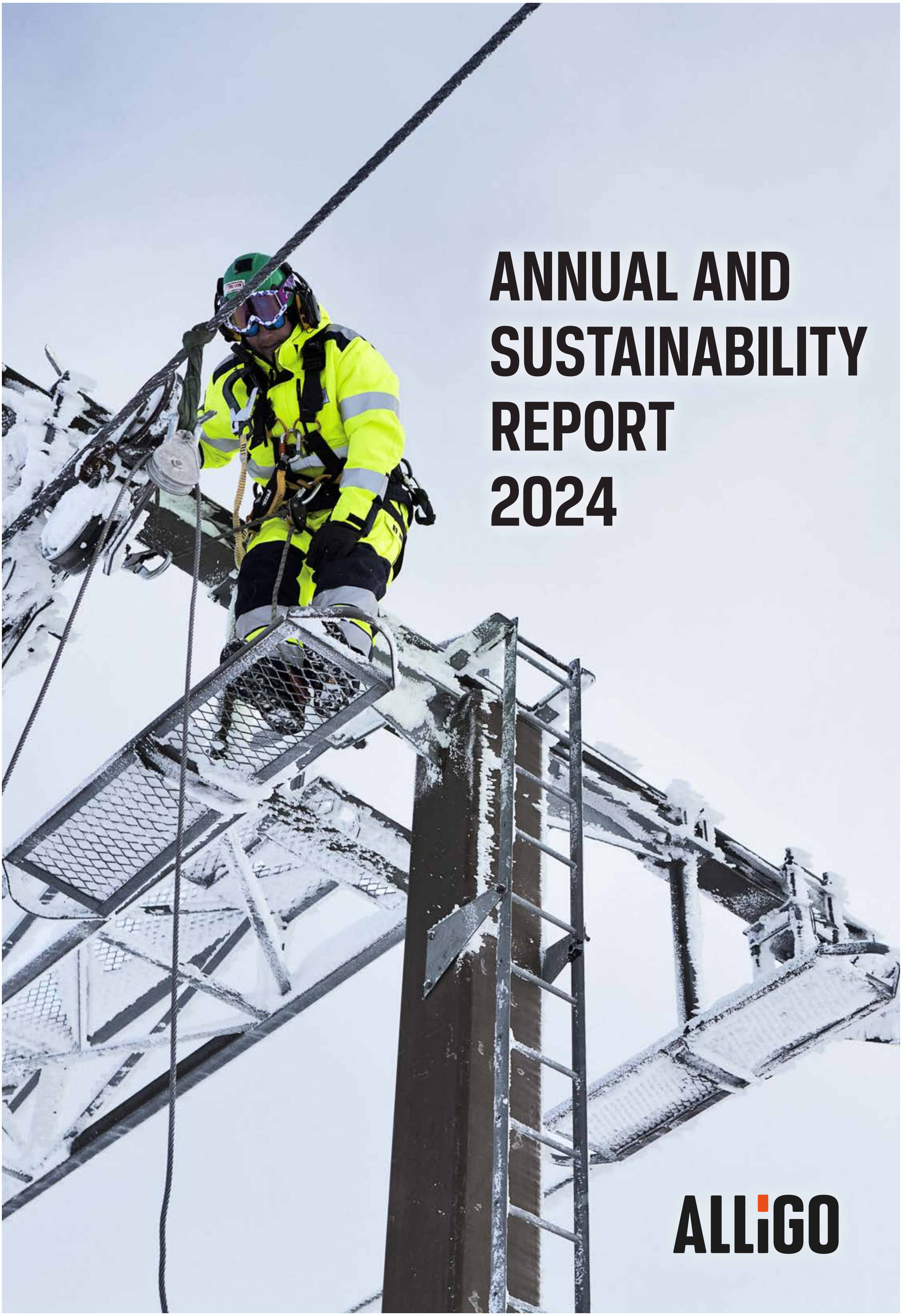
# ANNUAL AND SUSTAINABILITY REPORT 2024



ALLIGO


We make businesses work

# Contents



**ABOUT THE ANNUAL AND SUSTAINABILITY REPORT**

The formal Annual Report and consolidated financial statements for Alligo AB (publ) are presented on pages 82–140. The Administration Report with related financial statements and notes are presented on pages 83–92 and 104–139 respectively. The Corporate Governance Report is presented on pages 93–99. The Group prepares a Sustainability Report inspired by the European Sustainability Reporting Standards on pages 38–81, which includes current requirements under the Swedish Annual Accounts Act. The Group's Remuneration Report is published separately at www.alligo.com.

**COVER PHOTO**

Björnkläder's Hivis range is designed to guarantee maximum visibility and safety in challenging working environments. Hemavan's ski patrol use Hivis winterwear, which features Alligo's unique luminous tape, Signal Lucence, that absorbs daylight and illuminates in the dark.

**INSIDE COVER PHOTO**

Björnkläder's flame-proof range provides maximum protection and comfort in high-risk environments. Quod Svets & Smide's employees use flame-proof clothing from the Parvotex collection when working at Gothenburg Central Station.

# Alligo in a minute

## Alligo is a leading player within workwear, personal protective equipment, tools and consumables in the Nordic region.

Our offering consists of a standardised product range of goods and services that make businesses work. Through the concept brands Swedol and Tools, alongside non-integrated brands, we interact with professional users in the Nordic region in the channels where they want to meet us, whether this is a store, field sales and telesales, digital channels or through smart solutions on-site at the customer. Customers are a balanced mix of small and medium-sized companies, large industrial corporations and the public-sector within eight defined industry segments.

Alligo is an integrated business with a scalable platform that can drive long-term profitable and sustainable growth, both organically and through acquisitions. In addition to the integrated business, there are also non-integrated companies within selected product and technology areas, such as product media, welding and batteries, which operate stores under their own brands.

We are driven by our vision of becoming unbeatable as a partner to our customers and suppliers, as an employer for our employees and as a leader in sustainable development in our industry.


### Non-integrated businesses

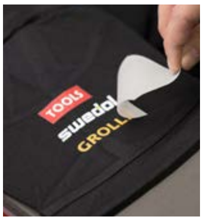
**PRODUCT MEDIA:** Company Line, Reklamproffsen, Industriprofil, Triffiq, Profilmakarna, Defacto, Magnusson Agentur, Profeel, Z-Profil, Kents Textiltryck, Olympus Profile, Topline and New Promotion. **WELDING:** Svets och Tillbehör, Svetspartner, T. Brantestig Svetsmaskinservice, Sundholm Welding, Corema and Pirkka-Hitsi. **OTHER AREAS:** Mercus yrkeskläder, Wiklunds, Batterilagret, Tools Vagle, Workwear, Metaplan, Liukkosen Pultti, Kitakone, Hämeen Teollisuuspalvelu and Riihimäen Teollisuuspalvelu.



IMAGE: Björnkläder.

# Alligo's history

**2021**
Momentum Group changes its name to **Alligo**.




**2022**
The Components and Services business area (Momentum Group) is distributed to shareholders and listed under its own name on Nasdaq Stockholm.

**Alligo** completes the integration of **Swedol** and **Tools**.

**2024**
**Alligo** completes the streamlining of the Group's concept brands, with one in each country. **Swedol** in Sweden and **Tools** in Norway and Finland.

**2019**
Momentum Group makes a public takeover bid to acquire Swedol, with the intention of integrating **Swedol** and **Tools**. The acquisition is completed in spring 2020.

**2017**
B&B Tools (formerly Bergman & Beving) is split into two separately listed companies: Bergman & Beving and Momentum Group, which includes **Tools**.

**2013**
**Swedol** adopts a new strategy with a focus on the professional market.


**2016**
**Swedol** acquires Björnkläder Intressenter AB, including the **Grolls** brand.

**2008**
**Swedol** is listed on Nasdaq Stockholm.


**2006**
**Swedol** expands, opening several new stores.


**2002**
Bergman & Beving launches a six-year aggressive acquisition strategy. 150 companies in Sweden, Norway and Finland are acquired and integrated into the **Tools** chain.

**1999**
Hydraulprodukter changes its name to Swedol Hydraulprodukter and a couple of years later to **Swedol**.

**Tools** is formed in Norway, as part of Bergman & Beving.

**1832**
L. **Groll** Lärftshandel is founded on Järntorget in Gamla stan, Stockholm.

**1963**
Mail order company Hydraulprodukter (later **Swedol**) is established in Tyresö, south of Stockholm.

**1995**
Hydraulprodukter opens its first physical store.

# 2024 in brief

## Q1 First quarter

Acquisition of Svets och Tillbehör i Sverige AB and Svetspartner i Malmö AB. Both companies have a broad offering within welding and grinding and related service business and operate in Ystad and Malmö respectively.

Acquisition of the Norwegian company Tore Vagle AS, which has operations in Sandnes, and sells tools and industrial components.

New stores were opened in Boden and Västervik in Sweden and Herttoniemi in Finland.

Launch of a complete range of industrial fasteners under our own brand Inno.

Pilot project ReCare was initiated to develop a new full-service solution for workwear, including laundry, repairs, reuse and recycling.

## Q2 Second quarter

Acquisition of Wiklunds i Bollnäs AB, which sells tools, consumables, workwear and personal protective equipment.

Acquisition of 70 per cent of the shares in product media company New Promotion Sverige AB and its subsidiary. The companies have operations in Lidköping and Skövde.

Acquisition of Workwear AS, which sells workwear and personal protective equipment and has stores in Oslo and Gjøvik in Norway.

At the request of a shareholder, 1,780 Class A shares were converted to Class B shares. This resulted in a change to the number of votes in Alligo.

## Q3 Third quarter

Acquisitions of T. Brantestig Svetsmaskinservice AB, which has stores in Västerås, and Aktiebolaget Sundholm Welding, which has stores in Köping and Eskilstuna. The companies specialise in the sale and servicing of welding machines and related equipment. T. Brantestig also offers machinery rental services.

Acquisitions of Hämeen Teollisuuspalvelu Oy and Riihimäen Teollisuuspalvelu Oy, which operate at several locations in southern Finland. The companies sell tools, consumables, industrial components, workwear and personal protective equipment.

An agreement was entered into with Handelsbanken to sustainability-link existing loans totalling SEK 2.3 billion. The conditions link the loan to the Group's sustainability targets.

The coordination of Norwegian logistics operations in the newly built central warehouse in Vestby, outside Oslo, was completed.

## Q4 Fourth quarter

Acquisition of Corema Svets & Industriprodukter AB. The company is a full-service supplier of welding and industrial products, as well as fasteners, with operations in Gothenburg and Sundsvall.

Launch of a new collection of affordable workwear and protective equipment under our own brand 1832.

Science-based targets for reducing emissions in Scopes 1, 2 and 3 submitted to the Science Based Targets initiative for validation.

The existing credit facility with Handelsbanken was increased by MSEK 300 to MSEK 2,600, excluding committed credit facilities.

Acquisition of Svenska Batterilagret AB. The company is a leading specialist in batteries and battery accessories in Sweden.

# KPIs 2024

**9,333**
REVENUE, MSEK

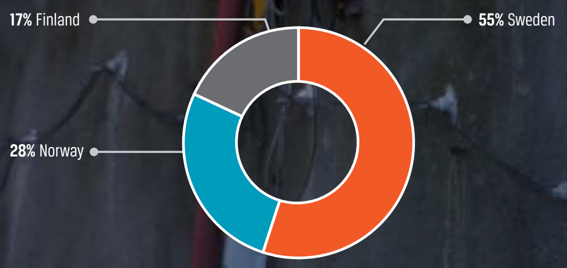
**601**
ADJUSTED EBITA, MSEK

**6.4**
ADJUSTED EBITA MARGIN, %

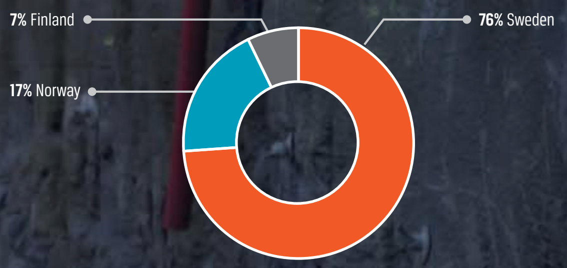
**2,522**
NUMBER OF EMPLOYEES

**20**
SUPPLIERS WITH SCIENCE-BASED TARGETS, %

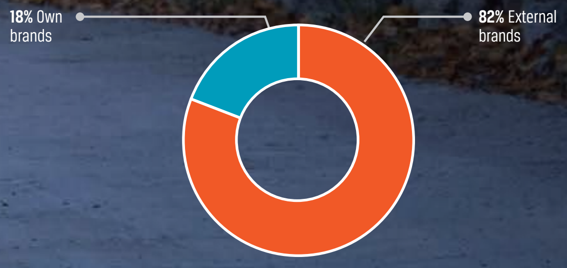
## REVENUE BY GEOGRAPHIC SEGMENT




## ADJUSTERAD EBITA BY GEOGRAPHIC SEGMENT




## SALE OF OWN BRANDS



# Message from the CEO

In 2024, we continued to invest in the business and build for the future through acquisitions, developing our offering and sales initiatives. We also completed several important changes, such as the consolidation of our concept brands and the coordination of logistics in Norway.

The year was dominated by a challenging market and external environment. We have therefore continued to work to adapt the cost structure in a responsible manner that does not risk our long-term ability to achieve profitable growth on both stronger and weaker markets.

### Challenging market

The slowdown in demand that intensified towards the end of 2023 continued during 2024. Revenue was largely unchanged and amounted to MSEK 9,333 (9,335).

Development was weak within most industry segments, with the exception of oil and gas in Norway, as well as the public sector in Sweden. The weakest development was seen in the construction industry, which remains under significant pressure from the weak economy. The sales trend stabilised towards the end of the year, however.

Organic growth was negative at -3.9 per cent. The current economic situation has hit small and medium-sized companies particularly hard. These represent a very important customer group and we are working both to reach out to them better and to adapt our range so that we can offer more affordable alternatives.

Although sales to the construction industry and small and medium-sized companies were weak, the sales trend within manufacturing industry was positive. Efforts are being made to improve our sales focus, with one important measure being the establishment of a new Nordic organisation focused on construction that will work with the existing sales organisations in each country. The new organisation has been created using the same model that we have used for industrial customers since 2023.

It is very pleasing to report that we created growth through acquisitions of 4.5 per cent, which partially offset the weak organic growth.

### Pressure on margins

Adjusted EBITA for 2024 amounted to MSEK 601 (827) and the adjusted EBITA margin was 6.4 per cent (8.9). The lower earnings and reduced margin are the result of a drop in sales volume, a changed customer mix, lower supplier bonus and more expensive purchasing due to a weak Swedish krona (SEK).

We have generally managed to maintain our margins at product level and within each customer group. The customer mix has become less favourable, however, as we have lost sales to small and me non-integrated dium-sized companies, which normally shop in-store and are relatively profitable customers, while at the same time we have seen growth for industrial customers.

The change in customer mix affected all markets, but the greatest impact was in Sweden, where small and medium-sized companies account for a larger share of sales. In Norway, profits were negatively affected by disruption caused by the coordination of logistics operations in Vestby. In Finland, the decline in profit was also the result of increased costs from the investments made in stores, as well as weak sales and assortment management. Finland was also affected by a large-scale strike during the first quarter.

To increase profitability, we are continuing to review costs throughout the business. This may result in structural changes if there are areas that will have difficulty achieving our profitability requirements in the long term. We are particularly examining those parts of the Finnish operations that have continued to show weak development. Towards the end of 2024, an efficiency project was launched to reverse the trend in Finland.

### Growth and technical expertise through acquisitions

We have continued to pursue an active acquisition strategy, offsetting weak organic growth through acquisitions that contribute to the long-term development of the Group within new areas with good profitability and growth. We have a well-functioning acquisition model that enables us to integrate profitable companies that complement Alligo's business.

Through acquisitions, we can also develop our offering and grow within new product and technology areas. For example, over the past two years we have driven the consolidation of the welding market through the acquisition of six businesses with total annual revenue of approximately MSEK 400. Welding is an example of a technology area with a high level of technical expertise within both services and sales, which is also important for many of our existing customers. Welding therefore has good potential for synergies with Alligo's integrated business, while at the same time it is a profitable product area that would have required significant time and resources to build up ourselves. With acquired revenue, together with Swedol's operations, Alligo now has revenue of around MSEK 650 from welding.

There is still potential for investing in more new products and technology areas that can contribute growth and technical expertise to the business. We have already been driving consolidation by acquiring companies within product media, where Alligo has a strong offering and position.

The acquisitions within both welding and product media are operated as non-integrated companies. This is an alternative model to Alligo's integrated business, which gives the acquired companies the opportunity to continue operating their business in a proven and successful way. Together with Alligo, the non-integrated companies can benefit from knowledge-sharing and synergies within areas such as purchasing, assortment coordination and logistics.

On 18 December 2024, we signed an agreement to acquire Svenska Batterilagret AB, one of Sweden's leading battery specialists, with annual revenue of approximately MSEK 275. Batterilagret's expertise and store network strengthen our offering within batteries and battery accessories. To preserve the unique knowledge and focus of the business, it is continuing to operate as a non-integrated company. The acquisition was completed on 5 February 2025 and is the largest since Alligo was formed in 2021.

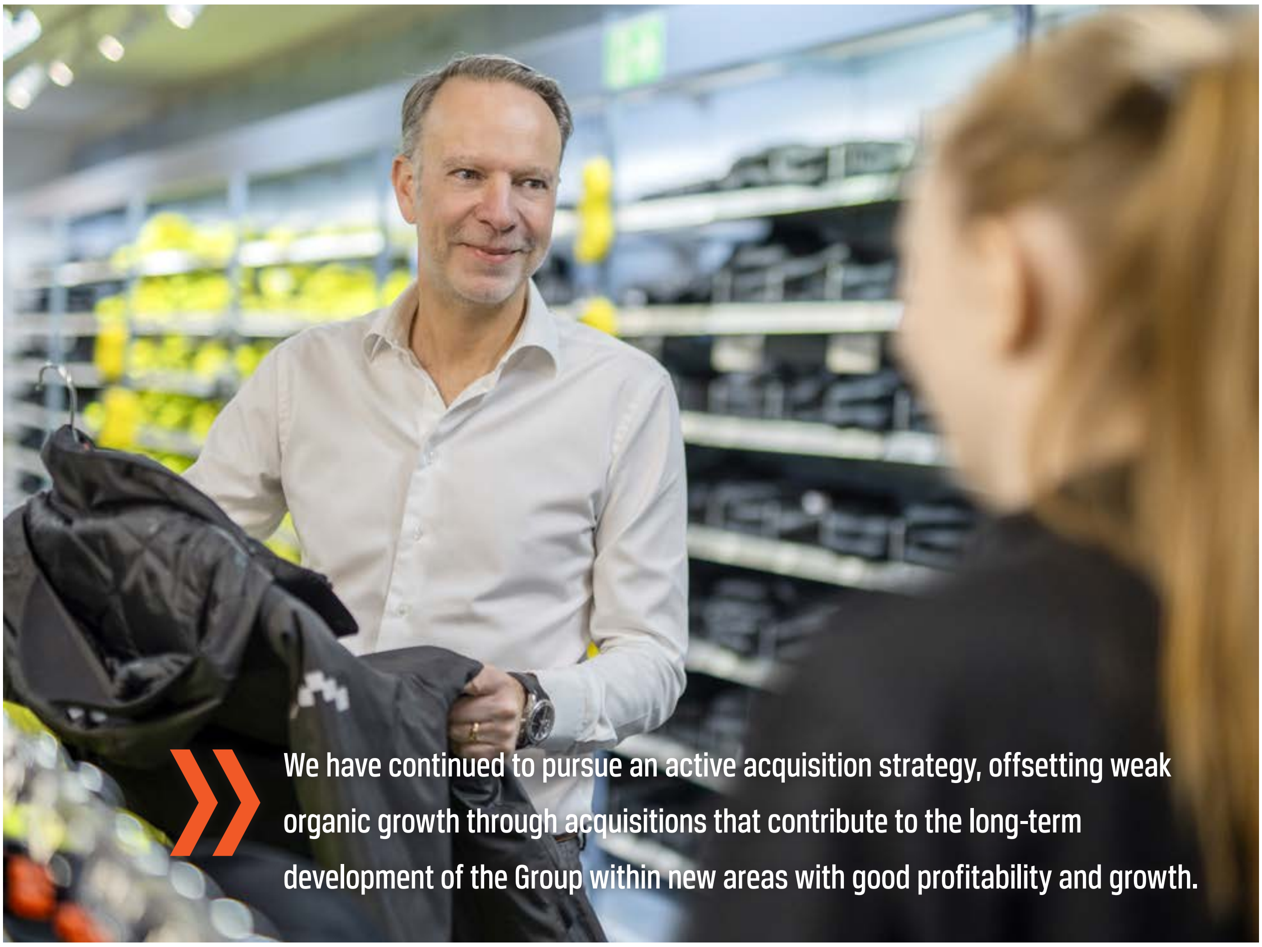
### Internal development of our offering

It is not just through acquisitions that we are investing to drive profitable growth. We place great emphasis on the internal development of both products and services that can strengthen our existing offering or take us into new product areas where we see good potential.

Fasteners is an example of a growth area where in a short space of time we have developed and launched our very own range under the Inno brand.

Under our own brand 1832, we have launched a new collection of workwear and protective equipment where we offer more basic products at attractive prices without compromising on quality or margins. This is a key initiative for strengthening our competitiveness, as many customers have become more price-conscious.

An important innovation within our service offering is ReCare, Alligo's full-service solution for workwear, which was launched during the first quarter of 2025. The development of ReCare took place during most of 2024 and the final offering includes everything from the clothing itself to laundry, repairs, reuse and recycling. Laundry is an important service area with good conditions for profitable growth, and for many larger




customers is a prerequisite for us being able to supply workwear to them.

The pace of product and service development remains rapid and more launches are in the pipeline, while we are also further developing our existing range.

### Strengthened sustainability work

An important step taken in our sustainability work in 2024 was to strengthen reporting and communication. This included preparing for the EU's new sustainability reporting requirements, CSRD.

Sustainability-linking our existing loans and credit facilities establishes a clear connection between financing and sustainability in our business. This means that our loan terms are linked to the outcome for key performance indicators relating to responsible supplier relationships, equality and reduced consumption of electricity and energy.

During the fourth quarter, we submitted our climate targets to the Science Based Targets initiative (SBTi) for validation.

### In the right direction

It was a challenging year in 2024 with an exceptional market situation. It is frustrating that we were unable to achieve the growth and profits that we would have liked. However, we have been fully focused on navigating our way through this in the best way possible. We have continued to invest in the business and this has paid off. Alligo has maintained a strong position on the market and grown within new areas.

There is still a lot we can do to improve the business. We are investing in new product and technology areas and developing what we already have in order to generate profitable growth and strengthen our competitiveness, even when times are hard. In addition to responsible cost reductions, which do not jeopardise our scalable platform and the structures we have built over time, we have also maintained gross margins within our customer segments. The business is now ready to take advantage of any improvement in the market situation.

Our financial position has enabled us to make acquisitions and investments in the existing business. This has increased the debt ratio, but we still have scope to invest in profitable growth and strategically important areas in the future.

It is impossible to predict the future and how the economy will develop, but we can be proud of the work we have done over the past year. We have made many important investments and changes and I am convinced that Alligo is moving forward in the right direction.

I would like to conclude by thanking all our employees, partners and customers for their good work that has laid a strong foundation for the future.

Tyresö, April 2025

Clein Johansson Ullenvik
Group President and CEO


# Five reasons to invest in Alligo

## 1 Market growth and resilient customer segments

Alligo's markets consist of corporate customers in Sweden, Norway and Finland. The different markets provide stable growth and complement each other well. Customers are a balanced mix of small and medium-sized companies, large industrial corporations and the public-sector. The mix of companies, industry segments and geographic markets provides good opportunities for continued profitable growth and resilience in weaker economic times.

## 2 Scalable platform a foundation for continued growth

Alligo has built an integrated organisation that can scale up and grow, both organically and through acquisitions. The cost structure is adaptable and functions such as assortment, procurement, logistics, finance, IT and sales enable new investments to be coordinated and streamlined. The Group is continuously working to improve its operational efficiency and develop the organisation using digital solutions.

## 3 Own brands increase competitiveness and profitability

Own brands enable greater control of the product development process, which Alligo uses to offer a product range that is tailored to the Group's defined industry segments. The extensive development of own brands and services means customers can be offered a unique and competitive product range, with increased profitability for Alligo.

## 4 Sustainable and long-term business model

Sustainability is an integral part of the business – from strategy and business planning to product development – and increases competitiveness as well as reducing risk. Alligo aims to become a leader in sustainability in the industry, creating the conditions for long-term profitability.

## 5 Leader in the consolidation process on the Nordic markets

The markets in the Nordic countries are undergoing a consolidation process, which can benefit large groups. Alligo has a leading position and is actively involved in this. There are good opportunities for sustainable, profitable growth and Alligo will continue to invest and strengthen its position, both organically and through acquisitions, on all markets where the Group operates.



IMAGE: Björnkläder.

# Investor FAQ

### Alligo has reported weak sales throughout 2024 – what action has been taken to deal with the challenging market?

It is frustrating to report that the trend of weak demand and reduced sales that we saw at the end of 2023 continued throughout 2024. To drive profitable growth on a market that remains challenging, we have invested during the year in developing and strengthening Alligo's offering, both in terms of own brands and services and improved sales work, and we completed eleven strategic acquisitions, five of them within welding. At the same time, we have continued to reduce our costs.

### 2024 was an acquisition-intensive year. Does Alligo have the capacity to continue making acquisitions in 2025?

The acquisition rate intensified in 2024, as we completed eleven acquisitions, bringing total annual revenue of MSEK 650. Acquisitions are an integral part of the Group's growth strategy, enabling us to strengthen operations and realise synergies. At the same time, a high acquisition rate needs to be balanced against the debt ratio and financial position. In 2024, Alligo's ratio of net operational liabilities to adjusted EBITDA excluding IFRS 16 increased from a multiple of 1.6 to 2.4, compared with a target ratio of less than 3. We therefore continue to have a strong financial position and scope for acquisitions of interesting and profitable companies.

### Can we expect to see more acquisitions like Svenska Batterilagret, which is continuing to operate as a non-integrated company during 2025?

Welding specialist Corema and Batterilagret are examples of acquisitions with a clear focus on strengthening what we call technology areas. These are product areas with a high level of technology that are also important for many of Alligo's customers and have good potential for synergies. Future acquisitions may be integrated or continue to operate as non-integrated companies, depending on the type of business. Those that are clearly differentiated from the broad concept brands Swedol and Tools will continue to operate as non-integrated companies. Examples of product and technology areas containing businesses of this kind are welding, batteries and product media.

### How does demand vary across different company sizes?

The slowdown in demand during 2024 applied to most customer segments with the exception of oil and gas in Norway. The reduced demand from small and medium-sized companies (SME customers) is offset to a certain extent by increased sales to larger industrial customers, which means lower margins. Although the construction market, in particular housing, remains challenging, we are focusing sales on those areas where we see potential, such as infrastructure and service business.

### What has Alligo done to increase growth and profitability with regard to larger industrial corporations?

In order to drive sales, we have appointed two Nordic segment managers, who focus on the largest customers within construction and industry. This has resulted in stronger customer relationships and increased sales to this customer group, which has led to lower margins however. We have a long list of activities for converting larger customers to Alligo's own range and brands. The launch of our 1832 brand, which offers more basic workwear and protective equipment at attractive prices, is just one example.


### Alligo's own brands have a major impact on profitability. How are the own brands doing outside Sweden?

In 2024, the share of own brands in Norway and Sweden reduced by just over 1 percentage point. In the Finnish Tools business, the share of own brands increased marginally during the year. Stores are Alligo's most profitable sales channel and have a major impact on the share of own brands, as our in-store sales staff have greater opportunity to influence the customer. The development of the store network currently varies across the three main markets and is most developed and competitive in Sweden. In Norway and Finland, Tools has historically focused more on larger industrial customers, with in-store sales less decisive. One important activity for increasing sales of own brands in Norway and Finland, therefore, is to focus on in-store sales.

### What are the key risks and opportunities for Alligo in the year ahead?

We are confident that we are focusing on the right things and we are ready to take advantage of an improved economy quickly when the tide turns. Despite the market situation, we have successfully strengthened our competitiveness and have also established ourselves as a player in new areas, such as welding and batteries, during the year. The risk is a long wait for an upturn in the market. To mitigate this, we are working to make ongoing cost savings, while also continuing to invest for the future.

### Does Alligo have a forecast for 2025? Is there anything to indicate an upturn in the market?

It was an incredibly challenging year in 2024, which ended with a stabilisation of the market, albeit at a weak level, and nothing that has yet been directly reflected by sales. When the upturn will come is difficult to say, but it will probably take some time and the current market situation is highly likely to continue for a good while into 2025.

### What is Alligo's primary focus in 2025?

Alligo's focus in 2025 is on sales, growth and continued cost savings. We will work on four priority activities, which apply to all markets: 1) Establish a strong position within construction in all countries, with a focus on SME customers. 2) Develop our stores based on best practice within the Group. 3) Further develop Alligo's service offering, for example Smart Services and ReCare. 4) Expand our own brands.

# Alligo's share

**Alligo's Class B share is traded on Nasdaq Stockholm's Mid Cap list under the short name ALLIGO B. At year-end, the total market capitalisation was MSEK 6,202.**

Alligo was listed on Nasdaq Stockholm under the name Momentum Group AB on 21 June 2017. In accordance with a resolution at the Extraordinary General Meeting of 2 December 2021, the Group's Parent Company changed its name to Alligo AB. Since 15 December 2021, the listed Class B share has been traded under the short name ALLIGO B with the ISIN code SE0009922305.

## Share development

During the 2024 financial year, Alligo's share price decreased by 0.6 per cent from SEK 124.00 to SEK 123.20. During the same period, the OMX Stockholm PI index rose by 5.7 per cent. The closing price for Alligo's Class B share on 30 December was SEK 123.20. The total return, corresponding to the sum of the share price increase and dividends, amounted to 2.2 per cent in 2024. The equivalent return on Nasdaq Stockholm was 8.8 per cent.

Alligo's total market capitalisation for the listed Class B shares amounted to MSEK 6,202 as at 31 December 2024. In 2024, on all marketplaces, a total of 13.6 million shares (18.6) in Alligo were traded, with an average daily volume of 54,423 shares (74,257). Of the total trading in Alligo shares, 52 per cent (71), equivalent to 7.2 million shares, took place on Nasdaq Stockholm at a total value of around MSEK 985. Based on the total number of outstanding Class B shares during the year, this corresponds to a turnover rate of 14.2 per cent. Broken down by trading day, an average of 28,540 Alligo shares were traded on Nasdaq Stockholm each day, at an average value of around MSEK 3.9.

## Share capital

As at 31 December 2024, the share capital amounted to MSEK 102. The total number of outstanding shares was 50,067,638, of which 562,293 were Class A shares and 49,505,345 were Class B shares. The quotient value is SEK 2.00 per share. Each Class A share entitles the holder to ten votes and each Class B share to one vote. All shares carry equal rights to the company's assets, earnings and dividends. Only the Class B share is listed on the Stockholm Stock Exchange. A conversion provision in the Articles of Association allows for conversion of Class A shares into Class B shares.

## Holding of treasury shares

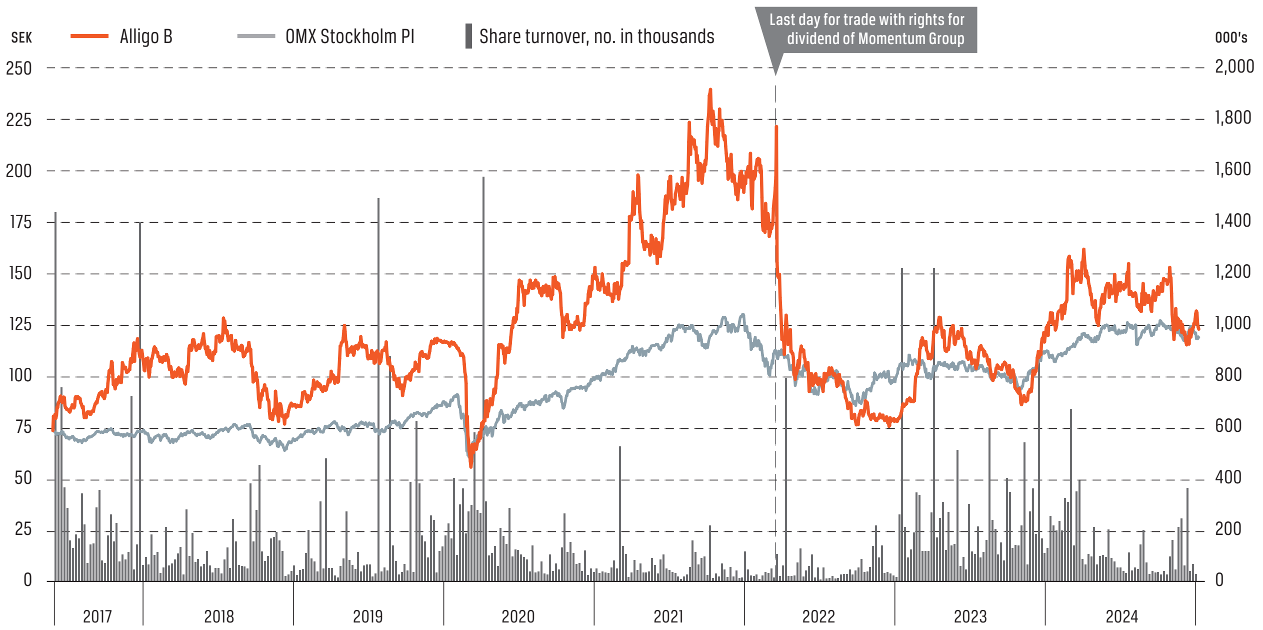
Alligo's holding of Class B treasury shares as at 31 December 2024 amounted to 838,551, corresponding to 1.6 per cent of the total number of shares and 1.5 per cent of the total number of votes. There were no changes to the holding of treasury shares after the end of the period. The aims in holding treasury shares are to allow the Group to adapt its capital structure and to enable future acquisitions of companies or businesses to be made through payment in treasury shares, as well as to secure future obligations in share-based incentive programmes.

›› For further information regarding the terms of share-based incentive programmes, see note 5.

## Dividend

Alligo's dividend policy and financial target state that 30–50 per cent of the earnings per share are to be distributed to the shareholders. The Board's proposed dividend for the 2024 financial year amounts to SEK 2.00 (3.50) per outstanding share, which corresponds to a total of MSEK 100 (175) and 36 per cent (35) of the net profit. The current capital structure and profitability are considered to provide sufficient scope for the proposed dividend, which is in line with the target and policy and is at the lower end of the range.

**SHARE PRICE DEVELOPMENT**

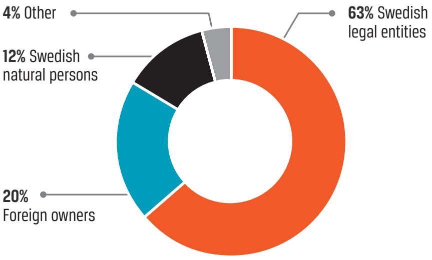


**6,272**
MARKET CAPITALISATION, MSEK

**2.19**
TOTAL RETURN, %

**2.84**
YIELD, %

## SHAREHOLDER CATEGORIES AS AT 31/12/2024




## OWNERSHIP STRUCTURE AS AT 31/12/2024

| | Owners | |
|---|---|---|
| Size class, no. of shares | Number | % of total |
| 1-500 | 5,026 | 82.8 |
| 501-1,000 | 468 | 7.7 |
| 1,001-5,000 | 410 | 6.8 |
| 5,001-10,000 | 58 | 1.0 |
| 10,001-50,000 | 65 | 1.1 |
| 50,001-100,000 | 17 | 0.3 |
| 100,001-500,000 | 16 | 0.3 |
| 500,001-1,000,000 | 8 | 0.1 |
| 1,000,001- | 4 | 0.1 |
| **Total** | **6,072** | **100.0** |

Source: Monitor from Modular Finance AB.

## MAJOR SHAREHOLDERS AS AT 31/12/2024

| | Number | | % of | |
|---|---|---|---|---|
| | Class A shares | Class B shares | Capital | Votes |
| Nordstjernan | 213 | 27,776,641 | 54.6 | 49.6 |
| Fidelity Investments (FMR) | | 4,492,274 | 8.8 | 8.0 |
| Van Lanschot Kempen Investment Management | | 3,794,331 | 7.5 | 6.8 |
| Handelsbanken Funds | | 1,458,749 | 2.9 | 2.6 |
| Nordnet Pensionsförsäkring | | 882,982 | 1.7 | 1.6 |
| Sandrew AB | | 800,000 | 1.6 | 1.4 |
| Dimensional Fund Advisors | | 764,263 | 1.5 | 1.4 |
| Third AP Fund | | 734,040 | 1.4 | 1.3 |
| Avanza Pension | | 526,466 | 1.0 | 0.9 |
| Tom Hedelius | 513,124 | | 1.0 | 9.2 |
| **Ten largest shareholders** | **513,337** | **41,229,746** | **82.0** | **75.2** |
| Other shareholders | 48,956 | 8,275,599 | 16.4 | 23.3 |
| **Total** | **562,293** | **49,505,345** | **98.4** | **98.5** |
| Plus: Repurchased Class B shares | | 838,551 | 1.6 | 1.5 |
| **Total** | **562,293** | **50,343,896** | **100.0** | **100.0** |

Source: Monitor from Modular Finance AB.

## SHARE CAPITAL DEVELOPMENT

| | | Change in number of shares | | Total number of shares | | | |
|---|---|---|---|---|---|---|---|
| Date | Event | Class A shares | Class B shares | Class A shares | Class B shares | Change in share capital, SEK | Total share capital, SEK |
| 8 Aug 2016 | New formation | 500[1] | | 500[1] | | 50,000 | 50,000 |
| 31 Mar 2017 | Split 1/50 | 24,500[1] | – | 25,000[1] | – | 0 | 50,000 |
| 31 Mar 2017 | Introduction of separate share classes | – | – | 25,000 | – | | |
| 31 Mar 2017 | New share issue | 1,038,780 | 27,201,636 | 1,063,780 | 27,201,636 | 56,480,832 | 56,530,832 |
| 2 Aug 2017 | Conversion of Class A shares | -1,344 | +1,344 | 1,062,436 | 27,202,980 | 0 | 56,530,832 |
| 27 Mar 2020 | Directed issue to shareholders of Swedol AB | – | 22,633,876 | 1,062,436 | 49,836,856 | 45,267,752 | 101,798,584 |
| 24 Apr 2020 | Directed issue to shareholders of Swedol AB | – | 6,897 | 1,062,436 | 49,843,753 | 13,794 | 101,812,378 |
| 26 Jan 2022 | Conversion of Class A shares | -498,363 | +498,363 | 564,073 | 50,342,116 | 0 | 101,812,378 |
| 29 Apr 2024 | Conversion of Class A shares | -1,780 | +1,780 | 562,293 | 50,343 | 0 | 101,812,378 |

1) Prior to the introduction of separate share classes, the company had only one share class. For formatting purposes, these shares are presented in the column for Class A shares.

›› Information about Alligo's share is continuously updated at www.alligo.com.

# Financial targets

Alligo's financial targets focus on profitable growth, financial stability and dividend.
The targets have been set based on Alligo's conditions during a medium-term strategy period.

TARGET

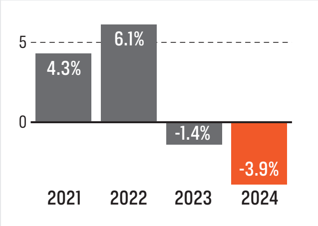
OUTCOME AND COMMENTS 2024

## GROWTH

**>5%**

### Organic growth

Average organic growth shall be more than five per cent per year over a business cycle. Further growth shall also be made through acquisitions.



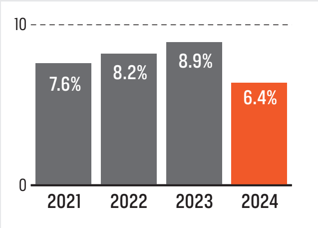

The market remained weak in 2024, which had the greatest impact on sales in Sweden and Finland. Norway had positive growth as a result of the strong performance of the oil and gas industry segment. In 2024, organic growth was negative in both Sweden (-6 per cent) and Finland (-9 per cent), but positive at 3 per cent in Norway.

## PROFITABILITY

**>10%**

### Adjusted EBITA margin

The adjusted EBITA margin shall be more than ten per cent per year.



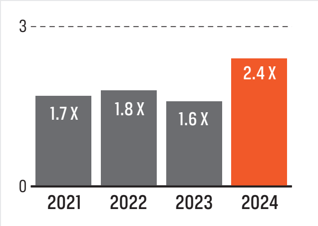

The positive profitability trend came to an end in 2024. The adjusted EBITA margin decreased in all countries as a result of reduced demand, an unfavourable customer mix, lower supplier bonuses and disruptions at the logistics centre in Norway. To achieve the target of an adjusted EBITA margin of 10 per cent, work is ongoing to increase sales activity, establish a more favourable customer mix in Finland and Norway, and further strengthen the sales and assortment management.

## INDEBTEDNESS

**<3X**

### Ratio of net operational liabilities to adjusted EBITDA, excl. IFRS 16

The ratio of net operational liabilities to adjusted EBITDA, excl. IFRS 16 shall be less than a multiple of three.



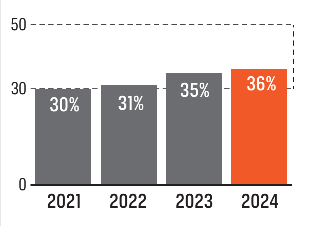

The ratio of net operational liabilities to adjusted EBITDA, excl. IFRS 16 increased in 2024 as a result of lower profits, increased acquisition activity and a higher dividend. The debt ratio is below the target and Alligo continues to enjoy a strong financial position, which provides a solid foundation for growth and enables us to take advantage of future acquisition opportunities.

## DIVIDEND

**30-50%**

### Dividend from net profit

The dividend as a percentage of net profit shall be 30–50 per cent, taking into account other factors such as financial position, cash flow and growth opportunities.




The proposed dividend for the year of SEK 2.00 per share (3.50) is equivalent to 36 per cent (35) of earnings per share for the financial year. The current financial position and profitability are considered to provide sufficient scope for the proposed dividend.

# Sustainability targets

The sustainability targets are based on Alligo's vision and material sustainability issues and are designed to make Alligo a leader in sustainable development in our industry.

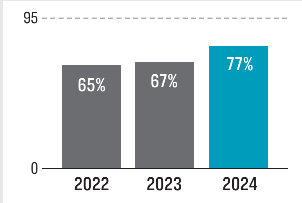
TARGET | OUTCOME AND COMMENTS 2024

## RESPONSIBLE SUPPLIER RELATIONSHIPS

**›95%**

### Shall meet the Supplier Standard

More than 95 per cent shall meet Alligo's Supplier Standard.[1]




In 2024, an increased proportion of suppliers met Alligo's Supplier Standard. The Supplier Standard includes agreements, acceptance of the Supplier Code of Conduct and related Chemical Restriction Lists, and self-assessments performed by suppliers on the requirements of Alligo's Code of Conduct.

## SATISFIED CUSTOMERS

**›75**

### Customer Satisfaction Index

The Customer Satisfaction Index (CSI) shall be more than 75.

| CSI | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| **Sweden** Swedol | 77 | 78 | - | 77 |
| **Norway** Tools | 80 | 80 | - | 78 |
| **Finland** Tools | 77 | n.a. | - | 82 |

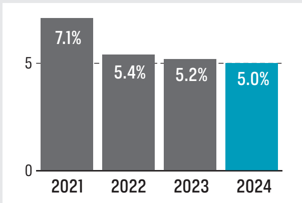
The CSI measurement for 2024 continues to show a result that exceeds the targets in all countries. CSI measurements are reported for one concept brand per country as of 2024. For greater comparability, the outcomes for 2022 and 2021 have been recalculated. CSI was not measured in 2023 as the measurement method was under review.

## HEALTH

**‹5%**

### Sickness absence

Sickness absence shall be less than five per cent of total scheduled hours.



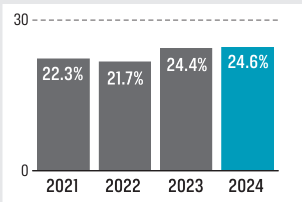

Extensive change work and the Covid-19 pandemic had a significant impact on sickness absence in 2020 and 2021. Sickness absence subsequently reduced gradually, driven by a positive trend in Norway and Finland up to 2023. The decrease in 2024 was attributable to Sweden.

## GENDER EQUALITY

**›30%**

### Proportion of women in management positions

The proportion of women in management positions shall be more than 30 per cent.




The proportion of women in management positions has increased since 2022. Up to 2023, the increase was driven by development in the integrated business in Sweden. The improvement in 2024 was the result of an increased proportion in Finland. The increased proportion of women in management positions is the result of targeted work to include both women and men as final candidates in recruitment processes.

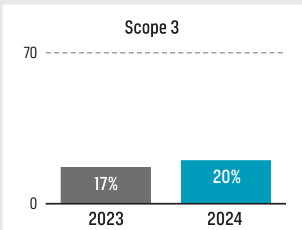
## CLIMATE IMPACT

**↓$CO_2$**

### Reduced greenhouse gas emissions[2]

**Scope 1 and 2:** Reduce absolute greenhouse gas emissions by 42 per cent by 2030, calculated from the base year 2023.

**Scope 3:** The proportion of suppliers[3] with science-based targets shall be at least 70 per cent by 2029.




The proportion of suppliers with science-based climate targets has increased to 20 per cent (17). Emissions within scope 1 and 2 have decreased by 19 per cent. Increased emissions from business travel by car, resulting from a change to the greenhouse gas reduction mandate in Sweden, have been offset by energy efficiencies, an increased proportion of fossil-free electricity and an increased proportion of electric and hybrid vehicles.

1) Proportion of the total purchase value from suppliers to the standard range.
2) Net zero greenhouse gas emissions throughout the entire value chain by 2050 at the latest. The climate targets have been submitted to the Science Based Targets initiative for validation and are subject to change.
3) Proportion in terms of expenditure on purchased goods and services, indirect purchases and transport.

# Vision, mission and values

Alligo's strategy and business planning is based on a clear mission, vision and values. We must make businesses work and we must be unbeatable for our customers, employees and suppliers and as a leader in sustainable development in our industry.

## MISSION

### We make businesses work

If we do our job right, our customers will have what they need to do their job right – both as companies and as employees. They have tools and consumables where they need them, when they need them. They have workwear and personal protective equipment that protects them against the weather and against hazards. With our expertise, we can help customers to develop their business and make it safer and more efficient.

## VISION

### We are unbeatable...

...as a partner to our customers
...as an employer for our employees
...as a partner to our suppliers
...as a leader in sustainable development in our industry

Our vision describes what we want to achieve in the longer term. We must not be satisfied with being one of the leaders in the industry, we must be unbeatable. To achieve this, we must meet – and exceed – the expectations of our stakeholders.

If we are the best partner for our customers, this will drive our sales. To make positive contributions to our customers, we need to have committed and skilled employees. To be able to provide our customers with the best offering, we need to have good relationships with the best suppliers. To be able to contribute to a sustainable society – as well as being relevant to our customers and employees – sustainability must be integrated throughout our business.

## VALUES

Alligo's values are based on three pillars that together define who we are and how we interact with our customers and other stakeholders.

### Commitment

We care about what we do; for us, this is about professional pride. We do our utmost to ensure we do a good job, and our commitment is something that can be seen, both from our employees and to our customers.

### Collaboration

We are one team together. We believe in being a community, where we are not afraid to ask others for help, to ensure success. We warmly welcome both customers and suppliers to our team.

### Competence

To earn someone's trust and confidence, you need to be knowledgeable about what you do. We always look to challenge ourselves, to learn more, and to think innovatively. In close partnership with everyone who trusts in us, we will become even better at everything we do.

# Strategic position

Alligo is run as an integrated company where all the different parts are connected to form one whole. The focus is on operational efficiency and long-term sustainable and profitable growth.

Alligo's primary operation is an integrated business with the concept brands Tools and Swedol. Some parts of the business are operated without being integrated depending on the sound business reasons for doing so, for example in product media and welding. Within all of Alligo's businesses, value is created through operational improvements and profitable growth – both organic and through acquisitions.

The business has a well-defined operational focus and is run from a Nordic perspective. The shared, scalable platform enables Alligo to achieve profitable growth and, where necessary, adapt the organisation's cost structure to current conditions.

## Customers

The business is developed with a focus on corporate customers within eight defined industry segments on the main geographical markets of Sweden, Norway and Finland. Alligo's priority is sales to end customers, but the Group is also a product owner with its own brands that can be sold through resellers to broaden market coverage.

## Offering

The product offering focuses on workwear, personal protective equipment, tools and consumables. The range must have a high degree of standardisation. Services are also an important part of the offering.

## Channels

The sales channels of stores and direct sales through field sales and telesales, digital sales and on-site service complement and support each other. In each country, sales take place through a primary concept brand and via the channel(s) the customer chooses based on their needs.

# Strategic objectives

Alligo works on the basis of four strategic objectives. The objectives relate to areas identified as being particularly important in order for us to achieve the vision and they contain specific strategies within each target area.

## 1 We provide our customers with what they need – in a friendly way

Our offering is tailored to the customer's needs and contains a defined range of own brands and strong external brands. With our expertise and commitment, we guide customers to the right products instead of offering them all products in all categories. A key part of our offering is services that create added value for the customer. We aim to standardise and expand our range of services, while also offering larger customers a tailored service offering as required.

We always meet customers where they want to meet us. Some customers prefer an entirely digital purchasing experience, while for others meeting in person is vital. Whichever of our channels the customer chooses, we must meet the customer in the way they want to be met. Digital and smart solutions can also help to streamline our customers' business and make their everyday life easier. We are therefore continually developing our digital solutions in order to meet the needs and expectations of customers.

## 2 We are the workplace where the best people want to work and we help them grow

Attracting employees, helping them to grow and retaining them is vital for our competitiveness. Everyone must be able to thrive at work and we must offer a good workplace. Without committed and skilled employees, we cannot provide the right service to our customers or operate our own business. Leadership is key when establishing a workplace where people want to work. We must continuously develop, improve, and strengthen our leadership.

To become unbeatable, we must believe in the future and have a performance culture where we all share a strong desire to achieve our objectives and we take pleasure in our shared successes. The skills and development of our employees are important to our business and we must establish a culture where there is always a focus on skills development. In order to be a modern and attractive employer, we must create a good work environment that is characterised by equality and diversity.

**ON IMAGE:**
1) A satisfied customer in Swedol's store in Huddinge. 2) Sami Heravi, logistics worker, and Rebecka Bakken, team leader at Profil, working at Alligo's logistics centre in Vestby, Norway.


## 3 We have our industry's most efficient operations and reliable processes

Efficient processes generate value for customers, make us a reliable partner for our suppliers, increase our profitability and give our employees a better work environment. We are always working to improve our processes in order to ensure quality and efficiency, both internally and externally. All of our stakeholders must be able to rely on us – that we keep our promises and live up to the expectations placed on us. We operate a transaction-intensive business that generates large volumes of data every day, enabling us to make use of various advanced analysis methods, such as artificial intelligence, to gain new insights into operations which help us and our stakeholders to develop and to establish new business and cooperation.

Customers are offered reliable, efficient and flexible supply solutions that make a difference in their business. Together with our suppliers, we create value through long-term close cooperation, benefiting the development of both Alligo and our suppliers.

## 4 We are known as the leader in sustainable development in our industry

We must work continuously to reduce the negative impact of our business on the environment. 91 per cent of the climate emissions in our value chain are generated by the products we sell. It is therefore important for us to influence our suppliers to reduce their climate footprint. The supply chain is also where we see the greatest sustainability risks in relation to human rights, working conditions and corruption, for example. Maintaining close cooperation with our suppliers and setting clear requirements is therefore an important focus for Alligo.

In our interaction with customers, we can use professional guidance to help them make conscious and more sustainable choices. A standardised product range creates better conditions for certifications and eco-labelling, which is the kind of sustainability information that customers want. Through clear and transparent communication of our sustainability work, we want to show stakeholders that Alligo is a company at the forefront in our industry.

**ON IMAGE:**
3) Liban Nur works at Alligo's logistics centre in Vestby, Norway. 4) Madeleine Söderholm is a sustainability specialist at Alligo.

# Sustainability strategy

**By integrating sustainability into strategy and business planning, Alligo aims to be unbeatable as a leader in sustainable development in our industry.**

Sustainability is not only a prerequisite for Alligo to act as a responsible corporate citizen, but also essential for ensuring long-term profitability.

Alligo's sustainability strategy is based on our vision and strategic objectives and the sustainability impact these have on the world around us, as well as issues that are important to stakeholders. Sustainability is integrated into our business model and forms part of our everyday work. Consideration has also been given to trends, risks and opportunities.

We have structured the most material sustainability matters into five focus areas, each supported by clearly defined activities and objectives.

## Focus areas

### ENVIRONMENTAL

**Reduced environmental and climate impact**

Alligo is actively working to reduce the negative environmental and climate impact both from the manufacture of the products we sell and in our own operations. The Group's largest environmental and climate impact occurs in the value chain, in connection with the manufacture of products.

### GOVERNANCE

**Responsible business conduct**

Alligo strives to act professionally, responsibly and with integrity in all business transactions and relationships. Promoting a corporate culture of transparency, complying with legislation, and acting with high business ethics contribute to building long-term relationships and a sustainable business.

### SOCIAL

**Committed and competent employees**

Employees who thrive and develop are essential for Alligo to achieve its goals and deliver value to customers and shareholders. A good working environment and a culture that promotes gender equality, diversity, and inclusion help attract and retain competent employees.

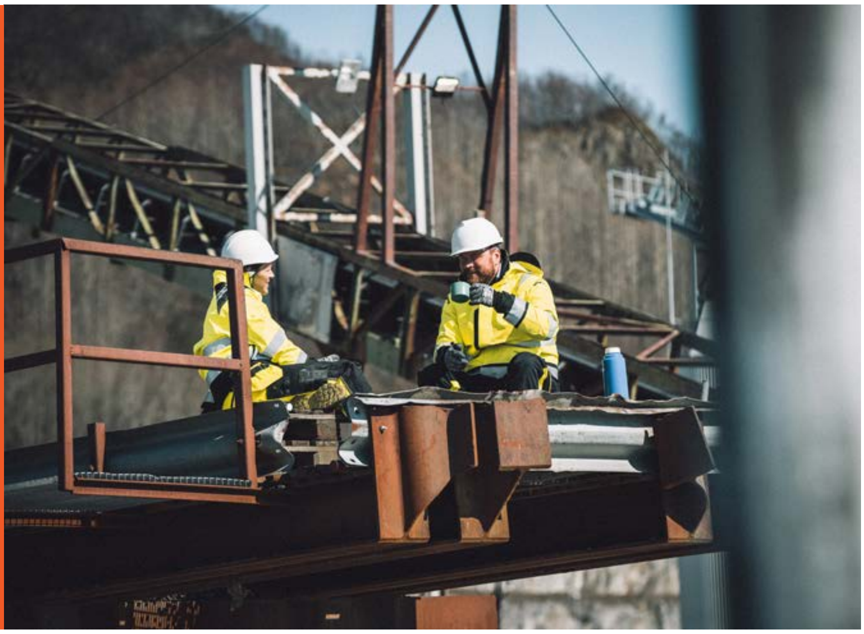
**Responsible supplier relationships**

Alligo's responsibility towards people, our society and the environment extends beyond its own operations. Alligo selects suppliers who share the Group's values regarding ethics and sustainability by specifying requirements and conducting follow-ups on human rights, labour conditions, environment and anti-corruption.

**Customer satisfaction and product safety**

To meet the high demands of customers, the workwear, personal protective equipment, tools, and consumables sold by the Group must be both safe and durable. In customer interactions, Alligo can support customers in making informed and more sustainable choices. Sustainability is also a key factor in product development.

Read more about Alligo's work to reduce environmental and climate impact on pages 51–68.



Read more about employees, responsibility in supplier relationships and Alligo's product safety work on pages 69–79.

Read more about Alligo's work to promote good business conduct and prevent corruption and bribery on pages 80–81.

# Acquisitions

Acquiring suitable companies enables Alligo to strengthen the business and realise synergies. Business acquisitions are also an important tool for developing the company's offering in new product and technology areas.

## Focus on well-run companies

Acquisitions are an important tool for driving the development and growth of Alligo. The companies acquired must be strategically aligned and bring clear value. The focus is on acquiring well-run, profitable companies.

Alligo mainly acquires companies that operate in our existing markets and product areas. Acquisitions enable the Group to increase its geographical presence, expand the customer base and enhance the offering within key product areas. Our acquisitions generate synergies through co-location, coordination of ranges, purchasing, warehousing and administration, as well as cross-selling, for example.

The companies targeted are primarily those that can be fully integrated into Alligo, providing growth and synergies without increasing complexity. Alligo may also acquire companies in order to operate them on a more non-integrated basis if they complement and add value to the Group.

## Long-term acquisition process

The work to identify and execute suitable acquisitions is a long-term and continuously ongoing process. With good knowledge of the local markets in each country, Alligo continuously monitors companies that could be a good fit and strengthen the Group. A long-list of potential acquisition candidates is constantly added to, evaluated and prioritised.

There is normally a pipeline of companies where Alligo is in different stages of dialogue or negotiations – from indicative offer to letter of intent and due diligence to binding transfer agreement. Acquisition activities are primarily driven by the local sales organisations in collaboration with a Nordic acquisition team.

Acquisitions are generally financed using the company's own funds and existing credit facilities. Alligo is also able to pay in its own shares if this is deemed beneficial by both parties.

## Proven integration model

Alligo has a proven model for integrating acquisitions, which is adapted to each specific case. Key factors for successful integration include retaining staff and key personnel, coordinating ranges and purchasing terms, harmonising pricing and coordinating IT systems.

The acquired companies are generally incorporated under the local concept brands – Swedol in Sweden and Tools in Norway and Finland. The transition process may vary depending on local conditions and brand recognition in the market.

Exceptions may be made from the integration model when acquiring companies with operations that are clearly differentiated from the broad concept brands of Swedol and Tools and where Alligo wants to preserve their specialist position. These companies can continue to operate independently under their established brand if this is considered to benefit the business. Typically, the synergy potential between the non-integrated companies and Alligo's concept brands is good, without requiring full integration. Non-integrated companies are mainly found in selected product and technology areas such as product media and welding.

**ACQUISITION AGREEMENTS SIGNED IN 2023–2024**

| Date | Company | Product category | Number of employees | Number of stores | Revenue (MSEK)[1] |
|---|---|---|---|---|---|
| Apr 2023 | Kitakone Oy | Tools/Fittings/Chemicals | 8 | 1 | 34 |
| May 2023 | Topline AB | Workwear/Corporate Branded Clothing/Product Media | 16 | 3 | 61 |
| Jun 2023 | Tampereen Pirkka-Hitsi Oy | Welding | 13 | 2 | 53 |
| Dec 2023 | Tore Vagle AS[2] | Tools/Industrial Components | 11 | 1 | 39 |
| Dec 2023 | Svets och tillbehör i Sverige AB[2] | Welding/Grinding | 22 | 1 | 120 |
| Dec 2023 | Svetspartner i Malmö AB (Järnab)[2] | Welding/Grinding | 10 | 1 | 25 |
| Apr 2024 | Hämeen Teollisuuspalvelu Oy | Tools/Consumables/Industrial Components/Workwear/Protective Equipment | 16 | 1 | 84 |
| Apr 2024 | Riihimäen Teollisuuspalvelu Oy | Tools/Consumables/Industrial Components/Workwear/Protective Equipment | 26 | 4 | 80 |
| May 2024 | Wiklunds i Bollnäs AB | Tools/Consumables/Workwear/Protective Equipment | 6 | 1 | 28 |
| Jun 2024 | New Promotion AB | Product media | 6 | 1 | 44 |
| Jun 2024 | Workwear AS | Workwear/Protective Equipment | 9 | 1 | 27 |
| Jun 2024 | T. Brantestig Svetsmaskinservice AB | Welding | 8 | 1 | 26 |
| Jun 2024 | Sundholm Welding AB | Welding | 6 | 2 | 23 |
| Oct 2024 | Corema Svets och Industriprodukter AB | Welding/Fasteners | 25 | 2 | 155 |
| Dec 2024 | Svenska Batterilagret AB[3] | Batteries | 90 | 27 | 275 |
| **Total** | | | **272** | **49** | **1,074** |

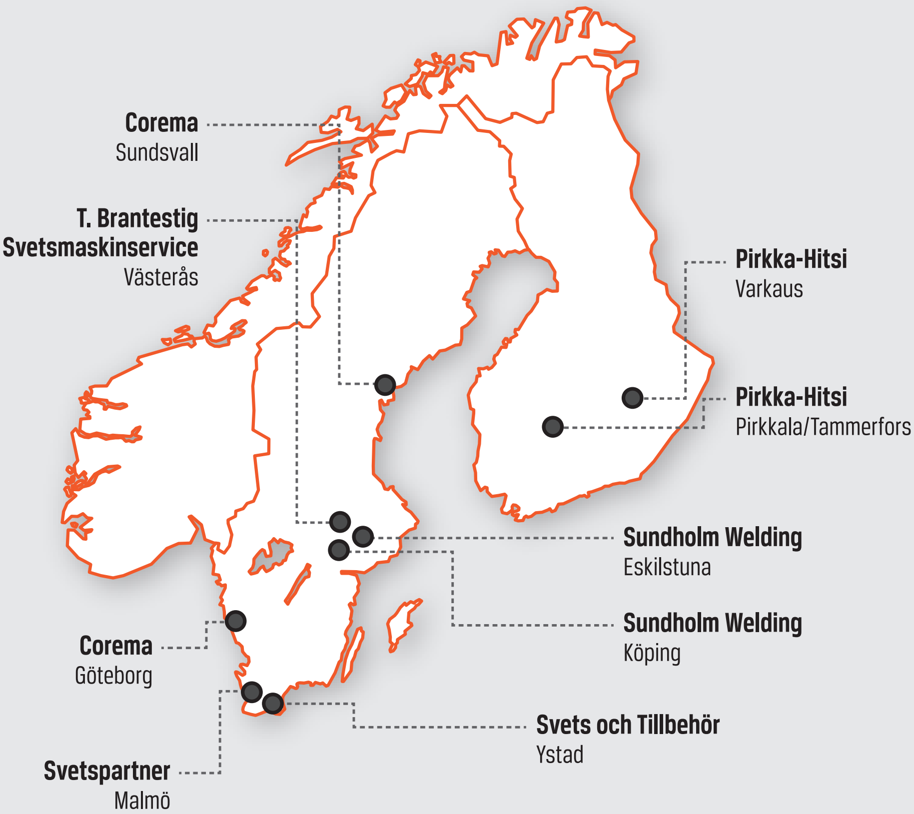
1) Exchange rate: EUR 11.24: NOK 0.99. 2) Acquisition completed in 2024. 3) Acquisition completed in 2025.

