings per share

	2023/24	2022/23
Earnings per share, SEK	4.26	3.71
Earnings per share, after dilution, SEK	4.25	3.70

The calculation of earnings per share for 2023/24 is based on profit for the year attributable to the Parent Company's shareholders amounting to MSEK 877 (758) and a weighted average number of shares outstanding during 2023/24 of 205,955,029 (203,439,305). The weighted number of shares outstanding including dilution is 206,226,892 (204,718,417).

### Instruments that may generate future dilutive effects

The company had four outstanding call option programmes during 2023/24 which have resulted in dilutive effects in all quarterly reports. For a description of the options programmes refer to Note 7. Repurchased shares are used as a hedge for these programmes.

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## Note 37 Risk management

### Financial risk factors and risk management

Lagercrantz strives for a structured and efficient management of the financial risks that arise in the operations, which is described in the finance policy adopted by the Board. Financing activities are not conducted as a separate operating segment, but the intention is solely to provide support for the business operations and to reduce and control risks in the financing activities. The Lagercrantz Group is exposed to different kinds of financial risks through its operations such as currency risk, financing risk, interest rate risk and credit risk. It is essential for Lagercrantz Group to have an efficient and systematic risk assessment of financial as well as business risks. Lagercrantz Group's risk management model for business risks does not mean that risks are avoided but is aimed at identifying, managing and pricing these risks.

Lagercrantz Group's Board of Directors is responsible for adopting a financial policy that provides guidelines, goals and limits for financial management and handling of financial risks in the Group. The financial policy governs the allocation of responsibilities between Lagercrantz Group's Board of Directors, Group Management and Group companies. In the Group, Group Management has the operative responsibility to secure the Group's financing and to effectively manage the liquidity, financial assets and liabilities.

### Currency risk

Currency risk is the risk of changes in value due to fluctuations in exchange rates. With its international operations, the Group is exposed to currency risks in the form of transaction exposure and translation exposure. Transaction exposure arises through future business transactions and translation exposure arises through reported assets and liabilities in foreign currency. Despite the fact that Lagercrantz Group has an international presence, the Group's operations are local in nature as far as currency risk is concerned. Receipts and disbursements in the various local currencies are thus well balanced. Currency risk is the greatest financial risk to which Lagercrantz Group is exposed and it affects the Group's earnings, equity and competitive situation in various ways:

- The result is affected when sales and purchases are in different currencies (transaction exposure).
- The result is affected when assets and liabilities are in different currencies (translation exposure).
- The result is affected when subsidiaries' results in different currencies are translated into Swedish kronor (translation exposure).
- Equity is affected when the subsidiaries' net assets in different currencies are translated into Swedish kronor (translation exposure).

### Transaction exposure

In an internationally active trading company such as Lagercrantz Group, it is important to offer customers and suppliers opportunities to pay in their own currency. This means that the Group continually assumes currency risks, both in the form of trade receivables and trade payables in foreign currency.

During the year, the Group's payment flows in foreign currency were distributed as follows:

### Purchasing and sales in important currencies

Amounts in MSEK	Purchasing	Sales
USD	659	641
CAD	7	16
EUR	1,910	2,657
GBP	402	478
DKK	1,178	1,050
NOK	290	496
JPY	67	61
PLN	160	65
CNY	17	40
<b>Group total</b>	<b>4,689</b>	<b>5,504</b>

### Cash and cash equivalents by currency

Amounts in MSEK	31 Mar 2024	31 Mar 2023
SEK	44	59
USD	40	39
EUR	115	115
CNY	13	14
DKK	11	10
GBP	98	57
NOK	30	47
Other currencies	5	19
<b>Group total</b>	<b>355</b>	<b>360</b>

According to Lagercrantz Group's guidelines, the effects of exchange rate fluctuations must be reduced as far as possible through purchases and sales in the same currency and through currency clauses. A currency clause means that compensation is paid for changes in the exchange rate that exceed a certain pre-defined level during the contract period. Hedging of current exposure in foreign currency is used sparingly. The long-term benefit of hedging is deemed to be limited, combined with increased complexity in the reporting of financial derivatives.

### Translation exposure

The Lagercrantz Group's translation exposure is not hedged at present. The translation exposure in consolidated equity can be significant during certain periods with sharp exchange rate fluctuations. The largest exposures are in EUR, DKK (which is pegged to the EUR) USD and NOK. The effect of translation differences on equity is shown in the statement of changes in equity.