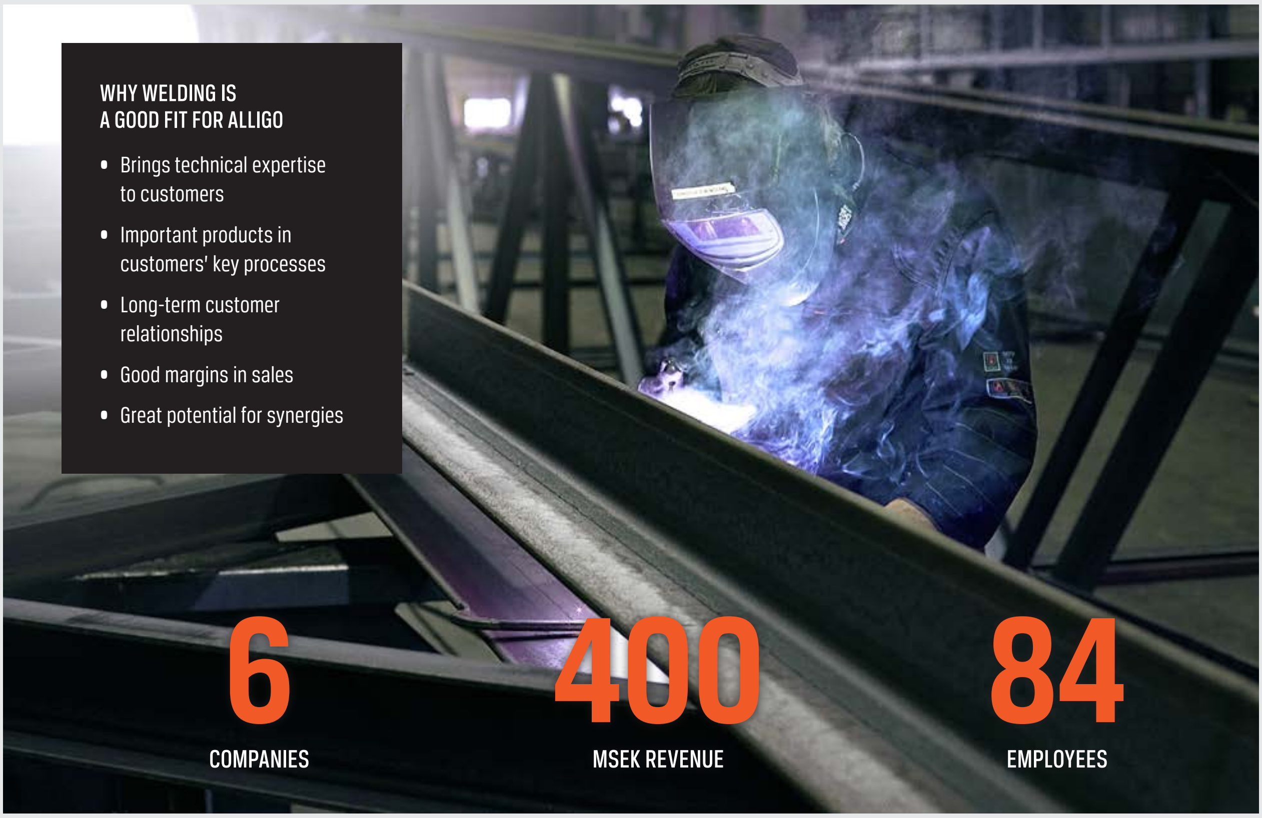
# Consolidation of the welding market

To identify acquisition opportunities that complement the existing business, various product and technology areas are evaluated on an ongoing basis. Alligo proceeds to in-depth discussions with potential acquisition candidates in segments assessed to offer the best conditions and growth potential.

Since 2023, the focus has been on welding, a technology area with great potential for synergies. Welding is an example of a fragmented industry, particularly in Sweden, but which provides good opportunities for a player such as Alligo to drive consolidation. The welding segment also presents clear potential for synergies with the Swedol and Tools store chains, primarily through add-on sales.

During 2023 and 2024, Alligo has carried out a total of six acquisitions of welding specialists, which provide welding equipment and materials, cutting and grinding products and related services. Five of the companies operate in Sweden and one in Finland. The acquisitions have added nine stores, with total revenue of over MSEK 400 and 84 employees. To maintain the specialist positions of the acquired companies, they continue to operate as non-integrated companies within Alligo.



WHY WELDING IS A GOOD FIT FOR ALLIGO

- Brings technical expertise to customers
- Important products in customers' key processes
- Long-term customer relationships
- Good margins in sales
- Great potential for synergies

**6** COMPANIES

**400** MSEK REVENUE

**84** EMPLOYEES

# Key growth areas

Alligo has identified four key growth areas for investment across the Group's Nordic markets. Sales to the construction industry, in-store sales, services and own brands provide good opportunities for profitable organic growth.

## Construction industry

Construction is an attractive industry segment with a high proportion of small and medium-sized companies. Customers often shop in store and sales generally have a high gross margin. Market share remains relatively low, particularly in Finland and Norway. Alligo holds a stronger position in the industry segment in Sweden, but there is good growth potential across all markets. To improve sales and assortment management, a Nordic sales organisation focusing on infrastructure was established in 2024. Sales growth within the industry segment and among small and medium-sized companies is closely linked to sales growth in stores.

## Services

Alligo offers a growing range of services to customers, such as garment printing, manufacture of hydraulic hoses and lifting chains, welding services and on-site solutions (Smart Service). Services account for a relatively small portion of sales, and is an area with great growth potential. The conditions are good for strengthening and clarifying existing services in order to increase growth. Alligo also sees good growth opportunities within new service areas, where development is already progressing rapidly. Examples of services that Alligo is focusing on further developing are Smart Service and the new full-service solution for workwear – ReCare.

## In-store sales

Stores are Alligo's most profitable sales channel, offering customers immediate access to products and advice. The development of the store network currently varies on the three main markets. In Sweden, Swedol has built a competitive store network over a long period of time, with a strong concept and good collaboration with the field sales organisation. In Norway and Finland, Tools has historically focused on larger industrial customers, with in-store sales less decisive. The focus is on improving the store network and working on in-store sales, primarily in Finland but also in Norway, in order to increase sales to small and medium-sized companies.

## Own brands

Own brands account for a significant share of sales within the workwear and personal protective equipment categories, and are also important within the tools and consumables segment. Development is continuously driven by customer needs, and own brands create both customer value and improved profitability. In addition to growing existing own brands, Alligo also sees good growth opportunities in developing new own brands in various product areas and price segments. Examples of new brand launches include Inno for fasteners, 1832 for workwear and Prowel for tools.

# ReCare – a full-service solution for workwear

» With ReCare, we are meeting an increased need for effective solutions that strengthen our sustainability profile and our growth opportunities. «

In 2024, Alligo developed a new full-service solution for workwear. The service includes garments, laundry, repairs, reuse and recycling, and was launched on the Swedish market in early 2025 under the name ReCare. The plan is for ReCare to be launched on the Norwegian and Finnish markets towards the end of 2025.

In September 2024, Jenny Fritzén was appointed Head of ReCare, marking a return to the Group after having previously worked with Alligo for ten years.

"When I was asked to develop ReCare, I immediately felt that this was something I truly wanted to do. With a service like this, Alligo becomes a clear partner to customers throughout the entire lifecycle of their garments, and there is great potential for us to create something really good," says Jenny.

Before rejoining the Group, Jenny spent six years with a laundry and textile company, gaining valuable experience she brings to her new role.

### From purchase to recycling

With ReCare, Alligo accompanies the customer all the way from initial purchase until the time comes to recycle a worn-out garment. Experienced sales staff help the customer to select a tailored range of workwear that is adapted to their needs. Alligo's partners manage the laundry services, including pick-up and delivery directly to the customer's operational site.

When needed, the clothes are repaired to extend their lifespan and they are reused and recycled as far as possible. Alligo handles customer service, invoicing, and all communication, ensuring a seamless customer experience.

"With ReCare, we are meeting an increased need for effective solutions that strengthen our sustainability profile and our growth opportunities. By providing a full service solution for workwear, we can also establish long-term relationships with returning customers."

### Focus on customer value

ReCare has been developed with a focus on key customer value, such as functionality, sustainability and cost-efficiency.

When describing the key customer value that the service provides, Jenny says:

"Customers get a full-service solution, which saves time and resources, so they can focus on their core business. Laundry and repair extend the life of the clothing and reduce the need to buy new garments, leading to lower long-term costs and reduced environmental impact. Workwear that is well maintained and in good condition also increases the safety and comfort of employees.

"ReCare is still under development and going forward we want to broaden the offering to meet increased demand for efficiency and sustainable solutions. Among other initiatives, we are developing a digital platform for easy ordering, tracking and handling of workwear, including reporting laundry status."

### RECARE FROM A SUSTAINABILITY PERSPECTIVE

ReCare is designed to promote efficient resource use throughout the entire lifecycle of workwear.

- Laundry processes that ensure the workwear is treated in a way that minimises the impact on the environment.
- Repair and reuse practices that extends the lifespan of the clothing and reduces the need for new production.
- When clothing can no longer be repaired, it is recycled, as far as possible, to create new products or reuse the material, saving resources and reducing waste.

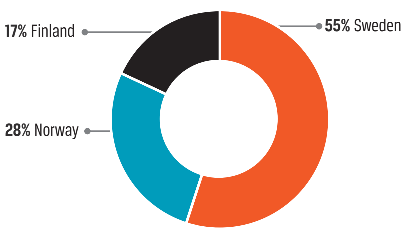
# Market overview

**Alligo operates on three Nordic main markets: Sweden, Norway and Finland. The focus in these markets is on corporate customers within eight defined industry segments.**

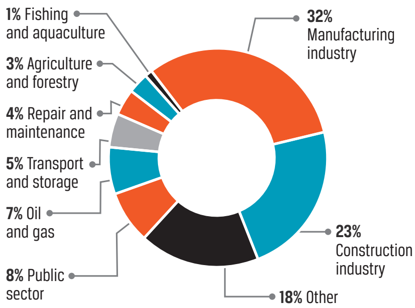
## Three main markets in the Nordics

The three main markets of Sweden, Norway and Finland generate total revenue of approximately MDSEK 59 per year within Alligo's product categories. The markets consist of companies within eight selected industry segments, of which oil and gas, and fishing and aquaculture are exclusive to Norway. Customers are mostly a combination of small and medium-sized companies, large industrial corporations and the public-sector.

REVENUE BY GEOGRAPHIC SEGMENT, 2024




REVENUE BY INDUSTRY SEGMENT 2024




## Market conditions

The slowdown in demand continued on all markets in 2024. A weak economy risks affecting all segments. There was a clear downturn in most industry segments, but this was greatest within the construction industry. The exceptions, which saw positive development, are oil and gas in Norway and the public sector in Sweden.

Lower inflation and reduced interest rates may have a mitigating effect, but the prevailing economic situation has the single biggest impact. Alligo has a balanced mix of corporate customers in different sizes and industry segments in three countries, which can dampen some of the economic fluctuations.

## Competitors

Our main competitors are chains that focus on industry and construction, as well as independent local operators. Some of the larger chains are established on all of Alligo's markets, while others have a more limited geographic presence.

## Market trends

The weak economy and the high inflation of recent years have led to increased price sensitivity among many customers, increasing demand for affordable products. This benefits companies that are able to supply affordable products while ensuring quality and margins.

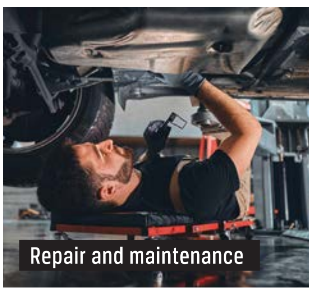
Increased sustainability requirements remain an ongoing trend. Many larger and public sector customers are placing ever-clearer sustainability requirements, which can sometimes be difficult for smaller operators to meet. At the same time, awareness and demands among smaller customers are also increasing. Their specific requirements are often less formalised, but having a sustainable offering is a competitive advantage.

The ongoing consolidation on Alligo's markets means that larger companies can exploit economies of scale for profitable growth. There has also been an increase in horizontal integration in the market. Companies from other markets, for example, can achieve proximity to Alligo through acquisitions and compete more within certain product areas.

EIGHT INDUSTRY SEGMENTS










# /Sweden

The Swedol store in Piteå.

## Market description

Sweden is Alligo's largest geographic market, with annual revenue of around MDSEK 27. The market is dynamic, with a balanced mix of companies in both heavy and light industry, which includes all of Alligo's industry segments except for oil and gas and fishing and aquaculture. A large share of sales are made to corporate customers within the manufacturing industry, construction industry, transport and storage, and the public sector. There is a broad customer base containing companies of all sizes. The proportion of small and medium-sized companies is higher in Sweden relative to Norway and Finland.

The market as a whole remained weak during 2024. The construction industry had the toughest time, while the industrial sector was relatively strong. Alligo is established under the concept brand Swedol, which has a strong market position. In addition to Swedol, there are a number of non-integrated businesses with stores under own brands, primarily focused on product media or welding.

## Alligo's development in 2024

Revenue in Sweden amounted to MSEK 5,318 (5,357) in 2024, a decrease of 0.7 per cent. Sales were negatively affected by the weak economy. The greatest fall in demand was among small and medium-sized companies, primarily within the construction industry segment. This was partially offset by acquisitions and increased demand from larger industrial customers and the public sector, such as the defence industry.

Organic growth was negative at approximately -6 per cent. Adjusted EBITA amounted to MSEK 463 (612) and the adjusted EBITA margin was 8.7 per cent (11.4). Adjusted EBITA and adjusted EBITA margin were negatively affected by the shift in customer mix from small and medium-sized companies to larger industrial customers.

In 2024, 56 per cent (62[1]) of sales came from in-store sales within the integrated business, 26 per cent (24[1]) from direct sales within the integrated business, and 18 per cent (14[1]) from sales generated by non-integrated companies.

## Focus areas

An important focus area for the future is to reach small and medium-sized companies where sales have declined. Many of these customers are making fewer or smaller purchases than before due to a more difficult financial situation. These are being targeted both through sales initiatives and by developing the range to enable more affordable products to be offered.

Alligo is also actively pursuing acquisitions, where welding is an area with good potential and opportunities for market consolidation.

## Competitors

The Swedish market is relatively consolidated and Alligo faces competition in all industry segments. The largest competitors at national level are Ahlsell, Derome, Würth and Elis, as well as BIG, which is a collaboration of several local and regional operators. Alligo also faces competition from building suppliers, local ironmongers and workwear stores, as well as low-cost suppliers.

**SWEDEN**

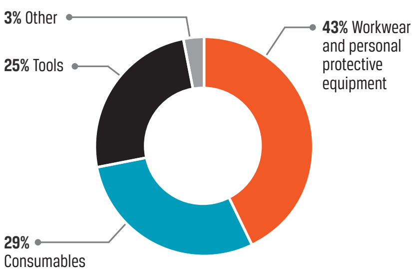
**KEY FIGURES 2024**

| | |
|---|---|
| Revenue | MSEK 5,318 |
| Adjusted EBITA | MSEK 463 |
| Adjusted EBITA margin | 8.7% |

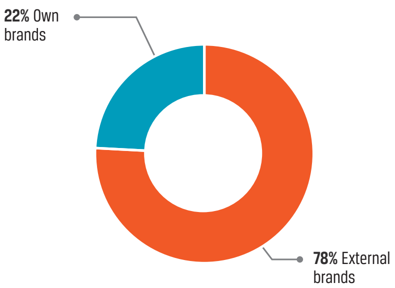
**STORES**

| | |
|---|---|
| Concept brand | Swedol |
| Total number of units | 115 |
| of which, non-integrated stores | 32 |
| - Product media | 18 |
| - Welding | 5 |
| - Other | 9 |

**SALES BY PRODUCT CATEGORY 2024**




**SALE OF OWN BRANDS 2024**




1) From 2024 onwards, all non-integrated companies are reported separately from the integrated business. Comparative figures have been restated according to the same principles.

# /Norway

The new Tools store in Kongsberg opened in December 2024.

## Market description

The Norwegian market includes all of Alligo's industry segments and generates annual revenue of approximately MDNOK 19. Unique to Norway are the two industry segments of oil and gas, and fishing and aquaculture, which account for a significant portion of the market. Compared with Sweden, heavy industry also makes up a greater proportion of the market.

The market is characterised by a strong local connection, where having a presence through locally established stores is often a prerequisite for doing business. Personal contact is extremely important and a relatively large share of sales are made by field sales staff who have close relationships with customers.

Market development in 2024 was boosted by strong performance in oil and gas, and to a lesser extent fishing and aquaculture. As in Sweden and Finland, other industry segments experienced weaker development during the year, particularly the construction industry. Alligo is established through the Tools concept brand and has retained its position as the leading player on the market. In addition to the Tools chain, there are also a few non-integrated businesses with stores under own brands.

## Alligo's development in 2024

Revenue in Norway amounted to MSEK 2,670 (2,611), an increase of 2.3 per cent. Sales were positively affected by strong development in the oil and gas industry segment, as well as by acquisitions. The NOK exchange rate trend had a counteractive effect. Organic growth was approximately 3 per cent.

Adjusted EBITA amounted to MSEK 104 (160) and the adjusted EBITA margin was 3.9 per cent (6.1). Profits weakened as a result of a poorer customer mix and disruption resulting from the coordination of logistics operations in Vestby.

In 2024, 48 per cent (47[1]) of sales came from in-store sales within the integrated business, 50 per cent (53[1]) from direct sales within the integrated business, and 2 per cent (-[1]) from sales generated by non-integrated companies.

## Focus areas

Improved sales and assortment management is a continued focus in Norway. The measures and initiatives implemented in recent years to provide better reach to small and medium-sized companies have had a positive, if slightly weak, effect. On a weaker market, Alligo has maintained or marginally improved sales to the customer group. Increasing sales to small and medium-sized companies remains a priority going forward.

The relocation of three different logistics units to a new logistics centre is one key measure that was completed in 2024. This coordination of logistics will streamline the flow of goods and enhance the service provided to customers. The focus is now on strengthening the new logistics organisation in Vestby in order to achieve the full benefit of coordination.

## Competitors

Competitors in Norway consist mainly of nationwide operators such as Tess, Würth and Ahlsell, as well as BIG, which is a collaboration of several local and regional operators. There are also many strong local operators with broad product ranges, as well as specialist chains.

**NORWAY**

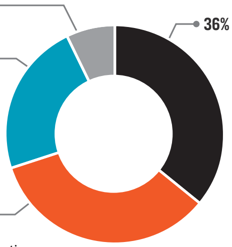
**KEY FIGURES 2024**

| | |
|---|---|
| Revenue | MSEK 2,670 |
| Adjusted EBITA | MSEK 104 |
| Adjusted EBITA margin | 3.9% |

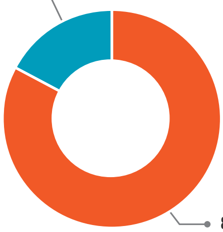
**STORES**

| | |
|---|---|
| Concept brand | Tools |
| Total number of units | 58 |
| of which, non-integrated stores | 3 |
| - Product media | - |
| - Welding | - |
| - Other | 3 |

**SALES BY PRODUCT CATEGORY 2024**




**SALE OF OWN BRANDS 2024**




1) From 2024 onwards, all non-integrated companies are reported separately from the integrated business. Comparative figures have been restated according to the same principles.

# /Finland


Tools store in Vantaa.

## Market description

The market in Finland has annual revenue of approximately MDEUR 1.2 and includes all of Alligo's industry segments apart from oil and gas, and fishing and aquaculture. The market is very similar to Sweden, but like Norway has a larger proportion of companies within heavy industry.

Demand on the market remained weak during 2024. All industry segments were negatively affected by the weak economy. The weakest development was in the construction and manufacturing industry. Alligo's market position in Finland is weaker compared with Sweden and Norway. A relatively high proportion of large industrial customers means there is great potential for increasing growth among small and medium-sized companies.

Alligo's primary concept brand on the market in Finland, including two stores in Estonia, is Tools. In addition to the Tools chain, there are also a number of non-integrated businesses with stores under own brands.

## Alligo's development in 2024

Revenue in Finland amounted to MSEK 1,678 (1,709), a decrease of 1.8 per cent. The year began with weak sales caused by the economic situation and large-scale strikes in industry during first quarter. Revenue then gradually improved during the year, but from an initially lower level. The strengthening of the store network, sales initiatives targeting small and medium-sized companies, and two acquisitions had a positive effect. Currency effects had a negative impact. Organic growth was approximately -9 per cent.

Adjusted EBITA amounted to MSEK 40 (61) and the adjusted EBITA margin was 2.4 per cent (3.6). Profits were negatively affected by the weaker sales and costs resulting from investments in stores. An increased share of sales of own brands and the implementation of cost savings had a mitigating effect.

In 2024, 23 per cent (22[1]) of sales came from in-store sales within the integrated business, 57 per cent (64[1]) from direct sales within the integrated business, and 20 per cent (14[1]) from sales generated by non-integrated companies.

## Focus areas

Opportunities for expanding and developing the business in Finland remain good. Work to improve the customer mix continues through new openings, investments in existing stores and measures to improve the sales and assortment management. An efficiency project also began during the fourth quarter to reverse the negative profitability trend in the Tools business.

Finland is well advanced in developing smart solutions on site at the customer. Alligo's Smart Service offering continued to experience good growth in 2024. An exhibition area for Smart Service opened in Helsinki during the year.

To raise awareness of the products sold and to establish strong customer relationships, Alligo held its first Power Event trade fair in Finland in 2024. The fair gave customers the opportunity to meet a range of suppliers and learn about their products.

## Competitors

The Finnish market is relatively consolidated and the competition largely consists of nationwide chains such as Würth, Etra, IKH, Onninen and local operators.

### FINLAND

**KEY FIGURES 2024**

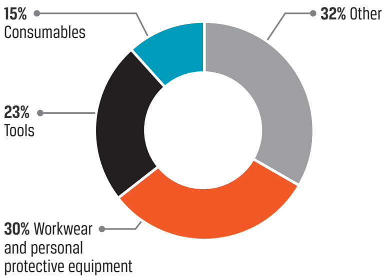
| | |
|---|---|
| Revenue | MSEK 1,678 |
| Adjusted EBITA | MSEK 40 |
| Adjusted EBITA margin | 2.4% |

**STORES**

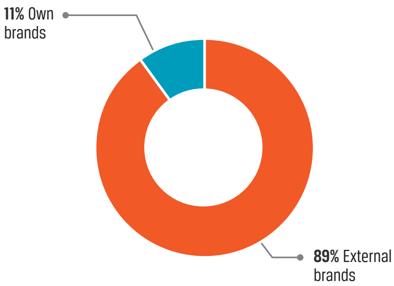
| | |
|---|---|
| Concept brand | Tools |
| Total number of units* | 45 |
| of which, non-integrated stores | 5 |
| - Product media | - |
| - Welding | 2 |
| - Other | 3 |

* Includes two stores in Estonia.

**SALES BY PRODUCT CATEGORY 2024**




**SALE OF OWN BRANDS 2024**




1) From 2024 onwards, all non-integrated companies are reported separately from the integrated business. Comparative figures have been restated according to the same principles.

# Offering

**Alligo's offering is developed for corporate customers across eight industry segments. The range maintains a high degree of standardisation. Services also an important part of the offering.**

## Product areas

Alligo is a leading Nordic player within the product categories workwear, personal protective equipment, tools and consumables. The offering is developed and tailored for corporate customers across eight defined industry segments and provides breadth as well as specialisation within selected product areas. The focus is on providing customers with the consumables they need to operate their day-to-day business. Input goods supported by suitable supplier models and products that are a good natural fit for the rest of the range are also offered, such as components and fasteners.

FIT TEST

In 2024, Alligo launched a fit test service for tight-fitting respirators in Sweden. Individual testing is an important safety measure and a legal requirement in Sweden as of 1 January 2025.

The range must have a high degree of standardisation while also offering flexibility for those customers who need it. A balanced mix of own brands and leading external brands ensures that customers find what they need for their business to function.

## Nordic standard range

The range is coordinated across the three Nordic main markets of Sweden, Norway and Finland.

A standardised range facilitates control and monitoring, increases profitability and creates better conditions for achieving customers' sustainability targets. Customers gain added value in the form of guaranteed product quality, higher availability, improved service levels and clearer sustainability information. At the same time, Alligo is strengthening its offering through new product launches of both own brands and external brands. Pricing across the range is transparent, enabling customers to see what a product costs in store or online.

Alligo can offer advanced tailored solutions for customers with specific needs and requirements making larger purchases.

## Services

Services currently represent a relatively small share of Alligo's total sales, but are a growth area. Services are also often vital for being a complete partner to customers.

Examples of services include workshop services such as a chain workshop, hose pressing, certification and calibration of torque wrenches and lasers, as well as a service workshop for machinery and tools. Other services relate to customising clothing, shoes and work equipment, such as garment printing and embroidery, sewing and foot scanning.

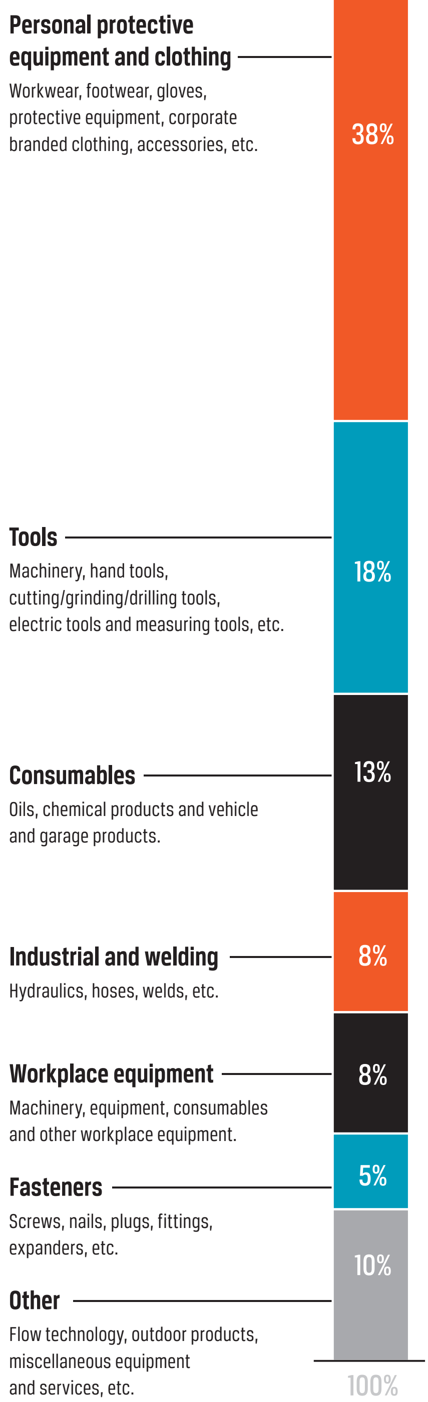
One service area that has grown strongly in recent years is Smart Service, Alligo's smart solutions on site at the customer.

At the beginning of 2025, Alligo launched its new full-service solution for workwear, ReCare.

›› Read more about Smart Service on page 31.

›› Read more about ReCare on page 23.

SALES BY PRODUCT AREA 2024



The Awards range includes vehicle lighting, workplace lighting, pocket torches and headlamps offering high quality at attractive prices.

## Strong own brands

Alligo has a portfolio of strong own brands in several important product groups. Selling own brands provides better control over the supply chain, as well as the properties and quality of products, while also enabling higher sales margins. They are particularly important within the personal protective equipment and clothing product area, where own brands account for a large share of sales. Own brands range from long-established brands with over 100 years of tradition, such as Björnkläder, to new brands that have been built up from scratch to meet customer needs. In 2024, for example, affordable workwear was launched under the 1832 brand. Each brand has a specific function and contributes to a differentiated offering.

In addition to own brands, Alligo also has private labels from Ampro and Nuair. Private labels are where Alligo has exclusive rights without owning or developing the brands. Private labels play an important role in the offering and can be used to develop the range with products manufactured by Alligo's suppliers based on specific needs identified by Alligo's product managers.

## Product development

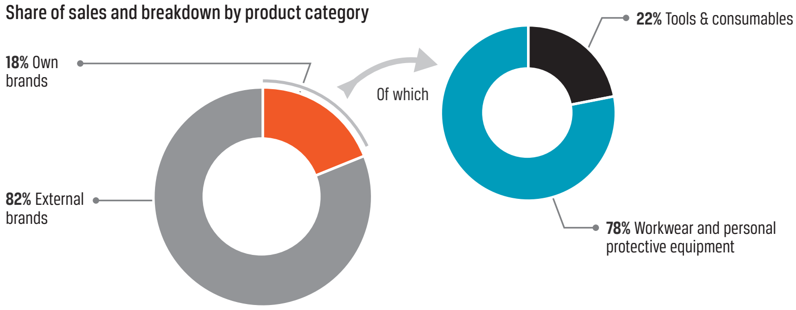
New products and services are continually being developed and existing ones updated, improved or discontinued. Product development is centred around the mission to make businesses work.

In interaction with customers throughout the Nordic region, every day all year round, Alligo always establishes a good understanding of what customers need in order to work and how the offering can make their everyday life easier and more efficient. Alligo can also draw on large volumes of data to intensify knowledge about customer needs. This could relate to issues such as quality and functionality within the existing range, the need for new products or smart service solutions.

Sustainability is a key element in all product development and has a clear link to Alligo's vision. Extensive testing and development of workwear is carried out in Alligo's own laboratory in Gothenburg.

**OWN BRANDS 2024**

Share of sales and breakdown by product category




**Björnkläder**
Iconic workwear since 1905

**GESTO**
Workwear and footwear with a focus on function

**UNIVERN**
Workwear for Nordic weather conditions

**AmPro®**
Tools and storage with smart solutions

**AWARD**
Complete lighting range for the professional user

**Balance**
Protective gloves for all jobs

**1832**
Workwear as well as basic and corporate brand clothing

**4U FOR USE**
Consumables for every occasion

**Nima**
Farming and forestry specialist

**NUAIR**
Compressors

**PROWEL**
Tools and consumables

**INNO**
Fasteners

**swedol**
Oil and fat products

# Inno – own brand of fasteners

Store Sales Assistant Edwin Back at the specially designed shelves in the Inno department of Swedol's store in Huddinge.

In 2024, Alligo launched a brand new range of fasteners under its own brand Inno. Fasteners is an area with good growth potential, where Alligo can strengthen its competitiveness by having its own range.

Alligo has extensive experience in selling fasteners to both small and medium-sized companies and large manufacturing industries. Inno was developed through internal collaboration involving colleagues from the market and assortment teams, along with category and concept managers. This collaboration has strengthened expertise within the product area and shortened lead times.

Anders Sjöberg, Assortment and Procurement manager for tools and consumables at Alligo stresses the importance of fasteners as a product group.

"Fasteners are an critically important product group for both us and our customers. Inno aims to strengthen our position on the market and become the market leader in this product area."

INNO

The Inno range offers a complete selection of industrial fasteners, available in several surface treatments including untreated, bright zinc-plated, galvanised, and stainless steel options.

## Complete range of high quality

Inno aims to offer a complete range suitable for industrial customers who need larger volumes of fasteners. The range includes everything from small nuts to large industrial fastener solutions. Ongoing development will gradually expand the range into a complete offering. Customers must feel confident that they can rely on the products. To ensure the highest quality, the standardised tests are supplemented with additional quality controls performed by a third party. The brand must have a high level of recognition and meet the customer's needs, regardless of the environment in which the fastening is used in.

"We are looking forward to continuing our successful collaboration with our customers and offering them high-quality products under our new brand," says Anders Sjöberg.

## Highly flexible and smart design

In stores, Inno is displayed in separate departments with specially designed, space-efficient shelves that give something of a pick and mix feel.

All products can be purchased by weight in various combinations, providing a high level of flexibility for customers. The packaging design also contains smart, informative elements, such as labels and colour coding, to make things easier for the customer.

Anders Sjöberg, Assortment and Procurement manager for tools and consumables

» Fasteners are an incredibly important product group for both us and our customers. Inno aims to strengthen our position on the market and become the market leader in this product area. «

# Smart Service on site at Koenigsegg

Carl Carlsson is Manufacturing Engineering Manager at Koenigsegg Automotive AB, a Swedish car manufacturer that produces highly exclusive supercars in limited numbers. Koenigsegg is an avant-garde and innovative technology company that throughout its history has pushed the boundaries of the vehicle industry, seeking to achieve higher standards and ultimate performance.

They began using Smart Service in 2023 when they relocated to their new factory in Ängelholm. Since then, Carl has seen many advantages for Koenigsegg of having a Smart Service solution on site, close to production in its own operations.

### Why did you start using Smart Service?

"We started using Smart Service when we moved production to our new facility, Gripen Atelier. Previously, we had a large container of Swedol products close to our old facility. When we were preparing to move, we considered taking the container with us, but during discussions with Swedol, we discovered they had new Smart Service storage cabinets that we could have in the factory instead."

### What Smart Service solution do you have?

"We use storage cabinets with automated stock control and material reporting. All products in the cabinets are selected according to our specific requirements in Gripen Atelier. At Koenigsegg, we have a certain standard for how things should look and Swedol helped us by ensuring that the cabinets meet our needs."

Smart Service involves a cabinet or shelves containing products being placed on site in the customer's operations. This provides quick and easy access to products for customers, who can reduce their lead times and gain greater control over their consumption. Swedol or Tools take care of restocking automatically.

Carl Carlsson in front of a Smart Service cabinet in the Gripen Atelier facility in Ängelholm.

### Can you describe the implementation process?

"Once we had decided to proceed with the Smart Service cabinets, we selected a site in the factory for them to be placed. We then reviewed which consumables we use in our production processes. Swedol then helped us by collating data on previous consumption and suggesting stock levels. Once the cabinets arrived, they were installed in just a few days and after a brief introduction it was easy to start making full use of them."

### What do you buy through Smart Service?

"We use the Smart Service cabinets for frequently used consumables in our production process. This can be anything from personal protective equipment to tape and marker pens."

### What benefits have you found from using Smart Service?

"We have seen many benefits from implementing Smart Service cabinets in our operations. Being close to the area where the products are used has reduced time spent fetching consumables. Having the cabinets restocked by Swedol has reduced the workload on the internal logistics team. Automated material reporting has eliminated inaccurate reporting almost entirely. Changing products or adding new ones is a quick and easy affair."

### How do you use the data generated by Smart Service?

"We use consumption data from specific stations to gain an overall picture of where we use different types of consumables and to see whether stock levels need to be adjusted."

# Procurement

**Good knowledge and efficient processes enable Alligo to determine what to purchase and when. A network of carefully selected suppliers means that the right goods can be bought at the right price with guaranteed availability.**

### Nordic assortment and procurement organisation

The assortment and procurement organisation is responsible for Alligo having the right offering for customers. The range is broad but also specialised within key areas and must fulfil the highest social, ethical and environmental requirements. Procurement work aims to obtain goods at the right price with the right quality and ensure reliable deliveries and good inventory turnover.

The assortment and procurement organisation is coordinated at Nordic level to ensure that customers on all markets have access to the same offering.

Matching procurement needs with the right orders requires efficient processes and good knowledge of demand, range, certification and suppliers. Through close dialogue between the sales organisation and the assortment and procurement organisation, Alligo's procurement work can be based on customer needs and market indicators. To ensure forward-looking procurement work, there is a focus on using and developing data-driven processes.

### Inventories and availability

A changing world requires short decision paths to adapt procurement to evolving sales trends. External factors, such as geopolitical challenges and pandemics, risk having direct consequences that disrupt procurement and deliveries. Effective follow-up and preventive measures in procurement processes are essential to maintain the right balance between availability and building up inventories.

Following previous challenges in global supply chains, which required larger buffer stocks, Alligo has worked to reduce inventory levels over the past two years. Sales forecasts for each country are used continuously to adapt order patterns, reduce procurement risks and ensure availability.

Inventory levels were reduced during the year, but this work was made more challenging by weak sales and extended shipping times from Asia caused by disruption to maritime transport at the Suez Canal.


A helmet-adapted hood from Univern, which designs workwear for extreme outdoor environments.

### Right supplier base

Maintaining a well-balanced number of suppliers and manage their share of total purchasing volume is crucial in order to mitigate risks in the flow of goods, secure Alligo's negotiating power and enable responsible sourcing throughout the value chain. This applies both to suppliers of own brands, which are predominantly located in Asia, and to well-known external brands, which are primarily based in Europe.

Since the merger of Swedol and Tools, the total number of suppliers has been reduced by around 50 per cent. Having fewer suppliers enables Alligo to build stronger partnerships where with better opportunities for setting requirements and exercising control, along with competitive purchase prices and supply reliability. This work is closely linked to the standardisation and focusing of the range.

During the year, Alligo has continued its work to ensure compliance with increasingly stringent sustainability requirements. Being able to monitor product and supplier data is becoming ever more important. A new standard agreement for suppliers has been drawn up and will be rolled out during 2025.

# Sales

**Alligo serves customers according to their needs and circumstances, through sales channels that support and complement each other. Whichever channels the customers choose, it must always be easy to do business with Alligo.**

Sales take place through separate sales organisations for the main markets of Sweden, Norway and Finland. Separating the countries provides a clear division of responsibilities with effective, target management of sales work.

In addition to the country organisations, there are two Nordic sales organisations focused on the construction industry and the manufacturing industry, which were established in 2024 and 2023 respectively. The aim is to increase sales activity and strengthen margins through improved sales and assortment management within Alligo's two largest industry segments.

## Concept brands

Alligo serves customers on each market through standardised concept brands across all sales channels. In 2023, Alligo decided to streamline its concept brands with one for each country: Swedol in Sweden, Tools in Norway and Tools in Finland. The name changes have not had any negative impact on customers but have strengthened Alligo's ability to conduct effective marketing on each market.

In addition to the concept brands, Alligo also has a number of non-integrated companies that operate one or more store units within selected product and technology areas, such as product media and welding.

## Sales channels

Sales take place via stores or various kinds of direct sales. Customers can choose a sales channel based on their individual needs and particular purchasing situation. Alligo provides guidance to assist with this process, but it is always the customer who decides how they want to do business.

### Stores

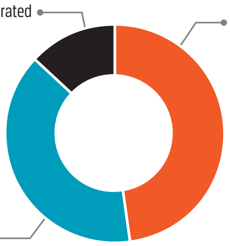
In-store sales account for nearly half of Alligo's revenue. In stores, customers are provided with a fast and easily accessible service, as well as a high level of product availability.

It is primarily small and medium-sized companies that make purchases in stores. A local presence with attractive stores is especially important for these customers. Individual stores offer a Nordic standard range to a varying extent, depending on the store space available. The range also includes minor local adaptations.

### Direct sales

Sales that do not take place in store are made via direct sales, including field sales and telesales, digital channels and on-site service. It is mainly the larger companies that buy through direct sales.

**SALES BY CHANNEL 2024**




### Field sales and telesales

Dedicated and competent sales staff help to build and maintain strong, long-term customer relationships. Sales staff serve new and existing customers in person, both physically and digitally, and reach out to customers who do not usually shop in store or require a greater degree of personal contact and tailored solutions. Key Account Managers play an important role in tenders and procurement at larger customers.

### Digital channels

Customers can choose to interact with Alligo entirely digitally through online stores, customised webshops or various e-commerce solutions. Digital channels also drive sales to the other sales channels, even if the actual order is not placed digitally. Customers can also choose to use Alligo's multichannel concept, where e-commerce is tailored based on the customer's needs and is combined with other channels. For example, information can be transferred between Alligo and the customer's business system, and Alligo's online stores can interact with the customer's purchasing system.

### On-site service

Alligo's on-site service offers customers goods supplied directly on site at their business, saving valuable time and giving them greater control over consumption. The umbrella name for smart solutions on site at the customer is Smart Service.

›› Read more about Smart Service on page 31.


Field sales agent Mikael Keränen focuses on having a high customer presence and close cooperation with other stores and sales staff.

# Logistics

**Alligo's logistics function supplies stores and customers throughout the Nordic region with the products they need to work. To be an unbeatable supplier requires high availability and reliable deliveries across all markets.**

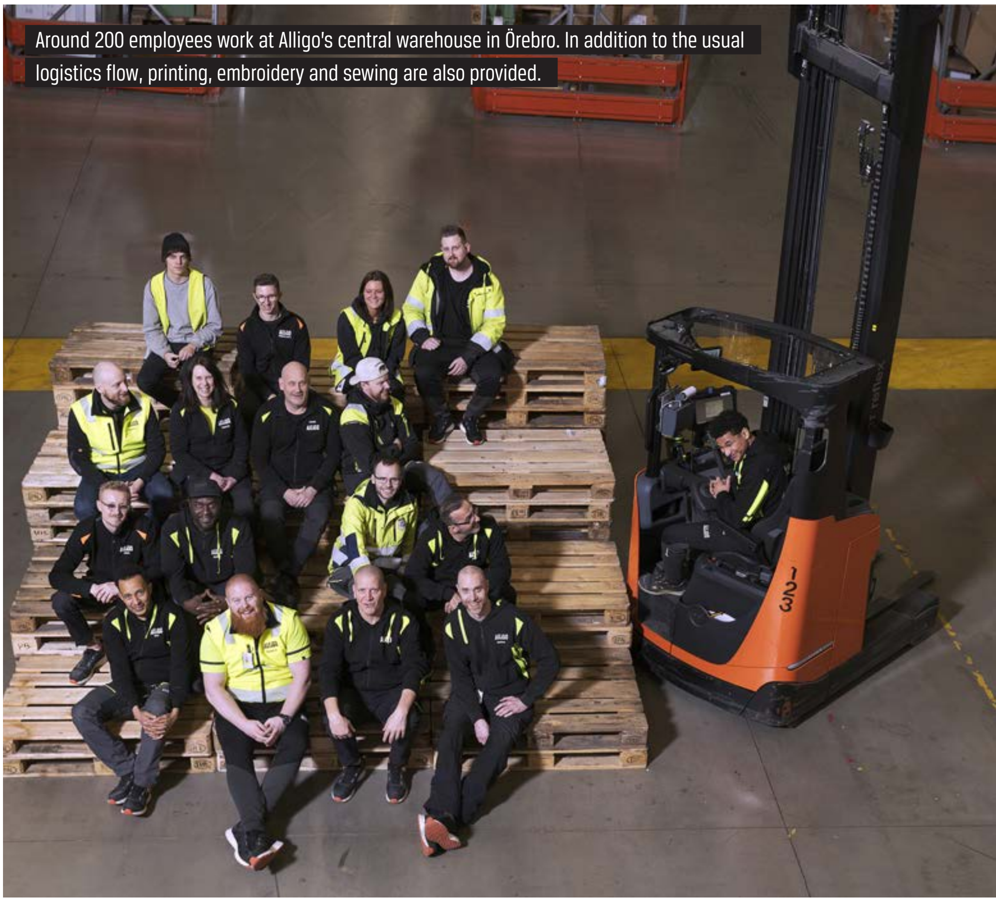
## Coordinated organisation

Alligo's logistics function is organised at Nordic level with a management team that plans and oversees logistics for the integrated business in all countries. Below the Nordic management there are operational organisations in Sweden, Norway and Finland that are responsible for the efficient operation of logistics in each geographical market.

Since the merger of Swedol and Tools in spring 2020, extensive integration work has been carried out. Several separate logistics organisations have been integrated into a single Nordic organisation and 20 different warehouses and logistics units and regional warehouses have been consolidated into four.

Coordination in Sweden was completed in 2022 with the migration of the logistics unit in Alingsås to Örebro. In Norway, the coordination was completed in 2024 with the migration of three units to a new logistics centre in Vestby Logistikpark. The logistics operations in Finland are still being reviewed to ensure there is sufficient capacity given the ongoing changes to the store network, future growth and the streamlining of operations.

A smaller logistics unit in Tampere has been added through an organisational change in 2024. The unit provides specific services for larger industrial customers and was previously part of the sales organisation.



Around 200 employees work at Alligo's central warehouse in Örebro. In addition to the usual logistics flow, printing, embroidery and sewing are also provided.

## Central warehouse in Örebro

Alligo's logistics centre in Örebro serves as a key hub in the Nordic logistics organisation and not only supplies stores in Sweden with products but also manages large parts of the flow of goods to local logistics units and stores in Norway and Finland. The centralisation of logistics at Nordic level provides greater capacity for coordination, efficiency and purchasing power. At the same time, the local units ensure availability on each geographical market and shorter lead times to end customers.

The Örebro logistics centre is highly automated and features the Autostore robotic warehouse system. The facility has been continuously upgraded and has automated equipment to streamline the inflow and outflow. Automation provides both operational efficiency and a better work environment. In the automated flow, pickers avoid many of the time-consuming and physically strenuous tasks that would otherwise be needed. The system also includes an automated mini-warehouse where the goods can be stored until the complete order is fully picked.

## Continuous improvements

Efficient and reliable logistics are a central element of Alligo's business model and are vital for the Group's competitiveness, as logistics supply all the sales channels with goods, either directly to customers or via the store network. The logistics function continuously works to streamline inventory management and the flow of goods. It does so through ongoing improvement initiatives and strategic capacity planning. In 2024, one focus area was improving delivery precision through cross-functional collaboration between Alligo's procurement and sales organisations.

An example of an important measure completed during the year is the new shipping procurement process in Sweden. The result is improved flows and a reduced number of shipping companies, which has in turn increased capacity utilisation in existing vehicles. The new agreements also provide better opportunities to monitor delivery quality and service levels to customers. The shipping companies used have either joined or will join the Science Based Targets initiative, committing to set emissions reduction targets based on internationally recognised climate science.

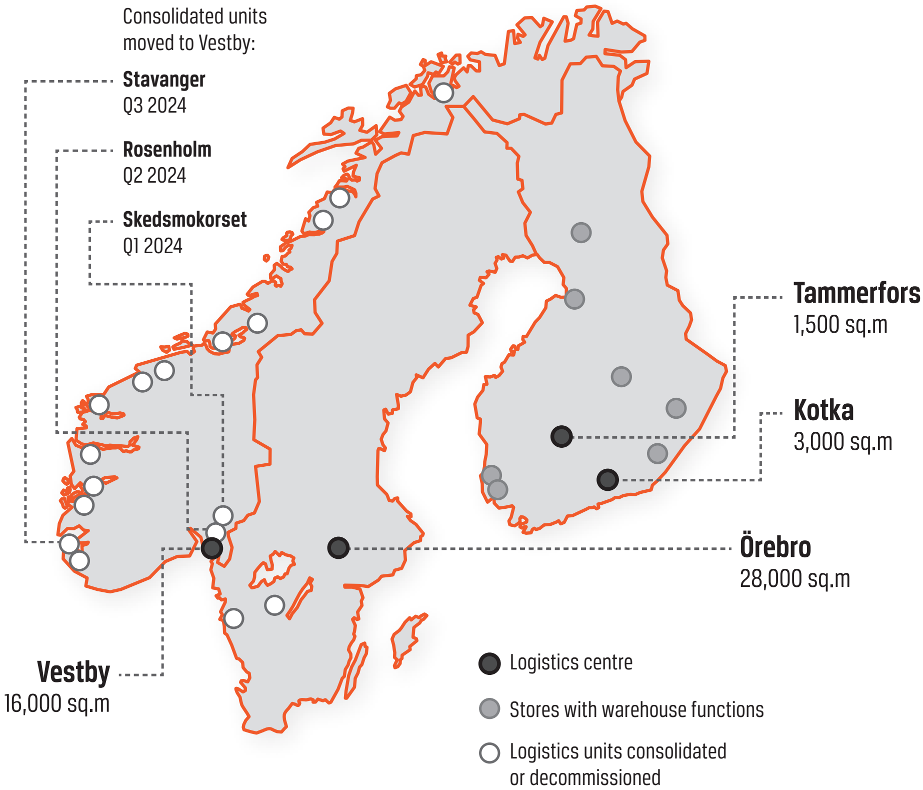
Another improvement measure is adapting the size of the end customer package based on the capacity utilisation, reclosure of the box and positioning of the shipping label.

## Relocation completed in Norway

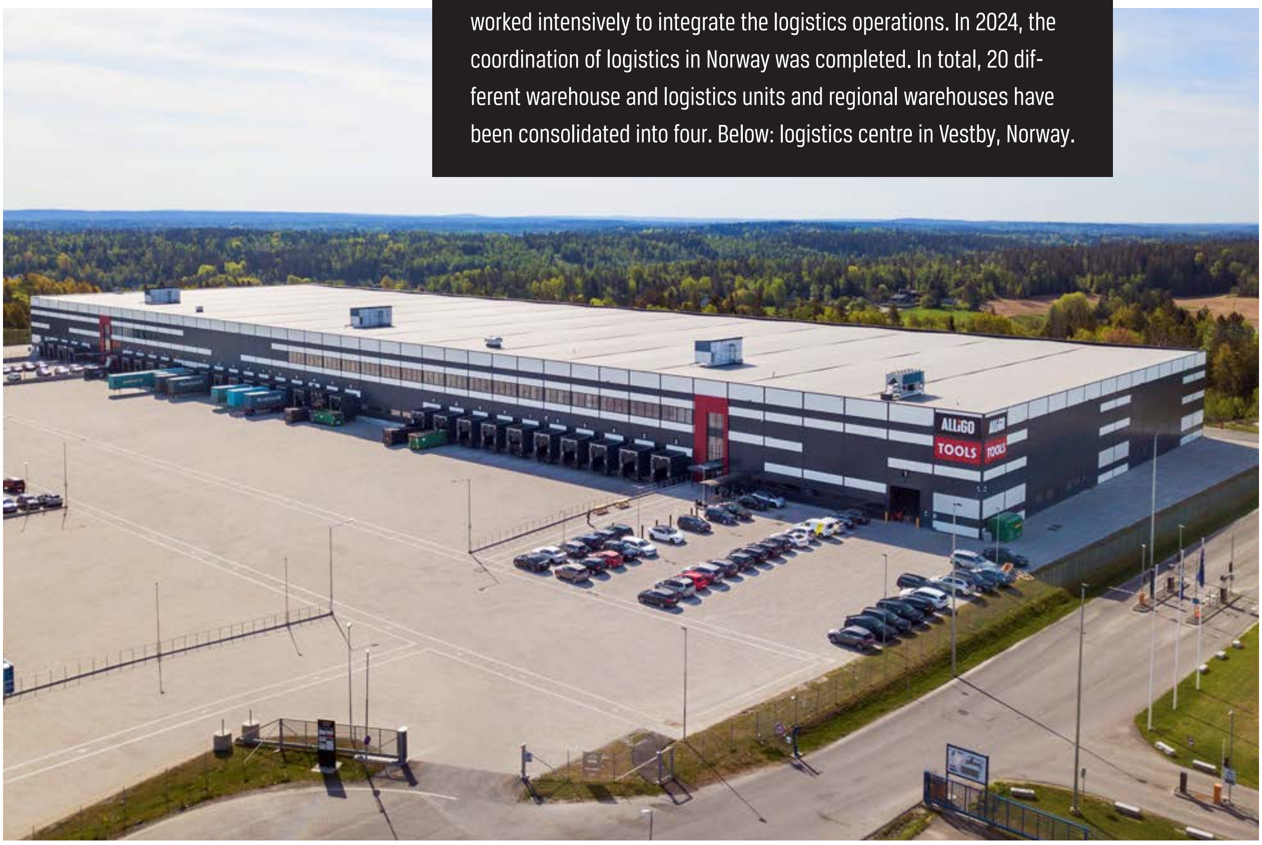
In 2024, the logistics units in Skedsmokorset, Rosenholm and Stavanger in Norway were relocated to to newly constructed premises in Vestby Logistikpark, south of Oslo. The move consolidated three logistics units into one modern facility, improving operational efficiency and enhancing service levels for customers. The lease has been signed for a total area of approximately 16,000 square metres, which ensures sufficient capacity and provides opportunity for future expansion.

The coordination of logistics in Norway is an important investment that provides opportunities to increase storage capacity, reduce costs and tied-up capital, strengthen negotiating power and improve service to the customer through combined deliveries.

In the short term, the coordination has caused disruption, resulting in longer lead times in Norway. Alligo has taken several measures to strengthen the organisation at the brand new logistics operations established in Vestby. The biggest problems have been resolved and in 2025, the focus will be on achieving a high level of efficiency.




Since the merger of Swedol and Tools in spring 2020, Alligo has worked intensively to integrate the logistics operations. In 2024, the coordination of logistics in Norway was completed. In total, 20 different warehouse and logistics units and regional warehouses have been consolidated into four. Below: logistics centre in Vestby, Norway.



# Employees

Committed and competent employees are the foundation for Alligo's success. Our vision is to be unbeatable as an employer.

Our employees are vital to Alligo's success. All of our employees, whatever their position and level, have the same fundamental task: to help the company achieve its goals. To create a performance culture, where everyone shares a strong desire to continuously challenge, change and improve, Alligo needs to be a company with the ability to both attract and retain good employees and to get the best out of every single one of them.

## Value-driven culture

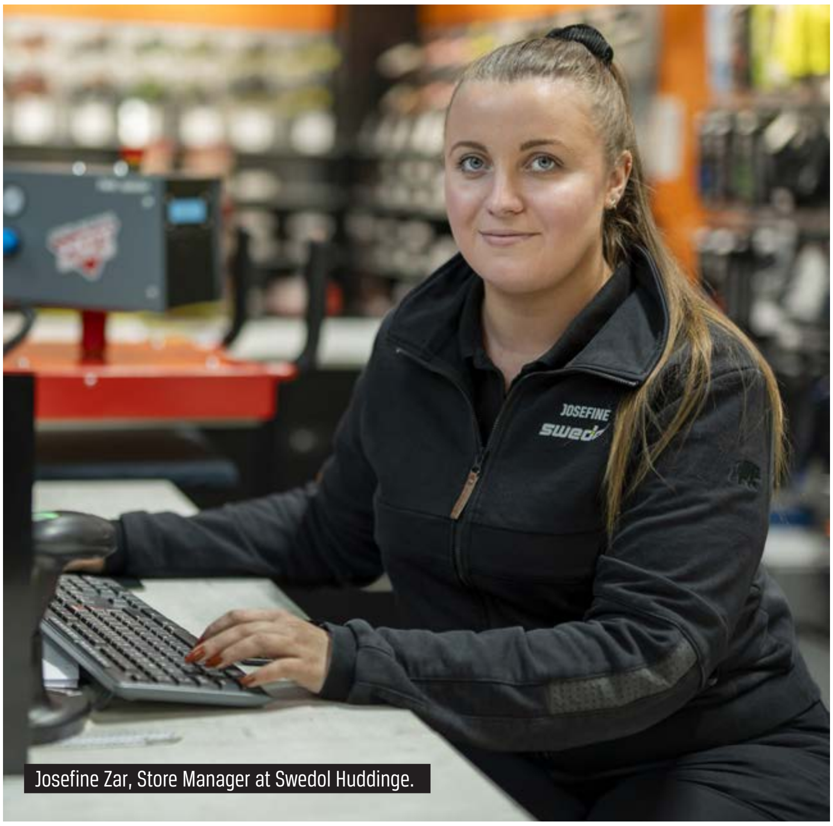
The foundation of Alligo's success as an employer and a company lies in the Group's shared values. These describe the approach that everyone can expect our employees to take, both internally and externally: the willingness and ability for Cooperation, the right Competence and a high level of Commitment.

These values form part of Alligo's strategic platform and shape all employee-related processes. They are a critical factor in recruitment selection and are consistently reinforced through training and development. The values form part of the discussions concerning an employee's development, as well as pay and promotion. They also guide decision making where formal structures are not required or lacking.

Commitment is particularly important, as it reflects the inner drive of employees to go the extra mile. By recruiting individuals with the best possible conditions to thrive and to succeed in the organisation, offering them the right leadership and good opportunities for skills development, Alligo can establish a commitment that gives us the best conditions to succeed.

Commitment among employees is regularly monitored using what we call pulse measurements. The results show that commitment strengthened during the year.

›› Information about Alligo's pulse measurements is presented in the Sustainability Report on page 72.



Josefine Zar, Store Manager at Swedol Huddinge.

## Leadership

The key enabler of commitment is leadership. Alligo invests significantly in developing leaders at all levels, providing them with the tools needed to succeed and to deliver on their business goals.

Business performance follow up, combined with regular employee surveys, gives managers a clear picture of how well they are doing their job. This also provides the basis for transparent dialogue in every team on how strengths can be maintained and how improvements can be made where necessary. In this work, continuous small improvements are made that have a major impact over time.

Leadership is also one of the most important components in a good work environment. All managers participate in work environment training, focusing on what managerial responsibility involves and how they need to work in order to fulfil it.

## Training and skills development

Competence is one of Alligo's core values and is vital to creating value for our customers. The ambition is to have the industry's most competent employees and to be the company that offers the greatest opportunities for individual growth.

A key tool for strengthening competence within the organisation is Alligo's digital training platform. The platform is continuously being developed in order to collate, quality assure, manage and share the large-scale competence that exists in various parts of the Group. This includes everything from for example product training to education in Alligo's Code of Conduct.

Alligo also has an internal network of knowledgeable employees who have been trained in communicating and sharing knowledge within the organisation. External training coordinators are also engaged where these are the best solution.

›› Information about work environment, health, diversity and equality, as well as other key issues relating to employees, are presented in the Sustainability Report on pages 70–74.

# From customer service to management at Tools Norway

Carina Tenden's career within the Group began in 2006, when she started as a temporary employee at Skydda Group, which was later merged with Tools. Today she is a Sales Director at Tools in Norway with responsibility for eight employees and leading a team of around 60 people.

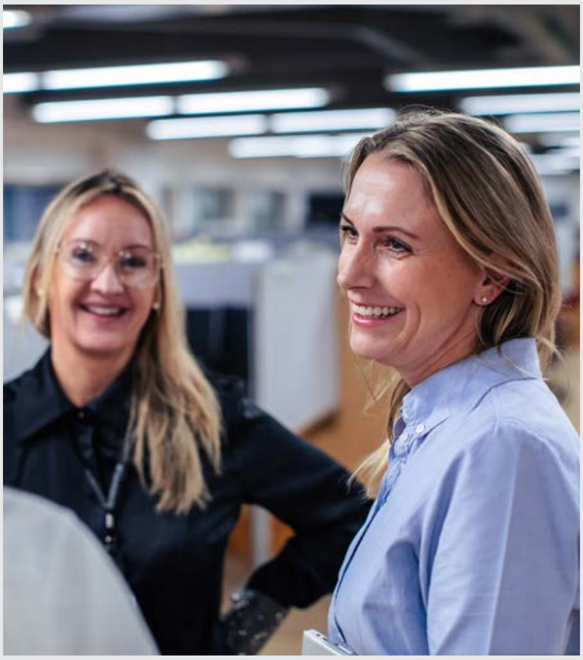
Carina is an example and inspiration for many employees. She describes her role as follows: "Together with my team, I ensure that the approved changes and improvements are implemented and that the objectives and results are achieved."

When asked what is important for her as a manager, she answers without hesitation: "Making sure everyone is happy. Being clear and inclusive so that everyone knows what direction we are heading in and how we will achieve our goals. In a company undergoing many change processes, it is vital that the team is kept informed and feels a sense of ownership in the journey forward."

> » One of my driving forces is being involved in what is happening so I can be part of it and make a difference. «

Since December 2022, Carina has been a member of the Tools Norwegian management group with extensive responsibility for telesales and business support – a role she enjoys.

"One of my driving forces is being involved in what is happening so I can be part of it and make a difference. It's exciting and stimulating to do new things."



# Better together


Cooperation is one of Alligo's core values and reflects how we can help each other become better together. This collaboration can take many forms in different constellations, which can also include customers and suppliers.

Two of Alligo's employees in Finland provide an excellent example of this. Henna Antikainen, Store Manager, and Anssi Kauppi, Field Sales Agent, at the Tools store in Kotka form a dynamic duo, that lift and support each other in their daily work and become better together.

"Anssi looks in on my office several times a day, or I look in on him. We brief each other on what is happening, exchange ideas, and discuss ongoing activities," says Henna Antikainen.

> » We want to understand what the most logical solution is for the customer and how it will help them best. «

Although their roles differ, Henna and Anssi are both driven by sales and have direct contact with customers, whose needs they understand. Together, they deliver a higher level of service that creates value for the customer.

"We want to understand what the most logical solution is for the customer and how it will help them best. We don't just want to sell more products," says Henna, and Anssi agrees:

"Our customers are professionals who need important, essential equipment. They're not shopping for the fun of it. Our job is to make it as easy, affordable and functional for them as possible. And of course, there is always time for a laugh too."

"Customers usually love the atmosphere we have here when they visit," says Henna.

Henna describes Anssi as someone who spreads joy at work. She admires his enthusiasm, knowledge and experience. According to Anssi, Henna is driven, decisive and takes a lot of responsibility for the store.

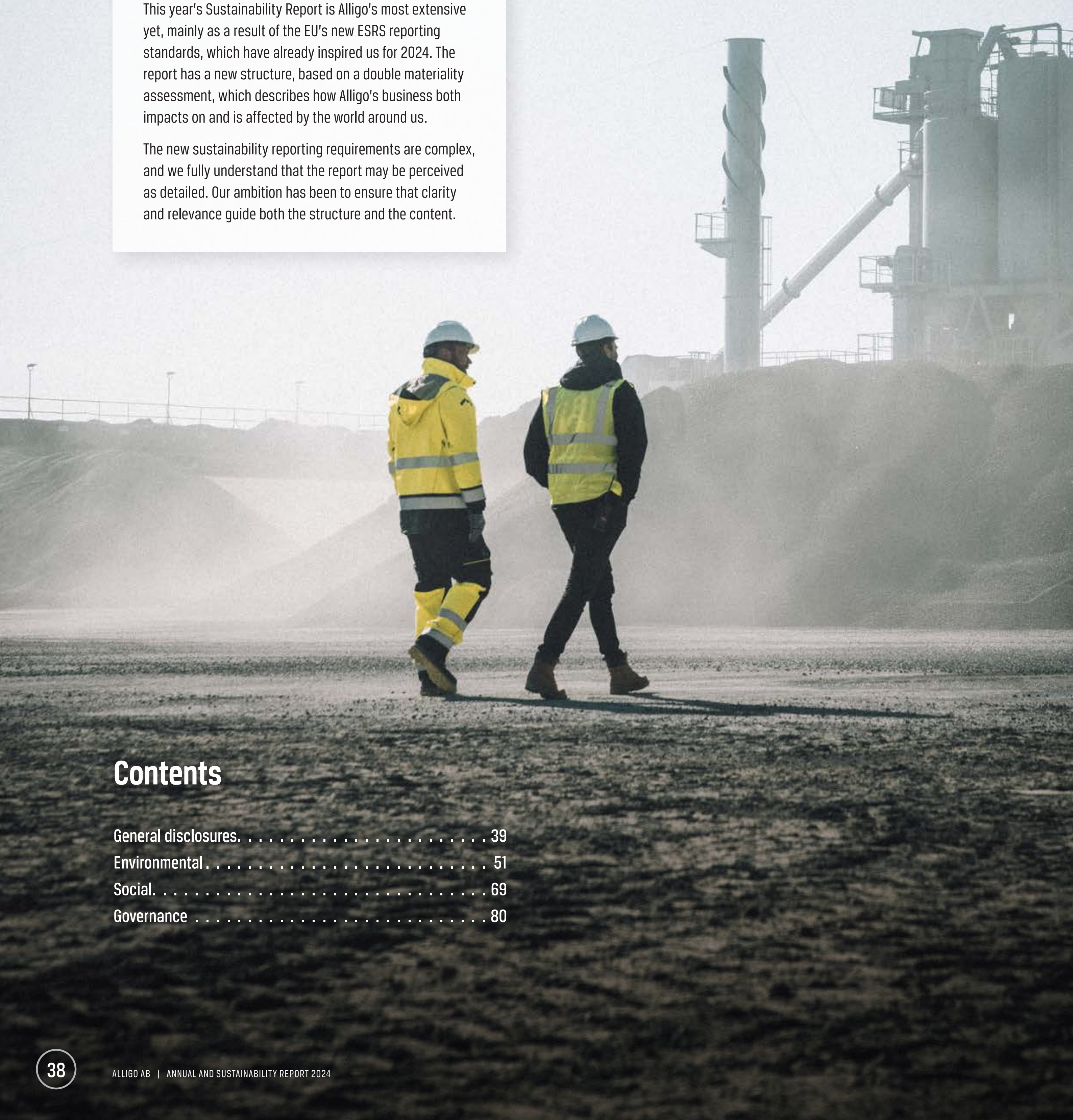
"For cooperation to work, you have to be striving towards a common goal. That's something we're really good at," says Henna.

# Sustainability Report

Sustainability is not only a prerequisite for Alligo to act as a responsible corporate citizen, but also essential for ensuring long-term profitability.

This year's Sustainability Report is Alligo's most extensive yet, mainly as a result of the EU's new ESRS reporting standards, which have already inspired us for 2024. The report has a new structure, based on a double materiality assessment, which describes how Alligo's business both impacts on and is affected by the world around us.

The new sustainability reporting requirements are complex, and we fully understand that the report may be perceived as detailed. Our ambition has been to ensure that clarity and relevance guide both the structure and the content.



## Contents

# 1. General disclosures

By working with sustainability as an integrated part of our strategy and business planning, Alligo's ambition is to become the unbeatable leader in sustainable development in our industry.



## 1.1

### General basis for preparation of the sustainability statements

According to the Swedish Annual Accounts Act, Alligo is subject to the EU's new Corporate Sustainability Reporting Directive (CSRD) requirements as of the 2025 financial year. In 2024, Alligo has prepared a Sustainability Report inspired by the European Sustainability Reporting Standards (ESRS), including current requirements under the Swedish Annual Accounts Act. The aim has been to apply as much of the standards as possible for 2024. From the 2025 financial year onwards, the report, in accordance with the Swedish Annual Accounts Act, will form part of the Administration Report and be reviewed by the company's auditors.

The sustainability information in this year's report has been compiled on a consolidated basis to the same extent as the financial statements. The Sustainability Report covers all companies in the Group and value chains, both upstream and downstream.