### Exchange rate sensitivity

A change in EUR (including DKK whose exchange rate is linked to the EUR) in relation to SEK of 5% is estimated to affect the Group's operating profit by MSEK +/- 37 (105) and the equivalent change in USD of +/- 5% has an effect of MSEK +/- MSEK 1 (1).

The effects of exchange rate changes can also have other effects on results since measures are continually taken to minimise the negative effects of exchange rate fluctuations. This makes the actual effects on the result difficult to predict and analyse.

### Interest rate risk

Interest rate risk refers to the risk that changes in interest rates will affect Lagercrantz's earnings negatively through increased costs for the company's borrowings with variable interest. The financial policy states that maximum borrowing and fixed interest periods should relate to the period where a borrowing need is expected to exist. The general rule is that a maximum of 50% of borrowing can be fixed for one to five-year terms. Interest rate risk arises in two ways:

- The company may have invested in interest-bearing assets, the value of which changes when interest rates change.
- The cost of the company's borrowing changes when the interest rate scenario changes.

Lagercrantz Group has no long-term surplus liquidity and does not normally invest funds in anything but short-term bank deposits/money market instruments with a maturity of less than 90 days. The interest rate risk in the Group's investments in securities is therefore minimal. Changes in interest rates therefore primarily affect the company's borrowing costs. The debt portfolio consists of committed credit facilities with a fixed interest term of three months as well as external loans with a fixed interest term of three to six months. A change in the weighted average interest rate of 1% is estimated to affect the Group's interest expense before taxes by MSEK 25 on an annual basis, given the conditions that prevailed during the financial year.

The Group's goal is to have an appropriate liquidity reserve available in the form of cash liquidity, overdraft facility or committed credit facilities.

### Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer agreement, which leads to a financial loss. Lagercrantz Group's credit risk with respect to trade receivables is highly diversified through a large number of projects and other business agreements of varying size and type, with a large number of customer categories in a multitude of geographical markets. The company therefore has no significant concentration of credit risks. Financial credit and counterparty risk is identified, managed and reported in accordance with the framework defined in the Group's finance policy, risk policy and rules for attestation. In connection with financing of projects and other business agreements, Lagercrantz may in certain cases assume responsibility for bank guarantees, in the form of Parent Company guarantees towards a third party, for the purpose of securing financing during a limited period of time. According to the finance policy, as few credit counterparties as possible shall be strived for and they should always be highly creditworthy. No significant losses of a financial character occurred during the year. See also Note 27 Trade receivables.

### Financing risk

The overriding goal of Lagercrantz's capital structure is to ensure the ability to continue operations, allowing the Group to continue generating a return to its shareholders, and to minimise borrowing costs. The capital requirement is secured through an active and professional borrowing process for overdrafts and other credit facilities. Raising of external financing is centralised to the Parent Company of Lagercrantz Group AB. Satisfactory payment preparedness shall be achieved through agreed credit commitments and surplus liquidity is primarily used to amortise outstanding loans. The Parent Company is responsible for the Group's long-term financing and supply of liquidity. The Parent Company provides an internal bank, which lends to and from the subsidiaries.

Financing risk is the risk that Lagercrantz at each point in time does not have access to sufficient financing. The financing risk increases if Lagercrantz's creditworthiness deteriorates or if Lagercrantz becomes too dependent on one source of financing. If all or large parts of the debt portfolio fall due at one or a few different times, it may mean that the turnover or refinancing of a large part of the loan volume may take place at unfavourable interest rate and credit terms. To limit financing risk, procurement of long-term credit commitments is initiated no later than nine months before the credit commitment expires.

Well established relationships with the capital markets are essential for Lagercrantz to be able to ensure the supply of capital on market-related terms on a long-term basis. Thanks to negotiated credit facilities there is adequate preparedness for temporary fluctuations in the Group's liquidity requirements. For a maturity schedule, refer to Note 35 Interest-bearing liabilities and provisions. On the balance sheet date, Lagercrantz had committed bank credit facilities consisting of:

- A committed credit facility of MSEK 800 in the Parent Company.
- A revolving credit facility of MSEK 1,000, which runs until September 2024.
- A Term Loan of MSEK 2,300, which runs until September 2025.