The auditor's opinion on the statutory Sustainability Report can be found on page 145.

## 1.2

### Disclosures in relation to specific circumstances

Since 2021, Alligo has prepared a sustainability report with reference to the Global Reporting Initiative (GRI). As 2024 is the first year that Alligo is preparing a sustainability report inspired by ESRS, there is naturally a lack of comparative information. Comparative figures are reported wherever practically possible.

## 1.3

### The role of the administrative, management and supervisory bodies

The Board of Directors has ultimate responsibility for Alligo's sustainability work and the Group's impact on the economy, environment and society. The Board approves all Group policies, including the Group's Code of Conduct. The Audit Committee reviews Alligo's sustainability reporting process and ensures that Alligo complies with current laws and regulations relating to sustainability reporting.

The strategic sustainability work is governed by the Group Management, with the Head of Business Development and Sustainability having overall responsibility. The operational work is managed and coordinated by the Group's Sustainability and Quality Department.

Read more about the Group's corporate governance and about the expertise and experience of the Board of Directors and Group Management on pages 93–103. For more information about the composition and work of the Board of Directors, see pages 95–97.

1.3

## The role of the administrative, management and supervisory bodies, cont.

**Board of Directors**
Ultimate responsibility for Alligo's sustainability work and approves the sustainability targets and all Group policies, including the Group's Code of Conduct and the Supplier Code of Conduct.

**Audit Committee**
Reviews Alligo's sustainability reporting process and ensures that Alligo complies with current laws and regulations relating to sustainability reporting.

**Group Management**
Responsible for defining, managing and monitoring strategic sustainability work. The Head of Business Development and Sustainability has overall responsibility. Internal sustainability reporting is presented quarterly to Group Management.

**HR** has overall responsibility for matters relating to own workforce, including absence through illness, equality, health and safety and workplace incidents/accidents.

**Finance** is responsible for matters relating to governance, including annual and sustainability reporting in accordance with relevant regulations, as well as anti-corruption and the EU Taxonomy.

**Property and Security** is responsible for matters relating to energy consumption and environment (premises, company cars and business travel).

**Assortment and Procurement** is responsible for matters relating to supplier management.

**The sales organisation** in each country is responsible for matters relating to customer satisfaction.

**Sustainability and Quality**
Operational sustainability work is managed and coordinated by the Sustainability and Quality Department. The Head of Sustainability and Quality leads employees with specialist expertise within environment, climate, environmental and chemicals legislation relating to products and sustainability matters in the supply chain.

1.4

## Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The information that is reported to the Board of Directors aims to provide an overall picture of the Group's sustainability performance as well as the material risks and opportunities. Reporting also includes the status of sustainability targets and strategic initiatives. Sustainability work is reported to the Board of Directors at least twice a year in the form of a Board report and oral presentation. In addition to these regular reports, the Board of Directors can request further information as necessary.

The decisions and guidelines of the Board of Directors are communicated to the Group Management, which is responsible for implementing and following up on actions related to the sustainability strategy. The Sustainability and Quality Department coordinates the actions.

1.5

## Integration of sustainability-related performance in incentive schemes

The guidelines for the remuneration of management executives must support Alligo's strategy, long-term interests, including sustainability, and create value for shareholders. The guidelines for remuneration and the work of the Remuneration Committee are described in the Administration Report on pages 86–87, in the Corporate Governance Report on page 97 and in the Group's Remuneration Report.

The Annual General Meeting decided in May 2024 to establish a long-term incentive programme for management (PSP 2024), based on performance shares. The programme applies for the period 1 January 2024 to 31 December 2026. 15 per cent of the targets are linked to sustainability-related results: Responsible supplier relationships (5), Equality (5) and Qualitative targets that support Alligo's overall sustainability commitments (5).

Read more about the Group's sustainability targets on page 50.

## 1.6

### Statement on due diligence

Sustainability Due Diligence (SDD) is Alligo's process for identifying, preventing, limiting and reporting the business's negative impact on people and the environment. The SDD process focuses on identifying and evaluating negative impacts that can arise through the Group's activities, products, services and business relationships throughout the value chain.

| Central elements of Sustainability Due Diligence | Page |
|---|---|
| Embedding due diligence in governance, strategy and business model | 40–46 |
| Engaging with affected stakeholders in all key steps of the due diligence | 40, 42, 47, 76 |
| Identifying and assessing adverse impacts | 46–47, 75 |
| Taking actions to address those adverse impacts | 75-77 |
| Tracking the effectiveness of these efforts and communicating | 50, 75–77 |

## 1.7

### Risk management and internal controls over sustainability reporting

Alligo has established a risk management and internal control system to ensure that sustainability reporting is accurate, complete and in compliance with applicable legal requirements. The system includes processes for identifying, managing and minimising risks related to reporting. Risks are identified and prioritised based on their impact and probability.

The principal elements of the internal control system include:

- **Data quality and traceability:** Standardised processes for data collection with associated documentation.
- **Regulatory compliance:** Continuous updating of reporting requirements in accordance with ESRS.
- **Internal control and review:** Comparison with the previous year's Sustainability Report, monitoring of key performance indicators and implementation of the four-eyes principle.

| Risk | Actions |
|---|---|
| Incomplete data | Standardised processes, documented reporting manuals for data providers and training |
| Manual errors | Consolidation of quantitative data in a separate system that facilitates transparency and traceability, evaluation of outcomes including through comparison with previous year's Annual Report, four-eyes principle |
| Unreliable data sources, use of estimates and extrapolations | Use of trusted sources and support from external specialists. Reasonableness assessments and continued efforts to improve the quality of the underlying data. |
| Regulatory changes | External analysis and support from external specialists, such as auditors |
| Lack of integration with financial reporting | Coordination between the Sustainability Department and Finance Department |

The results of the risk assessment and internal controls are integrated in sustainability reporting through ongoing coordination between the Sustainability Department and the Finance Department's Sustainability Controller. Risks identified are remedied through improved data controls, process improvements and regular monitoring of key indicators.

The Audit Committee reviews the sustainability reporting process and submits recommendations for relevant changes to ensure the reliability of sustainability reporting. The committee shall also ensure compliance with applicable laws and regulations with regard to Alligo's sustainability reporting.

## 1.8

### Interests and views of stakeholders

The requirements and expectations of stakeholders provide Alligo with important information for its strategy and business model and are a prerequisite for continuing to develop and improve the business and sustainability work. The needs of stakeholders also provide important information for the double materiality assessment, as well as the Sustainability Due Diligence (SDD) process. The Group Management annually reviews the monitoring of stakeholder dialogues that takes place. The Board of Directors reviews the results during the annual strategy review and when making decisions on sustainability targets.

The key stakeholders are customers, suppliers, employees, owners/investors and society/authorities, which may be affected either positively or negatively by the Group's activities. Through various forms of dialogue, the matters that the stakeholders consider to be most important for Alligo are identified.

| Stakeholders | Dialogue and monitoring | Issues in focus |
|---|---|---|
| **Customers** | **DIALOGUE:** Everyday contact through sales in-store, via field sales and in digital channels, contact with customer services and in procurement processes, newsletters and other material tailored to the customer.<br><br>**FOLLOW-UP:** Customer surveys. | • Quality products available at the right time and place at an attractive price<br>• Competent and dedicated personnel<br>• Easy to do business with<br>• Environmental and climate impact<br>• Sustainability information about products, such as traceability, chemical content, environmental labelling and life cycle assessment<br>• Circularity and recycling of textile products<br>• Certified management system<br>• Systematic work on responsible supply chain |
| **Suppliers** | **DIALOGUE:** Meetings, supplier visits, everyday contact, trade fairs and product training.<br><br>**FOLLOW-UP:** Supplier evaluations, acceptance of Supplier Code of Conduct and Chemical Restriction Lists, factory visits and third-party audits. | • Partner-like relationship with key suppliers<br>• Reliable deliveries<br>• Prices<br>• Communication about the supplier's products, e.g. environmental labelling<br>• Systematic work on responsible supply chain |
| **Employees** | **DIALOGUE:** Performance appraisals, individual meetings, intranet, training sessions, cooperation with trade unions, occupational health and safety committees, Board representation.<br><br>**FOLLOW-UP:** 'Pulse surveys', monitoring of employee turnover, sickness absence, and workplace injuries and incidents. | • Common set of values<br>• Physical and psychosocial work environment<br>• Development and career opportunities<br>• Good employment terms<br>• Leadership built on trust and commitment |
| **Owners/ investors** | **DIALOGUE:** Annual General Meeting, Board meetings, meetings with investors and analysts.<br><br>**FOLLOW-UP:** Ongoing reporting, interim reports, annual report. | • Return on investment<br>• Transparent reporting<br>• Risk management<br>• Compliance with laws and regulations<br>• Responsible business conduct and anti-corruption<br>• Sustainable business |
| **Society/ authorities** | **DIALOGUE:** Contacts with various authorities, meetings and cooperation within industry associations.<br><br>**FOLLOW-UP:** Annual report, website, whistleblowing function. | • Increased legal requirements regarding, for example, reporting, Sustainability Due Diligence (SDD) and transparent sustainability information<br>• Compliance with laws and regulations<br>• Sustainable business |

1.9

## Strategy, business model and value chain

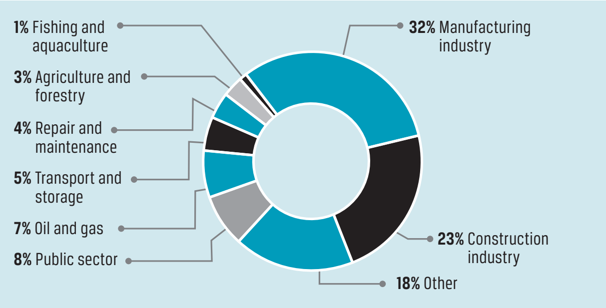
Alligo is a leading player within workwear, personal protective equipment, tools and consumables in the Nordic region. Its offering consists of a standardised product range of goods and services that make businesses work. Sales are generally made through the concept brands Swedol in Sweden and Tools in Norway and Finland, through stores, field sales and telesales, digital sales and on-site service. Alligo also has local non-integrated companies within selected product and technology areas, such as product media, welding and batteries, which operate stores under their own brands. The Group has around 2,500 employees, 57 per cent of which are Sweden, 25 per cent in Norway and 18 per cent in Finland. The Group has annual revenue of approximately SEK 9.3 billion.

Alligo is driven by the vision of becoming unbeatable as a partner to our suppliers, as an employer for our employees and being a leader in sustainable development in our industry.

### Customers and offering

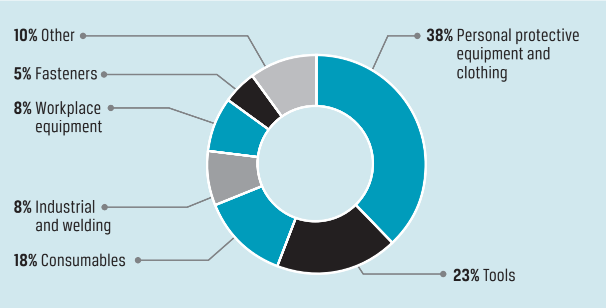
Customers are a balanced mix of small and medium-sized companies, large industrial corporations and the public-sector. The business is developed with a focus on corporate customers within eight defined industry segments on the main geographical markets of Sweden, Norway and Finland. Alligo's priority is sales to end customers, but the Group is also a product owner with its own brands that can be sold through resellers to broaden market coverage.

**REVENUE BY INDUSTRY SEGMENT 2024**




The product offering is focused on workwear, personal protective equipment, tools and consumables. Services are also an important part of the offering. One service area that has grown strongly in recent years is Smart Service, Alligo's smart solutions on site at the customer. In 2024, Alligo has developed a full-service solution for workwear, ReCare, which was launched at the beginning of 2025. The service includes garments, laundry, repairs, reuse and recycling, which strengthens the sustainability offering while also increasing customer value.

**SALES BY PRODUCT AREA 2024**




### Aim to be a leader in sustainable development in our industry

One of the Group's strategic objectives is to be known as a leader in sustainable development in our industry. Alligo's sustainability strategy is based on our vision and strategic objectives, the sustainability impact these have on the world around us, and issues that are important to stakeholders. Sustainability is integrated into the Group's strategy and business planning and forms part of our everyday work. Through clear and transparent communication of our sustainability work, our ambition is to show stakeholders that Alligo is a company at the forefront in our industry.

We have structured the most material sustainability matters into five focus areas, each of which has targets that are followed up quarterly or annually depending on the nature of the target:

#### 1. Reduced environmental and climate impact

Alligo is actively working to reduce the negative environmental and climate impact both from the manufacture of the products we sell and in our own operations. The Group's largest environmental and climate impact occurs in the value chain, in connection with the manufacture of products.

#### 2. Committed and competent employees

Employees who thrive and develop are essential for Alligo to achieve its goals and deliver value to customers and shareholders. A good work environment and a culture that promotes gender equality, diversity and inclusion help to attract and retain competent employees.

#### 3. Responsible supplier relationships

Alligo's responsibility towards people, our society and the environment extends beyond its own operations. Alligo selects suppliers who share the Group's values regarding ethics and sustainability by specifying requirements and conducting follow-ups on human rights, labour conditions, environment and anti-corruption.

#### 4. Customer satisfaction and product safety

To meet the high demands of customers, the workwear, personal protective equipment, tools, and consumables sold by the Group must be both safe and durable. In customer interactions, Alligo can support customers in making informed and more sustainable choices. Sustainability is also a key factor in product development.

#### 5. Responsible business conduct

Alligo strives to act professionally, responsibly and with integrity in all business transactions and relationships. Promoting a corporate culture of transparency, complying with legislation, and acting with high business ethics contribute to building long-term relationships and a sustainable business.

Read more about the Group's sustainability targets on page 50.

### Material sustainability matters

**ENVIRONMENTAL**

1. Climate change
2. Pollution
3. Water and marine resources
4. Biodiversity and ecosystems
5. Resource use and circular economy

**SOCIAL**

1. Own workforce
2. Workers in the value chain
3. Product safety for customers

**GOVERNANCE**

1. Business conduct


1.9

## Strategy, business model and value chain, cont.

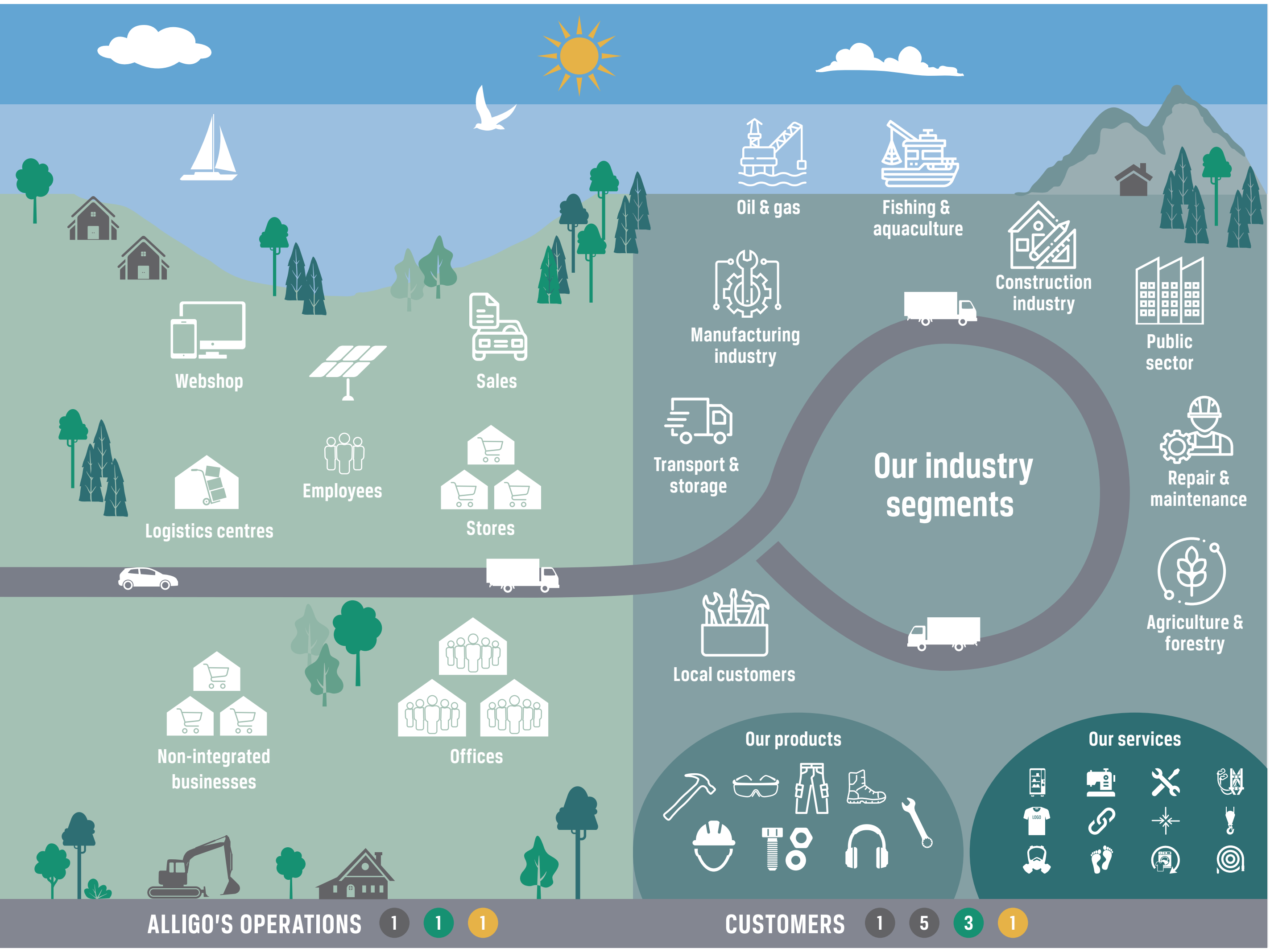
Alligo's responsibility for people, society and the environment extends beyond its own operations. The Group is actively working to reduce the negative environmental and climate impact both from the manufacture of the products sold and in own operations.

### Reduced environmental and climate impact through responsible supplier relationships

Around 91 per cent of the greenhouse gas emissions in Alligo's value chain are generated in connection with the production of goods. This makes setting requirements for the Group's suppliers to reduce their climate footprint a priority. The right supplier base is important for mitigating risks in the flow of goods, securing Alligo's negotiating power and enabling responsible sourcing throughout the value chain.

Suppliers are mainly located in the Nordic region, the rest of Europe and Asia. The supply chain is also where the greatest sustainability risks have been identified, for example the risk of human rights violations, poor working conditions and corruption. Close cooperation with suppliers, well-defined requirements specifications and follow-up through self-assessments, factory visits and third-party audits are therefore an important focus.

Read more on pages 52–57 and 75–77.




### Committed and competent employees and business conduct

Alligo has stores, warehouses and offices in Sweden, Norway and Finland, as well as a smaller operation in Estonia. The majority of employees work in stores and in logistics. The Group carries out systematic work to reduce health and safety risks. No one should suffer injury at work, either physical or psychological.

The three words commitment, cooperation and competence form the foundation of Alligo's values. Employees must act professionally, ethically, responsibly and with integrity in all business dealings and relationships. The Code of Conduct is one of the cornerstones of the corporate culture and serves as a central policy document.

The centralisation of logistics at Nordic level provides greater coordination, efficiency and purchasing power. Goods are transported from suppliers primarily by sea, rail and road to one of Alligo's four logistics centres. The products are then transported onwards by road to one of the 218 stores or directly to the customer.

Read more on pages 70–74.

### Satisfied customers and product safety

Alligo's customers are a balanced mix of small and medium-sized companies, large industrial corporations and the public-sector. The focus is on offering customers the workwear, personal protective equipment, tools and consumables that they need in their everyday work. The majority of sales take place through stores. Alligo also has a broad range of services covering everything from chain workshops to garment printing, on-site service and a full-service solution for workwear (laundry, repairs, reuse and recycling).

To meet the high expectations of customers, Alligo's products must be as safe and durable as possible. Regular customer dialogue in order to identify requirements and expectations is a prerequisite for success in this respect. Sustainability is also a central part of product development.

In its interaction with customers, Alligo can provide professional guidance to help customers make informed and more sustainable choices. A standardised range makes certifications, life cycle analyses and environmental labelling easier, which is the kind of sustainability information that customers want.

Read more on pages 62 and 78.

1.10

## Material impacts, risks and opportunities and their interaction with strategy and business model

Below are the results of the double materiality assessment, describing how Alligo's operations impact people and the environment, as well as how sustainability issues and external factors affect Alligo's business. In other words, the material impacts, risks, and opportunities related to the business.

| Matter | Impacts, risks and opportunities | Supply chain (SC) Own operations (A) Customer (C) | Positive/ Negative | Actual/ potential | Page |
|---|---|---|---|---|---|
| **Environment** | | | | | |
| **Climate change** | Impacts on climate change as a result of greenhouse gas emissions related to the extraction of raw materials and product manufacture, as well as energy consumption in own operations | SC A | – | Actual | 52 |
| **Pollution** | Risks of pollution of the air, soil and water in the extraction of raw materials and in manufacturing processes | SC | – | Potential | 58 |
| **Water and marine resources** | Impacts resulting from the use of water resources in the production of textiles | SC | – | Both | 60 |
| **Biodiversity and ecosystems** | Risk of negative impacts on biodiversity and ecosystems from the extraction of raw materials and product manufacture | SC | – | Potential | 61 |
| **Resource use and circular economy** | Impacts resulting from resource use and the ability to extend the life of products and increase circularity | SC | – + | Both | 62 |
| **Society** | | | | | |
| **Own workforce** | Risks in the physical and psychosocial work environment and risk of harassment. Impacts related to gender equality, diversity and competence development | A | – | Potential | 70 |
| **Workers in the value chain** | Risk that suppliers show insufficient respect for human rights and labour rights. | SC | – | Potential | 75 |
| **Product safety for customers (entity-specific)** | Risk to health and safety of customers if Alligo's products lack quality. Alligo's products in workwear and personal protective equipment help to provide increased safety for customers at their workplace | C | – + | Both | 78 |
| **Governance** | | | | | |
| **Business conduct** | Corruption and bribery risk having a negative impact on people and the environment, as well as a potential financial impact | SC A C | – | Potential | 81 |

## 1.11

## Description of the processes to identify and assess material impacts, risks and opportunities

The double materiality assessment was carried out in 2023–2024 to identify Alligo's material sustainability matters. The assessment covered the entire value chain with regard to business model and geography. Alligo was supported in the process by external consultants with expertise within sustainability work and sustainability reporting.

The material sustainability matters identified provide the basis for the Group's strategic sustainability work and the content of the report. The double materiality assessment will be reviewed annually. The illustration below summarises the process for the double materiality assessment.

| External and stakeholder analysis | Material impacts | Financial materiality | Validation of results and approval of the double materiality assessment |
|---|---|---|---|
| The external and stakeholder analysis included a review of the legal requirements that impact or will impact the business, results of external and internal audits of the Group's management system, insights from supplier self-assessments and third-party audits of suppliers. It also included a review of stakeholder dialogues. In addition, interviews were conducted with several functions within Alligo, representatives of the Board of Directors and selected external stakeholders. | The assessment of the environmental, social and governance impacts of the business was conducted by specialists from the Sustainability and Quality Department in collaboration with external consultants. Several external sources were used, including reports from authorities and NGOs, research reports, analysis of material environmental aspects and risk analyses related to the supply chain. | The assessment of financial materiality was carried out in a workshop with the Group Management. The Group's established risk methodology, including levels of probability and size of financial impact, was used in performing the assessment. | The results of the materiality assessment were validated by relevant internal functions at Alligo. External consultants were also involved in the validation work. The results of the double materiality assessment have been decided by the Group Management and approved by the Board of Directors. |

### Method for assessing material sustainability matters

In the performance of the double materiality assessment, the criteria of ESRS 1 were applied, covering the short, medium and long term. The assessment was supplemented with a qualitative analysis.

Material impact has been assessed based on the likelihood for the following factors:

- **Scale:** how severe the negative impact is or how beneficial the positive impact is for people or the environment.
- **Scope:** how widespread the negative or positive impact is.
- **Irremediable character of the impact:** whether and to what extent the negative impact can be remedied.

In the case of a potential negative human rights impact, the severity of the impact takes precedence over its likelihood, which has been taken into account in the qualitative analysis.

Financial risks and opportunities have been analysed based on their size and likelihood. The same threshold values have been applied as for Alligo's established risk method based on likelihood and impact. The impact was assessed on the basis of likelihood and impact on the Group's EBITDA using a five-point scale from incidental (>5 per cent of EBITDA) to extreme (>25 per cent of EBITDA).

### Processes to identify and assess specific material impacts, risks and opportunities – Environmental

The processes for identifying, analysing and assessing impacts, risks and opportunities relating to the environment, with a focus on climate change, pollution, water and marine resources, biodiversity and ecosystems, as well as resource use and circular economy, have been led by the Sustainability and Quality Department in partnership with external sustainability consultants. The assessment is based on Alligo's analysis of significant environmental aspects, which is carried out annually according to an established process and covers the entire value chain. Alligo's environmental and climate impact has been assessed at all stages, in other words in the supply chain, own operations and from a customer perspective. The assessment of the supply chain takes into account factors such as extraction of raw materials, production processes, transport and the product life cycle. Relevant legal requirements are also included in the assessment. The environmental aspect analysis was supplemented with the double materiality assessment process.

Climate change is material in Alligo's value chain and own operations. Pollution, water and marine resources, biodiversity and ecosystems, resource use and circular economy are only material in the value chain.

### Climate-related physical risks and transition risks

The largest environmental impact is to be found within scope 3 and relates to the manufacture of the products that Alligo sells, which accounts for 91 percent of total emissions. Greenhouse gas emissions from own operations (scope 1) and indirect emissions from consumption of electricity and heating (scope 2) account for 1 per cent. The remaining emissions are other emissions within scope 3 and account for 8 per cent. Read more about the measures Alligo is taking to reduce its impacts on the climate and environment on pages 52–55.

To assess climate-related physical risks and transition risks, a qualitative analysis was performed that assessed both transition risks and physical risks. The analysis was performed as part of the workshop to assess financial materiality.

Transition risks include increased regulation and changes in the market as a result of climate change that may affect existing business models.

The analysis included a scenario where the world succeeds in limiting the temperature increase to 1.5–2 °C, which is likely to involve further increased regulation, taxes and charges for greenhouse gas emissions, volatile and higher energy prices, as well as requirements from customers for reduced emissions. This scenario is largely what we have seen so far in the 2020s, where both national and EU legislation have focused on limiting the temperature increase. Another scenario analysed is a continued increase in greenhouse gas emissions, leading to a temperature increase of more than 2°C and therefore a greater risk of physical climate risks, as well as disruptions to the supply chain and own operations. This assessment was made with the time perspective of one to more than five years.

Climate-related physical risks and transition risks are considered not to be material in any of the above scenarios. The assessment took into account the stability of the business model, where Alligo's broad range of own and external brands, along with a diversified supplier base in the Nordic region, Europe and Asia, help to minimise the impact of disruptions to production and supply caused by climate change. Having logistics centres in each country and a store network spread across Sweden, Norway and Finland also contributes to increased resilience to physical climate change.

Transition risks such as increased regulation, taxes and charges for greenhouse gas emissions, volatile and higher energy prices, as well as requirements from customers for reduced emissions, did not reach the thresholds Alligo uses for financial risks. Although climate-related physical risks and transition risks are considered not to be material, Alligo continues to monitor and manage these within the framework of its general risk management relating to the environment and climate. To ensure continued relevant analysis of climate-related risks and opportunities, the assessment method will be further developed.

## Processes to identify and assess specific material impacts, risks and opportunities – Governance

### Corruption and bribery

The risk of corruption and bribery exists both in Alligo's own operations and in the value chain. Alligo does not tolerate any form of corruption, whether direct or indirect, for example via an intermediary such as an agent or consultant, even if this means that the Group loses business. The Group performs regular risk assessments of suppliers in order to identify risks in the supply chain. The focus is on human rights, labour rights, environment and corruption. The assessments apply to both new and existing suppliers and are based on geographic risks, type of industry, self-assessments and external reports. Whistleblowing cases also provide a basis for assessing risks of corruption and bribery.

**1.12**

**Disclosure requirements in ESRS covered by the undertaking's sustainability statement**

| ESRS standard | Disclosure requirements | Section |
|---|---|---|
| ESRS E1 Climate change | E1-1, E1-2, E1-4, E1-5, E1-6, SBM-3 | 2.1 |
| ESRS E2 Pollution | | 2.2 |
| ESRS E3 Water and marine resources | | 2.3 |
| ESRS E4 Biodiversity and ecosystems | | 2.4 |
| ESRS E5 Resource use and circular economy | | 2.5 |
| ESRS S1 Own workforce | S1-1, S1-2, S1-3, S1-4, S1-5, S1-6, S1-7, S1-9, S1-13, S1-14, S1-16 | 3.1 |
| ESRS S2 Workers in the value chain | S2-1, S2-2, S2-3, S2-4, S2-5 | 3.2 |
| Entity-specific Product safety for customers | | 3.3 |
| ESRS G1 Business conduct | G1-1, G1-3, G1-4 | 4.1 |

1.13

## Policies adopted to manage material sustainability matters

The Code of Conduct is one of the cornerstones of Alligo's corporate culture and is a central policy document for internal sustainability work. The Code is supplemented with a number of Group policies. The Code of Conduct and relevant Group policies are based on internationally recognised conventions and guidelines, such as the UN Conventions on Human Rights, the ILO's conventions, the OECD Guidelines for Multinational Enterprises and the UN Global Compact.

| Policy | Material sustainability matter | Scope | Responsible/Approved by |
|---|---|---|---|
| **Code of Conduct** | • Own workforce<br>• Business conduct | Describes Alligo's responsibility in relation to human rights, labour rights, environment and business ethics. The Code applies to all employees, the Board of Directors and businesses owned by Alligo. | CEO/<br>Board of Directors |
| **Supplier Code of Conduct** | • Workers in the value chain<br>• Climate change<br>• Pollution<br>• Water and marine resources<br>• Biodiversity and ecosystems<br>• Resource use and circular economy<br>• Business conduct | Covers matters relating to human rights and labour rights, including freedom of organisation, modern slavery, child labour, non-discrimination, wages, working hours, working conditions, health and safety, and fire safety. The Supplier Code of Conduct also covers environmental matters, including climate as well as land and resource use. Product safety, hazardous substances (chemicals) and matters relating to raw materials as well as business ethics are also included. Applies to all the Group's suppliers, including agents, intermediaries, service providers and subcontractors, for example. | CEO/<br>Board of Directors |
| **Environmental and Climate Policy** | • Climate change<br>• Pollution<br>• Water and marine resources<br>• Biodiversity and ecosystems<br>• Resource use and circular economy | Covers matters relating to climate impact, pollution of water, air and soil, water resources, biodiversity and ecosystems, resource use and waste, as well as other relevant environmental matters. Applies to all Alligo's employees and businesses owned by Alligo. | Head of Business Development and Sustainability/<br>Group Management |
| **Quality Policy** | • Product safety for customers | Covers Alligo's perspective on quality relating to the Group's products and services, as well as own operations. Applies to all Alligo's employees and businesses owned by Alligo. | Head of Business Development and Sustainability/<br>Group Management |
| **Occupational Health and Safety Policy** | • Own workforce | Aims to create the conditions for a safe and healthy work environment and to clarify the Group's work environment efforts. Applies to all Alligo's employees and businesses owned by Alligo. | HR Director/<br>Group Management |
| **Anti-Corruption Policy** | • Business conduct | Ensures that Alligo's business is conducted in a trustworthy manner, with a high level of business ethics and in accordance with applicable legislation and good practice for a listed company. Applies to all Alligo's employees and businesses owned by Alligo. This also applies to temporary employees, intermediaries, agents and others acting on behalf of the Group. | CEO/<br>Board of Directors |
| **Policy against Discrimination and Harassment** | • Own workforce | Describes the procedures for how Alligo works against discrimination and harassment. Applies to all employees within Alligo, and, where applicable also to contractors, consultants, temporary workers and others working at Alligo. It also applies to potential employees and candidates applying for positions at Alligo. | HR Director/<br>Group Management |
| **Whistle-blowing Policy** | • Own workforce<br>• Workers in the value chain<br>• Business conduct<br>• Product safety for customers | Describes how Alligo's whistleblowing service enables internal and external target groups to make the Group aware of suspicions and irregularities anonymously and confidentially. | CEO/<br>Board of Directors |

1.14

## Targets, metrics and outcomes

The member of Group Management responsible for each target prepares proposals for sustainability targets, which are then decided upon by the Board of Directors. In connection with business planning, relevant groups and units contribute proposals for activities that support the achievement of the targets. The targets are followed up quarterly or annually by the Group Management, depending on the nature of the target.

| Target | Final target / year | Outcome 2024 | Outcome 2023 | Status 2024 |
|---|---|---|---|---|
| **Environmental** | | | | |
| Climate change | | | | |
| Reduce scope 1 and 2 emissions (base year 2023) [1,2], % | -42 / 2030 | -19 | Base year | |
| Proportion of Alligo's suppliers, by spend covering purchased goods, indirect purchases and transport, that will have science-based targets [1], % | 70 / 2029 | 20 | 17 | |
| Alligo will achieve net zero emissions, baseline year 2023[1], tonnes | 0 / 2050 | 543,654 | 806,513 | |
| Reduce electricity consumption in own premises, base year 2023 [2,3], % | -5.6 / 2027 | -8.2 | Base year | |
| Pollution, Water and marine resources, Biodiversity and Circular economy | | | | |
| Proportion of suppliers that meet Alligo's supplier standard[4], % | >95 / 2030 | 77 | 67 | |
| **Social** | | | | |
| Own workforce | | | | |
| Reduce sickness absence, % | < 5 | 5.0 | 5.2 | |
| Increase the proportion of women in management positions, % | > 30 | 24.6 | 24.4 | |
| Pulse index Engagement[5] | >75 / 2029 | 69 | 67 | |
| Zero-accident vision, number of accidents | 0 | 24 | 13 | |
| Workers in the value chain and Product safety for customers | | | | |
| Proportion of suppliers that meet Alligo's supplier standard[4], % | >95 / 2030 | 77 | 67 | |
| Product safety for customers | | | | |
| Customer Satisfaction Index (CSI)[6] | > 75 | | | |
| • Swedol, Sweden | | 77 | - | |
| • Tools, Norway | | 78 | - | |
| • Tools, Finland | | 82 | - | |
| **Governance** | | | | |
| Business conduct | | | | |
| Zero tolerance of bribery and corruption (number of confirmed cases of bribery and corruption) | 0 | 0 | 0 | |

1) The target has been submitted to SBTi for validation and may be adjusted.
2) Calculation methodology 2.1.7 Gross Scopes 1, 2, 3 and Total GHG emissions, calculation methodology, see pages 56-57.
3) The target covers the electricity consumption where Alligo has its own contracts in Swedol AB, Tools AS and Tools Finland Oy.
4) Alligo's supplier standard includes agreements, acceptance of the Supplier Code of Conduct and related restricted chemicals lists, and self-assessments performed by suppliers on the requirements of the Supplier Code of Conduct.
5) Employee commitment is measured in regular pulse surveys, which are carried out around 10 times per year. The results relate to the final measurement for the year.
6) Customer satisfaction was not measured in 2023 as the measurement method was under review.

In phase

Further action required

Not in phase

# 2. Environmental

Alligo's largest environmental and climate impact occurs in the value chain, in connection with the manufacture of products. Alligo does not have its own production operations and the majority of the Group's environmental impact lies outside Alligo's direct control.

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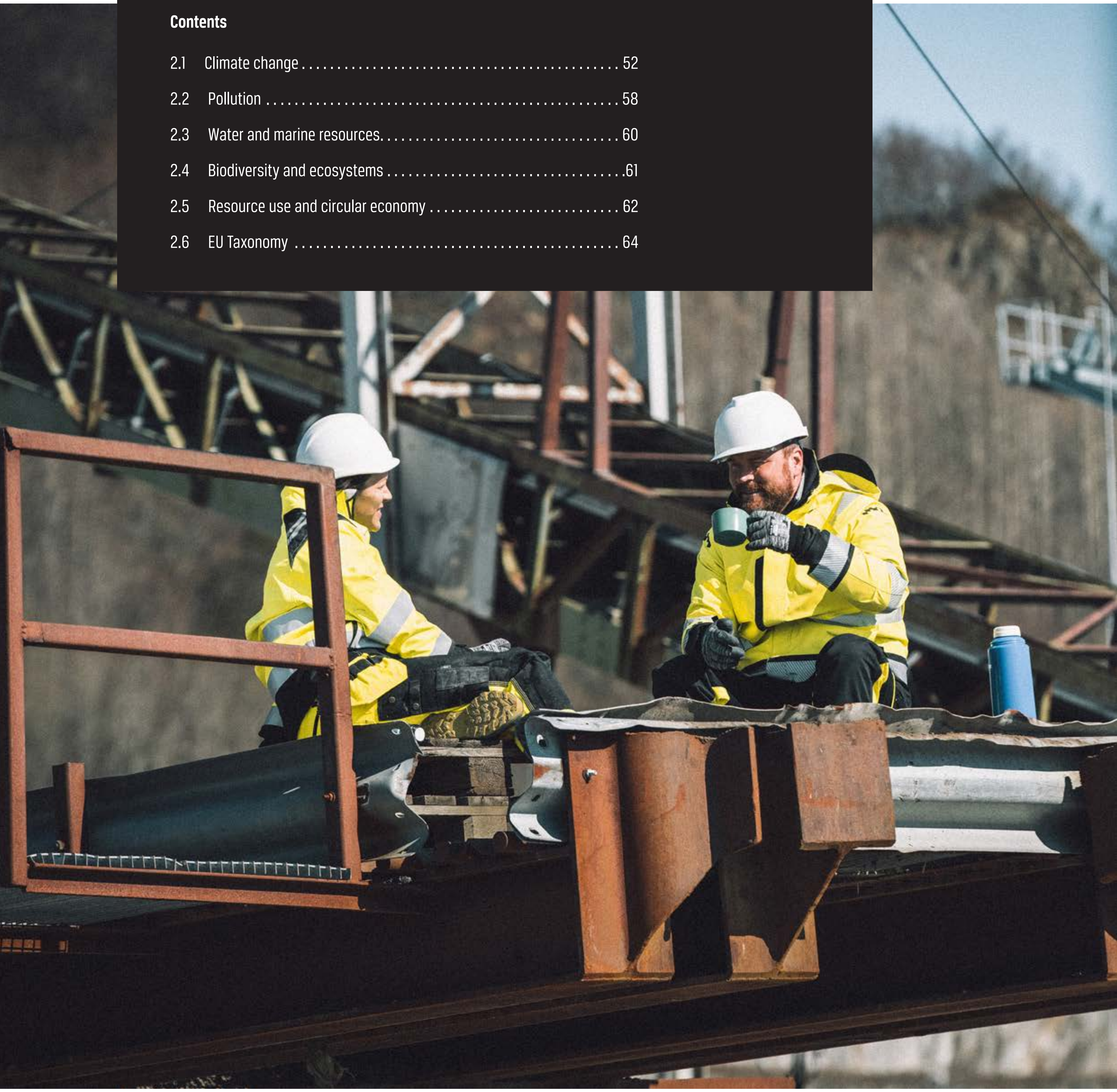

# 2.1 Climate change

Alligo has decided to set climate targets in line with the Science Based Targets initiative (SBTi), in order to help limit global warming to 1.5°C. This section describes the Group's work to reduce the Scope 1, 2 and 3 greenhouse gas emissions of the business.



## Strategy

**2.1.1**

### Transition plan for climate change mitigation

#### Science Based Targets initiative

The Science Based Targets initiative (SBTi) is a global organisation that enables companies to set ambitious targets for emissions reductions in line with the latest climate science and the goal of the Paris Agreement to limit global warming to 1.5°C. The initiative is a partnership between CDP, the World Resources Institute (WRI), the World Wide Fund for Nature (WWF) and the UN Global Compact.

Alligo signed up to the SBTi at the end of 2023. During autumn 2024, the Board of Directors decided to adopt climate targets in accordance with the SBTi. The targets have been submitted for validation and are expected to be approved in 2025. The validation process means that the targets may be adjusted. The targets require Alligo to:

- Reduce Scope 1 and 2 emissions by 42 per cent by 2030 from the baseline year 2023.
- ensure in Scope 3 that 70 per cent of Alligo's suppliers, by spend on purchased goods, indirect purchases and transport, will have science-based targets by 2029.
- achieve net zero emissions by 2050.

#### Other climate-related targets

Alligo also has a climate-related target concerning electricity consumption in own premises. Electricity consumption is to be reduced by 5.6 per cent by 2027. Read more on page 54.

#### Transition plan

The transition plan for own operations (scopes 1 and 2) includes a transition from petrol- and diesel-driven company cars to electric and hybrid vehicles, as well as the purchase of fossil-free electricity and, where possible, fossil-free district heating.

At the same time, work is under way to reduce the consumption of electricity and heating through energy efficiency measures in own properties and in collaboration with property owners. This includes, among other things, the installation of more energy-efficient lighting, optimisation of ventilation and heating systems and phasing out of oil and gas boilers. Alligo is also continuously working to ensure that the premises' consumption is optimally aligned with the needs of the business.

The costs and investments relating to EU Taxonomy-eligible activities are reported on pages 64–68.

The transition plan for the value chain covers activities within several areas. As a first step, Alligo specifies requirements for prioritised suppliers to set science-based climate targets, for example in line with the SBTi or other framework with third-party verification. These requirements will be integrated in supplier contracts.

Within product development for own brands, opportunities are evaluated for reducing climate impact. A central part of this work is to develop life cycle assessment (LCA) or environmental product declarations (EPD) for relevant products.

Actions to mitigate climate change have been integrated in Alligo's strategy, business planning and budget. These have been approved by the Group Management and Board of Directors. The Group Management monitors the adopted targets quarterly or annually in order to ensure progress.

2.1.2

### Material impacts, risks and opportunities and their interaction with strategy and business model

As part of the double materiality assessment, a resilience analysis was performed to assess the impact of climate-related risks and opportunities on Alligo's strategy and business model. The analysis covered all of Alligo's operations and value chain and was based on the scenario analysis. Read more about the materiality assessment and value chain on pages 43–48.

The assessment covered own operations, the value chain upstream, including suppliers, and the value chain downstream. Customer behaviour and other transition risks were also included. The conclusions from the resilience analysis showed that the Group's business model and strategy have a high level of resilience in relation to climate change.

The stability of the business model, where Alligo's broad range of own and external brands, along with a diversified supplier base in the Nordic region, Europe and Asia, help to minimise the impact of disruptions to production and supply caused by climate change. Having a logistics centre in each country and a store network spread across Sweden, Norway and Finland also contributes to increased resilience to local physical climate change, such as flooding.

The double materiality assessment also shows that the business and the value chain have an impact on the environment and can contribute to climate change. The principal adverse impacts derive from the extraction of raw materials and manufacture of the products that Alligo sells, as well as from the energy consumption of the business.

It is becoming increasingly common for Alligo's customers to want to work with suppliers that have science-based climate targets. Customers also want to be provided with climate data for their purchases and for each product. These increased demands highlight the need for life cycle assessments, the development of environmentally more sustainable products and services, and well-defined climate targets. Read more about how Alligo works to fulfil these requirements through various measures on pages 54 and 52. Transition risks, including legislation, volatile energy prices and other financial measures such as carbon border taxes, are considered not to affect Alligo's business model and strategy.

## Impact, risk and opportunity management

2.1.3

### Policies related to climate change mitigation and adaptation

Alligo's rules and principles relating to the environment and climate are presented in the Environmental and Climate Policy. As the largest impact on the environment and climate arises in the manufacture of the products that the Group sells, the Supplier Code of Conduct (Supplier Code) is also a central policy document. All policies are available on the intranet and on the website. The policies manage material impacts, risks and opportunities related to climate and environmental matters.

#### Environmental and Climate Policy

The Environmental and Climate Policy applies to all of the Group's employees and businesses that are owned by Alligo and has been adopted by the Group Management. The Head of Business Development and Sustainability has overall responsibility for implementation. The requirements and expectations of stakeholders have been considered in the development of the policy, in particular the customer perspective.

The policy describes the Group's view of what is important for systematic environmental and climate work in order to reduce the negative environmental and climate impact that arises in own operations and in the value chain. The policy covers climate impact, pollution of water, air and soil, water resources, and biodiversity and ecosystems. Resource use and waste, along with other relevant environmental matters, are also included in the policy.

Alligo's environmental and climate work aims to reduce the negative environmental and climate impact and covers both own operations, products and services, as well as the entire value chain. This work will also increase resource efficiency and phase out substances that are hazardous to the environment and health, such as chemicals. Environmental and climate-related risks and opportunities shall be continuously evaluated and environmental accidents and environmental incidents must be reported. Incidents reported shall be remedied and investigated as part of continuous improvement work.

The policy also includes energy efficiency and a requirement for renewable energy to be used wherever possible. Alligo shall make conscious choices in relation to raw materials, production and freight haulage suppliers and shall work to reduce the environmental and climate impact of customers' use of products and services. The policy also stipulates that Alligo must set measurable and time-bound targets. To ensure compliance with the policy and that actions have the expected results, monitoring takes place in the form of internal and external audits in accordance with the environmental standard ISO 14001:2015.

#### Supplier Code of Conduct

The Supplier Code specifies requirements for suppliers with regard to negative impacts and risks related to the environment and climate (read more about the Supplier Code's requirements concerning human rights, labour rights and business ethics on page 75). The Supplier Code is decided by the Board of Directors, while the CEO has overall responsibility for its implementation. The requirements and expectations of stakeholders have been considered in the development of the Supplier Code, in particular the customer and supplier perspective.

The requirements specified in the Supplier Code require the supplier to comply with current environmental legislation and have systems, policies and working practices in place that are designed to reduce or avoid negative environmental impacts from its operations, products and services. Suppliers are expected to work to make their products, processes, designs and choice of materials more sustainable. Suppliers are also responsible for ensuring that their subcontractors in turn are aware of and comply with the requirements of the Supplier Code.

Suppliers must take precautions where there is a risk of their operations causing damage to the environment, biodiversity and natural resources. If a supplier causes environmental damage, they must pay the social, environmental and financial costs of such damage.

Alligo also specifies requirements for suppliers to set science-based targets to reduce their climate emissions, preferably with third-party verification, such as through the Science Based Targets initiative. Compliance with the Supplier Code is monitored through Alligo's Sustainability Due Diligence process; read more about this on page 41.

2.1.4

### Actions and resources in relation to climate change policies

Based on the double materiality assessment and the assessment of significant environmental aspects, together with Alligo's policies and strategies in this area, decisions are made on actions to reduce the Group's climate impacts. These actions are integrated into the business plan and broken down at relevant department level with delegated responsibility and specific targets. Monitoring takes place on an annual or quarterly basis, depending on the area.

#### Improved data quality, calculation of greenhouse gas emissions and new climate targets

In 2024, Alligo has continued to work to improve data quality and the calculation of greenhouse gas emissions. A plan has been drawn up to minimise climate emissions, which includes relevant actions and resource requirements. Some of the work has focused on improved information and measures to raise awareness about climate impact in prioritised areas of the business. In response to customer queries, Alligo is able to report information about the climate emissions caused by their purchase, primarily using a cost-based calculation methodology. New climate targets have also been drawn up in line with SBTi's methodology.

#### Activities to ensure fossil-free energy use

Alligo has reviewed the Group's electricity contracts to ensure the use of fossil-free electricity in its operations. This is part of the work to reduce the climate impact from electricity consumption.

The guidelines for company cars have also been updated to prioritise the transition to electric and hybrid vehicles. The aim is to gradually replace diesel- and petrol-driven cars where possible, taking into account cost and access to charging infrastructure. Alligo currently has around 871 company cars, of which 55 (48) per cent are hybrid vehicles (including plug-in hybrids), 15 (6) per cent are electric vehicles and 30 (46) per cent run on diesel or petrol. The majority of the vehicles are used in the sales organisation.

The costs and investments relating to the Group's EU Taxonomy-eligible CapEx and OpEx are reported on pages 64–68.

#### Energy efficiency in own premises

In 2024, Alligo has continued to work systematically on the energy efficiency of premises. Ventilation, heating and lighting have been reviewed in order to reduce energy consumption, with LED lighting installed in a handful of stores as a result.

A new energy audit, in accordance with the Swedish Energy Audit Act for Large Companies, was initiated during the year for Alligo AB and will be completed in 2025. The audit provides an overview of energy consumption and identifies areas that require further improvement.

The migration to the new logistics centre in Vestby, Norway, has resulted in more effective control of temperature and ventilation, contributing to more energy-efficient operation. The logistics centre will also be supplied with electricity from solar panels on the roof of the property.

The costs and investments relating to the Group's EU Taxonomy-eligible CapEx and OpEx are reported on pages 64–68.

#### Actions to reduce emissions from products

The work to reduce emissions from products in own brands includes performing life cycle assessments. Work began during the year for certain priority products within workwear.

The largest proportion of greenhouse gas emissions comes from products that the Group sells. Influencing suppliers to set science-based climate targets is therefore a priority action. Work has begun on developing a systematic working method for including science-based climate targets in contracts and ensuring monitoring.

## Metrics and targets

2.1.5

### Targets related to climate change mitigation and adaptation

Alligo's stakeholders have requirements and expectations that the Group will actively reduce greenhouse gas emissions. The aim of climate work is to reduce the negative climate impact in own operations, in products and services and in the value chain.

During autumn 2024, the Board of Directors decided to adopt climate targets in accordance with the SBTi. The targets have been submitted for validation and are expected to be approved in 2025. As part of the validation process, it may be necessary to adjust the proposed targets.

In addition to the general climate targets, Alligo also has specific targets for electricity consumption in own premises.

The climate targets apply to the Group's entire operations unless otherwise indicated. The targets are monitored annually or quarterly by the Group Management, depending on the nature and scope of the targets.

| | OUTCOME | |
|---|---|---|
| **Target** | **2024** | **2023** |
| Alligo shall reduce Scope 1 and 2 emissions by 42 per cent by 2030, baseline year 2023[1,2], % | 19 | Base year |
| 70 per cent of Alligo's suppliers, by spend covering purchased goods, indirect purchases and transport, will have science-based targets by 2029[1], % | 20 | 17 |
| Alligo will achieve net zero emissions by 2050, baseline year 2023[1], tonnes | 543,654 | 723,624 |
| Electricity consumption in own premises shall reduce by 5.6 per cent by 2027, baseline year 2023[2,3], % | 8.2 | Base year |

1 The target has been submitted to SBTi for validation and may be adjusted.
2 Calculation methodology 2.1.7 Gross Scopes 1, 2, 3 and Total GHG emissions, calculation methodology, see pages 55–56.
3 The target covers the electricity consumption where Alligo has its own contracts in Swedol AB, Tools AS and Tools Finland OY.

2.1.6

### Energy consumption and mix

| MWh | 2024 | 2023 |
|---|---|---|
| Electricity | 20,304 | 20,741 |
| Renewable | 17,010 | 17,730 |
| Fossil | 2,709 | 2,230 |
| Nuclear power | 585 | 781 |
| Self-generated solar energy | - | - |
| Heating | 3,377 | 3,743 |
| Renewable[1] | 2,024 | 2,323 |
| Fossil | 1,283 | 1,420 |
| Nuclear power | 70 | - |
| **Total renewable (excluding nuclear power)** | **19,034** | **20,053** |
| **Total fossil (including nuclear power)** | **4,647** | **4,431** |
| **Total** | **23,681** | **24,484** |

1) Including biomass (industrial and municipal waste of biological origin), biofuels.

2.1.7

## Gross Scopes 1, 2, 3 and Total GHG emissions ($tCO_2eq$)

| | Retrospective | | | |
|---|---|---|---|---|
| | 2024 | Base year 2023 | Change, tonnes | Change, % |
| **Scope 1 GHG emissions** | | | | |
| **Gross Scope 1 GHG emissions ($tCO_2eq$)** | **2,102** | **1,515** | **587** | **39** |
| Direct heat consumption (oil and gas) | 166 | 214 | -48 | -22 |
| Refrigerant leakage | - | - | - | - |
| Business travel by car | 1,936 | 1,301 | 635 | 49 |
| **Scope 2 GHG emissions** | | | | |
| **Gross location-based Scope 2 GHG emissions ($tCO_2eq$)** | | | | |
| Electricity and district heating | 1,580 | 2,480 | -900 | -36 |
| **Gross market-based GHG emissions** | | | | |
| Electricity and district heating | 1,967 | 3,478 | -1,511 | -43 |
| **Significant scope 3 GHG emissions** | | | | |
| **Total Gross indirect (Scope 3) GHG emissions ($tCO_2eq$)** | **539,585** | **719,715** | **-180,130** | **-25** |
| 3.1 Purchased goods and services | 506,593 | 680,907 | -174,314 | -26 |
| Direct purchases | 493,783 | 659,053 | -165,270 | -25 |
| Indirect purchases | 12,811 | 21,854 | -9,044 | -41 |
| 3.2 Capital goods | 2,933 | 4,114 | -1,181 | -29 |
| 3.3 Fuel and energy-related activities | 874 | 622 | 252 | 41 |
| 3.4 Upstream transportation and distribution | 4,686 | 2,935 | 1,751 | 60 |
| 3.5 Waste generated in operations | 18 | 92 | -74 | -80 |
| 3.6 Business travel | 2,312 | 2,246 | 66 | 3 |
| 3.7 Employee commuting | 5,982 | 5,817 | 166 | 3 |
| 3.9 Downstream transportation and distribution | 75 | 70 | 4 | 6 |
| 3.11 Use of sold products | 15,380 | 21,772 | -6,392 | -29 |
| 3.12 End-of-life treatment of sold products | 731 | 1,140 | -409 | -36 |
| **Total GHG emissions** | | | | |
| **Total GHG emissions (location-based)** | **543,266** | **723,710** | **-180,443** | **-25** |
| **Total GHG emissions (market-based)** | **543,654** | **724,708** | **-181,054** | **-25** |

## Biogenic Scope 1 emissions

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| | $CO_2$ emissions | $CO_2$ capture | Total Biogenic $CO_2$ emissions | $CO_2$ emissions | $CO_2$ capture | Net Biogenic $CO_2$ emissions |
| Scope 1 | 152 | 152 | - | 106 | 106 | - |
| Location-based Scope 2 | 1,658 | 1,658 | - | 1,820 | 1,820 | - |
| Market-based Scope 2 | 1,079 | 1,079 | - | 770 | 770 | - |

| GHG intensity per net revenue | 2024 | 2023 | Change, % |
|---|---|---|---|
| Total GHG emissions (location-based) per net revenue ($tCO_2eq$/MSEK) | 58 | 78 | -25 |
| Total GHG emissions (market-based) per net revenue ($tCO_2eq$/MSEK) | 58 | 78 | -25 |

## CALCULATION METHODOLOGY

Scopes 1, 2 and 3 greenhouse gas emissions are calculated in line with the Greenhouse Gas Protocol using the operational control approach. Emissions are stated in i $CO_2$eq (carbon dioxide equivalents), a measurement used when several different greenhouse gases (in this case carbon dioxide, methane and nitrous oxide) are converted to carbon dioxide with an equivalent climate impact. Emissions are calculated in the first instance using activity-based data and emissions factors from recognised databases. Where activity-based data has been unavailable, the calculations have been supplemented using cost-based methodology or industry data. Activity-based methodology has been prioritised, as this provides greater precision, while cost-based methodology is used in the absence of activity data to enable a reasonable estimate to be made. For details, see under the respective sections below. The results of calculations for Scope 3 are naturally subject to greater uncertainty than for Scopes 1 and 2, as Scope 3 is beyond the direct control of the Group. The greatest uncertainty in Scope 3 emissions is related to supplier data and the use of sold products, where assumptions and estimates may affect accuracy. Alligo will continue to work on improving the quality of the data and calculations.

The latest GWP factors from IPCC AR6 have been used in the calculations wherever possible. For some emissions factors, such as for district heating, vehicles and materials, there is a lack of insight into which version of GWP factors has been used.

There has been no climate offsetting. The calculations have been made in cooperation with an external party with extensive expertise in climate calculations.

The non-integrated companies have been included in each scope and not reported separately. Companies acquired in 2024 are included in the report. The comparative year 2023 has been adjusted in consideration of both these changes and 2023 is therefore not directly comparable with previously reported information.

### Scope 1

Scope 1 comprises direct emissions from sources that are owned or controlled by Alligo. These include emissions from own transport vehicles, company cars and direct heating at premises, as well as emissions resulting from the leakage of refrigerants.

Some of Alligo's non-integrated companies use their own transport vehicles. Emissions from these have been calculated based on information about litres of fuel used or fuel cost.

Emissions relating to business travel by car have mainly been calculated based on information about the litres of fuel used, distance travelled or emissions data received from the leasing companies that the business uses. In some cases, calculations have been made on the basis of cost. Emissions relating to electricity for plug-in hybrids and electric vehicles are included in scope 2.

At individual premises, oil and gas are used for heating and emissions have been calculated based on the quantity of fuel purchased.

Sources of emissions factors: Swedish Transport Administration, Swedish Environmental Protection Agency, Swedish Energy Agency and DEFRA.

### Scope 2

Scope 2 comprises indirect emissions from purchased electricity, district heating and district cooling. A larger proportion of electricity and district heating is purchased via direct contracts between Alligo, and energy suppliers and emissions have been calculated based on electricity and district heating consumption received. Emissions relating to electricity and district heating consumption that is included in lease agreements is calculated on the basis of average consumption per premises.

Vehicles powered by electricity are included in electricity consumption. No information is available about district cooling.

#### Market-based method

The market-based method means that emissions factors are based on production from specific energy sources and suppliers, in other words when there are contracts for product-specific electricity. For other electricity, the residual mix is used, which is adjusted for the purchase of product-specific electricity. Alligo purchases a large proportion of product-specific fossil-free electricity generated from hydropower, which is included in the calculations.

#### Location-based method

With the location-based method, the emissions factors correspond to the total production of the power grid. This method does not take into account the Group's purchase of product-specific fossil-free energy.

Sources of emissions factors: Swedish Energy Markets Inspectorate, Vattenfall, Swedenergy, International review of district heating and cooling (Werner, 2017).

### Scope 3

Scope 3 comprises other indirect emissions in the value chain, both upstream and downstream. During the year, Alligo has calculated emissions from 3.11 Use of sold products and 3.12 End-of-life treatment of sold products. Packaging has also been included in the item Purchased goods and services (indirect purchases). The comparative year 2023 has been adjusted to take into account these changes.

3.8 Upstream leased assets, 3.10 Processing of sold products, 3.14 Franchises and 3.15 Investments are not reported as they are not applicable to Alligo's business.

#### 3.1 Purchased goods and services (direct purchases)

Emissions from the products that Alligo sells, in other words emissions relating to the extraction of raw materials, transport and product manufacture. Emissions have been calculated based on the number of products and available life cycle assessment data or using cost-based methodology.

Sources of emissions factors: The Swedish National Agency for Public Procurement, EPD/LCA from suppliers, Gottfridsson & Zhang and GORE-TEX.

#### 3.1 Purchased goods and services (indirect purchases)

Emissions from the products and services that Alligo purchases but does not sell on to customers. Emissions have been calculated using a cost-based method.

Sources of emissions factors: The Swedish National Agency for Public Procurement.

#### 3.2 Capital goods

Emissions have been calculated using a cost-based method.

Sources of emissions factors: The Swedish National Agency for Public Procurement.

#### 3.3 Fuel and energy-related activities

Upstream emissions in the value chain from the generation of electricity and heat.

Sources of emissions factors: See scopes 1 and 2 above.

### 3.4 Upstream transportation and distribution

Inbound transport to the Group's logistics centres and outbound transport from logistics centres to stores. Emissions data has been obtained from Alligo's transport suppliers.

### 3.5 Waste generated in operations

Emissions from the processing of waste are reported according to information provided by suppliers for Sweden and Norway. Climate emissions from waste are calculated according to established flat rates per fraction and processing method. For the Finnish operations, estimates have been made based on the volume of waste per store, fraction breakdown and processing method.

### 3.6 Business travel

Emissions data for business travel has been obtained mainly from travel agencies. Estimates have also been made based on the number of employees. Emissions from business travel by own car have been calculated based on mileage reimbursement.

### 3.7 Employee commuting

Emissions relating to employee travel to and from work have been estimated based on the number of employees and an assessment of routes and vehicles.

Sources of emissions factors: Swedish Transport Administration, NTM (Network for Transport Measures) and Sveriges Television.

### 3.9 Downstream transportation and distribution

Emissions have been calculated through a cost-based method using sales statistics from Alligo's resellers.

### 3.11 Use of sold products

Emissions relating to the customer's use of products they have purchased from Alligo relates to products that use energy, such as an electrically powered drill, electric motors, diesel heaters or petrol-driven gardening equipment, for example. Emissions have been calculated based on product category, energy source, power, estimated life of product, usage time and sales statistics. There is a great deal of uncertainty in the basis used, as several assumptions have been necessary.

Emissions factors: Swedish Environmental Protection Agency and DEFRA.

### 3.12 End-of-life treatment of sold products

End-of-life treatment of sold products has been calculated based on product category, weight and sales statistics, as well as assumptions about the waste management of sold products.

Emissions factors: DEFRA 2023

# 2.2 Pollution

In the manufacture of products that Alligo sells, there is a risk of pollution of the air, soil and water in the extraction of raw materials and in manufacturing processes. There is also a risk of pollution reaching the environment in the use of the products.



## 2.2.1

### Policies related to pollution

Alligo's rules and principles relating to pollution are contained in the Environmental and Climate Policy. As pollution is a material environmental matter in the value chain, the Supplier Code is also a central policy document. Read more about these policies on page 53.

On specific policy issues relating to pollution, the Supplier Code includes requirements for the supplier to have all the necessary environmental permits, approvals and registrations and ensure that these are up-to-date. Suppliers are also expected to work to make their products, processes, designs and choice of materials more sustainable. The use of chemical substances must also be controlled in order to limit negative impacts on human health and the environment.

The Supplier Code is supplemented by Alligo's requirements relating to chemicals in the form of restricted chemicals lists. The lists stipulate which chemicals are not permitted in the products or are only permitted in the products and in manufacturing in limited quantities. The requirements are based on legislation, customer requirements and the basis provided by The Chemicals Group – a collaborative body for retail companies that works to reduce the use of harmful chemicals in products and supply chains.

## 2.2.2

### Actions and resources related to pollution

Pollution is a material matter in the value chain, as Alligo does not have its own manufacturing and therefore lacks direct control over production. Risks relating to pollution arise primarily in the extraction of raw materials and in manufacturing processes, where emissions to the air, soil and water can have a negative environmental impact. There is also a potential risk that harmful substances, in the event that these are present in the products, may spread to the environment when customers use the products or in waste management.

To reduce these risks, Alligo has implemented several measures as part of its ongoing work. The Supplier Code stipulates requirements for environmental work and chemicals handling, including restricted chemicals lists that specify prohibited and restricted substances in products and in manufacturing. These requirements form part of the supplier contracts and compliance is monitored through the SDD process, which includes self-assessments, factory visits and third-party audits (read more on pages 76–77). To further ensure that products fulfil relevant requirements, annual sampling is carried out in conjunction with an external party, where the chemical content is compared against specified thresholds.

Alligo's range also includes chemical products that risk causing pollution if not handled correctly. The sale of chemical products involves a responsibility to provide accurate information in accordance with applicable legislation, including labelling and safety data sheets.

In relation to clothing in Alligo's own brands, the ambition is for garments to be certified according to OEKO-TEX® STANDARD 100. This standard stipulates thresholds for chemicals that must not be exceeded in textile products. Garments with this certification are considered to be safe from chemicals that are harmful to the environment and health.

The EU has proposed a ban on PFAS in products. The OEKO-TEX® STANDARD 100 thresholds have been adapted to the proposed legislation for PFAS in certified products in order to encourage the phase-out. Alligo has worked actively to ensure that workwear in its own brands will not contain these substances.

Specific resources have been set aside for this work within the organisation. The Group's Sustainability and Quality team contains specialists working with chemicals handling, responsible supply chain and systematic environmental work. These specialists work with the Product Managers to ensure that suppliers comply both with legislation and with Alligo's own requirements. The Product Development Department is responsible for clothing within own brands fulfilling OEKO-TEX® STANDARD 100. The Certification Department ensures that testing is carried out and the correct documentation is prepared. In this way, Alligo works systematically to minimise environmental impacts in the supply chain and to ensure that the products meet sustainability requirements.

## Metrics and targets

## 2.2.3

### Targets related to pollution

| | OUTCOME | |
|---|---|---|
| **Target** | **2024** | **2023** |
| >95 per cent of Alligo's suppliers must meet Alligo's supplier standard by 2030, measured as a proportion of the total purchase value from suppliers to the standard range, % | 77 | 67 |

To ensure compliance with environmental requirements and that the risks of pollution are minimised, Alligo specifies requirements that are monitored regularly. The requirements are specified through the Supplier Code, which contains restricted chemicals lists that state which substances are prohibited or must be restricted in the products.

The target is for at least 95 per cent of Alligo's suppliers to meet the Group's supplier standard by 2027, which is measured as a proportion of the total purchase value from suppliers to the standard range. The supplier standard comprises three elements: agreement, acceptance of the Supplier Code including restricted chemicals lists, and a self-assessment completed by the supplier that is based on the requirements of the Supplier Code. The target is monitored regularly and helps to create a more transparent and responsible supply chain.

The target is designed to take into account the most material matters within the value chain, such as human rights, labour rights, environment and business ethics. In developing the targets, Alligo has analysed input from external stakeholders, primarily customers and suppliers. These stakeholder groups have expressed requirements and expectations that Alligo works systematically to ensure a responsible supply chain. Although external stakeholders have not been directly involved in the decision on the target, their requirements and expectations have been an important factor in its development. Outcomes are monitored and reported quarterly to the Group Management.

By regularly monitoring the target and holding dialogue with stakeholders, Alligo can ensure that the strategy for a sustainable supply chain is developed in line with the market's requirements and regulatory changes.

In 2024, Alligo has had a major focus on dialogue with the Group's suppliers to ensure compliance with the supplier standard, which resulted in a better outcome compared with 2023.

# 2.3 Water and marine resources

Among the products that Alligo sells, it is primarily the manufacture of clothing that requires large volumes of water. To reduce water usage associated with raw material cultivation, fabric dyeing processes and factory production, Alligo works within the value chain by setting requirements for suppliers.



## Impact, risk and opportunity management

2.3.1

### Policies related to water and marine resources

Alligo's rules and principles relating to water resources are contained in the Environmental and Climate Policy. As water resources is a material environmental matter in the value chain, the Supplier Code is also a central policy document. Read more about these policies on page 53.

Water resources is an integral part of the environmental section of the Supplier Code. The Code specifies requirements for suppliers with regard to water resources. Suppliers must ensure they have systems, policies and procedures in place to manage risks and reduce negative impacts on the environment from their operations, products and services.

2.3.2

### Actions and resources related to water and marine resources

Water resources are a material matter in the supply chain. As Alligo does not have its own manufacturing, the Group lacks direct control over the water consumption of production. The biggest risks are linked to textile production, where, for example, growing cotton and dyeing processes require large quantities of water and at the same time can contribute to water pollution. There is a particular risk of textile production having a negative impact on local communities in countries where there is limited access to freshwater. To manage these risks and reduce the impact on water resources, Alligo has taken several actions as part of its ongoing work.

Since 2023, dope-dye has been the preferred dyeing method for textile materials made from polyester and polyamide within Alligo's own brands. Unlike traditional methods, where the finished textile is dyed, with dope-dye the plastic material is dyed in the desired colour before being converted into textiles. This reduces both water consumption and the need for chemicals in the dyeing process. At the same time, Alligo is working to increase the proportion of recycled polyester in its textiles, further reducing the need for the water-intensive production of new synthetic material.

In the manufacture of textiles for own brands, requirements are specified for suppliers to have effective water treatment processes and to actively work to minimise their water consumption. Suppliers are encouraged to implement production methods that use as little water as possible.

To improve insight into the water management of suppliers, Alligo has carried out an extensive survey of its textile suppliers. This analysis has provided a better understanding of the water consumption and treatment processes of suppliers, for example by identifying which of them have treatment facilities on site. The survey has also provided the conditions for more intensive cooperation with suppliers on sustainable water management.

Alligo's environmental requirements, which include water management, are monitored through the SDD process. Suppliers are reviewed through self-assessments, factory visits and third-party audits to ensure their compliance with the Group's requirements and that they are actively working to reduce their environmental impact.

Specific resources have been set aside for this work within the organisation. The Group's Sustainability and Quality team contains specialists working with responsible supply chain and systematic environmental work. In the Product Development Department, decisions are made about which textile materials and textile suppliers will be used for Alligo's clothing within its own brands.

## Metrics and targets

2.3.3

### Targets related to water and marine resources

Regular monitoring is carried out to ensure compliance with environmental requirements, including water matters, and that the risks of pollution are minimised. The supplier standard target is designed to take into account the most material matters within the value chain, such as human rights, labour rights, environment and business ethics. Read more about this target on pages 58–59.

# 2.4 Biodiversity and ecosystems

The manufacture of the products that Alligo sells gives rise to environmental and climate impacts that can affect biodiversity. Alligo works in the value chain to reduce negative impacts on ecosystems and biodiversity, primarily by specifying requirements for and monitoring suppliers.



## Strategy

2.4.1

### Transition plan and consideration of biodiversity and ecosystems in strategy and business model

The double materiality assessment shows that Alligo's impact on biodiversity and ecosystems can arise in the extraction of raw materials and manufacture of the products that form part of the Group's offering. Pollution, change of land use and water use, and development are factors with a potential impact on biodiversity in the value chain. Climate change also affects biodiversity, which may have indirect effects on Alligo's supply chain and access to materials.

The broad product portfolio means that Alligo is not dependent on specific materials or suppliers, which limits the business risk related to loss of biodiversity. At the same time, stricter regulations and increased customer requirements mean there is an increasing need for more sustainable products and greater transparency about the origin of products.

To reduce risks and strengthen resilience, Alligo takes biodiversity into account in its strategy for responsible sourcing by ensuring that supplier requirements and choice of materials are adapted to changing regulatory and market expectations. Alligo requires suppliers to protect biodiversity and implement necessary safeguards as required. The analysis of alternative materials, opportunities to increase recycled content in textiles and well-defined targets for responsible sourcing are other examples of risk mitigation measures. Taken together, the above activities ensure a reduced indirect impact on biodiversity in both the short and long term. Regulatory changes and market trends relating to biodiversity are also continuously monitored to identify potential strategic risks and opportunities.

Overall, Alligo considers that there is currently no need for a formal transition plan for biodiversity and ecosystems, as the impacts mainly occur upstream in the value chain and not directly within own operations. The matter will continue to be evaluated as part of the annual review of the double materiality assessment and, if conditions change, further actions will be considered.

## Impact, risk and opportunity management

2.4.2

### Policies related to biodiversity and ecosystems

Rules and principles relating to biodiversity and ecosystems are presented in the Environmental and Climate Policy. As biodiversity and ecosystems is a material environmental matter in terms of the manufacture of products, the Supplier Code is a central policy document. Read more about these policies on page 53.

The Supplier Code specifies requirements for suppliers relating to biodiversity and ecosystems. In order to reduce the negative environmental impact from their operations, products and services, they must have a systematic working method as well as policies and procedures for risk management. The supplier must ensure the protection of biodiversity and environmentally protected areas. Suppliers must also take precautions as soon as there is reason to believe that an action may cause damage to the environment, including biodiversity and natural resources. If a supplier's operations cause environmental damage, the supplier is liable to pay the social, environmental and financial costs proportionate to the damage caused.

2.4.3

### Actions and resources related to biodiversity and ecosystems

Requirements relating to biodiversity and ecosystems are specified through the Supplier Code and associated restricted chemicals lists, which form part of the Group's contract. These requirements are monitored via Alligo's SDD process through self-assessments, factory visits and third-party audits (read more on pages 76–77). Compensation for biodiversity is not included in Alligo's actions.

In addition to supplier requirements, Alligo works to develop its product range to increase the proportion of recycled and more sustainably produced materials, particularly within the textile segment, where the risks of biodiversity impact are greatest.

The Group's Sustainability and Quality team contains specialists working to ensure a responsible supply chain and with systematic environmental work to monitor and evaluate the biodiversity impact in the supply chain.

## Metrics and targets

2.4.4

### Targets related to biodiversity and ecosystems

Regular monitoring is carried out to ensure compliance with Alligo's supplier requirements relating to biodiversity and ecosystems. The supplier standard target is designed to take into account the most material matters within the value chain, such as human rights, labour rights, environment and business ethics. Read more about this target on pages 58–59.

# 2.5 Resource use and circular economy

In a circular economy, products and materials must be used for as long as possible. This reduces unnecessary production and wasted resources such as raw materials, energy, water and chemicals, thereby reducing emissions. To reduce resource use, Alligo works to extend the life and circularity of its products.



## Impact, risk and opportunity management

**2.5.1**

### Policies related to resource use and circular economy

Rules and principles relating to resource use and circular economy are presented in the Environmental and Climate Policy. Read more about this policy on page 53.

Alligo will minimise the negative environmental and climate impact by making conscious choices in relation to raw materials and production, working to reduce the environmental and climate impact from the use of products and services and working to enable reuse, recycling and effective waste management of products, among other things. Further actions include specifying requirements for and monitoring suppliers and providing clear information to customers in order to help them make more sustainable choices.

The Supplier Code is a central policy document for specifying requirements for suppliers. Read more about this policy on page 53. Suppliers must ensure they have a systematic working method, policies and procedures in place to manage risks and reduce negative impacts on the environment from their operations, products and services.

The supplier must have all the necessary environmental permits, approvals and registrations and ensure that these are up-to-date. Suppliers are also expected to work to make their products, processes, designs and choice of materials more sustainable.

**2.5.2**

### Actions and resources related to resource use and circular economy

Alligo works to promote a circular economy by reducing resource use, extending the life of products and improving opportunities for recycling within the Group's product and service areas. Alligo manages a broad and diversified range of products within workwear, personal protective equipment, tools and consumables. As these products contain a diverse range of materials and are manufactured by external suppliers, actions vary depending on product category.

Central to this work is ensuring that products and materials are used for as long as possible, which requires the highest level of quality possible, reducing the need for new production and minimising resource use of raw materials, energy, water and chemicals.

Batteries, electronics and packaging are products covered by producer responsibility, which involves responsibility for the collection, recycling and management of waste from these products after use. The aim of producer responsibility is to reduce environmental impact and promote a circular economy by ensuring that material is recycled and reused in a sustainable manner. Alligo fulfils this requirement through affiliation with approved producer responsibility organisations for relevant products.

Within textiles, where resource use is particularly high, Alligo has significant opportunities to influence the life of products through its own brands within workwear and personal protective equipment. The Product Development Department is responsible for developing products of high quality and which therefore have a long life. The Certification Department tests and evaluates new textile materials, both using suppliers' tests and in its own lab, to ensure sustainability and functionality. Alligo also strives to use recycled polyester wherever possible in order to reduce the need for virgin material.

To further improve the life of products, Alligo offers the adjustment and repair of workwear through its department for value-added services. These services enable customers to extend the usage time of the garment and so reduce the consumption of materials and waste.

Many of Alligo's customers require services that include the laundering, repair and recycling of workwear. Recycling clothing is a complex issue, particularly in relation to personal protective equipment. Depending on the composition and material, some clothing is more difficult to recycle and the recycling process from textile fibres to new fibre also requires energy. Workwear contains many elements and materials, such as outer material and lining, reflective strips, zips, logos and often flame retardants. The clothing may have been contaminated during use, by spilt oil for example, making it even more difficult to recycle. The technology for recycling textiles continues to be developed and Alligo works actively to find possible solutions.

In 2024, Alligo worked to develop a new full-service solution for workwear that includes laundry, repairs, reuse and recycling of garments. The service was launched on the Swedish market at the beginning of 2025 under the name ReCare. ReCare is designed to promote efficient resource use throughout the entire lifecycle of workwear:

- Laundry processes that ensure the workwear is treated in a way that minimises the impact on the environment.
- Repair and reuse practices that extends the lifespan of the clothing and reduces the need for new production.
- When the clothes are worn out, as much as possible of the garment is recycled.

To ensure compliance with Alligo's requirements for resource efficiency and circular economy in the supply chain, actions are monitored through the Group's SDD process, which includes self-assessments, factory visits and third-party audits (read more on pages 76–77).

## Metrics and targets

2.5.3

### Targets related to resource use and circular economy

Alligo does not yet have any specific targets for resource use and circular economy within its own operations. These matters are material in the value chain, however, and Alligo has therefore specified requirements for suppliers through the Supplier Code, including systematic work on the environment, resource efficiency and circular economy. Regular monitoring is carried out to ensure compliance with Alligo's supplier requirements relating to resource efficiency and circularity. The supplier standard target is designed to take into account the most material matters within the value chain, such as human rights, labour rights, environment and business ethics. Read more about this target on pages 58–59.

Alligo will continue to evaluate the opportunity to stipulate specific targets for resource use and circular economy within its own operations as development within this area progresses.

# 2.6 Reporting in accordance with Article 8 of the Taxonomy Regulation

In the 2024 financial year, Alligo's primary operations – workwear, personal protective equipment, tools and consumables – were not eligible for the EU Taxonomy. Alligo does report other economic activities that are eligible for the EU Taxonomy, however.

## Accounting policies

### Turnover

Alligo's total turnover corresponds to Revenue in the consolidated income statement; see page 104.

### Capital expenditure (CapEx)

Alligo's total capital expenditure relates to investments during the year in intangible non-current assets (see note 10), tangible non-current assets (see note 11) and right-of-use assets (see note 12), before amortisation, depreciation, impairment or write-downs and excluding translation effects, plus additions/changes in right-of-use assets classified in accordance with IFRS 16 on the consolidated balance sheet. See the consolidated balance sheet on page 105 for more information about capital expenditure.

### Operating expenditure (OpEx)

Alligo's total operating expenditure is calculated as direct costs that cannot be capitalised, including repair and maintenance of tangible non-current assets. Only repairs and maintenance have been included in this report, as other areas are considered to be immaterial. See the consolidated income statement on page 104 for more information about operating expenditure.

## Assessment of compliance

There have been difficulties for all activities in collecting and validating data to verify alignment with the EU Taxonomy. This is partly because the Group is dependent on information from third parties, from which complete information could not be obtained concerning the Taxonomy-alignment of the activities and the requirement to do no significant harm to the other environmental objectives in the Taxonomy.

Alligo fulfils the Taxonomy's requirements concerning minimum safeguards relating to human rights, anti-corruption, transparency on the tax burden and free competition. The Group has a Code of Conduct, which is based on Alligo's values and international conventions and declarations such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO's Core Conventions and the Children's Rights and Business Principles. The Code of Conduct applies to all businesses and employees in the Group and describes the expectations placed on Alligo and the Group's employees.

During the year, Alligo has reviewed the method of collecting information for Taxonomy reporting. This has meant that the information reported for 2024 is not directly comparable with the information reported for 2023.

### Operation of electric heat pumps

Alligo is considered to be eligible for the economic activity CCM 4.16 Installation and operation of electric heat pumps. In 2024, the Group had operating expenditure eligible for the activity.

### Repair and sale of spare parts

Alligo has some turnover that is eligible for the activities CE 5.1 Repair, refurbishment and remanufacturing, and CE 5.2 Sale of spare parts. The turnover relates primarily to repairs of and spare parts for motorised hand tools, electrical devices and welding equipment.

### Transport by passenger cars

Alligo has capital expenditure for the leasing and acquisition of passenger and company cars that is eligible for the economic activity CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles under Climate change mitigation.

### Renovation of buildings

During the year, Alligo has had capital expenditure for the renovation of existing buildings, both buildings it owns and right-of-use assets. These activities are considered eligible for CCM 7.2 Renovation of existing buildings. None of these activities has been considered Taxonomy-aligned, as there is incomplete information about how the building components fulfil the requirements for climate change mitigation and to do no significant harm to the other environmental objectives in the Taxonomy.

### Energy efficiency equipment and charging stations for electric vehicles

Alligo carries out projects to improve energy efficiency and install charging stations for electric/hybrid vehicles at premises owned by Alligo or where Alligo has a right of use. These projects and installations are considered eligible for CCM 7.3 Installation, maintenance and repair of energy efficiency equipment and CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings). None of these activities has been considered Taxonomy-aligned, as there is incomplete information about how the building components fulfil the requirements for climate change mitigation and to do no significant harm to the other environmental objectives in the Taxonomy.

During the year, installations and operating expenditure have represented an insignificant portion of the Group's total costs or have been in the form of financial support instead of investments and are therefore reported as 0 per cent.

### Acquisition and ownership of buildings

Alligo only owns a few buildings and any activities that may be eligible for the EU Taxonomy in relation to acquisitions have been considered immaterial. However, the Group holds several right-of-use assets in the form of lease agreements for stores, offices and warehouses. New and extended right-of-use assets or assets acquired through corporate acquisitions are considered eligible for the economic activity CCM 7.7 Acquisition and ownership of buildings and are therefore included in the report. This relates to capital expenditure for new and extended contracts, as well as contracts acquired through corporate acquisitions, relating to the lease of premises. The Taxonomy requires that a building constructed before 31 December 2020 (CCM 7.7) must be Energy Class A or among the top 15 per cent in terms of the most energy-efficient buildings in the country in order to fulfil the requirement for contribution to climate change mitigation. None of the Group's premises have been considered to fulfil this requirement and the activity is therefore not Taxonomy-aligned.

For 2024, new contracts resulting from corporate acquisitions account for 21 per cent of the reported capital expenditure for CCM 7.7.

## Turnover

Financial year 2024

| Economic activities: (1) | Code(s) (2) | Turnover (3) | Proportion of turnover, 2024 (4) | Climate change mitigation (5) | Climate change adaptation (6) | Water (7) | Pollution (8) | Circular economy (9) | Biodiversity (10) | Climate change mitigation (11) | Climate change adaptation (12) | Water (13) | Pollution (14) | Circular economy (15) | Biodiversity (16) | Minimum safeguards (17) | Proportion of Taxonomy-aligned (A.1) or eligible (A.2) turnover, 2023 (18) | Category enabling activity (19) | Category transitional activity (20) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2024 | | | Substantial contribution criteria[2] | | | | | | DNSH criteria ('Does Not Significantly Harm') | | | | | | | | | |
| | Code[1] | 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 | % | E | T |
| **A TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1 Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| **Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| of which enabling: | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | E | |
| of which transitional: | | - | - | - | | | | | | - | - | - | - | - | - | - | - | | T |
| **A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | |
| Repair, refurbishment and remanufacturing | CE 5.1 | 3 | 0.0% | N/EL | N/EL | N/EL | N/EL | EL | N/EL | | | | | | | | - | | |
| Sale of spare parts | CE 5.2 | 22 | 0.2% | N/EL | N/EL | N/EL | N/EL | EL | N/EL | | | | | | | | 0.2% | | |
| **Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **24** | **0.3%** | - | - | - | - | 0.3% | - | | | | | | | | 0.2% | | |
| **Turnover of Taxonomy-eligible activities (A.1 + A.2)** | | **24** | **0.3%** | - | - | - | - | 0.3% | - | | | | | | | | 0.2% | | |
| **B TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| Turnover of Taxonomy-non-eligible activities | | 9,308 | 99.7% | | | | | | | | | | | | | | | | |
| **Total** | | **9,333** | **100.0%** | | | | | | | | | | | | | | | | |

**Key for eligibility and alignment criteria:**

Y = Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.
N = No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
EL = Taxonomy-eligible activity for the relevant environmental objective (eligible).
N/EL = Taxonomy non-eligible activity for the relevant environmental objective (non-eligible).

## Capital expenditure (CapEx)

Financial year 2024

| Economic activities: (1) | Code(s) (2) | CapEx (3) | Proportion of CapEx, 2024 (4) | Climate change mitigation (5) | Climate change adaptation (6) | Water (7) | Pollution (8) | Circular economy (9) | Biodiversity (10) | Climate change mitigation (11) | Climate change adaptation (12) | Water (13) | Pollution (14) | Circular economy (15) | Biodiversity (16) | Minimum safeguards (17) | Proportion of Taxonomy-aligned (A.1) or eligible (A.2) CapEx, 2023 (18) | Category enabling activity (19) | Category transitional activity (20) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2024 | | | Substantial contribution criteria[2] | | | | | | DNSH criteria ('Does Not Significantly Harm') | | | | | | | | | |
| | Code[1] | 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 | % | E | T |
| **A TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1 Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| **CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| of which enabling: | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | E | |
| of which transitional: | | - | - | - | | | | | | - | - | - | - | - | - | - | - | | T |
| **A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | |
| Transport by motorbikes, passenger cars and light commercial vehicles | CCM 6.5 | 47 | 6.4% | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | - | | |
| Renovation of existing buildings | CCM 7.2 | 10 | 1.3% | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | - | | |
| Installation, maintenance and repair of energy efficiency equipment | CCM 7.3 | 0 | 0.0% | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.1% | | |
| Acquisition and ownership of buildings | CCM 7.7 | 213 | 29.2% | N/EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | - | | |
| **CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **269** | **36.9%** | 36.9% | - | - | - | - | - | | | | | | | | 0.1% | | |
| **CapEx of Taxonomy-eligible activities (A.1 + A.2)** | | **269** | **36.9%** | 36.9% | - | - | - | - | - | | | | | | | | 0.1% | | |
| **B TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| CapEx of Taxonomy-non-eligible activities | | 460 | 63.1% | | | | | | | | | | | | | | | | |
| **Total** | | **729** | **100.0%** | | | | | | | | | | | | | | | | |

**Key for eligibility and alignment criteria:**

Y = Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.

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EL = Taxonomy-eligible activity for the relevant environmental objective (eligible).

N/EL = Taxonomy non-eligible activity for the relevant environmental objective (non-eligible).

# Operating expenditure (OpEx)

| Financial year 2024 | 2024 | | | Substantial contribution criteria[2] | | | | | | DNSH criteria ('Does Not Significantly Harm') | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Economic activities: (1) | Code(s) (2) | OpEx (3) | Proportion of OpEx, 2024 (4) | Climate change mitigation (5) | Climate change adaptation (6) | Water (7) | Pollution (8) | Circular economy (9) | Biodiversity (10) | Climate change mitigation (11) | Climate change adaptation (12) | Water (13) | Pollution (14) | Circular economy (15) | Biodiversity (16) | Minimum safeguards (17) | Proportion of Taxonomy-aligned (A.1) or eligible (A.2) OpEx, 2023 (18) | Category enabling activity (19) | Category transitional activity (20) |
| | Code[1] | 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 | % | E | T |
| **A TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| **A.1 Environmentally sustainable activities (Taxonomy-aligned)** | | | | | | | | | | | | | | | | | | | |
| **OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| of which enabling: | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | E | |
| of which transitional: | | - | - | - | | | | | | - | - | - | - | - | - | - | - | | T |
| **A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)** | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | |
| Electric heat pumps | CCM 4.16 | 0 | 0.3% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | - | | |
| Installation, maintenance and repair of energy efficiency equipment | CCM 7.3 | 0 | 0.0% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | 0.0% | | |
| Installation, maintenance and repair of charging stations for electric vehicles | CCM 7.4 | 0 | 0.0% | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | - | | |
| **OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)** | | **0** | **0.3%** | 0.3% | - | - | - | - | - | | | | | | | | 0.0% | | |
| **OpEx of Taxonomy-eligible activities (A.1 + A.2)** | | **0** | **0.3%** | 0.3% | - | - | - | - | - | | | | | | | | 0.0% | | |
| **B TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | | | | | | | | | | | | | |
| OpEx of Taxonomy-non-eligible activities | | 31 | 99.7% | | | | | | | | | | | | | | | | |
| **Total** | | **31** | **100.0%** | | | | | | | | | | | | | | | | |

**Key for eligibility and alignment criteria:**

Y = Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.

N = No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.

EL = Taxonomy-eligible activity for the relevant environmental objective (eligible).

N/EL = Taxonomy non-eligible activity for the relevant environmental objective (non-eligible).

## Nuclear and fossil gas related activities

| 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 |

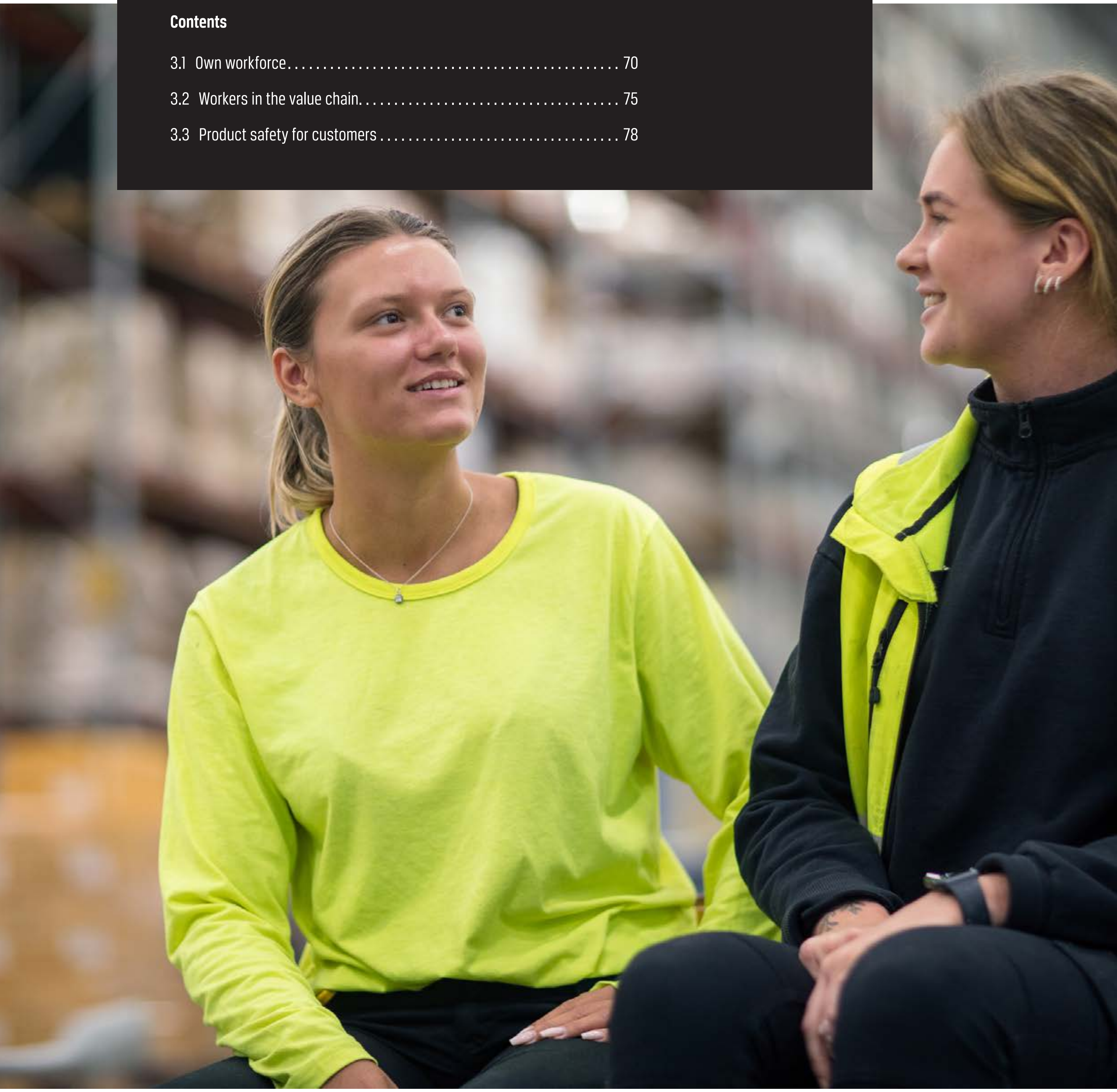
| FOSSIL GAS RELATED ACTIVITIES | | |
|---|---|---|
| 4. | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | No |
| 5. | The undertaking carries out, funds or has exposures to construction, 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 |

# 3. Social

Managing Alligo's social impacts is important for employees and for workers in the value chain. At the same time, Alligo shall offer customers safe workwear, personal protective equipment, tools and consumables, all of the right quality.

**Contents**





# 3.1 Own workforce

Employees who thrive and develop are essential for Alligo to achieve its goals and deliver value to customers and shareholders. A good work environment and a culture that promotes gender equality, diversity and inclusion help to attract and retain competent employees and create a sustainable and profitable business.



## Strategy

**3.1.1**

### Material impacts, risks and opportunities and their interaction with strategy and business model

Alligo has stores, warehouses and offices in Sweden, Norway and Finland, as well as smaller operations in Estonia. In the Nordic countries, legislation concerning, for example, employment protection, working environment, working hours, and discrimination is extensive. Nordic labour law also has a long tradition of cooperation between the parties on the labour market.

The majority of workers are employees. Non-guaranteed hours employees are used primarily within logistics and are contracted in from employment agencies to cover production peaks. There are also workers within central functions who are contracted in from employment agencies on an interim basis to meet a temporary need.

Competent and dedicated employees are important for the Group's ability to realise strategies and achieve goals. If Alligo fails to provide an attractive and safe work environment and offer continuous competence development, this would have a direct negative impact on the ability to attract, engage and retain qualified employees.

#### Work environment, health and safety

All workers are important and nobody should suffer injury at work, either physical or psychological. The work environment must be safe and promote good health.

In warehouse operations, the most common physical health and safety risks relate to the use of forklift trucks, lifting and manual goods handling. In stores, there are risks in the handling of goods and products that can result in wounds and cuts to the hand.

## Impact, risk and opportunity management

**3.1.2**

### Policies related to own workforce

Three policies guide the Group's work to reduce potential risks and increase opportunities to become the workplace where the best people want to work: the Code of Conduct, Occupational Health and Safety Policy and the Guideline to prevent Victimisation, Harassment and Discrimination. The policies apply to all employees and no members of particularly vulnerable groups have been identified. Processes for engaging with own workforce (see page 71), regular monitoring of targets (see page 72) and Alligo's whistleblowing function (see page 81) ensure the adequacy of and compliance with the policies.

Systematic occupational health and safety management and audits in accordance with ISO 45001:2018 ensure compliance with legislation and policies, and that actions taken have the desired effect.

#### Code of Conduct

The Code of Conduct has been adopted by the Board of Directors and is based on Alligo's values, international conventions and declarations such as the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO's Core Conventions and the Children's Rights and Business Principles. The Code applies to all employees, members of the Board of Directors and contracted-in personnel and describes the responsibility that Alligo has in terms of reducing the risks of, for example, violations of human rights (including forced labour, human trafficking and child labour), health and safety, diversity, gender equality and inclusion, as well as environment and anti-corruption. The policy states that employees must be aware of fundamental human rights, which must be respected and applied equally to all employees, whatever their form of employment. The relationship between employer and employee must be based on mutual respect and it must be ensured that the Group does not contribute to violations of human rights.

Alligo complies with laws, regulations and collective agreements on terms of employment. Trade union engagement is supported, and collaboration with union representatives takes place on an ongoing basis. All employees have the right to organise and participate in collective bargaining in accordance to the labour law. The CEO is responsible for updating the Code of Conduct and associated training, which is mandatory for all employees.

If a human rights violation occurs, an investigation will be carried out, which in turn may trigger various actions, including activities to ensure that this is not repeated. The Code of Conduct is available online.

### Occupational Health and Safety Policy

The Code of Conduct is supplemented by the Occupational Health and Safety Policy, which aims to prevent risks of work-related accidents and illness and create the conditions for a safe and healthy work environment. The policy has been decided by the Group Management, and the HR Director is responsible for implementation and compliance. The policy applies to all employees in the Group. Legislation in the countries in which Alligo operates stipulates requirements for systematic work regarding health and safety. Employees at Alligo AB, Swedol AB, Tools AS and Tools Univern AS are covered by a management system certified in accordance with the occupational health and safety standard (ISO 45001:2018).

### Guideline on victimisation, harassment and discrimination

In order to mitigate risks relating to all forms of discrimination and victimisation, there is a separate guideline on victimisation, harassment and discrimination. Alligo has zero tolerance for discrimination and abuse at the workplace. The policy covers the bases of discrimination of ethnic origin, skin colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, nationality or social origin, and other forms of discrimination covered by national legislation. The Guideline indicates how Alligo should act in the event of discrimination or victimisation. The Guideline has been decided by the Group Management, and the HR Director is responsible for updating, training, implementation and compliance. The policy applies to all employees of Alligo, and to the extent relevant also to contractors, consultants, contracted-in personnel and others working at Alligo. The Guideline also applies to potential employees who apply for work within the Group.

3.1.3

## Processes for engaging with own workforce and workers' representatives about impacts

The foundation of Alligo's success as an employer and a company lies in the Group's common values. These describe the approach that everyone can expect the Group's employees to take, both internally and externally: the willingness and ability for Collaboration, the right Competence and a high level of Commitment.

Dialogue and follow-up are important cornerstones for specifically encouraging collaboration and commitment. The business has several channels for communicating with employees:

- Employee surveys (pulse surveys), which are carried out monthly, provide an opportunity to leave comments and open-ended responses. Each group reviews the results of the pulse surveys and decides on relevant activities to maintain or improve the results.
- All employees (including at the non-integrated companies) have annual performance appraisals with their manager and regular catch-ups at a given frequency.
- Employees are represented on occupational health and safety committees, in trade union negotiations and on the Board of Directors, where the perspective of employees is taken into account in decisions.
- Each manager is encouraged to involve their group in the business planning work, where activities and targets are drawn up that contribute to Alligo's strategic objectives. This process establishes broad engagement for employees at different levels and provides a greater understanding of the Group's objectives and strategies.
- Regular information from the management and other functions is published on the intranet, where employees can leave comments, which are addressed by the appropriate member of staff when necessary.

The HR Director has operational responsibility for ensuring that the above dialogues take place, and that results and feedback are followed up and reported to the Group Management and Board of Directors.

The Group Management regularly evaluates the results of the pulse surveys and takes the comments on board. This evaluation ensures the effectiveness of the communication channels, and an assessment is made of whether further communication initiatives are required.

3.1.4

## Processes to remediate negative impacts and channels for own workforce to raise concerns

Employees who experience bullying, discrimination or harassment are encouraged in the first instance to talk to their manager or to contact HR. Alligo's whistleblowing function can also be used. Read more on page 81. Once a year, the pulse survey is expanded to include a question about whether there has been any victimisation (bullying, discrimination or sexual harassment). The responses are analysed by HR, discussed by the Group Management and actions taken where necessary.

Alligo regularly reminds employees about complaints channels through information from HR, internal information campaigns on the intranet, e-mails and newsletters, as well as training on the Code of Conduct, which includes information about complaints handling. If an employee is hurt or treated unfairly, an investigation is launched with the support of HR and an action plan containing specific measures is drawn up. An independent party, such as occupational healthcare, is involved if required. A trade union representative is also included in the process where necessary. The process is monitored by the HR Department together with the relevant manager and the independent parties that have been involved. There is currently no formal process for evaluating employees' trust and the effectiveness of the various channels available for raising concerns at the workplace.

3.1.5

## Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

For Alligo to achieve its objectives and create value for both customers and owners, it is vital that employees thrive and have the opportunity to develop. A safe and stimulating work environment, together with a culture that promotes equality, diversity and inclusion, are important factors for attracting and retaining talents and building a long-term sustainable and profitable business.

In order to reduce the risks related to employees' health and work environment, in 2024 Alligo continued to improve its systematic occupational health and safety efforts and has held campaigns to encourage the reporting of accidents and incidents. During the year, the mandatory induction training for new employees and managers has also been updated to include a section on occupational health and safety.

The starting point for the occupational health and safety efforts is the regulatory framework in each country, supplemented by the Code of Conduct and the Occupational Health and Safety Policy. Systematic health and safety involves, among other things, examining the work environment, continuously evaluating risks and having procedures in place for risk management and for the reporting of incidents and accidents. Swedol AB, Tools AS, Tools Univern AS and Tools Finland Oy have a common process for systematic health and safety management. Alligo AB, Swedol AB, Tools AS and Tools Univern AS are also certified in accordance with the occupational health and safety standard ISO 45001:2018. Health and safety management focuses on identifying, analysing and prioritising risks, based on probability and impact. Targets are then set, actions decided, and the impact evaluated. Operational work takes place locally, with the aim of decisions being made at the lowest possible level. System support assists managers with reminders about safety inspections and fire safety reviews and provides checklists and templates. Health and safety committees, containing representatives of the employer, safety representatives and trade unions, meet regularly to discuss work environment issues. Matters that cannot be resolved locally are escalated to higher levels for decisions or development of the work environment.

Alligo aims to eradicate accidents at work completely. Incident reporting is a key tool in our work to prevent injuries and accidents at the workplace, as it provides a basis for identifying, evaluating and addressing risks that could otherwise lead to accidents and injuries. In 2024, campaigns have been held to encourage the reporting of accidents and incidents. Risk observations, incidents and accidents should be reported in a common reporting system, available to all employees in Alligo's integrated business. The system also monitors the impact of actions taken. At the non-integrated companies, this is handled according to the companies' own processes.

In Sweden and Finland, employees have undergone training relating to harassment and victimisation in order to improve the work environment and work pro-actively on these issues. Preventive work and reporting discrimination and victimisation ensure a work environment that promotes equal rights and opportunities for all of Alligo's employees, which is the foundation of the Guideline on victimisation, harassment and discrimination. Swedish employees and Nordic functions have supplemented the training with workshops. The ambition is for these activities to be implemented in all of the Group's operations. The impact of training and workshops is monitored through the various channels for dialogue with employees.

Risk analyses are performed in the event of changes to the business that may affect employees, such as organisational changes or renovations. Identified risks must be managed and addressed appropriately to reduce the negative impact on employees.

Alligo's HR function is responsible for ensuring the conditions and appropriate actions for employee issues in the integrated business.

The processes and procedures for this follow Alligo's working method – from recruitment and team composition to action plans to improve the results of the pulse index. Responsibility and resources are therefore spread across the entire organisation. At the non-integrated companies, these issues are handled according to the company's own processes, in line with Alligo's Group policies and objectives.

## Metrics and targets

**3.1.6**

### Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

| | OUTCOME | |
|---|---|---|
| **Target** | **2024** | **2023** |
| Reduce sickness absence to less than 5 per cent, % | 5.0 | 5.2 |
| Proportion of women in management positions shall be at least 30 per cent, % | 24.6 | 24.4 |
| Pulse index shall be at least 75 by 2029 | 69 | 67 |
| Zero-accident vision (number of accidents) | 24 | 13 |

Alligo's targets apply to the entire Group and are monitored quarterly or annually by the Group Management, depending on the nature of the target. The targets have been formulated to identify the issues that stakeholders consider most important, in particular employees. Read more about the stakeholder analysis on page 42. Members of Group Management prepare proposals for sustainability targets, which the Board of Directors then decides on. There has been no direct consultation with stakeholders or employee representatives. The targets relating to sickness absence and zero-accident vision aim to measure the risks linked to the physical and psychosocial work environment and the impact of the Occupational Health and Safety Policy.

Sickness absence for the full year 2024 was 5.0 per cent (5.2), a decrease compared with the previous year. Sickness absence is measured as the ratio of the number of sick leave hours to the number of scheduled hours during the financial year.

The target for women in management positions reflects Alligo's gender equality efforts and consequently, the impact of relevant sections of the Code of Conduct. A manager is defined as someone with responsibility for employees, which includes performance appraisals, salary and occupational health and safety responsibility. During the year, the proportion of women in management positions continued to develop positively, increasing from 24.4 per cent to 24.6 per cent.

Commitment is one of Alligo's values and employee commitment is measured in regular pulse surveys, which are carried out around 10 times per year. The surveys ask questions about enthusiasm, inclusion, clarity, efficiency, value, appreciation, development, autonomy and balance, with the responses weighted together to form a Pulse index. The pulse surveys provide feedback for continuously improving the work environment and other work-related issues. The result of the last pulse index measurement in 2024 was 69, which is an improvement on the previous year's result of 67. The response rate remains high at 84.6 per cent (79.3). The majority of employees have the opportunity to take part in the pulse measurements, with the exception of employees at the non-integrated companies within welding, tools, and fasteners (approximately 6 per cent of employees).

The number of accidents during 2024 was 24, which represents an increase compared with the previous year. The increase is primarily due to increased awareness of the reporting system for risk observations, incidents and accidents, as a result of the campaigns during the year in the integrated business. The migration to the new logistics centre in Vestby, Norway, has also had an impact and work to further develop the safety procedures continues. An accident is an unforeseen, unwanted event that occurs within the context of work-related activities, and which results in sick leave.

## 3.1.7

### Characteristics of the undertaking's employees

As 2024 is the first year that Alligo is preparing a sustainability report inspired by ESRS, there is a lack of comparative figures for employees in some cases for 2023.

#### Total number of employees (head count)

| Gender | 2024 |
|---|---|
| Men | 1,826 |
| Women | 881 |
| Other* | no info |
| No information | - |
| Total employees | 2,707 |

* Gender as indicated by the employees themselves.

| Country | 2024 |
|---|---|
| Sweden | 1,616 |
| Norway | 607 |
| Finland | 471 |
| Other | 13 |

#### Number of people by contract type in the Group

| | 2024 | | | | |
|---|---|---|---|---|---|
| Number of employees by contract type | Women | Men | Other* | No information | Total |
| Employees | 881 | 1,826 | no info | - | 2,707 |
| Permanent employees | 848 | 1,768 | no info | - | 2,616 |
| Temporary employees | 33 | 58 | no info | - | 91 |
| Non-guaranteed hours employees | - | - | - | - | - |

* Gender as indicated by the employees themselves.

| | 2024 | | | | |
|---|---|---|---|---|---|
| Number of employees by contract type/country | Sweden | Norway | Finland | Other | Total |
| Employees | 1,616 | 607 | 471 | 13 | 2,707 |
| Permanent employees | 1,561 | 581 | 461 | 13 | 2,616 |
| Temporary employees | 55 | 26 | 10 | - | 91 |
| Non-guaranteed hours employees | - | - | - | - | - |

#### Employee turnover

| Employee turnover | 2024 |
|---|---|
| Total number of employees who have left | 194 |
| Employee turnover, % | 15.5 |

#### CALCULATION METHODOLOGY

Employee data is reported based on information from the business's ordinary registration system. The number of employees is an average of the number of people, in other words the number of individual unique employees, during the calendar year, unless otherwise indicated, which differs from note 5, where the number of employees is stated as full-time equivalents. The data includes permanent, probationary, hourly-rate and short-term employees. These are included even if the specified employment types have had sickness absence, annual leave or other leave, as well as employees who have been given notice and, as these are legally employed, are obliged to work during their notice period.

What constitutes permanent employment, temporary employment, non-guaranteed hours employment and full-time or part-time employment is defined according to the respective national legislation or practice.

The calculation of employee turnover is based on the total number of permanent and probationary employees at Alligo who have ended their employment voluntarily and the number who have had their employment terminated, retired or died during the financial year. This is reported in relation to the average number of permanent and probationary employees during the same period. Employees whose employment has ended are reported up to the end of their notice period, irrespective of whether they have been relieved of some or all of their duties during the notice period. The information does not include employees who have been transferred between companies within the Group.

## 3.1.8

### Characteristics of non-employees in the undertaking's own workforce

| | 2024 |
|---|---|
| Non-employees in Alligo's own workforce | 208 |

The largest volume of hours from non-guaranteed hours employees is by workers in logistics who are contracted in from employment agencies to cover production peaks.

#### CALCULATION METHODOLOGY

Data is reported based on information from the Group's ordinary registration system. The number of non-employees in the workforce is an average of the number of employees during the calendar year.

## 3.1.9

### Diversity metrics

| | 2024 | | 2023 | |
|---|---|---|---|---|
| Gender distribution in the Group Management | Women | Men | Women | Men |
| Number | 1 | 9 | 1 | 9 |
| Proportion, % | 10 | 90 | 10 | 90 |

| | 2024 | | |
|---|---|---|---|
| Age distribution of employees | <30 | 30-50 | >50 |
| Employees | 392 | 1,292 | 1,024 |

## 3.1.10

### Training and skills development metrics

| | 2024 | |
|---|---|---|
| | Women | Men |
| Employees who have had performance appraisals, % | 69 | 64 |

| | 2024 |
|---|---|
| The number of development reviews in relation to the number of reviews that the management has agreed on, % | 66 |

#### CALCULATION METHODOLOGY

The calculation of the number of employees who have had performance appraisals is based on responses in Alligo's pulse surveys, as well as information from the non-integrated companies that are not included in the pulse surveys, in relation to the average number of employees per calendar year. The outcome relates to permanent, probationary, hourly-rate and short-term employees. Non-employees, temps and employees on garden leave during their notice period are not included.

| | 2024 | |
|---|---|---|
| | Women | Men |
| Average number of training hours per employee | 11 | 13 |

### CALCULATION METHODOLOGY

Training hours refer to the number of hours of training that employees undergo in relation to the average number of employees per calendar year.

## 3.1.11

## Health and safety metrics

| | 2024 |
|---|---|
| Proportion of people in own workforce who are covered by a certified health and safety management system, % | 69.7 |
| Number of fatalities as a result of work-related injuries and work-related ill health, Alligo's own workforce | - |
| Number of fatalities as a result of work-related injuries and work-related ill health, non-employees in own workforce | - |
| Number of recordable work-related accidents, Alligo's own workforce | 98 |
| Number of recordable work-related accidents, non-employees in own workforce | 7 |
| Frequency of recordable work-related accidents | 19 |
| Number of cases of recordable work-related ill health | 17 |
| Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health | 1,224 |

### CALCULATION METHODOLOGY

Legislation in the countries where Alligo operates stipulates requirements for systematic health and safety work, which means that all employees are covered by a health and safety management system.

Employees at Alligo AB, Swedol AB, Tools AS and Tools Univern AS are covered by management systems certified in accordance with the occupational health and safety standard (ISO 45001:2018).

Work-related injuries and ill health can occur through exposure to hazards at work. Work-related ill health includes acute, recurring and chronic health problems that are caused or exacerbated by conditions at the workplace. Work-related illnesses are not considered to be work-related injuries but are included in work-related ill health. Mental illness is work-related if the employee concerned has reported this voluntarily and it is confirmed by the opinion of a licensed medical professional and such opinion states that the illness is work-related.

Injuries and ill health that occur while travelling or working from home are work-related if, at the time of the injury or ill health, the employee was or would be carrying out work in the interest of the employer.

A work-related accident is an unforeseen and unwanted event that occurs within the context of work-related activities.

To calculate the frequency of work-related injuries, the number of cases has been divided by the total number of scheduled hours worked by members of Alligo's own workforce multiplied by 1,000,000.

To calculate the number of days lost, the number of days has been counted from the first full day of absence to the last full day of absence.

## 3.1.12

## Remuneration metrics (pay gap and total remuneration)

| | 2024 |
|---|---|
| Gender pay gap | 21 |

| | 2024 |
|---|---|
| Annual total remuneration ratio | 19 |

### CALCULATION METHODOLOGY

The gender pay gap is indicated as the difference between the gross average hourly pay of female and male employees, divided by the gross average hourly pay of male employees multiplied by 100. The pay gap shows that the average pay for men is 21 per cent higher than for women. This is higher than the EU average of 13 per cent (according to the European Parliament). The most likely reasons for Alligo's pay gap are that the industry is male-dominated, and that the business has more men in managerial positions and in the Group Management (read more on page 73). To identify unjustified pay differences, pay equity analyses are carried out in those parts of the business where this is required by law. If unjustified pay differences are identified, an action plan is drawn up to adjust the individual pay gaps.

The annual total remuneration ratio is calculated as the total remuneration of the highest-paid individual (CEO) divided by the median pay of other employees. There are no comparative figures for the remuneration ratio for 2023, as the calculation methods are different. For more information about remuneration, see pages 119–121, Note 5 Employees and personnel costs.

## 3.1.13

## Incidents, complaints and severe human rights impacts

| | 2024 |
|---|---|
| Number of reported incidents of discrimination, including harassment | 13 |
| Number of confirmed incidents of discrimination, including harassment | 10 |
| Number of reported complaints submitted through "non-State-based grievance mechanisms" for people in Alligo's own workforce | - |
| Number of reviewed and confirmed complaints submitted through "non-State-based grievance mechanisms" for people in Alligo's own workforce | - |
| Number of reported complaints submitted to "NCP for OECD Multinational Enterprises" | - |
| Number reviewed and confirmed complaints submitted to "NCP for OECD Multinational Enterprises" | - |
| Amount of material fines, penalties, and compensation for damages as a result of violations of social and human rights during the report period | - |

Alligo has not had any cases of, and therefore has not paid any fines, penalties or compensation for damages for, serious consequences and incidents related to human rights in connection with the Group's employees.

# 3.2 Workers in the value chain

Alligo's responsibility for people, society, and the environment extends beyond its own operations. The production of own brands largely takes place at suppliers in Asia, where human rights and labour rights are material matters. Alligo focuses on improving conditions for workers in the value chain by setting requirements for suppliers and following up on their performance.



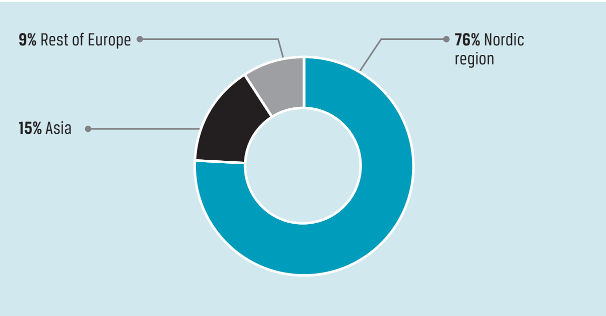
## Strategy

3.2.1

### Material impacts, risks and opportunities and their interaction with strategy and business model

The extraction of raw materials and manufacture of products that Alligo sells takes place through complex supply chains, where the suppliers are primarily located in the Nordic region, the rest of Europe and Asia. Alligo does not have its own production facilities and therefore has no direct control over manufacturing. Workwear and personal protective equipment for own brands are mostly produced in China, Bangladesh, Laos, Vietnam and Pakistan – countries with a higher risk of failure to respect human rights, such as child labour, forced labour and poor working conditions. The reasons for this include political instability, weak labour law enforcement, insufficient health and safety regulations, as well as corruption.

**GEOGRAPHIC DISTRIBUTION OF PROCUREMENT FROM SUPPLIERS IN THE STANDARD RANGE**




Alligo performs regular risk assessments on new and existing suppliers based on geographic risks, type of industry, type of product, self-assessments and external reports. The geographic risks and industry-related risks are based on well-established international indexes relating to labour (Workers Rights Index, Global Slavery Index), human rights (Human Development Index, Gender Development Index, Civil and Political Rights Index), environment (Sustainable Development Goals, Ratification of Environmental International Treaties) and corruption (Corruption Perceptions Index, Bribery Risk Matrix). Industries with more manual work, such as the textiles industry, carry a higher risk. Migrant workers, which are prevalent in China for example, are a group that is particularly vulnerable to inadequate working conditions.

## Impact, risk and opportunity management

3.2.2

### Policies related to value chain workers

Alligo supports the UN Global Compact's ten principles on human rights, labour, environment and anti-corruption.

The Group also supports the UN Universal Declaration of Human Rights, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and its eight core conventions, Article 32 of the UN Convention on the Rights of the Child, the Rio Declaration on Environment and Development, and the UN Convention against Corruption. In addition to the above, the Group also follows the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

#### Supplier Code of Conduct

The international principles and conventions form the basis of the Supplier Code, which is decided by the Board of Directors. The CEO has overall responsibility for implementation. The Supplier Code applies to all suppliers, including agents, intermediaries and service providers. Suppliers are also responsible for ensuring that their subcontractors in turn are aware of and comply with the requirements of the Supplier Code. The Supplier Code is part of all new contracts with suppliers and is available on Alligo's website. The requirements and expectations of stakeholders have been considered in the development of the Supplier Code, in particular the customer and supplier perspective.

The Supplier Code covers respect for human rights and labour rights, including freedom of organisation, modern slavery, child labour, non-discrimination, pay, working hours, working conditions, health and safety, and fire safety. The Supplier Code also contains requirements for remedial actions. Alligo is a member of amfori BSCI and the Supplier Code has been harmonised with the requirements in amfori's Code of Conduct. The Supplier Code also contains requirements relating to environment and anti-corruption. Read more about the requirements on pages 53 and 81. Alligo monitors compliance with the Supplier Code through its Sustainability Due Diligence process (SDD process).

The Supplier Code is available online.

3.2.3

### Processes for engaging with value chain workers about impacts

The businesses' category managers have ongoing contact with suppliers. They regularly visit factories where Alligo's own-brand products are made. Where appropriate, agents are used to ensure local knowledge in Asia and enable dialogue with value chain workers.

The Head of Assortment and Procurement has operational responsibility for contact with suppliers concerning direct purchases, in other words purchase of the products that Alligo supplies. For indirect purchases such as electricity, office equipment, and office supplies, the respective contract owner is responsible. At the non-integrated companies, the respective CEO is responsible for supplier contacts.

Alligo follows up on compliance with the Supplier Code through factory visits, self-assessments completed by the supplier and third-party audits.

The Sustainability and Quality Department has competence relating to risks to human rights and labour rights in the supply chain, particularly for vulnerable groups. Business intelligence and membership of the UN Global Compact and amfori ensure that up-to-date information and competence are maintained.

3.2.4

### Processes to remediate negative impacts and channels for value chain workers to raise concerns

The Supplier Code specifies requirements for suppliers to have their own grievance systems or access to Alligo's external whistleblowing function. This gives both affected employees and communities that may be negatively impacted by the supplier's operations, the opportunity to submit their views.

Under the Supplier Code, the supplier is also obliged to report any breach of the requirements in the Code, either directly to the usual contact person or through Alligo's whistleblowing system. amfori's whistleblowing system can also be used. Read more about the whistleblowing system on page 81.

Part of Alligo's SDD process involves suppliers completing a self-assessment. The assessment contains questions about whether the suppliers have established effective mechanisms for handling complaints from individuals and communities. This is also monitored in third-party audits. Anyone using the whistleblowing service must be protected against reprisals, as stated in Alligo's Whistleblowing Policy.

3.2.5

### Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Alligo's SDD process follows the OECD Guidelines for Multinational Enterprises. The process is ongoing throughout the year and includes risk analysis, self-assessments completed by the supplier based on the requirements in the Supplier Code, factory visits, third-party audits and corrective actions to address identified non-conformities.

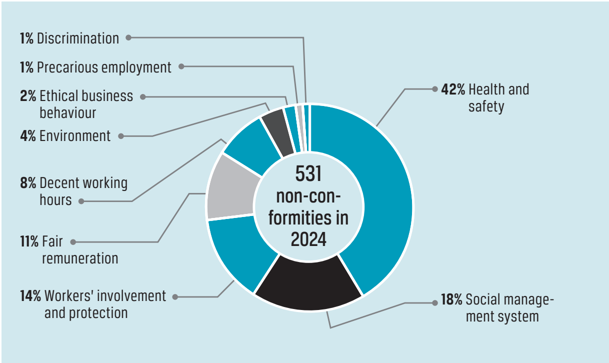
The self-assessment meets the basic information needs for both the risk assessment and the third-party audits carried out as part of amfori's audit programme.

Alligo is a member of amfori BSCI – an international framework that supports companies in their work to improve working conditions in their supply chains. Through amfori, the Group's employees have access to tools and training that help to identify and remedy risks and promote transparency, in order to maintain their competence. Some of the training is designed for workers in the value chain to increase their knowledge of human rights, labour rights and employment conditions.

A key element of membership is that audit results are shared with other members, which reduces costs and duplication in the work on supplier assessments.

In 2024, a total of 51 (52) third-party audits were carried out in China, Bangladesh, Laos, Vietnam and Pakistan through Alligo's membership of amfori. The scope of the audits was based on the requirements of the Supplier Code and they were performed through amfori BSCI's audit programme at suppliers of own brands.

**NON-CONFORMITIES IDENTIFIED IN THIRD-PARTY AUDITS IN 2024**




The most common non-conformities identified through third-party audits in 2024 concern working days that are too long without sufficient time to rest and recover, shortcomings in the factories' handling of complaints mechanisms, chemicals handling and employees not having sufficient knowledge about their rights, as well as shortcomings in the use of suitable personal protective equipment.

When non-conformities are identified, a joint action plan is primarily established to ensure compliance with the Supplier Code through support and training. If a significant negative social and/or environmental non-conformity is identified, a corrective action plan is developed to address the issue within 60 days. A follow-up audit is then carried out.

Non-conformities that violate human rights or jeopardise the independence of the audit are referred to as zero-tolerance non-conformities. Child labour, forced labour, modern slavery, or working conditions that are a direct threat to the health or life of workers are examples of such non-conformities. In 2024, no zero-tolerance non-conformities were identified during audits or factory visits or through Alligo's whistleblowing function.

Production of own brands involves greater responsibility. The Group has close dialogue with suppliers through meetings and visits to ensure the right production capacity and product quality and to monitor contractual requirements. As Alligo has several suppliers in both own brands and external brands within the same product segment, a larger order can be split up to minimise the risks to workers in the value chain of long working days with large amounts of overtime.

## Metrics and targets

**3.2.6**

### Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

| | OUTCOME | |
|---|---|---|
| **Target** | **2024** | **2023** |
| >95 per cent of Alligo's suppliers must meet Alligo's supplier standard by 2030, measured as a proportion of the total purchase value from suppliers to the standard range, % | 77 | 67 |

Regular follow-up takes place to ensure compliance with the requirements of the Supplier Code relating to human rights, labour rights, environment and business ethics and the consequent reduction of these risks in the supply chain. The target is for at least 95 per cent of Alligo's suppliers to meet the Group's supplier standard by 2030, which is measured as a proportion of the total purchase value from suppliers to the standard range.

The supplier standard contains three elements:

1. Agreement
2. Acceptance of the Supplier Code including Chemical Restriction Lists
3. Self-assessment completed by the supplier

The target is designed taking into account the most material matters in the value chain. As part of the target-setting work, Alligo has examined the views of customers and suppliers. These external stakeholder groups have expressed requirements and expectations that Alligo works systematically to ensure a responsible supply chain. Although external stakeholders have not been directly involved in the decision on the target, their requirements and expectations have been an important factor in its development.

Outcomes are followed up and reported quarterly to Group Management. By regularly following up on the target and engaging in dialogue with stakeholders, Alligo can ensure that the strategy for a sustainable supply chain is developed in line with market requirements and regulatory changes.

In 2024, Alligo has had a major focus on dialogue with the Group's suppliers to ensure compliance with the supplier standard, which resulted in a better outcome compared with 2023.

# 3.3 Product safety for customers

Alligo's products have an impact on customers' health and safety. To meet the high demands of customers, the workwear, personal protective equipment, tools, and consumables sold by the Group must be both safe and durable.



## Impact, risk and opportunity management

3.3.1

### Policies related to customers and product safety

The Code of Conduct, Supplier Code and Quality Policy provide the basis for the Group's work on product quality and management of risks of negative impact on the health and safety of customers.

The CEO is responsible for ensuring implementation of the Code of Conduct and Supplier Code. Responsibility for implementing and ensuring compliance with the Quality Policy lies with the Head of Business Development and Sustainability. Read more about the policies on pages 70–71 and 75–76. The policies are available to employees on the intranet and to external stakeholders on the Group's website. Internal and external audits in accordance with the standard for quality management systems ISO 9001: 2015 also ensure a systematic approach and follow-up.

The products that Alligo sells must be safe and of the right quality to meet the customer's needs and comply with current legislation and requirements. The customer must be given clear and straightforward information for using the products they have purchased safely. Alligo must comply with applicable legislation at all times and place the same high requirements on suppliers as on the Group itself to deliver safe and reliable products and services. This will be achieved by identifying risks and opportunities and working in a process-oriented manner, among other things.

3.3.2

### Processes for engaging with customers about impacts

Regular dialogue to identify requirements and expectations from customers is a prerequisite for offering safe products. Alligo has close contact with customers through various sales channels, direct contact with sales staff, in customer service and in tendering.

Sales organisations led by country managers on each market and the CEOs of Alligo's non-integrated companies have operational responsibility for ensuring customer dialogue.

The sales organisation carries out regular customer surveys to evaluate the customer's experience of Alligo.

The majority of the Group's non-integrated companies have structured customer surveys as part of their quality work. The smaller companies evaluate the customer experience as part of their ongoing dialogue.

3.3.3

### Processes to remediate negative impacts and channels for customers to raise concerns

In the event of a registered non-conformity where a product does not live up to the Group's health and safety requirements, sales of the product are halted and a recall is made where necessary.

If a customer experiences problems with the product, contact is made in the first instance with customer service/customer support, the store or the relevant salesperson. Contact details are available for each sales channel. If severe risks of irregularities arise that may affect people, the organisation, society or the environment (for example flame-retardant product that does not protect against heat), Alligo's whistleblowing service can also be used. Read more on page 81.

Alligo evaluates the customers' experiences through regular customer surveys carried out within the Group.

3.3.4

### Taking action on material impacts on customers, and approaches to managing material risks and pursuing material opportunities related to customers, and effectiveness of those actions

To reduce the risk of negative impacts on customers' health and safety, it is very important that Alligo's products have the right quality that complies with applicable legislation and relevant standards. This is particularly serious if protective equipment, such as high-visibility clothing, flame-retardant garments and safety footwear, is lacking in quality and performance.

The Product Development Department determines the design, material, fit and functions of clothing within own brands. The department also ensures that these products fulfil relevant certification requirements for personal protective equipment (PPE) and other relevant labelling. Certification according to OEKO-TEX® STANDARD 100, an internationally recognised and independent certification, guarantees that Alligo's own clothing is free from substances that are harmful to health and meets strict chemicals requirements.

The Certification Department ensures that testing is carried out and the correct documentation is prepared. EU type-examination certificates and other certifications in accordance with personal protective equipment legislation are also ensured. The certification process, including the preparation of the Declaration of Conformity (DoC), is handled internally to ensure both accuracy and control.

Based on information from customers, it may be necessary to handle non-conformities or suggested improvements for own products. For example, customer requirements may lead to the development of new functions.

## Metrics and targets

3.3.5

### Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

| | OUTCOME | |
|---|---|---|
| **Target** | **2024** | **2023** |
| Customer Satisfaction Index (CSI) shall be more than 75 (Swedol, Sweden) | 77 | - |
| Customer Satisfaction Index (CSI) shall be more than 75 (Tools, Norway) | 78 | - |
| Customer Satisfaction Index (CSI) shall be more than 75 (Tools, Finland) | 82 | - |
| >95 per cent of Alligo's suppliers must meet Alligo's supplier standard by 2030, measured as a proportion of the total purchase value from suppliers to the standard range, % | 77 | 67 |

Customer satisfaction was not measured in 2023, as the measurement method was under review, and comparative figures are therefore unavailable. The customer's experience of Alligo's products and product quality are included in the Customer Satisfaction Index, which must be more than 75. The target has been decided by the Group Management. External stakeholders have not been involved in the decision on the target.

Alligo developed a new customer survey in 2024. The survey was carried out by an external party during December 2024 and January 2025 through telephone interviews and a web survey. The customers selected were those who during the period March to October had spent at least SEK 5,000 in the Group's integrated business (Swedol in Sweden and Tools in Norway and Finland). In total, over 3,500 customers responded to the survey. The result was over 75 in all markets.

Asked about their perception of the quality of the products supplied by Alligo, 84 per cent of respondents gave a score of 4 or 5 on a five-point scale, where 1 is "very poor" and 5 is "very good".