### Capital risk

The Group's goal with respect to its capital structure is in line with the purpose of securing the ability to continue operations, allowing it to continue generating a return to its shareholders and benefits for other stakeholders, and to maintain a capital structure that gives a low overall capital cost. The risk inherent in the Group's level of capital is judged in terms of the equity/assets ratio and interest coverage ratio. The present levels of these metrics adequately meet the requirements, so-called covenants, imposed by providers of funds.

**Note 38 Related parties****Related parties**

The Parent Company has a related-party relationship with its Group companies and with the members of the Management team. The company's directors and their close family members control approximately 32% of the votes in the company.

**Transactions with related parties**

The Parent Company invoices subsidiaries for intra-Group services. Sales among Group companies have occurred in small amounts. Transactions are based on market-related terms. No other related party transactions have occurred within the Group. No other purchases or sales have occurred between the Parent Company and Group companies.

**Note 39 Significant events after closing day**

No significant events for the company have occurred after the balance sheet date on 31 March 2024.

**Note 40 Information about the Parent Company**

Lagercrantz Group AB (publ), with corporate identity number 556282-4556, is the Parent Company in the Group. The company's registered office is in Stockholm, Stockholm County, and it is a limited liability company according to Swedish legislation:

Address of the head office:  
Lagercrantz Group AB (publ)  
Vasagatan 11, 10th floor (visiting address)  
P.O. Box 3508  
SE 103 69 Stockholm, Sweden  
Tel: +46 8 700 66 70  
www.lagercrantz.com

**Note 41 Pledged assets and contingent liabilities**

	31 Mar 2024	31 Mar 2023
<b>Group</b>		
<i>Pledged assets</i>		
<i>For own liabilities and provisions</i>		
Chattel mortgages	121	22
Other	–	1
	<b>121</b>	<b>23</b>
<i>Contingent liabilities</i>		
Guarantee commitments, FPG/PRI11	–	–
Other guarantees	98	44
	<b>98</b>	<b>44</b>
<b>Parent Company</b>		
<i>Pledged assets</i>	None	None
<i>Contingent liabilities</i>		
Guarantee commitments, FPG/PRI11	52	32
Other guarantees	1	1
	<b>53</b>	<b>33</b>

The Parent Company guarantees the subsidiaries' pension obligations via FPG/PRI.

**Note 42 Appropriation of profits**

The Board of Directors proposes that the following profits, SEK 2,498,551 thousand, at the disposal of the Annual General Meeting shall be allocated as follows:

Dividend to the shareholders SEK 1.90 x 205,955,029 shares*	391,315
To be carried forward	2,371,864
<b>Total</b>	<b>2,763,179</b>

\* Based on the total number of shares outstanding as of 31 March 2024.

The total dividend amount is subject to change until the record day, depending on share repurchases and transfer of shares to participants in long-term incentive programmes. In making the proposal for dividend, the company's dividend policy, equity ratio and financial position in other respects were taken into account, and due consideration was given to the company's ability to fulfil present and anticipated payment obligations in a timely manner and to carry out necessary investments.

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# Reconciliation tables alternative performance measures

## EBITA and EBITDA

Group, MSEK	2023/24	2022/23
Profit before net financial items according to the income statement	1,256	1,062
Amortisation, intangible non-current assets (+)	175	143
<b>EBITA</b>	<b>1,431</b>	<b>1,205</b>
Depreciation property, plant and equipment (+)	273	246
<b>EBITDA</b>	<b>1,704</b>	<b>1,451</b>

## Working capital and return on working capital (P/WC)

Group, MSEK	2023/24	2022/23
EBITA (moving 12 months)	1,431	1,205
Inventories, annual average (+)	1,268	1,058
Trade receivables, annual average (+)	1,305	1,105
Trade payables, annual average (-)	711	621
<b>Working capital (annual average)</b>	<b>1,862</b>	<b>1,541</b>
<b>Return on working capital (P/WC), (%)</b>	<b>77%</b>	<b>78%</b>

## Acquired growth and organic growth

Group	2023/24	%	2022/23	%
<b>Acquired growth (MSEK, %)</b>	<b>792</b>	<b>11%</b>	<b>1,030</b>	<b>18%</b>
<b>Organic growth (MSEK, %)</b>	<b>-89</b>	<b>-1%</b>	<b>536</b>	<b>10%</b>
Exchange rate effects (MSEK, %)	180	2%	198	4%
<b>Total growth (MSEK, %)</b>	<b>884</b>	<b>12%</b>	<b>1,764</b>	<b>32%</b>