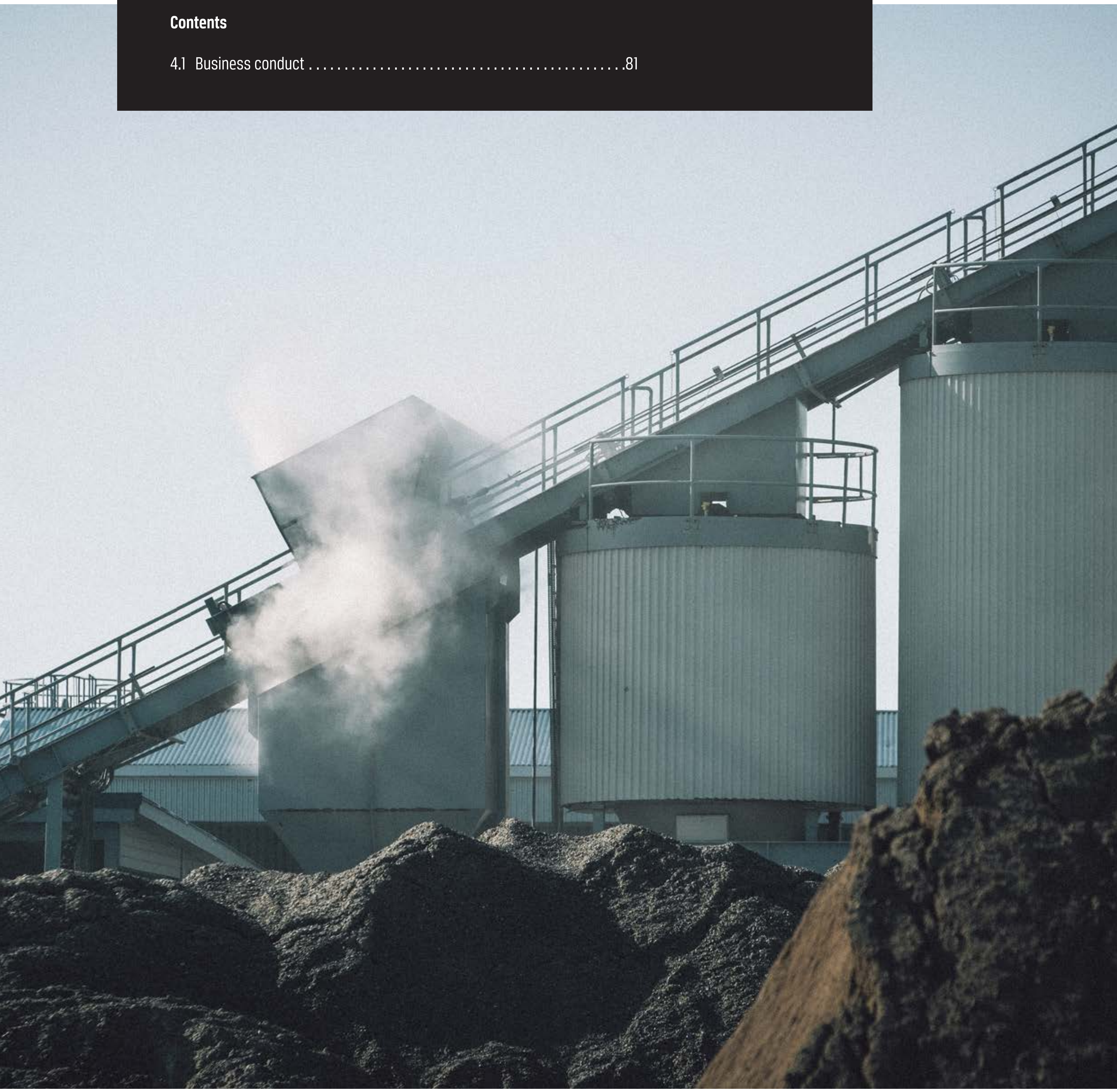
To ensure product quality and that there are no hazardous chemicals in the finished products, Alligo specifies requirements for suppliers through the Supplier Code. The supplier standard target is designed to take into account the most material matters within the value chain, including product quality. Read more about this target on pages 58–59 and 77.

# 4. Governance

The three words commitment, cooperation and competence form the foundation of Alligo's values. The Code of Conduct is one of the cornerstones of the corporate culture and is a central policy document.

**Contents**





# 4.1 Business conduct

Alligo strives to act professionally, responsibly and with integrity in all business transactions and relationships. Working to achieve an open corporate climate, complying with legislation and acting with a high standard of business ethics contributes to sustainable relationships and a sustainable business.



## Impact, risk and opportunity management

**4.1.1**

### Business conduct policies and corporate culture

The three words commitment, cooperation and competence form the foundation of Alligo's values. The Code of Conduct is one of the cornerstones of the corporate culture and is a central policy document.

The Supplier Code of Conduct (Supplier Code) contains general requirements and expectations for Alligo's suppliers, including agents, intermediaries and service providers. Read more about the Code of Conduct and the Supplier Code on pages 70–71 and 75–76.

At the end of 2024, the Code of Conduct was clarified with the addition of an Anti-Corruption Policy to ensure that business is conducted in a trustworthy manner, with a high level of business ethics and in accordance with applicable legislation and good practice for a listed company. The Anti-Corruption Policy complies with the "Code to prevent Corruption in Business" developed by the Swedish Anti-Corruption Institute (IMM). The CEO has ultimate responsibility for the policy. The Anti-Corruption Policy applies to all Alligo's employees and businesses owned by Alligo. This includes fixed-term employees (such as independent contractors and consultants), intermediaries, agents and others who act on behalf of the Group. The biggest risk of corruption is in relationships with customers and suppliers. This means that roles with responsibility for sales, purchasing and sourcing, as well as members of the Group Management, are more vulnerable to this.

#### Whistleblowing Policy and system

Employees should, in the first instance, report illegal activity or unethical behaviour that violates the Code of Conduct or Anti-Corruption Policy to their immediate superior. Reports can also be made anonymously via Alligo's whistleblowing function. The Whistleblowing Policy has been decided by the Board of Directors, with the CEO responsible for implementation.

Employees, customers, suppliers and other stakeholders can use the whistleblowing function when they wish to report anonymously. The function can be used to report serious risks of irregularities or legal infringements that may affect people, the organisation, society or the environment. Reporting takes place anonymously via a third party and follows the requirements of national legislation incorporating the EU Whistleblowing Directive. Those who report their suspicions must not be subjected to any form of reprisals as a result of their report. Information about the whistleblowing function is available on the intranet and website. There are also references in the Code of Conduct.

The Whistleblowing Policy describes how the service enables internal and external target groups to make Alligo aware of suspicions and irregularities anonymously and confidentially.

#### Handling of violations

Disciplinary action can be taken in the event of violations of the Code of Conduct or Anti-Corruption Policy or in the event of criminal activity. This can result in consequences for the employee under labour law, such as a warning, report to the relevant authorities or, in serious cases, termination of employment. Violations that are deemed to be criminal in nature are reported to the police.

In the event that a violation of the Supplier Code constitutes a breach of Alligo's contract with the supplier, this may give rise to a claim for damages. As a last resort, the contract with the supplier may be terminated.

**4.1.2**

### Prevention and detection of corruption and bribery

Alligo does not tolerate any form of corruption, whether direct or indirect, for example via an intermediary such as an agent or consultant, even if this means that the Group loses business.

Preventive measures include regular training designed to strengthen awareness of corporate social responsibility, business ethics and anti-corruption:

- Since 2023, there has been digital training on the Code of Conduct, which is mandatory for all employees. So far, 65 per cent of employees have undergone this training.
- In 2025, the aim is for all employees to undergo basic digital training in anti-corruption and bribery. Roles with responsibility for sales, purchasing and sourcing, as well as members of the Group Management and the Board of Directors, will undergo in-depth training.

As part of the efforts to further strengthen the Group's work on business ethics, in 2025 Alligo will develop clearer processes for handling suspected cases of corruption or bribery and how these incidents are subsequently reported to the management and Board of Directors.

## Targets and metrics

**4.1.3**

### Incidents of corruption or bribery

There were no confirmed cases of corruption or bribery reported within Alligo's operations in 2024.

# Annual Report

## Contents

# Administration Report

The Board of Directors and CEO of Alligo AB (publ), Company Registration Number 559072-1352, hereby submit the Annual and Sustainability Report and consolidated financial statements for the financial year 1 January to 31 December 2024.

The following Corporate Governance Report, income statements, balance sheets, statements of comprehensive income, statements of changes in equity, statements of cash flows and notes constitute an integrated part of the Annual Report and have been reviewed by the company's auditors. The Group prepares a sustainability report inspired by the European Sustainability Reporting Standards on pages 38–81, which includes current requirements under the Swedish Annual Accounts Act.

## About the company

Alligo is a leading player within workwear, personal protective equipment, tools and consumables in the Nordic region. Sales are generally made through the concept brands Swedol in Sweden and Tools in Norway and Finland, through stores, field sales and telesales, digital sales and on-site service. Alligo also has non-integrated companies within selected product and technology areas, such as product media and welding, which operate businesses under their own brands. The Group has around 2,500 employees and annual revenue of approximately SEK 9.3 billion. Alligo AB (publ) is listed on Nasdaq Stockholm.

## Revenue and profit

### Revenue

Revenue was on a par with last year and amounted to MSEK 9,333 (9,335). Acquisitions made had a positive impact on revenue and compensated for the negative organic growth in both Sweden and Finland and negative currency effects. The period contained the same number of trading days as last year. Organic growth amounted to -3.9 per cent, with a slightly positive contribution made by three new store openings during the period. Revenue from like-for-like sales, measured in local currency, decreased by -4.2 per cent compared with the corresponding period last year. The slowdown in market demand continued during the period and applied to most customer segments with the exception of oil and gas in Norway and the public sector in Sweden, which continued to develop well. It is predominantly small and medium-sized customers that have been affected by the weaker economy, while sales to some larger industrial customers have increased. The strike in Finland during the first quarter further contributed to the decline compared with last year. There was a degree of recovery in Finland during the final quarter, while a weaker trend was observed for the public sector in Sweden. Acquired growth amounted to 4.5 per cent and relates primarily to acquisitions in Sweden and Finland, but also in Norway.

The share of own brands during the period was 18.2 per cent (19.4). This decrease is attributable to Sweden and Norway and is a consequence of acquisitions made, as well as increased sales to larger industrial customers with established ranges of external brands. Workwear and personal protective equipment accounted for 78.1 per cent of own brand sales, and tools and consumables for 21.9 per cent. During the period, 48 per cent (51[1]) of sales came from in-store sales within the integrated business, 39 per cent (39[1]) from direct sales within the integrated business, and 13 per cent (10[1]) from sales generated by non-integrated companies. Currency translation effects had a negative impact on revenue of MSEK 64, driven by the NOK trend but also by the EUR trend.

### Profit

Operating profit amounted to MSEK 505 (748). Adjusted EBITA (operating profit excluding items affecting comparability and amortisation of intangible assets arising in connection with corporate acquisitions) amounted to MSEK 601 (827), corresponding to an adjusted EBITA margin of 6.4 per cent (8.9). A decline in profit was seen on all markets, as a result of weaker demand, a strike in Finland during the first quarter, pressure on margins driven by a lower proportion of small and medium-sized customers at the same time as sales to some larger industrial customers increased, lower supplier bonus, as well as disruption caused by the coordination of logistics operations in Vestby. Acquisitions made, efficiency measures and cost adjustments had a mitigating effect. Acquisitions contributed profits of MSEK 44 during the period.

Operating profit was charged with items affecting comparability of MSEK -33 (-20) net relating to costs for organisational changes and efficiency measures in connection with savings programmes implemented, as well as acquisition costs.

The coordination of Tools and Swedol has been completed in principle and only the adaptation of the range remains to be fully implemented, alongside the change of business system in Norway, which is scheduled for early 2025. There was a net increase in the number of stores from 216 to 218 through acquisitions, mergers, closures and new store openings.

During the period, MSEK 19 was utilised from restructuring reserves from previous years, MSEK 1 of which originates from the third quarter of 2020 and MSEK 18 from the third quarter of 2021. The restructuring reserve from the third quarter of 2020, which originally amounted to MSEK 97, was dissolved in its entirety during the year. The restructuring reserve originating from the third quarter of 2021 and relating to the coordination of logistics in Sweden amounts to MSEK 37, compared with the original MSEK 108, and will remain in place until the lease for the property in Alingsås expires in December 2027. Both restructuring reserves have been utilised according to the original plan.

The effective tax rate was 22.2 per cent (21.6). The higher effective tax rate is the result of higher standard interest on the tax allocation reserve combined with lower earnings before tax. Profit after financial items was MSEK 359 (634) and profit after tax was MSEK 279 (497), which corresponds to earnings per share of SEK 5.47 (9.76) for the period.

## Development by geographic area

Alligo operates on three Nordic main markets – Sweden, Norway and Finland – which generate total revenue of approximately MDSEK 59 per year within Alligo's product areas. The focus in these markets is on corporate customers within eight defined industry segments.

### Sweden

Revenue in Sweden decreased by -0.7 per cent to MSEK 5,318 (5,357). Organic growth was negative but was mitigated by acquired growth

1) From 2024 onwards, all non-integrated companies are reported separately from the integrated business. Comparative figures have been restated according to the same principles.

of approximately 5 per cent. The weaker demand observed in 2023 continued in 2024. This applies particularly to small and medium-sized companies, while sales to the public sector and some larger industrial customers increased. Organic growth was approximately -6 per cent and related to all customer segments except for the public sector. The number of stores at the end of the period was 107 (112).

Adjusted EBITA for the period amounted to MSEK 463 (612) and adjusted EBITA margin to 8.7 per cent (11.4). The decline in profit was a result of lower volumes and margins, driven by an unfavourable customer mix. Acquisitions and cost adjustments made had a mitigating effect. Acquisitions contributed profits of MSEK 25 during the period. Operating profit has been charged with items affecting comparability of MSEK -14 (-9) net.

The share of own brands during the period was 22.0 per cent (23.9). This decrease is the result of acquisitions made as well as a greater share of sales to larger industrial customers with established ranges of external brands. During the period, 56 per cent (62[1]) of sales came from in-store sales within the integrated business, 26 per cent (24[1]) from direct sales within the integrated business, and 18 per cent (14[1]) from sales generated by non-integrated companies. Work is under way to increase activity in sales and to strengthen margins in the industrial segment with improved sales and assortment management.

### Norway

Revenue in Norway increased by 2.3 per cent to MSEK 2,670 (2,611). Sales were positively affected by the trend within the oil and gas industry and acquired growth of approximately 2 per cent. The NOK trend had a negative impact on revenue. Organic growth amounted to approximately 3 per cent, driven by developments in the oil and gas industry, while most other customer segments experienced weaker development. The number of stores at the end of the period was 58 (57).

Adjusted EBITA for the period amounted to MSEK 104 (160) and adjusted EBITA margin to 3.9 per cent (6.1). The decline in profit was a result of lower margins, driven by growth within less profitable customer segments and price pressure, as well as disruption caused by the coordination of logistics operations in Vestby. Acquisitions contributed profits of MSEK 5 during the period. Operating profit has been charged with items affecting comparability of MSEK -14 (-5).

The share of own brands during the period was 15.9 per cent (16.5). During the period, 48 per cent (47[1]) of sales came from in-store sales within the integrated business, 50 per cent (53[1]) from direct sales within the integrated business, and 2 per cent (-[1]) from sales generated by non-integrated companies. Work is under way to increase the level of sales activity and to establish a more favourable customer mix in the form of a greater proportion of small and medium-sized customers, as well as to strengthen the sales and assortment management in order to improve margins. Kjell-Vidar Dokken took up the position of Country Manager in Norway on 12 August.

### Finland

Revenue in Finland decreased by -1.8 per cent to MSEK 1,678 (1,709). Organic growth was negative but was mitigated by acquired growth of approximately 8 per cent. The EUR trend had a slightly negative impact on revenue. The weaker market demand observed in 2023 continued in 2024, although there was a slight recovery during the autumn. Sales were also negatively affected by a strike during the first quarter. Organic growth amounted to approximately -9 per cent and there is a clear decline in the manufacturing industry, but also within most other customer segments. The number of stores at the end of the period was 45 (41). A new store was opened in Herttoniemi during the period.

Adjusted EBITA for the period amounted to MSEK 40 (61) and adjusted EBITA margin to 2.4 per cent (3.6). The decline in profit was a result of lower volumes and weak sales and assortment management. Completed acquisitions contributed profits of MSEK 14 during the period. Operating profit has been charged with items affecting comparability of MSEK -5 (-6).

The share of own brands during the period was 10.6 per cent (10.2). During the period, 23 per cent (22[1]) of sales came from in-store sales within the integrated business, 57 per cent (64[1]) from direct sales within the integrated business, and 20 per cent (14[1]) from sales generated by non-integrated companies. A project was established during the fourth quarter to reverse the negative profitability trend in the Tools business.

## Parent Company

At the end of the period, the Group comprised the Parent Company Alligo AB and a total of 44 Swedish, Norwegian and Finnish subsidiaries. The Parent Company's operations comprise Group-wide management, including Legal and Investor Relations functions. Income takes the form of a management fee from Group companies for Group-wide services and costs which the Parent Company has provided.

The Parent Company's revenue for the period amounted to MSEK 23 (25) and the loss after financial items totalled MSEK -20 (-14). The balance sheet total amounted to MSEK 4,802 (4,325) and equity represented 35 per cent (41) of total assets. The number of employees at the Parent Company at the end of the period was 2 (2).

## Corporate acquisitions

Alligo completed eleven corporate acquisitions in 2024.

### Acquisition of Tore Vagle AS

On 8 December 2023, Alligo signed an agreement to acquire 100 per cent of the shares in Norwegian company Tore Vagle AS, which has operations in Sandnes and sells tools and industrial components. Tore Vagle generates annual revenue of approximately MNOK 39 and has 11 employees. Closing took place on 2 January 2024. Following the acquisition, the company changed its name to Tools Vagle AS.

### Acquisition of Svets och Tillbehör i Sverige AB

On 13 December 2023, Alligo signed an agreement to acquire 100 per cent of the shares in Svets och Tillbehör i Sverige AB, which operates in Ystad and has a broad offering within welding and grinding and related service business. Svets och Tillbehör generates annual revenue of approximately MSEK 120 and has 22 employees. Closing took place on 2 January 2024.

### Acquisition of Svetspartner i Malmö AB

On 13 December 2023, Alligo signed an agreement to acquire 100 per cent of the shares in Svetspartner i Malmö AB ("Järnab"), which has a broad offering within welding and grinding and related service business. Svetspartner generates annual revenue of approximately MSEK 25 and has ten employees. Closing took place on 2 January 2024.

1) From 2024 onwards, all non-integrated companies are reported separately from the integrated business. Comparative figures have been restated according to the same principles.

### Acquisition of Wiklunds i Bollnäs AB

On 3 May, Alligo acquired 100 per cent of the shares in Wiklunds i Bollnäs AB, which sells tools, consumables, workwear and personal protective equipment. Wiklunds generates annual revenue of approximately MSEK 28 and has six employees. Closing took place in conjunction with the acquisition.

### Acquisition of New Promotion Sverige AB

On 11 June, Alligo acquired 70 per cent of the shares in product media company New Promotion Sverige AB. The company and its subsidiary, New Profile Skövde AB, have operations in Lidköping and Skövde. Together, the companies generate annual revenue of approximately MSEK 44 and have six employees. Closing took place in conjunction with the acquisition.

### Acquisition of Workwear AS

On 14 June, Alligo acquired 100 per cent of the shares in Norwegian company Workwear AS, which sells workwear and personal protective equipment and has stores in Oslo and Gjøvik. Workwear generates annual revenue of approximately MNOK 27 and has nine employees. Closing took place in conjunction with the acquisition.

### Acquisition of Aktiebolaget Sundholm Welding

On 28 June, Alligo signed an agreement to acquire 100 per cent of the shares in Aktiebolaget Sundholm Welding. The company has stores in Köping and Eskilstuna and specialises in the sale and servicing of welding machines and related equipment. Sundholm Welding generates annual revenue of approximately MSEK 23 and has six employees. Closing took place on 1 July.

### Acquisition of T. Brantestig Svetsmaskinservice AB

On 28 June, Alligo signed an agreement to acquire 100 per cent of the shares in T. Brantestig Svetsmaskinservice AB. The company has a store in Västerås and focuses on the sale, hire and servicing of welding machines. T. Brantestig Svetsmaskinservice generates annual revenue of approximately MSEK 26 and has eight employees. Closing took place on 1 July.

### Acquisition of Hämeen Teollisuuspalvelu Oy

On 24 April, Alligo signed an agreement to acquire 100 per cent of the shares in Finnish company Hämeen Teollisuuspalvelu Oy. The company has operations in Tavastehus and sells tools, consumables, industrial components, workwear and personal protective equipment, with a particular focus on the defence industry. Hämeen Teollisuuspalvelu generates annual revenue of approximately MEUR 7.5 and has 18 employees. Closing took place on 1 August.

### Acquisition of Riihimäen Teollisuuspalvelu Oy

On 24 April, Alligo signed an agreement to acquire 100 per cent of the shares in Finnish company Riihimäen Teollisuuspalvelu Oy. The company has operations at several locations in southern Finland and sells tools, consumables, industrial components, workwear and personal protective equipment. Riihimäen Teollisuuspalvelu generates annual revenue of approximately MEUR 7.1 and has 24 employees. Closing took place on 1 August.

### Corema Svets & Industriprodukter AB

On 14 October, Alligo signed an agreement to acquire 100 per cent of the shares in Swedish company Corema Svets & Industriprodukter AB. Corema is a full-service supplier of welding and industrial products, as well as fasteners, with operations in Gothenburg and Sundsvall. Together with its subsidiaries, the company generates annual revenue of approximately MSEK 155 and has 26 employees. Closing took place on 1 November.

## Profitability

The Group's profitability, measured as the return on equity, amounted to 8 per cent for the most recent twelve-month period, corresponding to a return on capital employed of 8 per cent.

## Cash flow and financial position

Cash flow from operating activities before changes in working capital for the full year 2024 totalled MSEK 827 (1,020). Inventories decreased during the period by MSEK 6, compared with an increase in inventories last year of MSEK 83. The average value of inventories was MSEK 2,392 (2,353) and the inventory turnover rate was 3.9 (4.0). Operating receivables decreased by MSEK 80 and operating liabilities rose by MSEK 39. A greater share of sales to larger industrial customers with longer payment terms had a negative impact on cash flow. Cash flow from operating activities therefore amounted to MSEK 952 (993).

Cash flow for the period was also impacted by a net amount of MSEK 111 (215) pertaining to investments in non-current assets, as well as by MSEK 425 (126) pertaining to acquisitions of subsidiaries. Investments in non-current assets principally related to the development of e-commerce solutions, service concepts, change of business system in Norway, new store openings and store modifications.

At the end of the period, the Group's financial net loan liability amounted to MSEK 2,903, compared with MSEK 2,640 at the beginning of the financial year. The Group's operational net loan liability at the end of the period amounted to MSEK 1,634, compared with MSEK 1,449 at the beginning of the financial year. Financial income and expenses amounted to MSEK -146 (-114) for the period, of which net bank financing costs were MSEK -75 (-58).

Available cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 1,490 compared with MSEK 1,251 at the beginning of the financial year. The business was refinanced during the first quarter of 2022 as a result of the distribution of Momentum Group. During the fourth quarter of 2024, the existing credit facility was increased by MSEK 300, bringing the total credit facility to MSEK 2,600, excluding two separate committed credit facilities of MSEK 400 and MEUR 10 respectively. The credit facility runs until 2027. The interest rate is linked to STIBOR plus a surcharge based on the ratio of net operational liabilities to adjusted EBITDA, excluding IFRS 16. The loans are sustainability-linked and relate to the Group's sustainability targets for responsible supplier relationships, gender equality as well as reduced electricity and energy consumption. Maturity periods and fixed-interest periods for interest-bearing liabilities are presented in note 23 Financial risks and risk management on pages 130-132. The equity/assets ratio at the end of the period was 38 per cent. Equity per share was SEK 74.30 at the end of the period, compared with SEK 72.19 at the beginning of the financial year.

## Employees

At the end of the period, the number of employees in the Group amounted to 2,522, compared with 2,443 at the beginning of the year. The increase in the number of employees is the result of corporate acquisitions made.

## Sustainability Report

For Alligo, sustainability issues and corporate social responsibility as a prerequisite for long-term profitability and therefore represent an integral part of everyday work. In 2024, preparations have been made for sustainability reporting in line with the EU's new European Sustainability Reporting Standards (ESRS). The Sustainability Report for 2024 has been prepared with ESRS in mind and the ambition was to apply as many of the standards as possible in the report. Pages 38–81 contain Alligo's statutory sustainability report required by the Swedish Annual Accounts Act. The auditor's opinion regarding the statutory sustainability report can be found on page 145.

## Research and development

Alligo does not conduct any research and development, but with the aim of strengthening and developing the Group's position as one of the leading players in workwear, personal protective equipment, tools and consumables in the Nordic region, resources are mainly invested in the continued development of concepts and service solutions for its customers and partners and the further development of the Group's proprietary product brands. Activities implemented during 2024 included continued development of various service concepts and customer solutions such as on-site service (Smart Service), a full-service solution for workwear (ReCare), a continued focus on digitisation of transaction management and information sharing both externally with customers and internally, development of logistics and e-commerce solutions for end customers, and training for end users.

## Financial and business risks

Efficient and systematic risk assessment of financial and business risks is important for the Group. The Group's Financial Policy establishes guidelines and goals for managing financial risks and regulates the distribution of responsibility between Alligo AB's Board of Directors, CEO and Group CFO, as well as the boards, CEOs and CFOs of subsidiaries. All foreign-currency management and granting of credit to customers are handled within the framework of the established policy. For a detailed account of financial and business risks and the Group's management thereof, refer to pages 89-92 and note 23 Financial risks and risk management on pages 130-132.

## Guidelines for determining remuneration and other terms of employment for senior executives

The Board of Directors of Alligo AB ("the company") proposes to the Annual General Meeting of 21 May 2025 that the guidelines for determining remuneration and other terms of employment for senior executives remain unchanged from those adopted by the Annual General Meeting of 11 May 2022.

The guidelines are to be applied for remuneration agreed after the 2022 Annual General Meeting and to subsequent amendments to remuneration already agreed. The guidelines do not apply to remuneration resolved by the General Meeting of Shareholders. As regards employment relationships governed by rules other than those of Sweden, the appropriate adjustments must be made to pension benefits and other benefits to comply with mandatory rules or established local standards, while also fulfilling the overall purpose of these guidelines as far as possible. Provisions stipulated for the company also apply where appropriate to the Group.

## The guidelines' promotion of the company's business strategy, long-term interests and sustainability

The successful implementation of the company's business strategy and protection of the company's long-term interests, including its sustainability, require that the company can recruit and retain qualified employees. This requires that the company can offer competitive total remuneration, which is made possible through these guidelines. Total remuneration is to be in line with market conditions and competitive and be linked to responsibility and authority.

## Forms of remuneration, etc.

Remuneration is to be in line with market conditions and comprise the following components: fixed salary, possible variable salary according to a separate agreement, pension and other benefits. In addition, the General Meeting can, irrespective of these guidelines, resolve on share-based and share-price-based remuneration, for example.

### Fixed salary

The fixed salary shall consist of a fixed cash salary and be reviewed on an annual basis. The fixed salary shall be competitive and reflect the requirements placed on the role in terms of qualifications, responsibility, complexity and the manner in which it contributes to achieving the business targets. The fixed salary shall also reflect the performance of the senior executive and thus be individual and differentiated.

### Variable salary

In addition to fixed salary, the CEO and other senior executives may periodically, according to a separate agreement, receive variable salary for fulfilling agreed criteria. Any variable salary may consist of an annual cash salary and be equivalent to not more than 50 per cent of the fixed annual salary.

A fundamental balance must exist between fixed and variable salary to avoid unhealthy risk taking. The fixed salary is to account for a sufficient portion of the senior executive's total remuneration to allow the variable portion to be reduced to zero. The variable salary shall be linked to one or more predefined and measurable criteria determined by the Board of Directors, which may be financial, such as the Group's and/or the business area's earnings growth, profitability and cash flow, or non-financial, such as customer satisfaction, quality, environment, work environment and safety. The targets link the senior executive's remuneration to the company's earnings and thus promote the implementation of the company's business strategy, long-term value creation and competitiveness. The terms and bases of calculation of variable salary shall be determined for each financial year. Fulfilment of the criteria for payment of variable salary must be measurable over a period of one financial year. Variable salary is regulated the year after qualification.

The degree to which the criteria were met is assessed when the measurement period for fulfilling the criteria for the payment of variable salary ends. The Board of Directors is responsible for determining variable cash payments to the CEO. Variable cash payments to other senior executives are determined by the Remuneration Committee. As regards financial targets, the assessment is based on the company's latest published financial information.

The terms for variable salary should be formulated such that the Board, in the event of exceptional financial conditions, is able to limit or refrain from making variable salary payments should such action be deemed reasonable. In drawing up variable remuneration for the company management, the Board must consider including provisions that:

(i) impose conditions on the payment of a portion of such remuneration requiring that the performance on which the payment was based is shown to be sustainable over time, and

(ii) enable the company to reclaim such remuneration paid on the basis of information that is later shown to be manifestly erroneous.

Further variable cash payments may be paid in extraordinary circumstances, assuming that such extraordinary arrangements are of limited duration and are only introduced at an individual level either to recruit or retain senior executives, or as remuneration for extraordinary work duties beyond the individual's ordinary work duties. Such remuneration may not exceed an amount corresponding to 20 per cent of the fixed annual salary and not be paid more than once per year and per individual. A decision on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee.

### Pension

The CEO and other senior executives are covered by a defined contribution pension, the size of which depends on the outcome of the pension insurance policies taken out. Premiums for the defined contribution pension must not exceed 40 per cent of the fixed annual salary.

### Other benefits

Other benefits, including company car, travel concessions, extra healthcare insurance and occupational health services, shall be in line with market conditions and only constitute a limited share of total remuneration. Premiums and other costs pursuant to such benefits shall amount to not more than ten per cent of the fixed annual salary in total.

## Conditions in the case of termination

All senior executives must observe a period of notice of up to six months if notice is given by the employee. If employment is terminated by the company, the period of notice applied is up to 12 months. If employment is terminated by the company, senior executives may be entitled, in addition to salary and other employment benefits during the period of notice, to severance pay corresponding to up to 12 months' fixed salary. Severance pay is not offset against other income. No severance pay is to be paid if notice is given by the employee. In addition to severance pay, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid when the former executive is not entitled to severance pay. Remuneration shall be based on the fixed salary paid at the time of termination and shall amount to not more than 60 per cent of the fixed salary at the time of termination, subject to mandatory collective agreement provisions, and shall be paid for the period covered by the non-compete undertaking, which shall amount to not more than 12 months after the end of employment.

## Salary and terms of employment

In the preparation of the Board's proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total remuneration, the components of the remuneration and increase and growth rate over time, in the Compensation Committee's and the Board's basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

## Preparation and decision-making process

The Board has established a Remuneration Committee. The Committee's duties include preparing principles for remuneration of senior executives and the Board's decision on proposed guidelines for remuneration of senior executives. The Board shall prepare a proposal for new guidelines at least every four years and submit it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting of Shareholders. The Remuneration Committee shall also monitor and evaluate the programme for the variable remuneration of senior executives, the application of the guidelines for the remuneration of senior executives, as well as the current remuneration structures and remuneration levels at the company. Remuneration of the CEO shall be decided by the Board of Directors after being prepared and recommended by the Remuneration Committee, within the scope of established remuneration principles. Remuneration of other senior executives shall be decided by the Remuneration Committee, within the scope of established remuneration principles and after consulting with the CEO. The CEO and other senior executives do not participate in the discussions and decisions of the Board or the Remuneration Committee regarding remuneration-related matters in so far as they are affected by such matters.

## Share-based incentive programmes resolved by the General Meeting of Shareholders

The Board of Directors shall each year assess the need for a share-based incentive programme and when necessary present proposals for a decision to the Annual General Meeting. Decisions on any share-based and share price-based incentive programme for senior executives shall be made by the General Meeting of Shareholders and contribute to long-term value growth. Senior executives may be offered an equivalent incentive to that which would have been paid under a share-based or share price-based incentive programmes, if such a programme is impracticable in the country where a senior executive is tax resident, or if in the company's view such participation cannot take place at a reasonable administrative cost or economic contribution. In relation to share-based remuneration, information shall be provided about acquisition periods and, where applicable, information about the obligation to hold shares for a certain period after acquisition. The cost and investment for the company and incentive and financial outcome for such senior executives shall under such circumstances essentially correspond to the share-based or share price-based incentive programme.

## Derogation from the guidelines

The Board may resolve to temporarily derogate in part from the guidelines if in a specific case there is special cause for the derogation and a derogation is necessary to safeguard the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As stated in the section on preparation and decision-making process, the Remuneration Committee's duties include the preparation of the Board's decisions on remuneration issues, which also includes decisions on derogation from the guidelines. If the Board resolves to derogate from the guidelines, this decision shall be reported at the next Annual General Meeting.

## Future development

Alligo's financial targets focus on profitable growth, financial stability and dividend. The targets have been set based on Alligo's conditions during a medium-term strategy period. Five sustainability targets have also been established. These are based on Alligo's vision and material sustainability matters and are designed for Alligo to lead the way in sustainable development in the industry.

The Group's targets are for average organic growth to be more than five per cent per year over a business cycle and for additional growth to be achieved through acquisitions. A further target is for the adjusted EBITA margin to be more than ten per cent per year.

The extensive integration work carried out since the merger of Swedol and Tools has laid the foundation for a stable company with the ability to handle the market situation and changes in the world around us. The scalability of Alligo's business model provides opportunities to maintain good cost control but also to react quickly and take advantage of future improvements in the economic situation. The acquisition of well-run, profitable companies also remains an important tool for driving development and growth at Alligo. Acquisitions may be integrated into Swedol and Tools, but can also be operated on a non-integrated basis in order to preserve a specialist position.

## Dividend 2024

The Board of Directors proposes to the Annual General Meeting of 21 May 2025 a dividend of SEK 2.00 (3.50) per share, which corresponds to 36 per cent (35) of the earnings per share for the financial year. The Board has made an assessment of the financial position of the company and the Group, as well as the ability of the company and the Group to fulfil their obligations in both the short and long term. Taking into account the repurchased Class B shares, the proposed dividend corresponds to a total of MSEK 100 (175).

The proposed dividend means that, all other things being equal, the Group's equity/assets ratio as at 31 December 2024 would decrease by approximately one percentage point. After payment of the proposed dividend and taking into consideration the prevailing market conditions, the equity/assets ratio of the company and the Group is still deemed to meet the demands placed on the operations conducted by the Group. The Board's assessment is that the proposed dividend is well balanced taking into account the demands placed on the size of the equity and liquidity of the company and the Group, given the type of business conducted, its scope and relative risks. The proposed dividend is also in line with the company's dividend policy, which states that 30–50 per cent of earnings per share are to be distributed over a business cycle.

## Proposed appropriation of profit

The appropriation of profit proposed by the Board and the CEO is presented on page 127.

## Events after the end of the financial year

### Svenska Batterilagret AB

On 18 December, Alligo signed an agreement to acquire 100 per cent of the shares in Svenska Batterilagret AB. Batterilagret is a leading specialist in batteries and battery accessories in Sweden with 27 stores located across the country as well as online sales. The company generates annual revenue of approximately MSEK 275 and has around 90 employees. Closing took place on 5 February 2025.

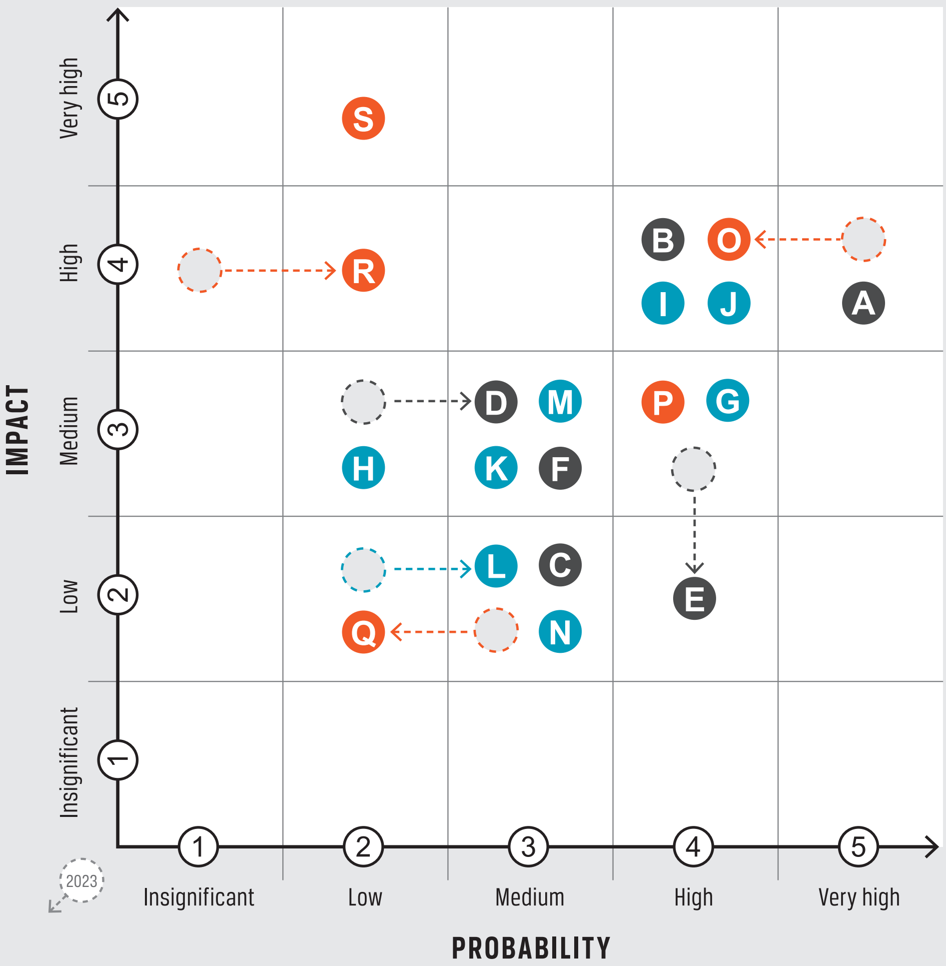
# Risks and risk management

Alligo's operations give rise to strategic, operational and financial risks as well as opportunities. The purpose of risk management is to prevent and mitigate these risks in a way that creates value.

The identification and assessment of the most significant risks is integrated into Alligo's strategic and operational planning at all business levels within the organisation. Process owners and risk owners within the different parts of our operations identify and assess existing and potential new risks together with the Group management, which performs the general analysis of risks and opportunities for the entire business. The risk management process is continuously developed and measures are implemented in order to prevent and minimise risks within all the main risk areas.

Alligo describes its main risks from three perspectives: strategic risks associated with the industries and geographic markets in which the Group operates, operational risks related to how the Group conducts its business, and financial risks linked to the types of financial transactions in which the Group is involved. Each risk is assessed on the basis of probability and impact.

## Risk matrix




**STRATEGIC RISKS**
- A Market development/ Economic situation
- B Competitive situation
- C Sustainability
- D Increased digitisation
- E Climate-related risks
- F Wage inflation in manufacturing countries

**OPERATIONAL RISKS**
- G Risks relating to sales and gross margin
- H Product risks
- I IT risks
- J Risks in the flow of goods
- K Risks in the organisation
- L Credit and counterparty risks
- M Acquisition and integration risks
- N Business ethics risks and responsibility in the supply chain

**FINANCIAL RISKS**
- O Raw material prices
- P Exchange rate fluctuations
- Q Interest rate fluctuations
- R Financing risk
- S Impairment of intangible assets

## STRATEGIC RISKS

### A Market development/Economic situation

PROBABILITY: **5** IMPACT: **4**

Macroeconomic factors such as GDP development, inflation and interest rates affect Alligo's conditions for profitable growth. Alligo's customers mainly comprise industrial, construction and service companies in Sweden, Norway and Finland, as well as the public sector in Sweden and Norway. Accordingly, the industrial and construction economy in the Nordic region impacts on the Group's development, mainly with respect to changes in the number of employees, productivity and the level of investment willingness.

A mix of corporate customers of varying sizes within eight industry segments has a balancing effect and contributes to diversification and risk spread. The geographical spread also has a diversifying effect. Demand in each individual country is impacted by investments in infrastructure programmes, such as expansion and maintenance of roads and railways, and by various initiatives in publicly financed operations, such as the Swedish Armed Forces.

Inflation decreased in 2024, but the economy remained weak. Demand slowed and stabilised at a weak level. Geopolitical tensions in the world have increased, uncertainty remains about the war in Ukraine and there are risks of increased protectionism and a trade war. The future impact on the freight market, raw material prices, inflation and the economy is hard to predict.

The past few years have shown that careful planning and good organisational preparation are needed in order to handle any future changes in the world around us and the economic situation.

### B Competitive situation

PROBABILITY: **4** IMPACT: **4**

As the structural transformation and consolidation of the industry progresses, the competitive situation is also changing for Alligo. Many customers are looking to limit the number of suppliers in order to increase control in the value chain, focus on a value creating offering and achieve cost advantages.

Competition among resellers has increased due to the entry of new, often web-based, resellers and certain international players into the Swedish market in recent years, especially in the building material and private markets. Alligo is constantly working to develop and enhance its competitiveness, for example in terms of its offering, purchasing terms, quality and pricing. Alligo is also actively involved in the ongoing consolidation of the industry by acquiring companies that complement its existing operations in Sweden, Norway and Finland.

A weak economy brings opportunities for Alligo to increase its market shares if competitors are weakened, but also poses a risk of intensified competition within certain industry segments or customer groups if more competitors target these at the same time.

### C Sustainability

PROBABILITY: **3** IMPACT: **2**

Customers, investors, suppliers, employees and society at large are making greater demands for sustainability, driven by increased awareness and more stringent legislation. Alligo is directly affected by regulations relating, for example, to product information, chemicals and sustainability reporting, and also indirectly as customers, who in turn are covered by these regulations, setting increased requirements for their suppliers.

If Alligo is unable to meet these requirements at least as well as its competitors, this can lead to business risks such as lost customers and regulatory penalties.

In order to manage these risks, sustainability is an integral part of Alligo's strategy, business planning and risk management. Alligo's greatest environmental and climate impact occurs in the value chain. Alligo works to reduce its impact by specifying requirements and following up using the Sustainability Due Diligence process. Through the ReCare service, Alligo supports efficient resource management throughout the entire life cycle of workwear.

### D Increased digitisation

PROBABILITY: **3** IMPACT: **3**

Digitisation is becoming increasingly important for meeting customer expectations and being able to run the company's own operations effectively. If Alligo does not take advantage of the new technologies and working methods available and is unable to meet the needs of customers and business partners, both now and in the future, there is a risk of reduced competitiveness. The rapid development of artificial intelligence presents potential new risks, but also opportunities for those companies that keep up with development.

This requires continuous investments in efficient transaction and integration platforms, systems for managing large quantities of product information and attractive e-commerce solutions.

Alligo has implemented several important projects to strengthen its digital sales channels and enable customers to interact with a modern e-commerce platform. The company is also continuously developing its own operations using digital solutions to enhance internal efficiency.

### E Climate-related risks

PROBABILITY: **4** IMPACT: **2**

Alligo works to reduce the climate impact of its own operations and throughout the value chain and to deal with the consequences that may result from climate change. The Group's business model and strategy have a high level of resilience to climate change.

Alligo's broad range of own and external brands, along with a diversified supplier base in the Nordic region, Europe and Asia, help to minimise the impact of disruptions to production and supply caused by climate change. Having a logistics centre in each country and a store network spread across Sweden, Norway and Finland also contributes to increased resilience to local physical climate change, such as flooding.Alligo has updated the climate risk assessment based on the results of the double materiality assessment that provides the foundation for the Sustainability Report.

### F Wage inflation in manufacturing countries

PROBABILITY: **3** IMPACT: **3**

Alligo is affected by changes in the wage level in those countries where the Group's products are manufactured. The impact varies between different products depending on the proportion of the manufacturing process that is labour-intensive. Relocating production and establishing in new countries of manufacture requires careful analysis and planning. This represents a strategic risk in the business model that needs to be prevented and planned for from a medium-term perspective.

## OPERATIONAL RISKS

### G Risks relating to sales and gross margin

PROBABILITY: 4 IMPACT: 3

There is a risk that the products in the range will not match demand or that the sales and assortment management will not achieve full impact in the organisation, resulting in reduced sales and lower margins.

Alligo sells to corporate customers, who often have discounts and customer-specific price lists, which can be regulated for a contract period with limited opportunity to increase them. Alligo works with clear frameworks that govern the sales team's pricing for customers, but failure to adhere to this may result in poorer margins. There is also a risk that changes in purchase prices or other costs cannot be passed on fully and immediately to customers, which may affect margins in either the short term or the long term.

In recent years, purchase prices have increased and market demand has slowed, which has increased the risk of impact on gross margin. At the same time, demand for low-cost alternatives has increased, which risks putting further pressure on gross margin.

Sales risks are partly diversified through a broad customer base consisting of companies of different sizes, industry segments and geographic markets. A broad product portfolio and a significant share of own brands also enhances the range and enables good margins. The economy has been unusually weak in recent years, however, which has affected most customer groups and industry segments on the various geographic markets.

### H Product risks

PROBABILITY: **2** IMPACT: **3**

The ability to meet stakeholders' expectations for quality and transparency, as well as compliance with laws and requirements relating to the range, is vital for customers' trust. Alligo works with both its own and external brands. The Group's products must meet customers' expectations with regard to function, quality, safety, price and environmental and climate impact.

Alligo is continuously working to optimise the customer offering with respect to quality, price, and the environment and climate. The Group applies the precautionary principle when designing products and carries out product testing to ensure that stringent requirements with regard to function, quality, safety and chemical content are met. This means that relevant standards are followed and that products and substances are gradually phased out as necessary. Large-scale product development and ongoing product range work ensure that the Group has a range with high levels of product quality, product safety and customer satisfaction.

### I IT risks

PROBABILITY: **4** IMPACT: **4**

Alligo's operations are dependent on having continuous access to IT-based tools and systems, which may be vulnerable to damage and disruptions caused by, for example, computer viruses, power cuts, fires, operational disruptions and similar events. With increased digitisation and rapid developments in technology, within artificial intelligence for example, cyber risks and IT attacks are increasingly becoming an issue. Disruptions to critical IT systems could cause problems with delivering products and services to customers within the agreed time frame. Alligo works pro-actively to identify and address potential threats and risks.

The migration to Alligo's Group-wide IT and business systems in Norway was implemented during the first quarter of 2025 without major disruption. The change of business system was less complicated than the migration previously implemented in Tools in Sweden, where logistics were coordinated at the same time.

Overall, Alligo is currently less vulnerable to disruptions to critical IT systems than before. Large-scale change work has been implemented, involving not only a change of system but also the construction of a more robust IT structure with stronger backup and redundancy systems.

### J Risks in the flow of goods

PROBABILITY: **4** IMPACT: **4**

Alligo is dependent on the flow of goods functioning in a reliable and cost-effective manner. The goods flow process begins as early as the purchase planning stage and deficiencies in the purchasing function can create disruption to the flow of goods even before the logistics function is able to distribute them. A large proportion of goods coming from Asia places stringent requirements on having a structured purchasing process and a well-balanced supplier base. Purchasing work is carefully planned and systematically monitored to minimise the risk of any disruption.

The Group has three larger logistics centres, one of which is in Sweden, one in Norway and one in Finland. A fire, problems with IT systems or other technology used by the logistics centres, or any other form of major disruption at these facilities could create problems in delivering products to customers, although the business would still be able to deliver to stores as the products are delivered directly from the suppliers. In order to meet increased demands on the flow of goods and storage capacity, the logistics function is continuously streamlined, among other things by increasing automation, with the highest level of this currently at the logistics centre in Örebro.

The coordination of logistics at fewer but larger units increases fire safety requirements. In 2025, the sprinkler system at Autostore will be expanded and Alligo is also investing in further measures to increase fire safety.

The coordination of logistics in Norway was completed during the third quarter of 2024. The relocation and combination of three previous logistics operations at one brand new centre resulted in some disruption and longer lead times in Norway in 2024. The biggest problems have been resolved and the focus in 2025 is on increasing the level of efficiency of the new organisation. In the short term, there are still risks that the logistics operations in Norway will not achieve the desired level of efficiency quickly enough. In the longer term, the coordination will secure capacity and efficient logistics in Norway.

### K Risks in the organisation

PROBABILITY: **3** IMPACT: **3**

Competent and dedicated employees and qualified key personnel are important for Alligo's ability to realise strategies and achieve goals. If Alligo fails to provide an attractive work environment and continuous development, this would have a direct negative impact on the ability to attract, engage and retain qualified employees.

If Alligo fails to sufficiently motivate employees or if there are other major shortcomings in the organisation, there is a risk that it may be difficult to implement decisions taken or that other inefficiencies may arise.

Alligo works continuously to create a safe, fair and diversified workplace with a high level of well-being and pride among employees. Alligo has well-developed

## OPERATIONAL RISKS (cont.)

processes for internal communication via an intranet and other internal channels, which make the necessary information readily available to employees. Significant processes are also documented in a common management system in order to further develop working methods and reduce reliance on individuals. Extensive integration work has been carried out between Tools and Swedol and the organisation is less vulnerable and reliant on individuals than before.

### L Credit and counterparty risks

PROBABILITY: **3** IMPACT: **2**

Alligo is exposed to normal credit and counterparty risks in its customer relationships. A diversified customer base is helping to keep the Group's customer losses comparatively low, but the risks may increase in the event of a more sustained recession. None of Alligo's customers individually accounts for a significant portion of total revenue.

### M Acquisition and integration risks

PROBABILITY: **3** IMPACT: **3**

Acquisitions and integration represent a key element of Alligo's growth strategy. The risks here are that the Group may be unable to realise the expected benefits of an acquisition and that integration processes may take longer or become more costly than estimated. Acquisitions may also result in other unforeseen shortcomings and risks. Alligo has a proven, well-functioning acquisition process which, combined with the relative size of most acquisitions, limits the potential impact.

### N Business ethics risks and responsibility in the supply chain

PROBABILITY: **3** IMPACT: **2**

In its capacity as a major player and a listed company, Alligo has a responsibility to act in a professional and highly ethical manner in all business dealings and relationships. Unethical behaviour could result in legal consequences and damage the company's reputation and trust.

Preventive measures include regular training designed to strengthen awareness of corporate social responsibility, business ethics and anti-corruption. Training on the Code of Conduct and the Anti-Corruption Policy is mandatory for all employees and businesses owned by Alligo. This includes fixed-term employees (such as independent contractors and consultants), intermediaries, agents and others who act on behalf of the Group.

Parts of Alligo's range are manufactured in countries where there is an increased risk of corruption, for example. The requirements that Alligo places on its suppliers in relation to human rights, working conditions, the environment and anti-corruption are communicated through the Group's Supplier Code of Conduct and restricted chemicals list. These requirements are subject to systematic follow-up through self-assessments, factory visits and audits.

## FINANCIAL RISKS

### O Raw material prices

PROBABILITY: **4** IMPACT: **4**

One of the factors affecting purchase prices for the Group's products is the global market prices for individual raw materials. This applies in particular to electrical materials (copper), batteries (zinc), lighting (aluminium), steel, plastic products (oil) and clothing (cotton). In 2024, inflation decreased and raw material prices stabilised. The Group does not hedge the price risk of underlying raw materials but attempts to neutralise the negative cost impact of the commodities market by adjusting prices in line with changes in raw material prices.

### P Exchange rate fluctuations

PROBABILITY: **4** IMPACT: **3**

Alligo makes a significant proportion of its purchases in both Asia and Europe and therefore has exposure to USD and EUR. Sales usually take place in local currency in the countries where the Group operates. For a description of the Group's exposure to various currencies and the financial instruments used to minimise the risks, refer to the section Foreign exchange rates in note 23 Financial risks and risk management.

### Q Interest rate fluctuations

PROBABILITY: **2** IMPACT: **2**

For a description of the manner in which Alligo is exposed to interest rate fluctuations in relation to external borrowing and lending and the way this is managed to minimise risks, refer to the section Interest rate risks in note 23 Financial risks and risk management.

### R Financing risk

PROBABILITY: **2** IMPACT: **4**

Financing risk refers to the risk that meeting Alligo's requirements for external capital could become more difficult or more expensive. For a description of the Group's financing and the manner in which the financing risk is managed, refer to the section Liquidity and refinancing risks in note 23 Financial risks and risk management.

### S Impairment of intangible assets

PROBABILITY: **2** IMPACT: **5**

Goodwill relating to acquisitions is a significant item on the consolidated balance sheet. Impairment costs relating to goodwill and other intangible assets may have a negative impact on the Group's financial position and earnings.

Alligo continuously monitors relevant circumstances relating to its business, the general economic situation and the potential impact of such circumstances on the valuation of the Group's goodwill and other intangible assets.

# Corporate Governance Report

**Alligo's corporate governance aims to ensure that the business creates long-term sustainable value for shareholders and other stakeholders. High standards of openness, reliability and ethical values are guiding principles for Alligo's business.**

Alligo is a Swedish public limited company listed on Nasdaq Stockholm Mid Cap and applies the Swedish Code of Corporate Governance (the "Code"). The Code is available at www.corporategovernanceboard.se, where the Swedish model of corporate governance is also described.

This Corporate Governance Report is presented in accordance with the Swedish Annual Accounts Act and the Code and provides an account of Alligo's corporate governance during the 2024 financial year.

In 2024, there were no deviations from Nasdaq Stockholm's Rulebook, the Code or best practice in the stock market. The Corporate Governance Report constitutes a part of the formal annual accounts and has been reviewed by Alligo's auditors in accordance with the opinion on page 145.

## Corporate governance structure at Alligo

The General Meeting of Shareholders is the company's highest decision-making body. The Board of Directors and its Chair, as well as the auditors where applicable, are appointed by the Annual General Meeting. The Nomination Committee drafts proposals for the Annual General Meeting regarding the composition of the Board of Directors. By order of the Annual General Meeting, it is the duty of the appointed auditors to examine the financial statements and the administration of the Board of Directors and the CEO during the financial year. The Board of Directors is ultimately responsible for the company's organisation and administration. It is also the duty of the Board to ensure that all shareholders' interests in Alligo are provided for. The Board of Directors appoints the CEO and the Deputy CEOs.

The Audit Committee examines the procedures for risk management, governance, control, and financial and sustainability reporting. The Remuneration Committee prepares proposals concerning remuneration levels for the CEO as well as general incentive programmes for the approval of the Board. It is also the responsibility of the Remuneration Committee to decide on remuneration levels for other senior executives. The CEO and other members of the management are responsible for the day-to-day administration of Alligo. For further information about the management of the Group's sustainability framework, see the Sustainability Report on pages 38–81.

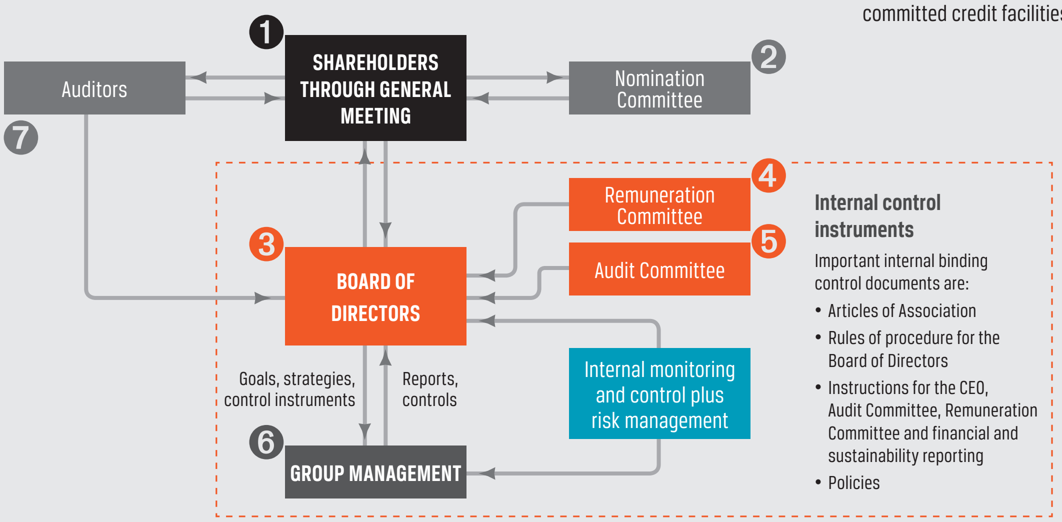
## Share structure and holding of treasury shares

The share capital amounted to approximately MSEK 102 as at 31 December 2024. The distribution by class of share was as follows: Class A shares 562,293, Class B shares 50,343,896. The total number of shares before repurchasing was 50,906,189. The number of repurchased Class B shares was 838,551 and the total number of shares after repurchasing was 50,067,638.

All shares carry equal rights to Alligo AB's assets and earnings. Provided that registration to participate at the Annual General Meeting has taken place in the prescribed manner, each shareholder is entitled to vote at the general meeting on behalf of all owned, directly registered and represented shares. The company's Class A shares entitle the holder to ten votes each and Class B shares to one vote each. The Articles of Association contain no limitations concerning how many votes each shareholder may cast at the General Meeting of Shareholders. For repurchased shares held in treasury, all rights are waived until such time as the shares are reissued. The Board is authorised, during the period until the next Annual General Meeting, to decide to increase the company's share capital through a new issue of shares up to a maximum of ten per cent of the number of shares in the company as a means of payment for acquisitions.

According to Chapter 6, Section 2a of the Swedish Annual Accounts Act, listed companies are required to disclose information concerning certain circumstances that may affect opportunities to take over the company through a public takeover bid for the shares in the company. The company's lenders are entitled to cancel approved committed credit facilities if the company's

**CORPORATE GOVERNANCE STRUCTURE**




**Internal control instruments**

Important internal binding control documents are:

- Articles of Association
- Rules of procedure for the Board of Directors
- Instructions for the CEO, Audit Committee, Remuneration Committee and financial and sustainability reporting
- Policies

**External control instruments**

Important external control instruments that provide the framework for corporate governance are:

- Swedish Companies Act
- Swedish Annual Accounts Act
- Nasdaq Stockholm's Rulebook
- Swedish Code of Corporate Governance

shares are delisted from Nasdaq Stockholm or in connection with public takeover bids if the bidder secures a shareholding of more than 50 per cent of the number of shares in the company or controls at least 50 per cent of the votes. Otherwise the company has not entered into any significant agreements with suppliers or employees that would be affected, change, expire or stipulate the payment of financial remuneration should control of the company change as a result of a public takeover bid for the shares in the company.

### Treasury shares and incentive programmes

As at 31 December 2024, Alligo's holding of Class B treasury shares amounted to 838,551, corresponding to 1.6 per cent of the total number of shares and 1.5 per cent of the total number of votes. No shares were repurchased during 2024 and there were no changes to the holding of treasury shares after the end of the period.

Alligo's aims in holding treasury shares are to allow it to adapt the Group's capital structure and to enable future acquisitions of companies or businesses to be made through payment in treasury shares, as well as to secure future obligations in share-based incentive programmes.

#### Call option programme 2022/2025

The 2022 Annual General Meeting approved a call option programme ("Call option programme 2022/2025") containing a maximum of 185,000 options, corresponding to approximately 0.36 per cent of the total number of shares and approximately 0.33 per cent of the total number of votes in the company. The programme is designed for key personnel in senior positions and provides the opportunity to acquire call options at market price for Class B shares repurchased by Alligo. After two years, a subsidy will be paid equivalent to the premium paid for each call option (before tax) provided that the option holder's employment at the Group has not been terminated and that the call options have not been divested prior to this point. The subsidy is recognised as an accrued expense until the time when the employment condition is met. The subsidy is also charged with social security contributions. In June 2024, a subsidy totalling MSEK 1.3 was paid to option holders whose employment at the Group had not been terminated and whose call options had not been divested.

Each call option entitles the holder to acquire one (1) repurchased Class B share in the company on three occasions: 1) during the period from 2 June 2025 to 16 June 2025 inclusive, 2) during the period from 18 August 2025 to 1 September 2025 inclusive, and 3) during the period from 3 November 2025 to 17 November 2025 inclusive. The redemption price has been calculated as SEK 129.30, based on 120 per cent of the volume-weighted average price during the period 12 May to 25 May 2022. If the share price at the time when the call option is exercised exceeds SEK 194.00, the redemption price shall be increased krona for krona by the amount in excess of SEK 194.00. The option premium has been calculated as SEK 7.82 by an independent third party according to the accepted Black-Scholes model.

185,000 call options have been allotted and acquired by employees on market terms. Of these, 80,000 have been acquired by the Group CEO and CFO and 105,000 by other key personnel. The option premium paid totals MSEK 1.4.

#### Share savings programme PSP 2024

The 2024 Annual General Meeting approved the PSP 2024 share savings programme aimed at Group Management and other senior executives based on performance shares. Participants were given the right to acquire Class B investment shares from Alligo during the period 31 May 2024 to 4 June 2024 inclusive. A maximum of 20,475 Class B shares were available for transfer to the participants as investment shares at a price corresponding to the volume-weighted average price for Alligo's share on Nasdaq Stockholm during the period 24 May 2024 to 30 May 2024. During the investment period, 16,749 shares were transferred to the participants, of which 5,725 to the Group's CEO and CFO and 11,024 to other key personnel. The volume-weighted average price was SEK 143.00. For each investment share, five performance share rights were granted, entitling the participant to acquire up to one Class B share (performance share) free of charge. The transfer will be effected by the company transferring Class B treasury shares. The number of performance shares that the participants will be allotted on the basis of performance share rights depends on the fulfilment of predefined performance criteria relating to Alligo's adjusted EBITA and sustainability targets during a vesting period of around three years. The allotment of performance shares also requires, with certain exceptions, the participant to still be in their post and to hold all acquired investment shares until the end of the vesting period. Based on the investment shares transferred during the investment period, a maximum of 83,745 performance shares in total can be transferred by the company within the framework of PSP 2024. According to the resolution of the Annual General Meeting, a maximum of 102,375 performance shares in total were available for transfer by the company.

### 1 Shareholders

As at 31 December 2024, Nordstjernan AB held 54.6 per cent of the share capital and 49.6 per cent of the total number of votes in the company. No other shareholders had direct or indirect shareholdings in the company representing more than one-tenth of the total number of votes. As at 31 December 2024, Alligo AB had approximately 6,100 shareholders. Further information regarding Alligo's shares and ownership structure as at 31 December 2024 is provided in the section on the Alligo share on pages 10–11.

### General Meeting

The General Meeting of Shareholders is the company's highest decision-making body where shareholders exercise their voting rights. At the Annual General Meeting, decisions are made concerning the Annual Report, dividends, the election of the directors and auditors, directors' and auditors' fees, and other matters in accordance with the Swedish Companies Act and the Articles of Association.

### Annual General Meeting 2024

The Annual General Meeting of Alligo AB was held on 23 May 2024 in Stockholm. The notice for the Annual General Meeting and the supporting documentation for the Meeting were published in accordance with the company's Articles of Association. A total of approximately 50 shareholders participated in the Meeting, representing a combined total of 74.7 per cent of the votes in the company. The Meeting was attended by all Board members and the company's auditors.

Among other decisions, the Meeting resolved on authorisations for repurchases of own shares and for new share issues in conjunction with acquisitions, as well as on the amendment of the instructions for the Nomination Committee. The Board of Directors' Remuneration Report was also approved and the Board of Directors and CEO discharged from liability for their administration of the company during the 2023 financial year. Göran Näsholm, Stefan Hedelius, Johan Sjö, Christina Åqvist and Cecilia Marlow were re-elected to the Board of Directors. Pontus Boman had declined re-election. Johan Lilliehöök was elected as a new Board member.

Göran Näsholm was re-elected Chair of the Board of Directors. The full minutes of the Meeting are available on Alligo's website.

### 2 Nomination Committee

The main tasks of the Nomination Committee are to submit proposals, in good time before the Annual General Meeting, for the election of the Chair of the Board and other Board members, resolutions on Board fees, the election of the auditor and resolutions on auditor's fees. The Nomination Committee is also responsible for the election of the Chair of the AGM and for any resolutions on amendments to the Instructions for the Nomination Committee.

In accordance with the instructions adopted at Alligo's Annual General Meeting in May 2024, the members of the Nomination Committee shall consist of the four largest shareholders in Alligo in terms of voting rights (in accordance with the share register maintained by Euroclear Sweden on the last banking day in February) who wish to appoint a member. If fewer than three members have been nominated in accordance with the above, other shareholders in the order of voting rights are to be granted the opportunity to nominate one member each until a total of three members have been nominated. The company shall not, however, be obliged to ask more than five further shareholders.

The shareholder that controls the most voting rights in the company has the right to nominate the Chair of the Nomination Committee. The Chair of the Board shall be co-opted to the Nomination Committee (without voting rights) and coordinate the nomination procedure.

As part of the process to prepare a proposal for Board members, the Chair of the Board presents the evaluation of the Board's work carried out during the past year. The company's business and future direction are also presented by the CEO, while the Chair of the Audit Committee reports on the cooperation with the auditors. This then provides the basis for the work of the Nomination Committee, together with the requirements of the Code and Alligo's company-specific requirements.

### Composition of the Board of Directors

In its nomination work, the Nomination Committee ensures that the proposed Board of Directors has a well-balanced composition in relation to the company's operations, stage of development and circumstances that ensures its ability to manage the company's affairs effectively and with integrity. The Board of Directors must contain the skills and qualities that are considered important for Alligo's continued development. In addition to good knowledge of Alligo's business and industry, the Board of Directors must also possess general expertise in areas such as corporate management, accounting, sustainability, law and finance. The composition of the Board must be characterised by diversity and breadth in terms of experience, qualifications and background, while giving consideration to an even gender distribution and continuity.