## Net debt/Receivables and net debt/equity ratio

Group	2023/24	2022/23
Non-current interest-bearing liabilities	2,662	2,529
Current interest-bearing liabilities	650	158
Cash and cash equivalents	-355	-360
<b>Net debt (MSEK)</b>	<b>2,957</b>	<b>2,327</b>
Equity (MSEK)	3,468	3,009
<b>Net debt / Equity</b>	<b>0.9</b>	<b>0.8</b>

## Operational net debt/receivables and operating new debt/equity ratio

Group	2023/24	2022/23
Net debt	2,957	2,327
Less pensions	-63	-55
Less lease liability	-455	-370
<b>Operating net debt (MSEK)</b>	<b>2,439</b>	<b>1,902</b>
Equity (MSEK)	3,468	3,009
<b>Operating Net debt / Equity</b>	<b>0.7</b>	<b>0.6</b>

# Sustainability notes

## Stakeholder analysis

Lagercrantz conducts continual dialogues with different stakeholders and these dialogues form part of the analysis where Lagercrantz considers what sustainability issues are most important for the Group to focus on, report and follow up. An account is provided below of the stakeholders that are currently deemed to have the greatest impact on the operations and what issues are prioritised by the stakeholders.

Stakeholder	Intention of the dialogue	Prioritised sustainability issues
Customers	Create good long-term customer relationships and continued or new business opportunities	<ul style="list-style-type: none"> <li>• Product quality, lifecycle and lifecycle management</li> <li>• Streamlining and/or work environment improvements that the products can contribute to at the customers</li> <li>• The products' climate footprint and energy efficiency</li> <li>• Logistics issues</li> </ul>
Employees	Create conditions for high engagement among the employees, safe workplaces and strong employer brands	<ul style="list-style-type: none"> <li>• Safe, secure workplaces</li> <li>• Leadership issues</li> <li>• Fair salaries and remuneration</li> <li>• Gender equality and equal opportunities for all</li> <li>• Development opportunities</li> <li>• Work-life balance</li> </ul>
Suppliers	Create the conditions for on-time deliveries with high quality and a high awareness with regard to sustainability issues	<ul style="list-style-type: none"> <li>• Logistics issues</li> <li>• The Code of Conduct</li> <li>• Suppliers' control over the value chain</li> <li>• Follow-up on compliance with the Code of Conduct, especially in countries with a high risk of corruption and inadequate requirements in relation to the working environment, etc.</li> </ul>
Local communities where our companies operate	Build strong employer brands and be a highly regarded employer	<ul style="list-style-type: none"> <li>• Business model and corporate culture</li> <li>• The subsidiaries' employer brand</li> <li>• Working environment</li> <li>• Permits</li> <li>• Jobs</li> </ul>
Owners, investors, analysts sustainability analysts and lenders	Create conditions for continued financing and value creation	<ul style="list-style-type: none"> <li>• Long-term competitiveness, including opportunities to continue growing with sustainable and good profitability, both organically and through acquisitions</li> <li>• Lagercrantz's sustainability work, reported key ratios, as well as targets and follow-up in the area of sustainability</li> <li>• The impact of how new legislation in the sustainability area affects us, for example the EU's Corporate Sustainability Reporting Directive (CSRD)</li> <li>• Demand for more reported key ratios, as well as targets and disclosures for the sustainability work</li> </ul>

# Taxonomy reporting 2023/24

**Explanation of abbreviations in the tables:**

Y = Yes, taxonomy-eligible activity and aligned with environmental objectives  
 N = No, taxonomy-eligible activity but not aligned with environmental objectives  
 N/EL = Not eligible, taxonomy non-eligible activity for environmental objectives

**TURNOVER**

Financial year 2023/24	2023/24		Substantial contribution criteria							Do No Significant Harm (DNSH) criteria							Minimum safeguards (17)	Proportion taxonomy-aligned (A1) or taxonomy-eligible (A2) turnover, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activities) (20)	
	Codes (2)	Turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biological diversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biological diversity and ecosystems (16)						
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																					
<b>A1. Environmentally sustainable activities (taxonomy-aligned)</b>																					
		MSEK	%	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Turnover of the environmentally sustainable (taxonomy-aligned) activities (A1)																					
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which enabling activities																					
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	-
Of which transitional activities																					
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	T
<b>A2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)</b>																					
		MSEK	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL												
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A2)																					
		-	-	-	-	-	-	-	-												
<b>A. Turnover of taxonomy-eligible activities (A1 + A2)</b>																					
		-	-	-	-	-	-	-	-												
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>																					
Turnover of taxonomy non-eligible activities (B)																					
		8,129	100.0%																		
<b>Total A+B</b>		<b>8,129</b>	<b>100.0%</b>																		

**CAPITAL EXPENDITURE**

Financial year 2023	2023/24		Substantial contribution criteria							Do No Significant Harm (DNSH) criteria							Minimum safeguards (17)	Proportion taxonomy-aligned (A1) or taxonomy-eligible (A2) CapEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activities) (20)	
	Codes (2)	Capital expenditure (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biological diversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biological diversity and ecosystems (16)						
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																					
<b>A1. Environmentally sustainable activities (taxonomy-aligned)</b>																					
		MSEK	%	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
CapEx of environmentally sustainable (taxonomy-aligned) activities (A1)																					
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which enabling activities																					
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	-
Of which transitional activities																					
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	T
<b>A2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)</b>																					
		MSEK	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL												
Transportation by motorcycles, passenger cars and light motor vehicles																					
	CCM	6.5	51	4.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Installation, maintenance and repair of energy efficient equipment																					
	CCM	7.3	1	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Installation, maintenance and repair of electric vehicle charging stations in buildings																					
	CCM	7.4	1	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Installation, maintenance and repair of renewable energy technologies																					
	CCM	7.6	1	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Acquisition and ownership of buildings																					
	CCM	7.7	208	18.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								17.1%		
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A2)																					
		262	23.3%	-	-	-	-	-	-										17.1%		
<b>CapEx of taxonomy-eligible activities (A1 + A2)</b>																					
		<b>263</b>	<b>23.4%</b>	-	-	-	-	-	-										<b>17.1%</b>		
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>																					
CapEx of taxonomy non-eligible activities (B)																					
		861	76.6%																		
<b>Total A+B</b>		<b>1,124</b>	<b>100.0%</b>																		



**OPERATING EXPENDITURE**

Financial year 2023/24		2023/24		Substantial contribution criteria							Do No Significant Harm (DNSH) criteria							Proportion taxonomy-aligned (A1) or taxonomy-eligible (A2) OpEx, year N-1 (18)			
Economic activities (1)	Codes (2)	Operating expenditure (3)	Proportion of OpEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biological diversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biological diversity and ecosystems (16)	Minimum safeguards (17)	Category (enabling activity) (19)			Category (transitional activities) (20)	
																	E	T			
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																					
<b>A1. Environmentally sustainable activities (taxonomy-aligned)</b>																					
		MSEK	%	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
OpEx of environmentally sustainable (taxonomy-aligned) activities (A1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Of which enabling activities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	-	
Of which transitional activities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	T	
<b>A2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)</b>																					
		MSEK	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL												
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned) (A2)		-	-	-	-	-	-	-	-												
<b>OpEx of taxonomy-eligible activities (A1 + A2)</b>		-	-	-	-	-	-	-	-												
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>																					
OpEx of taxonomy non-eligible activities (B)		218	100.0%																		
<b>Total A+B</b>		218	100.0%																		

**NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES**

Row	Nuclear energy related activities
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. No
Row	Fossil gas related activities
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. No

# Auditor's report

To the general meeting of the shareholders of Lagercrantz Group AB (publ),  
corporate identity number 556282-4556

## Report on the annual accounts and consolidated accounts

### OPINIONS

We have audited the annual accounts and consolidated accounts of Lagercrantz Group AB (publ) for the financial year 2023-04-01–2024-03-31, except for the corporate governance statement on pages 52–56 and 98–99 and the statutory sustainability report on pages 26–41 and 91–93. The annual accounts and consolidated accounts of the company are included on pages 46–90 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 March 2024 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 March 2024 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. Our opinions do not cover the corporate governance statement on pages 52–56 and 98–99 and the statutory sustainability report on pages 26–41 and 91–93. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

### OTHER INFORMATION

The audit of the annual accounts for the fiscal year 2022-04-01–2023-03-31 has been performed by another auditor who has provided an audit report dated June 28, 2023 with unmodified opinions in the Report on the annual accounts and consolidated accounts as well as in the Report on other legal and regulatory requirements.

### BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section.

We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

### KEY AUDIT MATTERS

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

### ACQUISITION-RELATED TRANSACTIONS AND ASSETS

Lagercrantz Group conducts an acquisition-intensive business where acquisitions of new subsidiaries are accounted for using the acquisition method, which means that goodwill is recognized at fair value, calculated as the purchase consideration minus the fair value of the net assets acquired and assumed liabilities. Acquisitions may include contingent additional purchase considerations and options relating to minority interests. The valuation of assets and liabilities dependent on future results of the acquired companies is complex and requires significant estimates and judgments by management.

The goodwill and other intangible assets arising from completed acquisitions constitute a significant portion of Lagercrantz Group's total assets. As of 31 March 2024, the group's reported value of goodwill amounts to 3 110 MSEK and other intangible assets amount to 2 042 MSEK. These assets are tested for impairment annually or when events or changes in circumstances indicate that the carrying value of the asset may be below its recoverable amount. Management typically determines the recoverable amount based on value in use, which is based on management's assessment of factors such as expected sales growth, margin development, weighted average cost of capital, level of future investments, and assumption of growth rate beyond the forecast period.

For further information, refer to note 1 "Accounting policies," note 35 "Investments in Operations", note 16 "Goodwill", and note 17 "Other Intangible Assets" in the consolidated financial statements.

## OUR AUDIT PROCEDURES

Our audit procedures included, but were not limited to:

- Reviewing the company's acquisition analyses, including valuation and accounting for contingent purchase considerations and liability for purchase and sale options;
- Reviewing and challenging, with the support of our internal valuation specialists, management's assessments of the fair value of acquired assets and liabilities for significant acquisitions;
- Reviewing and challenging, with the support of our valuation specialists, significant assumptions in management's valuation model for determining recoverable amount, including assessment of assumptions such as sales growth, margin development, weighted average cost of capital, level of future investments, and assumption of growth rate beyond the forecast period;
- Comparing historical forecasts to actual outcomes;
- Performing arithmetic testing of cash flow models and reconciling assumptions to approved business plans; and
- Evaluating that the disclosures in the consolidated financial statements meet the requirements of IFRS

## 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 2–25 and 42–45. The other information consists of the remuneration report as well as the pages 100–102. The Board of Directors and the Managing Director are responsible for this other information.

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

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

If 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 MANAGING DIRECTOR

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

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends 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.

A further description of our responsibility for the audit of the annual financial statements and consolidated financial statements can be found on the website of the Swedish Supervisory Board of Public Accountants: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the audit report.

## Report on other legal and regulatory requirements

### OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Lagercrantz Group AB (publ) for the financial year 2023-04-01–2024-03-31 and the proposed appropriations of the company's profit or loss.

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

### BASIS FOR OPINIONS

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

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

## RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

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

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

### AUDITOR'S RESPONSIBILITY

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

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

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

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

A further description of our responsibility for the audit of the annual financial statements and consolidated financial statements can be found on the website of the Swedish Supervisory Board of Public Accountants: [www.revisorsinspektionen.se/revisornsansvar](http://www.revisorsinspektionen.se/revisornsansvar). This description is part of the audit report.

## The auditor's examination of the Esef report

### OPINION

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Lagercrantz Group AB (publ) for the financial year 2023-04-01–2024-03-31.

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

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

### BASIS FOR OPINION

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Lagercrantz Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

## RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

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

### AUDITOR'S RESPONSIBILITY

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

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements. Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

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

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

### The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 52–56 and 98–99 has been prepared in accordance with the Annual Accounts Act.

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

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

### The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 26–41 and 91–93, and that it is prepared in accordance with the Annual Accounts Act.

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

A statutory sustainability report has been prepared.

Deloitte AB, was appointed auditor of Lagercrantz Group AB (publ) by the general meeting of the shareholders on the 2023-08-29 and has been the company's auditor since 2023-08-29.

Stockholm, according to digital signature on the Swedish original  
Deloitte AB

Alexandros Kouvatso  
Authorized Public Accountant



# Board of Directors and Auditors



From left: Jörgen Wigh, Fredrik Börjesson, Anna Almlöf, Anders Claeson, Anna Marsell, Ulf Södergren.