### Nomination Committee 2025

In accordance with the resolution of the 2024 Annual General Meeting, the Chair of the Nomination Committee shall each year contact the four largest shareholders in terms of voting rights, as registered at the end of February, to ask them to appoint a member each to the Nomination Committee ahead of the upcoming Annual General Meeting.

At the Annual General Meeting 2024, a Nomination Committee was elected consisting of Peter Hofvenstam (Nordstjernan) as Chair, along with Stefan Hedelius (nominated by Tom Hedelius), Suzanne Sandler (nominated by Handelsbanken Fonder) and Björn Börjesson (nominated by Sandrew AB) as members of the Nomination Committee.

The Nomination Committee's complete motions regarding the Board of Directors and auditors will be presented in the notice for the 2025 Annual General Meeting and on the Company's website. The Nomination Committee will present and motivate its motions regarding the Board of Directors and auditors on Alligo's website in conjunction with the publication of the notice for the Meeting and during the Annual General Meeting itself. The Nomination Committee has held six meetings ahead of the 2025 Annual General Meeting and has also maintained ongoing contact. No remuneration has been paid for the work of the Nomination Committee.

## 3 Board of Directors

The Board of Directors is ultimately responsible for the company's organisation and administration. In accordance with Alligo's Articles of Association, the Board of Directors is to comprise not fewer than five and not more than eight ordinary Board members. The Board of Directors is elected by the Annual General Meeting.

### Board members

Alligo AB's Board of Directors comprises six ordinary Board members appointed by the 2024 Annual General Meeting: Göran Näsholm (Chair), Johan Lilliehöök, Johan Sjö, Cecilia Marlow, Christina Åqvist and Stefan Hedelius. A presentation of these Board members, including information on other assignments and work experience, can be found on pages 100–101 and on Alligo's website. All Board members are independent in relation to the company and its senior executives. Two Board members are dependent in relation to the company's major shareholders. Accordingly, the Board of Directors meets the requirement that at least two of the Board members who are independent in relation to the company should also be independent in relation to major shareholders. There are also two employee representatives on the Board: Johanna Främberg and Emma Hammarlund.

According to the resolution of the Annual General Meeting, each Board member elected by the Annual General Meeting receives a fee of SEK 320,000. The Chair of the Board receives a fee of SEK 750,000. A separate fee of SEK 150,000 is paid to the Chair of the Audit Committee and SEK 75,000 is paid to each member of the Audit Committee. In addition, a separate fee of SEK 100,000 is paid to the Chair of the Remuneration Committee and SEK 50,000 is paid to each member of the Remuneration Committee. Total Board fees amount to SEK 2,725,000, compared with SEK 2,400,000 the previous year.

Refer to the table below for a summary of the members of the Board elected by the Annual General Meeting, their participation in committees, attendance at Board meetings, dependency and fees.

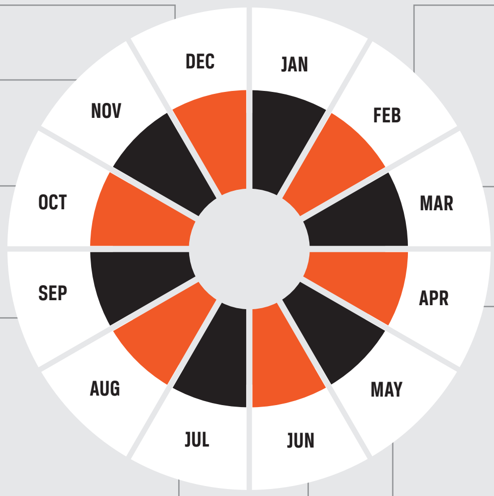
### Chair of the Board

The Chair of the Board is responsible for ensuring that the work of the Board is well organised and conducted efficiently and that the Board performs its duties. In particular, the Chair is responsible for

**BOARD COMPOSITION, ATTENDANCE, DEPENDENCY CONDITIONS AND FEES FOR 2024**

| | | | No. of meetings attended | | | Dependent in relation to | | |
|---|---|---|---|---|---|---|---|---|
| Ordinary Board members | Year of election | Position | Board of Directors | Audit Committee | Remuneration Committee | Alligo | Major shareholders | Fee, SEK |
| **No. of meetings** | | | **14** | **6** | **2** | | | |
| Göran Näsholm | 2019 | Chair of the Board, Chair of the Remuneration Committee | 14 | 4 | 2 | No | No | 925,000 |
| Johan Lilliehöök | 2024 | Board member | 9 | | | No | Yes | 320,000 |
| Johan Sjö | 2019 | Board member | 14 | | 2 | No | Yes | 370,000 |
| Pontus Boman | 2022 | Board member | 5 | 2 | | No | Yes | - |
| Stefan Hedelius | 2016 | Board member | 14 | | | No | No | 320,000 |
| Cecilia Marlow | 2022 | Board Member, Chair of the Audit Committee | 14 | 6 | | No | No | 470,000 |
| Christina Åqvist | 2020 | Board member | 13 | | | No | No | 320,000 |

### THE WORK OF THE BOARD OF DIRECTORS IN 2024




**DECEMBER**
- Budget 2025
- Accounting issues
- Situation report from CEO
- Earnings report from CFO
- Status Finland
- Financing
- Customer surveys
- Acquisition opportunities

**NOVEMBER**
- Strategy

**OCTOBER**
- Interim Report Q3
- Situation report from CEO
- Earnings report from CFO
- Reporting of management audit and review for Q3
- Inclusion and equality
- New climate targets in line with SBTi
- Board evaluation
- Acquisition opportunities

**SEPTEMBER**
- Situation report from CEO
- Earnings report from CFO
- Budget 2025
- Sustainability focus 2025
- Sustainability-linked loan
- Acquisition opportunities

**JULY**
- Interim Report Q2
- Situation report from CEO
- Earnings report from CFO
- Acquisition opportunities

**JUNE**
- Strategy
- Business intelligence
- Risk analysis
- Audit plan
- Situation report from CEO
- Earnings report from CFO
- Sustainability
- Acquisition opportunities

**MAY**
- Statutory Board meeting
- Board's rules of procedure and CEO instructions
- Situation report from CEO
- Earnings report from CFO
- Acquisition opportunities

**FEBRUARY**
- Year-end Report 2023
- Proposal for appropriation of profits
- Reporting of final audit report
- Risk assessment
- Internal control and risk analysis
- Situation report from CEO
- Earnings report from CFO
- Sustainability targets
- Customer surveys
- Evaluation of CEO and senior executives
- Remuneration of senior executives
- Acquisition opportunities

**MARCH**
- Situation report from CEO
- Earnings report from CFO
- Convening of Annual General Meeting
- Remuneration Report
- Share-related incentive programme
- Status Finland
- Acquisition opportunities

**APRIL**
- Decision on Annual and Sustainability Report
- Interim Report Q1
- Situation report from CEO
- Earnings report from CFO
- Acquisition opportunities
- Status Sweden

organising and leading the work of the Board in a manner that creates the best possible conditions for the Board to conduct its work. It is the Chair's task to ensure that a new Board member receives the required introductory training and any other training deemed appropriate by the Chair and the Board member, to ensure that the Board continuously updates and deepens its knowledge about the company, to ensure that the Board holds meetings as required and receives sufficient information and supporting data for its work, to propose an agenda for Board meetings in consultation with the CEO, to ensure that the decisions of the Board are carried out and to ensure that the work of the Board is evaluated annually. The Chair is responsible for all contact with the owners regarding ownership matters and for conveying feedback from the owners to the Board.

## Duties of the Board

The Board of Directors is ultimately responsible for the company's organisation and for the administration of the company's affairs in the interests of the company and of all shareholders in accordance with the Articles of Association, the Swedish Companies Act and other relevant laws and regulations and internal guidelines. This responsibility includes Alligo's sustainability work and the company's impact on the economy, environment and society.

The duties of the Board of Directors include establishing and monitoring the company's overall goals and strategies, ensuring effective systems for the monitoring and control of the business and associated risks, identifying the impact of sustainability issues on the company's risks and business opportunities, adopting guidelines on the company's conduct in society in order to secure its ability to create long-term value, and ensuring that the company's provision of information is characterised by transparency and is accurate, relevant and reliable. The Board is also responsible for decisions regarding acquisitions and divestments of businesses, major investments, repurchases of own shares, and for the appointment and remuneration of positions in the Group's Corporate Management.

Each year, the Board adopts written rules of procedure that regulate the work of the Board and its internal distribution of responsibility, including its committees and the distribution of responsibilities with internal business area boards, the procedure for resolutions within the Board, the agendas of Board meetings and the duties of the Chair as well as instructions for financial and sustainability reporting. The Board also issues instructions to the CEO, which grant the authority to make decisions regarding investments, corporate acquisitions and sales as well as financing issues. The Board has also adopted a number of policies for the Group's operations, including a code of conduct, financial policy and privacy policy.

The Board of Directors oversees the work of the CEO through ongoing monitoring of the business during the year and ensures that the organisation, management and guidelines for the administration of the company's affairs are appropriate. The Board is also responsible for the company having adequate internal control and effective systems for the monitoring and control of operations and for the company's compliance with legislation and regulations applicable to its operations. The Board and CEO present the annual accounts to the Annual General Meeting.

## Evaluation of the Board's work

The work of the Board is evaluated annually under the supervision of the Chair of the Board. The purpose of this evaluation is to enhance the working methods and efficiency of the Board of Directors by obtaining the opinions of the Board members on how Board work is carried out and which steps can be taken to improve the efficiency of Board work, on sustainable enterprise and on whether the Board is well balanced in terms of skills. The results of the evaluation performed in September have been reported to and discussed by both the Board of Directors and the Nomination Committee and they provide an important basis for the Nomination Committee ahead of the Annual General Meeting.

The Board evaluates the work of the CEO on an ongoing basis. This issue is also specifically addressed once a year without the presence of any member of the Group's Corporate Management. The Board also evaluates and comments on any significant assignments, if any, performed by the CEO outside the company. Each Board member is to independently assess the matters to be addressed by the Board and request the information deemed necessary to make well-founded decisions.

Each Board member is to continuously acquire any knowledge about the company's operations, organisation, markets and so forth required for the assignment.

### Work of the Board

The work of the Board of Directors follows an annual plan. In addition to the statutory meeting, which is held in conjunction with the Annual General Meeting, the Board of Directors normally convenes on eight occasions each year (ordinary meetings) in connection with the publication of the Interim Reports, the signing of the Annual Report, the adoption of the budget and the monitoring of sustainability work, as well as an annual strategy meeting. Extraordinary meetings are convened when necessary. Each meeting follows an agenda, which is distributed to the Board members prior to each Board meeting along with supporting documentation. The decisions of the Board are made after discussions led by the Chair of the Board. The Remuneration Committee and Audit Committee appointed by the Board are tasked with drafting motions for resolutions by the Board and their work is carried out in accordance with instructions adopted annually by the Board.

The agenda for the statutory meeting of the Board includes the adoption of the rules of procedure for the Board of Directors, decisions regarding signatory powers and the approval of the minutes. The items addressed at the ordinary meeting in February include the year-end financial statements, the proposed appropriation of profit and the financial report. In conjunction with this meeting, the company's Auditor's Report to the Audit Committee and to the Board of Directors as a whole on their observations and assessments based on the audit performed. The company's auditors also present a corresponding report to the Audit Committee and to the Board of Directors as a whole on the management audit performed and the review of the third quarter. Each ordinary meeting also includes a number of fixed agenda items, including reports on the current financial outcome of the company's operations.

The Board of Directors held 14 Board meetings during the 2024 financial year, including a statutory meeting and three meetings per capsulam. The Board's work during the year focused on issues pertaining to measures taken to address the weak and uncertain market situation and follow-up of ongoing operations in general, the coordination of logistics and business systems in Norway, preparations for sustainability reporting in accordance with ESRS, approval of the results from the double materiality assessment, decisions on climate targets in line with SBTi, acquisition opportunities, the Group's organisation and strategic development, and the Group's financial position. Refer to the table on page 95 for information regarding attendance at Board and committee meetings.

The CEO and the Group CFO report to and attend Board meetings. Other employees in the Group participate in Board meetings for the presentation of specific issues or whenever deemed appropriate. The Secretary of the Board is the Group CFO.

### 4 Remuneration Committee

The Remuneration Committee appointed by the Board prepares the motion regarding guidelines for determining remuneration and other terms of employment for senior executives. A proposal for new guidelines is to be prepared at least every four years and the Board submits the proposal for resolution by the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting of Shareholders. The Remuneration Committee shall also monitor and evaluate the programme for the variable remuneration of senior executives, the application of the guidelines for the remuneration of senior executives, as well as the current remuneration structures and remuneration levels at the company. The Board prepares an annual Remuneration Report on the application of the company's remuneration guidelines.

Remuneration of the CEO shall be decided by the Board of Directors after being prepared and recommended by the Remuneration Committee, within the scope of established remuneration principles. Remuneration of other senior executives shall be decided by the Remuneration Committee, within the scope of established remuneration principles and after consulting with the CEO. The Remuneration Committee informs the Board of its decisions.

The Remuneration Committee consists of the Chair of the Board Göran Näsholm (Chair of the Remuneration Committee) and Board member Johan Sjö. The CEO presents reports to the Committee. The CEO does not report on their own remuneration. The Remuneration Committee convened on two occasions during the 2024 financial year, during which minutes were taken. During the year, remuneration of SEK 100,000 has been paid to the Chair of the Committee and SEK 50,000 to each member of the Remuneration Committee.

### 5 Audit Committee

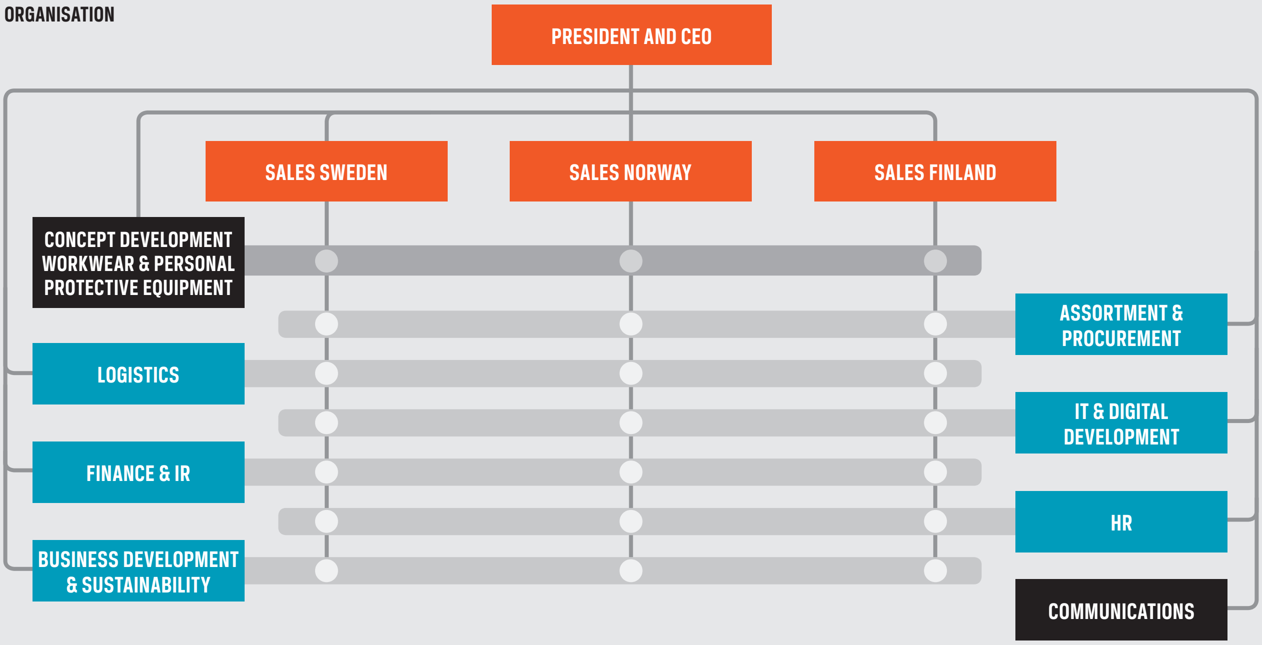
The Board has appointed an Audit Committee, which – without influencing the responsibilities and duties of the Board in any other respect – is responsible for ensuring that the financial reporting, sustainability reporting and risk management comply with applicable regulations. This includes examining the quality assurance of the company's financial reporting and sustainability reporting process, reviewing and evaluating the effectiveness of internal control relating to financial reporting and sustainability reporting, and together with the Group Management monitoring and assessing the management of complex reporting and valuation issues. The Audit Committee oversees and also monitors the external audit of the Annual and Sustainability Report and the consolidated financial statements, as well as the impartiality and independence of the auditor, paying particular attention to whether the auditors have provided the company with services other than auditing services, and assists in the preparation of motions regarding the election of auditors for resolution by the General Meeting of Shareholders. During the year, the Audit Committee has participated in the review of preparations for future sustainability reporting in accordance with ESRS.

The Audit Committee consists of Board member Cecilia Marlow (Chair of the Audit Committee) and Board member Göran Näsholm. The committee members have particular expertise, experience and interest in financial and accounting matters, as well as sustainability-related matters. In conjunction with the Board of Directors' adoption of the annual accounts and the accounts for the third quarter, the Audit Committee meets with and receives a report from the company's external auditors. At the same time, the Committee also meets with the auditors without the presence of the CEO, the Group CEO or other members of Group Management. The Audit Committee meets ahead of each reporting date and the Group CFO attends these meetings. During the 2024 financial year, the Audit Committee held six minuted meetings, which report the results of its work to the Board of Directors on an ongoing basis. During the year, remuneration of SEK 150,000 has been paid to the Chair of the Committee and SEK 75,000 to each member of the Audit Committee.

### 6 CEO and Group Management

The CEO manages the operations in accordance with the Swedish Companies Act and the framework established by the Board. With respect to the authority of the CEO to make decisions regarding

ORGANISATION




investments, corporate acquisitions, corporate sales and financing issues, the rules approved by the Board of Directors apply. In consultation with the Chair of the Board, the CEO prepares the necessary information and supporting data for Board meetings, reports on various matters and explains the motivation for motions presented for resolution. Supporting information for the Board's examination of motions is sent to the Board members one week before the Board meeting. The Board also receives monthly reports containing up-to-date information about the commercial and financial development of the company, as well as the progress made in relation to sustainability.

The CEO leads the work of Group Management and makes decisions in consultation with the other members of management. The Group Management meets once a month to follow up on operations and discuss general Group matters, including risk and sustainability, and drafts proposals for the strategic plan, business plan and budget which the CEO presents to the Board of Directors. The work to develop the business plan involves employees at many levels throughout the Group and is overseen by Group Management on an ongoing basis. The matters examined by the Board of Directors have largely reflected the work of the Group Management during the year. In addition, the CEO and the Group CFO ("Corporate Management") hold monthly meetings with each Country Manager on country-specific issues, acquisitions and follow-up of operations, as well as six-monthly reviews with each Nordic function.

## 7 Auditors

According to the Articles of Association, a registered accounting firm (or, alternatively, one or two authorised public accountants) is to be elected as auditor. KPMG was elected as the company's auditor at the 2024 Annual General Meeting for the period until the end of the 2025 Annual General Meeting. The Chief Auditor is Jonas Eriksson. KPMG performs the audit of Alligo AB and most of its subsidiaries. The company's auditors follow an audit plan, which includes feedback from the Board and the Audit Committee, and reports its findings to the company management teams, Corporate Management and the Board and Audit Committee of Alligo AB during the course of the audit and in conjunction with the adoption of the accounts for the third quarter and the annual accounts. The company's auditor also participates in the Annual General Meeting, presenting and commenting on the audit work. The independence of the external auditors is regulated through special instructions established by the Board, which state the areas which may be addressed by the external auditors in addition to the normal audit work. KPMG continuously assesses its independence in relation to the company and provides the Board with written assurance of the auditing firm's independence in relation to Alligo each year.

The total fee for KPMG's services in addition to the audit assignment amounted to MSEK (0) during the 2024 financial year.

## Ethical guidelines

Alligo strives to conduct its business with high requirements imposed on integrity and ethics. The Board of Directors adopts a Code of Conduct for the Group's operations on an annual basis, which also includes ethical guidelines. Alligo's Code of Conduct and Anti-Corruption Policy are available on the company's website.

## Guidelines for determining remuneration and other terms of employment for senior executives

The Board aims to ensure that the remuneration system in place for the CEO and other members of the Group's senior management is competitive and in line with market conditions. The guidelines for determining remuneration and other terms of employment for senior executives that applied for the 2024 financial year, which were adopted by the 2024 Annual General Meeting, are presented on pages 86-87.

# INTERNAL CONTROL OF FINANCIAL AND SUSTAINABILITY REPORTING

Alligo's work with internal monitoring and control is designed to ensure that financial and sustainability reporting is appropriate, accurate and reliable in accordance with applicable laws and regulations.

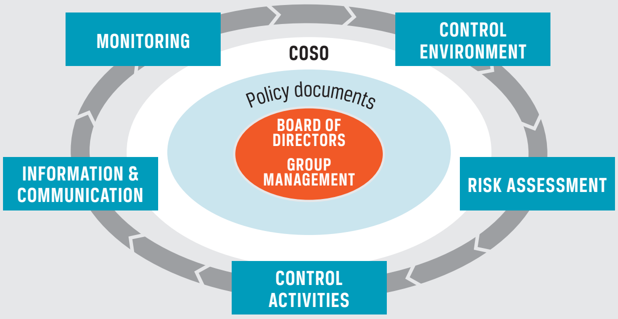
In accordance with the Swedish Companies Act and the Swedish Code of Corporate Governance (the "Code"), the Board is responsible for ensuring that the company has good internal control and efficient processes that can ensure that the financial and sustainability reporting is appropriate, correct and reliable in accordance with applicable reporting rules and other requirements that apply to listed companies. The internal control at Alligo is based on the COSO framework for internal control, which has been adapted to the business. The framework contains five components: control environment, risk assessment, control activities, information and communication, and monitoring.

## Control environment

The basis of the internal control of the company's financial reporting comprises the control environment, including the organisation, decision paths, lines of authority and responsibilities documented and communicated in various control documents, such as policies, instructions for authorisation rights, and Group-wide guidelines and manuals established by the Board.

The Group's most important financial control documents are collated on Alligo's intranet and include a comprehensive financial policy, a reporting manual, a manual for the Group's internal bank, a description of accounting policies and expanded instructions preceding every closing of the books. These financial rules and regulations are updated regularly and training programmes are offered during the financial year to ensure the uniform implementation and application of the rules and regulations. On a more general level, all operations are to be conducted in accordance with Alligo's Code of Conduct.

INTERNAL CONTROL




## Risk assessment and control activities

Alligo continuously assesses the risks of error in financial and sustainability reporting in order to ensure that these are addressed. For a more detailed description of risks and risk management, see pages 89–92. Alligo has established control structures to manage the risks that the Board of Directors and Corporate Management consider to be significant to the company's internal control with respect to financial reporting. Examples include reconciliations, control inventories, authorisation checks, transaction-related controls, such as regulations concerning authorisation and investments, as well as clear payment procedures and analytical controls performed by the Group's controller organisation. Controllers at all levels in the Group play a key role in terms of integrity, competence and the ability to create an environment that is conducive to achieving transparency and true and fair financial reporting.

The monthly earnings follow-up conducted via the internal reporting system is an important overall control activity. The earnings follow-up includes comparisons with previous years, previously set goals and the most recent forecast as well as the follow-up of adopted key performance indicators. This follow-up of earnings also functions as an important complement to the controls and reconciliations performed in the actual financial processes.

## Information and communication

All of Alligo's control documents are communicated via the Group's intranet and updated annually or as necessary based on changes in internal and external requirements. The finance function reports the internal control work for the year to the Audit Committee.

## Monitoring

Monitoring to assure the quality of the Group's internal control is performed within the Group in various ways. The central finance function works pro-actively through its participation in various projects aimed at developing internal control. The function also continuously conducts audits and self assessments to assess the efficiency of internal controls in various parts of the Group and monitors the application of the Group's policies and guidelines.

Alligo strives to achieve an open corporate climate and high business ethics. The success of the Group is based on a number of ethical guidelines, which are described in Alligo's Code of Conduct. The Group's internal and external stakeholders play a key role in helping to identify any deviations from established values and ethical guidelines. To make it easier to identify such deviations, Alligo has introduced a whistleblowing system. The whistleblowing system allows any suspicions of misconduct to be reported anonymously. It is an important tool for reducing risks and fostering high business ethics and thereby maintaining customer and public confidence in the Group's operations.

## Internal audit

The Board has decided not to establish a special internal audit function. This decision was made based on the size and operations of the Group as well as the existing internal control processes as described above. When necessary, the Audit Committee commissions external advisers to assist on projects relating to internal control.

## Auditors' review of the six-month or nine-month report

Alligo's nine-month reports for the 2023 and 2024 financial years were reviewed by the company's external auditors in line with the Code.

## Non-compliance

The company has not breached the rulebook of the stock exchange on which its shares are listed for trading or the best practice in the stock market.

# Board of Directors

## GÖRAN NÄSHOLM

Chair of the Board since 2022.
Board member since 2019.

**Born:** 1955.

**Education/training:** M.Sc. in Mechanical Engineering & M.Sc. Econ.

**Other current assignments:** Chair of the Board of Malef Holding AB, LW Sverige AB and Sell Power AB. Board member of Nordisk Bergteknik AB.

**Work experience:** President & CEO of Ahlsell AB. Senior positions in the Ahlsell Group, President of Jirva AB, Purchasing Director at Calor Celsius AB and senior positions in the Alfa Laval Group.

**Independent in relation to:**
**- the company and its management:** Yes.
**- major shareholders:** Yes.

**Shares owned:** 100,000 Class B shares (own holding).

## CECILIA MARLOW

Board member since 2022.

**Born:** 1960.

**Education/training:** B.Sc.Business and Economics.

**Other current assignments:** Chair of the Board of NCS Colour AB. Board member of SJ AB, Bokusgruppen AB (publ) and ABGSC AB.

**Work experience:** Chair of the Board/Board member of several listed and unlisted companies and CEO roles in the retail sector.

**Independent in relation to:**
**- the company and its management:** Yes.
**- major shareholders:** Yes.

**Shares owned:** 1,500 Class B shares (own holding).

## JOHAN LILLIEHÖÖK

Board member since 2024.

**Born:** 1982.

**Education/training:** Master of Science in Business and Economics.

**Other current assignments:** CEO of Nordstjernan AB.

**Work experience:** Managing Director Investments, A.P. Moller Holding and Managing Director Blackstone, Global Private Equity.

**Independent in relation to:**
**- the company and its management:** Yes.
**- major shareholders:** No.

**Shares owned:** –.

## JOHAN SJÖ

Board member since 2019.

**Born:** 1967.

**Education/training:** B.Sc.Business and Economics.

**Other current assignments:** Senior Advisor Nordstjernan, Chair of the Board of AddLife AB, Dacke Industri AB and Momentum Group AB. Board member of Camfil AB and M2 Asset Management AB.

**Work experience:** Investment Director and Head of Distribution & Trade at Nordstjernan, President & CEO of Addtech AB and senior positions in the Bergman & Beving Group and at Alfred Berg/ABN Amro. Chair of the Board of Addtech AB, Bergman & Beving AB, OptiGroup AB and Prosero Security Group AB. Board member of Addtech AB and Bufab AB.

**Independent in relation to:**
**- the company and its management:** Yes.
**- major shareholders:** No.

**Shares owned:** 20,000 Class B shares (own holding).

### CHRISTINA ÅQVIST

Board member since 2020.

**Born:** 1978.

**Education/training:** LL.B. and studies in economics.

**Other current assignments:** Partner at Indequity AB. Chair/member of the boards of companies in which Indequity invests.

**Work experience:** President & CEO of Distrelec Group AG and Head of Retail & Greenfield Expansion at B&B Tools. Management consultant at Boston Consulting Group and corporate lawyer at Advokatfirman Vinge.

**Independent in relation to:**
**- the company and its management:** Yes.
**- major shareholders:** Yes.

**Shares owned:** 1,500 Class B shares (own holding).

### STEFAN HEDELIUS

Board member since 2016.

**Born:** 1969.

**Education/training:** University studies in economics, various international executive education programmes.

**Other current assignments:** Board member of AddLife AB, Momentum Group AB, Praktikertjänst AB and Chair of the Board of AIK Ishockey AB.

**Work experience:** CEO of Human Care Group AB, CEO of NOTE AB, Vice President Brand and Marketing for Scandinavian Airlines (SAS) and senior positions in the Ericsson Group.

**Independent in relation to:**
**- the company and its management:** Yes.
**- major shareholders:** Yes.

**Shares owned:** 1,500 Class B shares (own holding).

### JOHANNA FRÄMBERG

Board member since 2022.
Employee representative.

**Born:** 1980.

**Education/training:** Vocational qualification in logistics.

**Other current assignments:** Process & Logistics Developer, Swedol AB.

**Work experience:** Process & Logistics Developer, Tools Sverige AB, Logistics Support Manager and Logistics Developer at BB Tools, Pharmacy Assistant at Apoteket AB. Lab Technician at Arla Foods.

**Independent in relation to:**
**- the company and its management:** No.
**- major shareholders:** Yes.

**Shares owned:** –.

### EMMA HAMMARLUND

Board member since 2024.
Employee representative.

**Born:** 1988.

**Education/training:** Bachelor of Engineering in Textile Technology.

**Other current assignments:** PIM & MD Specialist, Swedol AB, Board member of Riksklubben Unionen Alligo, Regional Council representative of Unionen Göteborg.

**Work experience:** Operational buyer at Swedol AB, Textile engineer at Y. Berger & Co AB.

**Independent in relation to:**
**- the company and its management:** No.
**- major shareholders:** Yes.

**Shares owned:** –.

## AUDITOR

KPMG AB has been the auditor for Alligo AB since 2016.

### JONAS ERIKSSON

Authorised Public Accountant.

**Born:** 1974.

Jonas Eriksson has been Chief Auditor for Alligo AB since 2024.

# Group Management

### CLEIN JOHANSSON ULLENVIK

President and CEO since 2021.

**Born:** 1966.

**Education/training:** B.Sc. Business and Economics.

**Other current assignments:** Chair of the Board, Board member and/or CEO of several subsidiaries within the Alligo Group. Board member of Eken Financing Value Added Forestry AB and Greenboys AB.

**Work experience:** President and CEO of Swedol AB (publ), President and CEO of Monier Roofing, senior positions at ABB and Ahlsell.

**Shares owned:** 42,207 Class B shares (own holding).

**Call options:** 50,000.

### IRENE WISENBORN BELLANDER

CFO since 2021.

**Born:** 1973.

**Education/training:** M.Sc. Business Administration and Economics.

**Other current assignments:** Board member of several subsidiaries within the Alligo Group and of Wisenborn Invest AB.

**Work experience:** CFO Swedol AB (publ), CFO Bring, senior positions at Mekonomen and Lantmännen. Authorised Public Accountant PwC.

**Shares owned:** 10,550 Class B shares (own holding).

**Call options:** 30,000.

### HÅKAN WANSELIUS

Country Manager Sales Sweden since 2023.

**Born:** 1962.

**Education/training:** Marketing at post-secondary level.

**Other current assignments:** Board member of several subsidiaries within the Alligo Group.

**Work experience:** Head of Assortment and Procurement at Alligo AB (publ), Head of Sales and Marketing at Swedol AB (publ), Sales director at Nordic/Baltics Monier Roofing, Sales manager at Alcro-Beckers, Snickers Workwear and Black & Decker.

**Shares owned:** 1,975 Class B shares (own holding).

**Call options:** 13,000.

### SEPPO RONKAINEN

Country Manager Sales Finland since 2022.

**Born:** 1969.

**Education/training:** M.Sc. Material and recycling technology.

**Other current assignments:** –.

**Work experience:** Senior positions at Metso and Wärtsilä and CEO positions at medium-sized privately owned Finnish companies.

**Shares owned:** 1,475 Class B shares (own holding).

**Call options:** –.

### KJELL VIDAR DOKKEN

Country Manager Sales Norway since 2024.

**Born:** 1969.

**Education/training:** EDB, Marketing and Economics at post-secondary level.

**Other current assignments:** –.

**Work experience:** COO, Byggmakker AS, CEO Carlsen Fritzøe Handel AS, Sales and Assortment Manager, Industry and Construction Division Ahlsell Norge AS, Sales Director Staples AS and other leading positions in sales.

**Shares owned:** –.

**Call options:** –.

### PONTUS GLASBERG

Head of Logistics since 2022.

**Born:** 1978.

**Education/training:** Technology/Economics programme.

**Other current assignments:** –.

**Work experience:** Logistics Manager at Swedol AB (publ), senior positions at Volvo CE and Spendrups.

**Shares owned:** 21,475 Class B shares (own holding).

**Call options:** 10,000.

### PETER SÖDERBERG

Head of Business Development and Sustainability since 2022.

**Born:** 1973.

**Education/training:** M.Sc. Eng. and Industrial Economics.

**Other current assignments:** –.

**Work experience:** Head of Business Development at Swedol AB (publ), Partner at Occam Associates, Management Consultant at Boston Consulting Group.

**Shares owned:** 8,675 Class B shares (own holding).

**Call options:** 13,000.

### FREDRIK KLEIN

Head of Assortment and Procurement since 2024.

**Born:** 1977.

**Education/training:** B.Sc.Business and Economics.

**Other current assignments:** –.

**Work experience:** Business Area Manager Purchasing Coop Sweden, Commercial director Nordics Scandinavian Service Partner, Head of Assortment and Procurement Fresh Food ICA Gruppen, and leading purchasing positions in the food and construction industries.

**Shares owned:** 1,478 Class B shares (own holding).

**Call options:** –.

### GUSTAF JOHANSSON

CIO since 2022.

**Born:** 1988.

**Education/training:** MSc Computer Science and Engineering. MBA.

**Other current assignments:** Chair of the Board of several subsidiaries within the Alligo Group.

**Work experience:** Senior positions at Momentum Group and B&B Tools.

**Shares owned:** 4,975 Class B shares (own holding).

**Call options:** 13,000.

### KLAS WAHLSTRÖM

HR Director since 2022.

**Born:** 1962.

**Education/training:** B.Sc.Business and Economics.

**Other current assignments:** Board member of Stenhusgruppen AB and subsidiaries.

**Work experience:** HR Director at Pratikertjänst, Nordic HR Director at Aleris, Deputy CEO, Nordic HR Director and other senior positions at Manpower.

**Shares owned:** 699 Class B shares (own holding).

**Call options:** –.

# CONSOLIDATED INCOME STATEMENT

| MSEK | Note | 2024 | 2023 |
|---|---|---|---|
| Revenue | 3 | 9,333 | 9,335 |
| Other operating income | 4 | 109[1] | 127[2] |
| **Total operating income** | | **9,442** | **9,462** |
| Cost of goods sold | | -5,531 | -5,467 |
| Personnel costs | 5 | -1,845 | -1,784 |
| Depreciation, amortisation, impairment losses and reversal of impairment losses | | -608 | -533 |
| Other operating expenses | 6, 12 | -953 | -930 |
| **Total operating expenses** | | **-8,937** | **-8,714** |
| **Operating profit** | 3 | **505** | **748** |
| Financial income | | 21 | 13 |
| Financial expenses | | -167 | -127 |
| **Net financial items** | 7 | **-146** | **-114** |
| **Profit/loss after financial items** | | **359** | **634** |
| Taxes | 9 | -80 | -137 |
| **Profit/loss for the year** | | **279** | **497** |
| Attributable to: | | | |
| Parent Company shareholders | | 274 | 491 |
| Non-controlling interests | | 5 | 6 |
| **Earnings per share (SEK)** | 18 | | |
| Before and after dilution | | 5.47 | 9.76 |

1) Of which revalued contingent additional purchase considerations of MSEK 3.
2) Of which revalued contingent additional purchase considerations of MSEK 6.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| MSEK | Note | 2024 | 2023 |
|---|---|---|---|
| **Profit/loss for the year** | | **279** | **497** |
| **Other comprehensive income** | | | |
| Components that will not be reclassified to profit/loss for the year | | - | - |
| | | **-** | **-** |
| Components that will be reclassified to profit/loss for the year | | | |
| Translation differences | | 7 | -48 |
| Fair value changes for the year in cash flow hedges | | 1 | -1 |
| Fair value changes in cash flow hedges transferred to profit/loss for the year | | 10 | -2 |
| Tax attributable to components that were or can be reclassified to profit/loss for the year | 9 | -2 | 0 |
| | | **16** | **-51** |
| **Other comprehensive income for the year** | | **16** | **-51** |
| **Comprehensive income for the year** | | **295** | **446** |
| Attributable to: | | | |
| Parent Company shareholders | | 290 | 440 |
| Non-controlling interests | | 5 | 6 |

# CONSOLIDATED BALANCE SHEET

| MSEK | Note | 31/12/2024 | 31/12/2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Intangible non-current assets | 10 | 3,083 | 2,723 |
| Right-of-use assets | 12 | 1,230 | 1,162 |
| Tangible non-current assets | 11 | 668 | 666 |
| Financial investments | | 2 | 2 |
| Other non-current receivables | 16 | 33 | 29 |
| Deferred tax assets | 9 | 62 | 59 |
| **Total non-current assets** | | **5,078** | **4,641** |
| **Current assets** | | | |
| Inventories | 14 | 2,471 | 2,348 |
| Tax assets | | 34 | 2 |
| Accounts receivable | 23 | 1,179 | 1,164 |
| Other receivables | 16 | 56 | 66 |
| Prepaid expenses and accrued income | 15 | 185 | 184 |
| Cash and cash equivalents | | 670 | 382 |
| **Total current assets** | | **4,595** | **4,146** |
| **TOTAL ASSETS** | | **9,673** | **8,787** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | 17 | | |
| Share capital | | 102 | 102 |
| Reserves | | 13 | -3 |
| Retained earnings including profit/loss for the year | | 3,604 | 3,514 |
| **Equity attributable to Parent Company shareholders** | | **3,719** | **3,613** |
| **Non-controlling interests** | | **37** | **26** |
| **TOTAL EQUITY** | | **3,756** | **3,639** |
| **Non-current liabilities** | | | |
| Non-current interest-bearing liabilities | 23 | 2,295 | 1,831 |
| Non-current lease liabilities | 23 | 826 | 793 |
| Non-current non-interest-bearing liabilities | 19 | 107 | 63 |
| Provisions for pensions | | 0 | 0 |
| Other provisions | 19 | 12 | 31 |
| Deferred tax liabilities | 9 | 408 | 381 |
| **Total non-current liabilities** | | **3,648** | **3,099** |
| **Current liabilities** | | | |
| Current interest-bearing liabilities | 23 | 9 | 0 |
| Current lease liabilities | 23 | 443 | 398 |
| Accounts payable | | 1,135 | 1,017 |
| Tax liabilities | | 12 | 27 |
| Other liabilities | 20 | 251 | 178 |
| Accrued expenses and deferred income | 21 | 419 | 429 |
| **Total current liabilities** | | **2,269** | **2,049** |
| **TOTAL LIABILITIES** | | **5,917** | **5,148** |
| **TOTAL EQUITY AND LIABILITIES** | | **9,673** | **8,787** |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Equity attributable to Parent Company shareholders | | | | | |
|---|---|---|---|---|---|---|
| **MSEK** | **Share capital** | **Reserves** | **Retained earnings incl. profit/loss for the year** | **Total** | **Non-controlling interests** | **Total equity** |
| **Closing equity, 31/12/2022** | **102** | **48** | **3,258** | **3,408** | **5** | **3,413** |
| Profit/loss for the year | | | 491 | **491** | 6 | **497** |
| Other comprehensive income | | -51 | | **-51** | | **-51** |
| Dividend | | | -151 | **-151** | | **-151** |
| Repurchase of own shares | | | -46 | **-46** | | **-46** |
| Acquisitions of partly owned subsidiaries | | | | **-** | 15 | **15** |
| Change in value of option liability | | | -5 | **-5** | | **-5** |
| Option liability, acquisitions[1] | | | -33 | **-33** | | **-33** |
| **Closing equity, 31/12/2023** | **102** | **-3** | **3,514** | **3,613** | **26** | **3,639** |
| **Opening equity, 01/01/2024** | **102** | **-3** | **3,514** | **3,613** | **26** | **3,639** |
| Profit/loss for the year | | | 274 | **274** | 5 | **279** |
| Other comprehensive income | | 16 | | **16** | | **16** |
| Dividend | | | -175 | **-175** | | **-175** |
| Share-based remuneration | | | 1 | **1** | | **1** |
| Sale of treasury shares | | | 2 | **2** | | **2** |
| Acquisitions of partly owned subsidiaries | | | | **-** | 6 | **6** |
| Change in value of option liability | | | -5 | **-5** | | **-5** |
| Option liability, acquisitions[2] | | | -7 | **-7** | | **-7** |
| **Closing equity, 31/12/2024** | **102** | **13** | **3,604** | **3,719** | **37** | **3,756** |

1) Pertains to the value of the put options in relation to non-controlling interests in the acquired subsidiaries Z-Profil AB, Kents Textiltryck i Halmstad Aktiebolag, Olympus Profile i Uddevalla AB and Topline AB which grant the shareholders the right to sell shares to Alligo. The price of the options is dependent on the results achieved at the company and may be extended by one year at a time from 2026 onwards.

2) Pertains to the value of the put options in relation to non-controlling interests in the acquired subsidiary New Profile Sverige AB which grant the shareholders the right to sell shares to Alligo. The price of the options is dependent on the results achieved at the company and may be extended by one year at a time from 2027 onwards.

# CONSOLIDATED STATEMENT OF CASH FLOWS

| MSEK | Note | 2024 | 2023 |
|---|---|---|---|
| **Operating activities** | | | |
| Profit/loss after financial items | | 359 | 634 |
| Adjustments for non-cash items | 29 | 599 | 527 |
| Income taxes paid | | -131 | -141 |
| **Cash flow from operating activities before changes in working capital** | | **827** | **1,020** |
| **Cash flow from changes in working capital** | | | |
| Change in inventories | | 6 | -83 |
| Change in operating receivables | | 80 | 176 |
| Change in operating liabilities | | 39 | -120 |
| **Changes in working capital** | | **125** | **-27** |
| **Cash flow from operating activities** | | **952** | **993** |
| **Investing activities** | | | |
| Acquisition of tangible non-current assets | | -93 | -172 |
| Proceeds from sale of tangible non-current assets | | 8 | 1 |
| Acquisition of intangible non-current assets | | -22 | -39 |
| Acquisition of subsidiaries/operating segments, net effect on liquidity | 30 | -425 | -126 |
| Divestment of subsidiaries/operating segments, net effect on liquidity | 30 | -5 | - |
| Acquisition of financial non-current assets | | -4 | -7 |
| Proceeds from sale of financial non-current assets | | - | 2 |
| **Cash flow from investing activities** | | **-541** | **-341** |
| **Cash flow before financing** | | **411** | **652** |
| **Financing activities** | | | |
| Dividend paid to Parent Company shareholders | | -175 | -151 |
| Repurchase/sale of share options | | 1 | - |
| Repurchase/sale of treasury shares | | 2 | -46 |
| Borrowings | | 460 | 92 |
| Repayment of loans | | -405 | -378 |
| **Cash flow from financing activities** | | **-117** | **-483** |
| **Cash flow for the year** | | **294** | **169** |
| Cash and cash equivalents at the beginning of the year | | 382 | 215 |
| Exchange difference in cash and cash equivalents | | -6 | -2 |
| **Cash and cash equivalents at year-end** | 29 | **670** | **382** |

# PARENT COMPANY INCOME STATEMENT

| MSEK | Note | 2024 | 2023 |
|---|---|---|---|
| Revenue | 3 | 23 | 25 |
| Other operating income | 4 | 4 | 3 |
| **Total operating income** | | **27** | **28** |
| Personnel costs | 5 | -18 | -20 |
| Depreciation, amortisation, impairment losses and reversal of impairment losses | | 0 | 0 |
| Other operating expenses | 6, 12 | -15 | -14 |
| **Total operating expenses** | | **-33** | **-34** |
| **Operating profit** | | **-6** | **-6** |
| **Profit from financial items:** | | | |
| Profit from other securities and receivables recognised as non-current assets | 7 | 84 | 79 |
| Other interest income and similar profit/loss items | 7 | 16 | 8 |
| Interest expenses and similar profit/loss items | 7 | -114 | -95 |
| **Net financial items** | | **-14** | **-8** |
| **Profit/loss after financial items** | | **-20** | **-14** |
| Appropriations | 8 | 109 | 108 |
| **Profit/loss before tax** | | **89** | **94** |
| Taxes | 9 | -19 | -20 |
| **Profit/loss for the year** | | **70** | **74** |

There are no items at the Parent Company that are recognised under other comprehensive income. Total comprehensive income therefore corresponds to the profit/loss for the year.

# PARENT COMPANY BALANCE SHEET

| MSEK | Note | 31/12/2024 | 31/12/2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Intangible non-current assets | 10 | 0 | 0 |
| Tangible non-current assets | 11 | - | 0 |
| Financial non-current assets | | | |
| Participations in Group companies | 27 | 1,948 | 1,948 |
| Receivables from Group companies | 13 | 1,487 | 1,484 |
| Deferred tax assets | 9 | 0 | 0 |
| Total financial non-current assets | | 3,435 | 3,432 |
| **Total non-current assets** | | **3,435** | **3,432** |
| **Current assets** | | | |
| Current receivables | | | |
| Receivables from Group companies | | 772 | 563 |
| Other receivables | 16 | 0 | 0 |
| Prepaid expenses and accrued income | | 1 | 1 |
| Total current receivables | | 773 | 564 |
| Cash and bank | | 594 | 329 |
| **Total current assets** | | **1,367** | **893** |
| **TOTAL ASSETS** | | **4,802** | **4,325** |
| | | | |
| **EQUITY, PROVISIONS AND LIABILITIES** | | | |
| **Equity** | 17 | | |
| Restricted equity | | | |
| Share capital | | 102 | 102 |
| Non-restricted equity | | | |
| Share premium reserve | | 1,442 | 1,442 |
| Retained earnings | | 23 | 122 |
| Profit/loss for the year | | 70 | 74 |
| **Total equity** | | **1,637** | **1,740** |
| **Untaxed reserves** | | **64** | **33** |
| **Non-current liabilities** | | | |
| Provisions | | 4 | 4 |
| Liabilities to credit institutions | 23 | 2,295 | 1,831 |
| **Total non-current liabilities** | | **2,299** | **1,835** |
| **Current liabilities** | | | |
| Accounts payable | | 1 | 1 |
| Liabilities to Group companies | | 765 | 682 |
| Tax liabilities | | 23 | 14 |
| Other liabilities | | 1 | 1 |
| Accrued expenses and deferred income | 21 | 12 | 19 |
| **Total current liabilities** | | **802** | **717** |
| **TOTAL EQUITY, PROVISIONS AND LIABILITIES** | | **4,802** | **4,325** |

# PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

| | Restricted equity | Non-restricted equity | | | | |
|---|---|---|---|---|---|---|
| **MSEK** | **Share capital** | **Holding of treasury shares** | **Share premium reserve** | **Retained earnings** | **Profit/loss for the year** | **Total equity** |
| **Closing equity, 31/12/2022** | **102** | **-41** | **1,442** | **358** | **2** | **1,863** |
| Reversal of earnings | | | | 2 | -2 | **0** |
| Profit/loss for the year | | | | | 74 | **74** |
| Other comprehensive income | | | | | | **-** |
| Dividend | | | | -151 | | **-151** |
| Repurchase of own shares | | -46 | | | | **-46** |
| **Closing equity, 31/12/2023** | **102** | **-87** | **1,442** | **209** | **74** | **1,740** |
| **Opening equity, 01/01/2024** | **102** | **-87** | **1,442** | **209** | **74** | **1,740** |
| Reversal of earnings | | | | 74 | -74 | **0** |
| Profit/loss for the year | | | | | 70 | **70** |
| Other comprehensive income | | | | | | **-** |
| Dividend | | | | -175 | | **-175** |
| Repurchase of share options | | 0 | | | | **0** |
| Sale of treasury shares | | 2 | | | | **2** |
| **Closing equity, 31/12/2024** | **102** | **-85** | **1,442** | **108** | **70** | **1,637** |

# PARENT COMPANY STATEMENT OF CASH FLOWS

| **MSEK** | **Note** | **2024** | **2023** |
|---|---|---|---|
| **Operating activities** | | | |
| Profit/loss after financial items | | -20 | -14 |
| Adjustments for non-cash items | 29 | 0 | 0 |
| Income taxes paid | | -10 | -6 |
| **Cash flow from operating activities before changes in working capital** | | **-30** | **-20** |
| **Cash flow from changes in working capital** | | | |
| Change in current receivables and liabilities to Group companies | | -126 | 246 |
| Change in operating receivables | | 0 | 0 |
| Change in operating liabilities | | -7 | 0 |
| **Changes in working capital** | | **-133** | **246** |
| **Cash flow from operating activities** | | **-163** | **226** |
| **Investing activities** | | | |
| Acquisition of tangible non-current assets | | - | 0 |
| **Cash flow from investing activities** | | **-** | **0** |
| **Cash flow before financing** | | **-163** | **226** |
| **Financing activities** | | | |
| Dividend | | -175 | -151 |
| Repurchase/sale of treasury shares | | 2 | -46 |
| Change in non-current receivables and liabilities to Group companies | | 1 | 0 |
| Group contributions paid and received | | 140 | 33 |
| Borrowings | | 460 | 92 |
| Repayment of loans | | 0 | 0 |
| **Cash flow from financing activities** | | **428** | **-72** |
| **Cash flow for the year** | | **265** | **154** |
| Cash and cash equivalents at the beginning of the year | | 329 | 175 |
| **Cash and cash equivalents at year-end** | 29 | **594** | **329** |

# Notes

## NOTE 1 Summary of significant accounting policies

### Compliance with standards and legislation

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, IFRS® and IFRIC® interpretations, as approved by the EU. Recommendation RFR 1 Supplementary Accounting Rules for Groups issued by the Swedish Financial Reporting Board has also been applied. The Parent Company applies the same accounting policies as the Group, except in the cases stated below under "Parent Company accounting policies."

The Parent Company's financial statements and the consolidated financial statements were approved for publication by the Board of Directors and President & CEO on 9 April 2025. The income statements and balance sheets of the Parent Company and the Group are subject to approval by the Annual General Meeting to be held on 21 May 2025.

### European Single Electronic Format (ESEF)

Alligo applies the Commission Delegated Regulation (EU) 2018/815 with regard to a single electronic reporting format (ESEF). The Annual Report is therefore published in an XHTML format (Extensible HyperText Markup Language) and the financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and the information in the table below have been tagged in accordance with a separate ESEF Taxonomy.

### ESEF data

| | |
|---|---|
| Name of reporting entity: | Alligo AB |
| Domicile of entity: | Stockholm |
| Legal form of entity: | Aktiebolag (limited liability company) |
| Country of incorporation: | Sweden |
| Address of entity's registered office: | Vindkraftsvägen 2, 135 70 Tyresö |
| Description of nature of entity's operations and principal activities: | Alligo is a leading player within workwear, personal protective equipment, tools and consumables in the Nordic region. |
| Name of parent entity: | Alligo AB |
| Name of ultimate parent of group: | Alligo AB |

### Valuation basis applied when preparing the financial statements

The Parent Company's functional currency is Swedish kronor (SEK), which also constitutes the reporting currency for the Group. This means that the financial statements are presented in SEK. All amounts, unless specifically stated otherwise, are rounded to the nearest million.

Assets and liabilities are recognised at historical cost, except for certain financial assets and liabilities that are measured at fair value.

Events after the balance sheet date refer to both favourable and unfavourable events that occur between the balance sheet date and the date at the beginning of the following financial year when the financial statements are signed by the members of the Board of Directors and the President & CEO. Information is provided in the Annual Report about any significant events after the end of the financial year that were not accounted for when the financial statements were adopted. Such events that confirm the circumstances prevailing at the balance sheet date are taken into account at the time of adoption of the financial statements.

Non-current assets and disposal groups held for sale are recognised at the lower of their recognised carrying amount at the time of classification and their fair value after a deduction for selling expenses. Offsetting of receivables and liabilities and of income and costs occurs only when required or when expressly permitted in an accounting recommendation. The stated accounting policies for the Group have been applied consistently for all periods presented in the consolidated financial statements, unless specifically stated otherwise. The Group's accounting policies have been applied consistently in the reporting and consolidation of the Parent Company and subsidiaries.

### New and amended accounting policies

There were no new IFRS standards or changes to standards for the 2024 financial year that are considered to have any material impact on the Group's financial statements.

Alligo is affected by the changes in IAS 12 Income Taxes (ED/2024/1 International Tax Reform – Pillar Two Model Rules) regarding Pillar 2. The impact on the Group has been assessed on the basis of Alligo's country-by-country reporting (CbCR). Operations in Sweden, Norway and Finland have a high effective tax rate in excess of 15 per cent, which means that Alligo is not affected by the top-up tax contained in the model rules. Operations in Estonia are exempt as they have revenue lower than MEUR 10 and profit of less than MEUR 1.

#### New IFRS that have not yet been applied

A number of new and revised standards and interpretations have been published and enter into effect in 2025 or later.

#### IFRS 18 Presentation and Disclosure in Financial Statements

The implementation of IFRS 18 will not affect Alligo's net profit, but it will affect the presentation of income and expenses within the new categories in the income statement. The standard will apply as of 1 January 2027.

No other new or amended IFRS or IFRS IC interpretations that have been published by the IASB but have not yet been adopted by the EU are deemed to have any material impact on the Group's financial statements.

### Segment reporting

Alligo's operating segments consist of the geographic segments of Sweden, Norway and Finland (including Estonia). The operating segments reflect how the Group's Corporate Management and Board of Directors monitor operations. Group-wide includes the Group's Management and support functions. The support functions include Investor Relations and Legal. Financial items and taxes are not broken down by operating segment and are instead reported as a whole in Group-wide. Intra-Group pricing between the operating segments takes place on market terms. The accounting policies are the same as for the consolidated financial statements.

### Consolidation principles

#### Subsidiaries

Subsidiaries are companies in which Alligo AB has a controlling influence. A controlling influence exists if the Parent Company has power over the investee, is exposed to or has rights to variable returns from its involvement and has the ability to use its power over the investee to affect the amount of the investor's returns. When assessing whether or not a controlling influence exists, consideration is given to potential voting shares and whether any de facto control exists.

1 Continuation: **Summary of key accounting policies**

### Acquisitions

Subsidiaries are recognised in accordance with the purchase method of accounting. The acquisition analysis determines the fair value, on the date of acquisition, of the identifiable assets, assumed debts and any non-controlling interests. Transaction costs arising, with the exception of transaction costs attributable to the issue of equity instruments or debt instruments, are recognised directly in profit and loss under other operating expenses. In the case of business combinations where the transferred remuneration, any non-controlling interests and the fair value of previously held participations (step acquisitions) exceed the fair value of the acquired assets and assumed liabilities that are to be recognised separately, the difference is recognised as goodwill. Should the difference be negative, which is known as a bargain purchase, it is recognised directly in profit or loss for the year.

Contingent considerations are recognised at fair value at the time of acquisition by calculating the present value of the likely outcome. If the contingent consideration is classified as a financial liability, this is remeasured at fair value at each reporting date. Remeasurement is recognised in profit or loss for the year. In those cases where the contingent consideration is classified as an equity instrument, no remeasurement is applied and settlement is recognised directly within equity. The terms and conditions stipulated by the respective purchase agreement determine the valuation of the contingent consideration.

If the acquisition does not pertain to 100 per cent of the subsidiary, a non-controlling interest arises. Put options issued to non-controlling interests refer to agreements that give such interests the right to sell shares in the subsidiary at fair value at a future point in time. Call options issued to non-controlling interests refer to agreements that give Alligo the right to buy shares in the subsidiary at fair value at a future point in time. The amount that will be paid if the option is exercised is initially recognised directly in equity as a financial liability at an amount corresponding to the present value of the redemption price that applies at the first date on which the option can be exercised.

There are two methods for recognising non-controlling interests: (i) by recognising the non-controlling interest's share of the proportional net assets or (ii) by recognising the non-controlling interest at fair value, meaning that the non-controlling interest has part of goodwill. Which of these two alternatives is to be applied for the recognition of non-controlling interests can be determined on a case-by-case basis.

For step acquisitions, goodwill is determined on the date on which controlling influence arises. Previous holdings are measured at fair value and the change in value is recognised in profit or loss for the year. For divestments that lead to a loss of controlling influence but where a holding remains, this is measured at fair value and the change in value is recognised in profit or loss for the year. The financial statements of subsidiaries are consolidated from the date of acquisition until the date when the controlling influence ceases.

### Transactions eliminated in consolidation

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

## Foreign currency

### Transactions in foreign currency

Transactions in foreign currency are translated to the functional currency using the exchange rate prevailing 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. Exchange rate differences that arise during translation are recognised in profit or loss for the year. Non-monetary assets and liabilities recognised at historical cost are translated at the exchange rate prevailing on the transaction date.

### Financial statements of foreign entities

Assets and liabilities in foreign entities, including goodwill and other consolidated surplus values and deficits, are translated from the foreign entity's functional currency to the Group's reporting currency, SEK, at the exchange rate prevailing on the balance sheet date. Income and expenses in foreign entities are translated to SEK at the average exchange rate, which constitutes an approximation of the foreign exchange rates prevailing at each transaction date.

Translation differences arising as a result of the translation of a foreign subsidiary's net assets are recognised in other comprehensive income and are accumulated in a separate equity component, referred to as the translation reserve. When a foreign entity is divested, the accumulated translation differences attributable to the entity are realised and reclassified from the translation reserve in equity to profit or loss for the year.

## Revenue from contracts with customers

The Group's primary income comprises the sale of goods. Some sales of services also occur. Income is recognised at an amount that reflects the expected consideration and the consideration to which the Group is entitled for transferring products and/or services to a customer when control has been transferred to the customer.

### Sale of goods

Income includes the fair value of the amount that has been, or will be, received for goods sold in the Group's operating activities. Income is recognised net, less discounts, such as volume-related discounts. Income is recognised at a specific time when control is transferred to the customer and the Group has fulfilled its performance obligation, which takes place on delivery of the goods.

### Service assignments

Part of the Group's income comes from service assignments. Most of this income is related to assignments carried out over shorter periods of time, such as service and repairs. Income from service assignments that is recognised over time is primarily attributable to workshop-related services that are mainly based on costs incurred, compared with total expected costs for each identified performance obligation.

## Leases

### Group as lessee

When a contract is entered into, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease components are separated from non-lease components for leases for buildings (such as warehouse and store facilities). For leases related to other classes of assets (such as vehicles and other assets), lease components and any non-lease components are recognised as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which comprises the lease liability's initial value plus the lease payments made at or before the commencement date and any initial direct costs. The right-of-use asset is depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term, which for the Group is normally the end of the lease term. In cases where the cost of the right-of-use asset reflects the fact that the Group will exercise an option to purchase the underlying asset, the asset is depreciated at the end of its useful life.

The lease liability – which is divided into non-current and current parts – is initially measured at the present value of remaining lease payments during the estimated lease term. When determining the lease term, extension options are only included when it is reasonably certain that they will be exercised. Periods after an option to terminate are included in the lease term when it is reasonably certain that the termination option will not be exercised.

Lease payments are discounted using the Group's incremental borrowing rate – which reflects the Group's credit risk – in the calculation of present value. The incremental borrowing rate is an interest rate that reflects the term of each lease. The following lease payments are included in the measurement of a lease liability:

- fixed payments, less any lease incentives received in conjunction with signing the lease,
- variable lease payments depending on an index or a rate, initially measured using the index or rate on the commencement date,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease if the lease term reflects the lessee exercising the option to terminate the lease.

Variable lease payments not based on an index or a rate (including property tax) are not included in the measurement of the lease liability, but are recognised in the consolidated statement of comprehensive income in the period in which they occur.

Subsequent measurement of the lease liability is carried out by reducing the carrying amount to reflect the lease payments made and increasing the carrying amount to reflect the interest on the lease liability using the effective interest rate method.

The lease liability and corresponding right-of-use asset will be remeasured when:

- the lease term changes or the assessment of an option to purchase changes. The lease liability is then remeasured by discounting the revised lease payments using a revised discount rate,
- the lease payments are revised due to changes in an index or a rate or when the amounts expected to be payable under a residual value guarantee change. The lease liability is then remeasured by discounting the revised lease payments using an unchanged discount rate (unless the changes in the lease payments are the result of a revised variable rate, in which case a revised discount rate is used), or
- the lease is modified and the modification is not recognised as a separate lease. The lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

No right-of-use asset or lease liability is recognised for leases with a term of 12 months or less, or where the underlying asset is of low value, less than SEK 100 thousand. Lease payments for these leases are expensed on a straight-line basis over the term of the lease.

## Financial income and expenses

Financial income and expenses consist of interest income on bank funds and receivables, and of interest-bearing securities, interest expenses on loans, dividend income, exchange rate differences and unrealised and realised gains/losses on financial investments.

Interest income on receivables and interest expenses on liabilities are calculated using the effective interest rate method. Dividend income is recognised when the right to receive payment has been established.

Exchange gains and losses are recognised net.

## Financial instruments

Financial instruments on the balance sheet are recognised on the assets side in the form of cash and cash equivalents, accounts receivable, financial investments and derivatives. On the liabilities side, accounts payable, loan liabilities, contingent considerations, liabilities related to put options issued on equity instruments in partly owned subsidiaries and derivatives are recognised.

### Recognition and derecognition from the balance sheet

A financial asset or financial liability is recognised on the balance sheet when the Group becomes a party under the contractual terms of the instrument in question. A financial asset, or a portion of a financial asset, is derecognised from the balance sheet when the contractual rights are realised, fall due or the Group loses control over them.

A financial liability, or a portion of a financial liability, is derecognised from the balance sheet when the obligation in the contract is fulfilled or ceases to apply in some other way. Financial assets and financial liabilities are offset and recognised as a net amount on the balance sheet only when there is a legal right to offset the amounts and when there is an intention to settle the items in a net amount or to realise the asset and settle the liability simultaneously. Acquisitions and disposals of financial assets are recognised on the transaction date, which is the date when the Group undertakes to acquire or dispose of assets.

### Classification and measurement

The Group classifies its financial instruments in the following categories:

- Financial assets and liabilities measured at fair value through profit or loss,
- Financial assets and liabilities measured at amortised cost.

A financial instrument's classification determines the subsequent measurement of the instrument after initial recognition. The classification of financial assets is based on the company's business model for holding the financial assets and the asset's contractual cash flow characteristics. The Group's holdings of financial instruments are classified as follows:

#### Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if it was principally acquired for the purpose of being sold within the near future. Derivatives are always classified as held for trading insofar as they do not comprise hedged instruments.

#### Financial assets measured at amortised cost

Financial assets measured at amortised cost comprise holdings of receivables and other debt instruments which generate cash flows that are solely payments of principal and interest on the principal amount outstanding. This category includes cash and cash equivalents, accounts receivable and any other receivables. These assets are included in current assets with the exception of items with maturity dates more than 12 months after the balance sheet date, which are classified as non-current assets. The assets are recognised less expected credit losses. Any impairment requirement for the receivables is determined based on individual testing, taking into consideration earlier experience of customer losses on similar receivables.

#### Financial liabilities measured at amortised cost

The category of financial liabilities measured at amortised cost includes borrowing, accounts payable, other liabilities and lease liabilities. Borrowing is then recognised at amortised cost and any differences between the loan amount (net after transaction costs) and the repayable amount are recognised in profit or loss for the year distributed over the term of the loan.

1 Continuation: **Summary of key accounting policies**

Borrowing is classified as a current liability if the company does not hold an unconditional right to defer payment for a minimum of 12 months after the balance sheet date.

### Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value comprise hedging instruments for which the fair value is based on observable market data and which are therefore included in level 2 in the fair value hierarchy and contingent considerations that are measured using discounted cash flow and are thus included in level 3 in the fair value hierarchy.

### Call and put options relating to the acquisition of non-controlling interests

Call and put options relating to the acquisition of non-controlling interests are measured at fair value. Measurement takes place continuously and is based on the conditions stipulated in the purchase agreement and the shareholder agreement, discounted on the balance sheet date, where the change in value of the share is an important component. Measurement takes place in accordance with level 3 in the fair value hierarchy. Changes in the value of call and put options are recognised in equity.