## Jörgen Wigh

President and CEO

**Born:** 1965.

**Edu:** Bachelor of Science (Econ.).

**Experience:** Chairman of Bergman & Beving AB, EVP Bergman & Beving, founder of PriceGain, management consultant at McKinsey & Co and investment manager Spira Invest.

**Holding:** 673,998 Class A shares, 1,760,350 Class B shares and 256,200 call options on B shares.

Dependent in relation to the Company and executive management.

Independent in relation to the Company's major shareholders.

**Elected:** 2006.

## Fredrik Börjesson

Chairman of the Board

**Born:** 1978.

**Edu:** Bachelor of Science (Econ.).

**Experience:** Leading positions within Tisenhult-gruppen AB, Director of Bergman & Beving AB and a number of companies within Tisenhult-gruppen AB.

**Holding:** 64,260 Class B shares (family) and 8,190,630 Class A shares and 3,445,650 Class B shares (Tisenhult-gruppen).

Independent in relation to the Company and executive management.

Dependent in relation to the Company's major shareholders.

**Elected:** 2016.

## Anna Almlöf

Board member

**Born:** 1967.

**Edu:** Bachelor of Science (Econ.).

**Experience:** Regional GM Northern Europe and acting MD Sweden at Securitas Technology, CEO Xylem Sverige AB, CEO Dala Vatten och Avfall AB, Senior Vice President Services Hiab, Group Management at Gunnebo, management positions within Ericsson and Unisys.

**Holding:** 4,563 Class B shares.

Independent in relation to the Company and executive management.

Independent in relation to the Company's major shareholders.

**Elected:** 2016.

## Anders Claeson

Board member

**Born:** 1956.

**Edu:** Master of Science (Industrial Economics).

**Experience:** Director of Momentum Group AB and A Claeson Consulting Company AB, over 30 years of management positions in the Addtech and Bergman & Beving groups.

**Holding:** 25,000 Class B shares.

Independent in relation to the Company and executive management.

Independent in relation to the Company's major shareholders.

**Elected:** 2020.

## Anna Marsell

Board member

**Born:** 1978.

**Edu:** Master of Science.

**Experience:** COO Olink Proteomics AB, President Galderma Nordic AB. Head of Business Development with the Nestlé Group. Leading positions in MedTech companies.

**Holding:** 5,007 Class B shares.

Independent in relation to the Company and executive management.

Independent in relation to the Company's major shareholders.

**Elected:** 2018.

## Ulf Södergren

Board member

**Born:** 1953.

**Edu:** Bachelor of science (Engineering and Economy).

**Experience:** Chairman of IV Produkt AB, Managerial positions at ASSA ABLOY Group, Electrolux and ABB.

**Holding:** 30,000 Class B shares.

Independent in relation to the Company and executive management.

Independent in relation to the Company's major shareholders.

**Elected:** 2019.

## Auditors

Auditors appointed by the 2023 Annual General Meeting are the registered auditing company Deloitte AB. Alexandros Kouvatso is appointed auditor in charge.

*Holding refers to status per 4 June 2024.*



# Group Management



**Jörgen Wigh**  
*President and CEO*  
**Born:** 1965.



**Jonas Ahlberg**  
*Executive Vice President and responsible  
for Business Development*  
**Born:** 1966.



**Andreas Heder**  
*Responsible for Acquisitions*  
**Born:** 1972.



**Peter Thysell**  
*Chief Financial Officer*  
**Born:** 1970.

# Addresses

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### Dooman Teknik AB

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### Elfac A/S

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### Elkapsling AB

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## Norwesco AB

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Tel: +46 8 792 27 00  
www.norwesco.se

## SwedWire AB

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Tel: +46 340 64 54 30  
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## Tykoflex AB

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## VP metall AS

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## CONTROL

### Direktronik AB

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### Excidor AB

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## GasiQ AB

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## Geonor AS

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Tel: +47 67 159 280  
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## Leteng AS

Enebakkveien 117  
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NORWAY  
Tel: +47 62 48 24 50  
www.leteng.no

## Load Indicator AB (LIAB)

Aröds Industriväg 58  
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www.loadindicator.se

## Precimeter Control AB

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www.precimeter.com

## Radonova Laboratories AB

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## Vanpee Norge AS

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## TECSEC

### ARAS Security A/S

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### CW Lundberg AB (CWL)

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**Truxor Wetland Equipment AB**

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