### Derivatives and hedge accounting

Derivative instruments are initially measured at fair value. After the acquisition date, derivative instruments held for hedging purposes, meaning foreign exchange forward contracts, are measured at fair value.

The Group identifies certain derivatives as a hedge of a highly probable forecast transaction in foreign currency (cash flow hedging). The effective portion of changes in the fair value of derivative instruments identified as cash flow hedges are recognised in other comprehensive income and the accumulated changes in value are recognised in a separate component under equity (the hedging reserve). Any gains or losses attributable to the ineffective portion are recognised immediately in profit or loss. Accumulated amounts in equity are reversed to profit or loss for the year in the periods in which the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). If the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventories), or a non-financial liability, the hedging reserve is dissolved in other comprehensive income and included in the initial carrying amount of the asset or liability.

## Tangible non-current assets

### Owned assets

Tangible non-current assets are recognised in the Group at cost, less accumulated depreciation and any impairment losses. The cost includes the purchase price and costs directly attributable to the asset to bring it to location and make it usable for the purpose intended with its procurement. Examples of directly attributable costs included in cost are expenses for shipping and handling, installation, legal ratification, consulting services and legal services. Tangible non-current assets that consist of parts with different useful lives are treated as separate components of tangible non-current assets.

The carrying amount of a tangible non-current asset is derecognised from the balance sheet upon disposal or sale, or when no future financial benefits are expected to be derived from the use or disposal/sale of the asset. Gains or losses that arise upon the sale or disposal of an asset are defined as the difference between the selling price and the carrying amount of the asset, less direct selling expenses. Gains and losses are recognised as other operating income/expenses.

### Depreciation policies

Assets are depreciated on a straight-line basis over their estimated useful lives. The Group applies component depreciation, which means that depreciation is based on the estimated useful life of individual components.

Estimated useful lives:

| | |
|---|---|
| Buildings, business properties | 5–100 years |
| Land | 20 years |
| Leasehold improvements | 3–15 years |
| Machinery | 3–10 years |
| Equipment | 3–5 years |

Business properties consist of a number of components with varying useful lives. The main classification is buildings and land. The land component is not depreciated as its useful life is considered to be unlimited. Buildings, however, consist of a number of components for which the useful life varies. The useful lives of these components have been deemed to vary between five and one hundred years.

An assessment of the depreciation methods applied and the residual value and useful life of assets is carried out at each year-end.

## Intangible assets

### Goodwill

The Group recognises goodwill relating to unidentifiable intangible assets and synergies within procurement, logistics, IT and administration, for example, that are expected to arise as a result of acquisitions. Goodwill represents the difference between the consideration transferred for a business combination and the fair value of the acquired assets and assumed debt. Goodwill is measured at cost, less any accumulated impairment losses. Goodwill is distributed to cash-generating units and is not amortised continuously as it has an indefinable useful life. For business combinations for which the consideration transferred is less than the fair value of the acquired assets and assumed debt, known as a bargain purchase, the difference is recognised directly in profit or loss for the year.

### Other intangible assets

Other intangible assets acquired by the Group are recognised at cost less accumulated amortisation and impairment losses and comprise brands, customer relations and capitalised IT expenditure for development and purchases of software. Brands are distributed to cash-generating units and are not amortised continuously.

Additional expenditures for capitalised intangible assets are recognised as an asset on the balance sheet only to the extent that they increase the future financial benefits of the specific asset to which they are attributable. All other expenditures are expensed as incurred.

### Amortisation policies

Amortisation is recognised in profit or loss for the year on a straight-line basis over the estimated useful life of the intangible asset, unless the useful life is indefinable. Goodwill and brands with an indefinable useful life are tested in the year-end financial statements for any indications of an impairment requirement, or as soon as there are indications that the asset in question has declined in value. Amortisation is applied on a straight-line basis over the estimated useful life of the asset, which is reviewed on an ongoing basis after the non-current asset has been taken into use.

Estimated useful lives:

| | |
|---|---|
| Customer relations | 3–10 years |
| Software, IT investments | 3–10 years |

An assessment of the depreciation methods applied and the useful life of assets is carried out at each year-end.

## Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is primarily calculated using a method based on a weighted average and includes expenditures arising during the acquisition of the inventory assets and transportation thereof to their current location and state or by applying the "first in, first out" (FIFO) method. Supplier bonuses, price reductions and similar are deducted when determining purchasing costs, which can have an impact on the cost of goods sold. Net realisable value is the estimated selling price in the operating activities, after deduction of the estimated costs for completion and for accomplishing a sale.

### Write-down/impairment of tangible and intangible assets

The carrying amount of the Group's tangible and intangible assets is tested in the year-end financial statements or where there are indications of a decline in value in order to determine whether there is a need for write-down/impairment. If there is any indication of write-down/impairment, the recoverable amount of the asset is calculated. The recoverable amount of goodwill and other intangible assets with an indefinable useful life such as acquired brands and intangible assets not yet ready for use is calculated at least annually.

Where it is not possible to allocate essentially independent cash flows to an individual asset, net assets are grouped at the lowest level at which essentially independent cash flows can be determined (cash-generating unit). An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds the recoverable amount. An impairment loss is recognised as a cost in profit or loss for the year. When impairment losses are identified for a cash-generating unit, the impairment loss is primarily allocated to goodwill. Proportional impairment charges are then made against other non-current assets included in the unit.

#### Calculation of recoverable amount

The recoverable amount is the higher of the fair value, less selling expenses, and the value in use. In calculating the 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. For an asset that does not generate cash flows and is essentially independent of other assets, the recoverable amount is calculated for the cash-generating unit to which the asset belongs.

#### Reversal of impairment losses

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

### Equity

The Group's equity can be divided into share capital, reserves, retained earnings including profit or loss for the year and non-controlling interests.

#### Repurchase of own shares

The holding of treasury shares and other equity instruments is recognised as a decrease of equity. Purchases of such instruments are recognised as a deduction in equity. Proceeds from any sale of equity instruments are recognised as increases in equity. Any transaction costs are recognised directly in equity.

### Earnings per share

The calculation of earnings per share is based on consolidated profit or loss for the year attributable to the Parent Company shareholders and on the weighted average number of shares outstanding during the year. When calculating earnings per share on a fully diluted basis, the average number of shares outstanding is adjusted by taking into account the theoretical dilution of the number of shares outstanding, which during reported periods is attributable to call options on repurchased shares issued to employees.

### Employee benefits

#### Post-employment benefits

Alligo has defined contribution pension plans, which are recognised as an expense in profit or loss for the year at the rate they are accrued as the employees perform services for the company. These obligations are not discounted as the payments fall due within 12 months.

Obligations for retirement pensions to salaried employees in Sweden in accordance with the ITP plan are handled within the so-called FPG/PRI system.

#### Benefits in the case of termination

In connection with the termination of employment, a provision is recognised only in cases when the company is obligated either to terminate an employee's or a group of employees' employment before the normal point in time, or when benefits are given as an offer to encourage voluntary termination of employment. In the latter case, a liability and expense are recognised if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

### Provisions

A provision is recognised on the balance sheet when there is an existing legal or constructive obligation as a result of a past event and it is probable that an outflow of financial resources will be required to settle the obligation and the amount can be estimated reliably. When the effect of the timing of the payment is significant, provisions are calculated based on a discount of the expected future cash flow at an interest rate before taxes that reflects current market assessments of the time value of money and, where applicable, the risks associated with the liability.

#### Guarantees

A provision for guarantees is recognised when the underlying products or services are sold. The provision is based on historical data on guarantees and a total assessment of the possible outcomes in relation to the probabilities associated therewith.

#### Restructuring

A provision for restructuring is recognised when the Group has adopted a comprehensive and formal restructuring plan and the restructuring has either begun or been publicly announced. No provisions are set aside for future operating expenses.

#### Onerous contracts

A provision for onerous contracts is recognised when the benefits that the Group expects to receive from a contract are lower than the inevitable costs to fulfil the obligations in accordance with the contract. Contracts covered by IFRS 16 have been recognised as an impairment of a right-of-use asset.

### Taxes

Income taxes consist of current taxes and deferred taxes. Income taxes are recognised in profit or loss for the year, except when the underlying transaction is recognised in other comprehensive income or in equity, in which case the associated tax effect is also recognised in other comprehensive income or in equity. Current taxes are taxes to be paid or refunded relating to the current year, with the application of the tax rates resolved, or in practice resolved, as of the balance sheet date. Current taxes also include adjustments of current taxes attributable to earlier periods. Deferred taxes are calculated in accordance with the balance sheet method based on temporary differences between the carrying amount of assets and liabilities

1 Continuation: **Summary of key accounting policies**

and the value of assets and liabilities for tax purposes. Temporary differences arising from the recognition of consolidated goodwill are not taken into account. Nor are temporary differences attributable to participations in subsidiaries and associates that are not expected to be reversed within the foreseeable future. The measurement of deferred taxes is based on how the carrying amount of assets or liabilities is expected to be realised or settled. Deferred taxes are calculated using the tax rates and tax rules resolved, or in practice resolved, as at the balance sheet date. Deferred tax assets pertaining to deductible temporary differences and loss carryforwards are recognised only to the extent that it is probable that it will be possible to utilise them. The value of deferred tax assets is reduced when it is no longer deemed probable that it will be possible to utilise them.

### Contingent liabilities

A contingent liability is recognised when there is a possible obligation arising from past events and whose existence will be confirmed only by one or more uncertain future events, or when there is an obligation which is not recognised as a liability or provision because it is unlikely that an outflow of resources will be required.

### Statement of cash flows

The indirect method is applied for flows from operating activities. Changes in operating assets and operating liabilities are adjusted for effects of changes in exchange rates. Acquisitions and disposals are recognised in investing activities. The assets and liabilities held by the entities acquired and sold on the date of acquisition are not included in the analysis of changes in working capital, nor in the changes of balance sheet items recognised in investing and financing activities. Cash and cash equivalents include cash and bank flows, as well as current investments whose conversion to bank funds may occur at an amount that is usually known in advance. Cash and cash equivalents include current investments with a term of less than three months.

### Parent Company accounting policies

The Parent Company has prepared its annual accounts 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. Statements issued by the Swedish Financial Reporting Board in relation to listed companies have also been applied. RFR 2 stipulates that the Parent Company, in the annual accounts for the legal entity, shall apply all IFRS and statements adopted by the EU to the greatest extent possible within the framework of the Swedish Annual Accounts Act, the Swedish Pension Obligations Vesting Act and with due consideration given to the relationship between accounting and taxation. The recommendation states which exceptions/additions should be made from/to IFRS. Combined, this results in differences between the accounting policies of the Group and of the Parent Company in the areas indicated below.

#### Changes in accounting policies

Unless otherwise stated below, the same changes as detailed for the Group applied to the Parent Company's accounting policies during the financial year.

#### Subsidiaries

Shares in subsidiaries are recognised at the Parent Company according to the cost method after deduction of any accumulated impairment. When there is an indication that shares and participations in subsidiaries have fallen in value, the recoverable amount is calculated. If the recoverable amount is less than the carrying amount, impairment is implemented. Transaction fees in relation to acquisitions are added to the carrying amount for holdings in subsidiaries. In the consolidated financial statements, transaction fees are recognised directly in earnings when incurred. Contingent considerations are valued on the basis of the probability that a consideration will be paid. Any changes to provisions/receivables are added to/deducted from the cost. In the consolidated financial statements, contingent considerations are measured at fair value, with changes in value in profit or loss.

#### Tangible non-current assets

Leased assets

The Parent Company does not apply IFRS 16, in accordance with the exemption in RFR 2. As a lessee, lease payments are expensed on a straight-line basis over the lease term. Consequently, right-of-use assets and lease liabilities are not recognised on the balance sheet.

#### Taxes

At the Parent Company, untaxed reserves are recognised including deferred tax liabilities. However, in the consolidated financial statements, untaxed reserves are divided into deferred tax liabilities and equity. At the Parent Company, no part of the appropriations is distributed to deferred tax expense in profit or loss.

#### Financial instruments

The Parent Company has decided not to apply IFRS 9 to financial instruments. However, some of the principles of IFRS 9 are still applicable, such as impairment, recognition/derecognition, criteria for the application of hedge accounting and the effective interest rate method for interest income and expense. At the Parent Company, financial non-current assets are measured at cost less any impairment, while financial current assets are measured at the lower of cost or net realisable value. For financial assets recognised at amortised cost, the impairment requirements under IFRS 9 are applied.

In accordance with the exemptions granted in RFR 2, the Parent Company has elected not to apply the provisions of IFRS 9 regarding financial guarantee contracts on behalf of subsidiaries. The Parent Company recognises financial guarantee contracts as a provision on the balance sheet when the company has an obligation for which payment is likely to be required to settle the obligation.

#### Group contributions and shareholders' contributions

Shareholders' contributions are recognised directly in equity of the recipient and capitalised in shares and participations of the donor. Group contributions, both received and paid, are recognised in profit or loss as appropriations.

## NOTE 2 Significant estimates and assessments

Preparing the financial statements in accordance with IFRS requires assessments, estimates and assumptions to be made that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and expenses. These assumptions and estimates are based on historical experience and expectations of future events. Changes to the estimates and assessments may result in significant differences in the financial statements.

The assumptions and estimates that Alligo made at the closing date for 2024 and which have the greatest impact on the financial statements are presented below.

### Impairment testing of goodwill and other non-current assets

The Group does not amortise goodwill and brands and instead performs impairment testing in the year-end financial statements or where there are indications of a decline in value. Goodwill and brands are tested for impairment for each cash-generating unit, which correspond to the Group's operating segments. The basis of this testing and the assessment of future cash flows is based on the budget for each operating segment for the coming financial year, with forecasts of earnings and cash flows for subsequent years.

The recoverable amount is calculated on the basis of value in use and is based on the assessment of cash flows for the coming five-year period. Key assumptions are future revenue, contribution ratios, cost level, working capital requirements and investment requirements. The key assumptions are based on the underlying conditions, market conditions and action plans in place in each operating segment. Assumptions are also made with respect to inflation and salary trends in each country, as well as shared assumptions on future exchange rates that affect the price of the Group's sales and purchases. Alligo performs sensitivity analyses as a tool for testing the key assumptions and assessing the need for impairment.

» Further information about assumptions and sensitivity analysis are presented in Note 10 Intangible non-current assets.

Other intangible and tangible non-current assets are amortised and depreciated, respectively, over the period the asset is deemed to generate income. All intangible and tangible non-current assets are subject to impairment testing in the year-end financial statements or where there are indications of a decline in value.

### Inventory obsolescence

Since Alligo conducts trading operations, inventories constitute a large asset item on the consolidated balance sheet. When calculating net realisable value, articles with redundancy and a low turnover rate, discontinued and damaged articles, and handling costs and other selling expenses are taken into consideration. If the estimated net realisable value is lower than the cost, a provision for inventory obsolescence is recognised. If general demand for the Group's product range changes significantly and assumptions of the net realisable value of articles differ from the actual outcome, earnings in the financial statements may be affected.

## NOTE 3 Segment reporting and specification of revenue from contracts with customers

| | 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| **MSEK** | **Sweden** | **Norway** | **Finland** | **Total segments** | **Group-wide** | **Eliminations** | **Group total** |
| **Revenue** | | | | | | | |
| From external customers | 5,021 | 2,636 | 1,676 | **9,333** | - | - | **9,333** |
| From other segments | 297 | 34 | 2 | **333** | - | -333 | **-** |
| **Total** | **5,318** | **2,670** | **1,678** | **9,666** | **-** | **-333** | **9,333** |
| **Adjusted EBITA** | **463** | **104** | **40** | **607** | **-6** | **-** | **601** |
| Items affecting comparability | -14 | -14 | -5 | **-33** | 0 | - | **-33** |
| Amortisation of intangible assets in connection with corporate acquisitions | -44 | -11 | -8 | **-63** | - | - | **-63** |
| **Operating profit** | **405** | **79** | **27** | **511** | **-6** | **-** | **505** |
| Net financial items | | | | **-** | -146 | - | **-146** |
| **Profit/loss after net financial items** | **405** | **79** | **27** | **511** | **-152** | **-** | **359** |
| Goodwill | 1,361 | 166 | 432 | **1,959** | | | **1,959** |
| Other assets | 6,250 | 1,319 | 769 | **8,338** | 2,854 | -3,478 | **7,714** |
| **Total assets** | **7,611** | **1,485** | **1,201** | **10,297** | **2,854** | **-3,478** | **9,673** |
| Liabilities | 4,242 | 1,289 | 787 | **6,318** | 3,114 | -3,478 | **5,954** |
| **Other disclosures** | | | | | | | |
| Non-current assets | 3,374 | 854 | 753 | **4,981** | 0 | - | **4,981** |
| Investments | 63 | 37 | 15 | **115** | - | - | **115** |
| Depreciation and amortisation | -370 | -163 | -75 | **-608** | 0 | - | **-608** |

The columns "Group-wide" and "Eliminations" pertaining to assets comprise the elimination of intra-segment receivables of MSEK 3,478, intra-segment receivables of MSEK 2,258 and undistributed assets of MSEK 596.

The columns "Group-wide" and "Eliminations" pertaining to liabilities comprise eliminations of intra-segment liabilities of MSEK 3,478, intra-segment liabilities of MSEK 766 and undistributed liabilities of MSEK 2,348.

Items affecting comparability in 2024 relate to costs for organisational changes and efficiency measures in connection with the savings programme implemented, as well as acquisition costs.

**3** Continuation: **Segment reporting and specification of income from contracts with customers**

| | 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| **MSEK** | **Sweden** | **Norway** | **Finland** | **Total segments** | **Group-wide** | **Eliminations** | **Group total** |
| **Revenue** | | | | | | | |
| From external customers | 5,058 | 2,569 | 1,708 | **9,335** | - | - | **9,335** |
| From other segments | 299 | 42 | 1 | **342** | - | -342 | **-** |
| **Total** | **5,357** | **2,611** | **1,709** | **9,677** | **-** | **-342** | **9,335** |
| **Adjusted EBITA** | **612** | **160** | **61** | **833** | **-6** | **-** | **827** |
| Items affecting comparability | -9 | -5 | -6 | **-20** | - | - | **-20** |
| Amortisation of intangible assets in connection with corporate acquisitions | -40 | -11 | -8 | **-59** | - | - | **-59** |
| **Operating profit** | **563** | **144** | **47** | **754** | **-6** | **-** | **748** |
| Net financial items | - | - | - | **-** | -114 | - | **-114** |
| **Profit/loss after net financial items** | **563** | **144** | **47** | **754** | **-120** | **-** | **634** |
| Goodwill | 1,152 | 145 | 343 | **1,640** | - | - | **1,640** |
| Other assets | 5,807 | 1,205 | 768 | **7,780** | 2,376 | -3,009 | **7,147** |
| **Total assets** | **6,959** | **1,350** | **1,111** | **9,420** | **2,376** | **-3,009** | **8,787** |
| Liabilities | 3,725 | 1,181 | 719 | **5,625** | 2,558 | -3,009 | **5,174** |
| **Other disclosures** | | | | | | | |
| Non-current assets | 3,184 | 812 | 556 | **4,552** | 0 | - | **4,552** |
| Investments | 112 | 58 | 41 | **211** | 0 | - | **211** |
| Depreciation and amortisation | -325 | -143 | -65 | **-533** | 0 | - | **-533** |

The columns "Group-wide" and "Eliminations" pertaining to assets comprise the elimination of intra-segment receivables of MSEK 3,009, intra-segment receivables of MSEK 2,046 and undistributed assets of MSEK 330.

The columns "Group-wide" and "Eliminations" pertaining to liabilities comprise eliminations of intra-segment liabilities of MSEK 3,009, intra-segment liabilities of MSEK 682 and undistributed liabilities of MSEK 1,876.

Items affecting comparability in 2023 relate to costs for the scrapping of Covid materials, costs for organisational changes and efficiency measures in connection with the savings programme implemented, as well as acquisition costs.

### Revenue by class of income

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| **MSEK** | **2024** | **2023** | **2024** | **2023** |
| **Revenue** | | | | |
| Sale of goods | 9,224 | 9,231 | - | - |
| Service assignments | 109 | 104 | 23 | 25 |
| **Total** | **9,333** | **9,335** | **23** | **25** |

Income in the Parent Company pertains to intra-Group services totalling MSEK 23 (25).
No individual customer accounts for more than ten per cent of the Group's revenue.

## NOTE 4 Other operating income

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| **MSEK** | **2024** | **2023** | **2024** | **2023** |
| Exchange rate gains on operating receivables/liabilities | 4 | 0 | 0 | 0 |
| Commissions | 20 | 17 | - | - |
| Advertising subsidy | 0 | 9 | - | - |
| Rental income | 10 | 8 | - | - |
| Administrative services | 6 | 14 | - | - |
| Logistics services | 17 | 28 | - | - |
| Grants from EU, central and local government | 5 | 3 | - | - |
| Insurance indemnification | 2 | 3 | - | - |
| Other | 45 | 45 | 4 | 3 |
| **Total** | **109** | **127** | **4** | **3** |

Other operating income at the Parent Company pertains to internally invoiced expenses of MSEK 4 (3).

## NOTE 5 Employees and personnel costs

| Average no.[1] of employees by country | 2024 Men | 2024 Women | 2024 Total | 2023 Men | 2023 Women | 2023 Total |
|---|---|---|---|---|---|---|
| Sweden, Parent Company | 1 | 1 | **2** | 1 | 1 | **2** |
| Sweden, subsidiaries | 923 | 505 | **1,428** | 927 | 503 | **1,430** |
| Norway | 465 | 146 | **611** | 457 | 134 | **591** |
| Finland | 322 | 112 | **434** | 308 | 101 | **409** |
| Other countries | 3 | 9 | **12** | 3 | 9 | **12** |
| **Group total** | **1,714** | **773** | **2,487** | **1,696** | **748** | **2,444** |

1) The average number of employees is calculated on the basis of full-time equivalents. See definition on page 149.

| Percentage women | 2024 | 2023 |
|---|---|---|
| **Parent Company** | | |
| Board of Directors | 33 | 33 |
| Corporate Management | 50 | 50 |
| **Group** | | |
| Boards of directors | 23 | 16 |
| Other senior executives | 10 | 10 |

The category "Other senior executives" includes individuals in the Management Group.

| Costs for employee benefits and Board fees | 2024 | 2023 |
|---|---|---|
| **Parent Company** | | |
| Salaries and other remuneration | 11 | 12 |
| Pension costs, defined benefit plans | 0 | 0 |
| Pension costs, defined contribution plans | 3 | 3 |
| Social security contributions | 4 | 5 |
| **Subsidiaries** | | |
| Salaries and other remuneration | 1,411 | 1,364 |
| Pension costs, defined benefit plans | 0 | 0 |
| Pension costs, defined contribution plans | 127 | 119 |
| Social security contributions | 305 | 296 |
| **Group total** | **1,861** | **1,799** |

### Salaries and other remuneration to the Board of Directors, Corporate Management and Management Group of Alligo

#### Board of Directors

Fees to the Chair of the Board and other Board members have been paid in accordance with the resolution of the Annual General Meeting in May 2024 according to the table below. Special remuneration was paid for committee work in 2024, with the chair of the Audit Committee receiving SEK 150 thousand and the chair of the Remuneration Committee receiving SEK 100 thousand. Members of the Audit Committee have received SEK 75 thousand and members of the Remuneration Committee have received SEK 50 thousand.

#### Corporate Management

Salaries and remuneration to the Group's Corporate Management for the 2024 financial year have been paid in accordance with the guidelines for remuneration adopted by the Annual General Meeting in May 2024. The Corporate Management comprises President & CEO Clein Johansson Ullenvik and CFO Irene Wisenborn Bellander.

#### Management Group

Salaries and remuneration to the Management Group for the 2024 financial year have been paid in accordance with the guidelines for remuneration adopted by the Annual General Meeting in May 2024. The Management Group comprises the President & CEO, the CFO, the Head of Assortment and Procurement, the Country Manager Sweden, the Country Manager Norway, the Country Manager Finland, the Logistics Director, the Head of Business Development and Sustainability, the CIO and the HR Director.

#### President & CEO

Clein Johansson Ullenvik has been the President & CEO of Alligo AB since 1 November 2021. Remuneration to the President & CEO of Alligo AB comprises fixed salary, variable salary, other benefits and pension. For the company's CEO, variable salary can amount to a maximum of 50 per cent of fixed salary, based on the Group's earnings and development in relation to the sustainability targets.

From the age of 65, the CEO is covered by a defined contribution pension, the size of which depends on the outcome of the pension insurance policies taken out. In the event of termination of employment at the initiative of the company, the period of notice is six months. Severance pay is also payable at an amount of six months' salary. In the event of resignation, severance pay is also payable at an amount of six months' salary.

**Remuneration and other benefits to the Board of Directors, CEO and other senior executives of the Parent Company 2024**

| SEK thousand | Board fee/ Fixed salary | Variable salary | Other benefits | Pension costs | Total | No. of call options outstanding | No. of performance share rights outstanding |
|---|---|---|---|---|---|---|---|
| **BOARD OF DIRECTORS** | | | | | | | |
| Göran Näsholm, Chair of the Board[2,5] | 925 | - | - | - | **925** | - | - |
| Johan Sjö, Board member[3] | 370 | - | - | - | **370** | - | - |
| Stefan Hedelius, Board member | 320 | - | - | - | **320** | - | - |
| Cecilia Marlow, Board member[4] | 470 | - | - | - | **470** | - | - |
| Christina Åqvist, Board member | 320 | - | - | - | **320** | - | - |
| Johan Lilliehöök, Board member | 320 | - | - | - | **320** | - | - |
| **Total** | **2,725** | **-** | **-** | **-** | **2,725** | **-** | **-** |
| **Senior executives** | | | | | | | |
| Clein Ullenvik, President & CEO | 6,411[6] | 405 | 8 | 1,792 | **8,616** | 50,000 | 18,375 |
| Other senior executives (9) | 21,053 | 660 | 925 | 4,552 | **27,190** | 102,000 | 65,370 |
| **Total** | **27,464** | **1,065** | **933** | **6,344** | **35,806** | **152,000** | **83,745** |

2) Chair of the Remuneration Committee.
3) Member of the Remuneration Committee.
4) Chair of the Audit Committee.
5) Member of the Audit Committee.
6) Includes a paid subsidy of SEK 391 thousand related to the 2022/2025 call option program.

5 Continuation: **Employees and personnel costs**

### Remuneration and other benefits to the Board of Directors and CEO of the Parent Company 2023

| SEK thousand | Board fee/ Fixed salary | Variable salary | Other benefits | Pension costs | Total | No. of call options outstanding |
|---|---|---|---|---|---|---|
| **Board of Directors** | | | | | | |
| Göran Näsholm, Chair of the Board[1] | 750 | - | - | - | **750** | - |
| Johan Sjö, Board member[2] | 300 | - | - | - | **300** | - |
| Stefan Hedelius, Board member | 300 | - | - | - | **300** | - |
| Cecilia Marlow, Board member[3] | 450 | - | - | - | **450** | - |
| Christina Åqvist, Board member | 300 | - | - | - | **300** | - |
| Pontus Boman, Board member[4] | 300 | - | - | - | **300** | - |
| **Total** | **2,400** | **-** | **-** | **-** | **2,400** | **-** |
| **Senior executives** | | | | | | |
| Clein Ullenvik, President & CEO | 5,719 | 2,148 | 8 | 1,548 | **9,423** | 50,000 |
| Other senior executives (9) | 17,763 | 1,745 | 834 | 4,412 | **24,754** | 102,000 |
| **Total** | **23,482** | **3,893** | **842** | **5,960** | **34,177** | **152,000** |

1) Chair of the Remuneration Committee.
2) Member of the Remuneration Committee.
3) Chair of the Audit Committee.
4) Member of the Audit Committee.

## Share savings programme PSP 2024

The 2024 Annual General Meeting approved the PSP 2024 share savings programme aimed at Group Management and other senior executives based on performance shares. Participants were given the right to acquire Class B investment shares from Alligo during the period 31 May 2024 to 4 June 2024 inclusive. A maximum of 20,475 Class B shares were available for transfer to the participants as investment shares at a price corresponding to the volume-weighted average price for Alligo's share on Nasdaq Stockholm during the period 24 May 2024 to 30 May 2024. During the investment period, 16,749 shares were transferred to the participants, of which 5,725 to the Group's CEO and CFO and 11,024 to other key personnel. The volume-weighted average price was SEK 143.00. For each investment share, five performance share rights were granted, entitling the participant to acquire up to one Class B share (performance share) free of charge. The transfer will be effected by the company transferring Class B treasury shares. The number of performance shares that the participants will be allotted on the basis of performance share rights depends on the fulfilment of predefined performance criteria relating to Alligo's adjusted EBITA and sustainability targets during a vesting period of around three years. The allotment of performance shares also requires, with certain exceptions, the participant to still be in their post and to hold all acquired investment shares until the end of the vesting period. Based on the investment shares transferred during the investment period, a maximum of 83,745 performance shares in total can be transferred by the company within the framework of PSP 2024. According to the resolution of the Annual General Meeting, a maximum of 102,375 performance shares in total were available for transfer by the company.

Compensation costs relating to share savings programmes are recognised during the vesting period based on the fair value of performance shares at the time of allotment, taking into account the performance criteria. Equity is adjusted by the corresponding amount. The expected number of allotted shares is estimated on each closing date during the vesting period. The effects of any change to previous assessment of performance criteria are recognised in the income statement with a corresponding adjustment in equity. Social security contributions calculated on the basis of the fair value of the shares are expensed in the income statement and paid in the event that the criteria are met and the employees therefore receive the performance shares when the programme ends.

### Costs of share savings programme 2024

| | 2024 | | |
|---|---|---|---|
| MSEK | IFRS 2 cost | Social security contributions | Total cost |
| Programme: | | | |
| PSP 2024 | 1 | 0 | 1 |

## Call option programme 2022/2025

The 2022 Annual General Meeting approved a call option programme containing a maximum of 185,000 options, corresponding to approximately 0.36 per cent of the total number of shares and approximately 0.33 per cent of the total number of votes in the company. The programme is designed for key personnel in senior positions and provides the opportunity to acquire call options at market price for Class B shares repurchased by Alligo. After two years, a subsidy will be paid equivalent to the premium paid for each call option (before tax) provided that the option holder's employment at the Group has not been terminated and that the call options have not been divested prior to this point. The subsidy is recognised as an accrued expense until the time when the employment condition is met. The subsidy is also charged with social security contributions. In June 2024, a subsidy totalling MSEK 1.3 was paid to those option holders whose employment at the Group has not been terminated and whose call options have not been divested. Each call option entitles the holder to acquire one (1) repurchased Class B share in the company on three occasions: 1) during the period from 2 June 2025 to 16 June 2025 inclusive, 2) during the period from 18 August 2025 to 1 September 2025 inclusive, and 3) during the period from 3 November 2025 to 17 November 2025 inclusive. The redemption price has been calculated as SEK 129.30, based on 120 per cent of the volume-weighted average price during the period 12 May to 25 May 2022. If the share price at the time the call option is exercised exceeds SEK 194.00, the redemption price shall be increased krona for krona by the amount in excess of SEK 194.00. The option premium has been calculated as SEK 7.82 by an independent third party according to the accepted Black-Scholes model. 185,000 call options have been allotted and acquired by employees on market terms. Of these, 80,000 have been acquired by the Group CEO and CFO and 105,000 by other key personnel. The option premium paid totals MSEK 1.4.

### Options issued and outstanding as at 31 December 2024 and options settled during the year

| | Date of issue | Redemption periods | Redemption price, SEK | No. of options issued | No. of options redeemed during the period | No. of options repurchased during the period | No. of options outstanding | Settlement method |
|---|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | | |
| Call option programme 2022 | June 2022 | 2–16 Jun 2025, 18 Aug 2025–1 Sep 2025 and 3–17 Nov 2025 | **129.30** | 185,000 | - | - | 185,000 | Physical delivery |
| **Parent Company** | | | | | | | | |
| Call option programme 2022 | June 2022 | 2–16 Jun 2025, 18 Aug 2025–1 Sep 2025 and 3–17 Nov 2025 | **129.30** | 80,000 | - | - | 80,000 | Physical delivery |

## NOTE 6 Fees to auditors

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| **MSEK** | **2024** | **2023** | **2024** | **2023** |
| **KPMG** | | | | |
| Audit assignment | 7 | 6 | 2 | 2 |
| Tax advisory services | 0 | 0 | - | 0 |
| Other assignments | 0 | 0 | 0 | 0 |
| **Total fees to KPMG** | **7** | **6** | **2** | **2** |
| **Other auditors** | | | | |
| Audit assignment | 0 | 0 | - | - |
| Tax advisory services | 0 | 0 | - | - |
| Other assignments | 0 | 0 | - | - |
| **Total fees to other auditors** | **0** | **0** | **-** | **-** |
| **Total fees to auditors** | **7** | **6** | **2** | **2** |

Audit assignment refers to statutory auditing of the Annual Report and accounting as well as the administration of the Board of Directors and the President & CEO, and auditing and other reviews carried out in accordance with the law, agreements or contracts. This includes other work assignments that are incumbent upon the company's auditors as well as advisory services or other assistance occasioned through the findings of such reviews or the performance of such other work assignments. Other assignments comprise advisory services concerning accounting issues.

## NOTE 7 Financial income and expenses

| **Group, MSEK** | **2024** | **2023** |
|---|---|---|
| Interest income | 21 | 13 |
| **Financial income** | **21** | **13** |
| Interest expenses on liabilities to credit institutions | -111 | -92 |
| Interest expenses on leases | -44 | -31 |
| Other financial expenses | -12 | -4 |
| **Financial expenses** | **-167** | **-127** |
| **Net financial items** | **-146** | **-114** |

| **Parent Company, MSEK** | **2024** | **2023** |
|---|---|---|
| Interest income from Group companies | 105 | 93 |
| Interest income, other | 16 | 8 |
| **Interest income and similar profit/loss items** | **121** | **101** |
| Interest expenses, Group companies | -21 | -14 |
| Interest expenses on liabilities to credit institutions | -111 | -92 |
| Other financial expenses | -3 | -3 |
| **Interest expenses and similar profit/loss items** | **-135** | **-109** |
| **Profit from financial items** | **-14** | **-8** |

## NOTE 8 Appropriations

| | PARENT COMPANY | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| Group contributions received | 140 | 140 |
| Tax allocation reserve, change for the year | -31 | -32 |
| **Total** | **109** | **108** |

## NOTE 9 Taxes

### Tax recognised in the income statement

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| MSEK | 2024 | 2023 | 2024 | 2023 |
| Tax expense for the period | -84 | -120 | -19 | -20 |
| Adjustment of taxes attributable to earlier years | 0 | 0 | - | - |
| Deferred tax | 4 | -17 | - | - |
| **Tax included in profit/loss for the period** | **-80** | **-137** | **-19** | **-20** |

### Reconciliation of effective taxes

The relationship between taxes at the average tax rate and recognised tax is illustrated in the following table:

| | GROUP | | | | PARENT COMPANY | | | |
|---|---|---|---|---|---|---|---|---|
| MSEK | 2024 | % | 2023 | % | 2024 | % | 2023 | % |
| Profit/loss before tax | 359 | | 634 | | 89 | | 94 | |
| Taxes at an average tax rate | -79 | 22.0 | -132 | 20.8 | -18 | 20.6 | -19 | 20.6 |
| Tax effect of: | | | | | | | | |
| Taxes attributable to earlier years | 0 | | 0 | | - | | - | |
| Non-deductible expenses | -3 | 0.8 | -3 | 0.4 | -1 | 0.6 | -1 | 0.4 |
| Non-taxable income | 2 | -0.6 | 0 | -0.1 | 0 | | 0 | |
| Unutilised loss carryforwards | 0 | | 0 | | - | | - | |
| Standard interest on tax allocation reserve | -4 | 1.2 | -2 | 0.4 | 0 | | 0 | |
| Other items | 4 | -1.1 | 0 | 0.1 | - | | - | |
| **Total tax** | **-80** | **22.3** | **-137** | **21.6** | **-19** | **21.2** | **-20** | **21.0** |

### Taxes recognised in the statement of comprehensive income

| | GROUP | |
|---|---|---|
| MSEK | 2024 | 2023 |
| Deferred tax on defined-benefit pension plans | 0 | 0 |
| Deferred tax on hedging instruments | -2 | 0 |
| **Total** | **-2** | **0** |

### Deferred tax recognised on the balance sheet

Deferred tax assets and liabilities on the balance sheet are attributable as follows:

| | 31/12/2024 | | | 31/12/2023 | | |
|---|---|---|---|---|---|---|
| Group, MSEK | Assets | Liabilities | Net | Assets | Liabilities | Net |
| Intangible assets | - | -219 | **-219** | - | -208 | **-208** |
| Buildings and land | - | -11 | **-11** | - | -11 | **-11** |
| Machinery and equipment | - | 0 | **0** | 3 | - | **3** |
| Leased assets | 13 | - | **13** | 12 | - | **12** |
| Hedging instruments | - | -2 | **-2** | 0 | 0 | **0** |
| Inventories | 39 | - | **39** | 33 | - | **33** |
| Accounts receivable | 1 | - | **1** | 1 | - | **1** |
| Untaxed reserves | - | -173 | **-173** | - | -159 | **-159** |
| Pension provisions | 0 | - | **0** | 0 | - | **0** |
| Other provisions | 0 | - | **0** | 5 | - | **5** |
| Loss carryforwards | 3 | - | **3** | 3 | - | **3** |
| Other | 6 | -3 | **3** | 2 | -3 | **-1** |
| **Total** | **62** | **-408** | **-346** | **59** | **-381** | **-322** |

The Group's tax loss carryforward amounts to MSEK 14.0 (14.8) at year-end, of which deferred tax has been recognised in the amount of MSEK 2.8 (3.0). The Group has uncapitalised loss carryforwards of MSEK 2.5 (0.3) relating to deficits at Profeel Norway AS and Corema Sundsvall AB.

A reconciliation of deferred net receivables (net liability) from the beginning of the year until year-end is shown in the table below:

| | GROUP | |
|---|---|---|
| MSEK | 31/12/2024 | 31/12/2023 |
| **Opening balance at the beginning of the year, net** | **-322** | **-296** |
| Recognised in profit/loss for the period, continuing operations | 4 | -17 |
| Recognised in other comprehensive income | -2 | 0 |
| Acquisition of operations | -23 | -9 |
| Divestment of operations | -2 | - |
| Translation differences | -1 | 0 |
| **Closing balance at year-end, net** | **-346** | **-322** |

## NOTE 10 Intangible assets

| | 2024 | | | | | | 2023 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Acquired intangible assets | | | | Internally developed | | Acquired intangible assets | | | | Internally developed | |
| **Group, MSEK** | **Goodwill** | **Customer relations** | **Brands** | **Other** | **Software** | **Total** | **Goodwill** | **Customer relations** | **Brands** | **Other** | **Software** | **Total** |
| **Accumulated cost** | | | | | | | | | | | | |
| At the beginning of the year | 1,640 | 646 | 630 | 240 | 0 | **3,156** | 1,561 | 604 | 630 | 208 | 0 | **3,003** |
| Investments | - | - | - | 22 | - | **22** | - | - | - | 39 | 0 | **39** |
| Acquisitions of subsidiaries | 313 | 115 | - | 0 | - | **428** | 88 | 48 | - | - | - | **136** |
| Divestment of operations | - | - | - | - | - | **-** | - | - | - | - | - | **-** |
| Sales and disposals | - | - | - | -1 | - | **-1** | - | - | - | -2 | - | **-2** |
| Reclassifications | - | - | - | 1 | - | **1** | - | - | - | 0 | - | **0** |
| Translation differences | 6 | 0 | - | 0 | - | **6** | -9 | -6 | - | -5 | - | **-20** |
| **At year-end** | **1,959** | **761** | **630** | **262** | **0** | **3,612** | **1,640** | **646** | **630** | **240** | **0** | **3,156** |
| **Accumulated amortisation** | | | | | | | | | | | | |
| At the beginning of the year | - | -274 | 0 | -159 | 0 | **-433** | - | -218 | 0 | -130 | 0 | **-348** |
| Amortisation for the year | - | -63 | - | -34 | - | **-97** | - | -59 | - | -35 | 0 | **-94** |
| Divestment of operations | - | - | - | - | - | **0** | - | - | - | - | - | **0** |
| Sales and disposals | - | 0 | - | 1 | - | **1** | - | - | - | 2 | - | **2** |
| Reclassifications | - | - | - | - | - | **-** | - | - | - | - | - | **-** |
| Translation differences | - | - | - | 0 | - | **0** | - | 3 | - | 4 | - | **7** |
| **At year-end** | **-** | **-337** | **0** | **-192** | **0** | **-529** | **-** | **-274** | **0** | **-159** | **0** | **-433** |
| **Write-downs on cost** | | | | | | | | | | | | |
| At the beginning of the year | - | - | - | - | 0 | **-** | - | - | - | - | - | **-** |
| Write-downs for the year | - | - | - | - | - | **-** | - | - | - | - | - | **-** |
| **At year-end** | **-** | **-** | **-** | **-** | **0** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Carrying amount at the beginning of the year** | 1,640 | 372 | 630 | 81 | 0 | **2,723** | 1,561 | 386 | 630 | 78 | 0 | **2,655** |
| **Carrying amount at year-end** | **1,959** | **424** | **630** | **70** | **0** | **3,083** | **1,640** | **372** | **630** | **81** | **0** | **2,723** |

| | Licences | |
|---|---|---|
| **Parent Company, MSEK** | **2024** | **2023** |
| **Accumulated cost** | | |
| At the beginning of the year | 0 | 0 |
| Investments | - | - |
| **At year-end** | **0** | **0** |
| **Accumulated amortisation** | | |
| At the beginning of the year | 0 | 0 |
| Amortisation for the year | 0 | 0 |
| **At year-end** | **0** | **0** |
| **Carrying amount at the beginning of the year** | **0** | **0** |
| **Carrying amount at year-end** | **0** | **0** |

### Impairment testing of goodwill and brands

The carrying amount of goodwill and brands was tested prior to the balance sheet date of 31 December 2024 using the balance sheet on 30 November 2024 as a base. The Group's total recognised goodwill amounts to MSEK 1,959 (1,640) and recognised brands to MSEK 630 (630), allocated by operating segment according to the table below:

| | Goodwill | | Brands | |
|---|---|---|---|---|
| **Group, MSEK** | **31/12/2024** | **31/12/2023** | **31/12/2024** | **31/12/2023** |
| Sweden | 1,361 | 1,152 | 551 | 551 |
| Norway | 166 | 145 | 79 | 79 |
| Finland | 432 | 343 | - | - |
| **Total** | **1,959** | **1,640** | **630** | **630** |

Goodwill and brands are tested for impairment in the year-end financial statements or where there are indications of a decline in value. The recoverable amount of a cash-generating unit is established on the basis of calculations of the value in use, which is the present value of estimated cash flows for the coming five-year period. For cash flows beyond the five-year period, growth has been assumed to amount to approximately 2 per cent annually, corresponding to the long-term growth rate on Alligo's markets.

Cash flows have been discounted by a weighted capital cost for borrowed capital and equity, and are presented in the table below for each cash-generating unit. The discount rate is applied to an asset base, excluding right-of-use assets, with lease payments included in the cash flow of each cash-generating unit. The discount rate is thus comparable with that used in the preceding year.

| | Discount rate, before tax | |
|---|---|---|
| **Group, %** | **31/12/2024** | **31/12/2023** |
| Sweden | 7.5 | 8.0 |
| Norway | 10.5 | 10.5 |
| Finland | 10.5 | 11.0 |

### Sensitivity analysis

For the cash generating units Sweden and Norway, an increase in the discount rate of 1 percentage point, a decrease in the assumed long-term growth rate of 1 percentage point or a reduction in the EBITA margin of 1 percentage point do not individually give rise to any impairment requirement.

If the discount rate after tax used in the calculations for the cash-generating unit Finland had been 1 percentage point higher than the management's assessment (9.5 per cent instead of 8.5 per cent), the Group would have reported goodwill impairment relating to Finland of MSEK 96.

If the budgeted EBITA margin used in the calculation of value in use for the cash-generating unit Finland had been 1 percentage point lower (4.1 per cent instead of 5.1 per cent), the Group would have made goodwill impairments relating to Finland of MSEK 156.

A decrease in the long-term growth rate of 1 percentage point for the cash-generating unit Finland does not give rise to any impairment requirement. Last year, no reasonable possible changes in key assumptions had led to any impairment of the cash-generating unit Finland.

## NOTE 11 Tangible non-current assets

| Group, MSEK | 2024 Buildings and land | 2024 Leasehold improvements | 2024 Machinery and equipment | 2024 Construction in progress | 2024 Total | 2023 Buildings and land | 2023 Leasehold improvements | 2023 Machinery and equipment | 2023 Construction in progress | 2023 Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Accumulated cost** | | | | | | | | | | |
| At the beginning of the year | 309 | 123 | 596 | 41 | **1,069** | 307 | 108 | 488 | 9 | **912** |
| Investments | 2 | 6 | 57 | 28 | **93** | 2 | 9 | 90 | 71 | **172** |
| Acquisitions of subsidiaries | - | 0 | 4 | - | **4** | - | 1 | 2 | - | **3** |
| Sales and disposals | - | - | -1 | - | **-1** | - | 0 | -4 | - | **-4** |
| Divested companies | - | -17 | -5 | - | **-22** | - | - | - | - | **-** |
| Reclassifications | 9 | 9 | 48 | -67 | **-1** | - | 8 | 30 | -38 | **0** |
| Translation differences | 2 | -1 | 1 | 0 | **2** | 0 | -3 | -10 | -1 | **-14** |
| **At year-end** | **322** | **120** | **700** | **2** | **1,144** | **309** | **123** | **596** | **41** | **1,069** |
| **Accumulated depreciation** | | | | | | | | | | |
| At the beginning of the year | -59 | -64 | -271 | - | **-394** | -51 | -54 | -221 | - | **-326** |
| Depreciation for the year | -8 | -12 | -77 | - | **-97** | -8 | -12 | -58 | - | **-78** |
| Sales and disposals | - | - | 1 | - | **1** | - | 0 | 2 | - | **2** |
| Divested companies | - | 10 | 4 | - | **14** | - | - | - | - | **-** |
| Translation differences | -1 | - | 1 | - | **0** | 0 | 2 | 6 | - | **8** |
| **At year-end** | **-68** | **-66** | **-342** | **-** | **-476** | **-59** | **-64** | **-271** | **-** | **-394** |
| **Write-downs on cost** | | | | | | | | | | |
| At the beginning of the year | - | -7 | -2 | - | **-9** | - | -8 | -3 | - | **-11** |
| Reversal of write-down | - | 1 | 0 | - | **1** | - | 1 | 1 | - | **2** |
| Sales and disposals | - | 6 | 2 | - | **8** | - | - | - | - | **-** |
| **At year-end** | **-** | **0** | **0** | **-** | **0** | **-** | **-7** | **-2** | **-** | **-9** |
| **Carrying amount at the beginning of the year** | 250 | 52 | 323 | 41 | **666** | 256 | 46 | 264 | 9 | **575** |
| **Carrying amount at year-end** | **254** | **54** | **358** | **2** | **668** | **250** | **52** | **323** | **41** | **666** |

| Parent Company, MSEK | Equipment 2024 | Equipment 2023 |
|---|---|---|
| **Accumulated cost** | | |
| At the beginning of the year | 0 | - |
| Investments | 0 | 0 |
| **At year-end** | **0** | **0** |
| **Accumulated depreciation** | | |
| At the beginning of the year | - | - |
| Depreciation for the year | 0 | 0 |
| **At year-end** | **0** | **0** |
| **Carrying amount at the beginning of the year** | **-** | **-** |
| **Carrying amount at year-end** | **0** | **0** |

### Impairment testing of tangible non-current assets

Impairment testing has been performed for tangible non-current assets and there is no impairment requirement as the value in use exceeds the carrying amount for the cash-generating units.

## NOTE 12 Leases

The Group's lease portfolio primarily comprises leases related to warehouse and store facilities as well as vehicles. The average term of leases for premises is 3-5 years. Longer terms mainly pertain to leases for warehouse and logistics facilities.

Other right-of-use assets in the table below refer mainly to machinery and equipment used in the Group's warehouse and logistics operations. The lease term for vehicles and other assets essentially corresponds to the non-cancellable period of the lease.

### Right-of-use assets

| Group, MSEK | Premises | Vehicles | Other | Total |
|---|---|---|---|---|
| **Opening carrying amount 01/01/2023** | **871** | **50** | **14** | **935** |
| Purchases (including acquisitions) | 192 | 46 | 18 | **256** |
| Extensions and remeasurements | 310 | 0 | 0 | **310** |
| Amortisation during the year | -319 | -36 | -8 | **-363** |
| Translation differences | -21 | -3 | 0 | **-24** |
| **Closing balance 31/12/2023** | **1,071** | **65** | **26** | **1,162** |
| Purchases (including acquisitions) | 185 | 57 | 17 | **259** |
| Extensions and remeasurements | 229 | 1 | -1 | **229** |
| Amortisation during the year | -365 | -41 | -9 | **-415** |
| Translation differences | -5 | 0 | 0 | **-5** |
| **Closing balance 31/12/2024** | **1,115** | **82** | **33** | **1,230** |

### Cash flow

The total cash flow relating to leases amounted to MSEK -465 (-411) during the financial year. This figure includes amounts recognised as lease liabilities, and amounts paid for variable lease payments, short-term leases and low-value leases.

### Lease liabilities

A maturity analysis of lease liabilities is presented in note 23 Financial risks.

### Amounts recognised in profit or loss

Profit or loss shows the following amounts relating to leases:

| Group, MSEK | 2024 | 2023 |
|---|---|---|
| Depreciation of right-of-use assets | -415 | -363 |
| Interest on lease liabilities | -44 | -31 |
| Variable lease payments not included in the measurement of the lease liability | -9 | -8 |
| Income from sub-leasing of right-of-use assets | 10 | 8 |
| Cost of short-term leases | -3 | -3 |
| Cost of low-value leases, not short-term leases of low value | -14 | -12 |

### Non-cancellable lease payments amount to:

| | PARENT COMPANY | |
|---|---|---|
| MSEK | 2024 | 2023 |
| Leases where the company is the lessee | | |
| Within 1 year | - | 0 |
| Between 1 and 5 years | 0 | - |
| Later than 5 years | - | - |
| **Total** | **0** | **0** |

### Expensed operating lease payments amount to:

| | PARENT COMPANY | |
|---|---|---|
| MSEK | 2024 | 2023 |
| Minimum lease payments | 0 | 0 |
| **Total lease costs** | **0** | **0** |

## NOTE 13 Receivables from Group companies

| MSEK | PARENT COMPANY 31/12/2024 | PARENT COMPANY 31/12/2023 |
|---|---|---|
| **Carrying amount at the beginning of the year** | **1,484** | **1,484** |
| Additional assets | 3 | - |
| Deducted assets | - | 0 |
| **Total** | **1,487** | **1,484** |

## NOTE 14 Inventories

| MSEK | GROUP 31/12/2024 | GROUP 31/12/2023 |
|---|---|---|
| Finished goods and goods for resale | 2,471 | 2,348 |
| **Total** | **2,471** | **2,348** |

There are no significant differences between the carrying amount of inventories and the fair value. Cost of goods sold includes net change in the Group's obsolescence reserve and write-downs during the year of MSEK -20 (-13). Net change includes realisation of earlier write-downs. No goods have been pledged as security for loans and other obligations.

## NOTE 15 Prepaid expenses and accrued income

| MSEK | GROUP 31/12/2024 | GROUP 31/12/2023 |
|---|---|---|
| **Prepaid expenses** | | |
| Rents | 0 | 0 |
| Insurance premiums | 3 | 3 |
| Licences | 28 | 28 |
| Security costs | 2 | 3 |
| Marketing costs | 6 | 3 |
| Other prepaid expenses | 17 | 31 |
| **Accrued income** | | |
| Delivery of goods | 9 | 9 |
| Commission and bonus income | 116 | 106 |
| Other accrued income | 4 | 1 |
| **Total** | **185** | **184** |

## NOTE 16 Non-current receivables and other receivables

| MSEK | GROUP 31/12/2024 | GROUP 31/12/2023 |
|---|---|---|
| **Non-current receivables classified as non-current assets** | | |
| Pension funds | 0 | 0 |
| Non-current prepaid expenses | 23 | 18 |
| Non-current receivables | 10 | 11 |
| **Total** | **33** | **29** |

| MSEK | GROUP 31/12/2024 | GROUP 31/12/2023 | PARENT COMPANY 31/12/2024 | PARENT COMPANY 31/12/2023 |
|---|---|---|---|---|
| **Other receivables classified as current assets** | | | | |
| VAT receivable | 0 | 1 | - | - |
| Tax account | 22 | 22 | 0 | 0 |
| Advance payments | 9 | 32 | - | - |
| Derivative hedging instruments | 10 | 0 | - | - |
| Other receivables | 15 | 11 | - | - |
| **Total** | **56** | **66** | **0** | **0** |

## NOTE 17 Equity

### Share capital

As at 31 December 2024, the share capital amounted to MSEK 102. The distribution by class of shares is presented in the table below. All shares have a quotient value of SEK 2.00. All shares entitle their holders to the same rights to the Company's remaining net assets. For shares held in treasury, all rights are rescinded until these shares have been reissued.

| Class of share | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Class A shares | 562,293 | 564,073 |
| Class B shares | 50,343,896 | 50,342,116 |
| **Total number of shares before repurchasing** | **50,906,189** | **50,906,189** |
| Less: Repurchased Class B shares | -838,551 | -855,300 |
| **Total number of shares after repurchasing** | **50,067,638** | **50,050,889** |
| **Opening repurchased Class B shares** | **855,300** | **425,300** |
| Repurchase of shares | - | 430,000 |
| Sale of treasury shares linked to PSP 2024 | -16,749 | - |
| **Closing repurchased treasury shares** | **838,551** | **855,300** |

The table below shows the changes for the year in the number of shares by class of shares.

| | 2024 | 2023 |
|---|---|---|
| **Class A shares** | | |
| Number of Class A shares at the beginning of the year | 564,073 | 564,073 |
| Conversion of Class A shares to Class B shares[1] | -1,780 | - |
| **Number of Class A shares at year-end** | **562,293** | **564,073** |
| **Class B shares** | | |
| Number of Class B shares at the beginning of the year | 50,342,116 | 50,342,116 |
| Conversion of Class A shares to Class B shares[1] | 1,780 | - |
| **Number of Class B shares at year-end** | **50,343,896** | **50,342,116** |

1) During the second quarter of 2024, 1,780 Class A shares were converted to Class B shares at the request of a shareholder.

According to Alligo AB's Articles of Association, holders of Class A shares are entitled to request that such shares be converted to Class B shares. The total number of votes in the company decreases as a result of any conversion to Class B shares. The company's Class A shares entitle the holder to ten votes each and the company's Class B shares entitle the holder to one vote each.

## Repurchased treasury shares included in the equity item retained earnings, including profit or loss for the year

Repurchased shares include the acquisition cost of treasury shares held by the Parent Company and its subsidiaries. On the basis of the authorisation granted by the Annual General Meeting of 24 May 2023, Alligo's Board of Directors decided on 15 August to repurchase some of the company's own Class B shares. The aim of this repurchase is to enable companies or businesses to be acquired in the future using treasury shares, while also facilitating the adaptation of the Group's capital structure. The repurchase will take place on an ongoing basis, on one or more occasions, up to the Annual General Meeting in 2024. During the third quarter of 2023, 430,000 shares were repurchased, corresponding to 0.8 per cent of the total number of shares and 0.8 per cent of the total number of votes.

## Share savings programme PSP 2024

The 2024 Annual General Meeting approved the PSP 2024 share savings programme aimed at Group Management and other senior executives based on performance shares. Participants were given the right to acquire Class B investment shares from Alligo during the period 31 May 2024 to 4 June 2024 inclusive. A maximum of 20,475 Class B shares were available for transfer to the participants as investment shares at a price corresponding to the volume-weighted average price for Alligo's share on Nasdaq Stockholm during the period 24 May 2024 to 30 May 2024. During the investment period, 16,749 shares were transferred to the participants, of which 5,725 to the Group's CEO and CFO and 11,024 to other key personnel. The volume-weighted average price was SEK 143.00. For each investment share, five performance share rights were granted, entitling the participant to acquire up to one Class B share (performance share) free of charge. The transfer will be effected by the company transferring Class B treasury shares. The number of performance shares that the participants will be allotted on the basis of performance share rights depends on the fulfilment of predefined performance criteria relating to Alligo's adjusted EBITA and sustainability targets during a vesting period of around three years. The allotment of performance shares also requires, with certain exceptions, the participant to still be in their post and to hold all acquired investment shares until the end of the vesting period. Based on the investment shares transferred during the investment period, a maximum of 83,745 performance shares in total can be transferred by the company within the framework of PSP 2024. According to the resolution of the Annual General Meeting, a maximum of 102,375 performance shares in total were available for transfer by the company.

As at 31 December 2024, the Group's holding of treasury shares amounted to 838,551 (855,300), corresponding to 1.6 per cent of the total number of shares and 1.5 per cent of the total number of votes.

## Translation reserve

The translation reserve includes all foreign exchange differences arising from the translation of the financial statements of foreign operations to the Group reporting currency of Swedish kronor.

| | GROUP | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| **Translation reserve** | | |
| Opening translation reserve | -2 | 46 |
| Translation effect for the year | 7 | -48 |
| **Closing translation reserve** | **5** | **-2** |

## Hedging reserve

The hedging reserve covers the change in value of the foreign exchange forward contracts hedged. At the end of the year, the value of the hedging reserve amounted to MSEK 8 (-1).

| | GROUP | |
|---|---|---|
| **MSEK** | **2024** | **2023** |
| **Hedging reserve** | | |
| Opening hedging reserve | -1 | 2 |
| Fair value changes for the year in cash flow hedges | 10 | -1 |
| Tax attributable to hedges for the year | -2 | 0 |
| Fair value changes in cash flow hedges transferred to profit/loss for the year | 1 | -2 |
| Tax attributable to hedges transferred to profit or loss for the year | 0 | 0 |
| **Closing hedging reserve** | **8** | **-1** |

## Parent Company

### Restricted equity

Restricted equity comprises share capital.

### Non-restricted equity

Non-restricted equity is available for distribution to shareholders and comprises the share premium account, retained earnings and profit or loss for the year, less holdings of treasury shares.

As at the balance-sheet date, total equity in Alligo AB amounted to MSEK 1,637, of which MSEK 102 was restricted equity.

### Dividend

The Board of Directors of Alligo AB proposes to the Annual General Meeting a dividend of SEK 2.00 (3.50) per share, corresponding to a pay-out ratio of approximately 36 per cent of earnings per share for the financial year. Taking into account the Class B shares repurchased by the company, the proposed dividend corresponds to a total of approximately MSEK 100. The proposed dividend is in line with the company's dividend policy, which states that 30-50 percent of earnings per share are to be distributed over a business cycle.

| **MSEK** | **31/12/2024** | **31/12/2023** |
|---|---|---|
| SEK 2.00 (3.50) per share | 100 | 175 |
| **Proposed appropriation of profit (SEK)** | | |
| The following funds are at the disposal of the General Meeting of Shareholders: | 1,535,506,197 | 1,637,944,060 |
| **The following funds are at the disposal of the Annual General Meeting:** | **1,535,506,197** | **1,637,944,060** |
| The Board of Directors proposes that the shareholders receive a dividend of SEK 2.00 per share | 100,135,276 | 175,178,112 |
| That the remaining profit be brought forward[2] | 1,435,370,921 | 1,462,765,948 |
| **Total (SEK)** | **1,535,506,197** | **1,637,944,060** |

2) Of which share premium account SEK 1,442,217,240.

## NOTE 18 Earnings per share

| SEK | Before dilution 2024 | Before dilution 2023 | After dilution 2024 | After dilution 2023 |
|---|---|---|---|---|
| Earnings per share | 5.47 | 9.76 | 5.47 | 9.76 |

The calculation of the numerators and denominators used in the above calculations of earnings per share is specified below.

### Earnings per share before dilution

The calculation of earnings per share for the 2024 financial year was based on profit for the year attributable to the ordinary shareholders of the Parent Company amounting to MSEK 274 (491) and a weighted average number of shares outstanding during the financial year amounting to 50,060,659 (50,301,722). The two components have been calculated in the following manner:

#### Profit for the year attributable to Parent Company shareholders, before dilution

| MSEK | 2024 | 2023 |
|---|---|---|
| Profit for the year attributable to Parent Company shareholders | 274 | 491 |
| **Profit attributable to Parent Company shareholders, before dilution** | **274** | **491** |

#### Weighted average number of shares outstanding, before dilution

| Thousands of shares | 2024 | 2023 |
|---|---|---|
| Total number of shares at financial year-end | 50,906 | 50,906 |
| Effect of holding of treasury shares | -845 | -604 |
| **Number of shares for calculation of earnings per share** | **50,061** | **50,302** |

### Earnings per share after dilution

The calculation of earnings per share after dilution for the 2024 financial year was based on profit attributable to the ordinary shareholders in the Parent Company amounting to MSEK 274 (491) and a weighted average number of shares outstanding during the financial year amounting to 50,072,427 (50,301,722). The two components have been calculated in the following manner:

#### Profit attributable to Parent Company shareholders, after dilution

| MSEK | 2024 | 2023 |
|---|---|---|
| Profit for the year attributable to Parent Company shareholders | 274 | 491 |
| **Profit attributable to Parent Company shareholders, after dilution** | **274** | **491** |

#### Weighted average number of shares outstanding, after dilution

| Thousands of shares | 2024 | 2023 |
|---|---|---|
| Total number of shares at financial year-end | 50,906 | 50,906 |
| Effect of holding of treasury shares | -845 | -604 |
| Effect of share-option programmes[1] | 11 | - |
| **Number of shares for calculation of earnings per share** | **50,072** | **50,302** |

1) As at 31 December 2024, Alligo AB had an outstanding call option programme. The share price on 31 December 2024 was SEK 123.2 and the call options issued on the repurchased shares resulted in a dilution effect of approximately 11,000 shares. The call option programmes are described in greater detail in note 5.

## NOTE 19 Non-current non-interest-bearing liabilities and other provisions

| Group, MSEK | 31/12/2024 | 31/12/2023 |
|---|---|---|
| **Non-current non-interest-bearing liabilities** | | |
| Option liability, acquisitions | 59 | 47 |
| Additional purchase considerations | 48 | 16 |
| **Total** | **107** | **63** |
| **Specification** | | |
| Carrying amount at the beginning of the period | 63 | 9 |
| Reclassifications | -7 | - |
| Acquisition of partly owned subsidiary | 45 | 49 |
| Other unrealised changes in value | 5 | 5 |
| Discounting effects | 1 | 0 |
| Translation differences | 0 | 0 |
| **Carrying amount at the end of the period** | **107** | **63** |

| Group, MSEK | 31/12/2024 | 31/12/2023 |
|---|---|---|
| **Provisions classified as non-current liabilities** | | |
| Guarantee commitments | 0 | 0 |
| Other | 12 | 31 |
| **Total** | **12** | **31** |
| **Specification** | | |
| Carrying amount at the beginning of the period | 31 | 43 |
| Provisions made during the period | - | - |
| Amount used during the period | -13 | -9 |
| Unused amounts reversed | - | -3 |
| Divested companies | -6 | - |
| Translation differences | 0 | 0 |
| **Carrying amount at the end of the period** | **12** | **31** |

## NOTE 20 Other liabilities

| Group, MSEK | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Employee withholding taxes | 41 | 38 |
| VAT liability | 97 | 101 |
| Derivative hedging instruments | - | 1 |
| Advance payments from customers | 10 | 9 |
| Additional purchase considerations | 71 | 10 |
| Other operating liabilities | 32 | 19 |
| **Total** | **251** | **178** |

## NOTE 21 Accrued expenses and deferred income

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| MSEK | 31/12/2024 | 31/12/2023 | 31/12/2024 | 31/12/2023 |
| **Accrued expenses** | | | | |
| Salaries and remuneration to employees | 205 | 213 | 8 | 13 |
| Social security contributions | 72 | 79 | 2 | 3 |
| Bonuses, refunds to customers | 55 | 46 | - | - |
| Operating and premises costs including tax | 10 | 14 | - | - |
| Auditors' fees | 4 | 3 | 1 | 1 |
| Other consulting fees | 9 | 9 | 1 | 2 |
| Car and travel expenses | 2 | 2 | 0 | 0 |
| Temporarily contracted employees | 4 | 4 | - | - |
| Shipping costs | 10 | 13 | - | - |
| IT and computer costs | 1 | 3 | - | - |
| Other accrued expenses | 40 | 34 | - | 0 |
| **Deferred income** | | | | |
| Marketing income | 0 | 1 | - | - |
| Other deferred income | 7 | 8 | - | - |
| **Total** | **419** | **429** | **12** | **19** |

## NOTE 22 Pledged assets and contingent liabilities

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| MSEK | 31/12/2024 | 31/12/2023 | 31/12/2024 | 31/12/2023 |
| **Pledged assets** | | | | |
| In the form of pledged assets for own liabilities and provisions | | | | |
| Corporate mortgages | 19 | 3 | - | - |
| **Total pledged assets** | **19** | **3** | **-** | **-** |
| **Contingent liabilities** | | | | |
| Guarantees for subsidiaries | - | - | - | - |
| Guarantees, other | 15 | 10 | - | - |
| **Total contingent liabilities** | **15** | **10** | **-** | **-** |

## NOTE 23 Financial risks and risk management

Alligo's operations entail exposure to a number of financial risks. Changes, particularly in foreign exchange rates and interest rate levels, affect the Group's earnings and cash flows, but financing risks also arise and are managed within the framework of the Group's adopted policies.

### Financial operations

The goal of the Group's financial operations is to ensure high efficiency in the areas of investments, liquidity flows, borrowing, foreign currency management and granting of credit. The Board of Directors determines the Group's Financial Policy each year, which includes guidelines, goals and frameworks for treasury management and for managing the financial risks in the Group. The Financial Policy defines and identifies the financial risks that can arise, and regulates the distribution of responsibility between the Board of Directors, the CEO, the CFO, the internal bank function as well as the subsidiaries' CEOs and CFOs. The Financial Policy stipulates that only the major Nordic commercial banks are suitable for the investment of surplus liquidity and foreign exchange forward contract subscriptions.

The Group's central financial operations comprise securing the Group's long-term supply of liquidity for investments and working capital in an efficient manner. The Parent Company has its own internal bank function tasked with coordinating the Group's financial activities and ensuring that systems are available for efficient cash management for the Group companies. The Parent Company manages the Group's external borrowing. All foreign currency management and granting of credit to customers are handled within the framework of the established policies.

### Capital management

The company's goal regarding the financial position is that it should enable the Group to have favourable access to liquidity, that the cost of borrowed capital should be kept at market rate, that the return on cash and cash equivalents should be satisfactory and that the risk in investments and exposures should be kept low. A prerequisite for this is that the Group has a long-term favourable financial position and meets the financial commitments included in the loan agreements, etc.

### Financial instruments and hedge accounting

The Group uses financial derivative instruments to manage foreign exchange risks that arise during its operations. Derivative instruments held for hedging comprise foreign exchange forward contracts. These derivative instruments are hedged, which means that the instruments are recognised on the balance sheet at fair value and that any changes in the values of these instruments are recognised in other comprehensive income in equity until their underlying cash flows are reflected in profit or loss.

### Currency risks

For Alligo, foreign exchange risk arises at the subsidiaries as a result of future payment flows in foreign currencies, referred to as a transaction exposure, and through portions of the Group's equity comprising net assets of foreign subsidiaries and the Group's profit compromising profit from foreign subsidiaries, referred to as translation exposure.

#### Transaction exposure

Transaction exposure comprises future contracted and forecast receipts and disbursements in foreign currencies for subsidiaries, which, in the Group's case, mainly involves purchases and sales of goods. The total transaction exposure for key currencies is shown in the table below.

**Annual net flow by currency (equivalent value in MSEK)**

| Currency | 2024 | 2023 |
|---|---|---|
| NOK | 307 | 426 |
| EUR | 171 | -413 |
| USD | -577 | -638 |

The Group has its primary customer markets in Sweden, Norway and Finland, with sales in SEK, NOK and EUR, respectively. Purchasing that takes place outside the Nordic regions is mainly paid in USD and EUR.

The effects of exchange rate changes are reduced on the basis of purchases and sales in the same currency, currency clauses and foreign exchange forward contracts. Risk exposure is limited by the Group's sales largely comprising products that are sold at a fixed price in the local currency according to a price list valid for a period of approximately six months.

Group companies hedge parts of their future currency outflows in foreign currency using foreign exchange forward contracts for net exposures in excess of approximately MSEK 25 in currency commitments over a 12-month period, in accordance with the Group's Financial Policy. The currency hedge standard is for 75 per cent of the expected net flow 6 months in the future and 50 per cent of the expected net flow 6 to 12 months in the future to be currency hedged on a rolling quarterly basis. To enable it to manage the hedging of exposure in foreign currency effectively, the Group's Finance function has a mandate to deviate from the currency hedge standard by +/- 15 per cent. The main currency risk arises in relation to purchases of goods from Asia (USD) and Europe (EUR). The nominal amounts of outstanding foreign-exchange forward contracts are presented in the table below:

| | 31/12/2024 | | 31/12/2023 | |
|---|---|---|---|---|
| Foreign exchange forward contracts | Nominal value | Average rate | Nominal value | Average rate |
| USD/SEK[1] | 164 | 10.16 | 175 | 10.08 |

1) Foreign exchange forward contracts for purchase of currency.

### Translation exposure of earnings

The Group's earnings are affected by the translation of the income statements of foreign subsidiaries, for which translation is carried out at the average exchange rate for the financial year. In cases when the local currency of the foreign subsidiary changes in relation to SEK, the Group's recognised revenue and earnings that were translated to SEK also change. The Group's translation exposure in revenue and operating profit is presented in the tables below.

| Revenue, MSEK | 2024 | 2023 |
|---|---|---|
| Outcome translated to average rate for the preceding year | 9,399 | 9,329 |
| **Currency translation** | | |
| NOK | -60 | -120 |
| EUR | -6 | 126 |
| **Total currency translation** | **-66** | **6** |
| **Outcome** | **9,333** | **9,335** |

| Operating profit, MSEK | 2024 | 2023 |
|---|---|---|
| Outcome translated to average rate for the preceding year | 506 | 751 |
| **Currency translation** | | |
| NOK | -2 | -7 |
| EUR | 0 | 4 |
| **Total currency translation** | **-2** | **-3** |
| **Outcome** | **504** | **748** |

The Group has net exposures in several foreign currencies. The table below shows the effect on the Group's revenue and operating profit if the rates for the exposure currencies were to change by five per cent.

| Change in rate for underlying exposure currencies +/- 5% | 2024 | 2023 |
|---|---|---|
| Effect on: Revenue | +/- 216 | +/- 214 |
| Effect on: Operating profit | +/- 6 | +/- 10 |

The following rates were applied in the year-end accounts:

| | Average rate | | Balance-day rate | |
|---|---|---|---|---|
| Currency | 2024 | 2023 | 31/12/2024 | 31/12/2023 |
| NOK | 0.983 | 1.005 | 0.970 | 0.987 |
| EUR | 11.432 | 11.477 | 11.487 | 11.096 |
| USD | 10.561 | 10.613 | 10.998 | 10.042 |

### Translation exposure of equity

The value of the net assets of foreign subsidiaries is translated to SEK at year-end at the exchange rate in effect on the balance sheet date. The exchange rate difference between the years is recognised against equity through other comprehensive income. Translation exposure for foreign subsidiaries' net assets is at present only hedged to a limited extent through external borrowing in another currency than SEK.

**Net assets in foreign subsidiaries by currency (MSEK)**

| Currency | 31/12/2024 | 31/12/2023 |
|---|---|---|
| NOK | 678 | 625 |
| EUR | 867 | 561 |

### Interest rate risks

Interest rate risk refers to the risk that changes in the market interest rate will have a negative impact on the Group's net interest income. The speed at which an interest rate change has an effect depends on the length of the period of fixed interest on the loans and the type of hedging instruments used. Both the market interest rate and the Group's earnings are expected to follow the general economic cycle. Hence, the Group's Financial Policy stipulates that the period of fixed interest is normally to be short-term, with at least 50 per cent of the loans having a fixed-interest period of less than one year. In order to further manage the risk of higher market interest rates in the future, Alligo's Financial Policy also stipulates that different forms of interest derivatives may be used to limit interest rate risk. As at 31 December 2024, the Group does not hold any interest derivative instruments.

The debt portfolio comprises a committed credit facility, revolving credit facilities with fixed-interest periods of three months and bank loans. Loans and credits totalling approximately SEK 2.6 billion are sustainability-linked, which means that the interest rate is adjusted according to the outcome of three sustainability KPIs. The average period of fixed interest for the whole debt portfolio is 3 months. The Group also recognises interest-bearing liabilities relating to leases. The primary variable interest rates are STIBOR and EURIBOR. Liabilities to credit institutions per underlying currency are presented in the table below.

Given the same average loan liability during the year and the same fixed-interest periods, a change in the market interest rate of 1 percentage point would result in a change in interest expense of approximately MSEK 22 per year.

**Liabilities to credit institutions by currency**

| 31/12/2024 | SEK | EUR | Total |
|---|---|---|---|
| Revolving credit facility | 1,080 | 115 | **1,195** |
| Bank loans | 1,100 | - | **1,100** |
| **31/12/2023** | **SEK** | **EUR** | **Total** |
| Revolving credit facility | 620 | 111 | **731** |
| Bank loans | 1,100 | - | **1,100** |

### Liquidity and refinancing risks

Liquidity and refinancing risk pertains to the risk that the Group is unable to fulfil its payment obligations due to insufficient liquidity and that the possibility of financing is limited when loans are due for rescheduling. The Group's Financial Policy stipulates that borrowing and trading in financial instruments may only be conducted with one of the large Nordic commercial banks. Current investments of any surplus liquidity are made with terms of one to six months at current market interest rates. The counterparty for deposits is always one of the large Nordic commercial banks. At the end of the financial year, the Parent Company had access to two separate committed credit facilities of MSEK 400 and MEUR 10 respectively, of which MSEK 400 and MEUR 10 respectively was unutilised. The credit facility is renewed on an annual basis and was extended to February 2026 after the balance sheet date. In addition to this committed credit facility, the Group has a revolving credit facility totalling MSEK 1,500, of which MSEK 305 was unutilised. The current revolving credit facility was raised in March 2022 in conjunction with the distribution of Momentum Group and was increased during the fourth quarter of 2024 by MSEK 300. The credit facility runs until March 2027.

The financing is linked to financial covenants that the Group is obligated to fulfil every quarter. The primary covenants by which Alligo is measured are the interest coverage ratio and the equity/assets ratio. There are specific definitions for each component. As at 31 December 2024, the financial covenants were fulfilled.

The Group's financing risk is also dependent on the possibility of refinancing loans as they mature. The Group's financial liabilities at year-end amounted to MSEK 4,886 and the maturity structure of the loan liabilities is presented in the table below. A table showing the Group's financial assets and liabilities is presented in note 25 Financial assets and liabilities.

**Maturity structure financial liabilities (undiscounted cash flows)**

| | | | Matures | | |
|---|---|---|---|---|---|
| **31/12/2024, Group, MSEK** | **Carrying amount** | **Future payment amount** | **Within one year** | **Within five years** | **After five years** |
| Interest-bearing financial liabilities to credit institutions | 2,295 | 2,477 | 83 | 2,394 | - |
| Interest-bearing lease liabilities | 1,269 | 1,395 | 451 | 830 | 114 |
| Accounts payable | 1,135 | 1,135 | 1,135 | - | - |
| Contingent purchase considerations | 119 | 120 | 84 | 36 | - |
| Call and put options | 59 | 62 | - | 62 | - |
| Other current interest-bearing liabilities | 9 | 9 | 9 | - | - |
| Derivative hedging instruments | - | - | - | - | - |
| **Financial liabilities** | **4,886** | **5,198** | **1,762** | **3,322** | **114** |
| **31/12/2023, Group, MSEK** | | | | | |
| Interest-bearing financial liabilities to credit institutions | 1,831 | 2,038 | 94 | 1,944 | - |
| Interest-bearing lease liabilities | 1,191 | 1,339 | 408 | 806 | 125 |
| Accounts payable | 1,017 | 1,017 | 1,017 | - | - |
| Call and put options | 47 | 51 | - | 51 | - |
| Contingent purchase considerations | 26 | 27 | 8 | 19 | - |
| Derivative hedging instruments | 1 | 1 | 1 | - | - |
| **Financial liabilities** | **4,113** | **4,473** | **1,528** | **2,820** | **125** |
| **31/12/2024, Parent Company, MSEK** | | | | | |
| Interest-bearing financial liabilities to credit institutions | 2,295 | 2,475 | 81 | 2,394 | - |
| **Financial liabilities** | **2,295** | **2,475** | **81** | **2,394** | **-** |
| **31/12/2023, Parent Company, MSEK** | | | | | |
| Interest-bearing financial liabilities to credit institutions | 1,831 | 2,038 | 94 | 1,944 | - |
| **Financial liabilities** | **1,831** | **2,038** | **94** | **1,944** | **-** |

23 Continuation: **Financial risks and risk management**

## Credit risks

In its commercial and financial transactions, the Group is exposed to credit risks in relation to Alligo's counterparties. Credit risk or counterparty risk pertains to the risk of loss if the counterparty does not fulfil its obligations. The Group is exposed to credit risk through its financial transactions, i.e. through the investment of surplus liquidity and implementation of foreign-exchange forward contracts and in connection with accounts receivable and advance payments to suppliers in the commercial operations.

In order to capitalise on the operational business's knowledge of customers and suppliers, the credit risk assessments are managed in the commercial transactions by each company. The credit risk is spread over a wide range of customers and is a good reflection of the Group's trading where the total revenue is built up of many business transactions and a favourable risk spread of sales across varying industries and companies. No individual customer accounts for more than five percent of the total credit exposure over a one-year period. To minimise the risk of credit losses, the Group companies apply credit policies that limit outstanding amounts and credit periods for individual customers. The size of each customer's credit is assessed individually. A credit check is made for all new customers. The intention is that credit limits will reflect the customer's payment capacity. Historically, Alligo's credit losses have been low. The credit quality of the accounts receivable that have neither matured for payment nor been impaired is deemed favourable. The Group also has reserves for expected credit losses in the amount of MSEK 20 (28).

### Accounts receivable

| MSEK | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Accounts receivable | 1,200 | 1,192 |
| Accumulated reserve for expected credit losses | -20 | -28 |
| **Accounts receivable, net** | **1,180** | **1,164** |

### Specification of change in reserve for expected credit losses

| MSEK | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Carrying amount at the beginning of the period | -28 | -48 |
| Changes pertaining to acquired businesses | -1 | 0 |
| Change related to confirmed credit losses | 10 | 11 |
| Change related to expected credit losses | -1 | 8 |
| Translation differences | 0 | 1 |
| **Carrying amount at the end of the period** | **-20** | **-28** |

### Maturity analysis

| | 31/12/2024 | 31/12/2023 |
|---|---|---|
| - not past due | 1,025 | 1,054 |
| - receivables past due by 1–30 days | 119 | 100 |
| - receivables past due by 31-60 days | 33 | 8 |
| - receivables past due by 61-90 days | 4 | 8 |
| - receivables past due by > 90 days | 19 | 22 |
| **Total receivables** | **1,200** | **1,192** |

## Parent Company

Alligo's operations entail exposure to a number of financial risks. Changes, particularly in foreign exchange rates and interest rate levels, affect the Group's earnings and cash flows, but financing risks also arise and are managed within the framework of the Group's adopted policies. Alligo AB manages the Group's external borrowing. Accordingly, the Parent Company is exposed to the same refinancing and interest rate risk as the Group. The Parent Company is also impacted indirectly by the other risks described above through its function in the Group. See above for a more detailed description.

# NOTE 24 Specification of interest-bearing net loan liabilities by asset and liability

| | 31/12/2024 | | | 31/12/2023 | | |
|---|---|---|---|---|---|---|
| **Group, MSEK** | **Interest-bearing** | **Non-interest bearing** | **Total** | **Interest-bearing** | **Non-interest bearing** | **Total** |
| **ASSETS** | | | | | | |
| **Non-current assets** | | | | | | |
| Intangible non-current assets | - | 3,083 | **3,083** | - | 2,723 | **2,723** |
| Tangible non-current assets | - | 1,230 | **1,230** | - | 1,162 | **1,162** |
| Right-of-use assets | - | 668 | **668** | - | 666 | **666** |
| Financial non-current assets | 12 | 23 | **35** | 13 | 18 | **31** |
| Deferred tax assets | - | 62 | **62** | - | 59 | **59** |
| **Total non-current assets** | **12** | **5,066** | **5,078** | **13** | **4,628** | **4,641** |
| **Current assets** | | | | | | |
| Inventories | - | 2,471 | **2,471** | - | 2,348 | **2,348** |
| Tax assets | - | 34 | **34** | - | 2 | **2** |
| Accounts receivable | - | 1,179 | **1,179** | - | 1,164 | **1,164** |
| Prepaid expenses and accrued income | - | 56 | **56** | - | 66 | **66** |
| Other receivables | - | 185 | **185** | - | 184 | **184** |
| Cash and bank | 670 | - | **670** | 382 | - | **382** |
| **Total current assets** | **670** | **3,925** | **4,595** | **382** | **3,764** | **4,146** |
| **TOTAL ASSETS** | **682** | **8,991** | **9,673** | **395** | **8,392** | **8,787** |

| Group, MSEK | 31/12/2024 Interest-bearing | 31/12/2024 Non-interest bearing | 31/12/2024 Total | 31/12/2023 Interest-bearing | 31/12/2023 Non-interest bearing | 31/12/2023 Total |
|---|---|---|---|---|---|---|
| **LIABILITIES** | | | | | | |
| **Non-current liabilities** | | | | | | |
| Non-current interest-bearing liabilities | 3,121 | - | **3,121** | 2,624 | - | **2,624** |
| Non-current non-interest-bearing liabilities | - | 107 | **107** | - | 63 | **63** |
| Provisions for pensions | 0 | - | **0** | 0 | - | **0** |
| Other provisions | - | 12 | **12** | - | 31 | **31** |
| Deferred tax liabilities | - | 408 | **408** | - | 381 | **381** |
| **Total non-current liabilities** | **3,121** | **527** | **3,648** | **2,624** | **475** | **3,099** |
| **Current liabilities** | | | | | | |
| Current interest-bearing liabilities | 452 | - | **452** | 398 | - | **398** |
| Accounts payable | - | 1,135 | **1,135** | - | 1,017 | **1,017** |
| Tax liabilities | - | 12 | **12** | - | 27 | **27** |
| Other liabilities | - | 251 | **251** | - | 178 | **178** |
| Accrued expenses and deferred income | - | 419 | **419** | - | 429 | **429** |
| **Total current liabilities** | **452** | **1,817** | **2,269** | **398** | **1,651** | **2,049** |
| **TOTAL LIABILITIES** | **3,573** | **2,344** | **5,917** | **3,022** | **2,126** | **5,148** |
| **Interest-bearing net liabilities** | **-2,891** | | | **-2,627** | | |

## NOTE 25 Financial assets and liabilities

| Group, MSEK | 31/12/2024 | 31/12/2023 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| **Financial assets measured at fair value** | | |
| Financial investments | 2 | 2 |
| Contingent purchase considerations | - | 0 |
| Derivative hedging instruments | 10 | 0 |
| **Financial assets measured at amortised cost** | | |
| Non-current receivables | 10 | 11 |
| Accounts receivable | 1,179 | 1,164 |
| Cash and cash equivalents | 670 | 382 |
| **Total financial assets** | **1,871** | **1,559** |
| **FINANCIAL LIABILITIES** | | |
| **Financial liabilities measured at fair value through profit or loss** | | |
| Derivative hedging instruments | - | 1 |
| Contingent purchase considerations | 119 | 26 |
| Call and put options[1] | 59 | 47 |
| **Financial liabilities measured at amortised cost** | | |
| Interest-bearing liabilities | 3,573 | 3,022 |
| Accounts payable | 1,135 | 1,017 |
| **Total financial liabilities** | **4,886** | **4,113** |

1) Changes in the value of call and put options issued to non-controlling interests are recognised directly in equity.

The carrying amount of the Group's financial assets and liabilities is deemed to be a reasonable approximation of their fair value. Assets measured at fair value comprise hedging instruments for which the fair value is based on observable market data. Liabilities measured at fair value comprise contingent purchase considerations that are measured using discounted cash flow.

Financial liabilities measured at fair value through profit or loss pertain to additional purchase considerations not yet paid and at the beginning of the year amounted to MSEK 26. For the full year 2024, additional purchase considerations of MSEK 9 were paid. New additional purchase considerations totalled MSEK 103. Additional purchase considerations not yet paid amounted to MSEK 119 at the end of the period. The additional purchase considerations are based on revenue growth and gross profit for the years 2024 to 2026. The additional purchase considerations are valued on an ongoing basis using a probability assessment, where an evaluation is made of whether they will be paid at the agreed amounts. Management has taken into account here the risk for the outcome of future cash flows. As at 31 December 2024, additional purchase considerations not yet paid have been revalued by a net amount of MSEK -2 and recognised in consolidated earnings. The fair value of the Group's financial assets and liabilities is estimated to be the same as their carrying amount.

Call and put options issued to non-controlling interests are measured based on the conditions stipulated in the purchase agreement and the shareholder agreement and are discounted on the balance sheet date. The key parameter is the change in value of the share, which is based on results up to an estimated maturity date.

The Group does not use net recognition for any of its material assets or liabilities. There were no transfers between levels or measurement categories during the year.

25 Continuation: **Financial assets and liabilities**

A reconciliation between the opening and closing balances for level 3 financial instruments is presented in the table below.

| | Contingent purchase considerations | | Call and put options | |
|---|---|---|---|---|
| **Group, MSEK** | **31/12/2024** | **31/12/2023** | **31/12/2024** | **31/12/2023** |
| Value at the beginning of the year | 26 | 13 | 47 | 9 |
| Cost, acquisitions | 103 | 27 | 7 | 33 |
| Additional purchase considerations paid | -9 | -8 | | |
| Recognised in operating profit | -2 | -6 | | |
| Recognised in net financial items | 1 | -1 | | |
| Recognised in equity | - | - | 5 | 5 |
| Translation differences | 0 | 1 | | |
| **Value at year-end** | **119** | **26** | **59** | **47** |

| **Parent Company, MSEK** | **31/12/2024** | **31/12/2023** |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| **Financial assets measured at amortised cost** | | |
| Receivables from Group companies | 2,259 | 2,047 |
| Cash and bank | 594 | 329 |
| **Total financial assets** | **2,853** | **2,376** |
| **FINANCIAL LIABILITIES** | | |
| **Financial liabilities measured at amortised cost** | | |
| Liabilities to credit institutions | 2,295 | 1,831 |
| Liabilities to Group companies | 765 | 682 |
| Accounts payable | 1 | 1 |
| **Total financial liabilities** | **3,061** | **2,514** |

The carrying amount of all of the Parent Company's financial assets is deemed to be a reasonable approximation of their fair value.

## NOTE 26 Expected recovery periods for assets, provisions and liabilities

### Amounts expected to be recovered

| **Group, MSEK** | **Within 12 months** | **After 12 months** | **Total** |
|---|---|---|---|
| **ASSETS** | | | |
| **Intangible non-current assets**[1] | 95 | 2,988 | **3,083** |
| **Right-of-use assets**[1] | 414 | 816 | **1,230** |
| **Tangible non-current assets**[1] | 91 | 577 | **668** |
| **Financial non-current assets** | | | |
| Financial investments | 2 | 0 | **2** |
| Other non-current receivables | 1 | 32 | **33** |
| Deferred tax assets | 25 | 37 | **62** |
| **Total non-current assets** | **628** | **4,450** | **5,078** |
| **Current assets** | | | |
| Inventories | 2,471 | | **2,471** |
| Tax assets | 34 | | **34** |
| Accounts receivable | 1,179 | | **1,179** |
| Other receivables | 56 | | **56** |
| Prepaid expenses and accrued income | 185 | | **185** |
| Cash and cash equivalents | 670 | | **670** |
| **Total current assets** | **4,595** | | **4,595** |
| **TOTAL ASSETS** | **5,223** | **4,450** | **9,673** |

1) Expected annual depreciation and amortisation are recognised in the amounts expected to be recovered within 12 months.

### Amounts expected to be paid

| **Group, MSEK** | **Within 12 months** | **After 12 months** | **After 5 years** | **Total** |
|---|---|---|---|---|
| **LIABILITIES** | | | | |
| **Non-current liabilities** | | | | |
| Non-current interest-bearing liabilities | 0 | 2,295 | - | **2,295** |
| Non-current lease liabilities | 0 | 733 | 93 | **826** |
| Non-current non-interest-bearing liabilities | 0 | 107 | - | **107** |
| Provisions for pensions | 0 | 0 | 0 | **0** |
| Other provisions | 0 | 8 | 4 | **12** |
| Deferred tax liabilities | 39 | 175 | 194 | **408** |
| **Total non-current liabilities** | **39** | **3,318** | **291** | **3,648** |
| **Current liabilities** | | | | |
| Current interest-bearing liabilities | 9 | | | **9** |
| Current lease liabilities | 443 | | | **443** |
| Accounts payable | 1,135 | | | **1,135** |
| Tax liabilities | 12 | | | **12** |
| Other liabilities | 251 | | | **251** |
| Accrued expenses and deferred income | 419 | | | **419** |
| **Total current liabilities** | **2,269** | | | **2,269** |
| **TOTAL LIABILITIES** | **2,308** | **3,318** | **291** | **5,917** |

## NOTE 27 Group companies

### Specification of the Parent Company's direct holdings of participations in subsidiaries

| | Co. Reg. No. | Reg. office | No. of participations | Holding % | Carrying amount in the Group 31/12/2024 | Carrying amount in the Group 31/12/2023 |
|---|---|---|---|---|---|---|
| Alligo Holding AB | 559072-1378 | Stockholm | 500 | 100 | 1,948 | 1,948 |
| **Total** | | | | | **1,948** | **1,948** |
| **Accumulated cost** | | | | | | |
| At the beginning of the year | | | | | 1,948 | 1,948 |
| Contributions | | | | | - | - |
| Acquisitions | | | | | - | - |
| Distribution | | | | | - | - |
| **Carrying amount at year-end** | | | | | **1,948** | **1,948** |

### Specification of the Parent Company's indirect holdings of participations in subsidiaries

| | Reg. office, country | Holding, % 31/12/2024 | Holding, % 31/12/2023 |
|---|---|---|---|
| Mercus Yrkeskläder AB | Sweden | 100 | 100 |
| Asås-Logistik AB [1] | Sweden | - | 100 |
| TriffiQ Företagsprofilering AB | Sweden | 100 | 100 |
| Reklamproffsen Skandinavien AB | Sweden | 100 | 100 |
| Profilmakarna i Södertälje AB | Sweden | 100 | 100 |
| Company Line Förvaltning AB | Sweden | 100 | 100 |
| Company Line AB | Sweden | 100 | 100 |
| Company Line i Malmfälten AB | Sweden | 100 | 100 |
| Souvenirer i Norr AB | Sweden | 100 | 100 |
| Company Line i Piteå AB [2] | Sweden | - | 100 |
| AMJ Papper AB | Sweden | 100 | 100 |
| Swedol AB | Sweden | 100 | 100 |
| Swedol Förvaltning AB | Sweden | 100 | 100 |
| IP Hjelte AB | Sweden | 100 | 100 |
| Magnusson Agentur AB | Sweden | 100 | 100 |
| Profeel Sweden AB | Sweden | 75 | 75 |
| Profilföretaget Z-profil AB | Sweden | 70 | 70 |
| Kents Textiltryck i Halmstad AB | Sweden | 70 | 70 |
| Olympus Profile i Uddevalla AB | Sweden | 70 | 70 |
| Topline Aktiebolag | Sweden | 70 | 70 |
| Topline Kalmar Aktiebolag [3] | Sweden | 36 | 36 |
| Svets och Tillbehör i Sverige AB [4] | Sweden | 100 | - |
| Svetspartner i Malmö AB [4] | Sweden | 100 | - |
| Wiklunds i Bollnäs AB [4] | Sweden | 100 | - |
| New Promotion Sverige AB [4] | Sweden | 70 | - |
| New Profile Skövde AB [4] | Sweden | 70 | - |
| Aktiebolaget Sundholm Welding [4] | Sweden | 100 | - |
| T. Brantestig Svetsmaskinservice AB [4] | Sweden | 100 | - |
| Corema Svets & Indsustriprodukter AB [4] | Sweden | 100 | - |
| Corema Fasteners AB [4] | Sweden | 100 | - |
| Corema Sundsvall AB [4] | Sweden | 100 | - |
| TOOLS AS | Norway | 100 | 100 |
| Tools Univern AS | Norway | 100 | 100 |
| Profeel Norway AS | Norway | 75 | 75 |
| Tore Vagle AS [4, 5] | Norway | 100 | - |
| Workwear AS [4] | Norway | 100 | - |
| TOOLS Finland Oy | Finland | 100 | 100 |
| TOOLS Fastigheter Holding Oy | Finland | 100 | 100 |
| Metaplan Oy | Finland | 100 | 100 |
| Kitakone Oy | Finland | 100 | 100 |
| Pirilä Group Oy | Finland | 100 | 100 |
| Tampereen Pirkka-Hitsi Oy | Finland | 100 | 100 |
| Hämeen Teollisuuspalvelu OY [4] | Finland | 100 | - |
| Riihimäen Teollisuuspalvelu OY [4] | Finland | 100 | - |

1) The company was divested in 2024.
2) Intra-Group merger carried out in 2024.
3) The company is 51%-owned by Topline Aktiebolag.
4) The company was acquired in 2024.
5) The company changed its name in 2024.

According to impairment testing for the Parent Company's carrying amount in Group companies, there is no impairment requirement as at 31 December 2024.

## NOTE 28 Related parties

No transactions having an impact on the Group's position or earnings occurred between Alligo and its related parties during the financial year. All transactions take place on market terms, including internal pricing between operating segments. Refer to Note 5 Employees and personnel costs for information on personnel costs and benefits.

## NOTE 29 Cash flow statement

### Cash and cash equivalents

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| MSEK | 31/12/2024 | 31/12/2023 | 31/12/2024 | 31/12/2023 |
| The following subcomponents are included in cash and cash equivalents: | | | | |
| Cash and bank | 670 | 382 | 594 | 329 |
| Total according to the balance sheet | 670 | 382 | 594 | 329 |
| **Total according to the cash flow statement** | **670** | **382** | **594** | **329** |

### Interest paid

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| MSEK | 31/12/2024 | 31/12/2023 | 31/12/2024 | 31/12/2023 |
| Interest received | 21 | 13 | 16 | 101 |
| Interest paid | -157 | -124 | -111 | -106 |
| **Total** | **-136** | **-111** | **-95** | **-5** |

### Adjustments for non-cash items

| | GROUP | | PARENT COMPANY | |
|---|---|---|---|---|
| MSEK | 31/12/2024 | 31/12/2023 | 31/12/2024 | 31/12/2023 |
| Depreciation and amortisation | 608 | 533 | 0 | 0 |
| Change in reserve for non-recurring costs | -12 | -6 | - | - |
| Divestment of operations | 3 | - | - | - |
| Loss on sale of non-current assets | 0 | 1 | - | - |
| Change in other provisions | 0 | -1 | - | - |
| Adjustment for interest paid/received | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| **Total** | **599** | **527** | **0** | **0** |

### Acquisition of subsidiaries and other business units[1]

| | GROUP | |
|---|---|---|
| MSEK | 31/12/2024 | 31/12/2023 |
| **Acquired assets:** | | |
| Intangible non-current assets | 428 | 136 |
| Right-of-use assets | 83 | 25 |
| Other non-current assets | 13 | 6 |
| Inventories | 123 | 36 |
| Other current assets incl. cash and cash equivalents | 174 | 75 |
| **Total assets** | **821** | **278** |
| **Acquired non-controlling interests, provisions and liabilities:** | | |
| Deferred tax liability | -29 | -12 |
| Interest-bearing liabilities – credit institutions | -7 | -1 |
| Lease liabilities | -83 | -25 |
| Current operating liabilities | -113 | -55 |
| Non-controlling interests | -7 | -14 |
| **Total non-controlling interests, provisions and liabilities** | **-239** | **-107** |
| **Purchase consideration** | **-582** | **-171** |
| Of which, contingent and unsettled purchase considerations | 109 | 27 |
| Additional purchase consideration paid | -9 | -8 |
| Cash and cash equivalents in acquired companies | 67 | 26 |
| Loans settled on acquisition | -10 | - |
| **Effect on cash and cash equivalents** | **-425** | **-126** |

1) See note 30 Business combinations and divestments.

### Reconciliation of liabilities deriving from financing activities

| Group, MSEK | 31/12/2023 | Cash flows | Changes that do not impact cash flow: Liabilities in acquired companies[1] | Translation differences | New and remeasured leases | 31/12/2024 |
|---|---|---|---|---|---|---|
| Committed credit facility | **0** | 0 | 0 | 0 | - | **0** |
| Revolving loan | **731** | 460 | - | 4 | - | **1,195** |
| Bank loans | **1,100** | - | - | - | - | **1,100** |
| Lease liabilities | **1,191** | 405 | 82 | -5 | 404 | **2,077** |
| Other credits | **0** | - | - | - | - | **0** |
| **Total** | **3,022** | **865** | **82** | **-1** | **404** | **4,372** |

| Group, MSEK | 31/12/2022 | Cash flows | Changes that do not impact cash flow: Liabilities in acquired companies[1] | Translation differences | New and remeasured leases | 31/12/2023 |
|---|---|---|---|---|---|---|
| Committed credit facility | **0** | 0 | 0 | 0 | - | **0** |
| Revolving loan | **639** | 93 | - | -1 | - | **731** |
| Bank loans | **1,110** | -14 | 4 | 0 | - | **1,100** |
| Lease liabilities | **1,013** | -365 | 25 | -23 | 541 | **1,191** |
| Other credits | **0** | - | - | - | - | **0** |
| **Total** | **2,762** | **-286** | **29** | **-24** | **541** | **3,022** |

| Parent Company, MSEK | 31/12/2023 | Cash flows | Translation differences not affecting cash flow | 31/12/2024 |
|---|---|---|---|---|
| Committed credit facility | **0** | - | - | **0** |
| Revolving loan | **731** | 460 | 4 | **1,195** |
| Bank loans | **1,100** | - | - | **1,100** |
| **Total** | **1,831** | **460** | **4** | **2,295** |

| Parent Company, MSEK | 31/12/2022 | Cash flows | Translation differences not affecting cash flow | 31/12/2023 |
|---|---|---|---|---|
| Committed credit facility | **0** | - | 0 | **0** |
| Revolving loan | **639** | 93 | -1 | **731** |
| Bank loans | **1,100** | - | - | **1,100** |
| **Total** | **1,739** | **93** | **-1** | **1,831** |

1) See note 30 Business combinations and divestments.

## NOTE 30 Business combinations and divestments

### Business combinations 2024

#### Share transfers

Alligo made 11 corporate acquisitions with closing during 2024. None of these acquisitions is deemed significant enough to require a separate presentation of the acquisition analysis.

On 8 December 2023, Alligo signed an agreement to acquire 100 per cent of the shares in Norwegian company Tore Vagle AS, which has operations in Sandnes and sells tools and industrial components. Tore Vagle generates annual revenue of approximately MNOK 39 and has 11 employees. Closing took place on 2 January 2024. Following the acquisition, the company changed its name to Tools Vagle AS.

On 13 December 2023, Alligo signed an agreement to acquire 100 per cent of the shares in Svets och Tillbehör i Sverige AB, which operates in Ystad and has a broad offering within welding and grinding and related service business. Svets och Tillbehör generates annual revenue of approximately MSEK 120 and has 22 employees. Closing took place on 2 January 2024.

On 13 December 2023, Alligo signed an agreement to acquire 100 per cent of the shares in Svetspartner i Malmö AB ("Järnab"), which has a broad offering within welding and grinding and related service business. Svetspartner generates annual revenue of approximately MSEK 25 and has 10 employees. Closing took place on 2 January 2024.

On 3 May, Alligo acquired 100 per cent of the shares in Wiklunds i Bollnäs AB. The company has a store in Bollnäs and sells tools, consumables, workwear and personal protective equipment. Wiklunds generates annual revenue of approximately MSEK 28 and has six employees. Closing took place in conjunction with the acquisition.

On 11 June, Alligo acquired 70 per cent of the shares in product media company New Promotion Sverige AB. The company and its subsidiary, New Profile Skövde AB, have operations in Lidköping and Skövde. Together, the companies generate annual revenue of approximately MSEK 44 and have six employees. Closing took place in conjunction with the acquisition.

On 14 June, Alligo acquired 100 per cent of the shares in Norwegian company Workwear AS, which sells workwear and personal protective equipment and has stores in Oslo and Gjøvik. Workwear generates annual revenue of approximately MNOK 27 and has nine employees. Closing took place in conjunction with the acquisition.

On 28 June, Alligo signed an agreement to acquire 100 per cent of the shares in Aktiebolaget Sundholm Welding. The company has stores in Köping and Eskilstuna and specialises in the sale and servicing of welding machines and related equipment. Sundholm Welding generates annual revenue of approximately MSEK 23 and has six employees. Closing took place on 1 July.

On 28 June, Alligo signed an agreement to acquire 100 per cent of the shares in T. Brantestig Svetsmaskinservice AB. The company has a store in Västerås and focuses on the sale, hire and servicing of welding machines. T. Brantestig Svetsmaskinservice generates annual revenue of approximately MSEK 26 and has eight employees. Closing took place on 1 July.

On 24 April, Alligo signed an agreement to acquire 100 per cent of the shares in Finnish company Hämeen Teollisuuspalvelu Oy. The company has operations in Tavastehus and sells tools, consumables, industrial components, workwear and personal protective equipment, with a particular focus on the defence industry. Hämeen Teollisuuspalvelu generates annual revenue of approximately MEUR 7.5 and has 16 employees. Closing took place on 1 August.

On 24 April, Alligo signed an agreement to acquire 100 per cent of the shares in Finnish company Riihimäen Teollisuuspalvelu Oy. The company has operations at several locations in southern Finland and sells tools, consumables, industrial components, workwear and personal protective equipment. Riihimäen Teollisuuspalvelu generates annual revenue of approximately MEUR 7.1 and has 26 employees. Closing took place on 1 August.

On 14 October, Alligo signed an agreement to acquire 100 per cent of the shares in Swedish company Corema Svets & Industriprodukter AB. The company is a full-service supplier of welding and industrial products, as well as fasteners, with operations in Gothenburg and Sundsvall. Together with its subsidiaries, Corema generates annual revenue of approximately MSEK 155 and has 25 employees. Closing took place on 1 November.

During the period, the acquired companies have contributed MSEK 378 to the Group's revenue and MSEK 44 to the Group's EBITA. Calculated as if closing had taken place on 1 January 2024, the acquired companies have contributed MSEK 645 to the Group's revenue and MSEK 78 to the Group's EBITA. The total purchase consideration for the acquisitions amounted to MSEK 582, of which MSEK 103 comprised additional purchase considerations. Acquisition costs of approximately MSEK 10 were recognised as other operating expenses in 2024.

#### Additional purchase considerations paid

During the period, additional purchase considerations of MSEK 9 were paid. The outcome for the additional purchase considerations is in line with previously made assessments.

#### Acquisition analyses

Some of the surplus value in the preliminary acquisition analyses has been allocated to customer relations, while the unallocated surplus value has been assigned to goodwill. Goodwill relates to unidentifiable intangible assets and synergies within procurement, logistics, IT and administration, for example, that are expected to arise as a result of the acquisition. Goodwill has an indefinable useful life and is not amortised but is tested for impairment annually or where there are indications of a decline in value. The estimated value of customer relations is amortised over an estimated useful life of 10 years. The main reason why the acquisition analyses are considered to be preliminary is that only a short time has passed since the acquisitions.

| Share transfers, MSEK | Carrying amount | Fair value adjustment | Fair value recognised in the Group |
|---|---|---|---|
| **Acquired assets** | | | |
| Intangible non-current assets | 1 | 114 | 115 |
| Right-of-use assets | | 83 | 83 |
| Other non-current assets | 13 | | 13 |
| Inventories | 152 | -29 | 123 |
| Other current assets | 168 | 6 | 174 |
| **Total assets** | **334** | **174** | **508** |
| **Acquired provisions and liabilities** | | | |
| Non-current liabilities | -7 | | -7 |
| Lease liabilities | | -83 | -83 |
| Deferred tax liability | -5 | -24 | -29 |
| Current operating liabilities | -113 | | -113 |
| **Total provisions and liabilities** | **-125** | **-107** | **-232** |
| **Net of identified assets and liabilities** | **209** | **67** | **276** |
| Goodwill[1] | | | 313 |
| Non-controlling interests[2] | | | -7 |
| **Purchase consideration** | | | **582** |
| Of which unsettled purchase consideration | | | -6 |
| Of which additional purchase consideration | | | -103 |
| Additional purchase consideration paid | | | 9 |
| Cash and cash equivalents in acquired companies | | | -67 |
| Loans settled on acquisition | | | 10 |
| **Effect on Group cash and cash equivalents** | | | **425** |

1) No part of recognised goodwill is expected to be tax deductible.
2) Non-controlling interests are calculated as the proportional share of the identified net assets.

## Acquisitions after the end of the period

### Share transfers

On 18 December, Alligo signed an agreement to acquire 100 per cent of the shares in Svenska Batterilagret AB. Batterilagret is a leading specialist in batteries and battery accessories in Sweden with 27 stores located throughout Sweden as well as online sales. The company generates annual revenue of approximately MSEK 275 and has around 90 employees. Closing took place on 5 February 2025.

### Preliminary acquisition analysis

| Share transfers, MSEK | Carrying amount | Fair value adjustment | Fair value recognised in the Group |
|---|---|---|---|
| **Acquired assets** | | | |
| Intangible non-current assets | | 73 | 73 |
| Inventories | 79 | -16 | 63 |
| Other current assets | 33 | 3 | 36 |
| **Total assets** | **112** | **60** | **172** |
| **Acquired provisions and liabilities** | | | |
| Deferred tax liability | -9 | -15 | -24 |
| Current operating liabilities | -22 | | -22 |
| **Total provisions and liabilities** | **-31** | **-15** | **-46** |
| **Net of identified assets and liabilities** | **81** | **45** | **126** |
| Goodwill[1] | | | 74 |
| **Purchase consideration** | | | **200** |
| Of which unsettled purchase consideration | | | -8 |
| Cash and cash equivalents in acquired companies | | | -13 |
| **Effect on Group cash and cash equivalents** | | | **179** |

1) No part of recognised goodwill is expected to be tax deductible.

## Divestments in 2024

On 25 June 2024, Alligo signed an agreement on the divestment of 100 per cent of the shares in ASÅS-Logistik AB. The divestment streamlines Alligo's operations while also giving ASÅS-Logistik AB better conditions to develop its business within third-party logistics. The divested operations generated revenue of approximately MSEK 36 in 2023. ASÅS-Logistik AB is included in the consolidated financial statements up to and including the transfer completion date of 1 July 2024. The purchase consideration is MSEK 2. The capital loss was MSEK -2.

### Divestment of subsidiaries and other business units

| MSEK | |
|---|---|
| **Divested assets** | |
| Right-of-use assets | 3 |
| Other non-current assets | 0 |
| Deferred tax assets | 2 |
| Other current assets | 12 |
| Cash and cash equivalents | 8 |
| **Total assets** | **25** |
| **Divested provisions and liabilities** | |
| Non-current liabilities | -5 |
| Lease liabilities | -3 |
| Current operating liabilities | -14 |
| **Total provisions and liabilities** | **-22** |
| **Carrying amount of net assets sold on transfer on 1 July 2024** | **3** |
| **Purchase consideration received or that will be received:** | |
| Cash | 2 |
| **Total selling price** | **2** |
| **Profit/loss before tax** | -2 |
| Income tax | - |
| **Profit/loss on sale after tax** | **-2** |
| Less/Plus: Net cash in divested operations | -7 |
| **Effect on Group cash and cash equivalents** | **-5** |

# Signatures

The Board of Directors and the Chief Executive Officer deem that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU and provide a true and fair view of the financial position and earnings of the Group. The Annual Report has been prepared in accordance with generally accepted accounting policies and provides a true and fair view of the financial position and earnings of the Parent Company.

The Administration Report for the Group and the Parent Company gives a true and fair overview of the development of the operations, position and earnings of the Group and of the company and describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Stockholm, 9 April 2025
Alligo AB (publ)

Göran Näsholm
Chair of the Board

Cecilia Marlow
Board member

Johan Lilliehöök
Board member

Johan Sjö
Board member

Christina Åqvist
Board member

Stefan Hedelius
Board member

Johanna Främberg
Board member
Employee representative

Emma Hammarlund
Board member
Employee representative

Clein Johansson Ullenvik
Group President and CEO

Our Auditor's Report was submitted on 9 April 2025

KPMG AB

Jonas Eriksson
Authorised Public Accountant


TOOLS
SMART SERVICE SHOP

# Auditor's Report

To the general meeting of the shareholders of Alligo AB, corp. id 559072-1352

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### Opinions

We have audited the annual accounts and consolidated accounts of Alligo AB for the year 2024, except for the corporate governance statement on pages 93-99. The annual accounts and consolidated accounts of the company are included on pages 82-140 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 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 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 93-99. 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 the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

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

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

### 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.

## Valuation of goodwill and brands in the Group

See disclosure 10 and accounting principles on pages 114-115 in the annual account and consolidated accounts for detailed information and description of the matter.

#### Description of key audit matter

As at 31 December 2024, the Group reports acquisition-related intangible assets relating to goodwill and brands in the amount of MSEK 2,589, which represents 27 per cent of total assets. Goodwill and brands with an indefinite useful life should be subject to impairment testing at least annually. Impairment tests are complex and involve significant levels of judgement by the Group Management. Under current regulations, impairment testing should be carried out in accordance with a certain technique where the Corporate Management is required to make forecasts and assessments of both the internal and external conditions and plans of the company. Examples of such assessments are future cash flow projections, which requires assumptions about future market conditions. Another important assumption is which discount rate to use to assess the risk associated with the future cash flows.

Given the above, there are significant judgements which are of importance to the accounting.

#### Response in the audit

We have inspected the company's impairment tests to assess whether they have been carried out in accordance with the stipulated technique. Furthermore, we have assessed the reasonableness of the future cash flow forecasts and the assumed discount rate and growth rate, by examining and evaluating the management's written documentation and plans. We have also interviewed the management and considered previous years' forecasts in relation to the actual outcome. An important part of our work has also been to evaluate how changes to the assumptions may impact on the valuation. This evaluation has been carried out by examining and assessing the Group's sensitivity analysis. We have also reviewed the completeness of the disclosures in the Annual Report and considered whether the disclosures accurately reflect the assumptions that the Group has applied in its impairment testing, and whether the information is sufficiently comprehensive to enable the assumptions of the corporate management to be understood.

### Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-81 and 146-150. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. 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 Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

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

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

## Auditor's responsibility

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

## Auditor's audit of the administration and the proposed appropriations of profit or loss

### 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 Alligo AB for the year 2024 and the proposed appropriations of the company's profit or loss.

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

### Basis for Opinions

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

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

### Responsibilities of the Board of Directors and the Managing Director

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

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

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

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

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

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

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

## 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 Alligo AB for year 2024.

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 Alligo AB 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 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

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

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies 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 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 the 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 93-99 has been prepared in accordance with the Annual Accounts Act.

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

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

## The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the sustainability report on pages 38-81, and that it is prepared in accordance with the Annual Accounts Act in accordance with the older wording that applied before 1 July 2024.

Our examination has been conducted in accordance with FAR´s 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.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Alligo AB by the general meeting of the shareholders on the 23 May 2024.
KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2016.

Stockholm 9 April 2025

KPMG AB
Jonas Eriksson
Authorized Public Accountant

# Key Performance Indicators (KPIs)

| MSEK | 31/12/2024 | 31/12/2023 | 31/12/2022 | 31/12/2021 |
|---|---|---|---|---|
| **IFRS KEY PERFORMANCE INDICATORS** | | | | |
| Profit/loss for the year[1], MSEK | 279 | 497 | 4,062 | 430 |
| Earnings per share, continuing operations[2], SEK | 5.47 | 9.76 | 9.51 | 5.75 |
| Earnings per share, discontinued operations[2,3], SEK | - | - | 0.55 | 2.75 |
| Impact on earnings per share of the distribution of Momentum Group[2], SEK | - | - | 70.38 | - |
| Earnings per share, total operations[2], SEK | 5.47 | 9.76 | 80.44 | 8.50 |
| **ALTERNATIVE KEY PERFORMANCE INDICATORS** | | | | |
| **Income statement-based KPIs** | | | | |
| Revenue, MSEK | 9,333 | 9,335 | 9,211 | 8,417 |
| Gross profit, MSEK | 3,802 | 3,868 | 3,728 | 3,430 |
| Operating profit, MSEK | 505 | 748 | 669 | 427 |
| Items affecting comparability, MSEK | -33 | -20 | -24 | -155 |
| Amortisation of intangible assets in connection with corporate acquisitions, MSEK | -63 | -59 | -63 | -63 |
| Adjusted EBITA, MSEK | 601 | 827 | 756 | 645 |
| Depreciation/amortisation of tangible non-current assets and other intangible assets[4], MSEK | -130 | -111 | -105 | -116 |
| Adjusted EBITDA excl. IFRS 16, MSEK | 689 | 914 | 845 | 747 |
| Adjusted EBITDA, MSEK | 1,104 | 1,277 | 1,163 | 1,130 |
| Profit after financial items, MSEK | 359 | 634 | 612 | 379 |
| Gross margin, % | 40.7 | 41.4 | 40.5 | 40.8 |
| Operating margin, % | 5.4 | 8.0 | 7.3 | 5.1 |
| Adjusted EBITA margin, % | 6.4 | 8.9 | 8.2 | 7.7 |
| Profit margin, % | 3.8 | 6.8 | 6.6 | 4.5 |
| **Profitability KPIs** | | | | |
| Return on working capital (adjusted EBITA/WC), % | 23 | 32 | 34 | 36 |
| Return on capital employed, % | 8 | 12 | 11 | 7 |
| Return on equity[1,3], % | 8 | 14 | 16 | 13 |
| **Financial position KPIs** | | | | |
| Net financial liabilities, MSEK | 2,903 | 2,640 | 2,547 | 2,272 |
| Net operational liabilities, MSEK | 1,634 | 1,449 | 1,534 | 1,259 |
| Equity[5], MSEK | 3,719 | 3,613 | 3,408 | 3,429 |
| Equity/assets ratio, % | 38 | 41 | 41 | 40 |
| **Other KPIs** | | | | |
| No. of employees at the end of the period | 2,522 | 2,443 | 2,371 | 2,319 |
| Share price at the end of the period, SEK | 123 | 124 | 79 | 192 |

1) Refers to the Group total (continuing operations and discontinued operations).
2) Before and after dilution.
3) Adjusted for the impact on earnings of the distribution of Momentum Group AB.
4) Total depreciation/amortisation of tangible non-current assets and other intangible assets, excluding amortisation of intangible assets in connection with corporate acquisitions and the effects of IFRS 16.
5) Refers to equity attributable to the Parent Company's shareholders.

# Derivation of alternative KPIs

Alligo uses certain financial key performance indicators in its analysis of the business and its performance that are not calculated in accordance with IFRS. The company believes that these alternative key performance indicators provide valuable information for the company's Board of Directors, owners and investors, as they enable a more accurate assessment of current trends and Alligo's performance when combined with other key performance indicators calculated in accordance with IFRS. As not all listed companies calculate these financial key performance indicators in the same way, there is no guarantee that the information is comparable with other companies' key performance indicators of the same name. Hence, these financial key performance indicators must not be viewed as a replacement for those measures calculated in accordance with IFRS.

## GROSS PROFIT

| MSEK | 31/12/2024 | 31/12/2023 | 31/12/2022 | 31/12/2021 |
|---|---|---|---|---|
| Revenue | 9,333 | 9,335 | 9,211 | 8,417 |
| Cost of goods sold | -5,531 | -5,467 | -5,483 | -4,987 |
| **Gross profit** | **3,802** | **3,868** | **3,728** | **3,430** |

## ADJUSTED EBITA

| MSEK | 31/12/2024 | 31/12/2023 | 31/12/2022 | 31/12/2021 |
|---|---|---|---|---|
| Operating profit | 505 | 748 | 669 | 427 |
| **Items affecting comparability** | | | | |
| Restructuring costs | - | - | 19[1,2] | 108[3] |
| Organisational changes | 33[4] | 9[4] | - | - |
| Scrapping of stocks | - | 11[5] | - | - |
| Divestment of operations | - | - | - | 37 |
| Split and listing expenses | - | - | 5 | 10 |
| Amortisation of intangible assets in connection with corporate acquisitions | 63 | 59 | 63 | 63 |
| **Adjusted EBITA** | **601** | **827** | **756** | **645** |
| Operating profit excl. IFRS 16 | 463 | 724 | 653 | 413 |
| Amortisation and impairment of other intangible non-current assets | 34 | 35 | 35 | 42 |
| Depreciation and write-downs of tangible non-current assets | 96 | 76 | 70 | 74 |
| **Adjusted EBITDA excl. IFRS 16** | **689** | **914** | **845** | **747** |
| Depreciation and write-downs of right-of-use assets | 415 | 363 | 318 | 383 |
| **Adjusted EBITDA** | **1,104** | **1,277** | **1,163** | **1,130** |

## WORKING CAPITAL

| MSEK | 31/12/2024 | 31/12/2023 | 31/12/2022 | 31/12/2021 |
|---|---|---|---|---|
| **Average operating assets** | | | | |
| Average inventories | 2,392 | 2,353 | 2,068 | 1,722 |
| Average accounts receivable | 1,213 | 1,207 | 1,164 | 1,050 |
| **Total average operating assets** | **3,605** | **3,561** | **3,231** | **2,772** |
| **Average operating liabilities** | | | | |
| Average accounts payable | -1,028 | -968 | -1,015 | -973 |
| **Total average operating liabilities** | **-1,028** | **-968** | **-1,015** | **-973** |
| **Average working capital** | **2,577** | **2,593** | **2,216** | **1,799** |
| Adjusted EBITA | 601 | 827 | 756 | 645 |
| **Return on working capital (adjusted EBITA/WC), %** | **23** | **32** | **34** | **36** |

1) Costs for organisational changes in connection with establishing new sales organisations as well as rental costs for the coordination of logistics.
2) Severance costs in connection with a change of management.
3) Restructuring costs in connection with relocation of the Swedish logistics operations of Tools to Alligo's central warehouses in Örebro.
4) Costs for organisational changes and efficiency measures in connection with the savings programme implemented, as well as acquisition costs.
5) Scrapping of Covid materials.
6) Refers to equity or profit attributable to the Parent Company's shareholders.

## CAPITAL EMPLOYED

| MSEK | 31/12/2024 | 31/12/2023 | 31/12/2022 | 31/12/2021 |
|---|---|---|---|---|
| Average balance sheet total | 9,212 | 8,513 | 8,054 | 8,217 |
| **Average non-interest-bearing liabilities and provisions** | | | | |
| Average non-interest-bearing non-current liabilities | -481 | -448 | -400 | -371 |
| Average non-interest-bearing current liabilities | -1,719 | -1,670 | -1,665 | -1,615 |
| **Total average non-interest-bearing liabilities and provisions** | **-2,200** | **-2,118** | **-2,065** | **-1,986** |
| **Average capital employed** | **7,012** | **6,395** | **5,989** | **6,231** |
| Operating profit | 505 | 748 | 669 | 427 |
| Financial income | 21 | 13 | 4 | 3 |
| **Total operating profit + financial income** | **526** | **761** | **673** | **430** |
| **Return on capital employed, %** | **8** | **12** | **11** | **7** |

## RETURN ON EQUITY

| MSEK | 31/12/2024 | 31/12/2023 | 31/12/2022 | 31/12/2021 |
|---|---|---|---|---|
| Average equity[6] | 3,628 | 3,469 | 3,236 | 3,218 |
| Profit/loss for the period[6] | 274 | 491 | 508 | 429 |
| **Return on equity, %** | **8** | **14** | **16** | **13** |

## NET FINANCIAL LIABILITIES

| MSEK | 31/12/2024 | 31/12/2023 | 31/12/2022 | 31/12/2021 |
|---|---|---|---|---|
| Non-current interest-bearing liabilities | 3,121 | 2,624 | 2,410 | 2,095 |
| Current interest-bearing liabilities | 452 | 398 | 352 | 463 |
| Cash and cash equivalents | -670 | -382 | -215 | -286 |
| **Net financial liabilities** | **2,903** | **2,640** | **2,547** | **2,272** |
| Adjusted EBITDA, rolling 12 months | 1,104 | 1,277 | 1,163 | 1,130 |
| **Ratio of net financial liabilities to EBITDA** | **2.6** | **2.1** | **2.2** | **2.0** |

## NET OPERATIONAL LIABILITIES

| MSEK | 31/12/2024 | 31/12/2023 | 31/12/2022 | 31/12/2021 |
|---|---|---|---|---|
| Net financial liabilities | 2,903 | 2,640 | 2,547 | 2,272 |
| Financial lease liabilities | -1,269 | -1,191 | -1,013 | -1,013 |
| Net provisions for pensions | 0 | 0 | 0 | 0 |
| **Net operational liabilities** | **1,634** | **1,449** | **1,534** | **1,259** |
| Adjusted EBITDA excl. IFRS 16, rolling 12 months | 689 | 914 | 845 | 747 |
| **Ratio of net operational liabilities to adjusted EBITDA excl. IFRS 16** | **2.4** | **1.6** | **1.8** | **1.7** |

## EQUITY/ASSETS RATIO

| MSEK | 31/12/2024 | 31/12/2023 | 31/12/2022 | 31/12/2021 |
|---|---|---|---|---|
| Balance sheet total (closing balance) | 9,673 | 8,787 | 8,364 | 8,679 |
| Equity[6] | 3,719 | 3,613 | 3,408 | 3,429 |
| **Equity/assets ratio, %** | **38** | **41** | **41** | **40** |

# Definitions

Alligo reports key performance indicators (KPIs) in order to describe the underlying profitability of the business and improve comparability. The Group applies ESMA's guidelines on alternative key performance indicators.

## Income statement-based KPIs

### Operating profit (EBIT)

Profit before financial items and tax.

›› Used to present the Group's earnings before interest and taxes.

### Items affecting comparability

Items affecting comparability include revenue and expenses that do not arise regularly in the operating activities.

›› Excluding items affecting comparability increases the comparability of results between periods.

### Adjusted EBITA

Operating profit adjusted for items affecting comparability before amortisation and impairment of intangible assets arising in connection with corporate acquisitions.

›› Used to present the Group's earnings generated from operating activities.

### Adjusted EBITDA excl. IFRS 16[1]

Operating profit adjusted for items affecting comparability before depreciation and write-down of tangible non-current assets and amortisation and impairment of goodwill and other intangible non-current assets incurred in connection with corporate acquisitions and equivalent transactions, excluding effects on operating profit of reporting in accordance with IFRS 16.

›› This key performance indicator is used to calculate the debt ratio, excluding the effects of IFRS 16.

### Adjusted EBITDA[1]

Operating profit adjusted for items affecting comparability before depreciation and write-down of tangible non-current assets and amortisation and impairment of goodwill and other intangible non-current assets incurred in connection with corporate acquisitions and equivalent transactions.

›› This key performance indicator is used to calculate the debt ratio.

### Gross margin

Ratio of gross profit, i.e. revenue minus cost of goods sold, to revenue.

›› Used to measure product profitability.

### Operating margin

Operating profit (EBIT) relative to revenue.

›› Used to measure the Group's earnings generated before interest and tax and provides an understanding of the earnings performance over time. Specifies the percentage of revenue remaining to cover interest payments and tax and to provide profit after the Group's expenses have been paid.

### Adjusted EBITA margin

Adjusted EBITA as a percentage of revenue.

›› Used to measure the Group's earnings generated from operating activities and provides an understanding of the earnings performance over time. The adjusted EBITA margin based on revenue from both external and internal customers is presented per business area (operating segment).

### Profit margin

Profit after financial items as a percentage of revenue.

›› Used to assess the Group's earnings generated before tax and presents the share of revenue that the Group may retain in earnings before tax.

## Profitability KPIs

### Return on working capital (adjusted EBITA/WC)

Adjusted EBITA for the most recent 12-month period divided by average working capital measured as total working capital (accounts receivable and inventories less accounts payable) at the end of each month for the most recent 12-month period and the opening balance at the start of the period divided by 13.

›› The Group's internal profitability target, which encourages high adjusted EBITA and low tied-up capital. Used to analyse profitability in the Group and its various operations.

### Return on capital employed

Operating profit plus financial income for the most recent 12-month period divided by average capital employed measured as the balance sheet total less non-interest-bearing liabilities and provisions at the end of the most recent four quarters and the opening balance at the start of the period divided by five.

›› Presented to show the Group's return on its externally financed capital and equity, meaning independent of its financing.

### Return on equity

Net profit for the most recent 12-month period divided by average equity measured as total equity attributable to Parent Company shareholders at the end of the most recent four quarters and the opening balance at the start of the period divided by five.

›› Used to measure the return generated on the capital invested by the shareholders.

## Financial position KPIs

### Net financial liabilities

Net financial liabilities measured as non-current interest-bearing liabilities and current interest-bearing liabilities, less cash and cash equivalents at the end of the period.

›› Used to monitor the debt trend and analyse the Group's total indebtedness including lease liabilities.

### Ratio of net financial liabilities to adjusted EBITDA[1]

Net financial liabilities divided by adjusted EBITDA for a rolling 12-month period.

›› This key performance indicator shows the multiple of the adjusted EBITDA result for the most recent 12-month period that would be needed in order to settle net financial liabilities. As a debt ratio, the indicator shows the Group's resilience and interest rate sensitivity.

### Net operational liabilities

Net operational liabilities measured as non-current interest-bearing liabilities and current interest-bearing liabilities, excluding lease liabilities and net provisions for pensions, less cash and cash equivalents at the end of the period.

›› Used to monitor the debt trend and analyse the Group's total indebtedness excluding lease liabilities and net provisions for pensions.

### Ratio of net operational liabilities to adjusted EBITDA, excl. IFRS 16[1]

Net operational liabilities divided by adjusted EBITDA, excl. IFRS 16, for a rolling 12-month period.

›› This key performance indicator shows the multiple of the adjusted EBITDA result for the most recent 12-month period, excluding the effects of reporting in accordance with IFRS 16, that would be needed in order to settle net operational liabilities. As a debt ratio, the indicator shows the Group's resilience and interest rate sensitivity.

### Equity/assets ratio

Equity attributable to Parent Company shareholders as a percentage of the balance sheet total at the end of the period.

›› Used to analyse the financial risk in the Group and show how much of the Group's assets are financed by equity.

## Other definitions

### Organic growth

Organic growth refers to sales in local currency from stores that were part of the Group during the current period and the entire corresponding period in the preceding year, as well as sales from new stores opened during the year.

›› Used to analyse the underlying sales growth driven by changes in volume, the product and service offering, and the price for similar products and services across different periods, including growth driven by newly opened stores.

### Other units

Other units refers to acquired or divested units during the corresponding period.

### Integrated business

Integrated business refers to the business operated under the concept brands Swedol and Tools.

### Non-integrated companies

Non-integrated companies refers to businesses operated under their own brands, separate from Alligo's concept brands Swedol and Tools.

### Full-time equivalents

The average number of full-time equivalent employees is defined as the total number of working hours divided by the normal working hours for a full-time position during a given period. Working hours are defined as such time that is compensated with salary or other remuneration in exchange for work. It also includes time that relates to paid holiday, paid sick leave and time off in lieu.

1) Clarification of debt ratios including and excluding the effects of reporting in accordance with IFRS 16 introduced during Q4 2024.

# Information for shareholders

## FINANCIAL CALENDAR

Interim Report Q1 Jan–Mar 2025 .......................... 25 April 2025
Annual General Meeting 2025 ............................ 21 May 2025
Interim Report Q2 Jan–Jun 2025 ............................ 17 July 2025
Interim Report Q3 Jan–Sep 2025 ....................... 24 October 2025

## ANNUAL GENERAL MEETING

Alligo's Annual General Meeting 2025 will take place on 21 May 2025 at Kapitel 8, Klarabergsviadukten 90 in Stockholm, Sweden, at 10 am. Registration for the Annual General Meeting begins at 9.30 am. Documents to be submitted to the Annual General Meeting are available on the company's website for at least three weeks immediately prior to the meeting.

## WWW.ALLIGO.COM

Financial reports, press releases, share information and other relevant company information can be found on the Group's website. You will also find a subscription service here where you can subscribe to press releases and financial reports.

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